

December 8, 2008

**EXECUTIVE COMMITTEE:**

City Council on December 1, 2 and 3, 2008, referred the following Motion to the Executive Committee:

**MM27.6 Fiscal Review Panel's Recommendation Regarding the Reduction and Containment of Costs**

*Moved by Councillor Stintz, seconded by Councillor Parker*

**SUMMARY:**

In October 2007, as part of the compromise reached for the implementation of the Land Transfer Tax and Vehicle Registration Tax, Mayor David Miller commissioned an independent Fiscal Review Panel to investigate the operations of the City and report back in February 2008.

One of the key recommendations of the panel is that the City develop a cost reduction and cost containment strategy. More specifically, "The City must adopt or enhance several cost reduction and cost containment programs such as Core Services Review, a Cost Optimization Review, a Catch the Little Things program, and a strengthening of the Auditor General's office, driving City-wide shared services initiatives and consistent new policies for outsourcing, procurement and contact monitoring." Furthermore,

- "The City should immediately implement a 'Core Services and Cost Optimization Review' program to identify areas of duplication of efforts, overlap of responsibilities, and efficiency gains in service delivery.
- The City should implement a 'Catch the Little Things' program that reviews some of the smaller areas of savings that taken together will have a large impact.

- The City should increase the budget for the Auditor General's office to enable it to complete more efficiency audits and drive more savings.
- The City should also enhance its Internal Audit function to respond to the Auditor General's recommendations.
- The City should review its Outsourcing and Procurement policies in connection with its over \$1 billion in annual expenditures; improve the monitoring process for City departments and for the ABCCs; and strive to improve transparency, consistency, efficiency and savings potential.
- The City should review its City-wide Shared Services departments and those of the ABCCs and look for opportunities to consolidate certain key functions and responsibilities.”

**RECOMMENDATION:**

1. That the City Manager and the Acting Deputy City Manager and Chief Financial Officer prepare a report to City Council on how this recommendation will be implemented.

for City Clerk

M. Toft/cd