



# The Town of Niagara-On-The-Lake

Telephone (905) 468-3266  
Facsimile (905) 468-2959

1593 Four Mile Creek Road  
P.O. Box 100  
Virgil, Ontario  
L0S 1T0

---

**Report:** CS-20-014

**Committee Date:**

**Due in Council:**

June 22, 2020

---

**Report To:** Lord Mayor and Council

**Subject:** Service Delivery Review Final Report - Deloitte

---

## 1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council receive the Service Delivery Review final report, attached as Appendix I, prepared by the consulting firm Deloitte; and
- 1.2 Council approve the hiring of a full-time Procurement professional, as identified in the Service Delivery Review, to be funded in 2020 from the Provincial Funding for Service Delivery Improvements and in 2021 and forward from the Town's Operating Budget; and
- 1.3 Council approve the hiring of a full-time employee to manage Drainage & Irrigation, to be funded in 2020 from the Provincial Funding for Service Delivery Improvements and in 2021 and forward from a combination of the Town's Operating Budget and applicable OMAFRA grants, as these can be applied to cover up to 35% of the salary dedicated to the Drainage & Irrigation employee and going forward funding from cost recoveries; and
- 1.4 Council approve the completion of Stages 2 and 3 of an operational water audit of the Town's water services, to be funded from the Water Capital Improvements reserve.

## 2. PURPOSE / PROPOSAL

The purpose of this report is to have Council receive the Service Delivery Review final report prepared by Deloitte and review the recommendations annually as part of the budget consideration. A total of 53 opportunities for improvement were identified. Of the 53 opportunities, it is expected that 42 may be implemented by the end of 2022.

## 3. BACKGROUND

Under the Municipal Modernization Program, the province gave up to \$125 million through 2022-23 to help 405 small and rural municipalities conduct new service delivery reviews, implement recommendations from previous reviews and undertake a range of projects, such as IT solutions or process improvements, to achieve cost savings and efficiencies.

On December 9, 2019, Council approved the following recommendations:

- 1.1 *That Council award the contract for the Service Delivery Review to Deloitte in the amount of \$197,500 plus applicable taxes; and*
- 1.2 *That a contingency allowance in the amount of \$30,000 plus applicable taxes be approved within which the Chief Administrative Officer, or designate, is authorized to approve amendments to the contract; and*
- 1.3 *That Council approve the hiring of an employee on a 6-month contract to allow for an existing staff member to act as Project ~~Manager~~ (amended to Liaison), to be funded through provincial grants at an amount up to \$35,000; and*
- 1.4 *That the Lord Mayor and Clerk be authorized to execute any contract documents associated with this project.*

On January 20, 2019, Council approved a motion to include the Library in the Service Delivery Review, which added an additional cost of \$17,100 to the original quote.

The Customer Experience and Technology (CET) Committee met twice to review the draft RFP and decided that the scope for a complete Business Process and Operations Improvement Plan was too arduous, and, as such, would be a long and expensive process. The CET Committee felt that a Service Delivery Review RFP would be more appropriate and that the successful proponent would consider the Guide to Service Delivery Review for Municipal Managers published by the Ministry of Municipal Affairs and Housing in developing its review.

It was moved by Councillor Wendy Cheropita that the Request for Proposal be amended to reflect the following changes:

1. Efficiencies to reduce future costs for service delivery be added;
2. Innovation and leveraging new and emerging technology - effectiveness, efficiencies and value of current services

#### **4. DISCUSSION / ANALYSIS**

In May 2020, Deloitte completed the Service Delivery Review final report. The objective of the Review was to identify ways to modernize and improve the Town's services by first understanding and analyzing the service being provided. Opportunities for improvement were to be considered in light of the Town's strategic priorities, the need to be fiscally responsible and the expectations of residents. The Town's preference was for the Review to focus primarily on developing opportunities that could be implemented before the end of 2022.

The top 5 opportunities with the most significant financial impact that have been identified and that staff are recommending to implement are:

- 1) Conduct an annual parking operations and inventory review, to help the Town

increase revenue and plan parking supply to accommodate the tourist users during high-demand seasons.

- 2) Institute a revenue policy for service generated user fees to achieve systematic and smart balanced growth for the Town.
- 3) Perform a water audit using the IW/AWWA methodology to stabilize water operations and recoup losses incurred. The objective of all three stages of the Water Audit was to identify ways to reduce the Town's water losses. Town staff have consulted with Deloitte in Stage 1 of 3 of a Water Audit. Staff have reviewed the AWWA Water Audit Software and the Stage 1 report from Deloitte. Staff are recommending to move forward with the Water Audit, Stage 2 and 3, it would be funded from the Water reserve at a cost of \$30K-\$40K respectively for the last 2 stages. Stage 2 would include the analysis of the distribution network data and water meter population to get a more granular understanding. It would also involve a second round of work on the AWWA Water Audit software. Stage 3 would provide an analysis and report on the results and preparing a plan for addressing commercial and real losses.
- 4) Improve buying practices (Procurement By-Law) to drive savings in purchasing.
- 5) Establish a full-time employee to manage procurement to centralize purchases, eliminate redundancies in ordering and reduce challenges in capacity.

The following chart summarizes the financial impact recommended by Deloitte. Staff request that Council discuss this as part of future operating and capital budgets. Short-term savings identified in the plan hinge on the procurement position:

Net Financial Impact	Year Ended		
	2020	2021	2022
Change in Revenue	+\$120,000	+\$790,000	+\$790,000
Change in Expenses	+\$170,000	-\$93,500	-\$185,000
Net Changes in Surplus/Deficit	-\$50,000	+\$883,500	+\$975,500
Initial Capital Investment	\$0	+\$4,000	\$0

Out of the above chart, increased revenue in 2020 is related to Parking revenues. In 2020 and 2021, \$365,000 is related to parking revenue, \$275,000 to water revenues and \$150,000 to other user fees. It is important to note that these do not directly effect the Town's Operating Levy, with the exception of user fees. Parking revenues can be transferred to different programs to offset the tax levy. These figures were prepared prior to COVID-19, therefore as most of this revenue is driven by users, they may not be attainable in the window forecasted.

The following opportunities should be considered to drive efficiencies and alleviate capacity constraints in the organizational structure.

Ten opportunities were determined that will be addressed by staff internally. The first has a recommendation to Council and the twelfth opportunity will have a business case brought to Council through the budget process.:

- 1) Establish a full-time employee to manage Drainage & Irrigation. Staff are recommending that we move forward with the hiring of this position. Establishing a new role for drainage and irrigation with a focus on legislative compliance should reduce the enterprise risk borne by the Town. This could increase the capacity available to the Environmental Supervisor to redeploy to other core responsibilities. With the benefit of the OMAFRA grant, it is expected that the salary of this position could range from \$79,520-\$94,965 per annum (including benefits). The Town will be eligible for OMAFRA funding up to 35% as it relates to drainage and irrigation. Further charge backs will be explored through the budget process.
- 2) Move employees to departments which align with citizen services. Where there are divisions in the Town's organization structure that deliver similar services or perform similar activities, there is an opportunity for task alignment.
- 3) Update training of managers on reviewing and approving time sheets; there is a process in place, but there are some inconsistencies in the review and approval process. There is an opportunity to update the training and allow for efficiencies.
- 4) Require new hires and contract hires to complete their HR paperwork and training; there is an opportunity to create a policy that relies on the combination of the HR Generalist, direct manager and self-directed on boarding activities, the investment would be internal time.
- 5) Communications and community engagement are delivered to citizens in a joint effort from the Community Engagement Coordinator, Executive Assistant to the CAO and Clerks. There is an opportunity to formalize the Communications Officer position by redefining the titles and job descriptions of the staff currently involved. The achievement of this will drive efficient and effective messaging to citizens and reduce the corporate risk of informal or inconsistent messaging.
- 6) Revise job process and job descriptions; the Town has experienced growth in its service offerings as well as required legislation over the past number of years. As such, additional responsibilities have been taken on by staff in order to meet the demands of the growing population. There is an opportunity with little to no capital investment. The Town may need to invest internal time to understand key activities and gaps in the current state.
- 7) Design a technical training plan and sustain culture of functional excellence; the Town currently conducts some annual training on departmental or division level. There is a lack of centralized training, which can create inefficiencies in roles. There is an opportunity to design a technical training plan for each

division/department. Adopting a yearly training program will enable service excellence.

- 8) Cross-train staff to manage absences; there is currently a lack of backup support when staff members are absent. This can create gaps in service and quality. There is an opportunity for the Town to create a strategic exercise to cross-train staff in order to allow job duty fulfilment by others during times of need. Internal investment of time to identify roles that have the most benefit for having cross-trained employees.
- 9) Attract, train, and retain customer service employees; the Clerks department has a high turnover rate in Customer Service. This impacts the level of service offered. There is an opportunity to retain customer service employees by developing a proper training plan, a retention plan and a plan for succession for this department.
- 10) Transition Community Centre bookings to the Customer Service Representative; there is an opportunity to transition this responsibility to allow the Community Centre Coordinator to address higher priority activities.
- 11) Leverage volunteerism or low-cost employment to supplement staffing at the Community Centre; the Community Centre operates with 3 full-time staff and 2 contract staff, which has created constraints. There is an opportunity for the Town to leverage volunteerism to allow the staff to address higher priority items.
- 12) Establish a full-time employee for Special Events; special events are delivered through the collaboration of various staff contributing beyond the normal scope of their core responsibilities. There is an opportunity to increase efficiencies by establishing a full time employee for special events and event permitting. This will improve citizen satisfaction and generate user fees with charge back of time if applicable to also be included. Staff will put forward a business case in the 2021 budget approval.

## **5. STRATEGIC PLAN**

As part of the Town's Strategic Plan the recommendations will deliver a smart balanced growth, assist in creating a culture of customer service excellence, deliver an increase in departmental collaboration and strengthen communication and delivery methods.

Establishing a Procurement professional should help the Town issue consistent RFP's and improve buying practices. This could allow the Town to increase capacity within departments that can be redeployed for citizen-facing service delivery. While there is little to no initial capital investment required, the Town should realize annualized savings that exceed the annual salary required for the position. The financial benefit is expected to be driven by improved buying practices. This opportunity aligns with the strategic plan as it should further establish a positive workplace. It could also alleviate stress and reduce the time currently required to manage the process, and ultimately allow Town

staff to focus on their main responsibilities.

Establishing a new role for Irrigation & Drainage with a focus on legislative compliance should reduce the enterprise risk by the Town. This could increase the capacity available to staff (eg. Environmental Services Supervisor) to redeploy to other core activities. This opportunity aligns with the Strategic plan as it should protect community assets, deliver smart balanced growth and promote a positive workplace. Hiring an employee to manage drainage and irrigation could allow for increased focus on the service and help the Town prioritize legislative requirements.

Staff engaged Deloitte in April, 2020, to complete Stage 1 of an operational water audit of the Town's water services. While this could require the Town to fund this audit, this one-time investment could be insignificant in comparison to the amount of potential lost annually recurring revenues due to water losses. If the Town is able to successfully remediate issues, the Town could expect a \$365K increase in net annualized savings based on the current amount of reported losses. This opportunity aligns with the strategic plan, most notably helping the Town delivery smart and balanced growth.

## 6. OPTIONS

N/A

## 7. FINANCIAL IMPLICATIONS

### Financial Update:

Out of the budgeted \$218,100 Deloitte has invoiced 100%.

The Town received an additional grant through the Municipal Modernization Program of \$197,500. Therefore only the balance of \$20,600 will be funded through the original \$725,000 Modernization Grant from the province.

The \$725,000 Modernization Grant was intended to fund the following:

\$ 20,600	Service Delivery Review (Reduced due to additional grant - incl. Library Review)
\$ 35,000	Project Liaison
\$100,000	Town Website
<u>\$ 35,000</u>	CAO recruitment
\$190,600 Total	

This leaves a balance of \$534,400 of uncommitted funds of the original \$725,000 Modernization Grant.

The recommendations outlined in Deloitte's report will be reviewed annually at budget time.

The estimated evaluation of the Procurement position is grade 7 or 8, an estimated

\$54,165-\$68,400 annual salary plus benefits. Staff is requesting to use the provincial funding to fund the position in 2020 with recognized savings based on the service delivery report.

Change in Expenses	2020	2021	2022
Procurement employee	+\$40,000	+\$80,000	+\$85,000
Improve buying practices (Procurement By-law)		-\$250,000	-\$250,000
<b>Total</b>	<b>+\$40,000</b>	<b>-\$170,000</b>	<b>-\$165,000</b>

	2020	2021	2022
<b>New Changes in Surplus/Deficit</b>	<b>-\$40,000</b>	<b>+\$170,000</b>	<b>+\$165,000</b>

The estimated evaluation of the Drainage & Irrigation employee position is under review with an estimated salary in the range of \$79,520-\$94,965. Staff is requesting to use the provincial funding to fund position in 2020 with recognized savings based on the service delivery report. The Town will be eligible for OMAFRA funding up to 35% as it relates to drainage and irrigation. Further chargebacks will be explored through the budget process. The net salary and benefits could amount to \$44,520-\$59,965 per annum.

Change in Expenses	2020	2021	2022
Drainage & Irrigation Employee	+\$30,000	+\$59,000	+\$62,000
<b>Total</b>	<b>+\$30,000</b>	<b>+\$59,000</b>	<b>+\$62,000</b>

Staff engaged Deloitte in April, 2020, to complete Stage 1 of an operational water audit of the Town's water services. The cost of Stage 1 of the Water Audit was \$30,000.

Staff are prepared to move forward with Stage 2 and 3, this would be funded from the Water Capital Improvement reserve at a cost of \$30-\$40k per stage.

Stage 1: Analysis of Currently Available Data	Stage 2: Completing the Water Audit Data Gathering and Entry	Stage 3: Analysis and Reporting on the Water Audit
Review of system inputs	Analysis of the Town's water meter population, and a quantitative estimate of commercial losses	Analysis of the results of the Water Audit

Preliminary analysis of consumption and purchase data	Analysis of the Town's distribution network, and preliminary analysis of preferred approaches to controlling real losses (leakage)	Preparing a plan for addressing commercial losses
First pass through the water audit software	Coaching the Town through the gathering and entry of data	Preparing a plan for addressing real losses

**8. COMMUNICATIONS**

Deloitte discussed this project with the Lord Mayor and the Audit Committee Chair, completed 15 interviews (meeting with 26 Town employees) and 2 working sessions (with over 14 Town employees at each). They also held open houses for citizens and businesses and developers. In addition, Deloitte reviewed the responses from five surveys, including the most recent Customer Experience Survey and had a Workshop with Council.

A copy of Deloitte's final report is attached to this report.

Upon Council approval, a communication plan will be developed and roll out accordingly.

**9. CONCLUSION**

Staff is requesting that Council receive Deloitte's final report and consider working towards a more modernized service delivery by hiring a Procurement professional, establish a full-time employee to manage Drainage & Irrigation, move forward with Stage 2 and 3 of the Water Audit and review the recommendations in the final report annually.

As noted above under the Strategic Plan section of this report, approval and implementation of these recommendations will allow Staff to progress in supporting Council's Strategic Plan, specifically with respect to delivering smart balanced growth, creating a culture of customer service excellence, and strengthening 2-way communication.

**Respectfully submitted,**

**Bobbie-Jo Talarico  
Project Liaison  
– Service Delivery Review**

**Sheldon Randall  
Chief Administrative Officer (I)**

**Deloitte.**



**Service Delivery Review**  
The Town of Niagara-on-the-Lake  
June 2020

# Table of Contents

Executive summary	3
Project objective, principles and scope	8
Baseline, trending and Town activity	10
Stakeholder engagement	13
Service profiles	14
Opportunities and recommendations	18
Net financial impact	74
Implementation roadmap and value realization	75
Appendix A – Service profiles detailed	79

## **Disclaimer**

No opinion, counsel, or interpretation is intended in matters that require legal, tax or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been, or will be, obtained outside of the scope of this report.

The absence of independent verification of the information supplied in respect of both historical and projected information, in some cases, can limit potential findings and accuracy of our report. We have indicated in our report the source of the data that was obtained by us, but disclaim any responsibility for its accuracy. Our work does not and will not result in the expression of an opinion or other form of assurance. Estimations of cost, benefits and timeline as they relate to implementation of recommendations have been made using historical reference points and do not incorporate unforeseen or unusual events. All management decisions, including decisions to implement any stated recommendations in connection with this engagement will be the responsibility of the Town.

# Executive summary

We were engaged by the Town of Niagara-on-the-Lake (the "Town") on January 9<sup>th</sup>, 2020 to complete a service delivery review (the "Review") of the Town's operations. The Review was funded by a payment from the Ministry of Municipal Affairs and Housing from its Municipal Modernization Program that aims to help municipalities modernize their service delivery and reduce their future costs.

The objective of the Review was to identify ways to modernize and improve the Town's services by first understanding and analyzing the services provided. Opportunities for improvement were then to be considered in the light of the Town's key strategic priorities, the need to be fiscally responsible and the expectations of its residents. The Town's preference was for the Review to focus primarily on developing opportunities for improvement that could be implemented before the end of 2022.

## **Engagement Scope**

The scope of the Review was the \$27.4M of actual 2018 expenditure (excluding amortization) of the five departments below along with the Public Library (\$0.8M of 2018 expenditure):

- |                                      |         |
|--------------------------------------|---------|
| • Operations                         | \$17.3M |
| • Office of the CAO (Administration) | \$2.8M  |
| • Community & Development Services   | \$2.6M  |
| • Corporate Services                 | \$2.1M  |
| • Fire & Emergency Services          | \$1.8M  |

## **Summary of Engagement Activities**

Work began on January 22<sup>nd</sup>, 2020 with this final report being completed June 9<sup>th</sup>, 2020. During the project:

- We reviewed the actual spending and budgets (2016, 2017 and 2018) of each department and its associated services to help us identify what we should examine in detail. We set a materiality threshold of \$100K of spending on services to help us focus the Review on identifying impactful opportunities.
- We discussed the project approach with the Lord Mayor and the Audit Committee Chair on January 27<sup>th</sup>.
- We completed 15 interviews (meeting with 26 Town employees) and 2 working sessions (with over 14 Town employees at each), at which we evaluated the 30 material services. This helped us understand how operating budgets were spent, confirm initial and identify additional opportunities for consideration and prioritize them for action.
- We also held open houses, for citizens on February 26<sup>th</sup> and for businesses and developers on February 27<sup>th</sup> to help us understand their thoughts on service provision. We also reviewed the responses from five surveys, including the most recent Customer Experience Survey. The insights derived from the internal and external stakeholder engagement was used to help develop and shape the opportunities.
- For each of the 24 external material services, we developed service profiles – a summary that helps us to consistently evaluate whether a service is being provided above, at, or below standard. These service profiles summarize the service type, service driver (legislation, Council by-law, management directive), who the service is delivered by (the Town, contracted services) and whether key performance indicators are used to manage service provision. To assess the Town's current service provision we drew on performance and benchmarking data from three broadly comparable municipalities, stakeholder feedback and our professional expertise. All 24 service profiles are included in Appendix A of this report and cover \$22.2M of the operating budget.
- We identified 53 improvement opportunities that we reviewed with the Town's senior management team at a workshop on February 11<sup>th</sup>. We then prioritized the opportunities and organized them under ten themes at a workshop on February 27<sup>th</sup>. All 53 opportunities are summarized in this report.
- Between February 28<sup>th</sup> and April 8<sup>th</sup>, 2020, we refined the opportunities through follow-up discussions with the Acting CAO, Directors and Managers. During this time we also:
  - developed the key activities, value realization drivers and considerations for implementation of all 53 opportunities,
  - quantified the financial impact of eight opportunities (those that had enough information to provide credible estimates for), and
  - created an implementation roadmap for the 42 opportunities that could be implemented by the end of 2022, (assuming that there are no constraints on their implementation).

# Executive summary

## **Baseline, trending and Town activity**

The Town's 2018 audited financial results were used as the baseline for the Review as this was the latest available full year of financial data. Total spending was \$27.4M.

Between 2016 and 2018 the Town's spending appears to have grown broadly in line with inflation and its operational responsibilities:

- The Town's operating expenses (exclusive of amortization) grew by a compound annual growth rate of just over 7.7%. This was largely due to:
  - Inflationary pressures on procured services (for example fixed charges to the Town for wastewater collection). Per Statistics Canada, the Consumer Price Index (CPI) for Ontario, which is a broad indicator of likely cost pressure, increased by ~2% annually during the same period.
  - Town growth, which has driven the need for increased resources (for example increased contracted services for municipal drainage, roads, and wastewater collection). Per Statistics Canada, citizen and tourism populations continued to grow at ~3% per annum, outpacing the Ontario average.
  - The remaining increase in expenditures (~2.7%) may be due to an increase in operational activity. However, the lack of supporting data and key performance indicators makes it challenging to conclusively validate why the additional funding was spent. For example, staff responsibilities further increased due to new infrastructure in the Town (four parks and one facility), changes in legislation (e.g. Ministry of Transportation Hours of Service, Drinking Water Quality Management Standard), significant staff turnover, increased pressure to improve service levels and the development and implementation of the new Strategic Plan. Over the same period, staffing costs grew by 7.4% as a result of an increase in eight full-time equivalents (88 to 96) as well as an increase in pay and benefits costs in order to match comparable municipalities.

## **Stakeholder engagement**

We reviewed responses from five of the Town's surveys; four previous surveys (Economic Development, Strategic Plan, Community Wellness, and the 2020 Budget surveys) and assisted with the development of the new Customer Experience Survey. We also held two open houses with businesses and developers as well as the general public where we gained further insight.

The feedback gathered pointed to six themes for change:

1. Establish a balance between meeting the needs of citizens and those of tourists.
2. Collaborate more with neighbouring townships and the Region to improve local and rural service offerings.
3. Increase transparency in the budget allocation decision making process.
4. Balance citizen/community involvement with data-driven decision making by management and Council.
5. Determine the relative importance of services in the Town, identify the type of services that compliment the strategic goals and modify service delivery accordingly.
6. Improve staff training so that they can provide better and more resourceful service to citizens, and equip them with the tools to close the feedback loop with citizens in a timely and effective manner.

We considered the stakeholder feedback in the development of service profiles and shaping of opportunities. Citizen complaints or an increased number of service requests were used as an indicator that services may be being delivered below expectations and were considered in developing opportunities for improvement.

## **Service profiles**

We developed 24 external service profiles covering 80.9% or \$22.2M of the \$27.4M operating spending. The profiles essentially confirm, within the limits of the data available, whether the Town's services are being delivered above, at or below the specified standards.

We developed the profiles by integrating internal and external stakeholder commentary with an assessment of how the Town performs compared with three broadly comparable municipalities – Collingwood, Lincoln and Innisfil.

# Executive summary

We did not prepare profiles for internal services because we could not conclude on the service levels provided. This was due to a general lack of performance information including the use of key performance indicators, stakeholder feedback and service level definitions. Nevertheless, we did identify opportunities to improve these internal services.

We identified a general absence of service measurement and key performance indicators used by the Town, which means that it was difficult to determine conclusively how well the services were being provided. This is a common challenge for most municipalities as it often requires significant time and effort to define credible key performance indicators and then gather data to support their ongoing use to measure and control performance.

Based on the combination of data sources and observations, such as the number of service requests, compliance with legislation and Council by-laws, spending per capita and discussion with management, we were able to determine that 15 out of 24 material external services (62.3% of the operating budget) are likely being delivered at or above standard. We considered the services that are likely performing below standard in the development of opportunities and have provided recommendations for improving data collection and increased resourcing or technology, with the goal of improving service delivery in general and these services specifically.

Service Level Standard	# of External Services	% of Operating Budget	Spend \$
Above Standard	2	4.0%	\$1.1M
At Standard	13	58.3%	16.0M
(Likely) Below Standard	9	18.6%	\$5.1M
<b>Total</b>	<b>24</b>	<b>80.9%</b>	<b>\$22.2M</b>

## **Opportunities**

We identified a total of 53 opportunities for improvement. Of the 53 opportunities, we expect that 42 could be implemented by the end of 2022 (assuming that there are no constraints on their implementation).

## **Opportunity Themes**

Each improvement opportunity falls into one of the ten themes below. The opportunities are described, by theme, on pages 18-73.

1. Manage enterprise risk
2. Strengthen the Council and Town Management working relationship
3. Review, set and communicate service levels
4. Modernize work order management
5. Address constraints in the organizational structure
6. Increase the Town's revenues
7. Improve controls in water operations
8. Centralize procurement
9. Plan for fleet asset replacement
10. Design a comprehensive fire master plan

## **Benefit to the Town**

Each of the 53 opportunities may benefit the Town in one or more ways in that it may drive a quantified financial impact, improve service or operational efficiencies and lay a strong foundation for improvement. Each category is discussed next:

# Executive summary

## Opportunities (continued)

### Quantified financial impact (eight opportunities)

We were able to estimate the cash flow operating and capital implications of five opportunities and the cost implications of another three opportunities. We expect other opportunities to generate financial benefits, but cannot estimate their impacts given the wide range of possible variables and outcomes. In summary, the quantified opportunities could improve the financial position by just under \$1M (4% of 2018 operating budget) per annum (or \$1.9M between 2020 and 2022) with minimal capital investment required to implement them.

Net Financial Impact	Year ended		
	2020	2021	2022
Change in Revenue	+ \$120,000	+ \$790,000	+ \$790,000
Change in Expenses	+ \$170,000	- \$93,500	- \$185,500
<b>Net Change in Surplus / Deficit</b>	<b>- \$50,000</b>	<b>+ \$883,500</b>	<b>+ \$975,500</b>
<b>Initial Capital Investment</b>	<b>\$0</b>	<b>+ \$4,000</b>	<b>\$0</b>

The top five opportunities with the most significant financial impact recommend that the Town:

- Conduct an annual parking operations and inventory review to help the Town increase revenues and plan parking supply to accommodate the tourist users during high-demand seasons (Revenue +365K, Expenses +0K, Capital +0K),
- Institute a revenue policy for service-generated user fees to achieve systematic and smart balanced growth for the Town (Revenue +150K, Expenses +0K, Capital +0K),
- Perform a water audit using the IWA/AWWA methodology to stabilize water operations and recoup losses incurred (Revenue +275K, Expenses -90K, Capital +0K),
- Improve buying practices (Procurement By-law) to drive savings in purchasing (Revenue +0K, Expenses -250K, Capital +0K), and
- Establish a full-time employee to manage procurement to centralize purchases, eliminate redundancies in ordering and reduce challenges in capacity (Revenue +0K, Expenses +85K, Capital +0K).

### Service benefit (18 opportunities)

These opportunities focus on delivering improved service levels for the citizens of the Town. The top opportunities likely of interest to the Town include:

- Clearly define and communicate municipal services to reduce citizens' uncertainty on service levels,
- Standardize service request intake, triage and feedback to help deliver service consistently and efficiently,
- Improve communication and workflow between departments to help integrate operational activities and customer service, and
- Remove paper based processes for Planning & Building applications to modernize the process.

### Operational benefit (27 opportunities)

These opportunities may help management and staff establish key foundational elements that may ultimately help improve Town operations. The top opportunities of likely interest to the Town include:

- Prioritize the hiring of a permanent Chief Administrative Officer to strengthen the working relationship between Council and Town management,
- Establish an enterprise risk management policy to approach decision making with the support of a risk-based framework,
- Procure integrated IT solutions that meet the Town's needs to drive operational efficiencies,

# Executive summary

## Opportunities (continued)

Operational benefit (27 opportunities) (continued)

- Develop key performance indicators to drive improvement and apply a data-driven approach to operations,
- Improve fleet management discipline with accurate chargebacks to fund the reserve for replacement of assets appropriately,
- Standardize the water meter installation process to help the Town capture revenue, and
- Establish a dedicated Emergency Operations Centre to effectively manage significant emergencies.

## **Implementation roadmap and value realization**

This broadly unconstrained implementation roadmap was developed with the consideration that the Town will need to prioritize the implementation because not all opportunities can be implemented concurrently either logically or owing to resource constraints. Within each year of implementation, opportunities were sequenced with input from management.

In order for the Town to realize the potential value from the recommended opportunities, we have also identified value realization drivers as key elements of implementation that will help the Town deliver effective implementation and help to ensure the intended value is captured.

Management should consider these to help enable change during implementation. These are summarized in the implementation roadmap below and on pages 75-78.

- **People** – Personnel should possess the skills and capabilities required by their roles and responsibilities so that they can discharge their duties efficiently and effectively.
- **Policies** – Management and staff should remain diligent in standardizing policies and procedures, as well as ensuring adoption and compliance from the top-down.
- **Change management** – Change management processes and training should be actively implemented in order for recommended changes to be impactful.
- **Technology** – Modern technology should be considered when the benefits driven by it outweigh the investment required to implement the technology or it is an operating necessity.
- **Measures** – Key performance indicators are essential in tracking and monitoring performance improvement and should be developed and implemented?
- **Operating model** – The existing operating model for services may need to be altered to right-size delivery levels and balance resources with needs.

While these concepts are not complex, the challenge for management will be to embed them into operations as work progresses. The success of implementation and capturing the value of these opportunities hinges on the Town's ability to manage these change enablers. Within each opportunity theme, opportunities have been further categorized by implementation timeline as noted in the table below:

Type of Opportunity	# of Opportunities	Timeline (Implemented by)
Quick Wins	20	December 31 <sup>st</sup> , 2020
Medium-Term	22	January 1 <sup>st</sup> , 2021 – December 31 <sup>st</sup> , 2022
<b>Implemented by 2022</b>	<b>42</b>	
Long-Term	11	January 1 <sup>st</sup> , 2023+
<b>Total</b>	<b>53</b>	

# Project objective, principles and scope

On January 9<sup>th</sup>, 2020 we were engaged by the Town to complete a review of its service delivery. The Review was funded by the Ministry of Municipal Affairs and Housing (the "Ministry"). The Ministry provided a one-time payment in support of activity aimed at modernizing service delivery and reducing future service costs through investments in projects such as service delivery reviews, shared service agreements and capital investments.

## Project principles

The Review was guided by the following principles:

- The opportunities for modernization were to be established generally by seeking ways to improve the economy, efficiency and effectiveness of the services provided.
- The Town was to be an active participant in developing the opportunities for change. This was to help us confirm improvement opportunities quickly and efficiently and to gain the Town's agreement on and commitment to their veracity and implementation.
- The opportunities were to be sustainable in the long-term.
- The opportunities were to be based on leading and proven practices elsewhere and our experience working with municipalities and other comparable organizations.

## Scope

The scope of the Review was the \$27.4M of 2018 actual expenditure (excluding amortization) of the five departments below, including the Town's Public Library (\$0.8M):

• Operations	\$17.3M
• Office of the CAO (Administration)	\$2.8M
• Community & Development Services	\$2.6M
• Corporate Services	\$2.1M
• Fire & Emergency Services	\$1.8M

The expenditures on services reviewed were the 2016 to 2018 actual operating spends.

## Deliverables

There were four deliverables due from our work:

1. A project plan for the work, for agreement with Town staff. This was presented and agreed on under separate cover (Niagara-on-the-Lake Project Launch – January 22<sup>nd</sup>, 2020) at the project launch meeting and agreed on with Town staff.
2. A summary of the opportunities identified and the criteria used to evaluate opportunities, which is included in this report.

3. A financial model projecting capital and operating budgets for a 3-year period, which is included in the final report.
4. A final report, which is this document.

## How to read this report

This report is Deliverable 4 as per above, due under the Agreement between The Corporation of The Town of Niagara-on-the-Lake and Deloitte LLP signed January 9<sup>th</sup>, 2020. It contains the results of the service delivery review conducted between January 22<sup>nd</sup>, 2020 and June 9<sup>th</sup>, 2020.

This section, **Project objectives, principles and scope**, confirms the background to the work and provides an overview of the methodology and approach applied, the project timeline and its key milestones.

The **Baseline, trending and Town activity** section provides an analysis of the baseline (i.e. 2018 actual spending) and the year over year spending trends. It shows spending trends for the Town overall. It then lays out an analysis of the key spending within each of the Town's departments and their spending trends.

The **Stakeholder engagement** section outlines the approach taken when developing an understanding of who the key stakeholders of the Town are and what perspectives they have on the services offerings. It shows the level of public participation in the sources used to develop our understanding and the key themes derived from our analysis.

The **Service profiles** section provides an overview of our findings for each external material service of the Town. It includes an overview of the comparators identified for the purposes of benchmarking the Town's performance and the service level standard determined from our analysis. Additionally, it outlines key details of each service such as the percentage of operating budget, service type and service driver.

The **Opportunities and recommendations** section comprises our key findings, opportunities for improvement, recommendations for change and benefit to the Town of each opportunity. The section also defines, in outline, how the opportunities might be sequenced for consideration and implementation, albeit without considering at this stage how they might rank, align with and be ultimately sequenced alongside other important Town initiatives and ongoing activities.

Within the Opportunities and recommendations section, the **Net financial impact** is included for each of the opportunities for which those that can be reasonably estimated. This outlines the expected changes in revenue, expenses, net change in surplus/deficit between the years 2020 and 2022 as well as the capital investment required.

# Project objective, principles and scope

A summary of the **Net financial impact** is provided following the Opportunities and recommendations section to provide the aggregate potential impact for the Town.

The **Implementation roadmap and value realization** section details an unconstrained roadmap for implementation. It includes the value realization drivers, identifying the types of change enablers required for the Town to realize the potential value of each opportunity. This section of the report begins by defining each value realization driver, and then presents the implementation roadmap.

The **Appendices** provide additional detail on the work completed, including the service profiles. The profiles include details of the service, benchmarking against three identified comparators as well as a service level assessment and rationale.

## Methodology, approach and timeline

We completed the work in six-phases. Work began on January 20<sup>th</sup> and was concluded with the final report completed on June 9<sup>th</sup>, 2020.

### Phase 1 – Analysis of services

*Weeks of January 20<sup>th</sup> – February 7<sup>th</sup>*

A kick-off meeting was held with the Town project team to confirm the detailed work plan, including defining the roles and responsibilities of team members, project scope and timeline.

Once confirmed, the Town provided information on each department, including the services provided, service delivery standards, and financial data that the team used to develop its understanding of the services and their impact on the community. The analysis of services, related costs and a materiality threshold of \$100K of spending for external services helped the team prioritize where to focus the Review.

### Phase 2 – Stakeholder engagement

*Weeks of January 27<sup>th</sup> – February 24<sup>th</sup>*

We developed and implemented a stakeholder engagement plan consisting of two open houses, data collection on existing surveys and assistance in preparation of new survey. Our plan engaged with Town staff, Council, local business owners and members of the public to develop an understanding of perspectives they have on the services offerings and identify key areas of focus.

### Phase 3 – Opportunity identification

*Weeks of January 27<sup>th</sup> – February 21<sup>st</sup>*

Based on the knowledge gained in phases 1 and 2 and leading and proven practices, we worked with the departments gather information to allow us to identify and characterize opportunities that would address

challenges with service delivery and drive efficiency and modernization. Through a validation workshop with management, we confirmed our understanding of the challenges facing the Town and the characteristics of the opportunities identified to address these challenges, including risk and complexity of implementation, expected duration to implement (short-term, medium-term, long-term), potential initial capital investment, and potential net annualized savings.

### Phase 4 – Prioritization and decisions

*Week of February 24<sup>th</sup>*

With the characterized opportunities from phase 3, we worked with management to understand the complexities of the interconnected opportunities. Given the quantity and complexity of opportunities, it is not feasible to implement all opportunities before the end of 2022. We provided management with an evaluation framework, including:

- Impact of implementation – opportunities which could have greater impact of benefit were prioritized over those with a lower impact of benefit.
- Confidence of implementation – opportunities which could have a higher potential of successful implementation, considering factors of implementation risk and complexity, were prioritized over those with a lower confidence of implementation.

Analysis of the opportunities using this framework, resulted in placing each opportunities into one of the following implementation timeframes:

- Quick Wins – implemented by December 2020
- Medium-Term – implemented by December 2022
- Long-Term – implemented beyond December 2022

### Phase 5 – Financial projections

*Week of March 2<sup>nd</sup>*

For opportunities where it was reasonably possible, we prepared financial projections defining the incremental impact of the prioritized opportunities on the capital budget and operating budget over 3 years (assumptions and constraints of projections were also defined).

### Phase 6 – Final report and implementation roadmap

*Weeks of March 9<sup>th</sup> – April 8<sup>th</sup>, 2020*

The final phase of the project included summarizing the work performed and developing the report, including a possible unconstrained implementation roadmap for opportunities characterized as Quick Wins and Medium-Term, to be completed by 2022.

# Baseline, trending and Town activity

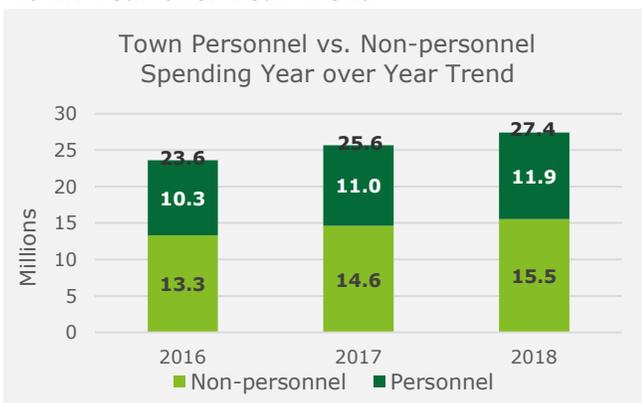
The 2018 operating spending (\$27.4M – inclusive of the Library and exclusive of amortization) was set as the baseline for the service delivery review, because it was the most recent full year of spending actually incurred by the Town<sup>1</sup>.

When completing line-by-line reviews of expenditures, it is instructive to consider the trending of the spend over time. For this reason we also considered the actual spending in 2016 and 2017.

We incorporated the data described above into our analysis by department, division and by service<sup>2</sup>. This allowed us to identify year over year trends for each department, division and service.

Below, we present a summary of Town’s spending trends.

## Town Year over Year Trend



In these three years, the Town’s operating spend grew by a CAGR<sup>3</sup> of 7.7%. While the Town’s revenues<sup>4</sup> and other income streams grew by a CAGR of 9.7%, this marginal outpacing of 2% is not sufficient if the Town is to achieve its Strategic Plan goals by the end of 2022. As staff are already feeling challenged with growing responsibilities and new strategic goals – typically result in additional responsibilities and expenditures. This may ultimately challenge the Town’s fiscal responsibility.

Total spending on personnel was \$11.9M in 2018; it grew by 7.4% per annum between 2016 and 2018, primarily due to increased headcount, pay and benefits. During this time period the Town’s full-time headcount grew from 88 to 96 full-time equivalents (“FTEs”). Over the same period, the Town experienced significant turnover with 7-10% turnover annually or 25% total in the three years. Turnover can cause increased strain on resources as a result of knowledge loss, unfilled positions and training.

Total Town non-personnel spending was \$15.5M in 2018 and it increased by 8.0% per annum between 2016 and 2018. The increase was in part a driven by:

- Inflationary pressures on procured services (for example fixed charges to the Town for wastewater collection).
- Town growth which has driven the need for increased resources (for example increased contracted services for municipal drainage, roads maintenance, and wastewater collection).

During the 2016-2018 period:

- The Consumer Price Index (CPI) for Ontario, which is a broad indicator of likely cost pressure, increased by ~2%.
- Estimates<sup>5</sup> suggest that the Town’s population grew from 17,511 to 18,584 or 3% per annum.

It is also worth noting that between the latest publically available census<sup>6</sup> periods of 2011-2016, the population growth for the Town was 13.7% (3.3% per annum) compared to 4.6% (1.1% per annum) in the Province of Ontario.

Tourism is also a significant factor in the Town’s growth and delivery of services as nearly 13 million tourists visited the Niagara Region in 2017<sup>7</sup>. Between 2011-2018, the number of tourism jobs, which is a linear proxy for the number of tourists, grew by 17.9% in the Niagara Region<sup>7</sup>. As of 2018, the number of tourism jobs relative to total jobs was 1.8 times the quotient of Ontario<sup>7</sup>. This high growth in tourism and population indicates that the Town’s external services have been delivered to more users, year over year.

The Town’s additional growth in infrastructure (four parks and one facility) have resulted in operational responsibilities outpacing the headcount growth.

Frequent changes to legislation also challenged the capacity of the Town. For example, Ontario’s Ministry of Transportation and the Drinking Water Quality Management Standards introduced changes in 2019, requiring additional activities to remain compliant.

If CPI is 2% and the population grows by 3% annually, we can reasonably account for 5% of the Town’s growth. The remaining gap to the Town’s baseline growth of 7.7% per annum is driven by the increase in personnel, which is likely due to responsibilities having increased. However, given the lack of measurable data or key performance indicators maintained by the Town, it is challenging to conclusively validate the additional responsibilities.

<sup>1</sup> All figures presented are based on financial data provided by Town management. At the time of this project, the audited 2019 financial information was not available.

<sup>2</sup> Services are normally comprised of a single division, however in some cases, a service is comprised of one or more sub divisions.

<sup>3</sup> Compound annual growth rate

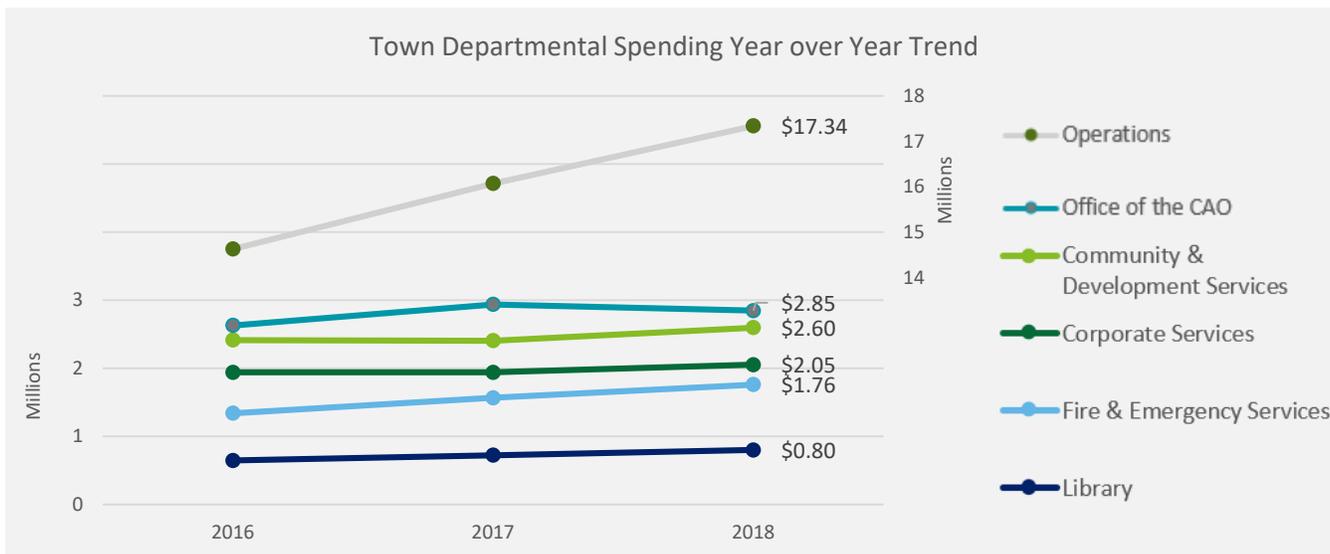
<sup>4</sup> Town revenue includes user fees, taxation, fines and other revenue such as parking income.

<sup>5</sup> Statistics Canada Population Estimates by Census Subdivision

<sup>6</sup> Statistics Canada 2016 Census Data

<sup>7</sup> Niagara Region and Statistics Canada: *Niagara Tourism Profile 2018*

# Baseline, trending and Town activity



## Department Year over Year Trend

The increased spending is primarily related to the increased salaries, the hiring of external consultants and spending on contracted services.

Below we have summarized the spending trends by department between the years 2016 and 2018.

### Operations

This department oversees all of the Town's public infrastructure, as well as the operation and maintenance of all recreational facilities, parks and municipal properties. It consists of two divisions; Parks Recreation & Facilities and Public Works.

This is the largest department in the Town, responsible for 63% of the total spend. Spending grew by 8.9% per annum or \$2.7M (\$1.8M of non-personnel spend) from 2016 to 2018. This was largely driven by the \$1M increase in external contracts for services such as Roads and Wastewater Collection and a \$0.5M increase in fixed wastewater charges. The need for additional spending was likely driven by the resident and tourism growth in the Town.

### Office of the CAO (Administration)

The Office of the CAO is the administrative hub of the Town's operations. It comprises the Acting Chief Administrative Officer ("CAO"), Community Engagement Coordinator, Human Resources staff, and an Executive Assistant.

For the purposes of this review we have included other expenses within this department including grants, studies and administrative expenses.

Total spending increased by 4% per annum or \$216K. An overall increase of \$368K in non-personnel spending was offset by a \$152K decrease in personnel spend due to the lack of permanent CAO in 2018.

Increases in non-personnel spend were merely accounting based increases as grants are typically distributed through this department (e.g. Library and Chamber of Commerce). The Town did however experience a \$126K cash-based increase in legal expenses and insurance claims.

### Community & Development Services

Community and Development Services is responsible for providing Council with recommendations on the long-term development of the Town, as well as specific matters dealing with the development and use of private property within the municipality including land use policies, By-laws, development agreements and building permits.

Total annual spending increased by 3.7% per annum or \$180K (with \$140K of non-personnel spend). The most impactful changes in spend related to parking operations (e.g. credit card processing fees and maintenance), which increased by \$56K while contracted services required for By-law enforcement increased by \$24K. These increases may be relatively small but they are likely indicators of increased activity and growth in the Town. Parking revenues also increased by 21% per annum, far exceeding the growth in expenses.

### Corporate Services

Corporate Services is responsible for keeping the municipal records and for the preparation and distribution of information, correspondence, and Committee and Council Agendas for Council and for the public.

Total spending increased by 2.9% per annum or \$110K. This was driven by a \$71K increase in contracted services, licenses and the installation of a corporate telephone system.

# Baseline, trending and Town activity

## ***Fire & Emergency Services***

The Town's Fire & Emergency Services is a volunteer-based department and comprises six staff and 110 volunteer firefighters that aim to provide the residents and visitors of the Town with prompt, professional and compassionate service from well trained and well-equipped firefighters.

Total spending increased by 14.6% per annum or \$420K. This increase was driven largely by an increase of \$115K in honorarium payments to volunteer fire fighters, \$146K in salaries and benefits and \$107K of non-personnel spend and \$37K in maintenance expenses.

## ***Library***

The Town supports the Public Library, which aims to provide educational, cultural, recreational and social opportunities to all members of the community. This support is most notably in the form of municipal funding that is provided to the Library to cover operational expenses such as salaries and wages.

Total spending increased by 11.18% per annum or \$152K. While this was driven in large part by \$105K increase in salaries and wages, expenses related to the Library have traditionally been offset with grant funding.

# Stakeholder engagement

A critical aspect of the Review was understanding who the key stakeholders were and leveraging this knowledge when identifying the areas for improvement in service delivery and developing the associated opportunities.

We therefore engaged with Town Staff, local businesses and developers, and members of the public to better understand the perspectives of key stakeholders when considering the Town’s level of service delivery. Our methods of engagement included leveraging the findings from 4 previously completed Town surveys, assisting in the development of the Town’s new customer experience survey, conducting 15 internal interviews and organizing 2 external open houses.

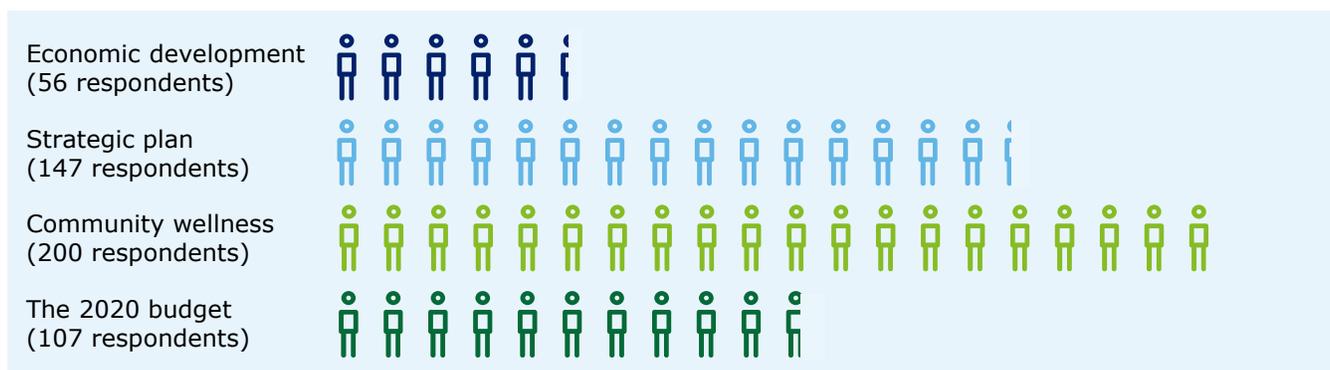
When leveraging the previously completed Town

surveys, we obtained the Town’s response data and identified 12 questions that were relevant to the Review by way of alignment with service delivery. We analyzed a total of 930 question responses, and identified a demographic bias of those responding, as 80.2% of respondents were above the age of 50.

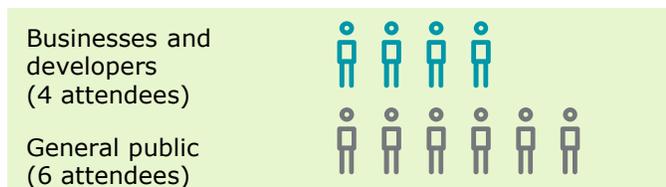
In order to gather a representative understanding of the perspectives, needs and desires of the Town’s key stakeholders, we undertook a number of initiatives for the remainder of our stakeholder engagement methods. These initiatives included social media advertising of the survey and hosting open houses.

Below, we have identified the level of participation across each method of engagement and 6 common themes derived from our analysis.

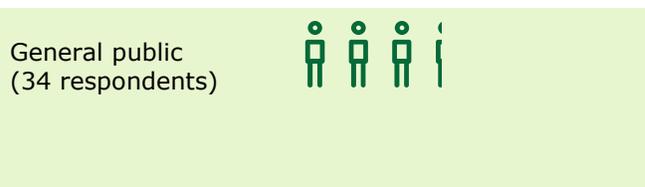
## Previously completed Town survey’s analyzed during the Review (in 10’s)



## Town open houses completed during the Review



## Customer experience survey completed and analyzed during the Review (in 10’s)



## Common themes

We identified 6 common themes to be integrated into the service profile and opportunity identification phases of the project as we reviewed the stakeholder engagement survey results and completed the open houses. They are:

- Establish a balance between meeting the needs of citizens and those of tourists.
  - Prioritize the community in the offering and execution of public services.
  - Establish infrastructure and By-laws to help manage the seasonal influx of tourists (e.g. additional parking, road maintenance and short-term rentals).
- Collaborate with neighboring townships and the Region to improve local and rural service offerings.
- Increase transparency in the budget allocation decision making process.
- Balance citizen/community involvement with data-driven decision making by management and Council.
  - Improve communication of Town’s actions and results related to prior consultant work and studies.
- Determine the relative importance of services in the Town, identify the type of services that compliment the strategic goals and modify service delivery accordingly.
- Improve staff training so that they can provide better and more resourceful service to citizens, and equip them with the tools to close the feedback loop with citizens in a timely and effective manner.

# Service profiles

In order to complete a thorough service delivery review, we needed to gain a clear understanding of the (material) services provided by the Town. We worked with management to answer the following questions:

1. What services does the Town offer?
2. Who are the services performed for?
3. How well are the services being performed?

These core questions helped the Review to remain rooted in identifying which services are performing above, at or below standard. Once service levels were assessed, they were used to help identify opportunities to modernize and improve service delivery. We worked with management to develop service profiles for each material external service (those services with over \$100K annual spending). These profiles highlight the key characteristics of each of the 24 material external services, such as the:

- service type (external),
- service driver (legislation, Council By-law or management directive),
- deliverer of the service (Town staff and/or contracted services),
- service’s most recent financial operating results (revenue and expenses), and
- whether key performance indicators are used by management to assess service performance.

**Performance and benchmarking**

Each profile also includes information on the Town’s performance assessed against comparators agreed upon with management – Collingwood, Lincoln and Innisfil. These comparators were chosen on the basis that these municipalities came closest to matching the majority of the Town’s unique characteristics.

Niagara-on-the-Lake Characteristics	Collingwood	Lincoln	Innisfil
Demographics (median age)	✓	✓	✓
Population density		✓	✓
Municipal growth	✓		✓
Geography (shoreline)	✓	✓	✓
Tourism	✓		
Heritage		✓	
Primary industries		✓	

**Service level assessment**

Each profile offers a conclusion on whether the service is performing above, at or below the defined standard. The standard level of service could be defined by legislation, Council By-law or management’s stated service levels. In most cases, the lack of measurement of service provision posed a challenge in reaching a definitive conclusion. This is a common challenge for municipalities as it requires significant time and effort to establish and use the foundation of measurable data to develop key performance indicators. However, each assessment is supported with a rationale that considers each service’s characteristics, performance and benchmarking against comparators, and comments gathered during internal and external stakeholder engagement.

While six internal services were identified as material, we could not conclude on the service level assessment of them owing to the lack of available granular information from comparators, stakeholder feedback and service level definitions. However, opportunities have been identified in this report to improve processes within these internal services.

# Service profiles

## Our findings

The Review identified a general lack of key performance indicators used by the Town in managing most services. This makes it challenging for management to conclusively determine how well services are being performed and develop a culture of continuous improvement. In order for management to develop key performance indicators, significant time and effort must be invested to establish a reliable foundation of measurable data for key services.

Based on other factors such as service request volume, public sentiment gathered from stakeholder engagement and compliance with legislation or Council By-laws, we determined that 15 out of 24 material external services (62.3% of the operating budget) are at or above standard.

Service Level Standard	# of External Services	% of Operating Budget	Spend \$
Above Standard	2	4.0%	\$1.1M
At Standard	13	58.3%	\$16.0M
(Likely) Below Standard	9	18.6%	\$5.1M
<b>Total</b>	<b>24</b>	<b>80.9%</b>	<b>\$22.2M</b>

The following pages provide a brief summary of the 24 material external services assessed. Detailed service profiles can be found in Appendix A. The opportunities section to follow considered all material and non-material services.

Dept	Service	% of Operating Budget <sup>1</sup>	Service Type	Service Driver	Service Level Assessment
Operations	Water Distribution	14.62%	External	Legislation	At Standard <sup>2</sup>
	Wastewater Collection	13.41%	External	Legislation	At Standard <sup>3</sup>
	Facilities	9.01%	External	Management Directive	At Standard <sup>4</sup>
	Parks	5.20%	External	Council By-law	At Standard <sup>5</sup>
	Roads	5.05%	External	Legislation	Likely Below Standard <sup>6</sup>

<sup>1</sup> The % of operating budget is based on the Town's 2018 Financial Information Return ('FIR') and internal general ledger data from 2018 for services not specified in the FIR

<sup>2</sup> Water distribution - on balance, this service is likely at standard but behind what other Municipalities are achieving due to significant water losses and higher spending than comparable municipalities, which is likely being spent on remedial action on the system, refer to Appendix A for additional details

<sup>3</sup> Wastewater collection - on balance, this service is likely at standard but behind what other Municipalities are achieving due to significant water losses and higher spending than comparable municipalities, which is likely being spent on remedial action on the system, refer to Appendix A for additional details

<sup>4</sup> Facilities - on balance is likely at standard in service delivery as the Town is performing well when benchmarked against its comparators, as defined by the average spend per capita, average percent of operating budget and high resident satisfaction levels, refer to Appendix A for additional details

<sup>5</sup> Parks services - on balance is likely at standard it is performing well when benchmarked against its comparators, as defined by the lower than average percentage of operating budget spend and high levels of citizen satisfaction, refer to Appendix A for additional details

<sup>6</sup> Road services - on balance is likely below standard due to a high level of citizen complaints, refer to Appendix A for additional details

# Service profiles

Dept	Service	% of Operating Budget <sup>1</sup>	Service Type	Service Driver	Service Level Assessment
Operations	Public Transit	2.43%	External	Management Directive	At Standard <sup>2</sup>
	Street Lighting	2.23%	External	Legislation	Likely Below Standard <sup>3</sup>
	Municipal Drains	1.89%	External	Legislation	At Standard <sup>4</sup>
	Trees	1.61%	External	Council By-law	Likely Below Standard <sup>5</sup>
	Cemetery	1.12%	External	Legislation	Above Standard <sup>6</sup>
	Winter Control	1.11%	External	Legislation	Likely Below Standard <sup>7</sup>
	Irrigation Operations	1.11%	External	Legislation	At Standard <sup>8</sup>
	Storm Water Management	0.71%	External	Legislation	Likely Below Standard <sup>9</sup>
	Safety Devices & Signs	0.68%	External	Legislation	At Standard <sup>10</sup>

<sup>1</sup> The % of operating budget is based on the Town's 2018 Financial Information Return ('FIR') and internal general ledger data from 2018 for services not specified in the FIR

<sup>2</sup> Public Transit – on balance, this service is likely at standard due to minimal citizen complaints and lower spending compared to other municipalities, refer to Appendix A for additional details

<sup>3</sup> Street Lighting – on balance, this service is likely below standard because although there is significant spending on the service vs. comparators while also prioritizing it as a percent of the operating budget, there are many complaints, refer to Appendix A for additional details

<sup>4</sup> Municipal Drains – on balance, this service is likely at standard as there were no indicators present to suggest that it was performing at a below standard level, including no complaints, refer to Appendix A for additional details

<sup>5</sup> Trees – on balance, this service is likely below standard due to citizens expressing their concern with the available services, which is supported by the significant level of trees related service requests, refer to Appendix A for additional details

<sup>6</sup> Cemetery – on balance, this service is likely performing above standard due to comparable services provided, digital functionality of services and few citizen complaints, refer to Appendix A for additional details

<sup>7</sup> Winter Control – on balance, this service is likely below standard due to the service spending less than its comparators, as defined by lower than average spend per lane km, and average percentage of operating budget, and complaints, refer to Appendix A for additional details.

<sup>8</sup> Irrigation Operations – on balance, this service is at standard as there were no indicators present to suggest that it was performing at a below standard level, refer to Appendix A for additional details

<sup>9</sup> Storm Water Management – on balance, this service is likely below standard due to no active communication of the Town's services levels and on-going challenges in storm water management, refer to Appendix A for additional details

<sup>10</sup> Safety Devices & Signs – on balance, this service is at standard due to the Town spending less than its comparators, as assumed by the average percentage of operating budget and average spend per lane km of the broader Roads service, refer to Appendix A for additional details

# Service profiles

Dept	Service	% of Operating Budget <sup>1</sup>	Service Type	Service Driver	Service Level Assessment
Operations	Grass & Turf	0.50%	External	Management Directive	At Standard <sup>2</sup>
	Sidewalks	0.42%	External	Legislation	At Standard <sup>3</sup>
Other	Fire & Emergency Services	6.43%	External	Legislation	At Standard <sup>4</sup>
	Library	2.92%	External	Legislation	Above Standard <sup>5</sup>
Community & Development	Planning	3.94%	External	Council By-law	Likely Below Standard <sup>6</sup>
	Building Services	2.29%	External	Council By-law	Likely Below Standard <sup>7</sup>
	Parking Operations	2.01%	External	Council By-law	At Standard <sup>8</sup>
	By-law Enforcement	0.48%	External	Legislation	Likely Below Standard <sup>9</sup>
Corporate Services	Clerks	1.23%	External	Council By-law	Likely Below Standard <sup>10</sup>
	Customer Service	0.54%	External	Management Directive	At Standard <sup>11</sup>

<sup>1</sup> The % of operating budget is based on the Town's 2018 Financial Information Return ('FIR') and internal general ledger data from 2018 for services not specified in the FIR

<sup>2</sup> Grass and turf – on balance, this service is likely at standard due to minimal complaints from citizens, refer to Appendix A for additional details

<sup>3</sup> Sidewalks – on balance, this service is likely at standard due active communication of the Town's services levels and frequency of repairs, refer to Appendix A for additional details

<sup>4</sup> Fire & emergency services – on balance, this service is likely at standard as the Town is performing on-par with its comparators, as defined by the percent of operating budget, structure and number of stations, refer to Appendix A for additional details

<sup>5</sup> Library – on balance, this service is likely above standard because of a lower spend per capita than comparators, the modern amenities and number of services provided to citizens as well as the collection and use of data for management purposes, refer to Appendix A for additional details

<sup>6</sup> Planning – on balance, this service is likely below standard due to citizen feedback on the service offering, refer to Appendix A for additional details

<sup>7</sup> Building services – on balance, this service is likely below standard because of the lack of service standardization resulting in inconsistent service levels, refer to Appendix A for additional details

<sup>8</sup> Parking operations – on balance, this service is likely at standard as the Town is performing well when benchmarked against its comparators, as defined by the revenue from service, refer to Appendix A for additional details

<sup>9</sup> By-law enforcement – on balance, this service is likely below standard as some by-laws are not enforceable with limitations on evidence officers can collect, refer to Appendix A for additional details

<sup>10</sup> Clerks – on balance, this service is likely below standard due to the Town far exceeding the number of committees when benchmarked against its comparators, refer to Appendix A for additional details

<sup>11</sup> Customer Service – on balance, this service is likely at standard due to the Town performing well when benchmarked against its comparators, as defined by the hours and accessibility of the service, refer to Appendix A for additional details

# Opportunities

We have identified 53 opportunities that we have grouped under one of ten themes based on their common characteristics. The themes are:

-  Manage enterprise risk
-  Strengthen the Council and Town Management working relationship
-  Review, set and communicate service levels
-  Modernize data and work order management
-  Address constraints in the organizational structure
-  Increase the Town's revenues
-  Improve controls in water operations
-  Centralize procurement
-  Plan for fleet asset replacement
-  Design a comprehensive fire master plan

Within each theme the opportunities are presented in priority order. The priority was developed by considering each opportunity's likely: time to implementation, benefit and financial impact.

The table below illustrates how the 53 opportunities are prioritized.

Type of Opportunity	# of Opportunities	Timeline (Implemented by)
Quick Wins	20	December 31 <sup>st</sup> , 2020
Medium-Term	22	January 1 <sup>st</sup> , 2021 – December 31 <sup>st</sup> , 2022
<b>Implemented by 2022</b>	<b>42</b>	
Long-Term	11	January 1 <sup>st</sup> , 2023+
<b>Total</b>	<b>53</b>	

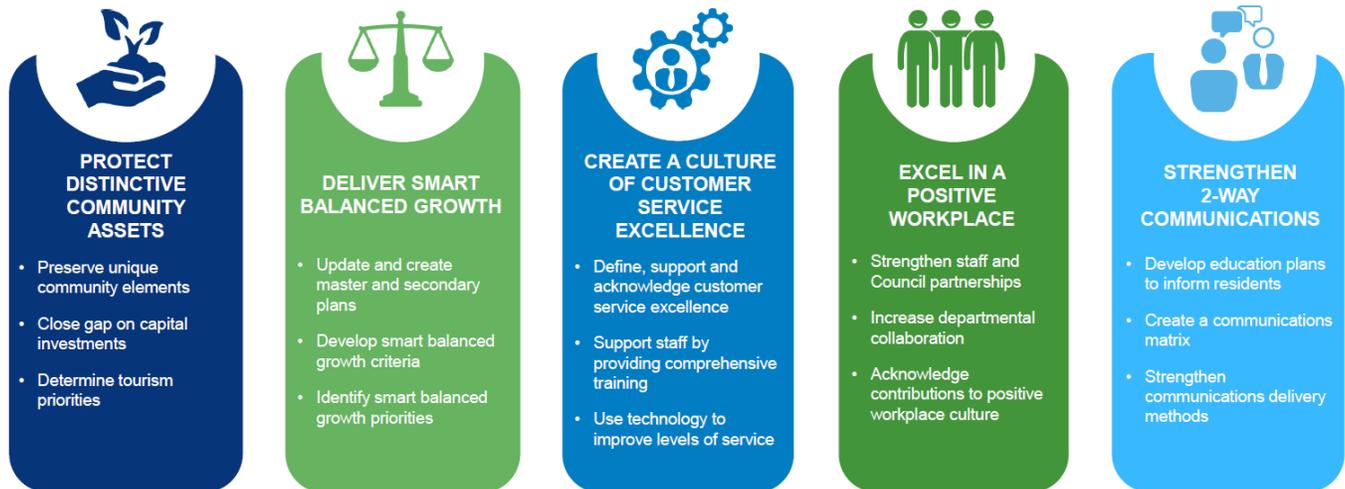
We describe each opportunity as follows:

- A summary of the **current state and the challenge** facing the Town.
- A **Recommendation** that describes the opportunity and the key activities that should be considered in its implementation.
- The description of the **Benefit to the Town**, which is one of three types:
  - **A quantifiable financial impact** (eight opportunities)<sup>1</sup> which further breaks down into these subtypes:
    - Financial Benefit: For five of the opportunities, we have reasonably quantified the total financial impact, including net improvements to the bottom line and required initial capital investments.
    - Expected financial benefit: For the remaining three opportunities, we have reasonably quantified the costs associated with implementation but due to unknown variables, we cannot reasonably quantify the expected benefit at this time. However, we do expect the benefits for the Town, which could cover the investment required. The Town should further investigate unknown variables to predict benefits as it refines the implementation roadmap.

<sup>1</sup>We include a more detailed treatment of the cash-flow operating and capital implications of these opportunities in the Net financial impact section of the report (page 76).

# Opportunities

- **Service benefit** (18 opportunities) that should deliver improved services but whose financial impact cannot yet be quantified
- **Operational benefit** (27 opportunities) that should help managers and staff establish key foundational approaches and processes that may ultimately help improve Town operations but whose financial impact cannot yet be quantified
- The opportunity's alignment to the Town's **Strategic Plan** pillars:



Source: The Town of Niagara-on-the-Lake Strategic Plan Summary

A full list of all 53 opportunities can be found in the Implementation and value realization section of the report (pages 76-78).

# Manage enterprise risk

The Town should consider consistently managing risks to help mitigate potential impacts on day-to-day operations and the organization’s financial health

The Town lacks an organization-wide approach to risk management. Each department is siloed in evaluating and managing their own risks without consideration of the overall operational and financial risks to the Town. This exposes the Town to the impacts of risks that are not understood and evaluated as a complete set.

Implementing an enterprise-wide risk management policy could help to inform management’s decision making and encourage the consideration of an organization-wide perspective (e.g. considering the impacts of decisions beyond a single department).

In addition to this risk management policy, the Town should also consider establishing a culture of performance improvement. This may naturally result in improved risk mitigation through better practices being developed and applied.

The following eight opportunities detail how the Town could begin to manage its enterprise risk exposure more coherently. The net financial impacts of these opportunities cannot be estimated as these opportunities are designed to improve budgeting and assist in prioritizing spending.

Quick Wins	2020						
		Revise budgeting practices with departments to improve workflow	Align the strategic plans of the Town and Library	Implement key performance indicators for the Library			
		Medium-Term	2021-2022				
Establish an enterprise risk management policy	Develop key performance indicators to drive improvement			Review and revise the funding allocated to services impacted by Town growth	Improve hydrant inspection process		
Long-Term	2023+				Partner with local municipalities to comply with new legislation		

## Quick Wins

### Opportunity 1 – Revise budgeting practices with departments to improve workflow

Finance meets with department leaders through the annual budgeting process and provides the leaders with a 'Business Sheet' form to complete in order to document their business cases for budgetary changes. This practice has been yielding inconsistent responses which can challenged the efficiency of this workflow and the accuracy of budget allocations to departments.

# Manage enterprise risk

---

## Opportunity 1 – Revise budgeting practices with departments to improve workflow (continued)

### Recommendation

There is an opportunity to revise the budgeting practice and provide further education to the department leaders (e.g. sample response) in order to yield higher quality budget estimates supported by data. Implementation of this opportunity could reduce the enterprise risk of unfavourable budget to actual performance on an annual basis and improve the accuracy of the budget entirely. To achieve efficiencies in the budgeting workflow, effective education from the Finance team and the timely transfer of accurate data from department leaders may be required. The Town should consider the following key activities in implementation:

- The Finance team should facilitate an annual budget process kickoff meeting to familiarize all of the leaders on the process and explain any changes to the process, if applicable. Supplementary follow-up meetings should be organized to achieve consistent and quality progress.
- An example of a comprehensive 'Business Sheet' should be provided to the leaders to improve consistency in submission.
- Lastly, only once the department leaders have completed their forms, the Finance team should meet with each department to understand their budgetary aspirations.

### Benefit to the Town

Revising budgeting practices with departments to improve workflow could yield time savings for the Finance team and foster a culture of fiscal responsibility across all departments. The increased accuracy in the budgeting process may also help the Town improve service levels as it could guide management in allocating funding to services in need. While there is little to no initial capital investment required, the Town may need to invest internal time to revise these budgeting practices (this may require additional resources).

This opportunity aligns to the Strategic Plan across all pillars as it allows departments to prioritize new initiatives within the budget planning process. Well written business cases for changes aligned with the Strategic Plan could increase the likelihood of budget related approval.

---

## Opportunity 2 – Align the strategic plans of the Town and Library

The Town recently unveiled its Strategic Plan Pillars effective until the end of 2022 while the Library's management team is currently revising its Strategic Plan. If the Library revises its Strategic Plan to conflict with the Town's Pillars this may disrupt the effectiveness of any shared services or create confusion amongst citizens that use each entity's services.

### Recommendation

There is an opportunity for the Library to align relevant elements of its strategic plan to the Town's Strategic Plan Pillars in order to deliver consistent messaging and policies with the Town. Striving for this alignment through the planning process could help yield consistent citizen expectations across complimentary services offered by the Town and Library. The Town and Library should consider the following key activities in implementation:

- Through its strategic planning process, the Library management should create its strategic pillars and then identify those pillars that align closely with the Town's stated pillars.
- Library management should consider articulating those pillars that align in a similar manner to avoid confusion and consult with the Town's management to clarify any details.

### Benefit to the Town

Achieving alignment in the strategic plans should result in more consistent service levels and harmonize citizen expectations. This could also increase cross-departmental collaboration and cross-promotion initiatives and make better use of the Town's collective assets (e.g. outdoor grounds of the Library that could be used for events). While there is little to no initial capital investment required, the Town and Library may need to invest internal time in aligning strategic plans (this may require additional resources).

Although this opportunity aligns with all pillars of the strategic plan, it could have a great impact on creating a

# Manage enterprise risk

---

## Opportunity 2 – Align the strategic plans of the Town and Library (continued)

culture of customer service excellence, as any overlap in the two strategic plans may increase the Town's and the Library's ability to achieve outcomes.

---

## Opportunity 3 – Implement key performance indicators to improve the Library's operations and strategic decision making

The Library collects numerous data points with respect to its user base (e.g. member activity/usage, interactions online/in-person, types of material borrowed, etc.). This data is currently not leveraged when considering its ability to define performance and directional improvements.

### Recommendation

There is an opportunity for the Library to implement key performance indicators based on this wealth of data to improve operations and strategic decision making. Establishing key ratios or trends (e.g. seasonality) should help the Library discover which areas of services have high customer satisfaction and which areas could be improved. The Town should consider the following themes during implementation:

- The metrics should measure usage rates and satisfaction: for example: conversion rate (how many visitors borrow books during their visit), average duration (how long does a visitor spend at the Library on average), demographics (which types of residents stay longer than the average, which type borrows more books than the average), services used (what percentage of visitors use the computer lab, what percentage use the movie room), etc.
- The Town should obtain a fair representation of the demographic of visitors so that the data is representative of those demanding services the most. For example, seniors may have more time to spare to fill out the surveys compared to working adults, children whom are also users of the library may not have the literacy to fill the survey.

### Benefit to the Town

Implementing key performance indicators should continue the vision of expanding citizen programming, while delivering a high level of service and achieving citizen satisfaction. The collection of usage rates could open a portal for visitors to provide feedback, with data points informing decisions on required staffing levels as well as the effectiveness of return stations. This equips the Library with data to analyze to find out which services they could focus on and which services are not generating sufficient traffic to maintain. While there is little to no initial capital investment required, the Town may need to invest internal time developing KPIs (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and deliver smart balanced growth. The use of KPI's could allow the Library to better understand performance as it related to meeting citizen demands. This should help the Library foster a culture of continued improvement and growth.

---

## Medium-Term

---

### Opportunity 4 – Establish an enterprise risk management policy

The Town does not currently operate an enterprise risk policy that informs management decisions. This increases the Town's susceptibility to potential adverse impacts to operations and the Town's financial health should any unidentified risks actually occur.

### Recommendation

There is an opportunity to design and implement an enterprise risk management policy including all departments and services within its scope. This could provide the Town with better visibility of and ability to manage its risk and potential litigation exposure. Implementing a comprehensive enterprise risk policy could require managerial time to design, integrate into existing approaches and drive its adoption.

# Manage enterprise risk

## **Opportunity 4 – Establish an enterprise risk management policy (continued)**

The Town should consider the following key activities in implementation:

- Management should conduct a workshop to clarify roles and responsibilities in the creation, execution and maintenance of the enterprise risk management policy. During this workshop, management could also gather preliminary thoughts on the elements to be included in the policy.
- The Town should create and formalize a policy stating its risk assessment (inherent and residual) criteria, risk tolerance with respect to the varying core services offered and detail the course of action required to mitigate risks approaching intolerable impacts and likelihood of occurrence.
- Management could conduct a risk identification exercise where key management decisions are mapped with key risks and benefits outlined. For example, introducing a full-time employee to oversee the Health and Safety program for the Town could reduce the enterprise risk borne by the Town for all operations.
- Management should consider change management activities to help achieve adoption of this policy in decision making within Town leadership, including decisions involving Council. A working session between management and Council may help achieve alignment on complex elements of the drafted policy.
- The Town could consider engaging external subject matter experts or a professional services firm to assist in the development of the policy. This could be in an advisory capacity for review or development capacity, depending on staff experience, resource availability and funding.
- Lastly, management should actively maintain an enterprise risk register as required by the enterprise risk management policy established by the Town. An element of prioritization should be embedded within the risk register so that the Town may effectively mitigate the largest potential risks first.

### **Benefit to the Town**

The Town could benefit from the implementation of the policy as it may serve as an operational standard for the organization to adhere to and also help to foster a culture of continuous improvement. Simply put, all decisions made by management or Council should be considered against the enterprise risk management policy. This could also help to mitigate threats to organizations financial health. It should be noted that engaging consultants or a professional services firm could reduce the complexity of implementing the policy. While there is little to no initial capital investment required, the Town may need to invest time to establish the policy (this may require additional resources).

This opportunity aligns to the Strategic Plan across all pillars as it could allow departments to operate in a manner that references an operational standard. A risk management policy aligned with the Strategic Plan could promote continued improvement across services and define service level expectations.

## **Opportunity 5 – Develop key performance indicators to drive improvement**

The Town has not developed key performance indicators (“KPIs”) for many of its services delivered (see Service Profiles in Appendix A) and is therefore lacking in its ability to inform decision making and achieve continuous operational improvement using accurate and relevant measures.

### **Recommendation**

There is an opportunity to develop KPIs for all relevant departments of the Town based on readily available data sources (e.g. ArcGIS, service requests, etc.). By developing KPI's, the Town could improve operations and completion times for standard jobs. This opportunity requires the investment of time from management to develop relevant KPIs. Management may need to perform a jurisdictional scan to find appropriate benchmarks for its service delivery efficiency. The Town and Library should consider the following key activities in implementation:

- Each department should perform an inventory of the data points that are readily available and relevant, as well as those data points that could be relatively easily be implemented with minimal investment.
- Once the available data points have been identified, management could develop relevant KPIs that serve as appropriate measures of efficiency in operations.
- Management should monitor KPIs on a monthly basis and determine thresholds for reactive measures. Reactive measures could include identifying areas of improvement and focusing on changes to operations to drive the improvement desired.

# Manage enterprise risk

---

## Opportunity 5 – Develop key performance indicators to drive improvement (continued)

### Benefit to the Town

KPIs should help the Town discover inefficiencies and provide a framework to measure the productivity and efficiency of its service delivery. As a result, service levels should improve and benefit citizens on a timely interval. While there is little to no initial capital investment required, the Town may need to invest internal time developing KPIs (this may require additional resources). There are also financial benefits to be expected as KPIs should help the Town become more efficient in operations.

This opportunity aligns with the Town's Strategic plan by way of creating a culture of customer service excellence and excelling in a positive workplace. The development of KPI's should communicate a standard of excellence that could define how the Town staff approach daily tasks and role specific responsibilities.

---

## Opportunity 6 – Review and revise the funding allocated to services impacted by Town growth

The Town has experienced significant development in the past decade as the Town's population and services have grown. To support this development, additional taxation was introduced for residents. Despite this a commensurate adjustment to the funding allocation model has not been performed or thoroughly applied. This may cause an imbalance in the funding for services that have seen a significant changes in the user base (e.g. excess funding for under-utilized services or insufficient funding for over-utilized services).

### Recommendation

There is an opportunity to consistently review and revise the funding allocation model for services to achieve commensurate adjustments and address the continued growth within the Town. The Town should consider the following key activities in implementation:

- The Town's effort in reviewing and revising the funding allocation model should be led by the Finance function. However, department leaders should be involved in the process to allow for the correct inclusion of required context and conversations that may be of assistance during funding allocation. As such, management should organize workshops for all department leaders to discuss funding allocation changes. The Town could consider integrating this into the revised budgeting process (Opportunity 1 of Manage enterprise risk).
- The Town should develop a framework for prioritization to guide workshops with departments. It is important to promote conversations from a corporation perspective amongst the department leaders, recognizing that all departments cannot benefit at the same time. Prioritization through this exercise is critical. The Town's enterprise risk management policy (Opportunity 3 of manage enterprise risk) could help guide prioritization.

### Benefit to the Town

Reviewing and revising the funding allocation model for services should help the Town match its operating budget growth to services with high growth and demand. This could improve service levels delivered to citizens as operations should be right-sized based on the commensurate growth. While there is little to no initial capital investment required, the Town may need to invest internal time reviewing and revising the funding allocation model for services (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should protect community assets, deliver smart balanced growth and promote a positive workplace. Reviewing the funding allocation could help the Town promote growth by way of improved funding allocations and future capital investments.

---

## Opportunity 7 – Improve hydrant inspection process

The Town has faced challenges in completing the annual inspection requirements for all 1,366 hydrants as required by Articles 6.6.5.2 through 6.6.5.7 of Ontario Regulation 213/07 of the Municipal Act given its resources and capacity available. Failure to comply with legislation increases the Town's susceptibility to potential adverse impacts to operations and the Town's financial health should any unidentified risks actually occur.

# Manage enterprise risk

---

## Opportunity 7 – Improve hydrant inspection process (continued)

### Recommendation

There is an opportunity for the Town to implement new approaches to help achieve compliance with hydrant specific legislation. This should help mitigate the enterprise risk borne by management in the case of a hydrant not functioning as intended. The Town should consider the following options in implementation:

- The Town could redesign the structure/operating model of the annual inspection requirements for all hydrants by hiring an additional staff if there are sufficient responsibilities to warrant another full-time or part-time staff. Management should approach this analytically and if an additional staff is warranted, supplement this cost with an increase in wastewater and water collection rates.
- The Town could perform an inventory and prioritization exercise to identify hydrants that could be decommissioned due to geographic proximity, condition and/or age. This should help right-size the inventory of hydrants required to be inspected by the Town.

### Benefit to the Town

Improving the hydrant inspection process could help mitigate the enterprise risk borne by management and help protect community assets. Conducting these tests when staff are already in the proximity of hydrants should create efficiencies and help enable the Town to meet the legislative requirements as wells reduce the exposure to risk and liability caused by an uninspected and malfunctioning hydrant. While there is little to no initial capital investment required, the Town may need to invest internal time in improving this inspection process (this may require additional resources).

This opportunity aligns with the Strategic Plan when considering its ability to protect distinctive community assets and create a positive workplace. An improved inspection process should alleviate the risk of malfunction for both current and future hydrants by way of non-compliance with specific legislative requirements.

---

## Opportunity 8 – Partner with local municipalities to comply with new legislation

Changes to or new legislation can often create challenges for municipalities to right-size operations to comply with new legislation. In the Town's case, this can strain its resources if a reactive approach is taken rather than a proactive strategy.

### Recommendation

There is an opportunity for the Town to consider partnering with local municipalities or the Niagara Region to comply with new legislation while maintaining existing operations with the same resources. This could help the Town fulfill its legislative responsibilities while delivering a consistent level of service to citizens. The Town should consider the following options in implementation:

- The Town should identify the appropriate frequency to consistently conduct a scan for upcoming legislation.
- The Town should proactively explore partnering with local municipalities in developing strategies to jointly address new or complex legislation. This could include a resource sharing plan or shared services agreement to limit adverse impacts of additional responsibilities.

### Benefit to the Town

Partnering with local municipalities should help the Town mitigate the enterprise risk borne by management in failing to comply with new legislation due to resource constraints. While there is little to no initial capital investment required, the Town may need to invest internal time approaching local municipalities with the prospect of partnering to achieve compliance efficiently (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should protect community assets, deliver smart balanced growth, create a culture of customer service excellence and promote a positive workplace. Partnering with local municipalities allows the Town to fulfill legislative requirements while increasing the capacity of Town staff. This alignment could help the Town position themselves to grow, while complying with current and future legislative requirements.

# Strengthen the Council and Town Management working relationship

Improving and modernizing service delivery is critically dependent on the working relationship between Council and management.

Under the Municipal Act, 2001, the Council is responsible for key Town decisions whereas the administration of the Town is responsible to inform Council during the decision making process and implement and carry out Council's decisions.

Like many municipalities in Ontario, the Town has chosen to appoint a Chief Administrative Officer (CAO), who as directed by the Municipal Act to exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality.

To maximize the effectiveness of the operations of the Town, Council should entrust the CAO to lead the

remaining of the administrative and operational functions of the Town.

This Council was elected for a four year term, starting in 2018. The CAO role is open with an acting CAO in place since August 2019. This has challenged the working relationship between Council and management.

In order to build an effective working relationship the Town should consider hiring a permanent CAO and reducing the number of boards and committees. These measures, along with others in other theme areas, can strengthen the working relationship between the Council and Town management.

**Quick Wins**

2020



Prioritize hiring of permanent CAO



Reduce the number of boards/committees

## Quick Wins

### Opportunity 1 – Prioritize hiring of permanent CAO

The Town is in the process of recruiting a permanent Chief Administrative Officer ('CAO'). The current Acting CAO (ACAO) was previously the Director of Operations and continues to act in this role. This has presented a capacity challenge for the ACAO, which has in turn reduced confidence in the working relationship between Council and management.

#### Recommendation

There is an opportunity for the Town to continue prioritizing the recruitment and hiring of a permanent CAO, allowing the interim Director to resume his permanent position. The Town should consider:

- Prioritizing hiring the new CAO so that they can grasp the vision of the future for the Town and begin to build a trusted working relationship with Council.
- Continue progress on hiring, including posting the role and completing interviews in a timely manner, as the Council and Senior Management Team should be acting swiftly to fill the vacant position.

#### Benefit to the Town

The success of hiring a permanent CAO likely depends on both Council and management agreeing on and committing to the selected CAO. In other words, if the Town's leadership is aligned this may help increase the united support provided to staff to perform specific duties in a more efficient manner. While there is little to no initial capital investment required, the Town may need to invest internal time recruiting a permanent CAO (this may require additional resources).

# Strengthen the Council and Town Management working relationship

---

## **Opportunity 1 – Prioritize hiring of permanent CAO (continued)**

Although this opportunity aligns with the majority of the pillars in the strategic plan, it could have the greatest impact on promoting a positive work environment, as hiring a permanent CAO should alleviate current capacity constraints and allow for improved focus on service offering excellence.

---

## **Opportunity 2 – Reduce the number of boards/committees**

The Town has 27 boards and committees within the organization that represent a variety of topics including joint accessibility, licensing appeal, and township safety. When benchmarked with comparable municipalities, the Town has more than double the number of boards and committees in place (see Clerks service profile in Appendix A), by way of focused topics of interest. These committees typically meet once per month for 1-2 hours, meaning a committee member may spend 12-24 hours per year with additional hours spent fulfilling the committee's directives. As leaders and staff across all departments are involved in these committees which can prove challenging for staff to address their core responsibilities.

### **Recommendation**

There is an opportunity to reduce the number of boards/committees within the organization in order to make sure that there is no duplicated effort and that staff have enough time to fulfill their fulltime duties. The Town should consider the following key activities in implementation:

- The Town should conduct a review of the active committees, considering the mandates and effectiveness of each, and prioritize and dissolve select committees. This review should also consider benchmarking the Town against organizations of similar characteristics (e.g. size, structure, primary industries, location).
- The review process should be conducted by council, agreeing upon a framework to assess the effectiveness and mandate of each committee. The process of dissolving each committee may require planning and execution of close-out or transition activities.

### **Benefit to the Town**

Reducing the number of board/committees should provide staff and leaders with additional time that could be redeployed in core services and activities, ultimately improving the Town's overall service levels. Streamlining the number of committees may result in certain initiatives being dissolved, which could impact the public perception and satisfaction with available services. However, the importance of the core services and activities of the Town should be stressed as there could be additional resource availability when considering service management. While there is little to no initial capital investment required, the Town may need to invest internal time streamlining the number of boards/committees within the organization (this may require additional resources).

This opportunity aligns to the Strategic Plan across all pillars as it allows departments to prioritize high impact initiatives. Well defined boards and committees aligned with the Strategic Plan could increase the likelihood of achievement.

# Review, set and communicate service levels

Consistent communication with citizens could raise awareness of the Town’s service levels. This should help the Town set achievable targets and manage citizens’ expectations.

The Town has not successfully communicated to its citizens the level of service that they should expect to receive. This is apparent through citizen comments obtained from external stakeholder engagement on the challenges that citizens report in finding information on the Town’s website, looking for information on the status of service requests and a general desire to understand the responsibilities of the Town. For many of its services (see Service Profiles in Appendix A), the lack of KPIs or data records has made it challenging for the Town’s departments to define or understand the level of service that it should actually provide.

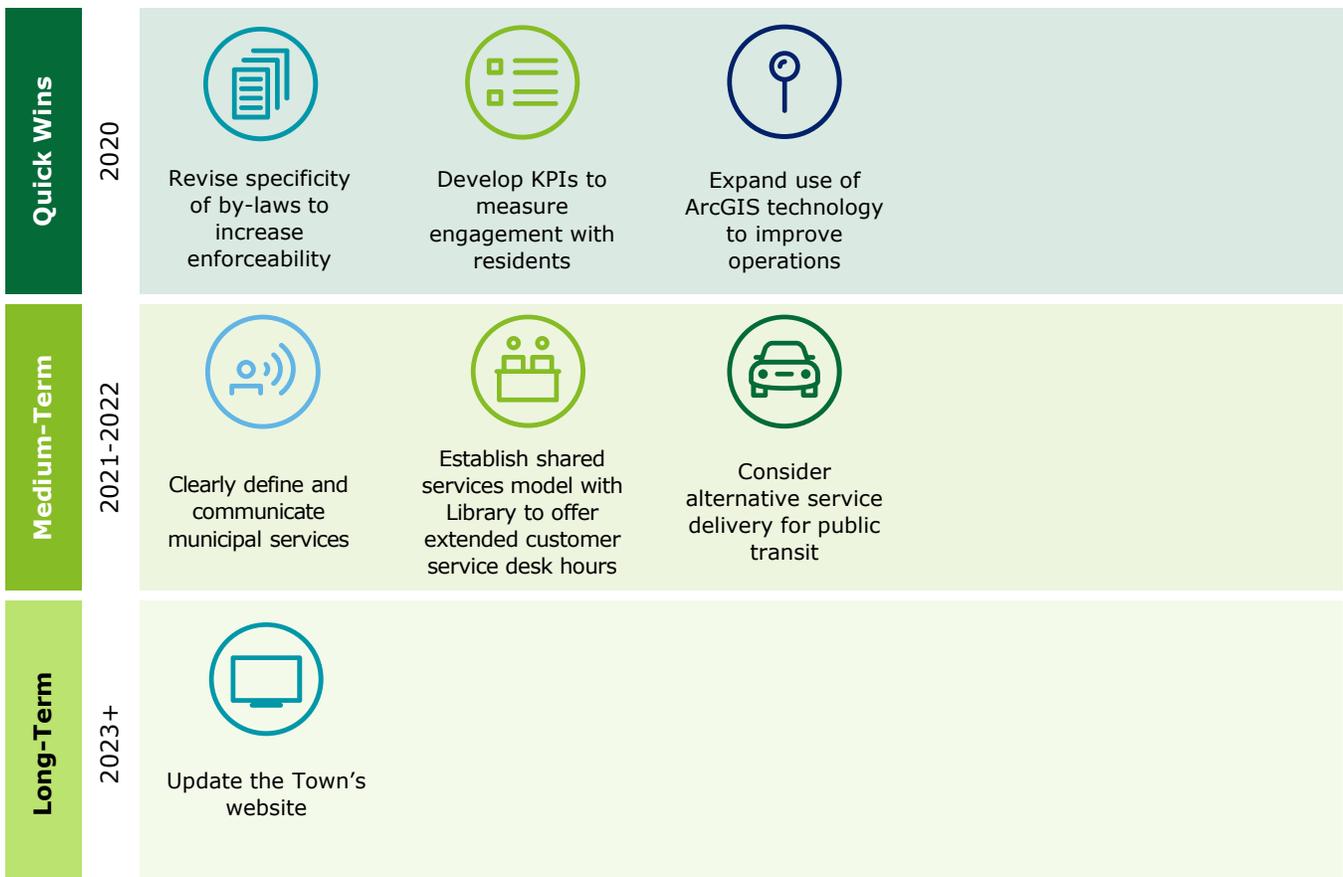
Departments could clearly define and communicate their planned service levels to citizens. Additional focus could be placed on closing the feedback loop with citizens, ensuring that consistent communication

is delivered at multiple points of service activities. This could result in improved efficiency and satisfaction as the uncertainty experienced by citizens that can often generate service requests.

The Town could also consistently operate with a perspective derived from this service delivery review, keeping the following questions top of mind:

- What services are we performing?
- Who are the services being performed for?
- How well are the services being performed?

The following seven opportunities detail how the Town could effectively set, review and communicate service levels in general and improve service in some instances.



# Review, set and communicate service levels

---

## Quick Wins

---

### Opportunity 1 – Revise specificity of by-laws to increase enforceability

The Town has some existing by-laws (e.g. short-term and long-term rentals, noise, parking, etc.) that have presented challenges for by-law officers to enforce due to a lack of specificity. By-law enforcement officers are also not incentivized based on performance driven outcomes, which can result in some leniency in enforcement. This has resulted in some inconsistencies in enforcing by-laws such as parking regulations throughout the Town, which ultimately undermines the purpose of the by-law.

#### Recommendation

There is an opportunity to revise the specificity existing by-laws to increase enforceability. This could increase the effectiveness of by-laws and achieve the outcomes they were designed for. The Town should consider the following key activities in implementation:

- The Town should identify the relevant personnel to conduct the review and revise the specificity of relevant by-laws. The Town may need to hire/contract personnel with experience in by-law enforcement to perform this activity. The Town should also consider conducting a regional scan to evaluate how neighbouring municipalities write and enforce their by-laws.
- In revising the specificity of by-laws, the Town should consult with by-law enforcement officers to better understand their challenges in application. The Town should also consider using clear and simple language that is easily interpretable by citizens.
- The Town could consider basing a factor of by-law enforcement officers' compensation on performance driven outcomes such as the number of tickets issued on a monthly basis. This could incentivize staff to consistently enforce parking violations. If there is increased apprehension about basing a factor of the compensation on performance driven outcomes, this should be integrated as a performance measure to determine year-over-year salary increases.

#### Benefit to the Town

Revising the specificity and enforceability of by-laws may cause public sentiment among citizens to initially suffer. However, the Town should be forthcoming in communicating the benefit to by-laws as municipal legislation is designed to improve the Town. This improvement could result in either Town revenues increasing due to enforced violations or revenues increasing due to public citizens adhering to the local policies, such as by purchasing citizen passes or purchasing temporary parking passes. This enhancement of revenue could in turn help fund other initiatives for the Town. While there is little to no initial capital investment required, the Town may need to invest internal time revising by-laws (this may require additional resources).

This opportunity aligns with the Strategic Plan as it protects community assets and promotes a culture of customer service excellence. By revising specific by-laws, the Town should be able to improve local enforcement and allow for the Town to meet defined standards.

---

### Opportunity 2 – Develop KPIs to measure engagement with residents

The Community Engagement Coordinator utilizes surveys and the Town's 'Join the Conversation' online tool to conduct stakeholder engagement. The Town has explored different methods of increasing intake into the 'Join the Conversation' tool (e.g. iPad's in high traffic locations, bookmarks, social media posts, etc.). Through these stakeholder engagement mediums, the Town has typically experienced an over-indexed number of respondents (>50%) within the 50-69 year demographic. While the Town is tracking data points obtained from these methods of stakeholder engagement, such as demographics, it is not being used to drive performance improvement when considering service delivery.

#### Recommendation

There is an opportunity to develop KPIs to measure engagement with residents as the Town collects feedback for the various departments. This could help inform management decisions as the Town seeks to gather the representative voice of the Town. The Town should consider the following during implementation:

# Review, set and communicate service levels

## Opportunity 2 – Develop KPIs to measure engagement with residents (continued)

- The Town should analyze the demographics of respondents and compare these to the demographics of the Town to determine if the population of respondents is representative of the Town's population. This could also help identify gaps in the stakeholder engagement and help management focus on ways to interact with the under-represented cohorts.
- The Town should monitor KPIs on a monthly basis or by distinct engagement and determine thresholds for reactive measures.
- The Town should develop a plan for summarizing the results of stakeholder engagement and communicate these to residents along with how this feedback could be incorporated into service levels.

### Benefit to the Town

Developing KPIs to measure engagement with residents should help the Town incorporate the residents' feedback into operations and service levels. While there is little to no initial capital investment required, the Town may need to invest internal time developing KPIs specific to the measurement of engagement with residents (this may require additional resources).

This opportunity should promote smart balanced growth, create a culture of customer service excellence and strengthen the 2-way communications within the Town. Alignment with the Strategic Plan could help the Town leverage a representative voice when making strategic decisions that should benefit all citizens moving forward.

## Opportunity 3 – Expand use of ArcGIS technology to improve operations

The Town uses a degree of data analytics in certain operations to generate insights and in some cases conduct external stakeholder engagement (e.g. interactive ArcGIS mapping of fire incidents). This technology is not fully integrated in all departments and their operations, resulting in inefficiencies during service delivery.

### Recommendation

There is an opportunity for the Town to expand its use of ArcGIS technology to leverage data analytics when geo-targeting operations as well as right-size service delivery. The Town should consider the following key activities during implementation:

- The Town should explore expanding its existing use of data analytics such as ArcGIS mapping to effectively integrate this into all operations. This could include maintaining maps of where the Town has conducted operations compared to a map of geo-tagged service requests in order to gain insights into the effectiveness of operations.
- Management should retain (see Opportunity 2 of Modernize data and work order management) and monitor its geographic data on a monthly and annual basis to allow for appropriate geo-targeting in operations. The Town should also look to identify trends in operations and service requests based on the seasonality in a calendar year and adjust operations if required.

### Benefit to the Town

Expanding the use of ArcGIS technology in operations could help guide staff to where they should be performing their work based on the location and frequency of incidents and service requests. The increased application and leveraging of data analytics should reduce the overall enterprise risk and better equip management to make informed and data-driven decisions on operations. As the Town already has access to this technology, a low (<\$100K) initial capital investment is anticipated in expanding the application within the Town. However, by retaining data records on these activities and staff operations, the Town could also analytically determine the right-size of service delivery, which should ultimately drive efficiencies and cost savings.

This opportunity aligns with all pillars of the Strategic Plan except for protecting distinctive community assets. This alignment should help the Town leverage analytics when making future strategic decisions regarding the correct size of operations and service offerings.

# Review, set and communicate service levels

---

## Medium-Term

---

### Opportunity 4 – Clearly define and communicate municipal services

The Town maintains policy documents, however these have not been updated to match current processes. Additionally the Town does not currently formally and consistently communicate its service level standards (e.g. when and how potholes are fixed, standard hours of construction, does repaving occur one lane at a time, etc.) to citizens in an effort to manage expectations. For example, the Town does not indicate its service level standard in comparison to the Minimum Maintenance Standards ("MMS") for Municipal Highway under the Municipal Act to citizens.

#### Recommendation

There is an opportunity to clearly define and communicate municipal services, which can proactively manage citizen expectations of the Town's service level standards for all services. The Town should consider the following key activities in implementation:

- The Town should review, standardize and codify its policies and procedures and update them for current operations. This exercise should be performed annually to allow for inclusion of the most recent and accurate information.
- For services governed by legislation or by-laws, the Town should communicate its process to deliver the service while achieving compliance to citizens and Councillors alike.
- All policies and procedures that are to be made available to the public should be easily accessible on the Town's website. Considering the Town's demographics, management should also consider diversifying communications (e.g. mail outs included in other city correspondence such as water bills, social media posts, website updates, etc.) to help achieve better awareness of the Town's level of service. This could help to alleviate uncertainty and manage citizen expectations.

#### Benefit to the Town

Clearly defining and communicating municipal services should help to reduce inefficiencies that result from uncertainty in the services and their expected provision (e.g. service requests) and help the Town to focus on operations. While there is little to no initial capital investment required, the Town may need to invest time determining its service level standards with all key internal stakeholders involved (e.g. Council, management), which could be a significant investment (this may require additional resources).

Aside from protecting distinctive community assets, this opportunity is in alignment with all pillars of the Strategic Plan. The use of strategic communication could improve how citizens are informed on what they can expect of service offerings and limit questions that may arise by way of such services not being well defined.

---

### Opportunity 5 – Establish shared services model with Library to offer extended customer service desk hours

The Town's Library operates separately from the Town when considering the structure of service delivery. For example, the Library maintains hours of operation (typically 9am-8pm as well as weekend hours) that exceed the Town's hours of operation (8:30am-4:30pm on weekdays only). This could be challenging for citizens to utilize Town services if they work typical business hours of 9am to 5pm.

#### Recommendation

There is an opportunity to establish a shared services model with the Library to increase the available customer service hours provided by the Town. This could be explored and formalized as an element of the Memorandum of Understanding (see Opportunity 4 of Centralize procurement) that defines the structure/operating model between the Town and Library.

#### Benefit to the Town

Establishing a shared services model with the Library that capitalizes on the extended hours should provide citizens with an increased level of service by enabling them to obtain service for routine requests outside of

# Review, set and communicate service levels

---

## **Opportunity 5 – Establish shared services model with Library to offer extended customer service desk hours (continued)**

typical employment and business hours. In turn, this should also provide the Library with additional traffic and could have a positive incremental effect on their business. This shared services model does not pose a risk to the Town as this opportunity could facilitate accessibility of services outside of typical business hours. While there is little to no initial capital investment required, the Town may need to invest internal time training Library staff on providing non-complex services (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should deliver smart balanced growth, create a culture of customer service excellence and strengthen 2-way communications within the Town. A shared service model with the Library may not only further the excellence of current service offerings, but further community engagement.

---

## **Opportunity 6 – Consider alternative service delivery for public transit**

The Town's public transit system currently offers minimal financial and service benefit to the Town. Management has begun evaluating the benefits to residents from providing the public transit system by conducting ridership research. The preliminary findings are a low ridership on the two existing bus routes, indicating that alternative service delivery may be more effective. Neighbouring municipalities such as Port Colborne have begun to pilot test modern ride-sharing services provided by the municipality in partnership with the Niagara Region.

### **Recommendation**

There is an opportunity for the Town to consider alternative service delivery methods for public transit and determine if there are opportunities to better match resources with citizen needs. The Town should consider the following key activities during implementation:

- The Town should analyze the demographic information of bus riders and complete its ridership analysis to determine whether the change in service delivery could effectively serve residents' transportation needs while maintaining and achieving cost effectiveness.
- External stakeholder engagement should be considered in order to support the assessment of citizen needs. The Town should balance the needs of various stakeholders including: customers who live close to the bus stops, customers who don't live close to the current bus stops, those who prefer to stay on the existing low cost fares, and those who are willing to pay for more convenience. This engagement, coupled with the completed ridership analysis could inform management's decision to maintain, revise or abandon the current public transit system.
- The Town should also explore participating in local pilot testing of modern ride-sharing services with municipalities such as Port Colborne. As this initiative is operating in partnership with the Niagara Region, this is a strong opportunity for the Town to learn about the benefits and challenges of a municipal ride-sharing service.
- Finally, the consideration of organized transit between municipalities in the Region to enhance tourism revenues, could benefit the Town financially. This could be facilitated via a traditional bus service (e.g. connecting Niagara Falls and Niagara-on-the-Lake) or a modern Regional and municipal ride-sharing service.

### **Benefit to the Town**

Considering alternative service delivery for public transit should help the Town right-size its service to meet the needs of citizens. The aforementioned key activities bear different initial capital investments and prospective annualized savings. As such, management should consider its options in relation to other initiatives and opportunities in order to select the most favourable and practicable service delivery method.

This opportunity could enable smart balanced growth and further develop customer service excellence, as defined in the Strategic Plan. An alternative service delivery for transit should modernize the service offering and help the Town meet the current and future needs of the public.

# Review, set and communicate service levels

---

## Long-Term

---

### **Opportunity 7 – Update the Town’s website**

The Town's website contains links to recent news, social media channels and documents detailing Town policies and by-laws. Links to departmental information (e.g. Fire Department statistics) are also available. While the website provides a wide variety of information for public use and understanding, navigation of the site is not user friendly as high-traffic items are not easily accessible, or consistently located. For example, information related to community centre services can be located on the community centre page and the parks and recreation page.

#### **Recommendation**

There is an opportunity to develop a new website for the Town to allow for easier navigation by users and enhancing the accessibility to the Town's information. The Town should design its new website with a sharp focus on the user experience. Information and high traffic content (e.g. service request portal, by-law, application portals, etc.) should be easily accessible to citizens.

#### **Benefit to the Town**

Updating the Town’s website should provide citizens with a more modern and accessible platform to interact with, thereby improving the citizens’ experience. Depending on the complexity of the website build, this may require a low (<\$100K) or medium (\$100K-\$250K) initial capital investment. This opportunity should be completed in the long-term as the Town should first review and set its service levels. Prioritizing the quick win and medium-term opportunities should help the Town’s new website succeed as a communication medium.

This opportunity aligns with the Strategic Plan as it should improve the current level of customer service and strengthen 2-way communication. An update to the website could help ease of use for the public and streamline information that may currently be difficult to locate by way of the current layout.

# Modernize data and work order management

The Town can drive efficiencies and improve communication through consistent data and work order management. This should help it achieve customer service excellence.

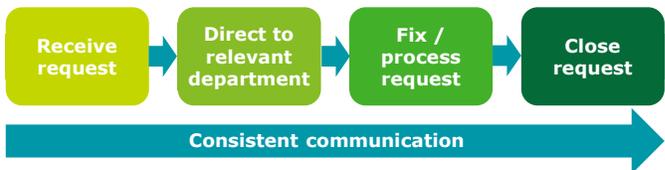
Reliable and accurate data are the foundation of a well-functioning work order management system and key performance indicators. The Town's departments use a myriad of databases to manage information, yet could stand to improve its data management practices, specifically in the intake and access of consistent data records.

The Town should understand the technology it has, assess whether it is effectively and if necessary, prioritize how new information systems could be procured and implemented to solve data management challenges. Currently, there is a lack of integration of information systems between departments to help inform decision making and avoid duplication of effort and unnecessary breaks in the work flows.

Once the Town establishes its needs for data for decision making purposes and supporting technology, a consistent approach to workflow of data collection

during work orders should be applied throughout the organization while maintaining consistent communication with residents.

Adopting a workflow framework like the example below should improve efficiencies, capacity, service delivery and overall citizen satisfaction.



If the Town were to successfully implement the opportunities below by making a significant capital investment in a work order management solution, it should expect to drive cost and time savings from operational efficiencies that could be directed onto more value adding work.

<b>Quick Wins</b>	2020	 Standardize service request intake, triage and feedback		
<b>Medium-Term</b>	2021-2022	 Improve communication and workflow between departments	 Procure integrated IT solutions that meet the Town's needs	 Remove paper based processes for Planning & Building applications
<b>Long-Term</b>	2023+	 Develop self-serve tool for non-complex service requests		

# Modernize data and work order management

## Quick Wins

### Opportunity 1 – Standardize service request intake, triage and feedback

The Town has an external service request form on its website where citizens can submit a request (e.g. road maintenance, tree maintenance, etc.) and monitor progress. The Town has received over 6,500<sup>1</sup> service requests from citizens since 2014. 84%<sup>1</sup> of these requests have been submitted to the Operations department, with the most frequent relating to road maintenance.

While this intake tool has been implemented, the Town staff still receives service requests from citizens as they contact Town staff by phone or from the Clerks/Customer Service/Councillors directing issues to staff directly. The lack of a standardized intake process can often result in incomplete data in the service request database and inconsistent service in addressing the service request, including closing the loop with the service request raiser. Incomplete data can also result in inefficient execution as staff may need to retrace activities performed to understand the current status of a service request received by the Town.

### Recommendation

There is an opportunity for the Town to standardize service request intake and re-direct citizens or Councillors to the service request database on its website. This should help the Town by improving the completeness and accuracy of data on service requests, which could in turn be used to improve operations through analytics. The Town should consider the following key themes in implementation:

1. **Revising workflows:** The workflow of the database should be reviewed to help make sure that service requests are tagged with a request type and routed to the appropriate departments while considering the opportunity for Clerks or Customer Service to address non-complex service requests (e.g. searching for a policy or by-law).
2. **Accessibility:** The Town should make the service request database easily accessible on the home page of the website. Making this easier to access could promote citizen use of this tool rather than calling staff directly. The Town could also deliver communication detailing the process that should be followed in submitting a request (e.g. for emergencies provide a specific phone number but otherwise visit the service request portal on the Town's website). If the phone number is used, the Staff servicing this intake should still log an entry in the service request portal and apply judgment as to whether the request needs to be escalated.
3. **Full adoption and management accountability:** This process needs to be adopted by all staff and Councillors in order to help with data completeness and deliver a consistent experience to citizens. As such, formal education on this database and its importance to operations and improved service delivery should be delivered in the form of a training session for Town staff and councillors. Management should hold staff accountable for closing the service requests with automated reminders sent to each staff assigned to requests. Lastly, a standard communication should be provided to the citizen once the request is being actioned and has been addressed.
4. **Performance measures:** Implementing key performance indicators (see Opportunity 5 of Manage enterprise risk) can help measure the Town's performance in executing service requests in comparison to the communicated service level. Additionally, management should consider revising the intake tool to require the user to provide a metatag for the service request type (e.g. roads or sidewalks) to help improve the data.

### Benefit to the Town

Standardizing the service request intake process should help the Town address service requests in a more timely manner and provide consistent feedback to citizens. This should also help to reduce inefficiencies driven by informal requests directly sent to staff or a lack of documentation detailing the service request and its progress. Should the Town be successful, it could likely expect time savings in operations. These savings *could* be reinvested in operations by rebalancing the workloads of staff that over capacity or reallocating roles and responsibilities within the Town. This could improve operational efficiencies and service levels.

This opportunity aligns with the Strategic Plan as it should protect community assets, create a culture of customer service excellence, promote a positive workplace and strengthen 2-way communications. The standardization of service requests should help streamline the time of Town staff by way of using technology, and define a consistent process by which requests are dealt with.

<sup>1</sup> As noted per the Town's Service Request Database from 2014 to February 2020

# Modernize data and work order management

---

## Medium-Term

---

### Opportunity 2 – Improve communication and workflow between departments

The Town has some service offerings that can span multiple departments from an operational and customer service perspective (e.g. the development process can span from Planning to Building Services to Operations). Certain similar services are also delivered by multiple departments using different delivery structures in adjacent areas. For example, the Roads and Parks Recreation & Facilities divisions both deliver arboriculture, sidewalk and grass/turf maintenance in some adjacent areas but maintain different shift schedules and service level standards. This can result in inefficient operations due to duplication of effort or below standard service delivery for citizens if their customer service experience is not consistent between departments.

#### Recommendation

There is an opportunity to improve communication and workflow between departments by annually reviewing multi-department services and identifying gaps in the processes. This could help the Town analytically drive planning of operations and responses to service requests. The Town should consider the following key activities in implementation:

- Management should create process maps from cradle-to-grave for multi-department services while conducting stakeholder engagement with front line staff delivering the service. This should help the Town understand any challenges staff are experiencing while performing their activities.
- Once gaps in operations or customer service are identified, the relevant departments should work together to revise the process maps and clearly define roles, responsibilities, records management and transition activities between departments. This should be phased in through pilot testing to evaluate whether an improvement in service and operations has been achieved.
- A change management plan (e.g. key activities, training, timeline, etc.) should be developed and agreed to by the relevant departments. This could help achieve adoption amongst staff.

#### Benefit to the Town

Improving the communication and workflow between departments should increase operational efficiencies via coordination and ultimately deliver a better and more consistent level of service to citizens. While there is little to no initial capital investment required, the Town may need to invest internal time working together to design improved workflows (this may require additional resources).

This opportunity could assist the town in driving forward their strategic objectives of creating a culture of customer service excellence and excelling in a positive workplace. By improving the communication and workflow between departments, collaboration across services should better the level of services offered.

---

### Opportunity 3 – Procure integrated IT solutions that meet the Town's needs

The Town's information technology ("IT") environment has departments utilizing different systems and methods to maintain data records (e.g. historical projects/records, process flows, Customer Relationship Management). Systems often lack integration, which can cause duplication of efforts (e.g. adhoc analysis or report creation) or result in inaccurate data. Some systems are also outdated, which create challenges in sourcing records as the Town lacks a consistent process. This extends to the Town's ability to effectively manage work orders as the Town lacks a standardized work order system and project management tool that can provide useful measures or be used by all relevant departments operating with a work order or project-based model. Lastly, the Town's software that tracks time and attendance is causing inefficiencies such as staff time lost through collection, correction, chargebacks, equipment use and working through multiple different systems to obtain time data from various departments.

The Town previously engaged an external consultant in 2019 to conduct an assessment of the Town's systems and processes which confirmed the need for an integrated solution that could primarily address time and attendance, asset and work order management. However, to date a new solution has not been procured.

# Modernize data and work order management

## Opportunity 3 – Procure integrated IT solutions that meet the Town’s needs (continued)

### Recommendation

There is an opportunity for the Town to procure integrated IT solutions that meet the Town’s needs. This is undoubtedly a complex task, however this could have a significant positive impact on the efficiencies of the Town’s current operations and processes that rely on the IT environment. The Town should consider the following key themes in implementation:

- **IT strategy, integration and timeline:** Management should first consider the Town’s broader IT strategy prior to procuring solutions (including those listed in the following bullets). For example, the Town should likely define its implementation timeline considering the Town’s other responsibilities, expected useful life of the solution, budget and other relevant details. As this task is likely to be quite complex, management could consider engaging an external consultant or professional services firm with significant experience in IT system implementations. With these experts, management could also thoroughly identify the specific technical needs and capabilities required of the new system and its modules. It may also be beneficial to consider if the software provides integrated solutions. For example, a system that helps the Town manage data and records, achieve integration of databases across the organization, standardize work order management and modernize payroll across all departments may drive the most value. Cloud technology could also be a consideration for management as it defines its IT strategy, integration and timeline.
- **Data and records management:** To source a solution that helps the Town standardize data input and records management across departments, management could assess its current records to compile a list of necessary fields and analytical capabilities (e.g. designing simple queries to create reports) for the new system. As the new solution should ideally achieve integration across all departments, management should identify overlaps and gaps in information collected by the Town currently. This exercise should be conducted by management while also considering the key performance indicators that the Town wishes to develop (see Opportunity 5 of Manage enterprise risk) as this may identify further gaps in current data.
- **Work order management:** Similar to data and records management, the Town faces challenges in using a standardized process across departments that engage in project based tasks. As such, the Town could take a similar approach and define its technical needs by comparing the current work order process across all departments to design a standardized approach. This exercise should be conducted by management while also considering the key performance indicators that the Town wishes to develop (see Opportunity 5 of Manage enterprise risk) as this may identify further gaps in the current work order process. Conducting this exercise once the Town has identified its needs for data and records management may also help identify consistent data fields (e.g. using the same field name or identifiers where relevant can provide benefits in conducting analysis later on).
- **Time and attendance:** Management should also consider how modernizing the time and attendance activity integrates with the broader organization as well as those services that rely more on this function (e.g. chargebacks for assets or work order management based on time). This may help the Town reduce the inefficiencies in the current process. The Town’s current system is being phased out by the provider in December 2021, further supporting the need for immediate action.
- **Procurement and cost benefit analysis:** Given the significant investments typically required for IT systems, the Town will need to undertake a formal procurement process per its procurement by-law. Through this process, it may be beneficial for management to conduct a cost benefit analysis for its various options. This should include weighing the investment against the expected useful life of the asset. For example, a custom solution may have a more finite useful life than a cloud-based solution that can process software updates and thereby extend the useful life of the solution.
- **Change management:** As system implementations are often complex projects that impact most staff, the Town should be prepared to help staff transition. Sufficient and periodic technical training should be provided in order to drive efficiencies expected from the new system.

### Benefit to the Town

Procuring integrated IT solutions could be a significant step in modernizing data and work order management for the Town. As the Town’s IT infrastructure is foundational element of the organization, this modernization can have tangential positive impacts such as increasing the reliability and accuracy of data. This could thereby increase the effectiveness of key performance indicators used to drive improvements in the

# Modernize data and work order management

---

## **Opportunity 3 – Procure integrated IT solutions that meet the Town’s needs (continued)**

Town’s service delivery to citizens. While procuring a new IT solution is likely to require a significant initial capital investment, we cannot reasonably estimate this investment at this time. However, if the Town can procure a solution that is cloud-based, this can significantly increase the benefit received from this investment due to the extended life of the solution. It is worth noting that this investment can only be capitalized provided it meets the Public Sector Accounting Standard definition in section PS 3150 – Tangible Capital Assets.

This opportunity aligns with the Town’s desire to protect distinctive community assets and deliver smart, balanced growth. The procurement of integrated IT solutions could help the Town establish consistent processes, modernize its analytical capabilities and drive performance improvement.

---

## **Opportunity 4 – Remove paper based processes for Planning & Building applications**

The Town has various application processes that may be a primarily paper process and typically requires a workflow involving various departments (e.g. permit or planning applications). The lack of automation and/or use of electronic records can often result in inefficiencies.

### **Recommendation**

There is an opportunity to remove paper based processes for Planning & Building applications, modernizing this process by developing an online application portal on the Town's website. This could help departments access applications and facilitate a faster transfer of information between departments. It should be noted that some applicants may prefer applying in person and directly interacting with the department staff. Removing the human interaction in the application may result in customer dissatisfaction. The Town should consider the following key activities in implementation:

- The development of this online application portal may require moderate user design and testing to be an effective and simple tool for citizens to use.
- The Town should also provide illustrative examples, a Frequently Asked Questions section and all relevant documents (e.g. by-laws) accessible on the same page as the application portal. This could provide citizens with access to all relevant information and reduce the number of service requests related to the online application portal.
- Lastly, the Town should allow for electronic inquiries to be submitted through the online application portal. These inquiries should link directly to the service request workflow and if complex in nature, the Clerks/Customer Service could escalate inquiries to the designated department contact. If a citizen wishes to engage in-person they should be instructed to visit the Clerks/Customer Service during specified hours.

### **Benefit to the Town**

Removing paper based processes from Planning & Building applications, may allow for modernization of channels for applications that are designed to provide citizens with accurate and accessible information through the application process. Removing paper based processes could also facilitate a more efficient process for the Town, thereby increasing service levels.

This opportunity aligns with the Town’s desire to create a culture of customer service excellence by providing residents with a variety of alternatives when considering their application needs. This could improve consistency of the process and allow the Town to streamline the ways in which applications are received and approved.

---

## **Long-Term**

---

### **Opportunity 5 – Develop self-service module for non-complex service requests**

While the Town has many internal databases and information/policies posted externally through their website, all service requests submitted through its website are addressed by staff based on the relevant department. This has created inefficiencies in service delivery given the time required to direct and resolve non-complex

# Modernize data and work order management

---

## **Opportunity 5 – Develop self-service module for non-complex service requests (continued)**

service requests. This time could otherwise be spent improving the service of complex requests that require further attention.

### **Recommendation**

There is an opportunity to develop a self-service module, modernizing service delivery for non-complex service requests or inquiries (e.g. how do I apply for a parking permit?) by developing a self-service module within the service request portal. This should help the Town staff remain focused on more complex activities and service requests to achieve improved service delivery overall.

The Town should build upon improvements made to the service request portal on its website. In line with its data management improvement, the Town should metatag its public information/policies. This should facilitate the ability to design a workflow that suggests information/policies to users as they enter their queries in the service request portal based on keywords matching the metatags. This module may require design and testing to make sure that it operates consistently and securely, however once implemented, the tool could save significant hours spent by staff addressing these requests.

### **Benefit to the Town**

Developing a self-service module should provide staff with time savings and improve service delivery to citizens by addressing non-complex service requests with quicker options for solutions. While a low (<\$100k) initial capital investment is expected to design the self-service module, time may need to be invested in developing this module. The scale of this time investment is largely dependent on the Town's ability to standardize its data management records (see Opportunity 2).

This opportunity aligns with various aspects of the Strategic Plan, and could derive the most value when creating a culture of customer service excellence. The development of a self-service module could help the Town allocate adequate time to complex service requests by alleviating staff of non-complex requests that could be better cared for by the module.

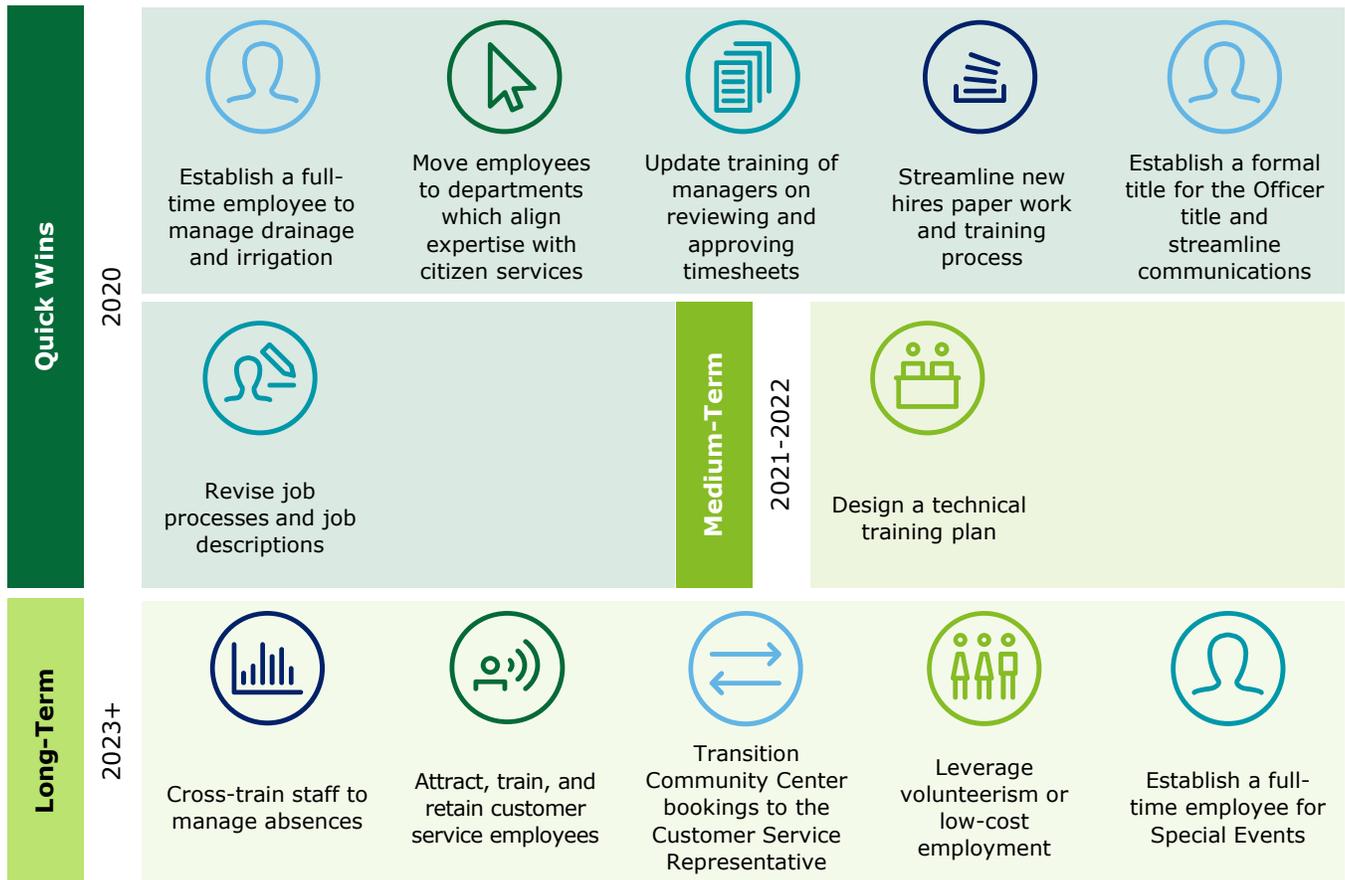
# Address constraints in the organizational structure

In order to keep pace with the Town’s growth, management should consider opportunities to drive efficiencies and alleviate capacity constraints in the organizational structure.

While the Town’s staffing complement grew by 8 FTE’s between 2016-2018, this growth was significantly outpaced by the Town’s growth in population and tourism (3% per annum), infrastructure (four parks and one facility) and changing legislative requirements (e.g. Ontario Ministry of Transportation, Drinking Water Quality Management Standards). Each of these factors has contributed to an increase in operational activities. As such, the Town is facing capacity challenges.

If the Town is successful in modernizing its data and work order management (previous theme), it is likely to drive operational efficiencies and time savings. These savings can be reinvested to address capacity constraints and right-size or rebalance staff responsibilities.

The following 12 opportunities detail how the Town could further address constraints and imbalances that tie back to or impact the organizational structure.



## Quick Wins

### Opportunity 1 – Establish a full-time employee to manage drainage and irrigation

The Town's municipal drains and irrigation operations are serviced by staff from the environmental service, who deliver this activity in addition to their respective responsibilities. This can present a capacity challenge for staff as they are unable to focus on their core service offering, thus diminishing the quality of services provided to citizens.

# Address constraints in the organizational structure

---

## Quick Wins

---

### Opportunity 1 – Establish a full-time employee to manage drainage and irrigation (continued)

#### Recommendation

There is an opportunity to establish a new, full-time employee to manage drainage and irrigation. The Town should consider the following activities during implementation:

- Obtain approval from Council to hire the new FTE including a presentation of the job description and changes to the organizational structure.
- Through the recruitment process, the Town should define the role requirements (see opportunity 7 of Address constraints) designing them to focus on the legislative requirements to help the Town with compliance and mitigating its corporate risk.
- The Town should recruit an employee with the experience to manage the drainage and irrigation operations to an efficient and effective standard, while complying with legislative standards.
- The Town should also pursue OMAFRA grants and chargebacks as these can be applied to cover up to 35%<sup>1</sup> of the salary dedicated to a drainage and irrigation employee.

#### Benefit to the Town

Establishing a new role for drainage and irrigation with a focus on legislative compliance should reduce the enterprise risk borne by the Town. This could increase the capacity available to staff (e.g. Environmental Services Supervisor) to redeploy to other core responsibilities. While there is little to no initial capital investment required, the Town may need to invest internal time in the recruitment and onboarding process (this may require additional resources). With the benefit of the OMAFRA grant, it is expected that the salary for this employee could be ~\$60K per annum (see page 51 for detailed quantification). The expected financial benefit from this investment cannot be reasonably estimated at this time.

This opportunity aligns with the Strategic Plan as it should protect community assets, deliver smart balanced growth and promote a positive workplace. Hiring an employee to manage drainage and irrigation could allow for increased focus on the service and help the Town prioritize legislative requirements.

---

### Opportunity 2 – Move employees to departments which align expertise with citizen services

There are divisions/subdivisions within the Town's organizational structure that deliver similar services or perform similar activities. This can create inefficiencies and duplicated efforts across service lines, as there is a lack of alignment. For example, the Town's current organizational structure consists of parking enforcement residing within the Community and Development Services department. There is also an Engineering Technologist within the Operations department with a significant amount of experience in traffic and parking. Additionally, the Community Centre and Aquatics & Camp are separate subdivisions within the Parks Recreation & Facilities division yet deliver similar services to citizens.

#### Recommendation

There is an opportunity to move employees to departments which align expertise with citizen services in an effort to deliver a unified and more efficient customer experience to citizens. This should continue the vision of expanding citizen programming, while delivering a high level of service and achieving citizen satisfaction. For example, the Town could align its parking enforcement resources with the Operations department to capitalize on the traffic, parking and roads expertise that resides with its staff. The Town should consider the following activities during implementation:

- The Town should understand who is performing similar activities within the organizational chart that could benefit from task alignment. In order to complete this task the Town could host a workshop with department leaders to best understand the opportunities for alignment. This is a moderately complex task as job descriptions and roles may need to be revised and clearly defined (see opportunity 7).

#### Benefit to the Town

---

<sup>1</sup> Ontario Ministry of Agriculture, Food and Rural Affairs: *Agricultural Drainage Infrastructure Program – Administrative Policies*, Section 4.3 Paragraph e

# Address constraints in the organizational structure

---

## **Opportunity 2 – Move employees to departments which align expertise with citizen services (continued)**

Moving employees to deliver a consistent service level mitigates the risk of inconsistent service levels due to operations and expertise residing in separate departments. Aligning these resources with a focus on citizen experience could reduce the risk of negative feedback given inconsistent service delivery among similar services. This alignment bears low complexity as it should result in increased collaboration across existing subdivisions, the sharing of best practices and right-sizing of service levels. While there is little to no initial capital investment required, the Town may need to invest internal time in aligning resources (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. Aligning resources could help the Town meet the service demands of citizens while ensuring operational efficiency.

---

## **Opportunity 3 – Update training of managers on reviewing and approving timesheets**

While the Town has a process in place for managers to review their staff's time sheets submitted for payroll, the Payroll clerk often spends time on top of their core responsibilities correcting timesheet entries given inconsistencies in the review and approval process.

### **Recommendation**

There is an opportunity to update training for managers when reviewing and approving staff member timesheets before they reach the Payroll Clerk. The Town should consider the following activities during implementation:

- The Town could establish training once or twice a year that is led by the payroll function in order to allow for details of the process to be well communicated and understood by managers.
- Management should train and hold managers accountable for the accuracy of timesheets submitted to payroll (see Opportunity 10). This may require buy-in from leadership by way of meetings and training.
- The Town should define the reactive measures that could be taken for delinquencies such as late entries and reporting errors prior to payroll submission.

### **Benefit to the Town**

Updating the training of managers to consistently review and approve timesheets should reduce redundant activities and free up time for The Payroll clerk to work on additional value-add activities. This could ultimately increase the accuracy of timesheets through the review process, and allow for efficiencies as the Payroll Clerk may have less reconciliation to perform. While there is little to no initial capital investment required, the Town may need to invest internal time in defining training requirements (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. Ensuring timesheets are reviewed and approved in a consistent manner could diminish follow up actions and allow for increased capacity for value-add activities that could benefit citizens.

---

## **Opportunity 4 – Require new hires and contract hires to complete their HR paper work and training in a timely fashion.**

The HR Generalist often spends time directly supervising new hires while they complete onboarding activities. The Generalist is also consumed by multiple follow-up communications to retrieve forms from new hires and contractors to complete the onboarding process, creating a strain on capacity when considering core responsibilities.

### **Recommendation**

There is an opportunity to require new hires to complete their HR paper work by creating a policy that relies on a combination of HR Generalist, direct manager and self-directed onboarding activities. The Town should consider the following activities during implementation:

# Address constraints in the organizational structure

---

## **Opportunity 4 – Require new hires and contract hires to complete their HR paper work and training in a timely fashion (continued)**

- This policy should aim to minimize direct oversight by the HR Generalist and require managers to sign off on new hire onboarding activities within 1 week of the start date. The risk exists where new hires may rush through their training and not retain the information for the sole purpose of submitting on time.
- The new process should be standardized and communicated to all managers and staff in order lower the complexity of implementation.

### **Benefit to the Town**

Requiring new hires and contract hires to complete their HR paper work and training in a timely fashion should allow the required paper work for new hires to be processed in a timely manner, permitting pay cheques to arrive on time. With the decreased efforts required to manage the onboarding process, employees may be able to focus on role specific duties. While there is little to no initial capital investment required, the Town may need to invest internal time in identifying areas for improvement (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. In order to allow for new hires to add value to the Town in a timely fashion, it is imperative that they complete the required training and documentation.

---

## **Opportunity 5 – Establish a formal title for the Officer title and streamline communications**

Communications and community engagement are delivered to citizens in a joint effort from the Community Engagement Coordinator, Executive Assistant to the CAO and Clerks. This has fostered an inconsistent understanding of the direction and mandate of the service, as those involved are not aligned on individual responsibilities.

### **Recommendation**

There is an opportunity to formalize the Communications Officer position by redefining the titles and job descriptions of staff currently involved in communications and community engagement. This should provide clear direction and consistency in the mandate of the service. The Town should consider the following activities during implementation:

- In order for this initiative to be effective, management should review the current job descriptions of each involved staff member and revise these to match the desired outcomes (see opportunity 7 of Address constraints).
- Part of this review should involve standardizing the level of communication required by type of event in order to help the Town standardize communication during specific events (e.g. social media posts for certain types of inclement weather).
- A standard communications inbox (e.g. communications@NOTL.org) should be created for the Town instead of having citizens reach out directly to the Community Engagement Coordinator. This could improve consistency in the communications process and bridge the gap should multiple staff be servicing e-mail inquiries. Communications historically issued by other departments (e.g. Fire & Emergency services social media infographics) should also be issued by the Communications Officer.

### **Benefit to the Town**

Formalizing the Communications Officer title and streamlining communications should reduce the corporate risk of informal or inconsistent messaging being delivered to citizens. Standardizing these operations could drive a level of consistency and help manage citizen expectations. The achievement of this definition may also drive efficient and effective messaging to citizens. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding the desired outcomes and revising responsibilities (this may require additional resources).

# Address constraints in the organizational structure

---

## **Opportunity 5 – Establish a formal Communications Officer role and streamline communications (continued)**

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence, promote a positive workplace and strengthen 2-way communications. Establishing a formal Communications Officer role could elevate current communication with the public and allow the Town to consistently broadcast their messaging across all platforms.

---

## **Opportunity 6 – Revise job processes and job descriptions**

The Town has experienced growth in its service offerings as well as required legislation over the past number of years. As such, additional responsibilities have been taken on by staff in order to meet the demands of the Town's growing population. While there has been growth in the Town's service offerings, the formal documentation of job processes and related best practices have lagged.

### **Recommendation**

There is an opportunity to revise job processes and descriptions and work aids for each key role in the organization in order to improve operational efficiencies, and consistency in the communication of role specific responsibilities. The Town should consider the following activities during implementation:

- Each division/department manager should critically determine best practices and identify documentation needs in order for future staff members to perform job duties well.
- An annual update to this plan could help keep process documents up to date and relevant when considering shifts in roles and responsibilities.

### **Benefit to the Town**

Revising the documentation of job processes and job descriptions could mitigate any related confusion or inefficiencies. By documenting job processes, the risk of missing information and instructions during the handover/new training process should be mitigated. This could also facilitate more effective training for new hires and provide a basis of measurement for performance evaluation. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding key activities and gaps in the current documentation (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. The revising of job specific documentation could help staff better understand their roles and responsibilities, which may reduce the risk of duplicated efforts across service offering by way of unclear communication.

---

## **Medium-Term**

---

### **Opportunity 7 – Design a technical training plan to create and sustain a culture of functional excellence**

The Town currently conducts some annual training on a departmental or divisional level. While function specific training is helpful, lack of a centralized technical training program could create inefficiencies in roles as technical knowledge has not been taught in order to keep up with changes in the operational landscape. For example, staff have a limited understanding of the various technical applications available to each department.

### **Recommendation**

There is an opportunity to design a technical training plan for each division/department. The Town should consider the following activities during implementation:

# Address constraints in the organizational structure

---

## **Opportunity 7 – Design a technical training plan to create and sustain a culture of functional excellence (continued)**

- Annual training curriculums may need to be developed either by contracting third party services or developing them internally. Technical training for specialized roles or roles in which there is a high amount of interaction with technical software should also be organized to increase efficiency.
- There could also be a need for additional capacity within management to monitor and track training progress for each employee; ensuring that everyone completes their annual training on a timely basis.

### **Benefit to the Town**

Designing a technical training plan should create and sustain a culture of functional excellence, with targeted training helping staff become more efficient in the customer service role and find new ways to add value to their current responsibilities. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding the desired outcomes and revising responsibilities (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. Adopting a yearly training program may allow Town staff to feel fulfilled in their roles and continually seek further development of their skills that could enable service excellence.

---

## **Long-Term**

### **Opportunity 8 – Cross-train staff to manage absences**

There is currently a lack of backup support when staff members take a leave of absence as staff are not well equipped to take on the additional tasks of those having gone on leave. This can create gaps in service workflows during the time of absence, and diminish the quality of service offerings.

### **Recommendation**

There is an opportunity for the Town to cross-train staff members in order to allow for job duty fulfillment by others during times of need. The Town should consider the following themes during implementation:

- The Town should identify roles that currently have no duplication of skills by leveraging role documentation and performing interviews to understand current duties (see opportunity 7 of Address constraints); i.e. positions that only have 1 personnel, these may be the roles that could need cross-training and backup support.
- This may require a strategic exercise to organize which staff member positions could have the most benefit for having cross-trained employees, and whom to train.

### **Benefit to the Town**

Cross-training staff to manage absences should help fill the working gap when staff take leave. If the Town is able to better manage the talent gaps during periods of leave, service levels could be more consistently maintained which should benefit citizens by way of service excellence. While there is little to no initial capital investment required, the Town may need to invest internal time in defining skill requirements in order to yield an effective benefit (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. Cross-training could help the Town fill gaps during times of change or illness. This should allow Town staff to feel better equip to take on responsibilities outside of their specific roles until a gap is addressed.

# Address constraints in the organizational structure

---

## **Opportunity 9 – Attract, train, and retain customer service employees**

The Clerks department has a high turnover rate, causing repeated training costs. This impacts the level of service offered to citizens given the inability to establish routine in the service.

### **Recommendation**

There is an opportunity to attract, train and retain customer service employees by developing proper training for customer service employees and developing a talent retention plan to decrease turnover rates. The Town should consider the following key activities during implementation:

- A broad strategy should be considered in order to compensate for future changes in demographics. This could allow the talent retention program to be developed with a long-term focus, limiting the number of potential updates required.
- The Town should explore the option of an adjustment in the responsibilities and a corresponding adjustment in the compensation to match the additional responsibilities not previously considered (see Opportunity 12).
- Additionally, The Town should develop a strategy for succession so that customer service has a long-term strategy in place. Management should consider its enterprise risk management policy (see Opportunity 4 of Manage Enterprise Risk) and apply a framework for succession. This could facilitate knowledge transfer and allow for citizens to continue receiving a consistent level of service when turnover within customer service occurs.

### **Benefit to the Town**

Providing a training program and retention plan should reduce the risk of turnover rates in the Clerks department, which in turn results in more stability in reliable and consistent customer service quality. This opportunity could ultimately assist the Town in developing a career path for customer service employees that may help with employee retention and decrease the risk of losing them to other positions. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding the current shortfalls of the training and retention program (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. The ability to reduce turnover by way of a training and retention program could improve the consistency of service excellence given the decreased need to train new staff.

---

## **Opportunity 10 – Transition Community Centre bookings to the Customer Service Representative**

The Community Centre Coordinator processes bookings in addition to their current responsibilities. This has created capacity constraints when considering the ability to focus on core responsibilities within their own service, thus diminishing the quality of service provided to the public.

### **Recommendation**

There is an opportunity to transition this responsibility to the Community Centre Customer Service Representative role in order to allow the Community Centre Coordinator to address higher priority activities. The Town should consider the following key activity during implementation:

- As the current Customer Service Representative transitions out of their role and a new candidate is sourced, the specific activity of processing bookings shall be appended to the Customer Service Representative job description.
- Through the recruitment process, the Town should define the role requirements (see opportunity 7) with a focus on bookings to accommodate for the change in traditional responsibilities held by customer service representatives.

### **Benefit to the Town**

Transition responsibilities of bookings to the Customer Service Representative should allow the Community Centre Coordinator to address higher priority tasks while maintaining high customer service levels within the

# Address constraints in the organizational structure

---

## **Opportunity 10 – Transition Community Centre bookings to the Customer Service Representative (continued)**

Community Centre. There is low complexity associated with the bookings process and this could be easily and timely transitioned to the new Customer Service Representative. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding the desired outcomes and revising responsibilities (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. The transitioning of booking responsibilities could allow for improved service excellence by way of increased efforts towards high-impact tasks and service offerings. This could also streamline the booking process by way of direct lines of communication and points of reference.

---

## **Opportunity 11 – Leverage volunteerism or low-cost employment to supplement staffing at the Community Centre**

The Community Centre operates with 3 full-time staff and 2 contract staff, which has created constraints when considering their ability to offers various community programs, manage the gym facility and develop new programs or service offerings that meet the evolving demands of citizens.

### **Recommendation**

There is an opportunity for the Town to leverage volunteerism (local high-school students) or low-cost employment (co-op students) to supplement staffing at the Community Centre. The Town should consider the following key activity during implementation:

- A formal job description should be created detailing activities for a volunteer to undertake, considering low-risk and less complex responsibilities (see opportunity 7).

### **Benefit to the Town**

Leveraging volunteerism at the high-school level should increase service levels within the Community Centre and allow full-time staff to address higher priority tasks. This could also allow the Town to give back to the community and providing students with an impactful experience. The risk of ineffectiveness of the volunteer staff could be mitigated by clear and concise job descriptions and obtaining a reputable reference for the volunteer candidates. This opportunity bears a low complexity as a job description for volunteers should be formally created and references for candidates should be formally reviewed and approved. While there is little to no initial capital investment required, the Town may need to invest internal time in the recruitment and training of volunteers (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. When leveraging volunteerism, time constraints of full-time staff could alleviate, allowing for improved efforts towards high-impact tasks. This should allow the Town to better allocate staff time in order to meet the current and future demands of citizens.

---

## **Opportunity 12 – Establish a full-time employee for Special Events**

Special Events are delivered through the collaboration of various staff contributing beyond the normal scope of their core responsibilities (e.g. Parks Recreation & Facilities staff contributing time for set-up or Clerks contributing time to run events). While these events help increase citizen satisfaction, the current operating model results in lost efficiencies from various staff.

### **Recommendation**

There is an opportunity to increase efficiencies by establishing a full-time employee for Special Events and event permitting. This role could be defined, where the employee may be responsible for organizing the required resources and executing on events. This employee could monitor the time contributed from other departments to identify and segregate the time accurately, as well as apply a charge back if applicable. The Town should consider the following activities during implementation:

# Address constraints in the organizational structure

---

## **Opportunity 12 – Establish a full-time employee for Special Events (continued)**

- Through the recruitment process, the Town should define the role requirements (see opportunity 7) with a focus on growth of Town presence so that the Town is meeting the demands of the growing population.
- The Town should recruit an employee with the experience for special events at an efficient and effective standard.
- Eliminate the use of various committees given the establishment of a FTE to oversee events. This would decrease the time required of other Town employees when overseeing event planning and execution.

### **Benefit to the Town**

Establishing a role for Special Events could reduce the risk of an inconsistent experience for citizens by better organizing the Town's resources to coordinate and contribute to the success of these events as well as the permitting process. This should result in more consistent service levels for citizens to experience and present the Town with the opportunity to create and execute additional Special Events that improve citizen satisfaction and generate user fees. While there is little to no initial capital investment required, the Town may need to invest internal time in the understanding the desired outcomes and revising responsibilities (this may require additional resources).

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence, deliver smart balanced growth and promote a positive workplace. This employee could improve customer service by way of consistency and allow for growth when considering the alleviated time of Town staff currently overseeing special events.

# Net financial impact

## Address constraints in the organizational structure

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue	Year ended		
	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Change in Expenses	2020	2021	2022
Establish a full-time employee to manage drainage and irrigation <sup>1</sup>	+ \$30,000	+ \$59,000	+ \$62,000
<b>Total</b>	<b>+ 30,000</b>	<b>+ 59,000</b>	<b>+ 62,000</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>- \$30,000</b>	<b>- \$59,000</b>	<b>- \$62,000</b>

Initial Capital Investment	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> Salary and benefits for a full-time employee managing drainage and irrigation have been estimated to be \$90K per annum (increasing to \$95K in 2022). As the Town can pursue OMAFRA grants and chargebacks as these can be applied to cover up to 35% of the salary dedicated to a drainage and irrigation employee the net salary and benefits could amount to \$59K per annum (increasing to \$62K in 2022). This amount has been halved in 2020 on the assumption that this employee could be hired mid-year.

# Increase the Town's revenues

The Town has significant aspirations as outlined in the Strategic Plan. To achieve these, improving the Town's revenues outside of taxation is imperative.

The Town generates traditional municipal revenues, including taxation, government grant and donations. User fee and parking revenues are also generated through citizen use, however the Town's growing tourism industry is also a significant contributor. In 2017, 13 million tourists visited the Niagara Region<sup>1</sup>.

Between 2016 and 2018, total revenues increased by ~\$6M (10% CAGR<sup>2</sup>) primarily driven by general taxation, grants, parking fees, water distribution and wastewater collection revenues. However, as the Town strives to achieve the goals of its Strategic Plan,

innovative methods of increasing the Town's financial resources should be explored in order to fund these growth initiatives. It is also important to understand the costs required to deliver the services and identify opportunities to recover costs from the users of each service.

The five opportunities that follow identify how the Town could drive its revenues. If the Town successfully implements all of the opportunities, it may expect \$515,000 in annualized increases to revenues.

<b>Medium-Term</b> 2021-2022					
	Conduct an annual parking operations and inventory review	Institute revenue policy for service-generated user fees	Improve grant application model	Conduct an annual capacity and cost recovery analysis for facilities	Provide marriage licenses and conduct wedding ceremonies

## Medium-Term

### Opportunity 1 – Conduct an annual parking operations and inventory review

The Town experienced strong revenue growth in parking revenues from 2016 to 2018, growing it from \$1.26M to \$1.85M, primarily due to the installation of credit card accepting meters and a growth in tourism. Parking revenue is highly seasonal as 79% of 2018's revenues were generated between the months of May and October. The Town currently charges \$3.25/hour for parking and \$3.75/hour on Queen St. due to higher traffic. As the Town continues to experience increased tourism, it has found it challenging to increase parking inventory at a commensurate pace. Management estimates that there are nearly 1,000 parking spaces available but cannot confirm the inventory precisely.

#### Recommendation

There is an opportunity for the Town to conduct an annual review of parking operations to revise user fees (e.g. by analyzing price sensitivity) primarily for tourists and identify new sources of parking inventory (e.g. high traffic streets with no meters or inactive land that can be converted). There is a risk that creating new parking inventory may lead to disruption due to construction, however this is expected to be limited and concentrated to specific areas. This review could consider:

- Pricing:** Surge pricing during seasonal times with high traffic should be considered for tourists as they are likely to be less price sensitive. As part of the annual review, the Town should conduct a jurisdictional scan to see how high-volume comparators are adjusting prices (e.g. Toronto or Niagara Falls). While this is a medium-term opportunity, it is recommended that the Town consider conducting the pilot testing of surge pricing during the upcoming peak season in 2020.

<sup>1</sup> [https://niagaracanadaadmin.com/investment/wp-content/uploads/sites/7/2019/03/Niagara-Tourism-Profile\\_FINAL.pdf](https://niagaracanadaadmin.com/investment/wp-content/uploads/sites/7/2019/03/Niagara-Tourism-Profile_FINAL.pdf)

<sup>2</sup> Cumulative annual growth rate

# Increase the Town's revenues

## Opportunity 1 – Conduct an annual parking operations and inventory review (continued)

- **Inventory:** Management should determine its actual inventory requirements to meet average levels of demand. Increases in supply of parking is likely to directly impact revenues collected. The Town should also evaluate inactive or vacant land that could be economically (e.g. favourable payback period) converted into parking spaces. The Town should also consider reducing the size of current parking spaces and eliminating the parking space lines to enable vehicles to park closer together. The Town may need to prioritize the development of new parking lots and right-sizing existing parking spaces.
- **Citizens:** Citizens may continue to benefit from consistent pricing with the resident parking pass. A review of the benefits and rules associated with the parking pass could increase the benefit of parking passes for residents of the Town.

### Benefit to the Town

Conducting an annual parking operations review should help the Town match the number of tourist users to the available parking spaces being provided during high-demand seasons. This could support the growth of the Town's financial resources that could be used to fund the Town's growth initiatives and service delivery for citizens and tourists. Considering the fact that high traffic zones in cities such as Toronto charge rates of up to \$8/hour<sup>1</sup>, surge pricing can build upon the Town's existing rates of \$3.25-\$3.75/hour. This could contribute to a significant increase in parking revenues of approximately \$365K per annum if the Town institutes an increased rate of \$4-\$5/hour between May and October with no investment required (see page 57 for detailed quantification). The price changes could be tapered in over time. Should the Town seek to pursue increasing its inventory, this may require an initial investment. However, the Town's recent trend in parking revenues strongly suggests that this investment can be recouped rapidly given likely increasing demand.

This opportunity aligns with the Strategic Plan when considering the protection of town assets and creating a culture of customer service excellence. Conducting a bi-annual review should help the Town enhance the pricing structure and availability of parking to best serve the needs of residents and tourists.

## Opportunity 2 – Institute revenue policy for service-generated user fees

The Town generates user fee revenue (\$15M in 2018) for the use of services and facilities (e.g. ice time in Virgil Arenas), while other public facilities such as parks are free to the public. When considering the public communication of Town revenue, there is no policy in place defining the reasons for increases in user fees. This has resulted in public discontent, as citizens have expressed concerns over yearly increases.

### Recommendation

There is an opportunity for the Town to institute and periodically review a revenue policy for facilities, parks, special events and programs that generate user fees. This revenue policy should provide citizens with a clear understanding of how user fee increases have been determined, how they ultimately benefit citizens and lastly, the factors that drive the fee changes. Implementation of this opportunity may cause discontent with citizens used to paying a consistent price for services. The Town should consider the following key activities in implementation:

- Management should inventory all assets and services available for public use and agree on those that should be generating revenue.
- The policy should also consider alternative revenue sources including legislation such as the Municipal Accommodation Tax and special events. In both cases, tourism and special events draw upon Town resources. For new revenues instituted, all stakeholders should be considered and supplemented with additional studies, if necessary.
- The revenue policy should be communicated in a planned manner to citizens with the support of Council in order to present a unified position. Creating and instituting a revenue policy for all of the Town's facilities, parks, special events and programs may require a time investment and the collaboration of all departments.
- The Town should codify the revenue policy, pricing tiers (e.g. volume-based and/or seasonal) and how

<sup>1</sup> Consumer Price Index

<sup>2</sup> Per Statistics Canada, the average increase in CPI between 2016-2018 was 1.93%

# Increase the Town's revenues

---

## Opportunity 2 – Institute revenue policy for service-generated user fees (continued)

- price increases should be administered (e.g. annually by CPI<sup>1</sup>). This should be communicated to citizens explaining the benefit to the Town.
- A review of this policy should be undertaken each 2-3 years to help the Town understand if user fees are functioning as intended, keeping pace with the Town's growth and covering the target amount of expenses incurred to offer these services and facilities, set by management.

### Benefit to the Town

Instituting and reviewing a revenue policy for services generating user fees should help the Town generate additional revenues required to help achieve the Town's strategic goals while also delivering improved service delivery for the user base. Considering the average annual inflation in CPI is 1.93%<sup>2</sup>, the Town could apply a modest increase of 1-2% to user fees every 2-3 years, yielding a ~ \$150K annualized increase in revenues (see page 57 for detailed quantification; new revenue sources are not possible to reasonably quantify). While there may be little to no initial capital investment required, the Town may need to invest time to complete and update the work and review the policy (this may require additional resources).

This opportunity should strengthen 2-way communications in the Town and help to deliver smart balanced growth moving forward. This alignment with the Strategic Plan help the Town determine if the public is fairly charged by way of periodic reviews and updates, and allow residents to stay informed of the related updates to service offerings.

---

## Opportunity 3 – Improve grant application model

The Town applies for grants issued by various government entities on an annual basis. Currently, applications for grants are prepared by an Environmental Technician, above and beyond their existing role and responsibilities which has caused capacity constraints and limited the potential revenue earned from grants. In 2018, 10 grants were awarded to the Town by way of application generating ~\$2M in grant revenue (\$3.2M in total).

### Recommendation

There is an opportunity for the Town to explore alternative grant models in order to increase revenues. This could help apply a higher level of focus in these applications, achieve consistency in applications year over year and present the opportunity to grow this revenue source. The Town should consider the following key activities in implementation:

- The Town should consider engaging external subject matter experts or a professional services firm in sourcing grants when the potential benefit outweighs the investment. This could be in an advisory capacity for review of core/recurring applications or for non-recurring significant grants requiring an application that spans beyond the scope of one full-time employee.
- The Town could also recruit a full-time employee to source grants. If this is pursued, the Town should seek candidates with municipal experience, a strong understanding of Ontario's funding model and a record of achievement.

### Benefit to the Town

Exploring alternative models to increase grant revenue presents the Town with the opportunity to increase its financial resources while alleviating capacity constraints. This could help the Environmental Technician and other supporting staff focus on their core responsibilities, thereby positively impacting service delivery. While there is little to no initial capital investment required, the Town may need to invest internal time to select its preferred model to source grants. Each model may require ongoing expenses in the form of professional fees or salary for full-time employee. However, the balance of grant revenue is expected to far outweigh these costs and provide annualized savings. It should be noted that engaging consultants or a professional services firm mitigates the risk of grant funding decreasing as this engagement could be done on an as needed basis

This opportunity aligns with the Strategic Plan as it promotes smart balanced growth and the development of a positive workplace. Hiring an employee to source grants should help the Town determine if they are capitalizing on available funding opportunities, and allow the Town to focus on high-impact initiatives that may otherwise be unavailable given financial constraints.

---

<sup>1</sup> Per the 2020 Toronto Parking Authority Rate Map

# Increase the Town's revenues

---

## Opportunity 4 – Conduct an annual capacity and cost recovery analysis for facilities

Management currently engages with the Finance function to support the annual budgeting process where the financial performance of facilities is not consistently assessed. Ad hoc analyses are performed on facilities of interest (e.g. Virgil Arena concessions profitability), however a consistent capacity-based analysis is not undertaken. This lack of analysis limits the Town's ability to drive performance improvement as there is a limited understanding of current performance.

### Recommendation

There is an opportunity for the Town to conduct a lookback analysis based on margin and capacity to set and achieve cost recovery targets each annum. This could support the efforts of the Town's revenue policy detailed in Opportunity 2. Analytics on capacity and facility usage could also help management respond to citizen demand and inform scenarios for user fee increases and top line growth. This analysis is intended to be more intensive and detailed compared to the current annual budgeting process. This analysis should consider the following:

- This framework for analysis should be developed and maintained by the Finance function Facilities service leaders in tandem.
- The analysis should consider levers such as revenue sensitivity (e.g. local playoff activity), monthly capacity trends and service mix (e.g. ice hockey, ball hockey, pickle ball, etc.).

### Benefit to the Town

Conducting an annual capacity and cost recovery analysis for facilities should help the Town provide citizens with a service mix that matches demand, as management could increase offerings with high demand and reduce or change offerings with low demand. While there is little to no initial capital investment required, the Town may need to invest internal time to develop the analysis (this may require additional resources). Gaining insights into monthly performance and understanding the financial impacts of seasonality or other sensitive variables (e.g. playoffs) could position the Town to better utilize its facilities. This analysis could also inform a comprehensive facilities plan and provide a framework to evaluate performance and opportunities for growth.

The implementation of this opportunity should further promote the Strategic Plan pillars by way of protecting town assets, delivering smart balanced growth and ensuring customer service excellence is an aspect of Town culture. Conducting an annual facility analysis could help the Town develop a complete and accurate understanding of facility use, enabling positive changes in service offerings to meet local demand.

---

## Opportunity 5 – Provide marriage licenses and conducting civil ceremonies

While the Town has sufficient resources (registered staff and suitable venues), it does not provide marriage licenses and provides limited services for civil ceremonies. When not capitalizing on this relatively non-complex service, the Town limits the ways in which it can earn revenue on an annual basis.

### Recommendation

There is an opportunity for the Town to generate an additional revenue source by adding these marriage and wedding services to their portfolio. Marriage licenses are a traditional service offered by many municipalities and the Town has the staff registered and qualified to provide this service. The Town is also in the unique position of having existing outdoor venues that are ideal for civil ceremonies however, the Town should consider the resourcing required to generate these revenues and set a target service level. The Town should consider the following key themes in implementation:

- **Licenses:** The Town should actively market its marriage license and marriage performance services seasonally to increase the awareness of this offering amongst the tourism population and provide an additional revenue source. The Town could issue marriage licenses at the local market price of \$150.
- **Officiants:** The Town could provide officiant services to civil marriage ceremonies as a judge, justice of the peace or authorized municipal clerk could perform the marriage ceremony. Depending on the time of day and site of the ceremony, the Town's pricing may range from \$250-\$350 per ceremony.
- **Locations:** The Town could rent municipal space (e.g. parks or area behind the Library) to hold the wedding ceremony. The Town should also conduct a market scan of the private facilities in the area and their user fees to inform its pricing.

# Increase the Town's revenues

---

## **Opportunity 5 – Provide marriage licenses and conduct civil ceremonies (continued)**

### **Benefit to the Town**

Providing marriage licenses and conducting civil ceremonies, should help the town maintain its reputation as a leading destination for wedding receptions. This addition to services provides an opportunity for the Town to tap into an existing market in offering marriage and wedding services. This could also help the Town generate revenues in three forms through licenses, officiants and locations.

This opportunity aligns with the Strategic plan as it promotes smart balanced growth and furthers the culture of service excellence. The ability to diversify revenue streams while improving public service offerings could benefit the growth of the Town moving forward.

# Net financial impact

## Increase the Town's Revenues

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue	Year ended		
	2020	2021	2022
Conduct an annual parking operations review <sup>1</sup>	+ \$120,000	+ \$365,000	+ \$365,000
Institute and review revenue policy for services generating user fees <sup>2</sup>		+ \$150,000	+ \$150,000
<b>Total</b>	<b>+ \$120,000</b>	<b>+ \$515,000</b>	<b>+ \$515,000</b>

Change in Expenses <sup>3</sup>	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>+ \$120,000</b>	<b>+ \$515,000</b>	<b>+ \$515,000</b>

Initial Capital Investment <sup>3</sup>	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup>Per the Town's 2018 general ledger financial data, the Town generated \$1.85M in parking revenue. These revenues are seasonal with 79% or \$1.46M generated between May and October. During these warmer months, revenues exceed the monthly average of \$150K, indicating a strong impact from tourism. With surge pricing, the Town can control how much of an increase in parking fees should be generated from Tourists. Applying a ~25% increase in parking fees for tourists during the seasonal period could result in the hourly parking rate increasing from \$3.25 to \$4/hour. This could have an expected annual increase of \$365K on parking revenues. While this is a medium-term opportunity, it is recommended that the Town conduct pilot testing of surge pricing during peak season in 2020. As such, we have estimated that one-third of the expected annual increase of \$120K in parking revenues could be realized through pilot testing in 2020.

<sup>2</sup>Per the Town's 2018 audited financial statements, the Town generated \$15.1M in user fees and charges. Assuming a conservative inflationary increase of 1% this yields an annual increase in revenue of \$150K, beginning in 2021. This could increase depending on the factor of inflation as well as the next time this policy is reviewed.

<sup>3</sup>Any initial capital costs or expenses associated with converting inactive land or developing new parking lots cannot reasonably be estimated at this time.

# Improve control in water operations

As the Town faces considerable water losses it should consider acting quickly and strategically to remediate gaps and improve controls.

The Town provides water distribution and wastewater collection services to its residents as required by Provincial legislation and Council by-laws. In recent years, the Town has faced challenges in its control of water operations, specifically in a gap between water purchases and revenues charged to residents, called water losses.

Water losses can occur due to commercial or volume losses. Commercial losses indicate issues in the

revenue amounts generated through water operations such as billing issues or ineffective water meters. Volume losses indicate infrastructure issues such as leakage or tampering in the Town's water systems.

The following two opportunities detail how the Town can improve control in water operations. If the Town successfully implements all opportunities, it can expect \$365,000 in annualized decreases to expenses.

**Quick Wins**

2020



Perform a water audit using the IWA/AWWA methodology



Standardize water meter installation process

## Quick Wins

### Opportunity 1 – Perform a water audit using the IWA/AWWA methodology

The Town is facing challenges in identifying the primary cause of water losses, however it is presumed by management that this is a combination of commercial and volume losses. Management has reported water losses in 2016-2018 of 30% or higher of water purchases, which are higher than historical Town water losses of 9% of purchases. That said, the root cause of these losses has not been identified or remediated.

The Town owns approximately 200km of water main, of which 143km has been converted to polyvinyl chloride ("PVC") piping. A PVC infrastructure typically results in fewer leaks per linear kilometer<sup>1</sup>. Leaks on PVC are, however, harder to detect, leaving the possibility that the Town may have a small number of larger leaks causing the losses. Commercial losses also remain a possibility as there maybe issues in billing customers.

### Recommendation

There is an opportunity for the Town to perform a water audit, using the methodology developed by the International Water Association ("IWA") and American Water Works Association ("AWWA"). It is important to note that the water audit is not a solution in itself, but rather identifies opportunities for improvement and provides a roadmap for remediation. The water audit compares volumes of water treated and pumped to volumes consumed by customers, and other uses such as firefighting and community uses. Estimated volumes of losses due to leakage and poor metering could be quantified in the water audit process. For commercial losses, this could help reconcile billings issued by the third party billing vendor and help with the accuracy and completeness of revenues generated from water billing. The Town should consider the following key activities in implementation:

- The Town could choose to apply the IWA/AWWA methodology with its existing resources, engage a professional services firm to assist or lead the audit. The monetary and resource investment required of

<sup>1</sup> National Research Council Canada, A-7019.1 Final – Water Mains Break Data on Different Pipe Materials for 1992 and 1993

# Improve control in water operations

## Opportunity 1 – Perform a water audit using the IWA/AWWA methodology (continued)

- The Town are inversely related in the three options, with the highest monetary investment and least resource investment being required if a professional services firm leads the audit.
- If the determination of the audit confirms that losses are coming from both commercial and volume losses, the Town could consider undertaking a leak detection program, investing in leakage monitoring technology, or implementing pressure management techniques.
- Once stability is achieved in water operations, the Town should review and define its long-term water/wastewater financial plan.

### Benefit to the Town

While this could require the Town to fund the audit, this one-time investment could be insignificant in comparison to the amount of potential lost annually recurring revenues due to water losses. With each of the three options outlined for conducting the water audit, we estimate that the initial investment could be low (<\$100K). This could range from no initial investment if the Town conducts the audit with its own resources to \$50-100K depending on whether a professional services firm assists the Town or leads the audit. Any costs associated with remediating the issues identified by the water audit cannot be reasonably estimated at this time. However, if the Town is able to successfully remediate issues, the Town could expect a \$365K increase in net annualized savings based on the current amount of reported losses. We assume that remediation could conservatively drive a 5% increase in annual variable water revenues and 5% decrease in annual variable water expenses (see detailed quantification on page 60).

This opportunity aligns with various aspects of the Strategic Plan, most notably helping the Town deliver smart and balanced growth. Once the challenges in water operations have been remediated, the Town can focus on its future strategic goals for this service.

## Opportunity 2 – Standardize water meter installation

Through the development process, the Town lacks standardization in requiring developers to install water meters before completing a development. On occasion this may cause the setup of billing to be missed or delayed resulting in commercial losses.

### Recommendation

There is an opportunity to completely standardize the water meter installation and tracking. This could help the Town mitigate commercial losses. The Town should consider the following key activities in implementation:

- The Town should review the development workflow and identify opportunities to institute controls that allow the Town to confirm that the water meter installation is tracked and the setup of billing is not missed or delayed. This can be in the form of requiring proof of installation before progressing to the next stage of the development process.
- The Town can also institute requirements related to the favourable placement of water meters in a development to facilitate accurate meter readings. This could further mitigate any potential commercial losses.

### Benefit to the Town

Standardization of the water meter installation should increase the Town's control and data in monitoring new developments. This could also help close the gap on water losses that may be subject to the water audit described in Opportunity 1. While there is little to no initial capital investment required, there are financial benefits to be expected as this opportunity may help the Town achieve its targeted margin expectations on water operations (this may require additional resources).

This opportunity aligns to the Strategic Plan across all pillars, except for strengthening 2-way communication, as it allows for modernization of the current process and enables cost efficiencies. A standardized installation process aligned with the Strategic Plan could define, support and acknowledge service excellence.

# Net financial impact

## Improve control in water operations

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue <sup>1</sup>	Year ended		
	2020	2021	2022
Perform a water audit leveraging the IWA/AWWA methodology <sup>2</sup>		+ \$275,000	+ \$275,000
<b>Total</b>	<b>N/A</b>	<b>+ \$275,000</b>	<b>+ \$275,000</b>

Change in Expenses	2020	2021	2022
Perform a water audit leveraging the IWA/AWWA methodology <sup>3</sup>	+ \$100,000	- \$90,000	- \$90,000
<b>Total</b>	<b>+ \$100,000</b>	<b>- \$90,000</b>	<b>- \$90,000</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>- \$100,000</b>	<b>+ \$365,000</b>	<b>+ \$365,000</b>

Initial Capital Investment <sup>4</sup>	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> While it is anticipated that the standardization of water meter installation could provide an increase in revenue, this uplift cannot be reasonably estimated on an annual basis.

<sup>2</sup> Per the Town's 2018 general ledger financial data, variable rate revenues for water distribution (~\$3.5M) and wastewater collection (~\$2M) totaled ~\$5.5M. Assuming a conservative improvement of 5%, the Town could recoup annual commercial losses of approximately \$275K beginning in 2021.

<sup>3</sup> Estimated professional fees of \$100K have been assumed for 2020 as this represents the conservative scenario for the Town engaging a professional services firm to conduct the audit in accordance with the IWA/AWWA methodology. Per the Town's 2018 financial information, variable rate expenses for water distribution totaled ~\$1.9M. Assuming a conservative improvement of 5%, the Town could recoup annual volume losses of approximately \$90K beginning in 2021.

<sup>4</sup> Any costs associated with remediating the issues identified by the water audit cannot be reasonably estimated at this time.

# Centralize procurement

Centralizing procurement could result in time efficiencies and financial savings. This may help the Town realize better value in procurement spend.

Each department is responsible to procure the resources it needs in accordance with the Procurement By-law. However, the Town lacks the resources to actively govern this by-law.

The siloed approach results in missed opportunities for aggregating spend to a single supplier, volume discounts, consistent contract terms and other procurement best practices. This can result in inefficient use of resources, spending and overruns

due to a lack of coordination.

Centralizing procurement within the organization can mitigate these losses and provide the Town with increased financial control on spending.

The following four opportunities detail how the Town can improve procurement. If the Town successfully implements all opportunities, it could expect \$330,000 in annualized decreases to expenses.

Quick Wins	2020		
		Establish a full-time employee to manage procurement	Perform an analytical review of indirect taxes paid
Medium-Term	2021-2022		
		Improve buying practices (Procurement By-law)	Finalize the MOU between the Town and the Library

## Quick Wins

### Opportunity 1 – Establish a full-time employee to manage procurement

The Town lacks a centralized procurement function within the organization. Departments often write their own RFPs or separately procure items that do not meet the threshold for RFP (\$100,000). This can challenge departments and staff to complete their day-to-day responsibilities and can result in departments over-spending or overruns on the spending of goods and services.

#### Recommendation

There is an opportunity for the Town to establish a full-time Procurement Manager in order to help the Town realize better value in procurement spend. This could also help departments and divisions focus on their core services and activities. The Town should consider the following key activities in implementation:

- The Town should recruit a Procurement Manager with experience in the public sector.
- Once the new Procurement Manager is hired and on-board, formal procurement/inventory policies and procedures should be codified so that purchase requests can be aggregated from all departments while monitoring supply levels.

# Centralize procurement

---

## Opportunity 1 – Establish a full-time employee to manage procurement (continued)

- Change management activities (e.g. training sessions) should be conducted with the various departments so that the importance of this function, policies and procedures is understood.
- Management could also evaluate the current purchase authorizations to reduce access to procurement across the organization. As it stands, purchases of less than \$25K can be approved by department heads, indicating that each department can spend significant time and money procuring goods and services. This could further promote the adoption of centralized procurement to allow these departments to focus on operational activities.

### Benefit to the Town

Establishing a manager of procurement should help the Town issue consistent RFPs and improve buying practices (see Opportunity 3). This could allow the Town to increase capacity within departments that can be redeployed for citizen-facing service delivery. While there is little to no initial capital investment required, the Town should realize annualized savings that exceed the annual salary (estimated at \$80-85K) required for the manager of procurement (see detailed quantification on page 65). The financial benefit is expected to be driven by improved buying practices, which has been further detailed in Opportunity 3 and page 65.

This opportunity aligns with the Strategic Plan as it should further establish a positive workplace. Hiring a full time employee to manage procurement could alleviate stress and reduce the time currently required to manage the procurement process. This could ultimately allow Town staff to focus on their main responsibilities and improve morale.

---

## Opportunity 2 – Perform an analytical review of indirect taxes paid

The Town's Finance function performs the accounting of indirect taxes payable by the Town. Given the Finance function's large number of responsibilities, this is an accounting exercise that may lack the strategic perspective of an analytical review. As a result, the Town may not be recouping all of the financial benefits available to them.

### Recommendation

There is an opportunity for the Town to perform an analytical review of current indirect taxes paid to determine the correct allocation of the Town's activities in relation to input tax credits ("ITCs") and rebates. The Town should consider the following key activities in implementation:

- The Town should consider engaging an external consultant or professional firm on a contingent fee basis, meaning that the professional fees are based on a successful outcome for the Town of collecting additional refunds from the CRA.
- The Town should work with the professional firm to identify excluded assets (e.g. capital properties), single used inputs (i.e. all or nothing rule), multi-use inputs (partial ITCs/rebates), and any remaining inputs (residual inputs) is key to uncover savings related to expensed recoverable taxes.

### Benefit to the Town

Performing an analytical review of indirect taxes paid reduces the risk of misapplication of complex tax rules for indirect tax and ultimately allows the Town to confirm that it is not significantly under or over-stating its recovery. Given the complex tax rules for indirect tax, performing this analytical review is a moderately complex exercise that can be mitigated by engaging a professional services firm. As a result, the net annualized savings are dependent on the outcome and cannot be reasonably estimated without performing further work.

This opportunity aligns with the Strategic Plan as it should protect distinctive community assets and deliver smart balanced growth for the Town. Performing an analytical review could help the Town with accounting based compliance, and allow for improved strategic decision making moving forward.

# Centralize procurement

---

## Medium-Term

---

### Opportunity 3 – Improve buying practices (Procurement By-law)

The Town's Procurement By-law was last updated in May of 2018 and defines the purchasing approval authority as Department Heads for purchases less than \$25K, CAO for purchases between \$25K-\$100K and a formal tender or request for proposal process approved by Council for purchases greater than \$100K. Purchases less than \$5K can be sourced by any of the 22 staff authorized with a Procurement Payment Card.

This increases the opportunity for the Town to incur a high-volume of small purchases that can result in lost savings due to a lack of coordination. As the Town lacks a centralized procurement function, it does not actively enter into long-term contracts with vendors or receive favourable purchasing terms (e.g. early payment discounts). The Town does however maintain a list of approved vendors for specialized work such as engineering consultants.

In 2018, the Town expended \$17M in cash disbursements with 35 vendors (excluding institutional or flow-through transactions such as to the Region). The Town spent over \$100K at minimum with each of these vendors, yet in most cases did not pursue preferred terms or discounts based on volume or advanced payments. The lack of a centralized procurement function and resources to improve buying practices may result in the Town not realizing the full potential financial benefits.

#### Recommendation

There is an opportunity for the Town to improve buying practices and revise the Procurement By-law to encourage best practices such as collective purchasing groups (for products) and discounts (for advance payments or services). The Town should consider the following key activities in implementation:

- The Town's Procurement Manager (Opportunity 1) should review current buying practices and identify gaps in the current Procurement By-law that can be improved. These gaps should result in proposed addenda to the current By-law. This gap analysis could include reviewing the terms of payment with the most material vendors (e.g. those that receive >\$100K from the Town) as being a significant customer of the vendor may warrant the negotiation of more favourable terms to maintain the relationship. The Town could also explore how advance payment or long-term contracts may drive discounts.
- The Town should continue to use and increase proactive coordination with regional buying groups by conducting a regional scan to identify neighbouring municipalities that are participating. In this scan, the Procurement Manager should actively search for opportunities to partner with neighbouring municipalities in procuring the same goods or services at a discount.

#### Benefit to the Town

Improving buying practices should help the Town take advantage of preferred pricing. This can benefit citizens as the Town may facilitate an increase in operating budget for other services that require investment. While there is little to no initial capital investment required, the Town can potentially realize significant annualized savings. It may be possible to drive better contractual terms to help realize conservative cost savings of \$250K annually by leveraging the new manager of procurement to improve the process (for example using Lean techniques) and training staff to comply with the policies and procedures set. These savings are based on the assumption that the Town continues to engage with the 35 vendors receiving over \$100K in spend. This is a conservative estimate considering the Town will likely continue to grow and incur more expenses. Therefore, the number of vendors to improve buying practices is likely to continue to grow. The specific quantification of these savings, including the cost of establishing a full-time employee to manage procurement (see Opportunity 1) has been detailed on page 65.

Improving buying practices aligns with the pillars of the Strategic Plan as it should deliver smart balanced growth, further develop a positive workplace and strengthen 2-way communications. The improved procurement process could diminish Town specific costs and provide additional funding to improve service offerings, ultimately bettering the Town's ability to meet the current and future needs of citizens.

---

### Opportunity 4 – Finalize the Memorandum of Understanding between the Town and Library

The Town and the Library are working on finalizing a Memorandum of Understanding ("MOU") that defines the structure/operating model between the two entities. The Town currently provides funding to the Library on an

# Centralize procurement

---

## **Opportunity 4 – Finalize the Memorandum of Understanding between the Town and the Library (continued)**

annual basis (\$687K in 2018) to primarily allocate to expenses such as payroll. It should be noted that the Library is going through a time of changing demands from citizens when considering the increased importance of an online presence and virtual programming. This impacts the Library, as there are currently limited governance activities applied to the funding provided by the Town, indicating a potential weakness in the effectiveness of this funding as it relates to the growth of the Library's activities and changing needs.

### **Recommendation**

There is an opportunity for this MOU to be finalized and include a governance structure for funding provided by the Town to the Library. The Town should consider the following during implementation:

- The added literature on the governance structure of funding may require a level of negotiation with the Library's management.
- The governance structure should require that any goods/services to be procured and not covered by the Library's buying collective (Libraries in Niagara Collective) should be procured in collaboration with the Town.
- The Library should consider partnering with other libraries and organizations to deliver services such as online programming. This could allow for the streamlining of internal functions (such as IT) and enable the Library to better deploy resources when meeting the changing demands of citizens.
- As some of this funding is used to cover the Library's payroll expenses, this MOU should integrate literature specific to the shared services opportunity (Opportunity 5 of Review, set and communicate service levels) in order to increase the Town's return on investment and improve service levels for all citizens.

### **Benefit to the Town**

Finalizing this MOU could encourage the Town and Library to work together in procurement. This can benefit citizens as the Town may facilitate an increase in operating budget for other services that require investment. While there is little to no initial capital investment required, the Town can potentially realize annualized savings in implementation.

This opportunity aligns with the Strategic Plan as it should deliver smart balanced growth, promote a positive workplace and strengthen 2-way communications. The finalized memorandum could help the Town and Library develop a mutual understanding of their working relationship and balance Library specific service offerings with public demand.

# Net financial impact

## Centralize procurement

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue	Year ended		
	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Change in Expenses	2020	2021	2022
Establish a full-time employee to manage procurement <sup>1</sup>	+ \$40,000	+ \$80,000	+ \$85,000
Improve buying practices (Procurement By-law) <sup>2</sup>		- \$250,000	- \$250,000
<b>Total</b>	<b>+ \$40,000</b>	<b>- \$170,000</b>	<b>- \$165,000</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>- \$40,000</b>	<b>+ \$170,000</b>	<b>+ \$165,000</b>

Initial Capital Investment	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> An estimated annual salary of \$80K (increasing to \$85K in 2022) has been assumed for the full-time employee hired to manage procurement. This amount has been halved in 2020 on the assumption that this employee could be hired mid-year.

<sup>2</sup> Per the Town's 2018 accounts payable cheque register, the Town expended \$17M in cash disbursements with 35 vendors (excluding institutional or flow-through transactions such as to the Region). The Town spent over \$100K at minimum with each of these vendors, yet in most cases did not pursue preferred terms or discounts based on volume or advanced payments. Assuming that improved buying practices could result in preferred terms or discounts, we have estimated that the Town can likely reduce its vendor spend by 1% for every dollar spent between \$100K-500K, 2% for every dollar spent between \$500K-\$1M and 3% for every dollar spent over \$1M. This equates to an annual cost reduction of approximately \$250K per annum, beginning in 2021.

# Plan for fleet asset replacement

Before the Town considers major investments in modern assets, it should first lay the data driven foundation to inform decision making.

The Town has aspirations to modernize its assets by implementing environmentally conscious technologies. While this supports the future state vision of the Town, these aspirations should be realized with a measured, analytical and incremental approach.

As the Town continues to grow as a residential and tourism destination, management should be strategic in right-sizing its assets to meet the needs of growing services. Simply put, the Town cannot afford to replace everything at once. Instead it should prioritize which services require fleet asset replacements while considering the enterprise risk management policy.

The chargeback rates help municipalities grow capital reserves to have the capital required when replacement needs occur. The Town should recalculate chargeback rates to help ensure that sufficient reserves are available to meet its fleet asset replacement needs.

The following two opportunities identified detail how the Town can plan for fleet asset replacement. If the Town successfully implements all opportunities, it can expect a low initial capital investment. However, the indirect annual financial benefit is expected to significantly outweigh this investment.



## Medium-Term

### Opportunity 1 – Revise chargeback calculations to accurately save for asset replacements

The Town utilizes a chargeback model for 190 active assets based on hours in use, which are reported by each staff on their time sheet. Departmental managers review the use of assets for reasonability and factor this into their individual fleet management models (Microsoft Excel) to understand how reserve levels are being replenished. Current chargeback rates are concerning as they are low and not fulfilling their intended purpose of building a sufficient reserve for the replacement of assets. Rates have been held constant for a number of years despite increases in the replacement costs of assets and changes in the estimated usage hours. Constant rates may prevent increases to the tax bases in the short-term, but puts the Town at significant risk for unplanned expenditures in the long-term.

#### Recommendation

There is an opportunity for the Town to revise chargeback calculations to accurately save for asset replacements. This may improve the Town's fleet management discipline by establishing formal controls, policies and replacement analytics to determine if chargebacks are being allocated and reported accurately to fund the replacement life cycle of assets. Chargeback rates need to be accurately calculated to make sure that the reserve is sufficient when the Town needs to replace assets. The Town should consider the following key themes during implementation:

- The Town should estimate the useful life of the assets and define the variables to measure use (e.g. hours or kilometers).
- Management should estimate the replacement cost of assets, including any desired upgrades (e.g. electric or hybrid vehicles), and predicted volume of use (based on the defined variable in the previous key activity).

# Plan for fleet asset replacement

---

## Opportunity 1 – Revise chargeback calculations to accurately save for asset replacements (continued)

- Lastly, management should check that the determined chargeback rates are applied to the actual use of assets in order to effectively build up the reserve.

### Benefit to the Town

Revising chargeback calculations to accurately save for asset replacement should result in more accurate operations due to consistent tracking and monitoring of data. The standardization of the Town's fleet management could decrease the risk of mistiming the replacement cycle of assets and incurring service level deficiencies or additional costs as a result. While there is little to no initial capital investment required, the Town may need to invest internal time improving fleet management with accurate chargebacks (this may require additional resources). Immediate action should be taken as there may be significant accounting implications if the chargeback rates continue to not accurately build a sufficient reserve. The capital investment required for replacement costs through the end of 2022 cannot be reasonably estimated without completing these activities.

This opportunity aligns with the Strategic Plan as it should protect community assets, deliver smart balanced growth and promote a positive workplace. The use of analytics to improve management of the fleet could help the Town make financially sound decisions with complete and accurate information when considering capital replacements.

---

## Opportunity 2 – Improve asset management and create preventative maintenance plan

The Town's asset management and maintenance plan was last revised in 2015 and includes roads, structures and water/wastewater within the Town's scope. The principles of this asset management plan have been applied at a departmental level to varying degrees. The Town also lacks a proactive process for preventative maintenance, which could result in increased asset repair expenses given the reactive approach.

### Recommendation

There is an opportunity for the Town to improve the asset management and maintenance plan through modernization (e.g. preventative maintenance driven by analytics) and expand the scope to include all of the Town's asset classes and departments. The Town can better integrate the principles of the asset management plan into day-to-day operations and use it to forecast preventative maintenance and support that may be required. The Town should consider the following key themes during implementation:

- **Adoption:** The Town should design and establish formal controls and policies that are clear when considering the level of staff involved and the type of asset class. The Town should be aligned when considering the use of software to manage its asset data. The use of existing software/modules (e.g. Laserfiche) should be explored prior to considering the purchase of new software. Effective adoption of the Town's formal controls, policies and software may require a change management plan that includes training for staff to understand the importance and impact of changes.
- **Innovation:** The Town should consider exploring innovative solutions to obtain accurate analytics on assets, such as low-cost telematics devices for fleet. The installation of these low-cost devices could provide the Town with significant data (e.g. fuel efficiency, engine-based odometer readings, asset utilization rates, fluid levels, etc.) on vehicle assets that could help inform decision making and KPIs. This could also help create capacity for staff and automate current manual processes and judgments in activities such as tracking mileage or electronic inspection for preventative maintenance. The Town should explore this innovation with a pilot testing program with 50 of the 190 active fleet assets.
- **Right-sizing:** After achieving adoption and modernizing its asset management and maintenance plan, management should also actively compare assets to their needs, regular utilization rates and declared service levels to help manage its asset from a perspective of right-sizing service levels.

### Benefit to the Town

Improve asset management and create preventative maintenance plan should provide management with the ability to make more informed decisions about the Town's entire asset portfolio, potentially diminishing the capital investment required per annum. In theory, this should improve the efficiency of the Town's investment in capital assets and provide the Town with the ability to invest in other services or assets. Depending on the level of innovation the Town wishes to pursue, there may be an initial capital investment required.

# Plan for fleet asset replacement

---

## **Opportunity 2 – Improve asset management and create preventative maintenance plan (continued)**

For example, if the Town were to outfit its fleet with telematics devices this may require a low initial capital investment of approximately \$4K, assuming a pilot program of 50 vehicles. Factoring ongoing expenses and immediately quantifiable savings, the Town can expect a minimal investment of \$7.5K (see detailed quantification on page 69). However, the Town can expect significant additional expected financial and operational benefits in the form of increased vehicle utilization, reduced down-time due to unplanned maintenance and informed decision making in right-sizing fleet. Regardless of the investment in innovation, the Town may need to invest internal time improving its asset management and maintenance plan (this may require additional resources).

This opportunity should protect community assets, deliver smart balanced growth and promote a positive workplace. This alignment with the Strategic Plan could improve the effectiveness and efficiency of the Town's asset management plan, optimizing asset use before replacement is required.

# Net financial impact

## Plan for fleet asset replacement

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue	Year ended		
	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Change in Expenses	2020	2021	2022
Improve asset management and maintenance plan <sup>1</sup>		+ \$7,500	+ \$7,500
<b>Total</b>	<b>N/A</b>	<b>+ \$7,500</b>	<b>+ \$7,500</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>N/A</b>	<b>- \$7,500</b>	<b>- \$7,500</b>

Initial Capital Investment	2020	2021	2022
Improve asset management and maintenance plan <sup>2</sup>		+ \$4,000	
<b>Total</b>	<b>N/A</b>	<b>+ \$4,000</b>	<b>N/A</b>

<sup>1</sup> Per the Town's capital asset listing, it has 190 active fleet assets. In 2018 these assets generated \$190K in fuel costs across the Roads, Parks, By-law enforcement, Parking Operations and Fire & Emergency services. These assets also generated approximately \$50K in maintenance costs. As noted in Opportunity 2 – Improve asset management and maintenance plan, a key activity for the Town to consider in implementation is the installation of telematics devices on a small subset of its fleet, such as 50 vehicles. Per Geotab's report – "Rolling out telematics in government fleet: *State of Utah Division of Fleet Operations pilot results*", fuel savings of approximately 10% were gained by installing telematics devices that could proactively measuring and discouraging unnecessary idling and excessive speeding. While other corporations have yielded more pronounced results, we have been conservative with our estimate of 10% savings per annum or \$5K (\$190K x 25% x 10%). Maintenance savings of 20% were also gained by installing these devices as it allowed management to proactively manage check engine light alerts and vehicle notifications to help guide preventative maintenance. This may equate to \$2.5K (\$50K x 25% x 20%) per annum for the Town. Lastly, the installation of telematics devices typically requires a monthly subscription fee to monitor the results tracked by telematics devices. Assuming a market price of \$25 per device per month, this could cost the Town \$15K per annum. In summary, the Town can expect to a minimal investment of \$7.5K (\$15K - \$5K - \$2.5K) per annum. That said, there are significant additional expected financial and operational benefits in the form of increased vehicle utilization, reduced down-time due to unplanned maintenance and informed decision making in right-sizing fleet. As these additional benefits cannot be reasonably estimated at this time, they have been excluded from the quantification above.

<sup>2</sup> The average prices telematics device in the open market can range depending on the functionality. For non-complex solutions that don't require live global positioning systems data, the cost of a device can range from \$65-\$80/unit. To be conservative, we have estimated an initial capital cost of \$80/unit to outfit 50 of the Town's 190 active fleet assets.

# Design a comprehensive fire master plan

Maintaining the Town’s current volunteer fire fighter based operating model is the cornerstone of the Town’s fire and emergency services.

The Town has a volunteer organizational structure which currently meets their current fire and emergency needs. As the demographics and risk profile changes, the Town is currently looking to design a fire master plan that could provide a foundation for all operational and strategic decisions moving forward.

The mitigation of risk factors should be the primary consideration for management during implementation. Completing this design is an important step for the Fire & Emergency Services department in defining the future state vision of the service.

This department has been proactive in leveraging data and KPIs to inform decision making as well as citizens on operations. Now, the next step for the Fire & Emergency Services is to make operational improvements that promote a high level of service while acknowledging relatively constant resources.

The following six opportunities detail how the Town can design a comprehensive fire master plan. If the Town successfully implements all opportunities, it can expect significant capital investments. While the majority of these investments cannot be reasonably estimated, these investments this can help the Town mitigate potential adverse risks or events.



## Quick Wins

### Opportunity 1 – Establish an analytical approach to apparatus replacement

The Town’s Fire & Emergency Services currently evaluates its asset turnover from a tenure/time-based perspective, not considering analytical elements such as level of use, performance or risk. The department currently has 15 units with an average purchase price between \$800K-1.2M; on a 15-year life cycle that is

# Design a comprehensive fire master plan

---

## **Opportunity 1 – Establish an analytical approach to apparatus replacement (continued)**

approximately \$1M per annum in replacement costs. The lack of weight given to the level of use, performance or risk associated with each apparatus in the calculation of the annualized replacement contribution may result in inaccurate forecasting of replacement costs. For example, the Town may over or under-contribute to the reserve for apparatus replacement.

### **Recommendation**

There is an opportunity for the Town's Fire & Emergency Services to approach apparatus replacement analytically, considering level of use, performance and risk. The Town should consider the following key activities in implementation:

- Management should work with the Finance function to analyze the economic opportunity of extending replacement timelines. It could also understand the past and projected performance and reliability of each unit in an extended replacement window and consider the risk tolerance of management in the extension.
- This analysis requires ensuring that records management processes are established and followed accurately (see Opportunity 3 of Modernize data and work order management) as well as gathering the collective risk tolerance of management (see Opportunity 4 of Manage enterprise risk). This exercise may require some time investment however once established, the analysis should not be overly complex to replicate, iterate and maintain. Based on this analysis, management should identify units that are favourable for extended replacement.

### **Benefit to the Town**

Establishing an analytical approach to apparatus replacement should help the management Fire & Emergency Services right-size and maintain its assets. Based on the outcome of the analytical approach to apparatus replacement, staff may perceive older equipment as less desirable. However, this opportunity could allow the Town to improve future capital purchases by way of understanding the current state, and estimated useful life of assets. It is the monetary value of establishing a consistent approach to asset replacement that outweighs the negative perspective that could come from using older equipment. While there is little to no initial capital investment required, the Town may need to invest internal time establishing this analytical approach (this may require additional resources). Adjusting replacement timelines to the conditions per apparatus could result in an accounting impact as reserve levels may be contributed to accordingly. No cash-based impacts are likely to occur with the exception of ultimately replacing apparatus.

This opportunity aligns with the Strategic Plan as it should protect community assets and deliver smart balanced growth. When using an analytical approach to asset replacement, the Town could have complete and accurate information when making capital purchasing decisions that could benefit the Town moving forward.

---

## **Medium-Term**

### **Opportunity 2 – Design a fire master plan with a focus on personnel and locations**

The Town's Fire & Emergency Services lacks a comprehensive, forward looking fire master plan. These plans are intended to provide the Town with an objective assessment of the current risk profile of the Town and project future needs based on the growth and development of the Town. The Town's primarily volunteer-based model includes 110 volunteer firefighters and 6 full time staff members who operate and respond from the five Fire Halls located throughout the Town. Historically these halls have been geographically located near more dense population pockets of the Town, management has identified two of these halls as being in close proximity of each other, and is actively exploring the potential for consolidation.

### **Recommendation**

There is an opportunity for the Town to prepare a fire master plan that applies a risk-based approach to the future development of the Town's Fire & Emergency Services. This risk-based approach could assess the geographic distribution of Risk, Resources and incidents; forecast the most likely growth trends requiring response, and ultimately support the Town's decision processes for many years into the future. Ideally, this Plan should allow the Town to identify the benefits of its current Volunteer model, and identify what circumstances may precipitate a move to a different service model. The Town should consider the following key activities in implementation:

# Design a comprehensive fire master plan

## **Opportunity 2 – Design a fire master plan with a focus on personnel and locations (continued)**

- The Town should consider engaging external professional services with experience in designing fire master plans for municipalities. This expertise should help the Town design a fire master plan that is tailored to the Town's attributes and realistic to implement. This master plan should define key operational activities, similar to the other opportunities discussed within this theme, and include a framework for prioritization.
- This master plan should define key operational activities, similar to the other opportunities discussed within this theme, and include a framework for prioritization.
- To support the fire master plan, the Town should conduct a risk based analysis to support the current decisions around service level and support decisions such as the consolidation of current fire halls and/or repositioning of current locations. For example, this analysis could analyze the impact of or change in response times and costs for varying service scenarios.
- The Town should define its personnel operating model with the view of maintaining the volunteer firefighter model for as long as possible. These activities could include conducting periodic internal stakeholder engagement to understand the sentiment of volunteer staff and further understand the value it brings to the Town.
- The Town could also consider revising the current By-law structure to address trends in non-emergency responses (e.g. false alarms). Establishing penalties for excessive false alarms or other non-emergencies that result in the use of Fire & Emergency Services when not required may increase operational efficiencies.

### **Benefit to the Town**

Designing a fire master plan with a focus on risk, personnel and locations may provide the roadmap implementation for the Town's future Fire & Emergency services, which could help improve the level of service for citizens. Solidifying this master plan may be the catalyst for change in this service and the following opportunities are likely considerations in the design of a roadmap for this service. Engaging with consultants or a professional services firm may require a ~ \$100K investment, as well as internal time helping design the master plan (see detailed quantification on page 75). This investment may help mitigate the Town's enterprise risk and adverse financial impacts from potential incidents that the Town has not planned for.

This opportunity aligns with the Strategic Plan as it should deliver smart balanced growth and promote a positive workplace. The master plan could help the Town align on the direction of services moving forward and establish a baseline for citizen expectations.

## **Opportunity 3 – Establish a dedicated Emergency Operations Centre**

In an emergency event (e.g. flood, pandemic/epidemic, freezing rain/ice storm, explosion, etc.), the Town's Fire & Emergency services may assemble in Council Chambers to manage operations. Council Chambers currently lacks the infrastructure (e.g. back-up power generator) to adequately support this response, which increases the Town's enterprise risk. An Emergency Operations Centre should be used at minimum, once per year, for training purposes. While frequency is difficult to predict, there have been 74 alerts or warnings issued in the Niagara Region since 2012 that should have required the use of a meeting of the Emergency Control Group.

### **Recommendation**

There is an opportunity to establish a dedicated Emergency Operations Centre with the sufficient infrastructure to support emergency response. The Town should consider the following key activities in implementation:

- In support of the design of the fire master plan (see Opportunity 2), management should conduct an analysis weighing the benefits and challenges with the current and prospective locations for an Emergency Operations Centre. This should include financial and operational impacts.
- Once this analysis is complete, this should help inform management's decision in identifying and equipping a sufficient space with the existing infrastructure (e.g. a Fire Hall with additional capacity) to adequately provide support to emergency events requiring an Emergency Operations Centre.
- Management should also consider its record management practices (see Opportunity 3 of Modernize data and work order management) in the use of the Emergency Operations Centre. Albeit infrequent, management should make sure that record management is consistent so that if needed, insights can be gathered.

# Design a comprehensive fire master plan

---

## **Opportunity 3 – Establish a dedicated Emergency Operations Centre (continued)**

### **Benefit to the Town**

Establishing a dedicated Emergency Operations Centre may improve management's emergency response processes and reduce the enterprise risk associated with a failed emergency response. Given the fact that establishing a dedicated Emergency Operations Centre is predicated on designing a fire master plan (see Opportunity 2), the estimated costs associated with implementation cannot be reasonably estimated at this time. However, the initial capital investment anticipated should be tempered by the fact that the Town already possesses many of the capital intensive assets required for an Emergency Operations Centre. This investment may help mitigate the risk and adverse financial impact from potential incidents that the Town has not planned for.

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence. The dedicated operations centre could streamline current tasks and allow staff to execute their responsibilities in an effective and efficient manner.

---

## **Long-Term**

### **Opportunity 4 – Relocate Fire & Emergency Services management**

The management of the Fire & Emergency Services currently operate out of the Town's Operations Centre in Virgil. This location does not store any fire/emergency equipment/assets and is not immediately adjacent to a fire hall. This can present a potential challenge and increase enterprise risk as every second in quick response or timely management is vital to this service. Management has identified District #1 Niagara-on-the-Lake Fire Hall as a potential location as this hall bears the land capacity to affix an extension to the building and provide space for the entire Fire department management team.

### **Recommendation**

There is an opportunity to relocate the Fire & Emergency Services management from the Operations Centre to a fire hall. In support of the design of the fire master plan (see Opportunity 2), management should conduct an analysis weighing the benefits and challenges with the current and prospective locations for management to operate from. This should include financial and operational impacts.

### **Benefit to the Town**

Relocating the management of Fire & Emergency Services could help management operate closer to their resources and offer an increased level of service to citizens. While relocating the Fire department management team may impact communication, it should be noted that the Fire Chief and Deputy Chiefs are active members of the Town's Senior Management Team. This relocation could bear a high initial capital investment as management may need to source and equip an adequate location for management to operate from. However, this investment cannot be reasonably estimated at this time. This investment may help mitigate the Town's enterprise risk and adverse financial impacts from potential incidents that the Town has not planned for.

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence by optimization of service management with improved proximity to resources.

---

### **Opportunity 5 – Explore expanding Automatic Aid Agreements**

The Town's Fire & Emergency Services currently has two Automatic Aid Agreements with neighbouring municipal fire services, but has not pursued further agreements. These agreements enable neighbouring firefighters, or such other personnel as authorized by the agreement, to provide rescue or emergency services within the Town.

### **Recommendation**

There is an opportunity for the Town to expand the scope of Automatic Aid requests to encompass technical rescue emergency response calls (inbound and outbound). This could likely require negotiations with neighbouring municipalities and ratified addenda to said agreements. Management should consider its fire

# Design a comprehensive fire master plan

---

## **Opportunity 5 – Explore expanding Automatic Aid Agreements (continued)**

master plan (Opportunity 2) and leverage its framework for prioritization in targeting specific elements of technical rescue that the Town's Fire & Emergency services has exposure in.

### **Benefit to the Town**

Exploring further Automatic Aid Agreements with neighbouring municipal fire services should drive efficiencies for the Town and increase levels of service in technical rescues. While the implementation of this opportunity may increase the complexity of operations by managing additional outgoing Automatic Aid services, the increased efficiencies by way of collaboration could have a long-standing future benefit for the Town.

This opportunity aligns with the Strategic Plan as it should promote a positive workplace by the strengthening of partnerships and collaboration.

---

## **Opportunity 6 – Obtain accreditation to drive performance improvement**

The Town's Fire & Emergency Services is currently not accredited under the Commission on Fire Accreditation International (CFAI). While this service has looked to integrate data into operations, the Town could extend these capabilities to operate on a primarily data-driven basis.

### **Recommendation**

There is an opportunity for the Town's Fire & Emergency Services to pursue this accreditation to make sure performance standards are at the Commission's codified level and drive an internal culture of performance improvement. The accreditation could provide the Town with an accreditation model, various accreditation publications and trainings, and access to experienced peer assessors in order to amplify the recognition of the Town's dedication to excellence when considering relevant stakeholders. It could also provide a comprehensive assessment of the Fire Departments strengths and opportunity areas.

### **Benefit to the Town**

Obtaining accreditation with the CFAI could drive a culture of performance improvement, which can ultimately improve the level of service delivered to citizens. This accreditation process could primarily require an internal time investment and a low initial investment of \$10-15K<sup>1</sup>. Considering the operational efficiencies that could be gained from the application of best practices and performance improvement, the benefits likely outweigh the workload required to achieve and maintain the accreditation.

This opportunity aligns with the Strategic Plan as it should create a culture of customer service excellence and promote a positive workplace. The accreditation could signify the services effort to establish and maintain service excellence, and provide a benchmark for performance moving forward.

---

<sup>1</sup> Estimated fees were obtained from the CFAI and include a Registered Agency Fee of \$580, Applicant Agency Fee of \$6,350, Candidate Agency Fee of \$7,500 (<https://cpse.org/accreditation/how-to-get-accredited/>).

# Net financial impact

## Design a comprehensive fire master plan

The net financial impacts of the opportunities below can be reasonably estimated on a cash-flow basis at this time. These opportunities as well as those that are not reasonably quantifiable at this time also carry qualitative benefits to the Town as noted in the opportunity themes and descriptions.

Change in Revenue	Year ended		
	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Change in Expenses <sup>1</sup>	2020	2021	2022
Design a fire master plan with a focus on personnel and locations <sup>2</sup>		+	\$100,000
<b>Total</b>	<b>N/A</b>	<b>+</b>	<b>\$100,000</b>

	2020	2021	2022
<b>Net Change in Surplus / Deficit</b>	<b>N/A</b>	<b>-</b>	<b>\$100,000</b>

Initial Capital Investment	2020	2021	2022
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

<sup>1</sup> As noted in Opportunity 6 – Obtain accreditation to drive performance improvement, estimated fees for accreditation from the CFAI may cost between \$10-\$15K. As this is a long-term opportunity, this expense could be incurred beyond 2022 and has therefore not been included in the table above. Estimated fees were obtained from the CFAI's website and include a Registered Agency Fee of \$580, Applicant Agency Fee of \$6,350, Candidate Agency Fee of \$7,500.

<sup>2</sup> A conservative estimate of \$100K in fees was assumed for the engagement of an external consultant or a professional services firm for the purposes of designing a fire master plan with a focus on personnel and locations.

# Net financial impact

The net financial impacts of quantifiable opportunities have been detailed and aggregated in this section. These impacts represent a conservative estimate of the incremental operating and capital impacts anticipated if all eight quantified opportunities were implemented by the end of 2022.

Out of the eight opportunities, we were able to estimate the total operating cash-flow implications of five opportunities and the investment implications of another three opportunities. The total financial benefit for these three opportunities, as well as others that are expected to generate financial benefits, cannot be reasonably estimated at this time.

Given the current state of operations, a small number of opportunities could be reasonably quantified at this time. If the Town invests its time and resources executing on the suggested opportunities building upon its current foundation, it can likely expect to reap significant annual benefits to the tune of nearly \$1M additional increase in net surplus / deficit beginning in 2022. This equates to nearly 4% of the 2018 operating budget. Even more promising, there are a number of other opportunities that have expected financial benefits as well, however these cannot be reasonably quantified at this time.

The information below does not indicate total financial statement balances as these estimates have not been calculated in accordance with Public Sector Accounting Standards, but rather on a cash-flow basis.

Net Financial Impact	Year ended		
	2020	2021	2022
<b>Total operating cash-flow implications</b>			
Conduct an annual parking operations review	+ \$120,000	+ \$365,000	+ \$365,000
Institute and review revenue policy for services generating user fees		+ \$150,000	+ \$150,000
Perform a water audit leveraging the IWA/AWWA methodology		+ \$275,000	+ \$275,000
<b>Change in Revenue</b>	<b>+ \$120,000</b>	<b>+ \$790,000</b>	<b>+ \$790,000</b>
Perform a water audit leveraging the IWA/AWWA methodology	+ \$100,000	- \$90,000	- \$90,000
Establish a full-time employee to manage procurement	+ \$40,000	+ \$80,000	+ \$85,000
Improve buying practices (Procurement By-law)		- \$250,000	- \$250,000
<b>Change in Expenses</b>	<b>+ \$140,000</b>	<b>- \$260,000</b>	<b>- \$255,000</b>
<b>Other investment and capital implications with expected financial benefits</b>			
Establish a full-time employee to manage drainage and irrigation	+ \$30,000	+ \$59,000	+ \$62,000
Improve asset management and maintenance plan		+ \$7,500	+ \$7,500
Design a fire master plan with a focus on personnel and locations		+ \$100,000	
<b>Change in Expenses</b>	<b>+ \$30,000</b>	<b>+ \$166,500</b>	<b>+ \$69,500</b>
<b>Net Change in Surplus / Deficit</b>	<b>- \$50,000</b>	<b>+ \$883,500</b>	<b>+ \$975,500</b>
Improve asset management and maintenance plan		+ \$4,000	
<b>Initial Capital Investment</b>	<b>\$0</b>	<b>+ \$4,000</b>	<b>\$0</b>

# Implementation roadmap and value realization

The following pages detail a practical roadmap for implementation developed with the consideration that the Town has other responsibilities beyond the services discussed in the report. Within each year of implementation, opportunities were cascaded with input from management – specifically considering management’s level of confidence and the expected internal, external and financial impact to be gained in implementation. Due to changing circumstances management may find that reprioritization of implementation may be required resulting in changes to the implementation roadmap.

In order for the Town to realize the potential value from the implementation of recommended opportunities there must be a focus on the value drivers identified below, in order to help ensure that the value of the output is linked back to the drivers. Management must consider these drivers throughout implementation in order to successfully enable change:

-  **People** – Personnel should possess the skills and capabilities required by their roles and responsibilities so that they can discharge their duties efficiently and effectively
-  **Policies** – Management and staff must remain diligent in standardizing policies and procedures, as well as ensuring adoption from the top-down
-  **Change management** – Change management processes and training must be actively implemented in order for recommended changes to be impactful
-  **Technology** – Modern technology should be considered when the benefits driven by it outweighs the investment required to implement technology or it is an operating necessity
-  **Measures** – Key performance indicators are essential in tracking and monitoring performance improvement
-  **Operating model** – The existing operating model for services may need to be altered to right-size delivery levels and balance resources with needs.



Opportunity	Value Realization Drivers						Quick Wins		Medium-Term			
	People	Policies	Change management	Technology	Measures	Operating model	Jul 1 2020	Jan 1 2021	Jul 1 2021	Jan 1 2022	Jul 1 2022	Dec 31 2022
							←-----→					
<b>Modernize data and work order management</b>												
Standardize service request intake, triage and feedback		X	X				■					
Improve communication and workflow between departments		X	X			X		■				
Procure integrated IT solutions that meet the Town's needs			X	X				■	■	■	■	■
Remove paper based processes for Planning & Building applications			X	X					■			
<b>Address constraints in the organizational structure</b>												
Establish a full-time employee to manage drainage and irrigation	X					X		■				
Move employees to departments which align expertise with citizen services	X	X	X			X		■				
Update training of managers on reviewing and approving timesheets	X	X					■					
Streamline new hires paper work and training process	X	X					■					
Establish a formal Communications Officer title	X					X	■					
Revise job processes and job descriptions		X						■				
Design a technical training plan	X	X								■		
<b>Increase the Town's revenues</b>												
Conduct an annual parking operations and inventory review		X			X			■	■			
Institute revenue policy for service-generated user fees		X	X					■	■			
Improve grant application model						X			■			
Conduct an annual capacity and cost recovery analysis for facilities		X			X					■		
Provide marriage licenses and conduct wedding ceremonies						X		■				



# Appendix A

## Service profiles detailed

# Water Distribution

Service Profile		Service Description	
Division	Water Distribution	<p>The Town is responsible for the maintenance and operation of the Town's water distribution system working in cooperation with the Niagara Region. Routine activities include: maintaining hydrants (1,186 public and 180 private), operating and maintaining water valves, flushing mains and systems, reading and testing water meters, providing locates for underground mains, turning off/on water services, and installing meters for hydrant irrigation.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff / Contracted Services		
2018 Expenses	\$4,006,438 (67% Contracted Services, 26% Chargeback)		
2018 Revenue	\$5,993,966 (98% Water Revenue)		
FTEs	4.3	Key Performance Indicators Used	No
		Service Level Standard Definition	<ul style="list-style-type: none"> <li>• Drinking Water Quality Management Standard (DWQMS)</li> <li>• Drinking Water Protection Regulation</li> <li>• Water System Management By-law No. 814.77</li> <li>• Water &amp; Wastewater By-law No. 4919-13</li> </ul>

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$213.36	\$171.52	\$79.81	Not available
Percent of operating budget <sup>1</sup>	14.62%	9.78%	8.04%	Not available
Number of hydrants <sup>2</sup>	1,366	1,138	Not available	Not available
Variable water rate (per m3) <sup>2</sup>	\$1.4969	\$0.667	\$2.102	\$2.16

## Service Level Assessment

**At Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (Drinking Water Quality Management Standard).
- There are concerns with water losses which are material inconsistencies in the tracking of water consumption in relation to billings and inconsistencies in procedures around water meter installation.
- Ultimately, it can be noted from the performance and benchmarking section above that the Town spends significantly more on the service offering than its comparators while also charging less per cubed meter. This could be due to the costs associated with the Town's substantial water losses and the associated investigations.
- On balance, this service is likely at standard but behind what other Municipalities are achieving due to significant water losses and higher spending than comparable municipalities, which is likely being spent on remedial action on the system.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

# Wastewater Collection

Service Profile		Service Description	
Division	Wastewater Collection	<p>The Town is responsible for the maintenance and operation of the Town's water sewage collection system working in cooperation with the Niagara Region. Routine activities include installing and inspecting water/sewer service connections, clearing sewer blockages, and activating, maintaining and shutting down irrigation pumps/siphons.</p> <p><b>Key Performance Indicators Used</b> No</p> <p><b>Service Level Standard Definition</b></p> <ul style="list-style-type: none"> <li>• Water System Management By-law No. 814.77</li> <li>• Sanitary Sewer By-law No. 767B-08</li> <li>• Water &amp; Wastewater By-law No. 4919-13</li> <li>• Wastewater Allocation Policy By-law No. 4600-12</li> </ul>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff / Contracted Services		
2018 Expenses	\$3,675,468 (85% Contracted Services)		
2018 Revenue	\$4,365,923 (93% Wastewater Revenue)		
FTEs	4.3		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$204.27	\$212.26	\$9.54	Not available
Percent of operating budget <sup>1</sup>	13.41%	12.11%	0.96%	Not available
Variable water rate (per m3) <sup>2</sup>	\$1.2663	\$0.794	\$1.868 - \$2.490	\$2.16

## Service Level Assessment

**At Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens.
- It should be noted that increased provincial legislation and compliance requirements related to wastewater are anticipated in coming years. While the Town could be considered meeting regulation standards currently, they should be proactive in order to adhere to new legislation requirements.
- Ultimately, it can be noted from the performance and benchmarking section above that the Town spends a high amount on the service offering when benchmarked against its comparators, and charges less per cubed meter. This could be due to the costs associated with the Town's substantial water losses and the associated investigations.
- On balance, this service is likely at standard but behind what other Municipalities are achieving due to significant water losses and higher spending than comparable municipalities, which is likely being spent on remedial action on the system.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

# Facilities

Service Profile		Service Description	
Division	Parks Recreation & Facilities	<p>The Town is responsible for the operation and maintenance of all Town owned recreational facilities. These facilities include the Centennial Arena, Meridian Credit Union Arena and Community Centre which are often used to facilitate community events, weddings, receptions, and various types of meetings. The arenas obtain advertising revenue from local organizations, and are available to rent for various activities including meetings, ice hockey, ball hockey, lacrosse, dances.</p>	
Department	Operations		
Service Type	External		
Service Driver	Management Directive		
Delivered by	Town Staff		
2018 Expenses	\$2,468,013 (48% Chargeback, 46% Materials)		
2018 Revenue	\$1,161,398 (72% Rental Revenue)	Key Performance Indicators Used	No
FTEs	10.6	Service Level Standard Definition	Undetermined

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$128.75	\$128.70	\$116.98	\$132.47
Percent of operating budget <sup>1</sup>	9.01%	7.34%	11.79%	11.71%
Number of facilities <sup>2</sup>	4	5	4	7

## Service Level Assessment

**At Standard**

### Service Level Rationale

- Citizens have expressed their satisfaction with the available facilities and associated programs, which is supported by the low level of facility related service requests (~0.22%) received from citizens via the websites online form.
- The Town cannot definitively analyze its performance or service levels compared to the prior year due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is performing capacity and revenue analysis, but they are not being performed on a periodic basis. This irregularity is ineffective when considering the Town's efforts to maximize utilization of the facilities as well as rental revenue.
- Ultimately, the Town is performing well when benchmarked against its comparators, as defined by the average spend per capita, average percent of operating budget and high resident satisfaction levels. While there are opportunities to improve operations by way of better understanding the current capacity and revenue levels, the Town is meeting current local needs.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

# Fire & Emergency Services

Service Profile		Service Description	
Division	Fire & Emergency Services	<p>The Town's Fire &amp; Emergency Services operates with a primarily volunteer-based model with 110 volunteer fire fighters and 6 full-time staff. The Town has 5 fire halls dispersed throughout the Town, located in close proximity to the more dense population pockets.</p> <p>This service generates miscellaneous revenues such as billing for certain fire calls, unauthorized burns or Ontario Ministry of Transportation responses. The service also generates rental revenue from the Region for an ambulance bay.</p>	
Department	Fire & Emergency Services		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff / Volunteers		
2018 Expenses	\$1,760,699 (69% Salaries & Wages, 23% Materials)		
2018 Revenue	\$101,984 (60% Miscellaneous Revenue)	Key Performance Indicators Used	Yes
FTEs	5	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Emergency Management and Civil Protection Act</li> <li>Fire Department By-law No. 4628-13</li> </ul>

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Percent of operating budget <sup>1</sup>	6.43%	12.05%	9.08%	13.88%
Number of stations <sup>2</sup>	5	1	6	5
Structure <sup>2</sup>	110 volunteers 6 full time	11 volunteers 32 full time	100+ volunteers 4 full time	104 volunteers 38 full time

## Service Level Assessment

**At Standard**

### Service Level Rationale

- The Town is able to definitively analyze its performance and service levels given the use of key performance indicators when monitoring and tracking service level indicators such as response time and recruiting levels in current year.
- Additionally, there is active communication of the Town's level of service by way of the detailed reporting of service activities made available on the Town's website. This sets Fire & Emergency services apart when considering other services listed on the Town website, as features such as real time updates and ArcGIS mapping of incidents are available.
- Ultimately, the Town is performing on-par with its comparators, as defined by the percent of operating budget, structure and number of stations. When considering identified areas for improvement, the following should be noted:
  - The equipment used for health and safety purposes as well as the fleet are old and the Town has challenges ensuring they are replaced.
  - The service is currently lacking the CFAI accreditation which is an external measure of service excellence.
- Citizens have expressed their satisfaction with the available facilities and associated programs, which is supported by the low level of facility related service requests (~0.14%) received from citizens via the websites online form.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

# Parks

Service Profile		Service Description	
Division	Parks Recreation & Facilities	<p>The Town is responsible for the maintenance of 130 acres of parks and properties, including all aspects of turf maintenance and arboriculture. The service is also responsible for maintaining a high standard of custodial services, providing support for special events and general waste collection within the parks.</p>	
Department	Operations		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Town Staff		
2018 Expenses	\$1,425,587 (109% Salaries & Wages, -115% Chargeback)		
2018 Revenue	\$359,278 (81% Donations Revenue)	Service Level Standard Definition	• Trees By-law No. 4571-12
FTEs	5.3		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Headcount <sup>1</sup>	6	19	9	Not available
Spend per capita <sup>2</sup>	\$81.41	\$93.37	\$92.73	\$38.43
Percent of operating budget <sup>2</sup>	5.20%	5.33%	9.34%	3.40%

## Service Level Assessment

**At Standard**

### Service Level Rationale

- Citizens have expressed their satisfaction with the state and maintenance of parks as well as special events held within the parks. This is supported by the low level of park related service requests (~1%) received from citizens via the websites online form.
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens.
- It should be noted that Niagara Parks Commission is responsible for the maintenance of parkland along the Niagara River Recreational Trail within the Town's boundaries.
- Ultimately, the Town is performing well when benchmarked against its comparators, as defined by the lower than average percentage of operating budget spend and high levels of citizen satisfaction. While there are opportunities to improve the service by way of alignment when considering shared responsibilities such as trees and grass, the Town is meeting current local needs.

<sup>1</sup> Information obtained from comparator websites

<sup>2</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Road Construction and Maintenance

Service Profile		Service Description	
Division	Roads Maintenance	<p>The Town maintains 497.61 lane kilometers of roads performing construction and maintenance services. These range from Class 3 to Class 6 roads as defined by O. Reg. 239/02: Minimum Maintenance Standards under Ontario's Municipal Act. Key activities include construction, patching, sweeping, grading, gravelling and dust control.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff / Contracted Services		
2018 Expenses	\$1,382,888 (43% Contracted Services, 38% Materials)		
2018 Revenue	\$365,023 (82% Services Rendered)	Service Level Standard Definition	<ul style="list-style-type: none"> <li>O. Reg. 239/02: Minimum Maintenance Standards for Municipal Highways</li> </ul>
FTEs	11.5		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per lane km <sup>1</sup>	\$2,779.06	\$5,808.06	Not available	\$13,005.14
Spend per capita <sup>2</sup>	\$78.97	\$90.08	\$142.11	\$136.22
Percent of operating budget <sup>2</sup>	5.05%	5.14%	14.32%	12.04%

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (legislated Minimum Maintenance Standards).
- Citizens have also expressed their concerns as the most significant segment (~10%) of service requests received from citizens relates to road construction and/or maintenance. This is also supported by our review of recent external stakeholder engagement surveys.
- Based on the analysis of previous Town survey responses, citizens have expressed the need to improve road infrastructure and maintenance efforts in order to minimize seasonal congestion given increased tourist traffic and Town growth.
- Ultimately, the Town is spending less than its comparators, as defined by the average percentage of operating budget spend, average spend per lane km, and has a low level of citizen satisfaction. While there are opportunities to improve the service by clearly defining and communicating service level expectations, the Town should consider how it can best meet current local needs.

<sup>1</sup> Information obtained from comparator websites

<sup>2</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Planning

Service Profile		Service Description	
Division	Community & Development	<p>The Town creates the policy framework and implementation tools required to shape the future of the Town. Development is responsible for ensuring that the Town's land development standards are achieved on all development applications.</p>	
Department	Community & Development Services		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Town Staff		
2018 Expenses	\$1,078,286 (91% Salaries & Wages)	<b>Key Performance Indicators Used</b>  <b>Service Level Standard Definition</b>	<b>No</b>  <ul style="list-style-type: none"> <li>• Planning Act</li> <li>• Building Permits By-law No. 4115-07</li> <li>• Comprehensive Zoning By-law No. 4316-09</li> <li>• Interim Control By-law/Old Town By-law No. 5105-18</li> <li>• Part IV of the Ontario Heritage Act By-law No. 3989-05</li> <li>• Site Alteration By-law No. 3914-05</li> </ul>
2018 Revenue	\$503,791 (90% Application Fee Revenue)		
FTEs	9.5		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$68.86	\$57.08	\$69.14	\$117.35
Percent of operating budget <sup>1</sup>	3.94%	3.26%	6.97%	10.37%
Use of peer review <sup>2</sup>	Yes	Yes	No	Not available
Site plan fee <sup>2</sup>	\$7,490 (plus \$1,178 for amendment)	Up to \$7,280 (plus \$450 for consult.)	\$1,475, plus \$2,000 to \$4,000 for review	\$1,200 to \$8,000

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined by local by-laws.
- Citizens have expressed their dissatisfaction with the available services, which is supported by the feedback obtained during the business and development open house. Feedback included the length of time required to issue simple approvals related to building permits, quality control, lack of communication and follow-up throughout the permit process as well as the high turnover of knowledgeable staff.
- Ultimately, the Town is performing on-par when benchmarked against its comparators, but it can be noted by way of citizen feedback that there are areas for improvement in the service offering. With this in mind, the Town should consider how it can best meet current local needs.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>3</sup> Information obtained from comparator websites

# Library

Service Profile		Service Description	
Division	Library	<p>The Town's Library strives to provide educational, cultural, recreational and social opportunities to all members of the community. The Library is currently revising its Strategic Plan, and has made numerous changes in order to modernize operations including removing the Dewey decimal system, and creating a maker station.</p>	
Department	Library		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff		
2018 Expenses	\$801,311 (76% Salaries & Wages)		
2018 Revenue	\$779,817 (88% Municipal Grant Revenue)	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Ontario Public Libraries Act</li> </ul>
FTEs	9		

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$45.48	\$71.84	\$51.70	\$91.67
Percent of operating budget <sup>1</sup>	2.92%	4.10%	5.21%	8.10%
Foot Traffic (2017) <sup>2</sup>	299,099 <sup>3</sup>	237,081	173,838	Not available

<b>Service Level Assessment</b>	<b>Above Standard</b>
---------------------------------	-----------------------

- Service Level Rationale**
- The Town's Library collects numerous data points with respect to its user base (e.g. member activity/usage, interactions online/in-person, types of material borrowed, etc.), but is not leveraging the data when considering its ability to define performance and directional improvements.
  - Additionally, there is limited active communication of the Town's level of service or comparison of its services to the service level standard defined for Ontario municipalities – the legislated Ontario Public Libraries Act.
  - The Town's library is highly modernized, as it has moved away from traditional practices such as the use of the Dewey decimal system. The library has also invested in a number of modern services for public use such as 3D printers in the makers station.
  - Ultimately, the Town is spending less than its comparators, but proves to be superior when considering foot traffic and modernization efforts. While there are opportunities to improve the service by way of implementing key performance indicators, the Town is meeting local needs.
  - On balance, this service is above standard because of a lower spend per capita than comparators, the modern amenities and number of services provided to citizens as well as the collection and use of data for management purposes.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

<sup>3</sup> Includes online visits as well as foot traffic

# Public Transit

Service Profile		Service Description	
Division	Public Transit	<p>The Town launched a new transit service for residents and visitors in 2012. The \$3 (one-way) service includes new conventional fixed routes linking the communities of Old Town, Virgil and Glendale, as well as the continuation of a shuttle between Historical Old Town and Fort George from May to October.</p>	
Department	Operations		
Service Type	External		
Service Driver	Management Directive		
Delivered by	Contracted Services		
2018 Expenses	\$667,010 (93% Contracted Services)		
2018 Revenue	\$379,404 (61% Bus Parking Fees, 11% Bus Fares)	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Ontario Ministry of Transportation – Transit Supportive Guidelines</li> </ul>
FTEs	N/A		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$37.67	\$71.38	\$6.73	\$35.05
Percent of operating budget <sup>1</sup>	2.43%	4.07%	0.68%	3.10%
Structure <sup>2</sup>	Traditional	Traditional	Traditional	Non-traditional

## Service Level Assessment

**At Standard**

### Service Level Rationale

- The Town refreshed the public transit service in 2012, but cannot definitively analyze its performance or service levels relative to the prior year due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (Transit Supportive Guidelines).
- Citizens have not expressed many complaints with the transit service, which is supported by the low level of related service requests (~0.31%) received from citizens via the websites online form.
- Ultimately, the Town is performing on-par with its comparators, as defined by the structure and average percentage of operating budget. While there are opportunities to improve services by way of developing KPIs and ensuring communication of the service is improved, the Town is meeting current local needs.
- On balance, this service is at standard due to minimal citizen complaints and lower spending compared to other municipalities.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites. Innisfil uses a ride sharing services sponsored by the municipality.

# Building Services

Service Profile		Service Description	
Division	Building Services	<p>The Town meets the needs of the development community to provide new residential and commercial opportunities within the Town. Routine activities include informing and assisting customers to ensure safe and orderly development and provide efficient delivery of building approvals, inspections and management systems.</p> <p><b>Key Performance Indicators Used</b></p> <p>No</p> <p><b>Service Level Standard Definition</b></p> <ul style="list-style-type: none"> <li>• Building Permits By-law No. 4115-07</li> <li>• Comprehensive Zoning By-law No. 4316-09</li> <li>• Interim Control By-law/Old Town By-law No. 5105-18</li> <li>• Part IV of the Ontario Heritage Act By-law No. 3989-05</li> <li>• Site Alteration By-law No. 3914-05</li> </ul>	
Department	Community & Development Services		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Town Staff		
2018 Expenses	\$628,049 (94% Salaries & Wages)		
2018 Revenue	\$811,402 (98% Permit Revenue)		
FTEs	4.8		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$35.87	\$28.05	\$24.36	\$47.43
Percent of operating budget <sup>1</sup>	2.29%	1.60%	2.45%	4.19%

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Further supporting the Town's inability to analyze performance, there is a lack of standardization in the current application system, which has made it hard to provide a consistent level of service. This could be improved by way of modernizing the process by way of technology to facilitate faster applications for non-complex activities.
- When considering the communication of the service level with the public, the Town does not currently recognize service level definitions that could define performance, such as the Ontario Building Code. This communication should involve the detailed reporting of service activities made available on the Town's website.
- Ultimately, the Town is on-par with its comparators, as defined by the average spend per capita and average percent of operating budget. While there are opportunities to improve the service by way of improved application protocols, the Town should consider how it can best meet current local needs.
- On balance, this service is likely below standard because of the lack of service standardization resulting in inconsistent service levels.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Street Lighting

Service Profile		Service Description	
Division	Roads Maintenance	The Town is responsible for the design and maintenance of street lights for the 497.61 lane kilometers of roads within the Town.	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff / Contracted Services	Key Performance Indicators Used	No
2018 Expenses	\$612,311 (58% Materials, 27% Contracted Services)	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Ontario Provincial Standards Specifications</li> <li>Transportation Association of Canada</li> </ul>
2018 Revenue	\$2,936 (100% Services Rendered)		
FTEs	1 <sup>1</sup>		

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>2</sup>	\$31.99	\$12.62	\$6.21	\$12.52
Percent of operating budget <sup>2</sup>	2.23%	0.72%	0.63%	1.11%

<b>Service Level Assessment</b>	<b>(Likely) Below Standard</b>
---------------------------------	--------------------------------

- Service Level Rationale**
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
  - Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to a publically defined service level standard definition.
  - Citizens have expressed their concern with the available services, which is supported by the significant level of street lighting related service requests (~7%) received from citizens via the websites online form.
  - Ultimately, it can be noted from the performance and benchmarking section above that the Town spends significantly more on the service offering than its comparators while also prioritizing it as a percent of the operating budget. While there are opportunities to improve from a financial spend perspective, the Town should consider how it can best meet current local needs.

<sup>1</sup> There is staff overlap with the Roads service  
<sup>2</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Parking Operations

Service Profile		Service Description	
Division	Parking Operations	<p>The Town is taking a proactive approach to solving some of the parking dilemmas including the use of both traditional and pay/display parking meters. The Town also ensures that there are several accessible parking spaces as well as bus parking. Routine activities include the issuance of parking fines, Niagara College parking enforcement and the collection of coins from parking meters.</p>	
Department	Community & Development Services		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Town Staff		
2018 Expenses	\$551,967 (50% Salaries & Wages, 34% Materials)		
2018 Revenue	\$1,851,367 (84% Credit Card Revenue)	Key Performance Indicators Used	No
FTEs	4	Service Level Standard Definition	<ul style="list-style-type: none"> <li>• Parking By-law 4308-09</li> <li>• Parking By-law 4309-09</li> <li>• Parking By-law 4710-14 &amp; 4710A-14</li> <li>• Parking By-law 4744-14</li> </ul>

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Percentage of operating budget <sup>1</sup>	2.01%	0.77%	0.05%	Not available
Revenue from service <sup>2</sup>	\$1,851,367	\$1,499,954	\$133,110	\$98,060
Resident parking pass <sup>3</sup>	Yearly 1 hour permit (\$20)	Monthly/yearly parking pass (\$52 or \$520)	Not available	Parking pass (free)

Service Level Assessment	At Standard
<p><b>Service Level Rationale</b></p> <ul style="list-style-type: none"> <li>• The Town has defined a variety of alternatives when considering the parking options and payment methods available to the public. These methods are supported by an interactive map on the Town's website that allows visitors as well as local residents to understand where parking lots are located.</li> <li>• When considering the parking options available to local residents, the yearly permit is limited when compared to other municipalities by way of the defined time limit. This could deter local residents from taking advantage of the option, and limit the ways in which residents are utilizing local services and businesses.</li> <li>• Additionally, there are limitations by way of the parking space size and number of parking lots available in the Town. This is not effective, as it limits the number of cars that are able to utilize specific spaces which could impact the revenue earned from the related parking meters.</li> <li>• Ultimately, the Town is performing well when benchmarked against its comparators, as defined by the revenue from service. While there are opportunities to increase parking revenue by way of improvement to the resident permit offering and effectiveness of parking spaces, the Town is meeting current local needs.</li> </ul>	

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Pulled from 2018 financial statements (segmented reporting section), and operating budget report (Innisfil only)

<sup>3</sup> Information obtained from comparator websites

# Municipal Drains

Service Profile		Service Description	
Division	Environmental Services	<p>The Town is responsible for overseeing the construction, maintenance and operation of the municipal irrigation systems and municipal drains. Also included is assisting the Town Clerk in the processing of tile drainage loans and carrying out inspections in accordance with the Tile Drainage Act.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Contracted Services		
2018 Expenses	\$516,703 (88% Contracted Services)		
2018 Revenue	\$172,353 (86% Services Rendered)		
FTEs	N/A	Key Performance Indicators Used	No
		Service Level Standard Definition	<ul style="list-style-type: none"> <li>• Drainage Act</li> <li>• Tile Drainage Act</li> <li>• Ontario Ministry of Agriculture, Food and Rural Affairs</li> <li>• Ministry of Natural Resources and Forestry</li> <li>• Niagara Peninsula Conservation Authority</li> <li>• Fisheries and Oceans Canada</li> <li>• Drainage Superintendents Association of Ontario (DSAO)</li> </ul>

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Comparative analysis unavailable Benchmarking data is not publically posted at a disaggregate level appropriate for analysis.				

<b>Service Level Assessment</b>	<b>At Standard</b>
---------------------------------	--------------------

- Service Level Rationale**
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
  - Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to a municipally governed service level standard definition. Despite this, management asserts that this service is being delivered at standard.
  - During the Review, it was identified that the Town is currently looking to add a full time position to this service in order to alleviate current capacity constraints. This could further improve the current service level as more time may be available to focus on value-add initiatives.
  - While there are opportunities to improve by way of hiring additional staff to alleviate capacity constraints, the Town is meeting current local needs.
  - On balance, this service is at standard as there were no indicators present to suggest that it was performing at a below standard level.

# Trees

Service Profile		Service Description	
Division	Parks Recreation & Facilities and Roads Maintenance	The Town is responsible for the trimming, removal and planting of trees on road allowances within the Town. This service is typically provided by a combination of staff belonging to the Parks Recreation & Facilities and Roads divisions.	
Department	Operations		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Contracted Services		
2018 Expenses	\$440,006 (60% Chargeback)	Key Performance Indicators Used	No
2018 Revenue	\$0	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Trees By-law No. 4571-12</li> <li>Trees on Private Property in Urban Areas By-law No. 5139-19</li> </ul>
FTEs	3 <sup>1</sup>		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Comparative analysis unavailable Benchmarking data is not publically posted at a disaggregate level appropriate for analysis.				

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- The Town currently shares the responsibilities associated with trees with other service offerings such as Parks. This has resulted in an inefficient use of resources when considering the allocation of duties and responsibilities.
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels such as the number of trees planted vs. the number of trees removed.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to a publically defined service level standard definition.
- Citizens have expressed their concern with the available services, which is supported by the significant level of trees related service requests (~5%) received from citizens via the websites online form.
- While there are opportunities to improve services as defined by the high level of service requests, the Town should consider how it can best meet current local needs.

<sup>1</sup> There is staff overlap with the Parks and Roads services

# Clerks

Service Profile		Service Description	
Division	Corporate Services	<p>The Clerk is the official record keeper for the Town, including by-laws and agreements, Council and Committee of the Whole meeting agendas and minutes, as well as the preparation and disbursement of documentation resulting from these meetings, are also coordinated through the Clerk's Service.</p>	
Department	Corporate Services		
Service Type	External		
Service Driver	Council By-law		
Delivered by	Town Staff		
2018 Expenses	\$338,350 (94% Salaries & Wages)		
2018 Revenue	\$106,256 (97% License Revenue)	Key Performance Indicators Used	No
FTEs	2.8	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Appointing Local Authority Services By-law No. 4181-07</li> <li>Code of Conduct By-law No. 5061-18</li> <li>Procedural By-law No. 5125-19</li> <li>Procedures for Notice By-law No. 3784-03</li> </ul>

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Number of committees <sup>1</sup>	27	11	7	10

- When considering the customer service hours of each comparative, they are consistently providing service from the hours of 8:30am to 4:30pm (excluding holidays) with the exception of Innisfil. Innisfil provides additional service hours on Saturdays from 9am to 12pm, as well as extended hours on Wednesdays during regular council meetings (8:30am to 7:30pm).
- Each comparative provides the public with similar access point options on their local website including an online form, in-person hours, a phone line and email address.

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- The Town has defined a variety of alternatives when considering the ways in which the public can get in contact with the appropriate Town representative or department. When compared to other municipalities, the Town sets itself apart by way of the option to track specific service requests using the "track your service request" button made available on the website.
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels. With the identified enforcement challenges when considering the Town's by-law requirements, it is difficult to define the impact the challenges are having on the level of service being provided.
- Citizens have expressed their dissatisfaction with the available services, which is supported by the high level of clerk related service requests (~3%) received from citizens via the websites online form.
- Ultimately, the Town has far exceeded the number of committees when benchmarked against its comparators. There are opportunities to improve the service by way of reassessing the current mandate of committees in order to meet current local needs.
- On balance, this service is likely below standard due to citizen feedback on availability of services and the higher number of committees than comparators which has an impact on the efficiencies within the Clerks department.

<sup>1</sup> Information obtained from comparator websites

# Cemetery

Service Profile		Service Description	
Division	Parks Recreation & Facilities	<p>The Town is responsible for transactions such as lot purchases, interments, and record and lot availability inquiries. The care and maintenance of the Town's cemeteries is the responsibility of the Parks Recreation &amp; Facilities division with Niagara Lake Shore Cemetery being the only active burial grounds.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff		
2018 Expenses	\$307,151 (69% Chargeback)		
2018 Revenue	\$250,543 (89% Service Revenue)		
FTEs	1.3	Key Performance Indicators Used	No
		Service Level Standard Definition	<ul style="list-style-type: none"> <li>Funeral, Burial and Cremation Services Act</li> <li>General, O. Reg. 30/11</li> <li>Care and Maintenance Exemptions and Miscellaneous Charges, O. Reg. 184/12</li> <li>Code of Ethics, O. Reg. 216/18</li> <li>Niagara Lake Shore Cemetery By-law No. 5156-19</li> </ul>

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>1</sup>	\$17.54	Not available	\$12.33	Not available
Percent of operating budget <sup>1</sup>	1.12%	Not available	1.24%	Not available
Number of cemeteries <sup>2</sup>	1 active 10 inactive	4	5 active 14 inactive	9

## Service Level Assessment

**Above Standard**

### Service Level Rationale

- When considering the cemetery services provided by each comparative, Niagara on the Lake and Lincoln are the only comparators to provide details of the service offering on their local website. The defined services include the pricing schedules of various service alternatives and the associated points of contact. The Town sets itself apart by way of the available site mapping feature on the website that allows users to search for specific plot locations within the Niagara Lakeshore Cemetery.
- While the Town has not received cemetery related service requests from local residents, it cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (the legislated Funeral, Burial and Cremation Services Act).
- Ultimately, the Town is performing on-par with its comparators, as defined by the number of cemeteries and the average percent of operating budget. While there are opportunities to improve services by way of decreasing the spend per capita, the Town is meeting current local needs.

<sup>1</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>2</sup> Information obtained from comparator websites

# Winter Control

Service Profile		Service Description	
Division	Roads Maintenance	<p>The Town is responsible for operations including snow plowing and sanding of roads, culvert thawing, as well as ensuring the timely clearing of sidewalks. When considering the responsibility of snow plowing, the Town plow trucks are responsible for Town roads and Regional snow trucks are responsible for Region roads.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff		
2018 Expenses	\$304,975 (74% Chargeback)		
2018 Revenue	\$0	Service Level Standard Definition	<ul style="list-style-type: none"> <li>O. Reg. 239/02: Minimum Maintenance Standards for Municipal Highways</li> </ul>
FTEs	5 <sup>1</sup>		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per lane km <sup>2</sup>	\$567.01	\$6,463.72	Not available	\$5,554.62
Percent of operating budget <sup>2</sup>	1.11%	5.72%	1.67%	5.14%
Structure <sup>3</sup>	Delivered by the Town	Partially contracted	Partially contracted	Shared service with the County

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- When evaluating the winter control services provided by each comparator, there is a variance in the level of information provided to the public by way of each municipality's website. While all municipalities define expectations and policies related to winter control, Collingwood and Innisfil reference the Minimum Maintenance Standards ("MMS") from the Municipal Act. Niagara-on-the-Lake and Lincoln do not acknowledge how their policy compares to MMS.
- While management asserts that road clearing activities are meeting the Town's defined policy and sidewalk clearing is not, there is no measurable data maintained by the Town to validate this.
- Citizens have expressed their concern with the available services, which is supported by the significant level of winter control related service requests (~5%) received from citizens via the websites online form.
- Ultimately, the Town is spending less than its comparators, as defined by lower than average spend per lane km, and average percentage of operating budget. While there are opportunities to improve services by way of increased communication and available information, the Town should consider how it can best meet current local needs.

<sup>1</sup> There is staff overlap with the Roads service

<sup>2</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

<sup>3</sup> Information obtained from comparator websites

# Irrigation Operations

Service Profile		Service Description	
Division	Environmental Services	The Town is responsible for overseeing the construction, maintenance and operation of the municipal irrigation systems and drains. Also included is assisting the Town Clerk in the processing of tile drainage loans and carrying out inspections in accordance with the Tile Drainage Act.	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Contracted Services		
2018 Expenses	\$304,821 (41% Contracted Services, 33% Materials)		
2018 Revenue	\$437,117 (77% Permit Revenue)		
FTEs	0.8 <sup>1</sup>	Key Performance Indicators Used	No
		Service Level Standard Definition	<ul style="list-style-type: none"> <li>• Drainage Act and Tile Drainage Act</li> <li>• Drainage Superintendents Association of Ontario (DSAO)</li> <li>• Ministry of Environment, Conservation &amp; Parks</li> <li>• Irrigation Enforcement By-law Ontario Ministry of Agriculture, Food and Rural Affairs</li> <li>• Ministry of Natural Resources and Forestry</li> <li>• Niagara Peninsula Conservation Authority</li> <li>• Fisheries and Oceans Canada</li> </ul>

### Performance and Benchmarking

- When considering the irrigation service provided by the Town, it is clear that when compared to the Town’s identified as comparators for other services, the Town is the only one to provide irrigation as a public service.
- The Town’s website includes a variety of information on the irrigation services available, including a notice of meeting, the 2019 irrigation fees and charges (both annual and capital costs), as well as the monthly recording of water intake form requirements. Another feature that the Town provides is a municipal drains and irrigation map, detailing connecting lines, irrigation channels, piping and road ditches throughout the Town.

<b>Service Level Assessment</b>	<b>At Standard</b>
---------------------------------	--------------------

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- The Town is actively communicating the level of service that should be expected by citizens on its website.
- While the Town states that the Town Clerk processes tile drainage loans and carries out inspections in accordance with the Drainage Act and Tile Drainage Act, there is no active communication of the Town’s level of service or comparison of its services to the service level standard defined for Ontario municipalities – the Drainage Act and Tile Drainage Act.
- On balance, this service is at standard as there were no indicators present to suggest that it was performing at a below standard level.

<sup>1</sup> There is staff overlap with the Roads service

# Storm Water Management

Service Profile		Service Description	
Division	Roads Department and Environmental Services	<p>The Town is responsible for the Storm Water Management Service which requires the maintenance and repair of storm sewers (including laterals to the property line).</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Contracted Services		
2018 Expenses	\$188,981 (82% Contracted Services)		
2018 Revenue	\$493,460 (85% General Levy)		
FTEs	0.5 <sup>1</sup>	Key Performance Indicators Used	No
		Service Level Standard Definition	<ul style="list-style-type: none"> <li>Ontario Ministry of Transportation</li> <li>Drainage Act</li> <li>Ministry of the Environment (MOE) Storm water Management Practices</li> </ul>

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Spend per capita <sup>2</sup>	\$10.63	Not available	\$2.47	\$28.61
Percent of operating budget <sup>2</sup>	0.69%	Not available	0.25%	2.53%

## Service Level Assessment

**(Likely) Below Standard**

### Service Level Rationale

- Currently, the Town's website provides limited information pertaining to the storm water management service which includes a "storm service application" to be filled out for the installation and inspection of drainage ways on residential properties.
- When considering the information made available to the public by the identified comparators, Innisfil is the only one to have included a storm water management program on their local website. It was noted that this program is part of the Lake Simcoe Protection Plan which is required by all municipalities within the Lake Simcoe Region (governed by the Lake Simcoe Region Conservation Authority).
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels. Management identified on-going challenges in the delivery of storm water management.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (the Ministry of the Environment Storm water Management Practices).
- On balance, this service is likely below standard due to no active communication of the Town's services levels and on-going challenges in storm water management.

<sup>1</sup> There is staff overlap with the Roads service

<sup>2</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Safety Devices & Signs

Service Profile		Service Description			
Division	Roads Department	<p>The Town is responsible for the maintenance and replacement of safety devices and signs. For example, the Town must ensure that traffic lights, speed and zone markers remain visible in all reasonable weather conditions.</p>			
Department	Operations				
Service Type	External				
Service Driver	Legislation				
Delivered by	Town Staff / Contracted Services			Key Performance Indicators Used	No
2018 Expenses	\$186,838 (46% Chargeback, 40% Contracted Services)			Service Level Standard Definition	<ul style="list-style-type: none"> <li>O. Reg. 239/02: Minimum Maintenance Standards for Municipal Highways</li> <li>Sign By-law No. 4586-12 and 4586A-18</li> </ul>
2018 Revenue	\$3,610 (100% Services Rendered)				
FTEs	1 <sup>1</sup>				

## Performance and Benchmarking<sup>2</sup>

	NOTL	Collingwood	Lincoln	Innisfil
Spend per lane km <sup>3</sup>	\$2,779.06	\$5,808.06	Not available	\$13,005.14
Spend per capita <sup>4</sup>	\$78.97	\$90.08	\$142.11	\$136.22
Percent of operating budget <sup>4</sup>	5.05%	5.14%	14.32%	12.04%

## Service Level Assessment

**At Standard**

### Service Level Rationale

- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
- Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to the service level standard defined for Ontario municipalities (the legislated Minimum Maintenance Standards).
- The Town provide the public with the ability to report issues with sign maintenance as all requests go through the general service request form via the Town's website.
- Ultimately, the Town is likely spending less than its comparators, as assumed by the average percentage of operating budget and average spend per lane km of the broader Roads service. This along with the lack of significant service requests, indicates that the Town is providing this service at standard.

<sup>1</sup> There is staff overlap with the Roads service

<sup>2</sup> Given the lack of publically available granular data on the Safety Devices & Signs service for the comparators, we have leveraged the broader Roads service as a proxy for performance and benchmarking

<sup>3</sup> Information obtained from comparator websites

<sup>4</sup> Data derived from publicly sourced 2018 Financial Information Return, schedule 40, for the comparators

# Customer Service

Service Profile		Service Description	
Division	Corporate Services	<p>Many of the Town's services are available at the customer service counter at the Town Municipal Office. The customer service group is responsible for assisting residents and tourists with direct inquiries as well as routing to the related department.</p>	
Department	Corporate Services		
Service Type	External		
Service Driver	Management Directive		
Delivered by	Town Staff		
2018 Expenses	\$149,002 (105% Salaries & Wages)		
2018 Revenue	\$0	Key Performance Indicators Used	No
FTEs	1.8	Service Level Standard Definition	Undetermined

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Headcount <sup>1</sup>	3	2	2	3

- When considering the customer service hours of each comparative, they are consistently providing service from the hours of 8:30am to 4:30pm (excluding holidays) with the exception of Innisfil. Innisfil provides additional service hours on Saturdays from 9am to 12pm, as well as extended hours on Wednesdays during regular council meetings (8:30am to 7:30pm).
- Each comparative provides the public with similar access point options on their local website including an online form, in-person hours, a phone line and email address.

<b>Service Level Assessment</b>	<b>At Standard</b>
---------------------------------	--------------------

- Service Level Rationale**
- The Town has defined a variety of alternatives when considering the ways in which the public can get in contact with the appropriate Town representative or department. When compared to other municipalities, the Town sets itself apart by way of the option to track specific service requests using the "track your service request" button made available on the website.
  - Additionally, it was identified that the current service request protocols are not consistently followed as there is no formal follow up process. This has required additional manual effort to process the associated paperwork and manage the request throughout its internal lifecycle.
  - It should be noted, that citizens have expressed no concern over the current level of service being provided in the service request data as well as the Deloitte hosted open house.
  - Ultimately, the Town is performing well when benchmarked against its comparators, as defined by the hours and accessibility of the service. While there are opportunities to improve the service by way of consistency in request protocols and increased accessibility, the Town is meeting current local needs.

<sup>1</sup> Information obtained from comparator websites

# Grass & Turf

Service Profile		Service Description					
Division	Roads Maintenance	<p>The Town is responsible for the cutting of grass in Town ditches, subdivisions and storm ponds. This service is typically provided by a combination of staff belonging to the Parks Recreation &amp; Facilities and Roads divisions.</p> <table border="1"> <tr> <td>Key Performance Indicators Used</td> <td>No</td> </tr> <tr> <td>Service Level Standard Definition</td> <td>Undetermined</td> </tr> </table>		Key Performance Indicators Used	No	Service Level Standard Definition	Undetermined
Key Performance Indicators Used	No						
Service Level Standard Definition	Undetermined						
Department	Operations						
Service Type	External						
Service Driver	Management Directive						
Delivered by	Town Staff						
2018 Expenses	\$137,717 (95% Chargeback)						
2018 Revenue	\$0						
FTEs	2 <sup>1</sup>						

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Comparative analysis unavailable Benchmarking data is not publically posted at a disaggregate level appropriate for analysis.				

<b>Service Level Assessment</b>	<b>At Standard</b>
---------------------------------	--------------------

- Service Level Rationale**
- The Town currently shares the responsibilities associated with grass and turf with the Roads and Parks Recreation & Facilities divisions. This has resulted in an inefficient use of resources when considering the allocation of duties and responsibilities.
  - The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels
  - Additionally, the Town is not actively communicating the level of service that should be expected by citizens, and has not performed a comparison of its services to a publically defined service level standard definition.
  - While there are opportunities to improve the service by way of clearly defining and communicating service level expectations, the Town is meeting current local needs.

<sup>1</sup> There is staff overlap with the Parks and Roads services

# By-law Enforcement

Service Profile		Service Description	
Division	Community & Development	<p>The Municipal Act allows municipalities to pass by-laws for the regulation of many areas affecting health, safety and the enjoyment of property. The By-law Enforcement Service is part of the Community and Development Services Department and is responsible for investigating complaints regarding the violation of by-laws and to resolve the violations.</p>	
Department	Community & Development Services		
Service Type	External		
Service Driver	Legislation		
Delivered by	Town Staff		
2018 Expenses	\$130,336 (49% Salaries & Wages, 46% Chargeback)	<b>Key Performance Indicators Used</b>  No	<b>Service Level Standard Definition</b> <ul style="list-style-type: none"> <li>• Animal Care &amp; Control By-law No. 4512-11</li> <li>• Clean Yard By-law No. 4114-07</li> <li>• Fences By-law No. 4778-14</li> <li>• Noise By-law No. 4588-12</li> <li>• Property Standards By-law No. 4779-14</li> <li>• Public Nuisances By-law No. 4397-10 and 4397A-11</li> </ul>
2018 Revenue	\$77,637 (70% Services Rendered)		
FTEs	2.8		

Performance and Benchmarking				
	NOTL	Collingwood	Lincoln	Innisfil
Number of commonly requested by-laws <sup>1</sup>	40	13	9	23
By-law availability <sup>1</sup>	Request access	All by-laws available online	All by-laws available online	Request access

<b>Service Level Assessment</b>	<b>(Likely) Below Standard</b>
---------------------------------	--------------------------------

- Service Level Rationale**
- The Town cannot definitively analyze its performance or service levels due to the lack of key performance indicators used to monitor and track service levels.
  - While commonly requested by-laws are available on the Town website, there is no active communication of the Town's level of service or comparison of its services to the service level standard defined for the various municipal by-laws identified on the website.
  - When considering the enforcement of municipal by-laws, it was identified that there is an inability to enforce by way of current by-law structure and details (including how evidence can be collected). This impacts the effectiveness of the service, and could be improved by way of by-law updates or increased headcount.
  - Ultimately, the Town is likely on-par with its comparators, understanding that each municipality issues a varying level of publically available information. While there are opportunities to improve the service by way of increased access to by-laws and increasing the enforceability of by-laws, the Town should consider how it can best meet current local needs.
  - On balance, this service is likely below standard as some by-laws are not enforceable with limitations on evidence officers can collect.

<sup>1</sup> Information obtained from comparator websites

© Deloitte LLP and affiliated entities. Niagara-on-the-Lake | Service Delivery Review 102

# Sidewalks

Service Profile		Service Description	
Division	Roads Maintenance	<p>The Town is responsible for the maintenance and replacement of sidewalks. Key activities include grinding and winter clearing.</p>	
Department	Operations		
Service Type	External		
Service Driver	Legislation		
Delivered by	Contracted Services		
2018 Expenses	\$115,983 (76% Contracted Services)	Key Performance Indicators Used	No
2018 Revenue	\$5,140 (55% Services Rendered)	Service Level Standard Definition	<ul style="list-style-type: none"> <li>Ontario Provincial Standards Specifications</li> <li>Ontario Ministry of Transportation</li> </ul>
FTEs	0.5 <sup>1</sup>		

## Performance and Benchmarking

	NOTL	Collingwood	Lincoln	Innisfil
Service communication <sup>2</sup>	Annual repair notice	Annual repair notice and local closures	Not available	Not available

- Collingwood, is the only other comparator who communicates the services associated with local sidewalk maintenance and repairs as well as local sidewalk closures. The Sidewalk Repair Program, as defined on the local website, occurs annually because every year frost, trees, or other elements impact the sidewalks of Collingwood.

## Service Level Assessment

**At Standard**

### Service Level Rationale

- When considering the Town's communication of the service, the annual Sidewalk and Curb Replacement program is communicated by way of a notice to the public on the Town's website with Residents directly affected by the program receiving a mailed notice prior to the contractors starting work.
- Ultimately, the Town is likely performing on-par with its comparators, as defined by the service communication available on local websites. While there are opportunities to improve the service by way of clearly defining and communicating service level expectations, the Town should consider how it can best meet current local needs.
- On balance, this service is at standard due to active communication of the Town's services levels and frequency of repairs.

<sup>1</sup> There is staff overlap with the Roads service

<sup>2</sup> Information obtained from comparator websites

# Deloitte.

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The information contained herein is not intended to substitute for competent professional advice.

© Deloitte LLP and affiliated entities.



# The Town of Niagara-On-The-Lake

Telephone (905) 468-3266  
Facsimile (905) 468-2959

1593 Four Mile Creek Road  
P.O. Box 100  
Virgil, Ontario  
L0S 1T0

---

<b>Report:</b>	<b>CS-19-025</b>	<b>Committee Date:</b>	<b>September 09, 2019</b>
		<b>Due in Council:</b>	September 16, 2019

---

<b>Report To:</b>	<b>Corporate Services Advisory Committee</b>
<b>Subject:</b>	<b>Request For Proposal - Service Delivery Review</b>

---

## 1. RECOMMENDATION

It is respectfully recommended:

- 1.1 that Council approve the Request for Proposals for the Town of Niagara-on-the-Lake for a Service Delivery Review, attached as Appendix I.

## 2. PURPOSE / PROPOSAL

The purpose of this report is to approve the issuance of a Request for Proposal (RFP) in order to complete a service delivery review to determine areas of improvement. Overall, the final product will include an action plan that will identify recommended changes as well as the resources required to achieve that plan. The Action Plan will also identify how the Town's current information technology can be leveraged or improved for service delivery and customer experience.

## 3. BACKGROUND

On May 6, 2019, Council approved, as amended, Report CS-19-017 Request for Proposals (RFP) for a Business Process and Operations - Improvement Plan, attached as Appendix II. This report requested the creation of a draft Request For Proposals (RFP) for a Business Process and Operations Improvement Plan.

At this meeting Council provided a number of suggestions to be included within the scope of the RFP and further instructed staff to present the draft RFP to the Customer Experience and Technology (CET) Committee to review and return to Council for approval before issuing.

## 4. DISCUSSION / ANALYSIS

The CET Committee met twice to review the draft RFP and decided that the scope for a complete Business Process and Operations Improvement Plan was too arduous, and, as such, would be a long and expensive process. The CET Committee felt that a Service Delivery Review RFP would be more appropriate and that the successful proponent consider the Guide to Service Delivery Review for Municipal Managers published by the Ministry of Municipal Affairs and Housing in developing its review.

Staff has revised the RFP to a Service Delivery Review.

## **5. STRATEGIC PLAN**

N/A

## **6. OPTIONS**

1. Endorse the recommendation.
2. Change or modify the scope of the proposal.

## **7. FINANCIAL IMPLICATIONS**

At the May 13, 2019 Council meeting, Council included in the approved amendment that the one-time payment received from the Ministry of Municipal Affairs and Housing aimed at becoming more efficient and modernized be used to fund this initiative.

In order to maximize the value of the \$725,000 one time payment from the Province, Staff is recommending a Service Delivery Review. It is speculated that this review could result in major changes, which at this time the costs are unknown.

## **8. COMMUNICATIONS**

There are no required communications as part of this report. The RFP contains within its scope requirements for communication by the proponent, including the facilitating stakeholder engagement with Town Staff, Council, local business owners, advisory committees and members of the public.

During the course of engagement, the successful proponent will be required to communicate progress regularly to Council

## **9. CONCLUSION**

Staff is looking forward to the potential opportunities that this review could bring by having the Town's current service deliveries analyzed and are recommending approval of the attached RFP.

**Respectfully submitted,**



**Fred Cervantes**  
**Manager, Information Technology**

**Kyle Freeborn**  
**Director, Corporate Services (A)**

**Sheldon Randall**  
**Chief Administrative Officer (I)**

ATTACHMENTS



Appendix II.pdf Appendix I.pdf

WEB ATTACHMENTS

ATTACHMENTS FOR LINK

---

First Capital of Upper Canada - 1792



# The Corporation of the Town of Niagara-on-the-Lake Request for Proposals

**CS-19-025 Request for Proposals  
for  
Town of Niagara-on-the-Lake  
Service Delivery Review**

**Issued on this date: Monday, September 23, 2019**

**Submission Deadline: Friday, October 25, 2019**

**CLOSING LOCATION:**

OFFICE OF THE TOWN CLERK  
TOWN OF NIAGARA-ON-THE-LAKE  
1593 FOUR MILE CREEK ROAD  
VIRGIL, ONTARIO  
L0S 1T0

**CLOSING DATE AND TIME:**

October 25, 2019  
4:00 P.M. LOCAL TIME



## TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	
1.1. Introduction.....	4
1.2. Background.....	7
<b>2. INVITATION AND PURPOSE</b>	
2.1. Invitation to Proponents .....	8
2.2. Town’s Procurement ByLaw.....	8
2.3. Contract for Deliverables.....	9
2.4. Closing Time .....	9
2.5. Proposal Submission.....	12
<b>3. SUBMISSION OF PROPOSAL</b>	
3.1. Submission Requirements.....	18
3.2. Withdrawal, Amendment and Disqualification.....	21
<b>4. SELECTION CRITERIA</b>	
4.1. Submission and Content Requirements.....	22
4.2. Selection Criteria.....	23
<b>5. SCOPE OF PROJECT</b>	
5.1. Professional Services Required.....	24
5.2. Proposed Tasks and Deliverables.....	26
<b>6. General Terms.....</b>	<b>28</b>

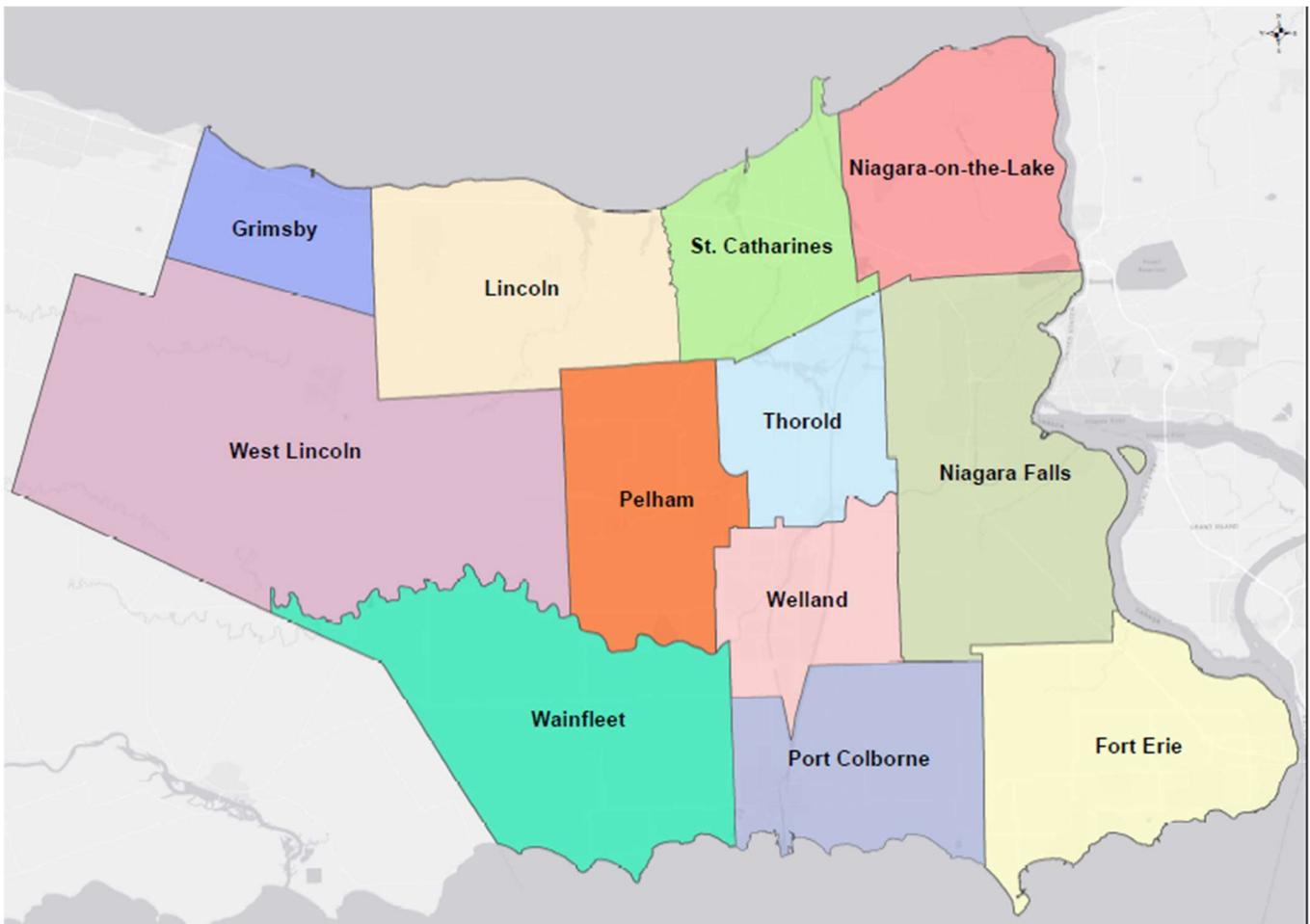
# 1 INTRODUCTION AND BACKGROUND

## 1.1 Introduction

To determine areas of improvement, the Town of Niagara-on-the-Lake wishes to embark on a service delivery review of all the Town's Departments, ensuring its Taxpayers receive modern and efficient service delivery.

A Service Delivery Review will ensure that the Town of Niagara-on-the-Lake is positioned to best meet the immediate and long term service delivery needs of its residents. Industry experts with knowledge and experience in the Municipal sector, would be best positioned to advise the Town on key strategic priorities as further described in Section 5 - Scope of Project.

The Town of Niagara-on-the-Lake is one of 12 Municipalities that make up the Niagara Region. The Town is bounded by the Niagara River to the east, the City of St. Catharines to the west, the City of Niagara Falls to the south and Lake Ontario to the north.



The current administrative structure of Niagara-on-the-Lake was created in 1970 following the amalgamation of the former Town and Townships of Niagara and includes the communities of Virgil, Old Town, Queenston, St. Davids and Glendale, as well as the surrounding rural areas.

The Town of Niagara-on-the-Lake is made up of five Departments, Office of the Chief Administrative Officer (Administration), Community and Development Services, Corporate Services, Fire and Emergency Services and Operations.

#### Office of the CAO (Administration)

The Office of the Chief Administrative Officer (CAO) is primarily responsible for directing the overall planning, coordination and control of all municipal operations in accordance with the objectives, policies and plans approved by Council. The department also oversees the Human Resources Department.

#### Community & Development Services

Community & Development Services is responsible for providing Council with recommendations on the long term development of the Town, as well as specific matters dealing with the development and use of private property within the municipality including land use policies, by-laws, development agreements and building permits.

The department consists of:

• Planning Services • Building Services • Heritage • Consent & Minor Variance/Legal Non-Conforming Uses • By-law & Parking Enforcement

#### Corporate Services

The Corporate Services Department is responsible for keeping the municipal records and for the preparation and distribution of information, correspondence, and Committee and Council Agendas for Council and for the public.

The department consists of:

• Clerk's • Finance and Taxation • Information Technology

#### Fire & Emergency Services

The Fire Department is responsible for fire and other emergency responses, fire prevention, and public fire safety education programs as authorized by Council.

#### Operations

The Operations Department oversees all public works infrastructure, as well as the operation and maintenance of all recreational facilities, parks and municipal properties.

The department consists of:

- Parks and Recreation • Public Works

## 1.2 Background

The Lord Mayor received a letter from the Minister of Municipal Affairs and Housing announcing a onetime payment to the Town aimed at modernizing service delivery and reduce future costs through investments in projects such as service delivery reviews, shared services agreements and capital investments. A Service Delivery Review is intended to provide a better understanding of services currently provided by the Town of Niagara-on-the-Lake in a format that will allow Council and Staff to make informed strategic choices regarding those services.

The Town's current Information Technology environment services 91 full time staff, up to 80 part time and contract staff, 9 Council members, and 110 volunteer firefighters.

These systems include:

- Microsoft Windows Desktops and Servers
- Microsoft SQL 2014 R2
- Diamond Municipal (GP) Financial System
- WorkTech Asset Management and Work Orders
- MaxGalaxy online facilities and program reservation system
- Office 365 / Exchange Online (E3, E1 and Archiving with Skype Audio Conferencing)
- ESRI ArcGIS (local Geodatabase and ArcGIS Online) & AutoCAD
- Laserfiche Document and Records Management
- IBM Domino Apps and Databases
- AIMS Parking Management Software
- Genetec Security and Access Control System
- iCompass Web Host Services
- iOS (iPhones and iPads) and Android (Samsung) Mobile Devices
- Telecomm providers: Telus and Bell Total Connect
- Live Streaming provider: Livestream (Vimeo)
- Print Services: Beatties
- Internet providers: NRBN (dedicated 25/25) Cogeco (DSL 70/10)
- 15 Servers (Virtual and Physical), 100+ Computers, 40+ Tablets, 95+ Mobile devices

## 2 INVITATION AND PURPOSE

### 2.1 Invitation to Proponents

This Request for Proposal (“RFP”) is an invitation by The Corporation of the Town of Niagara-on-the-Lake (“Town of Niagara-on-the-Lake”) to prospective proponents to submit proposals for the provision of Town of Niagara-on-the-Lake Service Delivery Review, as further described in Section 5 - Scope of Project.

In accordance with the Town’s desire for fiscal responsibility, transparency and ongoing sustainability, Council asks staff of The Corporation of the Town of Niagara-on-the-Lake to invite qualified consultants to submit a proposal for the development of a Service Delivery Review, as approved by Council on Report CS-19-017.

Refer to Section 5 - Scope of Project for a detailed description of the Deliverables, material disclosures and mandatory requirements.

### 2.2 Town of Niagara-on-the-Lake’s Procurement By-Law

Town of Niagara-on-the-Lake’s procurement processes are governed by its [Procurement By-Law No. 4701-14](https://notl.civicweb.net/document/10651) (https://notl.civicweb.net/document/10651) (“Town of Niagara-on-the-Lake’s Procurement of Goods and Services By-Law”). It is the proponent’s responsibility to become familiar with and comply with Town of Niagara-on-the-Lake’s By-law.

If the terms of the RFP are more restrictive than the terms of Town of Niagara-on-the-Lake’s By-law, the terms of the RFP will prevail.

## 2.3 Contract for Deliverables

The selected proponent will be required to enter into a contract with Town of Niagara-on-the-Lake. It is Town of Niagara-on-the-Lake's intention to enter into the Contract with only one (1) legal entity.

## 2.4 Closing Time

Proposals received **after 4:00 p.m. on October 25, 2019** will not be considered and will be returned unopened to the sender.

The cost of preparing and submitting a detailed proposal shall be at the consultant's expense.

The Proposal shall be submitted in the two (2) envelopes, as follows:

### **Envelope 1 shall contain:**

(i) Five (5) copies of the Proposal for a Service Delivery Review. At least one proposal must be with original signatures and be marked as "ORIGINAL"; and

### **Envelope 2 shall contain:**

(ii) Summary of Project Management Fees and Disbursements, as well as a time-task cost breakdown. Provide one (1) original and two (2) copies of each.

**LATE OR MISDIRECTED PROPOSALS WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED TO THE RESPONDENT. SUBMISSIONS BY FACSIMILE WILL NOT BE ACCEPTED**

All Proposals must be legibly signed by an authorized officer. In addition, officers are requested to attach to their Proposal, a covering letter detailing any features of their company that they feel should be taken into consideration when evaluating Proposals.

Following the expiry of the deadline date for submissions, all Proposals will be evaluated and the successful respondents, if any, will be notified.

The detailed submission to the Town shall be limited to 40 pages, not including appendices such as lists of other projects, curriculum vitae, hours assigned and pricing.

It shall include, but is not limited to, the following:

- Methodology employed in undertaking the study
- A detailed and staged work plan with timelines;
- Summary of the experience of the individual(s) or firms(s) with similar projects.
- Curriculum vitae of the project staff;
- Total project costs inclusive of disbursements, HST and upset limits with per diem rates for each staff members assigned to this project;
- A list of any and all sub-consultants. Sub-consultants will be supervised and paid for by the lead consultant;
- Declaration of any individual(s) or firm(s) involved in the project who are employed or on retainer to public or private sector clients whose interest could be considered as having a conflict of interest with the Town of Niagara-on-the-Lake

<b>Item</b>	<b>Date</b>
Issue Date of RFP	<b>Monday, September 23, 2019</b>
Deadline for Questions	<b>Noon on October 11, 2019</b>
Deadline for Issuing Addenda	<b>October 18, 2019</b>
Submission Deadline	<b>4:00pm on October 25, 2019</b>

Public Opening Town of Niagara-on-the-Lake 1593 Four Mile Creek Road Virgil , Ontario L0S 1T0	<b>2:15 pm on Tuesday, October 29, 2019</b>
Tentative Interview Dates	<b>November 11<sup>th</sup> to 15<sup>th</sup></b>
Anticipated Date for Entering into Contract	<b>Mid-December</b>

The RFP timetable is tentative only and may be changed by Town of Niagara-on-the-Lake at any time.

## **2.5 Proposal Submission**

Proposals must be submitted at:

**The Corporation of the Town of Niagara-on-the-Lake**

**1593 Four Mile Creek Road**

**Virgil, Ontario L0S 1T0**

### **Proposals Must Be Submitted on Time**

Proposals must be submitted at the location set out above on or before the Submission Deadline. Proposals submitted after the Submission Deadline will be rejected. Onus and responsibility rests solely with the proponent to deliver its proposal to the exact location (including floor, if applicable) indicated in the RFP on or before the Submission Deadline. Town of Niagara-on-the-Lake does not accept any responsibility for submissions delivered to any other location by the proponent or its delivery agents. Proponents are advised to make submissions well before the deadline. Proponents making submissions near the deadline do so at their own risk.

In the event of any question regarding the timely receipt of any submission, the time on the clock designated by the Town Clerk will absolutely prevail over any other timepiece regardless of any discrepancies between the time on the Town Clerk's designated clock and actual time.

### **Proposals Must Be Submitted in Prescribed Format**

Proponents must submit 5 hard copies of their proposal enclosed in a sealed package that is prominently marked with the RFP title and number (see RFP cover page) and the full

legal name and return address of the proponent. One (1) hard copy shall be labelled “Master”.

Proponents must also include in the sealed package one (1) electronic copy of their proposal saved on a USB key. If there is a conflict or inconsistency between the hard copy and the electronic copy of the proposal, the hard copy of the proposal shall prevail.

### **Proposal Submission Content**

Proponents must include all forms and other documents or information listed under Section 5 Scope of Project. Other than inserting the information requested, a proponent may not make any changes to any of the required forms included in this RFP. Any proposal containing any such changes, whether on the face of the form or elsewhere in the proposal, may be disqualified.

Proposals should also include the suggested proposal content for evaluation described in Section 5 Scope of Project. Failure to provide the requested information could negatively affect the scoring of the proposal in the evaluation process.

### **Proposal Information - Envelope “ A”**

In addition to the Form of Proposal, the Proponent shall provide a brief Proposal, either in text or tabular format. The Proposal to undertake this assignment shall include the following items outlined in the prescribed format as set out below:

**Proposal length:** Forty (40) pages, if Proposals exceed this length, only the first forty pages will be evaluated. The Appendix section shall only be utilized for Resumes and this shall not be included in the limit.

**Font Size:** the font size can be no smaller than Arial 12

**Prescribed Content and Order:** In order to increase the consistency of the evaluation we require Proponents to use the following prescribed format in the order outlined. The nature of the content and the length of each section is up to the Proponent, as long as the maximum length does not exceed 40 pages (excluding title page, cover letter, table of contents and the appendix).

1) **Cover Letter** and or **Executive Summary** – the cover letter can be addressed to Peter Todd, Town Clerk.

2) **Background of the Proponent** – A brief summary of the Proponent.

3) **Background of the Team** – A brief summary of the Proponent team members, their proposed roles on the project and the skill set or experience they bring to the project. The Town is specifically interested in experience on Service Delivery Reviews, business case development and evaluation experience and value for money experience. (Note: Summary Resumes shall be included in the Appendix).

4) **Project Understanding** – Under this section the Proponent will outline its understanding of the project, identifying and elaborating on the deliverables and services the Town of Niagara-on-the-Lake requires as well as identifying the key issues, challenges, risks of the project.

5) **Approach and Methodology** - The Proponent will outline their approach and methodology to complete the project. This would include the Proponent's approach to use

the resources made available to it by the Town of Niagara-on-the-Lake. This section will outline how the Proponents will meet the goals and objectives of the Town as well as deliver all of the required scope items as outlined in this Request for Proposal.

In this Section the Proponent can also identify any items not addressed in this Request for Proposal that the Proponent believes will be critical or beneficial to the Town of Niagara-on-the-Lake in its overall project.

6) **Description of Work Product** – The Proponent will outline the type of work product(s) that would be produced and outline in detail the anticipated content of the deliverable(s).

7) **Detailed Work Plan** – The Proponent shall include a detailed weekly timeline including milestone dates and deliverable dates. A summary of the level of efforts by Proponent team members and from Town of Niagara-on-the-Lake resources which are aligned to the detailed work plan should also be provided.

8) **Other Items** – Proponents can outline any additional information they would like.

9) **Appendix** – Brief Team Member resumes outlining technical skills and past experience. Only resumes shall be included in this section and shall not form part of the 30 page limit.

## **B) Proposal Cost-Envelope “B”**

Proponents are required to outline the total costs for the consulting staff on the project team for all components of the project, broken down by components, staff person's hourly rate and total hours on project including the costs for sub-Proponents (if any);

Direct disbursement costs which may include mileage, telephone charges, printing and reproductions, fax charges, courier services, and computer services etc. are to be specifically identified. Expenses specifically identifiable to the engagement will be reimbursed by the Town.

In addition, Proponents shall provide as supplementary information a Person-Hour Matrix per Deliverable. As a minimum, Proponents are required to outline the total hours and hourly rates for the consulting staff on the project team for each deliverables of the project, including all disbursements and including the costs for sub-Proponents (if any);

### **Amendment of Proposals**

Respondents can amend a proposal by submitting an amendment proposal in a sealed envelope to the above mentioned before the closing time. The last proposal received by the Town before closing time will supersede and invalidate any proposal previously submitted by the respondent.

Proponents may amend their proposals prior to the Submission Deadline by submitting the amendment in a sealed package prominently marked with the RFP title and number and the full legal name and return address of the proponent to the location set out above. Any amendment should clearly indicate which part of the proposal the amendment is intended to amend or replace.

### **Withdrawal of Proposals**

A respondent that successfully submits a proposal to the Town is allowed to withdraw its proposal by giving written notice to the Town Clerk before the closing time stated above.

Proponents may withdraw their proposals prior to the Submission Deadline. To withdraw a proposal, a notice of withdrawal must be sent to the Town of Niagara-on-the-Lake Contact and must be signed by an authorized representative of the proponent. Withdrawn proposals will be returned unopened to the proponent.

### **Proposals Irrevocable after Submission Deadline**

Proposals shall be irrevocable for a period of 90 days running from the moment that the Submission Deadline passes.

## 3 SUBMISSION OF PROPOSAL

### 3.1 Submission Requirements

**Please Note:** Respondents must be registered as a plan taker on bidsandtenders.ca site for their proposal to be successfully submitted.

Proposal submission questions or any others related to the RFP process are to be submitted to Fred Cervantes, Manager of Information Technology (Fred.Cervantes@notl.com) no later than **October 4, 2019 at 2:00 p.m. Eastern Standard Time**. Questions received later than this stated time and date may not be acknowledged or answered.

**Five (5) copies** of the consultant's detailed proposal including at least one (1) copy signed by an authorized official, are required in a sealed envelope, addressed and delivered to:

**Peter Todd**

**Town Clerk**

**1593 Four Mile Creek Road, Box 100**

**Virgil, Ontario L0S 1T0**

### **Closing Time**

Proposals received **after 4:00 p.m. on October 25, 2019** will not be considered and will be returned unopened to the sender.

The cost of preparing and submitting a detailed proposal shall be at the consultant's expense.

The Proposal shall be submitted in the two (2) envelopes, as follows:

**Envelope 1 shall contain:**

(i) Five (5) copies of the Proposal for a Service Delivery Review. At least one proposal must be with original signatures and be marked as "ORIGINAL"; and

**Envelope 2 shall contain:**

(ii) The completed Summary of Project Management Fees and Disbursements, as well as a time-task cost breakdown. Provide one (1) original and two (2) copies of each.

**LATE OR MISDIRECTED PROPOSALS WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED TO THE RESPONDENT. SUBMISSIONS BY FACSIMILE WILL NOT BE ACCEPTED**

All Proposals must be legibly signed by an authorized officer. In addition, officers are requested to attach to their Proposal, a covering letter detailing any features of their company that they feel should be taken into consideration when evaluating Proposals.

Following the expiry of the deadline date for submissions, all Proposals will be evaluated and the successful respondents, if any, will be notified.

The detailed submission to the Town shall be limited to 10 pages, not including appendices such as lists of other projects, curriculum vitae, hours assigned and pricing.

It shall include, but is not limited to, the following:

- Methodology employed in undertaking the study
- A detailed and staged work plan with timelines;
- Summary of the experience of the individual(s) or firms(s) with similar projects.
- Curriculum vitae of the project staff;
- Total project costs inclusive of disbursements, HST and upset limits with per diem rates for each staff members assigned to this project;
- A list of any and all sub-consultants. Sub-consultants will be supervised and paid for by the lead consultant;
- Declaration of any individual(s) or firm(s) involved in the project who are employed or on retainer to public or private sector clients whose interest could be considered as having a conflict of interest with the Town of Niagara-on-the-Lake

### **3.2 Withdrawal, Amendment and Disqualification**

A respondent that successfully submits a proposal to the Town is allowed to withdraw its proposal by giving written notice to the Town Clerk before the closing time stated above.

In the event of a mail strike or any disruption in mail services, it is the responsibility of the respondent to ensure its bid is received within the allotted time.

All bids must be legible and completed in ink or typewritten. Erasures, strike-outs or type overs need to be initialed by authorized official who signs the original document and must remain legible to be considered.

Respondents can amend a proposal by submitting an amendment proposal in a sealed envelope to the above mentioned before the closing time. The last proposal received by the Town before closing time will supersede and invalidate any proposal previously submitted by the respondent.

## **4 SELECTION CRITERIA**

### **4.1 Submission and Content Requirements**

Proposals will be opened, reviewed and analyzed by a committee and a recommendation regarding the preferred respondent will be prepared for consideration by Council.

Only one proposal per proponent will be accepted. A proponent may withdraw a proposal at any time up to the official closing by submitting a letter bearing a signature and seal, as appeared in the proposal addressed to:

**The Corporation of the Town of Niagara-on-the-Lake**

**1593 Four Mile Creek Road, Box 100**

**Virgil, Ontario, L0S 1T0**

## 4.2 Selection Criteria

Proposals will be evaluated based on the following criteria:

<b>Evaluation Criteria</b>	<b>Weight Factor</b>
<b>Corporate Qualifications</b>	10%
<b>Project Manager and Support Staff</b>	15%
<b>Experience with similar projects</b>	20%
<b>Methodology and Work plan</b>	25%
<b>Innovation and Value-Added Deliverables</b>	15%
<b>Cost</b>	15%
<b>TOTAL</b>	<b>100%</b>

The lowest priced proposal will not necessarily be the winning proposal. The project will be awarded to the respondent who, in the judgement of the Corporation, provides the best overall value. The Town has the right to reject any and all proposals. The Town also reserves the right to interview each vendor, or at least one to two shortlisted consultant team(s), at the Town's sole discretion, to clarify RFP content prior to selection of the successful team.

Proponents are advised that acceptance of any proposal will be confirmed by resolution of Council.

## **5 SCOPE OF PROJECT**

A comprehensive evaluation of service deliveries across all departments currently being provided by the Town and the level by which they are being delivered is required.

The completion of the review is being undertaken to respond to the need for greater efficiency and effectiveness in service delivery, improved performance and sustainability to respond to future pressures associated with expected growth. The review will identify:

- i. Current services and delivery approach
- ii. Potential changes to service delivery methods and / or service levels
- iii. Recommend opportunities for service improvement and cost effectiveness, and,
- iv. Opportunities for innovation and leveraging current and new emerging technology.

### **5.1 Professional Services Required**

The Town of Niagara-on-the-Lake is requesting submissions from qualified professional Consultants capable of undertaking service delivery reviews on behalf of the Town. The Town seeks an evaluation process in which a specific municipal service is systematically reviewed to determine the most appropriate way to provide it.

The Service Delivery Review process should focus on setting priorities and making choices – and where possible, reducing the cost of delivery while improving services and service levels and needs to address the following questions:

- i. Do we need to be in this business / service?

- ii. What do citizens expect of the service and what outcomes does Council want for the service?
- iii. How does current performance compare to expected performance?
- iv. Do the activities logically lead to expected outcomes?
- v. How is the demand for service being managed?
- vi. What is the cost and benefits of the service?
- vii. How can the benefits and outputs of service be increased?
- viii. How can the number and cost of inputs be decreased?
- ix. What are alternative ways of delivering service?
- x. How can a service change best be implemented and communicated?

In answering these questions, the successful proponent should engage citizens and other stakeholders (such as staff and Council) and informed by their goals and values. Choices should be consistent with Town's new Official Plan and Strategic Plan.

- The Service Delivery Review will include but not be limited to:
  - Service delivery standards and key performance indicators
  - Submission of draft reports and project findings as well as recommendations
  - Summary of results and project schedule
  - Reports will incorporate findings, conclusions, recommendations and work plans
  - All presentations, materials and final reports will be provided to the Town in an electronic format that the Town can use
  - The successful proponent shall appear before Council to present its final report(s).

Once awarded, the final report should include a consolidation of the work completed including the reasoning for all decisions and recommendations ready for public review and presentation.

## 5.2 Proposed Tasks and Deliverables

The tasks itemized below are proposed based on the Town's conceptual expectations and preferences. Proponents will provide their recommendation for phases and tasks as part of their proposal.

For the purpose of producing copies of documentation to be reviewed and distributed through each project phase, please note that Town Council is comprised of the Lord Mayor, 8x Councilors, Chief Administrative Officer and 4 Directors in the Senior Management Team (SMT).

The successful proponent:

- Where appropriate, applies the principles and methods of customer journey mapping
- Identifies where e-form functionality may assist in achieving service excellence and efficiency
- Facilitates stakeholder engagement with Town Staff, Council, local business owners, advisory committees and members of the public
- Considers the background information provided in report CS-19-017
- Applies best practices and industry standards to support service excellence
- Provides a written report with recommendations and an Implementation Plan that can begin as soon as possible and be realistically completed by 2022
- Includes a three year capital and operating budget projection and funding needs analysis based on potential impact of recommendations
- During the course of engagement, communicates progress regularly to Council

- Achieves alignment with the Town's new strategic plan
- Shall consider the [Guide to Service Delivery Review for Municipal Managers](http://www.mah.gov.on.ca/Asset1211.aspx) (<http://www.mah.gov.on.ca/Asset1211.aspx>) published by the Ministry of Municipal Affairs and Housing in developing its review
- The successful proponent will have expertise in process analysis, customer service, change management, and the identification and deployment of innovative recommendations using state of the art technology to support the proposed solution(s).
- And that experience working with municipal and public sector organizations will be preferred, but not an exclusive requirement.

## 6. General Terms

### Modified Proposals

In the event that a preferred proposal does not entirely meet the requirements of the Town, the Town reserves the right to enter into negotiations with the selected proponent, to arrive at a mutually satisfactory arrangement and to make any modifications to the proposal as are in the best interests of the Town.

### Disqualification of Bidders

More than one proposal from an individual, firm, partnership, corporation or association under the same or different names will not be considered. Collusion between respondents will be sufficient for rejection of any proposal so affected. Contact with Town Council members or with Town staff other than those cited above will result in disqualification of your submission.

### Announcement

No announcement concerning the successful respondent will be made until a decision has been made by Town staff.

### Freedom of Information

Any documentation submitted with respect to this proposal will be subject to the Municipal Freedom of Information and Protection of Privacy Act.

### Acceptance or Rejection of Proposals

The Town reserves the right to accept or reject in total or in part any or all proposals in its sole and unfettered discretion. The Town will notify only the successful respondents.

### Confidentiality

The proposal must not be restricted by any statement, covering letter or alteration by the respondent in respect of confidential or proprietary information. The Town will treat all proposals as confidential. The Town will comply with the Municipal Freedom of Information and Protection of Privacy Act and its Retention By-law pursuant to the Municipal Act in respect of all submissions.

All public reports approved by Town Council will become public information. Such public reports will not include proposal documents. The Town will not return or destroy all copies of any unsuccessful proposals.

### Assignments

The successful respondent will not be permitted to assign or transfer any portion of the proposal as submitted or the subsequent agreement without prior written approval from the Town.

### Failure to Perform

Failure to comply with all terms and conditions of this proposal, and failure to supply all documentation, as required herein, shall be just cause for cancellation of the award. The Town shall then have the right to award this contract to any other respondent or to re-issue a Request for Proposals.

### Conflict of Interest

The proponent shall disclose to the Town prior to award of the agreement, any potential conflict of interest. If such a conflict of interest does exist, the Town may, at its discretion, withhold the award until the matter is resolved

### Litigation

The Town may, in its sole discretion, reject a “proposal” in the following circumstances:

- a. A party has commenced litigation against a member of the Town and served its initiating document on the member or the member has commenced litigation against a party and served its initiating document on the party;

b. the litigation has not been resolved, either by tribunal decision (and expiry of any relevant appeal period), or by settlement, for at least one year;

c. the party to the litigation has made a bid, tender, quotation, or offer (herein called a “bid”) in respect of an acquisition or disposal by Town; and

d. the Town has determined that it would not be in the Town’s best interest to accept the bid.

**Other matters**

This engagement letter, including the appendices A through C attached hereto and made a part hereof, constitutes the entire agreement between the Town and Deloitte with respect to this engagement and supersedes all other prior and contemporaneous representations, understandings, or agreements between the parties, whether written or oral, relating to this engagement and may not be amended except by mutual written agreement of the Town and Deloitte.

If the above terms are acceptable to you and the Services described are in accordance with your understanding, please sign the copy of this engagement letter in the space provided and return it to us.

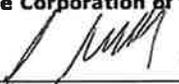
Yours truly,

*Deloitte LLP*

Chartered Professional Accountants  
Deloitte LLP

Enclosure

The services and terms set forth in this letter are accepted and agreed to by  
**The Corporation of the Town of Niagara-on-the-Lake** Management:

  
\_\_\_\_\_  
Signature

SHELDON RANDALL

\_\_\_\_\_  
Name

ACTING CAO

\_\_\_\_\_  
Title

JANUARY 9, 2020

\_\_\_\_\_  
Date

Ministry of Municipal Affairs  
and Housing

Ministère des Affaires municipales  
et Logement

Municipal Services Division

Division des services aux municipalités

777 Bay Street, 16<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Telephone: 416-585-6427

777, rue Bay, 16<sup>e</sup> étage  
Toronto ON M5G 2E5  
Téléphone: 416-585-6427



November 12, 2019

Dear Municipal Administrator,

Further to the November 1, 2019 letter from the Honourable Steve Clark, Minister of Municipal Affairs and Housing, I am writing to provide additional information about Ontario's new Municipal Modernization Program and advise that Intake 1 under the program is now open.

Under the Municipal Modernization Program, the province is making up to \$125 million available through 2022-23 to help 405 small and rural municipalities conduct new service delivery reviews, implement recommendations from previous reviews and undertake a range of projects, such as IT solutions or process improvements, to achieve cost savings and efficiencies.

Program guidelines and an Expression of Interest form for Intake 1 of the program are attached. Eligible projects under Intake 1 are reviews of municipal service delivery expenditures by independent third-party reviewers that will be completed by June 30, 2020. I encourage you to consider how your municipality might benefit from participation in Intake 1 of the Municipal Modernization Program and submit an Expression of Interest by December 6, 2019. Please see the attached guidelines for details about the program and how to apply.

Under future intakes of the program, municipalities will have the opportunity to apply for projects aimed at implementing service delivery efficiencies to achieve cost savings, in addition to service delivery reviews. Intake 2 under the program is planned for Spring/Summer 2020, with additional intakes expected through 2022-23. Participation in Intake 1 is not a requirement for participation in future intakes.

I look forward to continuing to work together to support your municipality in delivering efficient, effective and modern services for your residents. If you have questions about the program, I encourage you to reach out to your Municipal Services Office contact or email the ministry at [Municipal.Programs@ontario.ca](mailto:Municipal.Programs@ontario.ca).

Sincerely,

A handwritten signature in blue ink, appearing to read "Marcia Wallace". The signature is fluid and cursive, with a large initial "M" and "W".

Marcia Wallace  
Assistant Deputy Minister

c. Municipal Treasurer



**COTW Amendments  
for CS-19-025 - Request For Proposal - Service Delivery Review**

Enter your Amendment(s) here:

Moved by Councillor Wendy Cheropita that the Request for Proposal be amended to reflect the following changes:

1. efficiencies to reduce future costs for service delivery be added;
2. innovation and leveraging new and emerging technology - effectiveness, efficiencies and value of current services.

**APPROVED.**



**Council Amendments**  
for CS-19-017 - Request for Proposals (RFP) for a Business Process and Operations - Improvement  
Plan

Enter your recommendation(s) here:

Moved by Councillor Clare Cameron, seconded by Councillor Wendy Cheropita that recommendations contained in Report CS-19-017 be amended to include:

- 1.1 That staff develop an RFP for consulting services to provide the following; *treating below as suggested content to be in scope:*
  1. Service Delivery Review - identifying opportunities to modernize and streamline services, ~~maximize efficiency and establish shared services agreements with the Region or other local area municipalities~~ *reduce costs and examine the effectiveness and efficiency and value of services. Investigate opportunities for shared services agreement where appropriate.*
  2. Business Process Analysis - putting external stakeholders, customers and residents at the centre of process design.
  3. Technology Strategy - prioritizing proposed software purchases and the creation of a new Town website, and recommending how to best utilize new and emerging technologies. *Improve Customer Service: Apply a service based lens to the structure and identify opportunities to improve service outcomes. Review and improve all digital communications channel. \*Broad based experience including Municipal Public Sector.*
  4. Reduce Future Costs - identifying opportunities to save money, and maximise value of services provided.

**Deloitte.**



**Water Operational Audit Procedures**

The Town of Niagara-on-the-Lake

May 2020

# Table of Contents

Executive summary	3
Project scope and objectives	4
Stage 1 – Water analysis	5
Stage 1 – Water audit overview	11
Next steps	13

## **Disclaimer**

The performance of the services does not constitute an engagement to provide audit, compilation, review or attest services in accordance with professional standards issued by the Chartered Professional Accountants of Canada ("CPA Canada") and, therefore, Deloitte will not express an opinion or any other form of assurance with respect to any matters (including, without limitation, compliance with financial accounting standards).

No opinion, counsel, or interpretation is intended in matters that require legal, tax or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been, or will be, obtained outside of the scope of this report.

The absence of independent verification of the information supplied in respect of both historical and projected information, in some cases, can limit potential findings and accuracy of our report. We have indicated in our report the source of the data that was obtained by us, but disclaim any responsibility for its accuracy. Our work does not and will not result in the expression of an opinion or other form of assurance. Estimations of cost, benefits and timeline as they relate to implementation of recommendations have been made using historical reference points and do not incorporate unforeseen or unusual events. All management decisions, including decisions to implement any stated recommendations in connection with this engagement will be the responsibility of the Town.

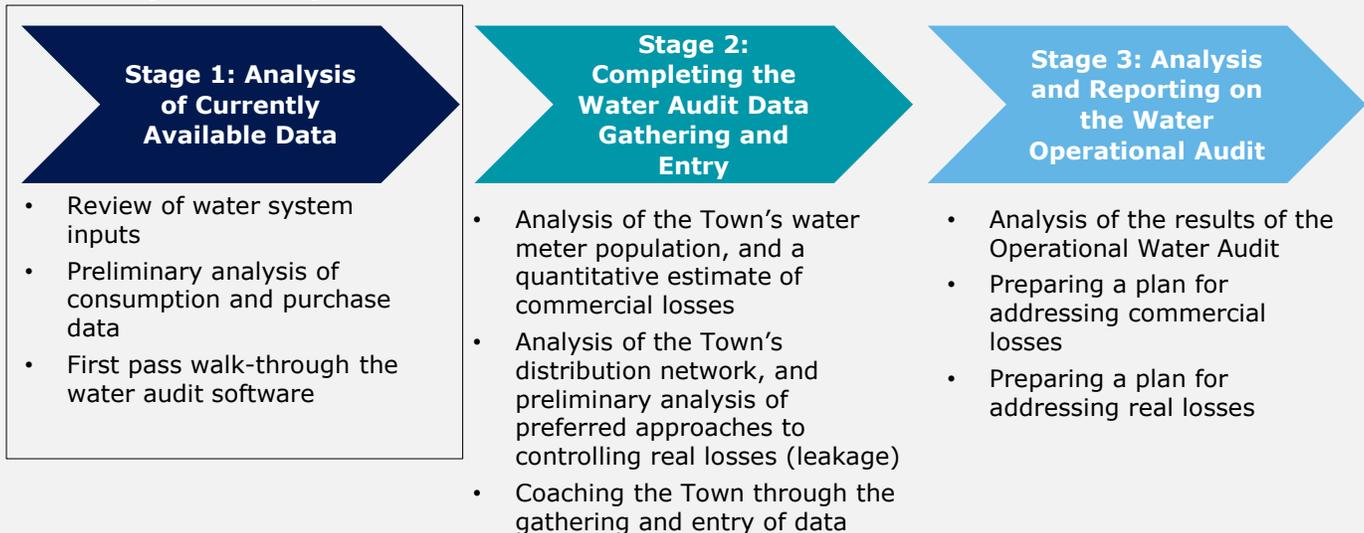
# Executive summary

The Town of Niagara-on-the-Lake (the "Town") has identified reoccurring concerns with water losses. Water losses occur when sales of water to customers are less than purchases from the Region of Niagara. In general, water losses are a result of real losses, such as leakage or commercial losses, such as under billing customers or being overbilling from water provider.

We were engaged by the Town in April, 2020, to complete Stage 1 of an operational audit of the Town's water services (the "Water Audit"). The objective of all three stages of the Water Audit is to identify ways to reduce the Town's water losses. This is achieved by first understanding and analyzing the purchases of water, the billing of customers and other relevant data related to the Town's bulk water supply.

The steps outlined for the Water Audit depict a full water audit using a methodology from the American Water Works Association ("AWWA"), including suggested steps for controlling real losses and commercial losses. The Town's preference was to group the defined activities into 3 stages, as defined below. This report covers Stage 1, with Stages 2 and 3 shown for context and planning purposes:

## Scope of this report



Work began on April 20<sup>th</sup>, 2020 and ran for 4 weeks with the Stage 1 report being completed in draft on **May 15<sup>th</sup>, 2020**.

During Stage 1 of the engagement, the following was completed:

### **Review of water system inputs**

We examined the Town's historical records for water supply, including total purchases from the Region of Niagara and billings to customers, and the information pertaining to individual watermains within the Town.

### **Preliminary analysis of consumption and purchase data**

A month-by-month analysis was performed on 5 years of consumption from residents and businesses and purchase data from the Region. We note that there is a confirmed correlation between consumption and purchase. We examined trends, and calculated the simple water loss percentage (**total losses divided by total purchases**) by month and year. A trend analysis was performed of consumptions and purchases over time, and a qualitative **analysis** was prepared to show that losses were as a result of a combination of real losses (leakage) and commercial losses (meter inaccuracies).

# Executive summary

During Stage 1 of the engagement (continued):

## **First pass walk-through the water audit software**

We met with Mike Komljenovic, Engineering Supervisor and Brett Ruck, Supervisor Environmental Services on April 27<sup>th</sup>, to introduce the Town to the AWWA Water Audit software. This objective of this was to familiarize the Town with the AWWA water audit software, in order to develop an understanding of what additional data would be required to finalize the Water Audit, and what insights the software will provide once complete. In the working session, we entered the data into the input section of the software, using data that the Town had on hand, and made reasonable estimates for **variables for which the Town did not have data on hand (such as the average length of customer service mains). These estimates were confirmed as being consistent with typical values via the Water Audit Software default values and the experience of an industry professional.** We then walked through the analysis sections of the document with Mike and Brett, discussing some of the metrics that it produces.

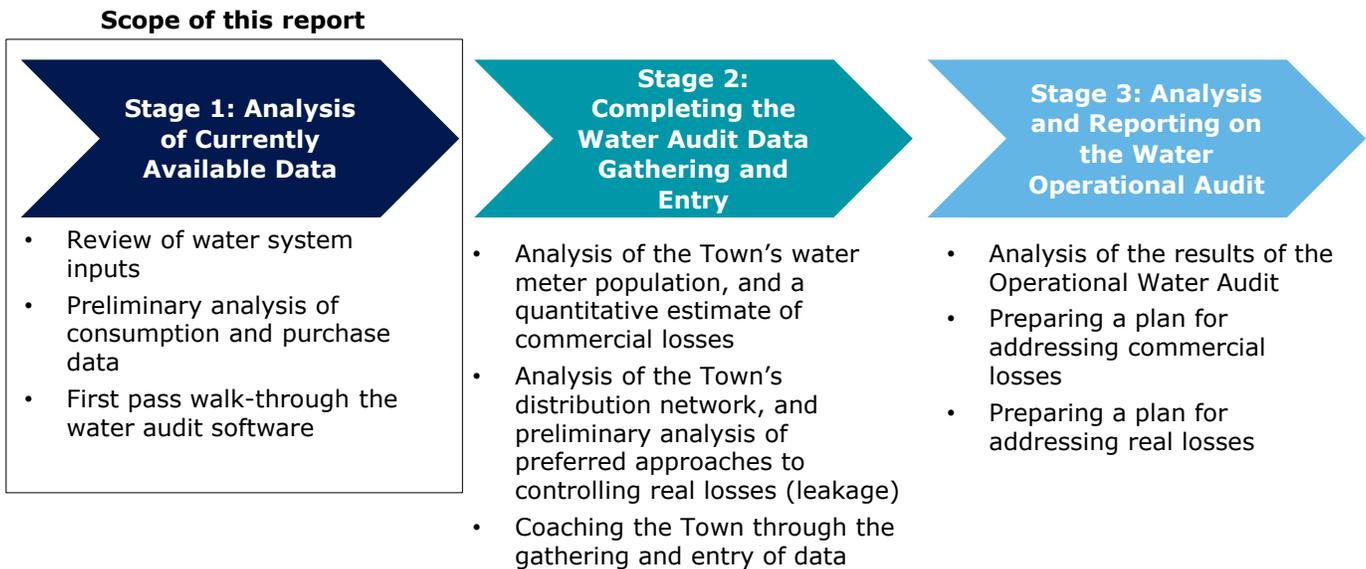
## **Summary of findings**

These are a summary of the findings from Stage 1 of the Water Audit:

- The simple water loss as a percentage was calculated as 25% in 2019 and 22% in 2018. There is a general upward trend over time. This is normal as infrastructure ages. An exception was noted in for 2017, with a simple water loss percentage calculated as 9%.
- When considering an explanation for the 2017 decrease in losses, it is possible that one of the bulk meters began under-registering in early 2017, which was demonstrated by substantially lower purchases in 2017. If recalibration or maintenance to bulk meters was done in late 2017 or early 2018, this could explain the change to the water loss percentages in 2017.
- As a result of lower billings to customers than purchases from the Region in 2017 to 2019, the analysis determines that there is likely a loss in unbilled revenue of \$210,000 over the three year period.
- There are the discrepancies in the values collected for meter reads, GL data and hydro billing registers for the same time periods, resulting in insufficient details on their impacts to water losses. A further analysis of the Town's data sources and billing process is recommended.
- There is a one month lag between the reporting of purchases and sales (likely due to delays in billing).
- Increasing water loss appears to be offsetting decreasing consumption, resulting in flat (or slightly rising) total water purchases.

# Project scope and objectives

In April, 2020 we were engaged by the Town to complete Stage 1 of an operational audit of the Town's water services. The steps outlined for the Water Audit depict a full water audit as per the AWWA methodology, including suggested steps for controlling real losses (leakage) and commercial losses (under billing or being overbilled). The Town's preference was to group the defined activities into 3 stages, as defined below.



## Objectives

The Town is facing challenges in identifying the primary cause of water losses, however it is presumed by management that this is a combination of commercial and volume losses. The water audit is designed to identify water losses by comparing volumes of water treated and pumped to volumes consumed by customers, and other uses such as firefighting and community uses. The AWWA water audit methodology can assist in identifying real losses and commercial losses. It is important to note that the Water Audit is not a solution in itself. By the time Stage 3 of the Water Audit is completed, the Water Audit will identify opportunities for improvement and provide a roadmap for remediation.

The objective of Stage 1 of the Water Audit was to familiarize the Town with the AWWA water audit software, in order to develop an understanding of what additional data would be required to finalize the Water Audit, and what insights the software will provide once complete.

In order to achieve this, the following steps were defined:

1. Obtain and evaluate purchase and consumption data from the Town in order to check for reasonableness with respect to industry norms, expected water usage trends by the Town, and other factors the Town believed were likely to have an impact on their water consumption rates and/or the accuracy of their meters.
2. Evaluate correlation between consumption and purchases, examined trends, and calculate the simple water loss percentage by month and year through a 5 year analysis.

## Scope of Stage 1

The scope of Stage 1 of the Water Audit was the Town's bulk water supply data including total purchases, billings, and the information pertaining to individual watermains within the Town.

The data reviewed was from the years 2015 to 2019, and were provided as both annual and monthly data points.

# Project scope and objectives

## **Stage 1 deliverables**

There were three deliverables resulting from the work completed in Stage 1. Two have been completed, and the third consists of this report:

1. A Preliminary analysis of consumption and purchase data
2. A walkthrough of the AWWA audit software with select individuals
3. A summary report

## **Methodology, approach and how to read this report**

This report is the summary report that is referenced above (deliverable 3). This report contains the Stage 1 results of the Water Audit procedures conducted between April 20<sup>th</sup>, 2020 and **May 15<sup>th</sup>, 2020**.

## **Water analysis**

The section, confirms the background to the analysis and provides an overview of the data used and approach applied. It shows the trends defined by the completed analysis as well as potential reasoning for such trends.

## **Water audit**

The section provides an overview of the results obtained from the walk-through of the audit software, completed with Mike Komljenovic and Brett Ruck on April 27<sup>th</sup>. This is inclusive of the data inputs used to derive the Water Audit results as well as key outputs that define the benefits of such an analysis. It is a supplement to the analysis already provided to the Town.

# Stage 1 - Water analysis

As part of stage 1, we performed a preliminary analysis of both purchase and consumption data, as provided by the Town. This analysis included a month-by-month analysis on 5 years of consumption and purchase data, that further defined what needed to be looked at in order to understand what was driving trends across the 5 year period. We then confirmed correlation between consumption and purchases, examined trends, and calculated the simple water loss percentage by month and year. A trend analysis was performed on consumption and purchases versus time, and a qualitative analysis of whether the data shows primarily real losses (leakage), commercial losses (meter inaccuracies), or a combination of the two.

In order to perform the water analysis, we leveraged data provided by the Town from the years 2015 to 2019. We examined the Town’s historical records for water supply, including total purchases and billings, and the information pertaining to individual watermains within the Town. We checked these values for reasonableness with respect to industry norms, expected water usage trends by the Town, and other factors the Town believed were likely to have an impact on their water consumption rates and/or the accuracy of their meters. This data, as discussed above, included the following documents:

- Sales data from “Billed consumption by Month.xlsx”;
- Purchase data from “9 10 11 Water Consumption and Rates UPDATED.xlsx” [Water Purchases];
- Estimates of the Cubic Meters (“CM”) for Bulk Water Sales and Water On Construction; and
- Estimates of the annual water loss, leveraging the data defined above.

When completing the analysis on the data related to the Town’s bulk water supply, it is important to consider the trending purchases and billings over time. For this reason we considered data from both the annual and monthly perspective.

Below, we present a summary our analysis performed on the Town’s purchase and consumption data and the trends we identified:

**Meter Reads vs. GL vs. “Hydro billing registers”**

The table below is a direct pull from the data provided by the Town (“Billed consumption by Month.xlsx”) and details the difference in water consumed by year (per CM) when considering what was identified by the meter reads, the GL and the hydro billing registers.

	Total (in CM)	Per GL (in CM)	Difference (Total – GL)	Per Hydro Billing Registers (not adjusted)	Difference (Total – Hydro Register)
2015	2,474,837.03	2,181,886.13	292,950.90	N/A	N/A
2016	2,732,916.89	2,614,956.75	117,960.14	N/A	N/A
2017	2,466,075.11	2,445,092.00	20,983.11	2,340,694.00	125,381.11
2018	2,493,640.07	2,498,659.19	-5,019.12	2,509,038.00	-15,397.93
2019	2,374,349.27	2,505,060.33	-130,711.06	2,273,677.00	100,672.27

If the Hydro Billing Registers column represents what is actually being billed for by the Town, there is likely a loss in unbilled revenue of \$210,000 over a three year period, which could be attributed to data handling errors. If the Per GL column is correct, the apparent loss is \$296,000 over 5 years. A further analysis of Town data sources and billing process is recommended to fully understand the discrepancies in the values identified above.

<sup>1</sup> All figures presented are based on financial data provided by Town management.

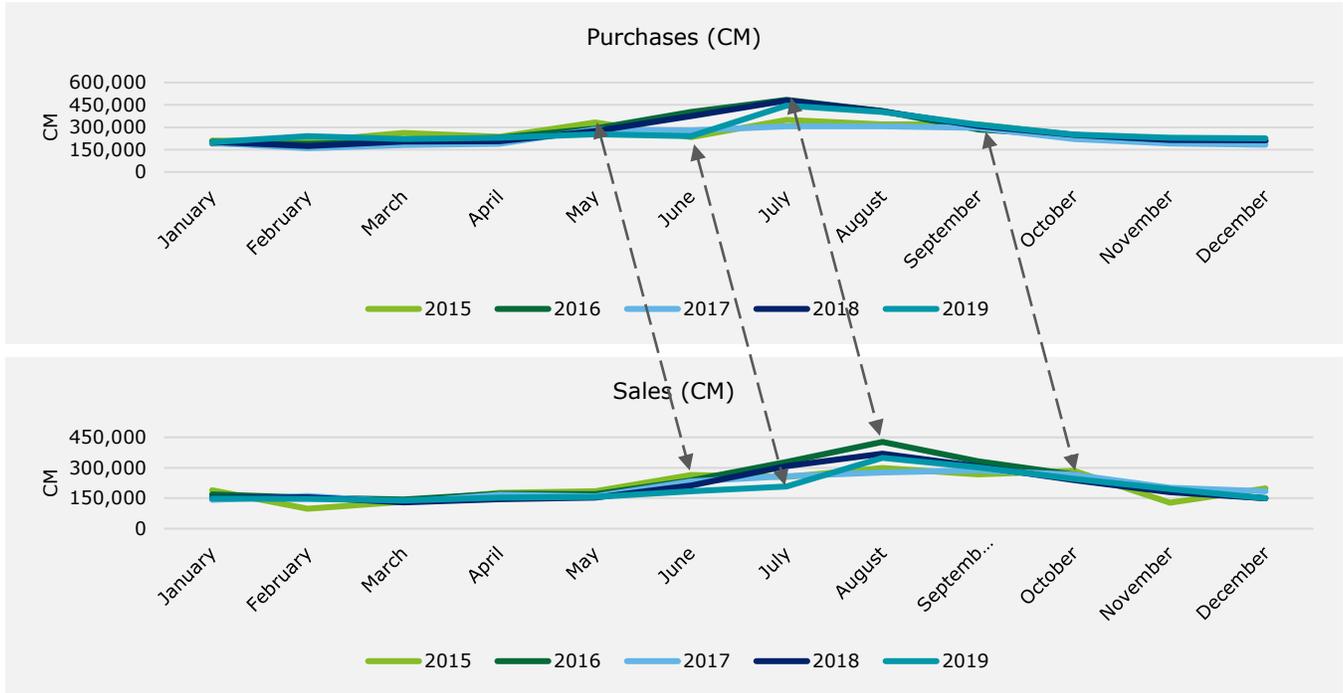
# Stage 1 - Water analysis

## Purchases vs. Sales

The graphs below were derived from data provided by the Town, specifically:

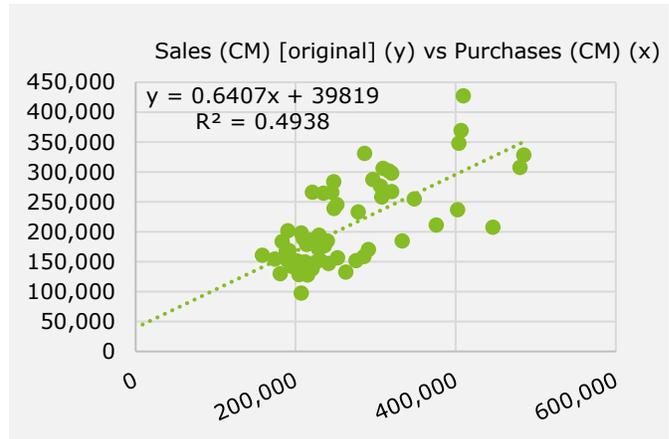
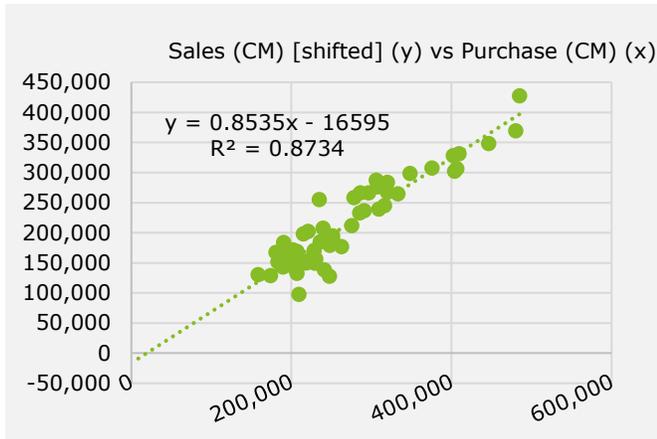
- Sales data from "Billed consumption by Month.xlsx"; and
- Purchase data from "9 10 11 Water Consumption and Rates UPDATED.xlsx"

The graphs define the purchase and sales of water on a monthly basis (per CM), and required no data manipulation.



It can be noted from the tables above, that there is an apparent one month lag between purchases and sales (illustrated by the dotted lines).

In order to verify the one month shift, the correlation between sales and purchases was determined, with the intent of visualizing the difference when using the data provided and shifting the data to correct for the lag. As presented in the tables below, the shift was confirmed by the increased correlation when the data was shifted, when compared to the original data provided.



<sup>1</sup> All figures presented are based on financial data provided by Town management.

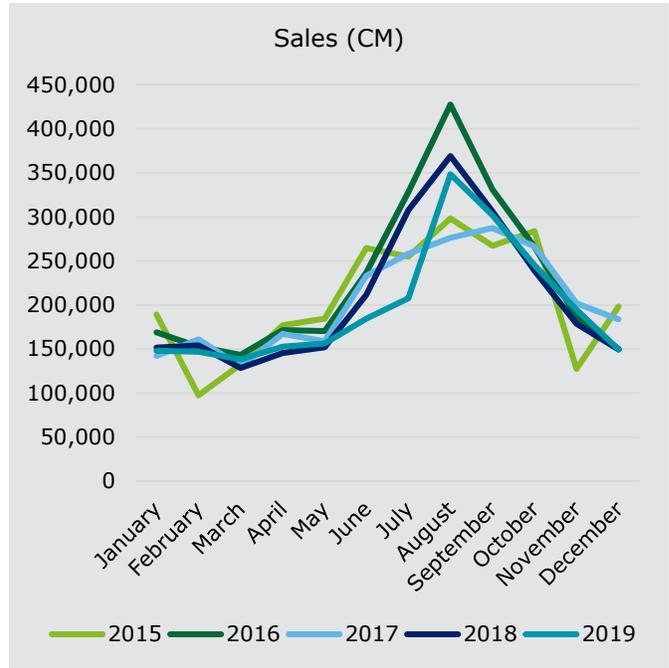
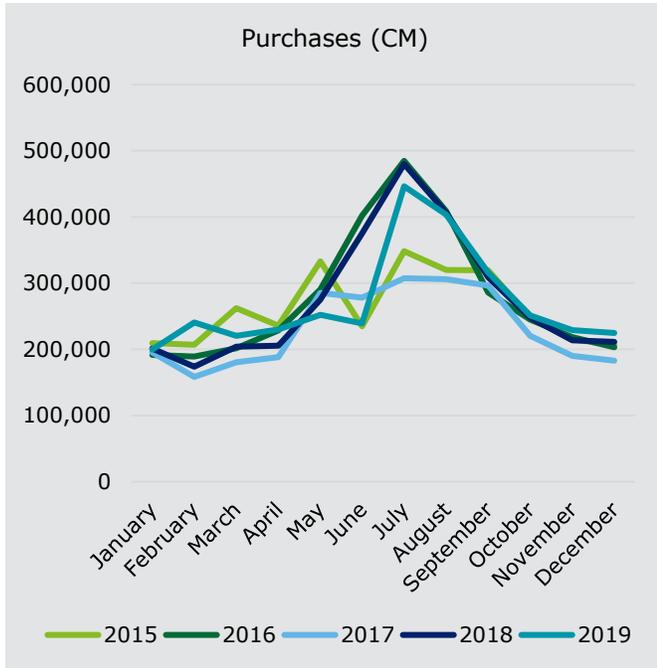
# Stage 1 - Water analysis

## Purchases vs. Sales (continued)

The graphs below were derived from data provided by the Town, specifically:

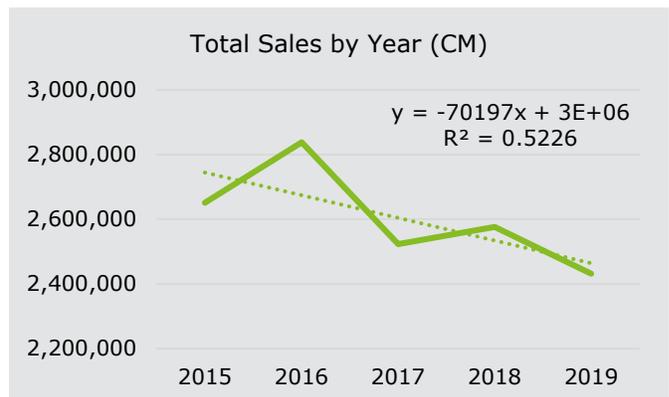
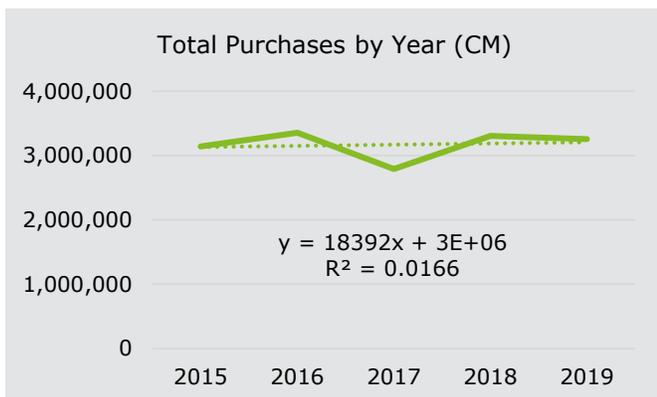
- Sales data from "Billed consumption by Month.xlsx"; and
- Purchase data from "9 10 11 Water Consumption and Rates UPDATED.xlsx"

The graphs present the seasonal trends of both purchases and sales, and shows typical seasonality of water usage for our geographic area and climate.



In order to understand the trend in water purchases and sales from 2015 to 2019, the tables below were generated. Total sales are declining slowly over time, which is in line with our experience reviewing water sales from other North American utilities.

In comparison, the total purchases are relatively flat from 2015 to 2019, and show a slight upward trend. This suggests a gradual increase in the water loss percentage over time. Essentially, increasing water loss appears to be offsetting decreasing consumption, resulting in flat (or slightly rising) total water purchases.



<sup>1</sup> All figures presented are based on financial data provided by Town management.

# Stage 1 - Water analysis

## Simple water loss (total loss / consumption) as a percentage

The table and graphs below were derived from data provided by the Town, specifically:

- Purchase data from "9 10 11 Water Consumption and Rates UPDATED.xlsx"

The table presents the simple water loss as a percentage of total purchase volume. This was calculated by dividing the monthly loss volume by the monthly purchase volume. It should be noted that this calculation is a revision to the method previously used by the Town which divided the loss by sales. The use of purchases as the denominator is considered an industry standard metric by AWWA when determining water loss.

There is a general upward trend over time. This is normal as infrastructure ages. We noted an unusual trend in 2017, given the low percentage of loss compared to the equivalent months in other years.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Loss % (less other sales)
2015	47%	29%	27%	15%	16%	-15%	10%	12%	7%	43%	1%	18%	17%
2016	16%	20%	11%	22%	16%	16%	10%	17%	4%	20%	27%	30%	16%
2017	15%	15%	5%	13%	17%	5%	9%	5%	9%	6%	1%	17%	9%
2018	20%	22%	25%	23%	21%	16%	22%	23%	20%	25%	27%	30%	22%
2019	24%	41%	29%	30%	25%	11%	21%	24%	21%	21%	33%	29%	25%

To further analyze the 2017 data, the charts below were created in order to visually present the water loss between the years of 2015 and 2019. The trend line in the "loss % over time" graph shows a slow upward trend. This is a typical pattern, as small leaks tend to accumulate in a system until systematically addressed.

Note that the loss % is calculated as  $(Losses / (Losses + Consumption))$ . A temporary drop in loss % is often the result of a temporary increase in Consumption while Losses remain constant. However, the low losses in 2017 correspond to a period of low purchases, ruling out the possibility of a dry year causing low loss %.



<sup>1</sup> All figures presented are based on financial data provided by Town management.

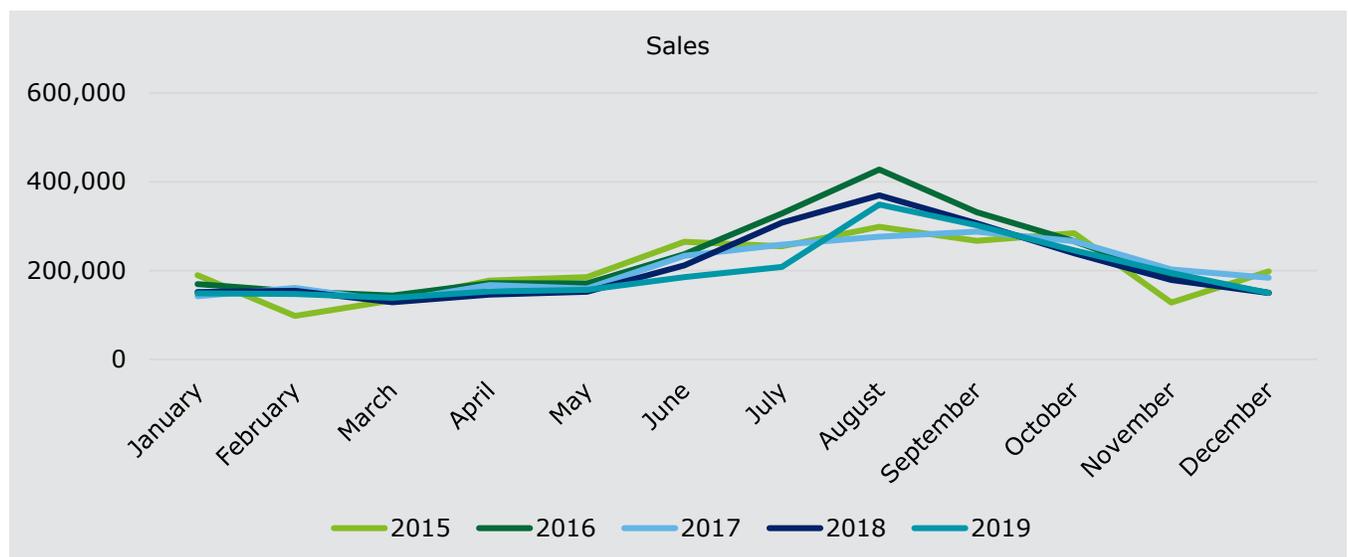
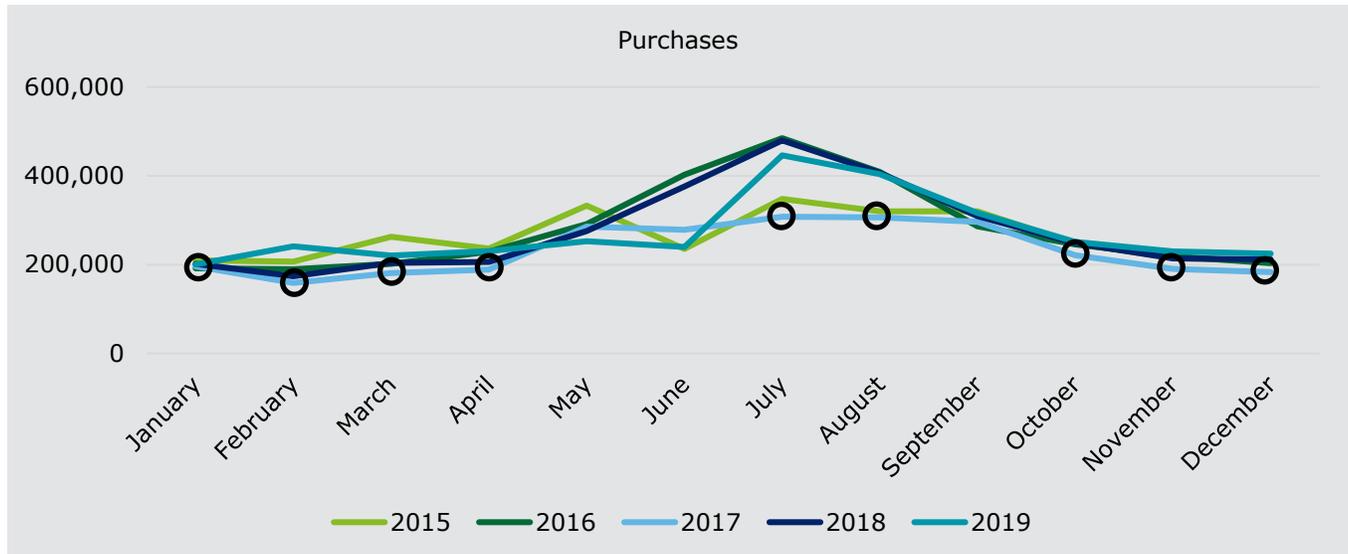
# Stage 1 - Water analysis

## Simple water loss (total loss / consumption) as a percentage (continued)

The graphs below were derived from data provided by the Town, specifically:

- Sales data from "Billed consumption by Month.xlsx"; and
- Purchase data from "9 10 11 Water Consumption and Rates UPDATED.xlsx"

The graphs define the purchase and sales of water on a monthly basis (per CM), and required no data manipulation. From these graphs, it can be noted that 2017 (the light blue line) was the lowest purchase year for 9 out of the 12 months, but was typical from a Sales perspective in the winter months. Low purchases combined with typical sales during winter months cannot be explained by either a wet or a dry year.



When considering an explanation for the 2017 decrease in losses, it is possible that one of the bulk meters began under-registering in early 2017, resulting in underestimates of purchase volumes. If recalibration or maintenance was done in late 2017 or early 2018, this would fully explain the data.

Looking at the last 3 years alone, this would give the impression of a sudden jump in purchase volumes and water loss percent.

<sup>1</sup> All figures presented are based on financial data provided by Town management.

# Stage 1 - Water analysis

## Purchase vs. usage

The graphs below were derived from data provided by the Town, specifically:

- Purchase data from "9 10 11 Water Consumption and Rates UPDATED.xlsx"

The graphs plot purchases vs sales in order to separate apparent losses (water consumed, but not paid for) from real losses.

Most sources of apparent losses tend to scale with sales. Meters under-registering, or customers bypassing the meter, will show an increasing volume of water loss in periods when more water is used.

Real losses, such as leakage, will show a constant monthly volume regardless of the amount of water used. Simply put, a hole in a pipe will leak the same amount of water regardless of how many customers turn on their taps.

The best fit line of purchase vs sales shows these effects.

The slope of the line represents how purchases scale with consumption. It shows how many *extra* m<sup>3</sup> water must be purchased for one *extra* m<sup>3</sup> of sales. The difference between the actual slope and 1 is a reasonable estimate of the apparent losses.

The y-intercept of the line provides an estimate of the purchases that would occur in a month where sales was zero. This is the volume of purchase needed to maintain pressure in the system without any usage. It is a reasonable estimate of the monthly real losses.



Apparent losses, such as meter error, scale with sales

- 1.023 slope → about 2.3% apparent losses

Real losses, such as leakage, are consistent regardless of sales

- 50,491 y intercept → about 50,500 m<sup>3</sup> / month real losses



These top-down estimates of real losses and apparent losses are imprecise. They can be used as a quick check to validate the findings of a water audit. A more detailed bottom-up analysis is also possible, and has been suggested for Stages 2 and 3.

<sup>1</sup> All figures presented are based on financial data provided by Town management.

# Stage 1 – Water audit overview

Aside from completing the water analysis, we met with Mike Komljenovic and Brett Ruck on April 27<sup>th</sup> to introduce the Town to the AWWA Water Audit software. On the conference call, we collaboratively completed the data input section of the software, using data that the Town had on hand, and made reasonable estimates for unknown factors (as seen below). It can be noted from the screenshot, that the initial score for the Town was 65 out of 100. The goal of this activity was not to complete a final version of the Water Audit. Rather, to familiarize the Town with the software, to help them understand what additional data they need to gather in order to finalize this, and what insights the software will provide once complete.

## AWWA Free Water Audit Software:

### Reporting Worksheet

WAS v5.0  
 American Water Works Association  
 Copyright © 2014. All Rights Reserved.

Water Audit Report for: **Town of Niagara on the Lake**

Reporting Year: **2019** | **1/2019 - 12/2019**

Please enter data in the white cells below. Where available, metered values should be used. If metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MEGALITRES (THOUSAND CUBIC METRES) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

**WATER SUPPLIED**

-----Enter grading in column 'E' and 'J'-----

Volume from sources:	+	?	3	0.000	ML/Yr
Water imported:	+	?	1	3,291.535	ML/Yr
Water exported:	+	?	n/a	0.000	ML/Yr

WATER SUPPLIED: 3,291.535 ML/Yr

**Master Meter and Supply Error Adjustment**

Pent:	+	?	1	0.000	ML/Yr
Value:	+	?	1	0.000	ML/Yr
Value:	+	?	1	0.000	ML/Yr

Enter negative % or value for under-requirement  
Enter positive % or value for over-requirement

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	3	2,273.677	ML/Yr
Billed unmetered:	+	?	5	136.852	ML/Yr
Unbilled metered:	+	?	2	0.000	ML/Yr
Unbilled unmetered:	+	?	2	41.144	ML/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 2,451.673 ML/Yr

**Click here: ?**  
for help using option buttons below

Pent: 1.25% Value: 0.000 ML/Yr

Use buttons to select percentage of water supplied OR value

Pent: 0.00% Value: 72.000 ML/Yr

2.00% 0.25%

---

**WATER LOSSES (Water Supplied - Authorized Consumption)**

839.862 ML/Yr

**Apparent Losses**

Unauthorized consumption volume entered is greater than the recommended default value

Unauthorized consumption:	+	?	3	72.000	ML/Yr
Customer metering inaccuracies:	+	?	3	46.402	ML/Yr
Systematic data handling errors:	+	?	3	5.634	ML/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 124.086 ML/Yr

Pent: 0.00% Value: 72.000 ML/Yr

2.00% 0.25%

---

**Real Losses (Current Annual Real Losses or CARL)**

715.776 ML/Yr

WATER LOSSES: 839.862 ML/Yr

**NON-REVENUE WATER**

881.006 ML/Yr

- Water Losses + Unbilled Metered + Unbilled Unmetered

---

**SYSTEM DATA**

Length of main:	+	?	2	203.8	kilometers
Number of active AND inactive service connections:	+	?	3	7,574	
Service connection density:	?	?	?	37	conn./km main

Are customer meters typically located at the curb/stop or property line?

Average length of customer service line: 10.0 meter (length of service line, beyond the property meter boundary, that is the responsibility of the utility)

Average operating pressure: 49.0 meter (head)

**COST DATA**

Total annual cost of operating water system:	+	?	11	\$4,147,311	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+	?	1	\$2.76	\$/1000 liter
Variable production cost (applied to Real Losses):	+	?	3	\$580.00	\$/Megalitre

Use Customer Retail Unit Cost to value real losses

---

**WATER AUDIT DATA VALIDITY SCORE:**  
\*\*\* YOUR SCORE IS: 65 out of 100 \*\*\*

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

**PRIORITY AREAS FOR ATTENTION:**

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Water imported
- 2: Customer metering inaccuracies
- 3: Variable production cost (applied to Real Losses)

# Stage 1 – Water audit overview

Upon completing the required data entry, we walked through the analysis sections of the document, illustrating some of the metrics that it produces.

The systems attributes and performance indicators defines the financial and operational efficiency values, leveraging the data directly from the reporting worksheet (as portrayed on the previous page).

**AWWA Free Water Audit Software:**  
**System Attributes and Performance Indicators**

WAS v5.0  
 American Water Works Association.  
 Copyright © 2014, All Rights Reserved.

Water Audit Report for: << Please enter system details and contact information on the Instructions tab >>

Reporting Year: 2019 1/2019 - 12/2019

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 36 out of 100 \*\*\*

Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	26.8%	Real Losses valued at Variable Production Cost
		Non-revenue water as percent by cost of operating system:	15.5%	
Operational Efficiency:	{	Apparent Losses per service connection per day:	21.82 litres/connection/day	
		Real Losses per service connection per day:	281.98 litres/connection/day	
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per meter (head) pressure:	5.64 litres/connection/day/m	
From Above, Real Losses = Current Annual Real Losses (CARL):		779.55 ML/year		
? Infrastructure Leakage Index (ILI) [CARL/UARL]:		3.68		

\* This performance indicator applies for systems with a low service connection density of less than 20 service connections/kilometre of pipeline

The water balance tab is a visual breakdown of the water balance, pulling the data directly from the reporting worksheet. Beginning on the left hand side of the image, all of the water that goes into the system is identified, pulling out numbers in a way that visually presents how the water is used or lost. Moving towards the right hand side of the image, the data is further broken down to show the flow of water, ending with the presentation of billed and unbilled water.

AWWA Free Water Audit Software: <u>Water Balance</u>						
WAS v5.0 American Water Works Association.						
Water Audit Report for: << Please enter system details and contact information on the Instr						
Reporting Year: <span style="border: 1px solid black; padding: 2px;">2019</span> <span style="border: 1px solid black; padding: 2px;">1/2019 - 12/2019</span>						
Data Validity Score: <span style="border: 1px solid black; padding: 2px;">36</span>						
		Water Exported <b>6.666</b>			Billed Water Exported	Revenue Water <b>0.000</b>
Own Sources (Adjusted for known errors)			Authorized Consumption	Billed Authorized Consumption	Billed Metered Consumption (water exported is removed)	Revenue Water
			<b>2,410.525</b>	<b>2,410.525</b>	<b>2,273.677</b>	<b>2,410.529</b>
<b>6.666</b>	System Input <b>3,251.535</b>	Water Supplied <b>3,251.535</b>	Unbilled Authorized Consumption	Unbilled Metered Consumption	Unbilled Metered Consumption	Non-Revenue Water (NRW)
			<b>41.144</b>	<b>41.144</b>	<b>6.666</b>	<b>881.006</b>
Water Imported <b>3,251.535</b>		Water Losses <b>633.662</b>	Apparent Losses	Unauthorized Consumption	Unauthorized Consumption	
			<b>66.315</b>	<b>6.225</b>	<b>46.462</b>	
			Real Losses	Leakage on Transmission and/or Distribution Mains	Leakage on Transmission and/or Distribution Mains	
			<b>779.547</b>	<b>5.684</b>	<b>Not broken down</b>	
				Customer Metering Inaccuracies	Leakage and Overflows at Utility's Storage Tanks	
				<b>46.462</b>	<b>Not broken down</b>	
				Systematic Data Handling Errors	Leakage on Service Connections	
				<b>5.684</b>	<b>Not broken down</b>	

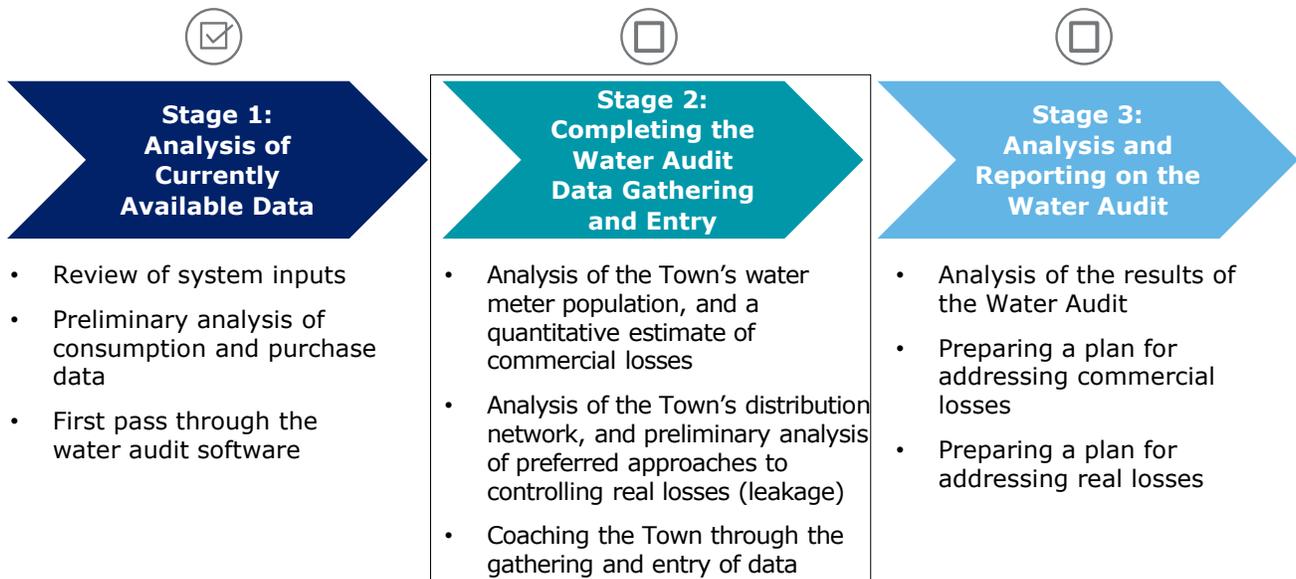
# Summary and next steps

## Summary of findings

- The simple water loss as a percentage was calculated as 25% in 2019 and 22% in 2018. There is a general upward trend over time. This is normal as infrastructure ages. An exception was noted in for 2017, with a simple water loss percentage calculated as 9%.
- When considering an explanation for the 2017 decrease in losses, it is possible that one of the bulk meters began under-registering in early 2017 which was demonstrated by substantially lower purchases in 2017. If recalibration or maintenance to bulk meters was done in late 2017 or early 2018, this could explain change to water loss percentages in 2017.
- As result of lower hydro billings to customers than purchases from the Region in 2017 to 2019, the analysis determines that there is likely a loss in unbilled revenue of \$210,000 over the three year period.
- There are the discrepancies in the values defined by meter reads vs. GL data vs. hydro billing registers, resulting in insufficient details on their impacts to water losses. A further analysis of the Town’s data sources and billing process is recommended.
- There is a one month lag between the reporting of purchases and sales (likely due to delays in billing).
- Increasing water loss appears to be offsetting decreasing consumption, resulting in flat (or slightly rising) total water purchases.

## Next Steps

Stage 1 of the Water Audit is complete. Stage 2 represents more quantitative analysis regarding the state of the Town’s water infrastructure (meters and pipes), and Stage 3 involves recommendations and planning.



The Town now has 3 options for proceeding: proceed with Stage 2, proceed with Stage 2 & 3 combined or end the water audit after Stage 1, and move on independently to address the findings.

# Summary and next steps

## Stage 2 & 3 Data Requirements

Stages 2 and 3 require additional data. Below are the outstanding requests after completing Stage 1:

### Records of water purchases

- [Optional] Volume readings from the 5 individual bulk meters that the Region uses to measure your purchased volumes, ideally monthly for the past 5 years.
- [Optional] Dates when each of the 5 individual bulk meters were last calibrated and/or replaced.

### Records of water sales

- Records of your currently installed water meters specifying date installed (or age), size, and customer type (residential or other).

### Other records of water usage

- Estimates of other unmetered unbilled usage (fire protection, etc.).
- Volume of any metered but unbilled consumption.

### Other details of the water system

- Average length of the portion of the customer service line from the curb stop to the meter.
- Any available sensor readings of system operating pressure (ideally hourly readings for 1 year).

### Other financial data

- Confirmation of the variable rate charged to customers for sewer usage

# Deloitte.

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The information contained herein is not intended to substitute for competent professional advice.

© Deloitte LLP and affiliated entities.

## **Summary of Scope – Proposed Water Operational Audit Procedures**

To: Sheldon Randall, Acting CAO  
From: Matt Colley, Partner, Deloitte  
Kevin Laven, Director, Deloitte  
Sarah Ban, Senior Manager, Deloitte

---

The steps outlined below show a full water audit as per the AWWA methodology, including suggested steps for controlling real losses (leakage) and commercial losses (under billing or being overbilled).

The performance of the services does not constitute an engagement to provide audit, compilation, review or attest services in accordance with professional standards issued by the Chartered Professional Accountants of Canada ("CPA Canada") and, therefore, Deloitte will not express an opinion or any other form of assurance with respect to any matters (including, without limitation, compliance with financial accounting standards).

Based on our discussion, the activities have been grouped into 3 stages. We are proposing to undertake Stage 1 at this time. Stages 2 and 3 are for informational and planning purposes.

### **Stage 1: Analysis of Currently Available Data [\$30,000 proposed fee]**

#### Activity 1.a): Review of System Inputs

The Town has indicated concern with the accuracy of the billings they have received for bulk water supply. We will examine the Town's historical records for water supply. This will include total billings, and (if the Town can provide them) the readings from each of the 5 individual metered supplies. We will check these for reasonableness with respect to expected water usage trends by the Town. If the Town can supply this data, we will also consider calibrations or replacement of the bulk meters, and any other factors the Town believes are likely to have impacted their water consumption rates and/or the accuracy of these meters.

#### Activity 1.b): Preliminary Analysis of Consumption and Purchase Data

We will perform a preliminary analysis of both Purchase and Consumption data, as supplied by the Town. A month-by-month analysis will be performed on 5 years of consumption and purchase data. We will confirm correlation between consumption and purchase, examine trends, and calculate the simple water loss percentage by month and year. A trend analysis will be performed of each versus time, and a qualitative analysis of whether the data shows primarily real losses (leakage), commercial losses (meter inaccuracies), or a combination of the two.

#### Activity 1.c): First Pass Through the Water Audit Software

We will introduce the Town to the AWWA Water Audit software. On a conference call with select staff from the Town, we will collaboratively go through the data input section. We will enter the data that the Town has on hand, and make reasonable estimates for unknown factors. We will walk participants through the analysis sections of the document, illustrating some of the metrics that it produces. The goal of this activity is not to complete a final version of the Water Audit. Rather, it is to familiarize the Town with the software, to help them understand what additional data they need to gather in order to finalize this, and what insights the software will provide once complete.

**Stage 2: Completing the Water Audit Data Gathering and Entry [\$30,000 estimate]**

Activity 2.a) Analysis of the Town's water meter population, and a quantitative estimate of commercial losses due to meter degradation.

Activity 2.b) Analysis of the Town's distribution network, and preliminary analysis of preferred approaches to controlling real losses (leakage).

Activity 2.c) Coaching the Town through the gathering and entry of the data they did not already have on hand.

**Stage 3: Analysis and Reporting on the Water Audit [\$40,000 estimate]**

Activity 3.a) Analysis of the results of the Water Audit.

Activity 3.b) Preparing a plan for addressing commercial losses.

Activity 3.c) Preparing a plan for addressing real losses.