

## FINANCE AND ADMINISTRATION COMMITTEE – DECEMBER 13, 2011

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### COMMUNICATIONS

<u>Received at the December 13, 2011 Finance and Administration Committee Meeting</u>	<u>Item No.</u>
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C1. Presentation Material.	1
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C2. Mr. Richard Lorello, chart.	1
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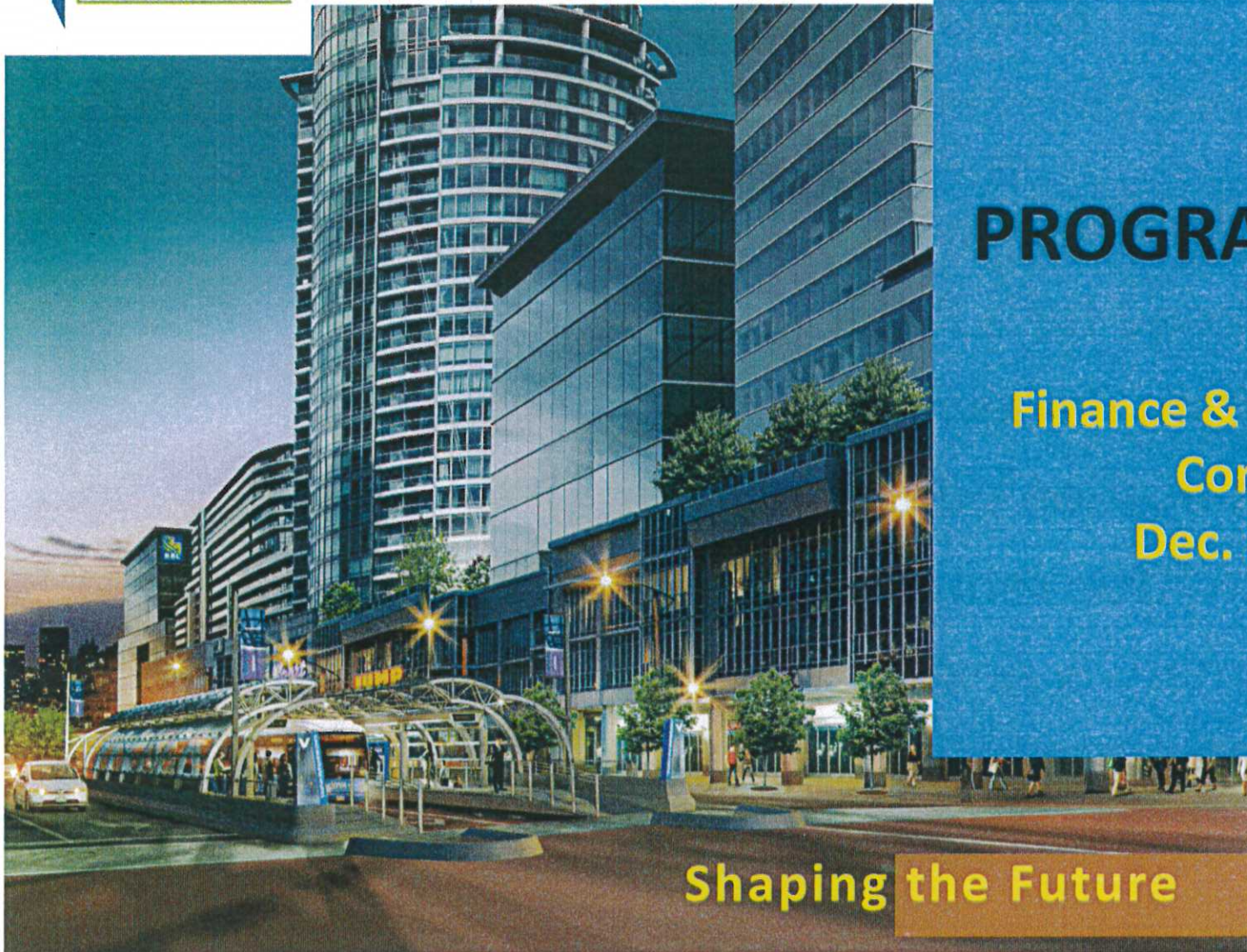
Please note there may be further Communications.



C1  
Finance & Admin.  
December 13/11  
Item 1

# PROGRAM REVIEW

Finance & Administration  
Committee  
Dec. 13<sup>th</sup>, 2011



Shaping the Future

Vaughan Vision 20|20

LOOKING TO OUR FUTURE





# *Today's Agenda*

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- Program Review inception & purpose
- The need for a Program Review
- Program Review concept & approach
- Classification outcomes
- Committee requirements
- Summary & next steps



# *Inception of Program Review*

Member's resolution, submitted by the Mayor:

*"Whereas Vaughan residents work hard to earn a living; and whereas the City of Vaughan wants to provide value for their property tax dollars; and whereas residents deserve to know, that as Council, we are providing leadership in the area of fiscal responsibility; it is therefore recommended that a Program Review be developed "*

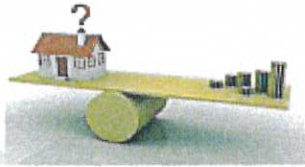


# ***Purpose***

- Provide general education and awareness
- Confirm the appropriateness of current City programs
- Determine what services the City will continue to offer
- Identify areas for further improvement and review
- Obtain public input







## Why the need?

- A need to balance between requests for services and what the community is prepared to fund
- Resource constraints create the need to prioritize services

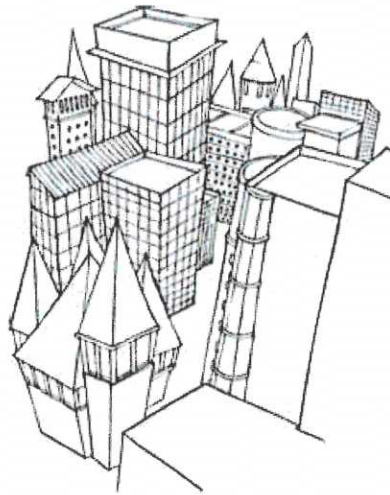
### Draft Budget cost per Avg. Household

	<u>2012</u>	<u>2013</u>	<u>2014</u>
FIRE AND RESCUE SERVICES	\$289	\$303	\$299
PUBLIC WORKS & ROAD SERVICES	\$264	\$281	\$299
RECREATION	\$114	\$113	\$107
VAUGHAN PUBLIC LIBRARIES	\$109	\$104	\$104
PARKS	\$101	\$100	\$106
INFRASTRUCTURE	\$93	\$101	\$103
CORPORATE ADMINISTRATION	\$81	\$97	\$125
WASTE MANAGEMENT	\$71	\$77	\$79
BUILDINGS AND FACILITIES	\$64	\$66	\$70
DEVELOPMENT	\$46	\$46	\$38
TOTAL	<u>\$1,232</u>	<u>\$1,288</u>	<u>\$1,330</u>



# ***The Role of a Municipality***

- A corporation intended to deliver a range of services
- Very few legislated requirements
- The types of services, service levels, and charges are primarily at Council's discretion



# *The Program Review Concept*

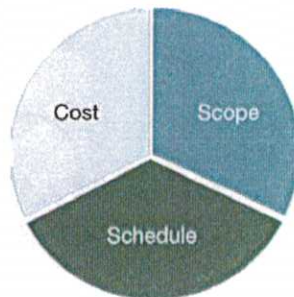
- Broad based exercise to review service offerings
- Intent to confirm the appropriateness of programs
- Part of the continuous improvement process
- Classify programs to assist in priority setting
- Expectations for savings should be conservative
  - *One-time Costs associated with changing service levels*
  - *Not all costs related to a program are variable*





# ***Exercise Magnitude***

- Effort required was significant
- Over 45 depts. represented by 600 plus business units
- Many offering multiple services
- Complicated by program interdependencies
- Exercise focused on programs and not specific services
  - Kept the project manageable
  - Conducted in-house
  - At no added cost to the City



# Exercise Scope

## What is a Program:

*“A program is a service offering or core function, consisting of activities to achieve a common business objective”.*



## Scope:

- All City departments, including the Library
- Approximately 200 high level programs [Attach. #1/2 pg. 1.13-1.15](#)
- Excludes the Water & Waste Water Operation (separate fee supported budget process)



# ***Program Review Approach***

A filtering process based on the Council's resolution

Questions are focused and sort programs into classifications

Stage1 – Survey's completed by departments

- Action generated over 1,000 pages of detail (*Attach # 3 pg. 1.24*)

Stage 2 – Program Filter

- Surveys reviewed for consistency
- Programs sorted into categories based on survey info
- Outcomes reviewed by Senior Management Team

Stage 3 - Council Directed Next Steps



# ***Program Review Foundation***

## *Questions approved by Council:*

1. Is the program still in the public interest?
2. Does this service fit with the public's priorities?
3. Is the delivery of the program a legitimate and necessary role of the City?
4. Should the program be realigned with other levels of government?
5. Should it be delivered in partnership with the private or voluntary sector?
6. Is the program affordable given our financial situation?  
(Question was framed to separate premium vs. mandated programs)
7. Can the program be redesigned for efficiency?





# ***Sorting Programs into Classifications***

## **Sort 1:** Is there a community need?

- Is the program still in the public interest?
- Does this service fit with the public's priorities?



## **Sort 2:** What type of municipal service?

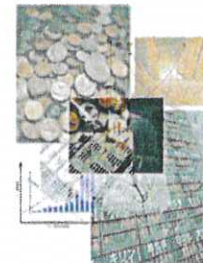
- Premium vs. standard vs. mandatory programs

## **Sort 3:** Should others provide programs?

- Is the program a legitimate and necessary role of the City?
- Should the program be realigned with other levels of government?
- Should it be delivered in partnership with the private/voluntary sector?

## **Sort 4:** Are there areas for improvement?

- Can the program be redesigned for efficiency?



# Categories & Definitions

## Mandatory Programs

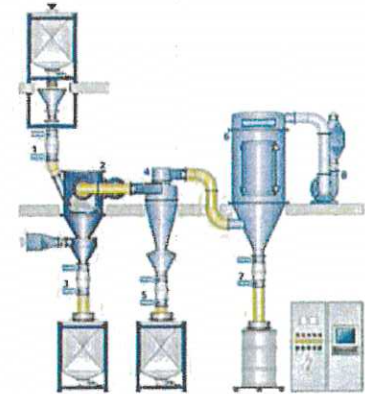
- Imposed by Provincial or Federal Acts

## Standard Programs

- Typically provided by GTA municipalities
- Large group subdivided into:
  - *Essential* - Vital for the City to function on a basic level
  - *Traditional* - Needed for the City to function on an urban level
  - *Desirable* - Typical community requested programs

## Premium Programs

- Not commonly provided by GTA municipalities or
- Potentially available through other servicing agents





# ***Additional Categories & Definitions***

## **Benefiting Groups**

- Entire Community
- Community groups/Individuals



*Intent is to classify programs that should be general tax levy funded or candidates for fee/sponsorship subsidy.*

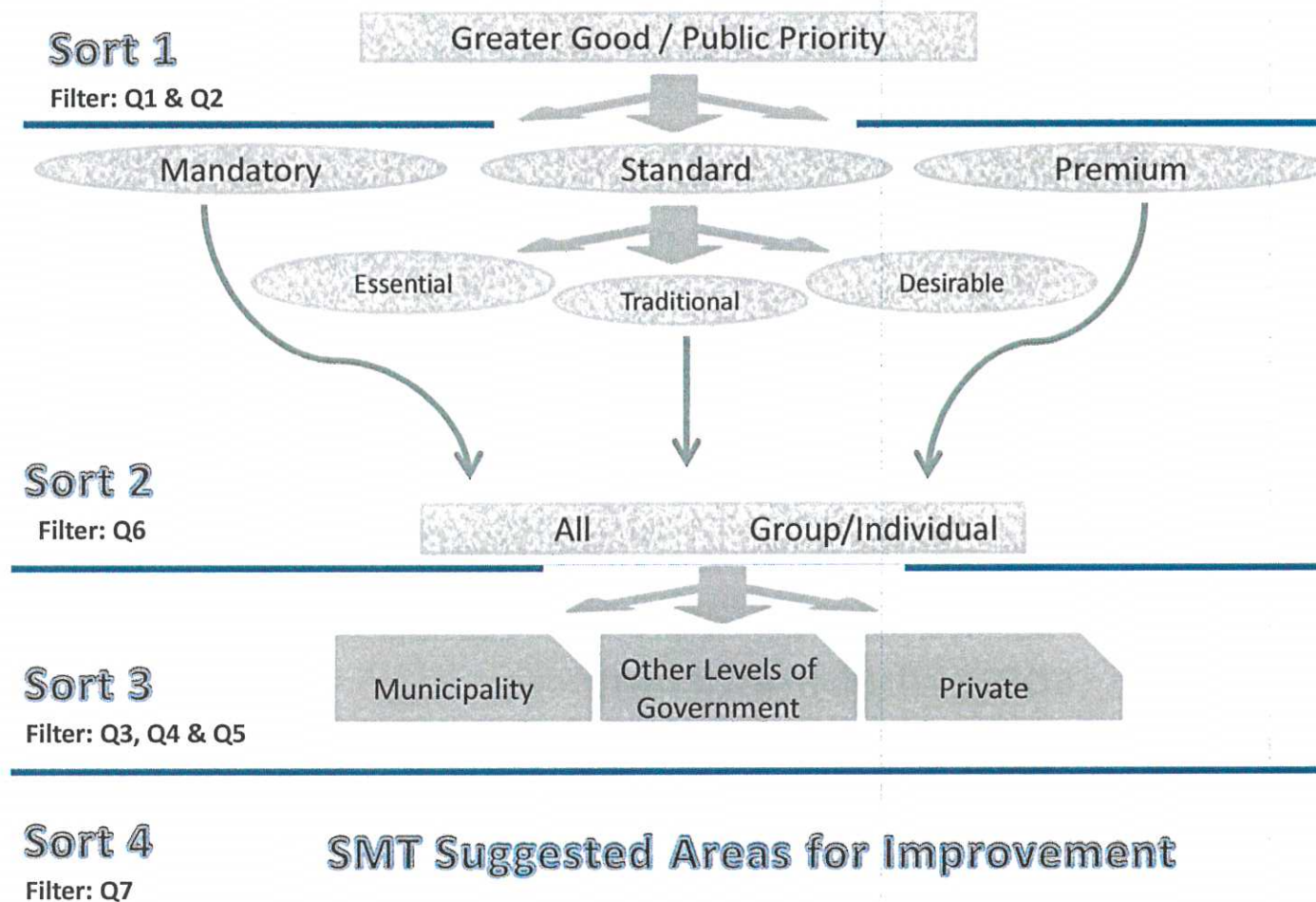
## **Could Others Provide Programs**

- Other government Services
- Private Sector



*Intent is to classify programs offered by the City that are offered by the private sector or are related to other levels of Gov't.*

# Filtering Process - Visual





## Sort 1 - Is there a community need?

- With the exception of very few legislative requirements the types of services are primarily at the City's discretion
- At one time or another the City was compelled to implement each of the programs reviewed
- Self-study revealed all programs are community needs
- Ipsos Reid analysis supports the above
  - Polled community on the importance of individual services
  - 76% of respondents rated the lowest ranked service as very - somewhat important
  - More work required in this area

*Attachment # 4 (pg. 1.39)*

## Sort 2: What type of municipal service?

Categories	Programs		Expense	
	#	%	\$ Mil	%
Mandatory Programs	30	15%	33.6	18%
Standard Programs	141	69%	145.3	77%
Premium Programs	33	16%	10.3	5%
	204	100%	189.2	100%



- 95% of the program expense is mandatory or standard
- Findings are similar to other municipal studies
- 33% of the Premium programs relate to City Building

Premium Sub-Categories	Programs		Expense	
	#	%	\$ Mil	%
City building	11	33%	3.5	34%
Offered privately	18	55%	5.8	56%
Related to activities at other levels of Government	4	12%	1.0	10%
	33	100%	10.3	100%

*Attachment # 5-7 (pg. 1.45+)*

## Sort 2: What type of municipal service?

Standard Programs	Programs		Expense	
	#	%	\$ Mil	%
Essential Programs	29	21%	66.1	45%
Traditional Programs	56	40%	48.8	34%
Desirable Programs	56	40%	30.4	21%
<i>Attachment # 6 (pg. 1.46)</i>	141	100%	145.3	100%

- Approximately 70% of the programs are typically performed by GTA municipalities
- Almost ½ the value is classified as essential  
*“ Vital for the City to function on a basic level” e.g. fire*
- 21% of the value relate to common GTA community requests e.g. Access Vaughan, Internal Audit, Events, etc.





## Sort 2: What type of municipal service?

- 84 programs valued at \$53m classified as serving community groups/individuals
- Higher than the \$30m in fees/recoveries budgeted
- Sub-divided into 3 groups
  - *Fee recovery potential - \$7m net*
  - *Sponsorship potential - \$2m net*
  - *Other consideration - \$13m net*
- Opportunities for investigation ( longer term exercise)
- Difficulty in collection, legislative limitations, and Council directed policies may present challenges

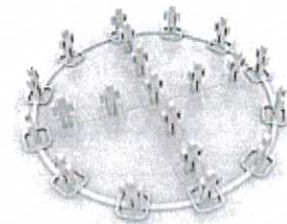


*Attachment # 8 (pg. 1.52)*

## ***Sort 3: Could others provide programs?***

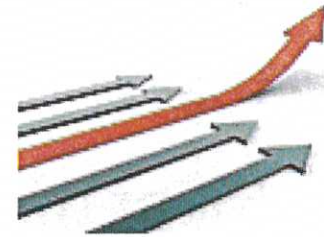
- Programs offered by the private sector or are related to other levels of government
- 26 programs offered by the private sector (\$5m net) e.g. windrow, fitness centres, etc.
- 4 programs related to activities at other levels of government (\$1m net)
- Attachment exp. Values are dept. based not full cost
- Potential opportunities for consideration

*Attachment # 9 (pg. 1.54)*



## *Sort 4: Are there areas for improvement?*

- There is a need to prioritize programs within context of :
  - Strategic initiatives
  - Performance measurement
- Operational Reviews are the next step
- Looking at Efficiency and Effectiveness
  - Outsourcing, technology, & logistics
  - Partnerships, alternate delivery models, etc.
- SMT selected the initial 16 programs



*Attachment # 10 (pg. 1.55)*

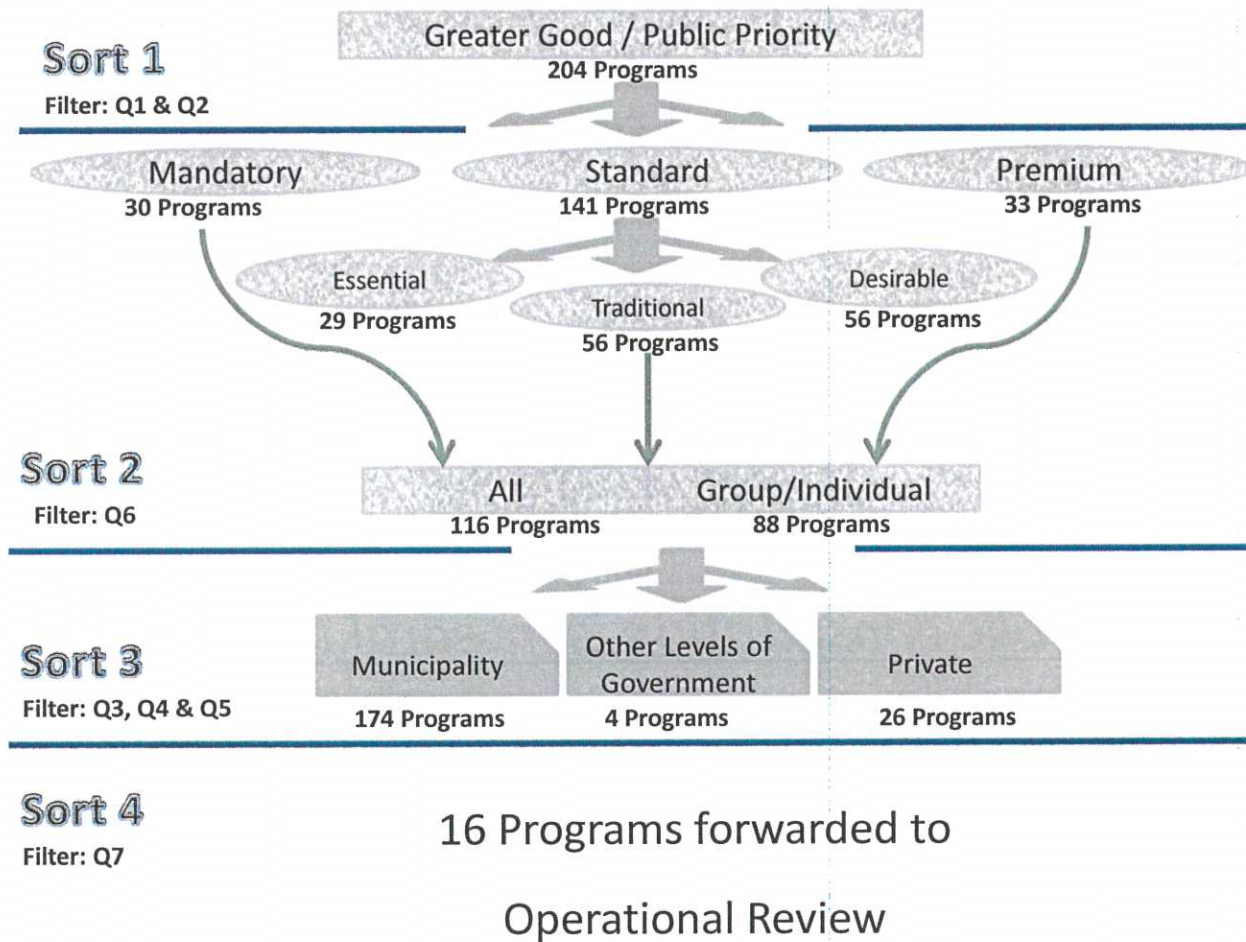


# ***Program Review Observations***

- Council has broad discretion regarding City services
- 95% of the total program value is allocated to programs that are mandated or traditionally provided in the GTA
- 5% of the total program value is related to localized interests and city building initiatives
- Ability to change our budget without impacting these programs are limited



# Program Review Observations



# ***Committee Direction Required***

- City Programs be reviewed and confirmed
- Direction be provided regarding opportunities for additional cost recovery (User Fees)



*Public consultation is integral to the process*

*Should the Committee recommend changes to the City's program offerings, staff will report back with a further public communication /consultation process*



# Discussion

Q & A



THANK  
YOU

C2  
F&A  
DECEMBER 13/11  
ITEM 1

2007 GAS - CLAYTON HARRIS on American Express (obtained from A/E Statements)			2007 GAS - CLAYTON HARRIS on Petro Canada (obtained from Clayprint outs)		
Date	Location	Total	Date	Location	Total
30-Dec-07	Bradford	\$52.00	29-Dec-07	Petro Card	\$72.39
17-Dec-07	Bradford	\$57.00			
13-Dec-07	Shore	\$90.12			
30-Nov-07	Bradford	\$73.64	21-Nov-07	Petro Card	\$148.74
11-Nov-07	Bradford	\$82.44			
2-Nov-07	Woodbridge	\$79.79			
3-Nov-07	Bradford	\$74.14	30-Oct-07	Petro Card	\$140.00
31-Oct-07	Bradford	\$77.74	2-Oct-07	Petro Card	\$204.34
24-Oct-07	Bradford	\$85.00			
14-Oct-07	Bradford	\$40.00			
1-Oct-07	Maple	\$20.00			
21-Sep-07	Maple	\$84.69			
16-Sep-07	Perry Sound	\$72.57			
12-Sep-07	Bradford	\$79.00			
9-Sep-07	Bradford	\$44.90			
2-Sep-07	Perry Sound	\$78.45			
30-Aug-07	Bradford	\$47.17			
28-Aug-07	Burns	\$87.41			
24-Aug-07	Bradford	\$57.78			
20-Aug-07	Bradford	\$10.00			
20-Jul-07	Bradford	\$54.71	16-Jul-07	Petro Card	\$102.48
16-Jul-07	Bradford	\$46.85			
13-Jul-07	Antikby	\$88.00			
9-Jul-07	Bradford	\$45.71			
8-Jul-07	Perry Sound	\$81.20			
2-Jul-07	Perry Sound	\$79.56			
29-Jun-07	Bradford	\$51.30	20-Jun-07	Petro Card	\$411.64
24-Jun-07	Bradford	\$70.61			
17-May-07	Bradford	\$63.30	20-May-07	Petro Card	\$236.39
8-May-07	Bradford	\$12.18			
6-May-07	Perry Sound	\$40.00			
26-Apr-07	Kewmarket	\$30.81	30-Apr-07	Clayton	\$104.60
			20-Apr-07	Petro Card	\$400.50
9-Apr-07	Perry Sound	\$20.71			
			20-Mar-07	Petro Card	\$157.98
20-Mar-07	Bradford	\$81.24			
27-Feb-07	Vaughan	\$48.16	20-Feb-07	Petro Card	\$913.57
25-Feb-07	Bradford	\$72.45			
13-Feb-07	Bradford	\$66.47			
9-Feb-07	Bradford	\$59.47			
6-Feb-07	Woodstock	\$40.00			
5-Feb-07	Perry Sound	\$60.10			
19-Jan-07	Bradford	\$64.49	15-Jan-07	Petro Card	\$370.80
			15-Jan-07	Petro Card	\$72.12
		\$1352.84			\$2966.21
					\$6419.15