

# Analyst Briefing Notes

## Budget Committee - February 16, 2010

### PART I: 2010 OPERATING BUDGET

|                         |   |
|-------------------------|---|
| Executive Summary ..... | 2 |
| Recommendations .....   | 6 |

### PART II: 2010 SERVICE OVERVIEW AND PLAN

|   |   |
|---|---|
| Mission Statement .....                   | 7 |
| Program Map .....                         | 7 |
| 2010 Recommended Services: Overview ..... | 8 |

### PART III: 2009 EXPERIENCE

|  |    |
|--|----|
| 2009 Accomplishments .....   | 11 |
| 2009 Budget Variance Analysis .....                                | 12 |
| Impact of 2009 Operating Variance on 2010 Recommended Budget ..... | 12 |

### PART IV: 2010 RECOMMENDED BASE BUDGET

|                                    |    |
|------------------------------------|----|
| 2010 Recommended Base Budget ..... | 13 |
| 2010 Key Cost Drivers .....        | 14 |
| 2010 Service Changes .....         | 14 |

### PART V: RECOMMENDED SERVICE CHANGES

|  |    |
|--|----|
| 2010 Recommended Service Changes ..... | 15 |
|--|----|

### PART VI: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

|                                     |     |
|-------------------------------------|-----|
| 2010 Service Priority Actions ..... | N/A |
|-------------------------------------|-----|

### PART VII: ISSUES FOR DISCUSSION

|  |     |
|--|-----|
| 2010 Budget Issues .....                                   | 16  |
| 2011 and Future Year Issues .....                          | N/A |
| Issues Referred to the 2010 Operating Budget Process ..... | N/A |
| Issues Referred from 2009 and Prior Years .....            | N/A |

|  |    |
|--|----|
| <b>Appendix A:</b> 2010 Recommended Base Budget Changes vs. 2009 Approved Budget ..... | 18 |
|--|----|

|   |    |
|---|----|
| <b>Appendix B:</b> Summary of Service Changes ..... | 19 |
|---|----|

|  |     |
|--|-----|
| <b>Appendix C:</b> Summary of 2010 Recommended New/Enhanced Service Priority Actions ..... | N/A |
|--|-----|

|  |    |
|--|----|
| <b>Appendix D:</b> Program Summary by Expenditure Category ..... | 20 |
|--|----|

|  |    |
|--|----|
| <b>Appendix E:</b> Inflows / Outflows to / from Reserves and Reserve Funds ..... | 21 |
|--|----|

|  |                      |
|--|----------------------|
| <b>Confidential Attachment 1</b> ..... | under separate cover |
|--|----------------------|

**Contacts:** Alan Cohen  
Manager, Financial Planning  
Tel: (416) 392-3740

Cherry Enriquez  
Senior Financial Planning Analyst  
Tel: (416) 397-4296

February 16, 2010

**PART I: 2010 OPERATING BUDGET****Executive Summary**

- Social Development, Finance and Administration (SDFA) provides leadership and support to the Deputy City Manager (DCM) for Citizen Centred Services “A” Cluster, and City Council to promote social inclusion, foster safe neighbourhoods and communities, promote community engagement, advance life skill opportunities for youth and facilitate City-wide partnership development and investment practices. The Program also provides support to the DCM and Cluster A Programs through cluster oversight, management support and reviews, financial reporting and expenditure control, revenue and subsidy management and other financial and administrative services.
- To meet its mandate in advancing social inclusion and building strong neighbourhoods; and providing financial and administrative support and oversight, the following are SDFA’s key service objectives:
  - Provide strategic policy/planning support and partnership development that facilitates horizontal collaboration/coordination of the City’s Opportunity, Prosperity and Liveability framework.
  - Provide project management support for a wide range of community, corporate and/or Council initiatives to advance social inclusion, increase community engagement and improve the quality of life for all residents in Toronto.
  - Strengthen City capacity for local service planning and delivery by facilitating employment, settlement, children/youth services and broader community service initiatives; and develop investment strategies to support local community needs.
  - Improve operational effectiveness and financial accountability across Cluster A in the areas of budget preparation, financial reporting and expenditure monitoring; and continuous improvement through program reviews.
- The following are key initiatives accomplished by SDFA in 2009:
  - Initiated development of a Community Partnership Strategy framework and Indices of Neighbourhood Wellbeing to facilitate a review of neighbourhood strength for the new Toronto Council.
  - Implemented the youth gang initiative, Prevention Intervention Toronto, in collaboration with JVS Toronto (community delivery partner) that provides supports to address youth/family need for resources such as housing, education, youth employment, and positive community involvement.
  - Through the Neighbourhood Revitalization initiative, coordinated and aligned city-wide capital budget approvals, planning approvals, community facilities development and community engagement processes to enable the Toronto Community Housing Phase II

launch of the Regent Park project; built the foundation for the Lawrence heights social development process and plan, including the resident employment survey and framework for the employment plan, social development plan and employment plan “stations” and a resident engagement strategy, including a focus on youth.

- Supported over 3,500 youth in youth employment programs, including the placement of 450 youth in employment opportunities and assistance to 180 youth to return to school and/or participate in further training opportunities; successfully connected 800 students graduating or leaving school in June 2009 to employment opportunities and local neighbourhood non-profit youth employment supports.
- Through the Toronto Office of Partnerships, investigated 20 unsolicited proposals; facilitated a range of sponsorships including: support to the bed bug initiative; and, the City, TCHC and Toronto Community Foundation partnership for “Recipe for Community” using gardening as a community engagement tool within TCHC communities.
- For 2009, SDFA is projecting a year-end favourable net variance of \$0.356 million net or 2.6% of the 2009 Approved Budget. The favourable net expenditure variance is mainly due to payroll savings as a result of staff vacancies and general under spending in discretionary expenditures.

**Table 1: 2010 Recommended Budget**

| (In \$000s)               | 2009               |                       | 2010 Recommended Operating Budget |                        |                  | Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget |       | FY Incremental Outlook |       |
|---------------------------|--------------------|-----------------------|-----------------------------------|------------------------|------------------|--|-------|------------------------|-------|
|                           | 2009 Appvd. Budget | 2009 Projected Actual | 2010 Rec. Base                    | 2010 Rec. New/Enhanced | 2010 Rec. Budget |  |       | 2011                   | 2012  |
|                           | \$                 | \$                    | \$                                | \$                     | \$               | \$   | %     | \$                     | \$    |
| <b>GROSS EXP.</b>         | 25,093.4           | 23,203.5              | 24,687.8                          | 0.0                    | 24,687.8         | (405.6)  | (1.6) | 487.0                  | 139.5 |
| <b>REVENUE</b>            | 11,469.8           | 9,935.6               | 11,415.8                          | 0.0                    | 11,415.8         | (54.0)   | (0.5) | 146.5                  | 41.9  |
| <b>NET EXP.</b>           | 13,623.6           | 13,267.9              | 13,272.0                          | 0.0                    | 13,272.0         | (351.6)  | (2.6) | 340.5                  | 97.6  |
| <b>Approved Positions</b> | 177.9              | 177.9                 | 172.9                             | 0.0                    | 172.9            | (5.0)  | (2.8) | 0.0                    | 0.0   |

| TARGET COMPARISON             | 2010 Target     | 2010 Rec. Budget | 2010 Rec. Budget vs. 2010 Target | 2011 Target     |
|-------------------------------|-----------------|------------------|----------------------------------|-----------------|
| <b>NET BUDGET</b>             | <b>13,272.0</b> | <b>13,272.0</b>  | <b>0.0</b>                       | <b>12,657.5</b> |
| <b>PROGRAM REDUCTION (\$)</b> | <b>(692.1)</b>  | <b>(692.1)</b>   | <b>0.0</b>                       | <b>(681.2)</b>  |
| <b>PROGRAM REDUCTION (%)</b>  | <b>(5.1)</b>    | <b>(5.1)</b>     | <b>NA</b>                        | <b>(5.0)</b>    |

- The 2010 Recommended Operating Budget of \$13.272 million net, comprised entirely of base funding, is under the 2009 Approved Operating Budget by \$0.352 million net or 2.6%. The 2010 Recommended Operating Budget of \$13.272 million meets the 2010 target of 5.1%.
- The 2010 Recommended Operating Budget for SDFA does not include funding for any new or enhanced service priority actions. Approval of the 2010 Recommended Budget will result in the Program’s total staff complement decreasing by 5 positions (4 permanent and 1 temporary) as a result of the 2010 recommended service changes.
- The 2010 Recommended Operating Budget for SDFA results in incremental future year net impacts to the Program of \$0.341 million in 2011 and \$0.098 million in 2012.

- In 2011, projected increases include \$0.341 million for COLA, progression pay and step increases.
- The 2012 Outlook anticipated incremental increases include \$0.098 million for progression pay and step increases only.
- SDFA has not identified service level changes or efficiencies to achieve the 2011 Budget Target of \$0.681 million or 5%. However, the Program has indicated that it is reviewing reduction options that require further discussion and analysis during 2010 to be finalized prior to the 2011 budget submission.
- The 2010 Recommended Base Budget provides funding for the Program's key cost drivers which include COLA, progression pay and step increase of \$0.325 million gross and \$0.196 million net. These base pressures are more than offset by recommended base reduction of \$0.448 million gross and \$0.418 million net and service efficiencies of \$0.348 million gross and \$0.274 million net.
- The Program's 2010 Recommended Operating Budget includes service changes with savings of \$0.692 million net for 2010 that have no incremental impact in 2011. The service change actions include \$0.418 million in base reductions and \$0.274 million in efficiency savings. Through the re-distribution of workload and absorption of work by other staff within the Program and across other City Programs, SDFA can maintain 2009 service levels while eliminating 5 positions as of January 1, 2010.
- The following program issue has been identified during the 2010 Operating Budget process:
  - The Toronto Office of Partnerships was established as a 3-year pilot program in 2007 and was expected to end in July 2010. This unit's mandate is to build new partnerships with businesses, not-for profit organizations, community groups and resident associations and individuals. A program review is currently underway to assess the success of TOP and to determine whether TOP will continue on a permanent basis. A report is expected to be finalized by June 2010.
- The 2010 Recommended Operating Budget will fund the following:
  - youth employment and engagement supports to 3,500 youth;
  - project management support to 13 Neighbourhood Action Teams across the priority neighbourhoods;
  - community crisis responses to critical incidents across the city, including the coordination of psycho-social supports, victim/family supports and longer-term community capacity development;
  - direct administration of the Community Services funding programs and corporate coordination of the CPIP budget and aligned policies (community use of City space and AOCC liaison);
  - project management for TCHC community revitalization (Lawrence Heights, Alexandra Park, Regent Park);

- social policy agenda management to Council, Standing Committees (CDR) and Council-directed Special Committees (Mayor's Panel on Making a Safe City Safer);
- planning and reporting on neighbourhoods and quality of life (Indices of Neighbourhood Wellbeing; Affordable Housing Plan; World Bank indicators project);
- response to social research information/data requests from Council and external organizations (130 annually);
- media/communications support and event coordination for Cluster A Divisions;
- quarterly coordination of Cluster A operating and capital variance reports; processing provincial subsidy claims and receivables; managing Cluster A purchase order procurement and contract management;
- partnership development with businesses, foundations and community groups to advance city-building initiatives, and help support City programs and services;
- program and organizational review management, including Toronto Office of Partnership; and,
- information technology planning and development for corporate-initiatives, including the Corporate Grants Information System, and coordination of special projects within Cluster A in support of the corporate IT business transformation.

## **Recommendations**

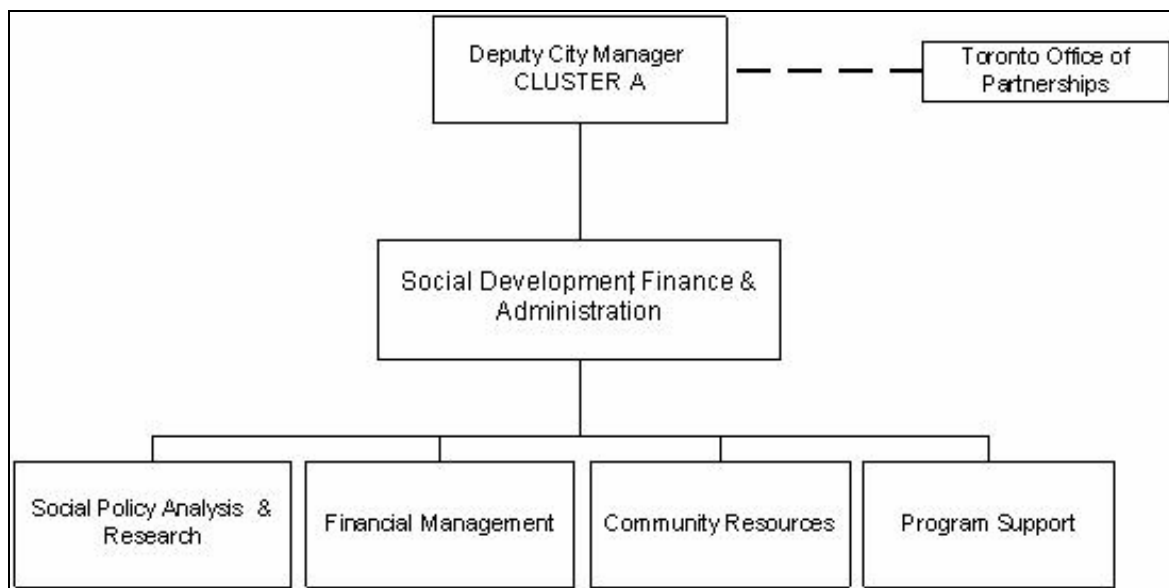
The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Social Development, Finance and Administration of \$24.688 million gross and \$13.272 million net, comprised of the following services:

| <u>Service:</u>                    | Gross<br><u>(\$000s)</u> | Net<br><u>(\$000s)</u> |
|------------------------------------|--------------------------|------------------------|
| Financial Oversight and Control    | 12,477.2                 | 7,216.0                |
| Strategic Policy & Program Support | 5,821.1                  | 2,553.9                |
| Community Development              | 5,841.1                  | 2,953.7                |
| Toronto Office of Partnerships     | <u>548.4</u>             | <u>548.4</u>           |
| <br>Total Program Budget           | <br><u>24,687.8</u>      | <br><u>13,272.0</u>    |

**PART II: 2010 SERVICE OVERVIEW AND PLAN****Mission Statement**

Social Development, Finance and Administration (SDFA) provides leadership and support to the Deputy City Manager, the Citizen Centered Services "A" Cluster, and Council to advance the City's social inclusion and community safety agenda of building safe, strong neighbourhoods and communities, ensuring coordination and integration of the City's strategic direction of Opportunity with Prosperity and Liveability; responds to community social needs through social policy analysis and development, integrated service planning and delivery, and partnership development; and, provides cluster-wide Financial and Administration management and oversight, including financial reporting and expenditure monitoring, strategic IT planning and development, operational review management and communication services.

**Program Map**

**2010 Recommended Services: Overview**

***Community Resources*** provides project management support for a wide range of community, corporate and/or Council initiatives to increase civic engagement in community service related areas. Major activities include:

- Project management support to 13 Neighbourhood Action Teams across the priority neighbourhoods.
- Facilitate civic engagement initiatives such as the Toronto Youth Cabinet and Toronto Seniors Forums.
- Community crisis responses to critical incidents across the city, including the coordination of psycho-social supports, victim/family supports and longer-term community capacity development.
- Administration of the Community Services funding and the corporate coordination of the Community Partnership and Investment Program (CPIP), community-based services that are funded through partnership and investments program activities which support the City's Strategic Plan and addresses specific Council priorities.
- Project management and coordination of the implementation of Regent Park and the planning of Lawrence Heights through the Revitalization Secretariat established to support the City-TCHC revitalization partnership.
- Development of youth strategies that focus on anti-violence intervention, public interest partnerships for youth employment and expanding training apprenticeships for young people.
- Youth employment outreach and preparation through programs such as Youth Employment Toronto, Youth Employment Partnerships and the community-based Toronto Youth Job Corps.

***Social Policy Analysis and Research*** provides strategic policy and planning leadership that facilitates horizontal collaboration/coordination of the City's social inclusion framework and Council priorities. Major activities include:

- Development of the Community Partnership Strategy in collaboration with the City's human services divisions, other orders of government, funders, the community and the private sector. This includes the implementation of a multi-year strategic plan for partnership and investment funding for the community-based services sector.
- Development of indices of neighbourhood wellbeing to assess and track community conditions in Toronto neighbourhoods to help inform Council decisions on priority activities and investments.
- Support to the Mayor's Advisory Panel on Making a Safe City Safer, including strategic support to various initiatives which include reducing gun violence, accelerated skill development and post-secondary supports for youth, working with the youth just sector, and inter-faith communities.



- Expansion of the Prevention Intervention Toronto project aimed at preventing youth gang activities in Toronto.

**Financial Management** provides effective and efficient management and cluster oversight through leadership and support to the DCM, City Manager, Council and Cluster A divisions, including budget preparation, financial reporting and expenditure control, revenue and subsidy management, procurement services and financial reviews and audits. Major activities include:

- Management of \$1.9 billion subsidies, receivable and cash advances from the federal and provincial governments for cost shared programs.
- Management of Ontario Works banking and reconciliation of \$746 million to financial institutions for Ontario Works benefit payments to clients.
- Provision of centralized procurement of goods and services with the extended Divisional Purchase Order limit of \$50 thousand to Cluster A programs estimated at \$25.3 million a year.

**Program Support** provides division-specific and cluster-wide program support services in communications, program review management and information technology planning and development. Major activities include:

- Communications support to Cluster A Divisions; media relations and monitoring; issue management; event support; social and service marketing; direct relationship to strategic communications planning for the City.
- Information technology planning and development for corporate initiatives, including the Corporate Grants Information System, and coordination of special projects within Cluster A in support of the corporate IT business transformation.
- Program and organizational review management and support for Cluster A programs.

**Toronto Office of Partnerships** develops strategic partners for initiatives that help support City programs and services designed to improve the quality of life for the City's residents by supporting services that ensure prosperity, livability, and opportunity for all residents in the City. Major activities include:

- Strengthen and new partnership development with business, non-profit organizations, foundations and individuals seeking to support city-building initiatives; advance Council directions for social inclusion, economic prosperity and environmental stewardship; and make investments in city programs.
- Partnership coordination, as the one-window access for prospective external partners, ensuring appropriate referrals to program areas; as well as tracking partnership initiatives, including related revenues to City programs.
- Policy development related to City-wide partnership development and investment practices.

## **Service Objectives**

The service objectives of SDFA primarily reflect its commitment to provide strategic social policy/research support, integrated local planning, and community partnership development and investments in support of Council strategic directions; and effective financial management and administrative support to ensure operational effectiveness and efficient use of City resources. These include:

- Social policy/planning and agenda management support to Council, Standing Committees and Council-directed Special Committees, including Community Development and Recreation Committee, and the Mayor's Panel on Making a Safe City Safer.
- Partnership development with business, community, foundations and individuals seeking partnerships with the City.
- Lead corporate coordination of the City's Community Partnership and Investment Program.
- Develop and implement a multi-year strategic plan for partnership and investment funding as part of the Community Partnership Strategy.
- Develop indices of neighbourhood wellbeing to assess and track community conditions in Toronto neighbourhoods to help inform Council decisions on priority activities and investments
- Strengthen City capacity for integrated local service planning and delivery by facilitating employment, settlement, children/youth services and broader community service initiatives and providing funding to support local activities (neighbourhood action).
- Facilitate revitalization of the TCHC communities through successful integrated planning and social development work.
- Leadership role in the development and management of youth employment and engagement initiatives across the city.
- Expand community crisis response capability by building neighbourhood capacity through existing and new partnerships.
- Improve operational effectiveness of Cluster A services through program reviews.

**PART III: 2009 EXPERIENCE****2009 Accomplishments**

SDFA accomplished the following initiatives in 2009:

- Initiated development of a Community Partnership Strategy framework and Indices of Neighbourhood Welbeing to facilitate a review of neighbourhood strength for the new Toronto Council.
- Implemented the youth gang initiative, Prevention Intervention Toronto, with JVS Toronto as the City's community delivery partner that provides supports to address youth/family need for resources such as housing, education, youth employment, and positive community involvement. This initiative will augment community assets to support high risk youth and enhance the capacity of communities to reduce the presence of gang related activity in local areas and establish protective elements related to gang victimization.
- Responded to over 250 critical incidents across the city; providing 680 intervention supports in partnership with community agencies to assist communities recovering from violent incidents, including psycho-social supports, victim/family supports and longer-term community capacity development.
- Completed and launched six new community infrastructure projects in five priority neighbourhoods – Crescent Town, Dorset Park, Eglinton East-Kennedy Park, Scarborough Village and Westminster-Branson.
- Through the Neighbourhood Revitalization initiative, coordinated and aligned city-wide capital budget approvals, planning approvals, community facilities development and community engagement processes to enable the Toronto Community Housing Phase II launch of the Regent Park project; built the foundation for the Lawrence heights social development process and plan, including the resident employment survey and framework for the employment plan, social development plan and employment plan "stations" and a resident engagement strategy, including a focus on youth.
- Through the Toronto Office of Partnerships, investigated 20 unsolicited proposals; facilitated a range of sponsorships including: support to the bed bug initiative; the City, TCHC and Toronto Community Foundation partnership for "Recipe for Community" using gardening as a community engagement tool within TCHC communities; a City/Fiskars partnership to create a year-round community food and flower garden in Scarborough Village; and City/George Brown College partnership to develop a recreation facility on the waterfront.
- Supported over 3,500 youth in youth employment programs, including the placement of 450 youth in employment opportunities and assistance to 180 youth to return to school and/or participate in further training opportunities; successfully connected 800 students graduating or leaving school in June 2009 to employment opportunities and local neighbourhood non-profit youth employment supports.
- Assessed over 700 funding applications; administered 600 funding agreements.

**Table 2: 2009 Budget Variance Review (\$000s)**

| (In \$000s)               | 2008<br>Actuals | 2009<br>Approved<br>Budget | 2009<br>Projected<br>Actuals* | 2009 Appvd. Budget vs<br>Projected Actuals Variance |        |
|---------------------------|-----------------|----------------------------|-------------------------------|---|--------|
|                           | \$              | \$                         | \$                            | \$  | %      |
| <b>GROSS EXP.</b>         | 25,051.5        | 25,093.4                   | 23,203.5                      | (1,889.9)   | (7.5)  |
| <b>REVENUES</b>           | 9,120.0         | 11,469.8                   | 9,935.6                       | (1,534.2)   | (13.4) |
| <b>NET EXP.</b>           | 15,931.5        | 13,623.6                   | 13,267.9                      | (355.7)   | (2.6)  |
| <b>Approved Positions</b> | 225.8           | 177.9                      | 177.9                         | 0.0   | 0.0    |

\*Projected Actuals Based on the September 30, 2009 Variance Report

## 2009 Budget Variance Analysis

SDFA is projecting a favourable variance of \$1.890 million gross and \$0.356 million net or 7.5% and 2.6% respectively of the 2009 Approved Operating Budget by year-end.

The favourable gross variance was mainly due to the delay in the implementation of the Youth Gang Initiative (100% funded by the Government of Canada's Youth Gang Prevention Fund) of \$1.4 million and payroll savings attributable to delays in hiring, and general under-spending in discretionary expenditures of \$0.500 million.

The gross under expenditure will have an associated reduction in revenues/subsidy of \$1.534 million.

## Impact of 2009 Operating Variance on the 2010 Recommended Budget

The under-expenditure of \$1.4 million for the Youth Gang Initiative will not continue as the Program will maximize the 100% funding in 2010. The projected savings in payroll and discretionary expenditures of \$0.500 million gross and \$0.356 million net will continue into 2010 in order to partially meet the net reduction target of \$0.692 million.

## PART IV: 2010 RECOMMENDED BASE BUDGET

**Table 3: 2010 Recommended Base Budget (\$000s)**

|                           | 2009 Appvd.<br>Budget | 2010<br>Recommended<br>Base | Change<br>2010 Recommended<br>Base v. 2009 Appvd.<br>Budget |       | FY Incremental Outlook |       |
|---------------------------|-----------------------|-----------------------------|---|-------|------------------------|-------|
|                           |                       |                             |   |       | 2011                   | 2012  |
| (In \$000s)               | \$                    | \$                          | \$  | %     | \$                     | \$    |
| <b>GROSS EXP.</b>         | 25,093.4              | 24,687.8                    | (405.6)   | (1.6) | 487.0                  | 139.5 |
| <b>REVENUE</b>            | 11,469.8              | 11,415.8                    | (54.0)  | (0.5) | 146.5                  | 41.9  |
| <b>NET EXP.</b>           | 13,623.6              | 13,272.0                    | (351.6)   | (2.6) | 340.5                  | 97.6  |
| <b>Approved Positions</b> | 177.9                 | 172.9                       | (5.0)   | (2.8) | 0.0                    | 0.0   |

| TARGET COMPARISON             | 2010 Target     | 2010 Rec.<br>Budget | 2010 Rec. Budget vs.<br>2010 Target | 2011 Target     |
|-------------------------------|-----------------|---------------------|-------------------------------------|-----------------|
| <b>NET BUDGET</b>             | <b>13,272.0</b> | <b>13,272.0</b>     | <b>0.0</b>                          | <b>12,657.5</b> |
| <b>PROGRAM REDUCTION (\$)</b> | <b>(692.1)</b>  | <b>(692.1)</b>      | <b>0.0</b>                          | <b>(681.2)</b>  |
| <b>PROGRAM REDUCTION (%)</b>  | <b>(5.1)</b>    | <b>(5.1)</b>        | <b>NA</b>                           | <b>(5.0)</b>    |

**Table 3a: Program Reduction Requirements (\$000s)**

| (In \$000s)  | 2010 Required<br>Reductions | 2011 Required<br>Reductions |
|--|-----------------------------|-----------------------------|
| 2009 Approved Budget (September 30)                | 13,623.6                    |                             |
| <b>Pressures Reported with 2010 / 2011 Outlook</b> | <b>321.3</b>                | <b>66.7</b>                 |
| Pressures Not Reported with 2010 / 2011 Outlook    | 19.2                        | 0.0                         |
|  |                             |                             |
| <b>5% Reduction Target</b>                         | <b>(672.9)</b>              | <b>(681.2)</b>              |
| Additional Pressures not in 2010 Reported Outlook  | (19.2)                      | TBD                         |
|  |                             |                             |
| <b>Program Reduction Target</b>                    | <b>(692.1)</b>              | <b>(681.2)</b>              |
|  |                             |                             |
| <b>Net Budget Target</b>                           | <b>13,272.0</b>             | <b>12,657.5</b>             |

### *2010 Recommended Base Budget*

The 2010 Recommended Base Budget of \$13.272 million net represents a \$0.352 million or 2.6% decrease over SDFA's 2009 Approved Operating Budget of \$13.624 million. The 2010 Recommended Base Budget includes \$0.341 million or 2.5% in base budget increases, which have been offset by decreases of \$0.692 million or 5.1% in budget reductions arising from recommended base changes and services efficiencies. SDFA has met its 2010 reduction target of \$0.692 million.

Approval of the 2010 Recommended Base Budget will result in the Program's total staff complement decreasing from 177.9 to 172.9 approved positions as the re-allocation of workload within SDFA will result in service efficiencies with the deletion of 4 permanent and 1 temporary positions.

### **2010 Base Budget Key Cost Drivers**

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Increased salary expenditures for COLA, performance and progression pay, and fringe benefits of \$0.325 million gross and \$0.196 million net.
- These pressures are more than offset by the following base reductions of \$0.448 million gross and \$0.418 million net included in the 2010 Recommended Base Budget
  - One-time gapping in 2009 of \$0.104 million gross and net will be absorbed by SDFA as a permanent reduction in 2010.
  - Inflationary increases for non-labour expenditures of \$0.070 million gross and \$0.040 million net will be absorbed and non-payroll expenditures of \$0.274 million gross and net will be reduced to reflect actual expenditures.

### **2010 Service Changes**

SDFA's 2010 Recommended Base Budget includes service change savings of \$0.692 million representing 5.1% of the 2009 Approved Budget with no incremental impacts in 2011. The recommended 2010 services changes are comprised of \$0.418 million net in base change savings noted above and \$0.274 million net in savings arising from services efficiencies.

The recommended service efficiency with savings of \$0.274 million net is detailed below:

- Re-allocation of workload within SDFA and across other City Programs will result in the deletion of 5 positions (4 Permanent and 1 Temporary) as of January 1, 2010. Refer to Confidential Attachment 1.

### **2011 and 2012 Outlook: Net Incremental Impact**

Approval of the 2010 Recommended Base Budget for SDFA will result in 2011 incremental net costs of \$0.341 million and 2012 incremental costs of \$0.098 million to maintain the 2010 level of service and staff complement. Future year costs are primarily attributed to the following:

- The net incremental impact of \$0.341 million in 2011 represents labour costs increases due to COLA of 2.25%, progression pay and step increases.
  - The 2010 Recommended Operating Budget will not result in any 2011 incremental savings to assist the Program in achieving its 2011 target of an additional 5% reduction of \$0.681 million. The Program has indicated that it is reviewing reduction options that require further discussion and analysis during 2010 to be finalized prior to the 2011 budget submission.
- The 2012 net increase of \$0.098 million represents progression pay and step increases. The 2012 Outlook does not include a provision for COLA, as this is subject to future negotiations.

## PART V: 2010 RECOMMENDED SERVICE CHANGES

**Table 4: 2010 Recommended Service Change Summary**  
(In \$000s)

| Description                       | 2010 Recommended Service Changes |                |                |                           | Net Incremental Impact |            |
|-----------------------------------|----------------------------------|----------------|----------------|---------------------------|------------------------|------------|
|                                   | Position Change                  | Gross Exp.     | Net Exp.       | % Change over 2009 Budget | 2011                   |            |
|                                   | #                                | \$             | \$             | #                         | \$                     | # Pos      |
| <b>Base Change Summary</b>        | <b>0.0</b>                       | <b>(448.0)</b> | <b>(418.1)</b> | <b>-3.0%</b>              | <b>0.0</b>             | <b>0.0</b> |
| <b>Service Efficiency:</b>        |                                  |                |                |                           |                        |            |
| Deletion of 4 Permanent positions | (4.0)                            | (279.7)        | (205.7)        | -1.5%                     |                        |            |
| Deletion of 1 Temporary position  | (1.0)                            | (68.3)         | (68.3)         | -0.5%                     |                        |            |
| <b>Sub-Total Service Changes</b>  | <b>(5.0)</b>                     | <b>(348.0)</b> | <b>(274.0)</b> | <b>-2.0%</b>              | <b>0.0</b>             | <b>0.0</b> |
|                                   |                                  |                |                |                           |                        |            |
| <b>Total Changes</b>              | <b>(5.0)</b>                     | <b>(796.0)</b> | <b>(692.1)</b> | <b>-5.0%</b>              | <b>0.0</b>             | <b>0.0</b> |

### 2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings of \$0.692 million net in 2010 with no incremental impact in 2011 as these are annualized savings, effective January 1, 2010.

Approval of the recommended service changes will result in a deletion of 4 permanent positions and 1 temporary position reducing SDFA's complement to 172.9. Included in the \$0.692 million in savings is \$0.418 million in reductions applied to the base budget, as noted on page 14, which will have no impact in the level of service provided by the Program in 2010.

### Service Changes

The following recommended service efficiencies included in SDFA's 2010 Recommended Base Budget, will result in 2010 savings of \$0.274 million net are discussed below.

#### *Service Efficiencies*

##### *Reduction of 5 Positions as of January 1, 2010*

The 2010 Recommended Operating Budget for SDFA includes permanent service efficiency savings of \$0.274 million net arising from the reduction of 5 positions (4 permanent and 1 temporary) as of January 1, 2010. With the re-allocation of workload within SDFA, the Program will maintain its 2009 service levels as the current functions of these positions will be absorbed by other staff within existing resources in SDFA and across other City Programs. Refer to Confidential Attachment 1.

**PART VII: ISSUES FOR DISCUSSION****2010 Budget Issues****Toronto Office of Partnerships (TOP)**

Toronto Office of Partnerships was established in late 2007, as the City of Toronto's one window access to partner resources in the City as well as to streamline the partnership building opportunities between the City and businesses, not-for-profit organizations, community groups, residents' associations and individuals to support the Mayor's and Council's initiatives.

The project was created with the condition that the Program will undergo a program review after two years.

The 2009 accomplishments of TOP include:

- Investigated 22 unsolicited proposals and prepared the first ever "Swiss Challenge" RFP for a proposal related to computers in priority communities
- Developed the Emergency Donations Policy and drafted a Naming Rights Policy as well as a Sponsorship Policy.
- Provided expert capacity building support to internal and external partners through 97 consultations as well as through the development and delivery of a partnership training workshop and resource materials for 25 staff. In addition, developed a partnership training program that is part of Corporate Learning & Leadership Development's 2010 course offerings.
- Supported the Toronto 175th celebration with media sponsors for the kick-off, the Toronto Song contest, the commemorative stamp, promotional partnerships with the Toronto Film Festival, HBC, etc.
- Contributed to the development of the Pan Am bid and to plans for new waterfront infrastructure (e.g. the proposed Portlands Sports Complex).
- Secured more than \$500,000 through cash and in-kind investments, plus an additional \$115,000 in collaboration with other City divisions in support of such priorities as:
  - POL, specifically Thackeray and Flemingdon
  - Toronto Public Health's bed bug initiative
  - Toronto's "Recipe for Community", a partnership between the City, TCHC and the Toronto Community Foundation
  - Fiskar Brands' sponsorship of a year-round community food & flower garden in the priority community of Scarborough Village



A program review is currently underway and a report is expected to be finalized by June 2010. The program review will:

- address and clarify roles, responsibilities and relationships between TOP and other city divisions involved in partnerships, external partners/stakeholders, and the City council members and Mayor' office.
- provide recommendations as appropriate regarding the relevance, effectiveness and efficiency of services that are provided by the TOP.
- determine how well TOP responds to the goals, objectives and activities identified in its inception document and within the Agenda for Prosperity.

## Appendix A

## 2010 Recommended Base Budget Changes vs. 2009 Approved Budget

| (In \$000s)                                      | Summary of 2010 Base Budget Adjustments |                    |                 |                 | Net Incremental Outlook |             |
|--|---|--------------------|-----------------|-----------------|-------------------------|-------------|
|  | Approved Positions                      | Gross Expenditures | Revenues        | Net             | 2011                    | 2012        |
|  |   | \$                 | \$              | \$              | \$                      | \$          |
| <b>2009 Council Approved Operating Budget</b>    | <b>202.8</b>                            | <b>27,258.9</b>    | <b>11,463.3</b> | <b>15,795.6</b> | <b>0.0</b>              | <b>0.0</b>  |
| Technical Adjustments                            | 0.0                                     | (20.8)             | (10.8)          | (10.0)          |                         |             |
| In-Year Budget Adjustments                       | (24.9)                                  | (2,144.7)          | 17.3            | (2,162.0)       |                         |             |
| <b>2009 Approved Operating Budget</b>            | <b>177.9</b>                            | <b>25,093.4</b>    | <b>11,469.8</b> | <b>13,623.6</b> | <b>0.0</b>              | <b>0.0</b>  |
| Prior Year Impacts:                              |   |                    |                 |                 |                         |             |
| Annualizations from Prior Year                   |   |                    |                 |                 |                         |             |
| Reversals from Prior Year                        |   | (4.6)              | (108.8)         | 104.2           |                         |             |
| Operating Impacts of Capital                     |   |                    |                 |                 |                         |             |
| Zero Base Items                                  |   |                    |                 |                 |                         |             |
| Economic Increases:                              |   |                    |                 |                 |                         |             |
| Salary   |   | 325.0              | 128.8           | 196.2           | 340.5                   | 97.6        |
| Non Salary                                       |   | 70.0               | 29.9            | 40.1            |                         |             |
| <b>Adjusted Base Budget</b>                      | <b>177.9</b>                            | <b>25,483.8</b>    | <b>11,519.7</b> | <b>13,964.1</b> | <b>340.5</b>            | <b>97.6</b> |
| Base Expenditure Changes                         |   | (448.0)            | (29.9)          | (418.1)         |                         |             |
| Base Revenue Changes                             |   |                    |                 |                 |                         |             |
| <b>2010 Base Budget Prior to Service Changes</b> | <b>177.9</b>                            | <b>25,035.8</b>    | <b>11,489.8</b> | <b>13,546.0</b> | <b>340.5</b>            | <b>97.6</b> |
| Recommended Service Changes:                     |   |                    |                 |                 |                         |             |
| Service Efficiencies                             | (5.0)                                   | (348.0)            | (74.0)          | (274.0)         |                         |             |
| Revenue Changes                                  |   |                    |                 |                 |                         |             |
| Minor Service Level Changes                      |   |                    |                 |                 |                         |             |
| Major Service Level Changes                      |   |                    |                 |                 |                         |             |
| <b>Total Recommended Base Changes</b>            | <b>(5.0)</b>                            | <b>(348.0)</b>     | <b>(74.0)</b>   | <b>(274.0)</b>  | <b>0.0</b>              | <b>0.0</b>  |
|  |   |                    |                 |                 |                         |             |
| <b>2010 Recommended Base Budget</b>              | <b>172.9</b>                            | <b>24,687.8</b>    | <b>11,415.8</b> | <b>13,272.0</b> | <b>340.5</b>            | <b>97.6</b> |

**Appendix B**  
**Summary of Service Changes**

## Appendix D

## Program Summary by Expenditure Category

| <b>CLUSTER: A</b><br><b>PROGRAM: SOCIAL DEVELOPMENT, FINANCE AND ADMINISTRATION</b> |                            |                              |                               |  |         |                 |                 |
|---|----------------------------|------------------------------|-------------------------------|--|---------|-----------------|-----------------|
|   | 2009<br>Approved<br>Budget | 2009<br>Projected<br>Actuals | 2010<br>Recommended<br>Budget | Change from<br>2009 Approved<br>Budget |         | 2011<br>Outlook | 2012<br>Outlook |
|   | \$                         | \$                           | \$                            | \$                                     | %       | \$              | \$              |
| Salaries and Benefits   | 15,541.2                   | 14,778.7                     | 15,516.5                      | (24.7)                                 | (0.2%)  | 16,003.5        | 16,143.0        |
| Materials and Supplies  | 218.7                      | 188.8                        | 218.9                         | 0.2                                    | 0.1%    | 218.9           | 218.9           |
| Equipment   | 65.7                       | 65.7                         | 65.7                          | 0.0                                    | 0.0%    | 65.7            | 65.7            |
| Services & Rents  | 4,390.2                    | 3,353.7                      | 4,117.9                       | (272.3)                                | (6.2%)  | 4,117.9         | 4,117.9         |
| Contributions to Capital  | 11.0                       | 0.0                          | 11.0                          | 0.0                                    | 0.0%    | 11.0            | 11.0            |
| Contributions to Reserve/Res Funds  | 109.2                      | 109.2                        | 109.2                         | 0.0                                    | 0.0%    | 109.2           | 109.2           |
| Other Expenditures  | 109.4                      | 109.4                        | 0.6                           | (108.8)                                | (99.5%) | 0.6             | 0.6             |
| Interdivisional Charges   | 4,648.0                    | 4,598.0                      | 4,648.0                       | 0.0                                    | 0.0%    | 4,648.0         | 4,648.0         |
| <b>TOTAL GROSS EXPENDITURES</b>   | 25,093.4                   | 23,203.5                     | 24,687.8                      | (405.6)                                | (1.6%)  | 25,174.8        | 25,314.3        |
| Interdivisional Recoveries  | 843.2                      | 1,013.7                      | 844.2                         | 1.0                                    | 0.1%    | 844.2           | 844.2           |
| Provincial Subsidies  | 6,833.7                    | 6,069.5                      | 6,824.1                       | (9.6)                                  | (0.1%)  | 6,970.6         | 7,012.5         |
| Federal Subsidies   | 3,621.8                    | 2,681.3                      | 3,685.2                       | 63.4                                   | 1.8%    | 3,685.2         | 3,685.2         |
| Other Subsidies   | 0.0                        | 0.0                          | 0.0                           | 0.0                                    | n/a     | 0.0             | 0.0             |
| User Fees & Donations   | 0.0                        | 0.0                          | 0.0                           | 0.0                                    | n/a     | 0.0             | 0.0             |
| Transfers from Capital Fund   | 0.0                        | 0.0                          | 0.0                           | 0.0                                    | n/a     | 0.0             | 0.0             |
| Contribution from Reserve Funds   | 171.1                      | 171.1                        | 62.3                          | (108.8)                                | (63.6%) | 62.3            | 62.3            |
| Contribution from Reserve   | 0.0                        | 0.0                          | 0.0                           | 0.0                                    | n/a     | 0.0             | 0.0             |
| Sundry Revenues   | 0.0                        | 0.0                          | 0.0                           | 0.0                                    | n/a     | 0.0             | 0.0             |
| <b>TOTAL REVENUE</b>  | 11,469.8                   | 9,935.6                      | 11,415.8                      | (54.0)                                 | (0.5%)  | 11,562.3        | 11,604.2        |
| <b>TOTAL NET EXPENDITURES</b>   | 13,623.6                   | 13,267.9                     | 13,272.0                      | (351.6)                                | (2.6%)  | 13,612.5        | 13,710.1        |
| <b>APPROVED POSITIONS</b>   | 177.9                      | 177.9                        | 172.9                         | (5.0)                                  | (2.8%)  | 172.9           | 172.9           |

## Appendix E

### Inflows / Outflows to / from Reserves & Reserve Funds

#### Program Specific Reserve/Reserve Funds

| Reserve / Reserve Fund Name<br>(In \$000s) | Reserve /<br>Reserve Fund<br>Number | Description  | 2010*  | 2011 | 2012 |
|--|-------------------------------------|--|--------|------|------|
|  |                                     |  | \$     | \$   | \$   |
| Ontario Works Reserve                      | XR2101                              | Beginning Balance                                  | 185.0  |      |      |
|  |                                     | Proposed<br>Withdrawals (-) /<br>Contributions (+) | (62.3) |      |      |
|  |                                     | Total Proposed Contributions (Withdrawals)         | (62.3) | 0.0  | 0.0  |
| ONTARIO WORKS RESERVE BALANCE AT YEAR END  |                                     |  | 122.7  | 0.0  | 0.0  |

\*Balance as of December 2009

#### Corporate Reserve / Reserve funds

| Reserve / Reserve Fund Name<br>(In \$000s)                | Reserve /<br>Reserve Fund<br>Number | Balance as of<br>December<br>2009 | Proposed Withdrawals (-) /<br>Contributions (+) |            |            |
|---|-------------------------------------|-----------------------------------|---|------------|------------|
|   |                                     |                                   | 2010  | 2011       | 2012       |
|   |                                     | \$                                | \$  | \$         | \$         |
| Insurance Reserve   | XR1010                              | 32,534.1                          | 42.1  |            |            |
| Sick Leave Reserve Fund                                   | XR1007                              | 49,786.3                          | 67.1  |            |            |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b> |                                     |                                   | <b>109.2</b>                                    | <b>0.0</b> | <b>0.0</b> |