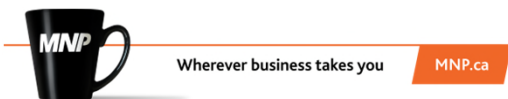




City of Owen Sound

Service Delivery Review - Executive Summary Report

February 2023



Project Objectives and Approach



Project Objective

The City of Owen Sound engaged MNP LLP (MNP) - a Canadian accounting, tax and consulting firm - to conduct a review and provide recommendations that promote the efficient and effective delivery of services. The desired outcome from this engagement includes recommendations that, if implemented, will support Owen Sound in delivering on its key priorities and enable the community, Council, and City staff to make strategic decisions regarding its services. MNP's recommendations considered:

- Modifying the current service delivery model to improve the efficiency of service delivery;
- Benchmarking City services and programs with comparable municipalities;
- Improving ratepayer outcomes;
- Optimizing the cost of services;
- Identifying opportunities for potential revenue enhancements;
- Implementing innovative solutions and partnerships to modernize service delivery; and
- Improving value (improved efficiency, cost-effectiveness and quality) by achieving more with what the City already has.

Project Approach

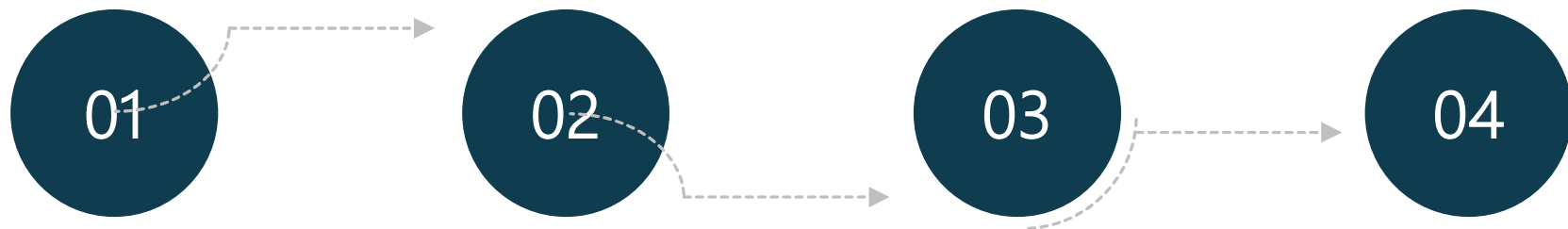
The project's approach was customized for the City and considered the requirements of the engagement and objectives. As such, the review was divided into two phases:

1. **Current State Review** – in this phase, MNP conducted a documentation review (including a review of current agreements with partners and existing master plans), developed service profiles, benchmarked services to similar organizations, and conducted interviews with identified stakeholders. This provided an overview of the current state to understand the root causes of challenges and enabled the identification of emerging organizational and service delivery opportunities.
2. **Recommendations Report and Implementation Roadmap** – MNP further evaluated the emerging opportunities and analyzed each opportunity on a matrix that outlines their relative potential financial impacts, service impacts, and execution risks. This analysis provides a perspective on advantages/disadvantages and incorporates a risk-reward perspective. MNP included this analysis, a recommended implementation roadmap and training requirements in its final report.

Understanding our Methodology



Throughout this engagement, MNP worked closely with the City to provide recommendations that will support Council and City staff in making strategic decisions regarding the delivery of its services. At the centre of MNP's approach is our focus on collaboration.



Phase 1: Project Initiation and Planning

Finalizing the project plan and assembling background documentation.



Phase 2: Service Delivery Review

Assessing the City of Owen Sound's programs and services through benchmarking against comparable municipality data, stakeholder engagements, and detailed department reviews.



Phase 3: Observations and Opportunities

Outlining key observations and initial opportunities to identify potential financial and service impacts.



Phase 4: Recommendations

Priority opportunities were discussed and confirmed with the City of Owen Sound's Project Team, and final recommendations were formulated with an implementation roadmap.

Current state summary



Based on MNP's assessment of the current state of the City - guided by information gathered through interviews, a public survey, and research - the following key findings emerged and influenced the service delivery improvement recommendations outlined in this report.



Survey results found that staff feel siloed further exacerbated by lack of internal and external communication channels.

Staff frequently mentioned that divisions are siloed and often people are not aware of the work or roles/responsibilities in other teams or divisions. Another common theme across staff was a lack of formal internal and external communications channels. Staff do not know who to contact for certain issues. Additionally, staff typically communicate with other staff through email or phone calls.



Small Tax Base Supporting Services Used by the Region

It was noted that Owen Sound's services are provided at the scale of a large, single-tier municipality and residents from neighbouring municipalities may often benefit from this. This allows non-residents access to services which increases workload and operating costs for Owen Sound. Additionally, the City experiences slower growth than other Ontario municipalities.



Organizational Structure Hinders Efficiency

There is a perception that the organizational structure results in a siloed approach to service delivery which increases the potential for duplicated services, particularly between Public Works and Community Services. This makes it challenging for staff to find the right person to contact which results in staff addressing tasks based on availability, not necessarily priority or whether they are the right person responsible for the task.



Climate change impacts on services requirements.

The rising intensity of storms and short-term variations in temperature requires greater maintenance of roads, parks, and infrastructure. Additionally, warmer and more extreme weather patterns are leading to increased quantities and intensities of forest fires and other natural disasters.

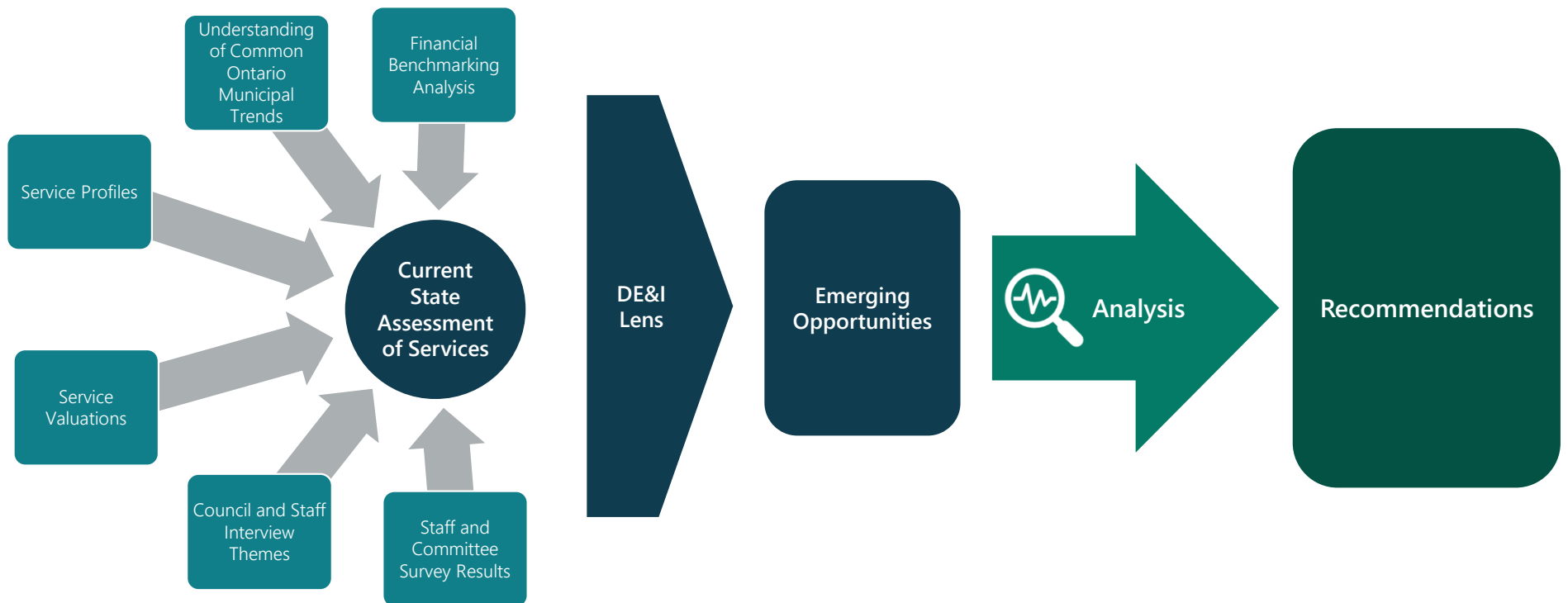


Staff retention and turnover

Several positions within the City are experiencing high levels of turnover. Staff have expressed their workload, specifically administrative tasks, can be overwhelming and leads to higher turnover. Employees feel they are constantly trying to hire and train new employees, which hinders effectiveness and efficiency. This is especially prevalent in seasonal workers.

Formation of Recommendations

The current state assessment of services included (1) financial benchmarking analysis, (2) understanding of common Ontario municipal trends, (3) service profiles, (4) service valuations, (5) Council and staff interviews, and (6) staff and committee surveys. The results of these activities were assessed and summarized, and a diversity, equity, and inclusion (DE&I) lens was applied to develop emerging opportunities. The emerging opportunities were further analyzed, revised, and in some cases abandoned to form the final recommendations.



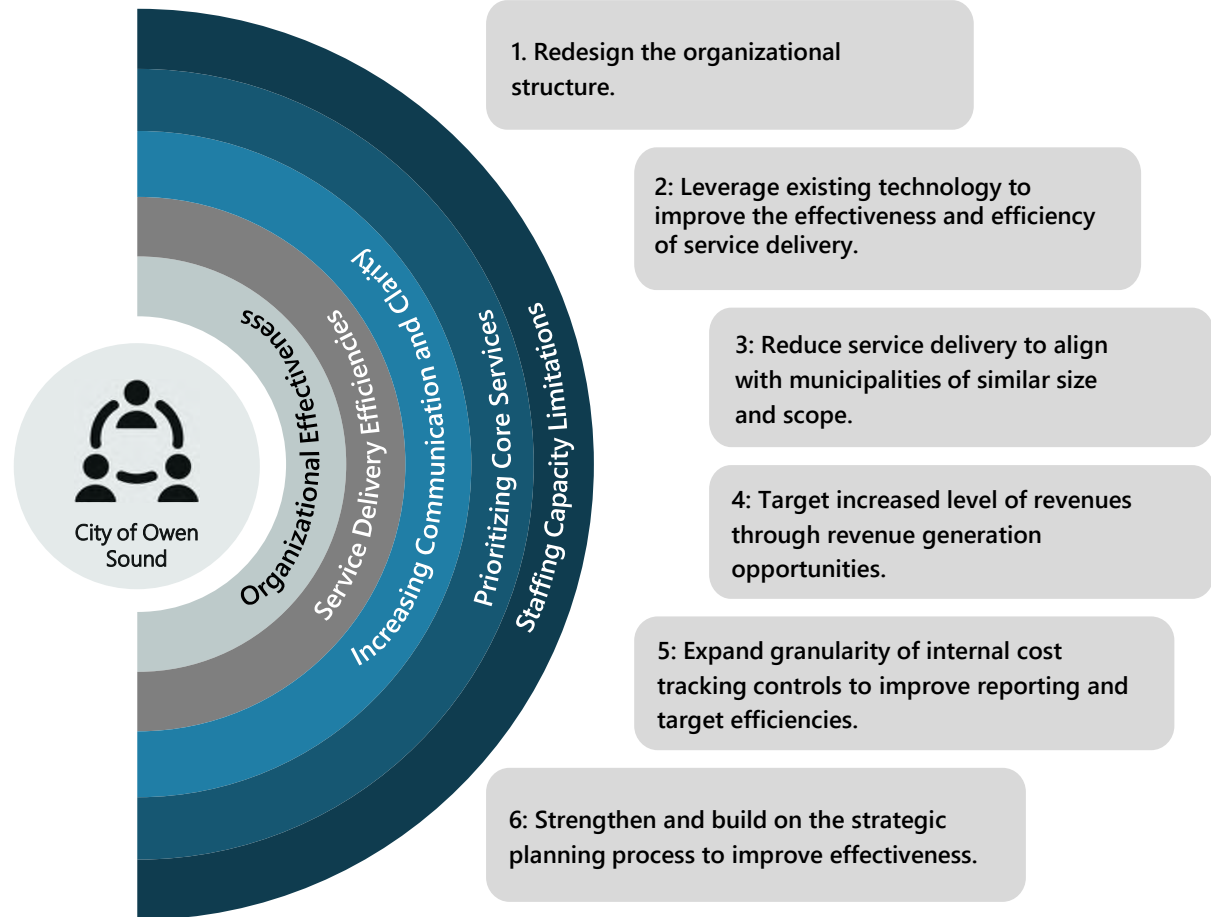
Outlining Recommendations at a High Level

MNP developed six (6) primary recommendations - further broken down into thirteen (13) suggested sub-recommendations as outlined in the report - for the City of Owen Sound to consider.

The recommendations are based on municipal service delivery best practices and focus on five (5) key strategic focus areas for improvement:

1. organizational effectiveness,
2. service delivery efficiencies,
3. increasing communication and clarity,
4. prioritizing core services, and
5. staffing capacity limitations.

While the City of Owen Sound will be able to implement a number of these recommendations internally, it is important to note that staff's current workload is significant and capacity may be limited to support projects in addition to current day-to-day responsibilities. As a result, larger projects may need to be outsourced to third-party resources to ensure implementation is timely and effective.



Recommendation 1

1. Redesign the organizational structure.

The following recommendations should be commenced within the next 2-24 months, provided the City can secure adequate resources.



Recommendation 1.A (2023 Q2 – 2025 Q1)

Align organizational structure with the functional model to create efficiencies.



Recommendation 1.B (2024 Q1 – 2024 Q4)

Formalize documentation for the organization and between departments to improve decision-making authority and responsibility to improve efficiencies and solidify the organizational redesign.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓		✓		✓

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓		✓		

Recommendation 1 continued



1. Redesign the organizational structure.

The following recommendations should be commenced within the next 3-9 months, provided the City can secure adequate resources.



Recommendation 1.C (2024 Q3 – 2025 Q1)

Target a reduction or strategic reallocation of 3 management or staff FTE in the short-term that support traditional and discretionary services and design a longer-term strategic attrition plan.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓			✓	



Recommendation 1.D (2024 Q1 – 2025 Q1)

Formalize the fleet management process and ensure the function is centralized within the organization to improve the scheduling and utilization of fleet.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓				✓

Recommendation 2



2. Leverage existing technology to improve the effectiveness and efficiency of service delivery.

The following recommendations should be commenced within the next 2-9 months, provided the City can secure adequate resources.



Recommendation 2.A (2023 Q3 – 2024 Q1)

Implement digital timecoding across the entire organization.



Recommendation 2.B (2023 Q3 – 2024 Q1)

Expand the use of tablets to leverage digital processes.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
			✓	✓

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
				✓

Recommendation 3



3. Reduce service delivery to align with municipalities of similar size and scope.

The following recommendations should be commenced within the 2 years, provided the City can secure adequate resources.



Recommendation 3.A (2023 Q4 – 2024 Q3)

Identify opportunities to reduce level of service for discretionary services, traditional services, and some essential services.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
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Recommendation 3.B (2023 Q3 – 2025 Q2)

Consider negotiating cost-sharing opportunities with Grey County or the Grey County municipalities.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
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Recommendation 4

4. Target increased level of revenues through revenue generation opportunities.

The following recommendations should be commenced within the next 2 years, provided the City can secure adequate resources.



Recommendation 4.A (2023 Q3 – 2025 Q2)

Develop KPIs and revenue targets for TTAG that can be integrated with the TTAG Strategic Operations Plan.



Recommendation 4.B (2023 Q3 – Q4)

Conduct review of compost site and implement user fees for the compost site for non-residents, if beneficial.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
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Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
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Recommendation 4 continued



4. Target increased level of revenues through revenue generation opportunities.

The following recommendations should be commenced within the next 6 months, provided the City can secure adequate resources.



Recommendation 4.C (2023 Q3 – Q4)

Conduct a detailed study of cost recovery options for on-demand services currently subsidized by ratepayers.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
				✓

Recommendation 5

5. Expand granularity of internal cost tracking controls to improve reporting and target efficiencies.

The following recommendations should be commenced within the next 2-18 months, provided the City can secure adequate resources.



Recommendation 5.A (2023 Q3 – 2024 Q2)

Change code of accounts to align with services.



Recommendation 5.B (2024 Q1 - 2024 Q4)

Conduct Snow Removal Time & Motion Analysis for Performance Improvement.

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓		✓		

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓				

Recommendation 6

6. Strengthen and build on the strategic planning process to improve effectiveness.

The following recommendations should be commenced within the next 2 months, provided the City can secure adequate resources.



Recommendation 6 (2023 Q3 – Q4)

Organizational Effectiveness	Service Delivery Efficiencies	Increasing Communication and Clarity	Prioritizing Core Services	Staffing Capacity Limitations
✓		✓	✓	

Next Steps



The following actions are recommended:

1. Staff and Council adopt MNP's Service Delivery Review Recommendation Report as a broad road map for the City's strategic growth and service delivery over the next 3 years.
2. The City's management review the list of 6 recommendations to assign resources for each activity.
3. Outline a detailed workplan, timing and key milestones required to implement each of the activities. These reports are to be submitted to Council for review and approval in sequence, based on the implementation road map set out in the Report. Quarterly updates to be presented to Council to share progress on activities.

Thank You



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