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**OFFICE OF THE CAO – STRATEGIC INITIATIVES
INFORMATION REPORT 2014-01**

**TO: Mayor Van Bynen
Members of Council**

SUBJECT: Service Review Program Wind Up

ORIGIN: Strategic Initiatives/Office of the CAO

COMMENTS

The purpose of this Information Report is to provide Members of Council with an update on the status of the Service Review Program and to identify the areas of the program that will carry on as separate initiatives.

Service Review Program (2011/13)

The Program has been a corporate action of the Strategic Leadership Team (SLT) to address Council's Strategic Priority of Fiscal Responsibility. The phases and components of the SRP include: Phase 1 - the Revenue Sourcing Study (RSS) and the Service Pricing Policy Review; Phase 2 - the Revenue, Efficiency & Value (REV) program, Capital Financing Sustainability Strategy (CFSS) and Service Efficiency Review (SER) of the Library.

Phase 1 - RSS initiatives have been implemented, included in the 2012, 2013, 2014 budget. A copy of the RSS Items List can be obtained by contacting the signatories of this report. Any remaining initiatives will be left with the appropriate department for future consideration based on value and effort. The Service Pricing Policy Review (SPPR) is scheduled to continue in conjunction with the development of the Recreation Master Plan as part of Council's cost recovery/service pricing philosophy and strategy for future programs identified and validated through community consultation in 2015.

Phase 2 – Staff's cost savings and service efficiency ideas captured through the REV program have been implemented and remaining items will be provided to the applicable department for future consideration based on value and effort. A list of these items and their status can be obtained by contacting the signatories of this report. The Capital Financing Sustainability Strategy (CFSS) is a strategic approach taken by SLT to ensure the Town will be able to manage its finances to "meet its spending commitments, both now and in the future. It ensures that future generations of taxpayers do not face an unmanageable bill for government services provided to

the current generation” (pg. 7 Hemson Report – Capital Financing and Asset Replacement Fund Study, dated February 8, 2013). The study was divided into three phases: Part 1 - Peer review of the existing asset replacement fund and policies (complete); Part 2 - The second phase of the project integrates the information collected in Phase One and further explores more funding options, linking anticipated expenditures and revenues, and recommending policies to form a more comprehensive strategy for moving forward (underway); and Part 3 - Preparation of Development Charges Background Study and By-law (scheduled for completion mid-year 2014). The Recommending a Strategy Surcharge (RAS) fee remains status quo and will be reviewed after the completion and pending the outcome of the CFSS.

The Service Efficiency Review of the Library is well underway, identifying areas where continued collaboration and implementation of technology will improve service delivery, efficiency and reduce service duplication in the areas of Information Technology, Financial Services and Recreation & Culture. Initial exploratory discussion should commence early 2014 about integrating Library room rentals and program registration into the CLASS system. The Town Library Task Force will also review sponsorship and naming rights opportunities and continue to provide Council with updates under separate cover.

Summary and Next Steps – The Town’s continuous improvement culture and sustainable financing strategy support future growth, service demands, and changing citizen needs. The Service Review Program supported these longer-term organizational strategies and continues to achieve success in the following four areas of financial sustainability:

- new revenue generation
- increased revenue opportunities
- improved service delivery levels measured against citizen needs, and
- efficient service delivery

The following summarizes the remaining areas of the program which will be completed as standalone projects:

- Capital Financing Sustainability Strategy (CFSS)
- Recreation Master Plan
- Library Service Efficiency Review
- Service Pricing Policy Review
- and ongoing Northern 6 (N6) initiatives

Town employee innovativeness during this 2 year review continued to uncover various opportunities for consideration and is indicative of the value of regularly analyzing the processes and systems in place in the provision of municipal services. This Service Review Program has once again culminated innovative, employee ideas which are being recognized as appropriate.

Staff will continue to implement approved initiatives under the direction of the Strategic Leadership Team and respective department heads.

Service efficiency reviews will continue to be conducted as appropriate as administration continues to align current processes under the new administrative structure, as part of our culture of continuous improvement.

CONSULTATION

In accordance with the Procedure By-law, any Member of Council may request this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

BUDGET IMPACT

Current

The Service Review Program, revenues and efficiency initiatives included in the 2013 and 2014 Budgets are estimated at over \$435,000. REV initiatives continue to streamline current processes and build capacity through efficiency.

Future

The outcome of the CFSS may have an impact on future budgets to fund scheduled capital replacements up to 2025.

Continuous improvement activities garnering incremental gains will result in future efficiencies within the organization. In addition, other ongoing initiatives and efforts including our ELITE program may result in additional efficiencies and/or cost savings.

CONTACT

For more information on this report, please contact Bob Shelton, Chief Administrative Officer (CAO) at bshelton@newmarket.ca or 905-953-5300 ext. 2031 or Cindy Wackett, Corporate Project Consultant, Strategic Initiatives at cwackett@newmarket.ca or 905-953-5300 ext. 2048.



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