

Mayor Karen Farbridge
State of the City Address 2009
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CHECK AGAINST DELIVERY

Good morning. It's my pleasure to present my annual State of the City address.

I'm always glad to have the opportunity, through the State of the City, to take a step back and look at the big picture. Often, the newspapers are dominated with details of individual Council decisions and initiatives – things like pissoirs and road detours. There's no doubt these are important topics of debate in our community. But I think it's important to pause and reflect more broadly on the progress we've made throughout the year, and look ahead to the year to come.

It's particularly timely to reflect on this now, as we are heading into one of the most challenging Budget years in recent memory.

The economic downturn has been a subject of discussion throughout our community – around boardroom tables, around kitchen tables, and certainly at City Hall.

Like many businesses and households, the City has been impacted by the economy. Just like companies who are refocusing on core businesses, or families who are spending more carefully at the grocery store, the City is taking a close look at questions of value.

What value do citizens receive from City services?

How can we ensure residents and businesses get the best value for their tax dollars?

And, how do we determine value for the many priorities in front of Council?

I'd like to explore these questions in two ways.

First, I'll take a look at how everyday City services affect the average citizen, from the time you wake up in the morning until you go to bed at night.

Secondly, I'll use a performance measurement tool – a balanced scorecard – to examine the City's progress in meeting its goals, including the goal of financial sustainability.

Turning the Crank

We spend a lot of time as a community talking about special projects, like the Hanlon Creek Business Park, a new main library, and a South End community centre.

These are undoubtedly important projects, but it often surprises people to learn that only about 10 to 20 per cent of City resources are dedicated to this type of work.

The remaining 80 to 90 per cent goes to the perhaps less-glamorous work of delivering day-to-day services and maintaining assets – what City staff refer to as “turning the crank.”

While it may not be headline-grabbing, I would argue that this work is one of the main factors in building our quality of life – a quality of life that a whopping 96 per cent of citizens rated as “very good” or “good” in a survey last year.

To explore the value of City services, let’s take a journey through a typical day in the life of a city resident.

It’s 7 a.m. You wake up to an alarm and switch on a light that both function thanks to Guelph Hydro – a City-owned utility that delivers electricity to about 49,000 customers. So, before you are out of bed, you have used a municipal service.

Your morning routine is heavily dependent on City services. When you stumble into the bathroom and flush the toilet, you don’t have to think about “where it all goes,” because the City takes care of it – along with about 20 million other litres of wastewater the City treats each year. Next is a shower, courtesy of some of the 18 billion litres of clean, safe water provided annually by the City of Guelph.

Coffee is next. With the approval of the new Organic Waste Processing Facility, your coffee grounds will soon be turned into compost for your garden and lawn. In all, the City recycles more than 35 tonnes of waste annually, generating almost \$2.9 million in sales in 2008.

You walk the dog through one of the 246 City parks or along 74 kilometres of City trails. Then, you drive to work on some of our 538 kilometres of roadways, assisted by some of our 173 traffic signals.

At lunch, you run to the library to return one of the more than 1.7 million items borrowed each year. You head to the River Run Centre to pick up tickets to one of the 500 performances they offer each year.

On your way home you see a police car, responding to one of its 34,000 calls for service. This year Guelph was identified as the safest city in Canada, according to Statistics Canada's crime severity index.

Once home, you feed the kids and take them to swimming lessons, just as parents of the 10,000 other children in City swimming programs do at different times of the year. If the kids lose interest in swimming, there are more than 3,000 other City programs they can pursue.

At the end of the day, you fall into bed exhausted but happy in the knowledge that today, you came face to face with more than a dozen of the hundreds of services the City of Guelph provides.

So, that's turning the crank. It might not always make headlines, but for most of us, it's what quality of life in this community is all about. And, it represents the bulk of the value you receive for your tax dollars.

Balanced scorecard

So, how does the City ensure it's providing these services in an effective and efficient way?

A helpful model that is often used in the business world is the "balanced scorecard."

This tool looks at whether the organization's operational activities are aligned with its larger-scale vision and strategy. Instead of focusing solely on the financial bottom line, it strives to balance performance in other areas – customers, learning and growth, business processes, and the financial perspective.

I'd like to apply this model to the City's operations, and take a look at the City's balanced scorecard.

At the core of any balanced scorecard is the organization's strategy. For the City, this core is our Strategic Plan, which Council approved in 2007. All of our priorities and progress flow from this Plan.

The customer-focused perspective on a company's scorecard translates to citizen service in a municipal context.

At the City of Guelph, this is something we are taking very seriously. We are rolling out a new customer service strategy, setting targets, and measuring citizen satisfaction.

We have made notable strides in the past year to improve our service.

Our new City Hall has improved customer service by leaps and bounds. No longer do citizens have to figure out which of five locations to visit to conduct City business. Our central ServiceGuelph counter offers 50 services and serves 4000 residents a month.

We've also launched a new on-line service to apply for building permits, track the status of approvals, and request inspections. This offers simple, 24-hour access to building permit service.

We are embracing new ways to communicate with citizens using social media tools. Thousands of citizens have subscribed to receive regular City updates through e-News, Twitter, and Facebook, and many visit my blog to read and comment on what's happening at City Hall.

Many of these tools – along with more traditional print and media formats – will be part of a major communications effort to support the 2010 construction season, which will be one of the busiest in recent memory.

It will be busy because we were extremely successful in our applications for federal and provincial infrastructure funding, receiving nearly \$48 million.

That success was a team effort, from Council approving its capital budget early in anticipation of a proposal call, to staff being ready to submit proposals within a two-week deadline, to our local Federal and Provincial representatives who were strong advocates for us.

When we are all cursing the “road closed” signs next year, remember that thanks to this funding, Guelph is getting crucial infrastructure for one-third of the price. That's great value, indeed.

The next category on the balanced scorecard is learning and growth. The City recognizes that a skilled, well-trained, and engaged workforce is the foundation to our success. That's why we have a People Practices Strategy to ensure we are an employer of choice in our community.

Our strategy is achieving tangible results. For example, new approaches to ensure a safe workplace have produced a 16 per cent reduction in first aid incidents and a 33 per cent reduction in medical aid incidents. These are results that any organization would be proud of.

The next measure on the balanced scorecard is business processes – those activities required to deliver value. From a municipal perspective, this is about efficiencies and

performance; in other words, how we ensure citizens receive the best value for their tax dollars.

I'll provide a few examples.

Last year, we made an investment in new technology at our Waste Resource Innovation Centre to increase our diversion of glass from landfill. Since then, we have reduced glass residue by more than 80 per cent.

Ambulance service is another area with strong performance. The City of Guelph assumed responsibility for the delivery of ambulance service in 2001, and brought the service in-house this year.

Over the past few years, there has been a steep increase in calls for service, yet our ambulance service has been able to significantly improve response time. Few ambulance services in Ontario meet the Provincially-mandated response standard; ours not only meets, but exceeds it.

Another area of achievement this year was park maintenance. At the beginning of this term of Council, we were receiving a lot of complaints about the maintenance of our parks. An operational review in 2008 led to changes that have resulted in a 30 per cent increase in grass trimming and a 14% increase in efficiency (measured as the number of hectares trimmed per hour). Citizen complaints have been reduced by half.

One final example relates to energy savings. An Energy Conservation Project Manager hired last year has achieved more than \$400,000 in annual energy savings – a return on investment of over 400 per cent. New facilities such as City Hall and the South End Emergency Services Station are being built to high-efficiency standards, bringing more cost savings as well as a lower carbon footprint.

The final component to the balanced scorecard is the financial perspective.

It's no secret that the economic downturn has affected our community.

In past years' State of the City presentations, I have pointed out that Guelph's unemployment rate has been below both the provincial and national average.

The picture is a little different this year. Local unemployment has increased above the national average, though it is still just below the provincial average.

This impacts the municipality's financial picture in a number of ways. Unemployment drives up social services costs. Assessment growth is down because construction is down. Municipal revenues are down in a number of other areas too.

Guelph is certainly not alone in this. Municipalities across the country are feeling the pinch. The question is, how are we responding to ensure taxpayers are protected and our City's long-term financial health is secure?

First, the City's management team is reducing expenditures across the board to reduce the risk of a negative year-end variance for 2009.

Looking to 2010, we are projecting a decline in revenues of approximately \$8 million.

Even in good economic times, it would be unacceptable to pass on an impact of this magnitude to City taxpayers. It is *unthinkable* in the difficult economic times families are experiencing right now.

The 2010 Budget will not be a matter of trimming in a few places. Council is prepared to make the tough decisions necessary to protect taxpayers, maintain our excellent AA credit rating, and keep the City's finances sustainable over the long term.

This means doing things differently than in the past.

To that end, Council has approved new policies to set limits on debt, establish minimum reserve levels, and cap the use of property taxes for capital projects.

We have brought new discipline to our capital planning process with a priority ranking tool that helps us decide what we can afford, and what we can't.

The priority ranking tool has a number of weighted criteria. These include whether the project is mandated by legislation; if it has health and safety implications; and whether it's needed to maintain an asset and reduce costly repairs. Projects that leverage external funding, such as the infrastructure stimulus projects, and those that will attract jobs and investment are given a higher priority. And, projects must be achievable within the new policies on debt, reserves, and caps on using taxes to fund capital.

In the past, a current year's capital budget was affordable, but the following nine years had far more projects than we could afford – in fact, about \$270 million too much over five years. This has met significant criticism from within and outside City Hall. This practice is changing, starting now.

No longer will projects appear in the capital budget without a sustainable financing plan attached to them. Of course, this will not be popular with everyone in the community. Key community projects that have significant public support, like the new main library and South End Community Centre, have been pushed beyond 2014.

This doesn't mean the projects are cancelled. Staff continue to work on planning to ensure we are well positioned to explore external partnerships, whether that is with another level of government, the private sector, or another agency. It just means that we don't have the money to put the shovels in the ground right now.

These changes are not easy. But they are essential, not only to ensure the City's finances remain solid through the current economic downturn, but to provide long-term financial sustainability for future generations.

The policies and priority-setting tools ensure that Council is not simply cutting dollars – we are carefully assessing value. In the current economic environment, these are the kinds of decisions that businesses and families are making every day. You expect nothing less from your elected representatives at City Hall.

Making a difference

So there you have it – a look at the State of our City, everything from the water that goes down the toilet to the structural budget changes in place for 2010.

I'd like to take this opportunity to thank all members of Council, the senior management team, and the employees of the City of Guelph. While I am the one who gets to deliver the State of the City, they are the ones who drive our success, each and every day.

I began with a discussion of the many services that we enjoy in the City of Guelph for a reason. During periods of restraint, it is easy to focus on what we can't have rather than be grateful for all that we do have.

Like you, I hear the end of the world scenarios – economic collapse, environmental apocalypse, and social breakdown. It is not my intent to diminish the magnitude of the problems we face locally and globally, but neither am I willing to throw in the towel.

We have a lot to be proud of. After all, Guelph is a city that has been named, at different times and by different authorities, the most caring community in Canada, the safest community in Canada, and one of the smartest communities in Canada. Clearly, we are doing a lot of things right.

When we talk about what makes Guelph special, we often mention physical assets like our rivers or our university. We usually miss what I think is one of our greatest assets – the ability to work together for the benefit of our community.

Guelph succeeds not because of what goes on at City Hall, but because of the army of community organizations, businesses, and citizens who care deeply about their city and are engaged in its progress. Because I am invited to so many events and meetings in the community, I have the chance to see this in action on almost a daily basis. I am always impressed.

So on behalf of the City, thank you to everyone who is striving to make a difference in our community.

You represent the true value at the heart of Guelph. It's something we can't put a price on.

Thank you.