Corporate Services

Budget Outlook – Pressures, Issues & Opportunities

Workshop #2 – 2012 Tax Operating Budget
General Issues Committee
November 17, 2011
Operating Workshop #2 Outline

1. 2011 Budget Variance Projections & Potential Implications for 2012
2. Additional 2012 Budget Issues and Opportunities
3. 2012 Draft Budget
4. Discussion - 2012 Departmental Priorities
5. Council Feedback
2011 Variance Projection and Implications for 2012
### 2011 Budget Projected Variance

<table>
<thead>
<tr>
<th>Department</th>
<th>2011 Budget</th>
<th>2011 Projected Actual</th>
<th>Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Clerk</td>
<td>$1,506,210</td>
<td>$1,571,109</td>
<td>($64,899)</td>
<td>(4.3%)</td>
</tr>
<tr>
<td>Corporate Services - Administration</td>
<td>$234,530</td>
<td>$226,039</td>
<td>$8,491</td>
<td>3.6%</td>
</tr>
<tr>
<td>Customer Service, Access &amp; Equity</td>
<td>$4,366,946</td>
<td>$4,063,238</td>
<td>$303,708</td>
<td>7.0%</td>
</tr>
<tr>
<td>Financial Planning &amp; Policy</td>
<td>$590,724</td>
<td>$486,907</td>
<td>$103,817</td>
<td>17.6%</td>
</tr>
<tr>
<td>Information Services</td>
<td>$7,226,990</td>
<td>$7,101,703</td>
<td>$125,287</td>
<td>1.7%</td>
</tr>
<tr>
<td>Treasury Services</td>
<td>$4,694,620</td>
<td>$4,458,482</td>
<td>$236,138</td>
<td>5.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$18,620,020</td>
<td>$17,907,478</td>
<td>$712,542</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

“( )” – Denotes unfavourable variance
2011 Budget Variance Explanation

- Gapping $701,000
- Office Rent $31,000
- Training, Travel, Conferences $27,000
- Temp Agencies $19,000
- Materials & Supplies $15,000
- Telephone Lines $9,000
- Web Site Bandwidth $(90,000)
Implications for 2012

- Staff reductions from restructuring / efficiencies identified in 2011 from gapping $311,000
- Conversion of MSC fax lines to IP Telephony $9,000
- Temp Agency contract costs $5,000
- Reviewing all line items and making adjustments as necessary
Additional 2012 Budget Issues & Opportunities
2012 Budget Pressures / Challenges

- CUPE 5167 salary/wage settlement, CUPE 1041 and non union contingency, higher benefit costs
- Network Security / EDRMS Software
- Continue to deliver IS improvements
- Increasing POA caseload
- Insufficient funding of POA expenses from Traffic (Red Light Camera ticket revenue), Animal Control and MLEO
2012 Budget Opportunities

Budget Savings (Efficiencies/Revenue/Cost Avoidance)

- Banking Services Contract $238,000 (plus another $60,000 in other budgets)
- Treasury Staffing Reductions $195,000
- Customer Contact Centre Service Rationalization $91,000
- Clerks part-time staff and students $25,000
- Postage / Printing $70,000
- Desktop Software $21,000
- Election Accuvote System $18,000
- Sales Tax $18,000
2012 Draft Budget
<table>
<thead>
<tr>
<th>Service</th>
<th>2011 Budget*</th>
<th>2012 Draft</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Clerk</td>
<td>$1,818,119</td>
<td>$1,840,088</td>
<td>$21,969</td>
<td>1.2%</td>
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<tr>
<td>Corporate Services - Administration</td>
<td>$271,290</td>
<td>$282,490</td>
<td>$11,200</td>
<td>4.1%</td>
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<tr>
<td>Customer Service, Access &amp; Equity</td>
<td>$4,438,684</td>
<td>$4,388,022</td>
<td>$(50,662)</td>
<td>(1.1)%</td>
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<tr>
<td>Financial Planning &amp; Policy</td>
<td>$630,464</td>
<td>$425,666</td>
<td>$(204,798)</td>
<td>(32.5)%</td>
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<tr>
<td>Information Services</td>
<td>$7,243,035</td>
<td>$7,437,006</td>
<td>$193,971</td>
<td>2.7%</td>
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<tr>
<td>Treasury Services</td>
<td>$4,782,735</td>
<td>$4,786,248</td>
<td>$3,513</td>
<td>0.1%</td>
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<tr>
<td>TOTAL</td>
<td>$19,184,327</td>
<td>$19,159,520</td>
<td>$(24,807)</td>
<td>(0.1)%</td>
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</tbody>
</table>

* Restated
Discussion – 2012 Budget Priorities
• Desktop Refresh
• IS Review & Rationalization (applications & structure)
• Web Improvements
• Common Address Database
• IS Infrastructure Upgrades
  – to maintain stability and growth
• IS Accommodations and Building Repairs
2012 Budget Priorities

- Service Delivery Review
- Call Centre Rationalization
- Financial Sustainability Plan
- Business Planning
- AP Review