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DATE 18 January 1999

TO/DEST. Co-ordinator  
Budget Sub Committee

FROM/EXP. Chief Administrative Officer  
Finance Commissioner

SUBJECT/OBJET **1999 DRAFT ESTIMATES**  
**BUDGET REDUCTIONS AND ADJUSTMENTS OPTIONS**

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### RECOMMENDATION

**That the Budget Sub-Committee consider the budget reductions and adjustments in the amount of \$27.7 million and \$4.5 million respectively as summarized in Annex B of this report and that this report be submitted by the Budget Sub-Committee to the Policy Committees for consideration at their respective budget review meetings.**

### BACKGROUND

On November 25, 1998, a joint report of the Chief Administrative Officer and Finance Commissioner entitled "*1999 Draft Estimates - Executive Summary of Expenditure and Taxation Requirements*" was tabled with Council. The purpose of the report was to present to Council a summary of the 1999 draft operating and capital requirements as detailed in the Policy Committee documents along with providing an overview of the various budget pressures to be addressed in 1999.

The report presented three taxation requirement scenarios. The "Base Case" scenario presented the taxation requirements prior to the implementation of Bill 79 - *the Fairness to Property Taxpayers Act*. Two additional scenarios presented what staff believed to be the best and worst case impact on payments-in-lieu of taxes (PIL's) resulting from the introduction of Bill 79. As was noted in the report, this provincial legislation, which was designed to cap tax increases on taxable multi-residential, commercial and industrial properties for the years 1998 to 2000 at 10%, 5% and 5% respectively, could have a disastrous effect on the PIL's generated from Federal government properties. Annex A presents these three taxation scenarios.

Based on the discussions that have taken place subsequently between the Chair's Office, Regional staff and Provincial and Federal government officials, it is anticipated that the impact of Bill 79 on the level of PIL revenues from federal properties will likely reflect the amounts shown in Scenario #2 otherwise referred to as the "modified cap." It was estimated at the time the draft estimates were tabled that Scenario #2 would result in an increased taxation requirement of approximately \$32.2 million or a 5.8% tax increase in the absence of provincial assistance or program reductions.

To date, no additional funding has been announced by the provincial government. Staff have been reviewing the funding requirements of all program areas as presented in the 1999 Draft Estimates in order to present Committees and Council with a package of reduction and adjustment options that could address the total funding shortfall of \$32.2 million without a tax increase as reflected in Scenario #2 and in the absence of provincial assistance.

The reduction and adjustment option package outlined in this report has been developed for the consideration of the Budget Sub-Committee in accordance with the following budget principles as adopted by Council on September 23, 1998:

*The Budget Sub Committee will:*

- *Aim to have a 0% tax increase, subject to adequate provincial funding to address the financial problems caused by provincial downloading, and that priority will be given to administrative and operational efficiencies and that any reductions to services that sustain the health and economic prosperity of Ottawa-Carleton will be given the lowest priority.*
- *Aim to maintain the total net taxation requirement for Regional programs at 1998 levels except for the increased amount required for Police purposes associated with the final year of OPP phase-in costs.*
- *Review the delivery and objectives of all Regional programs with the purpose of proposing administrative efficiencies and program reductions that will not adversely affect:*
  - a) the financial integrity of the corporation;*
  - b) the maintenance and repair of Regional infrastructure; and*
  - c) the most vulnerable citizens in the community*
- *Ensure that the maintenance and repair of infrastructure is done in the most cost effective manner.*
- *Continue to pursue the Province of Ontario for its continued financial support of downloaded services and that this continued financial support for 1999 be communicated to the Region before October 31, 1998.*

Annex B summarizes by program area the Budget Reductions and Adjustments Options. Details of each option are described below.

**1) Regional Departments - \$6.1 million**

a) Departmental Program Reductions - \$5.2 million

The Management Committee has conducted a review of all regional programs and has prepared a list of proposed reductions. These reductions have, to the greatest extent possible, been developed in keeping with Council’s budgetary principles. However, the magnitude of the reductions required to achieve Council’s 1999 property tax objective cannot be solely achieved with program or administrative efficiencies. Operational efficiencies have been and are continually extracted from departmental budgets. That is not to say that additional efficiencies cannot be achieved but rather that significant savings can only be achieved through program reductions or elimination. The following table summarizes the amount of proposed reductions by program area. Details by department are provided in Annex D.

<b>Department</b>	<b>Reduction</b>
<b><u>Tax Supported Programs</u></b>	<u>\$000’s</u>
Administrative Departments	1,384.5
Community Services	1,850.0
Planning & Development	581.0
Environment & Transportation	
- Transportation Services	1,132.0
- Solid Waste	165.0
<b>Total Tax Supported Program</b>	<b>5,112.5</b>
<b><u>Rate Supported Programs</u></b>	
Environment & Transportation	
- Water Operations	700.0
- Sewer Operations	306.0
<b>Total Rate Supported Programs</b>	<b>1,006.0</b>

b) Reduce Departmental Provisions for Purchased Services - \$1.0 million

In order to achieve the overall reduction target, the Management Committee has re-examined the total departmental provisions for a wide range of expenditure items including such objects as conferences, consultants, business travel, advertising, parking, and office supplies. An additional 10% across the board reduction is required in order to achieve the required total reduction target of \$32.2 million. This will decrease the funding requirements of tax supported programs by \$1.0 million and rate supported programs by \$0.2 million.

## **2) OC Transpo - \$9.2 million**

The 1999 draft operating estimates for OC Transpo purposes as tabled on November 25, 1998 were developed in September of 1998, prior to the implementation of any organizational restructuring. At the time, the draft estimates identified an increased taxation requirement of approximately \$9.4 million. Since then, the Interim General Manager of OC Transpo and Finance Commissioner have conducted an extensive review of the operating estimates with OC Transpo staff and have identified a number of budget reductions and adjustments that can be implemented for 1999 without affecting Council's objective to promote public transit ridership through improved service and reliability.

### a) Reduce Fuel Budget - \$1.3 million

The 1999 service plan was based on a diesel fuel price assumption of 23¢ per litre. As a result of the continuing drop in world oil prices, staff have been able to lock in the supply of diesel fuel for the first six months of 1999 at a price of 18¢ per litre. The effect of this reduction is a saving of approximately \$1.0 million. In addition, it is estimated that the fuel budget can be reduced by an additional \$0.3 million by assuming a price of 20¢ per litre for the last six months of 1999 instead of the current price of 21.6¢. At the present time diesel fuel forward contract quotes are in the 18-20¢ per litre range.

### b) Capitalize Major Bus Rebuilds - \$1.1 million

In previous years, the accounting treatment for recording expenditures associated with major bus rebuilds was to charge these costs directly to operations. Since the incurring of these costs is designed to increase the useful life of the asset from three to seven years on average, these yearly expenditures should more properly be set up as a capital program of works and funded from the Transit Capital Reserve Fund. It should be noted that this will have the effect of reducing the balance in the Transit Capital Reserve Fund available to fund the future acquisition of new buses.

### c) Reduce Depreciation Reserve Fund Contribution - \$0.5 million

The depreciation base, as provided in the 1999 operating estimates is approximately \$25.6 million representing an increase of \$2.0 million over the 1998 budget. It is proposed to reduce the additional contribution from \$2.0 million to \$1.5 million. This will result in having less funds in the depreciation reserve fund to replace buses in future years.

### d) Reduce Sick Benefit Reserve Fund Contribution - \$0.6 million

Yearly contributions to this reserve fund provide for the costs associated with retirement benefits. Upon review of the fund balance, it is projected that the 1999 contribution requirement can be decreased by \$0.6 million. The level of contribution will be re-examined during the development of the 2000 operating estimates.

e) Reduce Insurance Reserve Contribution - \$0.8 million

An additional \$0.8 million was provided in the 1999 operating estimates to address a funding shortfall which was identified by the insurance carrier of OC Transpo. This requirement has been addressed as part of 1998 operations and is therefore not required in 1999.

f) Reduce Short Term Interest Budget - \$0.4 million

As a result of a number of corporate initiatives, including the integration of OC Transpo's financial operations with the Region and the use of only one bank account, it is felt that OC Transpo's short term borrowing costs can be reduced by \$0.4 million.

g) One Time Funding of Increased Service / Reliability Initiatives - \$4.6 million

Included in the 1999 draft operating estimates are a number of new initiatives designed to improve the reliability of the public transit system and to increase the service provided to the public. In conjunction with these two initiatives, additional funding for marketing and safety-related programs has also been provided in the estimates. The payback for this investment is projected to manifest itself in increased ridership which is forecast to generate approximately \$2.5 million in additional farebox revenues. This increase in revenue has also been reflected in the 1999 estimates. A summary of the proposed funding associated with the new ridership initiatives is summarized below:

<b>Initiative</b>	<b>Expenditure (\$000's)</b>	<b>Revenue (\$000's)</b>	<b>Net (\$000's)</b>
Improved Reliability	2,400	1,083	1,317
Increased Service	3,150	1,422	1,728
Marketing	818	-	818
Safety	734	-	734
<b>Total</b>	<b>7,102</b>	<b>2,505</b>	<b>4,597</b>

Council's commitment to increase public transit usage in order to achieve the transportation modal splits as expressed in the Official Plan will require significant additional resources. At this time, it is uncertain whether this \$7.1 million investment in these public transit initiatives will in fact increase ridership and result in the projected additional revenue of \$2.5 million. It is proposed, therefore that, if these initiatives are adopted by Council, they be funded by a one time contribution from the Transit Capital Reserve Fund and that the success of the program be reviewed late in 1999 to determine whether continued funding in the 2000 operating budget is warranted. Again it must be noted that, while this approach eliminates the impact of these initiatives on 1999 property taxes, the effect is to reduce the balance in the Transit Capital Reserve Fund available in future years to fund the acquisition of new buses.

### **3) Discontinue Vested Benefit Reserve Fund Contribution (OMERS Holiday) - \$5.5 million**

As a result of an excess surplus in the Ontario Municipal Employee Retirement System plan (OMERS), the OMERS board announced in 1998 a three year premium “holiday” for contributions from both employees and employers. This holiday is to expire at the end of 2001 with premiums to be phased-in over the subsequent three years. Prior to October 1998, the OMERS holiday had been expected to end in 1999. As a result, the staff recommendation, as outlined in the November 25, 1998 tabling of the Draft Estimates, was to maintain this budgetary base provision by contributing these premium savings to the Vested Employee Benefit Reserve Fund during the holiday period. Given the extension of the OMERS holiday and the magnitude of the reductions required to achieve Council’s property tax objective, it is proposed that this provision be discontinued at this time, with the understanding that once the premium holiday is over, these funds will need to be re-provided in future operating budgets.

### **4) Reduction to (PAYG): Transit Capital Reserve Fund Contribution - \$3.0 million**

In the development of the ten year capital program for transitway and OC Transpo purposes, approximately \$53.0 million has been provided in the 1999 draft operating estimates along with subsequent yearly contributions of \$50.0 million for the remaining nine years of the forecast period. Council was advised at the tabling of the draft estimates that the program requirements for OC Transpo, as presented in the capital document, reflected the program envelope as presented in the 1998 ten year forecast. Finalization of the 1999-2008 capital program will be dependent on Council’s approval of the recommendations contained in the final KPMG study together with the related business case. Subject to this additional information being developed during 1999, the 1999 PAYG contribution is being reduced by \$3.0 million.

### **5) Reduction to PAYG: Child Care Capital Reserve Fund Contribution - \$1.5 million**

As directed by Council, the 1999 draft estimates contain a \$1.5 million contribution to the Child Care Capital Reserve Fund. Based on discussions with the Social Services Department, it is anticipated that an amount of \$830,000 towards this contribution can be accommodated from the operational savings achieved from the implementation of the National Child Tax Benefit program in the 1998 fiscal year. The balance of \$670,000 required can be funded from 1998 Child Care operating surpluses or from the Child Care Contingency Fund. Therefore, it is recommended that the 1999 budgetary provision be eliminated and that the contribution of \$1.5 million be funded from these savings. Funding of the 2000 requirement will be addressed during the development of the 2000 draft estimates.

### **6) Eliminate Unforeseen Provision - \$0.2 million**

The majority of this provision has in recent years been used to provide grants to organizations that do not meet the eligibility criteria established by Council for accessing funds from other existing Regional grant programs. Elimination of this provision will limit Council’s ability to grant these requests which fall outside Council’s established criteria.

### **7) Reduce Corporate Human Resource Provision - \$0.5 million**

The Corporate Human Resource Provision provides funding for a number of corporate programs, such as benefits for retirees, job evaluation, termination & sick leave and parental leave. A full description of all the programs can be found on page 79 of the 1999 Corporate Services & Economic Development Committee document. Based upon a re-examination of all budgetary provisions in this account, the Acting Commissioner of Human Resources has indicated that a \$0.5 million reduction, representing a reduction of 10%, is achievable.

### **8) Reduce External Agencies 1999 Submissions - \$1.6 million**

The 1999 submissions received from the external agencies represent an increase of \$1.6 million to the level of funding provided in 1998. Given the magnitude of the reductions required to achieve Council's budget objectives, it is recommended that no increase in funding to external agencies be provided in 1999.

### **9) Increased Provincial Offences Notice Revenue - \$1.0 million**

With the coming into force of the *Streamlining of Administration of Provincial Offences Act, 1997*, the Ministry of the Attorney General has made available a new source of revenue to the municipal sector. This legislation, which allows for the transfer of the administration and prosecution of most provincial offences to municipalities, will also provide to participating municipalities the fine revenue generated as a result of those offences. In Ottawa-Carleton, the most current provincial estimates indicate net *Provincial Offences Act* fine revenue in the amount of approximately \$3.5 million per year. Though this revenue transfer was effective January 1, 1998, these amounts are presently being held on account for Ottawa-Carleton pending the negotiation and signing of an Inter-Municipal Service Agreement between the Region and area municipalities and the execution of the necessary agreements with the Ministry of the Attorney General. Regional staff are working with representatives of the local municipalities with a view to completing an Inter-Municipal Agreement in the near future so as to make this new source of revenue available as soon as possible.

In developing the 1999 draft estimates, a provision of \$2.5 million in net *Provincial Offences Act* fine revenue was included. Based on this latest information, it is proposed to increase this revenue provision by \$1.0 million.

### **10) Increased Social Services Subsidy - \$2.3 million**

As part of the arrangements related to the downloading of Provincial services, the Region has been funding 50% of Provincial FBA administrative costs since January 1, 1998. Included in these administrative costs are a number of elements such as accommodation costs, telephone, postage and office supplies that the Province has previously never cost shared with the Region. The Social Services department has held numerous discussions with Ministry staff over the past year to address this funding inequity. As a result of these efforts, the Province has agreed to provide 50% cost sharing on these former ineligible regional costs retroactive to January 1, 1998.

**11) Decrease in Social Assistance Caseload - \$0.5 million**

The Social Services Department 1999 draft estimates provides funding for a projected average monthly caseload of 30,400, including the Sole Support Parent caseload of approximately 4,000 transferred on January 1, 1998. This monthly average caseload for 1999 was based on projections using the actual September 1998 caseload. The final 1998 caseload levels have now been determined and, as a result, the Department has advised that the caseload projections can be reduced to 30,100, resulting in a decreased funding requirement of approximately \$0.5 million.

**12) Eliminate Farm Tax Rebate Provision - \$0.8 million**

In 1998, the provincial downloading of services to municipalities as announced in the Local Services Realignment (LSR), identified the discontinuance of the provincial farm tax rebate program along with other rebate programs. Although discontinued, the effect of this rebate program was shifted to municipalities by requiring the newly created Farmland and Managed Forests property class tax rates to be calculated based on 25% of the residential property class tax rate. As a result, the 1999 budgetary provision is not required in that it is already accounted for in the calculation of tax rates.

## CONCLUSION

The Budget Reductions and Adjustments option package as presented in this report, provides Council with reductions and adjustments to the 1999 draft estimates that total \$32.2 million. These options generally represent reductions to base budgets although a number of the reductions such as diesel fuel costs and caseload adjustments are subject to change in the future.

Several of the proposed budget reductions, while they do not create financial difficulties in 1999, have the potential to limit the flexibility of Council to deal with funding issues in future years at a time when it is assuming greater responsibilities each year.

For example, while the reductions of \$3.0 million in Transit PAYG and \$0.5 million for depreciation is achievable for 1999, when combined with the change in accounting treatment of major bus rebuilds (capitalization of \$1.1 million), it has the effect of reducing yearly contributions of \$53 million to the public transit capital reserve funds by \$4.6 million. Subject to Council's decision with respect to the KPMG recommendations, the required capital program for OC Transpo to meet ridership objectives may require a substantially larger yearly investment in public transit than is currently contained in the ten year capital program.

In addition, the OMERS premium holiday does not represent a permanent base reduction. This budgetary provision will need to be phased back into future operating budgets. The staff recommendation made at the November 25, 1998 tabling of the Draft Estimates was to maintain this provision and to begin addressing the funding shortfall with respect to the liability to employees' accumulated sick leave and termination benefits.

As has been stated numerous times in the past, the ability of this corporation to continually absorb funding reductions from "administrative efficiencies" cannot continue without revisiting and examining services provided to the public and reducing the inventory of programs. The corporation cannot continue on the present course of budget trimming and expect the corporate and the operating department administrations to adequately support the delivery of public programs.

As was pointed out earlier in the report, in the absence of any additional provincial funding, the level of budget reductions and adjustments, if implemented, would achieve Council's property tax target only if the issue of the PIL revenues from federal properties is resolved as presented in Scenario #2.

Lastly, Council should be mindful that the use of approximately \$14.0 million in one time PIL revenues from 1998 operations will not be available to offset taxation requirements in 2000. At the conclusion of the 1999 budget process the work on the 2000 draft estimates must begin immediately to address this significant challenge.

*Approved by  
Chief Administrative Officer  
and Finance Commissioner*

<b>1999 Draft Estimates</b>			
<b>Increase In Property Tax Requirements</b>			
	<b>Base Case Pre-Bill 79</b>	<b>Scenario #1 Bill 79</b>	<b>Scenario #2 Modified Cap</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>1998 Property Taxes</b>	<b>557,407</b>	<b>557,407</b>	<b>557,407</b>
<b>Provincial Download</b>			
- Loss of MCOR Funding	43,463		
- Additional costs of highway transfers	1,602		
- Additional costs of Land Ambulance	791		
- Reduction in costs of Social Housing	(552)		
- Additional costs of Assessment	423		
<b>Operational Issues</b>			
- Compensation (excluding OC Transpo)	5,912		
- Police -OPP Phase-In	1,664		
- Police - Debt Charges	789		
- Genesis Project (New Financial System)	1,349		
- Other Operational Issues			
Region Wide	(2,766)		
Police	1,433		
Solid Waste	1,134		
Child Care	523		
OC Transpo (including compensation)	9,415		
<b>Other Issues</b>			
- Pay-as-you-go (PAYG)			
Child Care	1,500		
Police	2,000		
- Loss of 1998 Sinking Fund Revenue	1,467		
- External Agencies	1,605		
- PIL's - Regional Facilities	88		
- OMERS Contribution Holiday (12 months)	(9,422)		
- Contribution to Benefits Reserve	5,541		
- Miscellaneous	255		
<b>Increase in Requirement</b>	<b>68,214</b>	<b>68,214</b>	<b>68,214</b>
<b>Commercial Rebate Program</b>	<b>2,495</b>		
<b>Payments-in-lieu of Taxes</b>			
1999 Base	(25,600)	(11,000)	(22,000)
1998 1-Time	(15,000)	(4,000)	(14,000)
<b>Budget Shortfall requiring Provincial assistance program reductions or tax increase</b>	<b>30,109</b>	<b>53,214</b>	<b>32,214</b>
<b>Increase over 1998 Taxation without Provincial assistance or program reductions</b>	<b>5.4%</b>	<b>9.5%</b>	<b>5.8%</b>

<b>1999 Draft Estimates Budget Reductions and Adjustments Options Scenario 2 - Modified Cap</b>		
	<b>\$000's</b>	<b>Base Budget Reductions/ Adjustments \$000's</b>
<b>Budget Shortfall</b>		<b>32,214</b>
<b>Budget Reductions</b>		
1) Regional Departments (Annex C)		
a) Departmental program reductions		5,113
b) Reduce by 10% departmental provisions for Purchased Services		1,035
2) OC Transpo		
a) Reduce fuel budget	1,254	
b) Capitalize bus rebuilds	1,100	
c) Reduce depreciation contribution from \$2.0M to \$1.5M	500	
d) Reduce sick benefit reserve fund contribution	560	
e) Reduce insurance reserve contribution	750	
f) Reduce short term interest budget	441	
g) One time funding of Service / Reliability initiatives	4,597	9,202
3) Discontinue vested benefit reserve contribution		5,541
4) PAYG Reduction - Transit		3,000
5) PAYG Reduction - Child Care		1,500
6) Eliminate unforeseen provision		200
7) Reduce corporate human resource provisions by 10%		500
8) Reduce External Agencies' 1999 submissions (Annex C)		1,605
<b>Total Budget Reductions</b>		<b>27,696</b>
<b>Other Budget Adjustments</b>		
9) Increased Provincial Offences Notice revenue		1,000
10) Increased Social Assistance subsidy		2,250
11) Decreased caseload		500
12) Eliminate Farm Tax Rebate provision		768
<b>Total Other Budget Adjustments</b>		<b>4,518</b>
<b>Total Budget Reductions/Adjustments Options</b>		<b>32,214</b>

## Annex C

## Summary of Reduction Options By Program Area

	Reduction Amounts		
	Program Reductions	Purchased Services Reductions	Total Reductions
<b><u>Regional Departments</u></b>			
<b><u>Administrative</u></b>			
CAO	-	10.0	10.0
Regional Clerk	165.0	104.0	269.0
Finance	65.0	104.0	169.0
- ISD	235.0	-	235.0
Human Resources	363.0	67.0	430.0
Legal	236.5	46.0	282.5
CAO Initiatives	241.0	-	241.0
<b>Total</b>	<b>1,305.5</b>	<b>331.0</b>	<b>1,636.5</b>
<b><u>Community Services</u></b>			
Homes for the Aged	289.0	35.0	324.0
Health	829.0	140.0	969.0
Social Housing	-	21.0	21.0
Child Care	-	15.0	15.0
Social	732.0	104.0	836.0
<b>Total</b>	<b>1,850.0</b>	<b>315.0</b>	<b>2,165.0</b>
<b><u>Planning &amp; Development</u></b>			
Planning	458.0	51.0	509.0
Property Services	123.0	38.0	161.0
<b>Total</b>	<b>581.0</b>	<b>89.0</b>	<b>670.0</b>
<b><u>Environment &amp; Transportation</u></b>			
Tax Supported			
- Transportation	1,211.0	160.0	1,371.0
- Solid Waste	165.0	140.0	305.0
<b>Total</b>	<b>1,376.0</b>	<b>300.0</b>	<b>1,676.0</b>
<b>Total Departmental Reductions</b>	<b>5,112.5</b>	<b>1,035.0</b>	<b>6,147.5</b>
<b><u>Grants To External Agencies</u></b>			
Conservation Authorities	39.0	-	39.0
Ottawa Tourism & Convention Authority	470.0	-	470.0
Ottawa Economic Development Corporation	1,000.0	-	1,000.0
Ottawa Carleton Research Institute	88.0	-	88.0
Life Sciences Council	8.0	-	8.0
<b>Total Grant Reductions</b>	<b>1,605.0</b>	<b>-</b>	<b>1,605.0</b>
<b>Total</b>	<b>6,717.5</b>	<b>1,035.0</b>	<b>7,752.5</b>

**1999 DRAFT ESTIMATES  
PROGRAM ADJUSTMENTS/REDUCTIONS SUMMARY**

DEPARTMENT	FTE'S	AMOUNT \$000	PAGE #
<b><u>Administrative Departments</u></b>			
Regional Clerk	2.0	165.0	D-1
Finance	4.0	300.0	D-2
Human Resources	2.5	363.0	D-3
Legal	3.0	236.5	D-5
CAO Initiatives	2.0	241.0	D-6
	13.5	1,305.5	
<b><u>Community Services</u></b>			
Homes for the Aged	4.0	289.0	D-7
Health	15.1	829.0	D-9
Social Services and Child Care	14.0	732.0	D-12
	33.1	1,850.0	
<b><u>Planning &amp; Development Approvals</u></b>			
- Planning	7.0	458.0	D-13
- Property Services	1.0	123.0	D-15
	8.0	581.0	
<b><u>Environment &amp; Transportation</u></b>			
- Transportation & Engineering	11.5	1,211.0	D-16
- Solid Waste		165.0	D-18
	11.5	1,376.0	
<b>Total Tax Supported Program Areas</b>	<b>66.1</b>	<b>5,112.5</b>	
<b><u>Environment &amp; Transportation</u></b>			
- Water	12.0	700.0	D-19
- Sewer	3.5	306.0	D-20
<b>Total Rate Supported Program Areas</b>	<b>15.5</b>	<b>1,006.0</b>	
<b>TOTAL</b>	<b>81.6</b>	<b>6,118.5</b>	

**DEPARTMENT: REGIONAL CLERK**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Corporate Records and Archives</b>	<b>Eliminate Manager position</b>  <i>Impact on Service: Reduces the scope of services which can be provided in the records management area, including the ability to adapt policy to changing needs and deal with emerging issues in records management, including electronic records-related problems. Unable to operate the Corporate Archives program.</i>	71	1.0
	<b>Eliminate Library Technician position</b>  <i>Impact on Service: Reduces corporate library staff complement to one position. Diminishes the capacity of the Centre to meet needs/requests for documents/reports/information from regional staff, members of Council and the public. May reduce Centre's hours of operation and will curtail inter-library research capability.</i>	34	1.0
<b>Information &amp; Public Affairs</b>	<b>Agenda items published in daily newspapers.</b>  <i>Impact on Service: Residents would be redirected to the Region's Web Site and touch tone telephone line to obtain the list of items for Standing Committee meetings. The Standing Committee meeting dates and times will still appear in the three dailies.</i>	60	-
	<b>Total</b>	165	2.0

**DEPARTMENT: FINANCE**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
Information Systems	<p><b>Director position</b></p> <p><i>Impact on Service: This position is currently vacant. The direction for Information Systems for the next 2 years has been set and focuses on implementing the required changes identified by the Year 2000 project. The requirement to restaff this position will be re-examined as part of the overall rationalization of IT resources in the Corporation, including OC Transpo.</i></p>	115	1
Financial Services	<p><b>Receptionist/data entry position</b></p> <p><i>Impact on Service: This position is currently vacant. Most of the receptionist function was recently transferred to Window on the Region. The data entry requirements will be eliminated as part of the Genesis project.</i></p>	40	1
Financial Services	<p><b>Consultants</b></p> <p><i>Impact on Service: The 1999 work plan identified a number of projects including work relating to the development of property tax policies. The work plan will be reduced.</i></p>	25	-
Information Systems	<p><b>Gapping</b></p> <p><i>Impact on Service: Due to staff turnover in this area and delays in hiring, gapping is estimated to be at least 5% in 1998. This trend is expected to continue in 1999.</i></p>	120	2
<b>Total</b>		300	4

**DEPARTMENT: HUMAN RESOURCES**

<b>Program Area</b>	<b>Description of Adjustment / Reduction</b>	<b>\$000</b>	<b>FTE's</b>
<b>Director, Labour Relations &amp; Advisory Services</b>	<p><b>Labour Relations/Advisory</b></p> <p><i>Impact on Service: Position is presently vacant with incumbent in Acting Commissioner role. Impact is unknown with major collective bargaining required in 1999 and limited labour relations resources available.</i></p>	105	1
<b>Internal Consultant</b>	<p><b>Commissioner's Office</b></p> <p><i>Impact on Service: Will require a small increase in professional services to offset loss of service for arbitration/mediation.</i></p>	80	-
<b>Training Co-ordinator</b>	<p><b>Employee Services</b></p> <p><i>Impact on Service: Position was intended to assist in the implementation of the training &amp; development strategic framework. New development initiatives to respond to H.R. management needs will have longer lead times.</i></p>	66	1
<b>Manager, Benefits Program</b>	<p><b>Employee Services</b></p> <p><i>Impact on Service: Duties will be distributed among staff with a loss of health benefit plan management expertise &amp; focus. Less opportunities for gains from focussed benefit plan management.</i></p>	37	.5

**DEPARTMENT: HUMAN RESOURCES CONT'D**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
Translation	<p><b>Commissioner's Office</b></p> <p><i>Impact on Service: Operating departments will be responsible for translation costs related to their H.R. business.</i></p>	40	-
Workplace Equity/Human Rights	<p><b>Labour Relations/Advisory</b></p> <p><i>Impact on Service: Saving from merger of functions to be provided jointly to OC Transpo &amp; RMOC.</i></p>	35	-
Total		363	2.5

**DEPARTMENT: LEGAL**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
Legal Services	<p><b>Elimination of legislation &amp; governance position</b></p> <p><i>Impact on Service: Corporation's ability to respond to changing provincial initiatives will be reduced. Reduction in Legal's participation in preparedness for expected restructuring. Reduction in ability to formulate and participate in Corporate strategy.</i></p>	70	1
	<p><b>Elimination of commercial law / collection position</b></p> <p><i>Impact on Service: Reduces customer service. Increases risk of litigation, costs and turn-around time. Reduces ability to perform debt collections.</i></p>	70	1
	<p><b>Legal services to police</b></p> <p><i>Impact on Service: Adjustment to charges to reflect full range and value of service.</i></p>	25	-
	<p><b>Elimination of administrative support position</b></p> <p><i>Impact on Service: Reduces support services for solicitors with decreased customer service and increased legal service costs.</i></p>	45	1
Administration	<p><b>Office Consolidation of RMOC and Regional Municipalities Act and Manuals / Acquisition of reference material / Professional association memberships</b></p> <p><i>Impact on Service: Reduces the legal resources available to elected officials and departments. Increases legal research time and costs. Loss of professional networking benefits.</i></p>	11.5	-
	<p><b>Retention of external counsel, expert witnesses and consultants</b></p> <p><i>Impact on Service: Loss of flexibility and quick access to external counsel, mediation and expert witnesses.</i></p>	15	-
<b>Total</b>		236.5	3



**DEPARTMENT: HOMES FOR THE AGED**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<p><b>Goods and Services - Utilities</b></p>	<p><b>Hydro and water expenditures</b></p> <p><i>Impact on Services: An analysis of costs over the past three years, the conversion of Centre d'accueil Champlain from electric to gas heating and energy conservation efforts at Carleton Lodge will result in reduced utilities expenditures.</i></p>	92	
<p><b>Administration and Planning</b></p>	<p><b>Resident financial and health records system</b></p> <p><i>Impact on Services: Health records program development will be slowed.</i></p>	20	
<p><b>Day Centres - Centre d'accueil Champlain and Carleton Lodge</b></p>	<p><b>The centres provide day respite for family caregivers in the community reducing stress and delaying the need for institutional long term care.</b></p> <p><i>Impact on Service: The reduction in funding will accelerate the move to full cost recovery. This will result in increased user fees and reduced staff. The reduced staff will affect the ability of the programs to meet the needs for dementia care. Dementia care clients require a higher staff:client ratio for effective supervision and programming.</i></p>	77	1.5
<p><b>Reduce Coverage for staff leave</b></p>	<p><b>Currently the department provides coverage for front-line staff who are absent to meet the minimum staffing standards of the department.</b></p> <p><i>Impact on Service: Reductions in coverage will result in reorganization of work in some areas to accommodate the reduction in productive hours. Every effort will be made to ameliorate the direct impact on resident care. However, reductions in support services may have a negative impact on the physical environment of the facilities.</i></p>	62	1.5

**DEPARTMENT: HOMES FOR THE AGED**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Driver/Messenger Island Lodge</b>	<b>Resident transportation to and from appointments, courier service and resident outings.</b>  <i>Impact on Service: Replaced by courier service, para-transpo. Family support and bus rentals with limited impact on resident service and with significant cost savings.</i>	38	1.0
	Total	289	4

**DEPARTMENT: HEALTH**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Administrative Savings</b>	<p><b>Elimination of 1 Program Manager, 1 Supervisory and 0.5 System Support Clerk position, reduction in number of laptop computers, reduced fixed assets.</b></p> <p><i>Impact on Service: Proposed reductions will place added pressure on remaining management staff. System Support duties will be absorbed by other employees. Fixed asset purchases will be delayed.</i></p>	174	2.5
<b>Dental Treatment</b>	<p><b>Reduction in the use of supplies and in the Dentures portion of the budget.</b></p> <p><i>Impact on Service: With revised demand projections, there should be no impact on service.</i></p>	39	
<b>Land Ambulance Support Services</b>	<p><b>Provision of Communications and Financial Services Support to the Land Ambulance Transition Team in 1999.</b></p> <p><i>Impact on Service: Extra needs of the Land Ambulance Transition Team will be absorbed by existing Departmental resources</i></p>	60	1
<b>Federal Tobacco Enforcement Revenues</b>	<p><b>Additional 100% provincial revenues are now anticipated to support the enforcement of the Tobacco Control Act.</b></p> <p><i>Impact on Service: Enforcement activities will remain at current levels.</i></p>	40	
<b>Seniors Programs</b>	<p><b>The Health Department continues to provide a number of services for seniors including health education (nutrition safety and activity), support and skill development for caregivers of elderly family members support of community efforts against elder abuse, and work to foster community supports for frail and isolated seniors living in the community.</b></p> <p><i>Impact on Service: Mandatory Programs make no provision for services of this nature targeted specifically at seniors. <b>Health Department staff are in discussions with other agencies</b> in the community with a mandate to serve the senior population to encourage them to assume these services.</i></p>	240	4

**DEPARTMENT: *HEALTH***

<b>Program Area</b>	<b>Description of Adjustment / Reduction</b>	<b>\$000</b>	<b>FTE's</b>
<b>Senior Citizen's Council Grant</b>	<p><b>Eliminate the grant the region has provided to the Senior Citizen's Council to publish a Directory of Community Services for Senior Citizens.</b></p> <p><i>Impact on Service: : Mandatory Programs make no provision for services targeted specifically at seniors. Hopefully one of the other agencies in the community with a mandate to serve the senior population will be able to provide this support.</i></p>	25	
<b>Environmental Health Advocate</b>	<p><b>This program conducts outreach and education activities on areas of environmental concern such as pesticide use and groundwater quality. This activity is not mandated. It was originally created by Council based on demolition permit revenues which no longer exist.</b></p> <p><i>Impact on Service: The region will be able to play a less proactive educational role in environmental issues.</i></p>	60	1
<b>CCAC Contract-Post Partum services</b>	<p><b>Provision of post-partum services under contract to CCAC with additional public health services provided to these clients. Current client volumes make it impossible to deliver this service with the existing cost recovery.</b></p> <p><i>Impact on Service: Another agency will be contracted by CCAC to provide this service. Added demand may be experienced in other post-partum programs offered by the Department.</i></p>	56	3.4
<b>Reduce Sexual Health Centre Hours</b>	<p><b>Clinic hours can be reduced up to eight hours and still meet minimum mandatory standards (eight hours per week per 150,000 population). Hours would need to be reduced at downtown location.</b></p> <p><i>Impact on Service: Downtown clinic operates on a drop in basis for underserved populations such as street youth and sex trade workers. While the most appropriate operating hours for the client group will be maintained, reducing hours may reduce the effectiveness of this service for populations.</i></p>	55	1.2

DEPARTMENT: *HEALTH*

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Dental Health Education in Schools</b>	<b>The change in mandate from dental health education to dental health promotion necessitates the replacement of three dental health educators with a dental health promotion officer.</b>  <i>Impact on Service: In class education will no longer be provided directly by Health Department staff. Service will continue to be delivered in compliance with provincial mandate.</i>	80	2
		829	15.1

**DEPARTMENT: SOCIAL SERVICES AND CHILD CARE**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<p><b>Program Delivery costs</b></p>	<p><b>Program Delivery costs for all directorates in Social Services &amp; Child Care:</b></p> <p><i>Impact on Service: Increased delays in processing child care subsidies and OW financial assistance applications.</i></p> <p><b>Area Operations including six district offices, three Employment Resource Centres and two Emergency Shelters; Community Relations and Employment Development;</b></p> <p><i>Impact on Service: Less ability to respond with the appropriate candidates to the increasing interest of private sector organizations in providing employment opportunities for our clients.</i></p> <p><b>Strategic and Operational Supports including Commissioner's Office; Municipal Operated Child Care Centres and Child Care administration.</b></p> <p><i>Impact on Service: Decreased ability to support clients participation in employment activities potentially resulting in clients remaining on assistance for longer periods. Increased response time to Councillors' requests and delays in completing reports for Committee and Council.</i></p>	732	14
	Total	732	14

**DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS (PLANNING)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<p><b>Transportation Planning</b></p>	<p><b>Eliminate one full time equivalent no longer funded from capital.</b></p> <p><b>Impact on Service:</b> Reduction of the department's ability to implement Council's policy expressed in the Official Plan and Master Plans and delays in responding to development applications and Council requests on transportation issues, e.g. Pedestrian/Transit projects.</p>	81	1
<p><b>Finance and Operations</b></p>	<p><b>Elimination of one position in Records Management and one Systems Support Technician.</b></p> <p><i>Impact on Service: In Records Management, future Departmental records will not comply with Corporate standard. Delays will be experienced in retrieving and continuing the conversion of records. Some records will be lost.</i></p> <p><i>In Systems support the levels of service for responding to network and systems problems will deteriorate with consequent loss of productivity for the whole department.</i></p>	100	2
<p><b>Land Division</b></p>	<p><b>Eliminating two positions and realigning the Land Division Committee activity.</b></p> <p><i>Impact on Service: The Region's requirements will continue to be obtained through the area municipal committees. The Region will experience increased budgetary requirements for car mileage and overtime to attend the area municipal committees.</i></p>	127	2

**DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS (PLANNING) CONT'D**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Water and Waste Water Planning</b>	<p><b>Reclassify a senior position to an intermediate position and fund an intermediate position from Capital on a two year contract.</b></p> <p><i>Impact on Service: More responsibility will be put on the Branch Head.</i></p>	83	1
<b>Surveys and Mapping</b>	<p><b>Combine two supervisory positions into one.</b></p> <p><i>Impact on Service: Through enhanced technology and staff training a new supervisor will assume additional responsibilities. Work would be delayed. Back up will not be available in the event of absence.</i></p>	67	1
<b>Total</b>		458	7

**DEPARTMENT: PLANNING AND DEVELOPMENT APPROVALS (PROPERTY SERVICES)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<p><b>Ottawa-Carleton Centre</b></p>	<p><b>Reduce contracted security services on night shift from a 3 to 2 person team.</b></p> <p><i>Impact on Service: Less frequent patrols of the buildings and grounds will be made, with a consequent increase in risk to the Corporation.</i></p>	30	-
	<p><b>Reduction in janitorial service.</b></p> <p><i>Impact on Service: Consequences will be reduced levels of cleaning within the Complex. Critical areas will be maintained at current levels.</i></p>	30	-
	<p><b>Reduction in furniture purchases</b></p> <p><i>Impact on Service: Consequences will be a reduced ability to meet departmental furniture requirements within Ottawa-Carleton Centre. May impact operational effectiveness, may potentially increase need to exchange within the Complex.</i></p>	20	-
	<p><b>Reduction of one building general maintenance person is proposed.</b></p> <p><b>Impact on Service:</b> Levels of service at the Ottawa-Carleton Centre will be reduced, e.g., repairs will take longer, some preventative maintenance will be put off.</p>	43	1
	Total	123	1

**DEPARTMENT: ETD - REGION WIDE (TRANSPORTATION & ENGINEERING)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<p><b>Transportation</b></p>	<p><b>Winter Maintenance</b></p> <p><i>Impact on Service: We are embarking upon the implementation of improved snow management technologies and methods to make winter operations more efficient and effective. These are new methods to the Region and hence the reductions were anticipated over a longer period as experience was gained. Traditionally we have been able to absorb the cost of inflation and system growth through new technology &amp; methods. This monetary reduction will eliminate our ability to absorb these costs in the future. The improvements include new snow management equipment, route optimization, a redistribution of equipment and the deployment of new anti-icing methods. Anti-icing practices will be proactive and preventative, designed to prevent ice to road bonding. If the improvements are successful no negative service level impacts will result.</i></p>	600.0	6
	<p><b>Contracted Maintenance-Winter &amp; Summer</b></p> <p><i>Impact on Service: Current discussions are ongoing with the City of Ottawa to determine service level impacts resulting from reductions in funding.</i></p>	300.0	-
	<p><b>Traffic Operations-signals</b></p> <p><i>Impact on Service: Annual operating costs reduced by removing 58 signals @ \$3450/unit. Removal costs will be offset by utilizing parts elsewhere in the system or sale of salvaged material. Consequences will be; degradation in service to pedestrians, potential increase in vehicular collisions, increased traffic congestion and increased travel time &amp; costs to the community.</i></p>	200.0	2
	<p><b>Traffic Operations-signs</b></p> <p><i>Impact on Service: The consequence of the reduction would be a decrease in the level of maintenance for traffic signs on Regional roads.</i></p>	32.0	0.5

**DEPARTMENT: ETD - REGION WIDE (TRANSPORTATION & ENGINEERING)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
<b>Transportation (Cont'd) Engineering</b>	<p><i>Impact on Service: Realignment of job responsibilities resulting in less support for Capital program initiatives. Many engineering positions are largely funded from the Capital program and to a much lesser extent from the operating budget. Therefore, any reduction to the operating budget requires several positions to be reduced to meet the reduction target.</i></p>	79.0	3
	Total	1,211.0	11.5

**DEPARTMENT: ETD - (WATER, SEWER & SOLID WASTE )**

<b>Program Area</b>	<b>Description of Adjustment / Reduction</b>	<b>\$000</b>	<b>FTE's</b>
Solid Waste	<p><b>Trail Road Nepean Monitoring Program</b></p> <p><i>Impact on Service: New tender for the monitoring of groundwater, surface water and gas migration from the landfill site to be issued in near future is anticipated to result in lower cost.</i></p>	40.0	-
	<p><b>Increased Revenue For Blue Box Program</b></p> <p><i>Impact on Service: \$125,000 increased revenue based on new subsidy for Blue Box program. Details are still not clear, but on Oct. 7th MOE announced \$4.0M fund based on initial contribution from LCBO. Ministry has committed funding for both 1998 and 1999. Mechanism and basis for distribution have yet to be determined.</i></p>	125.0	-
	Total Solid Waste	165.0	-

**DEPARTMENT: ETD - (WATER, SEWER & SOLID WASTE)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
Water	<p><b>Water distribution system maintenance</b></p> <p><i>Impact on Service: Results in a reduction of service to our customers, i.e. reduced response to maintenance activities and property reinstatements</i></p>	250.0	4
	<p><b>Meter testing Program</b></p> <p><i>Impact on Service: Results in less accurate water meters and the possible loss of revenue or overpayment by the customer</i></p>	200.0	2
	<p><b>Organizational changes - supervisors</b></p> <p><i>Impact on Service: Organizational changes to be more efficient.</i></p>	250.0	6
	<p>Total Water</p>	700.0	12

**DEPARTMENT: ETD - (WATER, SEWER & SOLID WASTE )**

<b>Program Area</b>	<b>Description of Adjustment / Reduction</b>	<b>\$000</b>	<b>FTE's</b>
<b>Sewer - WEPD</b>	<b>Communal Systems</b>  <i>Impact on Service: One time savings based on a slowing down of anticipated communal system development, i.e. Manotick. This will be reassessed next year.</i>	50.0	-
	<b>Fleet</b>  <i>Impact on Service: Based on finding an efficient method to replace the lugger trucks</i>	40.0	-
	<b>Training</b>  <i>Impact on Service: The reduction will compromise our opportunity to attain "best in class" and our ability to achieve a flexible workforce.</i>	30.0	-
	<b>Process Supervisor</b>  <i>Impact on Service: Anticipated reduction for the end of 1999 but will occur sooner</i>	67.1	1
	<b>Administrative Assistant</b>  <i>Impact on Service: Realignment of administrative duties and less support</i>	41.1	1
	<b>Delete Process Technician and Add Mechanic</b>  <i>Impact on Service: Realignment of job responsibilities</i>	4.4	-
	<b>Field Investigator</b>  <i>Impact on Service: 20% reduction in staff, eliminating the ability to target what is going into the Ottawa and Rideau rivers thereby reducing our ability to protect the water environment</i>	49.5	1

**DEPARTMENT: ETD - (WATER, SEWER & SOLID WASTE)**

Program Area	Description of Adjustment / Reduction	\$000	FTE's
Sewer - WEPD (Cont'd)	<p><b>Laboratory Technician (1/2)</b></p> <p><i>Impact on Service: Realignment of job responsibilities creates higher workload. There is an associated risk of increased workers compensation claims due to repetitive strain injuries</i></p>	23.6	0.5
	<p>Total Sewer - WEPD</p>	306.0	3.5