

<b>TO:</b>	<b>CHAIR AND MEMBERS SERVICES REVIEW COMMITTEE MEETING ON JUNE 25, 2012</b>
<b>FROM:</b>	<b>MARTIN HAYWARD, CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT</b>	<b>2013 BUSINESS PLAN DISTRIBUTION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Treasurer, Chief Financial Officer this report summarizing the 2013 Business Plan distribution **BE RECEIVED** for information noting that binders containing the 2013 Business Plans for the Services provided by the City have been distributed at the meeting.

<b>BACKGROUND</b>
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Business Plans or Profiles have been created and reviewed annually since 2008. Each year refinements have been made in an effort to continually improve the product, the process, and the outcomes. This year the “turn the curve” method has been used. Administration believes that these plans have improved in quality over last years’. Significant effort has been put in to making these plans more understandable and future improvement will be more measurable because of the baselines created and communicated in the plans.

**MANAGEMENT CULTURE OF EFFICIENCY, EFFECTIVENESS AND ECONOMY**

In reviewing the collection of Business Plans it becomes clear that a strong culture of innovation, review and cost containment has been created. The plans detail how strongly management is striving for efficiency, effectiveness and economy. There are a number of accomplishments and stories that demonstrate this culture. Below are just a few examples. More accomplishments can be found in the respective Business Plans.

- 1.1.1 Centennial Hall - An analysis of performing arts centres/theatres recently completed by KPMG on behalf of the City of Hamilton reported that Centennial Hall, “...the only theatre that is not managed by its respective municipal owner is the one with the lowest annual [municipally funded] subsidy”.
- 1.1.3 Art Galleries & Museums - To ensure we are continually providing effective, timely and engaging communication, we transitioned our quarterly newsletter, at the Museum, to a digital publication. This new format offers easy access to information about the museum and Eldon House through e-mail and our website, while also demonstrating our commitment to good environmental practice and fiscal responsibility.
- 2.1.7 Covent Garden Market - 50% of the interior lighting fixtures have been replaced with energy efficient LED lighting; existing T12 lighting at the Civic Square Garage is currently being replaced with energy efficient T-8 fixtures, with a payback of about 6 months; 61 solar light panels were installed on the roof of the Market building.

- 3.3.2 Garbage, Recycling & Composting - Leachate from the W12A landfill is now being pumped offsite for treatment instead of being hauled. This change will reduce operating costs, reduce truck traffic to the facility and should reduce odours; opening of new Material Recovery Facility that reduces operating costs, captures a higher percentage (99%) of recyclables and allowed additional materials to be added to the Blue Box programs including remaining plastics (#3, #6 and #7), cardboard cans (e.g., frozen juice boxes) and aerosols cans.

- 4.1.11 Storybook Gardens - 2011 financial results were the best since park renovation, with net performance approaching a break even position, thereby providing services to families and generating economic impact on the community with little impact to the taxpayer.

- 6.3.2 Security Management - Enhanced training on camera operations and observed incident procedures combined with “The Guard of the Month program” resulted in a significant increase to observed incidents in the last quarter of 2011. The number of 2011 incidents increased by 48% over 2010 and is directly attributed to these initiatives.

- 7.4.6 Ontario Works Programs - Organizational structure changes and our continued commitment to better streamline how we do our work, better align resources and focused human resource strategies have allowed us to be much more effective in the way we do our work, so that we maximize the quality and quantity of time our frontline staff spend with Participants.

- 10.1.7 Fleet Management - Implementation of over 500,000 litres of Biodiesel (B5) fuel – reduced emissions; the implementation of the Car Share program helped maximize low use vehicles; deferral/extension of more than 30 units past normal life cycle to maximize asset value.

- 10.1.8 Graphic, Surveying & Technical Services - built a comprehensive Geographic Information System for Regional Water allowing staff and contractors access to information from anywhere via the web, resulting in improved productivity and more informed decision-making.

A number of services have indicated that they will be undertaking some type of review of their services. This is in addition to the Internal Audits by the external contractor and the service reviews by Business Planning. The following Services have indicated some degree of review is either underway or planned.

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| <ul style="list-style-type: none"> <li>• Adult Day Programs</li> <li>• Animal Services</li> <li>• Culture</li> <li>• Development Services</li> <li>• Dispatch</li> <li>• Garbage, Recycling &amp; Composting</li> <li>• Homemaker Services</li> <li>• Land Use Planning</li> <li>• Library Services</li> <li>• Ontario Works Programs</li> <li>• Parking</li> <li>• Parks &amp; Horticulture</li> <li>• Parks &amp; Natural Areas Planning &amp;</li> </ul> | <ul style="list-style-type: none"> <li>• Design</li> <li>• Rent Geared to Income Public Housing</li> <li>• Technology Services</li> </ul> |
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## **REVIEW OF SELECT BUSINESS PLANS**

As recommended at the beginning of the planning cycle for 2013 Business Plans, Administration will be recommending a selection of up to five Services to appear before committee for review. It is anticipated that the selection of these Services would take place in July with the actual discussions occurring in October.

One significant service review that has been completed and will be coming forward as part of this process is Snow Control. Business Planning staff have been working with Snow Control staff to review the service delivery including service standards, technology and automation, weather trends, reserve fund levels, communications and cost saving opportunities. The results of that service review will be ready for discussion in October.

## **BUSINESS CASES FOR SERVICE CHANGES**

In previous years if Service Owners were proposing a service change they were asked to prepare a full business case for submission with the Business Plan. In the current economic climate, as with the past two years, the majority of the new initiatives proposed may not receive consideration. This year, Administration is identifying potential service changes that are found in the Business Plans. These Business Cases will be tabled and discussed in October prior to the beginning of budget deliberations.

Although service owners were asked to provide options for service reductions to achieve a zero percent budget target they have not been provided in the Business Plans. Council directed staff on May 22/23, 2012 to report back to Strategic Priorities and Policy Committee on the implications of three budget target levels (0%, 2% and 3.8%). Options that may reduce service levels will be included in the business cases being developed to address these scenarios and are not included in this process.

## **SUMMARY**

The 2013 Business Plans have been redesigned to incorporate the “turn the curve” method of planning. The plans have been assembled and distributed in binders and are also available on the Business Planning website.

The selection of five Services for Business Plan review and the pre-selection of service changes for Business Case development will be confirmed at a future meeting of Services Review Committee.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
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