



Service Review Program: Core Service Review

**Standing Committees
July 18-28, 2011**

City Manager

Summary of Service Review Program + 2012 Budget Process

- City of Toronto's 2012 operating pressure estimated at \$774 million
- To address the 2012 Operating Pressure and the Capital Program funding gap, a multi-year approach is necessary
- On April 13, 2011, Council adopted the City Manager's report that recommended completion of a Service Review Program during 2011 in preparation for the 2012 Budget

Service Review Program - Council-approved Recommendations

1	<p>City Council request the City Manager to report the findings of a Core Service Review in preparation of the 2012 Budget Process to the applicable Standing Committee and that;</p> <ul style="list-style-type: none">a) each Standing Committee make recommendations to Executive Committee for its September 2011 meeting, andb) the City Manager comment on any Standing Committee recommendations and submit a report directly to Executive Committee for consideration,
2	<p>City Council request the City Manager to undertake a User Fee Review to establish a user fee policy and framework that will ensure consistency in developing and administering the City's user fee program and report the outcomes to Executive Committee;</p>
3	<p>City Council request the City Manager to actively manage the City's staff complement to maximize the use of City resources and contain costs;</p>
4	<p>City Council authorize the Deputy City Manager and Chief Financial Officer to implement the Multi-Year Financial Planning and Budgeting Process as outlined in Appendix 1 and Appendix 2;</p>

Service Review Program - Council- approved Recommendations

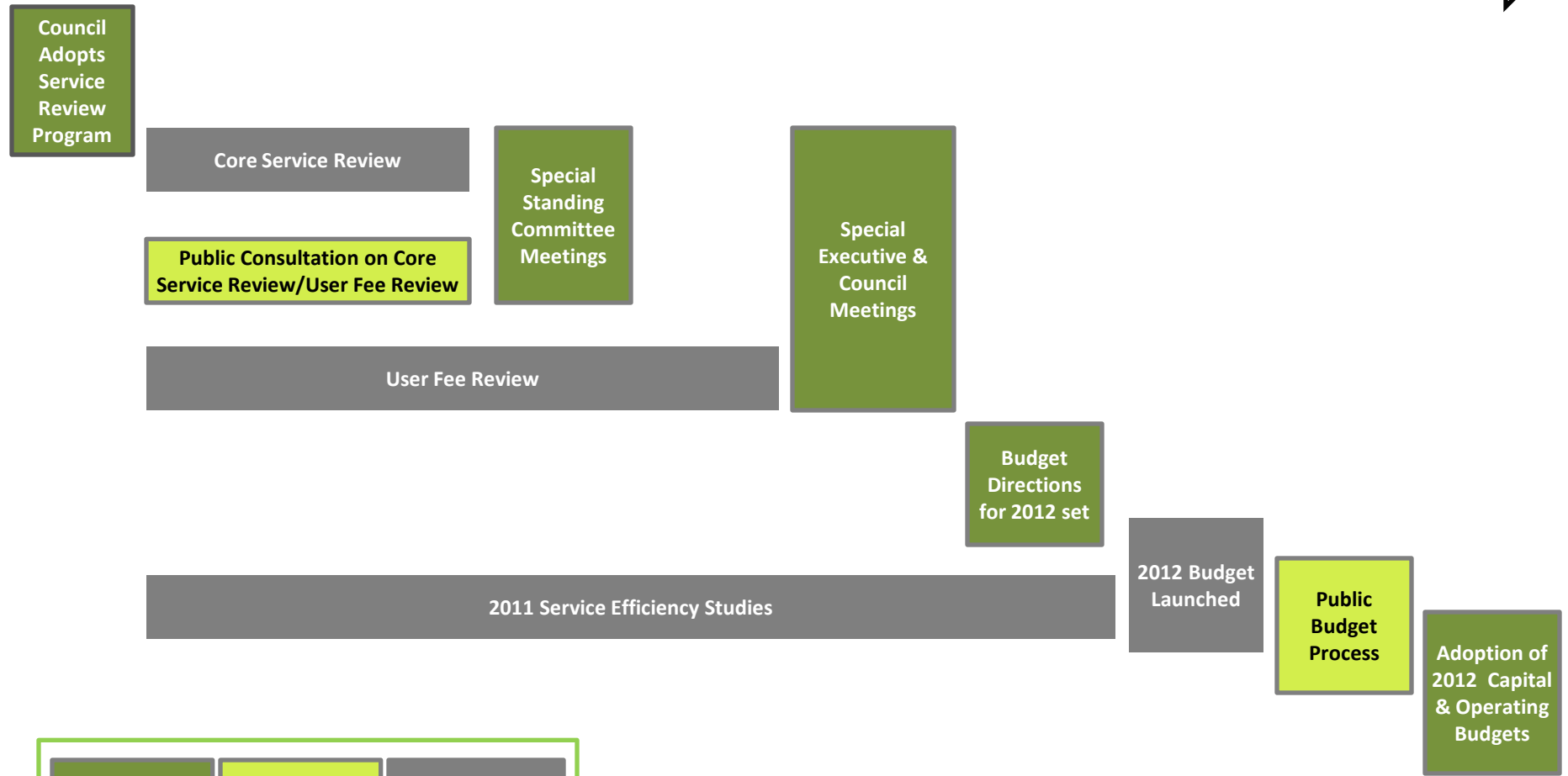
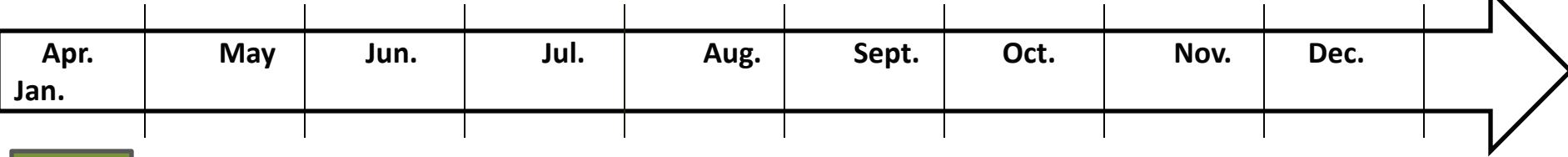
5	City Council authorize the City Manager to include the City's agencies in the Core Service Review, Service Efficiency Studies and the User Fee Review and instruct the City's agencies to participate in these reviews;
6	City Council instruct the City's agencies to fully participate in the Multi-year Financial Planning and Budgeting Process and to comply with all budgetary policies, directions and guidelines;
7	City Council instruct the City Clerk to report directly to the Council meeting, at which this report will be considered, with amendments to the Schedule of Meetings needed to implement the Service Review Program and 2012 Budget Process; and
8	City Council authorize the introduction of any necessary bills required to give effect to these recommendations.

Service Review Program

The adopted Service Review Program includes three components:

- Core Service Review
- Service Efficiency Studies
- User Fee Review

Service Review Program Time Line (2011)*



*For details see Council Report [Service Review Program, 2012 Budget Process and Multi-year Financial Planning Process](#)

Core Service Review

Core Service Review

The Core Service Review will set the foundation for City services and assist with moving towards a multi-year financial planning and budgeting process in 2012-2014

The goal of the Core Service Review is to understand, evaluate and assess every service the City provides to determine which are core to the City's operations and which can be considered discretionary

Core Service Review

- KPMG was engaged to provide 3rd party expertise for the Core Service Review
- KPMG conducted a thorough review and analysis of approximately 105 services delivered by City divisions and over 50 services delivered by agencies. They:
 - Inventoried all City services and service standards and levels based on program maps developed for the FPARS system
 - Identified which City services are mandatory, essential, traditional, and other
 - Identified the City's role in each service (regulator, funder, manager through contracted services or partnerships, service management, deliverer)
 - Benchmarked services and service levels against comparable jurisdictions and identified whether service levels are at, above or below standard
 - Identified opportunities for changes, time frames, an estimated range of savings and risks and implications

Core Service Review

- In its report, KPMG has provided realistic options and opportunities for Standing Committees and Council to consider
- These opportunities are being presented to each Standing Committee for matters within their mandates, on the following schedule:
 - July 18 – Public Works and Infrastructure
 - July 19 – Economic Development
 - July 20 – Community Development & Recreation
 - July 21 – Parks & Environment
 - July 25 – Licensing and Standards
 - July 26 – Government Management
 - July 27 – Planning & Growth Management
 - July 28 – Executive Committee (governance functions and agencies)
- The agendas and reports will be posted online about a week in advance of the scheduled meeting date

Core Service Review – City Manager’s Recommendations to Standing Committees

Recommendations:

- Standing Committees consider the List of Opportunities identified in Appendix A, Part 2 of the report, *Core Service Review*, as part of meeting the 2012 budget reduction targets and make recommendations to the Executive Committee for its September 19, 2011 meeting
- Standing Committees request the City Manager to review the list of opportunities to ensure service efficiencies are maximized to meet the 2012 budget targets and multi-year service and financial planning objectives and report thereon directly to the Executive Committee for its September 19, 2011 meeting

Core Service Review – Next Steps

- Following the Standing Committees I will recommend service and service level changes for consideration by Executive Committee at its September 19th meeting and by City Council at its September 26/27 Meeting
- Council will make final decisions related to City services and service levels for consideration through the 2012 budget process

Core Service Review Public Consultation

Core Service Review – Public Consultation

- The Public Consultation ran from May 11 to June 17
 - 8 Public Roundtable Discussions were held across the City
 - An online feedback form elicited close to 13,000 responses (<http://www.toronto.ca/torontoservicereview>)
 - A number of Councillors and community groups held public sessions, many using the City's materials
- The findings have been transmitted to the special standing committee meetings beginning today, to support Council in its deliberations and decision-making
- The public consultation report and raw data from the feedback form will be posted online at <http://www.toronto.ca/torontoservicereview>

Core Service Review – Public Consultation

- The Public Consultation process and the KPMG review were separate undertakings
- However, both are aligned on the important, core services for the City including transit, emergency services, water treatment and distribution, health, solid waste management, roads, public libraries, etc.
- Involvement in the public consultation process was voluntary – people chose to provide feedback on the topics, issues and services they were most concerned about or interested in
- The prioritized services in the public consultation generally reflect the core/discretionary rankings by KPMG

Service Efficiency Studies

Service Efficiency Studies

*The Core Service Review examines **what** services the City should be delivering. The service efficiency studies examines **how** City services are delivered*

- Service efficiency studies are being implemented to enhance current continuous improvement initiatives and ensure services are delivered in the most efficient and cost-effective manner
- These studies will examine the current delivery of a service and identify opportunities through:
 - technology and automation
 - shared service models
 - service innovation
 - business process re-engineering
 - outsourcing
- Service implications will be reported through the annual operating and capital budget process unless specific Council authorities are required

2011 Service Efficiency Studies

9 Programs:

- Facilities and Real Estate
- Fleet
- Parks, Forestry and Recreation
- Shelter Support and Housing Administration
- Solid Waste Management
- Transportation
- Municipal Licensing & Standards
- City Planning
- Court Services

3 Agencies:

- TTC
- Toronto Public Library
- Toronto Police Service

4 Cross-program:

- Environmental & energy programs
- Counter Services
- Communications
- Finance and administrative functions

All programs are to be reviewed over the current term of Council

User Fee Review

User Fee Review – Objectives

User fee review will:

- Identify all user fees and evaluate the basis for collecting those fees
- Determine current basis of the fee price
- Identify full cost-recoverable fees and the extent to which the full cost is / should be recovered
- Identify those fees that should be exempt from full cost recovery
- Identify additional opportunities for collecting user fees
- Assess whether user fee services are delivered economically and efficiently
- Align user fees to the City's Service Inventory; and
- Confirm methodology for costing user fee
- Benchmark against other municipalities

User Fee Review - Outcome

- Council approval of a coherent, comprehensive user fee policy and framework
- Clearly defined user fee principles and guidelines:
 - ❖ Criteria for initiating, implementing and administering user fees
 - ❖ Appropriateness of cost recovery – equitable access to city services
 - ❖ Costing services and user fee pricing methodology
 - ❖ Efficient administration
 - ❖ Periodic review requirement
 - ❖ Public Notice / consultation
- Opportunities for new fees, changing charges for existing fees and rationalizing the number of fees

Service Review Program – Next Steps

Service Review Program: Next Steps following Council's September decisions

Executive Committee and Council will consider the Core Service Review and the User Fee Review in September

September decisions will be implemented through business cases prepared for the 2012 budget process

Completed Service Efficiency Studies will also be implemented through the 2012 budget process