

Response to Notice of Motion NM2010-43: Options for Further Reductions to the 2011 Business Plans and Operating Budgets

In response to NM2010-43, Administration has identified options for further reductions to the 2011 Business Plans and Operating Budgets. These options are presented in groups, and the groups are ranked in priority order, based on the expected degree of impact on services (higher ranked groups have less immediate impact on public services, and would therefore be recommended to be taken as cuts before lower ranked groups). There is no intended significance to the order of individual reduction packages within groups; all are considered equal. Information for each reduction package describes potential changes (net operating cost savings, net reduction in FTEs and service level impact) in relation to the costs, FTEs and service levels included in Administration's recommended adjustments to balance at the previously-approved tax rate increase of 6.7% for 2011.

Group 1						
The reduction options in Group 1 are those where the immediate impact on citizen services is expected to be the least. Some are reductions to internal services, which may limit the organization's long-term capacity to plan and prepare for emerging issues and/or to provide internal services to other departments. However, direct impact on public services is expected to be limited. Also included in this group are reductions to Waste & Recycling Services, where it is expected that negative service impacts can be managed as a result of changes to service delivery methods.						
No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
1.0	CS	CPB	(278)	(2.0)	Elimination of 1 temporary and 2 permanent positions will impact continuous improvement and increased effectiveness measures associated with buildings, facility and records management within Corporate Properties & Buildings (CPB).	B
1.1	CS	GM	(13)	0.0	Reduction in Corporate Services General Manager's (GM) Office operating budget will curtail the ability to resource some departmental management initiatives.	B
1.2	CS	HR	(260)	(2.0)	Reduction of 2 Human Resource (HR) Advisors will impact organizational effectiveness and recruitment activities. A return to labour shortage in future years may require an increase to the recruiting budget for the 2012-14 period.	B
1.3	CS	IT	(246)	0.0	Reduction in external Information Technology (IT) software packaging and in security contract services will delay technology software rollout and curtail computer security measures (i.e. virus and vulnerability testing).	G
1.4	CS	HR	(520)	0.0	Reduction in Human Resources (HR) will curtail recruitment campaign expenditures, employee long service award 'recognition' spending plus external consultancy to support a variety of HR initiatives (e.g. pension & benefits review, job evaluations, competency development, etc.).	B

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No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
1.5	CS	IIS	(200)	(1.0)	Reduction of approved 2011 growth budget for Infrastructure & Information Services (IIS) will impact the schedule to complete Business Unit asset management plans across the organization and support for Tangible Capital Assets compliance.	G
1.6	CA	CFOD	(307)	(1.0)	Reduced service level (to other departments) and other reductions in operating expenses in the Chief Financial Officer's Department (CFOD).	B
1.7	CA	Law	(300)	(2.0)	Reduction of 2011 growth positions, resulting in longer wait time for investigations of policy and criminal conduct breaches in Law.	G
1.8	CA	City Clerk's	(101)	0.0	Absorb additional inflationary increases and reduce costs in the City Clerk's Office.	B
1.9	UEP	WRS	(400)	(6.0)	Budget reduction as a result of implementation of automated residential garbage collection in two quadrants in Waste & Recycling Services (WRS).	B
1.10	CPS	--	(2,000)	0.0	As per 2010 October 26 letter from Calgary Police Commission (see Attachment 2): "Calgary Police Service [CPS] will reduce discretionary budgets such as training, contractual services and equipment. The fuel budget reduction reflects the current price decreases and the reduction to the vehicle contributions to reserves is due to lifecycle extension to service vehicles." No changes to business plan/performance measures are identified. The Calgary Police Commission letter also notes that "the fine revenue budget for 2011 could be increased by \$2 million" based on 2010 actual results from the new "Speed on Green" program. This would be consistent with the Commission policy of budgeting revenue based on the prior year actual. The letter also notes that, as this is a new program, there is no historical data to support this and that actual fine revenue did not meet budgeted revenue from 2004 to 2009. The impact of additional fine revenues is not reflected in this option package.	B
Total: Group 1			(4,625)	(14.0)		

Group 2

Reduction options in Group 2 are primarily related to certain external citizen-facing services where it is expected that the negative impact on public service will be not be severe or can be mitigated through other measures. Also included in this group are options for reductions to Council programs (Aldermen's Office, Mayor's Office, City Auditor and Audit Committee).

No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
2.0	CS	IT	(391)	(3.0)	Reduction of approved 2011 growth will impact City website development and public communications with Calgarians through the internet and various social media methods.	G
2.1	CS	CPB	(512)	0.0	Reduction of maintenance budget for leased properties and city owned buildings in Corporate Properties and Buildings (CPB) will reduce the cost of building maintenance from \$7.40 per sq. foot to \$7.25 per sq. ft.; both well below the industry standard of \$12 per sq. ft..	B
2.2	PDA	Assmt	(610)	(6.0)	Reduction of an additional 6 FTEs may result in decreased assessment quality, decreased ability to capture assessment growth and increased assessment losses at tribunals in Assessment.	G/B
2.3	TR	Roads	(2,000)	0.0	2011 growth funding for Snow and Ice Control (SNIC) would be reduced from \$10 million to \$8 million. This level of funding will include \$3 million to cover the existing shortfall (no change to current level of service for priority 1 & 2 routes), and \$5 million additional base funding for service in residential areas. Service impact related to \$2 million reduction would be in snow removal by contractors.	G
2.4	CA	CMO	(52)	0.0	Further reduction in contracting and general services in the City Manager's Office (CMO), delaying work on BP strategy 4.1.4, specifically the development of a regional cumulative effects framework for The City.	B
2.5	UEP	WRS	(450)	(6.0)	Further reduction as a result of full implementation of automated residential garbage collection in Waste & Recycling Services (WRS).	B
2.6	Council	Audit Cttee	(15)	0.0	Reduction of staffing costs for Audit Committee's legislative resource group.	B

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No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
2.7	Council	CAO	(38)	0.0	Reduction to consulting provision in the City Auditor's Office (CAO) budget, which would affect the CAO's ability to obtain subject matter experts.	B
2.8	Council	Alder-manic Office	(114)	(0.2)	Reductions related to decreased IT costs, meeting expenses, staffing costs and elimination of Council-paid AUMA and FCM travel (shifted to Ward budgets) and other miscellaneous reductions for the Aldermanic Offices.	B
2.9	Council	Mayor	(33)	0.0	Reduction of travel and other miscellaneous expenses from the Mayor's office budget.	B
Total: Group 2			(4,215)	(15.2)		
Cumulative total: Groups 1 and 2			(8,840)	(29.2)		

Group 3

Reduction options in Group 3 affect external citizen-facing services where it is expected that there will be some immediate impact on services, as described below.

No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
3.0	CS&PS	Rec	(503)	(5.0)	Reduced capacity to deliver Recreation services and programs to the public.	B
3.1	CS&PS	ABS	(350)	(2.0)	Would negatively impact ability to respond to citizens' 3-1-1 requests, and result in less presence at major events by Animal & Bylaw Services (ABS).	G/B
3.2	CS	CSC	(530)	0.0	Reduction of \$530 thousand in Customer Service & Communications (CSC) includes the elimination of the 2011 approved growth for 3-1-1 services, plus a reduction in communications expenditures on tools to reach citizens and employees.	G
3.3	TR	Transit	(2,522)	(52.0)	Reduction of previously-approved 2011 growth will result in a decrease to Calgary Transit 61,000 service hours below previously-budgeted 2011 levels.	G
3.4	TR	Roads	(990)	0.0	Reduced level of services for surface overlay program, concrete maintenance, Clean to the Core initiative in Roads.	B
3.5	TR	Roads	(2,000)	(29.0)	2011 growth funding for Snow and Ice Control (SNIC) would be reduced from \$10 million to \$6 million. This level of funding will include \$3 million to cover the existing shortfall (no change to current level of service for priority 1 & 2 routes), and \$3 million additional base funding for "Revised Residential Street Service Level". Service impacts include no snow removal (\$2 million) and reduced residential service (\$2 million).	G
Total: Group 3			(6,895)	(88.0)		
Cumulative total: Groups 1 to 3			(15,735)	(117.2)		

Group 4

Reduction options in Group 4 affect external citizen-facing services in high priority areas. It is expected that there would be a significant, immediate impact on services, as described below, if these reductions were taken.

No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
4.0	CS&PS	CNS	(200)	(2.0)	Would reduce Community & Neighbourhood Services (CNS) program offerings by approximately 330 hours and reduce internal capacity to support seniors' groups.	B
4.1	CS&PS	CNS	(240)	(2.0)	Would reduce Community & Neighbourhood Services (CNS) capacity to support high-risk youth.	B
4.2	CS&PS	Parks	(429)	0.0	Reduction would significantly limit Parks' capacity to respond to citizens' 3-1-1 issues (e.g. mowing, litter, repairs) and maintenance of the urban forest.	B
4.3	CS&PS	Parks	(638)	0.0	A reduction in new tree planting that will result in Parks' current Urban Forest Strategic Plan goal of 4,200 new trees per year reduced by 1,600 trees. The reduction will be distributed across the city, focusing primarily on the replacement rather than growth of urban forest	B
4.4	TR	Transit	(1,510)	(12.0)	Reduction of previously-approved growth for Peace Officers in Calgary Transit.	G
4.5	TR	Transit	(3,598)	(70.0)	Decrease of 90,000 existing service hours, and existing staff in Transit. Represents approximately 4% reduction to annual transit service provided to Calgarians.	B
4.6	TR	Roads	(3,000)	(27.0)	2011 growth funding for Snow and Ice Control (SNIC) would be reduced from \$10 million to \$3 million. This level of funding will include \$3million to cover the existing shortfall (no change to current level of service for priority 1 & 2 routes), with no funding for service to residential snow removal.	G
4.7	Civic Partners	CPL	(2,000)	0.0	Growth needed for Calgary Public Library (CPL) including opening and provision of services for Saddletown branch and Signal Hill expansion.	G
Total: Group 4			(11,615)	113.0		
Cumulative total: Groups 1 to 4			(27,350)	(230.2)		

Group 5

Reduction options in Group 5 affect the provision of emergency services, where there is a risk of a negative impact on public safety if these reductions were taken.

No.	Dep't	BU	Net (\$000s)	FTEs	Description and Impact	Base/ Growth
5.0	CS&PS	PSC	(2,175)	(18.0)	Reduction is equivalent to three seats staffed 24 hours/7 days a week (1 seat = 6 FTEs). These call-taking and dispatch positions are urgently required by Public Safety Communications (PSC) to respond to increasing call volumes.	G
5.1	CS&PS	Fire	(3,735)	(28.0)	Approved 2011 growth for Saddle Ridge Fire Station, Sage Hill Fire Station (partial staffing) and the Emergency Operations Centre. Reduction significantly impacts ability to respond to citizens and emergencies.	G
5.2	TR	Roads	(3,000)	(27.0)	Elimination of all proposed new funding for Snow and Ice Control would result in (1) ongoing shortfalls of approximately \$3 million/year requiring reduced service to Priority 1 and Priority 2 routes, (2) no base funding for service to residential areas, and (3) no base funding for snow removal.	G
Total: Group 5			(8,910)	(73.0)		
Cumulative total: Groups 1 to 5			(36,260)	(303.2)		

Department Codes:

CS&PS Community Services & Protective Services
 CS Corporate Services
 PDA Planning, Development & Assessment
 TR Transportation
 UEP Utilities & Environmental Protection
 CA Corporate Administration
 CPS Calgary Police Service