Town of Penetanguishene – Service Delivery Review

Final Report

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Disclaimer

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CONTEXT

Context

Situation

The Town is unique, it is located on beautiful Georgian Bay, has one of the largest concentrations of Franco-Ontarians, has both a correctional facility and a mental health facility. Since its inception in 1882, the population has been fairly stable, however, over the past decade it has been falling and shifting to an older demographic. The Town is home to some major businesses and institutions, however more recently a major business has closed along with two institutions. The Town has also made significant infrastructure investments over the past several years without an increase in staff.

Objectives

The Town's CAO initiated a Service Delivery Review with the following objectives:

► To describe and evaluate the Corporation's operating structure and service levels

► To critique the Corporation's operating effectiveness and efficiency, using service level benchmarks and comparative best practises

► To recommend changes / options that will maintain adequate service levels while allowing long term, sustainable budget objectives to be met

Blackline was contracted to assist the Town to perform this review.

In this Document

The purpose of this report is to:

► Summarize the current environment, external and internal factors that have an impact on the Town's operations and service delivery;

► Provide recommendations to the Town to help improve operational efficiencies and service delivery;

► Outline a proposed roadmap for those recommendations;

► Describe in detail the recommendations; and

► Layout additional opportunities available to the Town.

Note: The recommendations in this report are predicated on the findings and observations made in the Interim Report dated October 2017. Appendix B provides a summary of those key observations.
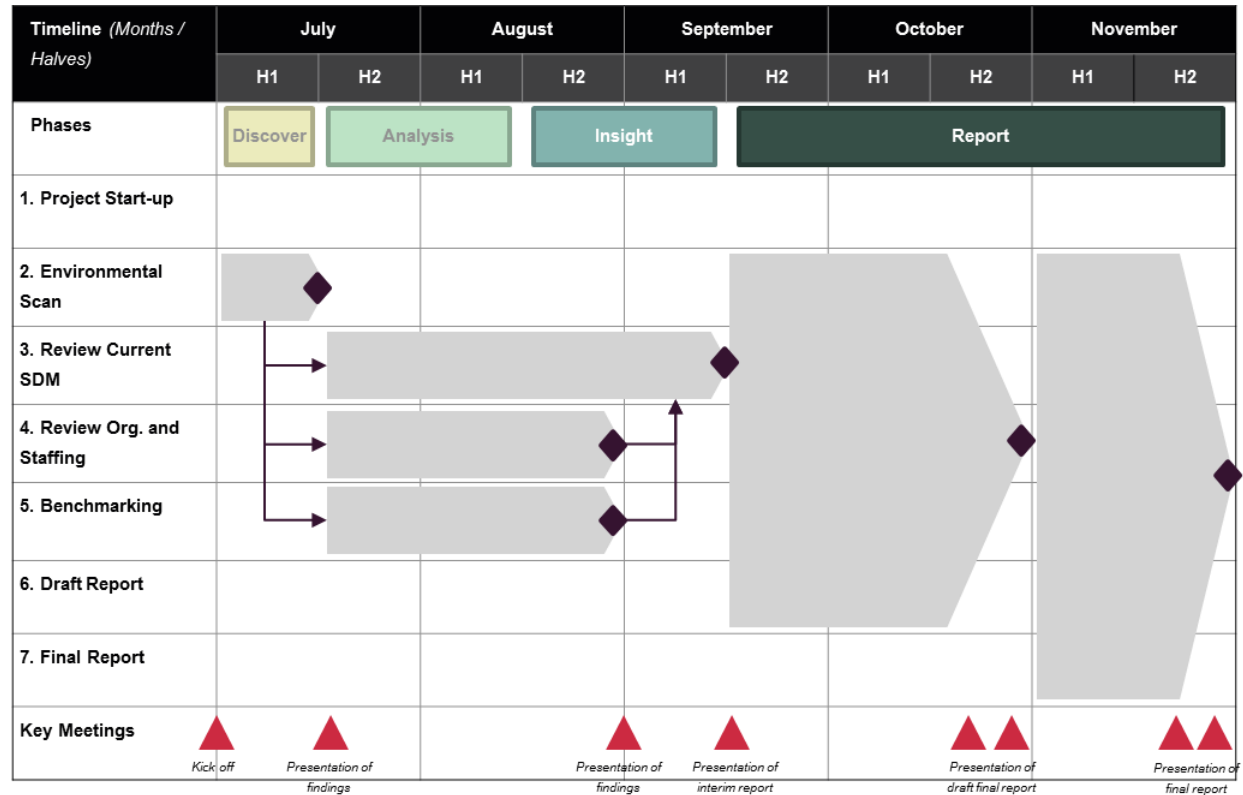
Context

The Town has outlined an approach.

► As outlined in the Town's RFP (CS17-001) the Service Delivery Review includes 7 workstreams with an indicative timeline to complete in November.

A standard methodology.

► As per Blackline's proposal, a four phased approach is used to delivery the scope and deliverables outlined in the Town's RFP.

Broad stakeholder engagement has been cornerstone to the review.

► The SDR has included broad stakeholder engagement from; residents, Council, staff, advisory committees, and peers.

► Tactics for engagement have also been diverse including; 1-on-1 interviews, group interviews, surveys, townhalls and phone interviews.

Timeline *(Months / Halves)*	July		August		September		October		November	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Phases	Discover	Analysis	Analysis	Insight	Insight	Report	Report	Report	Report	Report
1. Project Start-up										
2. Environmental Scan										
3. Review Current SDM										
4. Review Org. and Staffing										
5. Benchmarking										
6. Draft Report										
7. Final Report										
Key Meetings	Kick off	Presentation of findings			Presentation of findings	Presentation of interim report		Presentation of draft final report		Presentation of final report

Legend

Key meeting / Presentation — (red triangle) Milestone — (diamond) Workstream Activity — (arrow shape)

BACKGROUND

The Town of Penetanguishene is one of sixteen municipalities within Simcoe County

Below is an overview of key facts about the Town and how it ranks to its peers in Simcoe County.

	Penetanguishene	Simcoe County Average	Rank
Population	8,962	18,648	Lower Quartile
Households	3,923	8,062	Lower Quartile
Area (Sq. KM)	25	307	Lower Quartile
Council Members	9	8	Upper Quartile
Municipal Staff (FT)	46	103	Lower Quartile
Operating Revenues	$ 18.9 million	$ 36.8 million	Median
Operating Expenses	$ 14.9 million	$ 28.9 million	Lower Quartile
Property Tax Rate	1.4445 %	0.99433 %	Upper Quartile

Note: Simcoe County average excludes Barrie and Orillia

Source: Publicly available information from FIRs

There are several influencing factors impacting the Town's future delivery of services and service levels

Factor	Description
Political	► Elections – the upcoming election (provincial and local) brings a degree of uncertainty. This can cause delays on decision-making that can impact economic and social aspects of the Town. ► Increasing legislative requirements – recent legislation is having a ripple effect on the operations of municipalities. Examples include OneCall, AODA, MFIPPA, and the Open Data Directive. With many of these it increases the scope of service for some departments, in other cases it causes a change in the ways of working and thus the need for communication, training and process changes. There are new pending legislation that will also have an impact on municipal operations (e.g. increase in Ontario's minimum wage, Canadian federal Cannabis Act, Infrastructure for Jobs and Prosperity Act).
Economic	► Access to employment – while the economy is growing, the Town's economic development and employment opportunities remain unchanged. The closure of a recent large manufacturer, and other institutions may become a barrier to attract and retain certain demographics – families and the work force (which declined by 10.9% since the last Census). ► Affordability – property taxes are the highest in the county across all categories. This in conjunction with rising house prices can place a strain on affordability for a portion of the local population.
Social	► Aging population – the Town's population declined by 1.7%, and the only age group that saw an increase was the 65+ which grew by over 12%. The median age has moved from 42.9 to 46.1 in a decade. This shift will have an impact on the type and accessibility of services. ► Rising service expectations – constituents and staff as consumer of services have higher expectations, technology has been a key driver to this, however the implication to the Town is being able to balance taxes and service level expectations.
Technology	► Technology is changing at a rapid pace that makes it difficult to decide on when to adopt new technology. ► Consumerization of technology creates an expectation of that users should have the same experience at home as they do at work.

The factors that impact the volume of work have changed, which has reduced the Town's ability to deliver services efficiently and effectively

Changes in demand from a work driver perspective can have a material impact on the efficiency and effectiveness of service delivery for a municipality. Individual factors have changes for the Town, however, in aggregate, there has not been material impact on services from previous years. We use this information to consider the potential implications it has from an operations perspective.

Work Driver	Degree of Change	
Population size	⇩	Slight decline (-1.7%) and population composition shift
Town size (sq. km)	□	No change – the Town has not expanded or contracted
Roads	⇧	Slight increase (1.1%) in the number of paved roads
Number of Businesses	⇩	Decline – CCL and two other institutions have closed or are in the process of closing
Town Services	⇧	Increase (1 new service – transit)
Recreational Programs	⇧	Increase
Infrastructure (parks and facilities)	⇧	Increase
Dwellings	⇧	Slight increase (1.9%) in the number dwellings
Number of Capital Projects	⇧	Continued carry-over of projects
Number of Work Orders	⇧	Increase
Number of new By-laws	□	No material change
Legislation	⇧	Increase – Asset Management, Fair Workplaces, Better Jobs Act

EXECUTIVE SUMMARY

The current situation requires a balance of efficiency and improvements

Addressing resident concerns

► As outlined in the interim report, residents are generally satisfied with the scope of services the Town provides and the service levels. The notable areas of improvements are economic development, maintenance of roads and high taxes. While the property tax rate is high, the average property tax amount paid is $3,277 – only slightly above the Simcoe County average.

Adopting to an increasing pace of change

► Today, the pace of change has increased dramatically. The pace of new legislation, advancement in technology and social behaviours are all influencing factors impacting the Town's future delivery of services and service levels. As a smaller municipality the Town needs to be able to adjust accordingly. This requires investment in technology, capability and building a culture of measuring performance and outcomes.

No silver bullet

► Analysis of the Town's current operations did not reveal any major gaps that would result in significant cost reduction. While the focus was not solely to achieve this, it is often a focal point.

► Reviews of this nature are by design to look at all potential options. We found over 60 potential opportunities ranging from short-term tactical improvements, to longer-term complex and even high risk. It is our obligation to challenge the Town's thinking, and provide the Town with a range of options, even those that may be unpalatable from a risk perspective or unpopular.

A focus on delivering value to the Town not just efficiencies

► Given our understanding of the current environment, resident perspective and our analysis of the Town's operations, the focus for the Town should be on opportunities that improve services and efficiencies. Consequently, opportunities may increase or decrease costs.

There are several levers available to improve the Town, reducing costs and increasing productivity

We have identified several opportunities for the Town to consider implementing over the next 3 years. Executing them would result in:

- ► Improved communication and constituent engagement
- ► More consistent customer experience
- ► Easier access to services
- ► Efficient operations for workload management
- ► A delivery model that leverages economies of scale
- ► Improved cost control of suppliers and purchasing

The estimated ongoing savings could be $311k (without productivity gains) with one-time investments of $269k as illustrated below and to the right.

Summary of Opportunities by Type		
	Net Impact ($k)	
Type	**Net Operating Impact** *(w/o productivity gains)*	**Net Operating Impact** *(inc. productivity gains)*
Baseline OpEx		**$17,649**
Process Improvement	(71)	(80)
Operating Model	(245)	(327)
Digital / Technology	5	(30)
Total	**(311)**	**(437)**
Adjusted OpEx	**$17,338**	**$17,212**

Net Impact - w/o Productivity Gains
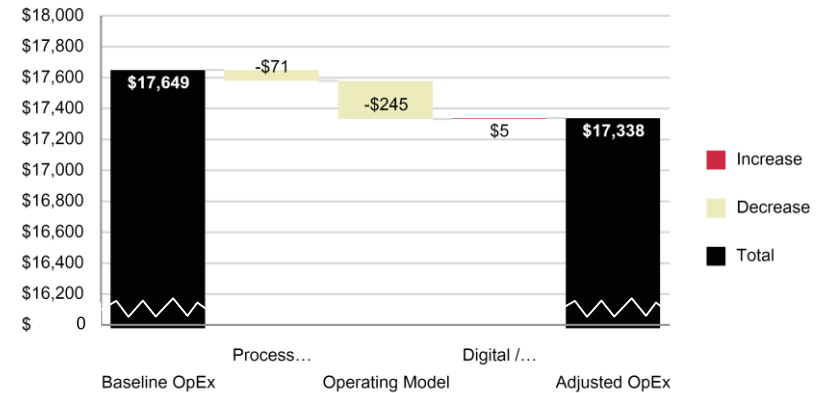
Net Impact - with Productivity Gains
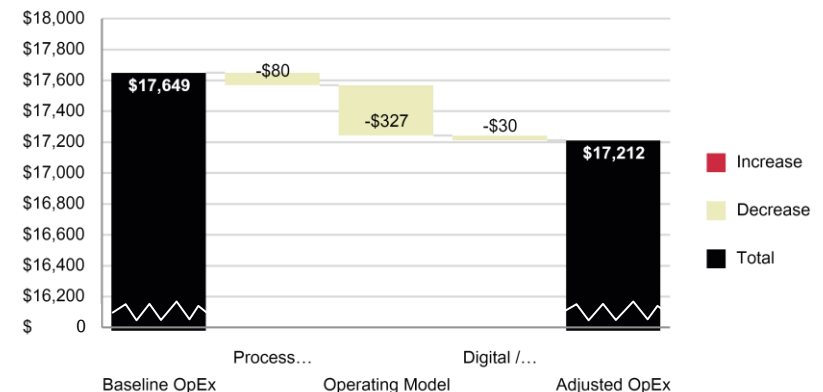
Note: we have calculated the potential productivity gains where applicable.

Formulation of a strategic plan will help drive greater alignment within the organization

#	Opportunity	Page Ref.	Timing	Net Operating Impact (w/o productivity gains)	Net Operating Impact (inc. productivity gains)	One-Time Costs
Process Improvement						
1	Develop a strategic plan for the Town and link KPIs to measure success of each department	21	Short	$ -	$ -	$45,000
3	Establish a customer service procedure for complaints and query management	25	Short	$5,000	$3,088	$15,000
4	Revise management practices to improve workload and resource management	27	Short	$ -	$ -	$ -
5	Address resource gaps by improving planning and workload management	28	Short	$14,063	$14,063	$ -
10	Create a guide for Town governance that outlines interactions between Council and staff	38	Short	-$79,124	-$79,124	$ -
13	Create a North Simcoe seasonal employee agreement	44	Medium	$1,500	-$2,950	$ -
15	Improve and modernize records management	47	Short	-$12,000	-$14,750	$45,000
			Total	**-$70,562**	**-$79,674**	**$105,000**

There are several opportunities for the Town to improve internal efficiencies through process improvement and create a more consistent and quality customer experience.

As illustrated above many of the opportunities should be schedule for implementation within the short to medium term (next 24 months). The majority are within the control of the Town staff while others will require Council approval.

The Town's progressive use of shared services can be expanded to improve services and achieve cost efficiencies

#	Opportunity	Page Ref.	Timing	Net Operating Impact (w/o productivity gains)	Net Operating Impact (inc. productivity gains)	One-Time Costs
Operating Model						
2	Create a communications role to manage marketing and communications across the Town	23	Short	$64,634	$60,934	$ -
6	Insource janitorial services	30	Short	-$4,790	-$4,790	$ -
9	Rationalize interaction with Town staff and committees	36	Short	$ -	-$19,680	$ -
12	Establish a North Simcoe recreation and community services forum	42	Medium	$ -	$ -	$ -
14	Create IT shared services with neighbouring municipality	45	Medium	$ -	-$59,470	$ -
17	Create services agreement with neighbouring municipalities to increase Public Works capacity	51	Medium	-$20,869	-$20,869	$ -
18	Outsource recreation programs to third party	53	Long	-$284,069	-$284,069	$ 40,000
			Total	**-$245,093**	**-$326,743**	**$ 40,000**

Operating model opportunities cover changes to the organizational structure, delivery of services (in house, third party or using shared services). The Town has already demonstrated progressive use of shared services to both achieve cost savings or expand capability.

From a cost perspective staff and contracted services is one of the largest spend categories. This category represents the biggest cost savings recommendations for the Town to consider.

Technology can help achieve greater efficiencies by reducing staff workload through automation

#	Opportunity	Page Ref.	Timing	Net Operating Impact (w/o productivity gains)	Net Operating Impact (inc. productivity gains)	One-Time Costs
Digital / Technology						
7	Automate and revise the time and attendance process	32	Short	$1,500	-$19,600	$12,500
8	Replace the phone system and improve functionality	34	Medium	$ -	$ -	$79,714
11	Increase the number of services delivered online	40	Short	$1,802	-$9,198	$15,000
16	Centralize property related information	49	Medium	$1,500	-$1,650	$17,500
	Total			**$4,802**	**-$30,448**	**$124,714**

Digital and technology opportunities will help to improve efficiency as well as shift time staff to higher valued activities. It will also enable those residents that choose to use online services to accommodate their needs.

In addition, future trends are indicating that technology will also be a key enabler to meet legislative requirements. For example, Open Data Directive, MFIPPA requests and future reporting requirements from government agencies.

Recommendations have been phased over 3 years to implement starting in 2018

2018	2019	2020	+
Short Term (10) Process Improvement (5) Operating Model (3) Digital / Technology (2)	**Medium Term (7)** Process Improvement (2) Operating Model (3) Digital / Technology (2)	**Long Term (1)** Process Improvement (0) Operating Model (1) Digital / Technology (0)	

The above roadmap is a suggested prioritization to implement the opportunities. The prioritization is based on our understanding of the Town and takes into consideration ease of implementation and estimated benefits. It is our recommendation that following the acceptance of this report the Town's Senior Management further validate the timeframes and develop detailed capital plans to implement any opportunities the deem appropriate.

Other opportunities beyond what have been listed in this section are available in the Forth Section – Additional Opportunities.

RECOMMENDATION DETAILS

An introduction to the recommendations section

Types of Recommendations

There are two types of recommendations in this section:

► **Project Overview Document (POD)** is a shortened business case. It includes analysis of the recommendation with figures and calculations to better portray the potential costs and savings.

► **Additional Opportunities** include less detail than a POD. These recommendations are less impactful on the organization / Town than the PODs, thus they require less analysis.

Descriptions used in this section

Below is a brief description provided for every recommendation laid forward in this section.

► **Situation** – the problem statement

► **Recommendation** – the proposed solution

► **Benefits** – the potential advantages of executing the recommendation

► **Impacted Area** – the specific department within the Town that the recommendation targets

► **Timing** – the proposed time of recommendation execution

- Short term: 0 to 12 months

- Medium term: 12 to 24 months

- Long term: 24 months +

► **Costs** – the cost of implementing the recommendation. Note that negative net figures indicate cost reductions.

► **Risk and Barriers** – the potential roadblocks faced when implementing and executing recommendations

► **Key Assumptions** – the assumptions used for quantifying the recommendations

The following section is ordered by timing, starting with those that the Town should consider undertaking in the short term.

An introduction to the recommendations section

Financial Summary of Opportunity	
Adjustments	
Annual salary + benefits for Communications staff	70,000
Reduction in RCS OT	(5,366)
Net Operating Impact (w/o productivity gains)	**$64,634**
Productivity Gains	
Reduction in Clerk (Comms. Effort)	(1,600)
Reduction in Events Coordinator (Comms / Marketing Effort)	(2,100)
Total Productivity Gains	(3,700)
Total Net Operating Impact (inc. productivity gains)	**$60,934**

One-time Costs	
n.a.	**$0**

Adjustments

► Refer to changes to the Town's operating expenditures. If it is an increase it will be in black – see example 70,000.

► Adjustments can also include reductions. For example a cost that the Town has today but may reduce. See example the overtime (OT). This will be illustrated in red and in brackets.

► The total for this section is the 'Net Operating Impact (without productivity gains). We have separated out any productivity gains to give the Town a sense of the hard numbers that will impact the operating expenditures.

Productivity Gains

► The Productivity gains will contain any information related to improving productivity and is quantified by the impact on staff and their salary. These will benefits will be realized by having gained capacity for staff to do other things or for the Town to avoid future headcount because the current staff have more capacity.

One-time Costs

► Finally there is a section for one-time costs. These costs are not included in the above adjustments to operating expenditures. This would be in addition to.

Notes

► Provides a narrative to the costs and financial assumptions.

#1 - Develop a strategic plan for the Town and link KPIs to measure success of each department

Situation

The Town's strategy requires revision to reflect the current situation of the Town, the needs of its constituents and identify Key Performance Indicators (KPIs). As a consequence of this, performance management of departments and individuals are not tightly linked. Recent efforts are underway to address this by capturing key department metrics and circulating them for awareness – through the monthly Council reports. However, they are not used to manage performance; the reports track absolute figures rather than trends, which is not suitable for managing performance.

Recommendation

► Create a new strategic plan for the Town that outlines specific measures and outcomes, aligns departmental goals, performance metrics and individual performance appraisals to the overarching strategic measures

► Charge senior management with using monthly Council reports as a tool to improve performance and communication with staff

► Revise monthly report to be trend based, highlighting key accomplishments and to be used by senior management to manage departmental performance

Benefits

► Clear defined direction for Town's departments

► Accountability and transparency

► Ability to measure performance against metrics and strategic plan

Key Assumptions

► Cost of strategic plan is within estimated range

Risks and potential barriers to overcome

► Strategy doesn't align with the Town's priorities

► No improvement in performance across the Town

Timing

Short Term

Impacted Area

Whole Organization

#1 - Develop a strategic plan for the Town and link KPIs to measure success of each department

Financial Summary of Opportunity	
Adjustments	
No ongoing fee - one time only	-
Net Operating Impact (w/o productivity gains)	$ -
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	$ -

One-time Costs	
Professional Services for Strategy development	**$45,000**

Notes:

1) There is no impact on the Town's operating expenses relating to this opportunity.

2) There is a one-time cost to develop the strategy, we have assumed the Town will use a third party to assist in facilitating the development of the strategy.

#2 - Create a communications role to manage marketing and communications across the Town

Situation

The Town does not have a dedicated communications role, however across the organization there is a substantial amount of external and internal communications.

Externally – current practices are such that staff dedicate effort into marketing and communicating key messages to the public individually. In one case alone it has taken up to 15-30% of an employees efforts, leading to overtime. Not having the appropriate tools and skills can create inconsistencies in message delivery, such as wrong branding, incorrect channel of communication, conflicting messages and incomplete details. Insufficient communication may negatively impact economic development, tourism and business attraction / retention.

Internally – remote departments may not be aware of some messages due to their physical proximity from Townhall. In addition, information internally is difficult to obtain. The communication and coordination with the Town's volunteers can be better managed with a central capacity.

Recommendation

Retain a Communications and Marketing Coordinator. Consideration should be given to initially hire them on a contract basis with a view to create a permanent position.

Benefits

► Consistent communication and marketing – internal and external – across the Town

► Alleviate workload off staff in other departments currently conducting communications and marketing

► Further reach at tourism and economic development

Key Assumptions

► The salary is in range (see overleaf)

Risks and potential barriers to overcome

► Unable to find a qualified candidate

► No improvement in communication and marketing in the Town

Timing

Short Term

Impacted Area

Whole Organization

#2 - Create a communications role to manage marketing and communications across the Town

Financial Summary of Opportunity	
Adjustments	
Annual salary + benefits for Communications staff	70,000
Reduction in RCS OT	(5,366)
Net Operating Impact (w/o productivity gains)	**$64,634**
Productivity Gains	
Reduction in Clerk (Comms. Effort)	(1,600)
Reduction in Events Coordinator (Comms / Marketing Effort)	(2,100)
Total Productivity Gains	(3,700)
Total Net Operating Impact (inc. productivity gains)	**$60,934**

One-time Costs	
n.a.	**$0**

Notes:

1) The salary is calculated based on information provided by the Town on the range of a Marketing and Communications Coordinator of the Town's peers.

2) The $70k total compensation is inclusive of benefits – calculated at 29% of salary.

3) The Town's operating expenses will increase by hiring a FT Marketing and Communications Coordinator, therefore adjustments include the addition of a FT Communications and Marketing Coordinator salary.

4) The reduction is overtime costs relate to communications and marketing currently performed within RCS.

5) Productivity gains relate to efforts currently spent on communications and marketing related activities across the Town – e.g. Clerk conducting communications for the Town.

6) The net operating impact with productivity gains takes into account the reduction in RCS OT and productivity gains.

#3 - Establish a customer service procedure for complaints and query management

Situation

While the Town has a policy for complaints, there are no guidelines or existing system to help staff manage complaints or queries to ensure they are addressed within a reasonable timeframe. In many cases, queries come in via the Townhall and given to the department in which the query relates. However, once it has been given to another department there is no way of knowing the status – there is no tracking mechanism. This can cause resident frustration and poor customer service experience.

Recommendation

Create procedural documentation on handling complaints including the roles and responsibilities of Town staff. Implement a solution to help record, notify, track and follow up on complaints and inquires.

Benefits

► Improved customer service delivery

► More efficient use of time – eliminate the need for staff to investigate filed complaints

Key Assumptions

► Use of software that multiple staff members can access and are capable of using

► Performance metrics will be monitored by management to ensure compliance with complaints policy

Risks and potential barriers to overcome

► Constituents will continue to use informal relationships with Town staff and Councillors to make complaints

Timing

Short Term

Impacted Area

Whole Organization

#3 - Establish a customer service procedure for complaints and query management

Financial Summary of Opportunity	
Adjustments	
Annual SW fee for complaints mgmt system	5,000
Net Operating Impact (w/o productivity gains)	**$ 5,000**
Productivity Gains	
Reduction in effort (investigating complaints / queries)	(1,913)
Total Productivity Gains	(1,913)
Total Net Operating Impact (inc. productivity gains)	**$ 3,088**

One-time Costs	
Complaints module - software	**$15,000**

Notes:

1) Adjustments include an increase of $5k corresponding to an annual software fee (SW) for implementing a complaints management system.

2) Reduction in effort relates to productivity gains derived from eliminating the need for staff to investigate complaints and queries; having a system will expedite complaint look ups. This assumes the time spent investigating is reduced by 75%.

3) One-time costs correlate to the cost of implementing a customer complaints and query management software.

#4 - Revise management practices to improve workload and resource management

Situation

Currently, work orders are completed as part of a queue without consideration to linkages with other work orders or locations. This can lead to inefficient use of staff time, increased travel time and degraded customer service. Furthermore, inaccuracy of work order information (location details, time, or copy/paste from other similar work orders) can create confusion and further inefficiencies investigating the details. There is a high amount of variation in the time to complete work orders. Specifically, potholes and road side removal. In addition, up to 20% of the work orders (for roads) are carried forward into the following year.

Recommendation

► Formalize a process for management to review work orders and prioritize them based on key factors including linkages and resource availability

► Align performance management with completion of work orders and productivity

► Establish monthly departmental meetings to review performance of work orders, trends, average time of completion and ideas for improvements

► Create review process to ensure accuracy of information entered into work order system

Costs

There are no estimated costs to implement this recommendation.

Benefits

► More efficient use of resources

► Better work order management, thus higher completion number

► Less work order carry over

► More engaged and better managed staff

Key Assumptions

► Resources are sufficient to complete work orders

► Work order volume is consistent

Risks and potential barriers to overcome

► Where required, training should be provided to management

Timing

Short Term

Impacted Area

Public Works

#5 - Address resource gaps by improving planning and workload management

Situation

Over the years, the Recreation and Community Services (RCS) department has added to its inventory of infrastructure (e.g. Splash Pad, amphitheatre, parkettes); it has also increased the number of events it hosts. Both have been increased without any increase in RCS headcount, which has constrained and added to the existing workload of the department. Additionally, there is continued late hiring for seasonal employees and RCS relies on two to four volunteer inmates from the Community Workers Program, creating addition resource gaps. There is a shortage in the total headcount in the RCS department and this has created a gap in maintaining infrastructure and on workload.

Recommendation

► Create a resource plan of seasonal workers to ensure sufficient number of resources are planned for the upcoming year

► Ensure the timing of resources coincides with the season and event schedules

► Hire an additional part-time employee

Benefits

► Better maintenance of infrastructure and alignment with seasons

► Alleviate workload from RCS staff (e.g. events coordinator)

Key Assumptions

► Ability to recruit part-time staff

► Wage is a realistic amount

► Community Workers Program continues to support RCS

Risks and potential barriers to overcome

► Insufficient resources available to construct a resource plan

Timing

Short Term

Impacted Area

Recreation and Community Services

#5 - Address resource gaps by improving planning and workload management

Financial Summary of Opportunity	
Adjustments	
Recruit Part-time RCS Worker	14,063
Net Operating Impact (w/o productivity gains)	**$ 14,063**
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	**$ 14,063**

One-time Costs	
n.a.	**$0**

Notes:

1) Adjustments include hiring one part-time RCS worker.

2) The hourly wage is assumed to be $15/hour. PT work pertains to a 37.5 hour work week for a total of 25 weeks. Thus, resulting to a total of $14k.

#6 - Insource janitorial services

Situation

Janitorial services are currently outsourced to a third party. The contract is due for renewal. The contractor's scope does not include all facilities, requiring Town staff to perform some janitorial functions separately. Since the first contract with the vendor, the annual costs have been increasing over the past three years (above inflation).

Recommendation

► Insource janitorial services by hiring a full-time janitor and a part-time janitor. The combination will provide the same level of resiliency (coverage for vacation, ad hoc support and sick days)

Benefits

► The in-house janitorial staff will be able to help with other activities (e.g. help out on facility maintenance, change cleaning practices or increase scope - new facility) when time permits

Key Assumptions

► Cost is within predicted range

► The quoted contract cost remains unchanged

Risks and potential barriers to overcome

► Efforts of 1.5 FTE is sufficient to maintain current level of service

Timing

Short Term

Impacted Area

Whole Organization

#6 - Insource janitorial services

Financial Summary of Opportunity	
Adjustments	
Recruitment of 1xFT, 1xPT Janitorial staff	46,310
Cancel third party janitorial contract	(51,100)
Net Operating Impact (w/o productivity gains)	**-$ 4,790**
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	**-$ 4,790**

One-time Costs	
n.a	**$0**

Notes:

1) Adjustments include hiring one FT and one PT janitorial staff at an assumed wage of $18/hour; the FT compensation includes benefits calculated at 29% of salary.

2) PT pertains to a term of 30 FT (7.5 hours) days – to cover FT janitor during absenteeism, vacation and ad hoc support.

3) Current (quoted) cost of third party janitorial services for the upcoming year is priced at $51k.

4) The net operating impact is an annual saving of approximately $5k.

#7 - Automate and revise the time and attendance process

Situation

The Town's time and attendance management is currently manual and paper based. The timesheets are currently inconsistent; various divisions within the same departments use different forms. Broadly the current process for staff is:

► Attendance and time is logged into Excel

► Printed and signed

► Passed to the various levels of management for approval

► Sent to payroll for processing

At times, there are errors that have to be manually corrected.

Furthermore, the vacation request process is highly paper based and time consuming as it requires various approvals. The cumbersome processes increases the likelihood of errors and omissions, as a result causing delays and inefficiencies in investigating and correcting.

Recommendation

► Implement a time and attendance management system and revise the process to automate activities

Benefits

► Reduce errors and omissions

► Reduce paper trail and physical records storage

► Reduce time spent duplicating records

Key Assumptions

► System cost

► Effort is restored through the implementation of a system

Risks and potential barriers to overcome

► Lost productivity is not fully restored

Timing

Short Term

Impacted Area

Whole Organization

#7 - Automate and revise the time and attendance process

Financial Summary of Opportunity	
Adjustments	
Annual SW fee for online modules	1,500
Net Operating Impact (w/o productivity gains)	**$ 1,500**
Productivity Gains	
Reduction in middle mgmt. effort	(14,700)
Reduction in Finance / HR effort	(6,400)
Total Productivity Gains	(21,100)
Total Net Operating Impact (inc. productivity gains)	**-$ 19,600**

One-time Costs	
Implementing of new system	**$12,500**

Notes:

1) Adjustments to operating expenditure include an overall increase, associated with an annual software fee (SW) of $1.5k.

2) Productivity gains are derived from the reduction in time spent adjusting for errors and omissions, and the manual time spent tracking time and attendance.
Specifically, middle management concerning themselves with time and attendance tracking, as well as vacation requests. It also includes the time Finance / HR spend retroactively reconciling and making necessary adjustments.

3) The net operating impact including productivity gains is an annual savings of approximately $20k.

4) One time costs relate to the price of implementing a time and attendance system priced at $12.5k.

#8 - Replace the phone system and improve functionality

Situation

The Town's phone system is no longer under support and is due for replacement. The age of the phone system also creates limitations; call quality is affected by bad weather, calls are disconnected or difficult to transfer (poor quality). Residents are asked to call direct numbers instead of transfers.

Recommendation

Undertake a competitive procurement for a new phone system. Determine any new functionality that may improve the customer experience; specifically, there may be opportunities to link phone system requirements to address management of complaints and queries.

Benefits

► Improved customer experience

► Better metrics on call volume / transfers

► Reduced risk of technical failures

Key Assumptions

► Cost of replacing the phone system is estimated at $857 per person based on comparator information

Risks and potential barriers to overcome

► Higher quote price

Timing

Medium Term

Impacted Area

Whole Organization

☎ #8 - Replace the phone system and improve functionality

Financial Summary of Opportunity	
Adjustments	
No ongoing fee - one time only	-
Net Operating Impact (w/o productivity gains)	$ -
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	$ -

One-time Costs	
Implementation of new phone system	**$79,714**

Notes:

1) There is no impact on the Town's operating expenses relating to this opportunity.

2) There is a one-time cost to replacing the phone system, this calculation assumed the cost of the new phone system to be approximately $80k. The cost is based on information from a comparator municipality who recently replaced their phone system.

3) This assumes the previous phone system has been paid-off in full, and no technical support is provided.

#9 - Rationalize interaction with Town staff and committees

Situation

The Town has nine advisory committees. While helpful, committees are also a driver of work for staff through the interactions required with each committee – preparation, research, report writing, attendance and follow up. In some cases, staff members participate in multiple committees. In addition, staff members present information to Council on behalf of the committees. In some cases, committee members direct staff time.

Recommendation

► Revise committee terms of reference; life of a committee (permanent vs. ad hoc), structuring the role of staff involvement and limiting the frequency of meetings

► Revise the interaction points between staff, Council and committees so that a representative from the committee presents to Council rather than staff

Benefits

► Streamline interaction between staff and committees

► Standardize committee management

► Raise profile of committees at the Town

Key Assumptions

► Town staff time related to committees is reduced

► Committee can remain functional with less staff commitment

Risks and potential barriers to overcome

► May require By-law amendment

► Committee members are not supportive of changes

Timing

Short Term

Impacted Area

Whole Organization

# #9 - Rationalize interaction with Town staff and committees

Financial Summary of Opportunity	
Adjustments	
No adjustment to ongoing costs	-
Net Operating Impact (w/o productivity gains)	**$ -**
Productivity Gains	
Reduction in Staff (Committee effort)	(18,480)
Total Productivity Gains	(18,480)
Total Net Operating Impact (inc. productivity gains)	**-$18,480**

One-time Costs	
n.a.	**$0**

Notes:

1) There is no impact on the Town's operating expenses relating to this opportunity.

2) The productivity gains are based on the time Town staff spend pre, during and post committee meetings. In addition we have assumed that staff are tasked with four requests per year (e.g. investigations, analysis, etc.) per committee. Of which each take on average 10 hours of effort to complete (see table below). Based on the total time, we assume a 40% reduction of time can be achieved by rationalizing the interactions which equates to $19k.

	TE	RCS	P&CD	FCS
Pre Meeting (hrs)	10	24	8	8
Meeting (hrs)	20	48	16	16
Post Meeting (hrs)	20	48	16	16
Support (hrs)	120	240	80	80
Total Commitment (hrs)	170	360	120	120
Total Cost ($)	**10,200**	**21,600**	**7,200**	**7,200**
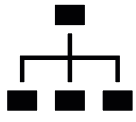
#10 - Create a guide for Town governance that outlines interactions between Council and staff

Situation

Council meets twice per month. However, there is little guidance provided to Council members and senior management on levels of authority (Council, versus CAO, versus Senior Management). This can lead to items going to Council that may not be required and waste time. For example:

► Approval for interdepartmental asset transfer (truck) with a $3k value

► Annually, the price for new water meters increase (due to inflation). Each year Public works needs to get the price increase approved. A more efficient approach could be to only need Council approval if the price increase was greater than a certain threshold

In addition, there are inconsistencies on interactions between Council members and staff that can lead to inefficient use of time.

Amongst peers, the Town has the highest number of Council members. Each Council member has an active role in the Town and as a consequence will also drive staff work volume.

Recommendation

► Create a guide that outline principles for interaction, roles and authority

► Reduce the size of Council from 9 to 5

► Create performance review framework for Council and senior management to assess each other and provide feedback via HR

Benefits

► More efficient use of Council and staff time

► Clarity on roles and responsibilities

Key Assumptions

► The recommendations can be performed using staff resources

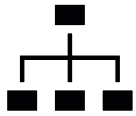## Risks and potential barriers to overcome

► Council endorsement required to reduce Council size

Timing

Short Term

Impacted Area

Whole Organization

Note: For more information and complete case study, refer to Appendix A.

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#10 - Create a guide for Town governance that outlines interactions between Council and staff

Financial Summary of Opportunity	
Adjustments	
Reduce Council by 4 to 5	(79,124)
Net Operating Impact (w/o productivity gains)	**-$ 79,124**
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	**-$ 79,124**

One-time Costs	
n.a.	**$0**

Notes:

1) Adjustments include annual savings of approximately $80k if the Council size is reduced from the current 9 to a suggested 5.

2) The Council salaries are calculated using information obtained from the Town.

#11 - Increase the number of services delivered online

Situation

The Town offers little online functionality as it relates to registration of programs, events, booking facilities, paying bills or purchasing permits and licenses.

▶ Program registrations: The Town offers many programs and events. However, registration is paper based and in person, which is time consuming for both staff and residents. This becomes especially heavy on workload when program registration is due on the same day as other property tax payments

▶ Residents wanting to enrol in several programs and events that require the same information are required to fill out a separate form for each activity, thus creating duplication

▶ Online forms are available to be filled out and printed, but then submitted in person rather than online submissions. Examples include fire permit, dog license, boat slips and lottery licence application

Recommendation

▶ Revise program and event forms to ensure duplicate information is not required, e.g. multi-program form

▶ Provide full online services for programs and events – from registration to electronic consent (waiver) to payment processing

Benefits

▶ Reduce staff workload

▶ Reduce physical storage of forms

▶ Better customer service delivery (e.g. avoid line ups, less repetition, more convenient)

▶ Reduce risk of errors and omissions for manual entry of information into system

Key Assumptions

▶ Online services are compatible with current Town systems

▶ Online services are accessible by RCS staff

Risks and potential barriers to overcome

▶ Online payment servicing cost

Timing

Short Term

Impacted Area

Recreation and Community Services / Front Office Staff

#11 - Increase the number of services delivered online

Financial Summary of Opportunity	
Adjustments	
Annual SW fee for online modules	5,000
Admin reduction in OT	(3,198)
Net Operating Impact (w/o productivity gains)	**$ 1,802**
Productivity Gains	
Reduction in Effort (Straight thru processing)	(11,000)
Total Productivity Gains	(11,000)
Total Net Operating Impact (inc. productivity gains)	**-$ 9,198**

One-time Costs	
Implemention of online technology	**$15,000**

Notes:

1) Adjustments to operating expenditure include an overall increase, associated with an annual software fee (SW) of $5k.

2) Adjustments include a reduction in OT from Finance front office staff, who often must manage queues of customers registering for RCS programs – at times coinciding with property tax due dates. This assumes that only 35% of the OT is related to RCS programing.

3) The productivity gains relate to the reduction in effort spent manually duplicating data and reducing manual processes (20% productivity gain assumed).

4) One time costs include the cost of implementing a software which enables online registration.

#12 - Establish a North Simcoe recreation and community services forum

Situation

At this time, neighbouring municipalities separately plan recreation and community activities (e.g. no shared / coordinated programming). However, given the proximity of the municipalities in Northern Simcoe, in some cases programs are competing for the same participants. The opportunity to coordinate programs and activities can reduce the total staff time, as well as increase the utilization of assets e.g. arena, community centres, amphitheatre, splashpad, etc.

Recommendation

Establish a North Simcoe Recreation and Community Services forum, bringing together neighboring municipalities to coordinate more on programs and sharing of facilities.

Benefits

► A closer integration with neighboring municipalities can lead to less competition and more revenue. Given Penetanguishene's location, the Town stands to benefit from such a model

► The Town will have access to other facilities in neighbouring municipalities to host or co-host activities

Costs

There are no estimated costs to implement this recommendation.

Key Assumptions

► Assumes the setup of the forum and execution can be done with existing resources

► Neighbouring municipalities are interested in a North Simcoe RCS joint initiative

► The municipalities are committed to the success of the initiative and therefore commit to the agenda

Risks and potential barriers to overcome

► Unequitable use of facilities and resources

Timing

Medium Term

Impacted Area

Recreation and Community Services

#13 - Create a North Simcoe seasonal employee agreement

Situation

Currently, seasonal employees are hired at each of the four respective municipalities; however, at different hourly wage rates. As such, municipalities compete for seasonal staff, and run their own seasonal recruitment programs.

Creating an agreement amongst the four municipalities in North Simcoe can encourage collaboration and eliminate competition, thus take advantage of synergies around recruitment – posting job ads, equal hourly wage, group interviews.

Recommendation

- ► Create a North Simcoe agreement for recruiting seasonal employees. The agreement should at a minimum outline the approach to recruitment, seasonal wages, length of season, distribution of seasonal employees and possibly onboarding practices.

Benefits

- ► Reduce recruitment effort
- ► Cost control of seasonal staff
- ► Reduce risk of not having sufficient seasonal staff

Key Assumptions

- ► Other municipalities are interested in pursuing this opportunity

Risks and potential barriers to overcome

- ► Costs are higher than estimated
- ► Inequitable use of resources

Timing

Medium Term

Impacted Area

Recreation and Community Services

#13 - Create a North Simcoe seasonal employee agreement

Financial Summary of Opportunity	
Adjustments	
Annual costs for supporting the agreement	1,500
Net Operating Impact (w/o productivity gains)	**$ 1,500**
Productivity Gains	
Reduction in HR effort (SE hiring)	(4,450)
Total Productivity Gains	(4,450)
Total Net Operating Impact (inc. productivity gains)	**-$ 2,950**

One-time Costs	
n.a.	**$0**

Notes:

1) Adjustments include an annual commitment (resource) cost towards supporting the agreement.

2) Productivity gains are derived from the reduction in HR efforts hiring seasonal employees (SE) – as the North Simcoe seasonal employee agreement is set to streamline the process.

3) The total net operating impact is an overall annual saving of approximately $3k.

4) This opportunity does not include any cost benefits relating to the Town being able to normalize the hourly rate of seasonal employees with other municipalities potentially reducing those costs.

#14 - Create IT shared services with neighbouring municipalities

Situation

The Town uses a third party for IT support. They require a point of contact at the Town to help funnel requests through. However, there are several issues with this arrangement. The Town's point of contact is the Deputy Treasurer; IT is not an area of expertise for that individual nor is it a usual requirement for that role. Furthermore, the third party does not provide a tool or system to log tickets or support self-service functionality e.g. password resets for users locked out of their account, request new hardware or software, etc. This leads to loss of productivity via delays in resolving incidents and responding to requests.

Recommendation

Create a shared service with neighbouring municipalities for IT services. Under the shared service model:

► Consolidate the use of third parties for the delivery of infrastructure and desktop services and procurement of hardware / software; and

► Retain IT staff to focus on application support and service request management, reducing reliance on non-technical staff

Additional cost savings can be achieved through volume aggregation and reduction of licenses for duplicate systems.

Benefits

► Cost savings and scaling

► Easy to implement

► Consolidate third party provider

Key Assumptions

► Neighbouring municipalities are interested in pursuing this opportunity

► The Town would benefit from productivity gains, less disruption from technology not working correctly and quicker remediation of service requests

Risks and potential barriers to overcome

► Costs are higher than estimated

Timing

Medium Term

Impacted Area

Whole Organization

#14 - Create IT shared services with neighbouring municipalities

Financial Summary of Opportunity	
Adjustments	
No adjustment to current cost - assumed like for like	-
Net Operating Impact (w/o productivity gains)	**$ -**
Productivity Gains	
Town productivity loss due to IT	(55,470)
Reduction in IT Proxy Effort	(4,000)
Total Productivity Gains	(59,470)
Total Net Operating Impact (inc. productivity gains)	**-$ 59,470**

One-time Costs	
n.a.	**$0**

Notes:

1) Adjustments are not applicable – assuming the cost of contract remains unchanged shifting from the amount the Town currently pays to the third party to the shared services.

2) Productivity gains include the efforts retrieved from:

   a. Town productivity loss due to IT issues – for instance, when the Xerox machine is down for an extended period of time, or hardware is unfunctional, both having an impact on day to day activities (assumed to be 0.05% of work time effort).

   b. Restoring the Deputy Treasurer's time spent acting as the proxy for the Town's IT contact person (assumed to be 0.05% of work time effort).

#15 - Improve and modernize records management

Situation

Records management is limited to an Excel document that contains a list of record titles managed by a contractor that works for the Town one day per week.

The majority of records are paper based (little is electronic or scanned from paper into electronic format). This creates physical risks such as flood, fires or degradation from age as well as taking valuable office space. In addition, each department files and stores their documents on site, which can lead to difficulties in finding information and sharing them cross departmentally or responding to requests from the public. In some cases it has also been recognized as ineffective by third party audits (e.g. Water Audits).

Recommendation

Modernize the records management by digitizing documents, storing them electronically and implementing a process for staff to create a record number and reduce reliance on the contractor.

Benefits

► Faster and complete access to records for Town staff

► Reduce risk of destruction or lost records

► Improved customer service when inquires made by providing immediate answers

Key Assumptions

► Software will be accessible on all Town workstations

► Contractor is able to provide support for software implementation

► The Town's multi-function printers would be used to scan documents

Risks and potential barriers to overcome

► Digitalizing existing records can be time consuming

► Security regarding the digital records

► Contractor is able to provide the same services on a new software

Timing

Short Term

Impacted Area

Whole Organization

#15 - Improve and modernize records management

Financial Summary of Opportunity	
Adjustments	
Annual SW fee for records mgmt system	1,500
Annual cost for additional storage	1,500
Reduce use of Contractor	(15,000)
Net Operating Impact (w/o productivity gains)	**-$12,000**
Productivity Gains	
Reduction in effort (records administration)	(2,750)
Total Productivity Gains	(2,750)
Total Net Operating Impact (inc. productivity gains)	**-$14,750**

One-time Costs	
Implementation of new RIM technology	**$45,000**

Notes:

1) Adjustments to the Town's current operating expenditure include annual software maintenance fees, cost for additional storage as the Town will be storing more electronically.

2) As the Town moves to system for records management assignment of a document ID and tracking thereof is no longer required (automated by system) therefore the contractor is no longer needed.

3) Improving access to information, the timeliness of accessing information and enhanced search capabilities can result in improved productivity. We assume 5% productivity gain for staff currently performing records administration.

4) The one-time cost is for implementation of a records management system.
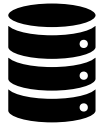
#16 - Centralize property related information

Situation

Property related information is stored in several places (even within the Planning and Community Development department). For example a given address may have a file for permits, and in a separate location complaints and By-law infractions corresponding to a particular address.

Additionally, there is other property information stored at:

► the Public Works department – such as information regarding water meters, leakages and locates. All of which are related and useful to have in a common structure or linked.

► with the RCS department, regarding heritage property information.

Recommendation

► Create a common structure to centralize or link information so that property related information and GIS are easily found and accessible to staff. This can be as simple as creating a revised folder structure and defining processes to maintain the information.

Benefits

► More informed staff and improved productivity

► Better service delivery upon site visits avoiding confusions

Key Assumptions

► The information to be centralized is currently accessible, complete and available

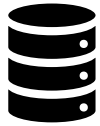**Risks and potential barriers to overcome**

► Costs are higher than estimated

Timing

Medium Term

Impacted Area

Planning and Community Development

#16 - Centralize property related information

Financial Summary of Opportunity	
Adjustments	
Annual SW maintenance fee	1,500
Net Operating Impact (w/o productivity gains)	**$ 1,500**
Productivity Gains	
Reduction in P&CD effort	(3,150)
Total Productivity Gains	(3,150)
Total Net Operating Impact (inc. productivity gains)	**-$ 1,650**

One-time Costs	
Implementing of new system	**$17,500**

Notes:

1) The adjustment is due to adding a new system or additional functionality to current systems to help centralize the property related information. This may require additional system fees for maintenance.

2) We assume better access to information will reduce staff time in searching for information as well as being more informed when performing their tasks as it relates to planning and building. As such we have calculated a reduction of 0.05 FTE in effort.

3) The one-time cost is to create a common structure to centralize and link information using a system or change to the Town's current systems.

#17 - Create services agreement with neighbouring municipalities to increase Public Works capacity

Situation

The Town's roads staff do not have any contingency workers as part of the team, thus require all their staff to be physically present on site when completing certain work orders. The Town will either have to increase staff, continue to operate without contingency or increase scale by leveraging shared services. This opportunity aims to increase the capacity of the Roads division by allowing for access to more workers and equipment, thus improved service delivery.

Recommendation

► Create a services agreement between Penetanguishene and neighbouring municipalities for Road Services to share workers and equipment.

Benefits

► Improved scale and consistency

► Provide cost avoidance in having to increase headcount (in Penetanguishene)

► Improved service delivery through the provision of better roads

► Decrease the year over year roll over work orders

► Better contingency in case of absenteeism

Key Assumptions

► Neighbouring municipalities are interested in pursuing this opportunity

► No change to existing Town Public Works staff

Risks and potential barriers to overcome

► OT does not decrease

► No cost efficiencies

Timing

Medium Term

Impacted Area

Public Works

#17 - Create services agreement with neighbouring municipalities to increase Public Works capacity

Financial Summary of Opportunity	
Adjustments	
Eliminate half of PW roads OT	(20,869)
Net Operating Impact (w/o productivity gains)	**-$ 20,869**
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	**-$ 20,869**

One-time Costs	
n.a.	**$0**

Notes:

1) This opportunity assumes that by improving access to other public works the Town can reduce over-time by using resources from neighbouring municipalities at the same rate. While not all OT can be reduce we have assumed that 50% of the current OT can be reduced.

#18 - Outsource recreation programs to a third party

Situation

► Recreation and Community Services (RCS) is a discretionary service, thus not mandated by the Municipal Act. However, the Town residents enjoy a variety of activities offered by the Town – a total of 233 programs including swimming programs, day camp, providing the arena for rental purposes, programs at the arena and seniors programs

► RCS equated to 20% of the Town's budget in 2015 and running these services costs up to 4% of the Town's budget. Therefore, the Town may explore options to outsource some of its programs to a third party

Recommendation

► Outsource the recreation programs to a third party such as the YMCA. The third party would operate the Town's recreation facilities (arena, community centre) and implement a membership program, thus funding activities through its members. Typical programs they would operate include outsourcing Day Camps, Swimming Programs and activities at the Arena

Impacted Area

Recreation and Community Services

Benefits

► Reduce the Town's operational cost and reliance on seasonal employees

► Introduce new programs and events to residents and neighboring municipalities

► No impact to Town full-time staff, only impact to a portion of RCS seasonal staff

► The facilities will continue to be owned and maintained by the Town

Key Assumptions

► Buy-in from a third party(ies) and Town residents

► Net savings includes loss of revenue to Town

Risks and potential barriers to overcome

► Affordability of membership

► Reduction in Town revenue and future revenue opportunities relating to recreation programs

► Resident's perspective on outsourcing to a third party

Timing

Long Term

#18 - Outsource recreation programs to a third party

Financial Summary of Opportunity	
Adjustments	
Reduction in RCS Seasonal staff (net loss of revenue)	(284,069)
Net Operating Impact (w/o productivity gains)	**-$ 284,069**
Productivity Gains	
n.a.	-
Total Productivity Gains	-
Total Net Operating Impact (inc. productivity gains)	**-$ 284,069**

One-time Costs	
Feasibility study	**$40,000**

Notes:

1) The opportunity assumes the Town would transition programs such as the arena, swimming and day camps. The impact (reduction) would be on the seasonal staff that support it net any revenue relating to those programs.

2) The one-time cost is fees relating to undertaking a feasibility study to ensure the viability of having a third party(ies) to take over recreation programs.

ADDITIONAL OPPORTUNITIES

Additional Opportunities – Assessment Criteria, Sample

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Process	Centralize grant management for the Town	Currently, there are no follow-ups or formalized procedures in place regarding grant applications.	Assign the responsibility for grants management to Town Sr. Manager. Provide structure for identifying, tracking and supporting the development of grant responses across the Town.	Efficiency	Cross Department	3	3	2	2	10

Descriptions:

Opportunity Type:

► The Type varies depending on the impact it has.

  - Service Improvement – the primary benefit is improving the quality of the service

  - Service Efficiency – will result in more efficient municipal operations.

Impacted Area:

► Some opportunities will have a direct impact on a department, while others are applicable across the organization impacting all departments.

Impact to Organization:

► Level 1: Impact is within a department

► Level 2: Impact is multi-departmental

► Level 3: Impacts the entire organization

Impact to Residents:

► Level 1: No noticeable impact felt

► Level 2: Noticeable impact, but only to a portion of residents

► Level 3: All residents will feel impact

Financial Benefit:

► Level 1: No financial benefit derived (net may increase cost)

► Level 2: Some financial benefits derived

► Level 3: Significant cost savings or revenue generating

Difficulty to Implement:

► Level 1: Very difficult – barriers need to be removed to implement

► Level 2: Moderate – requires some investment of time or effort to implement

► Level 3: Easy - within the current control of the Town to implement

Opportunity Score:

► The opportunity score is the sum of the above criteria

Additional Opportunities (1 of 6)

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Process	Centralize grant management for the Town	Currently, there are no follow-ups or formalized procedures in place regarding grant applications.	Assign the responsibility for grants management to Town Sr. Manager. Provide structure for identifying, tracking and supporting the development of grant responses across the Town.	Efficiency	Cross Department	3	3	2	2	10
Organiza-tion	Expand facility role to include all Town facilities	Currently facilities maintenance is performed by each department. This leads to inconsistency and unmaintained assets.	Town facility maintenance has potential for improvement as it is currently in the RCS division and is ad-hoc with a lack of structure	Service Improvement	Cross Department	3	2	1	3	9
Process	Reduce the number of property tax due dates	Each due date creates additional effort to manage from a staff perspective.	Currently there are four due dates per year for tax payments. A potential opportunity to reduce work load is to reduce it to two due dates without a change to the 12 month pre-authorized payment program.	Service Improvement	Corporate Services	2	3	2	2	9
Commu-nications	Improve coordination of events to better utilize front office staff	Events occur on the same day and increase the workload of the front office staff which makes it difficult for them to deliver on their tasks.	To improve front office staff utilization major events should be better coordinated. A calendar of events that require front line staff should be reviewed on a monthly basis to avoid mishaps and misunderstandings. Examples include - coordinating printing newsletters, tax due dates, registration of events, council events, coordinating recreation events.	Efficiency	Corporate Services	2	2	1	3	8
Digital & Technology	Improve mobility - access to email, calendar, and files remotely	The HR staff are only able to access information on-site with limited email access. This can make it difficult to coordinate calendars, meetings and contact information.	By having access to information at both Georgian Bay and Penetanguishene HR can work more efficiently. This would require setting up access to email, contacts, calendar information and some HR related documents when at either location.	Service Improvement	Corporate Services	2	2	1	3	8
Process	Improve awareness and accessibility of Town policies	There are several Town policies however few employees know them or where they exist.	Establish a list of Town policies and a central location for staff to access them. Consideration should also be given to appropriate onboarding training for staff and awareness of policies / information.	Service Improvement	Cross Department	3	1	1	3	8
Process	Revise and update contingency plan	Contingency plans or information are out of date or inaccurate for PW.	Contingency Plans are outdated and some information (e.g. phone numbers) are incorrect, this is a risk in case of an emergency.	Service Improvement	Public Works	3	2	1	2	8

Additional Opportunities (2 of 6)

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Procure-ment	Centralize and formalize procurement	Procurement and management of 3rd parties is the responsibility of all Sr. Management. This causes inconsistency in creating RFx, managing vendors, and cost control.	The Town should create a central procurement role or capability to provide assistance for Sr. Management in procurement and 3rd party vendor management.	Efficiency	Cross Department	3	1	2	2	8
Capability	Delegate arena / parking lots snow removal to Public Works	With heavy snow fall the Arena staff are unable to / difficult to get into the Arena to get access to the plough and plough the parking lot.	Arena parking snow ploughing is currently done by parks & rec - this can be delegated to PW.	Efficiency	Recreation and Community Services	2	2	1	2	7
Capacity	Expand use of finance cross-training	Finance staff are cross-trained but in times of peak work allocation of those tasks can be expanded e.g. financial reporting, budgeting, split taxes, and AP/AR	Finance staff are cross-trained; utilize the advantage and delegate tasks when appropriate to alleviate workload pressure when necessary – e.g. during absenteeism or increases in volume.	Efficiency	Corporate Services	1	2	1	3	7
Capacity	Introduce a volunteer management structure	Volunteers are used on many events but there is no consistency on delegating tasks. Many feel used, as their involvement is last minute with little recognition after.	Currently, volunteers are neither managed nor maintained appropriately - having someone manage them will alleviate work load from coordinators and event planners. A structure ought to be set establishing a relationship with the volunteers. In addition, there is no show of appreciation for them - there is a potential for hosting appreciation events for them, such as a volunteer BBQ.	Service Improvement	Recreation and Community Services	2	2	1	2	7
Commu-nications	Streamline distribution of Town newsletter - "What's Up?"	Currently, the "What's Up?" newsletter is sent out with utility bills or in a separate envelop for households that do not get a water bill. This has created confusion as to why its part of the water bill from residents. This causes more work for staff to print and pack.	Only residents that register for the newsletter will receive it reducing the number of them sent.	Efficiency	Corporate Services	1	2	1	3	7
Digital & Technology	Ensure consistent workstations	Not all finance staff have the same software installed on their system thus limiting the work they could perform.	Ensure all Finance staff have the necessary software (intel iView) to deliver they workload and where required assist others.	Service Improvement	Corporate Services	2	1	1	3	7

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Digital & Technology	Increase scope of payment methods	Many residents try to pay with credit cards but are unable to due to so due to the Town's policy – restricting the payment of tax and utility bills using credit cards.	Currently, payment types for bills are by debit, cash, or cheques - this should be extended to accommodate for credit cards by changing the Town's policy.	Service Improvement	Corporate Services	1	2	1	3	7
Digital & Technology	Move P&CD payment device to front desk	There is one debit / payment machine at the front desk and a second in Planning (2nd floor).	On payment due dates the volume at the front desk increases drastically impacting customer service quality - therefore, having another debit machine at the front (as opposed to P&D desk) will speed process and offer redundancy.	Service Improvement	Corporate Services	1	2	1	3	7
Digital & Technology	Improve use of technology to allow for greater mobility of shared services	Fire Admin can only perform tasks on-site and does not have access to the other locations information. This does not allow for efficient use of time and communication.	Currently, the Fire admin cannot work remotely due to IT limitations and is forced to email work to themselves if working remotely. However, being able to access Midland and Penetanguishene fire department systems remotely would improve productivity - e.g. email access, remote system access	Efficiency	Emergency Services	1	2	1	3	7
Process	Implement self service portal for IT service requests	IT requests are not managed effectively or timely. There is no recourse for service requests that take an extended period of time e.g. Xerox unavailable for 1 week.	Currently, the deputy Treasurer is in charge of the IT contractors; with that comes the responsibility of tickets and follow-ups. Introducing an online portal that includes ticket number and status will eliminate the need for individuals having to track the status through the deputy Treasurer, but rather individuals can look up the respective ticket and follow up.	Efficiency	Cross Department	3	1	1	2	7
Process	Reduce on-call to one device	Unclear who is called for after hours leading to delays and multiple people charging overtime.	Currently, 3 phones and 1 pager - the latter is used for on call communication but often requests go to phones regardless. Thus, an opportunity to realign and revise that procedure to make it more efficient.	Efficiency	Recreation and Community Services	1	2	1	3	7
Process	Create and provide a handbook for seasonal workers (e.g. summer students)	Seasonal positions do not have a handbook, with high turn over this creates capability gaps, inconsistent service delivery and lost time (rework).	Currently, there is no pack or training when on-boarding seasonal workers - however, introducing a more substantial handbook can ease the onboarding process of season staff and makes it easier for supervisors to manage new staff.	Service Improvement	Recreation and Community Services	2	1	1	3	7

Additional Opportunities (4 of 6)

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Process	Create a more robust method to track and categorise By-laws (where possible rationalize)	Currently there are c.1700 bylaws tracked in an Excel spreadsheet which can be difficult to find, train and communicate to residents / businesses. It can also cause additional work volume to review and maintain.	Assess and categorize the active bylaws and where suitable reduce (or consolidate) bylaws. The Reduction in bylaws will help reduce management overhead and create greater clarity to the public.	Service Improvement	Cross Department	2	1	1	3	7
Shared Services	Expand Fire shared services	The Town can increase efficiencies by expanding SS.	The type of training received by firefighters is the same across Midland and Penetanguishene - Midland has a dedicated training officer and Penetanguishene a volunteer. Therefore, sharing a training officer and coordinating training of firefighters to be held together across both Towns will be more beneficial, streamlined, and consistent.	Service Improvement	Emergency Services	1	2	1	3	7
Capability	Cross training of staff for improved contingency	Within PW there are staff that are not able to perform functions due to lack of training / certification. This creates reliance on key individuals for equipment use.	There is no consistency of staff training regarding the operation of some equipment. This has led to inefficient use of time or over reliance on a single worker.	Efficiency	Public Works	1	2	1	2	6
Digital & Technology	Improve access to collections at the Museum	Collections at the Museum can only be accessed on a single computer at the Museum, the application (called Past Perfect) is limited to one workstation and not accessible on all computers.	Allowing access to the collections material will improve redundancy and efficiency for collection queries.	Efficiency	Recreation and Community Services	1	1	1	3	6
Process	Formalize and communicate the Bylaw procedure	At times, bylaws are passed without considering input from Bylaw staff. Often, this creates confusion and interferes with the inspection process by creating surprises.	This can be addressed by establishing a formal procedure for bylaws and stakeholder engagement. (Inception from anyone, drafted by Clerk, consulted by all relevant departments, signed off by CAO)	Service Improvement	Planning and Community Development	2	1	1	2	6
Process	Fill up water tank using pressure pump	Seasonal employees spend up to 20 minutes more daily filling the water tank.	Currently filling up tanks takes 20-30 minutes and is done at the sewage treatment site - however, filling up at PW can reduce the time to 10 mins using pressure pump.	Efficiency	Recreation and Community Services	1	1	1	3	6

Additional Opportunities (5 of 6)

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Procure-ment	Re-align authority with procurement	The Town is a member of a purchasing cooperative (Georgian Bay Area Public Purchasing Cooperative (GBAPPC)), however it has been delegated to a finance staff person and the Manager of Capital Projects, without the knowledge or authority to ensure effective procurement.	A realignment of who is responsible from a Town perspective and authority given to those for procurement of assets depending on the agenda items/department.	Efficiency	Corporate Services	2	1	1	2	6
Commu-nications	Providing VFF with corporate email addresses	Inefficient communication with VFF staff.	Currently, VFF use their personal emails to communicate work related matters, which may cause confusion and miscommunications at times. In addition, this makes it more difficult to schedule meetings and events (e.g. voting) through Outlook and adds a layer of inefficiency for fire administrant having to follow-up on communication.	Efficiency	Emergency Services	1	1	1	2	5
Digital & Technology	Increase the number of work stations at Museum	Currently there is a lack of workstations when summer students/volunteers limiting the work they are able to perform	By adding an additional workstation all staff / volunteers can be active.	Efficiency	Recreation and Community Services	1	1	1	2	5
Equipment	Provide space for storing and maintaining equipment	RCS does not have a central location to maintain their equipment. This creates delays in maintenance as well as moving equipment and staff around the Town.	Currently equipment storage is scattered across various facilities and lacks a centralized storage site - by having a storage site it reduces the time looking for equipment and makes for more efficient organization.	Service Improvement	Recreation and Community Services	1	1	1	2	5

Additional Opportunities (6 of 6)

Themes	Opportunities	Problem statement	Description	Opportunity Type	Impacted Area	Impact to Organization	Impact to Residents	Financial Benefit	Difficulty to Implement	Opportunity Score
Procure-ment	Align Fire shared services procurement	Missed opportunity on cost savings for bulk orders or additional effort to place orders separately.	Ensuring that procurement is done cost effectively through economies of scale by utilizing Midland and Penetanguishene fire departments, i.e. bulk buying in applicable areas (e.g. uniforms). Currently, procurement is done individually in the two Towns.	Efficiency	Emergency Services	1	1	1	2	5
Shared Services	Align practices of CBO across Towns (Shared Services)	The CBO spends additional time in meetings at Penetanguishene that normally (in Midland) they would only drop in for 20min. To discuss their area and leave. The problem is that they are spending additional time that is not required.	Alignment of practices (time management / expectations) will help ensure the SS is more efficient with resource time.	Efficiency	Planning and Community Development	1	1	1	2	5
Shared Services	Harmonize building and development bylaws and signs to increase efficiency	The two Towns have different bylaws and signage rules which makes it increasingly difficult to manage.	By having consistency at both Midland and Penetanguishene building departments, it creates an easier work environment for shared staff leading to more productivity. Currently, not all services are consistent and it creates some productivity loss by having to adjust to the respective municipality.	Efficiency	Planning and Community Development	1	1	1	1	4

APPENDIX

Appendix A
Town Council Composition – Case Study

Council Size Reduction

► While Penetanguishene is among the smaller municipalities in terms of population and number of households. In comparison to peers, the Town has the largest Council size as illustrated below.

► The median is 7 and the Town operates with a Council of 9.

► If the Town reduces its Council size by 2 Council members to a total of 7, the Town annually saves $39,765. Further, reducing the Council size by 4 Council members to a total of 5, the Town annually saves $79,530.

► The Town's Council members are elected at large, in line with comparator's practices; previously, they operated under a ward system (see next page).

	Mean	Min	Median	Max	Penetanguishene	(%) from mean	(#) from mean
Population	11,389	6,191	9,761	21,870	8,962	-26%	-2,427
Households	6,400	3,150	5,383	12,821	3,923	-63%	-2,477
# of Council Members	7	5	7	9	9	19%	2
Ratio – Council / 1000-Population	0.72	0.34	0.74	1.13	1.00	25%	0.25
Ratio – Council / Households	0.0014	0.0005	0.0012	0.0023	0.0023	36%	0.0009

Appendix A
Town Council Composition – Case Study

Council Size Reduction

	Penetanguishene	Midland	Wasaga Beach	Tiny	Ramara	Severn	Tay	Brockville	Goderich	Gravenhurst	Parry Sound	Kirkland Lake	Smiths Falls	Erin	Fort Frances	Hanover
Municipal Tier	Lower	Lower	Lower	Lower	Lower	Lower	Lower	Single	Lower	Lower	Lower	Lower	Single	Lower	Lower	Lower
Population	8,962	16,572	20,675	11,232	9,488	13,477	10,033	21,870	6,568	12,055	6,191	8,493	8,780	12,400	7,739	7,688
Households	3,923	7,789	12,821	9,564	6,028	6,927	8,739	10,794	3,604	8,486	3,150	4,738	4,348	4,130	3,815	3,539
Square km	25	200	59	337	419	550	140	21	9	518	13	262	10	297	26	10
# of Council Members	9	9	7	5	7	7	7	9	7	9	7	7	7	5	7	7
Election	At large	Ward	At large	At large	Ward	Ward	Ward	At large	At large	Ward	At large	At large	At large	At large	At large	At large

Appendix B
Summary of Observations – Services Review

Below is a summary of the key observations from the Interim report. Many of the observations were the drivers for recommendations in the final report.

► Within Simcoe County, the Town is in the top percentile for number of Council members. The frequency of council meetings is in line with peer common practices.

► IT is not legislated, however it is increasing difficult to operate without technology. The Town does not have in-house IT capacity, it is outsourced to a 3rd party. This is increasingly common amongst small municipalities.

► The Town outsources its records management to a third party contractor. This is not a common practice, especially given the majority of records are physical copies, where the trend over the past decade has been to digitize information. This is increasingly important as legislation such as MFIPPA and the Open Data Directive take hold.

► The Town has made infrastructure investments to promote its waterfront – splash pad, amphitheatre, parkettes. However, the number of staff has not increased to manage the management of the new infrastructure. Recreation services are not leveraging technology to the fullest extent (e.g. online registration) causing increased manual workload for staff.

► Facilities management is limited to certain infrastructure which is uncommon. This places facility responsibilities on other groups and can lead to risks relating to; health and safety, and inefficient cost control.

► The Parks and Facilities Maintenance division of RCS depends on seasonal staff to deliver their service. However, many of the seasonal staff are students and thus unavailable during some periods of the season creating additional workload for staff.

► The majority of work orders are corrective. There has been a decrease in the total number of work orders and a high degree of fluctuation for the amount of time it takes to complete work orders.

► The Town operates water and waste water in house. The number of work orders has been increasing on average by 5% since 2011. 90% of the work orders are preventative. The increase in work orders results in an increase in effort. In 2016 the number of hours related to work orders was estimated at 1,961 hours.

Appendix B
# Summary of Observations – Comparator Analysis

General

- ► Comparable peers to the Town is difficult as there are few that share the exact same characteristics as Penetanguishene – high francophone, correctional facility and mental facility located on a waterfront.
- ► In comparison to the peer group, the Town is below the median (smaller) in population and number of households, and below average for Sq. km.
- ► The average number of council members is 7, the town is above average with 9.

Workforce

- ► In comparison to peers, the Town is well below the average (-45%) for total workforce.
- ► The Town uses more seasonal employees in comparison to peers.
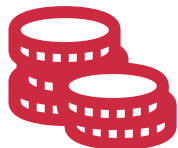
Financial

- ► The Town is in the bottom quartile for operating expenditure, however per resident the Town is closer to the median as there are less residents in comparison to peers.
- ► From a revenue perspective, the Town ranks in the first to median quartile (i.e. 25-50% of the municipalities in the study). Meaning the Town is among the lower revenue per household and cost per household municipalities.

Metrics	Mean	Min	Median	Max	Penetanguishene	(%) Var. from mean	(#) Var. from mean
General Information:							
Population	11,389	6,191	9,761	21,870	8,962	-26%	-2,427
Households	6,400	3,150	5,383	12,821	3,923	-63%	-2,477
Square km	181	9	100	550	25	-738%	156
# of Council Members	7	5	7	9	9	19%	2
Ratio – Council / 1000-Population	0.72	0.34	0.74	1.13	1.00	25%	0.25
Ratio – Council / Households	0.0014	0.0005	0.0012	0.0023	0.0023	36%	0.0009
Workforce:							
FTE	81.8	32.5	54.5	233.0	46.0	-78%	-35.8
PTE	41.1	0.0	41.0	113.0	12.0	-343%	-29.1
SE	23.9	0.0	27.5	49.0	43.0	45%	19.1
Total Workforce	146.8	48.0	123.5	395.0	101.0	-45%	-45.8
Financials:							
Revenue ($m)	25.2	11.3	20.3	58.8	18.9	-33%	-6.3
OpEx ($m)	23.0	11.2	18.4	52.9	14.9	-54%	-8.1
Revenue / Resident ($)	2,379	911	2,048	4,943	2,108	-12%	-271
OpEx / Resident ($)	1,828	710	1,488	4,038	1,461	-25%	-367

Summary of Observations – Financials

► For the Town to see any material change in property tax, there would need to be efficiencies that impact Salaries, Materials & Supplier or Contracted Services as they represent 97% of the cost base.

► From a budget category perspective, there will be limited impact on the following:

Budget Category	Constraint
► Protection	
► Planning and Development	Legislated Service
► Environment	

Town of Penetanguishene - 2015

	General	Protection	Planning and Development	Transport	Environment	Recreation	Total	Percent
Salaries	$842,769	$585,832	$147,590	$891,109	$1,251,577	$1,384,459	**$5,103,336**	*38.6%*
Interest	$-	$68,720	$-	$-	$-	$-	**$68,720**	*0.5%*
Materials & Supplies	$296,124	$171,556	$40,930	$605,178	$1,011,434	$769,724	**$2,894,946**	*21.9%*
Contracted Services	$247,292	$2,585,298	$266,409	$602,723	$643,176	$451,553	**$4,796,451**	*36.3%*
Rent, fin. Expenses, etc.	$55,552	$15,749	$24,818	$48,304	$101,900	$116,961	**$363,284**	*2.7%*
Total	**$1,441,737**	**$3,427,155**	**$479,747**	**$2,147,314**	**$3,008,087**	**$2,722,697**	**$13,226,737**	
Percent	*10.9%*	*25.9%*	*3.6%*	*16.2%*	*22.7%*	*20.6%*		

Source: Publicly available information from municipality 2015 Audit Statement.

Note: Figures exclude amortization of capital.

Summary of Observations – Financials

The total expenses per household have broadly grown in line with the growth in total expenses

► The number of households rose from 3,923 in 2011 to 3,990 in 2015 – a growth of 1.68%. However, over the same period, total population dropped by 1.66% suggesting that the increase (or a portion thereof) in dwellings may be secondary homes.

► The total expenses per household have broadly grown in line with the growth in total expenses, similar to the trend seen in total revenues.

► The Town's total expenses rose from $12.2m in 2011 to $14.8m in 2015 – a growth of 17% with little fluctuations. Total revenue rose in parallel by 15%, however with more fluctuations.

► The ratio of total expenses to total revenue is 0.8. Amongst the Town's peers in the county and others with similar characteristics (see comparators section), the Town ranks in the first to median quartile (i.e. 25-50% of the municipalities). Meaning the Town is among the lower revenue / cost per household municipalities.

Households

Source: Publicly available information from municipality 2011-2015 Audit Statements, Statistics Canada, and Canada Census data.

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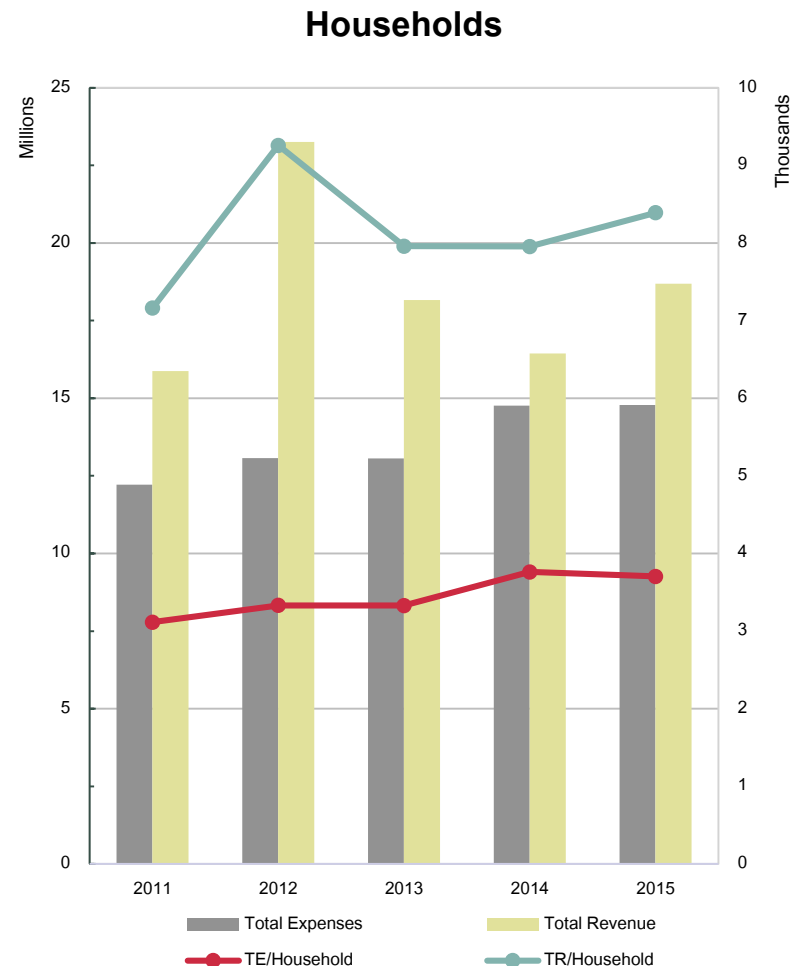
Summary of Observations – Town Workforce

Overall headcount has been fairly steady between 144 and 151, along with the distribution between the different employment types (FT, PT, Seasonal and VFF).

► 38-40% of the staff are full-time employees which is a typical distribution of staff.

► In comparison to peers, the Town ranks in the lower quartile – meaning they have a smaller workforce, in relative terms. Refer to the comparator analysis for further detail.
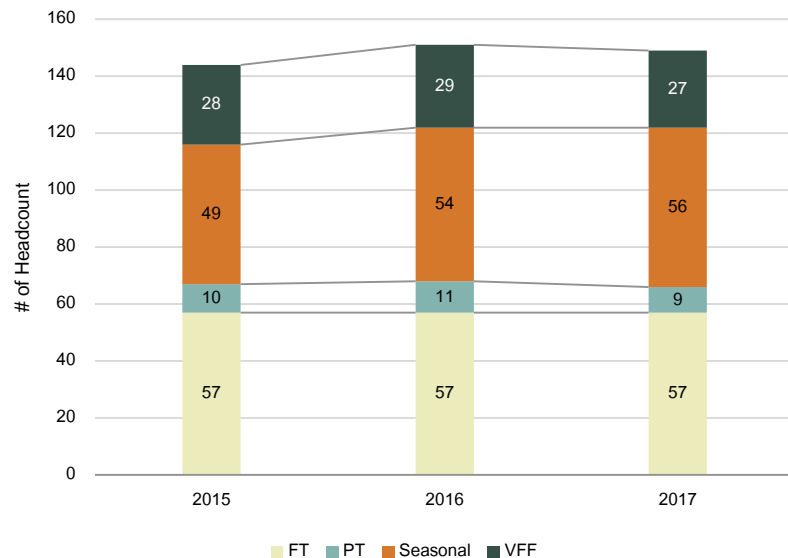
Consistent with other municipalities, the majority of staff reside in Public Works and Recreation and Community Services

► 50% of the staff reside in Public Works. It is the area with the least amount of shared services / outsourcing but also provides the most services to the Town.

► 50% of RCS staff are seasonal, thus placing great importance on the timing of recruitment, onboarding, managing priorities and ensuring seasonal coverage.