
2004 BUDGET BRIEFING NOTE

Cost to Reinstate 13 Front-Line Positions in Parks & Recreation

Issue/Background:

As part of efforts to achieve the 2004 Operating Budget target for Parks & Recreation, a number of reduction options were recommended by EMT.

One of these recommended reductions was to eliminate 13 front-line positions upon the retirement of the incumbent employees, and to re-distribute the work of these staff across the remaining positions in the division. The estimated savings from this reduction was \$716.6 annually.

Economic Development and Parks Committee adopted this reduction option and forwarded it to BAC for consideration as part of the Parks and Recreation budget review. In response to a request from Budget Advisory Committee, the Commissioner reported to the BAC meeting of March 24, 2004 on the service implications of reducing these 13 positions. The report indicated that some service delays and reduced response capacity could be expected with fewer staff, and that these implications would likely extend to the Clean City initiative.

At its meeting of March 24, 2004, Budget Advisory Committee requested that the Commissioner report back to the wrap-up meeting of April 2, 2004 on the cost to reinstate these 13 positions.

Key Point(s):

- The savings estimate of \$716.6 included with the reduction option at the time of submission in September 2003, was based on the assumption that all 13 employees would retire from the City by December 31, 2003 under the OMERS early retirement window.
- In fact, these employees did not take advantage of the early retirement window in 2003; instead each is scheduled to retire at various dates in 2004.
- The impact of this change is that if the elimination of the 13 positions is approved as part of the 2004 budget, Parks and Recreation cannot achieve the full \$716.6 savings in 2004 through retirements. Part-year savings will be achieved as the retirements occur, and the balance of the savings will have to be achieved through additional gapping.
- Alternatively, if BAC elects to reinstate the 13 positions, it will be necessary to reinstate funding of \$512.7 in 2004 with an annualization of \$203.9 in 2005.

Date: April 1, 2004