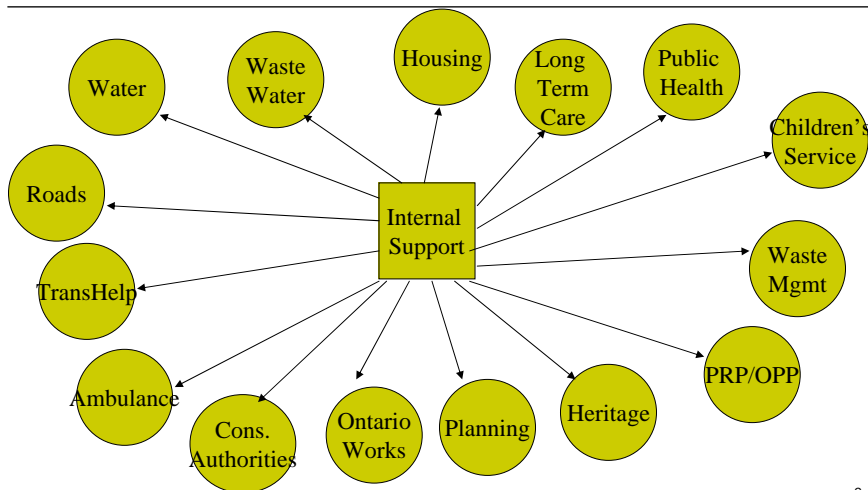


# Service Review Internal Support

Regional Council  
December 8, 2005

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## Internal Support Who We Are



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## Internal Support

### What we do

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- Support all programs:
  - Finance
  - Human Resources
  - Information & Technology
  - Legal
  - Communications
  - Property Maintenance

3

## Internal Support

### What we do

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- Corporate Leadership:
  - Regional Council
  - Executive Office (CAO & Chair)
  - Clerk's Division

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## Internal Support

### Why we do it

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- Municipal Act Requirement
- Provide support for shared services
- Building Codes
- Health & Safety Act
- Accountability – compliance with Regional By-Laws

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## Internal Support

### Associate Model

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- Centralized vs Decentralized
  - Centralized – staff in corporate departments and internal recoveries from programs supported
  - Decentralized – staff providing corporate support included in the programs not in corporate departments
  - Region of Peel is primarily Centralized

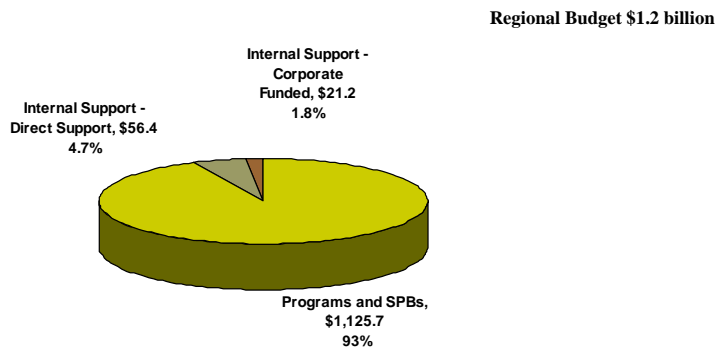
6

## Internal Support Benefits of Peel's Associate Model

- ❑ Programs make business case for their support needs
- ❑ Programs continuously challenge support functions related to efficiencies and effectiveness
- ❑ Central oversight of service standards through Service Agreements
- ❑ Attracts Provincial cost sharing
- ❑ Highly responsive to program requirements

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## Internal Support Current Budget – Total Spending (\$millions)

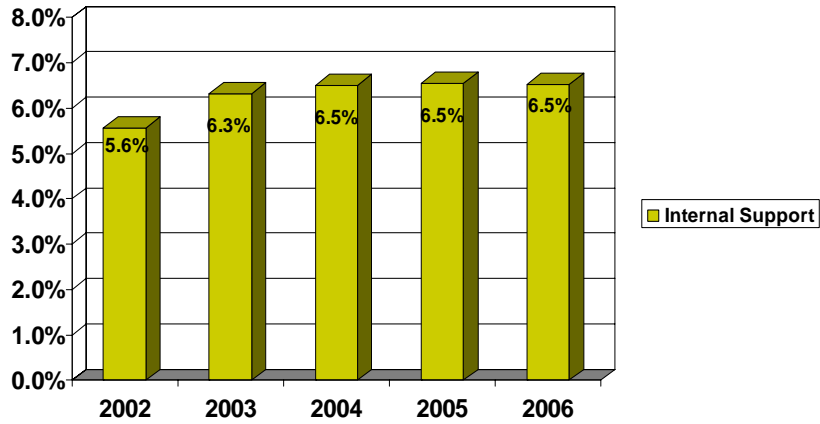


Total Internal Support spending is \$77.6 million which is 6.5% of the Total Regional Budget

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# Internal Support Revised

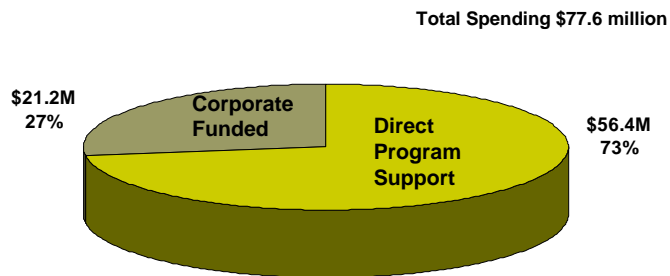
Expenditure as a % of Total Regional Expenditure



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# Internal Support Revised

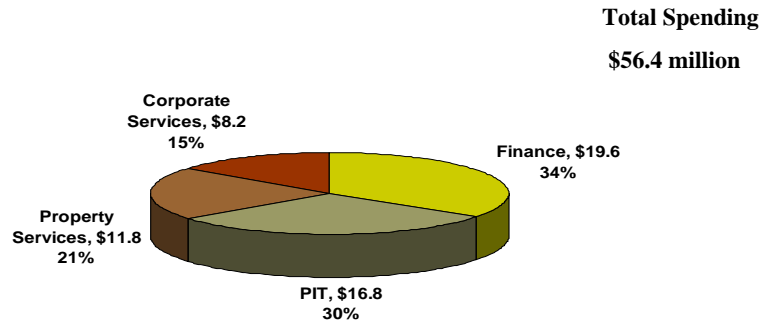
## Total Spending



10

## Internal Support

### Direct Support - Total Spending (\$millions)



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## Internal Support

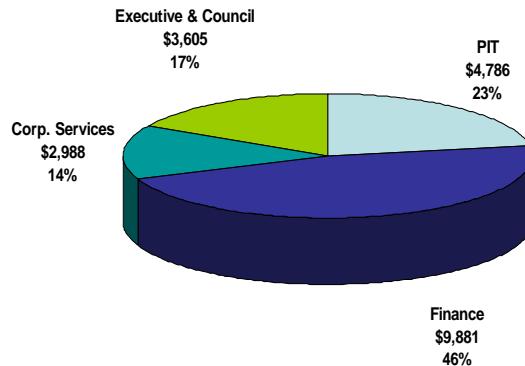
### Direct Support Cost

- ❑ Built into program budgets
- ❑ Driven by volume (Public Works Capital, Water Smart, Best Start and other increased services) and inflation
- ❑ Service adjustments on programs will roll down and impact direct support costs
- ❑ Actively benchmarked

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## Internal Support

### Corporate Funded - Net Budget (\$000s)



Net budget \$21.2M  
allocation:  
60% to Tax (\$12.7)  
40% to Rate (\$8.5)

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## Internal Support Corporate Funded

- ❑ Oversees internal control compliance
- ❑ Oversees service level agreements where applicable
- ❑ Supports and enhances continuous improvement culture
- ❑ Supports corporate process, such as: budget, audit, accessibility awareness, emergency planning, municipal freedom of information, etc.
- ❑ Supports legislative requirements

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## Internal Support Net Budget Comparison (\$000s)

|                 | <u>Total</u>  | <u>Tax</u>    | <u>Rate</u>   |
|-----------------|---------------|---------------|---------------|
| 2006 Budget     | 21,208        | 12,725        | 8,483         |
| 2005 Budget     | <u>20,933</u> | <u>12,560</u> | <u>8,373</u>  |
| Budget Increase | <u>\$ 275</u> | <u>\$ 165</u> | <u>\$ 110</u> |
|                 | 1.3%          | 1.3%          | 1.3%          |

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## Internal Support Net Budget Growth (2006 vs 2005) (\$000s)

| Departments         | Budget Change | Rational for Base Budget Change                                   |
|---------------------|---------------|---|
| Executive & council | \$137         | Inflationary increases primarily related to salary and benefits   |
| Corporate Services  | \$173         | Inflationary increases primarily related to salaries and benefits |
| Finance             | \$ 0          |   |
| P&IT                | \$ 0          |   |
| Property Service    | (\$35)        | Estimated over recovery of rent from programs                     |
| Net Budget Growth   | \$275         |   |

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## Internal Support

### 2006 Budget Pressures (\$000s)

|                                       |                      |
|---------------------------------------|----------------------|
| Non-Controllable (OMER and Inflation) | \$310                |
| Controllable Growth                   | 0                    |
| Controllable – Maintaining            | 0                    |
| Revenues (Rent)                       | (35)                 |
| Controllable – New Service            | 0                    |
| Efficiencies                          | <u>0</u>             |
| Total Pressures                       | \$ 275 <sub>17</sub> |

## Internal Support – Finance

### Service Option for Consideration

| Option | Category  | 2006<br>\$000s | Annualized<br>\$000s | Impact on Taxpayers   |
|--------|---|----------------|----------------------|---|
| 1      | Increase<br>Meter Life<br>Cycle from<br>20 to 23<br>years | \$150          | \$150                | Increasing life cycles reduces<br>capital project financing needs |

## Internal Support – Finance Service Option for Consideration

| Option | Category  | 2006 \$000s | Annualized \$000s | Impact on Taxpayers                                      |
|--------|---|-------------|-------------------|--|
| 2      | Downgrade Printing of Budget & Annual Report document | \$20        | \$20              | Different approach to budget and annual report documents |

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## Internal Support - PIT Service Option for Consideration

| Option | Category             | 2006 \$000s | Annualized \$000s | Impact on Taxpayers                                  |
|--------|----------------------|-------------|-------------------|--|
| 3      | Reserve Contribution | \$200       | \$200             | Reduce corporate IT development and future upgrades. |

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## Internal Support Conclusion

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- ❑ Net budget growth of 1.3%
- ❑ Proposed Service Review Options are more than sufficient to reduce impact to zero
- ❑ Active benchmarking and continuous improvement provides environment to maintain support costs at a level that is efficient and effective