



A Note from *Joe Pennachetti, City Manager*



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Managers/supervisors please print and share with your staff.**

Welcome to my first note to all Toronto Public Service staff. These notes will be a new way for me to keep you informed about City activities that affect the Toronto Public Service. You can expect to receive these notes occasionally in the coming months.

The first three months of 2011 have been busy for us all. This was to be expected with the election of a new Mayor and City Council. Mayor Ford has made his priorities clear – customer service excellence, transparent and accountable government, reduced cost and size of government, and building a transportation city.

On February 28, City Council approved the 2011 budgets totalling \$13.326 billion. The budget includes a 2.25 per cent salary increase for non-union City staff effective January 1, 2011; CUPE Local 79, CUPE 2998 and TCEU Local 416 members had similar increases implemented as per their collective agreements.

The 2011 budget achieved the Mayor's budget directions: it is balanced, does not require any major service cuts and does not include increases to either residential or non-residential property taxes. The 2011 budget was approved on an accelerated schedule. I want to personally thank all staff who worked so hard to meet that schedule.

In the longer term, we have an operating funding shortfall, with the 2012 beginning operating pressure estimated at \$784 million. This means we will need to reduce spending and increase revenues to address this shortfall. This year we will address the City's core structural deficit issues that will support the new multi-year financial planning and budgeting process to be established for 2013.

Service Review Program

Starting in April, we will conduct a three-part service review program to prepare for the 2012 budget process. The three parts will include: a core service review, service efficiency studies and a user fee review. The Core Service Review will study **what** services the City should be delivering and the Service Efficiency Studies will examine **how** City services are delivered. These reviews are expected to generate significant efficiencies and cost savings.

My report detailing these reviews will be discussed at Executive Committee today and can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX4.10>

Core Service Review

This element of the service review program will develop an inventory of all services, service levels and service standards. The review will:

- define which services are legislated, core and discretionary
- benchmark services and service levels against those in other jurisdictions
- rank services for potential reductions and discontinuation and identify the service, policy, human resource and financial impacts of recommended service changes.

While the funding gap in the 2012 operating budget is significant, the goal of the Core Service Review is beyond cutting costs - it is to confirm the services and functions that are core to what the City does and to innovate in other areas. The outcomes will provide solid reasons for continued service delivery in core areas and for making any necessary changes in other areas.

The Core Service Review will use third-party (experts who are not City staff) expertise and will be completed by the end of June. The findings will be presented to City Council in September.

Service Efficiency Studies

This element of the service review program will examine how we currently deliver services or functions and identify opportunities for improved efficiency and cost effectiveness through technology and automation, shared service models, service innovation, business process engineering and outsourcing.

Service Efficiency Studies are not new at the City and form part of ongoing continuous improvement initiatives. A number of service areas will be studied this year, and others will be reviewed in future years.

The services identified for a 2011 service efficiency study are:

City Divisions:

- Court Services
- Facilities Management
- Fleet Services
- Municipal Licensing & Standards
- Parks, Forestry & Recreation
- Planning
- Shelter, Support and Housing Administration
- Solid Waste Management
- Transportation Services

ABCCs:

- Toronto Public Library
- Toronto Transit Commission
- Toronto Police (Toronto Police review will focus on shared services such as facilities, fleet, finance, administration, etc.)

Counter services, environmental programs (across City programs and agencies) and communications services will also be reviewed.

The Service Efficiency Studies will begin in April and will be completed in August. Third-party expertise will be used as needed. The results will help develop the annual operating and capital

budgets, and may be reported to Council if Council approval is required to implement recommendations.

User Fee Review

The third part of the Service Review Program will involve a user fee review. Financial Planning Division staff will review user fees this spring, looking at all current user fees to determine fairness and verify that the full cost of providing the service is collected. Staff will also examine all services delivered by City programs and agencies to identify additional opportunities for collecting user fees. A report will be delivered to City Council that will recommend a new user fee policy.

Customer Service Excellence

In keeping with Mayor Ford's mandate of customer service excellence, staff in all divisions have been working to develop customer service standards. Each division will appoint a Customer Service Improvement Team who will then develop customer service standards, which will lead to customer service improvements for their respective division. Each division has also developed a complaints protocol. All complaints handling protocols are posted on the City website at http://www.toronto.ca/customerservice/divisional_complaint_protocols.htm.

The public has entrusted us with delivering City services efficiently and effectively. Whether you are a court clerk, caretaker, mechanic, bylaw enforcement officer, city planner, community recreation worker, outreach worker, heavy equipment operator or road inspector - which are just a few of the positions that make up the Toronto Public Service - we are all being called upon to improve customer service and ensure the City's services meet the needs of Toronto residents.

Regardless of the job you do, whether you are in a support position or provide front line service, I want customer service excellence to be your number one priority. I am counting on all members of the Toronto Public Service to continue to provide the skilled and professional service that residents have come to rely on. Together, we reflect the tremendous diversity of the City of Toronto, which makes us uniquely qualified to serve the City's residents.

In closing, I understand that this will be a very different and challenging year for the Toronto Public Service. There is a great deal of work that must be completed in a relatively short time. My goal is to reach perfection in our service delivery methods and I believe that these service efficiency reviews will move us closer to that target. I am proud to lead the TPS and I know that together we can reach these goals.

I want to thank each of you for all of the great work that you do daily. I will keep you informed through these notes of our progress on the service review programs. Should you have any questions or suggestions, please feel free to contact your manager, director or me (talktocitymanager@toronto.ca).

Thank you,

Joe Pennachetti
City Manager