

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

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PART I: 2009 OPERATING BUDGET**Executive Summary**

- Fleet Services provides responsive, flexible, comprehensive and efficient fleet and fuel management services to City Divisions, Agencies, Boards and Commissions to support the delivery of public programs and services. Fleet Services strives to minimize lifecycle costs, to maximize environmental sustainability, and to mitigate the risk of unsafe drivers, vehicles and equipment operation.
- Over the next three years, the Program will focus on further implementation of the Green Fleet Plan 2008-2011 to increase the number of green vehicles in the City's fleet, and the continuation of implementing the "Idle Free" campaign to reduce fuel costs and related greenhouse gas emissions. Additional challenges include meeting the increasing service demand arising from heavy usage of vehicles and equipment by Solid Waste Management and Transportation Services. Severe and frequent winter storms, such as those experienced last winter and in the current winter, resulted in greater servicing of Transportation Services' snow clearing vehicles and equipment. Legislative changes can result in greater demand in driver safety training and higher maintenance costs to ensure compliance; eg. 2007 diesel engines have particulate filters in the exhaust system, which require added maintenance. Fiscal constraints have caused the replacement of vehicles and equipment to be delayed, resulting in vehicles being used beyond their planned lifecycles, resulting in greater preventative maintenance.
- The service objectives for Fleet Services include:
 - Continue to implement the Green Fleet Plan 2008-2011 to increase the number of vehicles with environmentally friendly technologies, such as hybrids.
 - Continue the promotion of the "Idle Free" campaign.
 - Manage fuel acquisition, distribution and dispensing to minimize consumption and related greenhouse gas emissions.
 - Reduce the average life of vehicles and equipment to 8 years to reduce maintenance costs.
 - Reduce the average downtime of vehicles to less than 4 hours.
 - Decrease emergency repairs from 40% to 35% of the total vehicle repairs by 2011 through better preventative maintenance.
- The 2009 Recommended Operating Budget includes 3 new positions for new/enhanced service priority actions funded from efficiency savings with no incremental impact on operating costs. The new/enhanced service priority actions will address the following challenges for Fleet Services:
 - To provide leadership in the advancement of the City's green fleet and environmental goals related to fleet utilization which include:

- Reduce carbon dioxide emission from fleet operations.
- Evaluate and expand the use of alternative fuels.
- Increase the number of the City green vehicles using the best green technology.
- Promote the idle free campaign to reduce fuel consumption and air contaminants.
- To address the aging workforce and to ensure continuity of knowledge and skills in the Program's staff resources to fulfill the mandate of the Division:
 - Ensure capacity to maintain service levels and to meet increasing service demands.
 - Provide training opportunities for maintenance operations and fleet safety.
- For 2008, Fleet Services is projecting year-end net expenditures of \$0.815 million above the 2008 Approved Budget. The projected year-end variance is largely attributable to unfunded retroactive pay and increases to salaries and benefits of \$0.500 million resulting from job evaluations on 9 positions. In addition, the delay in fully implementing the parts consignment contract for parts supplies resulted in a budgeted bulk purchase savings of \$0.315 million not being realized.

Table 1: 2009 Recommended Budget

	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/ Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	41,396.8	49,345.5	46,478.2		46,478.2	5,081.4	12.3	137.1	80.5
REVENUE	41,459.8	48,530.1	46,478.2		46,478.2	5,018.4	12.1	137.1	80.5
NET EXP.	(63.0)	815.4	0.0		0.0	(63.0)	100.0	0.0	0.0
Approved Positions	204.0	194.0	205.0	3.0	208.0	4.0	2.0		
TARGET			0.0		0.0				
\$ Over / (Under) Program Target			0.0		0.0				
% Over / (Under) Program Target			0.0%		0.0%				

- The 2009 Recommended Operating Budget for Fleet Services is \$46.478 million gross, \$0 net. Fleet Services' operating budget is based on full cost recovery from client programs and is \$0.0 net. The 2009 recommended gross expenditure is \$5.081 million or 12.3% over the 2008 Approved Gross Budget primarily due to the need to reflect actual costs for fleet charges to corresponding inter-divisional fleet charges budgets in other City Programs. Actual costs have been escalating the last few years.
- The 2009 Recommended Operating Budget for Fleet Services is comprised of base funding of \$46.478 million gross, \$0 net. Approval of the 2009 Recommended Operating Budget will result in the Program's staff complement increasing by 3 new positions funded from efficiency savings in materials and supplies, and services in the amount of \$0.246 million that will offset the

increase in salaries and benefits resulting in no incremental impact on the gross and net operating budget.

- The 2010 Outlook anticipates an increase in gross expenditures of \$0.137 million which is comprised of merit and step increases offset by a corresponding increase in inter-divisional recoveries for a \$0 net impact.
- The 2011 Outlook includes \$0.081 million for merit and step increases in gross expenditures, which are recovered from inter-divisional charges for \$0 net impact.
- The 2009 Recommended Base Budget will fund the Program's key cost drivers including the annualization of 2008 cost of living adjustments (COLA), merit and step, maintenance (as detailed above) and inflationary increases that total \$5.081 million gross, and \$0.0 net. These are partially defrayed by efficiencies of \$0.664 million gross resulting from savings from lower fuel consumption mostly attributed to the ongoing "Idle Free" campaign and in overtime.
- The 2009 Recommended Operating Budget will enable Fleet Services to meet its responsibilities for environmental stewardship as part of the Mayor's mandate for a green city by participating in the implementation of the *Climate Change, Clean Air, and Sustainable Energy Action Plan* with the increasing use of hybrid vehicles, bio-diesel fuels, speed limiters, and the continuation of the "Idle Free" campaign. These initiatives will help contribute to reducing smog-causing pollutants.
- The 2009 Recommended Operating Budget will facilitate the continuation of the Program's strategic asset management, and service excellence with the objectives to reduce the average life of vehicles and equipment to 8 years to reduce maintenance costs. Service objectives include a reduction in the average downtime of vehicles to less than 4 hours, and reduce emergency repairs from 40% to 35% of the total vehicle repairs by 2011 to allow for more time in preventative maintenance. Fleet Services provides maintenance services for 4,900 vehicles and equipment.
- Fleet Services is responsible for licensing of drivers and operators of City vehicles and equipment to ensure compliance with safety standards, and managing fuel site operations. The Program strives to maintain Commercial Vehicle Operators Registration safety training in good standing, and to maintain driver safety training to meet provincial standards.
- Fleet Services will continue the implementation of the Idle Free and Speed Control campaigns to conserve fuel, and minimize emission of carbon monoxide into the atmosphere. The resultant savings of \$0.632 million from lower fuel consumption is included in the 2009 Recommended Operating Budget.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Fleet Services of \$46.478 million gross and \$0.0 net comprised of the following services:

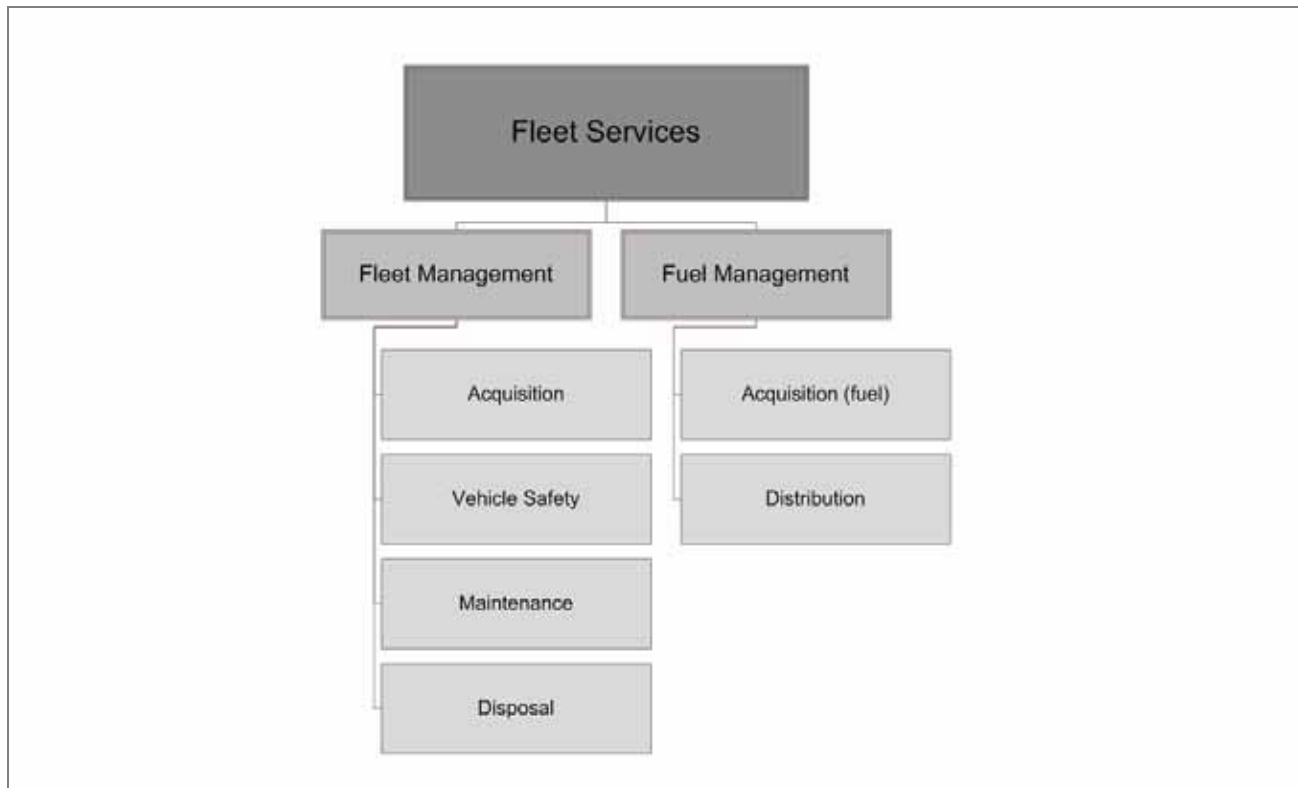
<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Fleet Maintenance	26,361.4	0.0
Fuel Operations	14,718.2	0.0
Fleet Safety and Standards	1,518.5	0.0
Fleet Management	3,880.1	0.0
	<hr/>	<hr/>
Total Program Budget	<u>46,478.2</u>	<u>0.0</u>

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

The 3-Year Operating Budget will enable the Fleet Services to provide efficient fleet and fuel management services for the City fleet operations to support the delivery of public programs and services.

The Program is comprised of two major services:

- 1) **Fleet Management** services include the acquisition of new vehicles and equipment, disposal of old vehicles, maintenance services on the City's fleet, and management of the safety requirements of the Commercial Vehicle Operators Registration Ontario Safety Rating, and the delivery of fleet operators' safety training.
- 2) **Fuel Management** services includes the acquisition of fuel to support divisional operations and oversight of fuel distribution at all City owned fuel sites.

Program Map

Service Challenges and Opportunities

Fleet Services has identified the following key challenges and opportunities for the period 2009 – 2011:

- Implementation of the Green Fleet Plan 2008-2011.
- Heavy usage of vehicles and equipment demand higher maintenance costs.
- Maximizing availability of vehicles for service delivery.
- Vehicles and equipment being used beyond their normal useful life can cause higher maintenance. Due to fiscal constraints, the replacement of vehicles and equipment continue to be delayed.
- Increased service demand for maintenance from Solid Waste Management Services due to the higher usage of their vehicles (double shifts) with the expiry of their external contract for garbage collection. In addition, Transportation Services terminated their external contract for sweeping City streets in the East district. The service is now being delivered by Transportation Services which has added pressure on Fleet Services for the maintenance of sweepers. This has required a realignment of maintenance operations at various Fleet locations to meet clients' demand for service. eg. Solid Waste Management Services and Transportation Services.
- The severity of the winter in 2009 may impact the fleet maintenance operations. For example, the 2008 winter storm demanded a significant amount of staff overtime for the maintenance of Transportation Services snow clearing vehicles and equipment.

Service Objectives

Fleet Services has established the following service objectives to address the challenges and opportunities outlined above, and primarily reflect the need to manage:

- a) the implementation of the Green Fleet Plan 2008-2011.
 - To reduce fuel use and fuel costs, emissions of greenhouse gases and smog-causing air pollutants by replacing standard vehicles with those with green technology, such as hybrids.
- b) the life of vehicles and equipment
 - To continue reducing the average life of vehicles from 14 to 8 years.
- c) the average downtime of vehicles
 - To reduce the average downtime of vehicles to less than 4 hours.
- d) the preventive maintenance of vehicles
 - To reduce emergency repairs from 40% of the total vehicle repairs in 2008 to 35% in 2009.
- e) the Commercial Vehicle Operators Registration (CVOR) safety rating

- To maintain the “satisfactory” Commercial Vehicle Operators Registration Ontario Safety Rating (CVOR), with an on-road performance level of 70% or less of the total overall CVOR threshold.
- To maintain the operators’ safety training at current level of 98% of Divisions’ training needs in a timely manner.

f) the service level agreements with client Divisions

- To update service level agreements with client Divisions.

Priority Actions

The 2009 Recommended Operating Budget provides \$46.478 million in base and new funding for Fleet Services to deliver its services.

Aligned with the Mayor’s priorities for a Greener City, the Program is continuing the implementation of the Green Fleet Plan with the following priority actions:

- To continue promoting the “Idle Free” campaign to reduce fuel consumption and costs.
- To establish a new Environmental Planning & Support position to provide leadership in the achievement of the City green fleet and environmental goals related to fleet utilization.
- To explore new green fleet technologies and practices, and to conduct emission reduction assessment studies and green fuel premiums.

Fleet Services’ aging workforce and increased demand for maintenance services require a succession plan to ensure continuity of knowledge and skills to maintain service levels. The priority actions in 2009 are to develop and implement a succession plan.

- As part of the succession planning, create two developmental positions to provide training opportunities for one Fleet Services supervisor and one Fleet Safety and Education Consultant, ensuring that Fleet Services has skilled and knowledgeable staff ready to fulfill the mandate of the Division.
- Recruiting and retaining mechanics to ensure efficient and timely repairs with minimal service disruptions.
- To ensure the necessary knowledge and skills of mechanics required to maintain the increasing number of vehicles with green technology, such as hybrids in the City’s fleet.

PART III: 2008 BUDGET VARIANCE ANALYSIS

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	40,604.3	41,396.8	49,345.5	7,948.7	19.2
REVENUES	40,511.7	41,459.8	48,530.1	7,070.3	17.1
NET EXP.	92.6	(63.0)	815.4	878.4	NA
Approved Positions	202.0	204.0	194.0	(10.0)	-4.9%

* Based on 2008 3rd quarter variance report

2008 Experience

- Fleet Services' projected year-end net unfavourable variance is projected to be \$0.815 million over the 2008 Approved Operating Budget of (\$0.063) million net, which is not \$0.0 net due to an in-year transfer of 1 position to 311 Contact Centre.
- The unfavourable variance was mainly attributed to unfunded retroactive pay and increases to salaries and benefits of \$0.500 million resulting from a job evaluation for 9 fleet positions. In addition, the delay in fully implementing the parts consignment contract for parts supplies in 2008 resulted in a budgeted bulk purchase savings of \$0.315 million not being realized.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

One of the factors which contributed to Fleet Services' projected 2008 operating budget variance will also impact the Program's 2009 Operating Budget. The job evaluation results for 9 non-union positions (8 Fleet Safety and Education Consultants, and 1 Fleet Services Supervisor – Warehousing) requires increased funding to accommodate the new compensation levels of \$0.081 million, which is included in Fleet Services' 2009 Recommended Operating Budget for this purpose.

PART IV: 2009 RECOMMENDED BASE BUDGET

Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change 2009 Recommended Base v. 2008 Appvd. Budget		FY Incremental Outlook	
					2010	2011
	\$	\$	\$	%	\$	\$
GROSS EXP.	41,396.8	46,478.2	5,081.4	12.3	137.1	80.5
REVENUE	41,459.8	46,478.2	5,018.4	12.1	137.1	80.5
NET EXP.	(63.0)	0.0	63.0	(100.0)	0.0	0.0
Approved Positions	204.0	205.0	1.0	0.5		
NET TARGET		0.0				
\$ Over / (Under) Program Target		0.0				
% Over / (Under) Program Target		0.0%				

2009 Recommended Base Budget

- The 2009 Recommended Base Budget of \$46.478 million gross and \$0.0 million net complies with the City requirement for Fleet to operate on a full cost recovery basis.
- The gross expenditures of \$46.478 million recommended for 2009 reflects an increase of 12.3% over the 2008 approved gross expenditures, while maintaining a \$0.0 net resulting from full cost recovery from client Programs. The increase in gross expenditure is due to the need to adjust budgets based on actual experience of client needs.
- The increase of \$5.081 million gross and \$0.0 net in the Fleet Services 2009 Recommended Base Budget from the 2008 Approved Gross Budget will narrow the gap between the budget and the actual expenditures.
- For the past three years, the over-expenditures were as follows:

	2006	2006	2007	2007	2008	2008
Operating Budget	Budget	Actual	Budget	Actual	Budget	Projected Actual
Gross Expenditures	34,688.2	39,477.2	36,087.2	40,604.3	41,396.8	49,345.5
Over Expenditures		(4,789.0)		(4,517.1)		(7,948.7)
To Balance	34,688.2	34,688.2	36,087.2	36,087.2	41,396.8	41,396.8

- The current flat maintenance rates were established based on 2005 costs, and have remained unchanged since January 2006. Due to the budget guideline of zero percent increases in 2007 and 2008, Fleet Services implemented various operational efficiency measures to offset increased costs. With no rate increases in the last two years, and with significant inflationary pressures expected in 2009, it is necessary to update the maintenance rates to help offset budget pressures in order to avoid severely impacting the level of service to Fleet's client Divisions.
- The 2009 Recommended Base Budget includes 205 approved positions which, is an increase of one position from 2008. The increase is the result of the transfer of one Materials Management Clerk 1 position from Purchasing & Materials Management Division to Fleet Services.

2009 Key Cost Drivers and Reduction Strategies

- The following is a summary of Fleet Services' key cost drivers and reduction strategies in 2009:
 - Merit and step increases of \$0.137 million.
 - Fringe benefit adjustment of \$0.170 million.
 - Annualizations for 2008 COLA and one new 2008 approved position of \$0.164 million.
 - Impact of wage Harmonization of \$0.089 million.
 - Inflationary increases for other materials and supplies costs, other than fuel, of \$0.224 million.
 - Increase in maintenance costs from the adjustment of actual maintenance expenditures to divisional clients' budgets of \$4.536 million.
- To alleviate some of the cost pressures, the 2009 Recommended Base Budget incorporates the following reductions:
 - Reversal of the 2008 leap year extra work day of \$0.044 million.
 - Reduction in salaries and benefits of \$0.012 million to maintain the current gapping level of 3.7%.
 - Reduction in overtime of \$0.032 million as a result of operational efficiencies.
 - Reduction of \$0.632 million due to savings in fuel consumption resulting from the "Idle Free" and speed control campaigns.

2010 and 2011 Outlook: Net Incremental Impact

The net incremental impact of \$0.0 in 2010 is a result of an increase in gross expenditures of \$0.137 million for merit and step increases which are charged back to client Programs.

The additional gross expenditure of \$0.081 million in 2011 is for merit and step increases which is recovered from client Programs for a net \$0.0 impact.

The 2010 and 2011 Outlooks do not include a provision for COLA, as the increase is subject to future negotiations.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved					
(b) Enhanced Services - Program Initiated					
Green Fleet Plan Implementaton - Salaries and Benefits	77.6		1.0		
Fleet Services - Materials and Supplies	(77.6)				
Succession Plan Initiative - Salaries and Benefits	168.5		2.0		
Fleet Services - Services and Rents	(168.5)				
Sub-Total Enhanced Services	0.0		3.0		
Total New/Enhanced Services	0.0		3.0		

2009 Recommended New / Enhanced Service Priority Actions**Enhanced Service Priority Actions – Program Initiated:*****Green Fleet Plan Implementation***

The 2009 Recommended Operating Budget includes funding for 1 new permanent position dedicated to providing leadership in the advancement of the City's green fleet and environmental goals relating to fleet utilization.

- Fleet Services' Green Fleet Plan 2008-2011 addresses the City's strategic direction for a greener City, and includes the following priority actions:
 - Reduce carbon dioxide emission from fleet operations by 15,300 tonnes by 2011.
 - Promote idle free campaign to reduce fuel consumption
 - Evaluate and expand the use of alternative fuels.
 - Increase the number of City green vehicles from 363 in 2008 to 803 in 2011.
- Funding in the amount of \$0.078 million for this position will be fully offset by cost reductions to be achieved through operational efficiency savings from using bulk purchase of parts.

Succession Plan Initiative

The Toronto Public Service People Plan 2008 – 2011 is a three-year corporate plan that addresses significant workforce planning challenges the City faces over the next few years.

Fleet Services' succession planning initiative is in line with the corporate People Plan 2008-2011 to address significant challenges in planning for continuity of workforce knowledge and skills to meet operational requirements.

Fleet Services has an aging workforce. 63% of the Fleet Safety & Education Consultants and 46% of the total Fleet Services staff are eligible for retirement in 2009. 60% of the Fleet Services Supervisors are eligible for retirement within the next 5 years.

Fleet Services' aging workforce and increased service demand have given rise to the need for staff development and implementation of a succession plan to ensure that the Program has skilled and knowledgeable staff ready and able to fulfill its mandate.

Two permanent positions effective May 1, 2009, are recommended to receive training and development for the transfer of knowledge and skills pursuant to Fleet Services' succession plan initiative. The two positions are for one Fleet Services Supervisor for maintenance operations and one Fleet Safety and Education Trainer. The required funding of \$0.169 million will be fully offset by cost reductions in contracted services as a result of operational efficiency. There is no net impact on the operating budget.

PART VI: ISSUES FOR DISCUSSION**2009 Budget Issues****2009 Recommended Operating Budget vs. Guideline****Fleet Maintenance**

The 2009 Recommended Operating Budget for Fleet Services includes gross expenditure increases of \$5.081 million or 12.3% greater than the 2008 Approved Gross Budget.

All Agencies, Boards, Commissions and Divisions were set target of a 2% reduction over the 2008 Approved Operating Budgets.

For Fleet Services to meet this target would have meant significant reductions in service level in fleet maintenance, which would have put at risk the operations of key City Program areas, in particular, Solid Waste Management Services, Parks, Forestry and Recreation, Transportation Services, Toronto Water, and Emergency Medical Services.

For several years actual fleet charges incurred by various Programs have greatly exceeded budgeted amounts. The Fleet Services 2009 Recommended Operating Budget has narrowed the gap between budget and actual expenditures for fleet charges for major City Programs, such as Solid Waste Management Services, Transportation Services, Parks, Forestry and Recreation and Toronto Water.

Fuel Rates

Through a competitive quotation process, a contract has been awarded to Suncor Energy Products Inc. for the supply, delivery and off-loading of pre-blended ethanol unleaded gasoline and seasonally adjusted pre-blended bio-diesel and low sulphur clear and coloured diesel fuels from January 1, 2009 to June 30, 2009, with the option to renew for another six-month period from July 1, 2009 to December 31, 2009.

The fuel prices will be adjusted monthly based on Bloomberg's Oil Buyer's Guide (Canadian Unbranded Rack Prices for Regular/Mid/Premium Unleaded Gasoline/High Sulphur Diesel/Low Sulphur Diesel – Toronto Industry Average). The fuel prices will be set on the 5th day of each month, based on the previous month's average prices.

Due to market volatility, Fleet Services have begun to explore various options of fuel purchases with the TTC in order to mitigate budget pressures. Options being considered are:

- Developing a fuel hedging program, either financial or physical hedging arrangements
- Establishing a rate stabilization reserve
- Maintaining the current fuel pricing and purchasing arrangements, i.e. fuel prices are adjusted monthly based on Bloomberg's Oil Buyer's Guide (Canadian Unbranded Rack Prices). Prices are adjusted monthly based on the previous month's average prices.
- Combination of any of the above options

Fleet Services staff are currently working with Purchasing & Materials Management, Facilities & Real Estate, Financial Planning, Corporate Finance and Toronto Transit Commission staff to determine an optimum process to minimize future fuel purchase cost for the City, including TTC.

A report on the recommended purchasing arrangements will be submitted to Government Management Committee in early 2009.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	205.0	41,459.8	41,459.8	0.0	0.0	0.0
In-year approvals and technical adjustments	(1.0)	(68.0)		(68.0)		
Corporate adjustments		5.0		5.0		
2008 Approved Operating Budget	204.0	41,396.8	41,459.8	(63.0)	0.0	0.0
Prior year impacts		427.5	427.5	0.0		
Zero base items				0.0		
Economic factors		5,129.5	5,129.5	0.0		
Adjusted Base Budget	204.0	46,953.8	47,016.8	(63.0)	0.0	0.0
Other base changes	1.0	4,771.9	4,677.4	94.5		
Base revenue changes				0.0		
Recommended Service Level Adjustments:				0.0		
Base changes		(4,583.6)	(4,583.6)	0.0		
Service efficiencies		(632.4)	(632.4)	0.0		
Revenue adjustments				0.0		
Minor service impact		(31.5)		(31.5)		
Major service impact				0.0		
Total Recommended Base Adjustments	1.0	(475.6)	(538.6)	63.0	0.0	0.0
2009 Recommended Base Budget	205.0	46,478.2	46,478.2	0.0	0.0	0.0
2009 Program Operating Target				0.0		
% Over (Under) Program Target				0.0%		
% Over (Under) 2008 Appvd. Budget				-100.0%		

Appendix B

Summary of Service Level Adjustments

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: INTERNAL SERVICES PROGRAM: FLEET SERVICES							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	17,475.7	17,714.7	18,346.2	870.5	5.0%	18,617.0	18,697.5
Materials and Supplies	19,789.6	25,241.2	23,172.7	3,383.1	17.1%	23,172.7	23,172.7
Equipment	101.7	125.8	115.7	14.0	13.8%	115.7	115.7
Services & Rents	3,721.6	5,945.2	4,367.1	645.5	17.3%	4,367.2	4,367.2
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	81.6	81.6	81.6	0.0	0.0%	81.6	81.6
Other Expenditures	0.0	0.0	15.8	15.8	n/a	15.8	15.8
Interdivisional Charges	226.6	237.0	379.1	152.5	67.3%	379.1	379.1
TOTAL GROSS EXPENDITURES	41,396.8	49,345.5	46,478.2	5,081.4	12.3%	46,749.1	46,829.6
Interdivisional Recoveries	40,880.4	47,913.4	45,853.8	4,973.4	12.2%	46,124.7	46,205.2
Provincial Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
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	137.1	5.7	5.7	n/a	5.7	5.7
Contribution from Reserve Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	579.4	479.6	618.7	39.3	6.8%	618.7	618.7
TOTAL REVENUE	41,459.8	48,530.1	46,478.2	5,018.4	12.1%	46,749.1	46,829.6
TOTAL NET EXPENDITURES (EXCLUDING CAPITAL FINANCING)	(63.0)	815.4	0.0	63.0	(100.0%)	0.0	0.0
APPROVED POSITIONS	204.0	194.0	208.0	4.0	2.0%	208.0	208.0

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2008	Proposed Withdrawals (-) / Contributions (+)		
			2009	2010	2011
		\$	\$	\$	\$
Insurance Reserve Fund	XR1010	15,745.2	81.6	81.6	81.6
Total Reserve / Reserve Fund Draws / Contributions			81.6	81.6	81.6