

A PROUD PAST... A BRIGHT FUTURE

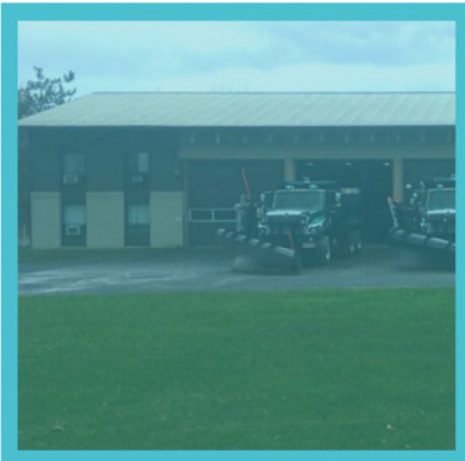


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Service Delivery and Processes Review

A PROUD PAST...A BRIGHT FUTURE

1. EXECUTIVE SUMMARY

The Township of South Stormont (the “Township” or “SS”) is a lower tier municipality in Stormont Dundas Glengarry County which was formed through amalgamation in 1998. It is **proud of its past** which extends back to the settlement in 1792. The Lost Villages, ten ghost towns which were flooded by the construction of the Saint Lawrence Seaway in 1958, were located in the former Cornwall and Osnabruck Townships.

While the St. Lawrence River may have been viewed negatively at the time, it provided opportunities that is rare in Ontario. The communities of Long Sault and Ingleside were newly built to accommodate displaced residents of the flooded villages. Due to this relocation, the towns were entirely planned from their inception. As seen in other amalgamated municipalities, individual community identities are still evident in many respects.

The Township’s has seen steady growth over the last 20 years. With Cornwall to the east and Ottawa to the north, the waterfront, relatively low housing prices make the Township a very attractive place to live and develop. This trend is likely to continue. COVID-19 has resulted in many people working from home which allows them to look outside cities for more tranquil surroundings and wide-open spaces. The key will be

to ensure the infrastructure, technological as well as public works, is in place to support this growth.

In order to be ready for this growth, the Township needs to put the foundation in place to support the increased demands. This includes organizational capacity, systems, policies and processes that support the long-term strategic vision for the community.

WSCS Consulting Incorporated (WSCS) was engaged to assist the Township through a Service Delivery and Processes Review, funded by the Municipal Modernization Fund.

This fund was created following the release of the government regional review. Steve Clark MPP announced that it *“would not be forcing amalgamation on any municipality but did offer funding to audit financial books and review how services are delivered.”* Municipal leaders responded by stating that; *“People expect the province and municipalities to work together... When we work together to meet shared goals, we can deliver better services for people, and respect for taxpayers.”*

Our review revealed that the Township has made significant strides over the last few years. New leadership has brought a new focus and modernized approaches. Management is comprised of a group of highly capable, dedicated individuals that continues to grow the team. However, like most smaller

municipalities, it struggles with attracting and retaining qualified professionals. Progress has been made but momentum gets lost when key people leave.

The entire municipal sector is experiencing the “Silver Tsunami”¹ meaning that a significant portion of the knowledge will retire. The Township is no different. It could also see retirements of key positions in the next few years and without succession planning, it may find itself challenged to effect the changes recommended in this report. The sector has become very competitive for a smaller number of municipal professionals and that trend is expected to continue. To this end, the Township recently completed a compensation review which moved its salaries closer to these competitors but it will not completely solve the issue.

Studies show² that millennials tend to be uncomfortable with rigid corporate structures and get turned off by departmental silos. They expect rapid progression and get frustrated if the organization is not technologically advanced. It has been found that millennials want a management style and corporate culture that is markedly different from anything that has gone before – one that meets their needs.

Millennials want a flexible approach to work and want to feel like they contribute and are recognized. The municipal sector has been slower to respond to these changes and hence, is not

the first choice for young professionals. So, although this is a sector-wide issue, the Township has an opportunity to take the lead and develop a vision to be future-ready. This will require an investment in human resource planning and professional services as well as administrative support. We are of the opinion that this cannot continue to rest solely with the Chief Administrative Officer (CAO) who needs to shift focus on delivering on long term vision, strategic planning and business transformation.

Other areas of the organization are also lacking dedicated resources to undertake higher level functions. This was particularly noted in Public Works and Finance. Recreation services have been struggling for some time with a lack of resources to meet the changing demand due to new services and assumption of the Lost Villages museum. This became more challenging in 2020 due to the enhanced cleaning and sanitizing required as a result of COVID 19.

To some degree, this is impacted by the reactive approach to work management processes at the Township. Much of these processes are time consuming, paper based that are duplicated and undocumented. Much of the work is reliant on staff/management knowledge as opposed to standard operating procedures and capture of information in corporate databased. This has “worked” but it represents some risk as

¹ [Tsunami White Paper](#)

² [PWC Study Millennials-at-work](#)

much of the history and knowledge is not documented and remains in people's heads. Further, documents being paper-based are not accessible and do not allow for data analysis, reporting or decision making.

The Township has started to transition to longer term planning. It recognizes that needs to move its focus from reactive to proactive, from short term to long term planning. This includes the development of a strategic vision for the community, a strategic plan for the Township, a long-term financial plan and multi-year business plans, risk management plan as well as an asset management plan. These should be integrated with the other master plans that the Township has developed, including the Recreation, Waterfront, Cemeteries, Fire and IT Master Plans, Economic Development Strategy to name a few.

This past year and years to come are going to put strain on all municipalities to deal with the impacts from COVID-19, asset management regulatory requirements, increased expectations surrounding health and safety as well as environmental concerns. It is imperative that staff and management have access to timely, accurate and relevant performance, financial and non-financial information so the Township is in a position to make effective evidence-based decisions and develop its long-term plans.

In undertaking this review, it was revealed that management does not have this type of information. There is a lack of sufficient financial and activity reporting for jobs, activities, asset management and projects as well as outdated equipment rates. Key performance indicators were not

available in many areas or were difficult to obtain. This made it very difficult to undertake detailed analysis for this review and therefore, it is imperative that the reader understand these limitations. Document management policies and practices are well defined but not all follow the requirements or there is a time delay between paper-based processes and corporate filing.

A new, revitalized approach to reporting and key performance measures is needed so that the Township can make effective, evidence-based decisions. To this end, WSCS has been assisting the Township by redeveloping its general ledger, job costing approach so that it will be in a position to better utilize their existing financial system and set itself up for future integrations with the recommended budget application, work order and asset management software.

There is a need to adopt modernized technology that integrates with the financial system to allow for ease of reporting, planning, analysis and eliminate duplication of effort. It is the capacity gained from some of these efficiencies that will allow staff and management to concentrate on service delivery as opposed to non-value-added administrative tasks.

In terms of services, the Township delivers the typical range of municipal services for a lower tier municipality in Ontario with a combination of contracted services and in-house delivery. There are some opportunities to partner and/or outsource some services to allow for savings so that the Township can acquire additional expertise. In particular, waste management appears to be an area for consideration to either outsource or

move to the upper tier. We understand that SDG County has undertaken a waste management study to explore a county-wide approach. Many other municipalities across Ontario are looking to moving waste management to the county level but studies are halted due to the proposed changes to the waste diversion.³ The County and Township have partnered successfully in some areas such as procurement in Public Works. Other areas for consideration include fire services, equipment sharing, asset management software and expertise.

We did note that some service delivery contracts have not been tendered competitively in some time, such as the water/wastewater. Prior to the next renewal slated for 2022, it would be prudent to explore the market to see if there are alternatives to the current contract. The current provider appears to be performing well, SS cost per household for water/wastewater is higher than the benchmarked municipalities and revenues are lower. The challenge in this area is that the Township has not been allocating costs adequately between treatment and distribution. This is critically important to do this to properly determine the appropriate actions. Further, the Township operates six different systems which does not allow the achievement of economies of scale to support operating costs.

From the asset management perspective, the Township is behind in its planning and processes, partly due to a lack of resources and staff turnover. By July 1, 2021 municipalities must have an approved asset management plan for core assets (roads, bridges and culverts, water, wastewater and stormwater management systems) that identifies current levels of service and the cost of maintaining those levels of service. While the Township has some “pieces” for this AMP requirement, including the purchase of software, much work needs to be done. Without additional professional resources, this will be a challenge for the Township.

While the Township has made significant strides in technological advancement but some processes remain manual and paper-based. This is primarily due to the underutilization of some software and lack of integration between systems. A lack of attention to training of systems, during implementation (over a decade ago) of some systems, such as the Township’s financial system (Vadim), has resulted in an underutilization of its functionality. Ultimately, the work gets done but not without a significant amount of non-value-added activities and a waste of staff talent. All this being said, one cannot deny the Township has many dedicated staff who serve customers well and have a desire to make process improvements. If the Township undertakes the recommendations contained in this report, we believe that

³ <https://ero.ontario.ca/notice/019-2579>

staff will gain the capacity needed to concentrate on the more value-added work such as long-term planning, analysis and enhanced customer service.

Municipalities are expected to look for better ways of doing business and becoming more efficient. Given COVID-19, there is heightened need to move to paperless, contactless processes and services including; online applications, electronic notices, bills, and document management. Being able to access information remotely in one place, has never been more important.

The Township made a great start in 2018 with the adoption of an IT Master Plan. The progress over the last few years has been astounding considering the limited dedicated staff assigned to these projects. We did note, however, that some technology decisions continue to be made without understanding the bigger picture, such as integration and long-term strategic requirements. A governance structure for IT would ensure that the choices are the best for the entire organization, not an individual department. There needs to be an “enterprise” view of technology investments and more governance over the decisions.

Our report provides 48 broad opportunities for the Township and a roadmap for continued transformation and organizational success. This summary report is supported by detailed departmental service profiles with recommendations. These service profiles touch on operational issues that formulate the recommendations contained in this report at a high level.

We are confident that the recommendations in this report are achievable but will take three to five years to implement and will require an investment of money and resources in order to achieve long-term savings. We have made suggestions on “start” dates for implementation but these may need to be adjusted depending upon the Township’s ability to secure the right people in the right positions at the right time.

In total, the investment of \$1.3 million is estimated across the 42 recommendations with savings of \$530K in the first 3 years. Over a 10-year period, we estimate savings and/or cost avoidance of \$2.6 million. Much of the investment requires technology and training (\$200k). These costs as well as professional expertise could be reduced through partnerships and sharing. We do recommend that consideration be given to developing a Shared Service Task Force comprising of all municipalities in SDG with the view to eliminate duplication of effort and improve customer services. Particular areas of focus should include water/wastewater, waste management, facility management, asset management planning/analysis, fire services, and corporate services. It is important to note that this Task Force should be looking at the “best” tier for the service based upon best customer service at the lowest possible cost. This may be a Township recommendation to the County or the CAO’s Group.

In order to effect the changes, we believe that a Continuous Improvement Committee led by a corporate “Champion” be created. This internal SS committee should be led by a Champion who is trained in LEAN Six Sigma, or similar process improvement methodologies, provide project management

oversight on progress and a change management strategy to keep the momentum going. If the Township does not manage the “PEOPLE SIDE OF CHANGE”, it will not be successful.

This Champion could also lead a strategic visioning and planning exercise, be the liaison for shared service opportunities and ensure corporate-wide initiatives stay on track. Some key projects that need this corporate oversight include asset and facility management, implementation of a work management system and a new long-term integrated planning framework. While we believe that there are staff with some of the skill set required to be the Champion, the Township may wish to consider it as a learning opportunity or an additional resource, at least for a period of time to implement the recommendations in this report.

We believe that the Township needs additional professional support to realize these changes. There is simply too much to do in a short period of time and we do not believe that the Township has sufficient resources to take on these roles, at least in the near term.

2. PROJECT OBJECTIVE

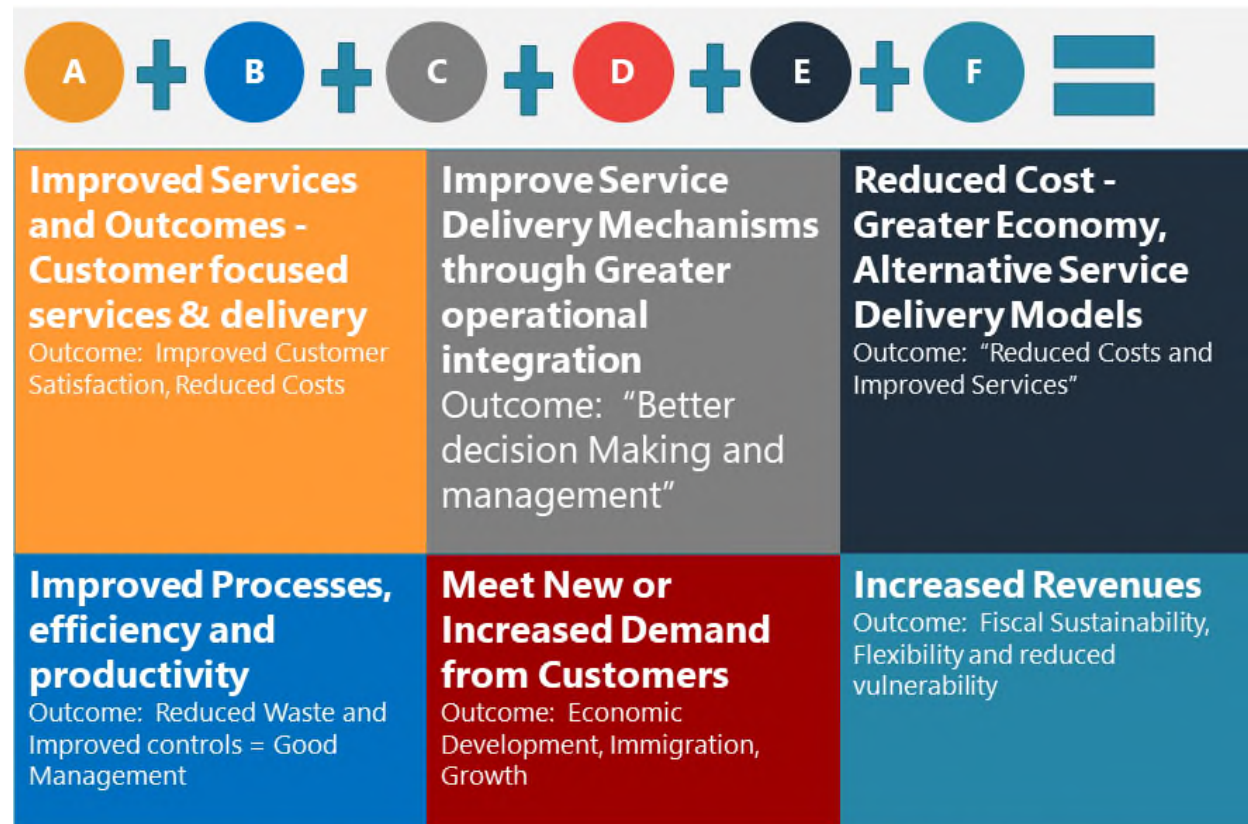
The objectives of the Service Delivery and Processes Review were identified in the RFP as follows:

1. Define the roles and mandates for Township department and service delivery levels required to meet legislated requirements, goals, objectives and growth;
2. Develop performance targets for departments that are achievable and align with legislated requirements and Township goals and objectives;
3. Identify appropriate alignment of management and responsibilities of Corporate

Buildings to ensure buildings are upgraded and maintained appropriately based on building and building equipment uses and lifecycles; and

4. Identify improvements that will support more streamlined processes and make efficient and effective use of staff time while maintaining the appropriate information and documentation required.

the desired outcomes of a Service Delivery Review are summarized in Figure I.



Service Delivery Reviews – Keys to Success

FIGURE I:SERVICE DELIVERY REVIEWS - KEYS TO SUCCESS

Figure 2: 10 CRUCIAL QUESTIONS for Service Delivery Reviews were explored as part of the analysis of each Township service. These questions provided for both internal and external view of the services and how they currently perform in relation to the expectations from the Township’s stakeholders.

1. Do we REALLY need to be in this business? This question arises through the evaluation of mandatory and discretionary services. The determination of how a mandatory service is delivered is addressed as part of question 9.

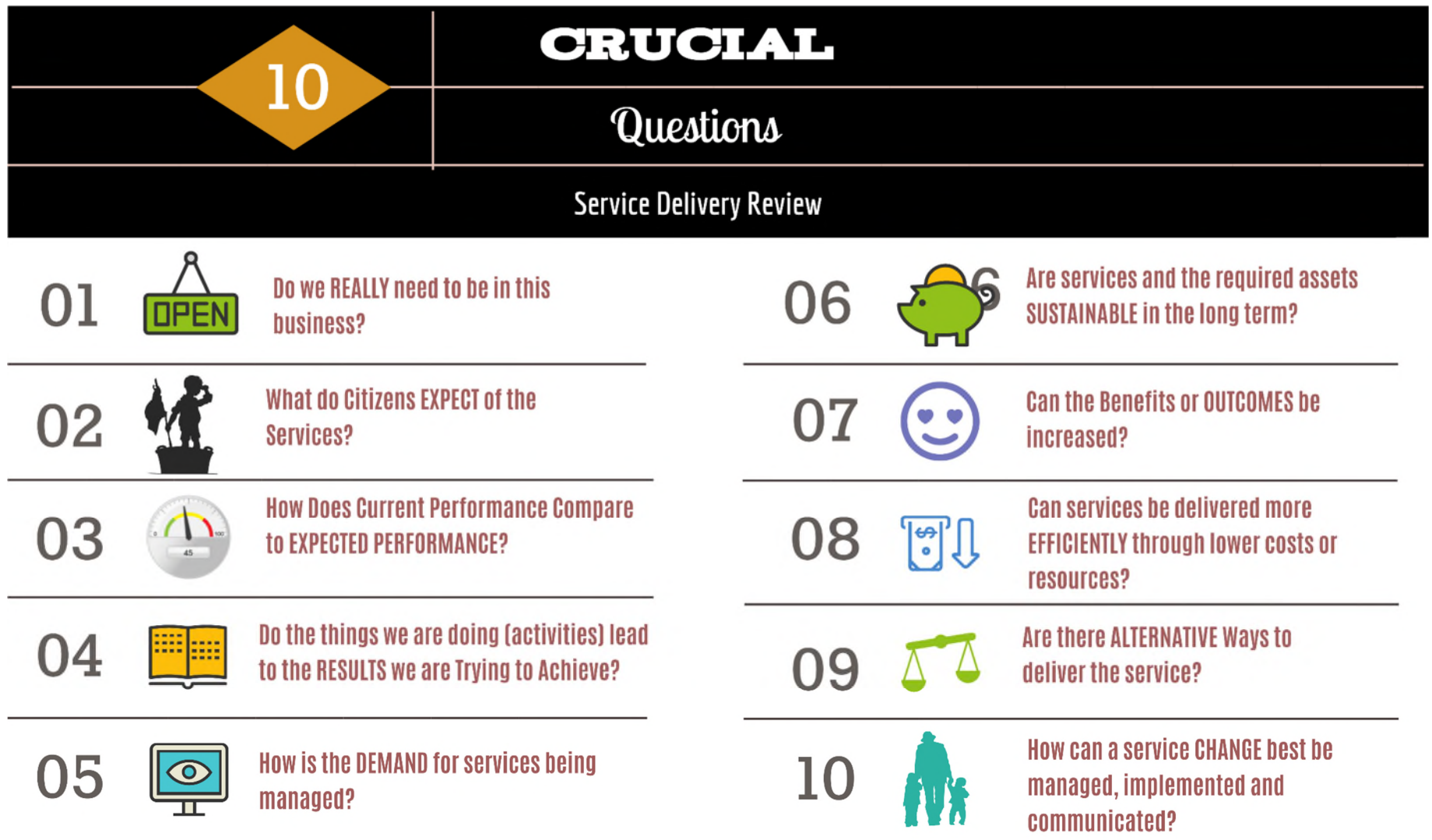


FIGURE 2: 10 CRUCIAL QUESTIONS

2. What do citizens expect of the service and what outcomes does council want for the service?

This would typically require consultation on levels of service and expectations. Because the scope did not include community consultation, we utilized documentation and service requests to determine the level of satisfaction with the services.

3. How does current performance compare to expected performance?

Like Question 2, we utilized the performance data that the Township currently collects in order to assess the degree to which the current performance meets the expectations. Where performance measures were not available, we made recommendations for new or updated key performance metrics to be collected and monitored in the future.

4. Do the activities logically lead to the expected outcomes?

The review of each service included an assessment of the processes and practices utilized to deliver the services. As discussed in this report, the Township does not have a strategic plan for all services. Therefore, we have utilized typical expected outcomes for the services where plans were not published. For example, By-law Enforcement desired outcome is typically an increase in compliance, and reduced complaints. While the Township does not have a specific target, we assessed the degree to which the activities undertaken in Bylaw services would reduce non-compliance.

5. How is demand for the service being managed?

This question points to the management practices and systems to anticipate workload demand, assign resources and report on results.

6. What are the full costs and benefits of the service?

Full cost entails the assessment to deliver the service including utilizing assets. The ability to assess these costs is directly related to the way the municipality collects and assigns costs to the service. Benefits, points to the determination of “who is better off” as a result of the services provided.

7. How can benefits and outputs of the service be increased?

By looking at how services are delivered, we can assess opportunities for increased benefits, perhaps through improved service delivery mechanisms to reach more people or added results. Outputs can generally be increased with improved processes or alternative mechanisms to produce more results.

8. How can the number and cost of inputs be decreased?

Inputs include staff time, materials and supplies, as well as utilization of assets to deliver services. Becoming more efficient means decreasing inputs but producing the same or more results. That is, lower costs per unit produced. Typically, this is achievable through elimination of non-value-added activities (duplication, errors, inventory, waiting, extra/over-processing) in processes (LEAN), better management of assets and life cycle costs. Technology is one way in which the cost of inputs can be reduced. Improved maintenance practices for assets will also reduce costs, including loss due to downtime.

9. What are the alternative ways of delivering the service?

Alternative service delivery is the process of looking to other ways to provide services including outsourcing, and or private/public partnerships.

10. How can a service change be best managed, implemented and communicated?

Managing the “PEOPLE SIDE OF CHANGE” is critical to business transformation. Without an effective change management strategy, the Township will not be able to successfully implement the recommendations contained in this report.

3. PROJECT SCOPE

1. **Project Initiation:** Met with Senior Management and Council to provide an overview of the project and allow for questions and clarification.
2. **SWOT (Strengths, Weaknesses, Opportunities and Threats).** Due to COVID 19, a SWOT was not specifically undertaken as planned. However, the Township has recently undertaken a SWOT session as part of its 2020 Budget Planning session. Therefore, we utilized the findings from that session to inform this review.
3. **Staff Engagement Survey:** Development and Administration of staff survey from April 8-27, 2020.
4. **Council Survey:** Conducted an online survey from March 1 to April 27, 2020.
5. **Environmental Scan:** Reviewed relevant documentation; benchmarked Township services against comparators to identify opportunities for improved efficiencies and effectiveness; met with key stakeholders (e.g. Mayor, Council, CAO, Senior Management Team and staff) to understand the current operating environment.
6. **Review of Current Service Delivery Model:** Developed an inventory of programs, services and processes provided by the Township.
7. **Process Mapping:** Undertook process mapping exercise for the following areas: Finance, Building, Planning, Clerk's Office, Technology, Public Works.
8. **Interim Reporting and Opportunity Identification:** Delivered Interim Reports to Senior Management and Council. Identified potential opportunities to achieve

the most efficient and operationally effective approach to service delivery and organizational structure. Additional analysis was performed following these sessions to enhance the findings in the final report.

9. **Final Report & Presentation:** Developed final report with recommendations on the Township's service delivery model. Report to Council to be held November 17, 2020.

4. METHODOLOGY

Our methodology included a combination of documentation reviews (over 500 files), consultations, focus groups, interviews, system walkthroughs, benchmarking and data analysis (Figure 3). This work was undertaken over a nine-month period commencing February 2020 with an interim report delivered to Council in June 2020.

Updates to this final report include comments and recommendations from these groups.

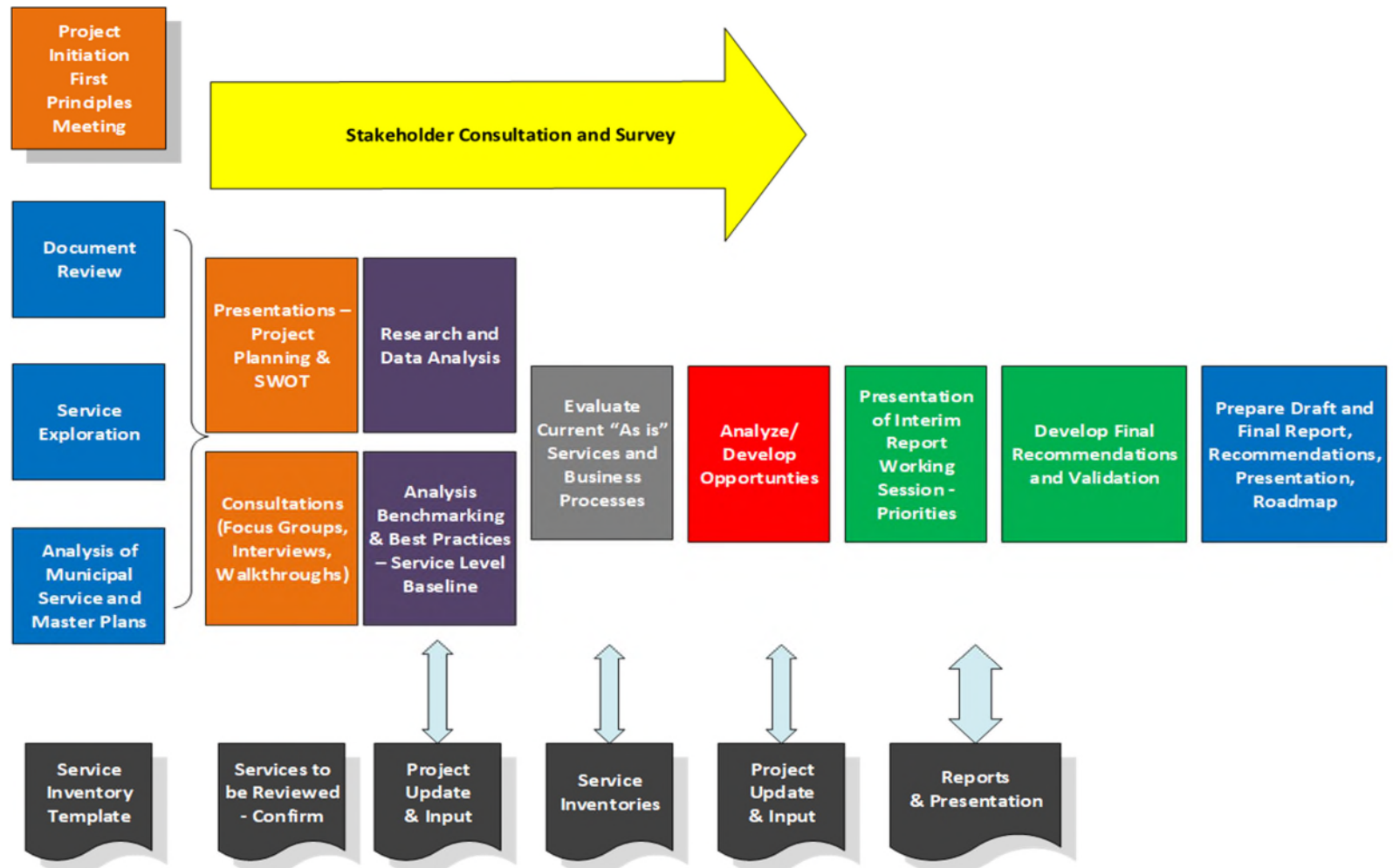


FIGURE 3: PROJECT METHODOLOGY

5. FINDINGS, RECOMMENDATIONS AND OPPORTUNITIES

Overall, we found that the Township is well-managed and provides good services to its citizens. The staff and management are keen to make changes and look for ways to improve its interaction with the public. Like all organizations, there are always opportunities for improvement.

In assessing services and processes, WSCS utilized LEAN Six Sigma (LSS) methodologies which **focus on the customer** with the view **to eliminating non-value-added activities (waste)** and decreasing variation in services which lead to service expectation gaps. As will become evident in this report, we found that there are several opportunities for the Township to improve its processes that will ultimately result in improved customer services that will reduce cycle time and cost of delivering those services. With the implementation of these changes, increased capacity will be realized. This is where the savings will come and allow for staff to concentrate on value-added activities. However, none of these recommendations will occur without a concerted effort and some investment. It will also require a change management strategy and corporate oversight.

In September 2019, prior to the commencement of this review, Council, management, and staff participated in SWOT sessions in preparation for the 2020 budget. While COVID 19 impacted our ability to be onsite, we concur with the SWOT but add a few areas. In particular, the threat of the pandemic was not identified nor was climate change/environmental issues. We would further find that its strengths include its IT investments, qualified staff and management team. One key

weakness that we found was that there is no overarching strategic plan, health and safety detailed policies, nor an integration plan for its existing systems. The Township has made great strides in terms of technology. Now the focus must be to expand the utilization, ensure integration and provide adequate ongoing training.

Many successes surfaced throughout our interviews and consultations. This is the foundation for the Township's future (Figure 4). In our opinion the Township is well positioned to take on the next steps.

Figure 5 provides a high-level summary of our findings where there are opportunities for improvement. It is imperative for Council, staff and management to understand that these findings are in no way meant to indicate that the Township is not doing a good job. It is apparent that staff have done their absolute best with the tools, training and resources available.

To be sustainable, the Township needs to continue to modernize and improve operations and services. That is the essence of Lean Six Sigma – to continuously strive for excellence.

In summary, this report identifies 48 recommended opportunities following this extensive review of; services, organization, communications, policies and processes.

The recommendations are intended to build on the Township's strengths, eliminate its weaknesses, preparation for the future, and combat potential long-term threats. Each opportunity has been ranked based upon the level of effort and impact to assist in the development of the Township's roadmap included in this review.

Opportunities have been grouped into the following categories:

1. **Governance** – Representation, setting policy, direction and future priorities.
2. **Human Resources** – Ensuring adequate human resources are in place for success.
3. **Technology and Processes** – Leveraging technology to increase knowledge and capacity for change. Improving processes and becoming LEAN by eliminating non-value-added activities.
4. **Management & Performance** – Financial, economic and environmental sustainability requires improved planning, reporting, data analytics and long-term views are needed to make better evidence-based decisions. Develop performance metrics and monitor against a Strategic Plan and Departmental Business Plans. Internal Control and Risk Management Frameworks ensures compliance with regulatory authorities, stewardship of resources, protect assets and mitigate risk.
5. **Customer Service & Engagement** – Community engagement and citizen-centered services.
6. **Sustainability & Planning for Growth - Economic Development and Planning processes** - Need to be ready for growth and encourage economic development.
7. **Asset & Facility Management** – Rationalization of responsibilities, ensuring the Township has the infrastructure in place to meet its citizens and it meets or exceeds all

legislative requirements. Rationalization of responsibilities, improving health and safety for staff and the public.

We recognize that many of the recommendations contained in this report will take years to accomplish and significant investment in time and resources. This will need to include further engagement across the organization through presentation of the opportunities to staff in a series of focus groups or other forums. Change management will be needed to make many of the changes. We would strongly suggest the development of a change management strategy to engage staff throughout the organization and to ensure success. Change management enables employees to adopt a change so that business objectives are realized.

Not all opportunities will produce immediate cash “savings” but rather better services, management, and elimination of non-value-added activities which will ultimately lead to increased service capacity. As a whole, the Township has already adopted a culture of continuous improvement and modernization. So, we know that it has the leadership to make these things happen. But we also know it doesn’t happen without resources. We are hopeful that is recognized and that ongoing investments will be needed to realize the savings in time.

The Township is expected to grow in the future and the time is now to set the stage to manage that growth. It has operated efficiently and to some degree, on a shoestring in some areas. No one wants to pay more taxes...unless they see value. We know the Township can demonstrate that with these investments.

6. BUILDING ON SUCCESSES

The Township has made much progress over the last few years and it should be proud of the achievements. The roadmap outlined in the recommendations are built on the foundation created by the following successes:

1. Township staff and management are dedicated and well qualified. Services are generally well managed.
2. The staff are dedicated, knowledgeable and work well in teams. Collaboration with departments is evident.
3. The Township launched its new website and online services. Over the last few months, additional services have been added including online applications, like building permits and planning applications.
4. Many strides have been made in other areas with technology such as the implementation of Access E11 for customer requests, FileHold document management, E-scribe agenda management, procurement of the PSD asset management system, ICO Fire Management System, BookKing, online building permits and Vadim Financial System.
5. While Virtual City Hall is not fully functional, Finance has been successful in promoting pre-authorized payments and electronic funds payments.
6. The recent compensation review provided for more consistent job descriptions and salary grids. It is hopeful that

this will make the Township competitive for future recruitments and allow for longer retention of qualified staff.

7. Recreation programs are well run and overall satisfaction is evident.



FIGURE 4:KEY SUCCESSES

8. Fire services are well regarded but there will be a need for investment to address some infrastructure issues in the near future.
9. Growth and development are evident which is an indicator that the Township is attractive to those outside the area.

7. KEY FINDINGS

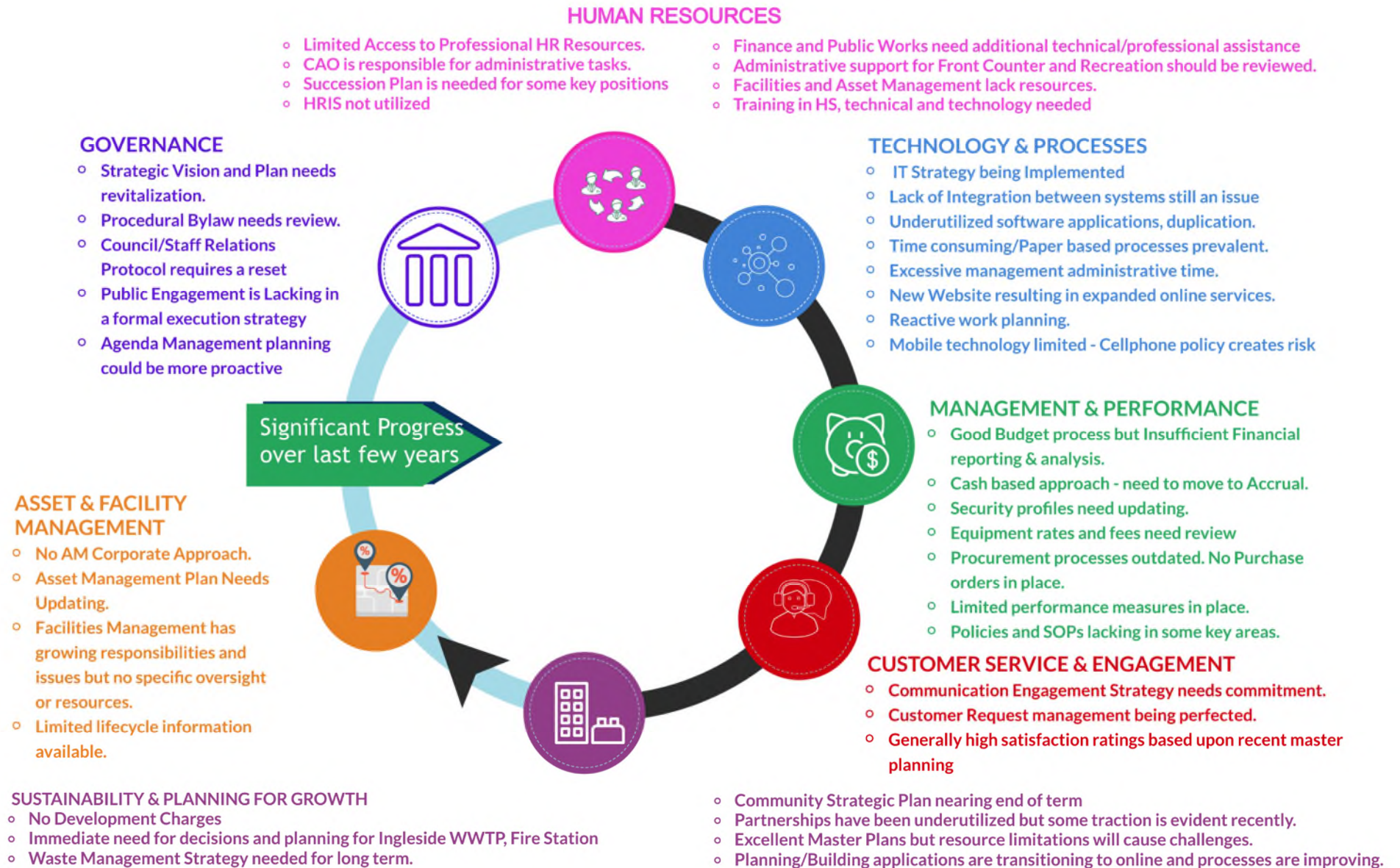


FIGURE 5: SUMMARY OF KEY FINDINGS

8. SUMMARY OF RECOMMENDATIONS

Service Delivery Review - Recommendations

7. Asset and Facilities Management

- 7.1 Assign/Recruit Corporate Asset/Facility Manager and Departmental Champions
- 7.2 Update AM Plan & Lifecycle Approach
- 7.3 Update Roads Needs, Development Charges & WWS Study
- 7.4 Assign Facility Corporate Oversight

6. Sustainability & Planning for Growth

- 6.1 Development Charges
- 6.2 Update Community/Economic Strategy Plan

5. Customer Service & Engagement

- 5.1 Integrate Customer Requests with Performance Measures and Work Order Management System - including IT
- 5.2 Dedicate Resources to implement the Community Engagement Strategy

1. Governance

- 1.1 Develop Strategic Plan and Integrated Planning Framework
- 1.2 Revisit Procedural Bylaw
- 1.3 Develop Council/Staff Protocol
- 1.4 Initiate Long Term Agenda Management Plan
- 1.5 Propose a Shared Service Task Force with County and neighbouring municipalities

2. Human Resources

- 2.1 Outsource Professional HR assistance
- 2.2 Implement HRIS/Assign HR Admin Staff to CAO
- 2.3 Revamp Administrative Roles
- 2.4 Recruit/Partner Additional Technical Resources
- 2.5 Develop Training/Succession Plan
- 2.6 Develop Change Management Strategy

3. Technology & Processes

- 3.1 Update IT Strategy to include Integration Plan
- 3.2 LEAN the Processes
- 3.3 Procure New Software to Eliminate Non-Value Added Activities
- 3.4 Cell Phone Policy Should be Reviewed

4. Management & Performance

- 4.1 Improved Financial and Performance Reporting and Analysis - New Chart of Accounts
- 4.2 Modernize Budget Processes - Procure Budget/Reporting Software - Move to Multi-Year
- 4.3 Develop an Internal Control and Risk Management Framework - update Policies/SOPs
- 4.4 Undertake fee and equipment rate study
- 4.5 Modernize Procurement and Inventory



FIGURE 6: SUMMARY OF RECOMMENDATIONS

9. RANKING THE OPPORTUNITIES

Figure 7 is provided to assist the Township in prioritizing the 42 opportunities identified in the Service Delivery and Processes Review report. The numbers contained in the diagram identify the recommendation number by category in the legend to the right.

It is noted that the report has not included any recommendations in the High Effort, Low Impact or Low Effort, Low Impact quadrants. This is because we have determined that many small opportunities exist and the report would be overwhelming. We have included only recommendations where the impact will be high but the effort may be low or high. The order that opportunities should be implemented would be:

- (1) bottom right quadrant (low effort, high impact),
- (2) top right (high effort, high impact).

This recommendation is to allow the Township to realize “quick wins” to reap the benefits of enhanced capacity for the recommendations requiring high effort. Further, “quick wins” will provide the incentives for staff to continue to improve customer satisfaction.

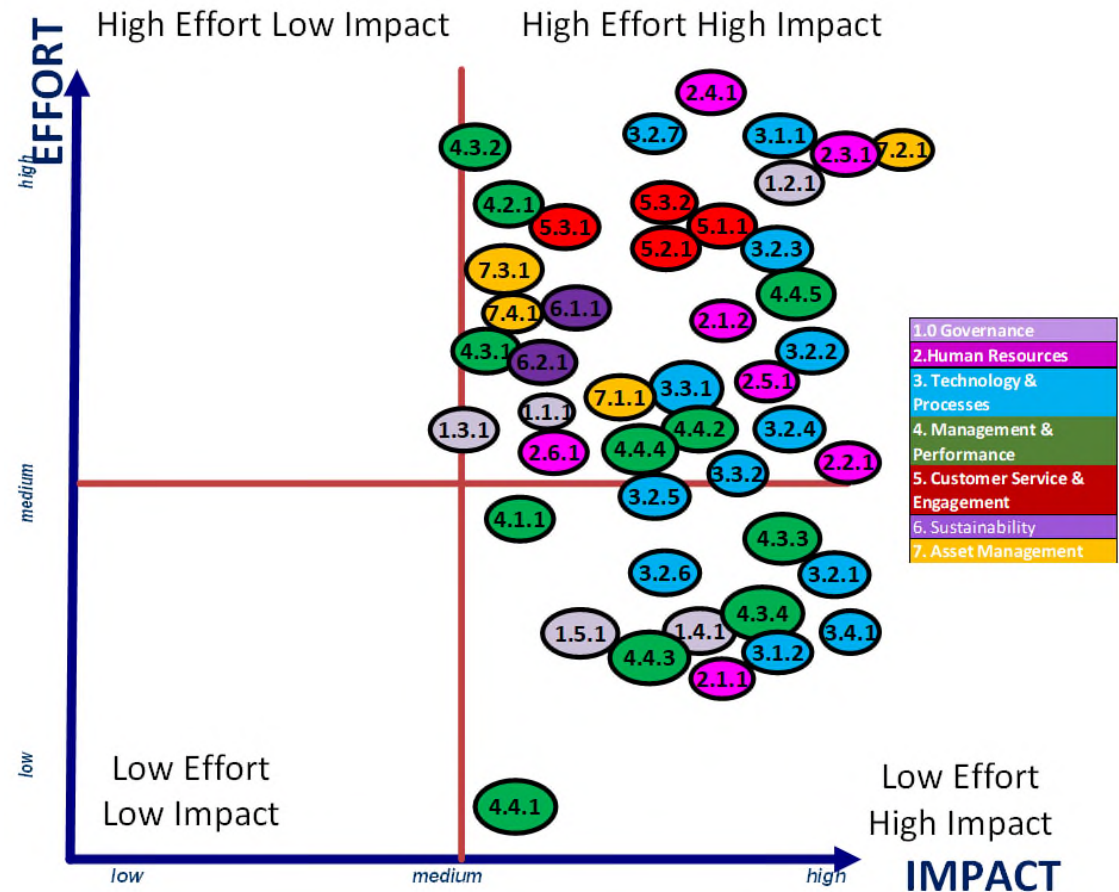


FIGURE 7: OPPORTUNITY RANKING

10. SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

GOVERNANCE

i. Strategic Vision and Plan needs to be revitalized and all Master Plans should be integrated into an overall plan.

Council members have articulated a number of strategic priorities during the 2020 Budget process which unfortunately are not adequately documented and prioritized in relation to the formal budget process and the departmental workplans. These strategies were outlined but no specific funding, performance metrics or accountabilities were identified. However, they served as guidance for the budget and the future. It was clear from these priorities that Council has some tough choices ahead. Significant investment is required in some key services including the Ingleside Wastewater Treatment Plant and a Fire Station that will better serve the community. There is a great desire to improve recreation and develop the waterfront while preserving the past through the inheritance of the Lost Villages. Infrastructure continues to need attention and a long-term asset management plan must be set in place. The Council survey we conducted confirmed these priorities but others emerged, such as the need to improve senior housing and services.

But it all takes money and resources to manage these projects while continuing to deliver day-to-day essential services. A strategic plan that extends 5-10 years helps both Council and management prioritize and focus its attention.

A strategic plan should outline SMART (Specific, Measurable, Achievable, Relevant, Time Bound) objectives that are funded. They should be tracked and reported on a regular basis to the public and Council.

While the Township does not have a strategic plan, it has undertaken many long-term planning exercises in recent years including master plans for Recreation, Waterfront, Cemeteries, Fire Services, Official Plan, Accessibility, Economic Development, Water/Wastewater rate study, Roads Needs Study. Many of these studies will serve to inform the Asset Management Plan (AMP), a requirement of O.Reg 588/17, and a financing strategy. In fact, the regulation required that the Township adopt a process that will ensure that master plans, such as those identified above, inform the AMP in its Strategic Asset Management Policy passed in July 2019. As a best practice, a strategic plan should serve as the integrating document for all these plans and should be the basis for departmental business plans. The budget process will then be simplified as the long-term priorities will be set. This will allow a move to multi-year budgeting and the adoption of a long-term financial plan and reserve policy. Ultimately, the Township will become less vulnerable to changes in government direction, less reliant on grants to fund infrastructure and more sustainable.

ii. Council/Staff Relations Protocol requires a reset.

Given that the strategic vision and priorities were not formally adopted by this council at the beginning of its term, it is evident that the opportunity to establish the expectations for the relationship between Council and Administration has been

impacted. Routinely a significant amount of time and energy is expended by the organization at documenting and reporting on transactional activities – in essence “looking in the rear-view mirror” (e.g. Monthly Activity Summary). Although this activity may provide Council with a measure of oversight, it does consume a considerable amount of resources with arguably limited payback. Forward looking, performance reports should have ‘leading’ indicators as opposed to only ‘lagging’ indicators that are linked to the strategic plan through departmental business plans. Some examples can be found at MBN Canada. The service profiles in this report have also identified some key performance indicators.

We believe that a strategic planning exercise will address many of these issues and form a bond with management and staff on a common direction. We often refer to Council as collectively setting the course of the ship while the Administration determines the most efficient manner to get to the destination. Successful Councils and Administrations operate according to defined roles and responsibilities. A re-visiting of the Council/Staff protocol is an investment that should pay dividends in ensuring expectations and responsibilities are clearly defined. An effective Council/Staff Relations protocol should also support enhanced “Delegation of Authority” and expanded administrative accountability.

iii. Council Training Could be expanded.

Council training was generally considered to be sufficient for returning Councillors with the exception of asset management and finance. During our review, it was evident that the requirements for asset management as well as an

understanding of financial requirements under the Public Sector Accounting Board and accrual-based accounting were not fully explored. Upcoming changes such as Asset Retirement Obligations, need to be communicated to Council as well as the impact on the financial outlook of the Township. An annual training program, prior to the budget process, would set the stage to integrate asset management into financial decisions. A move to accrual-based accounting and reporting is required by PSAB but the Township continues to report only on a cash basis. Accrual based accounting would provide better information for long term decision making, commitments and an understanding of the “true” cost of services. Both Council and staff will require training on the changes.

iv. Procedural Bylaw needs review.

Good governance practices point to the need for regular reviews of by-laws and policies. None is more important than the one guiding the actions supporting the decision-making activities of Council and its various committees.

The procedural by-law guides the Council meeting process, ensures an orderly transaction of the council business and allows opportunity for appropriate debate and consideration of issues. The procedural by-law is the community’s window to operations of council. COVID-19 has already changed the dynamics of how the Council meetings are conducted. As a result, the Township was quick to respond and adapt to host and live stream virtual meetings. We noted that there have been a relatively high number of special and closed meetings during the current term of Council (more than regular Council). This may be due to the challenges that the Township

has faced or may be the committee structure (lack of use of Committee of the Whole). Streamlining the nature of the work at council will afford more opportunities for engaged discussions on key initiatives. Rather than an emphasis on looking back, the agenda should attempt to focus Council toward the future.

v. Agenda planning is not long term and tends to be reactive.

Agenda management planning has been on a meeting-by-meeting basis as opposed to an annual plan whereby managers and Council can anticipate the workload. We understand that there continues to be “last minute” reports being submitted which impacts several other processes. This makes it more difficult for management and Council to prepare and research in advance of significant issues.

Recent implementation of E-scribe agenda management has improved the preparation process but deadlines are still a challenge. At the time of this review, additional training was identified to increase the utilization of the available software features. By creating an agenda management plan for each year, this may alleviate this problem. The CAO and Clerk should work with the management team to ensure that the agendas are reflective of realistic deadlines and hold people accountable to them. It is clear that issues arise that cannot be predicted. However, it may be more beneficial to deal with these scenarios as truly “special” meetings. As streaming of council meetings continues, it would be beneficial to have longer term agenda plans so that citizens and delegations are alerted in advance of agenda items to be considered. E-scribe has public commenting modules that would increase public

engagement and allow for improved consultations on planning applications. Understanding the process, revitalizing the Procurement Bylaw may serve well to improve these processes.

vi. Duplication of services and effort exist between SS and other municipalities leading to increased cost and do not reflect the Voice of the Customer.

In reviewing the services provided by SS, its neighbours (including the City of Cornwall), the County and other agencies, we found that there are opportunities to increase service and deliver at lower cost and reduce the confusion on the part of customers. It is well known that citizens do not understand the roles and services of the different levels of government. Some services delivered by municipalities are mandatory but the tier in which they are delivered is somewhat, determined by the municipal council. For example, water/wastewater, waste management, winter control, planning, building, bylaw and economic development services are managed by the upper tier or only the lower in many regions. SS has made some significant strides over the years through partnerships. In this report, it is clear that SS needs additional resources to make many of these initiatives happen and partnerships may prove to be a way to do this. A key example surrounds the need for professional expertise in human resources, asset and facility management.

In the case of SDG County and the lower tiers, including SS, there are areas of overlap but also possible synergies that could be realized through inter-municipal shared services. In particular, waste management services are being reviewed

County-wide. Policing and Library Services are an example of how these services can work.

In some cases, SS has partnered with the County on procurement of services and materials in Public Works but this could be expanded. Other corporate services such as payroll, finance, human resources/health and safety and legal services could also benefit from sharing of services. This could be in the form of a corporate service “hub” whereby transactions are managed for a group of municipalities, particularly if the municipalities utilize the same software. We understand that all the municipalities utilize Vadim. Therefore, there could be a shared service approach including the purchase of budget software, asset/work management software. HR services

could be provided in a similar fashion. Some municipalities may have IT policy reasons for not partnering but we believe that significant savings in terms of licensing, training and support would be realized through joint procurement.

It is this type of innovation that is being sought by the provincial government. Since each municipality has representation at the County level, it would make sense to launch these talks at that level. However, it must also be driven at the staff/management level with incentives and support. A shared service committee or task force may be the way in which to drive some of these initiatives, before the province mandates changes.

GOVERNANCE RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _ Internal + External	Comments/ Assumptions regarding costs and savings
1.1 Develop Strategic Plan	1.1.1 Formalize Township Strategic Plan	Develop an integrated Planning Framework including a formalized Township Strategic Plan. Building from the strategic plan, each departmental business plan would benefit and help to pave the way for a multi-year budgeting process. Council members have articulated a number of strategic priorities which unfortunately are not adequately documented and prioritized in relation to the formal budget process and the departmental workplans. In conjunction with the next Strategic Planning exercise, develop key performance indicators with accountabilities, business plans and accountabilities. Ensure Plans are integrated with other master plans and supported with SMART objectives, funding and accountabilities.	2021	\$28,800	CAO and Corporate Project Officer to undertake. Estimated 30 days' work.
1.1 Develop Strategic Plan	1.1.2 Revisit Council/Staff Protocol	A re-visiting of the Council/Staff protocol is an investment that should pay dividends in ensuring expectations and responsibilities are clearly defined.	2021	\$700	CAO/Champion to undertake. Estimated 2 days' work.
1.2 Expand Council Training	1.2.1 Develop a comprehensive Council Training Program.	Municipal issues are demanding a greater amount of Council attention and understanding of evolving issues. Council should allocate both time and financial resources to ensure ongoing Council training. This could be a joint project with other municipalities.	2022	\$30,000	Annual cost of \$10,000

GOVERNANCE RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _ Internal + External	Comments/ Assumptions regarding costs and savings
1.3 Revisit Procedural Bylaw	1.3.1 Undertake a review of the Procedural By-law.	Undertake a review of the Procedural By-law to prioritize and allocate time for critical discussion in areas of policy development - potentially consider a "Committee of the Whole" option within the framework of the Council meeting. We did a clause-by-clause examination of the Procedural By-law and some of the potential changes the municipality may wish to consider over the coming months. Streamlining the nature of the work at council will afford more opportunities for engaged discussions on key initiatives. Rather than an emphasis on looking back, the agenda should attempt to focus Council toward the future.	2021	\$1,050	Director of Corporate Services/Clerk and Deputy Clerk to develop (21 hours) and present to Council.
1.4 Initiate Long-Term Agenda Management Plan	1.4.1 Develop an annual agenda management plan.	Improved workflow through E-Scribe tracking with enhanced agenda management process. This shift to longer term planning will require a team effort by the senior management team. Consider the Public Consultation module to streamline planning applications and other engagement activities such as the strategic plan. Proactive agenda management is recommended in order to ensure timely reports and to proactively prepare. Enhance training respecting council report writing to encompass plain language and business case development. Shift the focus of the Agenda/Council meetings to forward looking rather than looking at past performance.	2021	\$6,750	Director CS/Clerk to develop (35 hours) requires consultation with management and present to Council. Public Commenting Module purchase (\$5k)

GOVERNANCE RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _ Internal + External	Comments/ Assumptions regarding costs and savings
1.5 Create a Shared Service Task Force	1.5.1 Develop a Shared Service Task Force	As part of a long-term strategy, undertake a joint service review with the County and neighbouring municipalities for shared services. Look at Water/Wastewater, Waste Management, Winter Control, Corporate Services, Fire and Building/Planning/Bylaw. These are strategies being explored across the province.	2021	\$0	Directors and Council- Estimated 420 hours. Savings will offset costs in 3 years. This is a very conservative estimate. Savings likely \$1million per year.
1.5 Create a Shared Service Task Force	1.5.2 Explore upload of Water/Wastewater, Waste Management to County.	<p>Stormont Dundas Glengarry County is currently reviewing county-wide waste management practices. Currently, each Township provides garbage collection and waste diversion. Each Township provides varying levels of waste management services to its residents and is responsible for its own transfer stations and/or landfill sites and any bag tag/limits/user pay system or policy enforcement. Economies of scale, reduced overhead and administration can be realized through one provider as well as improved customer service. We understand this would have to be on hold until the province determines the fate of the Blue Box Program.</p> <p>For Water/Wastewater, the Township manages six small systems, has significant investment ahead to handle growth. Consideration should be made to upload WWS to the County. May be in the form of a separate utility.</p>	2022	\$0	PW Director time -30 hours. Long term Savings and increased utilization will cover costs

GOVERNANCE RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _ Internal + External	Comments/ Assumptions regarding costs and savings
1.5 Create a Shared Service Task Force	1.5.3 Explore Shared Corporate Services and County wide 311.	Work with County, neighbouring municipalities to find joint services to access professional support, eliminate duplication of effort in IT, HR, Clerk services and Finance. In particular, explore shared services for long term financial planning/budget software and development, payroll, financial processing, HR advice, software and application support, asset and facilities management professional services. This will increase overall services and decrease costs for SS residents.	2021	\$0	External Consultant and Various Director time - 120 hours. Long term Savings and increased utilization will cover costs
1.5 Create a Shared Service Task Force	1.5.4 Review Fire Services County-wide	Undertake a fire services review across the County - many municipalities are doing this under modernization projects (Northumberland, UCLG).	2023	\$0	External Consultant and Fire Chief time - 40 hours. Long term Savings and increased utilization will cover costs
1.5 Create a Shared Service Task Force	1.5.5 Review possible Planning and Building/Bylaw Services	Undertake a shared service review for building/planning and bylaw services with view to develop synergies between Townships and possible sharing of software and resources. We understand that there are some challenges with respect to Animal Services, animal control and an RFP is apparently about to be released. This would be a good candidate for a shared service.	2022	\$0	External Consultant Director and CBO time - 40 hours. Long term Savings and increased utilization will cover costs

GOVERNANCE IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
1.1.1	Formalize Township Strategic Plan	0	28,800	28,800		
1.1.2	Revisit Council/Staff Protocol		700	700		
1.2.1	Council Training Program	30,000	0	30,000		
1.3.1	Update Procedural Bylaw	0	1,050	1,050		
1.4.1	Annual agenda management plan	5,000	1,750	6,750		
1.5.1	Create Shared Service Task Force	100,000	-100,000	0	2	
1.5.2	County wide Waste Management	25,000	-25,000		2	-400,000
1.5.3	Explore Shared Corporate Services/311	40,000	-40,000		2	-500,000
1.5.4	Review Fire Services County-wide	40,000	-40,000		3	-200,000
1.5.5	Review Planning and Building/Bylaw Services	40,000	-40,000		2	-400,000
	Total Governance	280,000	-212,700	67,300		-1,500,000

HUMAN RESOURCES

i. **CAO in need for Human Resource Management services, Corporate Communications and support.**

The traditional role of Human Resource Management is changing and being able to adequately manage human resources is not only time consuming but requires an extensive amount of focused energy. There is limited professional and/or clerical assistance at the Township to support these efforts. Most of the recruitment and human resource management responsibility currently rests with the CAO role. This is too much for the CAO to manage and steer the ship. The Township has grown significantly and needs the attention to long term planning.

The Township should develop a formalized service arrangement with an HR professional (or the County) that will provide the Township with advice and policy development.

Succession planning strategy is required for the organization for the purpose of being able to effectively recruit, promote and retain employees as well as to aid with the identification and development of future organizational leaders. Shared services for Professional Human Resources support could prove beneficial for the Township. Organizational changes will require “buy-in” from staff and a clear vision of a corporate strategy moving forward.

ii. **The CAO needs Administrative support to Implement HRIS/HR**

In addition to the professional support, the CAO needs to have an individual to assist with administrative requirements for HR as well as manage training records. This role should provide confidential support as well as oversight on corporate projects, performance management and indicators to keep the CAO abreast of progress on many fronts.

This should start with the implementation of the Human Resources Information System (HRIS), already owned and included in Vadim, the Township’s financial system. This is further explored in the Technology and Processes section below. An HRIS will allow for the modernization of the HR processes, ensure that the Township has easy access to legal and health and safety information. However, it should be noted that the implementation will require a dedicated resource for a period of three months to set up the module and gather the information.

We also believe that this role can assist with other confidential roles. The CAO is often tasked with managing contentious issues that impact the corporation and community including emergency operations. The resource supporting internal / external corporate communications recently transitioned to the CAO’s office. This may help but there is much to be done in terms of public engagement.

By adding a resource to assist the CAO/Communications, the CAO the time to further develop strategic plans, monitor

performance, explore shared service opportunities and develop community/government relations. Following the reassignment below, it is possible that there be internal candidates that could be assigned this role.

iii. Administrative Roles Should be Rationalized to ensure Service Delivery is Customer Focused. Move to a “Service South Stormont” model and Research 311 County-wide.

The first person that people see when they walk-in or call the Township office is the Customer Service Representative. This role is the “face of the franchise”. But it is always challenging to fill these roles partly because it can be a frustrating role but also because it is usually not high paying in comparison to other administrative roles. And yet, this person needs to know more about the organization than any other. They are subject to visitors and callers that may not always be happy and they must use tact and diplomacy to ensure that their needs are met. Some processes remain paper-based, lengthy, costly processes & manual tracking (eg. burn permits, bag tags, dog licensing). The year 2020 saw some improvements with the new website and online services. However, there are still “back office” processes that need to be improved.

Implementation of Citizen Issues & Complaints Management technology (Access E11) tracking has been well received although enhanced training and additional users are required.

At SS, filling in for absences, breaks and simply overflow appears to be challenging for several reasons. The reception area is not configured in a manner for ease of sharing. Complaints about noise (at least before COVID), for those in cubicles near the reception were prevalent.

We are of the opinion that, the Directors are not sufficiently supported, partly due to the requirement for administrative staff to cover the front desk and share in a variety of roles. This needs to be addressed to eliminate the amount of clerical work that managers are currently required to undertake.

SS should consider moving to a “Service South Stormont” with enhanced online services to reduce walk-in traffic, a kiosk in the reception area to encourage self-service and reduce reliance on the Customer Service Representative.

There is also an opportunity to explore County-wide 311 to share inquiry services. This is proving successful in the Cities of Ottawa, Sudbury, Brampton and others have used this make inquiries at one place and reduce handoffs to others. At that point and following process and online changes, there may be less requirements for front desk support.

With the changes recommended in this report including improved processes and investment in technology and training, that these roles should transform to more analytical roles over time. Due to the manual nature and lack of integration between systems, administration costs are too high and analytics are non-existent.

iv. Technical and Professional Support is Lacking.

With the upcoming requirements for asset management and long-term financial planning, it is evident that the Township lacks the technical expertise it needs to fulfil the responsibilities. There is little analytical support to monitor performance, manage projects and plan for the future. While the Deputy Treasurer has done a great job in reconciling the Tangible Capital Assets (TCA), the next stage of asset management planning requires additional technical skills, particularly in Public Works. As part of the regulatory requirements, there is a need to develop and monitor lifecycle activities, analyze the results and monitor condition of the assets. Most of these assets are managed by public works (roads, bridges, underground linear, treatment plants etc). Currently, there is no “analyst” that can transform this data into information and assist management to make the right investments at the right time. In terms of financial analysis, there is limited capacity to analyze results or performance. We understand that the Township has been given approval for a Financial Analyst role. Depending upon the skill set, this role could include asset management.

We are of the opinion that, the Township needs additional analytical capacity for asset management and financial planning. This could potentially, be a shared service with another municipality or the County.

v. No Comprehensive Succession and/or Training Plan in place.

As mentioned above, there is currently no succession plan in place and the Township could see several key positions

transition to retirement in the near future. In order to be sustainable, a succession plan should be developed.

In addition to that issue, it has become evident that there is no comprehensive training program in place and staff indicated the need for training in a variety of areas (see Figure 33: SS staff survey results). In particular, there is a need for an investment in training to enable staff to add more value and feel more valued. A training plan following an assessment of skills and the redevelopment of roles would demonstrate the commitment from the organization and may result in employee retention and attractiveness for new recruits.

Some specific training to be considered are long term planning, health and safety, management of performance, finances and assets, technology, change management and LEAN Six Sigma. These skills are necessary to become a high performing team that can better support Council and its citizens.

vi. Change Management is the Key to Success.

At the outset of this review, it became evident that some staff and management are change averse. This is natural and common. Large scale changes outlined in this report will only be successful with a strategy that focuses on the PEOPLE SIDE OF CHANGE and not just project management. We suggest that a change “champion” be assigned to provide oversight and advice to the CAO.

HUMAN RESOURCES RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
2.1 Outsource Professional Services	2.1.1 Formalize HR partnerships HR professional to support CAO	Access to HR professional services is limited. A formal service level agreement with a professional that provides ongoing support may be warranted given the number of issues and the recommendations in this report.	2021	\$81,900	Assumes \$130 per hour, 30 working days per year.
2.1 Outsource Professional Services	2.1.2 Consider outsourcing payroll to County or other professional service to provide advice, training and undertake system review.	Municipal payroll and pension administration are complex and represents regulatory risk as well as potential for long term impacts to employees. The Township should consider accessing advice of professional payroll services either through a partnership with another municipality or a consultant.	2021	-\$29,966	Assumes \$40 per hour, 30 working days per year - savings of 0.25 FTE annually
2.2 Administrative Support	2.2.1 Review Administrative Roles to ensure coverage and Service for customers and Directors.	In addition to the professional support, Directors are in need of additional administrative support. Further, the front counter services need to be appropriately staffed.	2021	\$90,000	Could be an internal reallocated position. Costs assumes external candidate for 3 years.
2.3 Recruit/Partner for Technical Resources	2.3.1 Consider Financial Analyst and Asset Management Expert	With the upcoming requirements for asset management and long-term financial planning, it is evident that the Township lacks the technical expertise it needs to fulfil the responsibilities. There is little analytical support to monitor performance, manage projects and plan for the	2021	\$300,000	Costs assumes external candidate for 3 years.

HUMAN RESOURCES RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
		future. We understand that the Township has been given approval for a Financial Analyst role. Depending upon the skill set, this role could include asset management.			
2.4 Develop Succession Plan, Undertake Skills Inventory, Training Assessment	2.4.1 Develop Succession Plan, Undertake a Skills Inventory and Training Needs Assessment	Succession Planning is needed for some key positions. The first step is to understand the skills of current employees. Now that the job evaluation is complete, it is also a great opportunity to develop a training plan based upon a gap assessment.	2022	\$6,000	40 hours of work required
2.5 Develop Change Management Strategy	2.5.1 Develop Change Management Strategy for SDR Implementation	Developing a change management strategy provides direction and purpose for all other change management activities. By outlining the unique characteristics of the change and its risks and potential resistance, change practitioners set themselves and their project team partners up for success. Having staff involved a shared vision/strategic plan will assist in developing the change strategy and achieving buy-in. Training in change management would be beneficial given the extent of the changes required following a long period of stability.	2021	\$14,400	Corporate Champion to undertake. Estimated 10 days' work annually.

HUMAN RESOURCES IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
2.1.1	Outsource HR Professional	63,000	0	63,000		
2.1.2	Outsource Payroll	25,200	-55,166	-29,966	3	
2.2.1	Review Admin Roles, Implement HRIS	180,000	0	180000	2	
2.4.1	Consider Financial Analyst and Asset Management Expert	300,000	0	300,000		
2.5.1	Develop Succession Plan, Training Needs Assessment	0	6,000	6,000	3	
2.6.1	Develop Change Management Strategy	0	14,400	14,400		
	Total Human Resources	587,100	-34,766	552,334	8	0

TECHNOLOGY & PROCESSES

i. IT Strategy - Lack of Integration between systems and underutilization.

The Township has made some significant investments in technology over the last few years and has a comprehensive IT Strategy that was developed by the Perry Consulting Group in 2018. There has been much progress towards the recommendations in the report. However, there continues to be a lack of integration between systems and an underutilization, partly due to implementation issues and a lack of training. IT is a tool to achieve results and provide information to make decisions. Integration reduces risk of error, lost revenues, and duplication. Township documents shows that software amounts to about \$213k per year across a broad spectrum. Additional investment is needed to improve processes, reporting, analysis and eliminate paper-based services. Before doing so, however, the Township needs to address the integration of the current systems and redevelop the chart of accounts in the financial system to achieve that integration.

The lack of integration between systems results in duplication of effort since fees and customer information is entered more than once. Since the customer information resides in multiple systems, the Township and customers do not have one source for all receivables.

In terms of the financial system, while there are a few other municipal financial systems on the market, Vadim is the “middle” of the class. It is significantly underutilized

particularly with respect to reporting, job costing, workflow and document management. Additional modules could significantly reduce workload and improve customer service such as e-billing for tax and accounts receivable, online pet licenses, and notification and iCity Hall, which is only partially implemented.

The Township recently purchased Cloudpermit, an online submission portal for building permit applications. This implementation has taken some time due to the fact that there was some additional training required. As it transitions, information is entered in both Cloudpermit and ProWare (desktop building permit system). Neither of these products are integrated with the financial system.

While Cloudpermit allows for online submissions, staff continue to use ProWare in the interim. The transition away from ProWare is intended for the end of 2020 but it will need a plan for the old permits. We understand that Cloudpermit will integrate with Vadim but has not yet proceeded.

Fire services currently utilizes ICO – fire management system for incident response, prevention, inventory and training. It is stand-alone but perhaps there are options for sharing payroll information and training documentation with Vadim.

EScribe Agenda Management was recently purchased and is working well for meeting management and webcasting. This is a very robust product and tracks resolutions within a database. This will allow Councillors access to information without requiring staff time. Other modules such as public engagement is available that could enhance the product. This

is particularly helpful for planning and public consultations. Additional training is needed but agenda planning and workflow will assist the Director of Corporate Services/Clerk to move to long term agenda management.

Access E11 is used for service requests online. This is a simple, cost effective and allow for online submission and feedback (eg. Access E11). It is being used by some as a “work order” system but, unfortunately, it is not integrated with the financial system nor does it track time, equipment and materials.

BookKing is utilized for recreation facility booking and programming which is also not integrated with Vadim. It has not been properly implemented and the functionality is underutilized. The public site, that would allow customers to do their own bookings and see events has never been implemented. Its accounts receivable and payments are stand alone and are reconciled manually. To compensate for the lack of integration, staff have created separate spreadsheets to track payments. However, the Township does not have “one customer database” so it cannot know if it has received all of its money. Integration is currently available with BookKing and is less than \$3k to implement. The point of sale is also not integrated with Vadim so the receipts are not reflected against the customer.

CityWide is being implemented for asset management. The company, Public Sector Digest, has and continues to invest in its development and is slowly becoming the choice for many municipalities of similar size to SS. However, it is not currently in use nor is it integrated with Vadim.

ProFuel is utilized for fleet management but the information is stand alone and manually entered into Vadim. The product is old and has limited functionality.

During our review, managers and supervisors indicated that they rely on reporting sent to them as opposed to accessing information directly from financial systems. We undertook a deep dive review of the Vadim and it is clear that the biggest problem is that it was not set up properly at the outset. The general ledger is not properly structured and cost centres are underutilized. This makes reporting very difficult and needs to be addressed before any additional integrations occur.

There are options that allow for access to financial information without being in the core financial system. These include RAC Software, provider of FMW budget software and Questica. They allow for robust budget development whereby managers can include details about business and capital project plans to create “the budget book”. All leading municipalities utilize this type of software to allow for better budget development and presentation. It also allows for development of reporting in a variety of definable custom reports. As discussed above, integrated planning would require more budgeting functionality particularly in terms of asset management. During this review, we understand that the Township has purchased Questica and this should solve the reporting challenges and allow for multi-year budgeting.

While the Township has a document management system, FileHold, which provides good filing, it has its challenges. Staff indicated that it was difficult to search and find information easily, which may be a training issue. It is unclear if FileHold

could integrate with other systems such as Vadim and Cloud Permits. However, it is important to note that the Township is doing a good job in attempting to improve records management using TOMRIMS and a staff committee. A more comprehensive document strategy may be necessary to illustrate the benefits to the users and encourage utilization.

To make improvements, training on systems and technology needs to be expanded. As identified in the staff survey, technology training was among the top identified need.

In summary, the key finding is that the Township needs to take a more holistic view of its technology needs with a long-term plan to eliminate duplication of effort, improve customer service, develop long term financial planning, and provide real time access to information for managers and Council.

In the interim, there are some options that could provide immediate capacity savings and improved customer service. These include the purchase and implementation of additional modules from Vadim to allow for electronic notices for tax, and accounts receivable. Further, Vadim can be better utilized with training and “re-implementation” of additional modules, such as the HRIS, tax e-send document management and workflow.

ii. Some Processes Are Not “LEAN”

In reviewing processes and practices, it was revealed that improvements through LEAN would not only increase efficiency but provide better customer service. Some examples include work order management, fleet, inventory

management, payroll/time and attendance, animal control, and planning applications. Financial processes such as purchasing and payments are not automated. Tax bills also continue to be paper based.

Payroll and equipment allocation processes are cumbersome including many non-valued added steps. Several spreadsheets are used, same information is entered at least 3 times and the Public Works Supervisors must manually update individual timesheets. Minimum maintenance standards monitoring is also a manual, paper-based process.

Policies and processes are not documented which leads to variation and risk. For example, payroll and accounts payable processes are different depending upon the department, the manner in which information is submitted. Entitlements for time off are handled “outside” the system.

Inventory Management is problematic. Processes are manual and there have been year-end issues with both fuel and salt/sand. This represents a risk of lost inventory and spillage without analysis.

Purchasing processes are outdated and manual. No purchase orders are utilized so the Township is not reporting on an accrual basis in year. Procurement is handled by staff as opposed to modern bid sites such as Biddingo or Bids & Tenders to extend the reach and reduce prices. Further, these sites make the processes of RFP/RFTs seamless and paperless. We understand that the Township has used MERX and has a demonstration planned for Bids & Tenders.

Tangible Capital Asset accounting and Asset Management processes are not documented and time consuming. There is no integration with Asset Management across the organization.

A new on-line permit application process was implemented in the building department but many processes remain paper-based and documents. There is currently a complete duplication of work created by these two systems. Planning applications can now be submitted online as well through the website.

TOMRMS file classification system for records management is developed but is a struggle to ensure it is being adhered to.

Burn permits is a paper based difficult, time consuming process. While it now has an online submission process on the website, the processes behind the scenes continue. New products such as Burnpermits.com can handle these services very efficiently and can reflect the municipal bylaw.

Most processes in Public Works are undocumented. However, there are a significant number of policies which identify a number of elements of processes but Standard Operating Procedures (SOPs) do not exist. Work planning is not well documented and is based on the experience and system specific knowledge of the PW Director, Administrator and Supervisor. Further, Minimum Maintenance Standards documents for patrolling and follow-up are all paper based. Job costing is only reflected at the general ledger level as opposed to the activity. This means that the organization cannot easily analyze the results. We noted that this has

impacted the reporting in the financial information return as there appears to be a mix of operating and capital expenses within the same account.

In order to make significant change, mobile technology is needed.

Recreation processes and policies are also manual in many respects including work management and planning. As mentioned above, this is partly due to process but also a lack of integration between BookKing and Vadim. The reconciliation is done manually which is both time consuming and represents risk of error. Further, the system will not allow staff to send all invoices at once. This is not an issue if the system was integrated with Vadim.

We also noted that BookKing set up should be reviewed. There are many areas such as event types and “kits” that could save significant amount of time and would allow for the public booking site to be activated.

Recreation work order tracking is manual/paper based with little ability to monitor and measure performance and completion of tasks. This can be addressed with a work order system which should be implemented in concert with Public Works.

LEAN Six Sigma methodology for process improvement would help the Township become more customer centric and eliminate the non-value-added activities. Training for staff will allow each to identify ways to make improvements in their own processes with a focus on the customer. We recommend

that all staff receive LEAN Six Sigma training which includes management of a project. Potential projects include processes such as payroll, work management, accounts payable/purchasing, building and planning processes, to name a few.

iii. **Some Key Processes can be improved with new software**

As stated in this report, the Township must adopt an AMP by 2021 which must include a lifecycle costing strategy. This means that costs should be attributed to assets as they occur, not just at the job level. Lifecycle costing include labour, materials, equipment and contracted services that are realized throughout the life of the asset. Currently, the Township does not capture these costs in a system and therefore, does not have an easy way to report and make decisions on investments.

Work order management is also primarily paper or “in people’s heads” and technological solutions have not yet been explored. The Township has purchased CityWide Asset Management and does offer work management software that integrates with the module. However, other options exist that appear to be simpler and more user friendly. For example, MESH is an operations management system with broad functionality for mobile asset management, work orders and patrolling with Geographic Information Systems (GIS mapping) which allows for mapping and visuals of municipal assets. While it is not integrated with CityWide or Vadim, plans are in place to make this happen.

Most of these products rely on mobile technology being available to make the best use of the product. Mobile provides real time access to asset condition, work orders in the field as well as condition of the roads. This would allow the Township could eliminate paper-based processes such as timesheets and work orders and have the data uploaded directly for payment following approval. This does not mean that all staff need to have unlimited data on mobile devices. Many applications allow for downloading of information on a smartphone or tablet with uploads once staff return to the office.

The Township should also consider replacing its fuel system with a modern card lock system that will download directly to Vadim.

iv. **Cellphone Policy Needs to Be Reviewed**

Should the Township move to mobile applications, the current cell phone policy, whereby staff and Council have their own phone and get reimbursed, will likely need to be changed. We are of the opinion that this policy represents risk to the municipality, particularly for freedom of information requests. The utilization of personal phones for work purposes is not problematic from a “security” perspective. The Township has implemented Mobile Device Management and has ensured that the network is secure. The challenge becomes one of ownership of the information when using one’s own phone and accessing such information for legal and information purposes. This is particularly challenging in an investigation, freedom of information requests and does not survive upon termination.

v. FileHold Access Training

At the time of the review, Parks and Recreation staff indicated that they were unable to access FileHold from the Arena.

Every time there is a document that needs to be accessed, the staff must contact other staff at the Township office and have them send the file. We understand that the staff have access via VPN but training may be needed to resolve this issue.

TECHNOLOGY AND PROCESSES RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
3.1 Develop IT Integration Strategy	3.1.1 Develop IT Strategy for integration of Township systems and expand utilization.	IT Integration Strategy should be developed to fully integrate and enable all systems at the Township to integrate, BookKing, PSD, and building permits online. Reimplement Vadim and BookKing modules and general ledger to better utilize the current systems. In particular, develop cost centres for projects, activities and asset tracking. Set up BookKing so it is easier to go live with the public booking site.	2021	\$20,000	Staff time savings from reduced duplication of effort and reconciliations. Modernization funding?
3.2 LEAN the Processes	3.2.1 LEAN the processes	Move to LEAN Six Sigma process improvement team. Provide training and support to develop new ways of doing business on a continual basis. LEAN Six Sigma will enhance staff skills. Management should become champions of change and LEAN Six Sigma. With the implementation of the systems, develop standard operating procedures that do not include paper. Utilize workflow and document management. Eliminate WASTE.	2021	\$5,000	External consultant trainer

TECHNOLOGY AND PROCESSES RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
3.2 LEAN the Processes	3.2.2 Implement Esend and I City for tax, utilities, permits and payments Implement E-bank module	Document processes and move to eSend is a Vadim module that is used to deliver bills and notices to customers via email. 2. When a customer browses their accounts, they can open the PDF bills for each transaction that was sent by eSend. Customer can choose to enlist it to paperless notifications. E- notices will save significant time and money for the Township, eliminate costly printing, folding, postage and handling costs. Implement the electronic bank reconciliation.	2021	-\$53,036	30 minutes per setup + issuance x 4,500 properties x 50% uptake. Savings calculated at \$10 x (4,500 tax bills x 2 annual billings + 300 (arrears letters) x 50% uptake - \$17700 per year x 3 years
3.2 LEAN the Processes	3.2.3 Implement HRIS	The Township owns the HRIS module but it has never been used. It allows for tracking of the entire employee lifecycle, position inventory, time entry, training, vacation scheduling and health and safety.	2021	-\$30,000	Savings from paper-based processes and filing
3.2 LEAN the Processes	3.2.4 Purchase new Fuel System, use work order system for fleet	Inventory Policy and processes for fuel should be developed. New fuel management system would download directly into Vadim and reduce loss.	2022	\$26,548	Inventory policy to be developed and implemented internally - 10 days' work for Treasurer and Public Works Savings in time and inventory losses will offset

TECHNOLOGY AND PROCESSES RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
3.2 LEAN the Processes	3.2.5 Centralize Purchasing Functions in Finance. Implement Purchase Orders and workflow as well as online bidding system.	Purchasing policies and processes centralized. Implement Vadim purchase orders modules, procurement, 3 way matching and training. Paperless workflow processes. Include encumbrances and commitments. Implement an Electronic Vendor Bid Submission that would allow vendors to submit their bids electronically. For tenders and quotations, the pricing would be input directly into the system.	2021	-\$44,800	Savings to be realized in procurement processes - Estimated time saved = 7 hours per procurement.
3.2 LEAN the Processes	3.2.6 Review the next steps for the Building Permit Online.	Develop the next step to eliminate ProWare and transfer old permits. Work with Cloudpermit and ensure to eliminate one product. Integrate with Vadim.	2021	-\$15,500	Savings of 1 hour per application (190 building permits) + cost of ProWare
3.2 LEAN the Processes	3.2.7 Move the Document management within Vadim	Move to Paperless purchasing, accounts payable, and other financial processes. Test the document management integration with File Hold. Implement online workflow for processes and approvals.	2021	-\$37,500	Estimated savings in time - 1 hour per day per finance staff

TECHNOLOGY AND PROCESSES RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
3.3 Procure New Software	3.3.1 Procure and implement work order system	Fully implement Work orders management and scheduling in order to capture maintenance, repair and replacement for all assets. This should be incorporated with the capital planning process as well. Regulation O.Reg 588/17 requires AMP for all core assets by 2021 including current levels of service. Data collection and processes need to be in place for all assets by 2023. Levels of service require public consultation. Implement Self Service for Employees - Time and attendance and work order management, CVOR reporting (mobile) Digitize Level of Service and MMS and integrate into daily work order management. Minimum Maintenance Standards and CVOR must be tracked. The paper processes would be eliminated and better reporting available for compliance.	2021	\$45,400	Module purchase, integration and training. Savings of 1 day per week estimated
3.3 Procure New Software	3.3.2 Shift to Fire Burn Permits and Dog Licenses to 24/7 on-line system	Outsourced products such as burnpermits.com and DocuPet or Dawg Tags are online systems based upon a fee of the sale.	2021	-\$17,870	Savings of Time 1968 pet licenses x 10 minutes, 1428 x 10 minutes
3.4 Cell Phone Policy	3.4.1 Review Cell Phone Policy	Current policy provides for reimbursement of cell phones and limited access. Moving to work management will require a new approach. Further, the municipality needs access to its own data.	2021	\$30,800	Estimate of Mobile purchases and training. 20 hours per staff. But significant savings and improved MMS.

TECHNOLOGY & PROCESSES IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
3.1.1	Integration Strategy	25,000	-5,000	20,000	2	-200,000
3.2.1	LEAN the processes	5,000	0	5,000		-50,000
3.2.2	E-billing and Document Management	0	-53,036	-53,036	1	-176,786
3.2.3	Implement HRIS	0	-30,000	-30,000		
3.2.4	Fuel System	25,000	1,548	26,548	1	
3.2.5	Centralize Purchasing	0	-44,800	-44,800	1	
3.2.6	Review the next steps for the Building Permit Online.	-6,000	-9,500	-15,500	1	
3.2.7	Move the Document management within Vadim	0	-37,500	-37,500	1	
3.3.1	Procure and implement work order system	100,000	-54,600	45,400	2	-546,000
3.3.2	Permits Online - Fire and Pet	0	-17,870	-17,870		
3.4.1	Review Cell Phone Policy	10,800	20,000	30,800	1	
	Total Technology & Processes	159,800	-230,758	-70,958		-972,786

MANAGEMENT AND PERFORMANCE

vi. Insufficient Financial Reporting and Analysis.

The Township's reporting to Directors and Council are not sufficient for decision making. Management does not have real time access to information to make decisions. While Vadim has many good reporting tools, they are underutilized. But they also are not conducive for good budget processes. They are simply reporting tools for historical information. Most of the analysis is conducted outside the key systems. The analytics required to assess assets, levels of service and performance will require new approaches. Finance has not moved to accrual-based accounting on an in-year basis and therefore, commitments are not recorded against budget.

In the interim, the Township should redesign its chart of accounts to allow for better reporting including cost centres for projects, activities/jobs and assets. This will set itself up for better integrations with other systems and more detailed information for decision making.

To better understand the Townships costs and services, once this new general ledger is active, a comprehensive analysis should be undertaken with new information collected and analyzed. This should include, but not be limited to, job costing attached to work orders with time, equipment, and materials. It is this study that will assist in evidence-based decision making regarding the service delivery model (in house vs. outsourced, vs. elimination or shared services).

Further, this will set the stage for a fee study which is explored in the next section. Council needs this information to be able to adequately determine the RIGHT fee and the RIGHT level of services.

The study should also include key performance indicators for every service and customer demand analysis. Each process should be mapped, utilizing LEAN Six Sigma methodologies, with associated time for each step. This will allow the identification of non-value-added activities and steps (waste). By developing a future state process map with these steps eliminated, will inform the Strategic Plan and business plans.

vii. Financial Planning/Budget Processes are time consuming and continue to be short term.

Municipal financial sustainability can be defined as:

“Ability to continue to deliver services and develop infrastructure required without sudden unplanned increases in rates and tariffs or reduction in services and the capacity to absorb financial shocks without external financial assistance”.

And/or...

“Financial capacity of municipalities to deliver services and meet contractual commitments while planning for the future.”⁴

The Township’s financial planning is achieved through the annual budget process. There has been some great headway in moving to longer term planning but it has yet to result in a multi-year budget.

CFOs should be key contributors to strategic planning and the municipality's future direction including community engagement. Developing innovative financing and investment strategies to support long-term plans are critical for financial sustainability. To accomplish this, current Treasurers must continue to broaden their skills and capabilities in order to take on that strategic role. With limited resources, this means that municipalities must look to ways of streamlining its financial services and processes to find the capacity to fulfil this expanded role. We found that these competencies and roles need to be better developed in order to meet these new requirements. We believe that Finance needs additional resources in terms of training and mentoring.

Table 1 shows the various planning legislation, mandatory and discretionary. Integrated long-term financial planning is not

required but considered to be best practice. A long-term financial plan encompasses information from all known and potential risks, and economic changes that face the municipality over a planning horizon of 10-20 years.

The Township has started down this road with the Asset Management Plan (AMP) and is required to update by 2021. However, like every municipality, there is still much work to be done to meet the regulatory requirements. It is important to note that the AMP is only one part of a long-term financial plan. To date, the focus has been on the annual budget. Annual planning is problematic because it does not look at the impacts of decisions made today on tomorrow’s community services or fiscal health, although the annual budget is the only “mandated” plan currently required. It should be noted that O.Reg 588/17 will require a long-term asset management financing strategy to be in place by 2024.

Multi-year budgets are permitted, and some municipalities have been moving in this direction over the last few years. The benefits are extensive as it changes the way the municipality makes decisions and reduces the amount of time it takes to complete the budget, once the process is established.

⁴ http://www.mfoa.on.ca/MFOA/webdocs/PSAB_Newsletter_No_3.pdf

Act	Sections/ Regulation	Description	Details
Municipal Act	289.	Yearly budgets, upper-tier	Annual Budget Requirements
	290.	Yearly budget, local municipalities	
	291.	Multi-year budget	Optional
	293.	Regulations, reserve fund	Optional – Reserves can be set up to fund future projects or contingencies
	Part XIII	Debt and Investments	Municipalities can borrow for long term or short-term requirements
Safe Drinking Water Act (SDWA)	30	Financial Plans	Requirement for a Drinking Water license
	O.Reg 453/07	Financial Plans	Financial plan requirements under the SDWA must be at least 6 years
Planning Act		Official Plans	Land use planning
Infrastructure for Jobs and Prosperity Act	3	Infrastructure Plans	Planning Principles required in Asset Management Plans
	4	Long-Term Infrastructure Plans	
	O.Reg 588/17	Requirements	Timing, details, policies for long term asset management planning including climate change adaption

TABLE 1: FINANCIAL PLANNING REGULATORY FRAMEWORK

The key objectives of a Long-Term Financial Plan (LTFP) are to:

- ⇒ Promote financial sustainability
- ⇒ Take an enterprise (whole municipality) view of financial decisions rather than departmental or first-come first-served approach
- ⇒ Align financial decisions with strategic initiatives
- ⇒ Establish priority setting tools to evaluate projects based upon a common set of criteria
- ⇒ Identify and illustrate long-term implications of decisions based upon data
- ⇒ Provide ongoing set of metrics to assess performance
- ⇒ Support multi-year planning

⇒ Ensure optimal balance between service levels, revenue requirements and asset renewal

A LTFP is not only a guiding document, it is an excellent communication device of the municipality's overall direction. The LTFP should consider and include the following:

- ✓ Strategic directions with respect to financial condition and the vision for the municipality;
- ✓ Demographic and economic assumptions;
- ✓ Indicators to be utilized to measure financial condition (sustainability, vulnerability and flexibility);
- ✓ Risk identification, risk management and risk response strategies;

- ✓ Expected expenses for each year of the plan;
- ✓ Expected revenues for each year and their source;
- ✓ Rates and user fees expected over the horizon of the plan;
- ✓ Any variations in net debt required as a result of expected cash flow needs;
- ✓ Other plans such as asset management plans and condition assessments;
- ✓ Assumptions that have been used in the development of the LTFP;
- ✓ Sensitivity analysis performed, which highlight the factors or assumptions most likely to affect long-term financial sustainability; and
- ✓ Decision and priority making process to be undertaken in assessing projects.

viii. **Internal Control and Risk Management Framework is Not Robust.**

The Integrated Framework defines internal control as a *“process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:*

- a. *reliability of financial reporting,*
- b. *effectiveness and efficiency of operations, and*
- c. *compliance with applicable laws and regulations.*

The Integrated Framework uses three dimensions, illustrated in the adjacent cube, that provide management with criteria by which to evaluate internal controls.

The framework is built on 5 elements and 17 associated principles as shown in Figure 8.

While the auditors did not find major internal control issues, there are very limited documented policies, procedures or testing of controls. Further, it appeared to take a significant time to complete the annual audit papers and close off the year.

Access to the security profiles in the financial system is also problematic. Many financial policies do not exist such as; Reserves, Payroll. Risk management framework not in place. Of particular interest, we found that the bank reconciliations to be a manual process. Vadim provides for an E bank reconciliation module but it is not used by the Township resulting in a significant amount of wasted time. Bank reconciliations are one of the most important control processes an organization can have provided it is segregated from those who collect or issue payments.

Month end processes do not appear to be in place. Monthly reconciliations of balance sheet accounts are not done on a regular basis and financial reporting is not consistent. These too are very important controls. Directors should be required to review their detailed financial reports, make notations and analyze the results. Any variances should be assessed and provided to the Treasurer for monthly forecasting against planned results.

ix. Fees and Charges are not based upon cost.

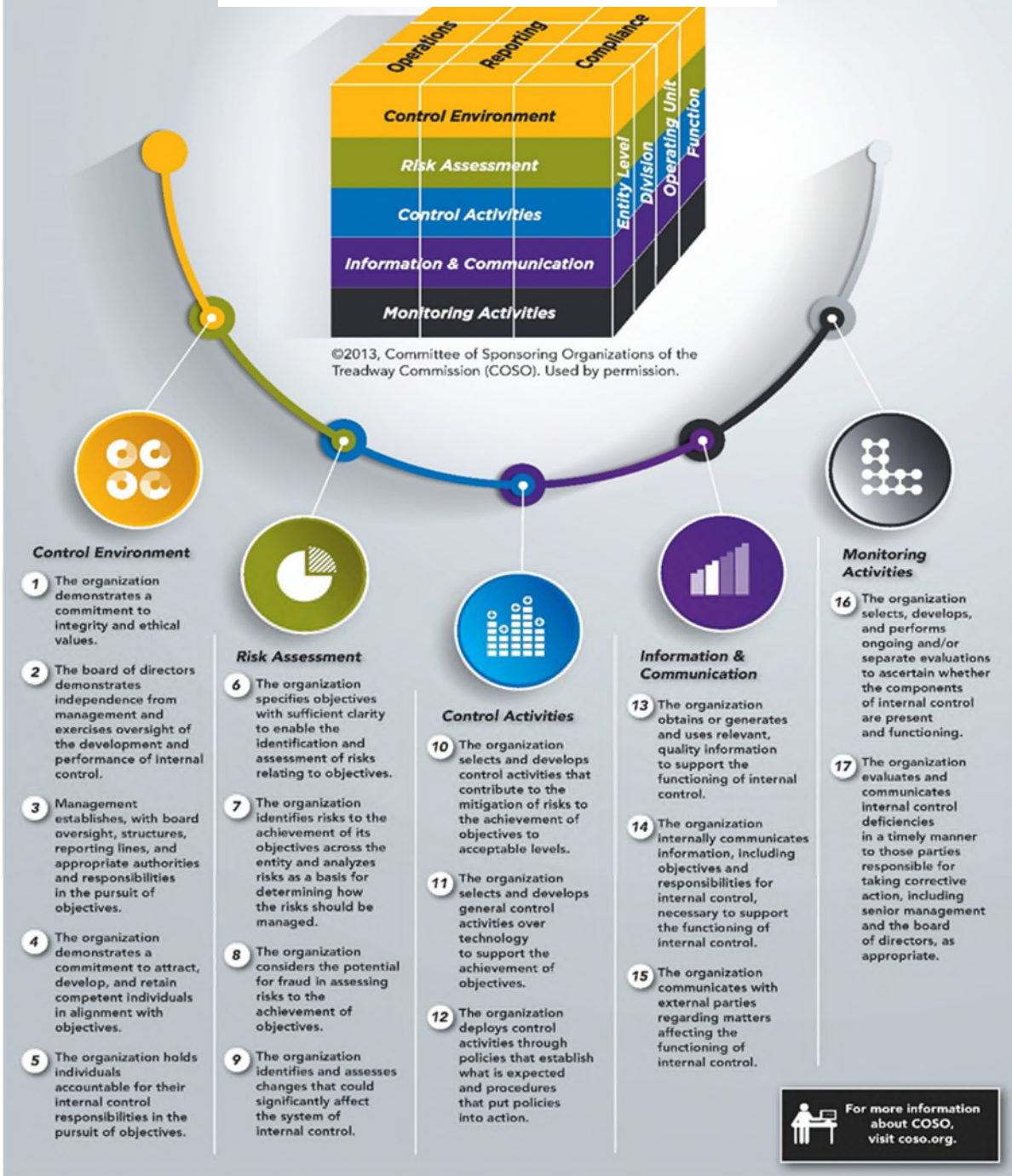
We reviewed the fees bylaw and revenue results. The Township’s facilities are utilized by residents and non-residents and do not cover the cost of the services. This is not unusual but it is imperative that the municipality understand areas where the taxpayers are subsidizing the operations and make conscious social and economic decisions on these subsidized services.

We recognize that the Township wants the community to access these facilities at low cost but, if the rates do not support the operations, there is a risk that the Township will not have these facilities in the future.

Planning and building permit fees are not recovering the costs of service and the time spent on these processes is significant but not tracked. These fees have been recently updated so they should be tracked to determine if cost recovery has been achieved.

We also noted that there is no mechanism to determine how much services actually cost and the degree to which they are recovered. Equipment rates are also very old and have not been updated in some time. This means

FIGURE 8: COSO INTEGRATED FRAMEWORK



that the analysis to determine if a service should be outsourced, is not available.

A fee study followed by the release of a comprehensive fee bylaw should be undertaken on an annual basis. Criteria for setting of fees below cost should be part of a policy. A subsidy program is a better option than keeping all fees low.

x. Procurement and Inventory Processes are not sufficient.

The Township has a decentralized approach to procurement and inventory policies are not in place but new procurement

policy is now in place and provides for the next step. Purchase orders are not used and therefore, commitments against budgets are not known. This could result in poor in year decisions as it may not be aware of the liabilities. Further, because the municipality operates on a cash basis, it is not able to produce a true in year cash flow statement or balance sheet. In order to make good investment decisions and properly manage the organization, the Township should move to accrual-based accounting and capture inventory and commitments.

MANAGEMENT AND PERFORMANCE RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
4.1 Improved Financial and Performance Reporting and Analysis	4.1.1 Redevelop the General Ledger	In order to improve reporting, a new general ledger with cost centres is needed to capture projects, activities and jobs.	2020	\$0	Staff time to develop new approaches. Included in SDR.
4.2 Modernize Budget Processes	4.2.1 Procure Budget Software and move to multi-year budgeting	Budgeting software allows for development and enhancement of the transparency of the budget process. The current process is highly labour intensive and requires working with excel spreadsheets, PowerPoint documents which are not quickly changed. The financial results and reports are not accessible to the department heads. Budget software allow for real time access to detailed data without access to the financial system. As part of 2021 Planning Cycle, develop business plans across departments in line with Term of Council Strategic Plan. Implement Multi- Year Budgeting. Department heads should develop and present their own budgets starting with past achievements, upcoming business plans, performance metrics and funding required.	2021	\$31,000	Module cost \$20k. Savings are currently unknown as it is unclear how much time is spent on reporting. Training and set up time 30 hours for Treasurer, 10 hours per SM
4.3 Develop an Internal Control and Risk Management Framework	4.3.1 Update processes and internal control framework.	Procedures have been developed but are not supported by processes and security profiles.	2021	\$18,000	Internal resources - likely 2 months of work.

MANAGEMENT AND PERFORMANCE RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
4.4 Undertake fee study and expand revenue opportunities	4.4.1 Undertake time tracking against planning applications - fee study.	Undertake time tracking against planning applications such as severances, subdivisions, minor variances – eliminate subsidizing by taxpayers. Planning applications are not cost recovery. Each application could be a cost centre in the new GL.	2021	\$0	Time estimated at 2 hours per week. Cover by fees
4.4 Undertake fee study and expand revenue opportunities	4.4.2 Undertake fee study and policies on subsidies.	Fees are not recoverable - need to know the "right fee" based upon cost and determine the subsidies that may be applicable. Need to build reserves for years where permits and planning approval processes are not covered.	2022	-\$15,000	Could be done in house or by a consultant. However, staff need to track time against activities. Increased revenue offset cost.
4.4 Undertake fee study and expand revenue opportunities	4.4.4 Undertake an equipment rate study	Equipment rates are not reflective of costs. Following the revamp of the GL, update rates and ensure equipment is charged to jobs. Rates should be updated each year. Equipment should be set up as cost centres.	2022	\$0	Liability of outstanding hours of 700*3 hours per permit needs to be eliminated before pursuing.
4.5 Modernize Procurement	4.4.5 Modernize Procurement and Inventory	Implement inventory and purchase orders. Move to online bidding site and processes	2021	\$0	Staff time to be allocated - Need to assess how many hours. Required depending upon the players involved.

MANAGEMENT & PERFORMANCE IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _ Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
4.1.1	Redevelop the General Ledger	0	0	0		
4.2.1	Procure Budget Software	25,000	6,000	31,000	2	-144,000
4.3.1	Update processes and internal control framework.	0	18,000	18,000		
4.4.1	Undertake time tracking against planning applications	0	0	0	1	
4.4.2	Undertake fee study and policies on subsidies.	25,000	-40,000	-15,000	2	-18,000
4.4.4	Undertake an equipment rate study	0	0	0		
4.4.5	Modernize Procurement	0	0	0		
	Total Management & Performance	50,000	-28,000	22,000		-395,333

CUSTOMER SERVICE AND ENGAGEMENT

i. Customer Service Request Management can be expanded for use with Work Orders and IT requests.

The Township implemented Access E11 to capture customer issues and complaints but is currently not used across the organization for all requests. This may be a way to understand the types of questions that are being asked that will serve to inform publications and online documentation. Staff indicated that they try to update the system as they resolve the issue but admit that it may take time. As time goes on, the system can be enhanced to push to an asset management/work order system which creates that work order. This will allow for the assignment of time and equipment used to resolve the work order. As well, it will identify any service issues with assets.

One of the areas that was raised as a concern in this RFP was the fact that the one and only IT Coordinator is requested to assist in many areas to the detriment of project work. The Coordinator indicated that he had used of Access E11 to track some of the IT support tickets but they came in the form of emails, phone calls and texts. Therefore, unless the IT Coordinator enters the ticket in the system, it is not specifically tracked. We suggest that the customer (ie staff or Council member) be directed to use the Access E11 request site to submit all IT help desk requests. These should be accompanied with a severity from a service level agreement so that the staff member is aware of the type of issue and when it might be dealt with. Not only will that properly track the requests, it will allow the IT Coordinator to better plan the

work and provide the customer with an estimated time. The IT Coordinator may wish to put aside time. While we understand that there may be emergencies, managing expectations will go a long way to better manage the work. As one can see from the extensive list of recommendations in this report, IT will play a large role in many of these initiatives. There is a need to free up his time for bigger projects.

ii. Public Engagement is Lacking in a formal execution strategy

Public Engagement is more than simply adopting a policy or a set of guidelines. Although the Township has an excellent foundational guide for the purpose of evaluating what type of public engagement should be undertaken there isn't any clear accountability for ensuring that the guidelines are being adhered to. 2020 saw a significant amount of change at the Township, not just COVID, but the revamping of the website. This is a great way to improve public interactions but took resources away from the public engagement strategy.

Therefore, the expectations and results are likely misaligned. As previously discussed, intelligence can also be gained by tracking customer inquiries and comments within the service request process. Other options include the public comment module with EWrite which allows collection of information on specific issues.

Council takes pride in making significant contributions to the community and value stakeholder relationships. It is recommended that periodic audits of the types of engagement practices as outlined in the guideline be undertaken, specifically on major projects and initiatives. In

addition, there may be some merit in terms of including some details within the Council reports as to how the public engagement guidelines are being used to advance the Township's efforts toward a more robust public engagement effort.

CUSTOMER SERVICE AND ENGAGEMENT RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
5.1 Integrate Customer Requests	5.1.1 Enhance use of Customer Request Portal	Fully implement service requests - Once work order system is in place, have the system forward to create a work order. IT should utilize Customer Request Portal to track requests including time and severity level. Develop a Service Level Agreement for IT with severity levels and include in the scheduling of calls.	2021	\$0	Included above
5.2 Develop a Community Engagement Strategy	5.2.1 Develop a Community Public Engagement strategy	Communications with public and staff strategy for ongoing and projects should be developed including social media, newspaper, other modes.	2021	\$20,000	Internal with some assistance

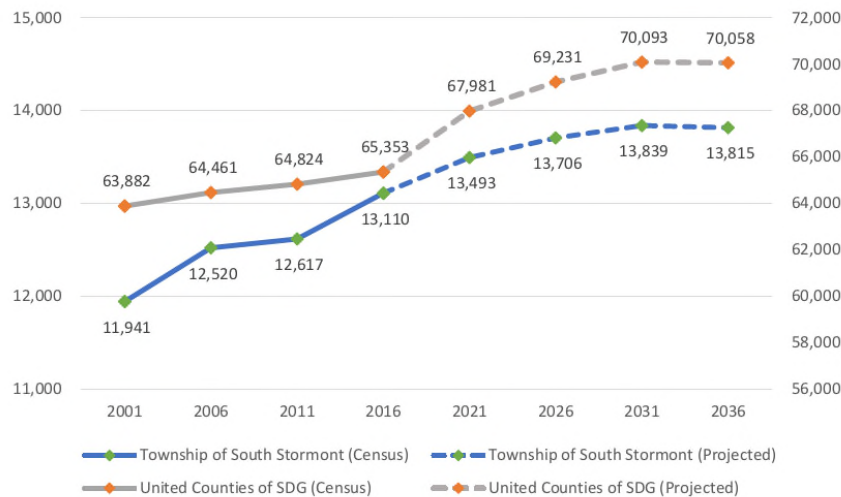
CUSTOMER SERVICE & ENGAGEMENT IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
5.1.1	Enhance use of Customer Request Portal	0	0	0		
5.2.1	Community Engagement Strategy	20,000	0	20,000		
	Total Customer Service & Engagement	20,000	-	20,000	-	-

SUSTAINABILITY AND GROWTH

i. No Development Charges – May not be able to finance growth.

The Township has engaged several consultants over the years that have found that it will see significant growth into 2036 (Figure 9). In 2019, the Township engaged Watson and Associates to undertake a Water and Wastewater Rate Study. In that report, growth for the water system customers are anticipated to increase by 435 customers by 2029 across the three water systems with 86% of that growth occurring in the Long Sault/Ingleside service area. Wastewater customers are projected to increase by 313 over the forecast period indicating that there will continue to be some growth occurring in Long Sault and Ingleside with municipal water



Source: SPM based on Statistics Canada Census Data (2006, 2016) and United Counties of SDG Official Plan (2018).

service but **FIGURE 9: SS GROWTH PROJECTIONS TO 2036**

private wastewater. This results in an increase from 2,778 customers currently to 3,213 for the water systems and from 1,573 currently to 1,886 for the wastewater systems. This study indicated that, for Ingleside Wastewater Treatment Plan, that an investment of over \$10 million will be required in very short order. The report goes on to say that funding of 2/3rds may be available from other levels of government. While that may happen, we are of the opinion that, without development charges, the chances decline. Generally, growth related costs are to be funded from growth, and hence the ability to raise funds through development was provided by the Development Charges Act. Development charges ensure that needed infrastructure to support new developments are costs assumed by developers as opposed to the tax payers who are currently living in the municipality. We understand that some people believe it deters development. But that has not be the experience in other areas of the province. In fact, most developers are surprised to learn that development charges are not charged and are generally expected.

We understand that the Township has kicked off a Development Charge Study to revisit its policy. This is a positive step in the right direction.

ii. Economic Development Strategy needs an update.

The current Economic Development Strategy and Action plan was developed in 2016 with an update and Business Retention study in 2019. The CAO undertook a review within the first six months with the Township with several recommendations. However, some were not implemented due to a lack of time and other priorities. The Corporate Strategy identified actions

until 2020. Therefore, there is a need to update this document and action items for the coming year. Given COVID, the outlook and approach may change.

SUSTAINABILITY AND GROWTH RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
6.1 Development Charges	6.1.1 Consider Development Charges to finance growth	Demands for growth such as the Ingleside WWTP may not be funded by grants without development charges.	2021	\$0	External Consultants - Cost will be offset by fees collected
6.2 Update Community/Economic Development Strategy	6.2.1 Update Community/Economic Strategy	Current Strategy is nearing the end of the term. With the growth occurring, it is a good time for refresh, particularly to determine the impact of COVID	2021	\$50,000	External Consultants

SUSTAINABILITY AND GROWTH IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
6.1.1	Consider Development Charges	25,000	-25,000	0		
6.2.1	Update Community/Economic Strategy	50,000	0	50,000		
	Total Sustainability	75,000	-25,000	50,000		0

ASSET AND FACILITY MANAGEMENT

i. No Corporate Asset Management Approach.

Currently, Finance has been the key lead regarding assets but it is imperative for Council and the Township management to realize is that Asset Management is not a finance exercise but rather, everyone's responsibility. There has been much misunderstanding of asset management in the municipal sector. Because the Municipal Act requires municipalities to follow generally accepted accounting principles as set by PSAB, and PS3150 required municipalities, finally, to value its tangible capital assets and report them on their financial statements in 2009, many people think that is asset management. This is not the case. In fact, the Province has been attempting to get municipalities to realize this for some time but PS3150 was a powerful way to get things started.

As shown in Figure 10 significant changes have been introduced by the Ontario government by regulation O.Reg. 588/17 of the *Infrastructure for Jobs and Prosperity Act, 2015*. These changes require both operations and financial acumen to ensure that the Asset Management Plan is in place for the Township as well as processes to ensure that the plan remains relevant and updated on a regular basis. The Municipal Treasurer will need to be a key contributor and partner in asset management now and for the years to come but should be a member of the AM Team and the lead should be Corporate.

We have reviewed the AM Policy passed by the Township as required in 2019 and we are of the opinion that this does not meet the vision of what was intended by the regulation. This

should be reviewed and updated to reflect Council's commitment to asset management and set a governance structure in place for better oversight.

It is important to note that asset management is embedded in many regulations and standards most of which are managed by departments (Figure 11). AM is forward looking and "a coordinated activity of an organization to realize value from assets" (ISO 55000). It is not a "job", software or PSAB. It is also not just the plan.

It includes fully managing assets throughout their lifecycle to gain the most of those assets and best serve the citizens. It is likely the most important role of any municipal manager and requires additional attention. We are of the opinion that the Township will need an additional technical expertise to oversee AM from a policy, process and systems perspective and we do not see that it has sufficient resources in-house to achieve this.

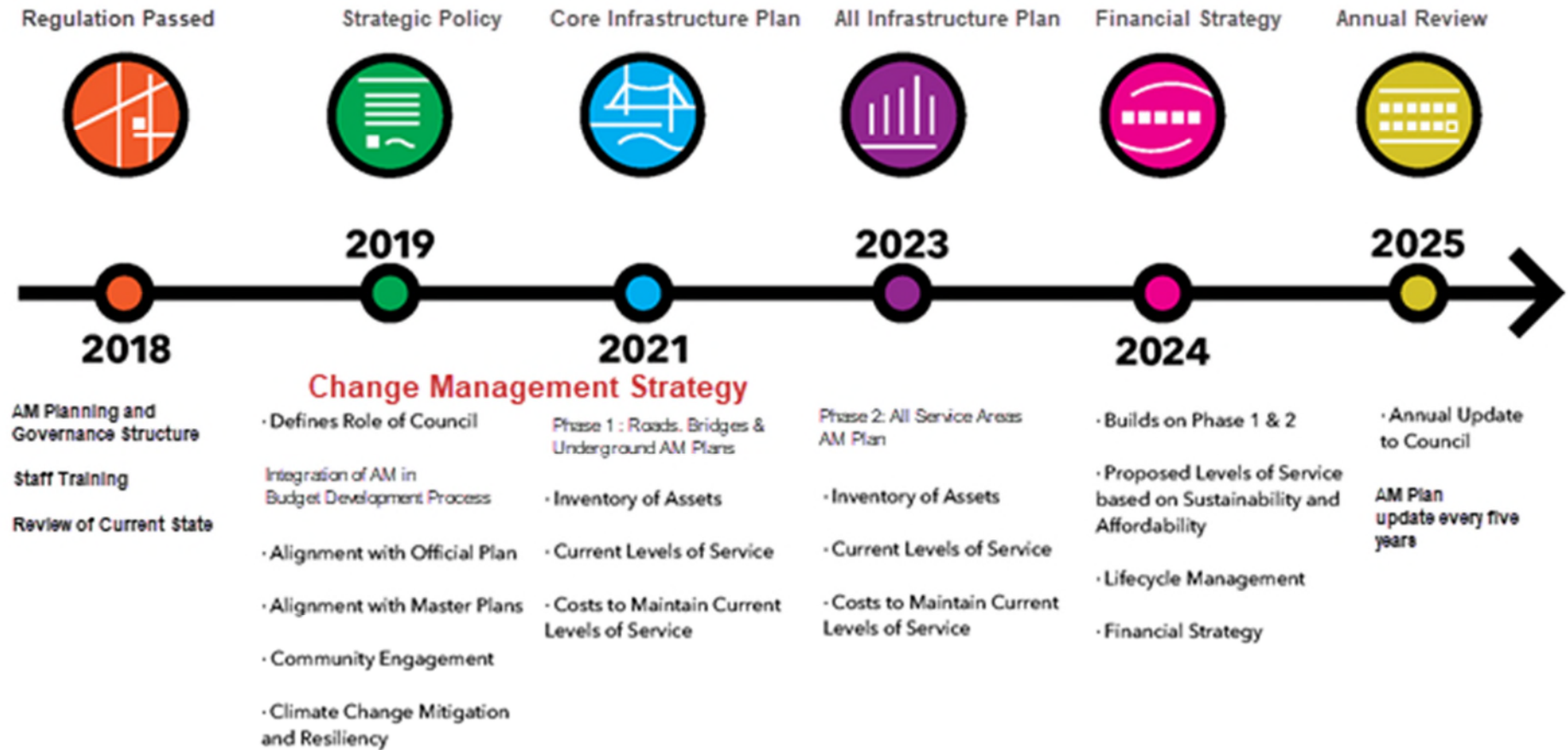


FIGURE 10: AM ROADMAP

O.Reg 588/17 requires AMP by July 1, 2021 for Core Assets (Roads, Bridges, WWS) and July 1, 2023 for all assets)

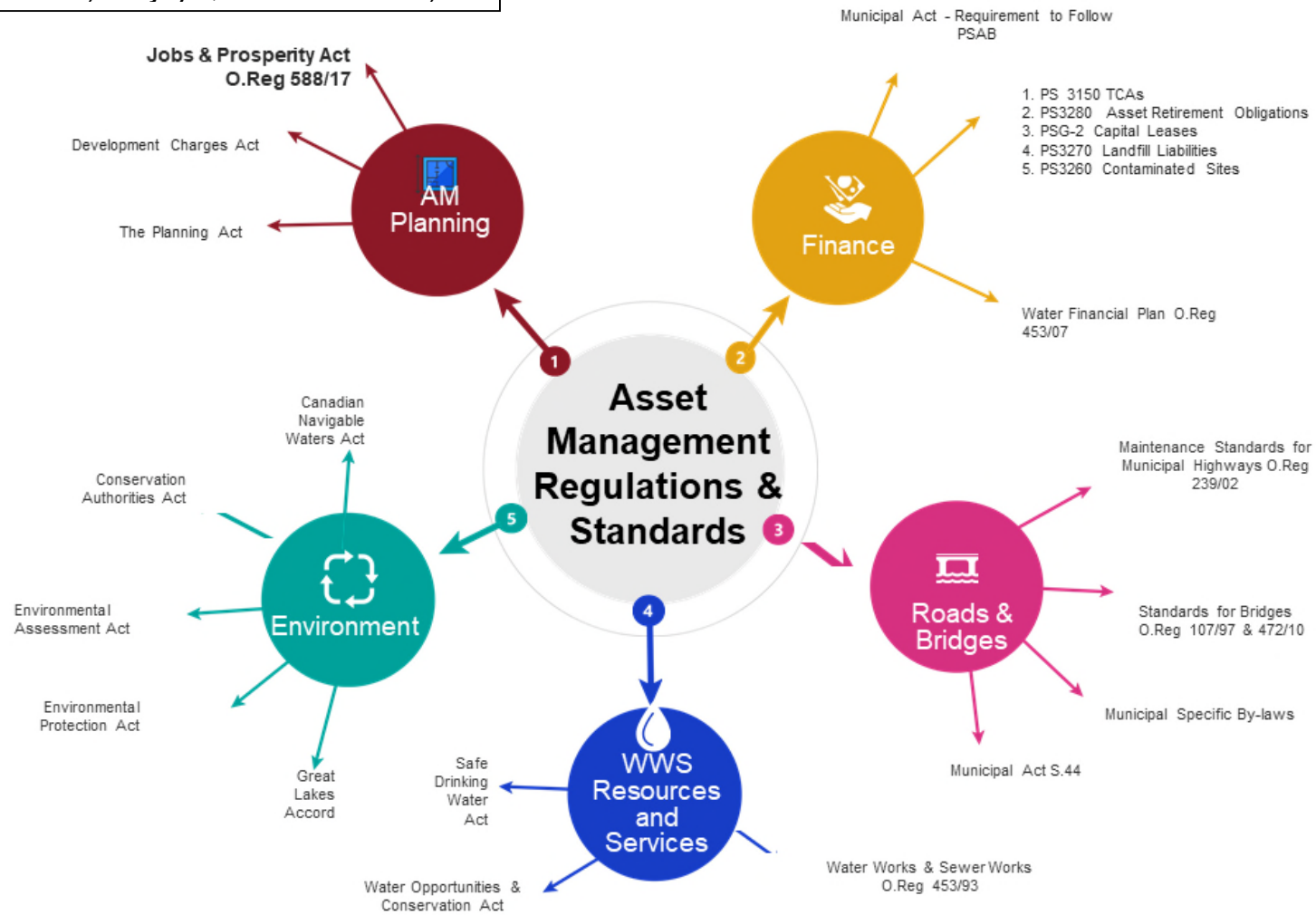


FIGURE 11: AM LEGISLATION AND REGULATIONS

ii. **Historic Under Investment in Core Assets. Asset Management Plan Needs Updating.**

As with most municipalities, the lack of long-term planning has put the Township in an infrastructure deficit. Benchmarks in Appendix “B” shows that the Township’s taxes are significantly below the Provincial average on a per household basis. It is important to note that on a residential property basis, the Township’s average property tax was \$1,177 in 2019 which is 58% below the provincial average (\$2,841) for lower tier.

With the focus on the future, existing assets are being neglected. The Townships investment in capital expenses have been historically lower than the provincial average as well as the benchmarks chosen. On average, SS has spent \$474 per household, the benchmarks are twice that at \$914 and the average provincially is four times that amount at \$1,869. The Township’s assets are aging. The net book value of its TCAs is only \$10,137 per household as opposed to the value of the benchmarks at \$16,707. This represents the “value” to the taxpayers or their share.

Our benchmarking also shows that the Township’s debt is low but also its reserves.

Other indicators show that the Township is consuming more assets than investments.

Asset sustainability ratio shown in Figure 12 is the approximation of the extent to which a municipality is replacing, renewing, or acquiring new assets as the existing infrastructure is reaching the end of its useful live. The target ratio is > 90% per year. A municipality which is not reaching

this target is not sufficiently maintaining, replacing, or renewing its existing infrastructure. This may result in a reduction in service levels and/or useful lives previously expected and will likely create a burden on future ratepayers. The calculation is the total ASSITIONS AND BETTERMENTS TO TCAS DIVIDED BY THE AMORTIZATION EXPENSE (WHICH REPRESENTS THE AMOUNT TCAs are used in the year). In other words, the investment in TCAs to replace those being used.

SS was at 102% in 2018 – an overall decline since 2009.

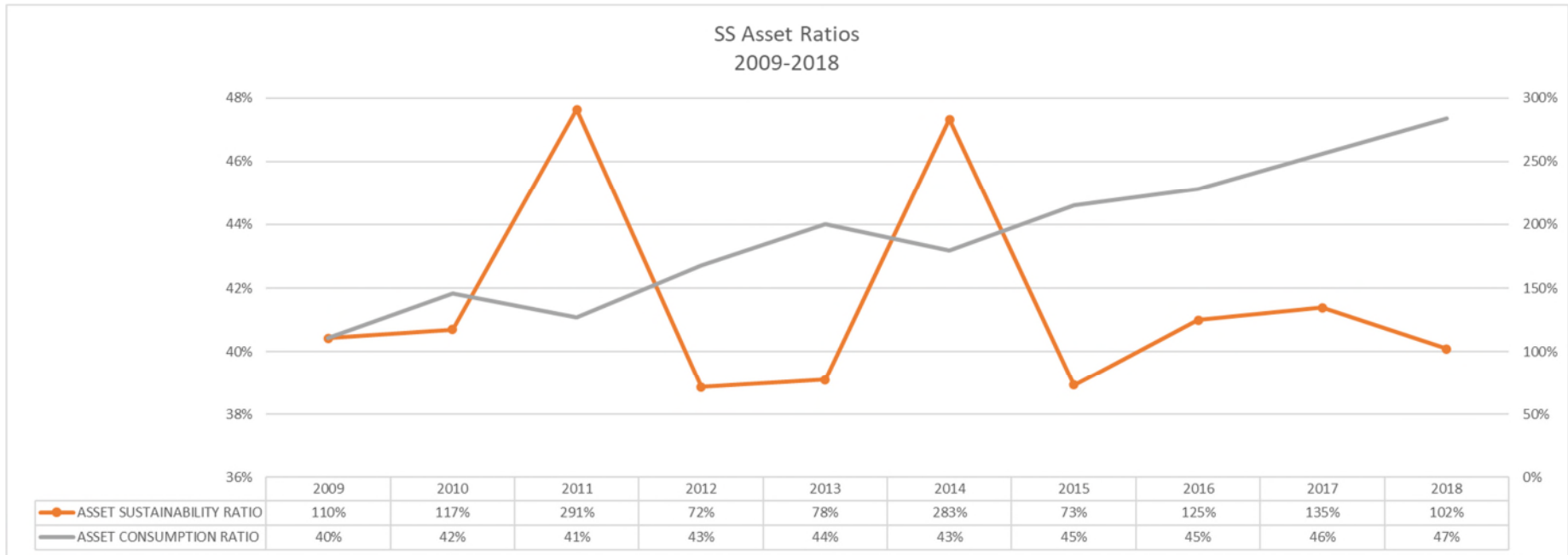
Asset Consumption Ratio (expressed as a percentage) measures the age of a municipality's physical assets. It measures the extent to which depreciable assets have been consumed by comparing the amount of the assets that have been used up and their cost. The target is <50%. (Less than 25% - Relatively NEW infrastructure, 26% to 50% - Moderately NEW infrastructure, 51% to 75% - Moderately OLD infrastructure, greater than 75% - OLD infrastructure. The calculation is the total CLOSING ACCUMULATED AMORTIZATION BALANCE DIVIDED BY THE CLOSING COST BALANCE WHICH REPRESENTS THE HISTORICAL COST OF THE ASSET AT PURCHASE/CONSTRUCTION. Meaning, the more the accumulated amortization as opposed to the cost indicates the aging of the assets.

SS was at 47% which is an increase (not good direction) up from 2009 at 40%.

Both indicators are heading in the wrong direction and continued investments are needed. The AMP will be an important guiding document.

iii. Facilities Management needs Corporate

FIGURE 12: SS ASSET RATIOS



As required by 588/17, the Asset Management Plan is required by 2021. We understand that the Township has purchased PSD software but additional work is needed. The Roads Needs Study was last completed in 2017. It should also be noted that the plan requires updated condition assessments with data no older than two years and this proposal does not include this. Regardless of the approach, the Township needs an AM champion to update its plan and develop lifecycle processes as well as capture costs. Staff and Council need additional AM training and detailed processes to meet the ongoing challenges.

Oversight.

During the review, it became quite evident that the Township has a facilities challenge. It manages its own service facilities (Township Hall, Fire Halls (4), an Arena, Pools, Water/Wastewater plants) and then is a landlord for the OPP, the St. Lawrence Medical Centre, EMS Operations and the Senior Centre. The Lost Villages Museum and the Heritage Centre add to this portfolio. On top of their daily duties, Directors are providing oversight for these facilities with existing staff. And yet, none are facilities professionals. It is commendable of what they have been able to accomplish with no resources. Net income from the four operations was a surplus of \$285k. It would seem that these funds could go

towards a property manager and relieve the facilities management duties from the staff and Directors.

ASSET MANAGEMENT RECOMMENDATIONS					
Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _Internal + External	Comments/ Assumptions regarding costs and savings
7.1 Assign/Recruit Corporate AM/IT Project Manager and Departmental Champions	7.1.1 Contract for AM Specialist. Could be shared resource	Township needs additional resources to meet asset management requirements.	2020	\$100,000	Consulting fees - could get FCM Funding
7.2 Update AM Plan	7.2.1 As required by 588/17, the Asset Management Plan is required by 2021.	Develop a project plan to ensure that the AMP is updated and includes lifecycle approach.	2020	\$19,200	Internal costs of 120 hours per department.
7.2 Update AM Plan	7.2.2 Form a Corporate AM team to develop process maps and procedures to ensure costs are capture and AM practices are embedded into daily practices. Invest in training	As required by 588/17, lifecycle management strategy is required by 2021. Form a Corporate team to develop process maps and procedures to ensure costs are capture and AM practices are embedded into daily practices. Processes are needed to ensure that AM practices are part of daily practices and are integrated into the lifecycle management of assets as opposed to a year end exercise. We understand the Township is undertaking a program with AMO.	2020	\$65,520	Approximately 1 hour per manager per week

ASSET MANAGEMENT RECOMMENDATIONS

Category	Recommendation	Opportunity Detailed Description	Year Start	Total Cost/Savings _ Internal + External	Comments/ Assumptions regarding costs and savings
7.3 Roads Needs Study	7.3.1 Update RNS prior to 2021 AMP requirements	An update is needed for 2021	2021	\$20,000	Consulting fees to update condition.
7.4 Facilities Management	7.4.1 Contract out Facilities Management	Facility Management is spread across all departments. There is a need to engage with a facility expert to do condition assessments and manage the portfolio. Could be with another municipality or property management firm.	2021	\$0	Annual fee of \$100k offset by rental income

ASSET AND FACILITIES MANAGEMENT IMPLEMENTATION COSTS (SAVINGS & COST AVOIDANCE)

#	Opportunity/Recommendation	External Cost (3 years)	Total 3 Year Internal Cost (Savings)	Total Cost/Savings _ Internal + External	Years to payback	Estimated Savings/Cost Avoidance over 10 years
7.1.1	Contract for AM Specialist.	100,000	0	100,000		
7.2.1	Asset Management Plan is required by 2021.	0	19,200	19,200		
7.2.2	Form a Corporate AM team	0	65,520	65,520		
7.3.1	Update RNS prior to 2021 AMP requirements	20,000	0	20,000	13	See Model AM iii
7.4.1	Outsource Property Management	100,000	-100,000	0		
	Total Asset Management	220,000	-15,280	204,720	13	0

11. IMPLEMENTATION TIMELINE

The implementation plan serves as a guide and the “year start” is intended to be just that. Put the motions in place to move forward. Some of these projects will take several years and other will be ongoing. This plan is a starting point. The Township will need to adjust this plan based upon recruitments, skill sets of these recruitments and any other issues that arise.

Category	#	Opportunity/Recommendation	Year Start	2020	2021					2022				2023			
				4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
1.1 Develop Strategic Plan	1.1.1	Update Township Strategic Plan	2021														
	1.1.2	Revisit Council/Staff Protocol	2021														
1.2 Expand Council Training	1.2.1	Council Training Program	2022														
1.3 Revisit Procedural Bylaw	1.3.1	Update Procedural Bylaw	2021														
1.4 Agenda Management	1.4.1	Annual agenda management plan.	2021														
1.5 Create Shared Service Task Force	1.5.1	Create Shared Service Task Force	2021														
	1.5.2	County wide Water/Wastewater & Waste Management.	2022														
	1.5.3	Explore Shared Corporate Services.	2021														
	1.5.4	Review Fire Services County-wide	2023														
	1.5.5	Review Planning and Building/Bylaw Services	2022														
2.1 Outsource Professional Services	2.1.1	Formalize HR partnerships HR professional (or County) to support CAO	2021														
	2.1.2	Outsource Payroll	2021														

				2020	2021				2022				2023			
Category	#	Opportunity/Recommendation	Year Start	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
2.2 Admin Support	2.2.1	Revamp Admin Roles, Implement HRIS	2021													
2.4 Recruit/Partner for Technical Resources	2.3.1	Consider Financial Analyst and Asset Management Expert	2021													
2.5 Develop Succession Plan, Undertake Skills Inventory, Training Assessment	2.4.1	Develop Succession Plan, Undertake a Skills Inventory and Training Needs Assessment	2022													
2.6 Change Management Strategy	2.5.1	Change Management Strategy	2021													
3.1 Develop IT Integration Strategy	3.1.1	Integration Strategy	2021													
3.2 LEAN the Processes	3.2.1	LEAN the processes	2021													
	3.2.2	Ebilling and Document Management	2021													
	3.2.3	Implement HRIS	2021													
	3.2.4	Fuel System	2022													
	3.2.5	Centralize Purchasing	2021													
	3.2.6	Review the next steps for the Building Permit Online.	2021													
	3.2.7	Move the Document management within Vadim	2021													
3.3 Procure New Software	3.3.1	Procure and implement work order system	2021													

				2020	2021					2022				2023			
Category	#	Opportunity/Recommendation	Year Start	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
	3.3.2	Permits Online - Fire and Pet	2021														
3.4 Cell Phone Policy	3.4.1	Review Cell Phone Policy	2021														
4.1 Modernize Budget Processes	4.1.1	Redevelop the General Ledger	2020														
4.2 Improved Financial and Performance Reporting and Analysis	4.2.1	Procure Budget Software	2021														
4.3 Develop an Internal Control and Risk Management Framework	4.3.1	Update processes and internal control framework.	2021														
4.4 Undertake fee study and expand revenue opportunities	4.4.1	Undertake time tracking against planning applications	2021														
	4.4.2	Undertake fee study and policies on subsidies.	2022														
	4.4.4	Undertake an equipment rate study	2022														
4.5 Modernize Procurement	4.4.5	Modernize Procurement	2021														
5.1 Customer Service Module	5.1.1	Enhance use of Customer Request Portal	2021														
5.2 Community Engagement Strategy	5.2.1	Community Engagement Strategy	2021														
6.1 Development Charges	6.1.1	Consider Development Charges	2021														
6.2 Update Community/Economic	6.2.1	Update Community/Economic Strategy	2021														

				2020	2021					2022				2023			
Category	#	Opportunity/Recommendation	Year Start	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Development Strategy																	
7.1 Assign/Recruit Corporate AM/IT Project Manager and Departmental Champions	7.1.1	Contract for AM Specialist.	2021														
7.2 Update AM Plan	7.2.1	Asset Management Plan is required by 2021.	2020														
7.2 Update AM Plan	7.2.2	Form a Corporate AM team	2020														
7.3 Roads Needs Study	7.3.1	Update RNS prior to 2021 AMP requirements	2021														
7.4 Facilities Management	7.4.1	Outsource Property Management	2021														

12. SUMMARY OF COST (SAVINGS) BY RECOMMENDATION

Table 2 below shows the summary external costs and internal cost/savings estimates by recommendation. It is important to note that there is about \$169k investment in technology and associated training that we believe would take approximately three years to implement and result in long term savings. We believe that, in 5 years, all of the investments made will be more than recovered. While we have recommended a Corporate Champion be assigned internally or funding provided in next round of modernization project to oversee the modernization efforts.

TABLE 2: SUMMARY OF COST (SAVINGS) BY CATEGORY

Category	Total External Costs 3 years	3 Year Internal Cost/Savings	Total Internal/External Costs - 3 years	Total Estimated Savings/Cost Avoidance over 10 years
1. Governance	\$280,000	-\$212,700	\$67,300	-\$1,500,000
2. Human Resources	\$587,100	-\$34,766	\$552,334	
3. Technology & Processes	\$159,800	-\$230,758	-\$70,958	-\$972,786
4. Management & Performance	\$50,000	-\$16,000	\$34,000	-\$162,000
5. Customer Service & Engagement	\$20,000	\$0	\$20,000	
6. Sustainability & Growth	\$75,000	-\$25,000	\$50,000	
7. Asset and Facilities Management	\$220,000	-\$15,280	\$204,720	\$0
Grand Total	\$1,391,900	-\$534,504	\$857,396	-\$2,634,786

13. CONCLUSION

In conclusion, the Township of South Stormont is a well-managed municipality that has made many strides in the last few years. We were so impressed with the level of professionalism and dedication of everyone we spoke with. The citizens should be proud.

As with any organization, there are opportunities for improvement and we are hopeful we have provided thought provoking insights into the municipality that will help it move forward.

We do strongly suggest that a long-term vision be formalized to define where it will be in the next 5, 10 and 20 years. We also hope that the administration takes our advice and appoint a lead for transformation. We know that if the people side of change is not managed, success will be slower. The Township needs a deliberate strategy with a strong leader at its helm.

WSCS Consulting Team are confident that the recommendations in this report will provide a roadmap for the future. We will watch as the Township continues its path towards excellence. ***A proud past with a very bright future.***

14. ACKNOWLEDGEMENT

We wish to express appreciation to the Council, Management, and staff for their participation, cooperation and assistance throughout the project.

Background and Benchmarking

Background

Situated in eastern Ontario, the Township of South Stormont (the Township or SS) is a lower-tier municipality in the County of Stormont Dundas Glengarry. The Township land area is 448 square kilometres and medium population density at 29.3 per square kilometre. There are 60% of municipalities in Ontario with lower density illustrating the mix of urban and rural. Management of resources is challenging: a large geographic area primarily funded by the residential tax base (over 79.5%) and farmland (10.4%).

The St. Lawrence River and Long Sault Parkway draws people to the Township for activities and beauty. While SS has a small-town feel, it is not small. Its population at 13,100, 1% of the province’s population, is larger than 299 out of 415 lower/single tier municipalities (72%). Since 2011, its population has grown and continues to grow (Figure 15). The projections indicate that this growth will continue (Figure 16). Like many municipalities outside the GTA, the Township’s population is aging. Its median age is 46.8 years which is over Ontario’s at 41.3 years. In terms of young people, the Township’s population under the age of 19 represents 21% which the same as the province’s overall proportion. The demographics indicate that there is a need for services for both young and seniors. The biggest challenge is finding ways to promote youth programming when there are limited opportunities for higher education and ability to earn income.

The proximity to the City of Cornwall means that many people have the amenities nearby but relatively low taxes. And yet, one should note that SS residents have higher than average income in comparison to the rest of the County and the province. Average dwelling prices are 52% lower than the rest

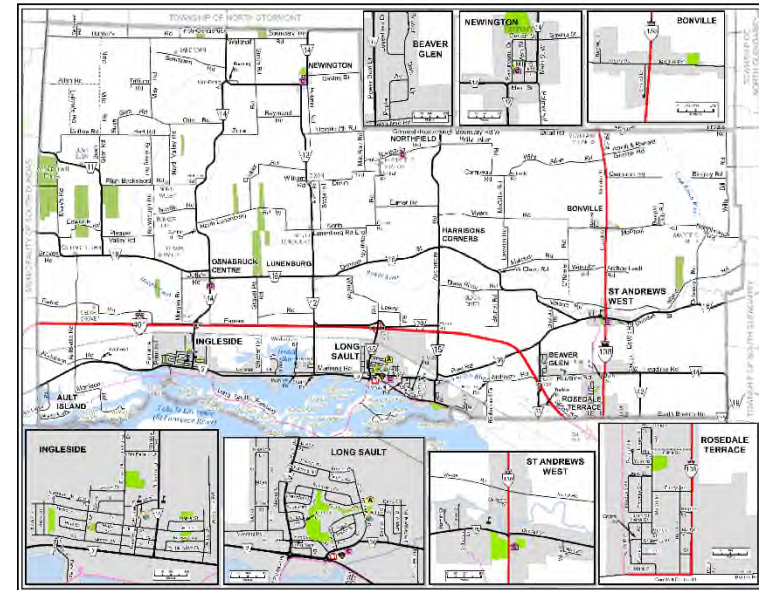


FIGURE 13: MAP OF TOWNSHIP OF SOUTH STORMONT, SOURCE: STORMONT DUNDAS GLENGARRY COUNTY GIS

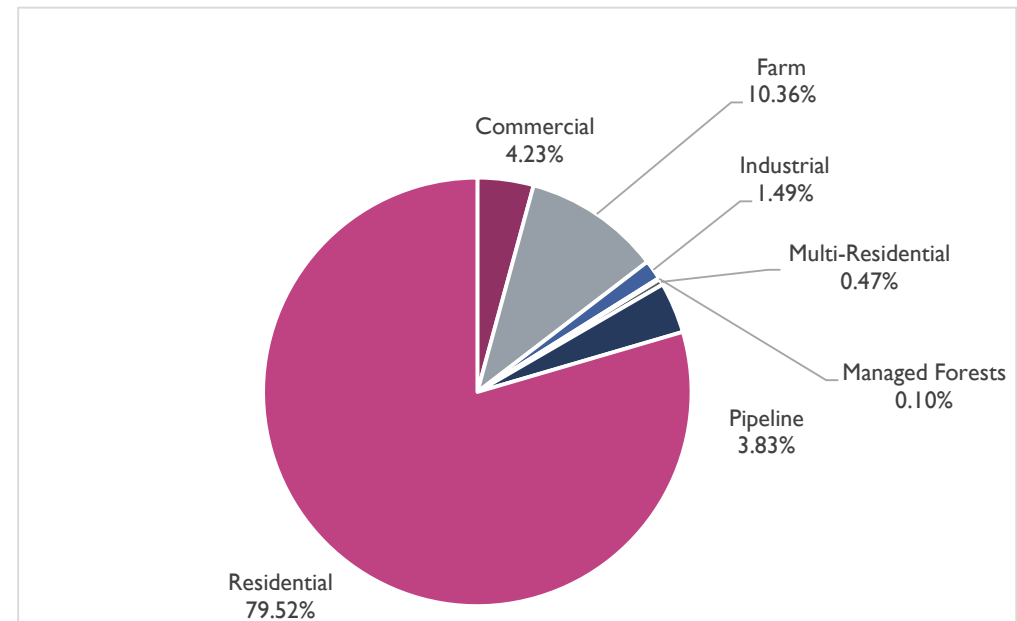


FIGURE 14:SS TAXABLE ASSESSMENT



SS CENSUS DATA

SS Average age 43.4 which is 2.1 years older than province - Median age = 46.8 years.

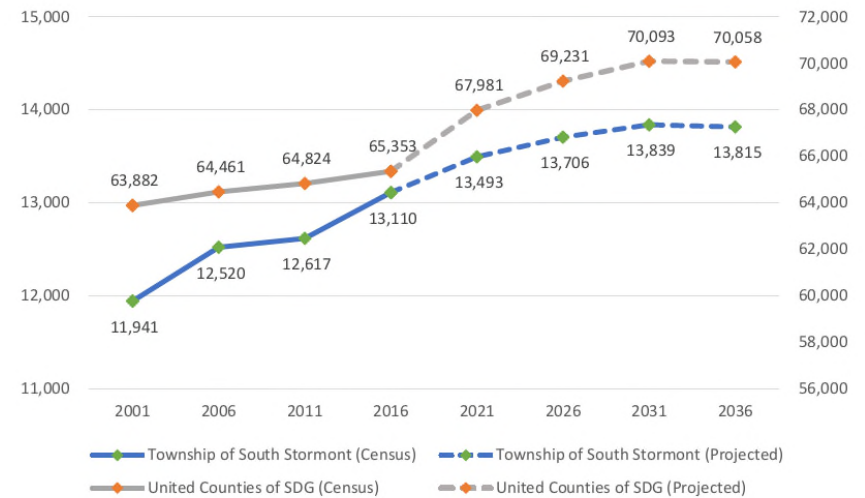


FIGURE 15: SS 2016 CENSUS DATA: STATISTICS CANADA

of the province and overall shelter costs are over \$430 less per month. SS looks quite attractive as a place to live. However, jobs need to be available and transportation options are limited.

This proximity has other challenges. It means that commercial development has not been extensive. According to the 2016 Census, most people work outside in the Township (92%) and 68% within the census division (likely Cornwall). Therefore, it is likely that they tend to shop and purchase services in the city on their way to SS. Is the demand high enough to promote commercial ventures outside the city? This will likely depend upon services and cost.

In order to attract new businesses, developers look to municipalities in terms of ease of application and reduced red



Source: SPM based on Statistics Canada Census Data (2006, 2016) and United Counties of SDG Official Plan (2018).

FIGURE 16: PROJECTED GROWTH - 2036

tape. Putting forward modernized online services to allow for ease of planning applications has proven to assist in attracting businesses to municipalities. This is what is envisioned by the Province, for municipalities, and other levels of government, to work together to eliminate red tape and duplication, with the customers' best interests at the forefront.

In terms of delivery mechanisms, streamlined processes, particularly in terms of planning, are needed to entice developers to explore outside the GTA. This includes the ability for online submissions and plan markup as well as virtual meetings. The first step towards this goal was made during COVID.

Given the number of residents that commute to work outside of SS, there is a need to have 24/7 online services. It is no longer acceptable to make people visit the Township office for services. COVID has made this even more of a reality. The Township has certainly made some strides in this regard.

Further work is needed to improve integration and duplication of effort.

This Service Delivery and Processes Review (SDR) provides an opportunity for a municipality to respond to multiple (and often competing) demands for a wide range of services and programs while facing budgetary pressure and fiscal constraint.

Township Services

The services delivered by the Township are fairly typical of a lower tier, rural municipality. Limited in its jurisdiction through a combination of mandatory services as set by legislation and discretionary services by choice or design of the municipality. Regardless of the service type, it is important to note that even mandatory services do not need to be delivered by the Township directly but rather managed by the Township.

However, there is no such thing as the “typical” municipality, as each municipality is different in terms of types and variety of services. Municipal government is complex. The Township is only one of many public-sector bodies providing services to SS residents. The County, Provincial and Federal government departments and agencies also impact the lives of citizens. Often, there is a lack of understanding of jurisdiction between different levels of government leading to expectations gaps between citizens and the Township. All this being said, while we have used some benchmarks in this report (Appendix B), we have done so as information only and provide some guidance on possible opportunities to be explored with partners. The reader should be cautioned that the simple fact that a service may be delivered at less cost or more volume by another municipality does not necessarily mean more efficient or effective.

Stormont Dundas Glengarry (SDG) County is unique in many respects. It provides library services across all municipalities as well as the OPP policing contract which provides synergies and potential cost savings. The City of Cornwall (the City) is a single tier municipality and performs the role of the Consolidated Municipal Service Manager (CMSM) for the other municipalities/County. In other areas of the Province, the upper tier is often the CMSM and/or provide other county-

wide services such as waste management. In Frontenac County, for example, the City of Kingston provides social services but the County operates a long-term care facility and ambulance services. All roads are managed by the lower tier and no county roads. The service provision decisions date back many years and reflect individual municipal circumstances at the time of downloading from the province (1998).

Many upper-tiers have the approval authority for lower tier official plans while others must get approval from the Minister of Municipal Affairs and Housing. For SS, the official plan (OP) is part of Stormont Dundas Glengarry County’s OP. Transportation services in SDG County is shared based upon the class and ownership of the road/bridge. This makes benchmarking with other municipalities both challenging and interesting. Assumptions, methods of delivery, organizational structure, location, natural environment, location all play a role in how municipalities operate. Figure 17 provides a high-level overview of the services provided by SS, SDG and the City and Figure 18 shows the difference in taxes per household. It is important to note that SS residents pay \$500 per year less than Cornwall residents in property taxes (12%). This could be why SS is seeing some growth and movement from the City. It should include this in its economic development marketing plan.

The service delivery decisions at both levels causes confusion for residents, particularly those that come from single tier municipalities, such as the cities of Toronto and Ottawa. Further, duplication and overlap exist for both tiers and generally, we have found efficiencies can be realized through the determination of the ‘best’ tier to provide the service. and we are of the opinion that efficiencies can be realized for SS and the other municipalities in SDG County through better

collaboration and shared services. The appropriate “tier” for each service should be identified and only delivered by that tier. In some situations, that means that services should be uploaded to the upper tier and in others, it makes sense to download to the service closest to the customer.

Although the primary focus of this report are the services managed and provided by the Township, we identified that there are many business processes that require interaction with other levels of government. Further, there are many “back office” functions, cross departmental processes that impact services that customers never see nor understand. Many of these processes have non-value-added steps that can be eliminated which will reduce cost and improve services. In order to realize these savings, the Township, with its partners, should look to ways to share resources, reduce red tape and move to “one stop shop” as much as possible. Customers do not want to be shuffled from one place to another – the more that municipalities can do to eliminate the frustrations for customers, the more value they will see and be willing to pay for.

We noted that Stormont Dundas Glengarry County is looking at waste management county-wide. This may result in recommendations to move the service to the upper tier or county-wide procurement of an outsourced solution. Because this is underway, major changes at the Township level are not recommended at this time. However, decisions regarding equipment purchases should be well thought out.

We are of the opinion that more could be done to better serve the customers across the County through partnerships. Consequently, we have provided an overview of the services provided at the different levels as well as the City of Cornwall

to show that there are many areas of potential overlap, duplication or opportunities for synergies.

We have made some observations in this report that we urge the Council to consider during the next round of strategic planning. This would require a County-wide approach not just at the Township level, perhaps in the form of a **“Shared Service Task Force”**.

SDG COUNTY/CITY/SS SERVICE INVENTORY




FUNCTIONAL CATEGORY	General Government	Protective Services	Transportation Services	Environmental Services	Health Services	Social Services	Recreation and Cultural Services	Planning & Development
 Upper Tier	<ul style="list-style-type: none"> • CAO's Office • Governance & Council (12 members – 2 from each LT) • Corporate Services (Clerk's office) • Finance 	<ul style="list-style-type: none"> • Police – OPP Contract • Provincial Offences • Emergency measures 	<ul style="list-style-type: none"> • Roads – 970 kms • Bridges (72) and culverts (117) • Roadside • Winter control (970 kms) 		<ul style="list-style-type: none"> • Transfer to Public Health Unit (EOHU) • Transfer to City – Ambulance Services • 911 Answering 	Transfers to City <ul style="list-style-type: none"> • Ontario Works • Child Care • Social Housing • Long Term Care • Transfer to Public Health Unit (EOHU) 	<ul style="list-style-type: none"> • Libraries • Cultural services 	<ul style="list-style-type: none"> • Planning and zoning (Official Plan) • Commercial and industrial • Economic Development/ Tourism • County forests
 City Single Tier	<ul style="list-style-type: none"> • City Manager • Governance & Council (11 members) • Corporate Services (Clerk, HR) • Finance (including IT) 	<ul style="list-style-type: none"> • Fire • Police • Conservation authority (transfer) • Bylaw • Building • Emergency measures • Provincial Offences 	<ul style="list-style-type: none"> • Roads – 272 kms • Bridges (12) and culverts (13) • Roadside • Traffic Signals • Streetlighting • Parking • Winter control • Transit 	<ul style="list-style-type: none"> • Wastewater Collection, Treatment • Water Treatment & Distribution • Urban Storm Sewer • Solid waste collection and disposal • Recycling 	<ul style="list-style-type: none"> • Transfer to Public Health Unit (EOHU) • Ambulance Services • Cemeteries 	<ul style="list-style-type: none"> • Ontario Works (CMSM) • Child Care (CMSM) • Glen Stur Dun Lodge • Social Housing • Transfer to Public Health Unit (EOHU) 	<ul style="list-style-type: none"> • Parks(42) • Aquatics Centre • Pools, Splash Pads • Sports fields, courts, skateboard parks • Trails • Marina • Ski hill • Recreation facilities –arena, theatre, convention • Museum 	<ul style="list-style-type: none"> • Planning and zoning • Commercial and industrial • Economic Development
 Lower Tier	<ul style="list-style-type: none"> • Corporate Management (CAO's Office) • Governance & Council • Corporate Services (includes Clerk, IT) • Finance 	<ul style="list-style-type: none"> • Fire • Conservation authority (transfer) • Bylaw • Building • Emergency measures 	<ul style="list-style-type: none"> • Roads – 304 kms • Bridges (9) and culverts (22) • Roadside • Traffic Signals & Streetlights • Winter control (600 kms) 	<ul style="list-style-type: none"> • Wastewater Treatment and Collection • Water Treatment and Distribution • Storm Sewers • Solid waste collection and Disposal • Recycling 	<ul style="list-style-type: none"> • St Lawrence Medical Clinic • Cemeteries 	<ul style="list-style-type: none"> • Senior Centre 	<ul style="list-style-type: none"> • Parks (20) • Courts Sports • Trails • Recreation facilities Arena, Halls • Outdoor rinks (2) • Pools (outdoor, wading, splash pads) • Museum 	<ul style="list-style-type: none"> • Planning and zoning • Commercial and industrial • Residential development • Economic Development

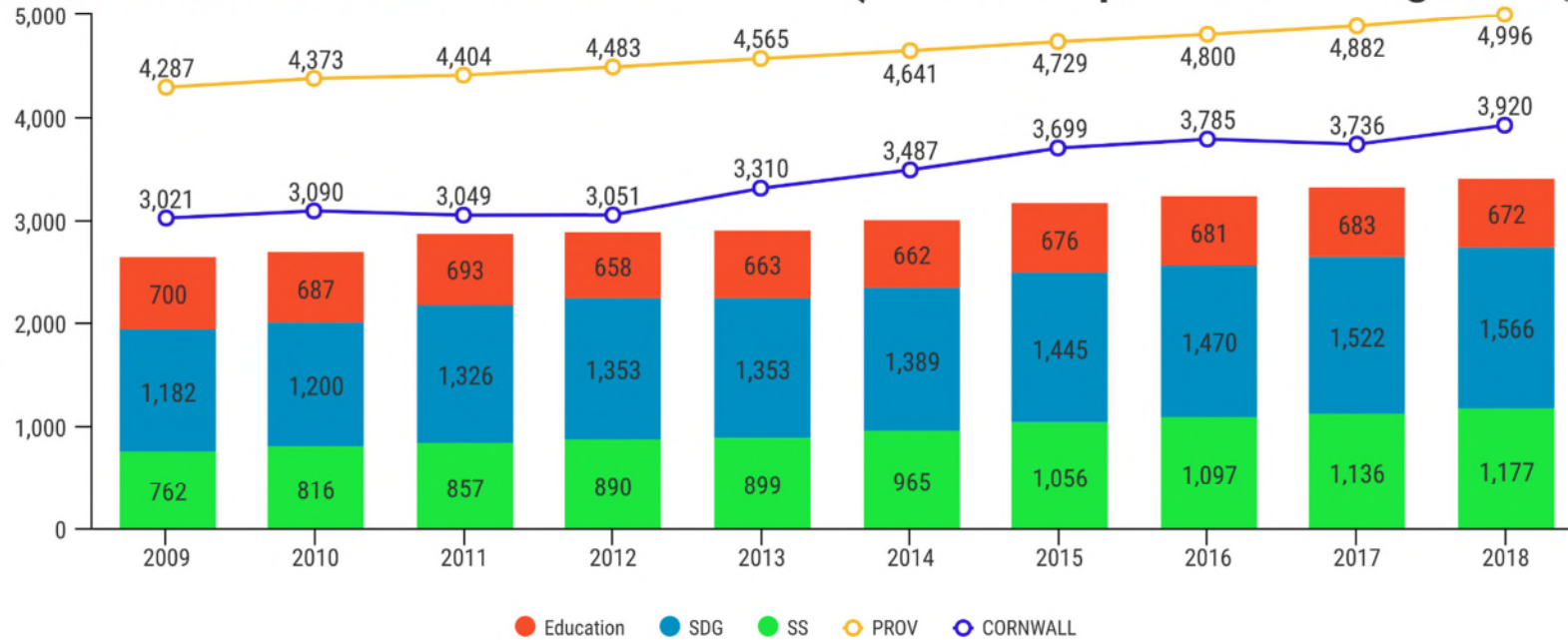
FIGURE 17: MUNICIPAL SERVICES IN SDG AND SS BY TIER



SS RESULTS - TREND ANALYSIS

Property Taxes per household - 2009-2018

(SS is below provincial average of \$4,996)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROVINCE	4,287	4,373	4,404	4,483	4,565	4,641	4,729	4,800	4,882	4,996
EDUCATION	700	687	693	658	663	662	676	681	683	672
SDG	1,182	1,200	1,326	1,353	1,353	1,389	1,445	1,470	1,522	1,566
SS	762	816	857	890	899	965	1,056	1,097	1,136	1,177
SS % YEAR OVER YEAR CHANGE		2.2%	6.4%	0.8%	0.5%	3.5%	5.3%	2.2%	2.9%	2.2%
CORNWALL % CHANGE		2.3%	-1.3%	0.1%	8.5%	5.4%	6.1%	2.3%	-1.3%	4.9%
PROV % YEAR OVER YEAR CHANGE		2.0%	0.7%	1.8%	1.8%	1.6%	1.9%	1.5%	1.7%	2.3%

FIGURE 18:SS/COUNTY/CITY TAXES PER HOUSEHOLD VS. PROVINCE (2009-2018 -FIR)

Township Services – How they are Delivered, How Much do they Cost and How are they Paid for

Each service is explored in more detail in this report. Municipal services are vast and most of them require people to deliver them to the citizens, particularly the basic operations. Many services are taken for granted. Citizens and visitors drive on the roads to get to where they want to be and generally, if they get to their destination without incident and in a timely manner, no more thought is given. However, when municipal services are not available or in poor condition, due to snowstorms or closures, municipal staff will hear about it. So often, only complaints are lodged as opposed to complements. It is for this reason that it is imperative to have good, long term asset management plans, sufficient funding for the lifecycle maintenance costs for these assets and a strategy to replace assets before they are no longer useful. How services are delivered and assets are managed has a direct impact on the satisfaction of the customers.

The challenge is that many of the costs to maintain services are rising and municipalities have limited revenue generating options. Like most municipalities, SS's primary source of revenue is property taxation and user fees for water/wastewater, applications, recreation and other permits. User fees provide for direct service revenues but are not covering SS's services, including in the building and planning areas. SS is still reliant on grants from other levels of government which indicates that it is vulnerable should funding levels change. As noted in the recommendations, the fact that the Township does not have development charges means that residents are paying for growth and development costs.

The net levy (Figure 19) at \$7.5 million means that a 1% tax increase will yield approximately \$75k, which would convert 0.5 kilometres conversion cost from gravel road to surface treatment. It is going to need to spend significant amount of money for a new fire hall and expansion to the Ingleside Wastewater Treatment Plant in the near future. It must invest in facilities elsewhere including the recently inherited Lost Villages Museum. All this and the desire to attract new residents and businesses with the Waterfront Master Plan will take significant investments. It is important that SS rationalize the most important services and level at which they are delivered. SS should be looking at property tax increases, development charges and user fees as part of its long-term financial strategy and asset management plan. It needs to drastically increase its reserves position and better insulate it from fluctuations in grants. As well, the recent COVID situation will likely have impacts on its solvency situation.

SS should turn its attention to find alternative revenue sources to better cover its discretionary (recreation) and development-based services such as planning approvals and building permits.

As shown in Appendix B, SS is not keeping up with its asset investments and it will continually fall behind which will increase its infrastructure deficit.

SS'S SERVICE INVENTORY

FUNCTIONAL CATEGORY	General Government	Protective Services	Transportation Services	Environmental Services	Health Services	Social Services	Recreation and Cultural Services	Planning & Development
SUB-SERVICE CATEGORIES	<ul style="list-style-type: none"> Corporate Management (CAO's Office) Governance & Council Corporate Services (includes Clerk, IT) Finance 	<ul style="list-style-type: none"> Fire – 4 Firehalls Conservation authority (Levy) Bylaw Building permit and inspection services Emergency measures 	<ul style="list-style-type: none"> Roads – 304 kms (191 Paved, 106 Unpaved, 8 Earth) Bridges (9) and culverts (22), 2,225 sq metres surface area) Roadside Traffic Signals Winter control (600 kms maintained) 	<ul style="list-style-type: none"> Wastewater Treatment and Collection (2 Plants) Water Treatment and Distribution (2 Plants, 2 Boosters, 2 Towers, 1 Pumping Station) Storm Solid waste collection and Disposal –in house Recycling Trillium Road Landfill 	<ul style="list-style-type: none"> St. Lawrence Medical Centre Cemeteries (8 Active, 10, Inactive) 	<ul style="list-style-type: none"> Senior Centre 	<ul style="list-style-type: none"> Parks (20) Courts (14), Soccer Fields (10), Diamonds(3) Trails – (2) with 5 kms Recreation facilities – Long Sault Arena, Community Hall Outdoor rinks (2) Pools (outdoor, wading, splash pads (2) 	<ul style="list-style-type: none"> Planning and zoning Commercial and industrial Residential development (PB & KW ED)

2020 BUDGET (INCL CAPITAL BUT NOT AMORTIZATION)									
TYPE	Grand Total	GG	PS	TS	ES	HS	SS	RC	PD
EXPENDITURES	\$ 22,169,170	\$ 3,272,708	\$ 2,001,550	\$ 6,401,460	\$ 7,532,764			\$ 1,683,963	\$ 1,276,725
CAPITAL	\$ 6,574,763	\$ 505,000	\$ 560,000	\$ 2,895,025	\$ 2,197,738			\$ 220,000	\$ 197,000
OPERATING EXPENDITURES	\$ 14,584,469	\$ 2,727,708	\$ 1,141,550	\$ 3,176,435	\$ 5,121,088			\$ 1,463,963	\$ 953,725
RESERVE TRANSFERS TO	\$ 1,009,938	\$ 40,000	\$ 300,000	\$ 330,000	\$ 213,938				\$ 126,000
REVENUE RESERVE TRANSFERS FROM	-\$ 14,625,114	-\$ 2,359,653	-\$ 649,200	-\$ 3,370,125	-\$ 6,865,790			-\$ 733,656	-\$ 646,690
REVENUE	-\$ 2,911,288	-\$ 268,353		-\$ 132,000	-\$ 2,210,435			-\$ 93,500	-\$ 207,000
Grand Total	\$ 7,544,056	\$ 913,055	\$ 1,352,350	\$ 3,031,335	\$ 666,974			\$ 950,307	\$ 630,035

FIGURE 19: SS SERVICES AND 2020 NET LEVY

SS'S Workforce – Delivering Services

SS undertook a Compensation and Job Evaluation Review in 2020 which resulted in some changes to structure and rates. It provided the opportunity to update the job descriptions to better reflect the current roles and allowed for a competency approach to roles. It would appear that the rates are better aligned with the market and hopefully, will allow the Township to attract and retain qualified staff.

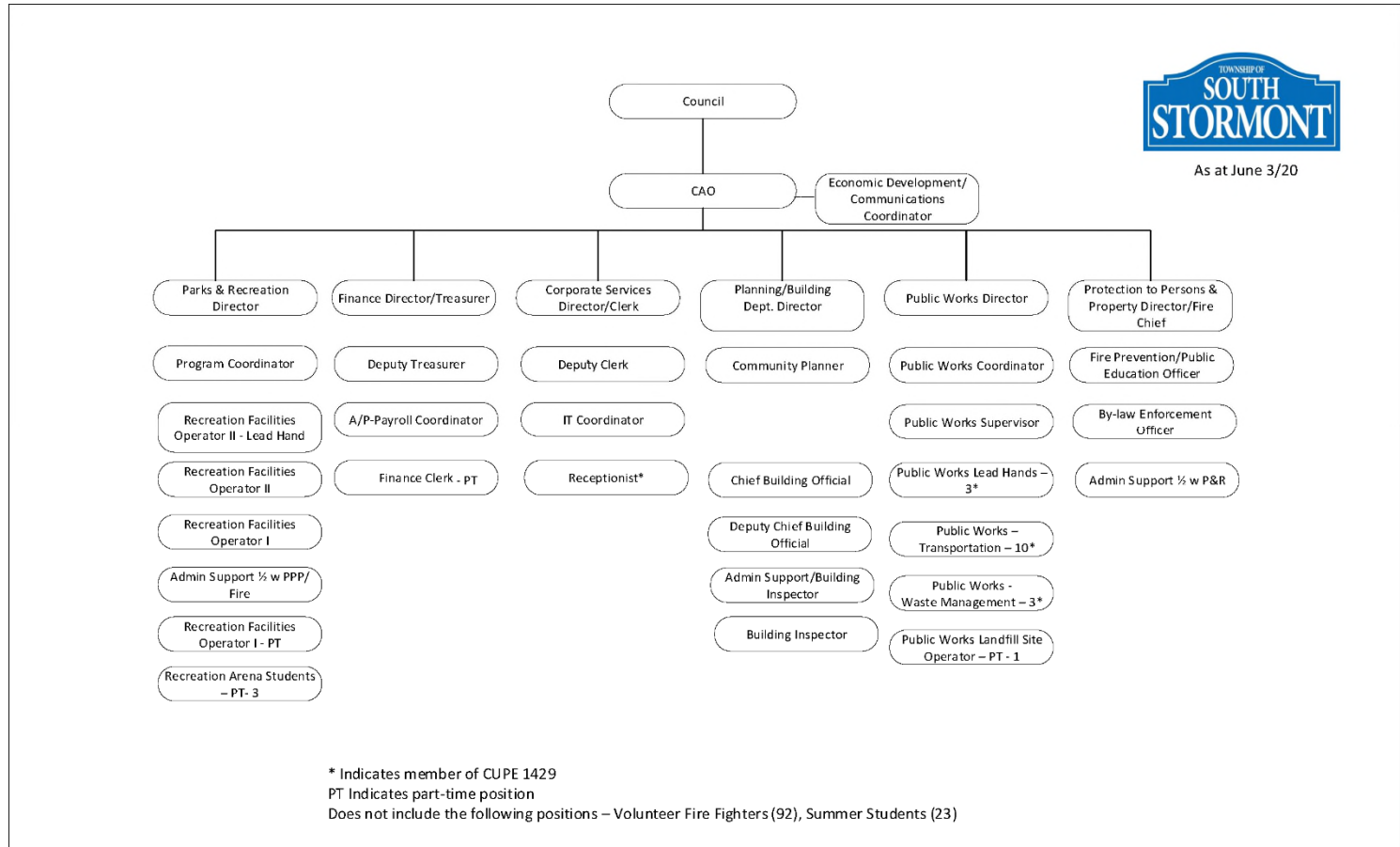


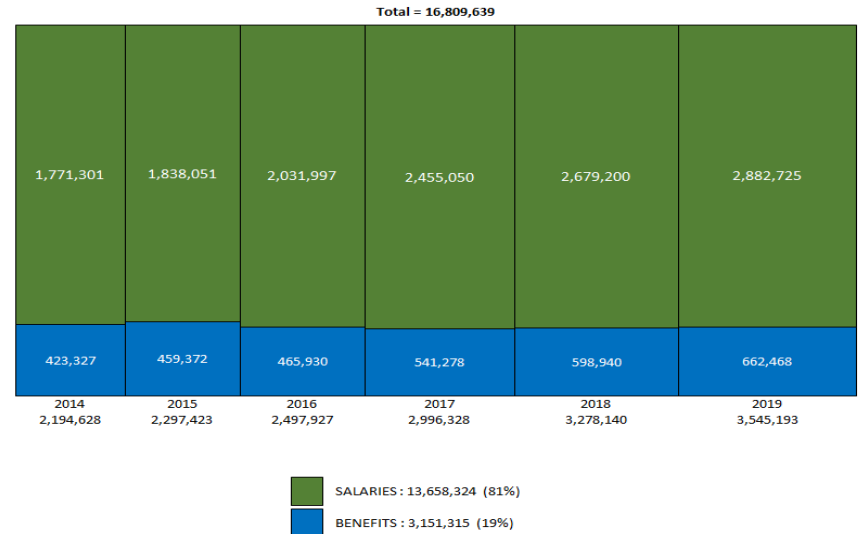
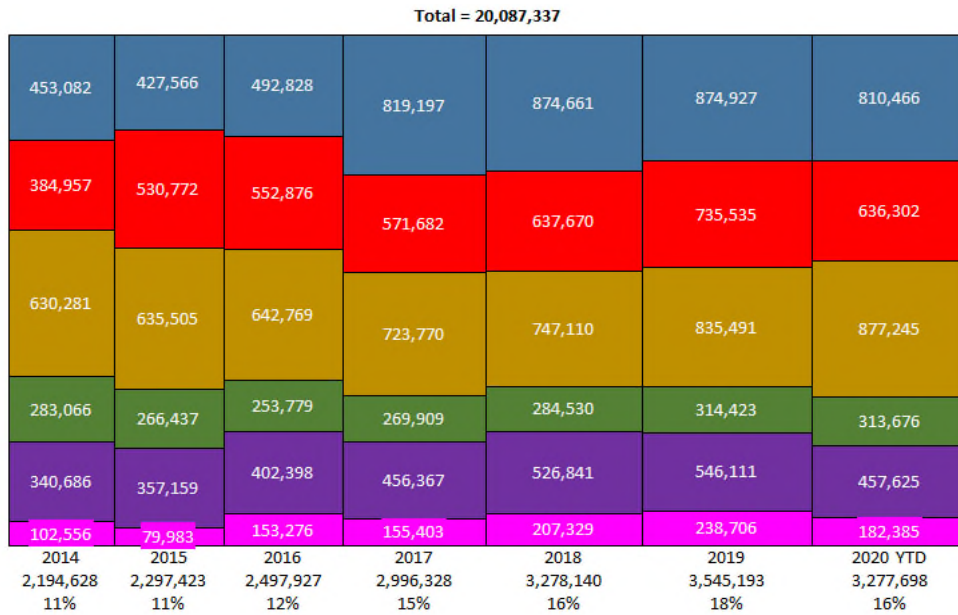
FIGURE 20:SS ORGANIZATION CHART AT JUNE 2020

SS's organizational structure (Figure 20) is fairly typical of municipalities of its size but in some areas, the number of FTEs is lower than its benchmarks. Further, there are some "atypical" services that the Township is responsible for that are putting pressure on its resources. There is a need to better align the organization and roles with the services SS provides. Further, more corporate approaches are needed to manage enterprise projects that span all departments. While salaries and wages total expenses increased in 2019 due to new hires (Figure 22), the total workforce only increased by part time and seasonal staff. (Figure 23). The FIR does not seem to align with the costs. Figure 21 show that Protective Services (Fire –

Volunteers) has seen the largest increase in the cost of part time staff to ensure coverage and meet regulatory requirements. It would appear that Environmental Services will see an additional increase in 2020 based upon the trends. Fire, Planning and Recreation have seen the most significant increases with 14%, 24% and 10% increases respectively over 5 years (Figure 21). This appears to be in line with the challenges faced by these departments to meet new regulatory/mandatory requirements.

FIGURE 21: SS FULLTIME SALARIES AND WAGES (2015-2020 YTD)

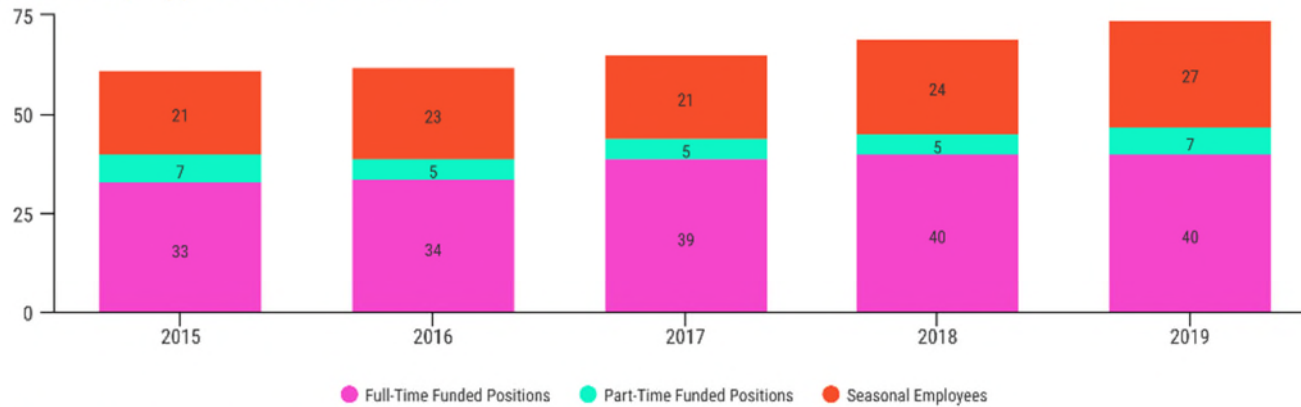
FIGURE 22: SS SALARIES & WAGES (2014-2019) SOURCE: SS FINANCIAL SYSTEM



- GG: 4,752,727 (24%)
- PS: 4,049,794 (20%)
- TS: 5,092,170 (25%)
- ES: 1,985,821 (10%)
- RC: 3,087,187 (15%)
- PD: 1,119,638 (6%)

WORKFORCE - TREND ANALYSIS

Workforce by Type 2015-2019 (FIR)



Workforce by Function 2015-2019 (FIR)

Note: Does not include Volunteer Firefighters

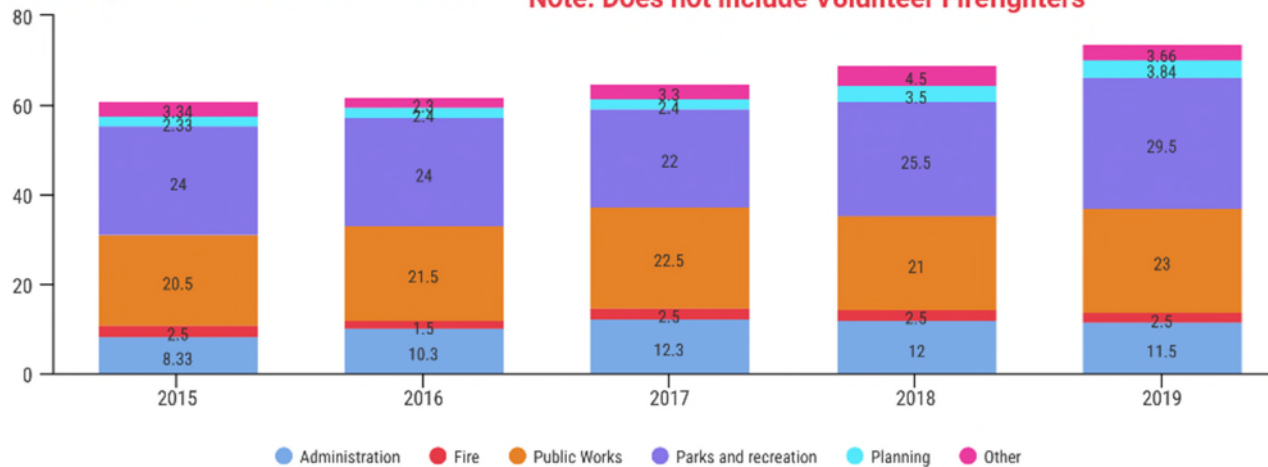


FIGURE 23:SS WORKFORCE - FIR

How Much do SS's Services Cost to Deliver?

SS's services are delivered by both internal staff \$3.6 million (26%) and external contracts (10%), the most significant of which is the Caneau Agreement to manage the water/wastewater plants. Costs for operating has been increasing and has managed to keep these costs at or below inflation over the past five years. While the average year over year increase in total is 6.2%, whereby salaries and wages are increasing but contracted services declining. This is likely largely due to the fact that much of the capital work for infrastructure projects is done in house. may be due to the have been below the rate of inflation (Figure 24). The largest increases have been seen in contractual services with an average annual change of 6% (Figure 25). Materials and inventory also have seen increases in recent years. This may point to an overall change in construction costs since 2015 (16%⁵). Protective services

SS RESULTS - CURRENT STATE ANALYSIS

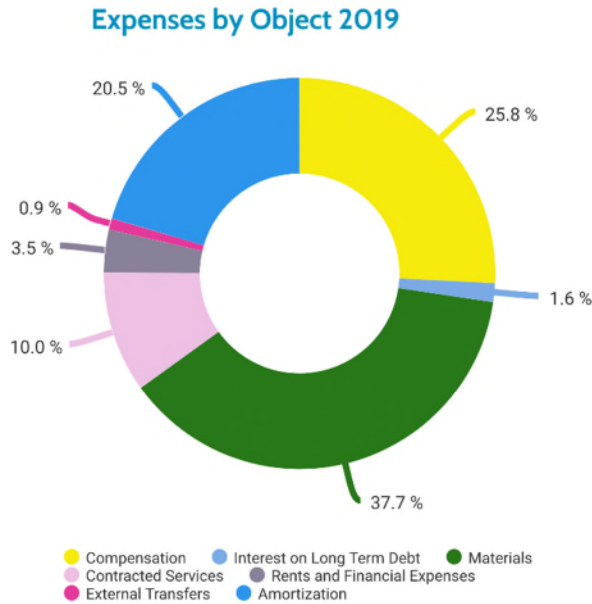
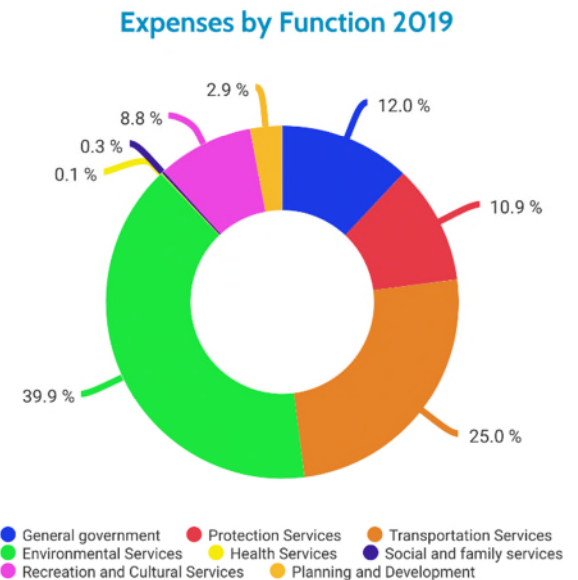


FIGURE 24: 2019 EXPENSES BY OBJECT AND FUNCTION (FIR)

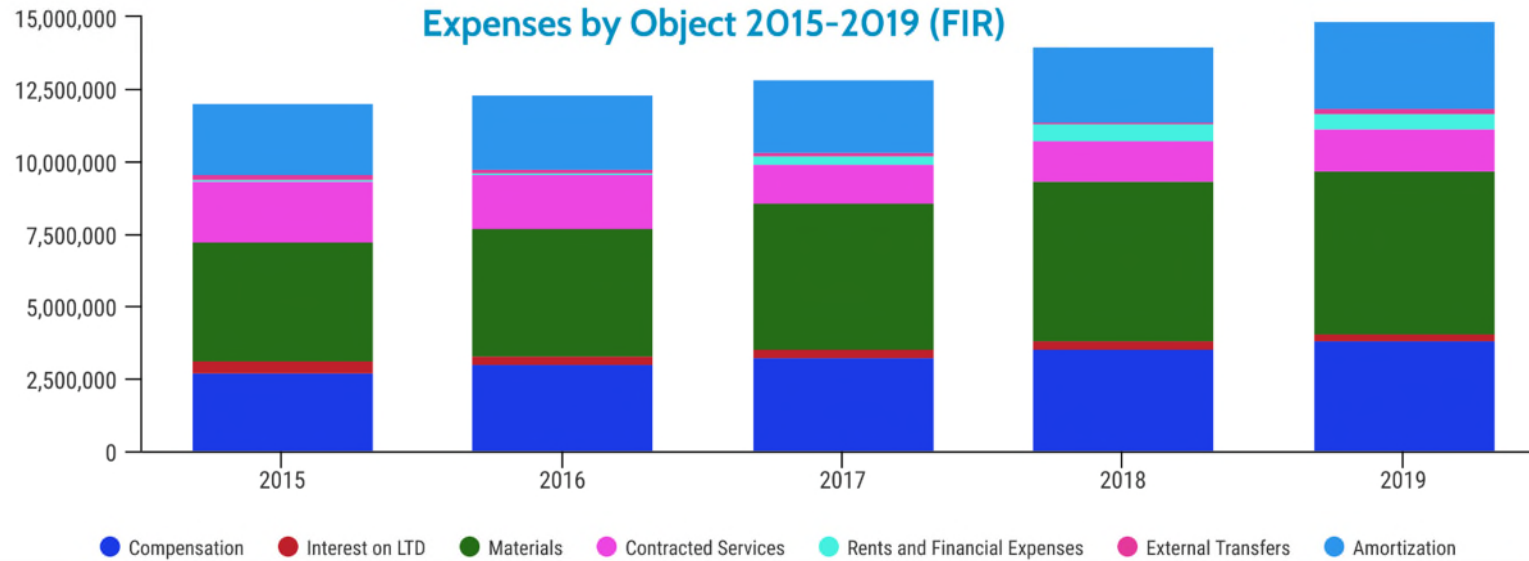


have taken over as the highest cost service at \$2.16 million, an increase of over \$600,000 from 2014 and an average year over year increase of 8.8%. Planning and Development has also

⁵ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810002201>



SS EXPENSES - TREND ANALYSIS



Object	2015	2016	2017	2018	2019	Average %age Change Year over Year
Compensation	\$2,745,037	\$3,013,568	\$3,281,259	\$3,572,403	\$3,840,514	7.5%
Interest LTD	\$378,542	\$297,032	\$290,317	\$261,891	\$231,610	-11.6%
Materials	\$4,168,841	\$4,430,098	\$5,042,821	\$5,516,891	\$5,618,984	1.9%
Contracts	\$2,062,491	\$1,855,443	\$1,334,818	\$1,405,840	\$1,490,329	6.0%
Rents	\$78,536	\$75,563	\$306,957	\$565,314	\$524,483	-7.2%
Ext Trans	\$134,751	\$93,285	\$106,229	\$94,296	\$137,238	45.5%
Amortization	\$2,453,555	\$2,566,468	\$2,511,983	\$2,578,468	\$3,047,191	18.2%
Grand Total	\$12,021,753	\$12,331,457	\$12,874,384	\$13,995,103	\$14,890,349	6.4%
Year over Year %age Change	8.9%	2.6%	4.4%	8.7%	6.4%	6.2%

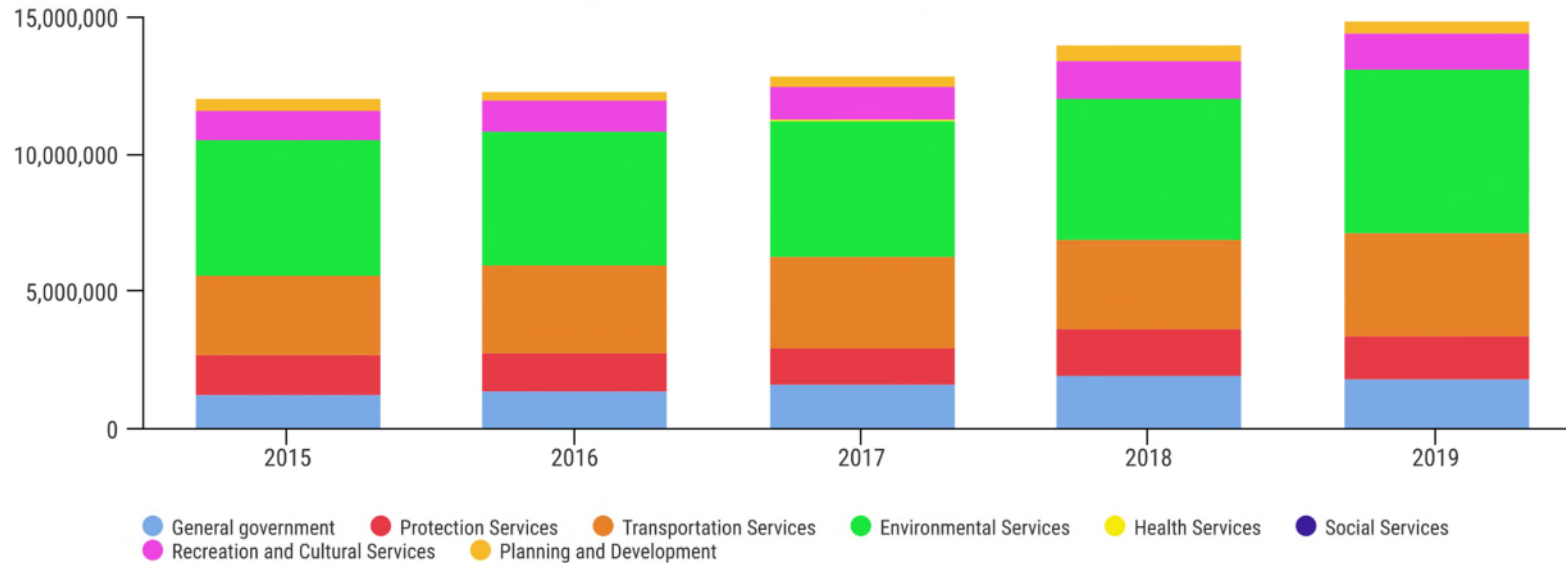
seen a significant increase in costs without the corresponding increase in fee revenues (Figure 26).

FIGURE 25: EXPENSES BY OBJECT 2015-2019 (FIR)



EXPENSES - TREND ANALYSIS

Expenses by Function 2015-2019 (FIR)



Function	2015	2016	2017	2018	2019	Average % Yearly Change
General government	\$1,239,907	\$1,398,635	\$1,646,337	\$1,944,038	\$1,790,770	8.0%
Protection Services	\$1,442,907	\$1,362,269	\$1,314,403	\$1,683,380	\$1,628,749	9.9%
Transportation Services	\$2,881,160	\$3,189,233	\$3,331,961	\$3,272,679	\$3,728,061	6.8%
Environmental Services	\$4,965,344	\$4,901,089	\$4,953,312	\$5,140,378	\$5,946,942	5.9%
Health Services		\$8,524	\$27,021	\$3,129	\$14,331	162.2%
Social services	\$15,934	\$14,899	\$13,425	\$30,554	\$37,347	36.0%
Recreation and Cultural Services	\$1,089,789	\$1,143,340	\$1,204,300	\$1,365,609	\$1,308,045	5.4%
Planning and Development	\$386,712	\$313,468	\$383,625	\$555,336	\$436,104	1.7%
Total	\$12,021,753	\$12,331,457	\$12,874,384	\$13,995,103	\$14,890,349	6.2%

FIGURE 26: EXPENSES BY FUNCTION 2015-2019 (FIR)

How does SS Pay for its Services?



SS RESULTS - CURRENT STATE ANALYSIS

SS's primary source of funding is property taxes at 45% but its tax per household is on the low end of the spectrum of benchmarks at \$1,177 in 2018 (58% below Provincial average and 38% below the average benchmarks) - Appendix B). SS user fees make up a large portion of revenues as well and is seeing some increase in this regard. Building permits are growing at a good pace. Investment income is on par with the benchmarks and well managed.

However, other user fees are not growing at the rate of inflation and are not covering the expenses for planning applications or recreation fees.

Revenues by Type 2019

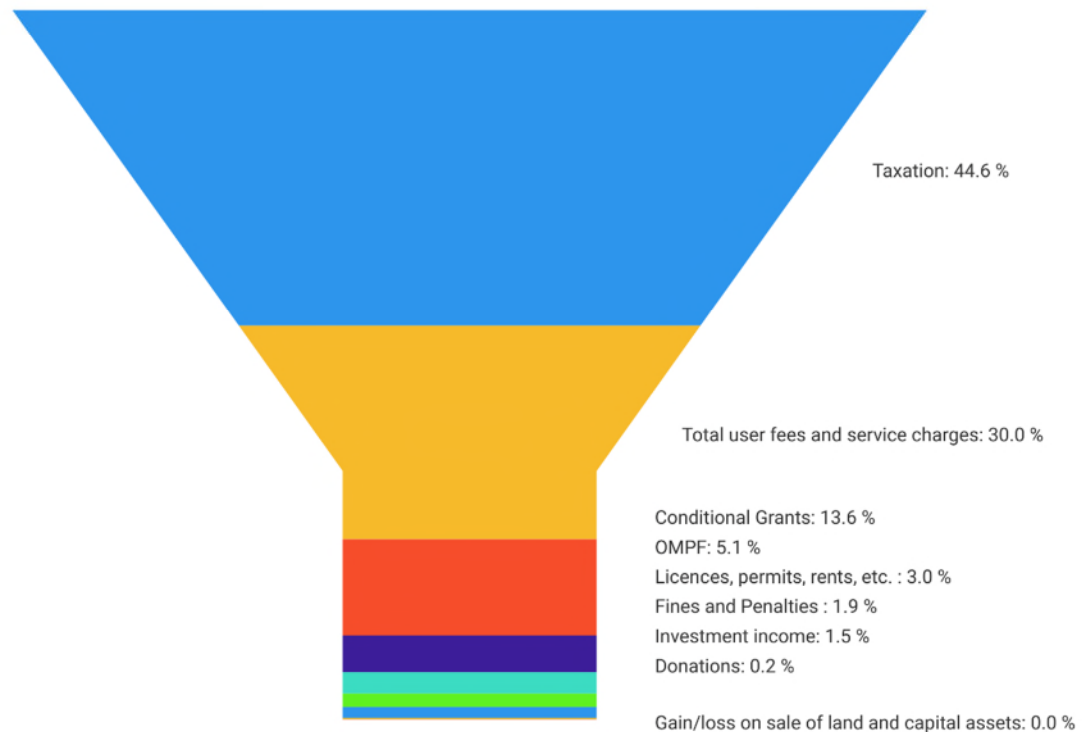
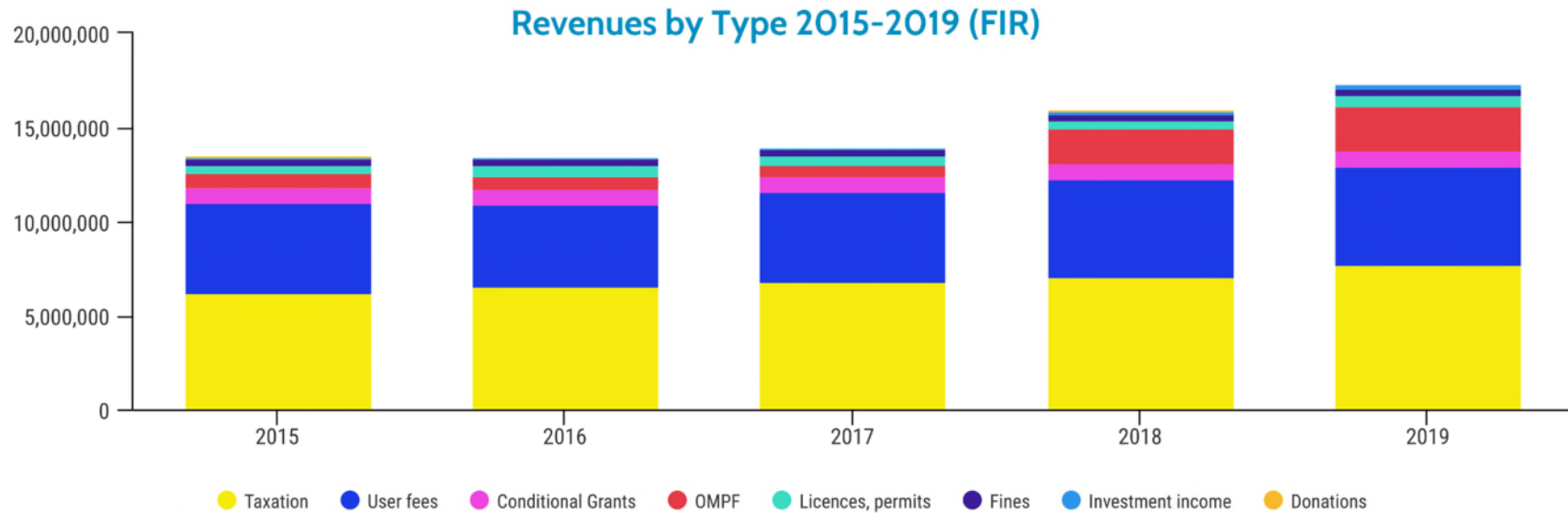


FIGURE 27: 2019 SS REVENUES (FIR)



SS REVENUES - TREND ANALYSIS



Object	2015	2016	2017	2018	2019	Average Yearly %age
Taxation	6,224,161	6,532,703	6,788,597	7,077,079	7,722,637	6.4%
User Fees	4,803,378	4,365,896	4,766,937	5,195,544	5,206,317	4.8%
Conditional Grants	822,300	845,300	857,400	821,700	890,300	1.8%
OMPF	724,129	690,255	647,214	1,827,313	2,352,440	31.8%
licenses/Permits	444,360	569,265	457,060	489,049	522,369	5.1%
Fines	306,397	327,896	328,642	319,388	326,807	7.2%
Investments	134,780	102,104	126,373	193,400	265,487	24.4%
Donations	30,744	10,920	2,723	65,354	35,558	1151.0%
Grand Total	\$5,982,948	\$5,974,838	\$6,271,895	\$6,819,653	\$7,484,642	6.6%
%age Yearly Change	6.6%	6.5%	-0.3%	3.9%	14.4%	8.3%

FIGURE 28: SS REVENUES 2015-2019 (FIR)

Benchmarking – Why Compare to Other Communities?

For the purposes of the project, comparator communities were selected as municipal comparators based on population, growth, density and a mix of urban/rural characteristics (Figure 29).

SS has been benchmarking against others for some time. It provides context and opportunities for new approaches. It is also helpful to illustrate the impacts of decisions over time. The primary purpose of benchmarking and comparative analysis is to understand the performance of comparator municipalities and to identify opportunities for service models and processes as well as organizational structures in place to deliver municipal services.

- Communities with similar financial benchmarks/service levels provide insight into operating efficiencies
- Communities with different financial benchmarks/service levels – opportunities to change existing organizational structure/processes to reflect common service levels

The full set of benchmark performance indicators can be found in Appendix B but specific highlights are discussed here. Because some municipalities had not uploaded 2019 FIRs, we were

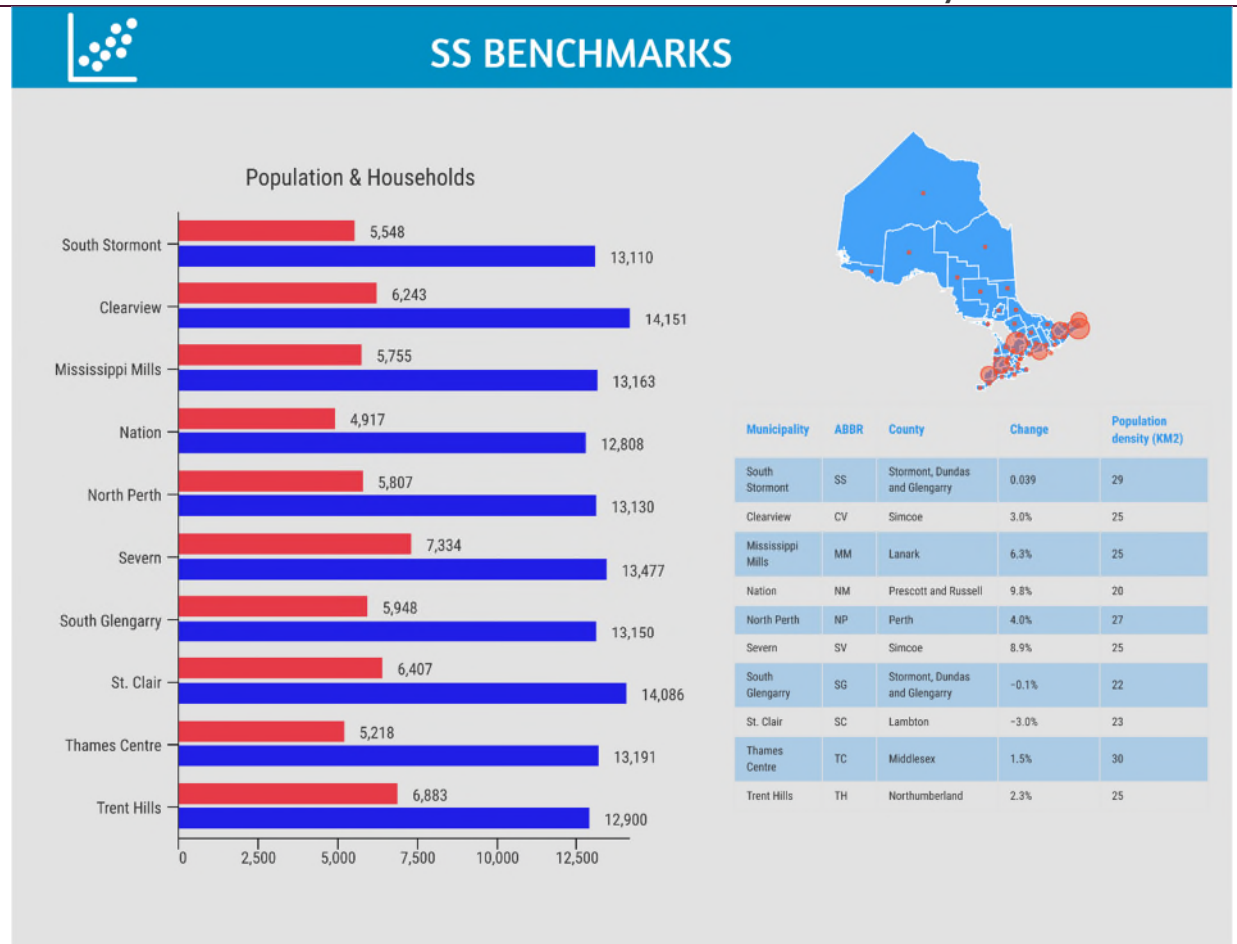


FIGURE 29:SS BENCHMARKS

unable to update. It is imperative to understand that comparators must be taken as information and not an indicator of effectiveness. Financial performance and taxation levels has both benefits and risks as the underlying assumptions and variables must be taken into account when analyzing results. For example, Figure 30 shows that average 2018 lower tier tax bill for the benchmarks is \$1,890 and SS is well below that at \$1,177. This may lead one to believe that SS is more efficient than other municipalities on its face.

However, the levels and types of services provided by tax dollars at the local tier is unknown. SS's non tax revenues per household at \$1,029 are slightly below the average benchmarks at \$1,557 indicating that there could be an opportunity to increase fees (Appendix B). Revenues in total are \$1,027 lower than the average (26%). This can be partly attributed to the fact that SS does not have development charges whereas 7 of the 10 comparators do. In 2018, the deferred revenue earned from development charges ranged from 0.88% to 9.66% of total revenue for these municipalities. When reviewing the user fees for planning approvals, it is evident that they do not cover the cost of administration (\$150k difference – 2019 FIR). This means that SS taxpayers are funding developer/applicant costs. Similarly, recreation fees are not sustainable and often not collected. All this points to the need to undertake a comprehensive, cost-based rate and fee study. Figure 31 illustrates that SS's operating expenses per household **are third**

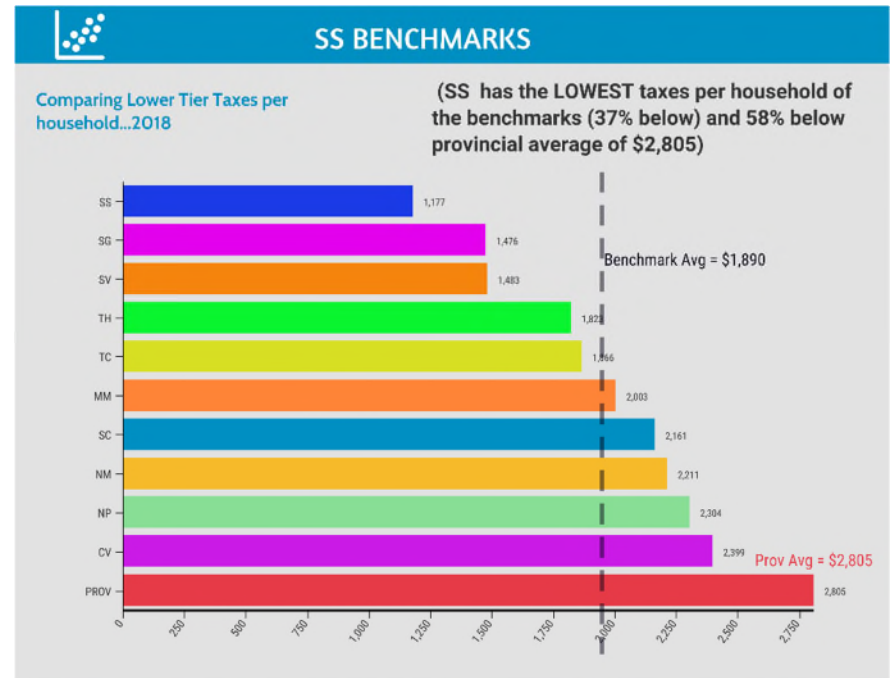


FIGURE 30:SS BENCHMARKS - 2018 LOWER TAXES PER HOUSEHOLD (FIR)

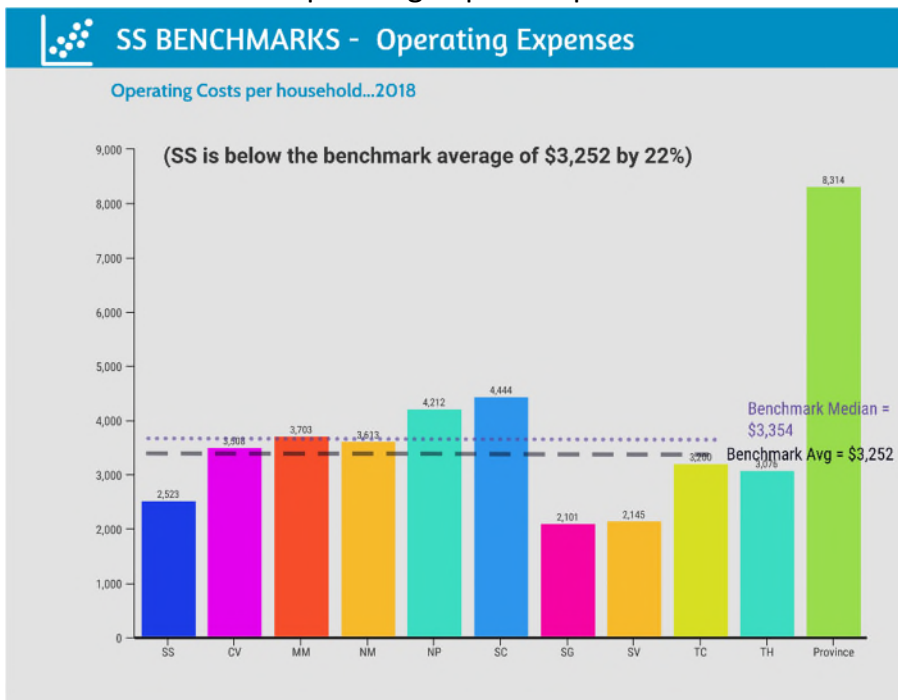


FIGURE 31:SS BENCHMARKS - 2018 OPERATING EXPENSES PER HOUSEHOLD (FIR)

lowest of the benchmarks reviewed. Other benchmarks point to the impact of low taxes and expenses. As discussed in this report, SS is struggling to meet the service demands, particularly in Finance and Recreation. As well, it is falling behind in its asset sustainability and must start building its long-term asset management plan with a supporting financial strategy that reduces its vulnerability and reliance on grants. In order to support future growth, the Township is faced with expanding the Ingleside WWTP, cost of which is estimated to be \$10.9 million in 2017. Given the current provincial climate, expansion costs are not a likely candidate for funding, as indicated in the 2019 Water/Wastewater Rate Study, particularly when the Township does not have development charges.

These benchmarks show that SS has room to increase user fees and its tax base and will remain attractive to those that want to build and/or reside in the Township.

Summary of Consultations & Observations

Summary of Consultations

WSCS undertook extensive consultation throughout this review. While onsite in early March 2020, prior to COVID restrictions, WSCS toured facilities and undertook interviews with Township management and Council. Because COVID-19 did not allow for onsite visits after mid-March, we led virtual interviews with staff and management as well as focus groups for specific processes and system walkthroughs. Council and staff surveys were undertaken to supplement these consultations in order to provide all staff and Council with an avenue to express their opinions, concerns and ideas for improvement.

We reviewed over 500 documents including policies, studies, process information, forms and financial results. We analyzed data and performance measures in order to understand the service levels, benchmarks, processes and systems.

Throughout the review, staff, management and Council revealed their observations and opportunities for enhanced services and improvement. We supplemented those ideas with our own observations and recommendations. In some cases, we provided support to the many great initiatives already underway, such as the updated website. It was clear that staff struggle with many of the current processes and are frustrated with the duplication caused by the lack of integrated systems. They are keenly aware that they are not fully utilizing the software that the Township owns but need training and time to dedicate to learn the functionality. There are challenges with some roles, particularly administration and front counter “backup”.

The lack of connectivity between Township Hall and the Arena and other locations is problematic as staff do not have easy access to key systems, documents in FileHold, requiring interruption of staff to undertake the search.

There is good interdepartmental cooperation and but there are issues with “shared” administrative staff. The need to provide a clear path for improvement with better communication and project management came to light throughout these consultations. So many initiatives, new responsibilities for the Lost Villages and staff turnover are wearing on the staff and management. As well, the lack of data for performance measurement made it difficult to analyze level of service or time spent on non-value-added activities. However, process walkthroughs with staff provided great insight into their challenges. While there is a lack of documented processes, staff provide good service through their own “heroics” and commitment. Because controls are not documented in all procedures, security roles are not properly set up in the financial system, and management change, internal controls have been circumvented.

The most important conclusion from the consultations surround the need for organizational structure changes, clearly defined roles with performance expectations, investment in training and technology, documented value-added processes and revitalized policies. New communication strategies are needed to better connect staff and the community to the future vision of the Township. Shared services with the County and the neighbours with a common goal should become part of the Township’s long-term vision and journey towards sustainability. Asset and facility management need to support that long-term vision. As with all public sector entities, there is a need to preserve appropriate controls and manage risks to ensure that Council

and management can ensure that they demonstrate accountability and safeguard the assets. Good financial controllership practices must be in place in order for an organization to be sustainable. This report reveals some areas where controls need to be strengthened through better policies, processes and system security.

Council Survey Results

WSCS administered surveys for Staff and Council using SurveyMonkey over a four-week period from March 8 to April 27, 2020. For those with limited access to computers, paper surveys were mailed to WSCS and entered manually. The survey was voluntary and confidential. All five Councillors submitted responses, the highlights of which are illustrated in **Figure 32**.

When asked about Council priorities for change, the top 8 changes were as follows:

1. Building and Zoning Processes
2. Enhanced Recreation Access and Services
3. Improved Bylaw Enforcement
4. Enhanced Website
5. Better Communications and Outreach
6. Enhanced Connectivity, Better Use of Technology.
7. Road/Bridge Repairs and Upgrades
8. Improved Recycling.

Other priorities emerged including the expansion of the Ingleside Wastewater Treatment Plant, Fire Station and asset management generally. There is an opportunity to look at alternative delivery mechanisms, shared services and increase user fees for non-residents. Physician recruitment is critical to attract people to the area. It was recognized that the Township is moving down the right path and Council is very supportive of the staff and management's progress over the past couple of years.

Our review revealed that these are areas all need attention and our recommendations concur with the assessment of Council in many respects.

SS Council Survey Highlights

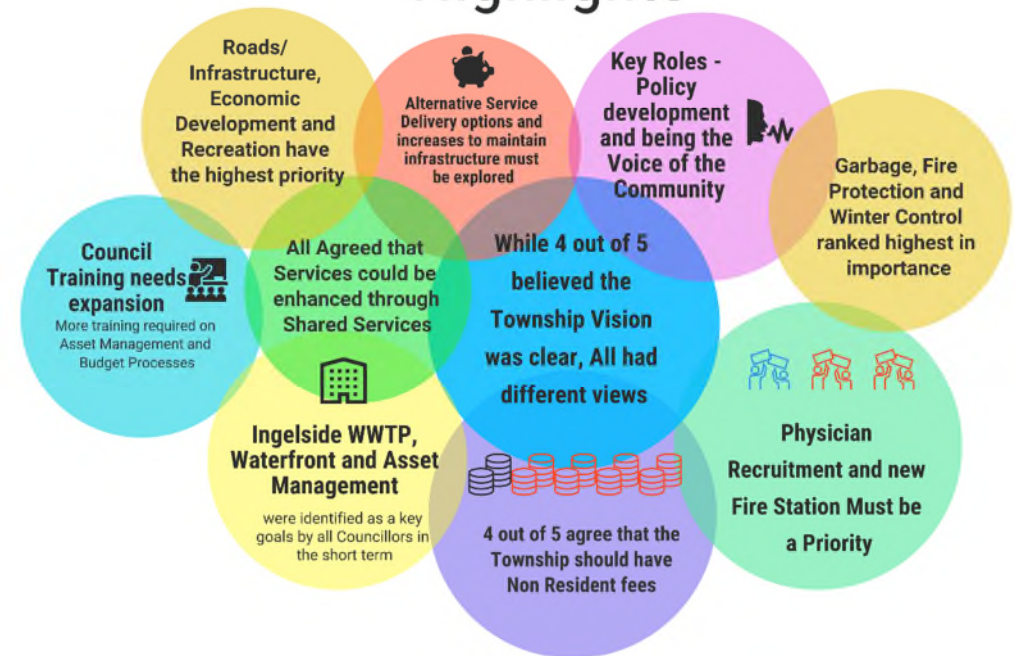


FIGURE 32: SS COUNCIL SURVEY HIGHLIGHTS

Staff Survey Results

We received 39 responses to the staff survey representing a response rate of 87% of which 72% were completed online.⁶ The results were shared with Council and management as part of the interim report. Highlights are shown in Figure 32 and Figure 33. Complete staff survey results can be found at Appendix C.

The top areas of focus that management and Council should consider: enhanced communication, change management, training, health and safety, organizational structure, asset management and compensation. Particular attention is needed to reduce the communications gap between staff and management. While COVID has been challenging, some positive actions have been taken as a result. Communication channels seemed to improve. We understand that technology was deployed so staff can work remotely. The new website is up and running with new online services. Many municipalities have found that the uptake on technology has resulted in savings for the clients as well.

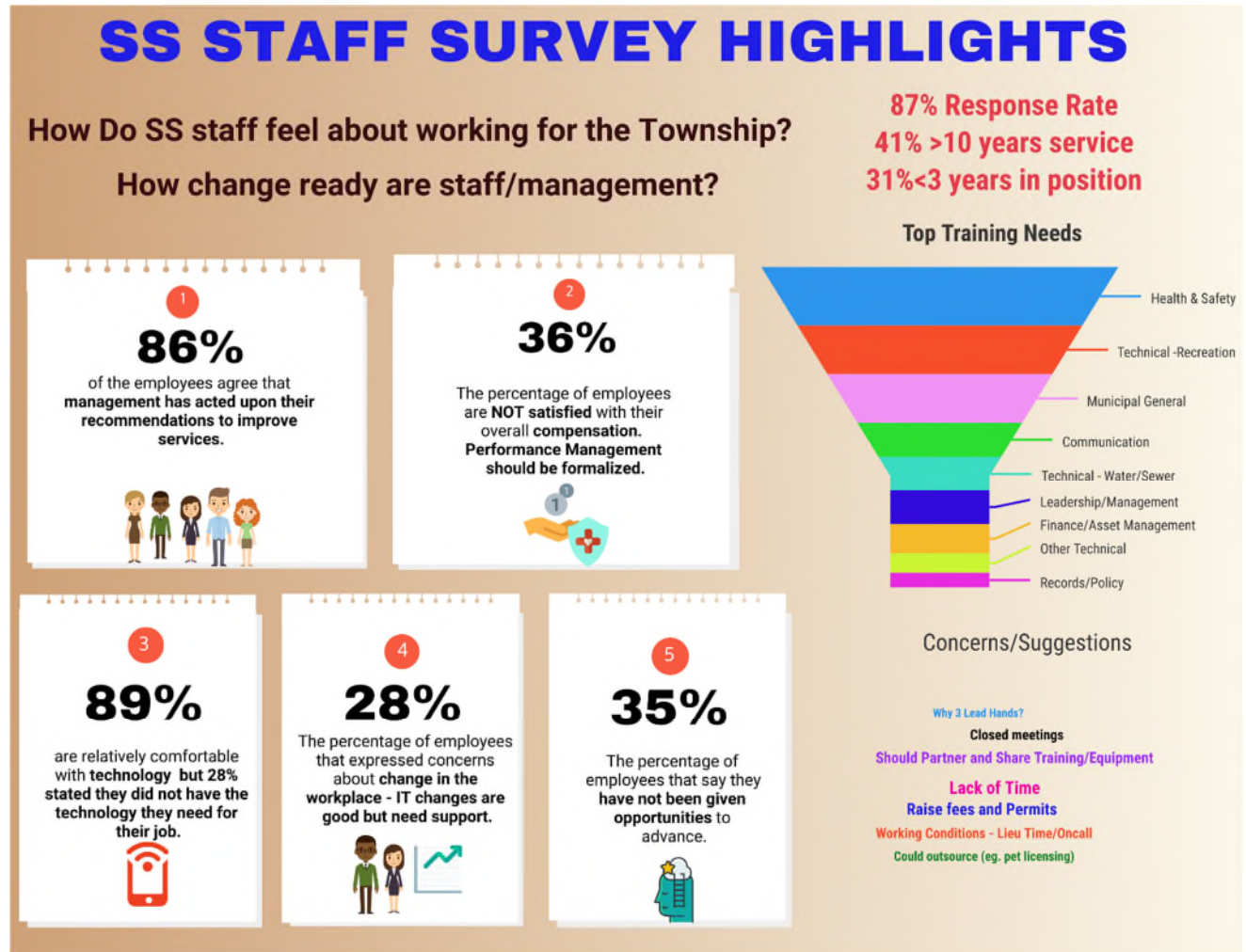


FIGURE 33: SS STAFF SURVEY RESULTS

⁶ Note: Survey Gizmo indicates good response rates from internal sources range between 30-40%

Staff identified many areas where they believe improvements could be made including:

1. Better software and utilization as well as processes to manage work.
2. Training in technology, technical and health/safety.
3. Improved communication with the public and between departments/management including more frequent staff meetings.
4. Improved workflow of finance processes.
5. Electronic billing and online services.
6. Eliminate paper based, manual processes.
7. Better document management.
8. Garbage/Recycling collection needs to be reviewed and/or could be outsourced.
9. Building review processes could be streamlined.
10. Better integration between systems and improved security roles.
11. Better defined levels of service to allow concentration of efforts.

While over 87% of the staff believed that improvements could be made, it was concerning that 13% could not see a way to

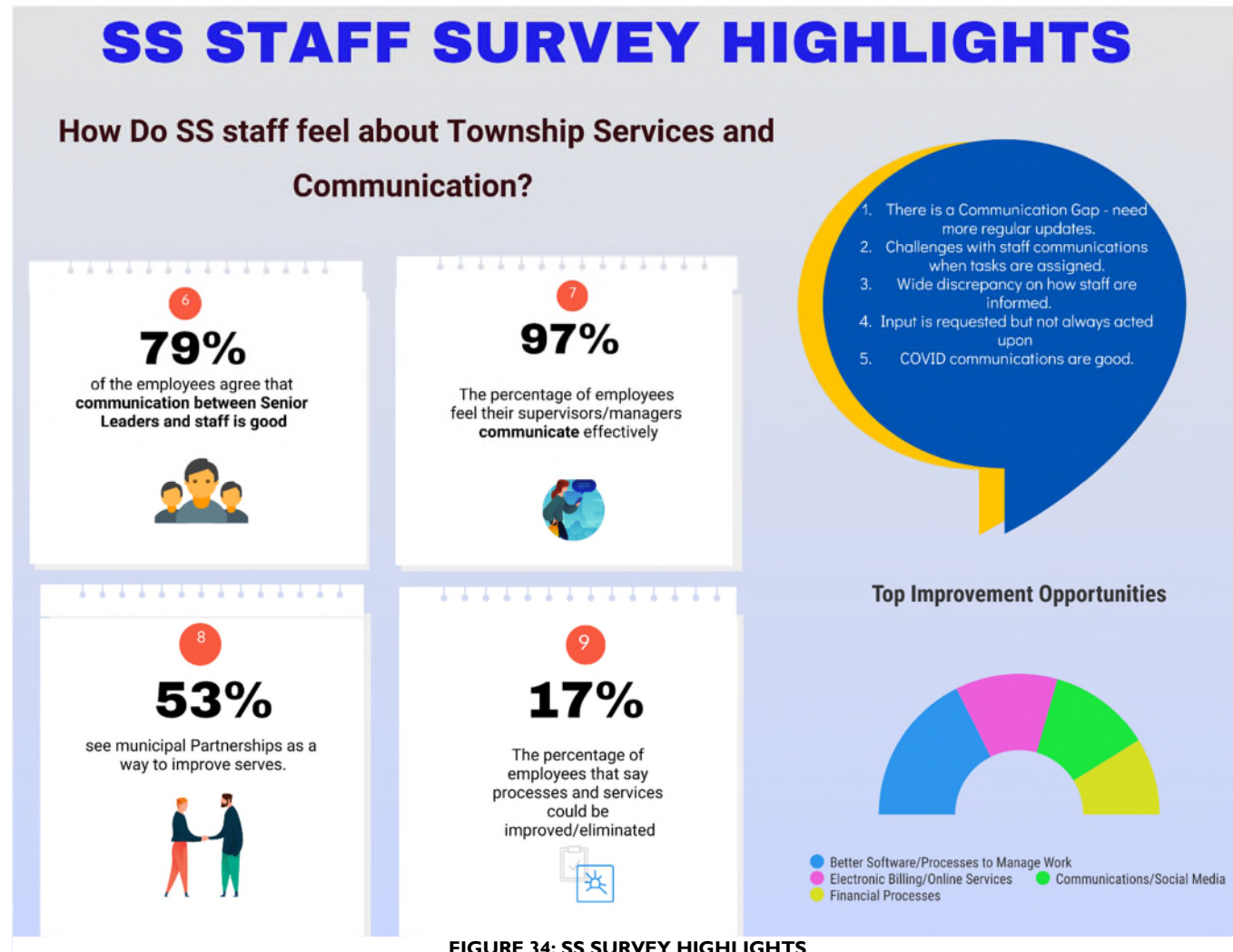


FIGURE 34: SS SURVEY HIGHLIGHTS

become more efficient or better serve the customers. We feel that this comes from a lack of training or exposure to best practices in other organizations. Our recommendation is that staff receive training in LEAN Six Sigma and expand their outreach to municipal associations and colleagues.

All this points to the need for a change management strategy to support the changes recommended in this report.

The Desired State

The desired outcomes of a Service Delivery Review are summarized in Figure 1 all of which assume that there is a baseline on which to start. For each outcome, we have identified key performance indicators which fall into the following 4 categories: quantity, quality, efficiency and effectiveness.

A. Improved Services and Outcomes- Customer focused services and delivery with focus on long term results – Quantity, Quality and Effectiveness indicators that are customer focused. These include timeliness, accuracy, satisfaction and consistency. Number of people that are better off, time to resolve a complaint/request, accuracy of results and processes, overall customer and employee satisfaction.

B. Improved Service Delivery Mechanisms through Greater Operational Integration – Quality, Efficiency and Effectiveness indicators including cost reduction per unit, increased volume per hour, elimination of duplication and handoffs to other departments/agencies.

C. Reduced Cost – Greater Economy, Alternative Service Delivery Models – Quantity and Efficiency Indicators such as cost to maintain per lane kilometre, fuel economy, inventory prices/cost of goods utilized.

D. Improved Processes, Efficiency and Productivity – Efficiency Indicators – time to complete, elimination of non-value-added activities, cost per unit.

E. Meet New or Increased Demand – Quantity, Efficiency and Effectiveness Indicators -Number of new customers served at the same or lower cost, utilization rates.

F. Increased Revenues – Quantity, Efficiency and Effectiveness Indicators – Number of customers increased without increase in cost, number of new fees/volumes, new services and revenues per household.

While the Township does not have a Strategic Plan, several areas were identified through the 2020 Budget Visioning session. The strategic priorities were identified follows⁷:

1. Increase reserves and identify funding sources
2. Fleet management & equipment upgrades
3. Ingleside WWTP
4. Asset Management Plan
5. Waste management plan updates
6. Reconstruction of roads, bridges & sidewalks
7. Human Resources planning
8. Waterfront enhancements
9. Setting and costing levels of services
10. Online activity (website, mobile app)

Of course, 2020 has been an odd year. COVID has meant that many priorities shifted. Further, the loss of the Director of

⁷ 2020 BUDGET PRESENTATION DEC 11 2019

Finance/Treasurer in April meant that the Township was unable to move on some policy initiatives. However, the Township has made a lot of strides that it can be proud of. We encourage the Township to develop a long-term strategic plan with business plans and key performance indicators that are tracked against those plans.

TABLE 3: PRIORITIES AND ASSESSMENT OF PROGRESS

Table 3 provides the strategic priorities, our assumption of the key responsible manager and comments on our assessment date.

#	Priority	Responsibility	Timeline	Performance Indicator	Current State Assessment
1	Increase reserves and identify funding sources	Director of Finance/Treasurer		<ul style="list-style-type: none"> • %reserves/household • %reserves/replacement cost 	Not yet developed – Part of AMP?
2	Fleet management & equipment upgrades	Director of PW & Director Protective Services		<ul style="list-style-type: none"> • \$/vehicle • Recovery rate per vehicle • Equipment utilization 	
3	Ingleside WWTP	Director of PW		<ul style="list-style-type: none"> • Approval timeline 	WW Rate study identified capacity issue. Need to secure funding and design.
4	Asset Management Plan	Director of Finance & PW	2021	<ul style="list-style-type: none"> • AMP for Core Assets completed and financed 	TCAs complete. Asset management plan for some assets complete.
5	Waste management plan updates	Director PW	2021	<ul style="list-style-type: none"> • \$/household • Service per household • Complaints/household 	County wide study underway – DFA Infrastructure.

6	Reconstruction of roads, bridges & sidewalks	Director PW		<ul style="list-style-type: none"> • %of roads in good to very good condition • # of complaints/household 	
7	Human Resources planning	CAO	2020	<ul style="list-style-type: none"> • Staff Turnover rate • Time to recruit • Employee Satisfaction Rate 	Compensation and Pay Equity Review complete.
8	Waterfront enhancements	Director of Planning and Director of Recreation	2021	<ul style="list-style-type: none"> • Utilization rates 	Waterfront master plan draft completed.
9	Setting and costing levels of services	Director of Finance/Treasurer	2021	<ul style="list-style-type: none"> • Recovery rate of services • Cost/Household 	Chart of Accounts redesign underway to improve data capture.
10	Online activity (website, mobile app)	Director of Corporate Services/Clerk	2021	<ul style="list-style-type: none"> • # of services online • Uptake on online services (% of applications/total applications) • # of complaints/household • Time to address application • Accounts Receivable/total revenues 	New website launched with XX number of online services.

DEVELOP A STRATEGIC VISION AND PLAN

We are of the opinion that the development of a strategic plan as well as a community vision is needed. Some of this work has already been done through other master planning processes. The insights will serve as a starting point. With an election in 2022, it would make sense to utilize the recommendations from this report to start the process and allow the community to weigh in. We would encourage the Township to adopt a more integrated planning model (all master plans) that are aligned with the new strategic plan whereby departmental business plans are developed to support the strategic initiatives with key performance indicators, SMART goals, and financed. With a new budget software and aligned chart of accounts, this would allow for a multi-year budgeting process. Since the Township is required to complete its AMP by 2021, for core assets and 2023 for the remaining assets, it would make sense to develop this new long-term planning approach now. It is imperative that all the master plans (Waterfront, Recreation, Cemeteries, Fire, Waste) be integrated in the AMP.

We recommend the following modernized concepts be adopted:

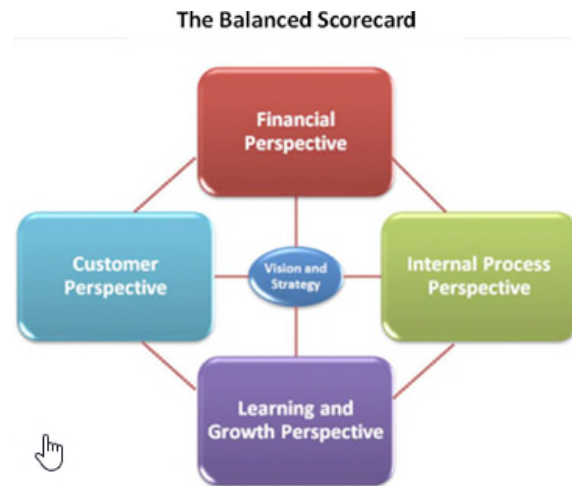
1. **No “squishy” vision.** No one has time for lack of clarity. A future state for SS needs to be inspiring and aspirational, but also concrete and tangible.
2. **Commitments to action should be revisited every quarter but still have annual and multi-year goals.** The municipal climate shifts so quickly that annual planning may be too long to react (eg. COVID). Instead, plan and refresh initiatives with targets in quarterly increments and ensure they align with the long-term vision but be

prepared to change. Having annual goals is still recommended.

3. **Timelines must be more flexible but still drive results and hold people accountable.** Timelines should be set based upon the vision but ensure they are not arbitrary and inflexible. Keep dates but connect them with milestones or trigger events that are objective, quantifiable, and agreed to in advance.
4. **KPIs should be leading not lagging.** Great metrics keep you on strategy and provide a data-driven way to make strategic decisions. They need to be leading and reportable monthly at minimum to management. These should form the agenda at regular management meetings. Quarterly reports to Council should focus on outcomes. Best case scenario is the creation of dashboards for ongoing monitoring.
5. **Don’t focus just on how much you spent but move to “earned value” reporting – what you have achieved with the dollars spent.** Too often, municipalities provide budget vs. actual reporting that is only financial results, not what was actually achieved from spending that money. Being on track is not just about money.

PERFORMANCE METRICS & REPORTING

Performance measurement and reporting is extremely important to ensure that the Township is going in the right direction. The Township does not have a dashboard or performance measures in place for monitoring. One effective method is the utilization of a balanced scorecard approach and performance measures. It helps show the value and link to vision. A sample can be found for Warwick Township at <https://www.warwicktownship.ca/en/our-government/resources/Documents/Balanced-Scorecard---Warwick.pdf>



- Reduced cost of providing services
- Increased volume of approvals
- Growth

Principle #2 - The measures must be balanced (comprised of financial and non-financial data).

Principle #3 - Measures must be a mix of process data and outcome data taken over time.

The measurement system must reflect all programs and activities the Township conducts, both internal and external. It is not sufficient to measure just past results. It is essential to also analyze what the processes are generating on an on-going basis. Process data in time order provides a 'lagging' indicator of the organization's operational or output efficiency, but can also serve as a 'leading' indicator - providing a signal on whether policies and programs are contributing to the targeted outcomes and the intended results. The service delivery review we undertook is the first step in this direction. On an ongoing basis, processes need to be analyzed and controlled.

The 9 principles of a Performance Measurement System are as follows:

Principle #1 - The measurement system must be tied to the vision of the Township.

In particular, there should be some goals identified such as:

- Improve turnaround time of applications, information
- Improve client satisfaction for various elements such as consistency, time to respond, time to decide, understanding of processes
- Elimination of paper, copies and process steps.

Principle #4 - Measures must be within the Township's sphere of influence.

The measures must reflect the activities undertaken by the Township.

Principle #5 - Measures must be dynamic, relevant and timely.

The measurement system should provide meaningful, relevant, and timely information. Tracking performance leads

to increased knowledge and appreciation of the operational environment. As the Township's knowledge of the performance improves, each of the measures will need to be revised or changed to incorporate this new knowledge and understanding. Continual review of performance indicators is essential to ensure you have appropriate performance information to support decision-making, especially in a changing environment. Dynamic measures serve as indicators of current performance and assist in the prediction of future performance.

Principle #6 - Measures must be interconnected (ie: always reported collectively, never singly).

The measurement system is essentially a report card on the organization's operational performance, hence the balanced scorecard. The causal links between outputs and outcomes is explicitly displayed in logic models and strategy maps. Those same causal linkages should be reflected in the performance measures.

If measures are analyzed individually, the Township will lose the understanding and appreciation of the interactions between programs and the improvement potential that is inherent in improved coordination.

Principle #7 - Senior Management is accountable for the measures.

Senior management is ultimately responsible and accountable for the Township's processes and practices. Employees need to be held responsible for data input, collection and the initial interpretation and analysis of the performance information. This should be a responsibility of the new Corporate Project

Manager proposed in this report. However, the accountability for the performance of the organization lies with the senior managers and, as such, the Director must take responsibility and demonstrate active leadership in supporting the performance measurement practices by using the performance information in their communications with staff and in their decision-making.

Principle #8 - Measures must be limited in number but still provide a holistic view.

Many organizations develop detailed logic models and then identify 2-3 performance measures for each output and outcome in the model. By the end of the initiative, the team has identified an unmanageable number of performance indicators. Instead, key outputs should be selected that are most vital - then select the outcomes that have the greatest level of influence. Establish key measures that gauge the efficiency in which outputs are generated and track the progress in achieving the intended outcomes. Eg. Number of applications, reduction in paper/time.

Principle #9 - Measures must be communicated and documented.

Employees throughout the Township should be able to study the measures for themselves to determine how the Township is performing. It is not enough to simply communicate the results; employees must be actively engaged and allowed to use the performance information in their own decision-making, in contributing to policy and program changes, and for their continuous process improvement efforts.

Creating Value for the Customer

To achieve the “Desired State”, we have applied the concepts and methodology of LEAN SIX SIGMA, a proven business philosophy which focuses this Service Delivery and Processes Review from a different perspective: THE CUSTOMER.

LEAN Six Sigma utilizes the VOICE OF THE CUSTOMER to eliminate non-value-added activities in processes, eliminate defects in service and builds capacity to deliver the RIGHT services, at the RIGHT time resulting in service improvements. All too often, service delivery reviews in the public sector are undertaken based upon the organizational structure or departmental responsibilities. While we do look at the processes and activities to provide recommendations, it is also evident that the “customer” is not always the focus of the provision of service and often the customer is not known. It is true that a customer may be much more ambiguous in government as it may be the general public and not the direct recipient of the “service”. In other situations, it may be an internal customer, that is, the next person in line of a process.

LEAN Six Sigma is a proven management philosophy, originally designed by Motorola and adapted by the Japanese and large companies such as GE, Toyota, to improve processes based upon data driven analysis and customer value. The fact that SS

has already implemented some online services and enhanced the customer experience indicates that it wants to become LEANER and focus on the customer. LEAN has been adapted to the service sector based upon the uniqueness of services as opposed to manufacturing. Significant, quantifiable results are being realized in many sectors including healthcare, education, non-profits and public sector. LEAN has resulted in some significant savings and improved quality in many public sector (or publicly funded) organizations including several state governments in the US⁸ and municipal governments.⁹

In municipal governments, customers/stakeholders are more complex and varied, ranging from the general public, internal staff and management, external agencies, to the direct recipient of the service. As a lower-tier, SS is only one provider of service to its citizens. Figure 17 shows that there is overlap and potential duplication with County services (eg. possibly transportation (winter control), planning and economic development. Those that work in the City, may question why the border means different services. It is important to note that a customer, whether it be a taxpayer, business owner or tourist, does not care about departments, or tier of government or “whose job it is” to perform a service. All customers care about it getting their problem resolved accurately, consistently, get value for money and receive the service in a timely manner. They do not want to be shuffled

⁸ <http://lean.iowa.gov/>, www.asq.org, www.erie.gov/exec/?reform-government/lean-six-sigma-initiative.html

⁹ <http://www.fredericton.ca/en/city-hall/plans-and-processes/improvement-innovation>, [http://municipalinnovators.ca/wp-](http://municipalinnovators.ca/wp-content/uploads/2018/05/MiC20Newsletter.pdf)

[content/uploads/2018/05/MiC20Newsletter.pdf;](http://www.mykawartha.com/news-story/4350046-lean-six-sigma-first-round-delivers-more-than-3-million-in-savings-for-city/)
<https://www.mykawartha.com/news-story/4350046-lean-six-sigma-first-round-delivers-more-than-3-million-in-savings-for-city/>

TABLE 4: DEFINITION OF VALUE ADDED AND NON-VALUE-ADDED ACTIVITIES

from one location to another or from one person to another. Understanding the VOICE OF THE CUSTOMER is fundamental to improving services. **Internal customers** are also very important when evaluating processes to determine value added (or non-value added) activities.

VALUE ADDED ACTIVITIES

VALUE is defined by the customer; the business and anything that does not add value is considered waste (non-value added) and should be removed from the process. Studies show that in any given process, whether in the private, non-profit or public sector, that non-value-added activities amount to approximately 75-90%. By eliminating lead time and non-value-added activity, services can be delivered in a continuous flow with reduced cycle time and costs while increasing customer satisfaction. This is where capacity will be gained by SS's staff to undertake the work required in this report for SS to become forward looking and sustainable.

Table 4 provides a definition of value-added activities with four elements highlighted to emphasize the importance of eliminating anything that does not add value. We found the following non-value-added activities in most processes reviewed: duplication of effort, unnecessary handoffs, transportation within and between departments; defects and omissions as a result of poor instructions, waiting; and non-utilized talent. These activities do not “physically transform the service”. Further, if the service is always checked, staff are less likely to take accountability for ensuring it is “done right the first time”. We are of the opinion that, because policy and procedures are lacking and bylaws are incomplete, both staff and customers remain confused.

Category	Definition	Our Goal and Focus
Customer Value Added	<ul style="list-style-type: none"> • Physical Transformation of the Service • Customer is willing to pay for the step/activity • Done Right the First Time (no errors, defects or omissions) 	<ul style="list-style-type: none"> • Eliminate waste, Improve the flow of value to the customer • Monitoring to assure we are meeting customer evolving requirements – continuous improvements
Organization Value Added	<ul style="list-style-type: none"> • Required by law or regulation, policy • Reduces financial risk • Critical to avoiding process breakdown 	<ul style="list-style-type: none"> • Verification that it is truly required • Reduction and/or elimination of requirements • Make process efficient and effective
Non-Value Added	<ul style="list-style-type: none"> • Everything else that is not customer value added or business value added 	<ul style="list-style-type: none"> • Total and complete elimination of waste

STEPS TO CREATING VALUE

ELIMINATING NON-VALUE-ASSED ACTIVITIES FROM PROCESSES

In order to create value for customers, several steps should be followed. In this report, we reviewed all services and major processes in each department.

LEAN processes are faster, more efficient and deliver satisfactory quality to customers. Our goal is to create flow. That is, there is no time in which any customer, internal or external, goes back in the process as shown in steps 4, 5 and 6 in Figure 35. After SS has gone through the LEAN journey, the processes will flow better and look like Figure 36, which eliminated all non-valued added activities and all steps are “done right the first time.”

A LEAN journey ensures the following steps are undertaken:

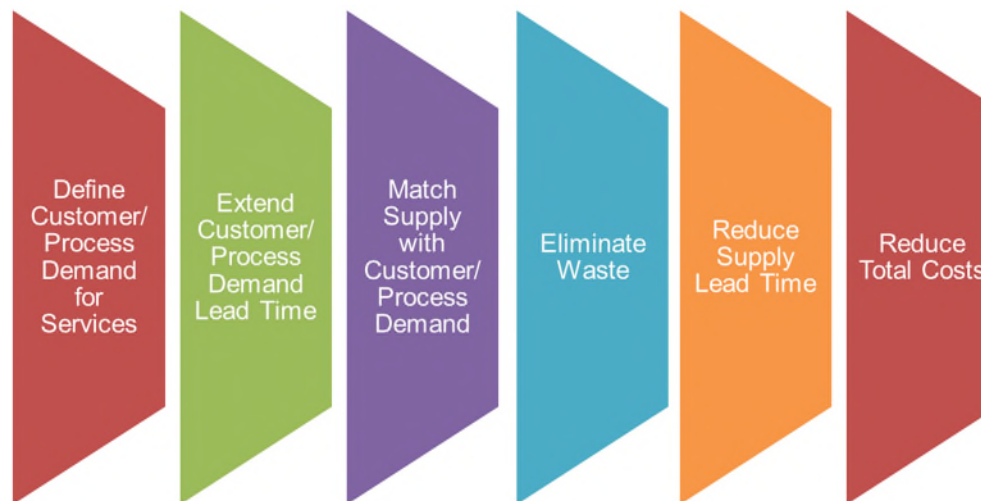


FIGURE 37: LEAN JOURNEY



FIGURE 35: PROCESS BEFORE LSS

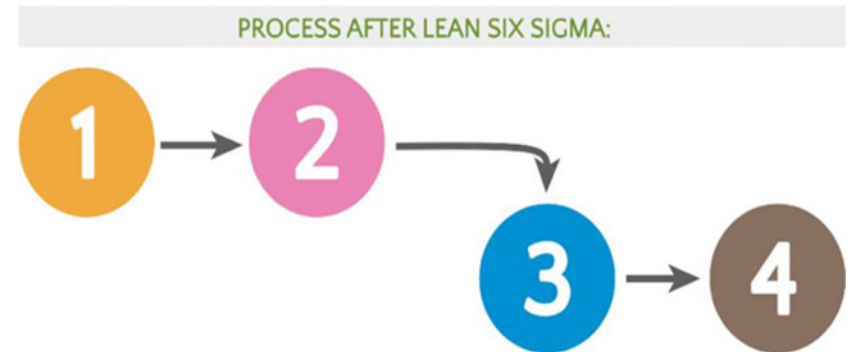


FIGURE 36: PROCESS AFTER LSS

OUR FINDINGS - VALUE FOR THE CUSTOMER

1. Define Customer (Process) Demand for Services

The nature of demand from the customer's perspective, includes what is demanded, how much, how frequently, by whom, where and when. In each section, we have explored the impacts of customer demand to some degree.

FINDING: For some processes, such as, planning and building applications, demand arises through calls and walk-in clients with requests for information. The only data available relates to those that proceed with an application and all the time that is spent by the Planning and Building Department during pre-consultation is not known. This is true for building permits as well. Consequently, there is no way to know the true "customer demand" for these services. Since it maybe months or years before a developer or resident decides to proceed with an application, it is unknown how much business is "lost" due to a variety of reasons.

For many permits, customers are not aware of the requirements. While SS has moved to online applications for building permits, it does not provide a step by step in "lay" terms. It is the Township's responsibility to remove the complexity of regulations and bylaws in its instructions and "think" like the customer. Lack of documentation and "government language" for these processes also mean that the customer may have to "return" with proper documentation in order to "complete" the application most processes are reactive and therefore, the Township does not know the volume of work it will receive at any given time. The move to online services is great and, if tracked, the volume will

be a telling story. However, much of the demand is generated by telephone calls, emails and walk ins. The Township does not track its all of its inquiries but it has implemented online requests. This is a great first step to understand with the gap in understanding as well as issues are most prevalent. It was noted, however, that not all departments use this system nor are all inquiries captured. In some municipalities, there is a simple "click" in the call intake area so that they can track the type of calls that are received. This would provide invaluable information for the development of better instructions and online services. Understanding the type of call and extending tracking to other services would greatly assist the Township in its planning for service improvements.

2. Extend Customer (Process) Demand Lead Time

The sooner that the customer demand (customer requirement for permits, property tax payments, licenses) is known to the supplier (the Township), the sooner that the resources can be deployed to provide the services to the customer. Customer demand lead time is the period between the time when customer demand is known and when it is communicated to the supplier.

FINDING: Extending customer demand lead time is particularly challenging because the Township does not know what the demand will be at any particular time and is often reactive. For example, the accounts payable processes are "reactive" based upon the invoice being received. Customer lead time can be extended through the use of purchase orders. This will not only improve the process upon receipt, ensure that commitments are included against the budget, the actual invoice is one click!

There are some processes where the Township is aware that workload may change due to seasonality, tax due dates and other anecdotal information. However, there are some areas that could be better managed such as processes requiring inspections before proceeding with certain permits. Further, the utilization of many non-integrated systems such as BookKing and Cloudpermits, make it difficult to extend customer demand lead time. Planning workload requires better information and reducing the number of staff and departments involved in any given process. Better monitoring, workflow, online updates and reminders in permit inspections would improve the customer experience as well. A great example is the issue of walk-ins requesting information about planning applications, marriage licenses or commissioning oaths. The Township is unaware when this will happen and may not have staff onsite to do these services. If the Township utilized the “Booking” system for appointments, it can ensure that the customer will be served in a timely manner, without waiting and SS can better plan its activities. With “Zoom” or other meeting software, SS could also provide these services remotely negating the need for customers to come to the Township office. This is in line with social distancing requirements for COVID.

3. Match Supply with Customer (Process) Demand

Matching supply with customer demand is challenging when things change or there are undue influences on the demand. It is essential to perform continuous monitoring of the demand and adjust resources to respond.

FINDING: In the case of the Township, the number of resources is generally fixed or may be impacted by absences.

In the summer, it hires additional staff for a variety of services such as recreation. Recent COVID likely illustrates the more than ever, that nothing is certain. Therefore, increases in workload and the changes in time lines have resulted in pressure to handle new customers. During normal circumstances, SS office hours are weekdays 8:30 am to 4:30 pm. This is the time when the majority of working residents are working outside the Township (as stated earlier, 92% of residents travel outside for work). Clearly, municipalities do not supply the services when the customers demand it. Customers are expected to be served when the municipality decides they are open. Many municipalities are now looking at extended hours, particularly when there are staff in the building for other purposes such as Council meetings or in recreation centres. This is not only good for the customers, staff who prefer to work alternative hours for a variety of reasons (daycare, spouse on shiftwork, transportation), are also more satisfied. Enhanced 24/7 online services are another way to meet customer demand.

The receptionist and other staff provide coverage at the front counter and there is no mechanism to manage this workload. Coverage of the front counter has been a source of frustration for staff and management. The number of walk-ins has likely changed with COVID as well as the configuration. Online services should also help the volume over the long run. Serving SS customers is clearly the most important function, but it could be done with better work management and assignment. Anytime staff are required to move from one process to another, there is lost “changeover time” or motion. Further, the lack of online services means that walk in/telephone traffic is higher than would be otherwise.

4. Eliminate Waste

Waste is defined as any activity that does not create value for the customer or the organization as described above. In particular, the public sector customer is extremely interested in ensuring that tax dollars are not wasted. Waste only adds cost and time. There are three key things to remember about waste:

- Waste is a symptom rather than a root cause of a problem
- Waste points to problems within the system at both the activity and the value stream levels
- In order to eliminate waste, the root causes of waste must be found and addressed.

There are essentially 8 types of waste in processes are denoted by DOWNTIME which we have identified in the processes reviewed Figure 38.

Elimination of waste also should follow the concept of 8S (formerly known as 5S) which provides for efficient work space. The list describes how to organize a work space for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order. The Township should implement 8S's as follows:

1. **Sort (Get rid of it):** Separate what is needed in the work area from what is not; eliminate the latter

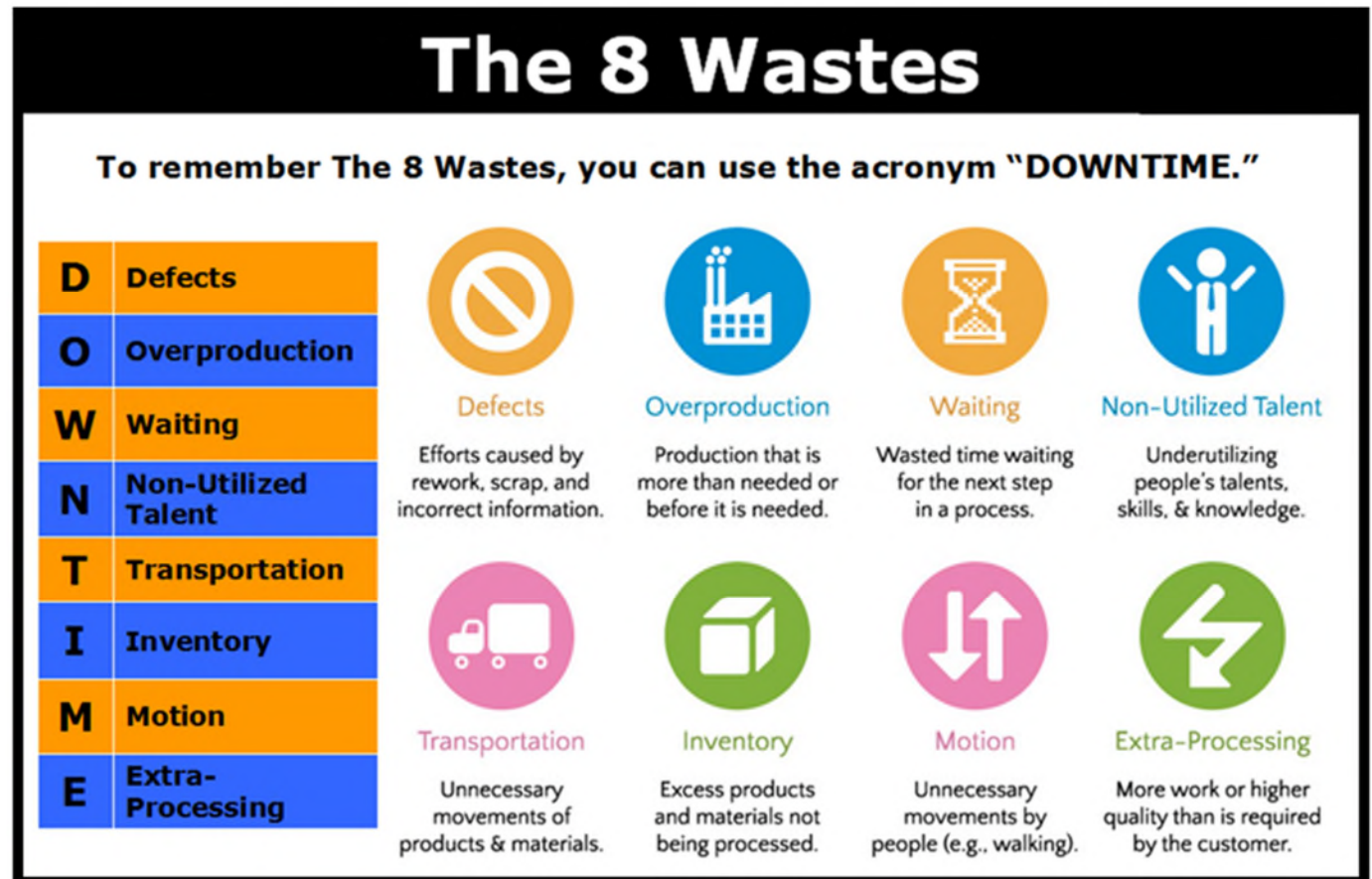


FIGURE 38: THE 8 WASTES

Table 5 further defines the 8 wastes and some examples of waste in processes within the processes analyzed. These examples are further illustrated in the departmental services and processes section.

2. **Set in order (Organize):** Organize what remains
3. **Shine (Clean and Solve):** Clean and inspect
4. **Safety (Respect workplace and employees):** Create a safe place to work
5. **Security (Keep employees and clients secure):**
6. **Standardize (Make consistent):** Standardize the cleaning, inspection, and safety practices
7. **Satisfaction (Employee Satisfaction and engagement in continuous improvement activities)**
8. **Sustain (Keep it up):** Make 8S a way of life

TABLE 5: TYPES OF WASTES AND FINDINGS

TYPES OF WASTE	DEFINITION	WASTES DISCOVERED
Defects, including errors and omissions.	<ul style="list-style-type: none"> • Defects, errors, omissions, skipped process steps that cause rework. 	<ul style="list-style-type: none"> • Missing, inaccurate or incomplete information in planning and building applications. • Timesheet entries that are illegible. • Payroll, accounts payable processes are inconsistent between departments and source of information. • Applicants often do not have the appropriate information when making applications. • Online systems and forms are not error-proofed - specific instructions to ensure completeness are not available. • Documented standard operating procedures are lacking. • Document naming convention not standard. • Meter reading errors leading to additional reads.
Over-Production and Duplication	<ul style="list-style-type: none"> • Producing more, sooner, or faster of one component than is required for the next step. 	<ul style="list-style-type: none"> • Payroll, inventory, pet licensing, AP and AR processes – entering information in multiple systems, spreadsheets and reconciliation. • Cloud Permit + entering in Proware – System is not ready for complete yes. • BookKing not integrated with Vadim – many manual processes to reconcile. • Re-entering information from forms and requests (booking, building permits) which also increases the error rate • Producing, printing, and over dissemination of reports compared to need/use – Documents printed when not necessary, data re-entered into multiple systems (e.g. Accounts payable invoices could be attached to Vadim). • Excessive paperwork trails- excess copies of documents in files that are never reviewed and could be captured electronically. • Because all permits forms are paper based, staff must re-enter all details into systems from forms.

TYPES OF WASTE	DEFINITION	WASTES DISCOVERED
Waiting	<ul style="list-style-type: none"> • Time or interruption in the process where team members are waiting for something to happen before doing the next step. • Process idle time. 	<ul style="list-style-type: none"> • Waiting for next level approvals when staff not present. • Waiting for customer information due to lack of instruction at front end. • Customers wait at the counter due to lack of appointment scheduling or online information. • System speed and access. • Agenda management is challenging when Clerk must wait for submission of reports – deadlines. • Confusion related to legal agreements and waiting for registrations by lawyers. • Customers wait for approvals by the Township as well as other agencies.
Non-Utilized Talent	<ul style="list-style-type: none"> • Underutilizing people’s knowledge and creativity. • Uneven workflow resulting in some team members overburdened while others underutilized 	<ul style="list-style-type: none"> • Duplication of effort, data entry in multiple systems and spreadsheets. “Ask for information as opposed to access to information”. • Managers coding time on time sheets, payroll staff re-entering in spreadsheets. • Lack of access to information from the Arena and other remote locations. • Computer installation – one at a time instead of imaging or having preloaded. • Utilizing staff and management for clerical duties that could be eliminated – payroll, equipment, MMS reporting, copying, printing and moving forms through the building. • Payroll, burn permits, building permits, planning applications, accounts receivable, recreation booking, inventory involves much manual work and excessive paper processing. • Lack of training means staff are wasting their time when systems could eliminate non-value-added work. • Financial information and reporting do not provide sufficient information leading to manual “digging” to do analysis.
Transportation/ - Conveyance	<ul style="list-style-type: none"> • Unnecessary handling or transportation, multiple handling. • Steps where work is moved from one role to another, one location to another, etc. • Office design and layout does not support decision-making flow. 	<ul style="list-style-type: none"> • Transferring data files between computer and paper (e.g. payroll). • Moving files between staff without knowledge of file location – multiple files. • Customers must go to the Township office to submit many applications and provide payment. • Customers are sent to other locations to fill out multiple planning applications (different agencies) • Multiple locations without access directly to filehold and other documents online (e.g. MMS reporting) • Challenges if several customers are at the front counter.

TYPES OF WASTE	DEFINITION	WASTES DISCOVERED
Inventory	<ul style="list-style-type: none"> Producing, holding, or purchasing unnecessary inventory or materials. More inventory than is required to meet 1 or 2 days of work. 	<ul style="list-style-type: none"> Excessive inventory or work to be processed due to one person responsible for inspections. Too much paper to be handled, processed, or filed. No systems utilized to manage inventory; fleet systems outdated. Inventory of work created by lack of delegation. File inventory is well documented but not always followed.
Motion	<ul style="list-style-type: none"> Unnecessary movement to access information, files, materials, equipment to complete a task. 	<ul style="list-style-type: none"> Walking to pick up documents and delivering paperwork or accessing needed tools. Excessive walking to and from printers, files, etc. Poor cell design, particularly for the administrative staff and counter.
Extra-Processing / Redundancy	<ul style="list-style-type: none"> Activity that doesn't add value or transform the product/service. Steps that repeat another step in the process – multiple roles doing similar tasks. Checking work of others already completed for accuracy or completeness. 	<ul style="list-style-type: none"> Unnecessary steps and handoffs – Particularly true in the payroll and other financial processes. Mileage calculation for reimbursement is unnecessarily complicated. Tracking of entitlements out of the financial system. Printing Tax bills on paper – folding, mailing, handling returned mail – can all be electronic. Accounts receivable – duplication between systems – paper-based processes. Re-entering data in several spreadsheets/systems. Making extra paper copies such as payables, reports, cash receipts and applications Entering information in systems “after the fact”. Documents are filled out by hand, then later entered into systems Lack of access to systems requires staff to look up information that could be accessed directly. Multiple copies of documents not stored in central location.

5. Reduce Supply Lead Time

Supply lead time is the total time it takes to complete a series of tasks within a process in order to meet customer demand. Reducing lead time is one of the most effective ways to reduce waste and lower total costs. Lead time can be broken down into three basic components:

- Cycle time** – The time it takes to complete the production (or approval) of a single unit (such as permits or

applications) from start to finish. That is, the time actually working on the task, be it physical or mental exertion.

- Changeover time** – The time it takes to transfer from one step to the next or one activity/transaction to the next. This is the most “underrated” waste of time. Most people do not realize how much time is lost when they must change what they are doing to respond to calls; interruptions result in waste as more time is needed to re-familiarize oneself with the process step at hand and refocus. As well, in terms of applications, if the customer is unable to complete the entire

transaction at one time due to lack of accurate, complete information, both customer and staff must re-familiarize themselves with the application when they return to the Township (or call). Therefore, elimination of changeover time is essential for improved services and reduction in overall lead time.

- **Lead time** – The time it takes to complete an entire process from start to finish and any time in between process steps (such as the amount of time from a planning request to approval). Any time in between steps adds to the Lead time.
- **TAKT Time** – the rate at which you need to complete the process in order to meet customer demand. Process and value stream maps are effective illustrations of lead times, cycle times and delays.

Currently, SS does not capture much of this time with the exception of Public Works in the form of timesheets. However, the actual activities are not captured in any system so trends and number of hours by activity does not exist. Time is manually tracked and then re-entered into spreadsheets after the fact (duplication) but only at the general ledger level. If one wanted to know what was accomplished or to ensure MMS is achieved, one would have to go and manually find the information. Further, work orders are not utilized for regular work. Those that are formally entered in AccessE11 are

updated as work is completed. But this only reflects a portion of the work and does not track time or costs. A work order system should be integrated with the financial and asset management system. Most other processes are not tracked in terms of time with the exception of open and closed dates on applications. Therefore, we are not able to adequately assess the non-value-added activities and potential savings.

6. Reduce Total Costs

In economic terms, the reduction of waste and delays results in significant reduction in costs. By eliminating defects, duplication, unnecessary checks, over-processing and handoffs, less resources are needed to complete the tasks. The true cost savings in the Township can be realized by reducing the errors and number of handoffs, requiring accountability at each stage and analyzing the types of reviews undertaken. Moving to electronic and workflow processes with integrated systems will significantly reduce costs and improve services. True cost savings can be realized by improving the tracking of time and resources dedicated to each step and further understanding the steps that can be eliminated. categories from telephone inquiries. If the Town had this information, it would allow for better upfront communication to customers and improved documentation on websites or pamphlets.

THE JOURNEY TO SERVICE EXCELLENCE

Service Excellence means focusing on the customer by eliminated non-valued added activities. SS does not have a customer service or engagement strategy in place but we recommend that this be developed with all staff and Council involved.

We are of the opinion that this should be supplemented with LEAN Six Sigma whereby staff look at processes with the customer in mind. That is, CREATING VALUE FOR THE CUSTOMER IN EACH ACTIVITY OR STEP IN A PROCESS. This will require an investment in LSS training as well as a change management strategy. Without this, sustainable change is not possible. As part of the strategic visioning session, SS should engage the community to identify what is most important to the citizens. This should formulate the long-term strategic plan and cross-departmental business plans. In these plans, there should be a commitment to look at each process with goals for eliminating non-valued added activities and focusing on the VOICE OF THE CUSTOMER.

Value added services do not include waste but include those value creating enablers such as information technology and human resources. In order to make recommendations on the elimination of non-value-added activities, the following steps were undertaken:

- a. Analyze the Current State
- b. Process Analysis – Looking for the Hidden Processes
- c. From Initial Assessment to Root Causes
- d. Find Solutions – Draw the Future State

Possible Solutions:

- Work on the “One is Best” Principle
- Investigate all Checks for value add
- Eliminate the Need for Checks
- File Only Once, In Only One Place, Electronically
- Process Ownership – Accountability at each step
- Get the Job done as soon as you start (eliminate changeover time)
- Eliminate handoffs where possible
- Look at Teamwork
- Analyze risk

PROCESSES ANALYZED

As part of the RFP, the Township specifically requested that we review processes as follows:

1. Financial Processes:
 - a. Payroll
 - b. Billing and collection for utilities, taxation and drainage
 - c. Grant programs
 - d. Financial reporting
 - e. Tenders and Purchasing
2. Land Use Planning
3. Building Permit Applications, Inspection and Lot Grading Processes
4. Corporate Services and Customer Service
 - a. Customer Service – issuance of burn permits, marriage licenses, landfill passes and document registration.
 - b. Customer Service Request and Complaints
 - c. Information Technology Processes
5. Road Maintenance
6. Waste management
7. Water and Wastewater Services

From this, we identified 153 subprocesses to be reviewed by department as shown in Table 6. Many of these subprocesses are similar and were not evaluated in detail but the findings are summarized in the service profiles for the named department.

TABLE 6: LIST OF PROCESSES REVIEWED

Department	Process GR	Process Group	# of Subprocesses
Finance	AP	Accounts Payable	6
		Purchasing	6
	AR	Account Receivables	9
	BD	Budget, Accounting & Reporting	10
	CH	Cash Handling	6
	PR	Payroll	22
	TX	Tax	30
	WS	Water & Sewer	7
Finance Total			96
Planning & Development	PD	Planning Approvals	10
Planning & Development Total			10
Building Services	BL	Building	4
Building Services Total			4
Corporate	CP	Corporate	3
Corporate Total			3
Customer Service	CS	Bylaw	2
		Clerk	6
		Corporate	1
		Waste Management	2
Customer Service Total			11
IT	IT	IT	11
IT Total			11
Public Works	PW	Permits	4
		Work Management	2
		Waste Management	2
	WS	Water & Sewer	10
Public Works Total			18
Grand Total			153

GENERAL OBSERVATIONS OF ALL PROCESSES

In order to understand the processes, we held virtual focus groups with staff and managers based upon their involvement in the subprocess. While onsite in early March 2020, we did a walkthrough of some processes with the associated system. Following the focus groups, WSCS was provided access to systems to review opportunities. Documents from the processes were also provided so that we were able ascertain the steps as well as possible improvements to forms and workflow. The processes analyzed in this report range in volume, complexity and time required. However, there are some overarching themes that were evident that add to the complexity/time elements:

1. Some processes are required to be completed on paper or spreadsheets and then reentered into systems such as planning applications, building permits, accounts payable and payroll.
2. Some scenarios are entered into two systems in their entirety (eg. Cloudpermit and ProWare for building permits.) While this has been stated to be temporary, it represents a duplication of effort in the interim.
3. There are many opportunities for defects or due to lack of instructions and error proofing of forms.
4. Instructions for applications are vague (eg. building permits, planning applications)
5. Some online services do not populate the database being used resulting in duplication.
6. Documents are not attached to systems so files are created so staff must go to files, paper or electronic, to find backup.
7. Customers do not have a one stop shop for all receivables.
8. Significant number of documents are printed and mailed, when other electronic options are available (eg. tax bills)

9. Significant duplication of effort is evident (eg. data entry into multiple systems, entry of printed forms into databases) such as BookKing.
10. Too much “municipal speak” in forms and instructions.
11. Online services – Although the Township is moving towards increased online services, the following observations can be made:
 - Many applications are still paper based and not fillable
 - The website does not link the description to the online services in all cases.
 - Access E11 is in its infancy and not used by everyone.
 - Bylaw services is particularly problematic as the information is not captured in a corporate database, accessible by appropriate parties.
 - Facility booking is not completely online, still must call in.
12. Inventory of work – Inspections for open building permits, records management.
13. Payment methods are limited and varied causing confusion for staff and customers
14. Systems allow for electronic document management, but the functionality is not utilized.
15. Systems are not integrated resulting in duplication and potential risk of error/omission (eg. BookKing, building permits and Vadim).
16. Lack of integration between systems requires utilization of spreadsheets to capture information and perform calculations/reconciliations
17. Customers are required to “transport” applications too many times or must come to the Township Hall too often.

DID YOU KNOW:

The amount of wood and paper thrown away each year is enough to heat 50 million homes for 20 years.

18. Policies, procedures and processes in terms of automated systems should be formalized in some areas. For example, a detailed policy reflecting the responsibilities of respective staff and documentation with respect to various processes should be initiated. Although SS has many policies, its processes are not documented and represents risk of variation of services, errors.

It is important to note that processes were not measured in terms of time, but wastes were evident. NOTE: Most data was not available to assess service standards. We would recommend that each process be tracked during, before, and after the recommended changes are made in this report to ascertain the actual time and potential savings.

Typically, there is 75-90% waste in service type processes, regardless of sector. The most important outcome of this review is the revelation of the unnecessary complexity of many processes. Departments should work together to make better processes from the customer perspective needs to be encouraged. As well, no system should be procured without integration plans. Waste has been created by this lack of integration (eg. BookKing).

SS is about to implement PSD asset management but the integration is not yet live with Vadim. It is imperative that this integration occur at the outset and not as an afterthought. Otherwise, additional duplication and waste will be introduced into payroll, asset management processes. To be value added, every step should be “done right the first time” and only “entered once”. We also encourage SS to move to paperless processes. Not only is it good for the environment, if document management is implemented properly, it will reduce cost, eliminate time spent looking for documents, improve controls and records management practices. The

move away from paper, mailing, and printing requires upfront investments in technology and training but payback is typically less than three years.

This includes the implementation of workflow in Vadim as well as attaching documents such as contracts, invoices, letters to Vadim so that the approvals are supported.

These changes are challenging. Moving to a “one is best” principle, elimination of external spreadsheets and paper is challenging for many. There is a sense of a loss of control but in fact, it improves control. Electronic documentation is safer and easier to lock down the final version. But all this needs a strategy and commitment from management and staff.

We do commend the Township in that it has adopted TOMRIMs and is using FileHold. However, we heard that there is a delay and not everyone has access to the files. Further, there does not appear to be a “naming” convention set up for files and version control. We also heard that staff continue to have documents in their offices, on their local machines that are not transferred to FileHold in a timely manner. This may be due to the speed of the system and perhaps alternatives should be explored if not resolved.