



C2019-0883 Initial work plan for sub-service reviews

Strategic Meeting of Council 2019 July 16

Presenters: Glenda Cole, Carla Male and Chris Stewart

ISC: Unrestricted

C2019-0883

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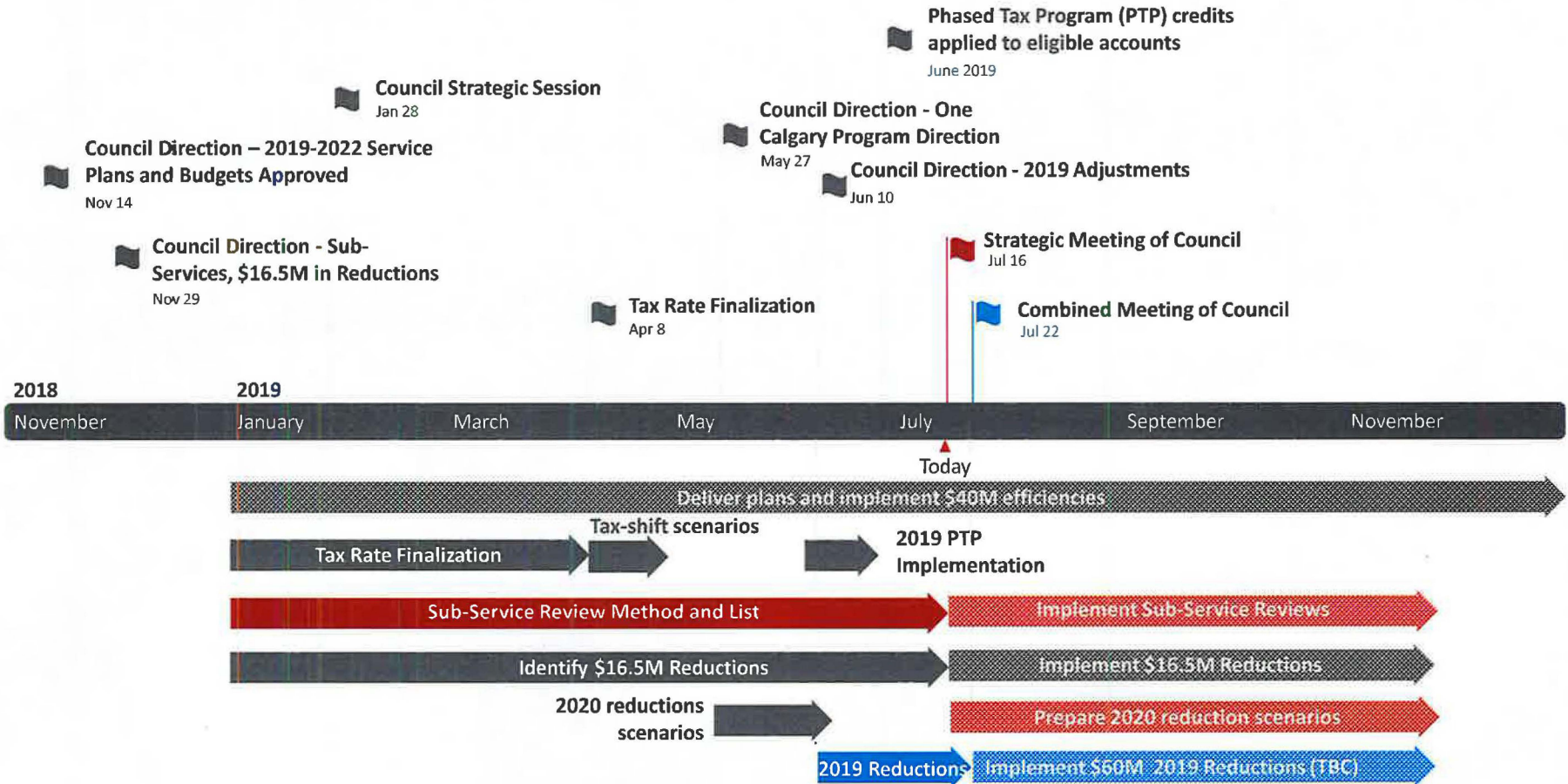
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JUL 16 2019

ITEM: S1 C2019-0883
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Fulfilling Key Council Directions





There are two decisions that Administration is asking Council to make today

- 1) Approve the list of sub-service reviews to be completed prior to the November budget deliberations
- 2) Confirm Council's direction for 2020 budget reductions



Approve the list of sub-service reviews to be completed prior to the November budget deliberations



An initial list of sub services has been created

245 sub-services

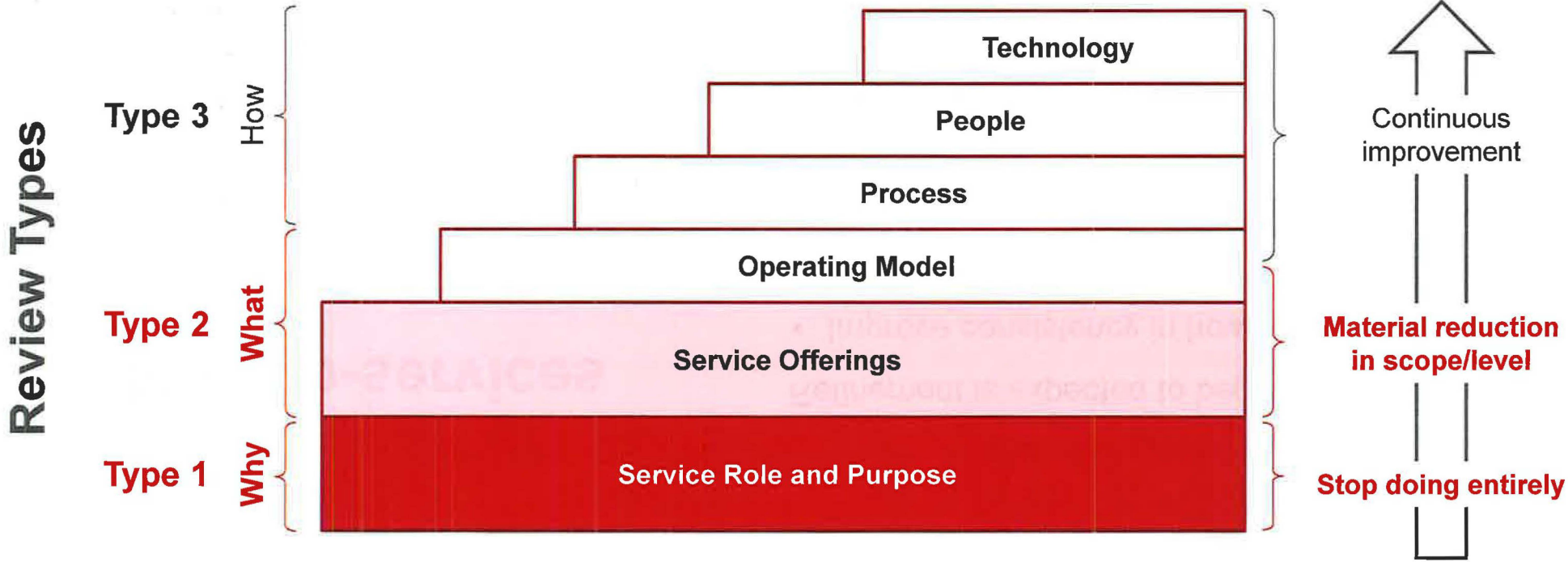
Initial information:

- Description
- Output and output type
- Rationale
- Approximate start date

Refinement is expected to begin in 2020 to:

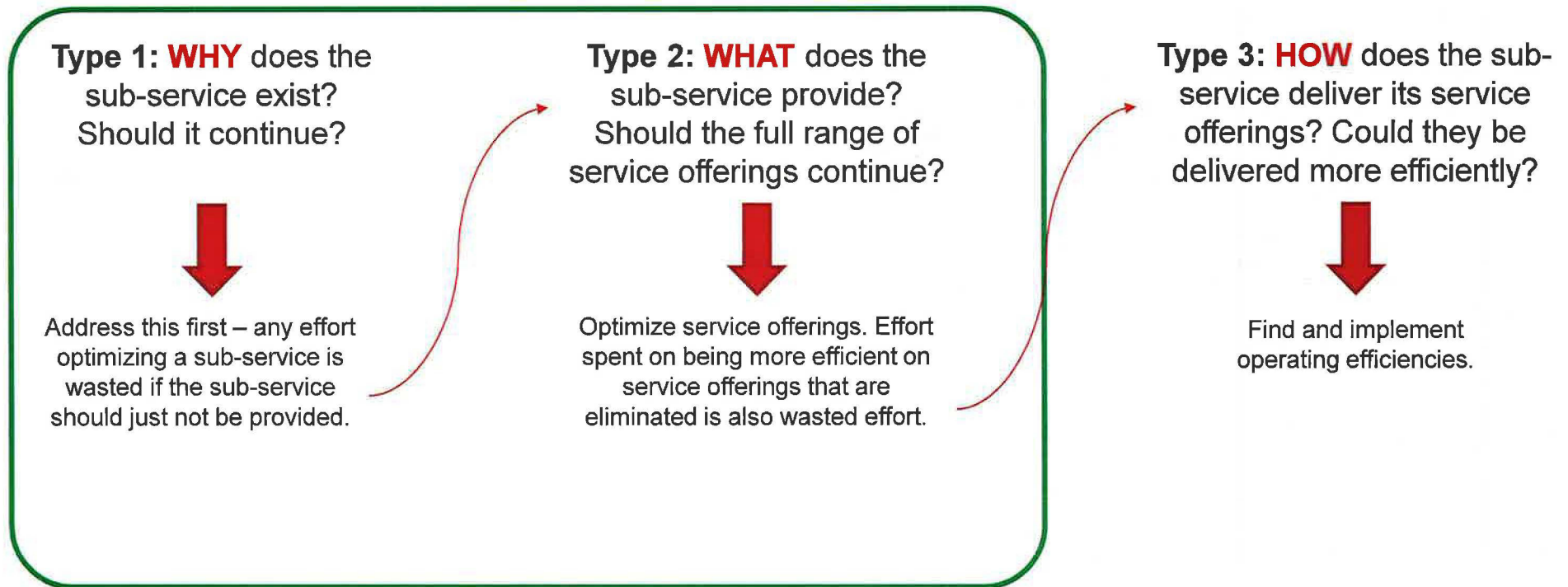
- Improve consistency in how they have been segmented from services
- Estimate sub-service budgets
- Estimate sub-service FTE counts
- Improve descriptions of key sub-service components (customers, needs, outputs)
- Corporately compile service standards, performance measures, and benchmarks

3 types of sub-service review are proposed





These 3 types focus on answering different questions



These two types of reviews will be the focus for the initial sub-service reviews

We can gain valuable insights from reviews by other Canadian municipalities

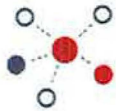
Key strategies used to achieve savings:



Business process re-engineering



Outsourcing options for some services



Shared service models, including cross-corporate functions



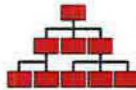
Service reductions



Technology and automation



Increased leverage on partnerships



Revised organizational structure for some services

Key lessons:

- Need ample time for a thorough review process.
- Should focus and prioritize scope of reviews.
- Phase review process in manageable segments.
- Reviews should be integrated into plans and budgets, with specific targets.
- Dedicate resources to manage service reviews.
- Have better engagement and approach with business units.
- Improve engagement with unions.
- Have strong sustainment plans in place.

** Note: Information based on web-based research of publicly-available information.*



Diverse criteria informed the selection of proposed sub-service review topics



Areas of interest to Council members



Timelines to November, taking advantage of synergies



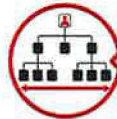
Preliminary research into case studies on saving opportunities



Potential external changes that would impact the sub-service



Avoiding overlaps with ZBR program

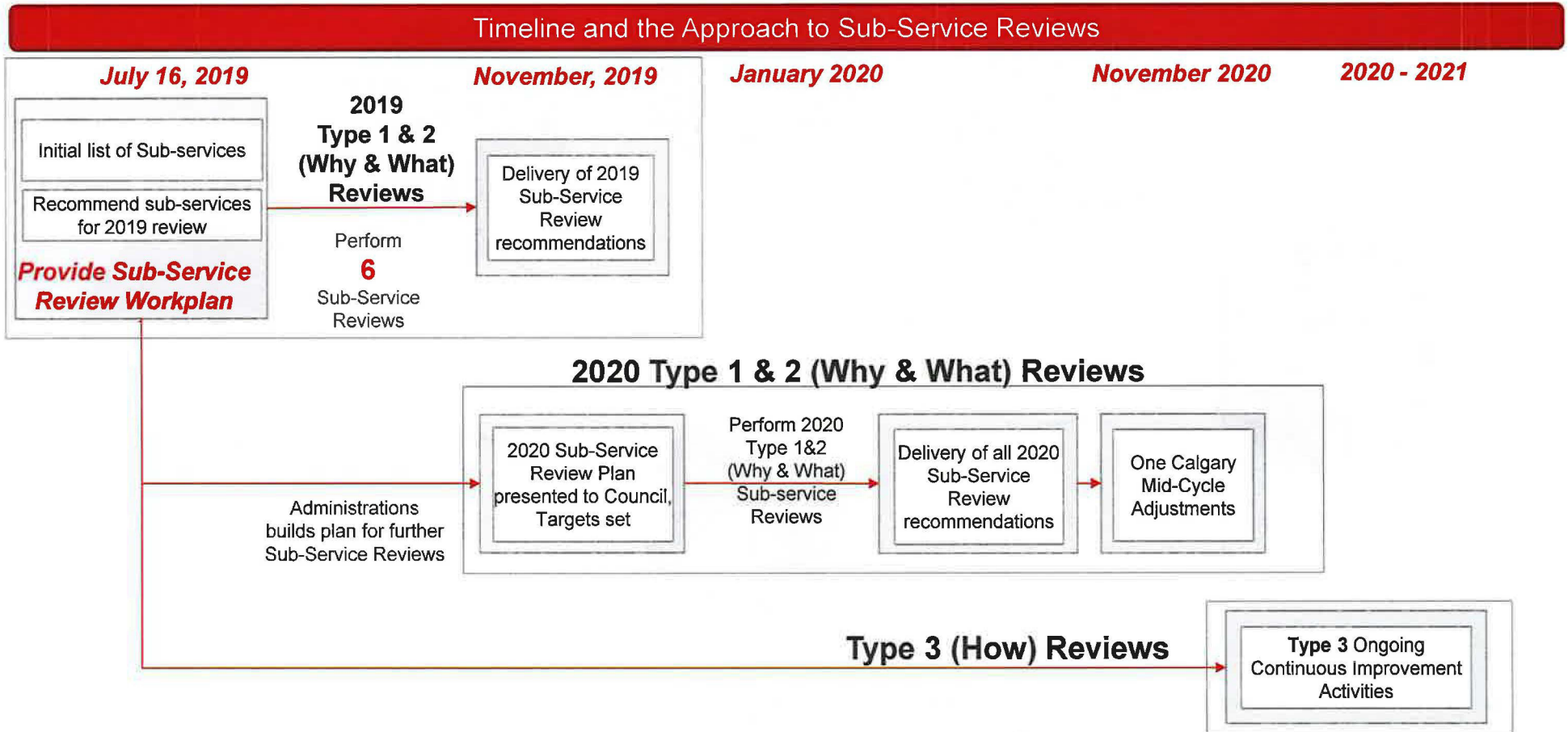


Cross-service or cross-corporate opportunities best pursued through another process



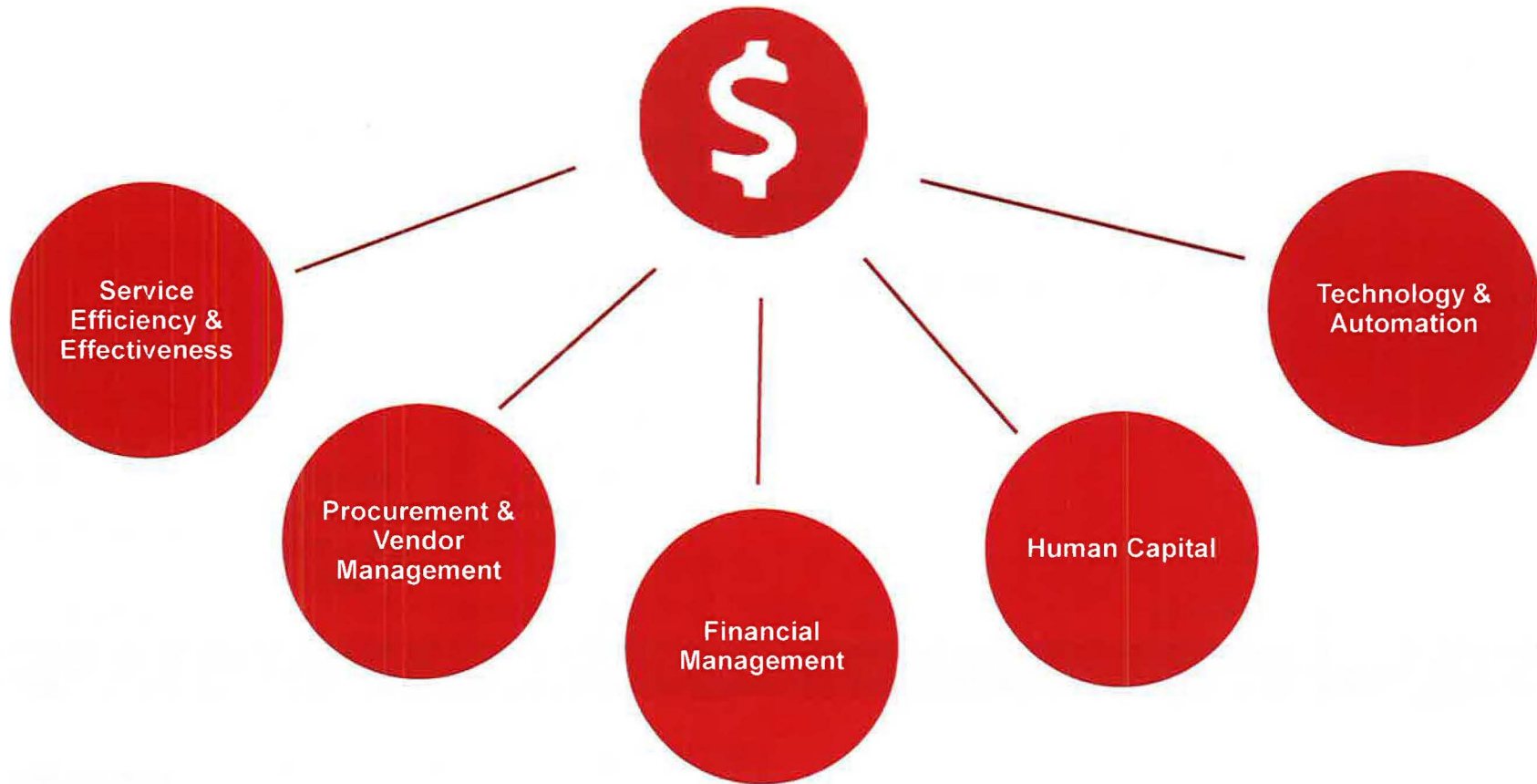
Closed session

An ongoing plan for sub-service reviews will be developed in parallel





Strategy for Improving Service Value





Confirm Council's direction for 2020 budget reductions



We would like to confirm Council’s requirements for the 2020 service plans and budgets

Previous Direction

PFC2019-0585 (APPROVED May 27)

Bring reduction package options for tax supported services equivalent to tax increases of 2%, 1.5%, 1.0%, 0.5% and 0% to Council’s budget deliberations in 2019 November for the 2020 tax year including, but not limited to impacts on services, wages and head count;

Motion Arising C2019-0782 (DIRECTED TO THIS MEETING June 10)

That Council direct Administration to identify permanent budget reductions of:

- a) \$50 Million for the 2020 tax year, \$50 Million for the 2021 tax year and report back to Council prior to or at budget deliberations for the tax year for approval.
- b) Administration to allocate savings found in (a.) above, on a proportional basis to the non-residential tax accounts (excluding non-market changes like property upgrades and expansions), and prior to business tax consolidation impacts; and
- c) Allocate 2020 and 2021 tax room if available to the Non-Residential tax rate to achieve a 50/50 split.”

% Tax Rate Change	Reduction amount from previously approved tax-supported budget at 3.03% for 2020
2.0%	\$17.8M
1.5%	\$26.5M
1.0%	\$35.2M
0.5%	\$43.8M
0%	\$52.5M

Recommendation:

Reduce scenarios from 5 or 6 to 2 (indicated above)



Suggested motion to achieve 2 scenarios

1. Reconsider and file in the Corporate Record, the following motion from the June 10, 2019 Special Meeting of Council:

Moved by: Councillor Demong Seconded by: Councillor Woolley

That with respect to Notice of Motion C2019-0782, the following Motion Arising be referred to the Priorities and Finance Committee Working Group, and return to the 2019 July 16 Strategic Meeting of Council:

“That Council direct Administration to identify permanent budget reductions of:

- a. \$50 Million for the 2020 tax year, \$50 Million for the 2021 tax year and report back to Council prior to or at budget deliberations for the tax year for approval.
- b. Administration to allocate savings found in (a.) above, on a proportional basis to the non-residential tax accounts (excluding non-market changes like property upgrades and expansions), and prior to business tax consolidation impacts; and
- c. Allocate 2020 and 2021 tax room if available to the Non-Residential tax rate to achieve a 50/50 split.”

Against: Councillor Chahal and Councillor Colley-Urquhart



Suggested motion to achieve 2 scenarios (cont'd)

2. Reconsider and amend #2 of Recommendation PFC2019-0585, as approved by Council on May 27, 2019, to read as follows:

“2. Bring reduction package options for tax supported services equivalent to tax increases of 1.5% (\$26.5 million) and 0% (\$52.5 million) to Council’s budget deliberations in 2019 November for the 2020 tax year including, but not limited to information on the impact of reductions on services, wages and head count.”