

Date: November 2, 2021	Originator's files:
To: Chair and Members of Budget Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: November 22, 2021

Subject

2021 Continuous Improvement Report

Recommendation

That the report titled "2021 Continuous Improvement Report" dated November 2, 2021 from the Commissioner of Corporate Services and Chief Financial Officer be received for information.

Executive Summary

- The City's Lean efforts represent the most comprehensive investment in Lean as a methodology in Canadian municipal government for a city the size of Mississauga.
- Notwithstanding the COVID-Pandemic, the City's Continuous Improvement initiatives continue to deliver significant results for the organization.
- 48 Lean process improvements and 870 Small Improvements have been completed as of Oct 28, 2021 (This differs from the City's Business Plan due to printing deadlines), bringing the totals to 258 Lean process improvements and 6,618 Small Improvements completed since the inception of the program.
- The City's 1% budget reduction program has saved \$73.6 million since 2009, including \$5.3 million identified as part of the 2022 Business Plan and Budget.
- The Lean Program is complemented by other continuous improvement efforts across the organization such as modernization through the use of technology.

Background

The City has a long history of examining our services to ensure they are being delivered efficiently and effectively, and has established the implementation of cost containment strategies as a key priority of the annual Business Planning and Budget process. The City has undertaken several reviews of its services, and since 2009, Service Areas have committed to reducing their respective operating budgets by 1% each year. The cumulative savings of this

program have reached \$73.6 million to date without impacting existing service levels. This report provides an update on the progress of the City's Lean Program, along with an update on other continuous improvement initiatives across the organization.

Comments

At its core, Lean looks to maximize value and minimize waste, simplify processes, reduce costs and complexity, and improve customer satisfaction. Its principles align with the City's priority to implement cost containment strategies, and provide a framework for staff to identify customer issues, engage the staff who are performing the work and measuring the outcomes of a process.

Lean methodology states that those who perform the work are the ones best suited to make meaningful, lasting changes to their processes. Staff across the organization are empowered to make improvements in their daily work through the application of Lean tools. Additional tactics are implemented to monitor process performance, understand the root causes of a problem, and identify solutions in a collaborative manner.

A variety of tactics have been applied to influence the adoption of Lean as a way of work across the organization:

Lean Initiatives

Lean Improvement Projects deliver a comprehensive review of a current process with customers, those performing the work and other stakeholders to deliver breakthrough improvements. Projects can vary in size depending on the complexity of the process being reviewed. The Lean program breaks these initiatives into the following three categories:

1. **Process Improvement Projects:** a comprehensive review of a process and takes between 3 months to 1 year to complete.
2. **Rapid Improvement Events:** smaller, more narrowly scoped processes usually affecting only 1-2 Divisions and takes 4-6 months.
3. **Small Improvements:** focussed on a single process step or an improvement to an employee's work environment. Small Improvements are "Just-do-it" items that are completed and then reported to the Lean Office.

This year, the Lean Program has completed nine Process Improvement projects, 39 Rapid Improvement events, and 870 Small Improvements, bringing the totals to 258 Lean Process Improvements and 6,618 Small Improvements completed since the inception of the program. Some recent examples of successful Lean Initiatives include:

- **Legal Realty Service File Management (CMO):** Reduced external legal costs related to Realty files by 48% realizing \$145,142 in cost savings. Reduced the lead time for file opening by 83% from 12 weeks to 2 weeks.

- **eScribe Replacing Agenda Management (CPS):** Implemented eScribe and discontinued use of Agenda Management which allows better management of corporate reports, approval workflows, meeting agendas, minutes preparation and extracts of decisions. This resulted in \$26,283 in cost savings and over 2,000+ hours of freed capacity.
- **Bus Alternator Failures (TW):** Replace faulty oil-cooled alternators with air-cooled units reducing failure rate by 80%. Reduced staff effort by 760 hours and bus down time due to alternators by 78%. This project generated a cost savings of \$30,875.
- **Active Assist - Fee Assistance Program (CMS):** Improved process lead time by 91% (from 11 to 1 business day). Saving the City 1175 hours of staff time and generating \$8,606 in cost savings annually.
- **Development Charges Process Review (PB):** Reduced overall process lead time by 31% (156 days to 107 days) and reduced staff effort by 32% by realigning roles and using available technology. This project resulted in 3,132 hours of freed capacity.

A breakdown of the results of all completed 2021 process improvement projects are listed in Appendix 1.

Networking and Outreach

The City's Lean Program has been recognized across Canada as a leader in the delivery of municipal Lean transformation. In 2021, staff from the Lean Program Office have spoken at the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO), the Ministry of Transportation Ontario, and at the Ontario Municipal Lean Community of Practice.

Other Continuous Improvement Programs and Initiatives

Lean is only one method of continuous improvement that is delivered across the City. A variety of other programs and channels are used to review how we work, explore new opportunities, and find efficiencies. They are as follows:

1% Budget Reduction

In 2009, the City Manager at that time introduced a new component to the annual Business Plan and Budget process where all Service Areas were asked to identify efficiencies and cost savings opportunities to reduce their gross operating budget by 1%. To date, cost savings of \$73.6 million have been identified, including \$5.3 million as part of the 2022 Business Plan and Budget. Some specific operating budget savings for 2022 include:

- **Information Technology:** \$490,000 savings through a reduction in equipment costs and rationalization of maintenance agreements.
- **Recreation:** \$772,000 reduction through various full-time and part-time labour reductions through attrition and redistribution of responsibilities.
- **Roads:** \$600,000 reduction in contractor and professional services due to new winter maintenance contract.

- **Business Services:** \$184,000 cost savings due to termination of property lease agreements.
- **MiWay:** \$355,000 in savings due to lower Transitway operating costs over the last 3 years.

A breakdown of the 2022 Efficiencies and Cost Savings identified by Service Area are listed in Appendix 2.

Information Technology Projects

While technology is only one component of continuous improvement, its application supports and modernizes services to residents in a variety of ways. Some recent examples of continuous improvement information technology improvements include:

- **Courts Modernization:** allows for court business to take place virtually, reducing travel demands, cancelations, and adjournments and increases the availability of officers required to attend hearing and trials.
- **Covid-19 Contact Tracing:** Enables City staff in Recreation and Culture facilities to resume in-person service delivery by allowing patrons to complete the COVID-19 Screening Questionnaire and provide contact information online.
- **Driveway Windrow Snow Clearing Online Application & Management System:** allows residents to easily apply for driveway windrow clearing services online.
- **ePlans – Electronic Building Permits Submission and Approval:** implemented functionalities to allow property developers to submit additional types of applications and permits online for City approval. This project has also allowed the City to process online payments and collect revenues generated from building permits.

Financial Impact

Since the implementation of the 1% budget reduction program in 2009, the cumulative cost savings of the program has been \$73.6 million, including \$5.3 million as part of the 2022 budget.

The Lean Program provides a wide range of benefits beyond traditional cost savings and freed up capacity. Improvements also include enhancements to customer experience, improved quality, and safety for both customers and those performing the work, and environmental benefits. Since the inception of the program, staff have implemented cost savings of \$5.7M, including \$1.1 saved in 2021. In addition, staff have created 425k hours of freed capacity during the life of the program including 43.8k in 2021 (validated as of Oct. 29, 2021). These benefits are verified by Financial Analysts through the Money Belt program to ensure that a consistent, standard and accurate approach to quantifying the Lean Program's results are in place.

Conclusion

The City has consistently looked to challenge the status quo and develop innovative, cost effective ways to deliver its services. The City's Continuous Improvement Programs continue to deliver on their shared mandate of strengthening the culture of continuous improvement across the organization, contain costs, build capacity and empower staff to make improvements in their day-to-day work.

Attachments

Appendix 1: Summary of 2021 Completed Lean Process Improvements

Appendix 2: List of 2022 Efficiencies and Cost Savings Identified by Service Area



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

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