

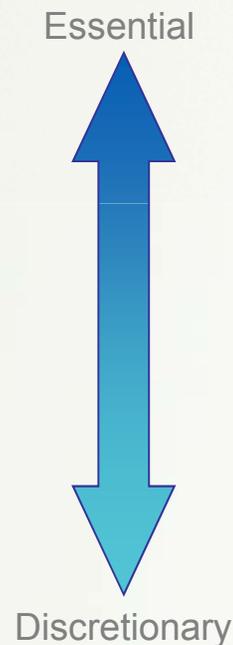
Narrowing the Gap: A Service Based Approach to Fiscal Sustainability

Glen Davies – May 29, 2012

Core Services Review in Regina

- 2004 Project
 - External consultant working with a project team of City employees including Regina Police Service
 - Review the service level base
 - Account for the cost and offsetting revenues of services
 - Examine the relative value of a service when tested against a definition of “Core Service”
 - Results
 - 61 service area improvements
 - Annual reduction to the bottom line of 2.7% (\$8.5 million)
 - Opportunity log identifying 1,500 opportunities for cost savings or efficiencies
 - Identification of strategic success factors

Core Services Review in Regina



- Core Continuum
 - Legislated Activities
 - Public Safety and Security
 - Urban Infrastructure
 - Stewardship of Assets and Environment
 - Crime Prevention
 - Special Services for the Disadvantaged
 - Leisure Opportunities
 - Augmented Services/User Pay Services

Core Services Review in Regina

- Public engagement
 - 6 Focus Groups with 44 participants drawn from:
 - A range of community groups
 - Members of the Mayor's Task Force on Regina's Future
 - Regina Police Service Citizens' Advisory Committee
 - Community Associations
 - SIAST students
 - Community Associations
- Results
 - The Core Continuum made sense to people
 - They assumed we were already using something like it to support decision making



More than Just Cost Reductions...

- Added Benefits of CSR
 - Some shift in the corporate culture – improved focus on results
 - Improved clarity regarding what we do and how we allocate resources
 - Better ability to analyze and understand our work and business; better research and background
 - Beginnings of a “continuous improvement” environment
 - Recommendations on key success factors

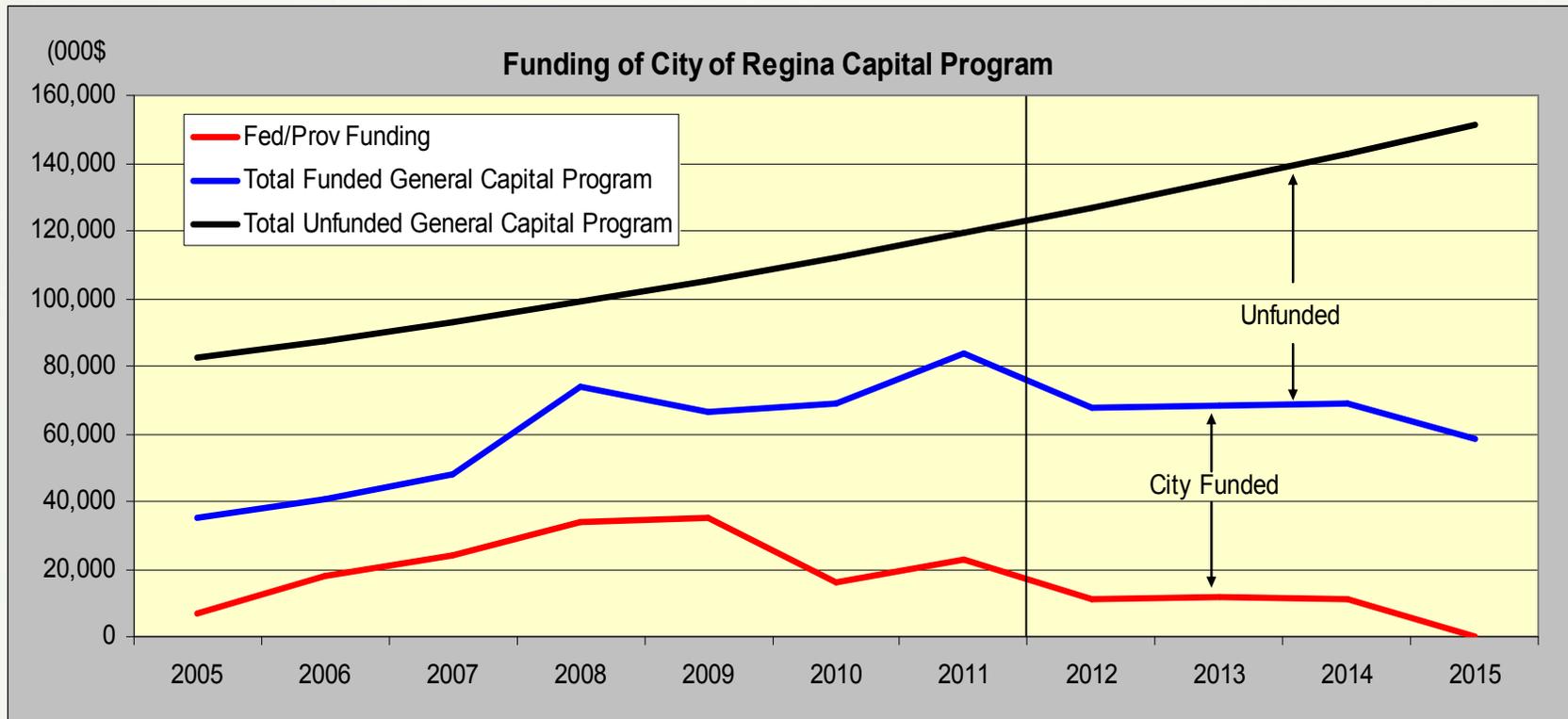
Weaknesses of Regina's CSR...

- Lack of strategic intent – no burning platform
- Success limited to “low hanging fruit”
- A number of recommendations have not advanced because we haven't built the support of Council and citizens
- Robustness of the Core Continuum itself as a single decision support tool
- Perceived as a one time event

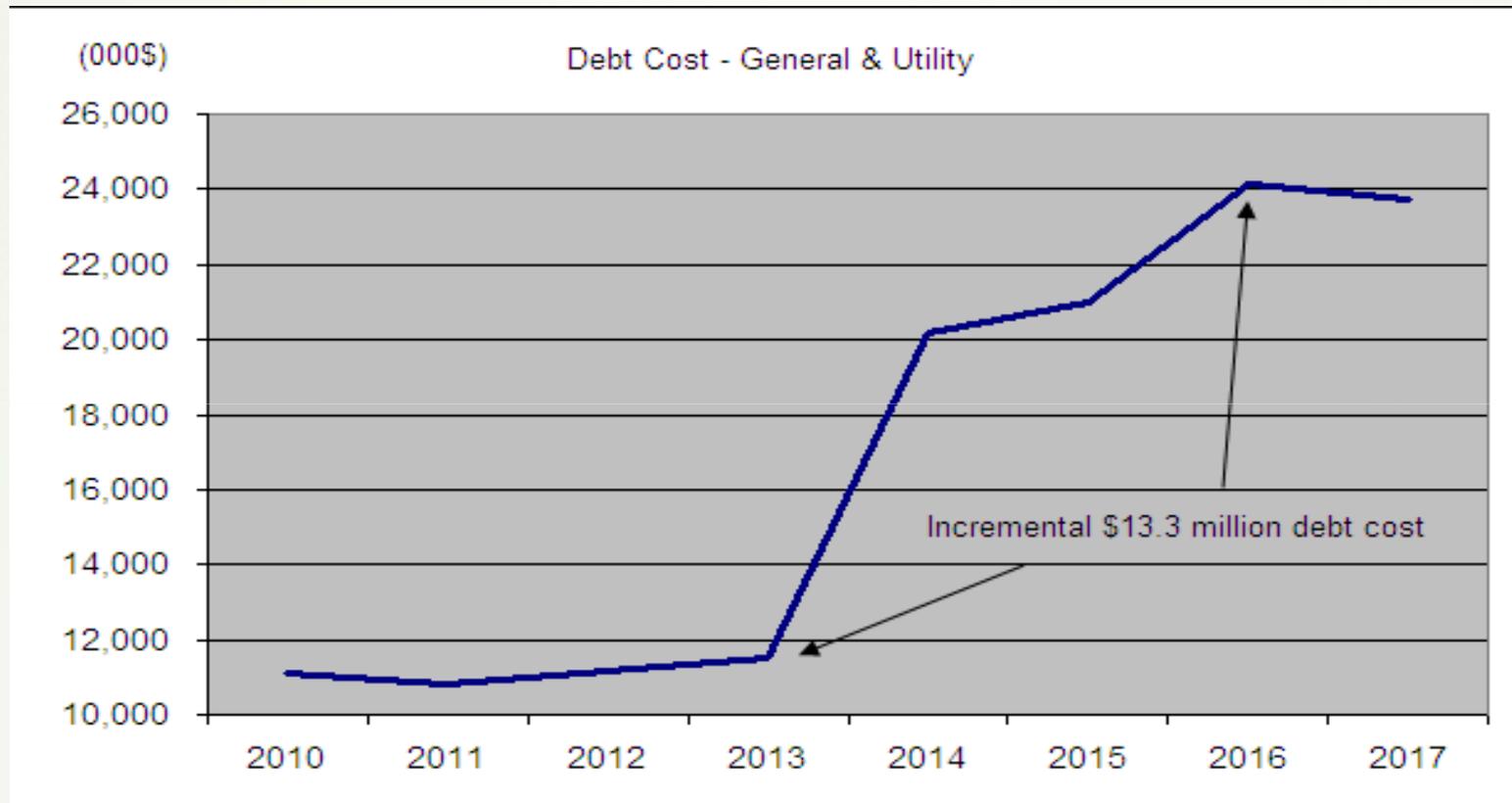
But...

- The City of Regina continues to face demands that far exceed its capacity to respond
 - Estimated \$2 billion in deferred infrastructure renewal
 - Will reach debt limit capacity by 2016
 - Revenue increases as a result of growth don't fully cover the cost of servicing growth

Long Term Outlook...



Forecast Debt Servicing Costs



Narrowing the Gap...

- Early 2011 – Development of *Narrowing the Gap* strategy
 - Defined the systemic problem that needed to be addressed -- the gap between citizens' expectations and our capacity to deliver on them
 - Recognized that awareness about the gap is low – even among Council members
 - Organization wide approach with measures, targets, and regular monitoring of progress

Strategic Focus for 2012

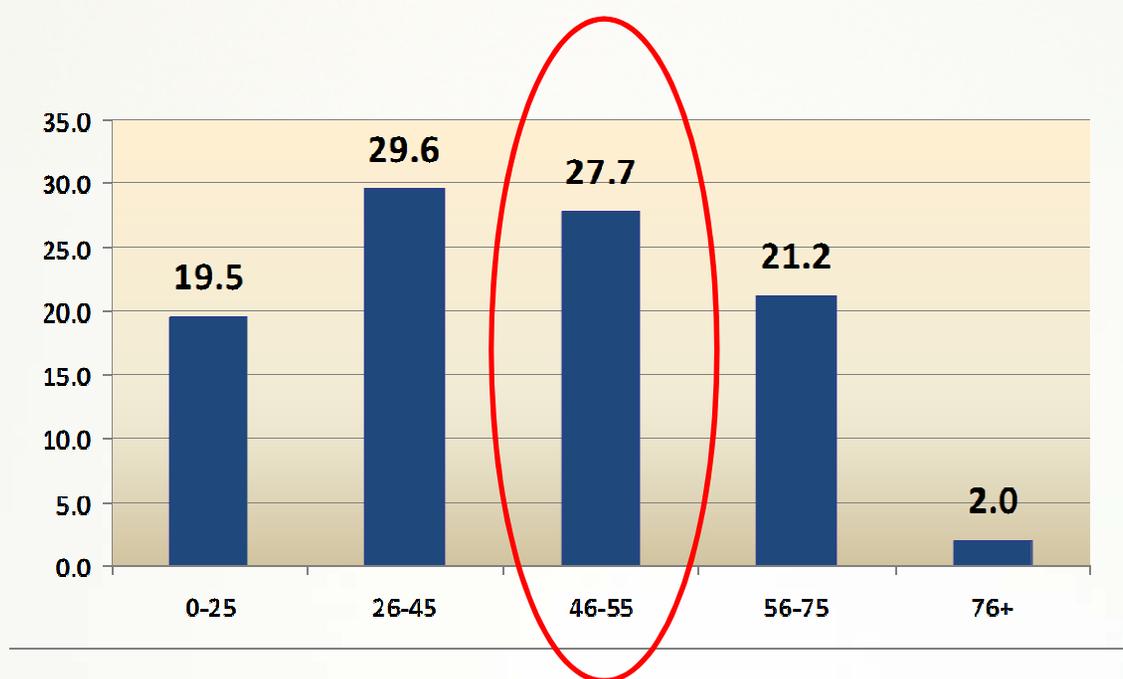


Narrowing the Gap...

- Focus of the plan:
 - Awareness building
 - Analysing our programs and services so that we can engage citizens about their expected service levels and the cost of providing them
 - Reducing costs
 - Increasing revenues
 - Doing business in different ways (Alternative Service Delivery)

What our Citizens Think...

How Much of Your Property Taxes go to the City?



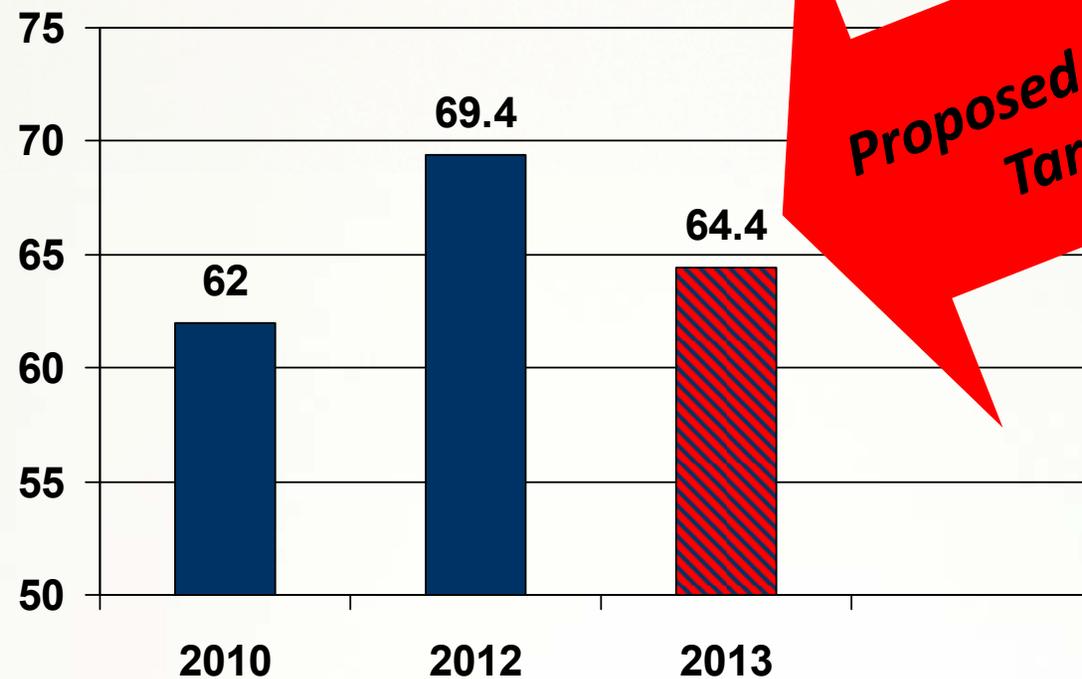
What our Citizens Think...

Percentage of Citizens who think the City has enough money to meet its requirements



What our Citizens Think...

Percentage of Citizens who think the City has enough money to meet its requirements



A Forever Change...

- We understand who our customers are and what our customers and our citizens expect.
- Our customers/citizens are able to understand what they are getting for their money and agree that what they are getting aligns their service expectations with their willingness to pay.
- We are able to manage our business by managing our service levels to our customers/citizens within the limits of their willingness to pay.

Lessons Learned

- Awareness of and buy-in to the need for change
- The value of establishing measures and setting targets for communicating expectations across the organization
- The need for dedicated resources to planning, developing tools and processes, and reporting and oversight
- The need for an environment of safety so appropriate risks will be taken and innovation will occur

Unsolved Questions

- Still working to find ways to ensure that Council and Administration are on the same message
- Citizens are not well informed of our finances and how we operate
- We are still working through transitional issues in Administration
 - The approach represents a whole new way of thinking that Administration is generally unfamiliar with
 - The approach is not yet consistently seen as a strategic opportunity
 - We are asking Administration to put forward ideas that could lead to a loss of job security for themselves and their colleagues