

Development Services– 2010 Budget Document

2010 DEVELOPMENT SERVICES

Budget Overview

Budget Summary \$'000s	2009 Budget	2009 Projection	2010 Proposed	09 vs 10 Variance	2011 Forecast	2012 Forecast
Current Budget – Total Expenditures	\$2,676	\$2,115	\$2,730	\$54	\$2,976	\$3,128
Current Budget – Total Revenue	\$1,475	\$1,177	\$1,575	\$100	\$1,635	\$1,635
Current Budget – Net Cost	\$1,201	\$938	\$1,155	(\$46)	\$1,341	\$1,493
FTE	26.0	26.0	26.0	0	26.0	26.0
New Capital			\$0		\$0	\$0

2010 BUDGET HIGHLIGHTS:

Current Budget

The proposed 2010 Total Expenditures Budget is \$54.0 thousand increase over 2009 or \$2.7 million. Inflationary increase in salary and benefit accounts for \$48.0 thousand. Due to accounting changes in 2009 there was an increase of \$100.0 thousand related to transferring the Implementation and Protection of the Official Plan (Ontario Municipal Board (OMB)) activities to current budget offset by a corresponding decrease in contribution to reserves of \$101.0 thousand. There is \$100.0 thousand increase in revenue. The Net budget is \$1.2 million, a \$46.0 thousand (4.0 per cent) reduction from 2009.

Staffing

The 2010 Budget proposed no Full Time Equivalent (FTEs) changes

Capital

Not applicable

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Section I. Existing Services and Service Levels:

The Development Services Division in Public Works provides the following services:

- Leadership and participation in the Building Industry Liaison Team (BILT).
- The Regional response on development applications under the Planning Act, Niagara Escarpment Act and Plan and to the area municipalities and proponents on external Environmental Assessments.
- Resolves problems pertaining to development proposals.
- Coordinates the participation of Region of Peel in respect to the OMB, (or other similar administrative tribunals) in conjunction with Legal Services.
- Centralization of comments to developers, consultants and landowners pertaining to the capacity of feasibility of providing services to identified parcels of land.
- Reviews and approves engineering drawings for the provision or installation of regional services in development projects.
- Approves connection to existing water and wastewater facilities.
- Provides planning consulting services to Regional departments and divisions where development approvals may be required and ensures development complies with Regional Policy and Standards.
- Monitors development data and trends to provide information to Regional Council and staff and the area municipalities in order to provide early intelligence on development trends.

Key Initiatives in 2009 included:

- The Development team has been successful over the past year by consistently providing Peel residents, developers, consultants, and politicians accurate and thorough information related to Development related issues
- Despite the staffing turnover and the reorganization, the Development Engineering (DE) group was able to process, without major delays and in a professional manner; and had the following accomplishments in 2009
 - 400 engineering submissions/requests will be processed by year-end
 - 38,000 metres of watermain and 34,000 metres of sanitary sewer are anticipated to be constructed in 2009
 - Together with the Finance Department coordinated and finalized financial commitments to the Bram East Phase 1 Developers for the construction of Regional Infrastructures
- The Development team process approximately 1,200 development applications and 400 engineering submissions/requests by year-end

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Section II. Resources to Deliver 2009 Services:

Current \$'000	2008 Actual	2009 Budget	2009 Projections	2009 Variance Under / (Over)
Total Expenditures	\$1,966	\$2,676	\$2,115	\$561
Total Revenue	\$1,190	\$1,475	\$1,177	\$298
Net Cost	\$776	\$1,201	\$938	\$263
FTE	26.0	26.0	26.0	0

2009 Budget:

The Development Services Division has an approved Current Net Budget of \$1.2 million for 2009. Development Services has 26.0 FTEs.

2009 Projection:

Based on the year-to-date actual financial results and 2009 projection, the total expenditures of the Development Services Division is expected to be approximately \$561.0 thousand under spent due to staff vacancies and reduced expenditures related to goods and services.

Revenue projections for planning fees are expected to be higher than budgeted, but with a lower number of total applications because major applications are up and minor applications are down. However decreased revenue from engineering fees will more than offset this resulting in an overall decrease in revenues.

Development Services is expected to meet most of the Output/Outcome targets set during the 2009 Budget process. While engineering submissions/requests are expected to be on target; revenues are lower, reflecting smaller project size. *Presented in Appendix V are the Output/Outcome measures that the Development Services program has tracked during the current budget year and the ones that will be tracked for the coming year.*

Section III. Performance Measurement/Benchmarking:

Development Services uses the Ontario Municipal Benchmark Initiative (OMBI) for comparison with five other upper tier municipalities (Durham, Halton, Niagara, Waterloo and York).

One comparator is the number of development applications per 100,000 people and Peel ranks second lowest with 94 applications, compared to the median of 103. Peel's rank reflects a more urban population mix than other Regions.

Peel's cost to process development applications is the lowest at \$1,351 per application compared to a median of \$1,724. Peel has traditionally been the cost leader, however the cost is rising each year due to inflationary pressures.

Development Services is committed to increasing its benchmarking program and to incorporate it into its management practices.

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Section IV. 2010 Base Pressures:

In order to maintain the current service level, Development Services will experience base pressure increases related to inflation on salaries and wages (\$48.0 thousand). An additional \$100.0 thousand was added to the current budget to account for cost of OMB hearings which was previously included in the capital program. Recoveries were reduced by \$102.0 thousand as there is no longer a need to set aside funds for capital. Netting these together gives a 2010 base budget increase of \$54.0 thousand. This will more than be offset by expected revenue of \$100.0 thousand in 2010 (2010 New Pressures). Changes in base pressures are detailed in [Appendix I](#).

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Efficiencies:

2009 was a year for change as the DE group merged with Development Planning Services thus creating the Development Services Division. This merger created efficiencies and build on the synergy of the two teams to allow for integrated approach to Regional response and provision of services to the building industry and clients.

Document Execution Process was completed. This process gives signing/initialling authority to more people providing approvals within five working days and results in service improvement and effectiveness.

Section VI. Challenges and Emerging Trends:

The main challenges facing the division include:

- Implementing change management initiatives in Public Work
- Maintaining and improving customer service through timely comments and document execution
- Facilitating solutions to problem files during development slowdown period
- Preparing for the economic recovery in 2010 and positioning the Division for increase in development application services due to low inventories
- Coordinating the work required by the Province with the area municipalities

Section VII. 2010 Program Pressures - Current:

The proposed 2010 Total and Net Budgets, including a variance over the 2009 Approved Budget, are presented in [Appendix I](#).

The proposed 2010 Total Expenditure Budget is \$2.7 million, which represents an increase of \$54.0 thousand or 2.0 per cent over the 2009 Total Budget.

The proposed 2010 Net Budget is \$1.2 million, which is a decrease of \$46.0 thousand or 4.0 per cent over the 2009 Net Budget.

Service Demand and Staffing:

Development Services is requesting no additional FTE staff for 2010.

Section VIII. 2010 New Initiatives - Current:

N/A

Section IX. 2009 Program Pressures – Capital:

Ongoing Capital Projects:

As of January 2009, there was one active capital project for Implementation/Protection of the Official Plan to fund OMB activities from Development Planning Services that had been approved by Council. With Tangible Asset Management, this activity shall no longer constitute as a capital asset. In 2010, Implementation/Protection of the Official Plan (OMB hearing) will be funded as an operating expense.

2009 Capital Programs:

Development Engineering manages the budget for fifty seven capital projects that are included in the Water, Wastewater and Transportation capital projects. The budget for these projects can be found in these programs.

As of September 30, 2009, there is one active Development Services project (generally for OMB hearing) with a total value of \$306.0 thousand. Of that amount, \$72.6 thousand or 24 per cent has been spent, leaving approximately \$233.4 thousand worth of work yet to be completed (to be spent in 2010 as shown in Appendix II).

Major changes to the 2010 Capital Budget Program:

- The \$0.1 million in the Implementation/Protection of the Official Plan has been moved from capital program to current budget.

Capital Budget Outlook – Ten Year Plan Comparison (2010-2019):

There is no capital program.

Section X. Future Outlook:

2011 and 2012 Current Budget:

The Development Services Division will be relatively stable. Growth, Consumer Price Index adjustments and the economic recovery will continue to drive Development Services costs in future years. Internal Charges of \$120.0 thousand from the Legal Department on development applications is included in the 2011 and 2012 budget, and \$60.0 thousand of the legal cost (50.0 per cent) will be recovered from increase fees for Agreements.

The outlook of the net budget for Development Services will be as follows:

2011: \$1.3 million
2012: \$1.5 million

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Section XI. Pressures not included in 2010 Budget:

The 2010 Budget submission includes all known additional costs.

Appendices:

Appendix I	2009 Current Pressures
Appendix II	2009 Capital Overview
Appendix III	2009 New Capital Detail – N/A
Appendix IV	Ten Year Capital Plan – N/A
Appendix V	Output/Outcome Measures

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**APPENDIX I
DEVELOPMENT SERVICES
2010 CURRENT PRESSURES (\$'000)**

	Development Services		
	Total Expenditures	Total Revenue	Net Cost
2009 Revised Cost of Service	2,676	1,475	1,201
Annualizations - Section IV			
Subtotal	-	-	-
Cost of Living Increase/Inflation - Section IV			
1. Salary and benefit increases	48	-	48
2. Goods & Services increases/inflation	100	-	100
3. Increase in Internal Charges	3	-	3
Subtotal	151	-	151
Recoveries - Section V			
1. Increased Goods and Services			-
2. Decreased recoveries from change to operating capital	5	-	5
3. Decreased reserve recoveries	(102)	-	(102)
Subtotal	(97)	-	(97)
2010 Base Changes	54	-	54
Growth - Section VII			
Increased Royalty and Development Application Revenue	-	100	(100)
Subtotal	-	100	(100)
Service Demand - Section VII			
Subtotal	-	-	-
2010 New Pressures	-	100	(100)
Total 2010 Pressures	54	100	(46)
2010 Recommended Cost of Service	2,730	1,575	1,155

**APPENDIX II
DEVELOPMENT SERVICES
2010 CAPITAL OVERVIEW (\$'000)**

	Capital Budget	
	Number of Projects	Total Budget
Carry Forward: January 1, 2009	1	152
Additions:		
2009 Capital Plan		
New 2009 Projects	0	-
New funding to Existing Projects		104
In year Approvals(i.e. Council Approval, Redelopments)		
Subtractions:		
Budget Reductions		
Closed Projects		-
Expenditures to September 30, 2009		(23)
Subtractions: Projections from October 1 - December 31, 2009		
Closed Projects		
Expenditures		
Balance: December 31, 2009	1	233
Additions:		
New Proposed 2010 Capital Plan		
New 2010 Projects		
New funding to Existing projects		
Balance: January 1, 2010 with approval	1	233
Subtractions:		
Projected 2010 Cashflow		233
Projected Balance: December 31, 2010		-

Comments on Changes in Funding: N/A

CASH FLOW - N/A

**APPENDIX V
DEVELOPMENT SERVICES
OUTPUT AND OUTCOME MEASURES**

Outputs/Outcomes

Output/Outcome Measures	2009 Target	2009 Projection	2010 Target	Commentary
Engineering submissions/requests	400	400	450	2009 on target. 2010 increase expected.
Sewer Connections	2,750	2,750	2,950	2010 numbers may help with the forecast of future assessment.
Development Planning Applications ¹	1,200	1,134	1,500	2009 on target for major applications and lower numbers for minor applications 2010 anticipating an increase in development applications. Development Services will monitor and ready itself of this level of activities.

¹ Includes all Development Applications, Permits to take water.