BW4.1.2

Submission: David Cox

8 reasons why city council should be demanding that budget increases be linked to increased efficiency

Deputation by David Cox (February 11, 2019)

According to the City of Toronto website, the City's annual budget process is designed to give the pubic the opportunity to provide its input into the budgetary decision-making process.

In the five years I have been coming to these hearings, I don't recall the chairman of the budget committee, Councillor Crawford, ever having attended the hearings here in Etobicoke. This year is no different.

Since none of the members of this sub-committee represent any of the wards in Etobicoke, I am relying on the new councillors to take this opportunity to show that they can represent more than their own wards.

Contrary to most deputations, I am not here to lobby for money.

I am here to tell you that the city continues to ignore opportunities to be gained from improved efficiency. I am attaching eight examples for you to take away to pass on to Chairman Crawford and City Manager, Chris Murray.

Time doesn't allow me to talk about all of these.

So, let me focus on one.

Less than 20% of Toronto taxpayers use the preauthorized payment plan to pay their property taxes.

I don't know exactly how many property tax payers there are in Toronto. Let's assume over 1 million

Let's also assume that it costs the city $2.50 to process each payment

If we were to shift the 20% to 70% we would save the city over $1 million per year.

What are we waiting for?

Thank you

Data sources: 2016 Performance Measurement and Benchmarking Report
2017 Municipal Benchmarking Network Canada

Reason 1

Less than 20% of Toronto taxpayers use the preauthorized payment plan?

32.1 –WHAT PERCENTAGE OF TORONTO TAXPAYERS TAKE ADVANTAGE OF THE PREAUTHORIZED PAYMENT PLAN?

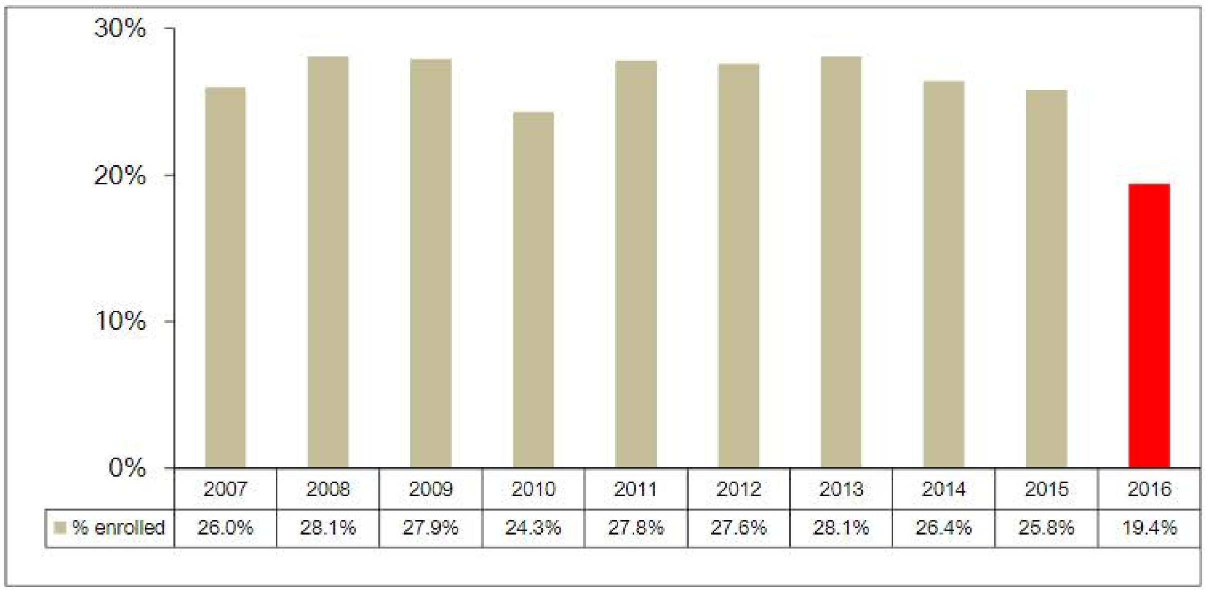
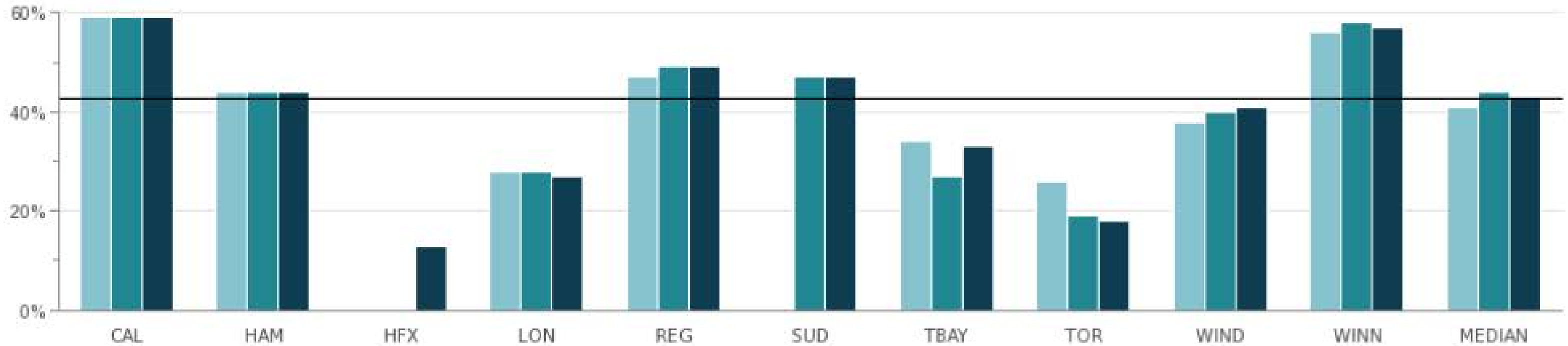


Chart 32.1 (City of Toronto) Percent of All Tax Accounts Enrolled in Pre-Authorized Payment Plans

Chart 32.1 reflects the percentage of Toronto's tax accounts enrolled in the PAP program and shows an increasing long term trend. In 2016, the total number of tax accounts increased by 27,492 while the number of taxpayers taking advantage of the PAP program decreased by 16,476.

Fig. 32.4 Percent of Accounts (All Classes) Enrolled in a Pre-Authorized Payment Plan

The number of installments/due dates offered by a municipality may impact the enrollment in pre-authorized payment plans.



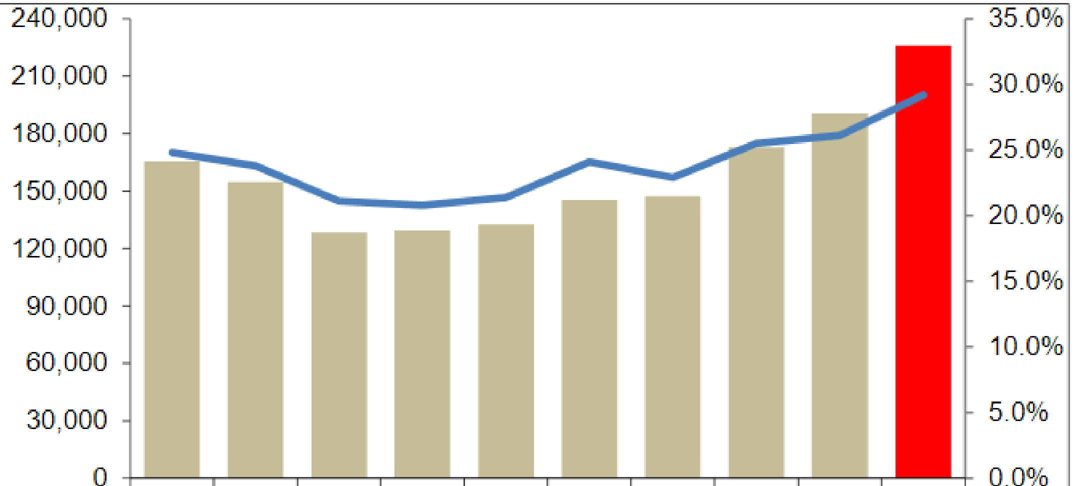
	CAL	HAM	HFX	LON	REG	SUD	TBAY	TOR	WIND	WINN	MEDIAN
2015	59%	44%	N/A	28%	47%	N/A	34%	26%	38%	56%	41%
2016	59%	44%	N/A	28%	49%	47%	27%	19%	40%	58%	44%
2017	59%	44%	13%	27%	49%	47%	33%	18%	41%	57%	43%

Source: TXRS405 (Customer Service)

Reason 2

29% of all ambulance time is lost transferring patients

21.6 – WHAT PERCENTAGE OF TIME DO AMBULANCES IN TORONTO SPEND AT HOSPITALS TRANSFERRING PATIENTS?



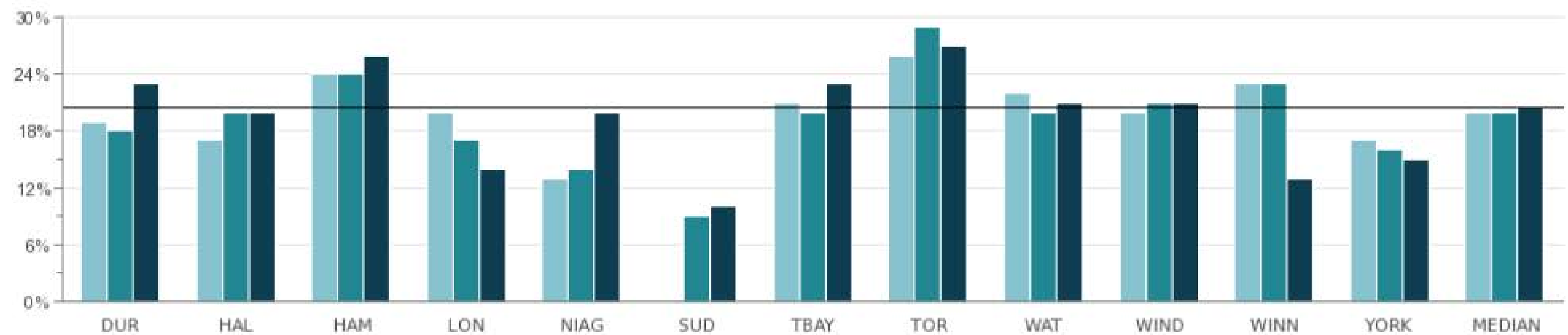
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
# of hours lost	165,510	154,814	128,466	129,485	132,567	145,388	147,337	172,769	190,516	225,908
% of hours lost	24.8%	23.8%	21.1%	20.8%	21.4%	24.1%	22.9%	25.5%	26.1%	29.2%

Chart 21.6 shows Toronto's results for the total hours and percentage of ambulance hours involved in the turnaround activities noted above.

Chart 21.6 (City of Toronto) Hours or Ambulance Time Lost to Hospital Turnaround

Fig. 7.2 Percent of Ambulance Time Lost to Hospital Turnaround

Time spent in hospital includes the time it takes to transfer a patient, delays in transfer care due to lack of hospital resources (off-load delay), paperwork and other activities. The more time paramedics spend in the hospital process equates to less time they are available to respond to calls.



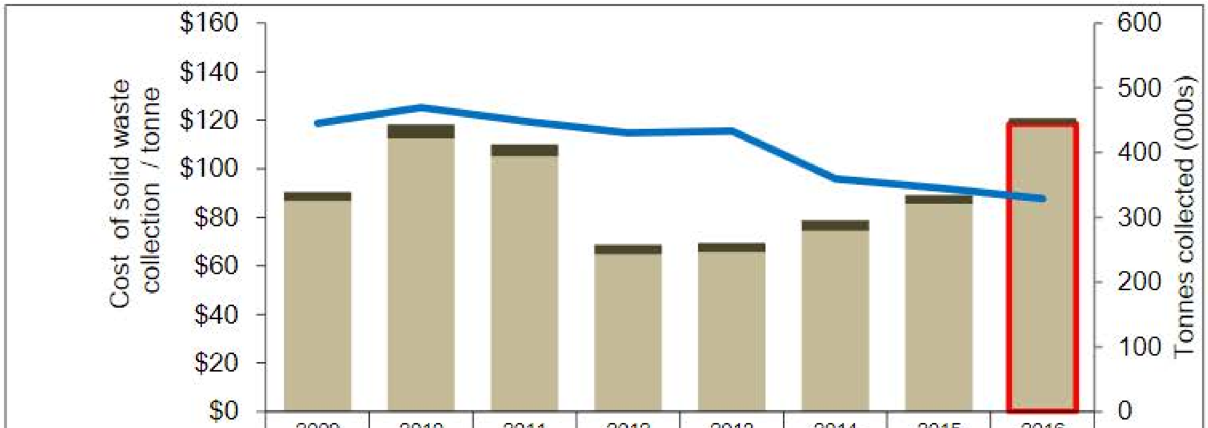
2015	19%	17%	24%	20%	13%	N/A	21%	26%	22%	20%	23%	17%	20%
2016	18%	20%	24%	17%	14%	9%	20%	29%	20%	21%	23%	16%	20%
2017	23%	20%	26%	14%	20%	10%	23%	27%	21%	21%	13%	15%	21%

Source: EMDS150 (Community Impact)

Reason 3

The cost to collect one ton of garbage has increased 37% versus the previous year

34.5–HOW MUCH DOES IT COST TO COLLECT ONE TONNE OF GARBAGE IN TORONTO?



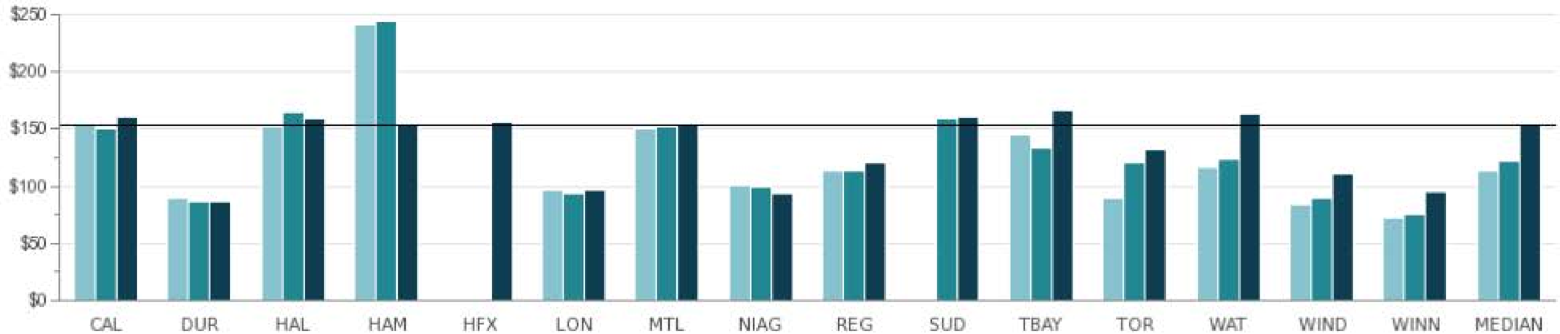
	2009	2010	2011	2012	2013	2014	2015	2016
Total cost	$90	$118	$110	$69	$69	$79	$89	$121
Amortization	$4	$6	$5	$4	$4	$4	$4	$2
Operating cost	$87	$113	$105	$65	$66	$75	$86	$118
Tonnes (000s)	445	470	448	431	434	359	345	329

Chart 34.5 provides Toronto's operating and total (operating plus amortization) cost of solid waste collection per tonne, which are plotted as bars relative to the left axis.

Chart 34.5 (City of Toronto) Operating Cost of Solid Waste Collection per Tonne and Tonnes of Solid Waste Collected

Fig. 34.5 Total Cost for Garbage Collection per Tonne - All Property Classes

This measure reflects the total cost for garbage collection for all property classes which includes residential, and industrial, commercial and institutional (ICI) locations on a per tonne basis.



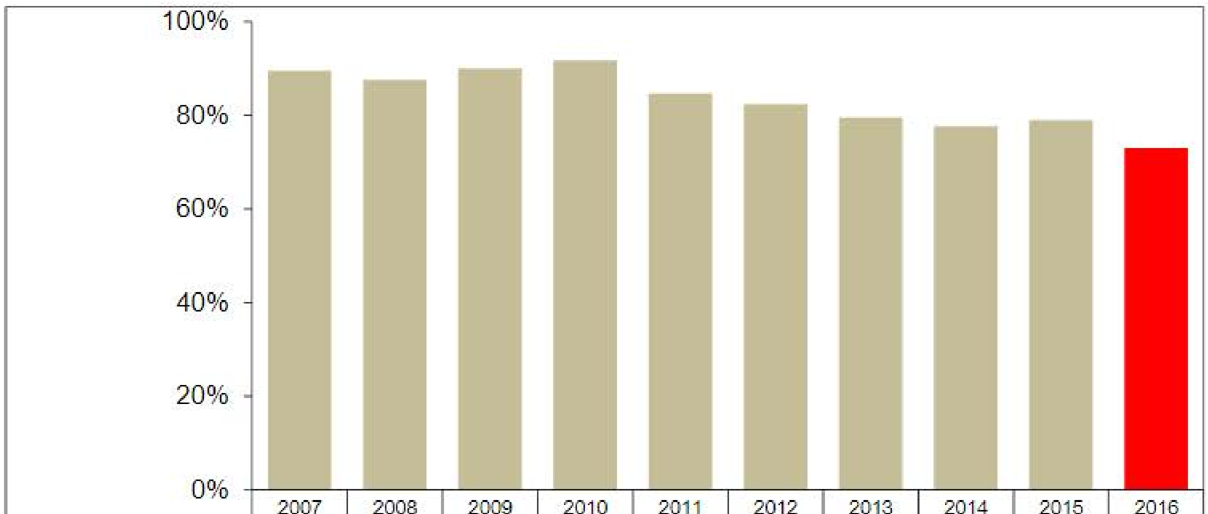
2015	$153	$90	$152	$242	N/A	$96	$150	$101	$113	N/A	$145	$89	$117	$84	$72	$113
2016	$151	$87	$165	$245	N/A	$94	$152	$99	$113	$159	$133	$121	$124	$90	$75	$123
2017	$160	$86	$159	$154	$156	$96	$153	$94	$120	$160	$167	$132	$164	$111	$95	$153

Source: SWST311T (Efficiency)

Reason 4

The pavement condition of Toronto roads are at their lowest level in 10 years

28.6 –WHAT IS THE PAVEMENT CONDITION OF TORONTO'S ROADS?



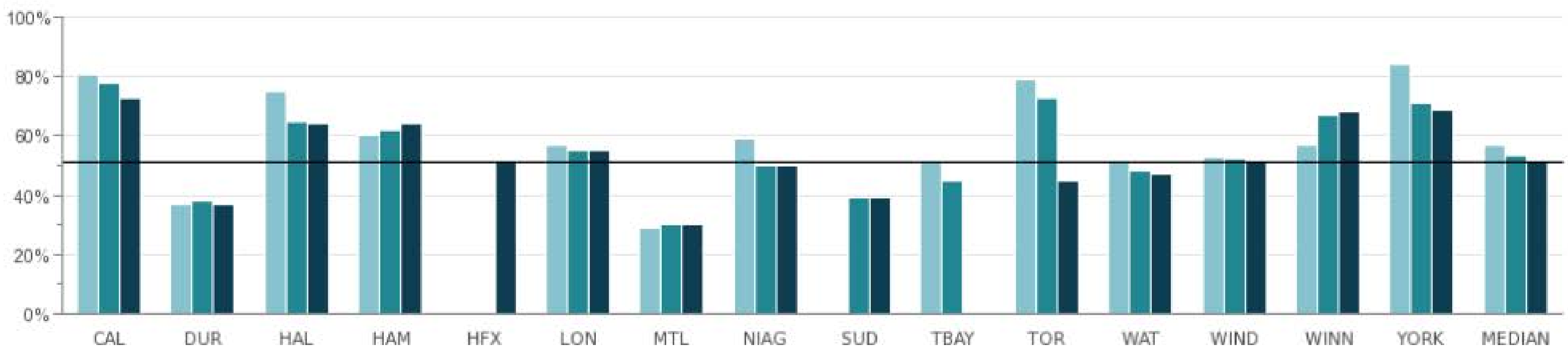
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
% Roads Rated Good to Very Good	89.6%	87.6%	90.0%	91.7%	84.7%	82.4%	79.6%	77.7%	79.0%	73.0%

Chart 28.6 summarizes the pavement condition of Toronto's roads, providing the percentage of the road system where the pavement quality is rated as good to very good.

Chart 28.6 (City of Toronto) % of Lane Km of Roads with Pavement Condition Rated as Good to Very Good

Fig. 28.5 Percent of Paved Lane Km where the Condition is Rated as Good to Very Good

The percentage of paved lane km where no maintenance or rehabilitation action is required, except for minor surface maintenance. Municipalities may use different approaches to assess and rate road condition.



2015	81%	37%	75%	60%	N/A	57%	29%	59%	N/A	51%	79%	51%	53%	57%	84%	57%
2016	78%	38%	65%	62%	N/A	55%	30%	50%	39%	45%	73%	48%	52%	67%	71%	54%
2017	73%	37%	64%	64%	51%	55%	30%	50%	39%	N/A	45%	47%	51%	68%	69%	51%

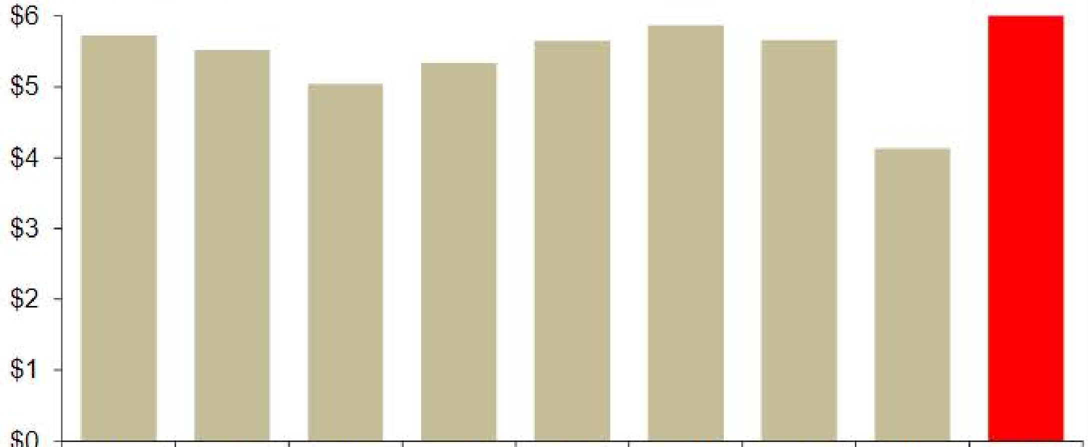
Source: ROAD405M (Customer Service)

Toronto: In 2017, Toronto changed from manual data collection methods to a network wide automated pavement data collection and re-assessed its trigger values for good-fair-poor condition ranges. The 2017 results cannot be directly compared to previous years' results.

Reason 5

The cost to process a purchase is at its highest in the past 8 years

27.5 –WHAT DOES IT COST IN TORONTO TO PROCESS THE PURCHASE OF GOODS AND SERVICES?

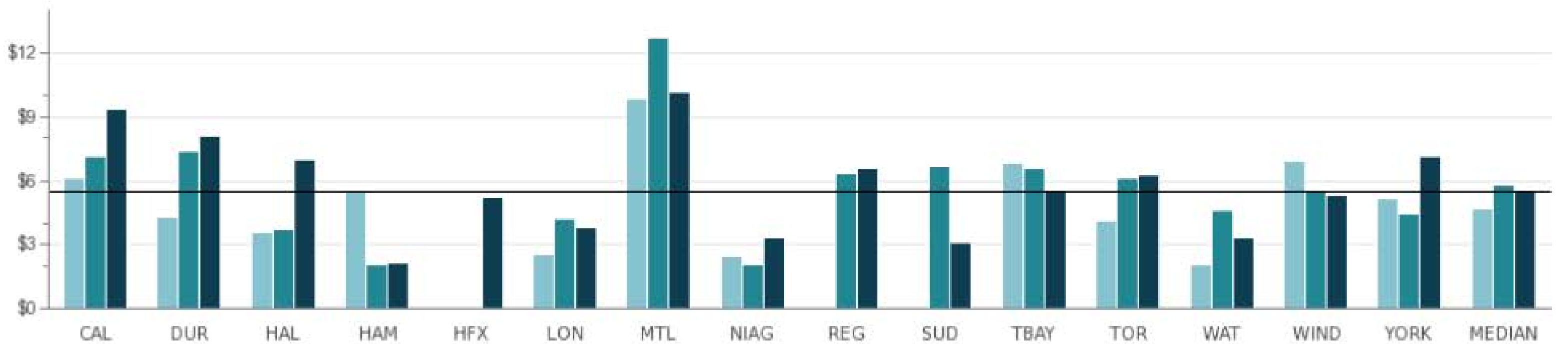


	2008	2009	2010	2011	2012	2013	2014	2015	2016
$ cost	$5.72	$5.52	$5.04	$5.34	$5.65	$5.87	$5.66	$4.13	$6.10

Chart 27.5 provides Toronto's cost of the purchasing function per $1,000 of goods and services purchased. Costs in 2016 were higher than in 2015.

Fig. 27.2 Operating Costs for Centralized Purchasing per of $1,000 Municipal Purchases (Operating and Capital) for Goods and Services Through a Procurement Process

This measure reflects the operating cost for providing centralized purchasing services. The results for this measure can be impacted by fluctuations in annual operating purchases, the award and/or completion of contracts for large multi-year capital projects; and/or varying procurement requirements from year to year.



	CAL	DUR	HAL	HAM	HFX	LON	MTL	NIAG	REG	SUD	TBAY	TOR	WAT	WIND	YORK	MEDIAN
2015	$6.13	$4.30	$3.59	$5.58	N/A	$2.50	$9.85	$2.46	N/A	N/A	$6.81	$4.13	$2.01	$6.91	$5.14	$4.72
2016	$7.16	$7.41	$3.71	$2.08	N/A	$4.18	$12.76	$2.01	$6.38	$6.69	$6.57	$6.10	$4.60	$5.55	$4.45	$5.83
2017	$9.40	$8.12	$6.99	$2.14	$5.27	$3.82	$10.18	$3.34	$6.56	$3.10	$5.52	$6.25	$3.32	$5.30	$7.14	$5.52

Source: FPUR362 (Efficiency)

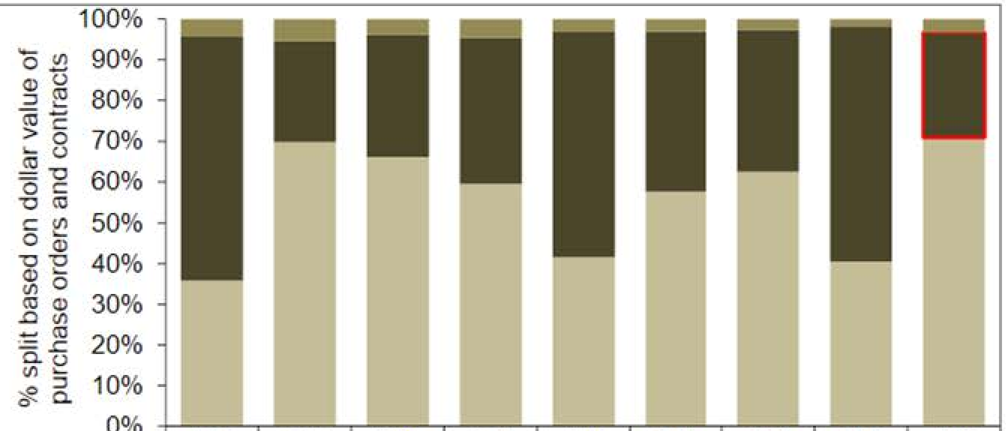
Montreal: Construction projects and large professional service contracts are excluded from Municipal Purchases as these contracts are negotiated by specialized divisions rather than through the centralized purchasing department.

Sudbury: The result reflects a year of significant high-value, multi-year purchases.

Reason 6

The number of blanket contracts has decreased by over 55% versus the previous year

27.4 –HOW MUCH IS BEING PURCHASED IN TORONTO THROUGH EACH OF THESE METHODS?



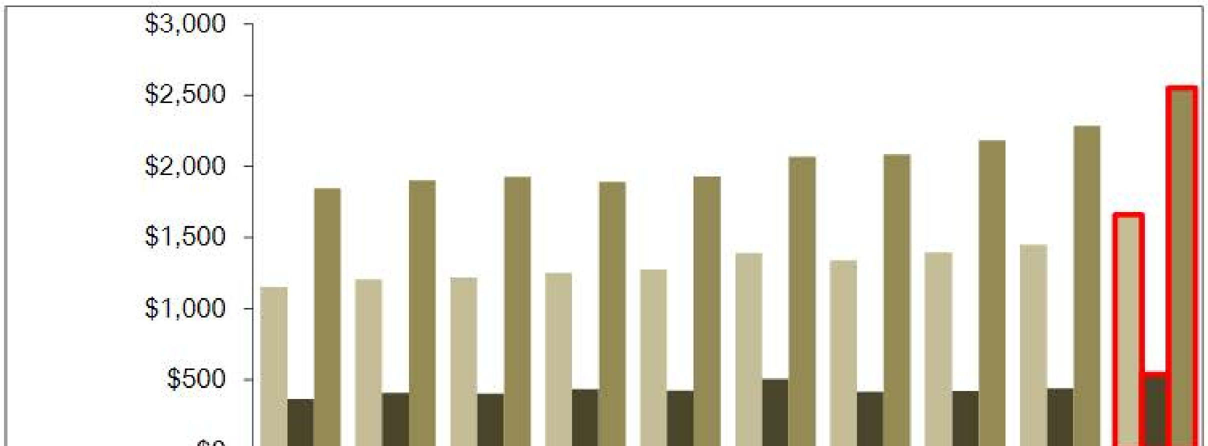
	2008	2009	2010	2011	2012	2013	2014	2015	2016
# Divisional Purchase Orders	4.4%	5.4%	3.8%	4.5%	3.2%	3.1%	2.6%	1.8%	3.3%
# Blanket Contracts	59.8%	24.8%	30.0%	36.0%	55.3%	39.3%	34.8%	57.6%	25.8%
# Purchase Orders	35.8%	69.8%	66.2%	59.5%	41.5%	57.6%	62.5%	40.5%	70.9%

Chart 27.4 shows the percentage breakdown of divisional purchase orders, blanket contracts and purchase orders by dollar value of orders.

Reason 7

The cost to manage a parking space in Toronto increased 14% over the previous year

22.3 – WHAT DOES IT COST TO MANAGE A PARKING SPACE IN TORONTO?

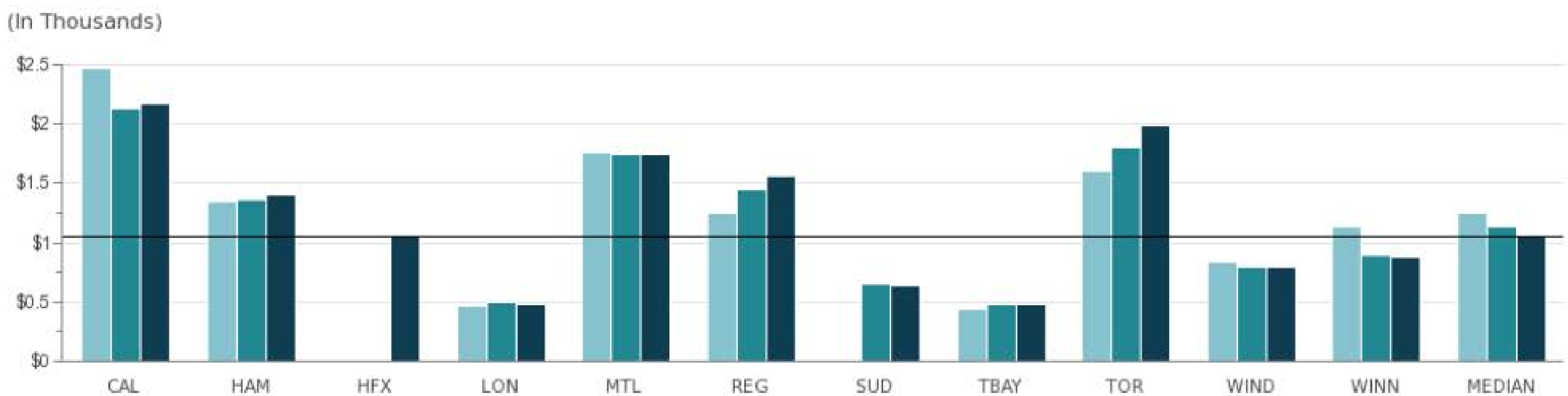


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
$ / space (all types)	$1,151	$1,204	$1,220	$1,249	$1,275	$1,392	$1,340	$1,396	$1,451	$1,660
$ / on-street space	$365	$408	$400	$434	$425	$505	$416	$421	$439	$538
$ / off-street space	$1,847	$1,902	$1,925	$1,892	$1,929	$2,070	$2,083	$2,185	$2,284	$2,552

Chart 22.3 provides Toronto's annual operating cost to manage a paid parking space for both on-street and off-street parking, as well as a blended cost for all spaces.

Fig. 21.3 Total Cost per Paid Parking Space Managed

This measure reflects the total cost to operate paid parking spaces including on-street, off-street surface and off-street structure spaces.



	CAL	HAM	HFX	LON	MTL	REG	SUD	TBAY	TOR	WIND	WINN	MEDIAN
2015	$2,480	$1,347	N/A	$461	$1,760	$1,243	N/A	$440	$1,613	$840	$1,132	$1,243
2016	$2,139	$1,370	N/A	$498	$1,753	$1,445	$656	$475	$1,812	$796	$900	$1,135
2017	$2,173	$1,407	$1,045	$486	$1,746	$1,565	$636	$478	$1,992	$790	$872	$1,045

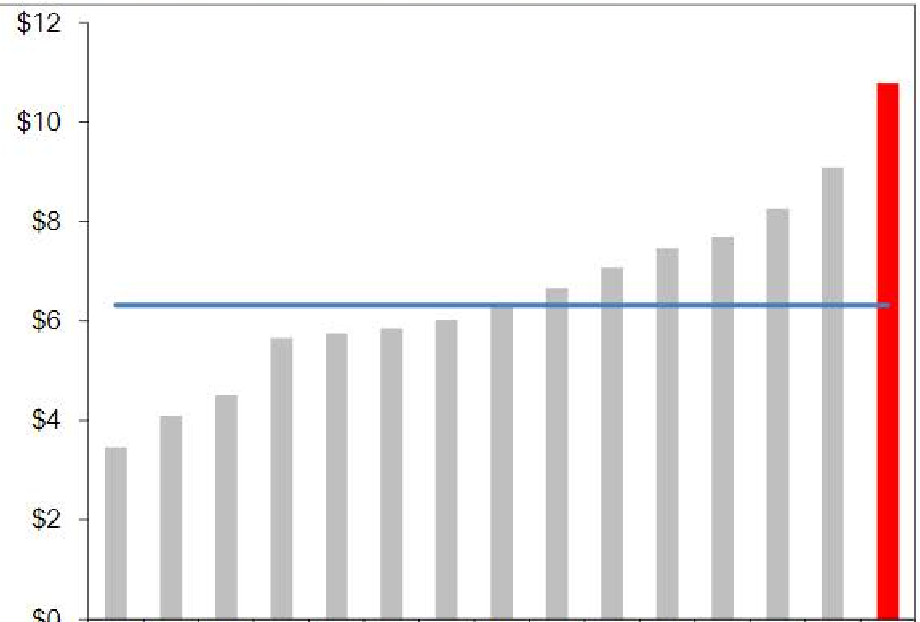
Source: PRKG320T (Efficiency)

London, Regina and Sudbury: Do not manage off-street structure spaces.

Reason 8

Toronto has the highest cost per invoice paid

1.7 – HOW MUCH DOES IT COST TORONTO TO PROCESS AN ACCOUNTS PAYABLE INVOICE COMPARED TO OTHER MUNICIPALITIES?

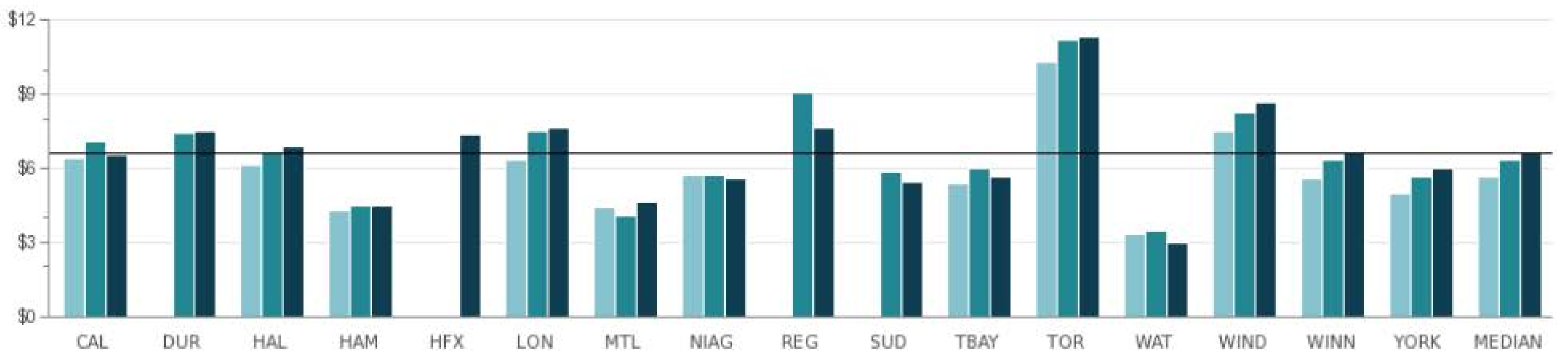


	Wat	Mont	Ham	York	Niag	Sud	T-Bay	Winn	Halt	Cal	Dur	Lon	Wind	Reg	Tor
Op. Cost / Invoice Processed	$3.46	$4.09	$4.51	$5.65	$5.75	$5.85	$6.02	$6.32	$6.66	$7.08	$7.46	$7.70	$8.25	$9.09	$10.78
Median	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32	$6.32

Chart 1.7 shows that compared to other municipalities, Toronto ranks fifteenth of fifteen (fourth quartile) in terms of having the lowest cost per invoice paid member.

Fig. 1.2 Accounts Payable Operating Cost per Invoice Processed

This measure represents the operating cost directly associated with the processing of accounts payable invoices. Invoices counted in this calculation include paper and electronic purchase orders, non-purchase orders, and P-card (purchasing or procurement) payments.



2015	$6.42	N/A	$6.11	$4.26	N/A	$6.37	$4.44	$5.75	N/A	N/A	$5.36	$10.32	$3.34	$7.52	$5.56	$4.96	$5.66
2016	$7.08	$7.46	$6.66	$4.51	N/A	$7.50	$4.09	$5.75	$9.09	$5.85	$6.02	$11.20	$3.46	$8.25	$6.32	$5.65	$6.32
2017	$6.56	$7.52	$6.87	$4.50	$7.37	$7.63	$4.62	$5.58	$7.65	$5.43	$5.66	$11.32	$2.96	$8.66	$6.68	$5.98	$6.62

Source: FINV317 (Efficiency)