

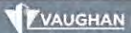

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COMMUNICATION
FAA - <u>JAN 23/15</u>
ITEM - <u>1</u>

**Commission Based
Presentations – Strategic &
Corporate Services**
2015-2018 Business and Financial Plan



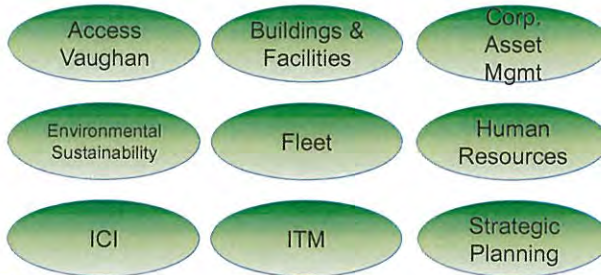
Context and Guiding Principles

- Council recognition of the value and importance of change and innovation
- Reinforced the importance of efficiencies and effectiveness
 - Program Review
 - Public Service Renewal
- Commission has continued to embrace and act upon the spirit and intent of the Public Service Renewal
 - “right people in the right places with the right skills, tools and technology”;
 - “do more with the same”; and
 - “alternative service delivery”



Commission Service Statement

To understand and service client needs with new ideas, technology, and healthy creative people while encouraging sustainable innovative initiatives that strive to increase corporate efficiencies, effectiveness and performance through an integrated and collaborative approach.

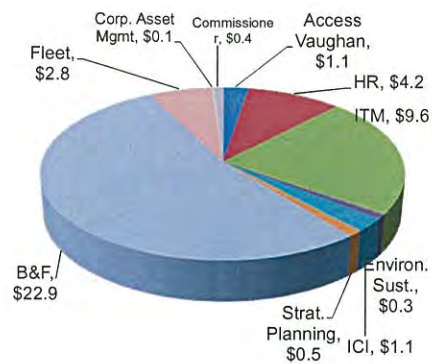


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Commission 2015 Operating Budget

Expenditures by Dept (\$M)



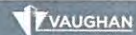
16% of the total City's Operating Expenditures for 9 of the City's 30 depts and 28% of the City's programs and services.

Expenditures are funded by (\$M)



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Services Provided

- The City of Vaughan provides approximately 250 programs and services
- 70 of these services are provided by the Commission's 9 departments
 - 70% of these programs are either "mandatory", "standard essential", or "standard traditional"
 - 24% of these programs are "standard desirable"
 - 6% of these programs are considered "premium" (e.g. cafeteria services for JOC, Uplands Ski/golf, City Playhouse)



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Commission Summary

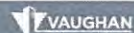


	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Status Quo Pressures	1.1	0.67	0.8	0.45	0.7	0.35	0.6	0.27
Growth Pressures	1.0	0.62	0.7	0.42	1.9	0.98	0.1	0.07
New Initiative Pressures	0.6	0.36	0.7	0.41	0.4	0.18	0.4	0.21
Incremental Levy Requirement	2.7	1.65	2.2	1.26	3.0	1.52	1.1	0.52
Total Incremental for the City	11.7	7.14	13.4	7.58	9.6	4.93	11.1	5.35



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Status Quo Pressures

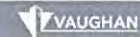


	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Salary progressions and economic adjustments	0.8	0.48	0.4	0.22	0.3	0.15	0.2	0.08
Negotiated contract price increases, utilities, other	0.3	0.19	0.4	0.20	0.4	0.20	0.4	0.19
Total Status Quo Pressures	1.1	0.67	0.8	0.45	0.7	0.35	0.6	0.27



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Fees and Other Non-Tax Revenue

- Traditionally, corporate support services are not full cost recovered, which is common across the significant majority of organizations
- We do recover some but not all costs
- Currently revising SLA's with some clients and creating new lease amounts (with recreation) for facilities that fully recovers costs
- May be an opportunity to work with Rec and Culture to assess adjustments to Rec fees to include more of the true cost of program delivery
- "sell" some of our corporate services and expertise to other organizations



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Options to Support Council Direction

- Commission's departments have been active in achieving various savings, efficiencies and cost avoidance options:
 - Implementing operational review recommendations for Fleet Services resulting in a positive variance (\$150,000)
 - New service delivery models, structures, approaches and governance for B&F, HR, ITM, and Fleet resulting in positive variances and/or efficiencies (\$500,000)
 - Continued expansion and integration between Access Vaughan and other depts without further resources
 - Enhancing service contracts for ITM suppliers



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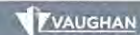
Options to Support Council Direction

- Reducing or eliminating premium programs or services
 - New RFP for cafeteria services will be expanded to include the JOC along with City Hall and therefore can be eliminated from B&F operating budget in 2016 (\$50,000)
 - Very few municipalities offer golf and even fewer offer ski programs. The cost to maintain those properties and facilities is significantly greater than the revenue received and therefore could be eliminated (\$55,000 just B&F)
 - CMO is undertaking a best use and options study with Real Estate services and Planning for Uplands property



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Options to Support Council Direction

- “MNR buildings” - have no value and cannot be repurposed without demolition or significant remediation. Site is also not conducive to redevelopment without significant investment in linear assets. Consider selling the property or bundling it with other and assess land swap opportunities
- Consider redeploying \$20M for City Hall underground parking and civic plaza to build the 4 storey building next to City Hall and lease the space to generate revenue (possibly explore P3 opportunities or co-funding partnerships). Revenue would be realized in the longer term
- Sell Beaverbrook house and property generating one time revenue or renovate to create community use space leases that fully recover costs



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Growth Related Pressures

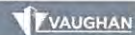


	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Implementation of Previous Decisions:								
New infrastructure operating (ARRs)	0.0	0.00	0.0	0.00	0.7	0.34	0.0	0.02
Maintain/Growth:								
Contract and utility volume increases	0.2	0.15	0.0	0.00	0.7	0.38	0.0	0.00
Program and service volume (ARRs)	0.8	0.47	0.7	0.42	0.5	0.26	0.1	0.05
Subtotal	1.0	0.62	0.7	0.42	1.2	0.64	0.1	0.05
Growth-Related Incremental Costs:	1.0	0.62	0.7	0.42	1.9	0.98	0.1	0.07



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Non-Discretionary Growth

Operating Impacts	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Contract/Utility Volume Increases	0.2	0.15	0.0	0.00	0.0	0.00	0.0	0.00
Total Non-Discretionary Pressures	0.2	0.15	0.0	0.00	0.0	0.00	0.0	0.00
Total Growth Related Pressures	1.0	0.62	0.7	0.42	1.9	0.98	0.1	0.07



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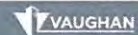
Discretionary Growth

Operating Impacts	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Program/Service Volume								
Project Manager	0.0	0.00	(0.0)	(0.01)	0.0	0.00	0.0	0.00
Capital Project Supervisor	0.1	0.08	(0.0)	(0.01)	0.0	0.00	0.0	0.00
Admin Coordinator (2yr Contract)	0.1	0.05	0.0	0.00	0.0	0.00	0.0	0.00
Awards Budget Increase	0.0	0.00	0.0	0.00	0.0	0.01	0.0	0.00
Business Analyst	0.1	0.07	0.1	0.06	0.1	0.07	0.0	0.01
Business Change Consultant	0.0	0.00	0.0	0.00	0.1	0.06	0.0	0.00
Sustainability Coordinator Contract	0.0	0.00	0.1	0.06	0.0	0.00	0.0	0.00
Clerk	0.0	0.00	0.0	0.00	0.0	0.00	0.1	0.02
Client Support Analyst - Audio/Video	0.1	0.08	0.0	0.00	0.0	0.00	0.0	0.00
Customer Service Reps	0.0	0.00	0.1	0.05	0.0	0.02	0.0	0.00
HR Specialist, Absence and Disability Management	0.0	0.00	0.1	0.06	0.0	0.00	0.0	0.00
HR Specialist, Workplace Health and Safety	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Human Resources Partner	0.1	0.07	0.0	0.00	0.0	0.00	0.0	0.00
New Property Tax System	0.0	0.00	0.1	0.04	0.0	0.00	0.0	0.00
Property Tax System - system maintenance	0.0	0.00	0.2	0.09	0.0	0.00	0.0	0.00
HR Administrative Coordinator	0.0	0.00	0.0	0.00	0.1	0.05	(0.0)	(0.00)
Strategic Planning Business Analysts	0.1	0.08	0.0	0.00	0.0	0.00	0.0	0.00
Technical Clerk	0.0	0.00	0.0	0.00	0.1	0.04	0.0	0.00
Capital (ARRS-listed with impact)								
Assistant Foreperson	0.0	0.00	0.0	0.00	0.1	0.04	0.0	0.00
Facility Operator I - Block 11	0.0	0.00	0.0	0.00	0.8	0.29	0.0	0.00
PT Facility Operator - Carrville	0.0	0.00	0.0	0.00	0.0	0.02	0.0	0.01
Contract/Utility volume Increases- Carrville	0.0	0.00	0.0	0.00	0.7	0.38	0.0	0.00
Total Discretionary Pressures	0.8	0.37	0.7	0.42	1.9	0.98	0.1	0.07
Total Growth Related Pressures	1.0	0.62	0.7	0.42	1.9	0.98	0.1	0.07



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Options to Reduce Growth Related Pressures

- Defer ARR's
- Deferring facility projects will defer operating costs
- Need to assess not only the timing of asset construction but also how/why we construct vertical assets
- Need to implement asset management policy to determine the state of assets prior to determining whether contributions can be reduced and/or prioritized
- Repurpose some facilities to alleviate space issues
- Telecommuting policy and technology investments to eliminate need for new/existing infrastructure



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New Initiatives



	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Supporting Transformation:								
Community Climate Change Action Plan Project Fund	0.0	0.00	0.0	0.01	0.0	0.00	0.0	0.00
EDMS Systems Analyst	0.0	0.00	0.0	0.00	0.0	0.00	0.1	0.06
EDMS Technical SME	0.0	0.00	0.0	0.00	0.0	0.00	0.1	0.06
EDMS Systems Analyst	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Property Manager	0.1	0.08	(0.0)	(0.01)	0.0	0.00	0.0	0.00
Systems Analyst/Project leader (AMANDA - Mobility)	0.0	0.02	0.0	0.00	0.0	0.00	0.0	0.00
Systems Analyst/Project leader (Asset Mgmt/Sys Integration)	0.1	0.07	0.0	0.00	0.0	0.00	0.0	0.00
Systems Analyst/Project Leader (Asset Mgt/Sys Integration)	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Systems Analyst/Project Leader (Asset Mgt/Sys Integration)	0.0	0.00	0.0	0.00	0.1	0.06	0.0	0.00
Systems Analyst/Project leader (eGov/Services)	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Systems Analyst/Project leader (Fire House)	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Systems Analyst/Project leader (GIS Architect)	0.1	0.07	0.0	0.00	0.0	0.00	0.0	0.00
Systems Analyst/Project Leader (GIS)	0.0	0.00	0.1	0.07	0.1	0.06	0.1	0.06
Systems Analyst/Project Leader (JDE - HR)	0.0	0.00	0.1	0.07	0.0	0.00	0.0	0.00
Systems Analyst/Project leader (JDE-Purchasing CI)	0.1	0.07	0.0	0.00	0.0	0.00	0.0	0.00
Systems Analyst/Project Leader (Security Analyst)	0.0	0.00	0.0	0.00	0.1	0.06	0.0	0.00
Systems Analyst/Project leader JDE PT	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
Subtotal	0.5	0.31	0.7	0.41	0.4	0.20	0.4	0.21
New/Enhanced Services:								
On-Line Citizen Public Engagement Survey	0.1	0.05	0.0	0.00	0.0	(0.02)	0.0	0.00
Total New Initiatives	0.6	0.36	0.7	0.41	0.4	0.18	0.4	0.21



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Impacts of Not Proceeding with New Initiatives

- Defer ARR's and new initiatives - consequences of not investing in such transformations will inhibit innovation, maintain and/or foster inefficiencies across the corporation
- Positions requested are related to improving labour efficiencies and service delivery for client groups and in line with strategic corporate initiative of implementing Corporate IT Strategy
- Contracting out ITM requests could be done but would be at a higher cost on a project by project basis for each position requested. Further, an internal resource ensures greater knowledge retention, and adherence to processes and standards.



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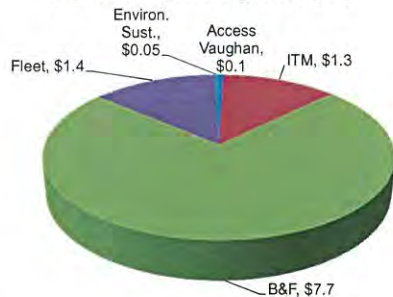
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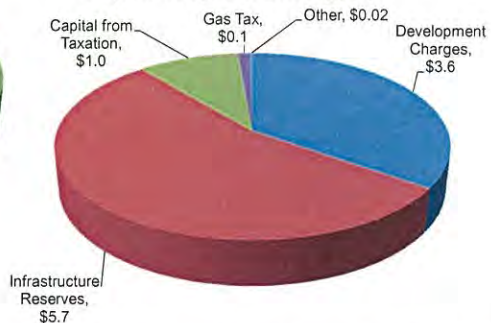
Commission 2015 Capital Budget

12% of the total City's Capital Expenditures

Capital Projects by Dept (\$M)



Capital Project Funding(\$M)



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