



Memorandum

DATE: January 26, 2011
TO: Chair and Members of Budget Committee
FROM: Brenda R. Breault, Commissioner of Corporate Services and Treasurer
SUBJECT: **Corporate Absenteeism**

As requested during Budget Committee discussions, attached please find a chart showing the average lost time per eligible full time employee for 2008 to 2010 by division. This chart reports all absences for both paid and unpaid time off work for the following illness/injury classifications:

- Workers Safety Insurance Board (WSIB) - earnings paid to an employee who is off work because of a work related illness or injury.
- Weekly Indemnity (WI) - Only employees in the Amalgamated Transit Union (ATU) are covered by this benefit which provides a maximum of twenty-six (26) weeks of coverage and is paid at 85% of the employee's regular hourly rate.
- Transit Medical Leave –A newly negotiated benefit in the current union contract which provides a one 8 hour paid absence per year from work to allow ATU employees to attend pre-scheduled medical appointments.
- Short Term Disability and Illness Days – This self insured benefit provides salary continuance to a maximum of 6 months coverage and also provides 6 Illness days per year for absences which are under 4 days in duration. The majority of City employees other than Transit and Fire unionized employees are covered by this plan.
- Sick Leave Credits – All Fire unionized employees and a few grandfathered CUPE employees receive coverage under this plan which provides an accumulated 1½ sick days per month.
- Medical Care Leave- The Library Collective Agreement provides a total of 14 hours leave per year to attend medical appointments.

The data in this chart is presented in hours to provide a common comparative basis across all departments.

The chart shows the following:

- The average Lost Time hours per eligible full time employee in 2010 for the City were 87 hours. Departmental lost time averages for 2010 were:
 - City Manager's Office- 37 hours
 - Planning and Building- 29 hours
 - Corporate Services - 58 hours
 - Community Services - 87 hours
 - Transportation and Works - 105 hours
- The majority of divisions have consistently improved their attendance from 2008 to 2010.
- In smaller divisions, one employee's long term absence will negatively affect the group's lost time average. It is therefore important to consider the employee population when reviewing the data.

Benchmarking

In the 2011 – 2014 Business Plan and Budget Book, the absenteeism rate identified for the City of Mississauga for 2009 was 74.9 hours. This calculation was produced using a very specific formula required by the Human Resources Benchmarking Network which only includes non-occupational related paid time absences. The 80 hours reflected in the Business Plan for the City for 2010 and future years utilized this formula to predict the City's loss time, which excludes absences due to a work related illness or injury.

Accurate and reliable comparisons between municipalities are challenging because of the different income replacement plans, coverage's, entitlements and the reliability of the data submitted by municipalities.

Initiatives Implemented to Contain and Reduce Absenteeism

Strategies which the Human Resources division has implemented to contain and/or reduce absenteeism include:

- The introduction of a centralized Disability Management Program through Employee Health Services in 2008 which initially focused on the City's short term disability (STD) plan. At that time, an additional Occupational Health Nurse, with certification and expertise in Disability Management and early and safe return to work, was added to HR's complement. There have been some substantial reductions in absenteeism for employees covered by the STD benefit.

- Disability Management training has been conducted for all Supervisory staff which communicated their roles and expectations during the disability management process.
- Standardized tools, processes and forms ensure that the Disability Management Program is administered in a transparent, fair and consistent manner throughout the Corporation.
- The customization of the SAP system includes a claims management component allowing more timely and consistent information to assist in proactive claims management.
- A Mental health first aid training program has been initiated for supervisory staff to assist in dealing with employees challenged with mental health issues.
- A Transit Peer Support Team, co-ordinated by HR and Transit Management has been implemented to assist transit drivers experiencing critical incidents in the workplace.
- A Wellness Fitness Initiative (WFI) in the Fire Division.
- The introduction of a Work Life component in the EAP program to enable staff to receive assistance in dealing with work/life balance issues.
- On an ongoing basis, and with a very limited budget, HR promotes a variety of health promotion initiatives which include:
 - an Annual Health, Safety and Wellness Fair
 - an annual flu clinic
 - monthly Wellness initiatives
 - On site Ergonomic assessments
 - Lunch and Learn sessions

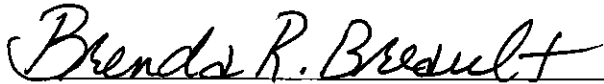
Future Initiatives to Contain/Reduce Absenteeism

Human Resources believes the following strategies are necessary to continue to maximise opportunities to contain and/or improve Corporate absenteeism:

- Transit's 2011 budget submission requested approval to hire an additional Health and Safety position to work in the transit service area to address the absenteeism issue. This new position will report to Employee Health Services as part of the Disability Management Team.
- As proposed in the 2012 business process, Human Resources has identified a need for a comprehensive review and gap analysis of the Corporations' current wellness programs and initiatives to create a Wellness Strategy.
- Fire and Emergency Services in its 2012 budget submission requested approval to hire an additional Disability Management Coordinator to maximize opportunities

to keep employees healthy and at work enabling the new program to be rolled out to Fire employees. This employee will report to Employee Health Services.

There are divisions which have experienced an improvement in their attendance between 2008 to 2010 because of the initiatives introduced to manage absenteeism. Absenteeism in Transit has proven to be more challenging. HR and Transit Management continue to focus on opportunities for improvement and are reviewing possible new strategies.

A handwritten signature in cursive script that reads "Brenda R. Breault". The signature is written in black ink and is positioned above a horizontal line.

Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

Attachment

Average Hourly Lost Time per Eligible Employee

All Lost Time							
		Total Average All Lost Time Hours per Employee			% Increase from Year to Year () denotes decrease		
Department & Divisions	Total Eligible Population 2009	2008	2009	2010	% Increase from 2008 to 2009	% Increase from 2009 to 2010	% Increase from 2008 to 2010
City Manager's Office							
City Manager's Office	6	13	4	6	(73)	59	(57)
Mayor's Office	5	50	53	69	6	31	38
Internal Audit	6	20	67	27	229	(60)	30
Economic Development Office	12	50	52	51	4	(3)	1
Strategic Initiatives	8	126	26	48	(79)	84	(62)
Legal Services	27	156	77	36	(51)	(54)	(77)
Strategic Community Planning	2	0	0	4	0	100	
Total Department Population	66						
Department Average		57	55	37	(5)	(32)	(35)
Corporate Average		80	83	87	4	5	8
Planning & Building Department							
Strategic Planning & Business Services	36	38	44	14	18	(68)	(62)
Development & Design	45	60	57	30	(6)	(48)	(51)
Policy Planning	16	40	54	45	36	(16)	15
Building	80	60	63	32	5	(49)	(46)
Total Department Population	177						
Department Average		54	57	29	5	(48)	(46)
Corporate Average		80	83	87	4	5	8
Corporate Service Department							
Councillor's Office	34	53	60	58	14	(3)	11
Facilities & Property Management	140	95	90	72	(5)	(20)	(24)
Information Technology	100	51	48	53	(6)	10	4
Office of the City Clerk	48	85	68	57	(20)	(16)	(32)
Customer & Business Services	43	39	76	28	93	(63)	(28)
Communications	34	63	36	76	(43)	112	22
Finance	46	67	52	50	(22)	(4)	(25)
Human Resources	30	44	44	34	(1)	(23)	(23)
Revenue & Materiel Management	52	55	63	62	15	(2)	13
Total Department Population	527						
Department Average		72	65	58	(9)	(11)	(19)
Corporate Average		80	83	87	4	5	8
Community Services Department							
Planning, Development & Business Services	64	65	55	54	(15)	(2)	(17)
Recreation & Parks	443	70	70	71	(0)	2	2
Library	220	83	105	82	27	(22)	(1)
Fire	695	119	115	103	(4)	(11)	(14)
Arts & Culture	18	69	43	38	(38)	(13)	(46)
Total Department Population	1440						
<i>Majority of staff work a 24 hours shift</i>							
Department Average		96	96	87	0	(9)	(9)
Corporate Average		80	83	87	4	5	8
Transportation & Works							
Transportation Project Office & Business	94	33	37	44	14	19	35
Engineering & Works	218	68	65	67	(4)	2	(2)
Transportation & Infrastructure Planning	36	29	42	34	42	(19)	16
Transit	1055	76	92	156	22	69	106
Enforcement	108	87	75	83	(14)	11	(5)
Total Department Population	1511						
<i>Taken from TOSS System</i>							
Department Average		72	80	105	12	31	47
Corporate Average		80	83	87	4	5	8



Memorandum

TO: Budget Committee

FROM: John McDougall
Fire Chief

DATE: January 27, 2011

RE: Response to Fire and Emergency Services Follow Up Items

In response to information requested at the January 17, 2011 Budget Committee meeting, the following is a summary of follow up items pertaining to the Fire and Emergency Services Business Plan and Budget presentation.

Impact of new infrastructure (see attached chart)

As part of the 2011-2014 Business Plan, three new stations were proposed to address areas of the City where MFES is facing response challenges. After the implementation of all three stations, staff estimates the population per station will remain slightly above those of the comparable municipalities, however will be significantly reduced from current levels. As the implementation schedule of the new stations are staggered, the last station will not be in operation until 2015 therefore taking into consideration future growth, the population per suppression staff benchmark will improve only slightly.

The average cost per capita for suppression services amongst comparable municipalities is approximately \$130.00. MFES currently operates at a much lower cost per capita and as illustrated in the attached chart, will continue to be significantly lower even after the new infrastructure is introduced.

Fire Underwriters Survey (FUS) Implications

In discussion with the insurance industry, it has been confirmed that FUS classification for the City of Mississauga is currently listed as a 2. It was also confirmed that if FUS reduced the classification to 3, this would drive an increase of approximately .04% in the cost of insurance for large scale commercial occupancies.

Smaller Vehicles for Medical Related Responses

While there is no legislation that directs the number of suppression staff required by a fire department, the National Fire Protection Agency (NFPA) section 1710 directs that a minimum of four firefighters is appropriate to provide an effective level of service and safety for both the public and the responders. The MFES deployment model is based on this premise and has been effective in meeting the requirements of the city's diverse communities.

Although medical calls account for over 40% of all incidents, the responding vehicle must also be capable of carrying the equipment for all types of emergencies and able to transport the appropriate number of personnel. If MFES were to replace existing front line response vehicles with smaller vehicles they would still have to accommodate a minimum of four staff and the necessary equipment in order to continue to meet our current deployment model.

The medical response vehicles would have to supplement the existing fleet and would require the hiring of two additional staff per vehicle. While dedicated medical response vehicles could be considerably smaller, they would have very limited capacity for other emergency incidents.

Consideration has been given to a scaled down version of a pumping apparatus that would meet NFPA requirements however there are no cost savings associated with the purchase of these vehicles and will not have any significant impact on response time.

Should you require any further information on these or any other issues related to Fire and Emergency Services please do not hesitate to contact me.



John McDougall
Fire Chief
Mississauga Fire & Emergency Services

Impact of New Infrastructure

Benchmark	Vancouver	Calgary	Edmonton	Mississauga (Current)	Mississauga (After 3 Stations are built)
Population /Station	28,900	30,442	31,298	36,161	32,608
Population/ Suppression Staff	782	862	866	1,186	1,109
Cost/ Capita*	\$123.88	\$119.91	\$147.86	\$91.04	\$96.00

ACTION ITEM	20
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ACTION ITEM	29

Memorandum



TO: Budget Committee

FROM: John Lohuis, Director of Recreation and Culture

DATE: January 27, 2011

SUBJECT: Recreation & Parks to Budget Committee requests.

ITEM 7

Presentation E – Information on Environics “Analytics” Software

The software is called “Prizm” and is demographic information used by our Division to guide direct mail and e-mail communications to our 80,000 households. It is often confused with Environics surveys which the Region of Peel participates in. Prizm cannot be used for assessing customer satisfaction directly.

Presentation E - Urban Forestry Management Plan

(Status, how much is being spent, is it working? Two questions)

Councillor Saito referenced the work done by UFMAC and wanted an update on the Urban Forestry Management Plan.

UFMAC was disbanded with Urban Forestry activities, programs and initiatives now being channelled through EAC/ENT. Forestry is undertaking an Urban Forest Strategic Management Plan (UFSMP) in 2011. This plan will provide an overall picture of Mississauga's Urban Forest, and will provide strategic framework for a vision, guiding principles, criteria and indicators of sustainable urban forest management and priorities for action, management, protection, preservation and enhancement of the Urban forest. A UFORE Study completed in partnership with the Region of Peel, CVC, TRCA, Town of Caledon and City of Brampton will provide the raw data that will support the development and implementation of the UFSMP. Presently there are approx 2.5 million trees located on public and private lands within Mississauga which equates to approximately 14% tree cover within the City. The UFSMP will take into account existing programs and Forestry initiatives including:

- Planting of approximately 5000 calliper trees annually on City streets and parks
- 25,000 trees and shrubs planted in Naturalization programs
- Million Tree program (starting in 2012)

- Emerald Ash Borer survey and plan
- Re-view of the Private Tree-By-law
- Review of the Street Tree By-law - (will be called the Public Tree By-law pertaining to all trees located on City lands
- Encroachment By-law
- Operational programs such as inspections, block pruning, stumping, removals etc.
- Development of individual Woodland Management Plans by our Forest Ecologist - (Cawthra Management Plan is in draft format and Whiteoaks will be developed in 2011).

Councillor Adams requested update on the results from the additional funding provided to deal with the Forestry backlog in 2009 and its impact.

At the end of 2009 Council identified issues pertaining to a backlog of Forestry scheduled Work orders due primarily to the large number of storm calls that impacted the city during the summer of 2009. Council provided \$780k in funding to allow staff to reduce or eliminate the Forestry backlog. \$193, 500 was used to hire three FT Arborists and fund the rental of an Aerial device for use by staff in 2010. The remaining \$586,000 was used to retain five contractors who completed scheduled maintenance work orders throughout the City. In 2010 the combined resources of existing Forestry Operations crews, the addition of three new Arborists and the retention of qualified arboriculture contractors allowed for:

A total of 2167 trees were removed. A total of 2822 trees were pruned. A total of 3805 trees were pruned as per the Block Pruning program = All trees on 114 streets were pruned

As of January 26th we currently have the following outstanding number of work orders:

- 509 trees to be removed
- 669 trees to be pruned
- 2684 trees to be pruned as per the Block Pruning program = All trees on 87 street to be pruned (contractors are to complete this work in 2011)

Conclusion from the Nov. 27th 2009 Corporate Report:

"While the additional funding in 2010 will serve to reduce the Forestry backlog, there is a gap between current staffing and funding levels and the need to carry out both emergency and routine work on a sustainable basis. In addition, the City will continue to expand its inventory of public trees, and has set a goal, as part of the Strategic Plan to plant one million trees over the next decade. Finally, there is a desire for enhanced levels of forestry maintenance in valley lands, and staff would like to provide for more

proactive maintenance of City trees in parks and greenbelts, so as to meet industry standards. With this in mind, Urban Forest staff, in conjunction with Community Services Business Planning, will be developing a comprehensive plan, addressing the budget and resource capacity needs of Urban Forestry over the long term, allowing for adequate proactive maintenance of City owned trees and the ability to respond effectively to emergency situations. This plan will be brought forward as part of the City's 2011-14 Corporate Business Plan."

Presentation E – Review and Information about pricing for seniors adult recreation programs

This was responded to by the Commissioner at budget sessions, but basically current plans involve preparation of a pricing study currently underway by Community Services and is targeted to completion by May 2011, tabling with Council at that time and then referral for public consultation. Council approved the "Active Assist" program and seniors rates by resolution BC-0038-2009 and passed by council Bylaw 004-2010 enacted by Council on January 20, 2010.

Presentation E - Cooksville Creek Debris Management

The debris management programs implemented by the Urban Forestry and Transportation and Works staff within Cooksville Creek involve two separate functions.

Urban Forestry is concerned primarily with forest management in wooded sections of the valley adjacent to the watercourses and the surrounding natural areas. Staff are also charged with ensuring the long term sustainability of the natural environment adjacent to watercourses ensuring that ecologically and environmentally sound practices are implemented and adhered to. Removal of downed trees and limbs and the identification and monitoring of potential tree hazards are carried out by trained Arborists and ISA certified Inspection and Contract Management staff to meet risk management requirements.

Transportation and Works is primarily focussed on removal of debris (the majority being man-made debris) from the watercourse, and the long term maintenance and repair of storm water infrastructure. The two areas work in conjunction but the staff, contractors and scope of work carried out by both units is distinct and requires multiple skill sets and qualifications.

Existing and new partnerships were developed and enhanced throughout the Cooksville Creek program in 2010, showing that the two teams work extremely well together allowing for the development and implementation of an excellent program.

Staff recommend that Transportation and Works and Parks and Forestry prepare an annual plan for Council information that details a cohesive combined work plan with specific and non-duplicative tasks.

Presentation E - Trail Markers

As a result of the Cycling Master Plan, a wayfinding system for Mississauga's bicycle routes was developed for both on road and off road (trail) facilities. ISF funds are being used to install new trail markers in 38 of the City's parks - this is the first step in providing wayfinding for the overall cycling network.

Sponsorship and advertising in parkland is a sensitive issue to apply sensitively without destroying aesthetics provided by millions of parkland investments. Further to this however, Pepsi has provided sponsorship of recycling programs in Parks over the past several years with no negative feedback. The Sponsorship and Corporate Development unit will investigate the possibility of sponsorship of trail markers in order to provide the opportunity of speeding up implementation of the system.

Presentation E - Cell Towers

As per Dave Marcucci's and the Commissioner of Community Services comments, Community Services will make it standard practice to consult with Councillors as part of the process of negotiating Cell Tower agreements on City lands.

Presentation E - Tree Services and Service Levels

Urban Forestry carries out two types of tree maintenance for City trees. The first is maintenance in response to service requests from residents or other clients, which is carried out by Urban Forestry staff. In addition there is an ongoing program of cyclical "block pruning" which involves pruning of all of the 250,000 trees on a street or neighbourhood and is carried out by contractors.

Block pruning is carried out systematically throughout the City and currently operates on a current budget of \$100,000 annually. An additional \$400,000 has been requested as part of the 2011 current budget. The additional funds would assist in the ongoing reduction of a Forestry Backlog by proactively implementing a pruning program to maintain our tree assets. Urban Forestry is aiming to implement an eight year pruning cycle where every street tree would be maintained once in that cycle therefore reducing the individual resident or client requests. Because the work is concentrated in a particular area, this is the most efficient and cost effective way to carry out large scale tree pruning programs.

Forestry crews respond to service requests (SRs) on an annual basis. SRs range from emergency responses from residents or EMS - for example storm damage where property or safety is threatened, roads blocked etc., to ongoing routine tree pruning, tree removal, sight line issues, pest and disease issues, ownership and tree replacement requests. Currently four priority service levels are utilized as below.

Emergency Response – Crews are dispatched 24 – 7 by: Call Centre staff, Forestry Staff or T & W after-hours dispatch with crews attending immediately;

- Priority 1 – A work order that has been generated following an inspection and is scheduled to be completed within 24hrs;
- Priority 2 – A work order that has been generated following an inspection and is scheduled to be completed within 6 months; and
- Priority 3 – A work order that has been generated following an inspection and is scheduled to be completed within 12 months plus.

Priority 1, 2 and 3 calls are prioritized by Forestry staff based on:

- Potential liability concerns- life and limb safety, property damage
- Condition of the tree
- Type of work
- Existing backlog due to volume of SRs that resulted in a work order and the volume of storm response calls e.g. 2009 - Operations staff completed only storm calls from July until October with all scheduled work orders put on hold.

Current turn around time from initial request from resident to completion of work order is less than 6 months. The annual cost of Forestry Operations staff is approximately \$2.3 Million. This service is provided at no direct cost to residents.

Presentation E - 'Adopt- a Creek'

Parks and Forestry currently provides two programs to facilitate community involvement in improving City greenspaces and natural areas. "LitterNot" is a long established program which is implemented in cooperation with Transportation and Works and Communications. This give community groups the opportunity to enter into an agreement to provide regular litter pick up on City lands - these could include parks, greenbelts, woodlands or road allowances.

There is also the "Parks Community Stewardship Program". This program involves community groups working with the City to maintain specific parks or sections of parks.

In particular, a number of community groups have adopted various horticultural displays around the City and have taken on planting and ongoing maintenance.

"LitterNot" is currently undergoing a makeover and will re-launch in the spring. Either of these programs could be adapted to accommodate community involvement in carrying out maintenance and enhancement of watercourses. Staff would suggest that a pilot be undertaken, if a willing community group can come forward.

Public Delegations – January 25th

1. Mississauga North Baseball Association

Mr. Ed Zeagman - Vice President of Mississauga North Baseball Association's appeared as a delegation to the budget committee on Tuesday January 25th 2011 in which MBNA outlined various concerns about user fees and maintenance. The following information is provided for budget committee.

- a) User fee increases by the City of Mississauga for outdoor field permits have for the past ten years risen at the rate of inflation (generally 2.5%). Contrary to the apparent assumptions by the MNBA annual user fee increases do not increase service levels.
- b) MBNA is an affiliated sports group and receives subsidized sport field rental rates by being an affiliated sports group. The Mississauga affiliate user fee rate to MBNA for an irrigated, seasonal lit diamond per hour is \$8.26/hour (single use \$10.62/hour), Brampton's rate is \$14.98/hour, Oakville at, \$20.47/hour and Markham \$13.73/hour.
- c) The financial statement provided by MBNA (next page) as part of the 2011 affiliation renewal process for subsidized field use indicates that between 2008 and 2009, user fee billings by the city to MBNA rose 0.6% from \$51,841 in 2008 to \$52,189 while the overall MNBA budget rose 20% from \$276,860 to \$373,366 in 2009. The group indicates they paid \$65,000 in 2010, city records have \$59,578.15 was received. This is as an apparent expansion of quantity of scheduled play (more scheduled fall games and tournaments).
- d) Further, the user fee billings by the City represent approximately 15% of MNBA's overall budget in the budget statement provided by MNBA. The statement further notes that \$100,000 of revenues come from tournaments against \$90,000 of tournament expenses.

- e) A typical lit and irrigated ball diamond costs \$3.8 million (land \$3 million, \$800,000 for lighting, fencing, irrigation, benches, on a 3 acre site including parking) An \$8 million capital maintenance project fund exists (10 year total) for capital replacements of any item that has a lifecycle more than one year.

After the delegation by Mr. Ed Zeagman, the Director of Recreation & Parks had an opportunity to speak with Mr. Zeagman face to face and indicated that he would be pleased to meet to discuss Mr. Zeagman's primary concern about maintenance for the 2011 season in advance of the normal February sport group review meetings with parks, sports unit and sport groups including the President and MBNA scheduling convenor. Despite Provincial pesticide bans, parks staff have met needs in the balance of sportfields in the city and without the nature of concerns expressed by MBNA. Nonetheless, parks staff will review maintenance with MBNA and ensure more effective results occur in 2011.

J. Johns

2011-01-27

Mississauga North Baseball Association Inc.
Statement of Operations and Changes in Net Assets
For the Year Ended September 30, 2009

	2009	2008
	\$	\$
Revenue		
Registration	273,119	288,798
Tournaments	100,750	41,756
Sponsors and fund raising	11,310	17,001
Interest and miscellaneous	5,064	5,925
Total revenue	390,243	353,480
Expenses		
Equipment and uniforms	92,273	72,769
Tournaments	90,190	31,515
Park fees	52,189	51,841
Umpire fees and expense	42,424	37,150
Facility costs	33,724	39,012
Trophies, prizes and pictures	21,932	12,065
Advertising, promotion and printing	8,816	7,516
Office and general	6,068	2,833
Association fees and dues	8,000	7,930
Professional fees	6,410	5,544
Insurance	4,542	5,409
Telephone	2,763	2,603
Interest and service charges	2,339	93
Player and coach development	1,696	580
Total expenses	373,366	276,860
Excess of revenues over expenses	16,877	76,620
Unrestricted fund balance, beginning of year	82,095	5,475
Unrestricted fund balance, end of year	98,972	82,095

USER FEES = 15%

0.6%

20% ↑

See Accompanying Notes

Karin Ann Brent

From: Debbie MacDonald
Sent: January 26, 2011 1:30 PM
To: Karin Ann Brent
Cc: Paul Mitcham; Don Mills; Anne Murphy
Subject: Response to Action Items - Budget Committee
Attachments: image001.jpg

Importance: High

Hi Karin,

Re: Presentation E – Library Services (January 18, 2011)

Request – Councillor Eve Adams requested that the children’s book collections at Frank McKechnie and Malton Libraries be augmented.

Response – This will be addressed through the Library budget request for additional funding to augment the collection so that it meets current provision standards.

.....debbie

Debbie MacDonald
Manager, Shared Services
Mississauga Library System
Community Services Department
City of Mississauga

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debbie.macdonald@mississauga.ca



Memorandum



BUDGET COMMITTEE
MEETING: January 31 2011
ACTION ITEM 38
ACTION ITEM 39
ACTION ITEM 40

TO: Chair and Members of Budget Committee

FROM: Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

DATE: January 26, 2011

SUBJECT: **Response to Budget Committee on Facilities & Property Management Business Plan Questions**

Further to the presentation of the Facilities and Property Management Business Plan and Budget at the January 17, 2011 meeting of Budget Committee, following is a response to the requests for further information that were made.

On the matter of the request for additional Project Managers to address the anticipated capital project workload stemming from the Business Plan, there are currently 8 full-time and 2 contract Project Managers in the Facilities Planning and Development Section of the Division. The requirement for an additional 3 Project Managers was based on an analysis of the existing approved capital projects, projects which were previously identified and approved in the capital forecast and projects that were identified by the departments through the Business Planning process. This requirement is not related to work load which has been assumed as a result of the ISF/RInC programs as contract Project Managers were retained for those projects. Those contract staff will finish their contracts when the projects are completed.

With respect to the \$10.5 million reduction in cost since 2005 attributable to the Energy Management Section's efforts, this level of cost reduction has resulted from a wide variety of projects and initiatives. There has been a significant capital investment in energy conserving technologies such as lighting retrofits, building automation systems, improved boiler technologies, heat recovery systems and variable speed drives for large electric motors. These initiatives have accounted for over \$5.6 million in identified savings.

The second largest area of cost savings has come from the Section's work on energy procurement strategies. We have been municipal sector leaders in using various techniques to balance the risk of volatile energy markets with cost savings. We were among the first to use forward contracts, developed different hedging strategies at different times in response to market conditions and more recently have moved to spot market purchases as the most economical means of procurement. This has resulted in savings to the Corporation of over \$3.8 million.

The balance of savings has come from such things and bill verification, energy production revenue from solar panels at Hershey Centre and sewage discounts based on water that is consumed but not sent to the sanitary system (e.g. irrigation).

Finally, the purchase of green power for City Hall from Bullfrog Power has cost us an additional \$180,000 a year since the first pilot began in April 2008. The premium cost of greenhouse power is approximately 2.85 cents per kilowatt hours over the normal cost of power. A total of 6.2 million kilowatt hours of electricity has been purchased annually which has had the effect of reducing greenhouse gas emissions by 4,400 tonnes, or the equivalent of removing 975 cars from City streets. Bullfrog was selected as the vendor for this product through a competitive process as they are EcoLogo Certified and they have a comprehensive program of supporting their customers through communications and marketing initiatives. Certification ensures that we are purchasing true green power and are in fact contributing to the viability of the green power industry by ensuring that investments are made in new projects. The marketing program ensures that the City's investment in green power is recognized in the community and demonstrates our leadership on this matter.

I would be pleased to elaborate further on any of these points should you require additional information.



Brenda R. Breault, CMA, MBA

Commissioner of Corporate Services and Treasurer