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**CLOSING THE GAP**  
**Expenditure and Revenue Review - 2003**

November 2002

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## Expenditure and Revenue Review Project — 2003

### Introduction

In late 2000 the City Manager requested assistance from the Office of the City Auditor (OCA) in identifying expenditure and revenue opportunities that could result in a decreased demand on tax levy funding for new-program and program-growth needs. The OCA assisted by coordinating the Expenditure and Revenue Review Project of the Closing the Gap program for the 2002 and 2003 budget years.

The goal of the Expenditure and Revenue Review Project is to identify efficiencies, expenditure reductions, and non-tax revenue gains that can be used to offset program growth and new program funding requirements. City Council established a goal of \$10 million in tax-levy savings for each of the 2002 and 2003 budget years, totaling \$20 million for the two years.

### *Role of the OCA*

The role of the OCA in the Expenditure and Revenue Review process was as follows:

- Work with SMT to develop terms of reference and set up a Project Team,
- Collect pertinent department data, analyze the data;
- Consolidate the savings identified by the departments;
- Discuss efficiencies with Budget office to ensure consistency of data presented; and
- Identify corporate issues that could result in additional savings and efficiency gains to the Corporation.

The role of the departments was to work with the OCA (primarily through department Project Team members) to identify and quantify available reductions in their tax levy demands for the 2002 and 2003 budget years. The project was initiated in March 2001 and the first efficiency review was completed in October 2001 with \$10.7 million in efficiencies incorporated into the 2002 Corporate Budget. Completion of the second efficiency review took place in September 2002 with the resulting savings to be incorporated in the 2003 budget.

### *Role of the Project Team*

The OCA and Project Team members' role was to complete the analysis and interviews associated with the Expenditure and Revenue Review Project for the 2002 and 2003 budgets. In addition, during the 2002 process further opportunities were identified that were subsequently pursued by the Project Team and Administration resulting in \$10.8 million efficiency savings in the 2003 review.

A Project Team consisting of representatives from Corporate Budget Office, each City department, Edmonton Police Service, and Edmonton Public Library was established to work with the OCA for both the 2002 and 2003 of the Expenditure and Revenue Review Projects.

**Background and Framework**

The OCA requested that SMT assign people to work on the Expenditure and Revenue Review Project Team for 2002 and 2003 budget years. Team members initially participated in development of the framework under which the project would proceed.

The project framework consisted of the following for the 2002 and the information compiled during this process was used in continuing with the project for the 2003 budget year. The process was as follows:

- Project Team members developed an interview questionnaire and conducted interviews with 57 business unit teams.
- Prior to the interviews, each business unit provided detailed data related to its operating budgets, business plans, and staffing since 1996.
- Members of the Project Team then conducted a preliminary analysis of that data, and customized interview questionnaires to obtain additional data from the Business units.
- Data was analyzed against established criteria and compiled accordingly.
- Data related to future efficiencies was captured.

During this review the business units provided a high level of cooperation and consideration to examine all available options for reducing tax levy demands.

The focus for the 2003 process was the same as in the previous year; that is, to help the business units identify opportunities for net reductions in their tax levy requirements for the 2003 budget year. The OCA and Project Team reviewed the information received during the data collection stage and followed up with the Administration opportunities identified during the 2002 process that would assist the business units in attaining their 2003 efficiency target.

**Analysis**

The savings for the 2003 budget totaled \$10,781,000 in reduced demands against tax levy funding. The following types of tax levy savings were identified during the course of this project:

**Savings Identified:**

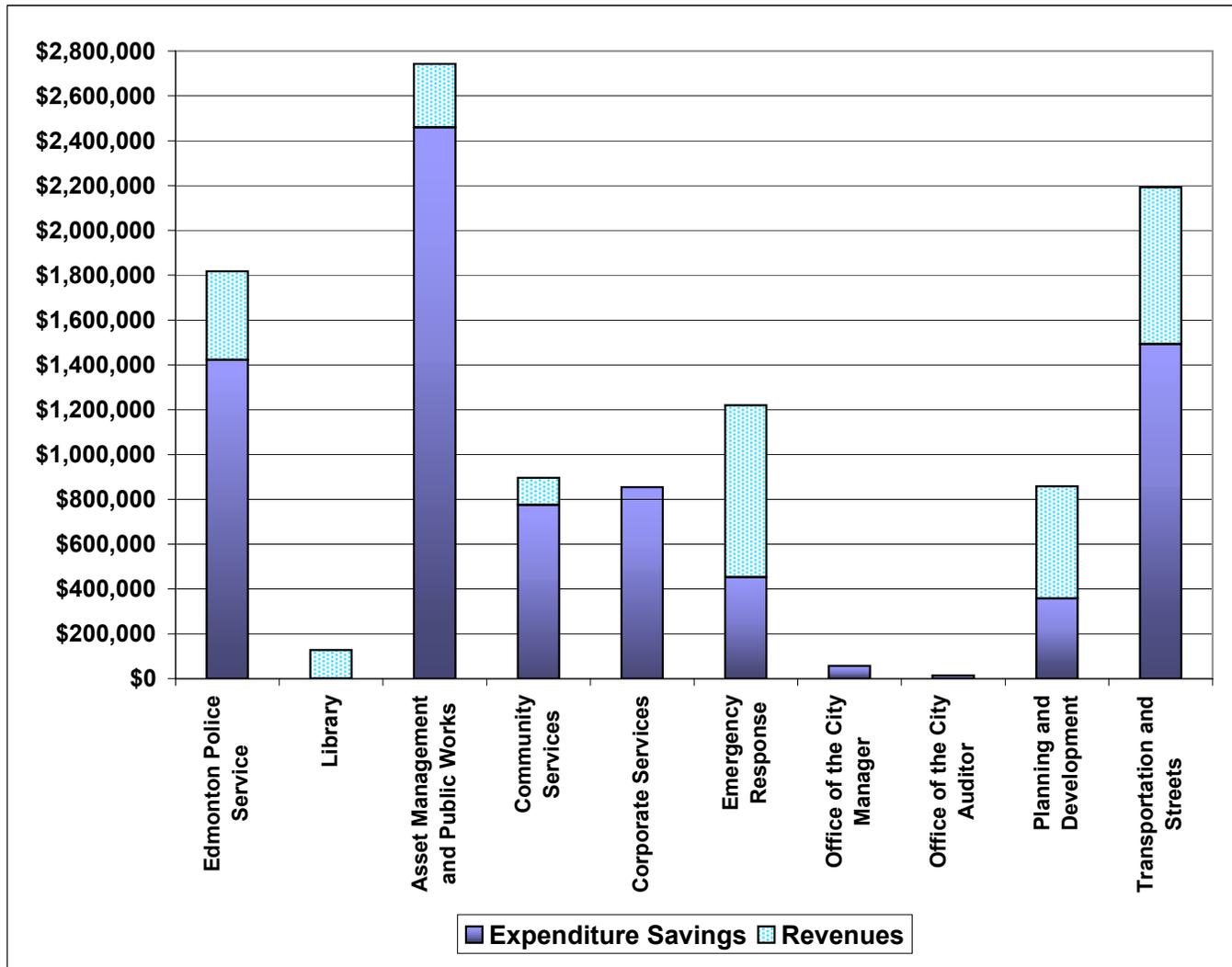
1. Efficiency Improvements that contributed to operational savings	\$5,719,000
2. Efficiency improvements that contributed to increased earnings	\$ 404,000
3. Expenditure reductions that did not impact service levels and reduced budgeted expenditures	\$2,167,000
4. Revenue Recognition that reduced budget draws on tax levy	\$ 895,000
5. New revenues from volume increases that resulted in reduced budget draws on tax levy	\$1,596,000

The original plan called for the monies identified by this project to be used to fund program growth and new program needs. However, with funding needs for the 2003 budget exceeding original estimates, 23% of the identified savings were allocated to offset inflationary and revenue reduction impacts within department budgets. Examples of rising costs and decreasing revenues include the impact of decreases in ATCO Franchise fees, Ed Tel Endowment Fund, and Traffic tag and fine revenues, as well as the costs associated with the land drainage utility that had to be absorbed by City departments. The overall savings identified in the Expenditure and Revenue review will enable the City to meet significant program needs without a corresponding increase in tax revenues. A summary of the Expenditure and Revenue Review Savings by Department and Authority is shown in **Appendix A**. A summary of where those savings originated by Department and Authority are shown in **Appendix B**. The details of the tax levy savings identified and where those savings are being applied is shown in **Appendix C**.

Overall, operational cost reductions for the 2003 budget (through a combination of efficiency improvements and expenditure reductions) account for 73% of the savings on tax levy demands, with revenue increases accounting for 27% of the total. Fifty-seven percent of the identified revenue gains and expenditure reductions are attributable to efficiency savings or new revenues identified during 2002. The remaining reductions are attributable to improved budget analyses that identified expenditure and revenue trends that allow additional reductions in draws against the tax levy for the 2003 budget.

## Conclusion

With net savings of \$10.8 million achieved, the target of \$10 million in tax levy savings was exceeded during the 2003 Expenditure and Revenue Review project. In the two years of Expenditure and Revenue Review process, the Administration successfully achieved over \$21.6 million in efficiency savings plus a \$1.1 million one-time unsustainable revenue increase (relates to permit revenue that has been included in the 2003 budget for Planning and Development department), totaling \$22.7 million. Overall, the Expenditure and Revenue Review Project for 2002 and 2003 was a successful project and met the objectives intended. The Administration worked effectively with the OCA to ensure that opportunities were explored to identify options that could provide reductions in tax levy requirements for the 2003 budget.



Organizational unit	Target	Expenditure Savings	Revenues	Total	Saving %	Revenue %
<b>Authorities</b>						
Edmonton Police Service	\$1,745,000	\$1,422,000	\$396,000	\$1,818,000	78%	22%
Library	\$272,000	\$0	\$128,000	\$128,000	0%	100%
<b>Authorities totals</b>	<b>\$2,017,000</b>	<b>\$1,422,000</b>	<b>\$524,000</b>	<b>\$1,946,000</b>	<b>73%</b>	<b>27%</b>
<b>Departments</b>						
Asset Management and Public Works	\$2,504,000	\$2,460,000	\$282,000	\$2,742,000	90%	10%
Community Services	\$891,000	\$775,000	\$122,000	\$897,000	86%	14%
Corporate Services	\$650,000	\$854,000	\$0	\$854,000	100%	0%
Emergency Response	\$1,220,000	\$453,000	\$767,000	\$1,220,000	37%	63%
Office of the City Manager	\$57,000	\$57,000	\$0	\$57,000	100%	0%
Office of the City Auditor	\$13,000	\$15,000	\$0	\$15,000	100%	0%
Planning and Development	\$358,000	\$358,000	\$500,000	\$858,000	42%	58%
Transportation and Streets	\$2,290,000	\$1,492,000	\$700,000	\$2,192,000	68%	32%
<b>Department totals</b>	<b>\$7,983,000</b>	<b>\$6,464,000</b>	<b>\$2,371,000</b>	<b>\$8,835,000</b>	<b>73%</b>	<b>27%</b>
<b>Grand totals*</b>	<b>\$10,000,000</b>	<b>\$7,886,000</b>	<b>\$2,895,000</b>	<b>\$10,781,000</b>	<b>73%</b>	<b>27%</b>

**NOTE: Grand totals do not include revenues from Planning and Development of \$1.1 million as a one-time unsustainable revenue increase.**

**CLOSING THE GAP**  
**Expenditure and Revenue Review (2003 Budget)**

Appendix B

Organizational unit	Target	Expenditure Savings	Revenues	Total	Savings %	Revenue %
<b>Authorities</b>						
<b>Edmonton Police Service</b>	<b>\$1,745,000</b>	<b>\$1,422,000</b>	<b>\$396,000</b>	<b>\$1,818,000</b>	<b>78%</b>	<b>22%</b>
Reduction in vacation liability		\$600,000				
Reduce one superintendent position		\$132,000				
Salary savings from secondment to external parties		\$500,000				
Reduction in temporary staff services		\$190,000				
From increased activity in Security clearance/seized vehicle lots			\$396,000			
<b>Library</b>	<b>\$272,000</b>	<b>\$0</b>	<b>\$128,000</b>	<b>\$128,000</b>	<b>0%</b>	<b>100%</b>
New revenues from the Provincial Government (LRFP)			\$128,000			
<b>Authorities totals</b>	<b>\$2,017,000</b>	<b>\$1,422,000</b>	<b>\$524,000</b>	<b>\$1,946,000</b>	<b>73%</b>	<b>27%</b>
<b>Departments</b>						
<b>Asset Management and Public Works</b>	<b>\$2,504,000</b>	<b>\$2,460,000</b>	<b>\$282,000</b>	<b>\$2,742,000</b>	<b>90%</b>	<b>10%</b>
Reduction in costs catchbasin cleaning		\$50,000				
Reduction in costs catchbasin face clearing		\$16,500				
Reduction in costs of stormwater management of lakes		\$15,500				
Collection efficiencies realized through new vehicle acquisition		\$100,000				
Energy efficiencies in compost plant		\$60,000				
Reduction in costs of refuse bins purchase vs. contracted costs		\$272,000				
Reduction of contract maintenance costs, weeding, landscaping.		\$25,000				
Reduction in disposal costs Clover Bar vs. private sites		\$300,000				
Fuel Sense program efficiencies		\$250,000				
On Board Computer control efficiencies		\$350,000				
Building energy savings		\$75,000				
WWTP power savings - BNR retrofit		\$360,000				
Productivity Improvements sewer service trouble		\$30,000				
Reduction in unit costs cross connection investigation		\$12,000				
Lease negotiation savings		\$261,000				
Schedule extension of minor tenant services		\$108,000				
Cost savings in replacement hires custodial services		\$40,000				
Cost savings in building maintenance apprentice positions		\$95,000				
Contract savings building maintenance		\$40,000				
Aggressive marketing and property development			\$96,000			
Land enterprise efficiencies as a result of market conditions			\$186,000			
<b>Community Services</b>	<b>\$891,000</b>	<b>\$775,000</b>	<b>\$122,000</b>	<b>\$897,000</b>	<b>86%</b>	<b>14%</b>
Diamond Maintenance routing efficiency		\$25,000				
Charging fees to School Boards for planning and related services			\$20,000			
Leisure Centres realization of energy conservation		\$20,000				
Arenas redesign of summer rentals program			\$45,000			
Arenas reduced energy consumption achieved through retrofits		\$18,000				
Jefferson room(Armories) additional revenue due to moveable room partition			\$10,000			
Kinsmen Centre redesign lifeguard and staffing for swim meets		\$36,000				
Commonwealth redesign staffing on "Game Days"		\$23,000				
Riverside Golf course rentals of new tournament shelter			\$10,000			
Fort Edmonton Park contractor savings		\$21,000				
Fort Edmonton Park volume increase due to Selkirk hotel			\$20,000			
Zoo contracted costs savings and revenue from new tent		\$20,000	\$7,000			
Cemeteries savings in markers and new revenue increase		\$6,000				
Cemeteries new revenues from indoor niche sales			\$10,000			
City Wide services - reduction in funding for the GEF		\$495,000				
Reduction in cost of hauling surplus furniture		\$45,000				
Savings from decrease membership requirements		\$10,000				
Maintenance savings from the purchase of copier/blueprint machine		\$20,000				
Snow Valley Ski Club subsidy savings		\$10,000				

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<b>Organizational unit</b>	<b>Target</b>	<b>Expenditure Savings</b>	<b>Revenues</b>	<b>Total</b>	<b>Savings %</b>	<b>Revenue %</b>
Decrease Personnel support costs		\$4,000				
Decrease building maintenance costs		\$2,000				
Decrease building planning costs		\$2,000				
Decrease program expenses		\$4,000				
Decrease general contract work		\$4,000				
Decrease custodial costs		\$8,000				
Reduction in library costs		\$2,000				
<b>Corporate Services</b>	<b>\$650,000</b>	<b>\$854,000</b>	<b>\$0</b>	<b>\$854,000</b>	<b>100%</b>	<b>0%</b>
Reduction in contract costs		\$157,000				
Savings in staff reductions through attrition/temporaries		\$285,000				
Rationalization of computer and office equipment		\$163,000				
Rationalization of benefits		\$249,000				
<b>Emergency Response</b>	<b>\$1,220,000</b>	<b>\$453,000</b>	<b>\$767,000</b>	<b>\$1,220,000</b>	<b>37%</b>	<b>63%</b>
Renegotiated contract with CHA			\$767,000			
Personal cost savings from benefit rationalization		\$453,000				
<b>Office of the City Manager</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>\$0</b>	<b>\$57,000</b>	<b>100%</b>	<b>0%</b>
Reduction in external Special Service agreements		\$13,000				
Computer rationalization		\$44,000				
<b>Office of the City Auditor</b>	<b>\$13,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$15,000</b>	<b>100%</b>	<b>0%</b>
Benefit savings		\$15,000				
<b>Planning and Development</b>	<b>\$358,000</b>	<b>\$358,000</b>	<b>\$500,000</b>	<b>\$858,000</b>	<b>42%</b>	<b>58%</b>
Reduced Labour and Salary Benefit costs		\$358,000				
Revenue realization permanent volume increase			\$500,000			
<b>Transportation and Streets</b>	<b>\$2,290,000</b>	<b>\$1,492,000</b>	<b>\$700,000</b>	<b>\$2,192,000</b>	<b>68%</b>	<b>32%</b>
New projected volume increases over historical average			\$400,000			
Volume increase in revenue (LRFP)			\$300,000			
Fuel Sense savings		\$430,000				
Reduction in equipment requirements for bus maintenance		\$100,000				
Savings due to purchase of Sub 060		\$220,000				
Efficiencies in DATS overtime and wage payments		\$58,000				
50% Productivity improvement due to new grinder		\$100,000				
Improved equipment utilization results in non replacement of 2 T rollers		\$100,000				
Increased savings by using City equipment vs. hired equipment		\$200,000				
Efficiencies in snow removal - less snow handling required		\$100,000				
Create call out (casual labour) pool during major snow removal events		\$40,000				
Efficiencies due to the replacement of concrete supplemented by grinding program		\$60,000				
Reduction in street lighting energy consumption		\$50,000				
Reduction in Business Travel		\$34,000				
<b>Department totals</b>	<b>\$7,983,000</b>	<b>\$6,464,000</b>	<b>\$2,371,000</b>	<b>\$8,835,000</b>	<b>73%</b>	<b>27%</b>
<b>Grand totals*</b>	<b>\$10,000,000</b>	<b>\$7,886,000</b>	<b>\$2,895,000</b>	<b>\$10,781,000</b>	<b>73%</b>	<b>27%</b>

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Organizational unit	Target	Expenditure Savings	Revenues	Total	Savings %	Revenue %
<b>Summary</b>						
1 Efficiency Improvements that contributed to operational savings	\$5,719,000	<b>53.0%</b>				
2 Efficiency improvements that contributed to increased earnings	\$404,000	<b>3.7%</b>	\$2,895			
3 Expenditure reductions that did not impact service levels and reduced budgeted expenditures	\$2,167,000	<b>20.1%</b>				
4 Revenue Recognition that reduces budget draws on tax levy	\$895,000	<b>8.3%</b>	\$2,491			
5 New revenues from volume increases that reduces budget draws on tax levy	\$1,596,000	<b>14.8%</b>				
	<b>\$10,781,000</b>					

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
	\$10,000,000	\$7,886,000	73%	\$2,895,000	27%	\$1,320,000		
<b>Edmonton Police Service</b>								
EPS		\$600,000					Expected savings from the reduction in vacation liability as result of management action to reduce excess vacation balance. From the beginning of 2001 to the end of 2003, excess vacation will be reduced by over 25,000 hours thus reducing the year- end provision needed to fund the vacation liability.	To fund positions in priority areas, including: 4 detectives for Criminal Investigation Sections in Patrol Divisions; 2 research analysts for Intelligence Led Policing; 2 data entry clerks for Major Case Management, a Provincial Government initiative; 2 positions to address strategic issues in human resources.
		\$132,000					Reduce one superintendent position by streamlining of functions through the Core Services Review, undertaken by the EPS in 2001-2002.	To fund strategic initiatives targeting funding issues and strategic planning: 1 grant application coordinator; 1 strategic planning coordinator.
		\$500,000					Salary savings from secondment of personnel to external partners and agencies. Examples: UN Peacekeeping missions, joint projects with CISA and RCMP, Alberta Gaming and Liquor Commission, etc.	To fund one-time critical needs identified for 2003: Facilities maintenance and renovations to meet growth requirements; pager replacement program to provide quality messaging services.
		\$190,000					Reduction of temporary staff budget in various areas of the Service.	To fund 5 permanent full-time positions in various areas to cover on-going requirements for support personnel.

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
				\$396,000			Revenues from Security Clearance Fees and Police Seized Vehicle Lot operations. Volume increases from change in activity level.	To fund 3 clerical positions needed to meet increased activity level in Security Clearance Unit and Information and Exhibit Management Section. Also to fund increased inventory in the on-going plan for desk- top computer replacements as well as costs for a citizens survey.
<b>Department total</b>	<b>\$1,745,000</b>	<b>\$1,422,000</b>	<b>78%</b>	<b>\$396,000</b>	<b>22%</b>	<b>\$0</b>		

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Library</b>								
Library						\$128,000	New revenues from the Provincial Government.	To be applied to new resources (included in budget).
<b>Department total</b>	<b>\$272,000</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>100%</b>	<b>\$128,000</b>		

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Asset Management &amp; Public Works</b>								
Land Drainage		\$50,000					Catchbasin cleaning - Productivity improvements achieved through the ongoing Work Study Analysis Project conducted by the University of Alberta. Anticipated 15% reduction in unit cost from \$20/location to \$17.00 /location.	Service Package: Planning, Operations and Administration - Growth.
		\$16,500					Catchbasin Face Clearing - Reduction in unit cost from \$10.46/location to \$8.90/location Maintain 2002 service level.	Service Package: Planning, Operations and Administration - Growth.
		\$15,500					Maintenance of Stormwater Management Lakes - Reduction in unit cost from \$200.00/location to \$180.00/location. Maintain 2002 service level.	Service Package: Planning, Operations and Administration - Growth.
Waste Management		\$100,000					Collection efficiencies realized through new vehicle acquisition.	Service Package: Growth in waste service delivery.
		\$60,000					Energy efficiencies at the Compost Plant. Total targeted savings are 3% to 5% of total power billings of about \$2 million.	Service Package: Growth in waste service delivery.
						\$272,000	Purchase by City of multi-family refuse bins, to replace bins previously provided by waste contractors. Efficiencies are in 3 areas: Exclusion of bin capital costs from contractors' bids (\$132,000 estimated saving annually). Expansion of tender competition to smaller contractors (\$80,000). Reduced bin removal and placement (\$60,000).	The cost savings associated with these efficiencies have been factored into budget calculations as lower collection contract costs.
						\$25,000	Use of in-house staff for site maintenance (weeding, landscaping, etc.) instead of using contractors.	The cost savings associated with these efficiencies have been factored into budget calculations as lower operating costs at the EWMC.
		\$300,000					Disposal of compost residuals at Clover Bar Landfill rather than private landfill site.	Service Package: Growth in waste service delivery (non-tax levy processing and disposal portion).

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
Mobile Equipment Services		\$250,000					The Fuel Sense Project began in 2001 and focused on operator training across most major operating departments. The program has received national recognition and produced demonstrable savings in fuel purchase costs.	All Efficiency Savings are being applied against the following Service Packages: Municipal Fleet Growth; Transit Fleet Growth, Cleaning and Maintenance; Ambulance/ERD Growth and Service Improvements.
		\$350,000					On Board Computer Controls - Mobile Equipment Services utilizes detailed replacement analysis programs to identify older less efficient units that are incurring high operating costs.	All Efficiency Savings are being applied against the following Service Packages: Municipal Fleet Growth; Transit Fleet Growth, Cleaning and Maintenance; Ambulance/ERD Growth and Service Improvements.
		\$75,000					Building Energy savings - Branch maintenance facilities are scheduled for upgrading of the lighting systems. The saving are significant to the Branch particularly those shops providing lit inside parking and operating 24 hours per day ,7 days a week.	All Efficiency Savings are being applied against the following Service Packages: Municipal Fleet Growth; Transit Fleet Growth, Cleaning and Maintenance; Ambulance/ERD Growth and Service Improvements.
Sanitary Drainage		\$360,000					By converting to a fine bubble aeration system as part of the BNR Retrofit, (capital projects 3118 Tertiary Treatment and 3221 Fine Bubble System), WWTP has installed a more efficient method of air transfer in the bioreactors resulting in power savings.	Service Package: Wastewater Treatment Capital Growth.
		\$30,000					Sewer Service Trouble Rectification - Productivity improvements achieved through the ongoing Work Study Analysis Project conducted by the U of A. Anticipated 10% reduction in unit cost from \$210.00/location to \$190.00/location.	Service Package: Planning, Operations, Administration Growth.

Closing the Gap -  
Expenditure Revenue Review (2003 Budget)

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
		\$12,000					Cross connection Investigation - Reduction in unit cost from \$25.00/location to \$21.75/location. Maintain 2002 service level.	Service Package: Planning, Operations, Administration Growth.
Land and Buildings		\$261,000					Finalization of lease negotiations. Refinements in estimating firmer operating costs for external leases through consultation with landlords result in expenditure savings.	LRFP Service Package: Growth in Leased Space.
		\$108,000					Extend schedule of minor tenant services for City owned and leased facilities.	Service Package: Growth in leased space.
		\$40,000					Aggressive focus on succession planning in Custodial Services resulting in cost savings in replacement hires.	Service Package: Life Cycle Building Maintenance.
						\$95,000	Building Maintenance succession planning, including the use of apprentice positions.	The cost savings associated with these efficiencies have been factored into budget calculations as lower personnel costs.
		\$40,000					Building Maintenance enhanced planning process resulting in contract savings.	Service Package: Life Cycle Building Maintenance.
				\$96,000			Aggressive marketing and property development to facilitate external renewals within City facilities.	Service Package: Growth in leased space.
Land Enterprise				\$186,000			Efficiencies in the land enterprise are primarily a function of market conditions and the cost of the land parcels actually sold. However, more aggressive marketing via the internet has also contributed to expected additional revenues.	The efficiency savings will be applied to land development and servicing requirements.
<b>Department total</b>	<b>\$2,504,000</b>	<b>\$2,068,000</b>	<b>75%</b>	<b>\$282,000</b>	<b>25%</b>	<b>\$392,000</b>		

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Community Services</b>								
Parks, River Valley and Natural Areas		\$25,000					Diamond Maintenance routing efficiency,	Parkland Inventory Growth Package - \$25,000.
				\$20,000			Charging fees to the School boards for some aspects of planning, design, drafting, survey and project management services.	Parkland Inventory Growth Package - \$20,000.
Recreation and Cultural Services		\$20,000					Leisure Centres: realization of energy conservation savings after completion of payback of energy related retrofits.	Balance to offset rising costs on existing services (\$20,000).
				\$45,000			Arenas: redesign of summer rentals program.	Balance to offset rising costs on existing services (\$45,000).
		\$18,000					Arenas: reduce energy consumption achieved through retrofits at Kenilworth.	Balance to offset rising costs on existing services (\$18,000).
				\$10,000			Jefferson room, Prince of Wales Armories: additional revenue potential due to moveable room partition.	Balance to offset rising costs on existing services (\$10,000).
		\$36,000					Kinsmen sports Centre: Redesigned lifeguarding and staffing for swim meets.	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.
		\$23,000					Commonwealth Stadium: Redesigned approach to staffing on "Game Days" (Edmonton Eskimo Football games).	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.
				\$10,000			Riverside Golf courses: rentals of new tournament shelter	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.
		\$21,000		\$20,000			Fort Edmonton Park: savings due to increased use of contractors for Programs and Events; revenue volume increased attendance due to Selkirk Hotel.	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
		\$20,000		\$7,000			Valley Zoo: savings due to change to contracted security from nightman(\$10k) and increased use of contractors for Programs and Events (\$10k); bookings revenue from new tent.	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.
		\$6,000		\$10,000			Cemeteries: \$6,000 savings from move from bronze markers to granite markers; \$10,000 new revenue from indoor niche sales.	Savings to be used to develop capital projects and improvements, develop business opportunities and to contribute to an operational reserve that is to be used for cyclical downturns.
Social, Recreation, and Cultural Services		\$495,000					City Wide Services: Reduction in funding for the GEF per financial target approved by Council.	Parkland Inventory Growth Package - \$360,000; Balance to offset rising costs on existing services (\$135,000).
		\$45,000					Strategic Service: related to costs of hauling surplus furniture - historically under spent.	Balance to offset rising costs on existing services (\$45,000).
		\$10,000					Memberships: savings resulting from decreased membership requirements.	Balance to offset rising costs on existing services (\$10,000).
		\$20,000					Copier/Blueprint Machine maintenance and operational savings due to purchase of new equipment.	Balance to offset rising costs on existing services (\$20,000).
		\$10,000					NSRS: Snow Valley Ski Club Subsidy savings (CRV).	Balance to offset rising costs on existing services (\$10,000).
		\$4,000					Personnel support decrease E - \$2,000; S- \$2,000).	Balance to offset rising costs on existing services (\$4,000).
		\$2,000					Building Maintenance decrease.	Balance to offset rising costs on existing services (\$2,000).
		\$2,000					Building Planning (E).	Balance to offset rising costs on existing services (\$2,000).
		\$4,000					Program Expenses (I-HM).	Balance to offset rising costs on existing services (\$4,000).
		\$4,000					General Contract work savings; (S).	Balance to offset rising costs on existing services (\$4,000).
		\$8,000					Custodial savings.	Balance to offset rising costs on existing services (\$8,000).
		\$2,000					Departmental Library savings.	Balance to offset rising costs on existing services (\$2,000).
<b>Department total</b>	<b>\$891,000</b>	<b>\$775,000</b>	<b>86%</b>	<b>\$122,000</b>	<b>14%</b>	<b>\$0</b>		

Closing the Gap -  
Expenditure Revenue Review (2003 Budget)

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Corporate Services</b>								
		\$157,000					Reduction in contract / consulting through handling in-house.	Support Litigation including Labour Relations.
		\$285,000					In house efficiencies resulting in reduced staff requirements through attrition and reductions in temporary staff.	Enterprise Resource Planning (ERP) Implementation Office.
		\$163,000					Rationalization of computer and office equipment.	Enhanced Computer Security.
		\$249,000					Rationalization of Benefits.	Support required for Service levels in Safety and Workforce planning; Accounts Receivable Service Needs.
								Balance to offset rising costs on existing services (\$434,000).
<b>Department total</b>	<b>\$650,000</b>	<b>\$854,000</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>		

Closing the Gap -  
Expenditure Revenue Review (2003 Budget)

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Emergency Response</b>								
Emergency Medical Services				\$767,000			Contract expired with Capital Health Authority (CHA) renegotiated contract contributed \$767,000 to ERD revenue.	Balance to offset rising costs on existing services (\$767,000).
ERD		\$453,000					Personnel cost savings of \$453,000 from salary rationalization (discounting benefits).	To provide material and service costs due to implementation of new capital projects (\$153,000); Other historical costs adjustment (\$24,000). Balance to offset rising costs on existing services (\$276,000).
<b>Department total</b>	<b>\$1,220,000</b>	<b>\$453,000</b>	<b>37%</b>	<b>\$767,000</b>	<b>63%</b>	<b>\$0</b>		

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Office of the City Manager</b>								
Office of the City Manager		\$13,000					Special Services Agreements.	Balance to offset rising costs on existing services (\$13,000).
Office of City Clerk		\$44,000					Computer rationalization.	Balance to offset rising costs on existing services (\$44,000).
<b>Department total</b>	<b>\$57,000</b>	<b>\$57,000</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>		

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Office of the City Auditor</b>								
Office of the City Auditor		\$15,000					Benefits budget adjusted to reflect actual expenses.	Balance to offset rising costs on existing services (\$15,000).
<b>Department total</b>	<b>\$13,000</b>	<b>\$15,000</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>		

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Planning and Development</b>								
Department Wide		\$358,000					Reduced Labour and Salary Benefit costs - Department Wide.	Will be applied to 2 service packages:1). Permanent staff compliment - Growth in the Economy; 2). Defense of Assessment .
						\$500,000	Increase in revenues as a permanent volume increase.	Factored in the 2003 Budget.
						\$1,100,000	Increase in revenues as a one time unsustainable revenue increase (not included).	Factored in the 2003 Budget.
<b>Department total</b>	<b>\$358,000</b>	<b>\$358,000</b>	<b>42%</b>	<b>\$0</b>	<b>58%</b>	<b>\$500,000</b>		

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
<b>Transportation and Streets</b>								
Transit				\$400,000			New projected volume increase in revenue over historical average.	
						\$300,000	Volume increase in revenue over historical average previously reported in the Long Range Financial Plan in "Totals to maintain service".	Factored in the 2003 Budget.
		\$430,000					Reduce Fuel consumption - Fuel Sense Training, Idling Policy, and more fuel efficient engines.	
		\$100,000					Reduction in equipment required for routine bus maintenance.	
		\$220,000					Savings achieved due to purchase of Sub 060.	
		\$58,000					Efficiencies in DATS overtime and wage payments.	
								DATS Review Policy considerations, accessible Transit, MDT/AVL - \$318K 1.5 FTE.
								Existing Infrastructure - peak hours with bus refurbishing - \$81K 1.1 FTE.
								Existing Infrastructure - off- peak hours with bus refurbishing - \$49K 1.0 FTE.
								SLRT Extension - University to Health Sciences CPP Funded \$72K 1.0FTE.
								LRT Cash Pickup - Improvement - \$111K 1.0 FTE.
								CPP funded Bus Facilities and Equipment Operational Impacts - \$225K 2.1 FTE.
								Balance to offset rising costs on existing services (\$121,000).
Streets Engineering		\$100,000					New Grinder allows for 50% Productivity improvement.	
		\$100,000					Improved equipment utilization allows for non replacement of 2 (2T) rollers.	
		\$200,000					Efficiencies in Snow Removal - City equipment use vs. Hired Equipment.	
		\$100,000					Efficiencies in Snow Removal - less snow handling required.	

**Closing the Gap -  
Expenditure Revenue Review (2003 Budget)**

Department/Authority	Efficiency Target	Expenditure Savings Achieved	Total Save. %	Revenues	Total Rev. %	Efficiencies included in Budget 2003	Where did Efficiency come from?	Where is the Efficiency being applied?
		\$40,000					Create call out pool of casual labor during major snow removal events.	
		\$60,000					Replacement of concrete supplemented by grinding program (\$78/m2 vs. new rate of \$36/m2).	Roads Annual Inventory growth (\$220,000) 1.0FTE.
Traffic Operations		\$50,000					Reduction in street lighting energy consumption.	
Transportation Planning		\$34,000					Reduction in Business Travel.	Balance to offset rising costs on existing services (\$484,000).
<b>Department total</b>	<b>\$2,290,000</b>	<b>\$1,492,000</b>	<b>68%</b>	<b>\$400,000</b>	<b>32%</b>	<b>\$300,000</b>		<b>Total Buybacks \$1,287K 11.2 FTE's</b>
<b>Corporate Total</b>	<b>\$10,000,000</b>	<b>\$7,886,000</b>	<b>73%</b>	<b>\$2,895,000</b>	<b>27%</b>	<b>\$1,320,000</b>		
	<b>\$10,781,000</b>							
	<b>\$1,100,000</b>	One time unsustainable revenue P&D						
	<b>\$11,881,000</b>							