



OTTAWA TAX PAYERS ADVOCACY GROUP

"The Silent Majority is Silent No More"

The Ottawa Taxpayer Advocacy Group Releases Detailed Plan for 2 Year Budget Freeze – No New Money

Canadian Taxpayer Federation: [The Beggars CheckList](#)

In light of the federal government budget freeze, Ontario provincial government non union staff wage freeze, 12% Saskatchewan budget cut we are proposing a 2 year budget freeze for the City of Ottawa. A sinking ship needs to lighten the load by throwing non essential cargo overboard, even after that is done the ship needs a sail to ensure it arrives at the right destination. No New Money is the sail or rudder that will ensure that after the budget is frozen, the City would have a culture of spending restraint & focus on core services. Detailed below is how to find a 200 million funding source to pay for growth or new initiatives. A 10% reduction in these budgets will have limited impact on service and save the City about \$80 million dollars yearly:

1. executive / board / management costs \$75.8 million
2. admin costs \$246.9 million (excluding hydro) e.g. IT, Clerk, HR, finance, property mgt., planning etc
3. non departmental costs \$68.2 million (excluding hydro, housing) e.g. sick leave banks, retiree costs, benefits adjustment, election expense, self insurance, MPAC, tax rebates etc
4. admin costs for core and non core services \$202.7 million e.g. research, recruitment, costing, reporting, communication, planning, billing, expenditure management, advertising, printing, stationary, promotional items, furniture, procurement, maintenance, cleaning, knowledge management, travel, hospitality, memberships, record keeping etc.
5. legal & consulting services \$247 million in 2009 (excluding hydro, housing)

A budget cut on the services below will have some impact on services, but some tools like a wage freeze, outsourcing, value for money audits, and smarter use of job classifications can limit the impact on services.

1. core services \$2 billion (5% cut) e.g. drinking water, solid & water waste, health, police, fire, paramedics, roads, building permits etc
2. some capital costs \$416 million (10% cut)
3. non core services \$150 million (10% cut) e.g. library, community funding, environmental, bylaw etc

Monthly Budget Variance Reports

The bus garage discussion started at about 38 million dollars and is likely to be completed at a cost of 100 million dollars. Fire and other departments failed to achieve efficiencies. Legislative reserve requirements are for emergency savings and should not be used as a tool to hide the real spending increase. Council should have a monthly variance report that includes attrition, hiring and job classification changes, consulting fees, overtime, types of benefits, fleets, Top 35 capital projects and Top 15 programs by operating cost.

Compensation (Salary, Overtime, Benefits): Salaries in-line with the private sector. (Ref: Canadian Taxpayer Federation Beggars Checklist)

It was reported by the CTF that the compensation gap between the private & public sector (pension inclusive) is 35.6%. We have asked for the average yearly spend per person for retiree benefits in 2001 and 2009, the average total life time payout per person for retiree benefits in 2001 and 2009. The 2009 CUPE strike in Toronto was about the ability of unionized workers to carry over and cash out 18 sick days a year.

Salary and wages are growing faster than revenue and number of households. This is why the City's liabilities since amalgamation have grown by 1 billion dollars. We have also asked the City for an explanation on why benefits are growing faster than salaries?

- ☑ Total Salary Wages up 54% to \$940 million
- ☑ Employment benefits are up 83% to \$193.8 million
- ☑ Accumulated sick leave is up 72% to \$92 million
- ☑ User fees are up 30% to \$583 million
- ☑ Property taxes are up 29% to \$1,068,869,387
- ☑ Grants from the Federal and Ontario governments are up 27% to \$391 million
- ☑ number of taxpaying households, up 17% to 365,770

<http://csconramp.mah.gov.on.ca/fir/ViewFIR2008.htm>

Listed below are the highest paid departments by average salary, benefits and overtime. We can save money by reclassifying the top 10 job classifications by total dollar value in each department. These changes can be done when people retire or leave the City.

GM Social Services \$134,500, Deputy Manager, Community & Protective \$130,500, Deputy Manager Operations \$122,571, Auditor General \$116,125, Fire \$113,135, Deputy Manager Operating Resource \$106,292, Police \$105,224, City Manager \$100,400, Planning \$97,200, Economic \$96,500, Paramedic \$95,893, Property Asset Management \$94,824, HR \$91,835, Deputy Manager Public Works \$90,553, Planning & Growth \$90,504, Housing \$90,284, Organizational Performance \$90,239, Transportation Planning \$89,382, IT \$88,308, City Clerk & Legal \$86,696, Employment & Financial Assistance \$86,383, Environmental \$85,680, Infrastructure Services \$83,751, Fleet Services \$82,159, Building Code Services \$81,443, Public Health \$81,215, By-Law & Regulatory Services \$80,239

Council could virtually eliminate overtime by ensuring that at least 20% of all staff are part time and 10% of staff could be on call part timers (perfect for retirees). This can reduce overtime by over 90% or 30 million dollars.

Each department can implement a target of 1% of staff as volunteers; this will save about 10 million dollars.

Volunteers for the delivery of city services? (Ref: Canadian Taxpayer Federation Beggars Checklist)

Legal & Consulting services

The City did not reduce the workforce by 10% at amalgamation. On the contrary, total compensation has grown from \$716 million in 2001 to 1.2 billion in 2010 or about 67%. The perception created by an increased use of consultants is that we are not getting value for the higher head count, salary, benefit and severance costs. Use of consultants should not be permitted unless it can be proven that the required skill does not exist within the City. Staff should prioritize work load better, there is nothing wrong with having a back log of action items.

Does the legal department have a financial risk / common sense cost benefit analysis before going to court?

Outsourcing (Transit, Housing, Parks & Recreation)

Contract out services wherever possible (ref CTF Beggars Checklist)

While outsourcing will provide some immediate competition driven efficiency benefits, the City has a 15% private sector salary gap and a 35.6% gap when pensions are included; this guarantees a quantifiable benefit from outsourcing. For example the CFIB 2006 Transit Wage Analysis on pay disparity between city transit staff and the private sector: Ottawa 24%, Toronto 22.7%, Vancouver 17.4%, Montreal 15%, Calgary 5%. From 2001 to 2010 Transit compensation has gone up 244% to about 218 million dollars (58% of the total Transit budget).

Total transit operating costs spending has doubled in 9 years to 386 million, 400% increase in overtime, doubling of bus garage cost to \$100 million dollars, absenteeism, fines for not calling out stops, failure to warm buses during winter, leaving passengers stranded, scheduling problems causing empty buses, ticket machines that don't work, articulated buses that can't turn, selling buses with 6 more years of life at a 40% discount? If past growth is replicated into the future, the cost of bus passes will double in 10 years. It is time to outsource some routes and services. Some younger bus drivers might prefer to lease buses from the City for higher after tax income.

Downloaded & Non Mandated Services (Public Health, Employment & Financial Assistance, Housing, Long Term & Child Care)

We have asked for the City for a list of all non mandated services and projects within these departments. We have heard that there might be as much as \$30 million in non mandated services; we would like to prioritize them and reduce delivery costs by 5%.

Police / Fire / Paramedics

As a general rule of thumb, jobs that can be done at the office is an opportunity for using more non uniformed personnel, for example:

Police: enforcement of non commercial incidents (conservation authority, identity theft, prevention & awareness, evidence control, electronic records, alarm management, computer & paper fraud, welfare fraud, online bullying, spam email & objectionable web content, hacking, professional standards, compliment, complaints, retail robbery prevention, on-line purchases, court liaison, traffic section-collision, bicycle safety. infant and booster car seats group, motorcycle riding tips, winter driving tips, insurance bureau of Canada, e-warnings, electronic ticketing, underwater search and recovery unit, victim crisis unit, 911 comm. centre,

Paramedics: planning, scheduling, dispatch, investigations, public awareness, residential inspections, commercial inspections

Fire: planning, scheduling, dispatch, investigations, public awareness, residential inspections, commercial inspections.

Bylaw

A councilor once said that since amalgamation, we have moved from 18,000 to 80,000 complaints. This is unsustainable.

Cut the by-law operating and capital budget by 25% or about 5 million dollars. We prioritized 44 bylaws and half of them should not be enforced expect in extreme cases. e.g. smoking , top soil preservation, junk mail, voluntary admail reduction, tree protection, apartments in houses, pool enclosures, fence height, outdoor fireplaces, fireworks, oversize vehicles, temporary signs on private property, postering on poster collars, storage, weeds, idling control, garbage inspectors, farm signage program

In order to reduce the number of complains, in some case there should be a token fee to complain. Fines should be set to make by-law self funding. The idling by law should not be enforced unless it involves a fleet of vehicles or exceeds 2 hours. The tree by-law should not be enforced unless more than one tree is involved or more than 5 neighbors complain.

Library, *Convert services to user fees (ref: Canadian Taxpayer Federation Beggars Checklist)*

We have asked the city for a list of all services that are not in the Library Services Act, their cost and what user fee will make those services self funded based on the current number of users e.g. video games, movies etc. This is the only instance where we are a revenue increase, in principle any increase in revenue must be met with an equivalent tax cut, else it could be expensed in higher wages.

Hydro Ottawa & Ottawa Community Housing

Hydro Ottawa / Housing their combined budgets is likely over \$300 million dollars, any spending means reduced dividends for the City and higher user fees. The \$1.05 million "donation" by Hydro Ottawa to a company in Vancouver is reduced revenue for the City. We asked staff to ask Hydro Ottawa / Housing to provide operating and capital costs budgets which are similar in format to the City's budget, we can use this to develop operational efficiency targets for the board. We have also asked the city to make the response from the Hydro / Housing CEO public.

Capital Costs, *Public private partnerships for capital projects (ref: Canadian Taxpayer Federation Beggars Checklist)*

We have asked the City to explain the impact of a 10% cut in part the budget (\$416 million) by listing the projects. A 10% cut is not 10% fewer buses. There are 60 capital projects in Transit, 20% of these projects that can bear 80% of the cost reduction.

We would like to see more 3P capital projects. A 10% cut in the budget for parks and recreation does not mean closing beaches, parks and sports centres. There about 25 capital projects in Parks & Recreation, a similar 20% of projects logic will apply.

The City is spending about \$6 million on 33 roof replacement projects. This is average of \$200,000 per roof is much more than the cost of some homes. Some possible solutions are the labour costs too high or they are being replaced too often or they are simply buying over priced roofs.

Parks, Sports, Recreation

It has many infamous records; highest non core service operating cost, highest non core service capital cost, highest non core service employee head count, highest non core service overtime cost, highest fleet costs in the city. We have asked to know the impact of a 15% reduction in the fleet (\$24 million), over time (1.2 million) & new programs. We have also asked for individual impact statements of a 5% cut in 44 programs.