
2013 BUDGET BRIEFING NOTE

Service Efficiency Study Impacts in the 2013 Staff Recommended Budget

Issue/Background:

A Service Review Program was approved by Council in April 2011, in preparation for the 2012 Budget Process and Multi-Year Financial and Service Planning Budgeting Process. The purpose of the Service Review Program is to help address the City's serious financial challenges, set the foundation for services and service levels and establish the basis for multi-year planning and service delivery to meet the City's objectives in 2012 and beyond.

Service Efficiency Studies are one component of the Service Review Program to enhance ongoing continuous improvement efforts in City divisions and agencies. This briefing note provides a summary of the Service Efficiency Study impacts reflected in the 2013 Staff Recommended Budget.

Key Points:

- 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 examine the current delivery of a service and identify opportunities through technology and automation, shared service models, service innovation, business process re-engineering, and outsourcing.
- Service Efficiency Studies provide advice and recommendations to the City Manager and are conducted in consultation with divisions and agencies. They identify actions and directions which could result in more efficient and effective service delivery, organizational and operational arrangements and associated savings.
- In 2011, the City completed 8 Service Efficiency Studies in some of the City's largest programs including Facilities Management, Fleet Services, Shelter, Support and Housing Administration, Real Estate Services, Solid Waste Management, Toronto Public Library, Toronto Transit Commission and Transportation Services.
- The implementation of service efficiency opportunities identified through these studies will continue to have impacts in 2013 and beyond, as some recommendations will provide

ongoing annual savings and some identify longer term initiatives that will be brought forward in future year budgets.

- Service Efficiency Studies continue to be undertaken in 2012 including 311, Children's Services, City Planning, Communications, Counter Services, Court Services, Environment and Energy, Long Term Care Homes and Services, Museum Services, Parks, Forestry and Recreation, Shared Services and Toronto Emergency Medical Service and Toronto Fire Service. Communications, Energy and Environment, Long Term Care Homes and Services and Parks, Forestry and Recreation have been completed. The remaining 2012 Service Efficiency Studies will be completed by the first quarter of 2013.
- The Statement of Work (SOW) and full final reports prepared by external firms for completed Service Efficiency Studies are available on the City's Service Review web site at: <http://www.toronto.ca/torontoserviceview/>

Service Efficiency Study Impacts Identified in the Staff Recommended 2013 Budget:

The Service Efficiency Study related initiatives to be implemented in 2013 include:

- **Facilities Management and Real Estate**
 - ✓ Caretaking at Toronto Police Services was contracted out in 2012. The annualized impact for 2013 is \$0.304 million in savings.
 - ✓ Two capital projects have been included in the Facilities Management and Real Estate Division's 2013 -2022 Recommended Capital Plan. Efficiencies in operations and/or savings have not yet been identified as a result of implementation of the two capital projects. These are:
 - A Facilities Preventative Maintenance system is being developed that will provide a mobile work order application system. Total funding included over the 2013, 2014 and 2015 period is \$1.810 million.
 - A Capital Asset Data Integration project is being developed to automate building inventory, create a central repository that tracks building data such as site, replacement values, building improvement spending, and occupancy. A total of \$0.600 million has been included in the 10-Year Recommended Plan.
- **Fleet Services**
 - ✓ Several efficiency initiatives are being pursued in 2013. There are no savings in the 2013 Recommended Operating Budget associated with these efficiencies. The issues include the following:
 - Fleet Services has restructured part of their organization. The position of Maintenance Co-ordinator has been created to increase productivity by improving planning and scheduling maintenance.
 - Two garages will be closed in 2013. Minimal savings of less than \$0.020 million have been included in the 2013 Recommended Operating Budget.

- A process to integrate TCHC's automotive fleet into the City's fleet has been approved by City Council. It is estimated that over the next five years, TCHC will realize operating and capital savings in the amount of \$2.6 million. In addition, the 2013 Recommended Operating Budget for Fleet Services includes an adjustment to reflect the transfer of maintenance operations on haulage and heavy equipment from Solid Waste Management to Fleet Services.

- **Transportation Services**

- ✓ Net savings of \$0.130 million is included to reflect the annualized impact of the elimination of positions in 2012 and the cost of contracting out the Winter Maintenance and Street Sweeping activities.

- **Long Term Care Homes**

The following efficiency recommendations will be implemented in 2013 and are reflected in Long Term Care Homes 2013 Recommended Operating Budget.

- ✓ Increase support for the expansion of Homemakers and Nurses Services Program to leverage additional Provincial funding.
 - Additional funding of \$0.401 million gross and \$0.081 million net is recommended in the 2013 Operating Budget.
- ✓ Implement alternative Service Delivery for bus transportation services.
 - Net savings of \$0.047 million in 2013 is included arising from de-commissioning their buses. The Program will pursue more efficient and effective alternative to transport residents by entering into a Division-wide transportation service contract.
- ✓ Implement new Collective Agreement to realize the removal of the half-hour shift overlap. This recommendation will be implemented in 3 phases:
 - Net savings of \$0.200 million in 2013 will be realized to reflect the elimination of the half hour shift overlap for newly hired staff.
 - In 2014 and 2015, the shift overlap will be eliminated for all remaining staff for savings of \$0.950 million in each of these 2 years

- **Parks, Forestry and Recreation**

- ✓ Through the Sportsfield Turf Management Strategy included in PF&R's 2013 Recommended Operating Budget, the Program will re-purpose and train its staff to deliver improved sportsfield turf standards and achieve annual savings of \$0.880 million in 2013.
- ✓ As part of the 2012 Approved Operating Budget service changes, Council approved the reduction of PF&R Animal Operations for High Park Zoo and Far Enough Farms (Toronto Island) for an annual savings of \$0.449 million and 5.1 approved positions.

During 2012 that decision was reversed and the budget was reinstated (which is included in the 2013 Operating Budget for PF&R) with offsetting fundraising revenues as recommended in the Service Efficiency Study from Friends of High Park Zoo and Friends of Far Enough Farms of \$0.449 million for a net \$0 impact.

- **Toronto Public Library**

- ✓ Net savings of \$0.343 million in 2013 will be realized to reflect the incremental impact of implementing automated sorters at various locations as approved during the 2012 Budget Process.

- **Solid Waste Management Services**

- ✓ As approved by Council on Oct. 24, 2011, daytime Residential Curbside Collection in District 2 was contracted out commencing in August 2012.
- ✓ There are approximately 165,000 homes in District 2 which now have their curbside collection picked-up by Green for Life (GFL) Environmental East Corporation.
- ✓ Total savings is \$11.172 million with \$6.125 million realized in 2012 with further incremental savings of \$5.047 million to be achieved in 2013.

Prepared by: Fiona Murray, Director, Corporate Policy, City Manager's Office
(416) 397-5214, fmurray@toronto.ca

Andy Cui, Manager, Financial Planning Division
(416) 397-4207, acui@toronto.ca

Further information: Lynda Taschereau, Executive Director, Strategic & Corporate Policy
City Manager's Office, (416) 392-6783, ltascher@toronto.ca

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