

COMMUNICATION

Distributed November 22, 2011

Item No.

C1. Mr. Richard T. Lorello, dated November 22, 2011

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SPECIAL PRIORITIES + KEY INITIATIVES COMMITTEE	
NOV. 23/11	

Mayor and Members of Council

I am forwarding my comments with respect to the proposed Corporate Structure Review.

Let me begin by expressing my disappointment that a new initiative such as this was not scheduled for an evening session to allow the public as a whole to discuss the report in question which potentially has far reaching changes for our city.

I am also very disappointed that there was no public/citizen engagement in the process to develop a new Corporate Structure since the process was initiated in June of 2011. The public being a major stakeholder in this process was clearly excluded. There was very little notice to the public that this process was even taking place and anyone reading the Corporate Structure Review will see that the public was blatantly excluded from participating in the process to provide input or to consider alternative options.

On this point I suggest and strongly recommend that Council create a Citizen's Task Force of up to ten volunteers representing a good cross section of disciplines and community opinion. The Citizen's Task Force would focus on organizational/ operational development with the emphasis on efficiencies and opportunities to protect taxpayers interests. Citizen's Task Forces are excellent mechanisms to engage the public and have been adopted by other municipalities successfully for various initiatives.

Clearly the City Manager has been planning several of the proposed changes for some time when he states in his report:

"In anticipation of the Corporate Structure Review staff has held some staff positions vacant so that they could be redeployed based on the recommendations coming out of the review."

I am therefore of the belief that the recommendations coming out of the Corporate Structure Review are primarily those of the City Manager. I am also of the belief that the exclusion of the public was intentionally planned and the entire process, including the consultant's investigation and findings were controlled. This is evident in the in the Phase 1: Mobilization, where it states in the report:

kick-off meeting that was solely comprised of the City Manager and Project Manager "to confirm the scope of the work, data gathering methods, timeliness, client documents, project communications strategy etc. At that meeting they finalized the project plan and the interview schedule."

The exclusion of the public and council in this process is highly inappropriate.

I see glaring omissions and significant issues with the consultant's report which need to be discussed and addressed as part of the Corporate Restructuring process such as;

1. Given the history of reported cases of questionable spending and spending abuses the Consultant provides no structural changes to protect taxpayers other than to opt for the status quo of the Internal Auditor and elevating this position to that of Director with a dotted line to Council. This does not provide the effective structural change that taxpayers need to protect their tax dollars and insure that their tax dollars are respected and spent effectively.
2. A Corporate Structural Review that does not incorporate the Office of the Auditor General as part of the City of Vaughan's managerial structural change will fail miserably and will leave Vaughan taxpayers with the status quo of further mismanagement and spending abuses. This is the critical change that Vaughan residents desperately need and deserve. Council now has an opportunity to deliver on promises of real transparency and accountability.
3. The consultants seem to go out of their way to down play the role of an Auditor General within the new Corporate Structure, depicting the role of an Auditor General as a position that would cause

"fear and divisiveness within the administration - that would inculcate a cover-your-behind culture".

This is absolutely rubbish. An independent Auditor General reporting to Council will provide Vaughan taxpayers with the transparency and accountability that they desperately need. Auditor Generals across the country and at differently levels of government have provided taxpayers with the **"checks and balances needed to keep everyone honest, transparent and accountable"** and to protect taxpayers from spending abuses and mismanagement. There are several examples of how Auditor Generals add value and protect the interests of taxpayers. Below are 2 examples.

www.toronto.ca/audit/2011/employeeexpense-feb25.pdf

<http://blogs.ottawacitizen.com/2011/09/08/highlights-of-city-auditor-generals-report-are-out/>

4. In recent weeks there has been much debate on the City's sky-rocketing insurance rates yet there is no mention of this within the Consultant's report or the need for the City to implement an official risk management function to bring the City's liability costs under control and to repair our much tattered reputation in the eyes of the public and the insurance industry in general.
5. The Consultant's report only serves to further empower the City Manager's Office further and I believe this is very self-serving to the City Manager's needs and not the public's needs. In essence the City Manager's Office is the only entity in this exercise that stands to benefit from the proposed recommendations by

concentrating more power within the City Manager's jurisdiction. Concentrating more power in one area does not promote efficiencies or insure transparent and accountable government. On the contrary, more power in one area will likely mean less transparency and accountability which will cause divisiveness.

6. The Consultant provides no itemized cost savings or measures of efficiency with respect to their own recommendations. On the contrary, the recommendations only force to the taxpayers to incur further cost that will be reflected in higher property tax bills. I calculate that the additional labor and related costs would cost the taxpayers approximately \$700,000 annually which factors in the true cost of employment. I respectfully ask that Council request the City Manager and Consultant to itemize and justify any increased costs as well as list the offsetting cost savings.

One of the most important and essential objectives of this process is to restore public confidence in Vaughan's management processes which has eroded over the years. Council now has a critical choice to make. Council can opt for the status quo or Council can take further steps to provide the structural changes necessary to deliver real transparent and accountable government which is in the interest of taxpayers by engaging residents through a Citizens Task Force.

Sincerely
Richard T. Lorello

Subject: FW: Corporate Structure Review Submission

Attachments: Corporate Structure Review Submission.pdf

From: Richard Lorello [mailto:rlorello@rogers.com]

Sent: Tuesday, November 22, 2011 11:53 AM

To: Carella, Tony; Racco, Sandra; Rosati, Gino; Shefman, Alan; Iafrate, Marilyn; Schulte, Deb; DeFrancesca, Rosanna; Di Biase, Michael; Bevilacqua, Maurizio

Cc: Harris, Clayton; Abrams, Jeffrey; Megan (National Post)O'Toole; AntonyNiro; dbeer@thestar.ca; 'PeterEdwards'; CarolineGrech; KimChampion; IanProudfoot; CarrieLiddy; GregSorbara

Subject: Corporate Structure Review Submission

Mayor and Members of Council

Attached you will find my comments with respect to the proposed Corporate Structure Review. I look forward to your response to any or all of my observations and suggestions.

Sincerely

Richard T. Lorello