



# Town of Blind River Service Delivery Review

Final Report

June 24, 2019





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**Ms. Katie Scott**  
**Chief Administrative Officer**  
**Town of Blind River**  
11 Hudson Street  
PO Box 640  
Blind River, ON P0R 1B0

June 24, 2019

Dear Ms. Scott,

**Municipal Service Delivery Review**

We are pleased to provide our report concerning KPMG's review of the Town of Blind River (the "Town"). Our review was undertaken based on the terms of reference outlined in our engagement letter with the Town dated January 24, 2019.

The purpose of the review was to evaluate the services of the Town with the intention of identifying potential opportunities for efficiencies and contributing to long-term sustainability. As noted in our report, the results of our review have identified opportunities that could be considered by the Town in this regard.

We trust our report is satisfactory for your purposes and appreciate the opportunity to be of service to the Town. Please feel free to contact the undersigned at your convenience should you wish to discuss any aspect of our report.

A handwritten signature in black ink, appearing to read 'Chas Anselmo', written over a light grey rectangular background.

Chas Anselmo, Senior Manager  
705.669.2549 | [canselmo@kpmg.ca](mailto:canselmo@kpmg.ca)

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# Town of Blind River Service Delivery Review

## Executive Summary



# Executive Summary

### A. Background to the Review

KPMG LLP ('KPMG') was retained by the Town to undertake a service delivery review, the intention of which was to:

- Properly describe and evaluate the Town's operating structure and service levels;
- Critique the Town's operating effectiveness and efficiencies based on credible benchmarks and best practices; and
- Present potential changes that will result in:
  - i. The maintenance of adequate service levels;
  - ii. Cost reductions;
  - iii. New non-taxation revenue sources; and
  - iv. Enhancements to the Town's long-term financial sustainability.

This report outlines the results of our analysis.

### B. Key Themes

Our review of the Town involved the following approaches to gathering information and identifying areas for improvement:

- A review of relevant documentation, including financial reports and operating statistics where available;
- A comparison of key financial indicators against other municipalities; and
- Consultation with personnel through individual interviews.

The results of our analysis identified key themes of the Town's services and associated operations, including the following:

#### **Service levels appear to be consistent with the comparator group with the appearance of the Town being a lower cost service provider**

Based on our development and analysis of the Town's municipal service profiles, the Town currently provides a complement of services that appear to be consistent with its comparator group, do not appear to exceed expected service levels and the Town providing a limited number of discretionary services.

The operating costs associated with municipal service delivery is consistent with the comparator group with the Town falling to the low end of the cost spectrum for many municipal services. Given the current state of service levels and associated costs, this appears to limit the number of opportunities to reduce service levels.

# Executive Summary

## B. Key Themes

### **There may be challenges ahead with respect to long-term financial sustainability**

Financial analysis undertaken by KPMG also shows the Town falls towards the low end of the spectrum when it comes to key operational indicators (annual operating costs and annual personnel costs), investments made into reserves and reserve funds and infrastructure. Based on historical financial information, the Town's operating costs decreased by an average of 1.6% over a five year reporting period and personnel costs increased on an average of 0.5%. In comparison to the review's municipal peers, the Town's indicators were the lowest but the question remains about whether or not these costs can continue to remain at these levels. Consistent with the two key operating indicators noted, the Town's reserve and reserve funds per household were the lowest within the comparator group and significantly lower than the comparator average (Town - \$582 per household vs the comparator average of \$3,055). Additionally, the Town's average capital spend was the lowest among the comparator group whereas the Town spent \$974 per household in comparison to the average of approximately \$1,450 within the municipal peer group. Ultimately, the financial indicators appear to support the Town's rationale in undertaking a municipal service delivery review.

### **There appears to be a blurring of the lines between strategic versus operations**

Based on our consultations with the Town's staff as well as through the process mapping exercises, it would appear that senior management, in particular the Town's CAO, is more operational in nature opposed to being strategic. During the time of the review, the CAO was serving as the Town's Public Works Manager which supported the notion that the position was operational opposed to being able to focus upon more strategic/organizational matters inside the organization. While additional resources were being brought online in the form of a new Public Works Manager, the apparent challenge still remains. From a workflow perspective, many matters appear to end with the CAO and although the CAO is the top senior administrator within the organization, there are instances identified within the review that could potentially be addressed in a different way as to free up capacity. For example, all resident complaint forms are provided directly to the CAO opposed to be potentially being triaged upon receipt.

### **There appears to be a willingness to seek out and implement best and common practices**

With all aspects of the organization being reviewed, there are a number of instances where the Town appears to be have already accepted or was in the process of incorporating municipal common practices. Based upon information obtained throughout the review, Town staff continue to explore where and how these common practices can be incorporated inside the Town's operations to either improve upon the current service delivery and/or increase value for money for municipal service delivery. Examples of this are annual reviews of user fees including the establishment of a non-resident user fee for recreational facility users – this is a common issue for municipalities and the Town has already implemented such a fee without any significant challenges. Additionally, it would appear that the Town has adopted a series of financial policies that in our experience are typically missing. Overall, there appears to be a willingness to explore and consider change opposed to maintaining the status quo.

# Executive Summary

## C. Opportunities for Consideration

The results of the review provide the Town with thirteen (13) specific items for their consideration which identify operational change (financial and non-financial) and the potential for increases in non-taxation revenues. In addition to those opportunities, an additional 56 opportunities were identified for the consideration of the Town to improve upon the effectiveness and efficiency within its internal processes. The opportunities identified as part of the review are summarized below.

Opportunity	Type of Opportunity	Potential Cost Savings/Potential Revenue Generation Range
Governance restructuring	Operating efficiency	< \$25,000
Information technology	Operating efficiency	Not applicable
Repatriation of economic development	Alternate delivery	To be determined
Rationalization of financial support to community organizations	Service level reduction	\$50,000 to \$75,000
Establishment of a capital levy	Revenue generation	> \$75,000
Asset management	Operating efficiency	To be determined
Establishment of a budget policy	Operating efficiency	Not applicable
Tourism	Operating efficiency	Not applicable
Reduce the number of festivals	Service level reduction	\$50,000 to \$75,000
User fees	Revenue generation	< \$25,000
Approach to landfill revenues	Revenue generation	To be determined
Shift to full cost recovery for building services	Revenue generation	\$50,000 to \$75,000
Open building permit management	Revenue generation	To be determined

# Executive Summary

We recognize that the ultimate decision as to the operations and associated service levels provided by the Town rests with Council and we trust our report assists with the decision making process.

KPMG would like to express our appreciation to members of Council, management and staff of the Town of Blind River who assisted with and participated in the service delivery review.





# Town of Blind River Service Delivery Review

## Study Methodology

XXXX, 2019



# Study Methodology

### Terms of Reference

The terms of reference for our engagement were established in KPMG's engagement letter dated January 24, 2019. Based on discussions with the Town, the objectives shared for the review were as follows:

- Properly describing and evaluating the Town's operating structure and service levels;
- Critiquing the Town's operating effectiveness and efficiencies based on credible benchmarks and best practices; and
- Identifying potential changes that will result in:
  - i. The maintenance of adequate service levels;
  - ii. Cost reductions;
  - iii. New non-taxation revenue sources; and
  - iv. Enhancements to the Town's long-term financial sustainability.

With respect to this engagement, KPMG's specific role includes:

- Assisting the Town with the establishment of a methodology for the review;
- In conjunction with the Town's staff, undertaking an analysis of services, internal processes, service and equipment levels and associated costs and funding; and
- Summarizing the results of our analysis and presenting potential opportunities to the Town.

# Study Methodology

### Review Methodology

KPMG's engagement letter dated January 24, 2019 described the approach to be used to provide the Town with a service delivery review. The seven phase workplan for the review was as follows:

#### *Project Initiation*

- An initial meeting was held with the Chief Administrative Officer (the 'CAO') and the Municipal Treasurer (the 'Treasurer') to confirm the terms of the review including the objectives, deliverables, methodology and timeframes.

#### *Current State Assessment*

The purpose of the second phase assessed the current state of the Town and its departments. To achieve this, the following took place:

- Information concerning the Town's operations, staffing and financial performance were reviewed and summarized in order to identify the types of services delivered, the associated level of resources (personnel and financial) and the method of funding.
- Individual and group meetings were held with municipal staff to discuss the nature of the services provided and the associated service levels, the rationale for the Town's involvement in the delivery of these services and the method of delivery.
- All members of Council were interviewed to gain their perspective on the review, services provided by the Town and potential areas of interest
- Upon the completion of the first set of meetings with the Town, KPMG developed a series of municipal service profiles. The service profiles illustrate the services offered by the Town, the rationale for service delivery, the current service level standard and service delivery model, financial performance, and benchmarking information.

#### *Review of Current Service Delivery Models*

- As noted within the previous phase, KPMG developed a series of municipal service profiles. Those profiles were then shared with the Town for commentary to ensure the profiles accurately reflected the services provided by the Town. This review took place as part of a second set of meeting between KPMG and the Town's staff.
- During these meetings, Town staff and KPMG had discussions about to identify and discuss the potential for change within their respective areas.
- On April 8<sup>th</sup>, KPMG provided Town Council with an interim presentation as to the status of the service review.

# Study Methodology

### Review Methodology

#### *Review of Current Service Delivery Models*

#### Operational Process Mapping

- During this stage of our work, an analysis of the current procedures and practices was performed. In conjunction with various municipal departments, key processes were mapped out, analyzed and reviewed to ensure compliance. Those processes included:
  - Agenda preparation
  - Payroll processing
  - Recording of transactions
  - User fees
  - Water and sewer – billing
  - Water, sewer and property taxation – Online payments
  - Arena ice allocation
  - Planning applications
  - Complaint/customer service
  - Purchasing
  - Payments
  - Miscellaneous accounts receivable
  - Property taxation – assessment and mailing
  - End of day cash reconciliation
  - Community centre rentals
  - Time sheet submission
  - Use of credit cards
  - Application for grants
  - Water and sewer – meter reading
  - Property taxation
  - Arena ice rentals – non resident users and individual users
  - Building permits

# Study Methodology

### Review Methodology

#### *Jurisdictional Analysis*

- Discussions were held with municipal representatives to determine appropriate municipal comparators that would be utilized during the course of the review. Municipal comparators were identified and selected based on the following considerations listed:
  - Single tier municipalities
  - Located in Northern Ontario
  - Similar population and households
  - Typical comparators used by the Town of Blind River
  - Similar services
  - Similar assessment base
- Based on those consideration listed above, the following municipalities were chosen for comparative purposes:

Municipality	Population <sup>1</sup>	Households <sup>1</sup>
<b>Blind River</b>	<b>3,472</b>	<b>2,219</b>
Cochrane	5,321	2,510
Espanola	4,996	2,351
Marathon	3,273	1,643
Red Lake	4,107	1,938
Wawa	2,905	1,451

Sources: <sup>1</sup> Statistics Canada – Census Profiles (2016)

- Information concerning municipal services, operating costs, staffing levels, and other aspects of the comparator municipalities was obtained through analysis of available documentation (including information provided by the municipalities' websites and other information such as Financial Information Returns and statistics from each comparator's 2016 Census Profile).



# Study Methodology

### Review Methodology

#### *Opportunity Identification*

- During the second and third phases of the review, discussions were held to identify potential opportunities for enhancing efficiencies, reducing operating costs and increasing non-taxation revenues, as well as the potential implementation issues and risks associated with each opportunity
- Summaries of each opportunity were developed and reviewed with municipal management to ensure the accuracy of the information presented, the reasonableness of the estimated savings and implementation issues and the potential strategies for implementation

#### *Reporting*

- The opportunities and final report were then presented to Council along with potential strategies for implementation during an open meeting of Council on June 24, 2019.

# Study Methodology

### Restrictions

This report is based on information and documentation that was made available to KPMG at the date of this report. We had access to information up to June 17, 2019 in order to arrive at our observations but, should additional documentation or other information become available which impacts upon the observations reached in our report, we will reserve the right, if we consider it necessary, to amend our report accordingly. This report and the observations and recommendations expressed herein are valid only in the context of the whole report. Selected observations and recommendations should not be examined outside of the context of the report in its entirety.

Our observations and full report are confidential and are intended for the use of the Town. Our review was limited to, and our recommendations are based on, the procedures conducted. The scope of our engagement was, by design, limited and therefore the observations and recommendations should be in the context of the procedures performed. In this capacity, we are not acting as external auditors and, accordingly, our work does not constitute an audit, examination, attestation, or specified procedures engagement in the nature of that conducted by external auditors on financial statements or other information and does not result in the expression of an opinion.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and opportunities as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the Town of Blind River. Accordingly, KPMG will assume no responsibility for any losses or expenses incurred by any party as a result of the reliance on our report.

This report includes or makes reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the Town of Blind River nor are we an insider or associate of the Town of Blind River or its management team. Our fees for this engagement are not contingent upon our findings or any other event. While KPMG does provide auditing and other professional services to the Town of Blind River, the service review was conducted by KPMG partners and employees that are not involved in the provision of these services. Accordingly, we believe we are independent of the Town of Blind River and are acting objectively.



# Town of Blind River Service Delivery Review

Current State Assessment



# Current State Assessment – Trend Analysis

## Population Trend

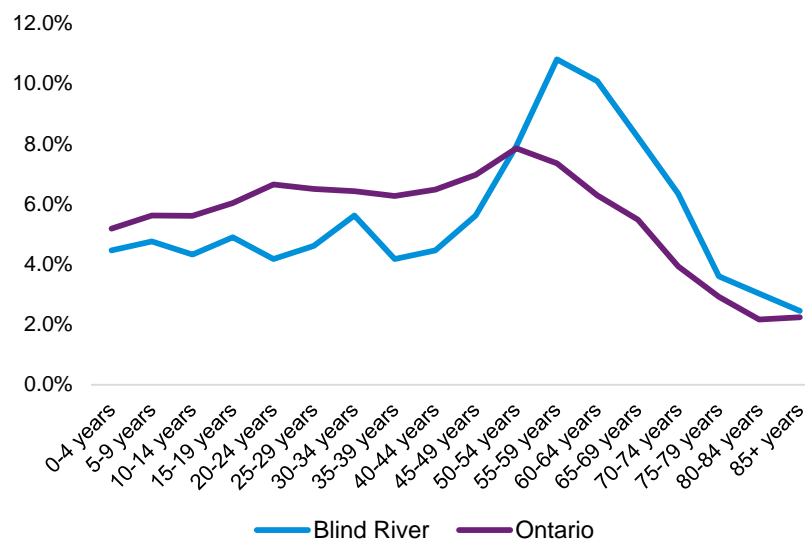
Based on the information collected as part of the Town’s 2016 Census Profile, the Town’s population is 3,472 with 2,219 private dwellings. The Town’s population declined in between the two Census periods (2011 and 2016) by 2.2% or by approximately 77 residents. Over the past twenty years (1996 to 2016), the Town’ population has decreased in each Census reporting year with an average decrease of 5.6%. Since 1996, the Town has decreased by nearly 21%.

Census Profile Year	Population	Population Change
2016	3,472	-2.2%
2011	3,549	-6.1%
2006	3,780	-4.8%
2001	3,969	-9.3%
1996	4,374	-

Source: Statistics Canada – Census Profile for the Town of Blind River

## Demographics of the Town

The demographics of the Town of Blind River appear to be consistent with demographic trends across Northern Ontario. The demographic trend of the Town appears to be similar to that of the Province’s whereas the majority of its residents are older – 52% of the Town’s residents are 50 years or older.



Source: Statistics Canada – Census Profile for the Town of Blind River

# Current State Assessment – Trend Analysis

## Operating Expenditures

Over the past five years, the Town’s operating expenditures (excluding amortization) have decreased by nearly \$660,000 (\$10.28 million in 2013 vs. \$9.62 million in 2017), representing an average decrease of 1.6% over that period of time. With the exception of expenditures related to rents and other financial expenses, the remainder of the expenditure categories experienced minimal growth or decline over the past five years. Expenditures related to wages and benefits grew by an average of 0.5% from 2013 to 2017. Expenditures related to the acquisition of materials and interest paid on the Town’s long term debt decreased by an average of 0.5% and 0.2% respectively. Contracted services (including policing services and water and wastewater services) increased by 0.1% on average. External transfers which consist of payments to the Algoma District Social Services Administrative Board and Algoma Health Unit increased by an average of 2.4% over the past five years and these costs are largely out of the control of the Town.

	2013	2014	2015	2016	2017	Average Change
Wages and benefits	\$2,336,628	\$2,473,594	\$2,518,773	\$2,384,190	\$2,381,459	+0.5%
Interest on long term debt	\$230,869	\$244,335	\$272,552	\$247,571	\$225,557	-0.2%
Materials	\$1,995,263	\$2,086,236	\$2,142,266	\$2,327,353	\$1,913,914	-0.5%
Contracted services	\$2,578,014	\$2,217,788	\$2,347,224	\$2,455,415	\$2,549,137	+0.1%
Rents and financial expenses	\$1,895,783	\$1,841,658	\$1,277,147	\$1,123,873	\$1,186,016	-10.0%
External transfers	\$1,243,613	\$1,310,379	\$1,339,972	\$1,383,479	\$1,364,356	+2.4%
<b>Total expenses</b>	<b>\$10,280,170</b>	<b>\$10,123,990</b>	<b>\$9,897,934</b>	<b>\$9,921,881</b>	<b>\$9,620,439</b>	<b>-1.6%</b>

Source: KPMG Analysis of Financial Information Returns



# Current State Assessment – Trend Analysis

## Funding Sources

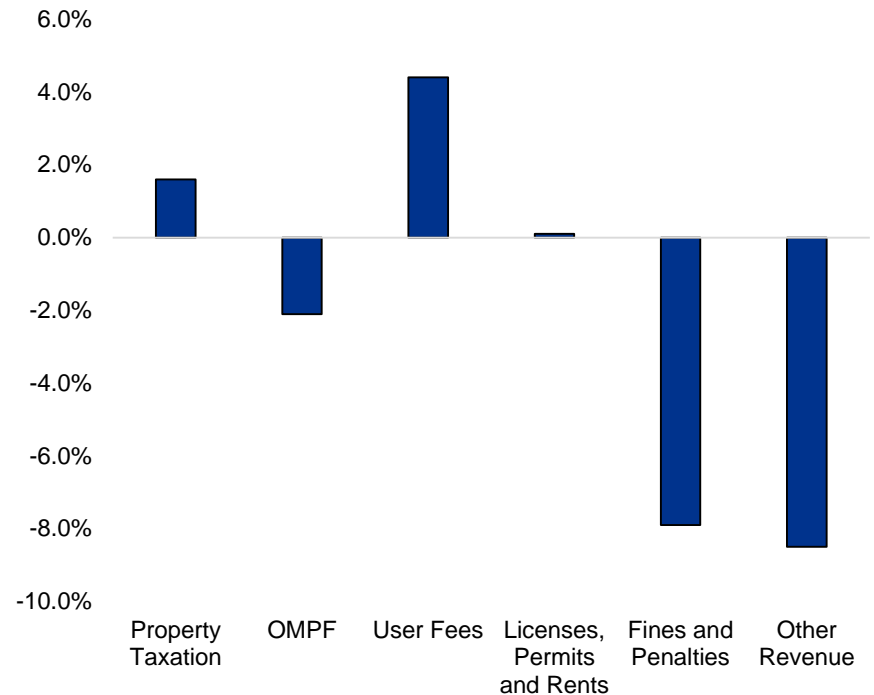
For the 2017 fiscal year, the Town of Blind River generated and received revenues of \$12.9 million. Of that total, the Town’s local funding sources (defined as taxes and user fees) accounted for \$6.6 million and represented 51.3% of total revenue. Property tax revenues (own purpose taxation) has increased on an average of 1.6% for the years between 2013 to 2017. Over the same time period, user fee revenues increased on an average of 4.4%.

The Town’s Ontario Municipal Partnership Fund (‘OMPF’) allocation, an unconditional grant provided to municipalities by the Province of Ontario, decreased by an average of 2.1% over the past five years where the Town received \$224,200 less in 2017 than in 2013.

Other revenue sources for the Town’s purposes have varied over the five years examined for the purposes of the review and in many cases, the revenues generated are not entirely within the control of the municipality. Revenues associated with licensing and permitting increased by an average of 0.1% meanwhile fines and penalties related revenues decreased by an average of 7.9%.

Two funding sources not illustrated on the chart are revenues received from other municipalities and conditional grants. Revenues associated with these two categories have significantly varied over the past five years. Revenues from other municipalities increased by an average of 49.7% and conditional grants increased by an average of 152% but these grants reflect monies received for capital expenditures.

Funding Source Average Changes (2013 to 2017)



Source: KPMG Analysis of Financial Information Returns

# Current State Assessment – Financial Indicators

In order to provide additional perspective on the Town's financial performance and position, we have included in this chapter an analysis of financial indicators for the Town and other comparative municipalities.

In Canada, the development and maintenance of principles for financial reporting fall under the responsibility of the Accounting Standards Oversight Council ('AcSOC'), a volunteer body established by the Canadian Institute of Chartered Accountants in 2000. In this role, AcSOC provides input to and monitors and evaluates the performance of the two boards that are tasked with established accounting standards for the private and public sector:

- The Public Sector Accounting Board ('PSAB') establishes accounting standards for the public sector, which includes municipal governments; and
- The Accounting Standards Board ('AcSB'), which is responsible for the establishment of accounting standards for Canadian entities outside of the public sector.

In May 2009, PSAB released a Statement of Recommended Practice that provided guidance on how public sector bodies should report on indicators of financial condition. As defined in the statement, financial condition is '*a government's financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others*'. In reporting on financial condition, PSAB also recommended that three factors, at a minimum, need to be considered:

- **Sustainability.** Sustainability is the degree to which the Town can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the City's assessment base, there is an increased risk that the Town's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility.** Flexibility reflects the Town's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.
- **Vulnerability.** Vulnerability represents the extent to which the Town is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants such as OMPF; (ii) conditional operating grants such as Provincial Gas Tax for transit operations; and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government, as the Municipal Act does not allow municipalities to issue long-term debt for operating purposes (Section 408(2.1)).

# Current State Assessment – Financial Indicators

As a means of reporting the Town’s financial condition, we have considered the following financial indicators (\*denotes PSAB recommended financial indicator).

Financial Condition Category	Financial Indicators
Sustainability	<ol style="list-style-type: none"> <li>1. Financial assets to financial liabilities*</li> <li>2. Total reserves and reserve funds per household</li> <li>3. Total operating expenses as a percentage of taxable assessment*</li> <li>4. Capital additions as a percentage of amortization expense</li> </ol>
Flexibility	<ol style="list-style-type: none"> <li>5. Residential taxes per household</li> <li>6. Total long-term debt per household</li> <li>7. Residential taxation as a percentage of average household income</li> <li>8. Total taxation as a percentage of total assessment*</li> <li>9. Debt servicing costs (interest and principal) as a percentage of total revenues*</li> <li>10. Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets*</li> </ol>
Vulnerability	<ol style="list-style-type: none"> <li>11. Operating grants as a percentage of total revenues*</li> <li>12. Capital grants as a percentage of total capital expenditures*</li> </ol>

A detailed description of these financial indicators is included on the following pages, including a comparison of the Town’s performance and position against other municipalities noted in the previous chapter.

As noted on the following pages, the Town’s financial indicators support the objectives set for the service delivery review as the Town’ indicators appear to demonstrate issues with all three financial condition categories. From an overall perspective, we note that:

- The Town does not appear to be facing a significant affordability constraint, with taxation levels consistent with or lower than the comparator; and municipalities;
- The Town’s financial position indicators are generally consistent with but in some cases less favourable, than the comparator municipalities.

# Current State Assessment – Financial Indicators

## FINANCIAL ASSETS TO FINANCIAL LIABILITIES

This financial indicator provides an assessment of the Town’s solvency by comparing financial assets (including cash, investments and accounts receivable) to financial liabilities (accounts payable, deferred revenue and long-term debt). Low levels of financial assets to financial liabilities are indicative of limited financial resources available to meet cost increases or revenue losses.

### TYPE OF INDICATOR

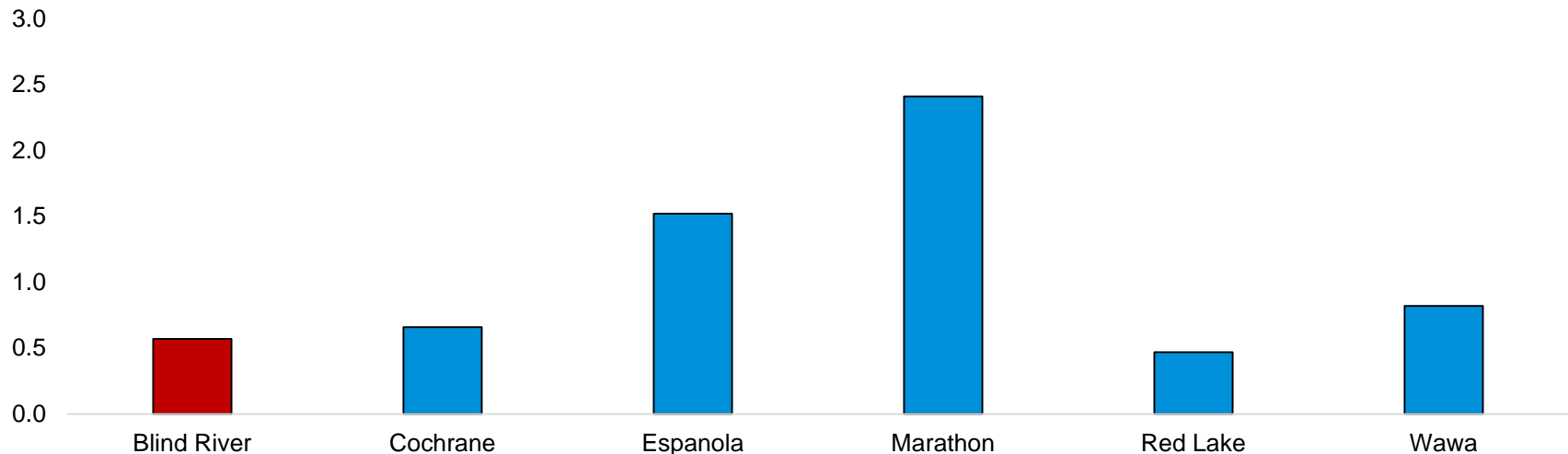
Sustainability ✓  
 Flexibility  
 Vulnerability

### FORMULA

FIR Schedule 70, Line 9930,  
 Column 1 divided by FIR  
 Schedule 70, Line 9940,  
 Column 1

### POTENTIAL LIMITATIONS

- Financial assets may include investments in government business enterprises, which may not necessarily be converted to cash or yield cash dividends
- Financial liabilities may include liabilities for employee future benefits and future landfill closure and post-closure costs, which may (i) not be realized for a number of years; and/or (ii) may not be realized at once but rather over a number of years



# Current State Assessment – Financial Indicators

## TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

This financial indicator provides an assessment of the Town's ability to absorb incremental expenses or revenue losses through the use of reserves and reserve funds as opposed to taxes, user fees or debt. Low reserve levels are indicative of limited capacity to deal with cost increases or revenue losses, requiring the Town to revert to taxation or user fee increases or the issuance of debt.

### TYPE OF INDICATOR

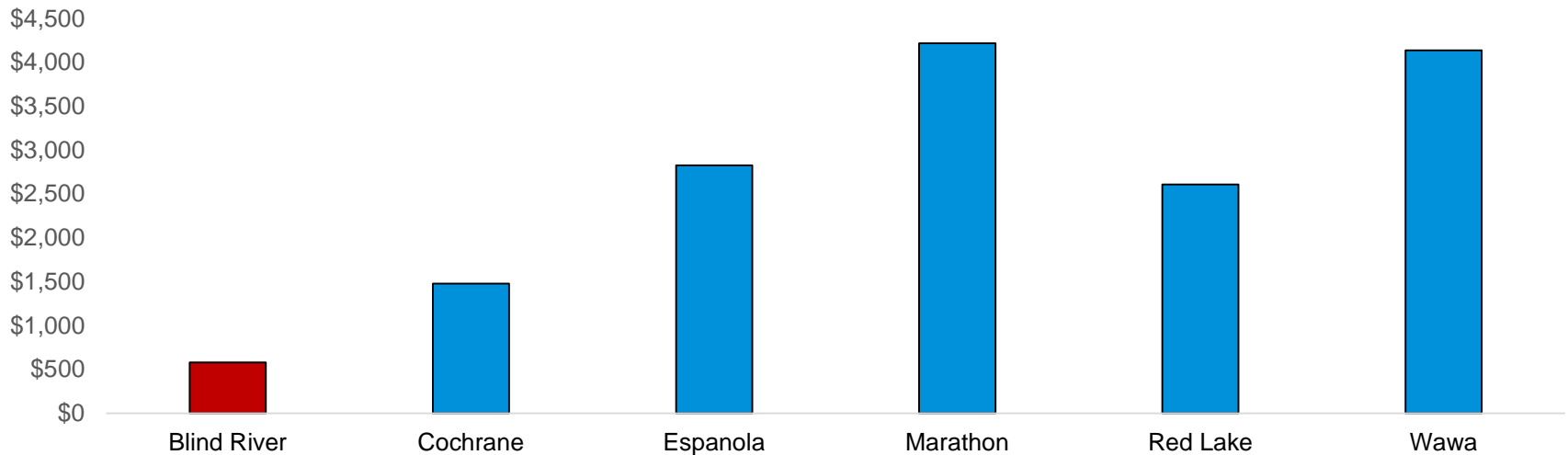
Sustainability ✓  
 Flexibility  
 Vulnerability

### FORMULA

FIR Schedule 70, Line 6420,  
 Column 1 divided by FIR  
 Schedule 2, Line 40, Column 1

### POTENTIAL LIMITATIONS

- Reserves and reserve funds are often committed to specific projects or purposes and as such, may not necessarily be available to fund incremental costs or revenue losses
- As reserves are not funded, the Town may not actually have access to financial assets to finance additional expenses or revenue losses





# Current State Assessment – Financial Indicators

## TOTAL OPERATING EXPENSES AS A PERCENTAGE OF TAXABLE ASSESSMENT

This financial indicator provides an assessment of the Town’s solvency by determining the extent to which increases in operating expenses correspond with increases in taxable assessment. If increases correspond, the Town can fund any increases in operating costs without raising taxation rates.

### TYPE OF INDICATOR

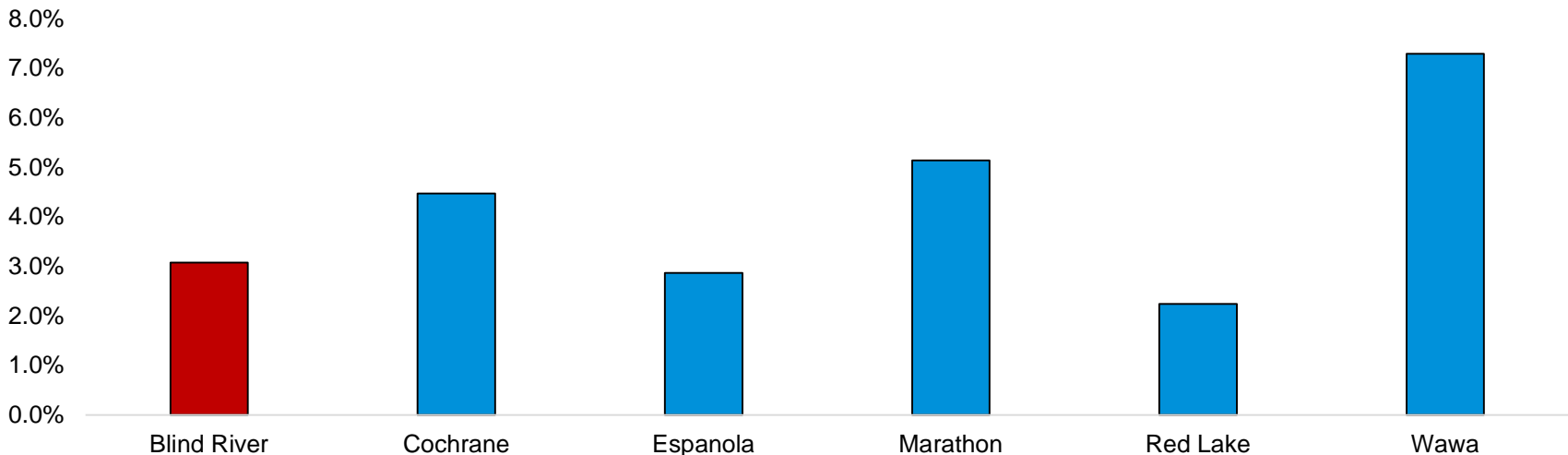
Sustainability ✓  
 Flexibility  
 Vulnerability

### FORMULA

FIR Schedule 40, Line 9910, Column 7 less FIR Schedule 40, Line 9910, Column 16 divided by FIR Schedule 26, Column 17, Lines 9199 and 9299

### POTENTIAL LIMITATIONS

- As operating expenses are funded by a variety of sources, the Town’s sustainability may be impacted by reductions in other funding sources that would not be identified by this indicator.



# Current State Assessment – Financial Indicators

## CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

This financial indicator provides an assessment of the Town’s solvency by assessing the extent to which it is sustaining its tangible capital assets. In the absence of meaningful reinvestment in tangible capital assets, the Town’s ability to continue to deliver services at the current levels may be compromised.

### TYPE OF INDICATOR

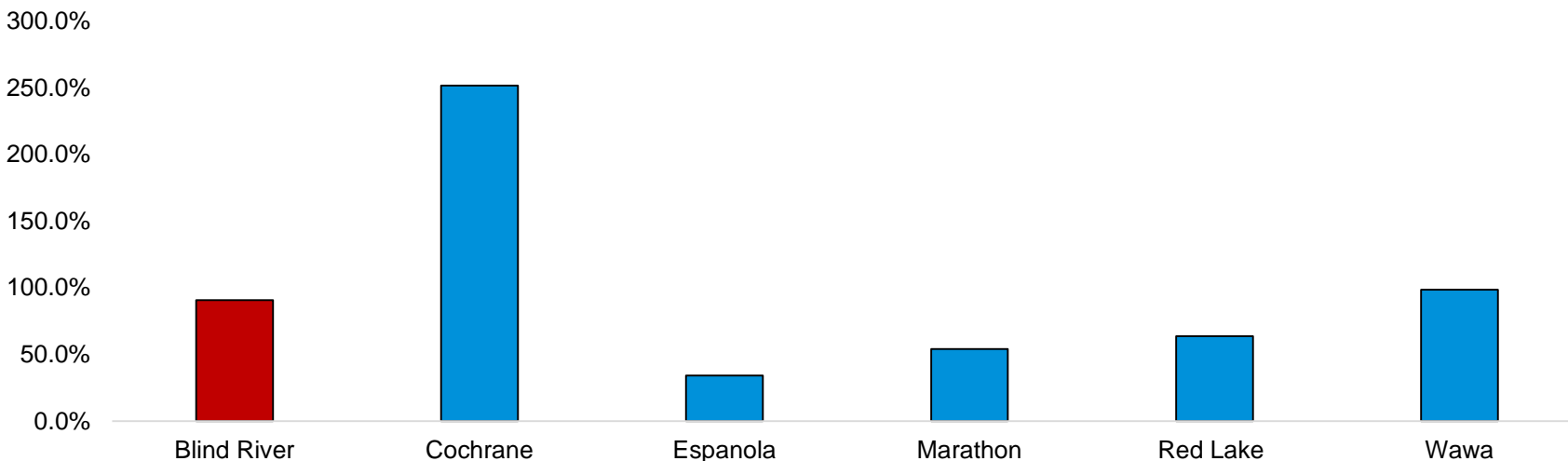
Sustainability ✓  
 Flexibility  
 Vulnerability

### FORMULA

FIR Schedule 51, Line 9910,  
 Column 3 divided by FIR  
 Schedule 40, Line 9910,  
 Column 16

### POTENTIAL LIMITATIONS

- This indicator considers amortization expense, which is based on historical as opposed to replacement cost. As a result, the Town’s capital reinvestment requirement will be higher than its reported amortization expense due to the effects of inflation.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



# Current State Assessment – Financial Indicators

## RESIDENTIAL TAXES PER HOUSEHOLD

This financial indicator provides an assessment of the Town’s ability to increase taxes as a means of funding incremental operating and capital expenditures.

### TYPE OF INDICATOR

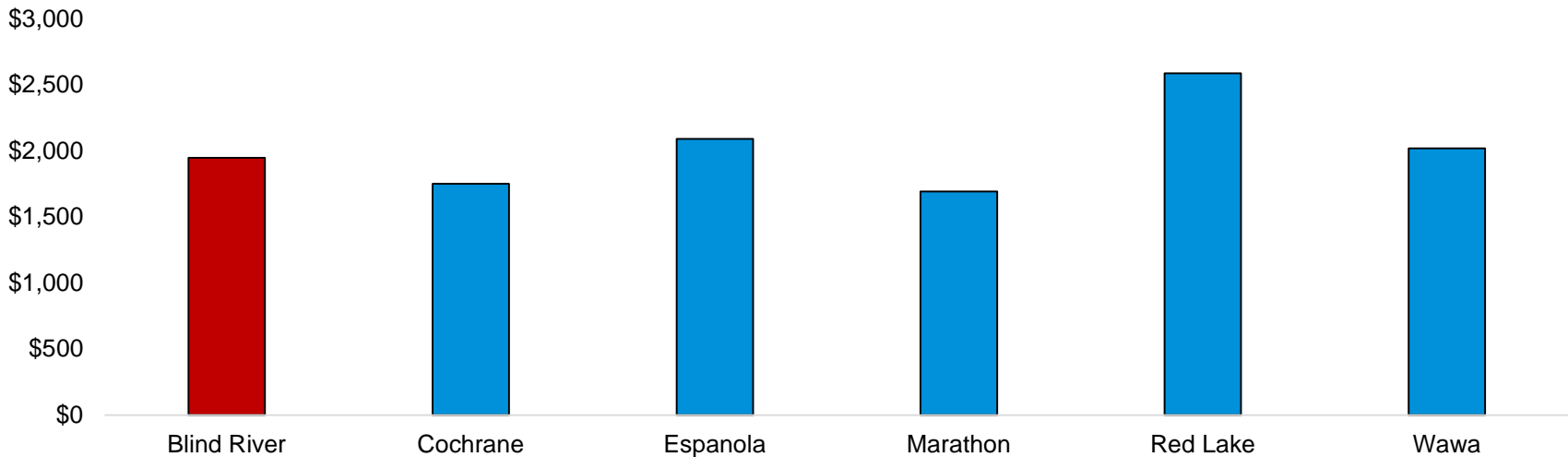
Sustainability  
 Flexibility ✓  
 Vulnerability

### FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1

### POTENTIAL LIMITATIONS

- This indicator does not incorporate income levels for residents and as such, does not fully address affordability concerns.



# Current State Assessment – Financial Indicators

## RESIDENTIAL TAXATION AS A PERCENTAGE OF HOUSEHOLD INCOME

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes.

### TYPE OF INDICATOR

Sustainability

Flexibility ✓

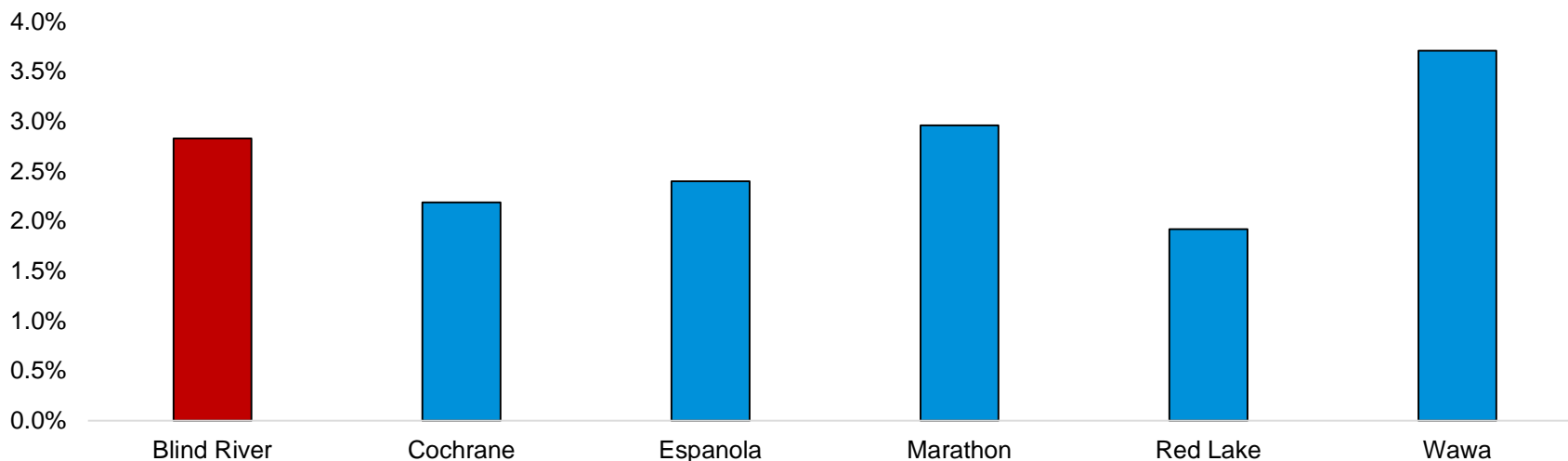
Vulnerability

### FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1 (to arrive at average residential tax per household). Average household income is derived from the National Housing Survey.

### POTENTIAL LIMITATIONS

- This indicator considers residential affordability only and does not address commercial or industrial affordability concerns.
- This indicator is calculated on an average household basis and does not provide an indication of affordability concerns for low income or fixed income households.



# Current State Assessment – Financial Indicators

## TOTAL LONG-TERM DEBT PER HOUSEHOLD

This financial indicator provides an assessment of the Town’s ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt.

### TYPE OF INDICATOR

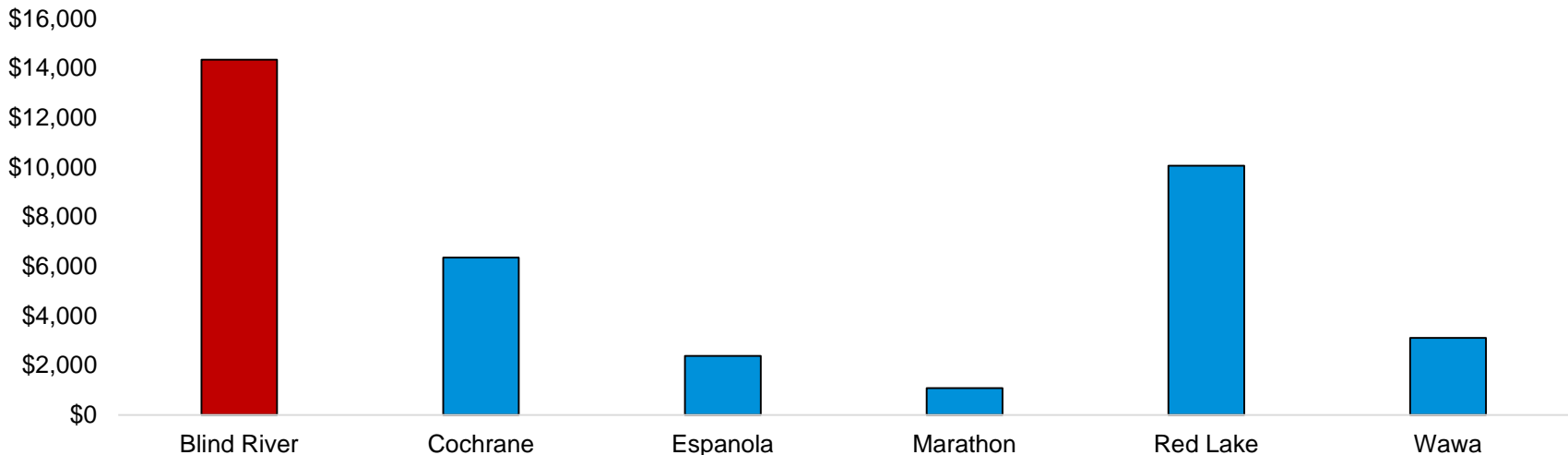
Sustainability  
Flexibility ✓  
Vulnerability

### FORMULA

FIR Schedule 70, Line 2699,  
Column 1 divided by FIR  
Schedule 1, Line 0040, Column  
1

### POTENTIAL LIMITATIONS

- This indicator does not consider the Provincial limitations on debt servicing cost, which cannot exceed 25% of own-source revenues unless approved by the Ontario Municipal Board





# Current State Assessment – Financial Indicators

## TOTAL TAXATION AS A PERCENTAGE OF TOTAL ASSESSMENT

This financial indicator provides an indication of potential affordability concerns by calculating the Town’s overall rate of taxation. Relatively high tax rate percentages may limit the Town’s ability to generate incremental revenues in the future.

### TYPE OF INDICATOR

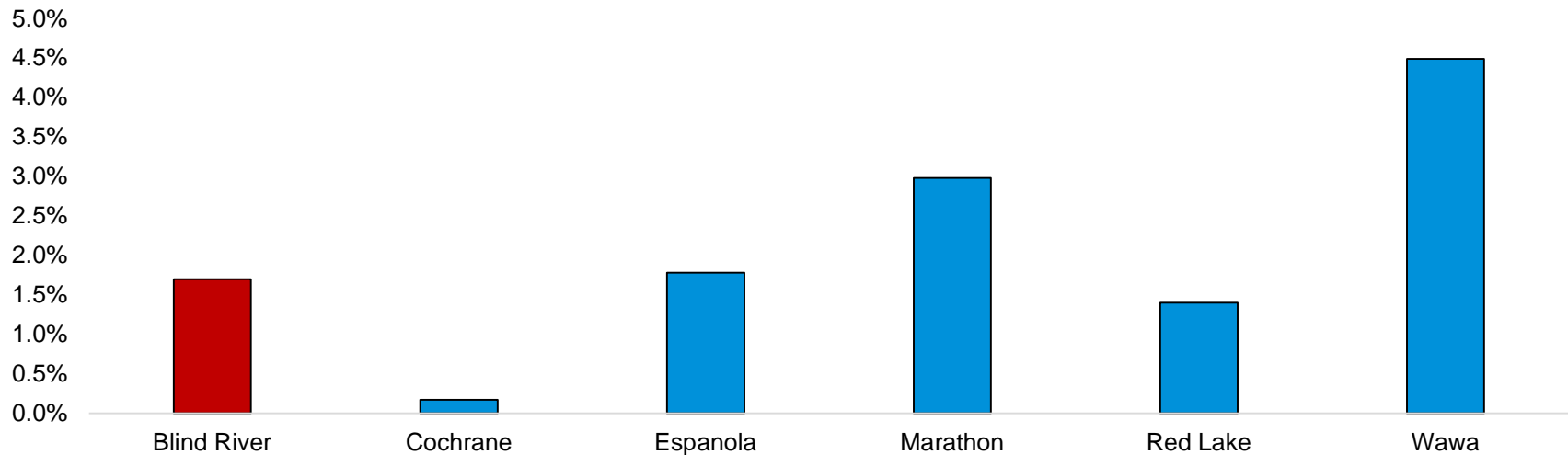
Sustainability  
 Flexibility ✓  
 Vulnerability

### FORMULA

FIR Schedule 26, Line 9199 and Line 9299, Column 4 divided by FIR Schedule 26, Line 9199 and 9299, Column 17.

### POTENTIAL LIMITATIONS

- This indicator considers the Town’s overall tax rate and will not address affordability issues that may apply to individual property classes (e.g. commercial).



# Current State Assessment – Financial Indicators

## DEBT SERVICING COSTS (INTEREST AND PRINCIPAL) AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Town’s overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The Town’s ability to issue additional debt may be limited if debt servicing costs on existing debt are excessively high.

### TYPE OF INDICATOR

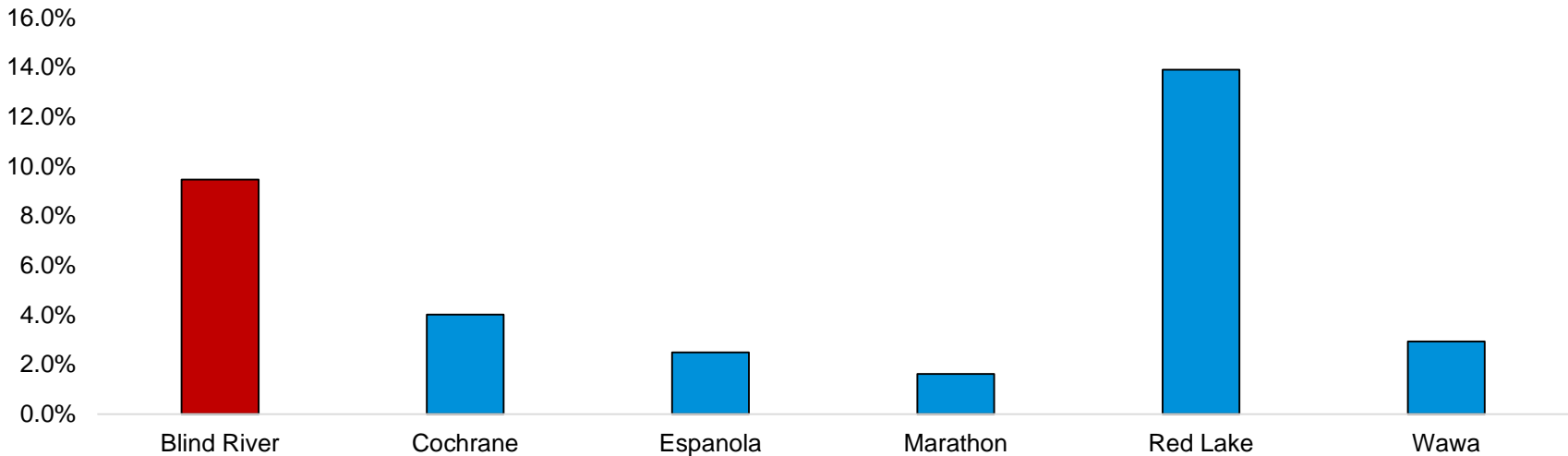
Sustainability  
Flexibility ✓  
Vulnerability

### FORMULA

FIR Schedule 74C, Line 3099, Column 1 and Column 2 divided by FIR Schedule 10, Line 9910, Column 1.

### POTENTIAL LIMITATIONS

- No significant limitations have been identified in connection with this indicator



# Current State Assessment – Financial Indicators

## NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS AS A PERCENTAGE OF HISTORICAL COST OF TANGIBLE CAPITAL ASSETS

This financial indicator provides an indication as to the extent to which the Town is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the Town is, on average, investing in capital assets as they reach the end of useful life, with indicators of less than 50% indicating that the Town’s reinvestment is not keeping pace with the aging of its assets.

### TYPE OF INDICATOR

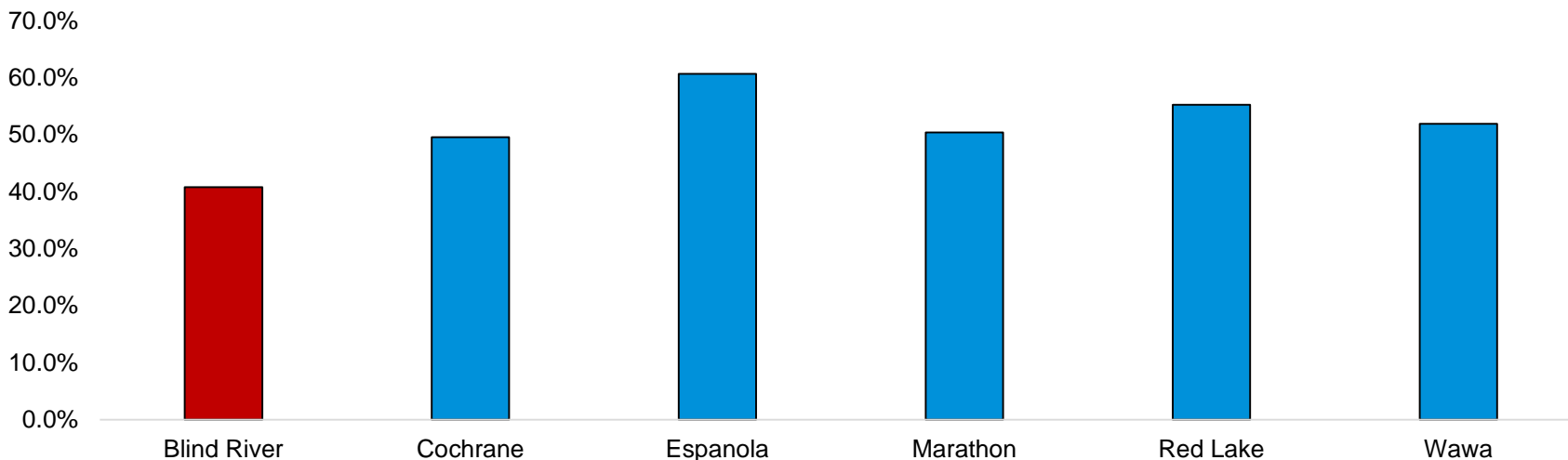
Sustainability  
Flexibility ✓  
Vulnerability

### FORMULA

FIR Schedule 51A, Line 9910, Column 11 divided by FIR Schedule 51A, Line 9910, Column 6.

### POTENTIAL LIMITATIONS

- This indicator is based on the historical cost of the Town’s tangible capital assets, as opposed to replacement cost. As a result, the Town’s pace of reinvestment is likely lower than calculated by this indicator as replacement cost will exceed historical cost.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



# Current State Assessment – Financial Indicators

## OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Town's degree of reliance on senior government grants for the purposes of funding operating expenses. The level of operating grants as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating grants.

### TYPE OF INDICATOR

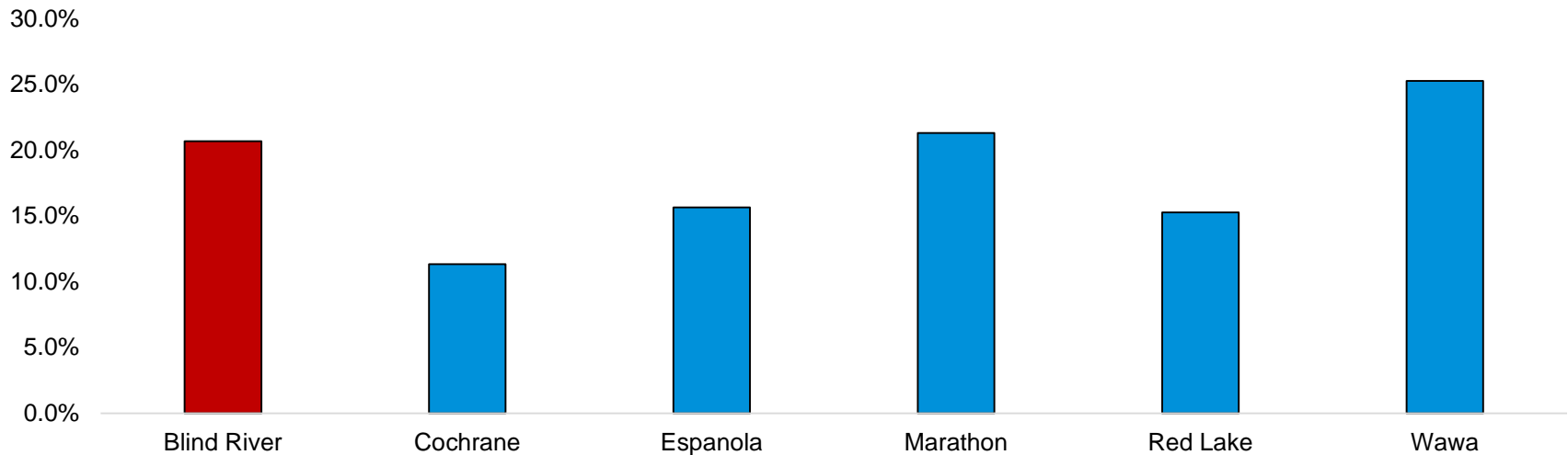
Sustainability  
 Flexibility  
 Vulnerability ✓

### FORMULA

FIR Schedule 10, Line 0699,  
 Line 0810, Line 0820, Line  
 0830, Column 1 divided by FIR  
 Schedule 10, Line 9910,  
 Column 1.

### POTENTIAL LIMITATIONS

- To the extent possible, the Town should maximize its operating grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



# Current State Assessment – Financial Indicators

## CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

This financial indicator provides an indication as to the Town’s degree of reliance on senior government grants for the purposes of funding capital expenditures. The level of capital grants as a percentage of total capital expenditures is directly proportionate with the severity of the impact of a decrease in capital grants.

### TYPE OF INDICATOR

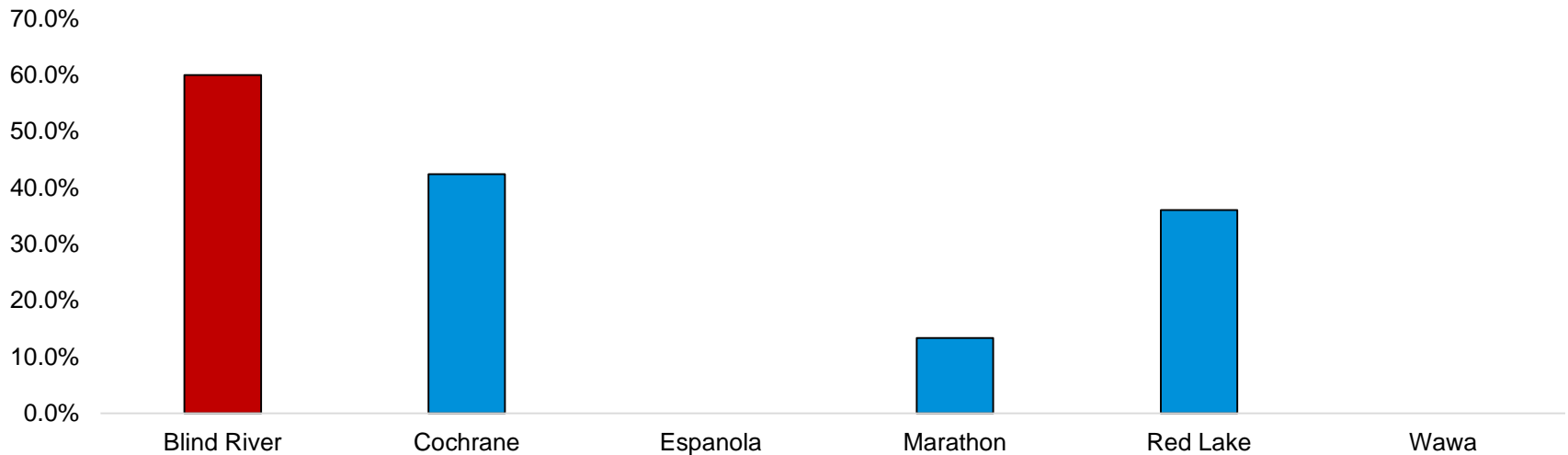
Sustainability  
 Flexibility  
 Vulnerability ✓

### FORMULA

FIR Schedule 10, Line 0815,  
 Line 0825, Line 0831, Column  
 1 divided by FIR Schedule 51,  
 Line 9910, Column 3.

### POTENTIAL LIMITATIONS

- To the extent possible, the Town should maximize its capital grant revenue. As such, there is arguably no maximum level associated with this financial indicator.






# Town of Blind River Service Delivery Review

## Service Profiles





# Mayor and Council Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Corporate Services		Council acts as the governance body for the municipality. Council's role includes representing the public and consider the well-being and interests of the Town including the financial integrity. Council is also responsible for the development and evaluation of programs and policies for the Town.		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>						
Mayor and Council						
<b>Service Type</b>		Mandatory	Essential		Traditional	Other Discretionary
External		<b>Service Value</b>				
<b>Expenditures and Personnel</b>		Mayor and Council lead the Town in fulfilling the requirements of governing as well as the strategic goals and objectives as identified by Council as a whole.		<b>Performance and Benchmarking</b>		
2018 Budgeted Expenditures	\$123,448			Based upon our benchmarking analysis of Mayor and Council, the Town has the second lowest cost per household in providing elected representation. The Town's elected officials appear to represent the fewest residents per elected official.		
FTE	Not Applicable					
<b>Basis For Delivery</b>		<b>Mandatory</b> – The establishment of a municipal council is a requirement of the <i>Municipal Act</i> , which is the primary legislation governing Ontario municipalities. Among other things, the <i>Municipal Act</i> defines the role of council (Section 224), defines the role of the head of council (Section 225), and establishes the head of council as the chief executive officer and defines the role of chief executive officer (Section 226.1).				

# Mayor and Council Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net levy per household
Service Effectiveness Indicators	A measure of the extent to which a program, service or process is achieving desired outcomes.	1. Number of residents per elected official

	Blind River	Espanola	Marathon	Red Lake	Wawa
Net levy (in thousands)	\$123,448	\$135,100	\$107,846	\$259,759	\$60,148
Total households	2,219	2,357	1,643	1,938	1,451
Net levy per household	\$55.63	\$57.32	\$65.64	\$134.03	\$41.45


Number of Elected Officials	7	7	5	5	5
Population	3,472	4,996	3,273	4,107	2,905
Number of residents per elected official	496	714	655	821	581

Source: KPMG analysis of municipal budgets and websites

# Office of the Chief Administrative Officer Service Profile

Program	
Corporate Services	
Organizational Unit	
Office of the CAO	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$910,435*
FTE	2.5
* - Budgeted amount for Town Hall Administration	

Service Overview
As outlined in the <i>Municipal Act</i> , the role of the Chief Administrative Officer ('CAO') is to exercise general control and management of the affairs of the Town for the purposes of ensuring the efficient and effective operation of the Town.
Service Value
By way of its position, the Office of the CAO is tasked with implementing Council's strategic direction and seeking guidance, approval and revisions to this direction where considered appropriate.
Basis For Delivery
<b>Essential</b> – Pursuant to Section 229 of the <i>Municipal Act</i> , municipalities may (but are not required) to appoint a CAO. Notwithstanding the optional nature of this position, our experience demonstrates that most municipalities with population levels similar to the Town's typically have a CAO position within its organizational structure.

	Service level		
	Below Standard	At Standard	Above Standard
Service type	Mandatory	 <p>Considered at standard given the operating costs per household.</p>	
	Essential		
	Traditional		
	Other Discretionary		
Performance and Benchmarking			
For the purposes of municipal benchmarking, the comparative analysis has been aggregated up to the level of corporate services based upon the nature of service delivery of the Town and the municipal comparator group.			
The Town's corporate services costs are consistent with the comparator group.			

# Office of the Chief Administrative Officer

## Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

Comparative analysis has been aggregated up to the level of corporate services based upon the level of details available from the Town and the municipal comparator group.


	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures (In Thousands)	\$2,021	\$1,503	\$1,363	\$1,682	\$2,056	\$2,244
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$910.91	\$598.70	\$579.57	\$1,023.90	\$1,060.89	\$1,546.67

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Clerk Services Service Profile

Program	
Corporate Services	
Organizational Unit	
Clerk Services	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$910,435*
FTE	2.5
* - Budgeted amount for Town Hall Administration	

Service Overview
The Town's Clerk Services fulfill the statutory requirements as outlined within the Municipal Act as well as the services necessary to support efficient and effective governance. This includes the preparation and distribution of meeting agendas and minutes and attendance in meetings to provide support for both Council and committees. Clerk Services is also responsible for the oversight of municipal elections every four years and supports customer service initiatives within the organization.
Service Value
The Clerks function is responsible for providing support to Council in the conducting of effective and efficient meetings in compliance with all related provincial legislation and by doing so, ensuring Council operates in an accountable and transparent manner.
Basis For Delivery
<b>Mandatory</b> – Section 228 of the <i>Municipal Act</i> requires all municipalities to appoint a clerk with the formal duties of the Clerk established within the legislation.

	Service level		
	Below Standard	At Standard	Above Standard
Service type	Mandatory	 <p>Considered at standard given the operating costs per household.</p>	
	Essential		
	Traditional		
	Other Discretionary		
Performance and Benchmarking			
For the purposes of municipal benchmarking, the comparative analysis has been aggregated up to the level of corporate services based upon the nature of service delivery of the Town and the municipal comparator group.			
The Town's corporate services costs are consistent with the comparator group.			

# Clerk Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

Comparative analysis has been aggregated up to the level of corporate services based upon the level of details available from the Town and the municipal comparator group.

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures (In Thousands)	\$2,021	\$1,503	\$1,363	\$1,682	\$2,056	\$2,244
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$910.91	\$598.70	\$579.57	\$1,023.90	\$1,060.89	\$1,546.67

Source: KPMG analysis of municipalities' 2017 Financial Information Returns


# Financial Services Service Profile

Program	
Corporate Services	
Organizational Unit	
Financial Services	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$910,435*
FTE	4.0
* - Budgeted amount for Town Hall Administration	

Service Overview
<p>Financial administration for the Town of Blind River is provided through its Treasury function. The financial and corporate services provided include:</p> <ul style="list-style-type: none"> <li>• Budgeting and financial planning;</li> <li>• Levying and collecting taxes;</li> <li>• Transaction processing (cash receipts, cash disbursements, payroll);</li> <li>• Water billing administration;</li> <li>• Internal and external financial reporting;</li> <li>• Procurement;</li> <li>• Reception; and</li> <li>• Information technology</li> </ul>

Service Value
<p>The Town's Finance department is responsible for providing sound financial leadership, planning and advice to Council, the organization and the community.</p>

Basis For Delivery
<p><b>Mandatory</b> – Pursuant to Section 286(1) of the <i>Municipal Act</i>, all Ontario municipalities are required to appoint a treasurer "who is responsible for the handling of all financial affairs of the municipality on behalf of and in a manner directed by the council of the municipality."</p>

Service type	Service level		
	Below Standard	At Standard	Above Standard
Mandatory			
Essential			
Traditional			
Other Discretionary			

Considered at standard given the operating costs per household.

Performance and Benchmarking
<p>For the purposes of municipal benchmarking, the comparative analysis has been aggregated up to the level of corporate services based upon the nature of service delivery of the Town and the municipal comparator group.</p>
<p>The Town's corporate services costs are consistent with the comparator group.</p>



# Financial Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

Comparative analysis has been aggregated up to the level of corporate services based upon the level of details available from the Town and the municipal comparator group.

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures (In Thousands)	\$2,021	\$1,503	\$1,363	\$1,682	\$2,056	\$2,244
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$910.91	\$598.70	\$579.57	\$1,023.90	\$1,060.89	\$1,546.67

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Fire Services Service Profile

Program	
Protective Services	
Organizational Unit	
Fire Services	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$208,650
FTE	1.0

**Service Overview**


The Town's Fire Department is responsible for ensuring the health and safety of residents through the provision of programs and services focusing on three areas: education, prevention and suppression. The Town's Fire Department is also responsible for the oversight and delivery of the Town's crossing guard program as well as coordinating all health and safety requirements on behalf of the Town.

**Service Value**

The Town of Blind River's Fire Department seeks to promote a safe community through public education and prevention and the deployment of resources when required.

**Basis For Delivery**

**Mandatory** – Section 2(1) of the *Fire Prevention and Protection Act, 1997*, S.O. 1997, c.4 (the 'FPPA') sets out that every municipality is required to establish a program in the municipality which must include public education with respect to fire safety and certain components of fire prevention and provide such other fire protection services as it determines may be necessary in accordance with its needs and circumstances.

Service type	Service level		
	Below Standard	At Standard	Above Standard
Mandatory			
Essential			
Traditional			
Other Discretionary			

**Performance and Benchmarking**

Based upon our benchmarking analysis of fire services, the Town of Blind River provided fire services at the lowest cost per household but also had the lowest cost recovery among the comparator group.

# Fire Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	<ol style="list-style-type: none"> <li>1. Operating cost per household</li> <li>2. Cost recovery achieved through user fees</li> </ol>

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Operating Expenditures	\$159,483	\$356,803	\$354,260	\$320,440	\$305,766	\$272,772
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net levy per household	\$71.87	\$142.15	\$150.68	\$195.03	\$157.77	\$187.99
	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Cost Recovery Achieved Through User Fees	2.2%	8.4%	3.2%	6.9%	3.7%	24.7%

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Police Services Service Profile

Program	
Protective Services	
Organizational Unit	
Police Services	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$1,036,507
FTE	Not applicable

Service Overview
The Town of Blind River provides police services through a third party agreement with the Ontario Provincial Police ('OPP'). The OPP provide the Town with the services outlined within the Police Services which include crime prevention, law enforcement, assistance to victims of crime, public order maintenance, and emergency response.

Basis For Delivery
<b>Mandatory</b> – Under Section 4 of the Police Services Act, "every municipality to which this subsection applies shall provide adequate and effective police services in accordance with its needs." The legislation provides what adequate and effective police services at a minimum for municipalities.

Service type	Service level		
	Below Standard	At Standard	Above Standard
Mandatory			
Essential			
Traditional			
Other Discretionary			

Considered at standard given the basis of delivery and operating costs per household

Performance and Benchmarking
Based upon our benchmarking analysis of police services, the Town of Blind River is consistent with the comparator group whereas the operating costs per household are the lowest among the group and all of the comparator municipalities provide police services through contractual agreements with the OPP.

# Police Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net levy per household

	Blind River	Cochrane	Espanola*	Marathon	Red Lake	Wawa
2017 Operating Expenditures	\$1,024,869	\$1,356,242	\$2,472,663	\$1,103,409	\$1,596,400	\$1,068,794
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net levy per household	\$461.86	\$540.34	\$1,051.75	\$671.58	\$823.74	\$736.59


Source: KPMG analysis of municipalities' 2017 Financial Information Returns

\* - The Town of Espanola had a municipal police force in 2017

# Building Services Service Profile

Program	
Protective Services	
Organizational Unit	
Building Services	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$55,965
FTE	2.5

Service Overview	
<p>Building Services provide an efficient system of building permit approvals which minimize hazards to persons and property by ensuring that all construction within the Town of Blind River adheres to provincial and municipal regulations. This section issues building, plumbing, demolition, occupancy and other permits governed by the Ontario Building Code.</p>	
Service Value	
<p>Through inspections, Building Services ensures that projects are designed and constructed in accordance with the terms and conditions of applicable municipal and legislative requirements.</p>	
Basis For Delivery	
<p><b>Mandatory</b> – Pursuant to Section 3.1 of the <i>Building Code Act</i> ('BCA'), municipalities are mandated the responsibility to enforce the BCA and in doing so, are required to appoint a chief building officer and such inspectors under Section 3(2) of the BCA. .</p>	

		Service level		
		Below Standard	At Standard	Above Standard
Service type	Mandatory	 <p>Considered at standard given the operating costs per household and the number of branches indicators</p>		
	Essential			
	Traditional			
	Other Discretionary			
Performance and Benchmarking				
<p>For the purposes of municipal benchmarking, the comparative analysis has been aggregated up to the level of protective services based upon the nature of service delivery of the Town and the municipal comparator group.</p> <p>The Town's protective services costs are consistent with the comparator group.</p>				



# Building Services Service Profile


Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

Comparative analysis has been aggregated up to the level of protective services (bylaw and building services) based upon the level of details available from the Town and the municipal comparator group.

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures	\$199,235	\$152,482	\$157,860	\$52,978	\$183,802	\$151,148
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$89.83	\$60.75	\$67.15	\$32.24	\$94.84	\$104.17

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Bylaw Enforcement Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Protective Services		<p>The objective of municipal bylaw enforcement is to obtain compliance in accordance with the Town's bylaws. This applies to both private and public property where the focus is health and safety, nuisance control, and quality of life issues including animal control, water metering, and responsible for parking enforcement within the Town.</p>		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>				 <p>Considered at standard given the operating costs per household.</p>		
Bylaw Enforcement						
<b>Service Type</b>						
External						
<b>Service Value</b>		<p>All citizens and visitors benefit from the enforcement of municipal bylaws as the result is the increased level of public safety, neighbourhood satisfaction, community pride, and overall positive impact on the quality of life.</p>		<b>Performance and Benchmarking</b>		
<b>Expenditures and Personnel</b>				<p>For the purposes of municipal benchmarking, the comparative analysis has been aggregated up to the level of protective services based upon the nature of service delivery of the Town and the municipal comparator group.</p> <p>The Town's protective services costs are consistent with the comparator group.</p>		
Operating Costs	\$62,097					
FTE	1.0	<b>Basis For Delivery</b>				
<p><b>Essential</b> – Section 10 of the <i>Municipal Act</i> provides municipalities with the ability to pass bylaws with respect to several matters including the economic, social and environmental well being of the community.</p>						

# Bylaw Enforcement Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Operating cost per household

Comparative analysis has been aggregated up to the level of protective services (bylaw and building services) based upon the level of details available from the Town and the municipal comparator group.


	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures	\$199,235	\$152,482	\$157,860	\$52,978	\$183,802	\$151,148
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$89.83	\$60.75	\$67.15	\$32.24	\$94.84	\$104.17

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Planning Services Service Profile

Program	
Planning and Development Services	
Organizational Unit	
Planning Services	
Service Type	
External	
Expenditures and Personnel	
2017 Operating Costs	\$165,222
FTE	1.5

Service Overview	
<p>Planning oversees development control and zoning as well as long range community planning.</p> <p>The Planning Department provides information, expertise and guidance to the public relative to development approval processes, Official Plan Policies and the Zoning By-Law.</p>	
Service Value	
<p>Planning Services ensure that the Town grows in a way that most effectively takes advantage of the Town's existing infrastructure and minimizes unnecessary sprawl that is both unsustainable to build and maintain.</p>	
Basis For Delivery	
<p><b>Mandatory</b> – The Planning Act, R.S.O. 1990, c. P.13 (the 'Planning Act') establishes the responsibility for municipalities to:</p> <ul style="list-style-type: none"> <li>• Make local planning decisions that will determine the future of their community;</li> <li>• Prepare planning documents such as an official plan, community improvement plan and zoning by-laws; and</li> <li>• Ensure planning decisions and planning documents are consistent with the Provincial Policy Statement and do conform or do not conflict with Provincial plans.</li> </ul>	

	Service level		
	Below Standard	At Standard	Above Standard
Service type	Mandatory		
	Essential		
	Traditional		
	Other Discretionary		
Performance and Benchmarking			
<p>Based upon our benchmarking analysis of planning and development services, the Town of Blind River appears to be at the lower end of net operating costs within the comparator group.</p>			

# Planning Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures	\$165,222	\$420,851	\$73,364	\$226,736	\$259,141	\$208,272
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$74.46	\$173.23	\$35.80	\$138.00	\$135.96	\$144.72


Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Public Works Operations Service Profile

Program	
Transportation Services	
Organizational Unit	
Public Works Operations	
Service Type	
External	
Expenditures and Personnel	
Operating Costs	\$1,474,650
FTEs	6.0

Service Overview
The Town's Public Works department is responsible for the maintenance of the Town's municipal road network, including sidewalks, culverts, and municipal bridges. The department is responsible for the provision of year-round road maintenance (winter and summer) and the maintenance of the Town's fleet with all services delivered out of the Town's main public works garage.
Service Value
The Town's Public Works department provides the effective and efficient delivery of service which contributes to the public safety and health of the community.

Basis For Delivery
<b>Essential</b> – Section 44(1) of the <i>Municipal Act</i> establishes the Municipality's responsibility to keep highways or bridges under its jurisdiction "in a state of repair that is reasonable in the circumstances." Ontario Regulation 239/20: Minimum Maintenance Standards for Municipal Highways (which has been amended by Ontario Regulation 47/13) provides further clarification by establishing minimum maintenance standards for a range of road network maintenance activities.

		Service level		
		Below Standard	At Standard	Above Standard
Service type	Mandatory	 <p>Considered at standard given the operating costs per household</p>		
	Essential			
	Traditional			
	Other Discretionary			

Performance and Benchmarking
Based upon our benchmarking analysis of public work operations, the Town of Blind River provided these at the lowest cost per household.



# Public Works Operations Service Profile


Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Operating cost per household

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
2017 Gross Operating Expenditures	\$1,245,532	\$2,252,372	\$2,274,772	\$1,461,111	\$2,761,535	\$1,557,296
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Operating cost per household	\$561.30	\$897.34	\$965.11	\$889.24	\$1,424.94	\$1,073.26

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Water and Wastewater Services

## Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Environmental Services		Water and wastewater services are provided through the use of a third party service provider (operation of the water and wastewater plants) and own resources (water and wastewater repairs, hydrants, new feeds).		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>		<b>Service Value</b>		 <p>Considered at standard given the operating costs per household</p>		
Water and Wastewater Services		The Town contributes to the health of the community with the effective and efficient delivery water and wastewater services which are fully compliant with all legislation and regulations.				
<b>Service Type</b>		<b>Basis For Delivery</b>				
External		<p><b>Essential</b> – Under the <i>Municipal Act</i>, there is no requirement for municipalities to maintain drinking water systems. Where municipalities choose to maintain a drinking water system, the provisions of the <i>Safe Drinking Water Act, 2002</i>, S.O. 2002, c.32 ('SDWA') and related regulations apply.</p>				
<b>Expenditures and Personnel</b>		<b>Performance and Benchmarking</b>				
Operating Costs	(\$1,174,927)	Based upon our benchmarking analysis of water and wastewater services, the Town is consistent with the comparator group in operating its system at full cost recovery from an operational perspective.				
FTE	Not Applicable					


# Water and Wastewater Services Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Cost recovery achieved through user fees

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Cost Recovery Achieved Through User Fees	156.4%	146.6%	154.8%	110.2%	72.5%	153.3%

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Solid Waste Management Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>	
Environmental Services		Solid waste management services are provided through the use of a third party service provider. The services provided include weekly curbside collection services and the operation of the municipal landfill site.		Below Standard	At Standard
<b>Organizational Unit</b>		<b>Service Value</b>		 <p>Considered at standard given the operating costs per household</p>	Above Standard
Solid Waste Management		The Town contributes to the health of the environment and the residents through the appropriate collection and management of household waste, recyclables, and other selected/designated materials.			
<b>Service Type</b>		<b>Basis For Delivery</b>			
External		<p><b>Essential</b> – There is no requirement under the <i>Municipal Act</i> for municipalities to collect solid waste or maintain landfill operations. However, where a municipality chooses to do so, the provisions of the <i>Environmental Protection Act</i>, R.S.O. 1990, c.E.19 and Ontario Regulation 232/98: Landfilling Sites ('EPA') apply. Municipalities with a population over 5,000 are required to provide waste diversion services.</p>			
<b>Expenditures and Personnel</b>					
2018 Budgeted Operating Costs	\$346,150			<b>Performance and Benchmarking</b>	
FTE	Not Applicable			Based upon our benchmarking analysis of solid waste management services, solid waste management services are consistent with the comparator group whereas the operating costs per household are close to the median within the group.	

# Solid Waste Management Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	<ol style="list-style-type: none"> <li>1. Net operating cost per household</li> <li>2. Cost recovery achieved through user fees</li> </ol>

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures (Combined)	\$400,335	\$267,98	\$504,640	\$195,760	\$643,743	\$269,962
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$180.41	\$106.74	\$214.65	\$119.15	\$332.17	\$186.05
	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Cost Recovery Achieved Through User Fees	4.8%	37.6%	10.3%	51.4%	28.5%	41.8%

Source: KPMG analysis of municipalities' 2017 Financial Information Returns

# Recreation and Facilities Service Profile

Program	
Recreational Services	
Organizational Unit	
Recreation and Facilities	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$493,685
FTE	4.0

Service Overview
The Town's Recreation and Facilities department is responsible for the operation and maintenance of recreational facilities across the community. The facilities include the community centre which houses the municipal arena, municipal marina, parks and playgrounds, sporting fields, the Seniors Cultural Centre and the Tourism Information Building.

Service Value
The Town's Recreation and Facilities services provide for a system of clean, safe, quality municipal facilities that invite community organizations, sport organizations and others to enjoy a variety of recreational activities and contribute to the well-being of the community and surrounding area.

Basis For Delivery
<b>Traditional</b> – There is not a specific piece of legislation or regulation requiring a municipality to delivery and/or operate recreational facilities but all municipalities of a similar size provide access to various recreational facilities.

Service type	Service level		
	Below Standard	At Standard	Above Standard
Mandatory	 <p>Considered at standard given the number of facilities and level of service provided.</p>		
Essential			
Traditional			
Other Discretionary			

Performance and Benchmarking
Based upon our benchmarking analysis of recreation and facilities, the Town of Blind River has the lowest cost per household but also has the second lowest cost recovery within the comparator group.


# Recreation and Facilities Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	<ol style="list-style-type: none"> <li>1. Net operating cost per household</li> <li>2. Cost recovery achieved through user fees</li> </ol>

	Blind River	Cochrane	Espanola	Marathon	Red Lake
Net Operating Expenditures	\$493,685	\$1,452,518	\$1,380,350	\$1,456,517	\$1,273,104
Total households	2,219	2,510	2,357	1,643	1,938
Net operating cost per household	\$222.48	\$578.69	\$585.64	\$886.50	\$656.72
	Blind River	Cochrane	Espanola	Marathon	Red Lake
Cost Recovery Achieved Through User Fees	17.6%	21.0%	23.7%	23.9%	13.2%

Source: KPMG analysis of 2018 municipal budgets

# Community Engagement Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Cultural Services		Community engagement for the Town seeks to support, sponsor and organize community events and activities that will enrich the lives of the residents, promote tourism, support charitable organizations and help define the identity of 'Our Blind River' in the 21st century, while continuing to embrace our rich and diverse cultural heritage		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>		<b>Service Value</b>		<b>Service type</b> Mandatory Essential Traditional Other Discretionary	 Considered above standard given the operating costs per household.	
Community Engagement		To acknowledge the future and the past through events and activities that celebrates the Town's history as a logging community and the future in the modern world of uranium and renewable energy. The Town strives to acknowledge its contributors, its volunteers and the community. To provide entertainment that is fun, exciting and gives both the residents and visitors a reason to return year after year. To engage youth, families and seniors through active participation and giving voice to their ideas and suggestions for the future.				
<b>Service Type</b>		<b>Basis For Delivery</b>				
External		<b>Traditional</b> – The coordination and delivery of special events and festivals is not a legislative requirement for a municipality but municipalities of similar size provide and/or contribute to special events and festivals.				
<b>Expenditures and Personnel</b>		<b>Performance and Benchmarking</b>				
2018 Budgeted Operating Costs	\$99,129	Based upon our benchmarking analysis of community engagement, the Town of Blind River has the highest cost per household among the comparator group. The Town provides approximately four times more than the comparator average.				
FTE	1.0					




# Community Engagement Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net budgeted operating cost per household

	Blind River	Cochrane	Espanola	Marathon	Red Lake
Net Budgeted Operating Expenditures	\$99,129	\$26,000	\$30,300	\$20,604	\$12,000
Total households	2,219	2,510	2,357	1,643	1,938
Net operating cost per household	\$44.67	\$10.36	\$12.89	\$12.54	\$6.19

Source: KPMG analysis of 2018 municipal budgets

# Timber Village Museum Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Cultural Services		The Timber Village Museum provides access to various exhibits and local art for ten months of the year. The museum also houses a gift shop to its visitors. The facility operates beginning in March and ending in December in a given year. During the course of the review, the Town decided to integrate the museum within the municipal marina.		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>		<b>Service Value</b>		<b>Service type</b> Mandatory Essential Traditional Other Discretionary	 Considered at standard given the museum meets grant eligibility standards established by the Province of Ontario	
Timber Village Museum		The Timber Village Museum preserves and celebrates regional art, culture and history of the Town of Blind River and provides visitors and the community with a wide range of experiences.				
<b>Service Type</b>		<b>Basis For Delivery</b>				
External		<b>Traditional</b> – The provision of museums and/or related cultural services are provided by similarly sized municipalities.				
<b>Expenditures and Personnel</b>		<b>Performance and Benchmarking</b>				
2018 Budgeted Operating Costs	\$55,100	Based upon our benchmarking analysis of museums, only two other comparator municipalities provide funding for local museums – Marathon and Red Lake. In comparison to those two other municipalities, the Town of Blind River has the lowest per household costs.				
FTE	1.0					

# Timber Village Museum Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net levy per household

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net levy	\$55,100	No Museum	No Museum	\$49,085	\$212,507	No Museum
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net levy per household	\$24.83	N/A	N/A	\$29.88	\$109.35	N/A

Source: KPMG analysis of 2018 municipal budgets

# Blind River Public Library Service Profile

Program	
Cultural Services	
Organizational Unit	
Blind River Public Library	
Service Type	
External	
Expenditures and Personnel	
2018 Budgeted Operating Costs	\$139,704
FTE	2.5

**Service Overview**

The Blind River Public Library ('BRPL') provides library services for its residents in-person, by telephone, and e-mail through one branch. The BRPL operates six days a week with a total of 43 operating hours per week with approximately 2,024 active card holders. The BRPL also has a shared service agreement in place with the Township of the North Shore.

**Service Value**

The BRPL offers an environment within the community and provides a space for residents to gather or pursue their interests and goals and offers programs and spaces for cultural activities as well as learning and personal development

**Basis For Delivery**

**Traditional** – The *Public Libraries Act* does not require a municipality to establish public library but all municipalities of a similar size contribute to the provision of library services.

Service type	Service level		
	Below Standard	At Standard	Above Standard
Mandatory			
Essential			
Traditional			
Other Discretionary			

  
 Considered at standard given the operating costs per household

**Performance and Benchmarking**

Based upon our benchmarking analysis of public libraries, the Blind River Public Library is the lowest cost provider of library services within the comparator group and also had the highest level of cost recovery among its municipal comparators.

Based on statistics reported to the Ministry of Tourism, Culture and Sport, the BRPL reported 43 weekly operating hours which below the comparator average of 53 weekly operating hours.

# Blind River Public Library Service Profile


Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	<ol style="list-style-type: none"> <li>1. Net operating cost per household</li> <li>2. Cost recovery achieved through user fees</li> </ol>

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures	\$125,241	\$380,254	\$306,527	\$185,251	\$265,222	\$190,152
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$56.44	\$151.60	\$130.38	\$112.75	\$136.85	\$131.05
	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Cost Recovery Achieved Through User Fees	6.5%	2.5%	6.4%	2.8%	0.0%	6.4%

Source: KPMG analysis of 2017 municipal Financial Information Returns

# Blind River Economic Development Corporation

## Service Profile

<b>Program</b>		<b>Service Overview</b>		<b>Service level</b>		
Planning and Development Services		The Blind River Economic Development Corporation ("BRDC") is responsible for leading municipal economic development activities including business retention and expansion on behalf of the Town. In addition to economic development activities, BRDC also provides support to the municipality's tourism sector and represents the Town on various committees.		Below Standard	At Standard	Above Standard
<b>Organizational Unit</b>		<b>Service Value</b>		<b>Service type</b> Mandatory Essential Traditional Other Discretionary	 Considered at standard given the operating costs per household	
Blind River Economic Development Corporation		The BRDC's supports the Town's vision in that "Blind River is a well-managed and resilient community with a rich heritage and robust economic base" and the Town is a desirable community in which to live, work, grow and invest.				
<b>Service Type</b>		<b>Basis For Delivery</b>				
External		<b>Traditional</b> – The delivery of economic development services is not a legislative requirement for a municipality but municipalities of similar size undertake economic development, either through a economic development corporation or using their own resources				
<b>Budget (in thousands)</b>		<b>Performance and Benchmarking</b>				
2018 Budgeted Operating Costs	\$70,000	Based upon our benchmarking analysis of economic development, the Town of Blind River, through the BRDC, is consistent with the comparator group whereas the operating costs per household are the lowest in the group but consistent with two other comparator municipalities.				

# Blind River Economic Development Corporation

## Service Profile

Profile Component	Definition	
Service Efficiency Indicators	A measure of the amount of resources used to produce a given output, normally expressed on a per unit of output basis.	1. Net operating cost per household

	Blind River	Cochrane	Espanola	Marathon	Red Lake	Wawa
Net Operating Expenditures	\$70,000	\$376,325	\$78,395	\$99,778	\$66,059	\$160,000
Total households	2,219	2,510	2,357	1,643	1,938	1,451
Net operating cost per household	\$31.55	\$149.93	\$33.35	\$60.73	\$34.09	\$109.81

Source: KPMG analysis of 2018 municipal budgets



# Town of Blind River Service Delivery Review

Key Themes





# Key Themes

During the course of our review, a number of themes emerged concerning both positive aspects of the Town and areas of potential improvements (which support the rationale of the review and its focus on enhancing the effectiveness and efficiency of the Town's service delivery), which we have summarized below:

### **1. Service levels appear to be consistent with the comparator group with the appearance of the Town being a lower cost service provider**

Based on our development and analysis of the Town's municipal service profiles, the Town currently provides a complement of services that appear to be consistent with its comparator group, do not appear to exceed expected service levels and the Town providing a limited number of discretionary services.

The operating costs associated with municipal service delivery is consistent with the comparator group with the Town falling to the low end of the cost spectrum for many municipal services. Given the current state of service levels and associated costs, this appears to limit the number of opportunities to reduce service levels.

### **2. There may be challenges ahead with respect to long-term financial sustainability**

While the Town's current service levels are consistent with the comparator group and the Town appears to be a low cost service provider, there may be challenges moving forward.

Financial analysis undertaken by KPMG also shows the Town falls towards the low end of the spectrum when it comes to key operational indicators (annual operating costs and annual personnel costs) and investments made into reserves and reserve funds and infrastructure. Based on historical financial information, the Town's operating costs decreased by an average of 1.6% over a five year reporting period and personnel costs increased on an average of 0.5%. In comparison to the review's municipal peers, the Town's indicators were the lowest but the question remains about whether or not these costs can continue to remain at these levels. Consistent with the two key operating indicators noted, the Town's reserve and reserve funds per household were the lowest within the comparator group and significantly lower than the comparator average (Town - \$582 per household vs the comparator average of \$3,055). Additionally, the Town's average capital spend was the lowest among the comparator group whereas the Town spent \$974 per household in comparison to the average of approximately \$1,450 within the municipal peer group. Ultimately, the financial indicators appear to support the Town's rationale in undertaking a municipal service delivery review.

# Key Themes

### 3. There appears to be a blurring of the lines between strategic versus operations

Based on our consultations with the Town's staff as well as through the process mapping exercises, it would appear that senior management, in particular the Town's CAO, is more operational in nature opposed to being strategic. During the time of the review, the CAO was serving as the Town's Public Works Manager which supported the notion that the position was operational opposed to being able to focus upon more strategic/organizational matters inside the organization. While additional resources were being brought online in the form of a new Public Works Manager, the apparent challenge still remains. From a workflow perspective, many matters appear to end with the CAO and although the CAO is the top senior administrator within the organization, there are instances identified within the review that could potentially be addressed in a different way as to free up capacity. For example, all resident complaint forms are provided directly to the CAO opposed to be potentially being triaged upon receipt.

As part of the review process and in particular with the potential opportunities for Council's consideration, we identify whether or not an opportunity is strategic or operational. This identification is important as it assists in clarifying who is the implementer of an opportunity. Operational matters belong to Town staff and strategic matters are those for Council's consideration. The blurring of this line can have potential negative outcomes for the organization.

### 4. There appears to be a willingness to seek out and implement best and common practices

With all aspects of the organization being reviewed, there are a number of instances where the Town appears to be have already accepted or was in the process of incorporating municipal common practices. Based upon information obtained throughout the review, Town staff continue to explore where and how these common practices can be incorporated inside the Town's operations to either improve upon the current service delivery and/or increase value for money for municipal service delivery. Examples of this are annual reviews of user fees including the establishment of a non-resident user fee for recreational facility users – this is a common issue for municipalities and the Town has already implemented such a fee without any significant challenges. Additionally, it would appear that the Town has adopted a series of financial policies that in our experience are typically missing. Overall, there appears to be a willingness to explore and consider change opposed to maintaining the status quo.



# Town of Blind River Service Delivery Review

Opportunities for  
Consideration



# Opportunities Identification

This section of our report outlines the potential opportunities for the consideration of the Town and they generally fall into one of four categories:

- Operating efficiencies, which involve changes to the Town processes to maximize outcomes while minimizing resources (provided in the following chapter);
- Service level reductions, representing either (i) the discontinuance of the Town's involvement in a non-core service; or (ii) a reduction in the level of service provided;
- Alternate service delivery, which involves changing the Town's delivery model for a service (e.g. shared services); and
- Revenue generation. These opportunities seek to reduce the municipal levy by identifying alternate means of funding municipal services through user fees and other cost recovery methods.

In addition to the categories noted above, we believe that opportunities will differ based on the nature of the approval required for implementation. Specifically, we suggest that some opportunities – those that are purely operational in nature – could be implemented by management without Council's explicit approval on the basis that these are operational matters and fall within management's discretion. Other opportunities – for example those involving major changes to services – are considered to be more strategic in nature and as such, would likely require Council approval prior to implementation. Ultimately, the distinction between operational and strategic opportunities rests with the Town, recognizing once again that Council's role is that of a governance body.

# Governance Restructuring

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

Under the Municipal Act, the minimum size of a municipal Council is five. At the present time, Council is comprised of seven members. Based on the comparative analysis performed, three of the five comparator municipalities have five elected members of Council (Marathon, Red Lake and Wawa). The remaining two (Cochrane and Espanola) have seven elected officials which is consistent with the Town of Blind River.

Beyond Council size, the Town of Blind River has 18 different committees of Council. Of the 18 current committees, three of the committees (Library Board, Police Services Board and Emergency Management Committee) are required through provincial legislation. As such and to ensure that the Town is maximizing the use of both Council and staff resources, the Town may wish to review the mandate of each committee and determine whether or not their original intent is still being achieved. Furthermore, the committees could be restructured into the four following groups:

- Corporate Services – This committee would potentially be responsible for any matters that are of a corporate nature including administration, finance, accessibility, policy, and strategic planning; economic development could also potentially fall into this category
  - Given the significance of the budget, the Town may wish to continue with its budget committee as a stand-alone committee provided that the Town believes it is achieving its purpose.
- Community Services – This committee would potentially handle all municipal matters that involve recreational and cultural activities within the Town
- Protective Services – The potential focus for the protective services committee would be any municipal function that deals with the protection of property and/persons which would include fire, bylaw, building services and planning.
- Infrastructure Services – This committee would have the potential mandate of dealing with all infrastructure matters including roads, water/wastewater, solid waste management and any other environmental matters.



# Governance Restructuring

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## B. Financial Impact

The cost savings associated with the reduction in Council size are more symbolic than financially substantive. The reduction of two members of Council would potentially result in approximately \$20,000 plus additional ancillary costs.

x Potentially restructuring the Town's committees is intended to increase the overall efficiency of the organization and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

With the most recent municipal election occurring in October 2018, the implementation of this opportunity would not be realized until October of 2022. However, the amount of time may allow for the Town to conduct public consultation to discuss impact and provide staff with time to ensure that the associated provisions of the *Municipal Act* and *Municipal Elections Act* are met.

x The restructuring of the Town's committees could commence immediately, recognizing that the process may require one to two years to complete given the Town will need to review the current committee structure and develop a new terms of reference for each committee.

## D. Suggested Approval Requirements

Any changes to Council size and committees are matters of governance and therefore, we would consider it to be a strategic-level opportunity.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

The potential does exist for negative reception to this opportunity by residents as a result of perceived loss of political representation as well as perceived loss of opportunities to participate on advisory committees.

# Information Technology

## Potential financial impact

*Not applicable*

x

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

x

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

x

*Operational*

## Implementation timeframe:

*2019*

x

*2020*

*Subsequent years*

## A. Opportunity Overview

During the course of the review, one corporate function appeared to be missing from the Town's operation. The Town does not appear to have formal information technology services within its current operations. At the time of the review, the Town purchases information technology services from a third party provider as well as informal internal information technology support being provided by staff. The informal provision of this service applies additional pressure on the organization as it takes away from core responsibilities. Based on anecdotal information shared during the consultations with the Town, the current approach to information technology does not meet the needs of the organization.

One potential strategy to address the need for increased information technology support is to explore the potential of sharing information technology services with another public sector partner (i.e. neighbouring municipality or municipalities). Based on a survey conducted by the Ministry of Municipal Affairs and Housing, 23% of municipalities in Ontario share information technology.

## B. Financial Impact

This opportunity is subject to what extent the Town has success in finding a potential partner and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to follow. If a shared service arrangement is to be pursued, additional time would be required to address administrative items such as the development of a formal service level agreement and cost sharing mechanisms would be required.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Repatriation of Economic Development

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

Economic development is a traditional municipal service with municipalities participating in economic development in a variety of ways. Some municipalities have created Economic Development Corporations (EDCs) similar to the Town's approach whereas others perform economic development activities either with municipal staff assigned with the responsibility of economic development (Economic Development Officer) and/or a dedicated department (typically found in larger municipalities). Municipalities within the comparator group are reflective of this statement with 60% of the group utilizing an EDC (Blind River, Hearst and Sioux Lookout) and 40% use internal resources (Cochrane and Espanola).

In 2018, the Town budgeted a contribution of \$70,000 to the Blind River Development Corporation ('BRDC'). During second phase of the review, other issues relating to the BRDC were raised. From a governance standpoint, it appears that the BRDC's Board appears to be experiencing difficulties in reaching quorum for its meetings and as a result, decisions and actions relating to the Town's economic development may not occur in a timely fashion. The Town expressed concerns about the Board's direction and a perceived lack of defined goals and objectives beyond access to provincial and federal grant programs specifically for summer student/intern employment. From a capital perspective, it was shared that the building which houses the BRDC (and the Town's Chamber of Commerce) appears to be in need of replacement which may present an opportunity to explore an alternate location for service delivery.

Towards the completion of the review, KPMG was advised that the BRDC's one employee had left the organization leaving the organization without any direct administrative/operational leadership.

Without a perceived gap in governance to advance the Town's economic development goals and objectives, lack of operational support, and infrastructure in need of replacement, the Town may wish to consider repatriating economic development and deliver this function with the use of internal resources.

## B. Financial Impact

This opportunity is subject to how the Town decides to deliver economic development and as such, the potential cost savings cannot be reasonably determined.



# Repatriation of Economic Development

## Potential financial impact

*Not applicable*

*To be determined*

x

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

x

*Revenue generation*

## Approval category:

*Strategic*

x

*Operational*

## Implementation timeframe:

*2019*

x

*2020*

*Subsequent years*

## C. Implementation Timeframe

The development of this opportunity can commence immediately but the Town may need to determine its ability to assume control of economic development and how economic development could be positioned with the Town's organizational structure. Based upon a review of the Town's recently completed Organization and Compensation Review, the Town could implement a reporting relationship as suggested within the final report.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Rationalization of Financial Support to Community Organizations

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

Municipalities may provide support to a variety of community organizations to assist in or complement municipal service delivery. Typically, municipalities provide support to their community organizations in one of two ways – direct financial whereas a municipality provides these organizations with funding to deliver upon their mandates or a municipality may support these organizations with in-kind donations providing access to municipal buildings/staff at no charge to the local groups. While providing support to community organizations is traditional in nature (most municipalities support their communities in some form), the provision of financial resources still remains at the discretion of Council. Based upon the results of the review including an examination of the Town’s budget, the Town provides direct financial support to a number of community organizations including the Palace Theatre, the Seniors Centre and the Huron Pines Golf Course.

Given the discretionary nature of these contributions, the Town may wish to explore whether or not it wishes to continue supporting the three organizations noted above.

## B. Financial Impact

Dependent on Council’s decision to potentially adjust its financial support to community organizations, potential cost savings could range from approximately \$7,500 to a potential maximum of approximately \$60,000.

## C. Implementation Timeframe

The implementation of this opportunity could be implemented as part of the Town’s 2020 budget process. Shifting its implementation into 2020 is to allow for the Town to provide notice of the potential change while providing the organizations with time to determine a course of action for their own purposes.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Establishment of a Capital Levy

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

x

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

x

## Approval category:

*Strategic*

x

*Operational*

## Implementation timeframe:

*2019*

x

*2020*

*Subsequent years*

## A. Opportunity Overview

Since 2013 when the Province of Ontario required the development and adoption of asset management plans for municipalities seeking capital funds and more recently, Ontario Regulation 588/17, Asset Management Planning for Municipal Infrastructure, the Province is building a legislative framework requiring municipalities to account for their infrastructure as well as viewing asset management with a more strategic lens and all municipalities must prepare an asset management plan which captures core municipal infrastructure by July 1, 2021.

Based upon the findings of the Town's most recent asset management plan, the asset management plan identified the annual needs for both capital investment as well as for the maintenance of its assets up until 2022. The following chart is a summary of the identified capital costs for the current year and the next three:

	2019	2020	2021	2022
Capital expenditures	\$2,935,001	\$1,590,601	\$1,238,838	\$1,558,046
<b>Total</b>	<b>\$99,400</b>	<b>\$415,600</b>	<b>\$392,500</b>	<b>\$150,500</b>
Households	2,219			
<b>Per Household Cost</b>	<b>\$1,322.67</b>	<b>\$716.81</b>	<b>\$558.29</b>	<b>\$702.14</b>

Many municipalities similar to the Town recognize their inability to unilaterally address their respective infrastructure financial needs but at the same, recognize that capital needs cannot be ignored. A potential financing strategy being used in the municipal sector is the adoption of a capital levy. The adoption of a capital levy was also put forward as a financing strategy within the Town's current asset management plan. As such, the Town may wish to consider the establishment of a capital levy for municipal infrastructure as well as for the Town's water and wastewater system.

## B. Financial Impact

The introduction of a five year capital levy would see an additional increase of 2% on annual levy with the new revenue allocated to capital purposes (i.e. not for operations). The capital levy would add approximately \$103,000 per year to existing capital funding.

# Establishment of a Capital Levy

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## C. Implementation Timeframe

The implementation of this opportunity could be implemented as part of the Town's 2020 budget process. To assist in the implementation of this opportunity, a sample policy statement is provided below:

*The Town of Blind River shall increase the Municipal Levy by a minimum of 2% per year for each of the next five years (2020 to 2024 inclusive), with the 2% increase being added to the Capital Levy.*

*The increase in the Capital Levy shall only be used for the following purposes:*

- *To fund capital expenditures;*
- *To increase reserve balances in order to finance future capital expenditures; or*
- *To finance the annual costs associated with Long-term Debt issued in connection with capital projects.*

*Subsequent to the five year phase-in period for increases to the Municipal Levy, the Town shall increase the Capital Levy by at least the Consumer Price Index, as published by Statistics Canada.*

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

The establishment of a capital levy is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

The Town may wish to give consideration to some form of public reporting as a mechanism by which the Town communicates with its residents on an annual basis as to how the capital levy was spent in the year it was raised.

# Asset Management

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

x

x

x

x

## A. Opportunity Overview

Building upon the previous opportunity and the potential establishment of a capital levy, the Town appears to have an inventory of municipal buildings which are potentially nearing the end of their respective useful lives. During the course of the review, Town officials noted the following facilities have potentially reached the end of their useful lives including the Town Office building, Tourism Information Centre (which houses the Blind River Development Corporation), the Blind River Public Library and the Seniors' Centre building. Over the course of the review, the Town decided to re-locate the Timber Village Museum from its current location to the municipal marina.

Furthermore, with the Province requiring municipalities to account for their infrastructure as well as viewing asset management with a more strategic lens by July 1, 2021, this provides the Town with a good opportunity to take account of their buildings and determine a strategy in moving forward for the efficient and effective delivery of municipal services. One potential strategy that the Town may wish to consider is determining which municipal services could be housed in one facility and therefore, eliminating a "one for one" replacement approach.

## B. Financial Impact

This opportunity is subject to what extent the Town decides to replace municipal facilities and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to follow as part of the Town's longer term approach to capital replacement.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective. The potential development of facilities that house more than one municipal service may actually improve upon the residents' experience.

# Establishment of a Budget Policy

## Potential financial impact

*Not applicable*

x

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

x

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

x

*Operational*

## Implementation timeframe:

*2019*

*2020*

x

*Subsequent years*

## A. Opportunity Overview

One aspect of the service delivery review was to determine whether or not the Town of Blind River had any potential gaps in policy. It would appear that over the course of the past three years, the Town has identified significant policy gaps and addressed those gaps with the adoption of several policies including a reserve and reserve fund policy, debt policy, and a capital budget policy.

While the Town has established a capital budget process/policy, the Town does not appear to have a similar policy in place for its annual operating budget.

To potentially increase the effectiveness and efficiency of the Town's budgeting process, the Town may wish to implement a budget process and policy to provide timelines and guidance in the development of its annual budget. The potential objectives of a budget policy could be as follows:

- To establish the processes of the annual budget
- To encourage long-range planning in operating expenditures
- To achieve approval of the annual budget prior to February 28th of the following year (unless an election year in which years the budget shall be approved by March)
- To encourage effective planning, analysis and allocation of the Town's limited financial resources

A sample policy is provided in Appendix A for the Town's consideration.

## B. Financial Impact

This opportunity is intended to increase the overall efficiency of the organization and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town may wish to commence the development and adoption of a budget policy with the expectation of implementation as part of the Town's 2020 budget process. The intent of the policy is to streamline the financial administration of the Town and address operational inefficiencies by putting processes on 'auto pilot' where the policies guide the budget process. To assist in the development and implementation process, a sample budget policy can be found in Appendix A of this report.

# Establishment of a Budget Policy

## Potential financial impact

*Not applicable* x

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency* x

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic* x

*Operational*

## Implementation timeframe:

*2019*

*2020* x

*Subsequent years*

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Tourism

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

x

x

x

x

## A. Opportunity Overview

Tourism is a multibillion dollar industry in Ontario where millions of tourists visit annually and Ontario is recognized as a four season travel destination. To capitalize on what may make a community unique, municipalities consistently seek out and explore opportunities to gain access to this market.

Through the environmental scan of the Town's services, it appears that tourism related activities are delivered by multiple parties (Recreation and Culture, Community Engagement and the Blind River Development Corporation) with limited opportunities for collaboration. The service appears to be delivered in silos – this approach can result in duplication of efforts as well as different interpretations of goals and objectives.

In order to deliver the service in a more effective and efficient manner and to potentially maximize the Town's chances for success, the Town may wish to consolidate tourism functions within the current organizational structure and assign it to one opposed to three.

## B. Financial Impact

This opportunity is intended to increase the overall efficiency of the organization and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to follow. The Town will need to determine where internal capacity exists to best serve the community.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.



# Reduce the Number of Festivals

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

Through the Town's Events and Community Engagement Coordinator, the Town of Blind River provides special event coordination and coordinates with community organizations to provide a series of special events over the course of the year. The mandate of community engagement is Based on information shared with KPMG during the course of the review, the Town provides some form of assistance to over nine events/festivals in any given year.

At the time of this report, the position of Community Engagement Coordinator became vacant. This position within the Town's organizational structure was tasked with the coordination and engagement function for the Town which includes overseeing all special events.

Given a previously identified opportunity with respect to economic development and a similar vacancy, the Town may want to consider the potential of harmonizing the level of service to the comparator average and potentially merging this function within the organization with a focus upon community development and engagement.

## B. Financial Impact

Based on the comparative analysis, the comparator municipalities spend approximately \$10 per household for special events/festivals whereas the Town spends approximately \$44. Dependent on to what extent the Town wants to harmonize service levels to the comparator average, this opportunity could result in the potential savings of nearly \$75,000. This opportunity is subject to what extent the Town has success in finding a potential partner and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to follow. Based on the mandate of the Town's community engagement function, the Town may want to approach this year as currently planned but with the expectation for change in the following year. This may provide those groups to adequately prepare and plan for subsequent years..

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Reduce the Number of Festivals

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*      x

*More than \$75,000*

## Type of opportunity:

*Service level reduction*      x

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*      x

*Operational*

## Implementation timeframe:

*2019*

*2020*      x

*Subsequent years*

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# User Fees

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

User fees are a common revenue source for municipalities and directly generate revenue related to the provision of a municipal service and its users. Approaches to user fees and charges vary in how these fees are adjusted. In terms of annual increases to user fees and based on our experience, municipalities typically adjust their fees in one of three ways:

1. User fees are not increased on annual basis and as a result, the subsidy provided through the municipal levy for the associated service increases;
2. The most common approach utilized by municipalities is an blanket increase in user fees by a percentage on an annual basis typically be linked to the increase in the consumer price index ('CPI'); or
3. The third approach is one where municipalities appear to shift away from the traditional approaches and establishing cost recovery targets for user fees.

The benefit with the third approach is that it may better address those elements (materials, hydro, etc.) related to providing a service which may not follow the inflationary curve associated with the CPI and as a result, there is greater potential of maintaining the level of municipal subsidy provided opposed to it increasing when only the rate of inflation is applied.

Based on information shared during the review, the Town has changed its approach to user fees in recent years. User fees are looked at annually and in the case of recreational and cultural services, the Town appears to have implemented user fees which would be considered to be best practice. The Town has a non-resident user fee in place and appears to have had success in collecting these fees from users from around the region.

At the time of the review, the Town does not develop its user fees in this manner and may wish to consider implementing this approach in subsequent user fee bylaw reviews.

# User Fees

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

x

x

x

x

## B. Financial Impact

This opportunity is subject to how the Town decides to proceed with user fees. If the Town were to decide to establish a cost recovery target opposed to annual increases, there is the potential for increased revenue. The following is an example of what additional revenues could potentially look like using the Town's 2018 parks and recreation budgeted expenditures and revenues.

In 2018, the Town budgeted to recover approximately 17.6% of its expenditures through user fees. If the Town had established a cost recovery rate of 20%, an additional \$14,000 in user fee revenues could have been potentially realized. If the Town established a cost recovery rate of 25%, the Town could have potentially increased revenues by \$44,000. The range of 20% to 25% is used here for these scenarios as it is common practice for municipalities to recover between 20% to 25% through user fees.

## C. Implementation Timeframe

A potential change in approach to user fee adjustments could be part of the Town's annual review of its user fee bylaw with subsequent implementation as part of the 2020 budget. If the Town is seeking to increase the current rate of cost recovery, the increases may need to be phased in over time to lessen the potential impact on the community.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

Council may wish to consult with the community and in particular, facility user groups regarding increasing user fees and the potential impact upon utilization.

# Approach to Landfill Revenues

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

The Town has one active landfill site which is operated by a third party provider. Based on information shared with KPMG during the review, there appears to be an issue with respect to the Town's ability to realize the appropriate level of revenues at the landfill. One issue is that beyond accepting waste from local residents, Town officials indicated during the review that the landfill may be accepting waste from other users including other municipalities. This appears to be occurring as the result of local companies dumping materials at the landfill but the waste is generated from outside of the municipality. There appears to be a disconnect between the Town issuing demolition permits where the permit information does not appear to reach the landfill operators.

The Town may wish to establish a process by which demolition permit information is shared with the landfill operators to potentially capture the appropriate user fees. In addition to a change in process, the Town may also want to give some consideration to the implementation of a non-resident user fee for landfill services to capture additional revenues.

## B. Financial Impact

This opportunity is subject to what extent the Town is successful in capturing increased user fees at the landfill and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to follow.

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

# Shift to Full Cost Recovery for Building Services

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

Under Section 7 of the Ontario Building Code Act, municipalities are provided with the authority to establish fees for building inspection services and associated permits. With respect to the establishment of its building inspection and permitting fees, a municipality has the ability to operate its building inspection department at full cost recovery. At the time of the report and upon KPMG's analysis of the budgeted revenues and expenditures in 2018, the Town expected to recover approximately 31% of its costs through building permits.

- x In a previous user fee study provided to the Town, the concept of shifting to a full cost recovery model was introduced but was ultimately not accepted by the Council at that time. Regardless of previous decisions, the Town may wish to consider shifting its fees associated with building services to full cost recovery.

## B. Financial Impact

Establishing a full cost recovery structure would allow the Town to reduce its municipal levy by as much as 1.1% assuming full cost recovery for building inspection services recognizing that the impact may not be realized in one year but instead over a number of years.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with its subsequent implementation to become part of the Town's next update of its user fee bylaw which occurs annually. If the Town decides to shift to a full cost recovery model, they may wish to increase fees on an incremental basis to avoid significant increases to permits which could have an impact on the development community as well as property owners.

## D. Suggested Approval Requirements

This opportunity will require changes to the Town's user fee bylaw and as such, Council approval will be required. Accordingly, we have considered it to be a strategic-level opportunity.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.

The Town may wish to consult with the community about potential increases recognizing that the development community may oppose any increases.

# Open Building Permit Management

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

## Approval category:

*Strategic*

*Operational*

## Implementation timeframe:

*2019*

*2020*

*Subsequent years*

## A. Opportunity Overview

The previous opportunity provides the Town with an opportunity to address future building permits. Another aspect of building services is a municipality's approach to managing open permits and the process it puts in place to attempt to close open building permits. Upon the closure of a building permit and the issuance of final occupancy, the permit information is shared with the Municipal Property Assessment Corporation ('MPAC') who can then assess the property's value as a result of the building activity. The change in assessment allows the municipality to issue a supplementary property tax bill to better reflect the updated assessed value of the property.

To encourage permit holders to close permits and to assist the municipality in capturing additional taxation revenues, a common approach used within the municipal sector is the establishment of a 'maintenance' fee for open permits that exceed one year. The Town has established and adopted annual maintenance fees ranging from \$60 (smaller projects) to \$110 (major projects) for permits remain open after one year. At the time of the report, the Town did not indicate how many permits remain open and subject to the maintenance fees. The process by which the Town uses for its open permits is illustrated within the next chapter.

The Town may consider determining how many open permits exist and upon obtaining that information, determine whether or not there is a business case to pursue those permit holders to first and foremost close the permits and potentially realize supplementary taxation as well as realize the associated maintenance fees.

If the Town decides this is a feasible initiative, they may want to approach this as a pilot project with the use of a third party provider to serve as the lead. The Town may have capacity issues to attempt to perform this with the use of internal resources exclusively.

## B. Financial Impact

This opportunity is subject to the number of open permits and their corresponding values and as such, the potential cost savings cannot be reasonably determined.

## C. Implementation Timeframe

The Town could begin to explore the potential of this opportunity immediately with the maintenance fee already in place but the Town may want to give some consideration as to how they will approach this – external versus internal resources and timing. Currently, the Town's building services is a department with one and a half full time equivalents and redirecting resources during the peak of building season may not be realistic without having an impact on customer service. As such, this may be an opportunity for 2020.

# Open Building Permit Management

## Potential financial impact

*Not applicable*

*To be determined*

*Less than \$25,000*

*\$25,000 to \$50,000*

*\$50,000 to \$75,000*

*More than \$75,000*

## Type of opportunity:

*Service level reduction*

*Operating efficiency*

*Alternate delivery*

*Revenue generation*

x

x

## Approval category:

*Strategic*

x

*Operational*

## Implementation timeframe:

*2019*

*2020*

x

*Subsequent years*

## D. Suggested Approval Requirements

We have considered this to be a strategic-level opportunity that requires Council approval.

## E. Other Considerations

This opportunity is not expected to pose significant risks from a labour relations, regulatory, public safety or customer service perspective.





# Town of Blind River Service Delivery Review

Process Change  
Opportunities





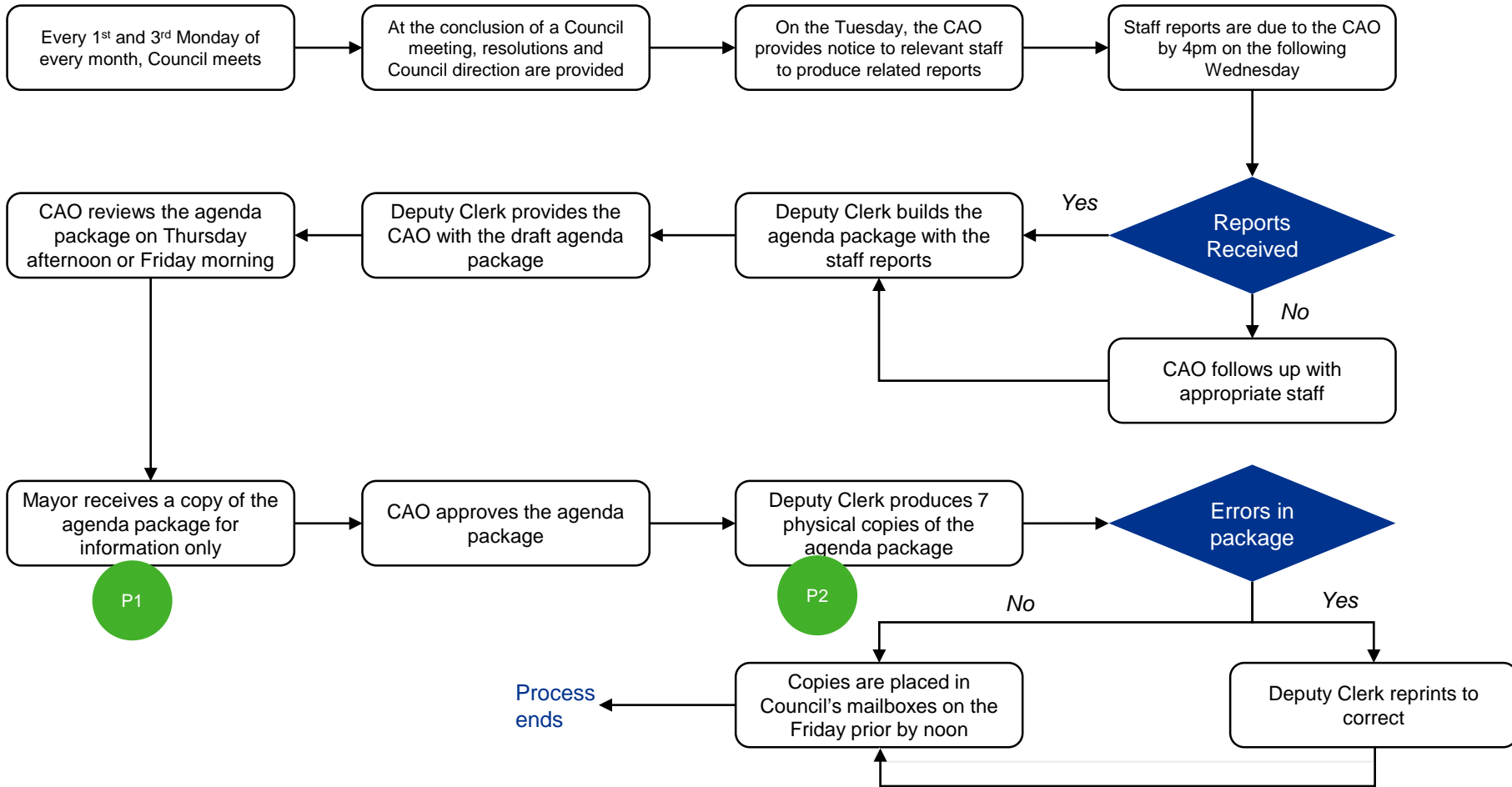


# Process Change Opportunities

Town Administration



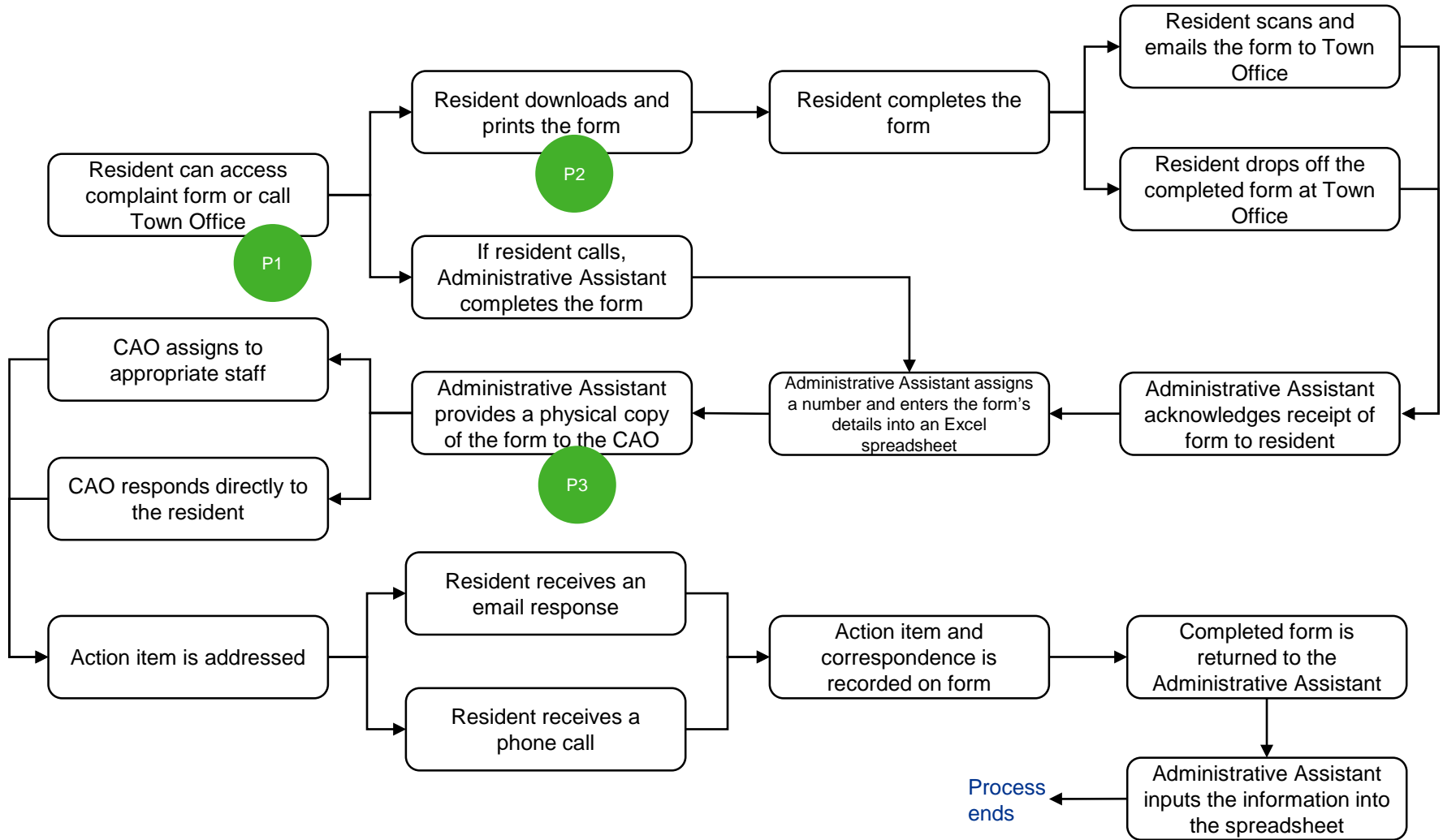
# Agenda Preparation



# Agenda Preparation – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Agenda Preparation	<p><b>Inefficiency:</b> Currently, the Mayor receives the agenda for information purposes only. The Mayor does not have a formal opportunity to review and provide input into the development of the agenda. This is a practice that municipalities may have in place to serve as an issues management function.</p>	<p>The Town may wish to consider implementing a step within the process whereas the Mayor, as the Head of Council, is afforded the opportunity to review the agenda in a more formal manner and provide input. In conjunction with the CAO, this change provides the Town with some form of issues management.</p>
P2	Agenda Preparation	<p><b>Inefficiency:</b> In its current state, the Deputy Clerk produces seven physical copies of Council's agenda. In the event that there is an error and/or additions to the package, the Deputy Clerk may have to produce additional pages to add to the Council agenda package. In other cases and if the amendment is significant, the entire agenda package may need to be reproduced.</p>	<p>The Town may want to give some consideration to ending the practice of producing physical Council agenda packages. The Town could potentially move to electronic agenda packages that would allow for amendments to be done and then uploaded opposed to reproduction of physical documents. A shift in this approach would be consistent with municipal best practice and frees up internal capacity within the organization.</p>

# Complaint/Customer Service



# Complaint/Customer Service – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Complaint/ Customer Service	<p><b>Inefficiency:</b> Currently, the entire process and its associated policies and forms all focus upon complaints. Other municipalities including those within the comparator group approach interactions with the public differently.</p> <p><i>See the table on the following page which summarizes the approach among the comparator group .</i></p>	<p>The Town may want to consider a re-development of its approach to customer service rather than solely focusing on resident complaints. One aspect of the policy that the Town may want to include is a service level standard whereas once correspondence is received, there is a timeframe by which the Town will acknowledge and advise about the potential resolution of a matter.</p>
P2	Complaint/ Customer Service	<p><b>Inefficiency:</b> A resident who is seeking to file a complaint or service issue with the Town and chooses to do so from their personal computer must download the file and then print out hard copy of the form to populate. If the person intends on submitting the form via email, they must then populate the form and then scan it in order to email it back to the Town.</p> <p><b>Inefficiency:</b> Additionally, the form is not easily accessible and not located on the Town’s home page.</p>	<p>The Town could provide the form on its website with fillable fields to reduce the number of steps a person is required to complete to submit a form electronically.</p> <p>If the Town maintains the current state, the Town may want to consider shifting the form to its home page to allow for easier access to the form.</p>
P3	Complaint/ Customer Service	<p><b>Inefficiency:</b> In the current state, all of the complaint forms are directed to the CAO upon receipt. The challenge this process step creates is shifts the focus of the CAO to become more operational versus strategic.</p>	<p>The Town may want to consider change its approach to managing completed forms. This may require two changes in approach. First, the form would allow for residents to identify the service area to which the issue is related. By doing this, this should provide sufficient information to allow for the form to be directed to the appropriate area opposed to all to the CAO.</p>

# Complaint/Customer Service – Process Improvements

Cochrane	The Town of Cochrane uses an online portal – Community Voice where residents can submit comments and/or complaints about municipal services.
Espanola	The Town of Espanola uses an online portal. Espanola’s customer service approach allows for a resident to provide information about an issue and identify which municipal service it is related to. The portal also provides the ability to attach any related files of information. The link to this portal is located on the municipality’s homepage.
Marathon	The Town of Marathon has a general inquiries online form where residents can submit matters pertaining to customer service issues
Red Lake	The Municipality of Red Lake uses its “Report a Problem” feature on its website. This feature allows for the resident to select the appropriate area of interest. At that point, general information and municipal service level standards are provided to the resident and the feature provides the appropriate contact person within the organization.
Wawa	Similar to the Town of Marathon, the Municipality of Wawa has a general inquiries online form where residents can submit matters pertaining to customer service issues

Source: Information provided via each municipality’s website





# Process Change Opportunities

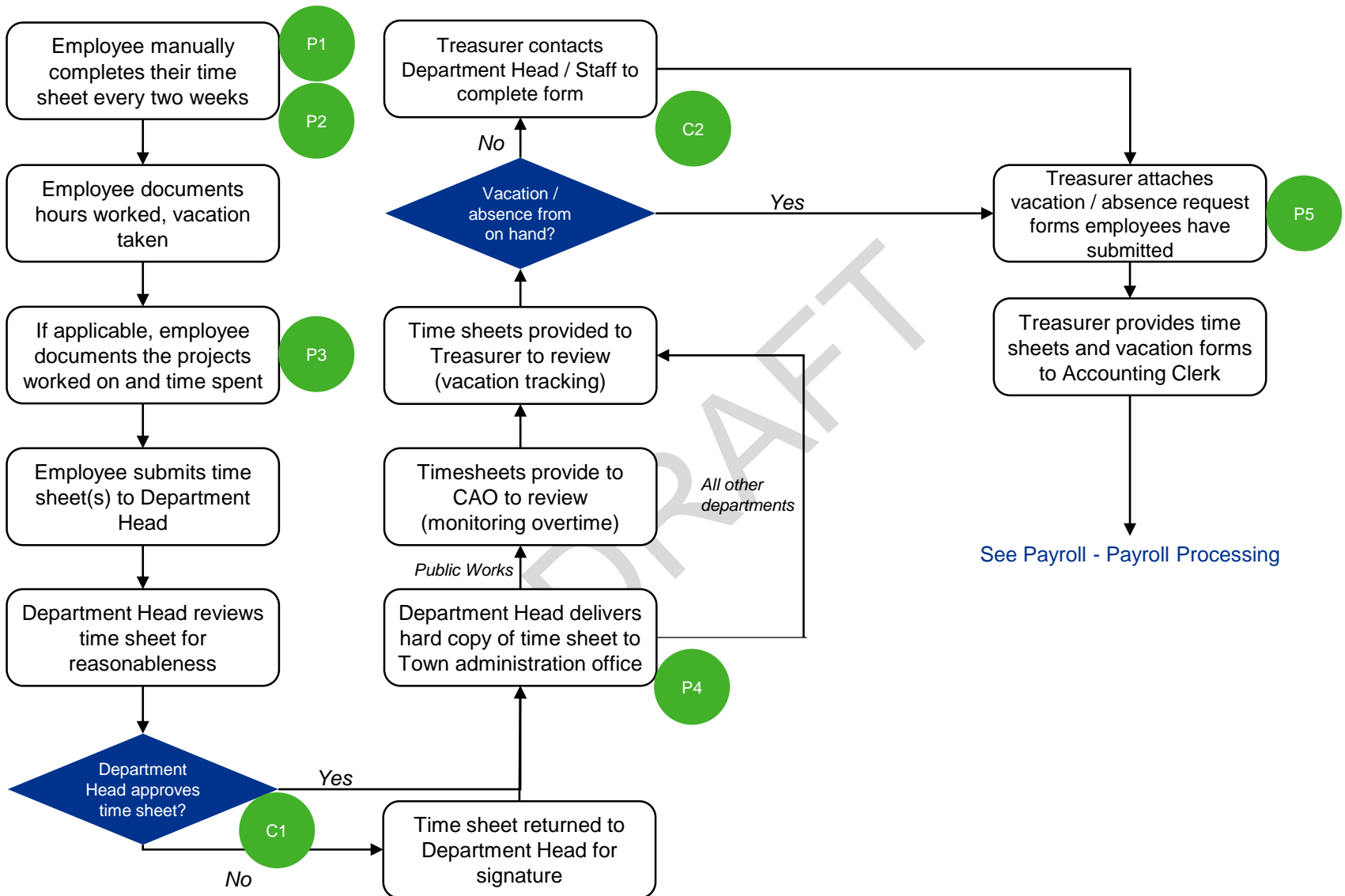
Finance - Payroll





## Town of Blind River Service Delivery Review – Process Maps

# Payroll: Time Sheet Submission



# Potential Process Improvements – Payroll

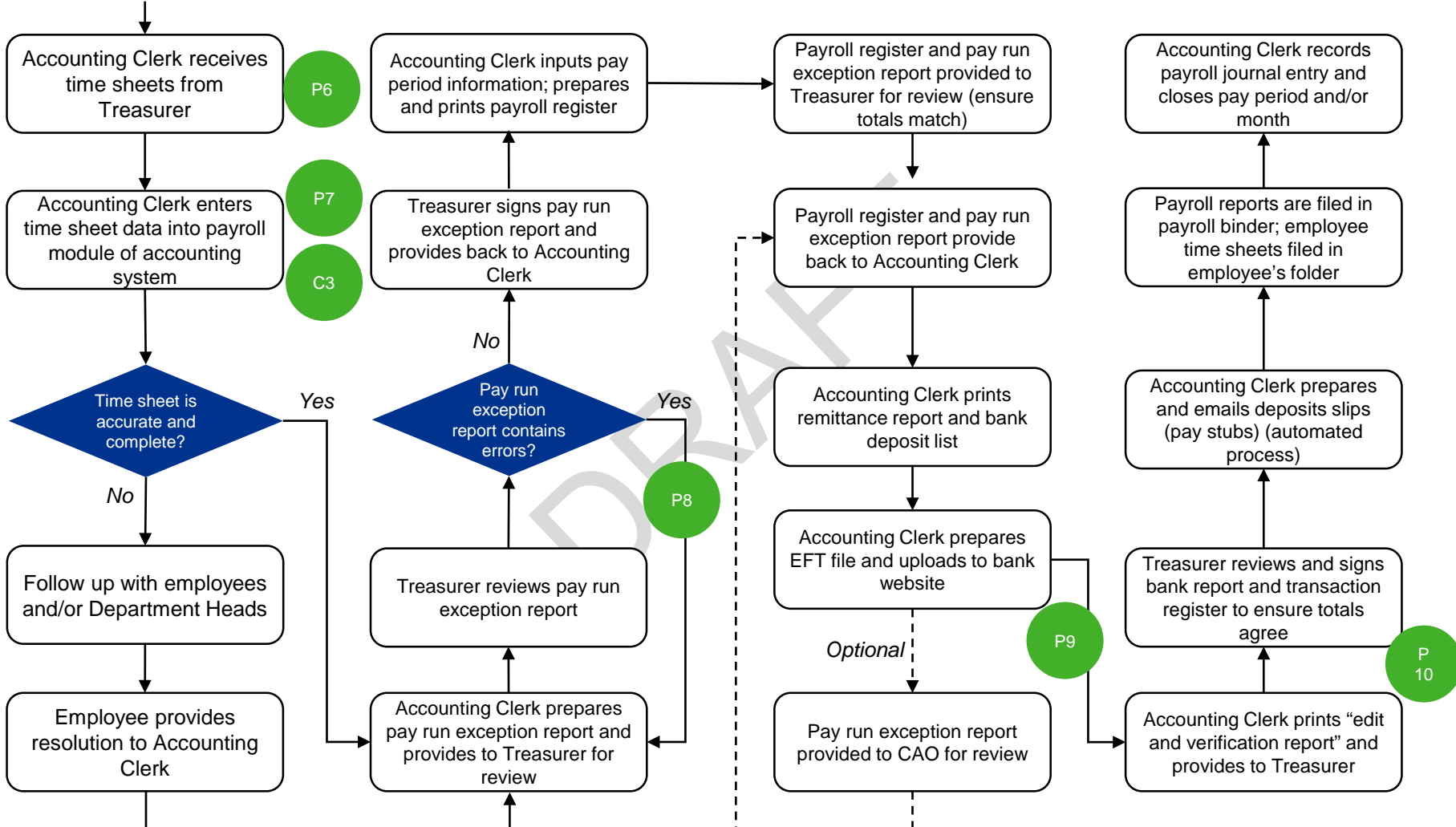
Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Payroll: Payroll Processing	<b>Inefficiency:</b> Timesheets are prepared manually which can result in timesheets being inaccurate (e.g. all hours not adding to 70 hours every pay period) or incomplete (e.g. description of the tasks and projects completed not being recorded).	Have staff complete timesheets electronically, restricting submission until all errors or discrepancies have been addressed.
P2	Payroll: Payroll Processing	<b>Inefficiency:</b> No standard timesheets between departments. The Accounting Clerk and Treasurer are required to adapt their process to recording payroll based on the department timesheet (e.g. required information is at different locations on timesheets).	Standardized timesheets for all Town staff should be developed and utilized.
P3	Payroll: Payroll Processing	<b>Inefficiency:</b> Staff do not always code time to specific projects on their time sheets. This is increasingly important for Public Works staff who may be working on a conditional grant project that requires financial reporting on the total cost of the project at its conclusion. The Treasurer and Department Heads are required to recalculate wage costs at the end of a project. As a result, project costs at a point in time are not always known and comparisons to budget can not be completed accurately until the conclusion of the project.	Require staff to code time by project, if applicable, on their timesheet. Project codes should be set up in the accounting system with applicable expenses (wages and other) applied to these project codes. This will potentially provide for more up to date costing information to determine if the project is on budget and free up the time of the Treasurer and Department Heads at year end.
C1	Payroll: Time Sheet Submission	<b>Risk:</b> Time sheets are submitted to the Accounting Clerk/Treasurer that have been reviewed and approved by the Department Heads that contain errors and require follow up.	Communicate with Department Heads the importance of a thorough and accurate of timesheet review before submitting for approval. Technology solutions to standardize timesheets will assist with identifying errors before approving for submission.

# Potential Process Improvements – Payroll

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P4	Payroll: Payroll Processing	<b>Inefficiency:</b> Employees need to bring hard copies of their timesheets to the Town office. The time taken to deliver the timesheets can be spent on other value added activities.	Set up a shared folder on the Town network that restricts access to only the Department Heads. At the end of the pay period, the Department Head can scan and save the time sheets in the share folder. This will also indicate their review and approval. The Accounting Clerk can then retrieve the time sheets from this folder and save them electronically.
P5	Payroll: Payroll Processing	<b>Inefficiency:</b> The Treasurer is reviewing timesheets to ensure all vacation and absences noted on the submitted timesheets has been approved. This activity should be completed by the Department Head or Accounting Clerk, allowing the Treasurer to direct her resources on other activities.	Initial review of timesheets should be completed by the Department Heads. Timesheets submitted without the vacation/absence approval forms should not be approved by the Department Heads. Secondary review should be performed by the Accounting Clerk.
C2	Payroll: Payroll Processing	<b>Risk:</b> Managers do not have vacation, sick time and time in lieu balances when deciding to approve the leave request from employees. This information needs to be requested from the Finance department. There is a risk that employees can take unearned paid leave or vacation. This will only be detected upon the Treasurer's review of the vacation/leave forms on hand, which occurs after the vacation/leave has already been taken.	Provide department heads with monthly summaries of vacation / leave / overtime entitlement. Department Heads can then use that information when determining whether to approve a vacation/leave. This will also assist Department Heads with recognizing which vacation/leave forms the Finance Department has on file and reduce the number of instances that Treasurer is required to follow up and request a missing vacation/leave form.

# Payroll: Payroll Processing

From: Payroll: Time Sheet Submission



# Potential Process Improvements – Payroll

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P6	Payroll: Payroll Processing	<p><b>Inefficiency and risk of error:</b> Timesheets are provided to the Treasurer on Tuesday. Payroll is required to be prepared, reviewed and processed by Wednesday at 11:00 AM. This short time frame does not allow for proper analysis to ensure the accuracy of timesheets and payroll and lends itself to errors due to the required rush to meet the payroll deadline.</p> <p><b>Risk:</b> Managers do not have vacation, sick time and time in lieu balances when deciding to approve the leave request from employees. There is a risk that employees can take unearned paid leave or vacation.</p>	Change timing of when payroll processing occurs. Pay employees for the previous two week period rather than the current week. This will provide the Accounting Clerk and Treasurer more time for the financial analyst to ensure all submissions are complete and accurate.
P7	Payroll: Payroll Processing	<p><b>Inefficiency:</b> Duplication of data entry of employee time sheet submission into payroll module sheet.</p>	Have employees complete timesheets electronically, submitting to the Department Head for approval. Have Department Heads send time sheets to Treasurer indicating that they have been approved.
C3	Payroll: Payroll Processing	<p><b>Risk:</b> When there is a change in wage rate for an employee, there is no independent review of the changes to ensure that the approved changes have been accurately entered into the payroll system. Without independent verification, there is a risk that changes could be entered incorrectly.</p>	Whenever employee pay rate information is changed, a Senior staff member independent from the payroll function should verify a sample of employees' payroll records to ensure that changes have been entered correctly. Wage rates should be reviewed regularly to ensure accuracy.

# Potential Process Improvements – Payroll

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P8	Payroll: Payroll Processing	<b>Inefficiency:</b> The Town's payroll process is heavily paper based with exception reports and payroll registers printed after every version. This results in numerous pages of information that is incorrect or requires updating after review.	Consideration should be given to using and saving only electronic versions of payroll information. Electronic signatures can be developed and used for approvals. Saving in printing costs as storage space requirements would also result.
P9	Payroll: Payroll Processing	<b>Inefficiency and risk of error:</b> A number of processes for payroll processing gather, store and use the same information resulting in an increase in the risk of human error and duplication of efforts. The cost and time savings associated with the implementation of a direct deposit program can be significant.	The Town may want to consider automating the time tracking required for the payroll process (e.g. swipe cards, mobile application check in, etc.) . This will reduce the inefficiency from duplicating information in the current process and simplify the year end reporting processes and requirements, including T4 preparation.
P10	Payroll: Payroll Processing	<b>Inefficiency:</b> Payroll information is reviewed multiple times by the Treasurer throughout the process (pay run exception report, payroll register, remittance report and bank report) . This can result in multiple revisions throughout the process that is completed by the Accounting Clerk.	The Treasurer can review the payroll register and pay run exception report at the same time. Corrections that are required can be made to both reports at the same time by the Accounting Clerk, eliminating one of the iterations of the process.



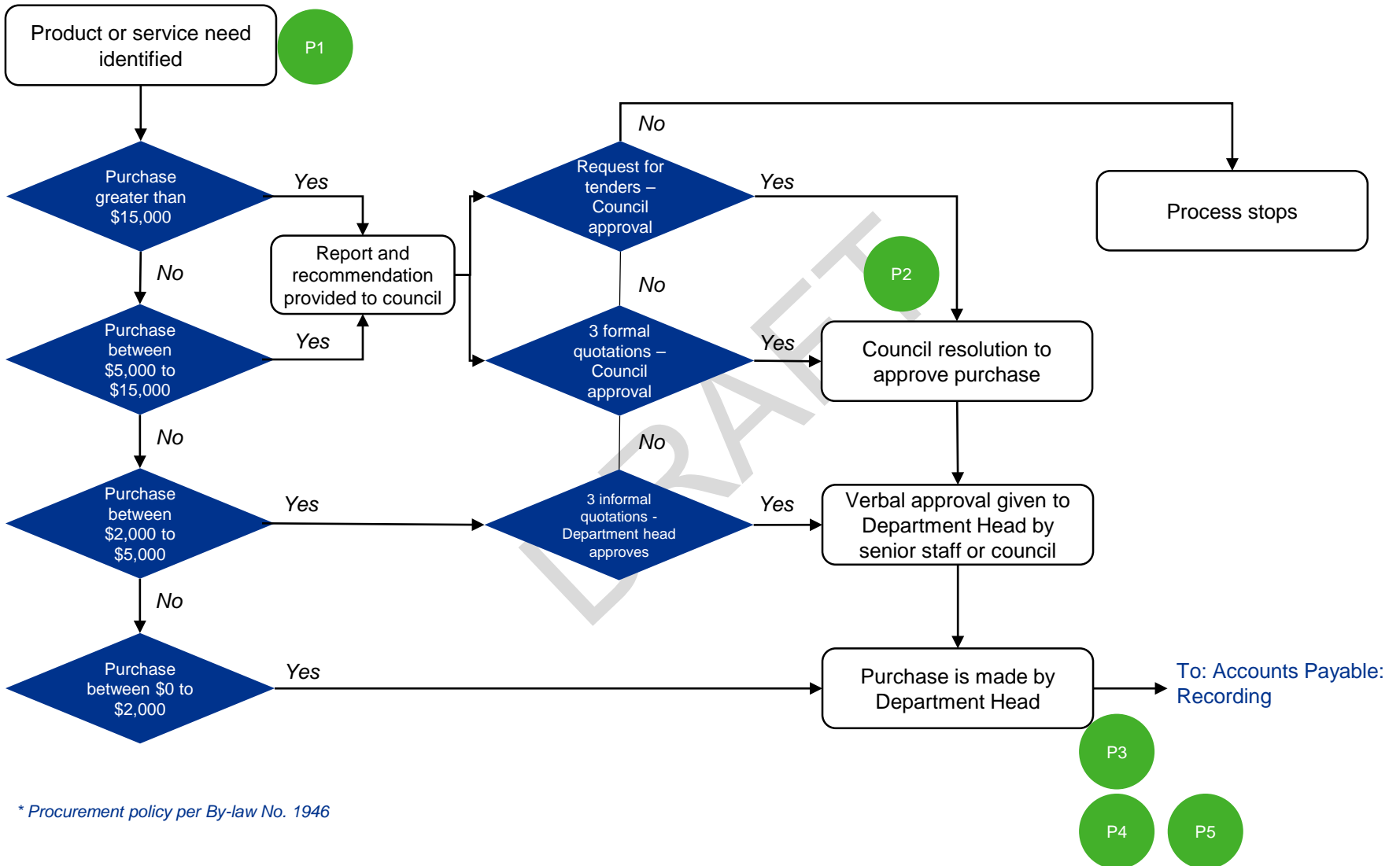


# Process Change Opportunities

Finance - Accounts Payable



# Accounts Payable: Purchasing



\* Procurement policy per By-law No. 1946



# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Accounts Payable: Purchasing	<b>Inefficiency:</b> Currently, the Town does not always preferred or approved vendors for recurring product purchases or services. There is a risk that the Town is not receiving optimal value when purchasing products or services from vendors.	Establishing preferred vendors for recurring products purchases or services on a scheduled basis can simplify the purchase process and provide increased value. Tendering product purchases and/or recurring services for an agreed time frame can result in cost savings. Furthermore, Department Heads should be provided with a listing of approved and preferred vendors. Enforce the use of approved vendors with negotiated agreements
P2	Accounts Payable: Purchasing	<b>Risk:</b> Currently, the procurement policy is not consistently adhered to. Purchases are sometimes made without the required quotations documented. There is a risk that the Town is not receiving optimal value when purchasing products or services from vendors.	Centralizing the purchase process with the finance department and requiring department heads to submit formal purchase requisitions and purchase orders for purchases greater than \$2,000. This will ensure that quotes are submitted to the approver before they are authorized to make the purchase.

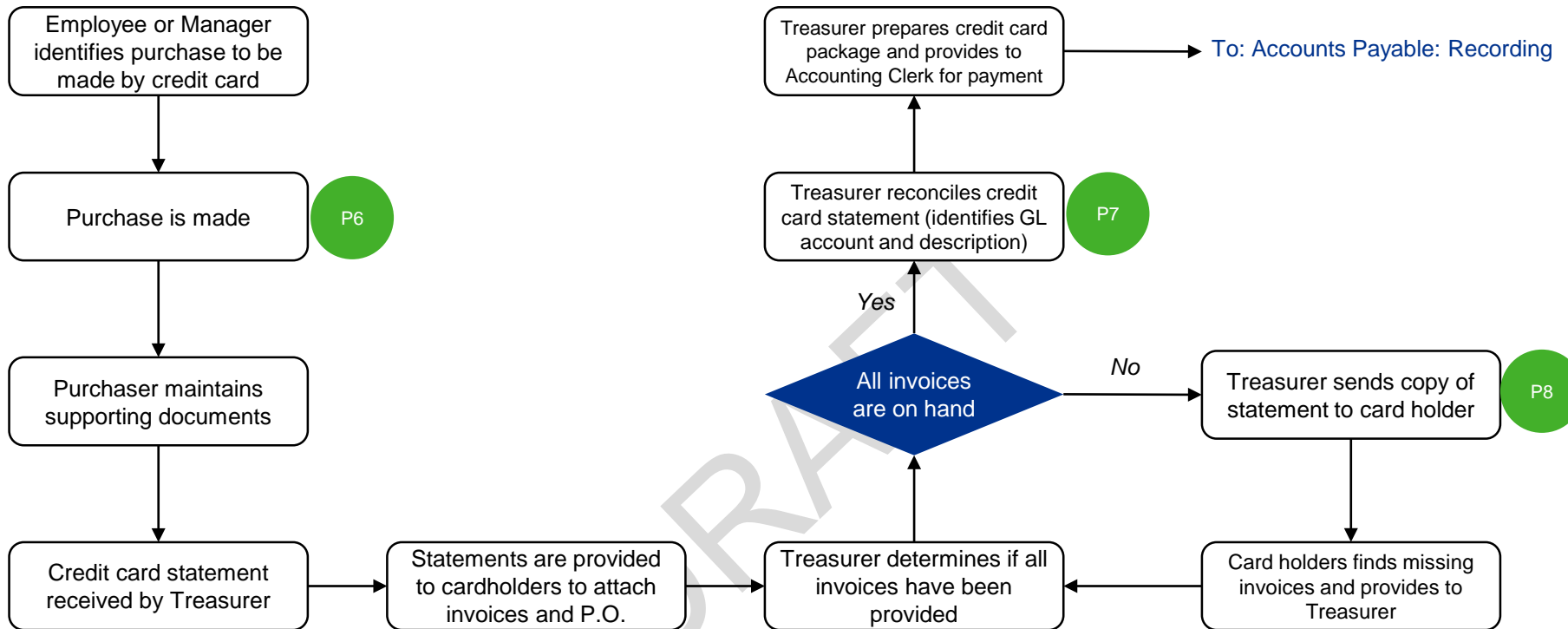
# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P3	Accounts Payable: Purchasing	<b>Inefficiency:</b> Purchase orders are completed manually on paper. The information on the purchase order then needs to be entered into the accounting system by the Accounting Clerk resulting in a supplication of efforts/	Investigate if electronic purchase requisitions can be completed within the accounting system. The Department Head would input the request directly into the accounting system. It can then be reviewed and approve, automatically generating a purchase order, reducing the risk of input error. When the invoice is received, it can be applied against the existing purchase order and requisition without having to input the purchase and journal entry information again.
P4	Accounts Payable: Purchasing	<b>Risk:</b> Currently, purchase are made by Department Heads on an ad hoc basis. This results in the finance department sometimes being unaware of purchases made until after an invoice has been received. There is a risk that the Town is making unnecessary purchases in addition to potential duplication of purchases.	Require that all purchases be processed by the finance department. Require Department Heads to submit a purchase requisition form detailing the item that is required to be purchased as well as the selected vendor based on the existing procurement policy. Finance staff will prepare a purchase order that is provided to the vendor and filed with the purchase requisition. When the invoice is received by the Department Head or the finance department, it is matched with the purchase requisition and purchase order before proceeding to the accounts payable: recording process.

# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P5	Accounts Payable: Purchasing	<p><b>Inefficiency and Risk:</b> The Town does most of its ordering over the telephone, but in many cases does not document the order with a written purchase order. Additionally, Several employees are responsible for authorizing the purchases and receiving the goods, in effect, authorization, receipt, and custody.</p>	<p>The Town may wish to implement a centralized purchase order and receipt system to improve internal accounting controls over purchasing of inventory and supplies. The purchase order system would include the following controls:</p> <ul style="list-style-type: none"> <li>• Purchase orders should be numbered sequentially, required for all purchases of inventory and supplies, controlled numerically, and bear the appropriate documented approval from the appropriate responsible official.</li> <li>• Personnel requesting and approving purchase orders should be independent of the individuals in the receiving area, to allow for a proper segregation of duties.</li> <li>• The receiving reports should be matched with the purchase order by the Accounting Clerk and this comparison documented on the receiving report. Any differences should be reviewed on a timely basis.</li> <li>• Vendor invoices received should be matched with the attached purchase order and receiving report and the procedure documented on the invoice to determine that the invoice reflects the merchandise ordered and received.</li> <li>• A centralized purchasing function should be used to allow the Town to take advantage of volume discounts through group purchasing of large quantities. It would also ensure purchases are made only when inventory levels have declined to the appropriate reorder quantity and reduce the amount of cash invested in excess inventories.</li> </ul>

# Accounts Payable: Use of Credit Cards



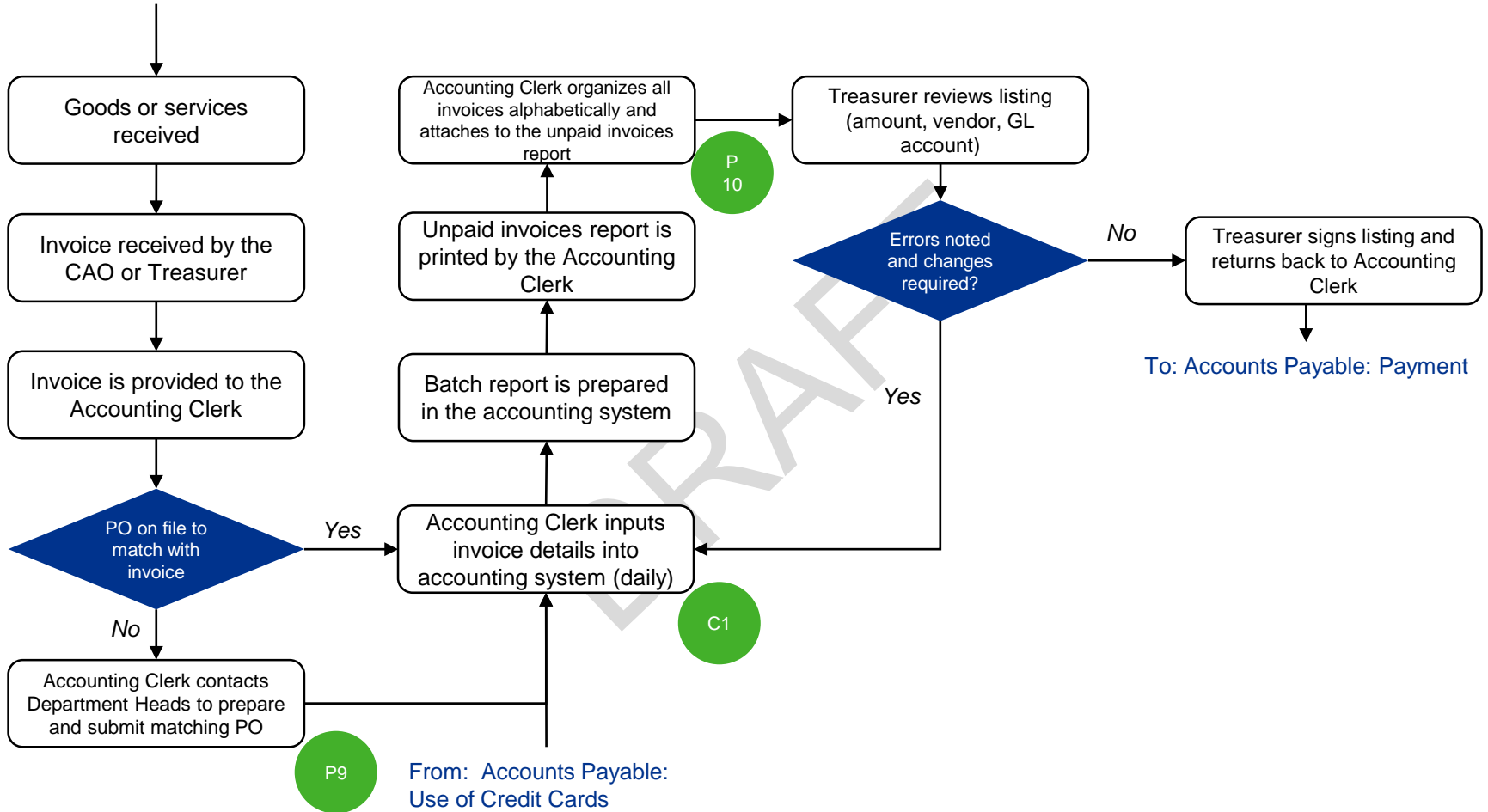
# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P6	Accounts Payable: Use of Credit Cards	<b>Risk:</b> No formal policy exists as to what type of purchases can be made by credit cards. Depending on the amount of the authorization limit, the opportunity exists to bypass the authorization limits described in Accounts Payable: Purchasing process.	Establish what purchases are authorized to be made by credit card (hotel, travel costs etc.)
P7	Accounts Payable: Use of Credit Cards	<b>Inefficiency:</b> The Treasurer reconciles the credit card statements with the invoices provided by the card holders. If the Treasurer is missing an invoice or unsure where to code the expense, a request is made to the card holder for additional information.	Having the card holder reconcile the credit card statement in an excel template and submitted to the Treasurer with the supporting documentation will ensure all expenses are recorded to the correct accounts and a description of the business reason for the expense is provided.
P8	Accounts Payable: Use of Credit Cards	<b>Inefficiency:</b> Credit card statements are received by the Treasurer. Card holders do not have the complete listing of all expenses on the credit card and will sometimes not provide all the backup, in error. This results in the Treasurer having to provide a copy of the statement to the card holder to reconcile and provide support for (rework).	Have the Treasurer or Accounting Clerk send a copy (electronic) of the credit card statement directly to the card holder when it is received. The card holder will then have a complete list of items that back up is required for.

## Town of Blind River Service Delivery Review – Process Maps

# Accounts Payable: Recording

From: Accounts Payable: Purchasing



# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P9	Accounts Payable: Payment	<p><b>Inefficiency:</b> The Town's s account payable process is paper based, with emailed copies of invoices printed out for processing. This represents a potential inefficiency as (i) the process consumes time and resources associated with the printing of electronic invoices; and (ii) the approval process involves the physical movement of invoices as opposed to email.</p>	<p>The Town may want to consider the use of electronic invoices as opposed to paper copies, whereby invoices received by mail are scanned prior to processing.</p> <p>Invoices should be scanned and saved by date and vendor only. A naming convention should be developed that will allow for an efficient electronic search (e.g. vendor, amount, batch number, payment date, cheque number, etc.)</p> <p>Electronic invoices can also be submitted to a shared folder location with access restricted to only the Department Heads. Accounting Clerk can retrieve the documents from this location every week to prepare the payment batch.</p>
C1	Accounts Payable: Recording	<p><b>Risk:</b> The Town's process for new vendor set-up involves minimal controls and review and is initiated once an invoice is received. It is possible that staff can purchase goods or services from related parties or false vendors without independent due diligence into the vendor.</p>	<p>The Town may wish to establish a process whereby new vendor set-up requires certain verification procedures, including proof of operation and reviews of potential conflicts of interest.</p> <p>The listing of active vendors should be reviewed regularly for accuracy and independence. Vendors which have not been used over the last 24 months should be removed.</p>

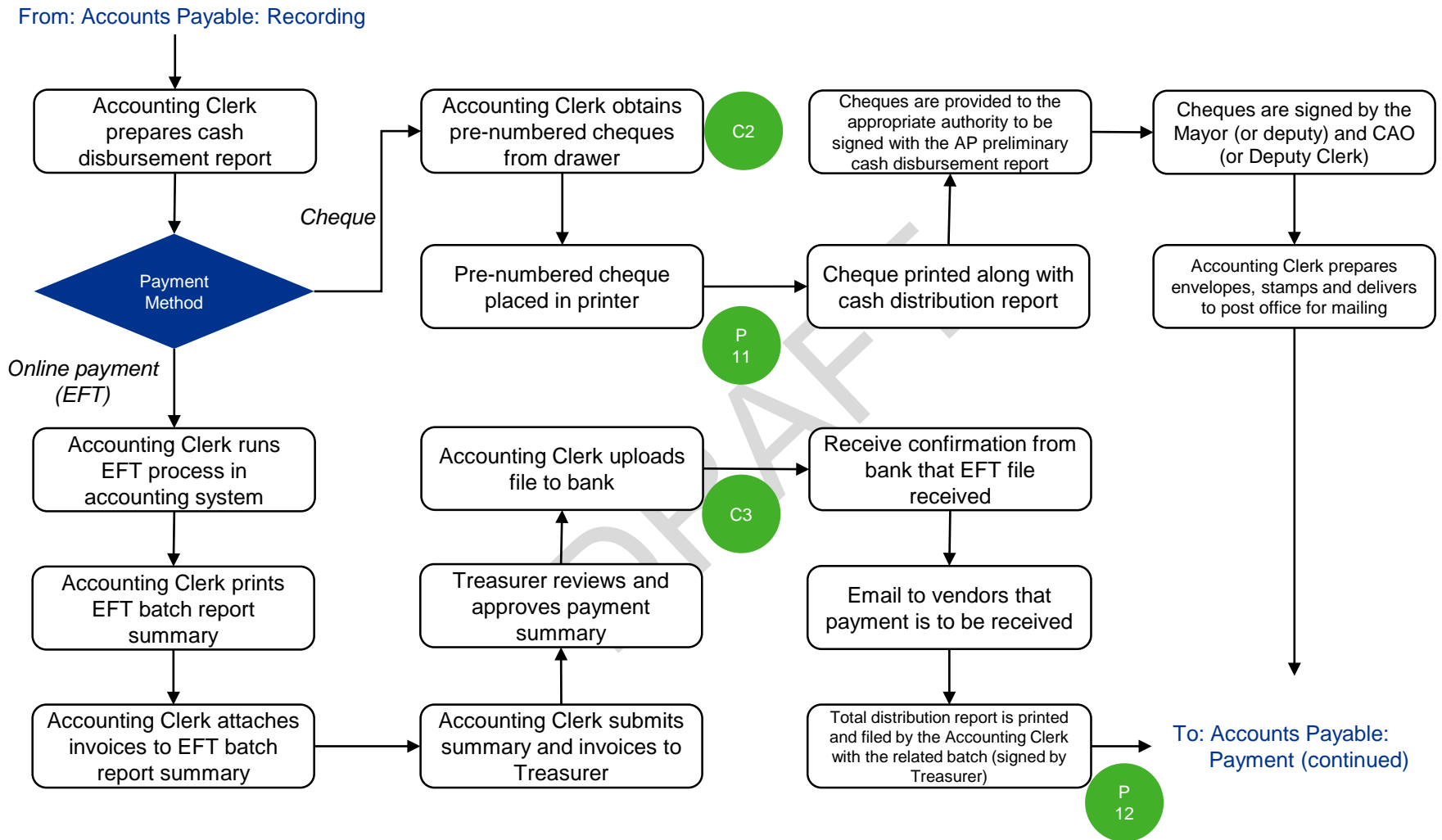
# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P10	Accounts Payable: Payment	<p><b>Inefficiency:</b> The Accounting Clerk is following up with Department Heads to request that they complete a purchase order after an invoices has ready been received to ensure proper documentation.</p>	<p>Although missing purchases orders indicate that a purchase was made outside of the Town’s policy, the subsequent preparation of purchase orders should not be continued since the control has already been bypassed at this time. Additional effort and consideration should be provided to ensuring purchases have a purchase order on file before initiation. Contacting vendors and instructing that all future purchases made by the Town must make reference to a PO number on the invoice may assist with enforcement.</p>

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# Accounts Payable: Payment



# Potential Process Improvements – Accounts Payable

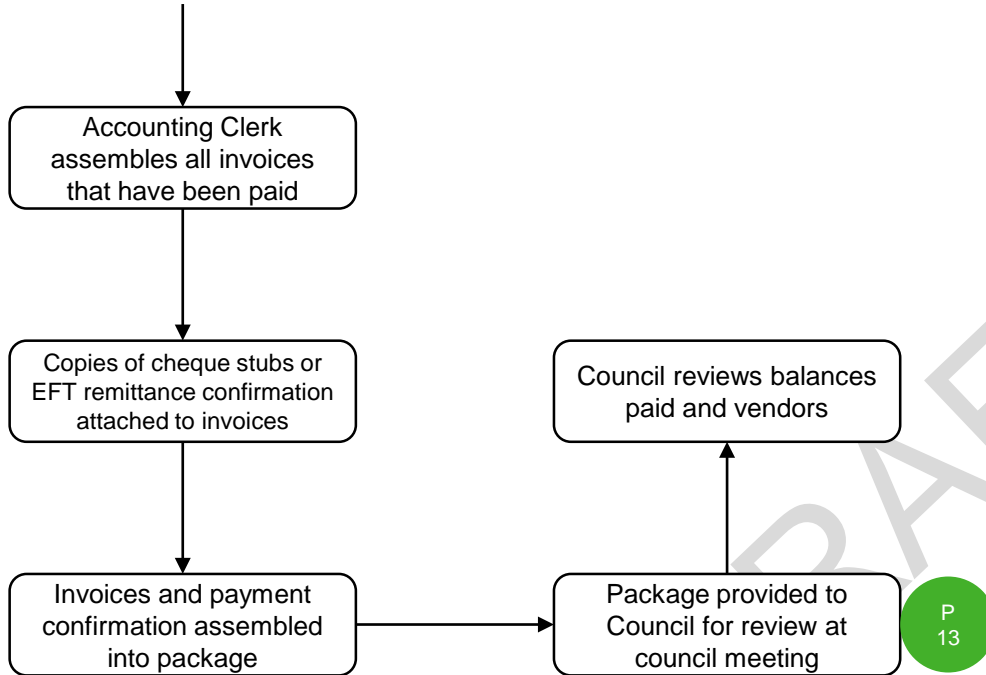
Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
C2	Accounts Payable: Payment	<b>Risk:</b> Blank cheques are stored in a drawer next to the printer, which is accessible to all administration personnel.	Based on our experience, the custody of blank cheques should be vested in one person (Accounting Clerk) and un-issued cheques should be kept locked in a safe place.
P11	Accounts Payable: Payment	<b>Inefficiency:</b> A number of transactions are paid by cheque. This results in additional efforts and time required to process a payment.	<p>The Town may want to consider the expanded use of Electronic Fund Transfers (EFTs) with integration into the account system. The potential process is as follows:</p> <ul style="list-style-type: none"> <li>• Accounting Clerk runs EFT process in accounting system</li> <li>• Accounting Clerk prints EFT batch report and attaches invoices which are provided to the Treasurer for review</li> <li>• Accounting Clerk uploads EFT file the bank (payment does not process at this time)</li> <li>• Treasurer receives notification that an EFT has been updated. Treasurer reviews the EFT with the provided supporting documentation and approves the EFT payment.</li> <li>• EFT confirmation is provided to the Accounting Clerk to save and file with the payment batch information.</li> </ul>

# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
C3	Accounts Payable: Payment	<b>Risk:</b> The Accounting Clerk and Treasurer have the ability to initiate and authorize EFT payments without secondary review.	The Town may want to consider a process be put in place that requires two separate validations for the release of an EFT, ensuring that all payments initiated within the EFT system are appropriately reviewed and approved by someone senior to the initiator. EFT best practices have been included above.
P12	Accounts Payable: Payment	<b>Inefficiency:</b> The total distribution report is printed and filed by the Accounting Clerk with the related batch. This information is automatically saved in the system and can be retrieved by searching the batch number, invoice number or vendor. This creates a duplication of information.	Consideration should be given to discontinuing the printing and filing the total distribution report.

# Accounts Payable: Payment (continued)

From: Accounts Payable: Payment



# Potential Process Improvements – Accounts Payable

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P13	Accounts Payable: Payment (continued)	<p><b>Inefficiency:</b> The Town’s staff are preparing packages containing invoice details and cheque stubs to provide to Council for review. The invoices (balances, vendors, terms, etc.) have already been reviewed by the Town’s Treasurer and sometimes, CAO. Council has already reviewed and approved the budget for the year and reviewed and approved tenders for any purchase over \$5,000 in accordance with the procurement policy per By-law No. 1946. Furthermore, payments have already been processed at this time, restricting the Town’s ability to take corrective action if ever required.</p> <p>This results in a duplication of efforts and review.</p>	<p>Consideration should be given to eliminating the review and approval of expenses by Council if it has already been approved as part of the annual budget.</p> <p>Council would be made aware of any purchase greater than \$5,000 in accordance with the by-law.</p> <p>Purchases made that were not included as part of the approved budget should be brought forward to Council for approval.</p> <p>Absent of eliminating this process, a system generated summary report (e.g. cash distribution report) can be provided to council quarterly for review.</p>



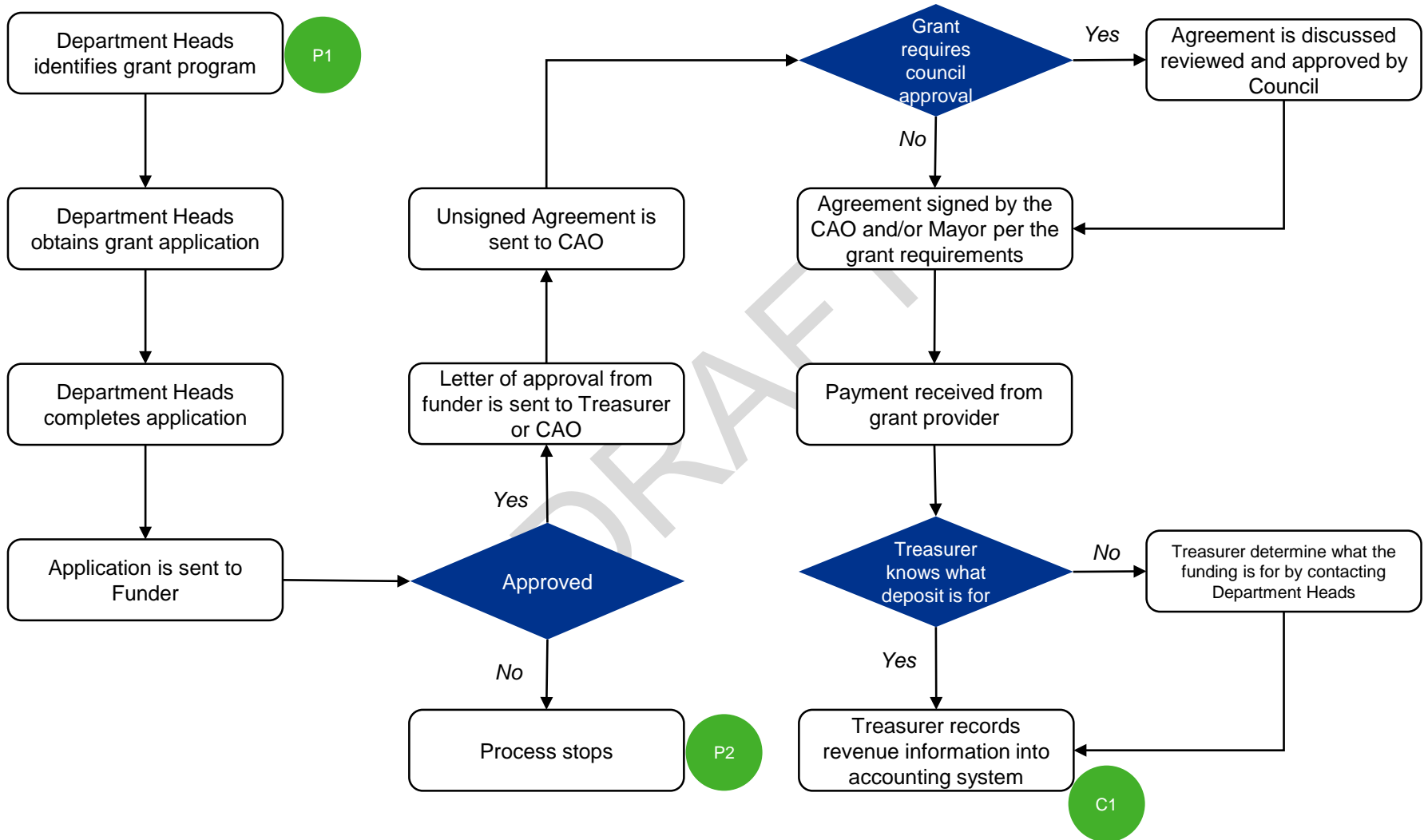
# Process Change Opportunities

Finance and Billings and Collections





# Billings and Collections: Grants

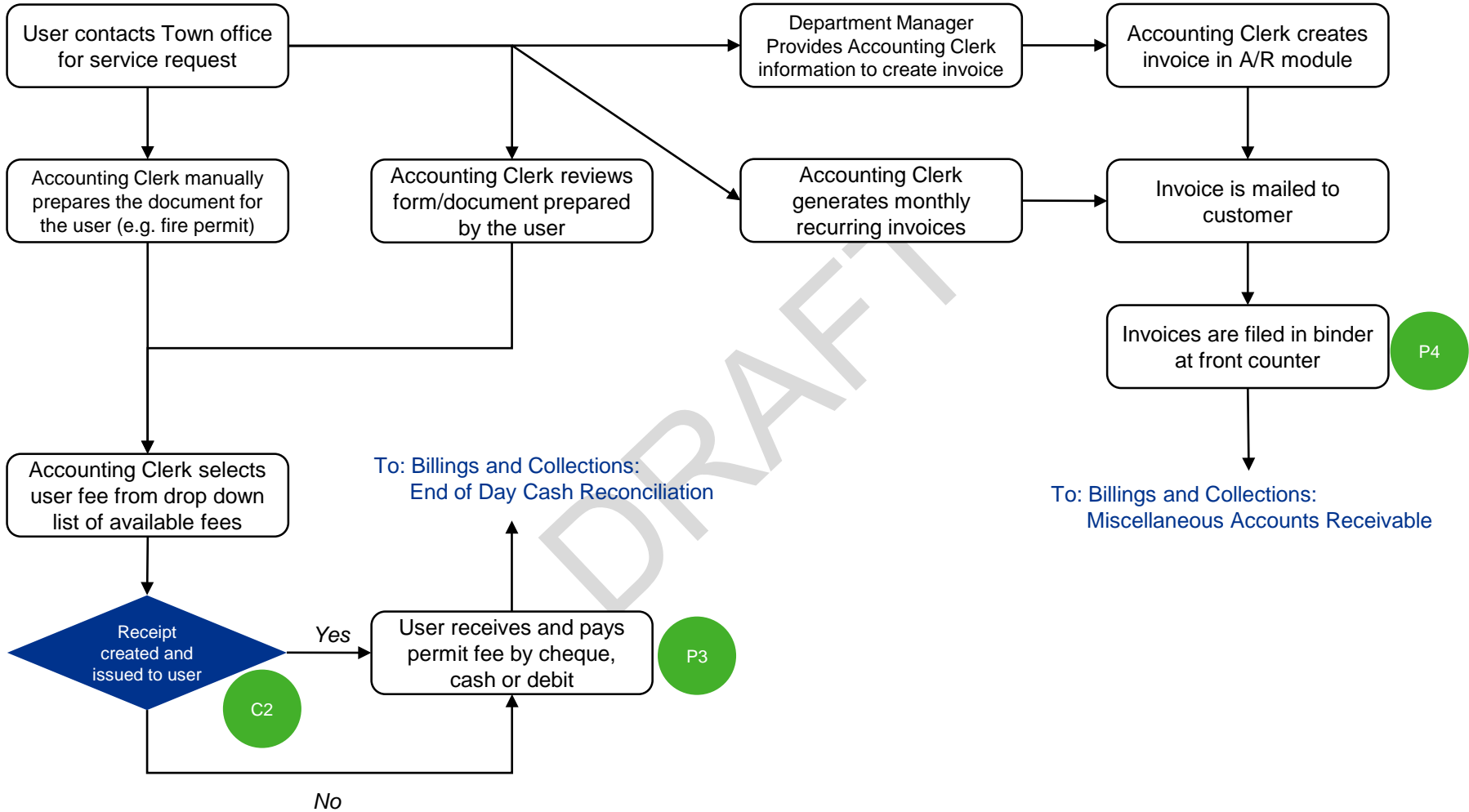


# Potential Process Improvements – Billings and Collections

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Billings and Collections: Grants	<b>Inefficiency:</b> Currently there is no formal guidance given from Council to establish grant priorities. As a result, the Department Heads may be focusing efforts on initiatives that are not a priority of the Town.	Establish the following procedure: <ul style="list-style-type: none"> <li>• Prior to the budgeting process, Council set specific categories for grant funding</li> <li>• Assign category to Department Head or Treasurer, making them accountable for identifying and applying for grant funding.</li> </ul>
P2	Billings and Collections: Grants	<b>Risk:</b> Currently, review of why a grant application failed does not always occur. Reviewing strengths, weaknesses and lessons learned will result in improved grants submissions in the future.	The Town could implement the following process step: <ul style="list-style-type: none"> <li>• Treasurer follows up with the funding agency identifying why the Town was not approved for the grant.</li> </ul>
C1	Billings and Collections: Grants	<b>Risk:</b> Revenue and the related receivable for grant funding is not recorded until the funds are received. There is a risk at the end of a period, revenue related to that period is not recorded. Additionally, since the receivable balance is not recorded, there is an increased risk that funds owed to the Town are not collected.	Grants should be recorded as accounts receivable when approved and/or earned. This receivable should then be cleared when the cash is received. This will allow the Treasurer to follow up on any outstanding balances and also provide more accurate information for cash forecasting and budgeting.



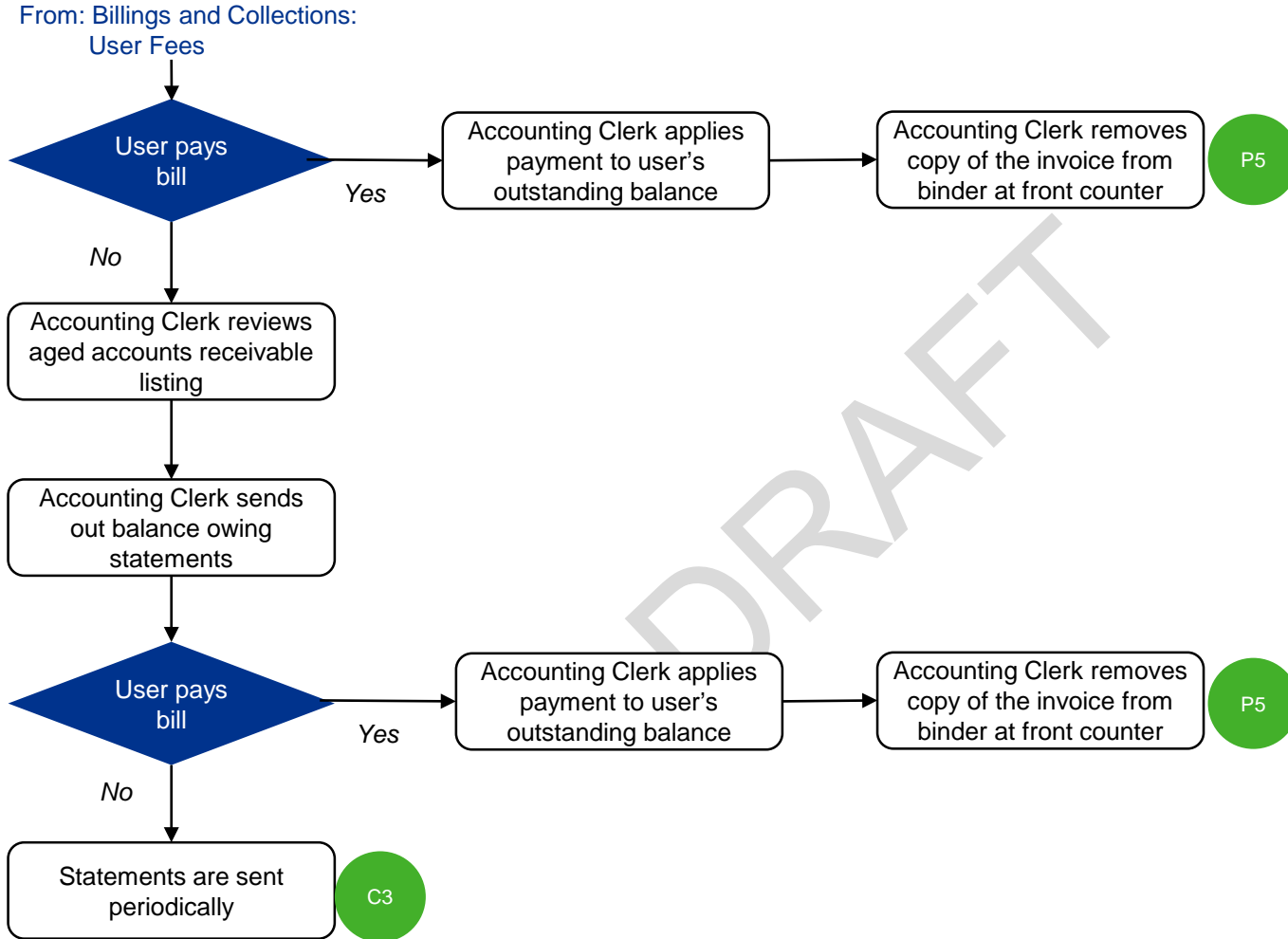
# Billings and Collections: User Fees



# Potential Process Improvements – Billings and Collections

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
C2	Billings and Collections: User Fees	<b>Risk:</b> A receipt is not always created and issued if a user does not request a receipt. There is a risk that a permit (e.g. fire permit) is manually completed, issued to the user and fee collected but never entered into the accounting system, providing the opportunity to misappropriation of funds.	Ensure a receipt is issued for all user fees. Create signage at the reception desk that informs users to ask for and receive a receipt for all purchases.  As potential long-term change, the Town may wish to move towards no longer accepting cash payments. All payments for user fees would be paid by cheque or debit/credit.
P3	Billings and Collections: User Fees	<b>Inefficiency:</b> Currently, all user fees need to be paid in person at the Town office by cash, debit or cheque. Due to the time required to attend the Town office, users may opt to not pay the required fees if the penalty for not doing so is minor.	Allow user fees to be paid and accepted online through the Town's website. The Town has already made standard forms available on their website. Easier access to methods of payment will encourage users to pay the required fees.
P4	Billings and Collections: User Fees	<b>Inefficiency:</b> Copies of invoices that have been sent out and not yet paid are filed in a binder at the front counter to track unpaid invoices. This information is already entered into the Town's accounting system and should be tracked using the system capabilities.	Consideration should be given to discontinuing the process of printing and filing all unpaid invoices in the binder at the front. See Miscellaneous Receivable for further information.

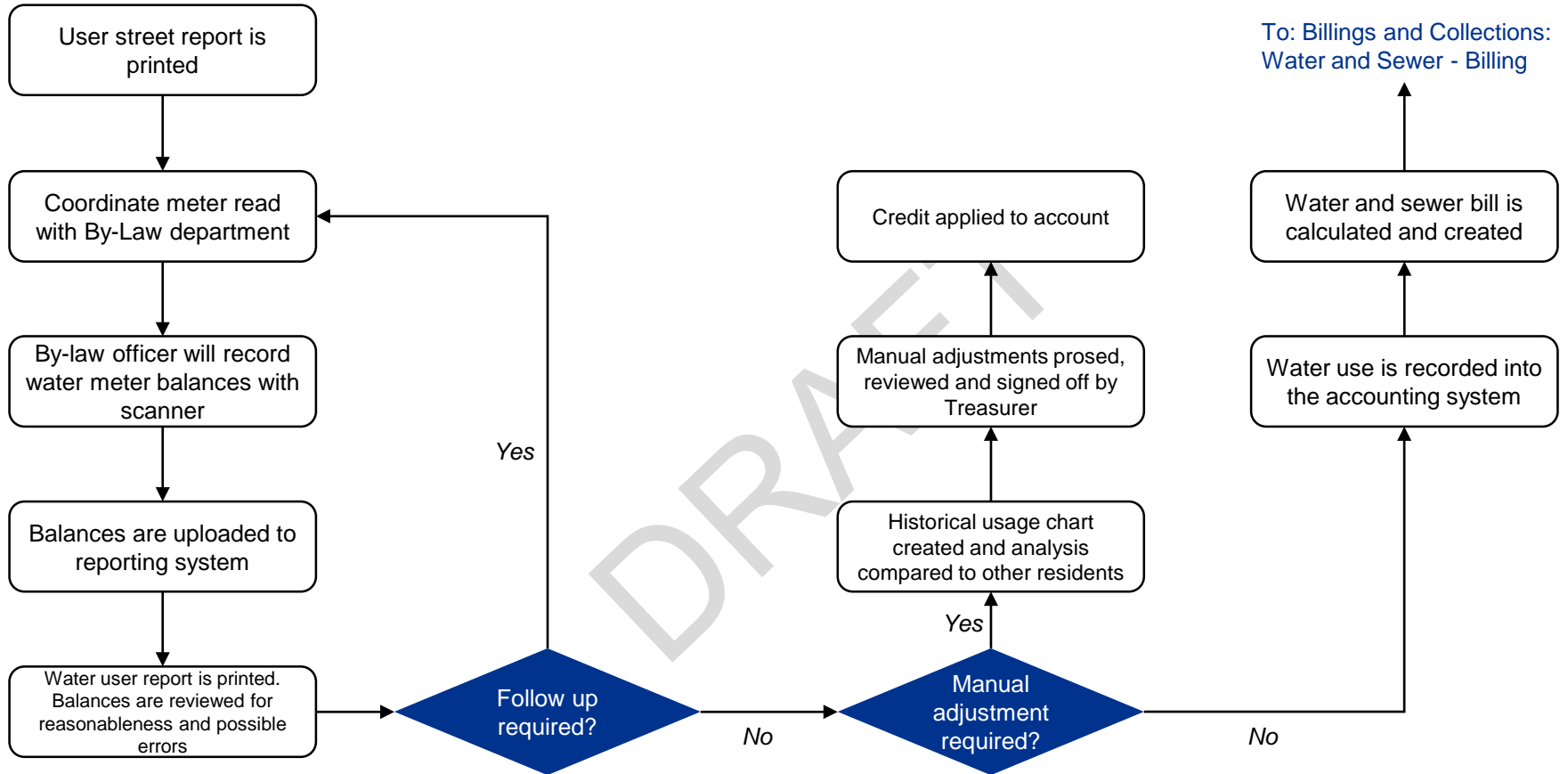
# Billings and Collections: Miscellaneous Accounts Receivable



# Potential Process Improvements – Billings and Collections

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P5	Billings and Collections: Miscellaneous Accounts Receivable	<p><b>Inefficiency:</b> Copies of invoices that have been sent out and not yet paid are filed in a binder at the front counter to track unpaid invoices. This information is already entered into the Town's accounting system and should be tracked using the system capabilities.</p> <p>Use of the binder does not allow for easy identification of large and/or large outstanding balances since staff have to flip through each page to find that information.</p>	<p>Consideration should be given to discontinuing the process of printing and filing all unpaid invoices in the binder at the front. By eliminating this practice, staff will be required to regularly review the accounts receivable listing in the accounting system. This report will provide the age of each balance and help to easily identify large and long outstanding balances for follow up.</p>
C3	Billings and Collections: Miscellaneous Accounts Receivable	<p><b>Risk:</b> No formal policy exists to follow up on collection increasing the risk of uncollected accounts. Department Heads are sometimes unaware of balances outstanding before performing new work for user.</p>	<p>The Accounting Clerk should perform regular review of the accounts receivable listing (e.g. every two weeks). Receivables balances related to a specific department should be forward to the appropriate Department Head for follow up. The follow up by the Department Head should be formally documented and provided back to the Accounting Clerk.</p> <p>Balances outstanding more than 30 days should be priority and follow up on regularly (weekly).</p>

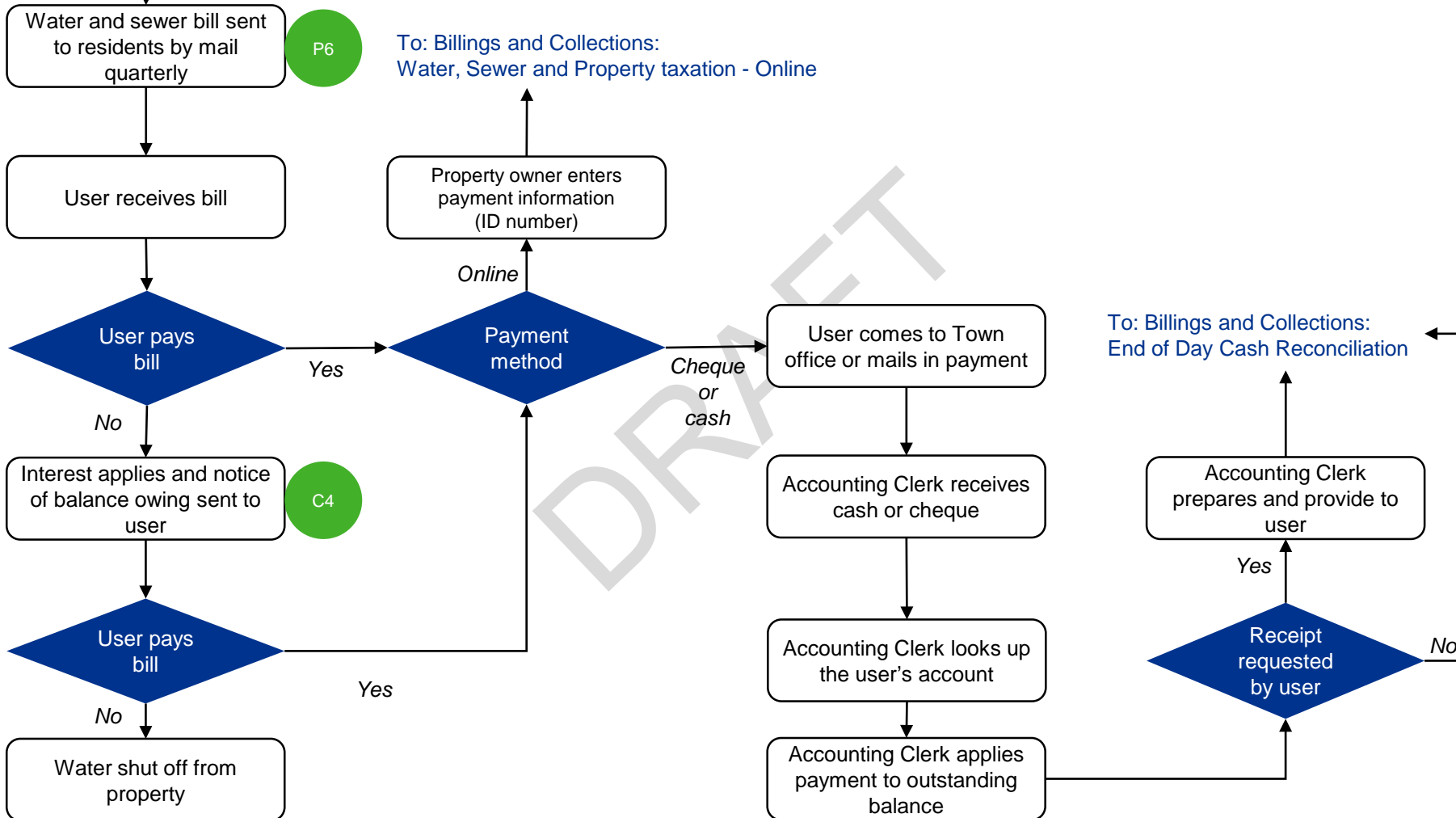
# Billings and Collections: Water and Sewer – Meter Reading



## Town of Blind River Service Delivery Review – Process Maps

# Billings and Collections: Water and Sewer – Billing

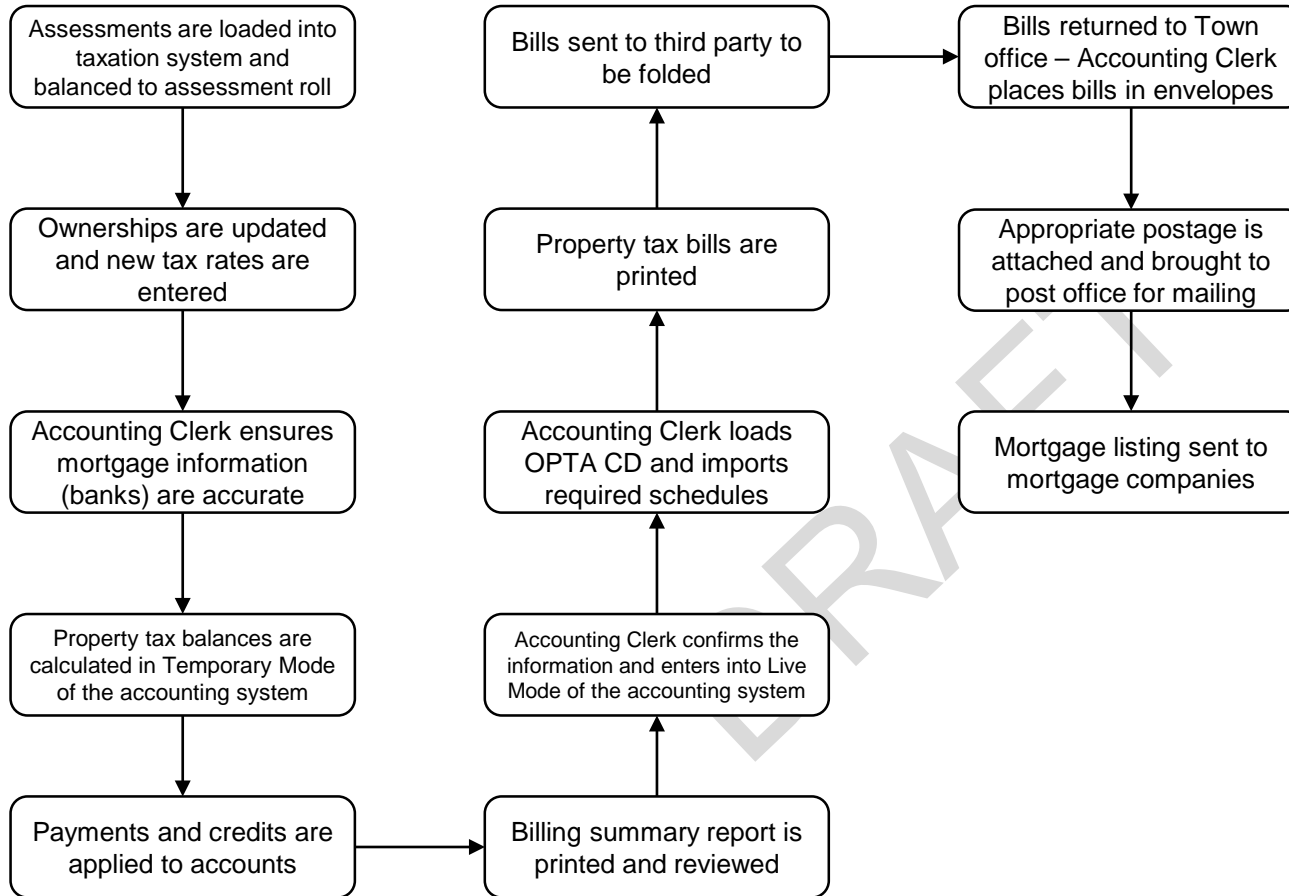
From: Billings and Collections: Water and Sewer – Meter Reading



# Potential Process Improvements – Billings and Collections

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P6	Billings and Collections: Water and Sewer	<b>Inefficiency:</b> All water and sewer bills are currently manually prepared and sent by mail. This results in additional time and postage costs incurred by the Town	Allow users to receive bills electronically through email or “epost” through Canada Post. System generated emails can be produced that will send user’s their bills electronically reducing costs associated with post and the time required to prepare and mail the bills.
C4	Billings and Collections: Water and Sewer	<p><b>Risk:</b> Although a formal collection of water and sewer policy exist (Policy No: 1.3.4) it is not always adhered to. This can lead to inconsistent methods used for collection and exposed the Town to potential legal and reputational risks.</p> <p>Furthermore, the most recently policy was approved in 2011 and may require review and updating.</p>	<p>The Town could implement the following process step:</p> <ul style="list-style-type: none"> <li>• Update the formal policy that is followed for Water and sewer arrears, similar to property taxation (e.g. notice of pass due amounts sent after 30 days, development of a payment plan after 60 days, water shutoff after 90 days).</li> <li>• The policy should be approved by council and made public to inform all users and residents of the process and policy in place.</li> </ul> <p>Updating and adherence to a formal policy will potentially allow staff to address operational matters in a more efficient and time sensitive manner.</p>

# Billings and Collections: Property Taxation – Assessment & Mailing

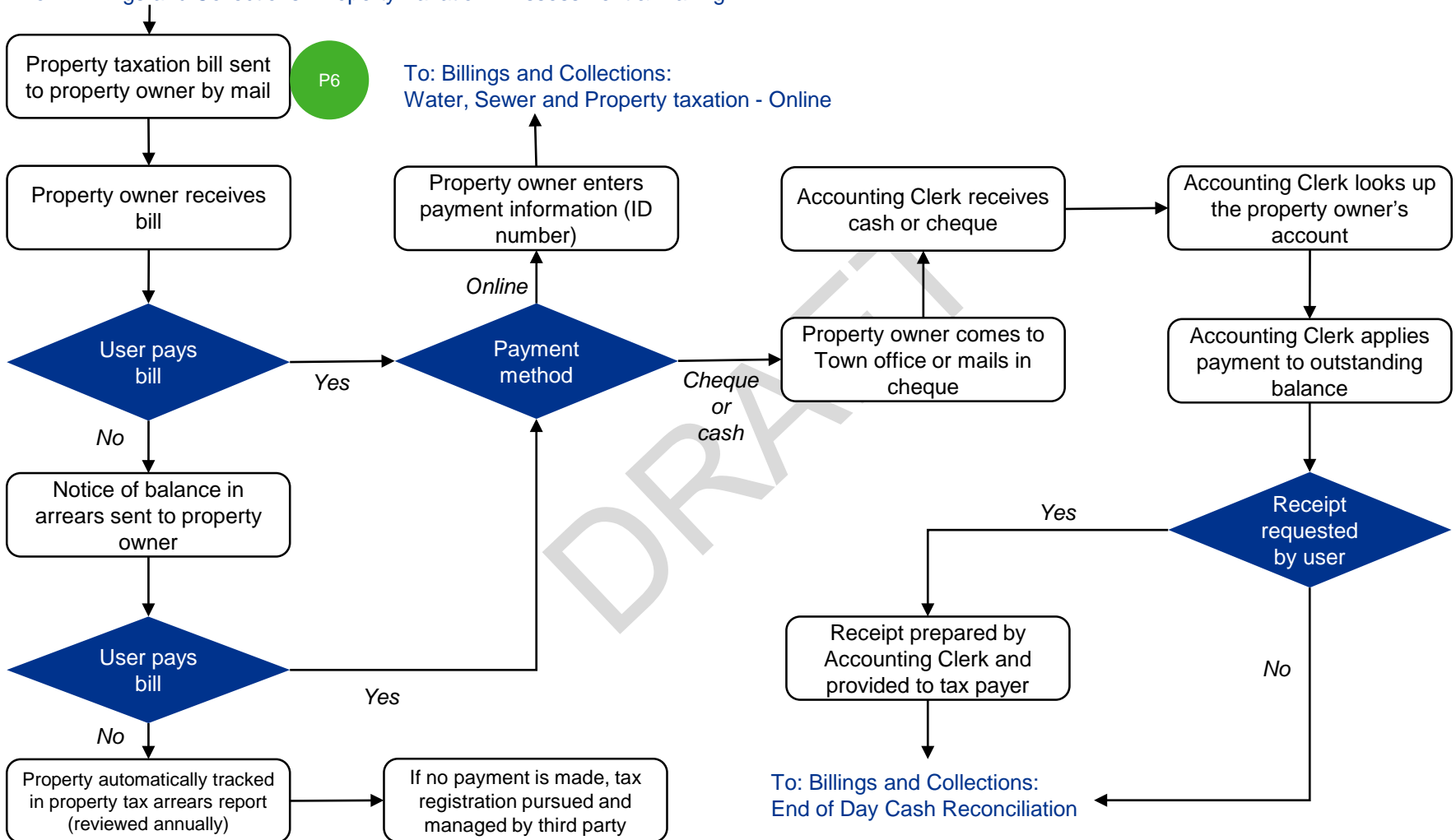




## Town of Blind River Service Delivery Review – Process Maps

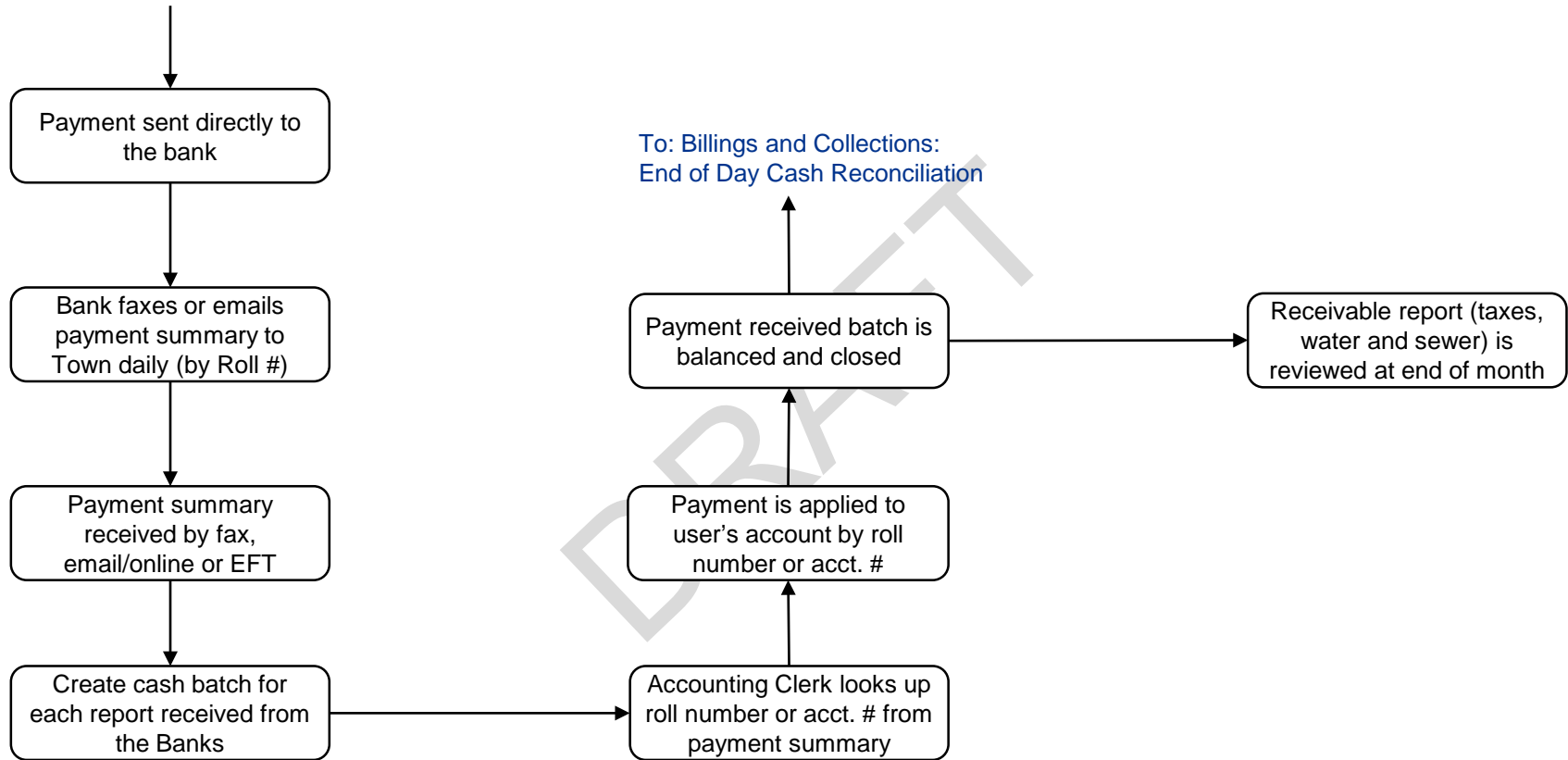
# Billings and Collections: Property Taxation

From: Billings and Collections: Property Taxation – Assessment & mailing



# Billings and Collections: Water, Sewer and Property Taxation – Online

From: Billings and Collections: Water and Sewage  
From: Billings and Collection: Property Taxation



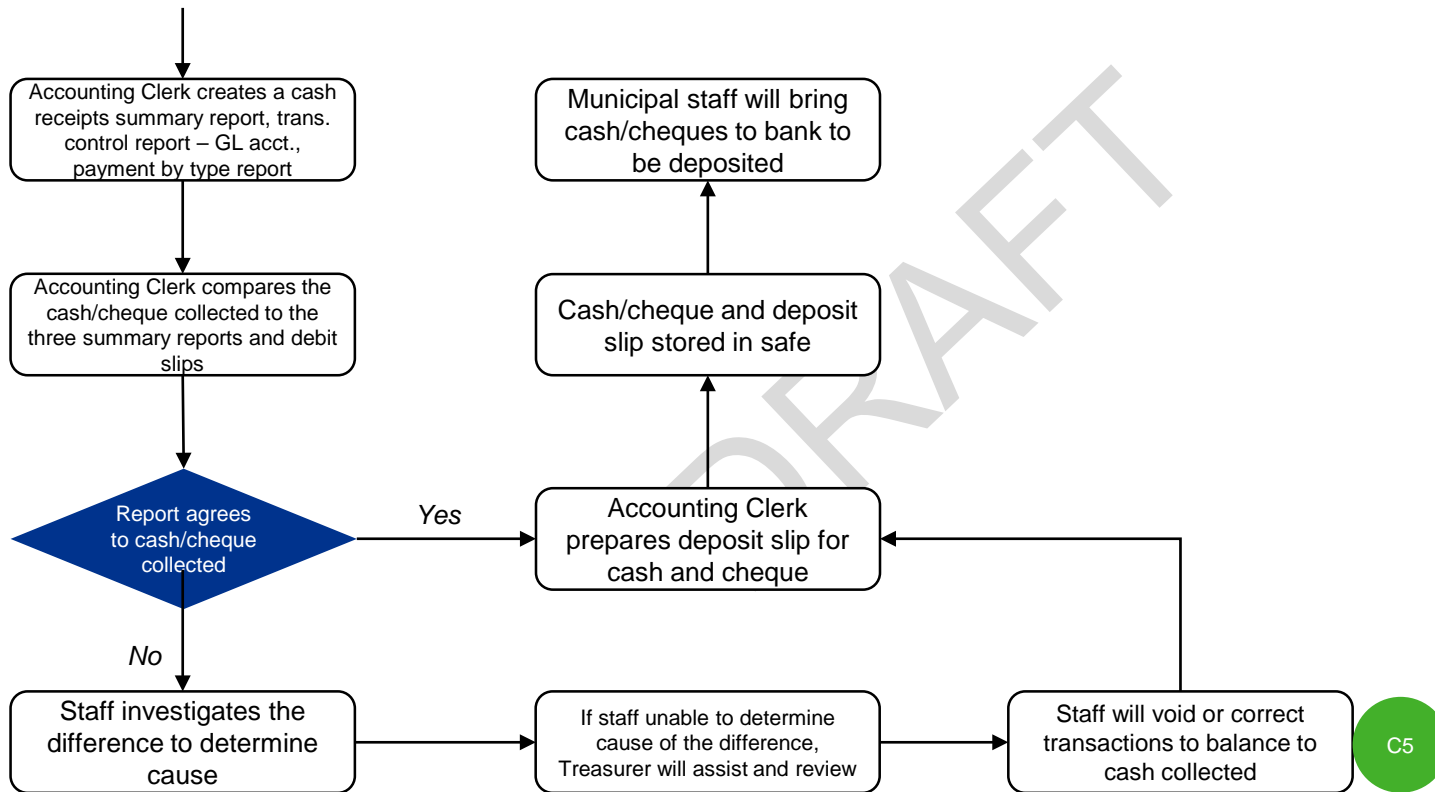
## Town of Blind River Service Delivery Review – Process Maps

# Billings and Collections: End of Day Cash Reconciliation

From: Billings and Collections: User Fees

From: Billings and Collections: Water and Sewer- Billing

From: Billings and Collections: Property Taxation



# Potential Process Improvements – Billings and Collections

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
C5	Billings and Collections: End of Day Cash Reconciliation	<p><b>Risk:</b> An element of effective internal controls is the proper segregation of duties. The basic premise of segregating duties is to prevent situations where an employee has the ability to perpetrate an error or irregularity and to conceal it as well. Proper segregation of duties provides for a system of checks and balances such that the functions by one employee are subject to review through the performance of the interrelated functions of another employee. In the course of our examination, we noted several situations involving conflicting duties, such as:</p> <ul style="list-style-type: none"> <li>• The individuals responsible for maintaining the accounts receivable records also are responsible for handling, processing and recording of cash receipts and preparing bank deposit slips.</li> <li>• The accounting management individual who is actively involved in all accounting operations including monthly bank reconciliations has the ability to issue checks.</li> <li>• Accounting personnel initiate transactions and also perform related data entry on the computer.</li> </ul> <p>Each of the above situations could result in an intentional or unintentional error or irregularity going undetected.</p>	<p>While the size of the Town’s accounting staff prohibits complete adherence to this concept, the following practices could be implemented to improve existing internal control without impairing efficiency:</p> <ol style="list-style-type: none"> <li>1. Mail should be opened by employee not responsible for accounting records. Cash receipts could be recorded and the deposit prepared by this person.</li> <li>2. Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Non-routine testing would aid in ensuring compliance with Town policy for all disbursements.</li> <li>3. Journal entries should be approved by an employee other than the one who prepared the entry.</li> </ol>

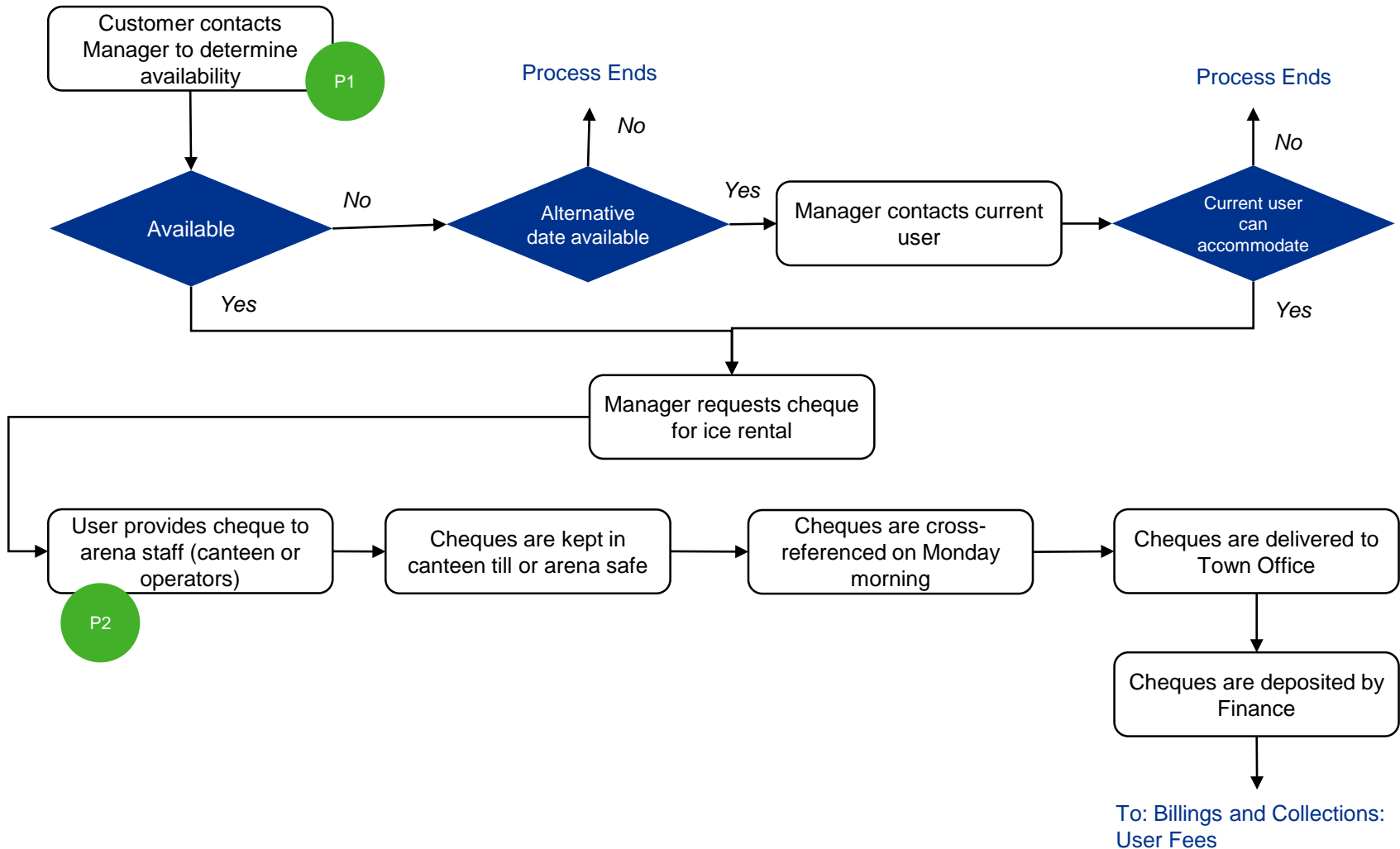


# Process Change Opportunities

## Community Centre and Arena Operations



# Arena Ice Rentals – Non Resident User

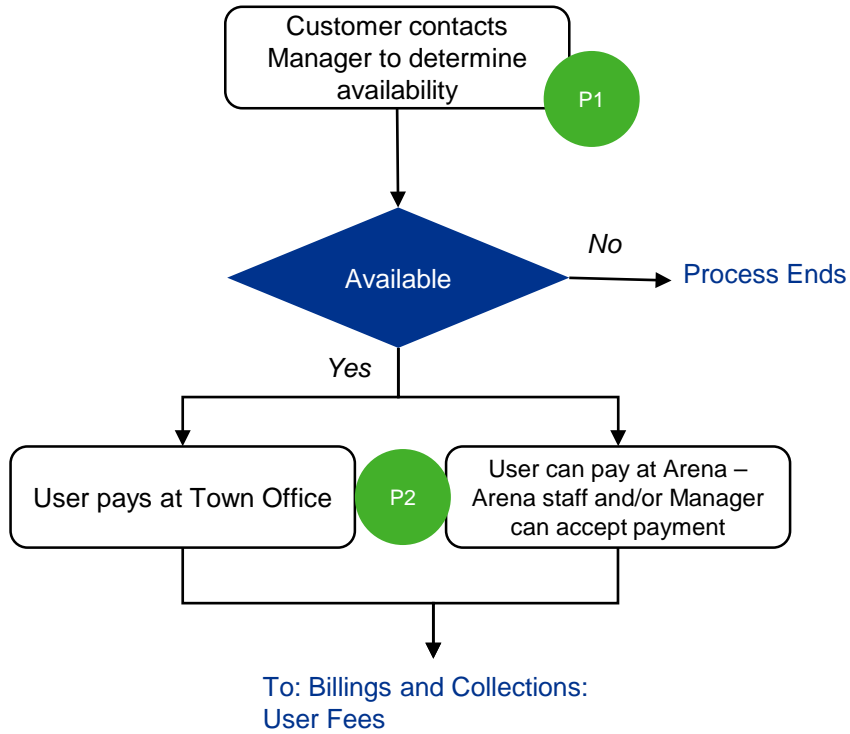




# Arena Ice Rentals – Non Resident User – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Arena Ice Rentals	<b>Inefficiency:</b> Currently the process of booking ice time at the Blind River Memorial Community Centre is based on manual processes. The Town does not appear to make sure of technology for the purposes of booking and managing rentals at the facility and requests for bookings appear to begin with the involvement of the Director of Recreation and Community Services.	The Town may want to consider exploring the potential of acquiring recreational software which would then allow for bookings to be consolidated within the Town's operations as well as potentially increase the user's experience as they could potentially see when ice is available in live time opposed to having to be in contact directly with Town staff.
P2	Arena Ice Rentals	<b>Inefficiency:</b> Currently, users of the community centre are unable to pay for service through e-commerce tools.	The Town may want to consider exploring the potential of allowing for users to pay for services online.

# Arena Ice Rentals – Individual User (Resident)

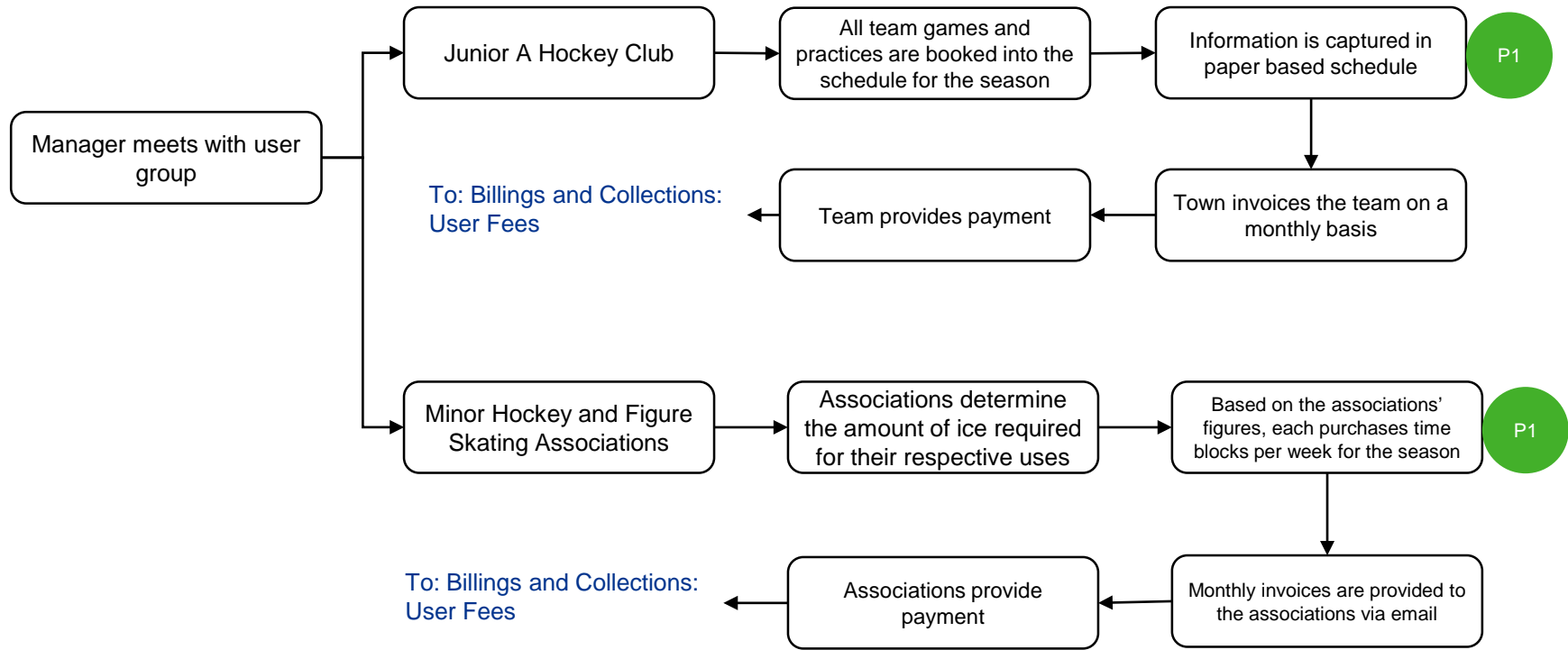




# Arena Ice Rentals – Individual User (Resident) – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Arena Ice Rentals	<b>Inefficiency:</b> Currently the process of booking ice time at the Blind River Memorial Community Centre is based on manual processes. The Town does not appear to make sure of technology for the purposes of booking and managing rentals at the facility and requests for bookings appear to begin with the involvement of the Director of Recreation and Community Services.	The Town may want to consider exploring the potential of acquiring recreational software which would then allow for bookings to be consolidated within the Town's operations as well as potentially increase the user's experience as they could potentially see when ice is available in live time opposed to having to be in contact directly with Town staff.
P2	Arena Ice Rentals	<b>Inefficiency:</b> Currently, users of the community centre are unable to pay for service through e-commerce tools.	The Town may want to consider exploring the potential of allowing for users to pay for services online.

# Arena Ice Allocation



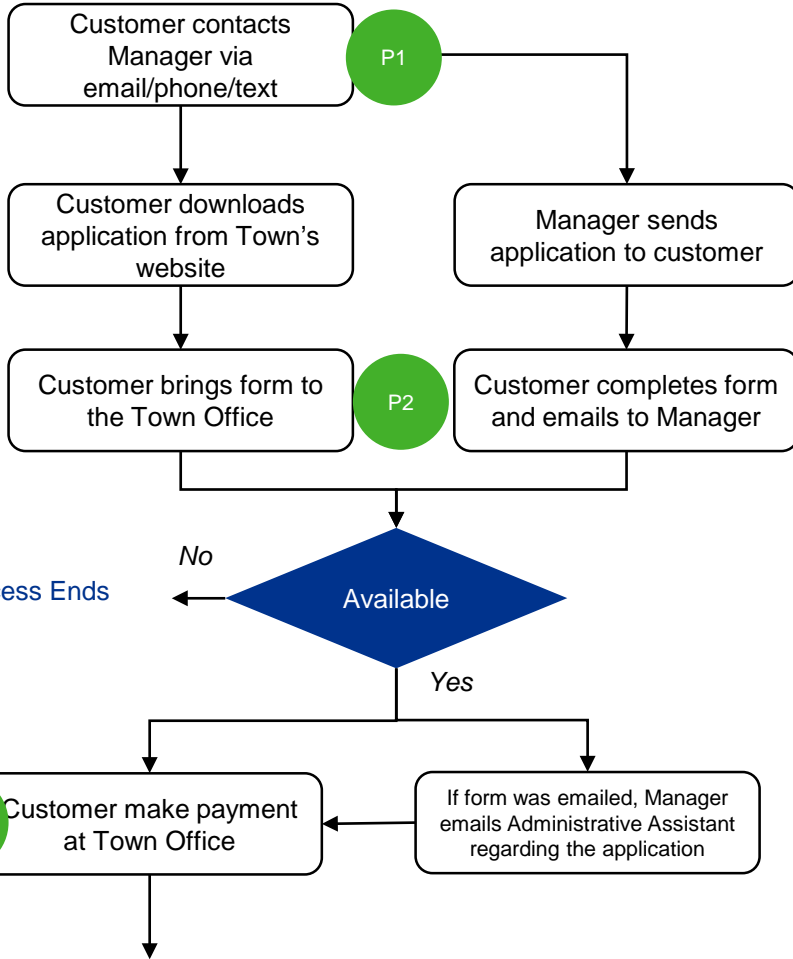
# Arena Ice Allocation – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Arena Ice Allocation	<p><b>Inefficiency:</b> Currently the process of maintaining records of ice allocations at the Blind River Memorial Community Centre is based on manual processes. The Town does not appear to make sure of technology for the purposes of booking and managing ice allocation at the facility and requests for bookings appear to begin with the involvement of the Director of Recreation and Community Services.</p>	<p>The Town may want to consider exploring the potential of acquiring recreational software which would then allow for bookings to be consolidated within the Town's operations as well as potentially increase the user's experience as they could potentially see when ice is available in live time opposed to having to be in contact directly with Town staff.</p>

# Town of Blind River Service Delivery Review – Process Maps

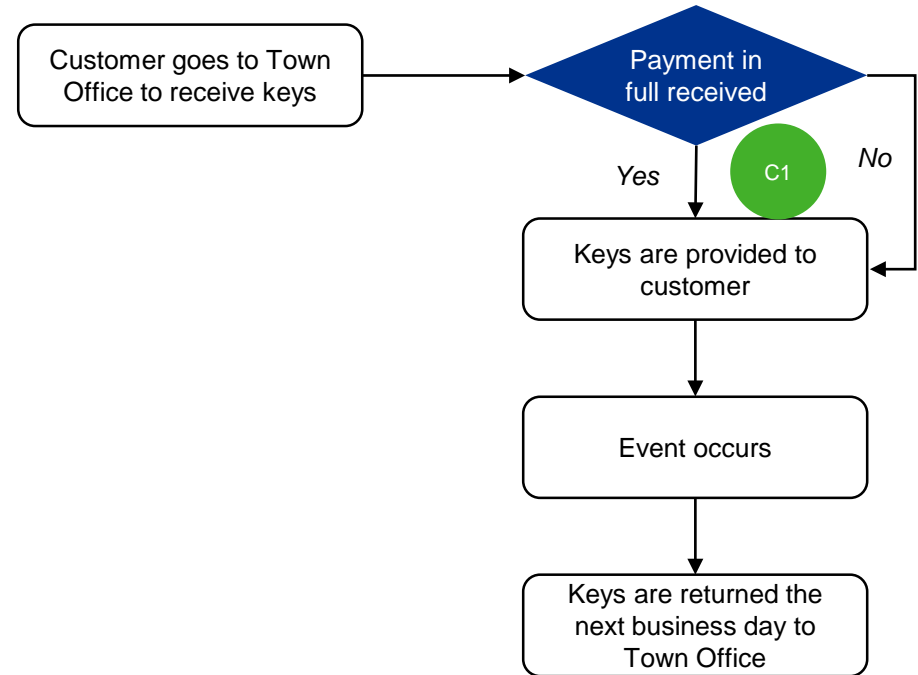
## Community Centre Rentals

### Community Centre Rental



To: Billings and Collections:  
User Fees

### Key Sign Out



# Community Centre Rentals – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Community Centre Rentals	<b>Inefficiency:</b> Currently the process of booking at the Blind River Memorial Community Centre is based on manual processes. The Town does not appear to make sure of technology for the purposes of booking and managing rentals at the facility and requests for bookings appear to begin with the involvement of the Director of Recreation and Community Services.	The Town may want to consider exploring the potential of acquiring recreational software which would then allow for bookings to be consolidated within the Town's operations as well as potentially increase the user's experience as they could potentially see when ice is available in live time opposed to having to be in contact directly with Town staff.
P2	Community Centre Rentals	<b>Inefficiency:</b> A resident may need to download the file and then print out hard copy of the form to populate. If the person intends on submitting the form via email, they must then populate the form and then scan it in order to email it back to the Town.	The Town could provide the form on its website with fillable fields to reduce the number of steps a person is required to complete to submit a form electronically.
P3	Community Centre Rentals	<b>Inefficiency:</b> Currently, users of the community centre are unable to pay for service through e-commerce tools.	The Town may want to consider exploring the potential of allowing for users to pay for services online.
C1	Community Centre Rentals	<b>Risk:</b> The Town will provide keys to a user regardless if the entire amount owing for the rental has been paid in full.	The Town may want to amend its policies to reflect that users must pay in full in order to get the keys.



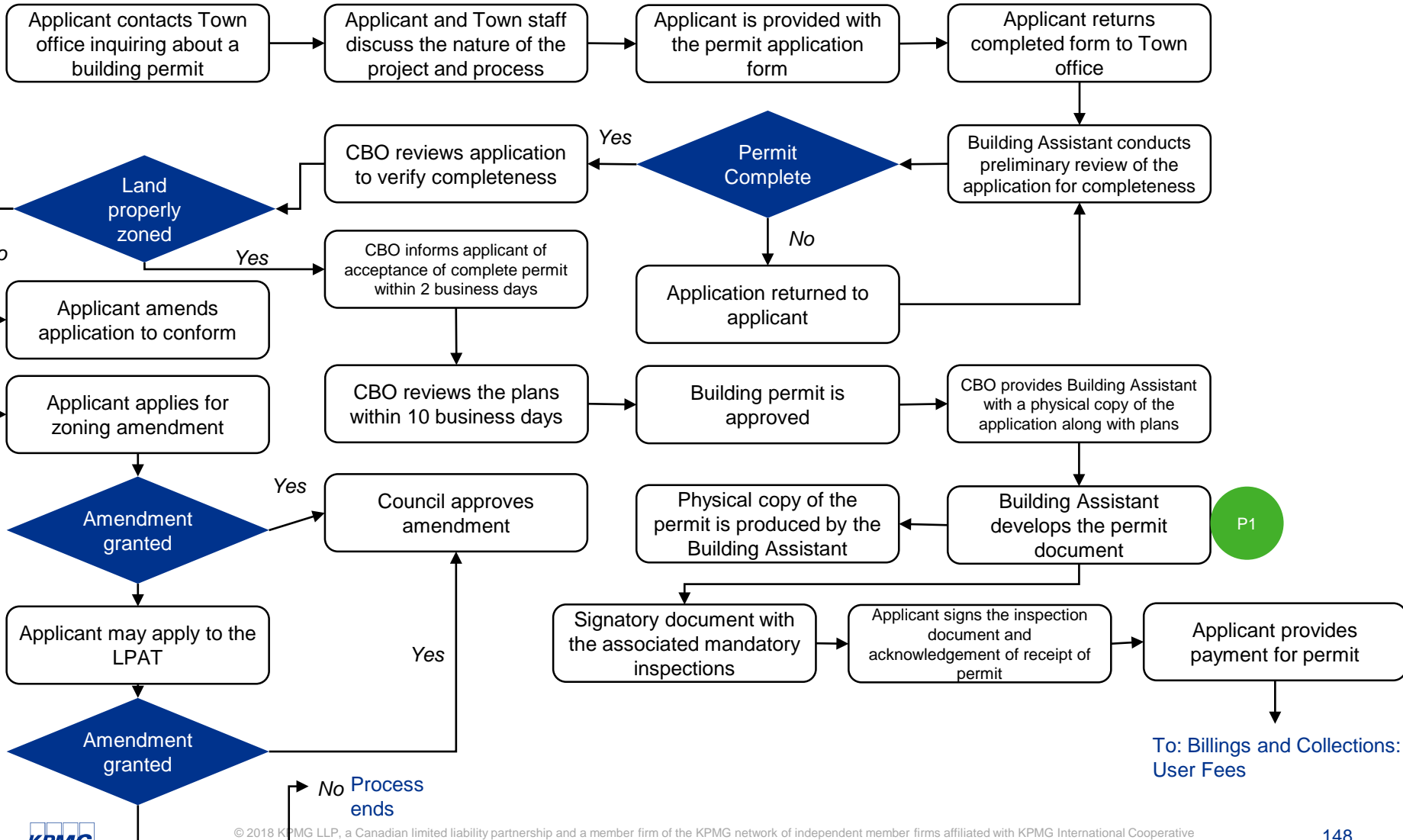
# Process Change Opportunities

Building and Planning Services





# Building Permits



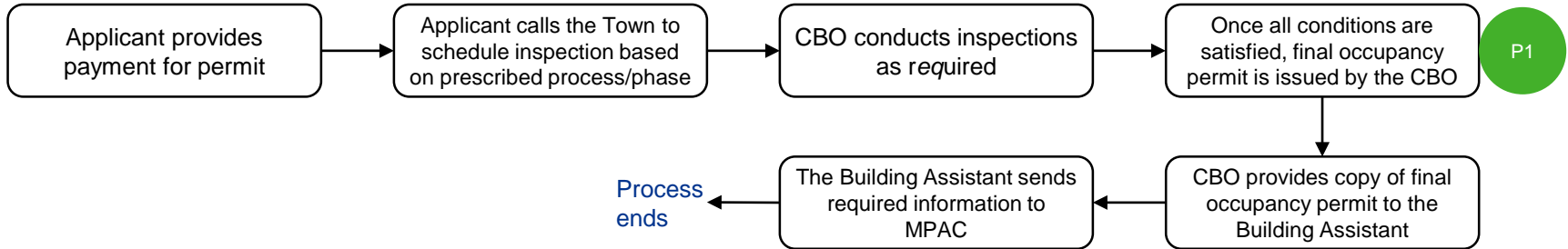


# Building Permits – Process Improvements

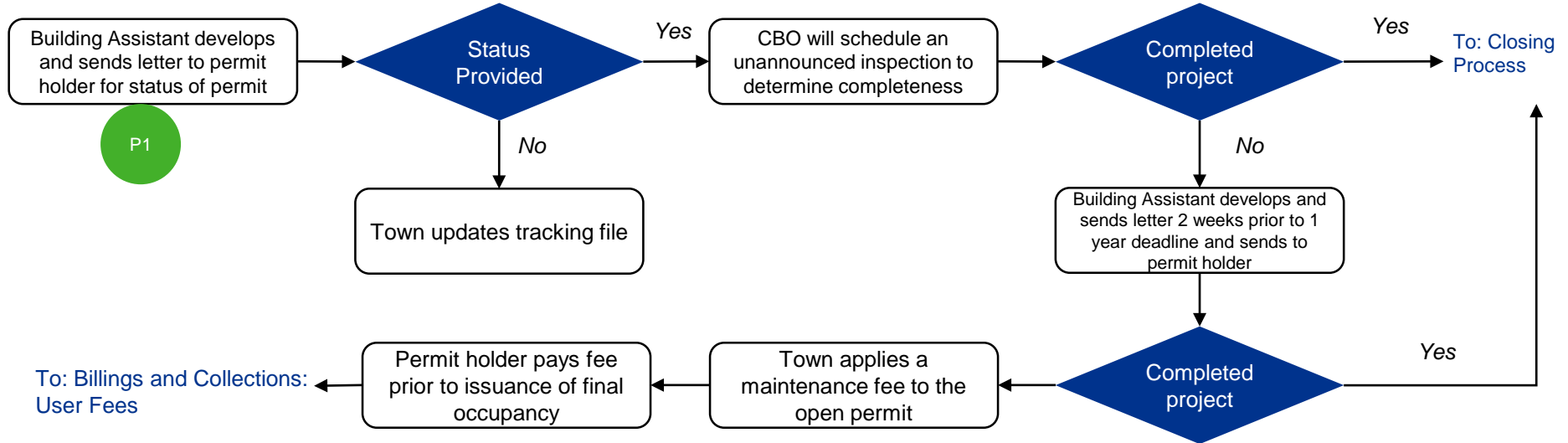
Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Building Permits	<b>Inefficiency:</b> Currently the Town tracks building permits using manual processes and the current process provides the opportunity for open permits to be potentially lost inside the spreadsheet.	The Town may want to consider exploring the potential of acquiring software which would allow for building permits to be tracked in a more formal manner.

# Building Permits

## Open Building Permits and Closing Process



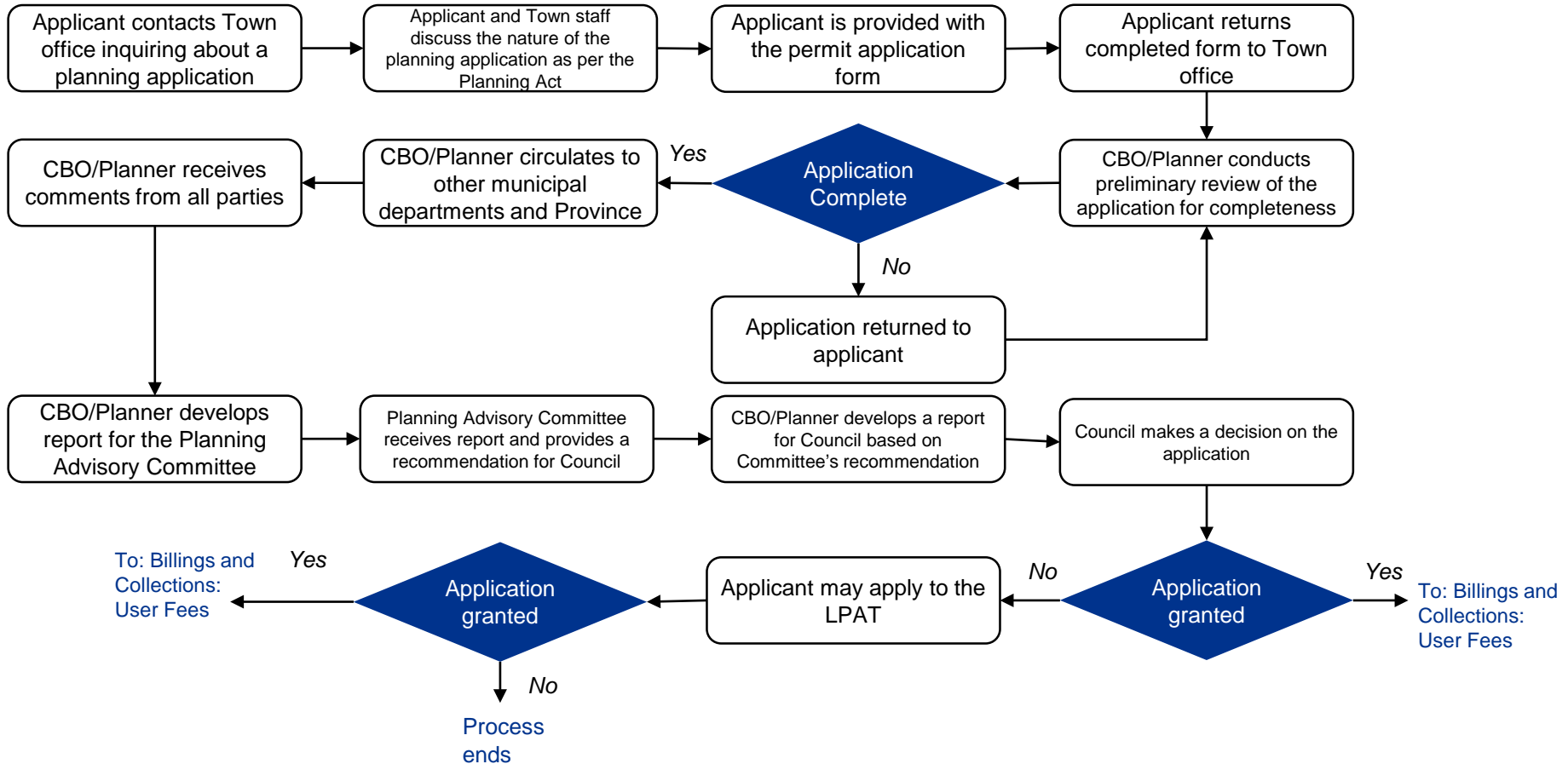
## Open Permits (6 months from issuance)



# Building Permits – Process Improvements

Risk	Process	Description of Risk and/or Inefficiency	Potential Course of Action
P1	Building Permits	<p><b>Inefficiency:</b> Given the process by which the Town tracks open permits, there appears to be a challenge in identifying how many open permits currently remain within the Town.</p>	<p>The Town may want to consider exploring the potential of acquiring software which would allow for building permits to be tracked in a more formal manner. Potentially closing out open permits in a more timely manner provides the Town with the opportunity to realize additional tax revenues related to the increased assessment on those properties.</p>

# Planning Applications





# Town of Blind River Service Delivery Review

Considerations for  
Implementation



# Considerations for Implementation

Upon the acceptance of the final report and as the Town moves forward with the implementation of opportunities identified through the review, the Town may wish to consider the following:

### **1. The Municipal Service Review Becomes a Standing Item on Council's Agenda Going Forward**

As Council moves into its new role of implementation, the Town has an opportunity to ensure that the results of the municipal service review become part of Council's agenda on a go-forward basis and to accomplish this, the Town may wish to consider having the service review as a standing item on Council's meeting agenda for the foreseeable future. This practice assists in maintaining momentum but also provides an opportunity for Council and the community at large to be kept up to date as to the progress of the opportunities identified within the review. Ultimately, it has the potential keep everyone who invested resources into the process to remain engaged.

### **2. Establishment of Project Sponsorship**

In our experience, a number of transformational projects do not achieve their expected results due to the absence of support from those tasked with governance, which in the case of the Town means Council. In order to ensure that the Town maintains direction with respect to the implementation of the review findings, it may wish to consider the establishment of project sponsorship. There is a variety of approaches to accomplishing this and can range from one person inside the Corporation serving as the Project Sponsor (the CAO may be a logical choice but consideration to current workload may need to be taken into account) to the establishment of a Committee of Council. Regardless of the approach, the mandate of which should include:

- Receiving reports from staff as to the progress of implementation activities, which we suggest occur on a monthly basis – these would logically flow into the first item identified;
- Providing approval for specific implementation plans
- Reporting to Council on the progress of transition activities
- Providing guidance and advice (as requested) to staff in support of transition activities.

We suggest that the Town first establish terms of reference that outline the responsibilities of the Project Sponsor, including a delineation of responsibilities between Council and staff (recognizing that staff have an operational responsibility for the implementation activities).



# Considerations for Implementation

### 3. Prioritization of Opportunities

The municipal service delivery review produced 13 strategic/operational opportunities for Council's consideration with an additional XX potential opportunities for changes to operational processes. With that many potential changes facing Council, there is the potential for "decision paralysis" whereas Council may find it difficult to prioritize one opportunity over another and as a result, opportunities may not be implemented. To assist in the potential implementation of opportunities and to assist Council in its decision making process, the Town may wish to consider the development of opportunity ranking criteria. This criteria allows for Council to assess opportunities through a number of lens including but not exclusive to:

- *Financial Impact* – What would the impact of this opportunity be to the Town's in terms of cost savings, revenue gains and capacity increases?
- *Customer Service* – Does this opportunity allow the Town to better respond to the needs of its residents/customers?
- *Impact on the Public* – How would the public be impacted by this opportunity? Would this opportunity enhance or reduce public health and safety and quality of life? Does this opportunity benefit or adversely impact vulnerable segments of the community?
- *Implementation Timeline* – In what approximate time frame could this idea be feasibly implemented?
- *Consistent with Municipal Best/Common Practices* – Is the opportunity consistent with best/common practices for similar-sized municipalities?
- *Effort and Cost to Implement* – How much effort, primarily in terms of cost, will be required to implement this opportunity? What are the ongoing costs to maintain this opportunity?
- *Regulatory Compliance* – Will the opportunity result in the Town being non-compliant with respect to Provincial or Federal legislation or regulation?

A sample prioritization scorecard can be found in Appendix B of the report.

### 4. Develop Implementation Plans

Once the Town has prioritized the opportunities, the next step is the development of implementation plans. The requirement for implementation planning and the associated level of detail will vary depending on the nature of the opportunity and its inherent complexity. Notwithstanding differences in detail, we suggest that a standardized template for implementation activities be developed so as to ensure that all important factors are considered as well as to facilitate communication with the Council committee and the community at large. A potential implementation plan document is included in Appendix B.

Upon completion of the implementation plans, the plans would be presented to the Council for their review and approval. Upon approval, staff would then execute the plans, revising the approach as circumstances warrant.



# Considerations for Implementation

### 5. Monitor and report on outcomes

The final component of the implementation process should be the monitoring and reporting on implementation outcomes, the purpose of which is to communicate the overall impact and/or benefits of the implementation process and any 'lessons learned' that may be relevant to other transition activities.

In reporting on implementation outcomes, we suggest that the following areas be addressed:

- Actual implementation activities vs. planned activities
- Actual implementation timeframes vs. planned timeframes
- Actual financial benefits (cost reductions) vs. planned benefits
- Actual one-time costs vs. planned one-time costs
- Outcomes of public meetings (if any)
- Major challenges experienced during the implementation process
- Implications for future/other transition initiatives (i.e. lessons learned)

Ongoing monitoring and reporting activities link back to the first point in this section – the establishment of the service delivery review as a standing item on Council's agenda.



# Town of Blind River Service Delivery Review

## Appendix A - Sample Policies



### **POLICY**

The Town's policy is to establish an annual budget process encompassing all municipal departments and Agencies, Boards and Commissions (ABC's) for which Council is required to approve annual budget estimates or levies.

### **OBJECTIVES**

To establish the processes of the annual budget

To encourage long-range planning in operating expenditures

To achieve approval of the annual budget prior to February 28th of the following year (unless an election year in which years the budget shall be approved by March)

To encourage effective planning, analysis and allocation of the Town's limited financial resources

### **IMPLEMENTATION**

1. That the Treasurer prepare a report, no later than October 31st of each year, to provide Council a report outlining an overview of the projected budget challenges
2. That Council, no later than December 31st of each year, provide direction to staff regarding any changes in levels of service required for the following year and that this information be taken into account in the determination of the budget targets.
3. That the Treasurer, working in conjunction with other staff, develop and present a preliminary budget not later than January 31st that includes:
  - The calculated amount of capital levy as determined by the capital financing policy.
  - An adjustment to operating cost expenditures (excluding levies from outside boards and agencies) not to be lower than the published year-over-year Consumer Price Index for the month of October
  - An adjustment to levies from outside boards and agencies that reflects the anticipated change in levy amounts.
4. Personnel additions will only be considered if it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies
5. To the extent feasible, personnel cost reductions will be achieved through attrition.

# Budget Policy

### IMPLEMENTATION

6. Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost.
7. Operating variances will be monitored on a monthly basis by managers with reports to Council as of June 30th, September 30th and December 31st each year.
8. Capital projects, including approved change orders and other anticipated cost increases, will be reported to Council as of June 30th and December 31st.





# Town of Blind River Service Delivery Review

## Appendix B - Implementation Tools

# Implementation Tools

## Potential Prioritization Scorecard

Criteria	Description	Scoring Range	
		Low	High
Financial Benefits	<p>What would the impact of this opportunity be to the City's in terms of cost savings, revenue gains and capacity increases?</p> <ul style="list-style-type: none"> <li>Minimal impact 0</li> <li>Incremental impact of less than \$25,000 +5</li> <li>Incremental impact of \$25,000 to \$50,000 +15</li> <li>Incremental impact of \$50,000 to \$75,000 +35</li> <li>Incremental impact of more than \$75,000 +70</li> </ul>	0	+70
Public Impact	<p>How would the public be impacted by this opportunity? Would this opportunity enhance or reduce public health and safety and quality of life? Does this opportunity benefit or adversely impact vulnerable segments of the community?</p> <ul style="list-style-type: none"> <li>Significant positive public impact could be expected for multiple and/or vulnerable constituent groups +40</li> <li>Positive public impact could be expected for some constituent groups +20</li> <li>Minimal public impact 0</li> <li>Adverse public impact expected for some constituent groups -20</li> <li>Significant adverse public response expected for multiple and/or vulnerable constituent groups -40</li> </ul>	-40	+40
Customer Service	<p>Does this opportunity allow the Town to better respond to the needs of its customers?</p> <ul style="list-style-type: none"> <li>Significant enhancement in customer service, addresses major customer need(s) +10</li> <li>Some contribution to enhanced customer service, addresses secondary customer need(s) +5</li> <li>No impact on customer service (positive or negative) 0</li> <li>Opportunity will result in some deterioration in customer service -5</li> <li>Opportunity will have a major negative impact on customer service (timeliness, access) -10</li> </ul>	-10	+10

# Implementation Tools

## Potential Prioritization Scorecard

Criteria	Description	Scoring Range	
		Low	High
Time to Implement	<p>In what approximate time frame could this idea be feasibly implemented?</p> <ul style="list-style-type: none"> <li>Before end of 2019 +5</li> <li>Before end of 2020 +3</li> <li>Before end of 2021 0</li> <li>2022 and subsequent years -5</li> </ul>	-5	+5
Consistency With Best/Common Practices	<p>Is the opportunity consistent with best/common practices for similar-sized municipalities?</p> <ul style="list-style-type: none"> <li>Consistent with best/common practices +5</li> <li>Unknown 0</li> <li>Inconsistent with best/common practices -5</li> </ul>	-5	+5
Effort and Cost to Implement	<p>How much effort, primarily in terms of cost, will be required to implement this opportunity? What are the ongoing costs to maintain this opportunity?</p> <ul style="list-style-type: none"> <li>Minimal implementation costs 0</li> <li>Implementation costs less than 50% of expected levy impact -4</li> <li>Implementation costs of 50% to 100% of expected levy impact -7</li> <li>Implementation costs in excess of 100% of expected levy impact -10</li> </ul>	-10	0
Regulatory Compliance	<p>Will the opportunity result in the Town being non-compliant with respect to Provincial or Federal legislation or regulation?</p> <ul style="list-style-type: none"> <li>No potential challenges with respect to non-compliance with legislation or regulation 0</li> <li>Potential challenges with respect to immaterial non-compliance with legislation or regulation -5</li> </ul>	-5	0

# Implementation Tools

## Potential Implementation Tracking Sheet

Opportunity	Explore the potential of sharing information technology with neighbouring municipalities
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Implementation strategy	Timeframe	Responsibility	One-time Cost	Annual Cost
<ul style="list-style-type: none"> <li>Identify all potential municipalities who may represent realistic partners for sharing the service</li> </ul>				
<ul style="list-style-type: none"> <li>Establish communication with those potential partners to discuss their interest in sharing the service</li> </ul>				
<ul style="list-style-type: none"> <li>In conjunction with partners willing to explore this, partners establish the terms of reference for the shared service</li> </ul>				
<ul style="list-style-type: none"> <li>Partners determine the desired service level, timeframe considerations and how costs will be allocated on the basis set out within the agreement</li> </ul>				
<ul style="list-style-type: none"> <li>Council decides on the matter</li> </ul>				
<ul style="list-style-type: none"> <li>Dependent on the partners involved, Council signs agreement and thus initiating the shared service agreement</li> </ul>				

Considerations		Response
Staff reductions	None	
Collective bargaining agreement	None	
Community relations	None	
Service levels	Yes	Ensure that the potential agreement language reflects the desired level of service for all partners
Contractual obligations	None	





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