

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 8, 2012

Item 1, Report No. 19, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on May 8, 2012.

1 PROGRAM REVIEW – FURTHER DISCUSSION

The Committee of the Whole (Working Session) recommends:

- 1) That the recommendation contained in the following report of the City Manager and the Commissioner of Finance & City Treasurer, dated May 1, 2012, be approved;
- 2) That staff continue to identify savings and bring back a report to a future Committee of the Whole (Working Session) for Committee to consider such savings and to discuss the framework of the programs to be delivered;
- 3) That staff provide a report outlining the full cost recovery methodology with respect to the Fill By-law; and
- 4) That the following Communications be received:
 - C1. Memorandum from the Commissioner of Legal and Administrative Services & City Solicitor and the Commissioner of Engineering and Public Works, dated April 26, 2012; and
 - C2. Presentation material entitled, *“Program Review Further Discussion”*.

Recommendation

The City Manager and the Commissioner of Finance & City Treasurer recommend:

1. That the report and presentation be received for input and discussion: and
2. That the seven questions which formed the framework for the Program Review be used to assess proposed new program or program changes.

Contribution to Sustainability

Sustainability by definition focuses on the ability to maintain an activity over an extended time horizon. A program review is intended to examine the City’s programs and services and validate their alignment with the City’s vision, respect for taxpayer’s dollars and community interest. To ensure the sustainability of Vaughan’s future, the outcomes of the Program Review discussion complemented with the gap analysis data in the Ipsos Reid survey will be factored into the corporate planning process and department business plans leading to the City’s multi-year budget process.

Economic Impact

The Program Review provides a framework to consider the extent, and relative costs, of the various programs offered by the City, complemented with residents’ responses to the Ipsos Reid survey questions relating to the importance of, and level of satisfaction with, programs offered by the City. These two sets of information with respect to the City’s program offerings will inform and assist Council and staff in managing and prioritizing limited resources as the City sets its direction and reflects that direction in its multi-year budgets.

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Communications Plan

The intent of a Program Review is to review and confirm the City's program offerings going forward through a classification of the city's programs for discussion purposes. Should the discussion on Program Review result in a Committee/Council direction to change the City's program offerings, further reporting and public consultation may be required depending on the nature of the changes.

Purpose

The management of the City's resources and respect for taxpayer funds is an important responsibility that the City takes very seriously. As resources continue to be constrained, the allocation of these limited resources remains an ongoing challenge. As a first step in managing its resources, it is important that the City validate the services it provides to its residents. The Program Review provides a framework from which to have that discussion. The information from the Program Review is complemented by the results from the Ipsos Reid survey of residents' assessment of the importance of, and satisfaction with, a number of the City's core services. In addition to any direction from Council, the outcomes of the Program Review discussion complemented with the gap analysis data in the Ipsos Reid survey will be factored into the corporate planning process and department business plans as we move forward with our multi-year budgeting.

Background - Analysis and Options

On December 13, 2011, staff provided information and details to the Finance and Administration Committee regarding the City's 204 high level program offerings. The Program Review had the following objectives:

- Awareness with respect to the broad scope of services provided by the City;
- The relative cost of the services;
- Fees and cost recovery for each program; and
- Why certain programs are offered

It is important that all stakeholders understand the scope of services provided by the City and how their tax dollars are distributed to fund the programs.

Summary Review of December 13, 2011 Program Review Report

The Program Review filtered the City's programs through a Council approved framework based on the following questions:

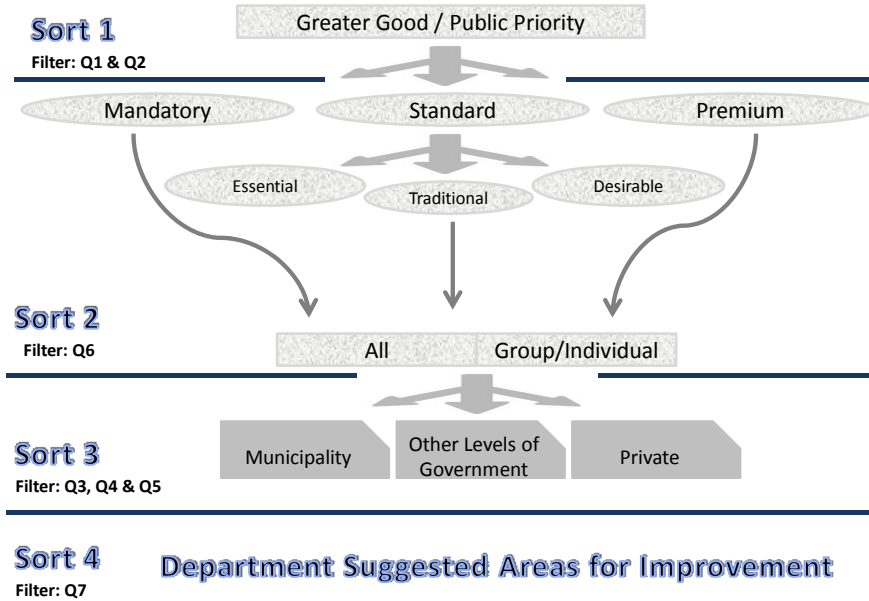
1. Is the program still in the public interest?
2. Does this service fit with the public's priorities?
3. Is the delivery of the program a legitimate and necessary role of the City?
4. Should the program be realigned with other levels of government?
5. Should it be delivered in partnership with the private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

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The chart below is a visualization of the program filtering process based on the 7 questions:



The following is a brief synopsis of the results of the Program Review process.

Sort 1, which is based on questions 1 and 2, is intended to confirm that the programs being provided are either in the community’s best interest or importance.

Sort 2 separated the programs into Mandatory, Standard and Premium categories. Sort 2 also detailed opportunities for cost recovery from program fees targeting programs geared to individuals or community groups, rather than programs servicing the community at large (All) and recovered through taxes.

Sort 3 examined whether programs currently provided by the City are either offered by the private sector or are related to other levels of government. Overall, 30 of the 204 programs are allocated to these classifications.

Sort 4 assisted in the identification of opportunities for operational reviews for aspects of the several programs, such as Waste Management, Parks Development, Fleet, Building Standards, Property Tax, Licensing, Enforcement and Boulevard Maintenance.

Program Categories

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%

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The majority of the City's programs are within the Standard Program category, and represents 69% of the programs, and 77% of the total program costs. In order to better understand the hierarchy of the 141 Standard Programs, this section was further broken down into three categories:

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%
	141	100%	145.3	100%

The Premium Programs were also further broken down to better inform Council:

Premium Programs	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	10%
	33	100%	10.3	100%

Program Review Observations:

- 95% of the total program value is related to programs that are either mandated or traditionally provided by Urban GTA municipalities
- 5% of the total program value is related to premium programs which represent localized interests and city building initiatives that move the City forward
- As premium programs only make up 5% of the total program value, the ability to change the budget is limited

Ipsos Reid Survey

Recently, the City received the results of the 2012 Ipsos Reid Survey. Through a series of questions to residents, one section of the survey plots various City programs into a graph based on level of importance, and level of satisfaction. (Attachment #11)

The majority of the programs surveyed appear in the upper right hand quadrant of the graph "Gap Analysis" matching importance against satisfaction. The services included in the Ipsos Reid survey as high importance and high satisfaction are provided below and grouped based on the Program Review categories:

Mandatory

- Road snow removal
- Street Repairs

Standard – Essential

- Fire Services
- Garbage, recycling and green bins
- Sidewalk and street lighting repairs
- Local public libraries
- Economic Development – supporting local business

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Standard – Traditional

- Parks and Greenspace

Standard – Desirable

- Recreation and Fitness

Premium

- Sidewalk snow removal
- End of driveway snow plowing

Observations:

- The majority of the programs in the High Importance – High Satisfaction quadrant are Mandatory or Standard-Essential Programs. This indicates that residents value these services, and are relatively happy with the service level and suggests that these programs not be significantly changed. In times of constraint there may be an opportunity to more precisely match importance and satisfaction when considering resource allocation.
- Two programs in the High Importance – High Satisfaction quadrant (“Area for Maintenance”) are Premium programs (Sidewalk Snow removal and End of driveway snow plowing) with a combined cost of \$3.2 Million or 40% of the total cost of premium programs. This indicates that, while these are programs not traditionally provided, 88% of the residents surveyed considered them to be important or somewhat important.

Questions for Committee to Consider:

1. Are there specific programs that could be eliminated, reduced or uploaded to another level of government or transferred to the private sector?
2. Are there specific programs for which new fees or increased fees should be approved?
3. Is the objective to have all surveyed programs in the “High Importance-High Satisfaction” quadrant? Is this objective realistic?
4. How should we incorporate the Program Review filtering framework and survey results into our prioritization and decision making processes?
5. Having reviewed and discussed the Program Review and survey results, are there changes that Council wishes to explore in more detail?

Relationship to Vaughan Vision 2020/Strategic Plan

The report is consistent with the priority initiatives set by Council.

Regional Implications

Not applicable at this point in the Program Review

Conclusion

In addition to any direction from Council, the outcomes of the Program Review discussion complemented with the gap analysis data in the Ipsos Reid survey will provide a framework to inform and assist Council and staff in managing and prioritizing limited resources as the City sets its direction and reflects that direction in the corporate planning process, department business plans and multi-year budgets.

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Staff also recommends that the questions which formed the framework for the Program Review be used for future decision making with respect to program offerings. Reports to committees and additional resource requests included in the budget process that propose a new program or an increase in service level for a program will reflect the outcome of the Program Review filtering process.

Attachments

Attachments Previously Provided with Dec. 13, 2011 Program Review Report

Attachment #1 - Department Program Guide & Department Initiated Changes

Attachment #2 - Program Index and Descriptions

Attachment #3 - Program Review Survey

Attachment #4 - Level of Importance Classification/Ipsos Reid Survey – 2011 Gap Analysis

Attachment #5 - Mandatory Classification Programs

Attachment #6 - Standard Classification Programs

Attachment #7 - Premium Classification Programs

Attachment #8 - Cost Recovery Potential

Attachment #9 - Programs Offered by the Private Sector or related to other levels of Government

Attachment #10 - Action Summary & Timeline

New Attachment

Attachment #11 – 2012 Ipsos Reid Survey – 2012 Gap Analysis

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)