

**THE CORPORATION OF THE TOWN OF GEORGINA**

**REPORT NO. CAO-2017-0005**

**FOR THE CONSIDERATION OF  
COUNCIL**

**August 9, 2017**

**SUBJECT: SERVICE DELIVERY REVIEW PROGRESS REPORT NO. 1**

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**1. RECOMMENDATIONS:**

- 1. That Council receive Report No. CAO-2017-0005 prepared by the Office of the CAO dated August 9, 2017 respecting Service Delivery Review (SDR) Progress Report No. 1;**
- 2. That Council endorse in principle, the Top Priority Service Areas as identified in section 4.7 of this report, and being:**
  - a. Enhanced Budgeting Process, Departmental Business Planning & Resource Allocation**
  - b. Performance Review/Management for Accountability Purposes**
  - c. Strategic Master Planning and Corporate Integration**
  - d. Financial System Review to Improve Payroll/Accounts Payable Functionality**
  - e. Revised Procurement By-law and Improved Purchasing Process**
  - f. Improved Council/Committees Process/Support;**
- 3. That the CAO and Senior Management establish a Service Area Review Framework and report back with estimated timelines for completion of Top Priority Service Area reviews;**
- 4. That the CAO and Senior Management report back with a proposed plan to review Secondary Priority Service Areas;**
- 5. That Progress Report No. 2, be scheduled for September 6, 2017 and include an outline of the proposed 2018 Budget Process.**

**2. PURPOSE:**

The purpose of this report is to provide Council with an update on the findings of the SDR process to date, and to seek Council's endorsement in principle, of the Top Priority Service Areas proposed for review.

### **3. BACKGROUND:**

In August of 2016 Council adopted the Town's Corporate Strategic Plan. Strategic Goal 4 of the Strategic Plan is to "Provide Exceptional Municipal Services – Organizational & Operational Excellence".

On May 17, 2017, as part of the CAO's Corporate Update, the CAO presented a "Management Transition Plan" graph (Attachment 1). The graph describes achieving Goal 4 by ensuring the '*management continuum*' was management oriented versus task oriented, and the '*continuous improvement continuum*' was dynamic and proactive versus static and reactive. As part of the CAO's update the administrative undertaking of a Service Delivery Review was introduced. This strategic initiative is funded by 2017 approved salary dollars associated with a business analyst function.

The purpose of the SDR is to review the internal processes/practices and relationships to understand how the services are currently provided by the Town departments, in order to provide an opportunity for improvement of the service delivery models currently in place. The process will also provide improved information that will allow the Corporation, Council and staff to make informed strategic choices regarding the way those services are provided. The SDR will accomplish this by investigating current services and their delivery approach, identifying potential changes to service delivery methods and/or service levels and recommending changes that will improve efficiency and/or effectiveness.

Attachment 2 provides the draft framework for the SDR process.

The SDR is being led by a Project Team consisting of the CAO, Senior Management, and Project Manager Marc Pourvahidi. Cash and Associates Inc. and McCauley and Associates Inc. provide external advice to the team.

### **4. ANALYSIS AND OPTIONS:**

#### **4.1 Acknowledgment**

The Town employs a dedicated team of staff that provide excellent municipal services on many fronts that may not be the subject of any review, nor mentioned in this progress report. The SDR process has a greater focus on "areas for improvement" with recommendations for consideration.

It should also be noted that the findings to date, and this report are a working document and can/will be modified as new opportunities are further identified.

## 4.2 General Statement

Similar to many other municipalities, the Town of Georgina seeks innovative ways to improve services and balance stakeholder expectations within the financial realities of the municipality. Georgina is a growing municipality that requires Council continue to consider improvements for how municipal services will be delivered sustainably over the long term.

## 4.3 Project Specifics

The SDR project commenced on May 28, 2017 when the Project Team established the project plan and major milestones. The first project phase (information gathering) included stakeholder meetings (including Council), consultation and staff information group sessions.

The purpose of the SDR is to:

- Investigate and understand the Town's current services and service delivery models
- Assess the current service delivery methods and recommend possible opportunities for improvement/changes to the service delivery models, and organizational structure.
- Determine opportunities to be more efficient and effective in the sustainable delivery of municipal services

## 4.4 Roles and Responsibilities

Council's broader strategic priorities are articulated in the Corporate Strategic Plan adopted in August 2016. The CAO is tasked with delivering on these priorities. Council will be receiving a Status Update on the Strategic Plan at its meeting of September 6, 2017. Subsequently at its meeting of September 20, 2017 Council will be receiving a report to confirm the CAO's mandate.

As stated in the background to this report, Goal 4 of the Corporate Strategic Plan mandates exceptional municipal services and organizational & operational excellence. In support of that goal, the effective undertaking of a SDR requires involvement from all stakeholders in the organization. Council's role is at the policy level (i.e. setting service levels, establishing budgets, holding staff accountable for effective/efficient service delivery). Under the leadership of the CAO, Senior Management are responsible for determining how the services are delivered and effectively managing the service delivery. Town staff are responsible for carrying out the service delivery according to politically established policies and administratively established processes and procedures.

The insights from all stakeholders in the organization are key to informing and undertaking the SDR process.

#### 4.5 Early Findings

The following list of opportunities for improvement (in no particular order) was captured through the consultation period:

1. Updated Communication Strategy, Creation of a Social Media strategy
2. Enhanced internal communications (staff for efficiency) and external communication (for residents)
3. Delegation of authority (across the board)
4. Reduced number of Council meetings/reports
5. Improved collaborative work among departments
6. Growth and population forecasting
7. Information Technology
  - a. Making the best use of IT;
  - b. Full integration of Geographic Information System (GIS) application systems for the line Departments (Planning, Operations, Fire, etc.)
  - c. Planning Application software
  - d. Online Feedback/CRM
  - e. Public Education Centre for residents (Instruction Videos, etc.)
  - f. Website Newsflash, What's Trending, Major Development, etc. sections
  - g. HRMS/HRIS System
  - h. Automation of Payroll Processing Application
  - i. Full implementation of (Electronic Fund Transfer-EFT & reduce number of paper cheque,
  - j. Records Management (both paper and electronics)
  - k. Council Resolution Tracking System
  - l. Council Reports Tracking System
8. Clear roles and responsibilities for who does what
9. Updated/Advanced Procurement Bylaw
  - a. Revisit the purchasing thresholds (Low Value Purchase "LVP", etc.)
  - b. Create an easy to follow "User Manual & Templates"
  - c. Fully Integrated Electronic Bid Posting & Processing System
  - d. Improve P.O. System or adopt a new one
10. Budget Process Improvement
  - a. Creation of annual Business Plan with related KPI
  - b. Easier tracking of Growth/Non-Growth Projects
  - c. Creation and maintaining a Ten Year Capital Forecast

- d. Funding Availability/Clarity for Capital Projects (DC, Tax, Debenture, etc.)
  - e. Long range asset replacement program per Asset Management Plan (AMP)
11. Corporate Debt Management Policy
  12. Develop/Update the Investment Policy
  13. Develop/Update the Risk & Insurance Management Policy
  14. Effectively manage vacation and lieu-time balances and reduce corporate liability
  15. Process clarity/improvement with respect to securities, letters of credit, insurance certificates, etc.
  16. Centralized depot for electronic Administrative Policies with a clear “Custodian”
  17. Develop/Improve a culture of being highly responsive
  18. Improve CRM/PSR follow ups, documentation & final closure
  19. Conduct a comprehensive User Fee Review
  20. Find new ways to lower the operating costs and increase revenues
  21. Improved Project Management processes
  22. Consider alternative construction process (Integrated Project Deliver -IPD model)
  23. Expanded management training and development programs
  24. Expanded Performance Review/Management
  25. Enhanced and consistent labour relations
  26. Develop and promote a culture of “Happy to Help” & business friendly Town-hall
  27. Alignment of organizational structure to any new improved service delivery models

#### 4.6 Getting Organized

To further analyse the opportunities identified for potential improvement in section 4.5, the SDR Project Team organized the findings into High Level categories so that a proper evaluation could be put in place to narrow down the priorities into a more realistic action plan.

The High-Level categories used in this process were as follows:

- Corporate-Wide Efficiency Issues:
  - Delegation of Authority
  - Collaborative Work
  - Effective Communication
  - Process Mapping
  - Physical Building Constraints
- Capital Project Management
  - Project Delivery Challenges
  - Process/Cost Efficiency

- Applicable Knowledge/Experience
- Lack/Shortage of Funding
  
- Human Resources
  - Performance Management/KPI
  - Talent Hiring/Leadership Development & Management Training
  - Retention Planning
  - Succession Planning
  
- Use of Technology
  - Fully integrated ERP system
  - Planning Application Processing Software
  - Records Management
  - HRMS System
  - Website Improvement (newsflash, daily trends, PSR, Phone System, etc.)
  
- Financial Management
  - Comprehensive Budget Process
  - Ten Year Capital Forecast
  - Financial Planning & Funding Availability
  - Departmental Business Plans/KPI

The High-Level categories were then evaluated against the following criteria:

- a) Council/Corporate Priorities
- b) CAO/SMT Priorities
- c) Staff/Union Priorities
- d) Legislative & Diagnostic Need for Attention
- e) Link to Many Town Services
- f) Potential Impact of the Proposed Change
- g) Corporate Risk for No-Action
- h) Ability to Implement Quickly (within 6-12 months)

For a more meaningful and measureable approach, the CAO and Senior Management members assigned an "Alignment Score" of 1-5 to each High-Level category in the above section. For the ease of process the team agreed to the importance levels as described below:

- a) 1 being low alignment to the criterion;
- b) 3 being neutral and
- c) 5 being high alignment to the criterion.

The CAO and Senior Management then established and participated in the scoring methodology approach and agreed that highest scored items were then to be categorized as follows:

SDR(Key) =	41 to 45 pts (Ph 1 - Priority for this project)
SDR(High) =	36 to 40 pts (Ph 2 - Priority for this project)
SDR(Med) =	26-35 points
SDR (Low) =	0 to 25 points

#### 4.7 Findings and Recommendations

In summary, the evaluation of the SDR findings resulted in identification of 13 Key priority (Green Label) and 9 High priority (Gold/Yellow Label) areas for improvement. Given the number of key areas for improvement the team further prioritized the key items and narrowed down the focus of any action plan to a more reasonable volume of six (6) Top Priority Service Areas for immediate/near future attention.

Following, is a list of CAO/Senior Management determined/recommended Top Priority Service Areas for review:

- 1- Enhanced Budgeting Process, Departmental Business Planning & Resource Allocation
- 2- Performance Review/Management for Accountability Purposes
- 3- Strategic Master Planning and Corporate Integration
- 4- Financial System Review to Improve Payroll/Accounts Payable functionality
- 5- Revised Procurement Bylaw and Improved Purchasing Process
- 6- Improved Council /Committees Process/Support

In addition to these six items, the Project Lead (Mr. Pourvahidi) has made additional recommendations that are administrative in nature but are needed to supplement and support the top priorities initiatives. The additional recommendations are considered to be the tools or key components to complete the top priority list and to provide a framework for any future actions for the success of the corporation.

The recommended Supplementary Support Items are as follows:

- 1- Design & Introduction of an Annual Corporate Report
- 2- Undertaking of an Information Technology Strategic Plan
- 3- Review of Capital Project Management/Delivery
- 4- Consideration of Organizational Alignment
- 5- Revamp/Update Corporate Administrative Policies
- 6- Review of the Council/CAO Decision Implementation Tracking System

Progress Report No. 2, scheduled for September 6, 2017 will provide estimated timelines for completion of the Top Priority Service Area reviews.

#### 4.8 Civic Centre Physical Constraints

Throughout the SDR process, the issue of building constraints was raised numerous times. Various aspects of the building can be seen as potential obstacles in providing municipal services in an efficient and effective manner. The main issues can be summarized as follows:

- Design, as the present Civic Centre originally was not functionally designed to provide municipal services, causing the false impression of un-friendly office environment
- No segregation of space between municipal staff and public, causing unnecessary work interruptions
- Variable Air Quality due to lack of a central HVAC system, causing inconsistent temperature and/or ambiance, possible loss of working hours
- High Operating Cost, mostly caused by inefficient windows, doors and structural insulation
- High number of working offices with some absence of open space/team work
- Work Interruptions for mechanical failures, clean ups and somewhat limited accessibility
- Finally, while it should be acknowledged that some of the recent work to improve the functionality of the Civic Centre (e.g. Customer Service Hubs) is certainly helping, this may not achieve Council's ultimate goals of resident satisfaction as the visitors experience confusion with respect to the location of their next stop and/or point of interest. This likely impacts the perceived service quality provided by the Town.

#### 4.9 Organizational Alignment

To achieve the desired corporate excellence, consideration should be given to the organizational structure to ensure the corporate alignment and human resources are suited to serve the SDR outcome. The Chief Administrative Officer is planning to update Council on the initiatives, recommendations and options with respect to this topic.

#### 4.10 Next Steps

Progress Reports will continue to be submitted to Council to provide an opportunity for Council to discuss and consider options that will result in corporate efficiency and effectiveness, both short and long term.



A team approach and open dialogue is a key component to achieve a successful SDR. The SDR Team will continue to provide opportunities for corporate participation and understanding. Given the time sensitivity of Top Priority Service Area 1 - Enhanced Budgeting Process, Departmental Business Planning & Resource Allocation a training session is scheduled for August 14, 2017 to discuss specific proposed changes to the "Budget Process". Go forward recommendations will be included in Progress Report No. 2 scheduled for September 6, 2017.

Subsequent to the review of the Top Priority Service Areas, the High, Medium and Low priority areas (collectively referred to as Secondary Priority Service Areas) should be reviewed. Staff will report back with a proposed plan for this review.

#### **5. RELATIONSHIP TO CORPORATE STRATEGIC PLAN:**

The preparation of this report was with full consideration of the following goals included in the Council approved Strategic Plan:

- Goal 1; Grow Our Economy "Sustainable Economic Growth & Environment"
- Goal 2; Promote a High Quality of Life "Healthy, safe, Sustainable Communities"
- Goal 3; Engage our Community & Build Partnership " Communication, Engagement, Collaboration and Partnership"

The conclusions and recommendations included in this report are however directly linked to:

- Goal 4; Provide Exceptional Municipal Services "Organizational and Operational Excellence"

#### **6. FINANCIAL AND BUDGETARY IMPACT:**

Filing this report with Council will not have any immediate financial impact on the current fiscal year. Staff will continue with implementation of any actions deemed necessary to improve municipal services and can be accommodated within the current approved budget. Any future action plans however, will have to be included in the future budget and approval process for Council's consideration.

#### **7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:**

The public will be kept informed of the progress of the SDR via the submission of Progress Reports to Council and via the Town's website.

**8. CONCLUSION:**

The SDR recognizes the extensive positive work completed in the past and has concluded that Town Council and Administration are facing a significant amount of work in the future to transition to and support the desired goals and objectives as identified in the approved Corporate Strategic Plan. Subsequent Progress Reports will seek Council approval and endorsement of steps required to ensure corporate objectives are fully achieved.

The findings and recommendations included in this report are fully supported by Town CAO and Directors. As such, it is important for the Town to build on the findings of SDR process and move towards implementation of the top priorities identified in this report that can be accommodated within the current fiscal budget, and to make plans for inclusion of the remaining items into the 2018 budget deliberation process in order to be fully implemented. Many of the opportunities will require multi-year commitment, financial investment, and corporate wide collaboration.

Staff recommend moving forward with the recommendations included in this report.

**Prepared & Recommended by:**



Marc J. Pourvahidi  
Service Delivery Review Project Manager

**Prepared, Recommended & Approved by:**



Winanne Grant, B.A., AMCT, CEMC  
Chief Administrative Officer

*Attachment 1 – Management Transition Plan Graph*

*Attachment 2 – Draft Service Delivery Review Framework*



# Management Transition Plan





## Georgina Service Delivery Review (SDR)

### **Framework**

A Service Delivery Review (SDR) is an evaluation and review process, to determine the most appropriate way to deliver a service. Outcomes of an SDR can include changes to how services are delivered; confirmation of existing practices; elimination/addition of some activities; organizational re-alignments and improved efficiency/effectiveness.

Cash & Associates Inc. was retained by the Town of Georgina to provide advice to the Town's Service Delivery Review (SDR) project. The Town has retained a Project Manager (PM) for the SDR and considerable investigative work has been done with the CAO and Senior Management to identify service delivery issues and opportunities.

This work has involved interviews with Senior Staff and Members of Council by the PM, including responses to a standardized SDR questionnaire. The PM's early findings have identified that "internal" services/subservices are those most in need of attention (*Internal services/subservices are those that deliver value to Town employees, who in turn deliver external (public) services. In fact, the capacity for effective and efficient external service delivery to the public, is often linked to effective and efficient internal service support*).

The Town's PM has also identified several SDR issues and opportunities, that are important to consider further when developing options for improvement. It is necessary to remember that, in many cases, effecting improvements and changes in service delivery can be a long-term process, involving several steps. Managing change and communications, become the key implementation issues moving forward.

To assist with narrowing the field and identifying the priorities for further review, a set of criteria were developed and applied to each item by the PM and Senior Management Team (SMT). The result was the identification of 6 priority services/subservices; which could be considered all part of the Corporate Services Program. These are listed below in rank order (highest to lowest priority) using a typical SDR framework:

**Program:** Corporate Services

**Major Service:** Finance

(1) Subservice: Budgeting, Departmental Business Planning and Resource Allocation

**Major Service:** Leadership

(2) Subservice: Performance Review/Management



(3) Subservice: Strategic Master Planning and Corporate Integration

**Major Service:** Finance

(4) Subservice(s): Accounts Payable/Receivable and Payroll

(5) Subservice: Purchasing and Procurement

**Major Service:** Corporate Support

(6) Subservice: Council/Committee Process/Support

The following is a suggested framework to follow in the more detailed review of services/subservices and implementation of options for change/improvement:

Step#1: Complete Service Profile – this provides a summary of the service(s)/subservice(s) in a consistent format (see attached), with a number of components: Service Contribution; Accountability for Service; Service Resources; Financial Information; Performance Metrics and SDR Considerations (SWOT). This step can also include (where appropriate) *process mapping* of the existing service delivery and time frames. Documentation of the Service Profile and Process Map is critical to promote a better understanding (especially within the organization) of all the elements associated with a service and also provides a base-line for future evaluation of progress.

Step#2: Identification of opportunities – this work needs to develop a short list of changes/improvements to the delivery of the service(s)/subservice(s), and can be accomplished through workshops with the key staff involved; researching/benchmarking best practices of comparators; and gathering external input from the public/external experts (where appropriate). In this process, considerations include adding/eliminating/transferring service elements; changing service level(s); exploring alternative service delivery methods/technologies and re-engineering processes to improve efficiency/effectiveness.

Step#3: Evaluation of Opportunities and Improvements – attention shifts to implementation, opportunities are evaluated and delivery changes identified. Staff workshops can be used to facilitate changes and “buy-in”.

Step#4: Decision Making and Implementation – In this phase, implementation plan(s) are developed with consideration given to such things as milestones; timetables; training; resource allocations; communications and feedback loops. Decisions would be made/ratified by the appropriate governing body (Council and/or CAO/SMT). Additional temporary resources/training maybe needed, particularly if an expedited timeframe is required.





## Service Delivery Review (SDR)

<b>Program:</b> A program is delivered through a portfolio of services that contribute to program goals and outcomes. A program is a mandate conferred by legislative or administrative authority to achieve goals and outcomes that address the needs of a target client group			
<b>(1) Major Service (Description):</b> A Brief summary of what the service provides to clients.			
<b>(2) Sub-Service (if applicable):</b> Process/activity/function carried out to deliver the service			
Focus	<ul style="list-style-type: none"> <li>• "Public" (external to the organization) or "Internal" to the organization</li> <li>• Mandatory or Essential or Traditional or Other Discretionary</li> </ul>		
Client Set	<ul style="list-style-type: none"> <li>• Direct or Indirect clients/recipients of the service</li> </ul>		
Type	<ul style="list-style-type: none"> <li>• Legislated, Council Bylaw; Council Approved Policy; Management Directive; Best Practice; Funding Agreement/Grant Covenant; Traditional/past practice</li> </ul>		
<b>(3) Service Contribution</b>			
Corporate Strategic Plan Linkage	<ul style="list-style-type: none"> <li>• ID Corporate Strategic Goal(s)</li> </ul>		
Service Objective	<ul style="list-style-type: none"> <li>• For example, stated in a business plan or service mission statement</li> </ul>		
Service Level	<ul style="list-style-type: none"> <li>• Number or value of outputs/standards of a service</li> </ul>		
Service Outcome	<ul style="list-style-type: none"> <li>• The result of a service delivered to clients, measured in units of service delivery, for example, volume of service activity in a given year</li> <li>• Also, the desired impact on the program and benefits to the client group</li> </ul>		
<b>(4) Accountability for the Service</b>			
Accountable Organizational Unit	<ul style="list-style-type: none"> <li>• Department and Division</li> </ul>		
Accountable Senior Manager			
Accountable Service Manager(s)			
Service Dependencies	<ul style="list-style-type: none"> <li>• Linkages with other Services</li> </ul>		
<b>(5) Service Resources</b>			
Staffing: (Full-time/Regular and Part-time/Contract)	2016	2017	2018p
Other Resources (e.g. External contractors)			
<b>(6) Financial Information</b>			
Operating Budget (Gross Cost to Tax Base)	2016	2017	2018p
Operating Revenues: <ul style="list-style-type: none"> <li>• Funding provided by other levels of government, where applicable</li> <li>• Other/Service Fees, where applicable</li> </ul>	2016	2017	2018p
Capital Budget (Gross Cost)	2016	2017	2018p
<b>(7) Performance Metrics</b>			
Efficiency Measures	<ul style="list-style-type: none"> <li>• For example, per unit cost to provide service</li> </ul>		
Effectiveness Measures	<ul style="list-style-type: none"> <li>• For example, evidence of service value being achieved and contribution the service makes to program/corporate goal(s)</li> </ul>		
Quality Measures	<ul style="list-style-type: none"> <li>• For example, service level agreement standard or client satisfaction metrics</li> </ul>		
<b>(8) Service Delivery Review Considerations</b>			
Service Strengths			
Service Weaknesses			
Service Opportunities			
Service Threats			

