



Municipality of West Nipissing

Service Delivery Review

Final Report

August 25, 2021



Restrictions and Acknowledgments

This report is based on information and documentation that was made available to KPMG at the date of this report. 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 Municipality. 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 Municipality of West Nipissing. 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 Municipality of West Nipissing nor are we an insider or associate of the Municipality of West Nipissing 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 Municipality of West Nipissing, the Engagement Manager for the review is not involved in the provision of these services. Accordingly, we believe we are independent of the Municipality of West Nipissing and are acting objectively.

We would like to take the opportunity to acknowledge the assistance and cooperation provided by staff of the Municipality that participated in the development of the service profiles and the service review. We appreciate that reviews such as this require a substantial contribution of time and effort on the part of Municipal employees and we would be remiss if we did not express our appreciation for the cooperation afforded to us. As the scope of our review is intended to focus on areas for potential efficiency improvements and/or cost reductions, we have not provided commentary on the numerous positive aspects of the Municipality's operations identified during the course of our review.





Municipality of West Nipissing

Service Delivery Review

Executive Summary



Executive Summary

KPMG LLP (“KPMG”) has been retained by the Municipality of West Nipissing (the “Municipality”) to undertake a review of the Municipality’s organization and operations. As outlined in the terms of reference for our engagement, the overall goal of the review is to identify potential opportunities and associated costs/savings intended to maintain adequate service levels while allowing the achievement of long-term sustainability for the Municipality.

A. Background to the Review

The terms of reference for our engagement were established in KPMG’s proposal dated February 13, 2020. The objectives for the review were as follows:

- An analysis of services, organizational structure, internal processes, service levels and associated costs and funding;
- Recommendations regarding any combination of the following:
 - Reductions in costs associated with service delivery;
 - Realignment of organizational structure to achieve service delivery; and
 - Improved revenue opportunities in service delivery.
- Identification of potential opportunities that can be considered by the Municipality with respect to its existing services and processes.

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

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

B. Key Themes

During the course of our review, a number of common themes emerged with respect to the Municipality, its services and processes.

- From an overall perspective, the majority of the Municipality’s municipal services are either mandatory in nature (i.e. required by legislation) or essential. The Municipality does not have significant discretionary services which therefore limits Council’s ability to reduce the overall municipal levy.
- Generally, the Municipality’s financial indicators compare favorably to the selected municipalities included in our comparative analysis. Based on the selected municipal benchmarking indicators used in our analysis, the Municipality is between the low end and average in most of the indicators, which we believe reflects a combination of (i) operating efficiencies; and (ii) lower investments in services and service levels. From an overall perspective, we note that residential taxation levels in the Municipality – both in terms of residential taxes per household and residential taxes as a percentage of household income – are in the mid-range of the comparator municipalities, which indicates that the affordability of municipal taxes is not more pronounced than other communities.



Executive Summary

B. Key Themes

- The rate of increase in residential municipal and education taxes from 2019 to 2021 has been relatively low, with the majority of residential taxpayers experiencing annual increases of less than \$5.00 per month. Based on this rate of change, and the level of residential taxes in comparison to the selected comparator municipalities, it would appear that affordability of residential property taxes is arguably not a significant concern.
- The Municipality generally recovers a lower rate of operating cost through user fees than selected comparator municipalities, with a corresponding reliance on taxation to fund municipal services.
- While the Municipality's complement of services and financial performance appear to be consistent with similarly sized municipalities, there are areas where the Municipality may need to make investments in the short and long-term. Specifically, we noted certain instances where the Municipality's capacity and capabilities appear to be lower than other comparable sized municipalities (e.g. absence of a dedicated human resources function). In addition, the Municipality's approach to service delivery does not, in certain instances, reflect best practices for municipal operations (e.g. absence of a customer service strategy and associated monitoring of performance metrics).
- While there are a number of positive aspects of the Municipality's municipal service delivery, our review has identified a number of issues that constrain operating efficiencies and increase the amount of time required by staff to complete processes:
 - The Municipality's processes appear to be heavily reliant on paper, as opposed to electronic formats;
 - Implementing changes to the Municipality's financial processes to realize operational efficiencies and enhance internal controls with respect to transaction processing.
 - Standardization of departmental timesheets to meet the needs of all users and increase efficiencies for the payroll clerks in entering the data.
 - Upgrading to metered tracking for water usage, including digital reading capabilities to increase efficiencies and create a billing structure for water that is based on usage.
- The results of our analysis indicate that the Municipality's delivery of services is impacted by the overall absence of a strategic plan, which would typically include Council direction with respect to priorities (including services and service levels) and longer-range planning. In the absence of a strategic framework, the decision-making process is left almost exclusively to staff and/or does not consider long-term implications due to a shorter-term focus on affordability and fiscal constraint, with implications for the Municipality in terms of employee morale, long-term financial sustainability, the ability to achieve operating efficiencies due to constraints in technology investments and inconsistencies between actual and expected service levels.

Executive Summary

C. Potential Opportunities for Consideration

Our report outlines the potential opportunities for the consideration of the Municipality and they generally fall into one of five categories:

- Operating efficiencies, with the anticipated benefit of (i) enhanced decision making and service delivery, (ii) potential capacity gains, and/or (iii) potential cost savings while maintaining current service levels;
- Service level adjustments, representing either (i) the discontinuance of the Municipality's involvement in a non-core service; or (ii) a reduction in the level of service provided;
- Alternate service delivery, which involves changing the Municipality's delivery model for a service (e.g. exploration of using a blend of own resources versus third party providers); 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.
- Strategies for enhancing the Municipality's operational capacity to reflect best practices for municipal operations and/or address identified risk exposures and other areas of focus.

A summary of these opportunities is provided on the following pages.

Executive Summary

Category	Operating Efficiencies
Service level reductions	- Consider aligning the Municipality's service levels for winter roads maintenance with Provincial minimum maintenance standards - Consider the sale of non-core municipal facilities (marina, rental properties)
Alternative service delivery	- Consider a request for proposal process for waste collection services currently provided through a related corporation - Investigate the appropriate level of contractor involvement for selected municipal services, including facilities maintenance, cemetery maintenance, grass cutting and winter roads maintenance
Increase non-taxation revenues	- Review user fees for community services to provide an appropriate balance between user-generated funds and taxation support - Consider the potential for new revenue generation through an expansion of marina operations - Implement cost recoveries for maintenance activities provided under shared service arrangements
Enhance operating efficiencies	- Implement changes to administrative processes to increase efficiency, enhance internal controls and strengthen risk management - Implement consistent use of key performance indicators for performance monitoring, reporting and budgeting - Consider the consolidation of municipal facilities - Implement transfer stations as a replacement for landfills with low rates of waste inflows - Implement waste stations at landfills to restrict access to landfill areas
Enhance operational capacities and capabilities	- Consider the development of a strategic plan for the Municipality that outlines strategic priorities, intended services and service levels and associated resource requirements - Consider investments in human resources, information technology and other support services to meet the corporate needs of the Municipality - Consider the implementation of a centralized procurement function - Consider the development of a formal enterprise risk management strategy - Consider the development of a formal customer service strategy - Consider the establishment of, and reporting on, key performance indicators as a means of enhancing accountability and transparency of the Municipality's operations



Municipality of West Nipissing

Service Delivery Review

Observations and Findings

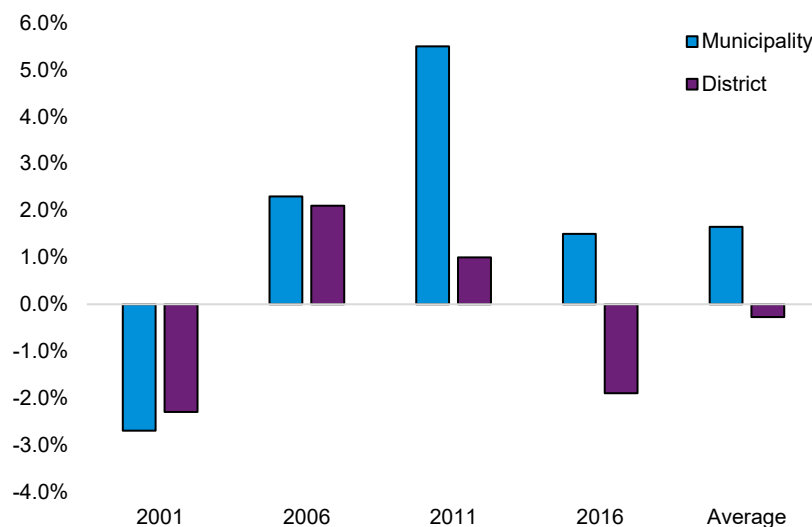


Observations and Findings

Community Demographics

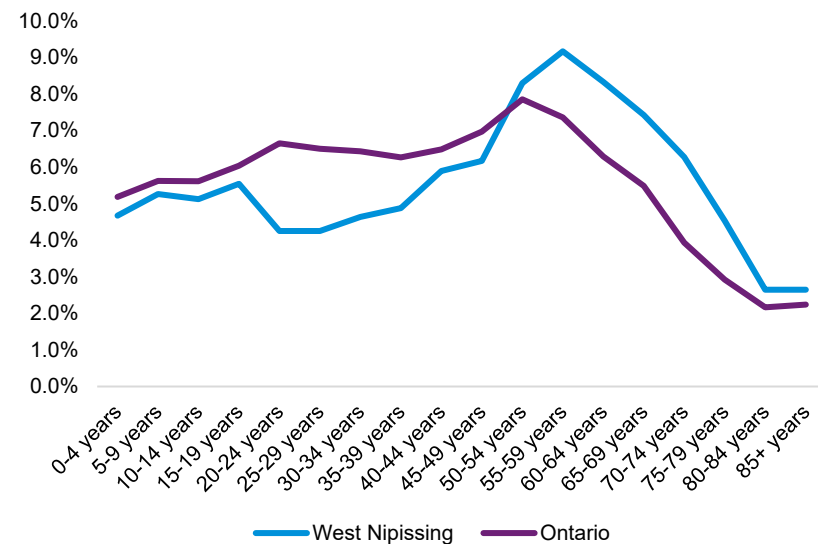
Population Trend

Based on analysis of information obtained through Statistics Canada's Census, the Municipality's population was 14,364 with 6,281 private dwellings in 2016. Over the twenty years or five Census reporting periods (1996 to 2016), the Municipality's population has grown by 883 residents or by slightly over 6.5%. The Municipality experienced most of the growth between 2006 to 2011 (5.5% growth). In contrast to the Municipality's population growth, growth within the District of Nipissing has decreased by 2.0% over the same time period.



Municipal Demographics

The demographics of the Municipality of West Nipissing appear to be consistent with demographic trend of the Province in one aspect but differs in another. The demographic trend of the Municipality appears to be similar to that of the Province's whereas the majority of its residents are older – 49.3% of the Municipality's residents are 50 years or older whereas it is 38.2% for the Province. Where there is a difference between the two demographic curves is the Municipality's population aged from 20 to 39 years, the Province's composition was 25.8% where it was 18.0% for the Municipality.



Source: Statistics Canada – Census Profile for the Municipality of West Nipissing

Observations and Findings

Financial Overview

The following chart is a breakdown of the operating revenues and expenditures of the Municipality's departments based on the 2020 budget. The Municipality's largest operational spend exists within its Legislative and Legal Services (which includes the Municipality's Fire Services and OPP policing contract) which accounts for approximately 37% of the entire operating budget. The Municipality's Environmental Services and Public Works are the next two largest departments from an operational spend perspective, approximately 18.5% and 16.5% respectively. With respect to overall costs, the Municipality's single largest expenditure is in relation to the provision of wages and benefits to Municipal employees which comprises 31.9% of the operating budget.

Department	General Government	Outside Boards and Agencies	Community Services	Planning and Development Services	Public Works	Environmental Services
Operating Revenue	\$1,407,743	\$30,000	\$746,602	\$166,500	\$35,000	\$7,404,823
Operating Expenditures (exc. Capital expenses and transfers to own funds)						
Wages and Benefits	\$1,909,188	\$1,462,443	\$2,346,277	\$471,979	\$2,108,667	\$1,403,589
Professional Services	\$190,700	\$4,408,487 *	\$164,414	\$7,000	\$254,000	\$1,699,073
Board and Agencies	-	\$4,777,899	-	-	-	-
Other Operating Costs	\$1,350,626	\$542,137	\$2,022,796	\$125,936	\$2,653,490	\$2,537,785
Total	\$3,450,514	\$11,190,966	\$4,533,487	\$604,915	\$5,016,157	\$5,640,447

* - includes police contract

Source: KPMG Analysis of Municipal 2020 Budget



Observations and Findings

Key Findings

The results of our review have identified a number of findings, both positive and negative, with respect to the Municipality and its operating efficiency and financial positions and performance.

A. From an overall perspective, the majority of the Municipality's municipal services are either mandatory in nature (i.e. required by legislation) or essential. The Municipality does not have any discretionary services which therefore, limits Council's ability to reduce the overall municipal levy.

In order to provide perspective on the Municipality's degree of latitude with respect to the services it delivers, we have classified its services into one of four categories, reflecting the rationale for the delivery of the specific service

- **Mandatory Services** – Services that are explicitly required to be delivered by regulation or legislation, leaving the Municipality with no discretion in delivering the service.
- **Essential Services** – Services that, while not mandatory, are required to be delivered in order to ensure public health and safety and/or the effective functioning of the Municipality as a corporate body. In certain instances, essential services – once delivered by the Municipality – are subject to legislation and regulation that mandates service levels and other operational requirements. For example, while there is no mandatory requirement for the Municipality to deliver wastewater treatment services, it is subject to regulation and legislation as a result of having chosen to deliver these services that limits its latitude of operational discretion.
- **Traditional Services** – Non-mandatory, non-essential services that are typically delivered by municipalities of comparable size and complexity and for which a public expectation exists that the service will be provided.
- **Other Discretionary Services** – Services that are delivered at the direction of the Municipality without a formal requirement or expectation, including services that may not be delivered by other municipalities of comparable size and complexity.

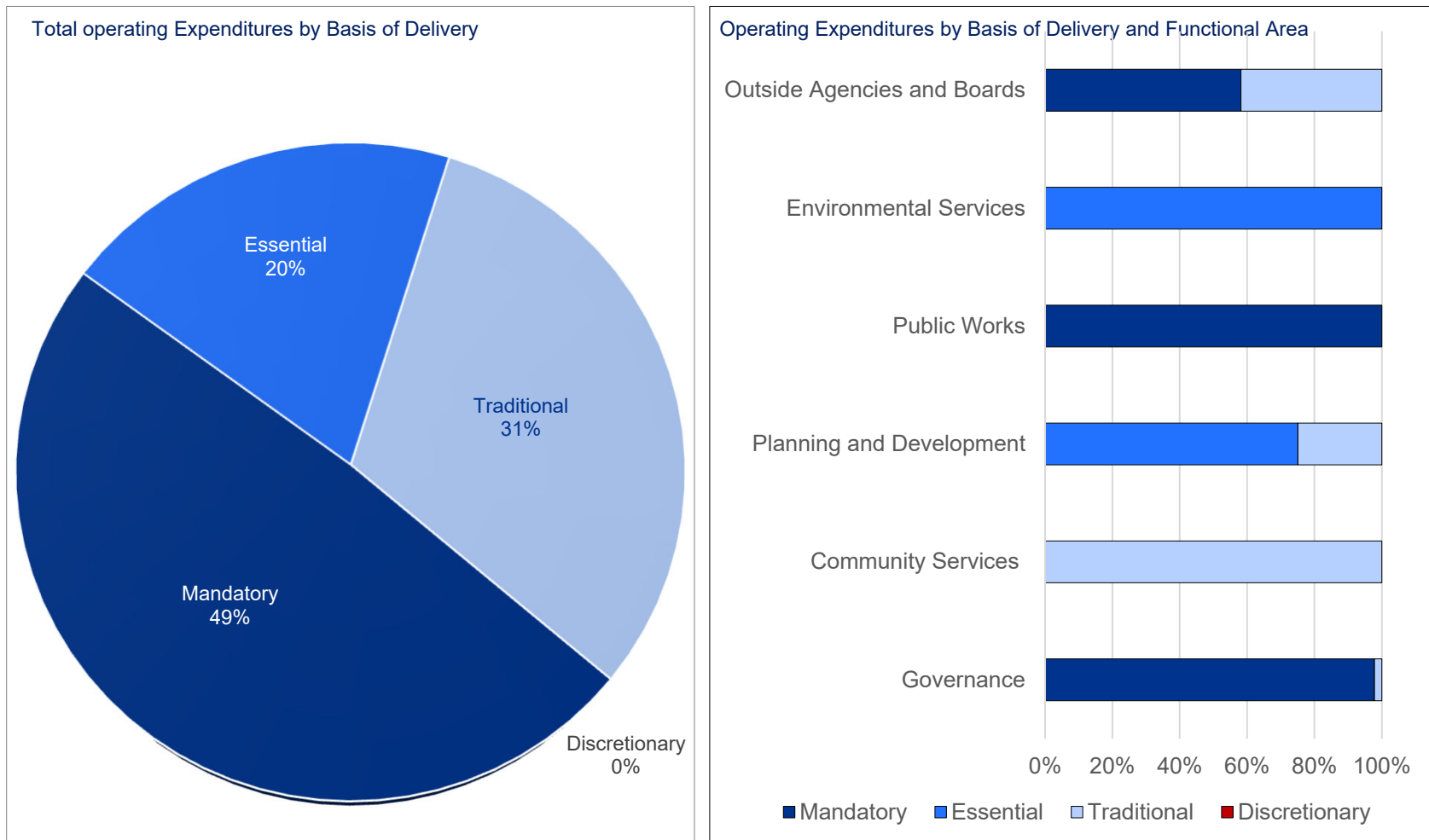
As summarized on the next page, based on the application of our approach, 69% of the Municipality's services fall into the categories of mandatory and essential. Further to this, the balance of the Municipality's services (31%) were defined as traditional whereas the services provided by the Municipality are consistent with similarly sized municipalities.

While the absence of discretionary services may limit Council's ability to reduce the overall municipal levy (e.g. outright service elimination), the Municipality still has the potential to reduce costs and increase upon its effectiveness and efficiency in service delivery based on the opportunities identified later within the report.

Please refer to Appendix A for service profiles describing the nature of the Municipality's services.

Observations and Findings

Key Findings



Observations and Findings

Key Findings

B. Generally, the Municipality's financial indicators compare favorably to the selected municipalities included in our comparative analysis.

Included in the service profiles is an analysis of financial indicators relating to the delivery of municipal services which compares the Municipality's cost of service delivery to comparable municipalities. While we appreciate that there is no "perfect" comparator for the Municipality, we believe this comparison is relevant in determining whether the Municipality is an outlier with respect to the cost of municipal services, which could be indicative of potential opportunities for cost reductions.

From an overall perspective, the analysis (included as Appendix B) indicates that the Municipality's cost to deliver municipal services is in the lower range of the comparator municipalities, with no identified instances of significantly higher costs in comparison to other municipalities.

In addition to service-level indicators, we have also provided corporate-level indicators that are intended to assess. We have based this analysis on guidance provided by the Public Sector Accounting Board. 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 Township 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 Township's assessment base, there is an increased risk that the Township's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility.** Flexibility reflects the Township'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 Township 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 grants for waste diversion programs and small drinking water systems; 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)).

Observations and Findings

Financial Indicators

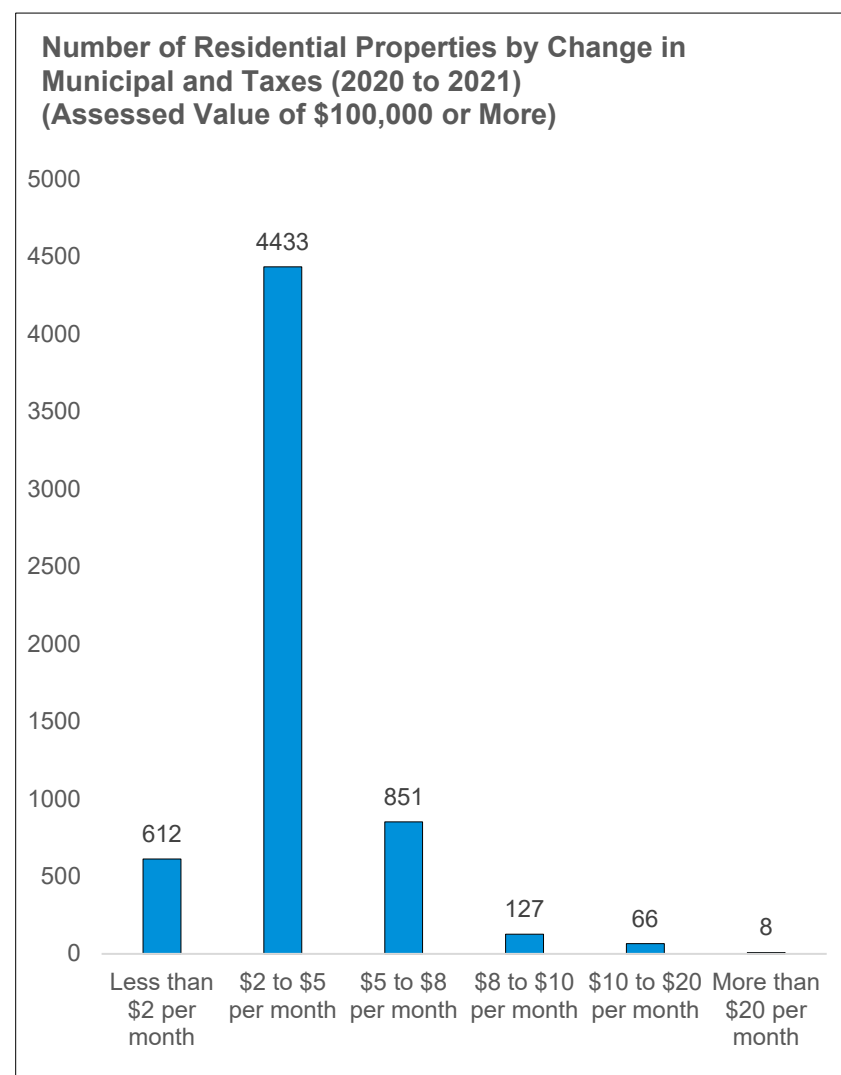
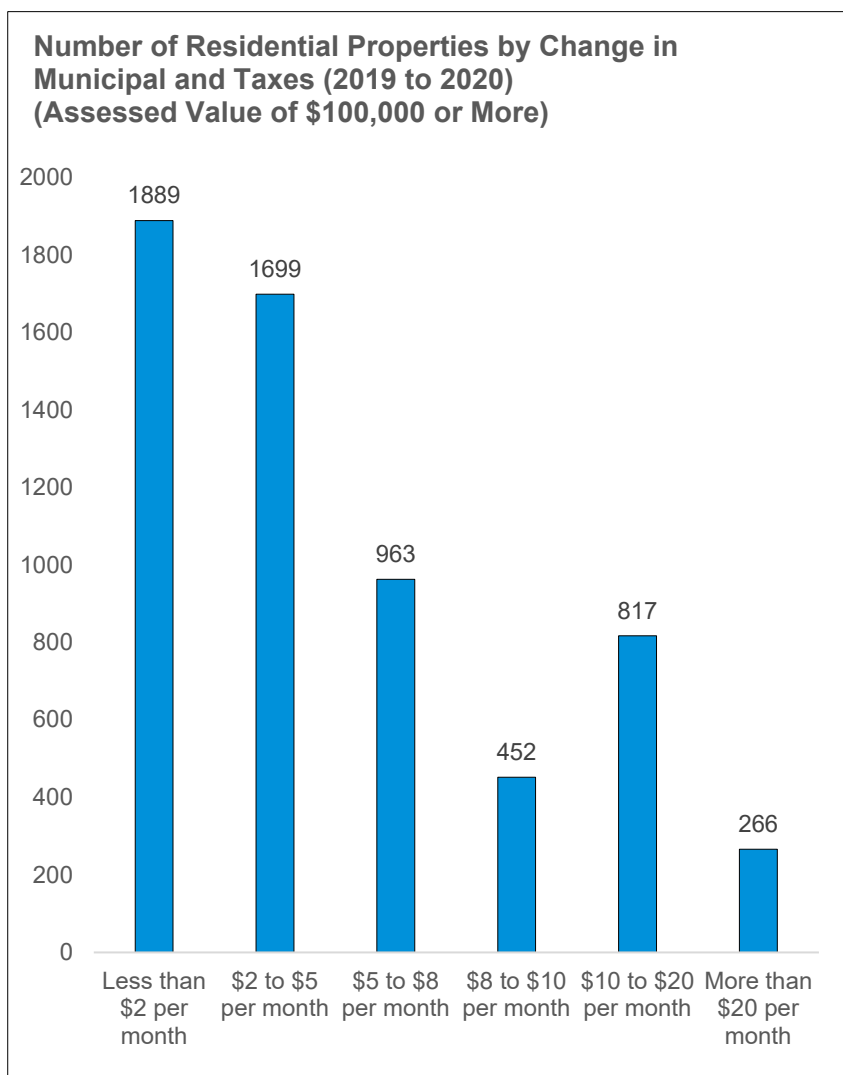
As a means of reporting the Municipality's financial condition, we have considered the following financial indicators (*denotes PSAB recommended financial indicator).

Financial Condition Category	Financial Indicators
Sustainability	1. Financial assets to financial liabilities* 2. Total reserves and reserve funds per household 3. Capital additions as a percentage of amortization expense
Flexibility	5. Residential taxes per household 6. Total long-term debt per household 7. Residential taxation as a percentage of average household income 8. Debt servicing costs (interest and principal) as a percentage of total revenues* 9. Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets*
Vulnerability	11. Operating grants as a percentage of total revenues* 12. Capital grants as a percentage of total capital expenditures*

A detailed description of these financial indicators, including a comparison of the Municipality's performance and position against other municipalities noted in the selected municipalities is included in Appendix D. Based on this analysis, we note the following:

- The Municipality's financial position is characterized by a lower degree of reserves and net assets than the comparator municipalities, demonstrating a lower degree of financial flexibility and sustainability;
- Residential taxes, both in terms of average per household and as a percentage of average household income, is consistent with the mid-range of the comparator municipalities. While the affordability of property taxes is a common (and valid) concern on the part of elected officials, the financial analysis indicates that concerns over affordability are not more pronounced in the Municipality than other communities and as such, a focus on fiscal restraint is arguably not required on the basis of unaffordability. As noted on the following page, an analysis of the change in property taxes indicates that:
 - From 2019 to 2020, 31% of residential property owners with assessed values of \$100,000 or more experienced an increase in municipal and education taxes of less than \$2 per month, with 28% experiencing increases of less than \$5 per month. Overall, 75% of residential taxpayers experienced increases of less than \$100 from 2019 to 2020.
 - From 2020 to 2021, 83% of residential taxpayers with assessed values of \$100,000 or more experienced an increase in municipal and education taxes of less than \$5 per month.

Observations and Findings



Observations and Findings

Key Findings

C. While the Municipality's complement of services and financial performance appear to be consistent with similarly sized municipalities, there are areas where the Municipality may need to make investments in the short and long-term.

Based on the results of our review, we noted certain capabilities that while present in similar-sized municipalities, do not appear to be present within the Municipality, with the potential for increased risks and costs.

- **Strategic planning** – During the course of our review, we were advised that the Municipality has not undertaken any form of long-term or strategic planning since 2010 and as a result, does not have a defined corporate strategy that outlines key priorities, intended courses of action to achieve these priorities and the associated level of financial investment in municipal services. We understand that as a result, decision-making is typically (1) undertaken by staff, resulting in the potential for a disconnect with Council's vision for the community; (2) is focused on short-term issues, precluding the development and execution of longer-term strategies to address major priorities and challenges; and (3) is typically influenced by a constraint on financial, personnel and other resources, which limits the ability to effect significant change and enhancements in the delivery of municipal services and realization of operational efficiencies.
- **Customer service strategy** – We understand that the Municipality has not developed a formal customer service strategy, which would include (among other components), the establishment of specific performance targets (e.g. time to respond to a resident inquiry), the monitoring and reporting on customer service performance and the modification of job descriptions, internal processes, service delivery channels and other aspects of the Municipality's operations to ensure a consistent focus on customer service. As a result, there is a real risk of both the delivery of municipal services in a way that does not meet the expectations of Council, residents and customers, and the inability of the Municipality to identify and address instances of poor customer service.
- **Human Resources** – Despite its size and complexity of operations (approximately 15,000 residents, +100 full and part-time employees, unionized environment), the Municipality does not have a dedicated human resources function. While other municipalities of similar size will often have a dedicated human resources capacity responsible for labour relations, recruitment, compensation planning, succession planning and AODA and other regulatory requirements, the Municipality's human resource responsibilities are assigned to functional managers. From our perspective, the competing demands placed on these individuals and the absence of specialized human resources knowledge increases the risk that human resource priorities are not fully addressed and/or the potential exists for adverse results from human resource decisions (e.g. constructive/wrongful dismissal, increased grievance rates).
- **Technology** – The Municipality utilizes different software programs across multiple departments, with some functionality between programs. It appears that some departments are fully utilizing the automation available within their software packages, with too much reliance placed on manual processes which impacts operating efficiencies, customer service delivery and resource requirements. In addition, there appear to be opportunities to more fully utilize online resources that would allow users to access and submit required application/registration forms online, reducing the level of time and effort associated with accessing municipal services.

Observations and Findings

Key Findings

- **Education and training** – A training gap was identified in more than one department. The clerical support in the main hall are the first point of contact for many requests or complaints from residents. A detailed knowledge of the municipal operations along with an “FAQ” type document that is maintained would assist them in answering questions and re-directing requests to the appropriate department. Overall, educating staff on the functions of all municipal departments would help to eliminate silos and allow for cross-training and efficiencies.
 - **Policy/forms review** – There are a variety of policies and forms associated with the different rentals and registrations offered by the Municipality. A review of existing policies and forms with an associated standardization of forms would make it more efficient for the clerical staff to handle all requests.
 - **Procurement** – Similar to human resources, the Municipality does not have a formal centralized procurement function, relying instead on functional managers to lead procurements as required. Based on our experience, the absence of a centralized procurement function increases the risk of inconsistency in procurement approaches which can lead to (1) contraventions of the Municipality’s procurement policy and by-law; (2) inadequate degrees of risk transfer from the Municipality to the supplier; (3) absence of contract monitoring, including determining when contracts have expired and whether rates charged are in accordance with contract amounts; (4) absence of best practices for procurement.
- D. While there are a number of positive aspects of the Municipality’s municipal service delivery, our review has identified operational issues that may constrain operating efficiencies and increase the amount of time required by staff to complete processes.**

We have included as Appendix C process maps that were developed for selected municipal services that outline the individual worksteps involved in the delivery of the municipal service. Based on this analysis, we note that the Municipality’s current processes have inherent inefficiencies, examples of which include the following:

- The Municipality’s processes appear to be heavily reliant on paper as opposed to electronic formats, with associated inefficiencies (and costs) in terms of movement and storage of documents.
- There are significant inefficiencies with respect to the bi-weekly payroll submissions for hourly employees, with various departments using different methods, including some paper based tracking, to collect and submit timesheet data to be entered by the payroll clerks. Some timesheet data is collected to a level of detail that does not appear to be used for any decision making or analysis by the Municipality.
- Purchase orders are paper based and follow a manual process for completion and tracking right up until the invoice is received and documentation is sent to accounts payable for payment processing.

Observations and Findings

Key Findings

E. The Municipality has limited utilization of key performance indicators

The Municipality does not appear to rely upon KPI's to benchmark internal service delivery on an annual basis. As part of the service profile development phase, suggested KPIs for each service were provided. The suggested KPIs consist various measurements including Municipality's compliance with provincial legislation and/or regulations and/or financial performance (cost recovery for services where operating revenues are generated through user fees and service charges.). As an initial start in the development of KPIs, the Municipality may want to take an incremental approach whereas service areas are not responsible in developing more than two KPIs. This incremental approach allows for the Municipality to build KPIs, determine their suitability on an annual basis and not intended on diverting more resources to measurement/analysis opposed to service delivery.

F. The Municipality places less reliance on user fees to fund municipal services than selected comparator municipalities, resulting in a higher degree of reliance on taxation:

The Municipality generally had the lowest, or was in the low end, with respect to municipal benchmark indicators associated with operating cost recovery. Most departments identified that user fees were very low and are not increased regularly. An in-depth review of user fees with comparisons to similar municipalities would identify programming/services that could withstand an increase and help establish a framework for regular reviews of user fees to be presented to Council for consideration of increases. Increasing user fees to an average level compared to similar municipalities will relieve some dependency on property taxes to support user based programs and services.

G. The Municipality is heavily reliant on its own forces and is encouraged to investigate the option of using external providers for the provision of some municipal services:

The Municipality currently relies predominantly on its internal resources (staff and fleet) for roads maintenance, activities, with external providers used for specific purposes (some street sweeping, crack sealing). Similarly, the Municipality relies on a municipal entity to provide waste management services.

The use of external providers for winter roads maintenance and waste collection activities is a common strategy for municipalities, recognizing that with very limited exceptions, municipalities retain responsibility for the maintenance of a sizeable portion of their road network. The use of external providers may result in reduced operating and capital costs.



Municipality of West Nipissing

Service Delivery Review

Opportunities for
Consideration



Potential Opportunities for Consideration

Based on the results of our analysis, we have identified a number of potential opportunities for levy reductions, operating efficiencies, customer service enhancements and additional performance management that could be considered by the Municipality as part of its future budget deliberations and ongoing continuous improvement efforts. These opportunities, which are summarized on the following pages, involve the following strategies:

- Operating efficiencies, with the anticipated benefit of (i) enhanced decision making and service delivery, (ii) potential capacity gains, and/or (iii) potential cost savings while maintaining current service levels;
- Service level adjustments, representing either (i) the discontinuance of the Municipality's involvement in a non-core service; or (ii) a reduction in the level of service provided;
- Alternate service delivery, which involves changing the Municipality's delivery model for a service (e.g. exploration of using a blend of own resources versus third party providers); 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.
- Strategies for enhancing the Municipality's operational capacity to reflect best practices for municipal operations and/or address identified risk exposures and other areas of focus.

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
1. During the course of the review, we evaluated the Municipality's processes for administrative and client service functions, including finance, community services, building permits, planning applications and work order management. As a result of this evaluation, we have identified a number of potential areas for operating efficiencies and customer service enhancements, including but not limited to: • Digitization of Municipal documentation as opposed to paper storage, which is intended to reduce office supply costs, document storage requirements (financial and space) and the time required to retrieve documents in the event of a request under the Municipal Freedom of Information and Protection of Private Act. • The Municipality's current software packages are not being used to their fully extent with respect to automation. For example: • Although the water billing is accessible through an online portal, the invoicing for residential taxation is not currently making use of the same functionality. • Our review also identified issues with some banks that prevent the Municipality from taking advantage of automation for payments made through mortgages. Communicating with the banks in question to fix the account structure constraints would eliminate some manual processing by allowing files to be uploaded directly to the appropriate system. • The Municipality is also not fully utilizing scheduling and registration functionalities online, which would increase customer service and eliminate some administrative tasks. • Implementing changes to the Municipality's financial processes to realize operational efficiencies and enhance internal controls with respect to transaction processing. • Standardization of departmental timesheets to meet the needs of all users and increase efficiencies for the payroll clerks in entering the data. The review could include options with respect to automating the timesheet process in a manner that would integration with the existing software or allow departments to enter directly into the existing system to decrease the need for manual data entry by the payroll clerks. • Upgrading to metered tracking for water usage, including digital reading capabilities to increase efficiencies and create a billing structure for water that is based on usage. We have included in Appendix C a summary of potential areas for enhancement that could be considered by the Municipality.	Operating Efficiency

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
2. During the course of our review, we noted that the Municipality has an inconsistent approach to the use of key performance indicators, with some departments monitoring relevant KPIs, with other departments not monitoring KPIs. In order to ensure an appropriate framework for reporting it's performance, the Municipality may wish to consider establishing a formal KPI process, including: • Developing relevant KPI's for all municipal departments. • Implementing a formal process for public reporting through Council on a periodic basis (e.g. semi-annually), including variance explanations for significant deviations. • Incorporating municipal benchmarking as appropriate to provide additional perspective to Council. To a large extent, the limited utilization of key performance indicators by the Municipality reflects the limited available resources to undertake this analysis. It was noted that the operational demands on directors and managers are also compounded by the need to deal with personnel matters. As a result of our review, we note that the Municipality has no dedicated human resources function, which would be expected given the size of the Municipality. Accordingly, in connection with this opportunity, the Municipality may wish to consider an investment in personnel resources, specifically with respect to human resources, in order to provide capacity of enhanced performance management and reporting.	Enhanced Operating Capacity
3. The Municipality's 2019 budget reflects approximately \$952,000 in user fees for community services (including recreational programming), which amounts to 24% of community services operating costs. While concerns over access and affordability generally preclude the adoption of full cost recovery models of community services, our experience indicates that other municipalities will recover in excess of 30% of community services through user fees. Accordingly, the Municipality may wish to consider increasing community services user fees to reduce the extent of funding from the municipal levy. It would appear that the Municipality would benefit from undertaking a comprehensive user fee review throughout the Municipality to ensure that various user fees and service charges are reflective of the operating costs associated with growth. It is suggested that the user fee review should include the establishment of municipal policies associated with deposits, timing of payments and cancellations.	Revenue Generation

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
4. During the course of the Review, we identified that there is a lack of operational capacity given the size of the Municipality. Specifically, we note that the Municipality does not have a dedicated human resources function and as a result, key personnel management elements, including but not limited to training and development, succession planning, performance management, attendance and sick leave management, compensation and benefits planning and AODA compliant are either (1) not addressed, resulting in gaps in the Municipality's personnel management processes and potentially exposing the Municipality to operational, financial, regulatory, legal or reputational risks; (2) are undertaken by management personnel, which places demands on their availability and capacity; and/or (3) are undertaken by third party providers at a higher cost than internal staff. We note that comparable-sized and even smaller municipalities will have in-house human resource staff, with specialized consultants used for more complex matters. In order to ensure that human resource requirements are appropriately addressed and managed, the Municipality may wish to consider establishing a formal human resources function within its management structure, which would be responsible for labour relations, recruitment, compensation planning, succession planning and AODA and other regulatory requirements.	Enhanced Operating Capacity
5. As a by-product of its creation via amalgamation in 1999, the Municipality assumed a number of municipal facilities. Going forward, the Municipality may wish to continue on an approach by which buildings are evaluated based on current service delivery and utilization along with a determination of multiple services being housed in one facility and therefore, eliminating a "one for one" replacement approach. It is our understanding that a building condition assessment review is underway which should identify the condition and investment needs of facilities. The Municipality is encouraged to use the results of the review to make decisions on the continued maintenance and use of facilities.	Alternative Service Delivery
6. During the course of our review, we noted that the Municipality operates a number of facilities that are not considered to be core municipal functions, including its marina operations and the leasing of facilities to third parties (e.g. Health Unit). As a means of streamlining its operations, reducing the potential for tax subsidization of non-core services, avoiding future capital reinvestment requirements and monetizing assets, the proceeds of which could be used to fund capital and operational needs, the Municipality may wish to consider the development of formal business cases for the divestment of non-core assets and services.	Service Level Adjustments

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
7. The Municipality currently contracts out waste collection for some areas of the Municipality to a related company. We would suggest that Municipality test the market for pricing by initiating a non-binding competitive procurement process for the provision of waste collection services to determine bidder interest and the associated cost. The use of external providers may result in reduced operating costs, recognizing that the Municipality's operating costs per tonne of waste collected are in below average compared to the comparator group,. Accordingly, the Municipality may wish to consider assessing the potential benefits of utilizing third party external providers.	Operating Efficiency
8. Currently, the Municipality has 40 boat slips available for seasonal rentals. Over the past three years, the slips have been fully rented, with 15 names on the current wait list. The Municipality is encouraged to review the investment required to expand the marina by adding more boat slips and to perform a detailed analysis of additional revenue that would be generated with additional boat slips to determine if is a fiscally responsible investment. The analysis should include the potential impact of additional slips on the economic development of the Municipality, including the impact on local businesses.	Service Level Adjustment
9. Currently, the Municipality provides for solid waste collection services in some areas of the municipality where residents receive collection services once per week, with a four bag limit.. The Municipality is encouraged to change its approach to solid waste management to be more consistent with municipal common and best practices which would include the establishment of a bag limit. The Municipality may also want to approach this on an incremental basis including identifying its intended goal (i.e. 1 bag per week) and associated timeframe (i.e. over three years).	Service Level Adjustment
10. During the course of the Review, we noted that the Municipality maintains seven landfill sites, with a number of the sites allowing residents to dump waste directly on the face of the landfill as well to retrieve items from the landfill. This practice presents a health and safety risk to residents, leaving the Municipality exposed to litigation risk. We would suggest that the Municipality cease the practice of allowing residents to dump on the face of landfills and implement the use of transfer stations for residents to drop off waste and recycling, to be transported to the landfill sites as required.	Service Level Adjustment

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
11. Based on information provided as part of the review, we noted that the Municipality uses its own resources for grave digging services at the cemeteries. Grave digging is a seasonal service, typically offered between May and mid-November annually. Contractors are hired to provide some maintenance and lawn care at the cemeteries. We would suggest that the Municipality expand the use of contractors for the cemeteries, including contracted out grave digging, in order to increase internal capacity. It is our understanding that the Municipality has reached out in the past for contracted out support for cemeteries, without success. Given the Municipality's location along highway 17, we would suggest that the Municipality undertake a new expression of interest process to assess the potential interest of contractors, ensuring a wide reach to increase the potential for interested parties.	Operating Efficiency
12. It is our understanding that the Municipality oversees the care and maintenance of seven cemeteries, with no dedicated resources. We would suggest that the Municipality designate a position to oversee the cemetery operations to ensure an appropriate level of customer service and cemetery management.	Operating Efficiency
13. During the course of our Review, we noted that the Municipality is over-servicing road maintenance, specifically with respect to Class 6 roads which we understand are maintained to the maintenance standards of Class 5 roads. Ontario Regulation 239/02, which provides for the minimum maintenance standards for municipal highways, specifically excludes Class 6 highways. Given the Municipality's lack of operational capacity and the cost associated with maintain the roads, we would suggest that the Municipality discontinue the practice of maintaining these roads to the maintenance standards of Class 5 roads.	Operating Efficiency

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
14. The Municipality's procurement function is currently centralized with senior management who has limited time to dedicate to the function; the result is a more decentralized process, with individual departments required to manage their own procurements. The use of a decentralized procurement approach exposes the Municipality to potential risks due to: • The absence of standardized terms and conditions for contracts, which may result in insufficient risk transfers from the Municipality to its suppliers • The absence of a centralized contract registry, which (i) limits the ability for the Municipality to monitor and report on contractual obligations; (ii) potentially exposes the Municipality to financial risk in the event of the loss of contract documents; and (iii) may result in circumstances where the Municipality is procuring goods under expired contracts. • The inability to implement best practices for procurement, including the use of procurement cards and spend analytics. • The inability to monitor and report on compliance with the Municipality's procurement policy, including the requirement for competitive procurements. Based on the above, the Municipality may wish to consider establishing a formal centralized procurement function on a pilot project basis (e.g. two years), the responsibility of which will be to standardize procurement across the Municipality so as to ensure appropriate risk management, implement best practices for municipal and public sector procurement (e.g. use of OECM procurements as a means of reducing procurement time and effort) and provide support to municipal departments on procurement and contract management requirements. During our review of comparator municipalities, we did identify other similar sized municipalities with centralized procurement functions and as such, note that this opportunity is not without precedence.	Service Level Adjustment
15. During the course of the Review, we noted that the Municipality lacks a formal Enterprise Risk Management Plan and as such, may be exposed to a range of risks (financial loss, disruption of service delivery, litigation exposure, reputational risk, regulatory risk). Effective enterprise risk management builds on the Municipality's strategic plan by identifying and prioritizing potential risk exposures and, where risks are viewed as significant, identifying and establishing processes for both the prevention of and response to risk exposures. Notwithstanding the relatively small size of the Municipality, its risk environment continues to evolve, particularly with respect to emerging issues such as cybersecurity and climate change. As such, we suggest that the Municipality consider the adoption of a formal enterprise risk management strategy that identifies, assesses, communicates and manages risk exposures in a cost-effective manner.	Operating Efficiency

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
16. The Municipality currently relies predominantly on its internal resources (staff and fleet) for roads maintenance activities, with external providers used for specific purposes. The use of external providers for winter roads maintenance activities is a common strategy for municipalities, recognizing that with very limited exceptions, municipalities retain responsibility for the maintenance of a sizeable portion of their road network. The use of external providers may result in reduced operating and capital costs, recognizing that the Municipality's operating costs per lane kilometer for winter roads maintenance are in the low-end of the comparator group. Accordingly, the Municipality may wish to consider assessing the potential benefits of utilizing external providers, with the timing aligned to either staff retirement and/or the requirement to replace a major vehicle/equipment. In assessing these benefits, we suggest that the Municipality consider the following process: • Undertaking an expression of interest process to assess the potential interest of contractors. • Identifying potential routes that may be conducive to external providers as opposed to Municipal resources. • Determining service levels for the potential routes. • Identifying and assessing the requirements under its collective bargaining agreement(s) with respect to contracting out. • Undertaking a non-binding competitive procurement to determine bidder interest and the associated cost. • Conducting a business case analysis that compares the external provider to the Municipality's internal costs. • Assessing additional impacts, including capital requirements and the impact on summer maintenance activities. In addition to the above, the Municipality should also consider potential risks associated with contracting out, which may include adverse impacts on employee morale and labour relations and the potential risk of future increase in contractor costs once delivery is shifted to a third party service provider model. In order to assess these risks, the Municipality may wish to first develop a formal business plan that incorporates the experiences of other municipalities that have adopted similar approaches, including the resultant benefits and costs and lessons learned that could be applicable to the Municipality. During the course of our review, we identified additional services that could potentially be delivered through third party providers as opposed to internal resources, including grass cutting, janitorial services, facilities maintenance and cemetery maintenance, and the Municipality may wish to consider adopting a similar approach to that identified for winter roads maintenance activities.	Alternate Service Delivery

Potential Opportunities for Consideration

Opportunity	Nature of the Opportunity
17. During the course of our review, it was noted that the Municipality has shared service agreements in place with respect to winter road maintenance for private roads. The agreements define the minimum standards and conditions, with no fees charged to the service recipients. We would suggest re-evaluating the shared service agreements, specifically to add a user fee to ensure that, at a minimum, the Municipality's costs to provide the service are recovered. Further, the Municipality is encouraged to explore additional shared service agreements with surrounding municipalities for various services. Such agreements will allow the Municipality to leverage existing resources while increasing revenue generation and collaboration opportunities in the surrounding area.	Revenue Generation
18. As noted earlier in our report, the Municipality has not undertaken formalized long-term financial and strategic planning since 2010 and as such, does not have a strategic framework for guiding decision-making, including determination of appropriate service and service delivery levels and longer-term financial strategies. In order to ensure an appropriate connection between the Municipality's operations and focus and the priorities and direction of Council and the community, the Municipality may wish to consider the development of a corporate strategic and long-term financial plan (aligned with the upcoming election of a new municipal Council) that would include, but not be limited to: • The definition of key priorities for the Municipality (e.g. affordable housing, economic development, recreational programming, etc.) and measurable outcomes for success • The identification of key action plans intended to successfully address the identified priorities, including the alignment of municipal services and service levels • The identification of required resources (personnel, financial, technology, infrastructure) required in connection with the key action plans • The development of a long-term financial model outlining the projected financial performance and position of the Municipality, which will (i) ensure sufficient financial support for the strategic priorities; (ii) outline a strategy for longer-term financial sustainability; and (iii) provide direction for future budget decisions (e.g. minimum and maximum thresholds for taxation increases, use of debt, implementation of a capital levy).	Enhanced Operating Capacity

Potential Opportunities for Consideration

Opportunity		Nature of the Opportunity
19. As noted earlier in our report, the Municipality does not have a formal customer service strategy or policy and as such, there is no framework for expected customer service delivery and accountability for customer service results. Accordingly, the Municipality may wish to consider the development of a formal customer service strategy, the elements of which could include the following:		Enhanced Operating Capacity
Developing an internal culture that places a priority on customer service	• Can employees quickly react to changing issues and challenges as they arise? • Do they have the right skills and competencies? • Does the Municipality have a culture that supports continuous improvement from a client service perspective?	
Developing performance metrics for customer service	• Does the Municipality have accountability structures in place and controls to monitor and address performance? • Are the right responsibilities defined and understood? • Has the Municipality identified and planned for risks?	
Establishing the right service delivery model	• Is the Municipality able to respond to changing customer and workplace dynamics? • Is the mix between on-site and virtual service delivery optimal? • Does the Municipality provide one-window service?	
Adopting suitable technology solutions to support customer service excellence	• Do employees have the right tools to address customer needs and efficiently engage with customers (both internal and external)? • Are available technologies fully leveraged and integrated so as to maximize service channels?	
Streamlining processes to enhance customer service	• Are the Municipality's processes causing customer service limitations and other inefficiencies? • Are same or similar services linked so as to provide an integrated approach to customer service?	
Collecting and analyzing data to ensure accountability and adopt further improvements	• What new information is needed from a monitoring and reporting perspective? • Does the Municipality use data analytics to better understand the needs of the client, including what solutions are required and when are they needed? • Does the Municipality appropriately ensure the protection of customer data collected through interactions?	



Municipality of West Nipissing

Service Delivery Review

Next Steps



Next Steps

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

1. Prioritization of Opportunities

To assist with the potential implementation of opportunities, the Municipality is encouraged to develop opportunity ranking criteria, which will allow the Municipality to assess opportunities through a number of lenses including, but not limited to:

- *Financial Impact* – What would the impact of this opportunity be to the Municipality's in terms of cost savings, revenue gains and capacity increases?
- *Customer Service* – Does this opportunity allow the Municipality 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 Municipality being non-compliant with respect to Provincial or Federal legislation or regulation?

2. Develop Implementation Plans

Once the Municipality 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.

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.

Next Steps

3. 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.



Municipality of West Nipissing

Service Delivery Review

Appendix A
Municipal Service Profiles



Introduction to the Service Profiles

Initially developed in the early 1990's to support information technology strategic planning and e-projects, the MRM has evolved into a framework for describing and analyzing municipal operations and providing the understanding necessary for service reviews and other change-management initiatives. It applies a set of concepts and tools that can help municipalities define and describe their business in terms of the programs and services that they provide in a way that is most meaningful to municipal clients, residents, taxpayers and stakeholders.

- A **Program** is a group of Services that addresses one of the primary purposes of local government. To achieve its vision/mission, a municipality will offer a number of programs, each with its own goal. For example, a municipality might offer a public safety program with a goal of making the community a safe place to live, work, play and visit. The services associated with a program provide the outputs to help to achieve this goal. In this case, the municipality might have a fire rescue service where firefighters reduce the loss of lives and property due to fires and other life threatening incidents.
- A **Service** delivers an output (product) that meets the needs of a client or target group. Municipal services are broken down into external and internal services. External services deliver value to named customers, such as issuing business licenses or providing registration for municipal recreation classes. Internal services deliver value to employees who deliver public services. For example, a fleet management service maintains Town vehicles and equipment, while a payroll service compensates municipal employees.
- A **Sub-service** exists where a Service can be categorized as having different outputs, clients or both.

The purpose of the service profiles is to present information on each of the Municipality's services, allowing the reader to understand:

- What does the service entail?
- What is the value provided by the service?
- What is the rationale for the Municipality's delivery of the service?
- How does the Municipality compare to other municipalities?
- Who are the direct and indirect customers for the service?
- What are the outputs of the service?

An overview of the service profile format is provided on the following pages.

Introduction to the Service Profiles

The Municipality of West Nipissing

Municipal Service Profile Council

Program General Government	Service Overview The Municipality is governed by an elected Council consisting of a Mayor and eight councillors each representing a ward within the Municipality. Consistent with Section 218 of the <i>Municipal Act</i> , the role of Council involves (i) representing the public and consider the well-being and interests of the Municipality; (ii) determining which services the Municipality provides; (iii) ensuring that administrative processes and policies are in place to implement the decisions of Council; (iv) ensuring the accountability and transparency of Municipal operations; and (v) maintaining the financial integrity of the Municipality. These activities are consistent with a strategic and governance role, with operational responsibility for executing Council's direction resting with the Municipality's CAO and senior management team.	Service Level <table><tr><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td></td><td></td><td></td></tr></table>	Below Standard	At Standard	Above Standard									
Below Standard	At Standard	Above Standard												
														
Organizational Unit Council		Basis of Delivery <table><tr><td>Mandatory</td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>	Mandatory	Essential	Traditional Discretionary	Non-Traditional Discretionary								
Mandatory														
Essential														
Traditional Discretionary														
Non-Traditional Discretionary														
Type of Service Internal and External	Service Value Council is responsible for determining the strategic vision of the Municipality and provides political representation to its residents. Effective governance contributes to accountability and transparency for the Municipality's operations, as well as its financial sustainability.	Performance and Benchmarking The Municipality has budgeted a total of \$191,943 in municipal taxation for the 2020 fiscal year, representing an average of 0.3% of household income. In comparison to the selected municipal comparators (6), the Municipality has the second lowest level of municipal taxation support for Council services, with the Municipality providing a level of taxation support per household that is 73% of the average of the comparator municipalities.												
Budget <table><tr><td>Operating Costs</td><td>\$</td><td>191,943</td></tr><tr><td>Revenues</td><td>\$</td><td>-</td></tr><tr><td>Net Levy</td><td>\$</td><td>191,943</td></tr><tr><td>FTEs</td><td></td><td>-</td></tr></table>	Operating Costs	\$	191,943	Revenues	\$	-	Net Levy	\$	191,943	FTEs		-	Basis for Delivery Mandatory – The <i>Municipal Act</i> establishes a requirement for a municipal council.	
Operating Costs	\$	191,943												
Revenues	\$	-												
Net Levy	\$	191,943												
FTEs		-												

1. Information concerning the organizational hierarchy, service type (external vs. internal), 2020 budget information and full-time equivalent employees ("FTE's").
2. Information concerning the nature of the service provided, including the type of programming offered by the Town.
3. Information concerning the way in which the service addresses the client's needs, including the public policy issues addressed by the service.
4. The rationale for the Municipality's involvement in the service, based on the following categories:
 - **Mandatory** – Services that are required to be delivered by regulation or legislation
 - **Essential** – Services that, while not mandatory, are required to be delivered in order to ensure public health and safety and/or the effective functioning the Municipality as a corporate body
 - **Traditional** – Non-mandatory, non-essential services that are typically delivered by municipalities of comparable size and complexity and for which a public expectation exists that the service will be provided
 - **Other Discretionary** – Services that are delivered at the direction of the Municipality without a formal requirement or expectation, including services that may not be delivered by other municipalities of comparable size and complexity

5. A comparison of performance indicators for the service for the Municipality against selected municipal comparators.

The Municipality of West Nipissing

Municipal Service Profile Council

Program		Service Overview		Service Level		
General Government		The Municipality is governed by an elected Council consisting of a Mayor and eight councillors each representing a ward within the Municipality. Consistent with Section 224 of the <i>Municipal Act</i>, the role of Council involves (i) representing the public and consider the well-being and interests of the Municipality; (ii) determining which services the Municipality provides; (iii) ensuring that administrative processes and policies are in place to implement the decisions of Council; (iv) ensuring the accountability and transparency of Municipal operations; and (v) maintaining the financial integrity of the Municipality. These activities are consistent with a strategic and governance role, with operational responsibility for executing Council's direction resting with the Municipality's CAO and senior management team.		Below Standard	At Standard	Above Standard
Organizational Unit						
Council						
Type of Service						
Internal and External						
Budget		Service Value		Performance and Benchmarking		
Operating Costs	\$ 191,943	Council is responsible for determining the strategic direction of the Municipality and provides political representation to its residents. Effective governance contributes towards accountability and transparency for the Municipality's operations, as well as its financial sustainability.		The Municipality has budgeted a total of \$191,943 in municipal taxation support for Municipal Council during the 2020 fiscal year, representing an average of \$27.37 per household. In comparison to the selected municipal comparators (6), the Municipality has the second lowest level of municipal taxation support for Council services, with the Municipality providing a level of taxation support per household that is 73% of the average of the comparator municipalities.		
Revenues	\$ -					
Net Levy	\$ 191,943					
FTEs	-					
		Basis for Delivery				
		Mandatory – The <i>Municipal Act</i> establishes the requirement for a municipal council.				

The Municipality of West Nipissing

Municipal Service Profile Council

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	• Municipal departments • Residents of the Municipality receiving the benefit of political representation • Other municipalities that collaborate with the Municipality
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Individuals and organizations benefiting from the Municipality's services • Municipal employees
Service Output	The output of a service that fulfills a recognized client's need.	(1) Political representation, including resolution of constituency matters and issues (2) Compliance with public accountability and transparency requirements (3) Administrative policies and procedures (4) Municipal by-laws
Service Output Level	The quantum of service outputs provided to direct clients.	Council is comprised of nine individuals, including the Mayor and eight elected representatives. Council is scheduled to meet monthly, with additional committee and special meetings held throughout the year. During 2019, there were 22 regular council meetings, three to four council meetings related to the budget and one special meeting.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own resources - Council activities are provided through the Municipality's own resources.

The Municipality of West Nipissing

Municipal Service Profile Cemetery

Program		Service Overview				
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The Municipality of West Nipissing

Municipal Service Profile Cemetery

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	• Municipal residents • Visitors to the Municipality's cemeteries • Non residents • Funeral Homes
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Family members of deceased individuals • Genealogists
Service Output	The output of a service that fulfills a recognized client's need.	(1) Plot sales (2) Internments (3) Care and maintenance of cemetery grounds
Service Output Level	The quantum of service outputs provided to direct clients.	During 2020, 10 (2019 - 3) casket burials and 37 (2019 - 47) cremation burials were made at the Municipality's cemeteries.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Combined - The Municipality uses its own resources for the delivery of cemetery services, with contractors hired for grass cutting and general maintenance as required. The Municipality has no dedicated cemetery staff.

The Municipality of West Nipissing

Municipal Service Profile Corporate Services

Program General Government		Service Overview The Corporate Services department includes Finance, Human Resources, Information and Communications Technology and is responsible for the provision of internal services to the Municipality. The department provides administrative services that support the work of the Municipal Council as well as management and staff of other departments in the delivery of efficient Municipal services and leads the development and delivery of corporate-wide administrative policies, systems and services, and provides financial advice other Municipal departments and to member of Council.			
Organizational Unit Corporate Services					
Type of Service Internal and External					
Budget					
Operating Costs	\$ 3,187,736				
Revenues	\$ (1,290,643)				
Net Levy	\$ 1,897,093				
FTEs	10.5				
		Service Value Council is responsible for determining the strategic direction of the Municipality and provides political representation to its residents. Effective governance contributes towards accountability and transparency for the Municipality's operations, as well as its financial sustainability.		Performance and Benchmarking The Municipality has budgeted a total of \$1,897,093 in municipal taxation support for corporate services during the 2020 fiscal year, representing an average of \$454.55 per household. In comparison to the selected municipal comparators, the Municipality has the second lowest level of municipal taxation support for corporate services, with the Municipality providing a level of taxation support per household that is 85% of the average of the comparator municipalities.	
		Basis for Delivery Mandatory – The Municipal Act establishes the requirement to appoint a treasurer and also establishes other requirements associated with the financial administration of municipalities. In addition, other legislation can mandate specific financial requirements (e.g. asset management planning as a requirement under the Infrastructure For Jobs and Prosperity Act). A number of different acts mandate personnel-related policies and processes for Ontario municipalities, including but not limited to the Ontario Human Rights Code, the Employment Standards Act, the Occupational Health and Safety Act and the Accessibility for Ontarians with Disability Act.			

The Municipality of West Nipissing

Municipal Service Profile Corporate Services

Profile Component	Definition									
Direct Client	A party that receives a service output and a service value.	• Municipal Council • Municipal departments • Municipal employees • Senior levels of government • Other municipalities that collaborate with the Municipality								
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Individuals and organizations benefiting from the Municipality's services • Senior levels of government								
Service Output	The output of a service that fulfills a recognized client's need.	(1) Advice and assistance to Council and Municipal departments (2) Strategic and operational decision making and problem resolution (3) Acquiring and providing financial resources (4) Providing information and advice on financial matters (5) Preparing and submitting all required financial reporting (6) Transaction processing (7) Administrative policies and procedures (8) Oversight and management of Municipal operations (9) Communications and information dissemination with respect to the Municipality's services, initiatives and other matters (10) Provision of payroll services								
Service Output Level	The quantum of service outputs provided to direct clients.	Corporate services are administered by Municipal employees as follows: <table><tr><th><u>Department</u></th><th><u>FTEs</u></th></tr><tr><td>Finance</td><td>6</td></tr><tr><td>Information Technology</td><td>1.5</td></tr><tr><td>Clerks</td><td>2</td></tr></table> There is no dedicated Human Resources personnel.	<u>Department</u>	<u>FTEs</u>	Finance	6	Information Technology	1.5	Clerks	2
<u>Department</u>	<u>FTEs</u>									
Finance	6									
Information Technology	1.5									
Clerks	2									
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own resources - Corporate Services activities are provided through the Municipality's own resources.								

The Municipality of West Nipissing

Municipal Service Profile Financial Services

Program General Government		Service Overview Finance provides a wide range of administrative and financial services to Council, Municipal departments and the public, including (i) budgeting and financial planning, including asset management planning; (ii) financial policy and process development; (iii) taxation processing, including tax policy development; (iv) transaction processing (revenues and receipts, purchases and payables, payroll); (iv) external and internal financial reporting; and (v) grant applications and reporting. Finance is also responsible for procurement of goods and services, inventory management, sale of surplus assets and activities involving insurance and risk management.		<table><tr><td colspan="2"></td><th colspan="2">Service Level</th></tr><tr><td colspan="2"></td><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="3" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>					Service Level				Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional Discretionary	Non-Traditional Discretionary
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Basis of Delivery	Mandatory																						
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Organizational Unit Corporate Services																							
Type of Service Internal and External																							
Budget <table><tr><td>Operating Costs</td><td></td></tr><tr><td>Revenues</td><td></td></tr><tr><td>Net Levy</td><td>\$ -</td></tr><tr><td>FTEs</td><td></td></tr></table>		Operating Costs		Revenues		Net Levy	\$ -	FTEs		Service Value Finance contributes to the financial sustainability of the Municipality by undertaking financial planning, analysis and policy development that allows for the execution of Council's strategic direction. It facilitates the ability of other departments to deliver municipal services at the intended level of service by managing the procurement of goods and services and ensuring the timely and accurate processing of financial transactions, including the collection of revenues and payment of personnel and suppliers. Financial reporting also ensures transparency with respect to the Municipality's financial performance and position, providing Council, taxpayers, funding agencies and other parties with credible and timely financial information.		Performance and Benchmarking Please refer to the service profile for Corporate Services for financial benchmarking information.											
Operating Costs																							
Revenues																							
Net Levy	\$ -																						
FTEs																							
		Basis for Delivery Mandatory – The Municipal Act establishes the requirement to appoint a treasurer and also establishes other requirements associated with the financial administration of municipalities. In addition, other legislation can mandate specific financial requirements (e.g. asset management planning as a requirement under the Infrastructure For Jobs and Prosperity Act).																					

The Municipality of West Nipissing

Municipal Service Profile Financial Services

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	• Municipal Council • Municipal departments • Municipal employees • Senior levels of government • Other municipalities that collaborate with the Municipality
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Individuals and organizations benefiting from the Municipality's services • Senior levels of government
Service Output	The output of a service that fulfills a recognized client's need.	(1) Advice and assistance to Council and Municipal departments (2) Strategic and operational decision making and problem resolution (3) Acquiring and providing financial resources (4) Providing information and advice on financial matters (5) Preparing and submitting all required financial reporting (6) Transaction processing (7) Administrative policies and procedures
Service Output Level	The quantum of service outputs provided to direct clients.	The Municipality's finance department provided transaction processing, reporting and analysis relating to all aspects of the Municipality's operations. During 2019, the finance department: • Managed taxation billings and collections for the Municipality and school boards, with total billings of \$17.4 million from 8,773 separate taxation accounts. • Issued 2,886 cheques and 1,404 electronic fund transfers • Processed payroll for 326 employees
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own resources - Financial Services are provided through the Municipality's own resources.

The Municipality of West Nipissing

Municipal Service Profile Information Technology

Program General Government		Service Overview Information Technology supports the investigation, development and implementation of new applications and technology designed to create efficiencies and service enhancements in all operational areas. IT also plans, builds, secures and sustains the enterprise architecture required to support all software applications, computer equipment and telecommunications networks used in support of municipal service delivery. IT also provides the Municipality with information and data management, information security and data analysis, including protection from and responses to cybersecurity attacks.		<table><tr><td colspan="2"></td><td colspan="3">Service Level</td></tr><tr><td colspan="2"></td><td>Below Standard</td><td>At Standard</td><td colspan="2">Above Standard</td></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="4" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>					Service Level					Below Standard	At Standard	Above Standard		Basis of Delivery	Mandatory					Essential	Traditional Discretionary	Non-Traditional Discretionary
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Operating Costs																										
Revenues																										
Net Levy	\$ -																									
FTEs																										
		Basis for Delivery Essential – Information technology is critical to the effective and efficient delivery of municipal services.																								

The Municipality of West Nipissing

Municipal Service Profile Information Technology

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	• Municipal Council • Municipal departments • Municipal employees • Senior levels of government • Other municipalities that collaborate with the Municipality
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Individuals and organizations benefiting from the Municipality's services
Service Output	The output of a service that fulfills a recognized client's need.	(1) Planning (2) IT systems management and support (3) IT and information security (4) Advice and assistance to other Municipal departments (5) Information data management (6) Data analysis
Service Output Level	The quantum of service outputs provided to direct clients.	Information technology is responsible for meeting the hardware, software, peripheral and telecommunication requirements of the Municipality's 300+ full and part-time employees. It is responsible for the management and maintenance of servers, a number of key software programs (e.g. CGIS, Vadim/iCity) and cyber security risk management, including the detection and response to attempted cyber intrusions.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own resources - Information technology operational services are provided by the Municipality through its own resources.

The Municipality of West Nipissing

Municipal Service Profile Roads and Stormwater

Program Public Works		Service Overview Public Works oversees and is responsible for all road and stormwater maintenance activities within the Municipality's right-of-way, which includes (i) winter control (patrol, plowing, sanding and salting); (ii) roads and bridge repair (pothole patching, utility cut repairs, crack sealing, limited resurfacing); (iii) roadside maintenance (culvert maintenance and repairs, shoulder maintenance, brushing and ditching, debris and invasive species removal); (iv) maintenance of signage and traffic signals; (v) sidewalk maintenance and (vi) streetlight maintenance. Public Works is also responsible for ensuring the completion of legislative requirements (e.g. bi-annual bridge inspections, sign reflectiveness testing).		<table><tr><td colspan="2"></td><th colspan="3">Service Level</th></tr><tr><td colspan="2"></td><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="3" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>					Service Level					Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional Discretionary	Non-Traditional Discretionary
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	Non-Traditional Discretionary																							
Organizational Unit Roads and stormwater Municipal drains																								
Type of Service External																								
Budget				Performance and Benchmarking The Municipality has budgeted a total of \$4,981,157 in municipal taxation support for roads-related operating activities (roads, sidewalks, streetlights, crossing guards) during the 2020 fiscal year, representing an average of \$4,560 per lane kilometer of the municipal road network. In comparison to the selected municipal comparators for which costs relating to roads is publicly available (5), the Municipality's level of taxation support for roads-related costs is in the lowest, with the Municipality providing a level of taxation support that is 42% of the comparator average.																				
Operating Costs	\$ 5,016,157																							
Revenues	\$ (35,000)																							
Net Levy	\$ 4,981,157																							
FTEs	24.0																							
		Service Value The municipal road network provides effective, efficient and safe vehicular movements of passengers and freight across the Municipality, providing connectivity with major transportation corridors and other communities. Effective and efficient road transportation contributes towards public health and safety, environmental protection and economic prosperity.																						
		Basis for Delivery Mandatory - Section 44(1) of the Municipal Act 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 239/02: 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, with Ontario municipalities able to adopt their own standards.																						

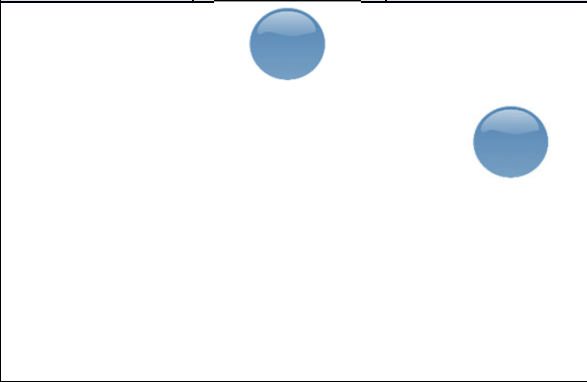
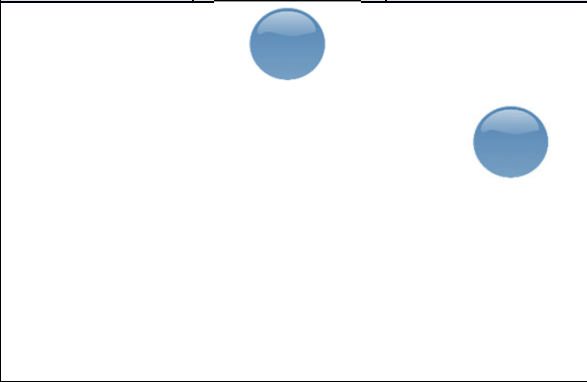
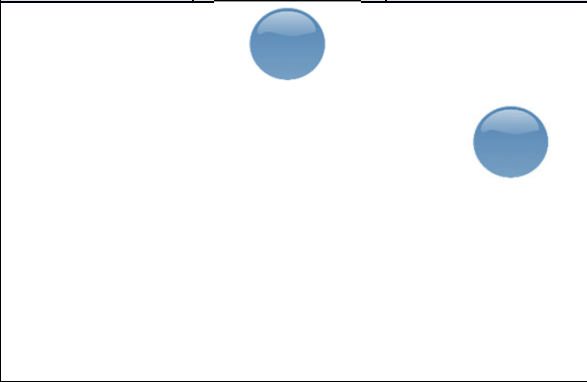
The Municipality of West Nipissing

Municipal Service Profile Roads and Stormwater

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Residents and visitors that utilize the Municipality's road network - Private and public sector organizations that benefit from road transportation - Property owners protected from flooding by effective stormwater management
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	Residents of and organizations in the Municipality that benefit from the effective movement of people and goods
Service Output	The output of a service that fulfills a recognized client's need.	(1) Winter roads maintenance (2) Road and bridge maintenance and repairs (3) Roadside maintenance (4) Stormwater management infrastructure maintenance (5) Maintenance of signage and traffic signals (6) Sidewalk maintenance and repairs
Service Output Level	The quantum of service outputs provided to direct clients.	The Municipality performs year-round maintenance activities on 1,100 lane kilometers (222 km paved, 878 km unpaved) of roadways and operates one Public Works depot. Public Works maintains a fleet of 58 vehicles and equipment units.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own Resources - Roads maintenance is performed predominantly by the Municipality's own resources, although contractors and consultants will be retained as required to provide specialized services (e.g. crack sealing and street sweeping) or to supplement Municipal resources during peak demand periods.

The Municipality of West Nipissing

Municipal Service Profile Environmental

Program Water and Sewer		Service Overview Environmental Services is responsible for solid waste management services, which include the operation of seven landfill sites. Environmental Services is also responsible for waste diversion program, including the Municipality's recycling program. The Municipality offers curbside pick up for solid waste and recycling and each landfill site includes recycling bins for cardboard, newspapers, glass, tin, aluminum and plastics.		<table><tr><td colspan="2"></td><th colspan="3">Service Level</th></tr><tr><th colspan="2"></th><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="3" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>				Service Level					Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional Discretionary	Non-Traditional Discretionary
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Basis of Delivery	Mandatory																						
	Essential																						
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	Non-Traditional Discretionary																						
Organizational Unit Environmental Services - Solid Waste																							
Type of Service Internal and External		Service Value Solid waste management contributes towards the environmental health of the Municipality by providing residents and other service users with waste disposal opportunities at the landfill sites and other public spaces. The Municipality's recycling and diversion programs contribute towards the extension of the useful life of its landfill by diverting recyclable materials, deferring closure and post-closure costs and providing a financial benefit to ratepayers.		Performance and Benchmarking The Municipality fully recovers the cost of environmental services through user fees, with no associated municipal taxation support. This is consistent with best/common practices for Ontario municipalities. The Municipality has budgeted costs of \$1,610,837 for environmental services (waste removal, waste diversion) during the 2020 fiscal year, representing an average of \$159.74 per tonne of waste collected. In comparison to the selected municipal comparators for which costs relating to waste/waste diversion is publicly available (4), the Municipality's costs are in the mid-range of the comparator municipalities, with the Municipality providing a level of support that is 79% of the comparator average. The Municipality had a waster diversion rate of 14% in 2018; in comparison to the selected municipal comparators, the Municipality's diversion rate is in the mid-range.																			
Budget <table><tr><td>Operating Costs</td><td>1,610,837</td></tr><tr><td>Revenues</td><td>\$ (1,610,837)</td></tr><tr><td>Net Levy</td><td>\$ -</td></tr><tr><td>FTEs</td><td>2.0</td></tr></table>		Operating Costs	1,610,837	Revenues	\$ (1,610,837)	Net Levy	\$ -	FTEs	2.0	Basis for Delivery Essential - The provision of waste management is not mandated by legislation or regulation but is considered essential for public health and safety. Mandatory - The Environmental Protection Act (Ontario Regulation 101/94 - Recycling and Composting of Municipal Waste) establishes a requirement for recyclables and leaf and yard waste where a municipality's population exceeds 5,000 residents.													
Operating Costs	1,610,837																						
Revenues	\$ (1,610,837)																						
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FTEs	2.0																						

The Municipality of West Nipissing

Municipal Service Profile Environmental

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Residents and organizations that utilize the Municipality's landfill sites - Residents and other users that utilize waste collection facilities located in public spaces - Organizations that purchase recycled materials from the Municipality
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	Residents of and organizations in the Municipality that benefit from effective solid waste management and diversion programs
Service Output	The output of a service that fulfills a recognized client's need.	(1) Landfill operations (2) Ministry reporting (3) Recycling and diversion programs
Service Output Level	The quantum of service outputs provided to direct clients.	The Municipality's waste management infrastructure is comprised of seven landfills, with recycling available at each site. During 2018, a total of 10,084 tonnes of solid waste was received by the Municipality at its landfills, of which 1,399 tonnes were diverted.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Combined - Landfill management is provided through the Municipality's own resources, waste removal services are contracted out to a related party and household hazardous waste services are contracted out to the City of North Bay.

The Municipality of West Nipissing

Municipal Service Profile Wastewater Collection and Treatment

Program Water and Sewer		Service Overview The Municipality operates a wastewater collection and treatment system that consists of two wastewater treatment plants and a lagoon. In addition to wastewater treatment, the Municipality also performs required maintenance of the collection network, laboratory testing and reporting to the regulatory agencies.		<table><tr><td colspan="2"></td><th colspan="3">Service Level</th></tr><tr><th colspan="2"></th><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="3" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>				Service Level					Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional Discretionary	Non-Traditional Discretionary
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Basis of Delivery	Mandatory																						
	Essential																						
	Traditional Discretionary																						
	Non-Traditional Discretionary																						
Organizational Unit Water/Wastewater																							
Type of Service Internal and External		Service Value Wastewater management contributes towards the environmental health of the Municipality by ensuring the effective treatment of wastewater flows prior to discharge into the environment. This provides public health protection to residents by effectively managing waterborne contaminants and facilitates the continued growth of the Municipality (population and economic) by planning for needed infrastructure and capacity.		Performance and Benchmarking The Municipality fully recovers the cost of wastewater services through user fees, with no associated municipal taxation support. This is consistent with best/common practices for Ontario municipalities. The Municipality has budgeted costs of \$792,180 for wastewater services during the 2020 fiscal year, representing an average of \$350.76 per megaliter of wastewater. In comparison to the selected municipal comparators for which costs relating to wastewater is publicly available (2), the Municipality's costs are in the mid-range of the comparator municipalities, with the Municipality providing a level of support that is 51% of the comparator average.																			
Budget <table><tr><td>Operating Costs</td><td>\$</td><td>792,180</td></tr><tr><td>Revenues</td><td>\$</td><td>(792,180)</td></tr><tr><td>Net Levy</td><td>\$</td><td>-</td></tr><tr><td>FTEs</td><td></td><td>-</td></tr></table>		Operating Costs	\$	792,180	Revenues	\$	(792,180)	Net Levy	\$	-	FTEs		-	Basis for Delivery Essential – The provision of effective wastewater management is critical to ensuring the public health and safety of residents. Where municipalities choose to maintain these systems, the provisions of the legislation such as the <i>Ontario Water Resources Act</i> , the <i>Municipal Drainage Act</i> , <i>Clean Water Act</i> and <i>Canadian Environmental Protection Act</i> – and their associated regulations – dictate service level requirements for municipalities.									
Operating Costs	\$	792,180																					
Revenues	\$	(792,180)																					
Net Levy	\$	-																					
FTEs		-																					

The Municipality of West Nipissing

Municipal Service Profile Wastewater Collection and Treatment

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Property owners that benefit from wastewater collection and treatment activities - Regulatory agencies receiving reports concerning wastewater treatment
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	Municipal residents and visitors that benefit from effective treatment of wastewater
Service Output	The output of a service that fulfills a recognized client's need.	(1) Wastewater collection and treatment (2) Laboratory testing (3) Regulatory reporting (4) Environmental programs
Service Output Level	The quantum of service outputs provided to direct clients.	On an annual basis, the Municipality treats more than 2.2 million cubic meters of wastewater.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own Resources - Wastewater collection and treatment activities are undertaken predominantly through the use of the Municipality's own resources.

The Municipality of West Nipissing

Municipal Service Profile Water Treatment

Program Water and Sewer		Service Overview The Municipality operates a water treatment system that consists of two water treatment plants, with daily capacities of 14,200 m³ and 2,725 m³ respectively. In addition to water treatment, the Municipality also performs required maintenance of the collection network, laboratory testing and reporting to the regulatory agencies.		<table><tr><td colspan="2"></td><td colspan="3">Service Level</td></tr><tr><td colspan="2"></td><td>Below Standard</td><td>At Standard</td><td colspan="2">Above Standard</td></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="4" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>					Service Level					Below Standard	At Standard	Above Standard		Basis of Delivery	Mandatory					Essential	Traditional Discretionary	Non-Traditional Discretionary
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Basis of Delivery	Mandatory																									
	Essential																									
	Traditional Discretionary																									
	Non-Traditional Discretionary																									
Organizational Unit Water and Sewer																										
Type of Service Internal and External				Performance and Benchmarking The Municipality fully recovers the cost of water treatment services through user fees, with no associated municipal taxation support. This is consistent with best/common practices for Ontario municipalities. The Municipality has budgeted costs of \$3,237,430 for water services during the 2020 fiscal year, representing an average of \$49,807 per kilometer of water distribution and \$1,906 per megaliter of drinking water treated. In comparison to the selected municipal comparators for which costs relating to water treatment is publicly available (2), the Municipality's costs are the highest of the comparator municipalities.																						
Budget <table><tr><td>Operating Costs</td><td>\$</td><td>3,237,430</td></tr><tr><td>Revenues</td><td>\$</td><td>(3,237,430)</td></tr><tr><td>Net Levy</td><td>\$</td><td>-</td></tr><tr><td>FTEs</td><td></td><td>9.0</td></tr></table>		Operating Costs	\$	3,237,430	Revenues	\$	(3,237,430)	Net Levy	\$	-	FTEs		9.0	Service Value Water management contributes towards the environmental health of the Municipality by ensuring the effective treatment of water flows prior to consumption by residents. This provides public health protection to residents by effectively managing waterborne contaminants and facilitates the continued growth of the Municipality (population and economic) by planning for needed infrastructure and capacity.												
Operating Costs	\$	3,237,430																								
Revenues	\$	(3,237,430)																								
Net Levy	\$	-																								
FTEs		9.0																								
		Basis for Delivery Essential – The provision of effective water management is critical to ensuring the public health and safety of residents. Under the Municipal Act, there is no requirement for municipalities to maintain water management systems. Where municipalities choose to maintain these systems, the provisions of the legislation such as the <i>Ontario Water Resources Act</i> , <i>Safe Drinking Water Act</i> , <i>Clean Water Act</i> , <i>Environmental Protection Act</i> and <i>Sustainable Water and Sewage Systems Act</i> – and their associated regulations – dictate service level requirements for municipalities.																								

The Municipality of West Nipissing

Municipal Service Profile Water Treatment

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Property owners that benefit from water treatment activities - Regulatory agencies receiving reports concerning water treatment
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	Municipal residents and visitors that benefit from effective treatment of water
Service Output	The output of a service that fulfills a recognized client's need.	(1) Water treatment (2) Laboratory testing (3) Regulatory reporting (4) Environmental programs
Service Output Level	The quantum of service outputs provided to direct clients.	On an annual basis, the Municipality treats more than 1.7 million cubic meters of drinking water.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own Resources - Water treatment activities are undertaken predominantly through the use of the Municipality's own resources.

The Municipality of West Nipissing

Municipal Service Profile Community Services

Program		Service Overview		Service Level		
Community Services		Community Services in the Municipality include the West Nipissing Community & Recreation Centre which features an indoor waterslide, fitness centre and arena, as well as a number of maintained parks, sports fields, golf courses, tennis courts, beaches, marinas, playgrounds, splash parks and halls. The Municipality operates two indoor arenas, with the Sturgeon Falls arena available for use between late August and late March/early April annual, and the Verner arena available from the end of September to March annually.		Below Standard	At Standard	Above Standard
Organizational Unit						
Community Services						
Type of Service						
Internal and External						
Budget		Service Value		Performance and Benchmarking		
Operating Costs	\$ 3,897,123	Recreation activities provide social opportunities, social skill development, practical skill development in a variety of areas, increased self-esteem, enhanced health awareness and harm reduction through prevention programs. They contribute towards the overall quality of life for residents as well as the attractiveness of the community for new residents.		The Municipality budgeted a total of \$3,162,623 in municipal taxation support during the 2020 fiscal year for community services, representing an average of \$555.70 per household. In comparison to the selected comparators for which costs relating community services is publicly available (5), the Municipality has the second highest level of municipal taxation support for community services, with the Municipality providing a level of taxation support per household that is 129% of the average of the comparator municipalities. We note, however, that in comparison to the selected comparators, the Municipality has the lowest level of cost recoveries from user fees.		
Revenues	\$ (734,500)					
Net Levy	\$ 3,162,623					
FTEs	18.0					
		Basis for Delivery				
		Traditional Discretionary – The maintenance of park areas recreational facilities and delivery of recreational programming is a traditional municipal service.				

The Municipality of West Nipissing

Municipal Service Profile Community Services

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Residents participating in recreational activities - Sports groups and other organizations renting facilities at the various facilities - Individuals and organizations utilizing municipal infrastructure for community events
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	- Members of sports groups and organizations participating in activities at the facilities - Family members of facility users
Service Output	The output of a service that fulfills a recognized client's need.	(1) Ice and facility rentals (2) Recreational and educational programming (child, adult and family) (3) Seniors' programming (4) Lifeguard supervision and response (5) Boat launch and removal (6) Fuel sales (7) Dredging (8) Maintenance of parks and open spaces (9) Maintenance of sports fields, courts and other outdoor recreational facilities (10) Facilities maintenance
Service Output Level	The quantum of service outputs provided to direct clients.	- During 2019, swimming lessons were provided at the complex to 611 participants - The Museum held 13 events during 2019, with a total of 248 participants - There were a total of 104 gym memberships during 2019 - During 2020, there were 15 individuals on a wait list to purchase one of the Municipality's 40 boat slips
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Combined - The Municipality uses its own resources for the operation of the community services, with the Municipality's beautification projects undertaken by volunteers.

The Municipality of West Nipissing

Municipal Service Profile Library

Program Community Services		Service Overview The Municipality provides library services to residents of West Nipissing and surround communities from five branches - the main West Nipissing Public Library and satellite branch locations in Cache Bay, Field, River Valley and Verner. The Library provides access to hardcopy and electronic circulating and reference titles, CD's and DVD's, electronic periodicals and electronic databases. The Library also provides internet access through workstations available to the public as well as the use of the branches as wireless hotspots for residents. Additionally, the branches host a variety of programs and activities for residents.		<		
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The Municipality of West Nipissing

Municipal Service Profile Library

Profile Component	Definition																			
Direct Client	A party that receives a service output and a service value.	- Residents that access the Board's collections and other materials - Residents utilizing wireless hotspots - Individuals participating in library-organized programs																		
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.																			
Service Output	The output of a service that fulfills a recognized client's need.	(1) Access to physical and electronic publications and other resources (2) Internet access through workstations (3) Wireless access through hotspots (4) Meeting facilities (5) Community programming																		
Service Output Level	The quantum of service outputs provided to direct clients.	During 2019, the Board reported a total of 3,853 active cardholders, representing a decrease of 70 from 2018.. Additional activity statistics are included below: <table> <thead> <tr> <th></th><th><u>2019</u></th><th><u>2018</u></th></tr> </thead> <tbody> <tr> <td>Counter visits</td><td>33,200</td><td>40,250</td></tr> <tr> <td>Circulation</td><td>44,876</td><td>43,518</td></tr> <tr> <td>Programs offered</td><td>93</td><td>67</td></tr> <tr> <td>Program attendance</td><td>1,202</td><td>529</td></tr> <tr> <td>Individuals using computers</td><td>5,500</td><td>6,700</td></tr> </tbody> </table>		<u>2019</u>	<u>2018</u>	Counter visits	33,200	40,250	Circulation	44,876	43,518	Programs offered	93	67	Program attendance	1,202	529	Individuals using computers	5,500	6,700
	<u>2019</u>	<u>2018</u>																		
Counter visits	33,200	40,250																		
Circulation	44,876	43,518																		
Programs offered	93	67																		
Program attendance	1,202	529																		
Individuals using computers	5,500	6,700																		
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Third party - Library services are provided through a separate board established under the Public Libraries Act.																		

The Municipality of West Nipissing

Municipal Service Profile Economic Development

Program		Service Overview		<table><tr><td colspan="2"></td><th colspan="3">Service Level</th></tr><tr><td colspan="2"></td><th>Below Standard</th><th>At Standard</th><th>Above Standard</th></tr><tr><td rowspan="4">Basis of Delivery</td><td>Mandatory</td><td colspan="3" rowspan="4"></td></tr><tr><td>Essential</td></tr><tr><td>Traditional Discretionary</td></tr><tr><td>Non-Traditional Discretionary</td></tr></table>					Service Level					Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional Discretionary	Non-Traditional Discretionary
		Service Level																						
		Below Standard	At Standard				Above Standard																	
Basis of Delivery	Mandatory																							
	Essential																							
	Traditional Discretionary																							
	Non-Traditional Discretionary																							
Community Services		Economic Development promotes quality of life through community development, seeks to attract new investment and enhances sustainable development and the environment thereby creating employment for the people who live or plan to live in West Nipissing. The Economic Development department endeavours to investigate and pursue economic opportunities for the purpose of job creation and enhancing community prosperity.																						
Organizational Unit		Economic Development is currently in a state of progress, with work underway to define and formalize the function.																						
Economic Development																								
Type of Service		Service Value		Performance and Benchmarking																				
Internal and External		Successful economic development contributes to the expansion and diversification of the local economy, creating employment and business opportunities for residents and supporting existing businesses.		The Municipality has budgeted a total of \$86,999 in municipal taxation support during the 2020 fiscal year for economic development, representing an average of \$21.26 per household. In comparison to the selected municipal comparators for which costs relating to economic development is publicly available (5), the Municipality has the lowest level of municipal taxation support for economic development, with the Municipality providing a level of taxation support per household that is 34% of the average of the comparator municipalities.																				
Budget		Basis for Delivery																						
Operating Costs	\$ 149,099	Traditional Discretionary – Economic development is an activity that is commonly undertaken by municipalities of comparable size.																						
Revenues	\$ (62,100)																							
Net Levy	\$ 86,999																							
FTEs	-																							

The Municipality of West Nipissing

Municipal Service Profile Economic Development

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	- Local businesses - Community and industry associations - Municipal departments that receive advice and input on economic development matters - Inbound investors and other parties interested in the community from a business perspective
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	Residents and local businesses that benefit from economic development activities
Service Output	The output of a service that fulfills a recognized client's need.	- External marketing activities - Strategy development and planning - Data collection and analysis - Information distribution to potential investors and other parties
Service Output Level	The quantum of service outputs provided to direct clients.	
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own Resources - Economic development is provided primarily through the Municipality's resources.

The Municipality of West Nipissing

Municipal Service Profile Planning & Development

Program		Service Overview		Service Level			
Planning and Development		The Building and Planning Services department is responsible for both Building and Planning activities. Planning Services is responsible for the review, processing and approval of all planning applications under the Planning Act, R.S.O 1990, c.P. 19, as amended, and heritage applications under the Ontario Heritage Act, R.S.O 1990, c.O. 18, as amended. Building Services is responsible for administering permit applications and issuance, conducting inspections in accordance with the Ontario Building Code and the Municipality's zoning by-law, as well as other applicable laws and regulations to ensure the standards for construction and plumbing are consistent throughout the Province.		Below Standard	At Standard	Above Standard	
Organizational Unit				Basis of Delivery			
Planning							
Building							
Heritage							
Emergency Services							
Type of Service		Service Value		Performance and Benchmarking			
Internal and External		Planning and Development ensures that growth in the community proceeds in a manner that is consistent with the Municipality's vision as defined in the Official Plan. Effective planning contributes towards maximizing infrastructure utilization and minimizing environmental pressures while preserving the atmosphere and image of the various communities within the Municipality. Building services contribute towards the protection of public health and safety by ensuring compliance with the Building Code Act, the Ontario Building Code, the zoning by-law and other applicable regulations relating to building construction projects.		The Municipality budgeted a total of \$291,816 in municipal taxation support for planning and development services during the 2020 fiscal year, representing an average of \$23.18 per \$1,000 of development activity (based on the three year average of building permits issued). In comparison to the selected municipal comparators for which costs relating to planning services is publicly available (4), the Municipality has the lowest level of municipal taxation support for planning and development services, with the Municipality providing a level of taxation support per \$1,000 of development activity that is 11% of the average of the comparator municipalities.			
Budget		Basis for Delivery					
Operating Costs	\$ 458,316	Mandatory – The <i>Planning Act</i> establishes the responsibility for municipalities to make local planning decisions that will determine the future of their community. The <i>Planning Act</i> also requires municipalities to ensure planning decisions and planning documents are consistent with the Provincial Policy Statement and are in conformity with the municipal official plan. Mandatory - Pursuant to <i>Section 3.1</i> of the <i>Building Code Act</i>, municipalities are mandated with the responsibility to enforce the Ontario Building Code and in doing so, are required to appoint a Chief Building Official and such inspectors under <i>Section 3(2)</i> of the <i>Building Code Act</i>.					
Revenues	\$ (166,500)						
Net Levy	\$ 291,816						
FTEs	3.0						

The Municipality of West Nipissing

Municipal Service Profile Planning & Development

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	• Municipal departments involved in or affected by planning and growth issues • Members of the development community • Property owners consulted as part of the planning application process • Heritage property owners • Property owners within Community Improvement Plan areas • Individuals or companies undertaking construction, renovation or other building-related projects that require permits
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	• Residents and property owners that benefit from planning activities • Community stakeholder groups with interests in development decisions • Individuals purchasing homes directly from contractors/developers • Individuals purchasing homes on the resale market • Title insurers who rely on building approvals
Service Output	The output of a service that fulfills a recognized client's need.	(1) Official Plan updates (2) Development application processing and approvals (including consultation) (3) Assistance and advice to development community (4) Assistance and advice to Municipal departments (5) Special planning and heritage projects (6) Community improvement plan administration (7) Reviews of construction plans as part of the building permit issuance process (8) Inspections during construction (9) Final occupancy inspections (10) Assistance and advice on building and zoning matters
Service Output Level	The quantum of service outputs provided to direct clients.	During 2020, the Municipality issued a total of 267 permits with an associated construction value of \$23.8 million. In comparison, the Municipality issued 395 permits in 2019, with an associated value of \$21.3 million.
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Own resources - Building and Planning services are provided through the Municipality's own resources.



Municipality of West Nipissing

Service Delivery Review

Appendix B
Comparative Analysis



Comparative Analysis

For the purposes of the review, 17 municipal benchmarking indicators were developed with the Municipality's services being compared against six similar municipalities in Ontario.

Municipality	Governance Model	Population ¹	Households ¹	Area (KM ²) ¹
West Nipissing	Single Tier	14,364	7,013	1,993.63
Temiskaming Shores	Single Tier	9,920	4,673	178.11
Elliot Lake	Single Tier	10,741	6,259	714.65
Kenora	Single Tier	15,096	7,376	211.59
Pembroke	Single Tier	13,882	6,685	14.56
Prince Edward	Single Tier	24,735	12,899	1,050.49
West Grey	Lower Tier	12,518	5,648	876.16

¹ – Schedule 2 – Financial Information Returns

Based on the results of the comparative analysis as shown on the following pages, the majority of the Municipality's financial indicators place the Municipality at either the low end or the average of the comparative group.

Please note that municipal comparisons do not provide for absolute results with respect to service delivery for the purposes of the review. The comparative analysis provides the ability to compare financial performance and determine where they may be opportunities to adjust service levels to the common standard which may increase operating costs if the Municipality is the low cost service provider and there is evidence of services/operations not currently being delivered and/or decrease operating costs if a service is brought in line with the comparator group.

Comparative Analysis

Service	Indicator	West Nipissing	Comparator Municipalities		
			Low	High	Average
General Government	Administrative Services - Operating costs per household	\$454.55	\$384.15	\$670.93	\$534.02
	Mayor and Council – Operating costs per household	\$27.37	\$25.68	\$48.71	\$37.66
	Cemeteries – Operating costs per household	\$10.74	\$13.79	\$16.04	\$14.01
Community Services	Community Services – Operating costs per household	\$555.70	\$260.21	\$576.80	\$429.26
	Community Services – Level of cost recovery generated through user fees	18.1%	20.3%	51.6%	30.6%
	Library – Net operating costs per household	\$77.16	\$79.26	\$93.74	\$84.81
	Library – Level of cost recovery generated through user fees	2.4%	3.0%	6.5%	4.0%
Planning and Development	Planning – Operating costs per million dollars of activity	\$23.18	\$26.47	\$889.84	\$207.99
	Planning – Level of cost recovery generated through user fees	31.9%	10.3%	38.0%	27.6%
	Economic Development– Operating costs per household	\$21.26	\$57.52	\$105.27	\$62.99
Public Works	Roads and stormwater – Operating costs per lane kilometer	\$4,560.14	\$4,771.19	\$21,252.24	\$10,748.46

Source: KPMG Analysis of Municipal Budgets



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Comparative Analysis

Service	Indicator	West Nipissing	Comparator Municipalities		
			Low	High	Average
Environmental Services	Solid Waste – Operating costs per tonnes of waste collected	\$159.74	\$87.11	\$348.70	\$201.42
	Solid Waste – Waste diversion rate	13.9%	5.8%	52.3%	25.8%
	Wastewater – Operating costs per km of wastewater main	\$13,203.00	\$9,584.84	\$25,879.38	\$16,222.40
	Wastewater – Operating costs per megaliter of wastewater	\$350.76	\$391.45	\$1329.26	\$690.49
	Water – Operating costs per km of water distribution	\$49,806.62	\$3,401.38	\$19,736.49	\$24,314.83
	Water – Operating costs per megaliter of drinking water treated	\$1,906.13	\$1,099.43	\$1,318.34	\$1,441.30

Source: KPMG Analysis of Municipal Budgets



Comparative Analysis

Service	Indicator	West Nipissing	Comparator Municipalities		
			Low	High	Average
User fees as % of operating expenses	General government	0.42%	0.24%	29.62%	4.21%
	Fire	3.23%	0.12%	8.92%	3.44%
	Roads	9.64%	0.18%	9.72%	2.20%
	Water and wastewater	189.12%	13.59%	270.46%	138.39%
	Solid Waste	51.20%	13.59%	150.12%	51.88%
	Cemeteries	51.68%	31.33%	183.12%	71.94%
	Recreation (incl. facilities)	12.27%	2.82%	42.48%	25.21%
	Libraries	2.63%	0.01%	5.91%	2.45%
	Museums	6.99%	.09%	15.71%	6.19%
	Planning and zoning	16.39%	7.31%	60.77%	18.23%

Source: KPMG Analysis of Municipal Budgets



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Municipality of West Nipissing

Service Delivery Review

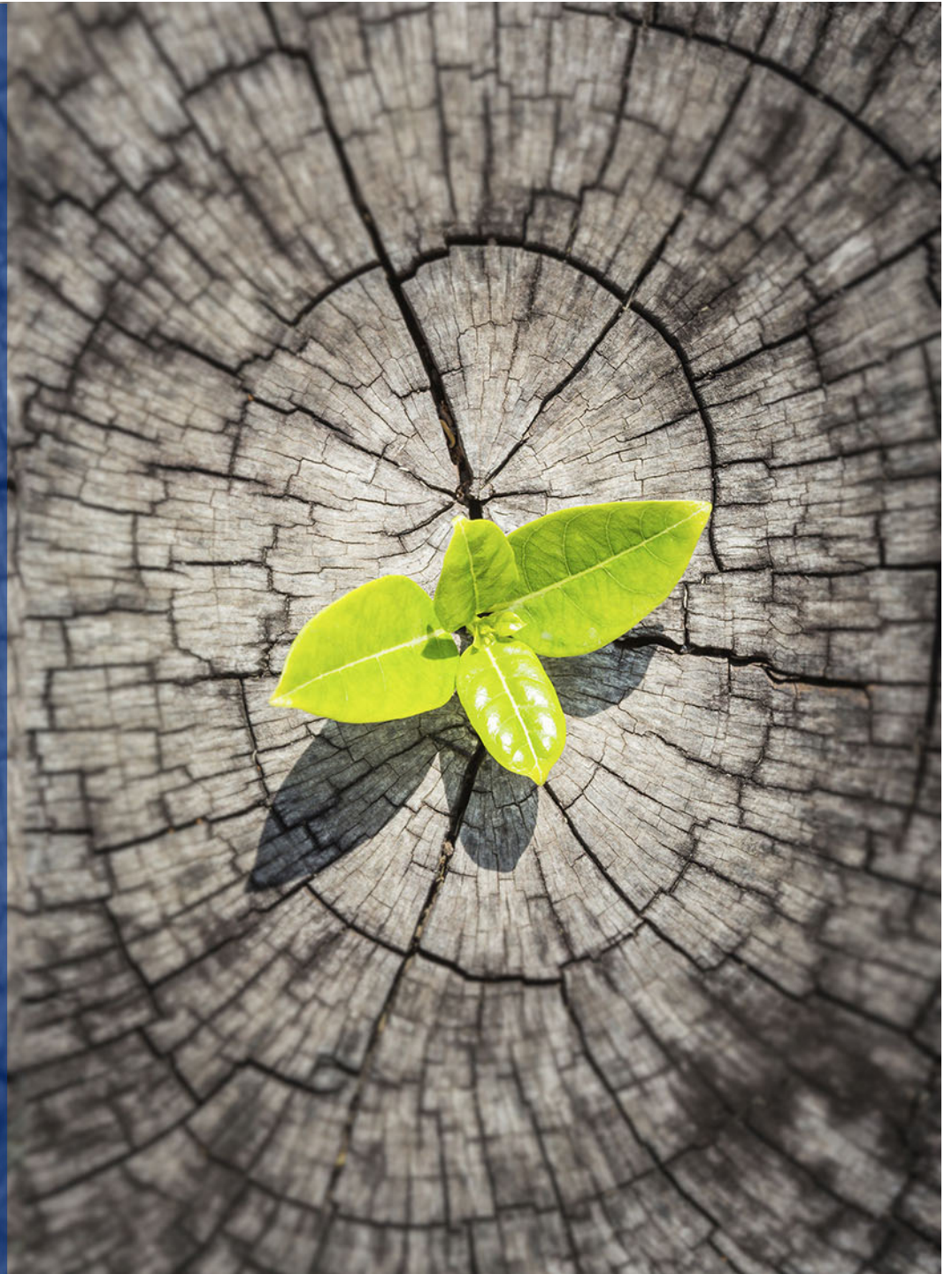
Appendix C
Process Maps





West Nipissing

Corporate Services Process Maps



Introduction

As part of our service review of the Municipality of West Nipissing (the Municipality) we have provided process maps that outline the individual worksteps undertaken as part of the Corporate Services department. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by municipal personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following markers:



Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value



Financial risk, representing areas where the municipality's system of internal controls is insufficient to prevent the risk of financial loss



Client service limitations, representing aspects of the municipality's operations that may adversely impact on customer satisfaction



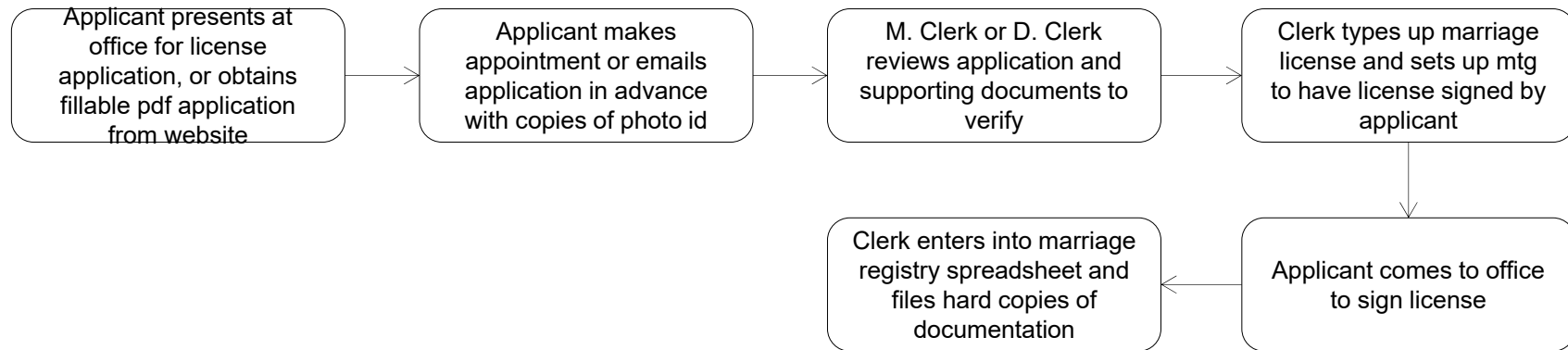
Litigation risk, consisting of potential areas where the municipality's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

In addition to the process maps, we have also included a summary of the potential areas for improvements, as well as potential courses of action that could be adopted by the municipality to address the identified issues.

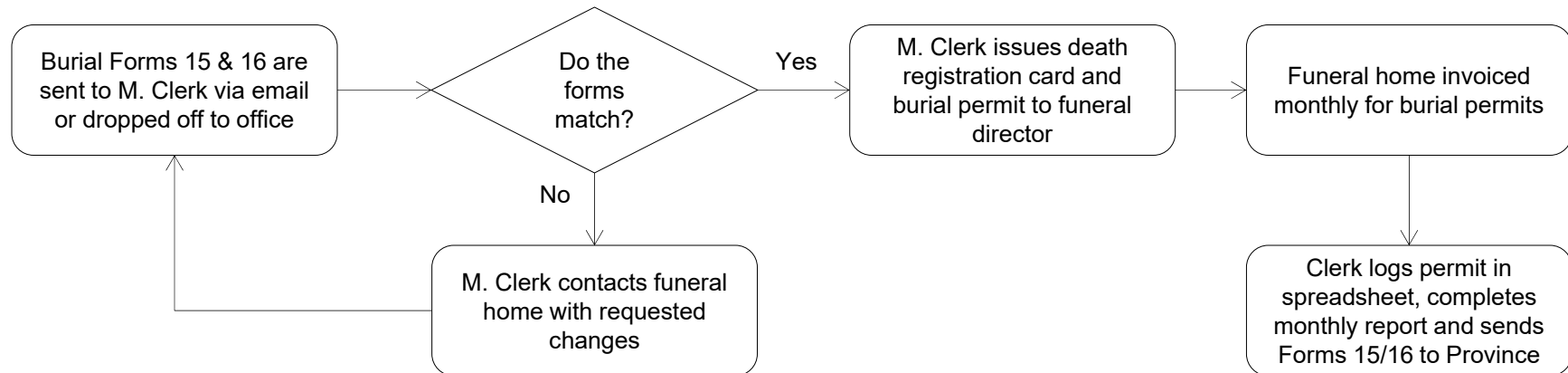
Abbreviations

AP	Accounts Payable	JV	Journal Voucher
Clerk	Administrative Clerk	M. Clerk	Municipal Clerk
DBD	Direct Bank Deposit	MPAC	Municipal Property Assessment Corp.
D. Clerk	Deputy Clerk	PAP	Pre-Authorized Payment
D. Treasurer	Deputy Treasurer	PIL	Payment in Lieu of Taxes
Director	Director of Corporate Services	PRAN	Post Roll Amended Notice
EFT	Electronic Funds Transfer	PW Clerk	Public Works Clerk

Marriage License

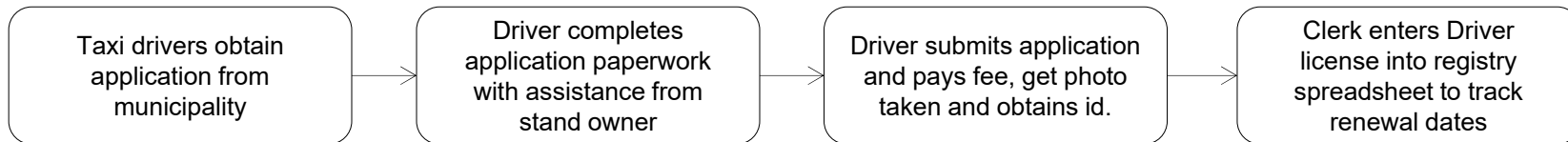


Burial Permits

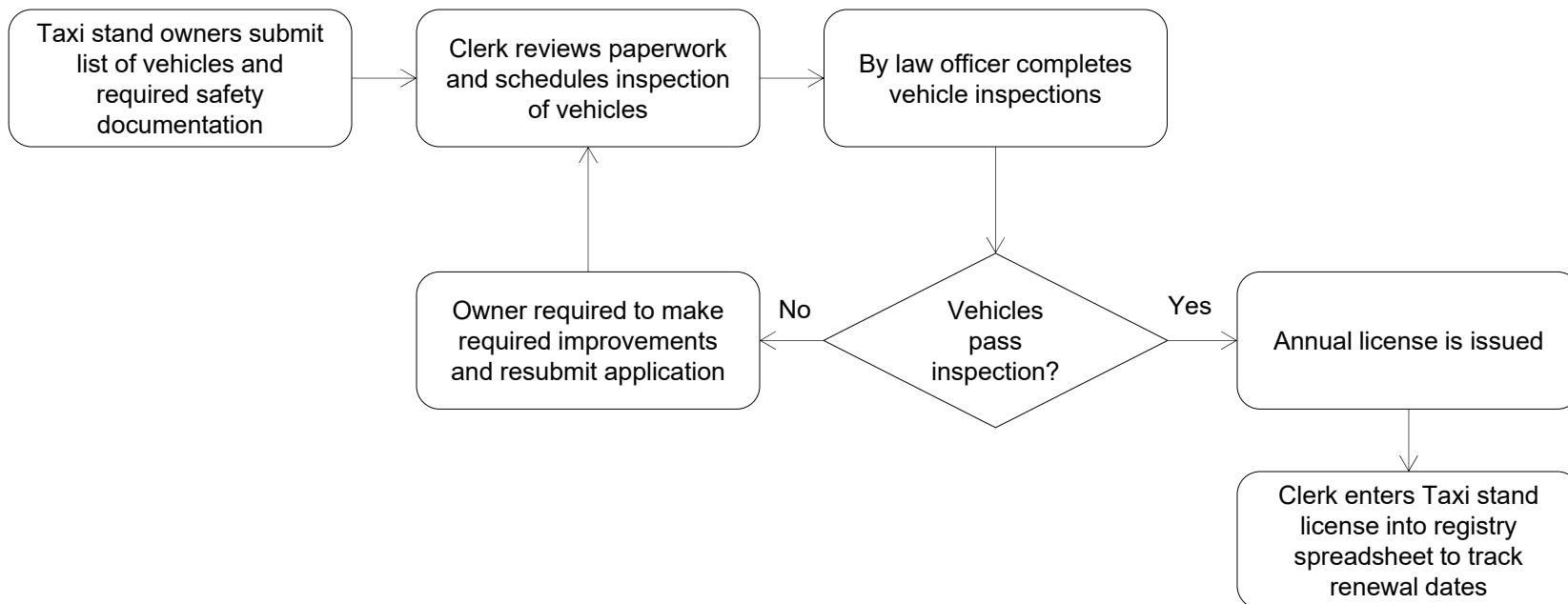


Annual Taxi Licensing

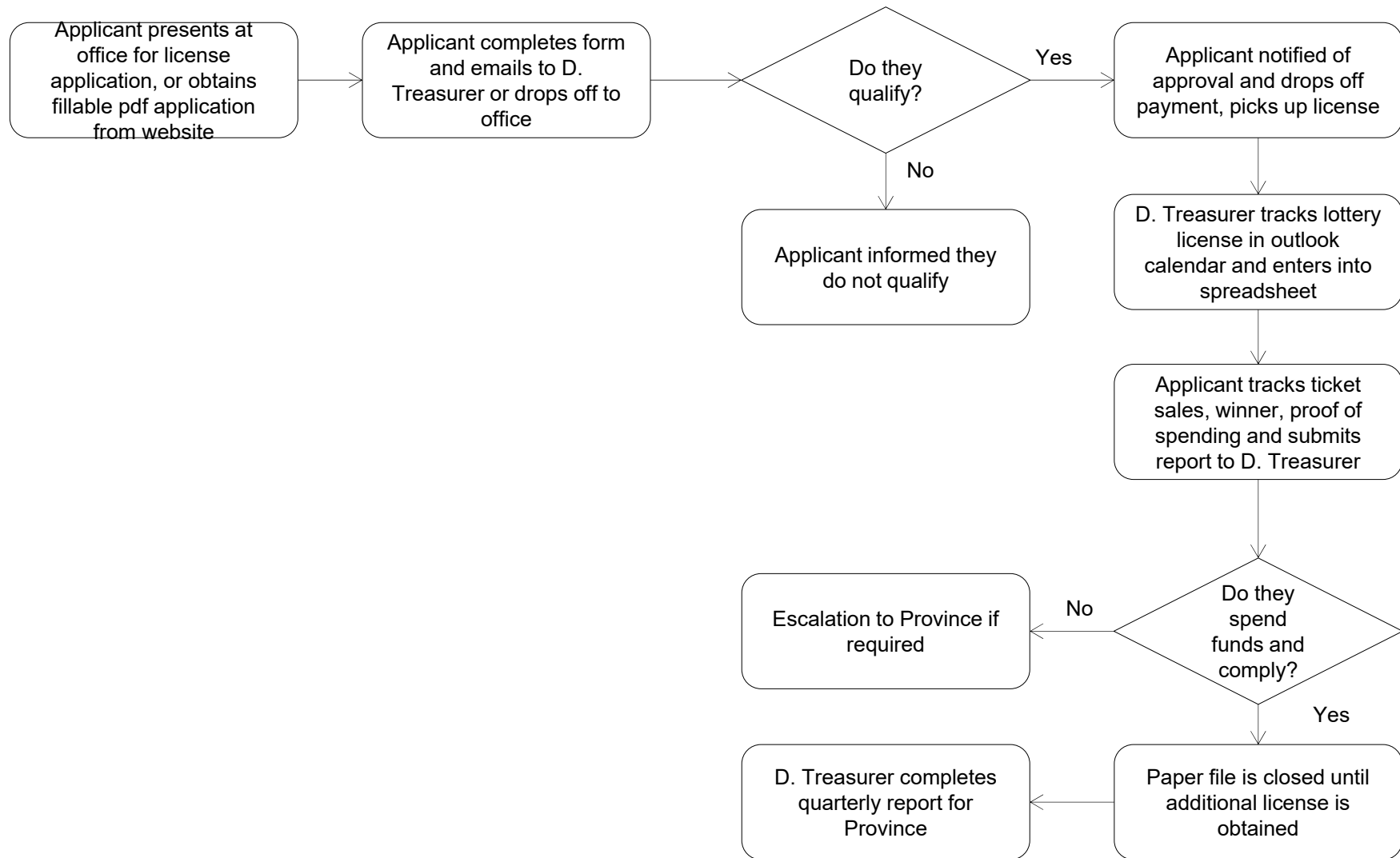
Taxi Drivers:



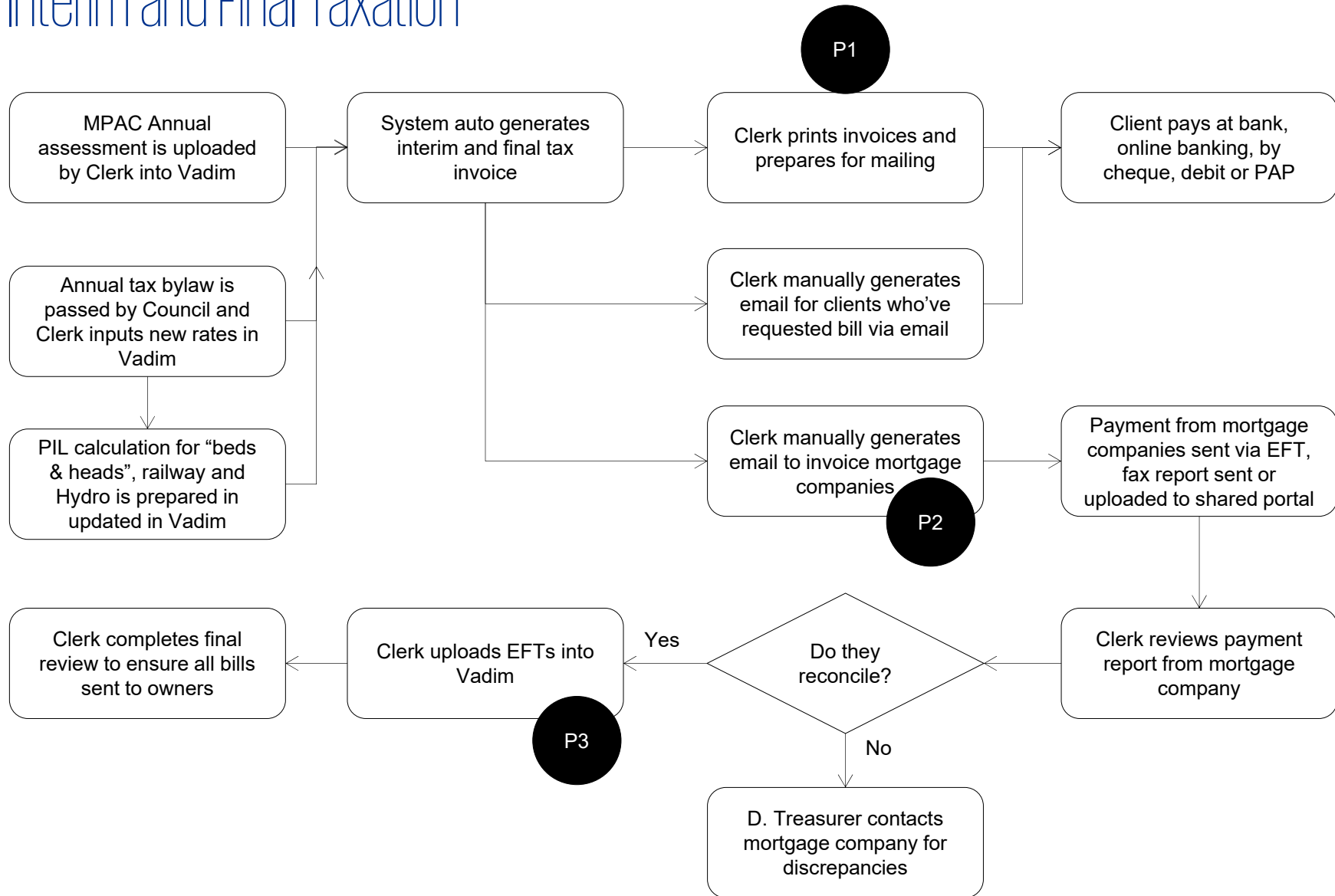
Taxi Stands:



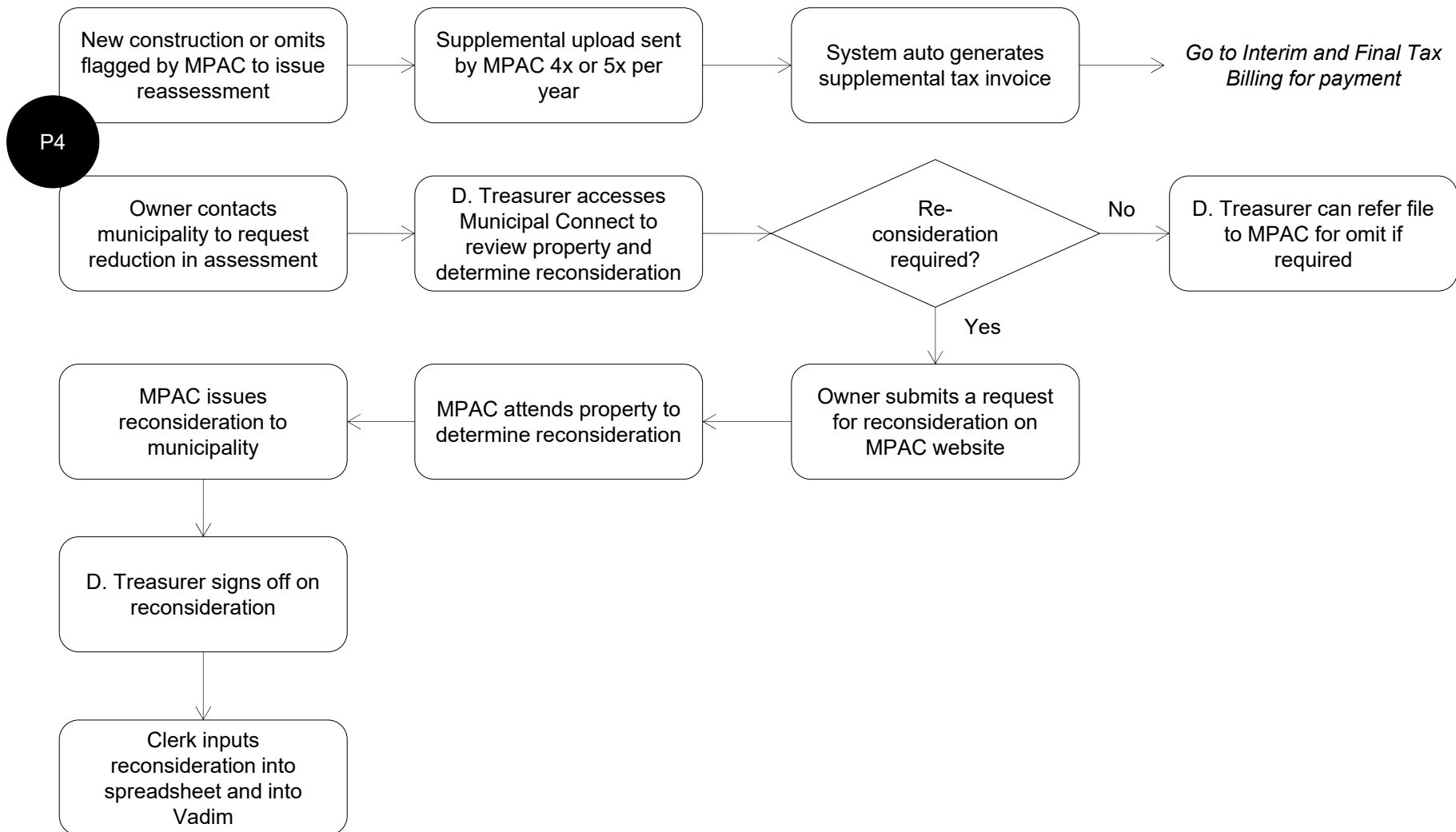
Lottery License



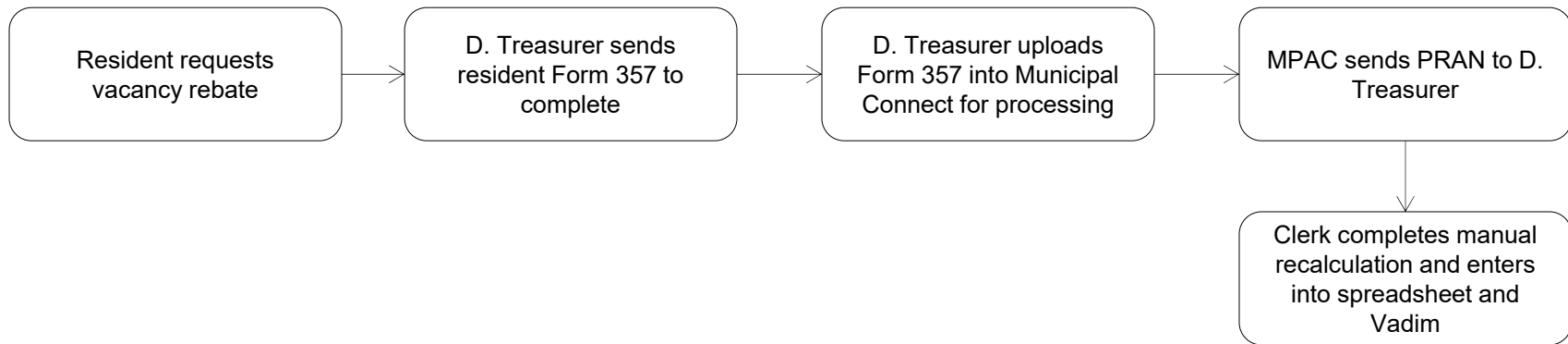
Interim and Final Taxation



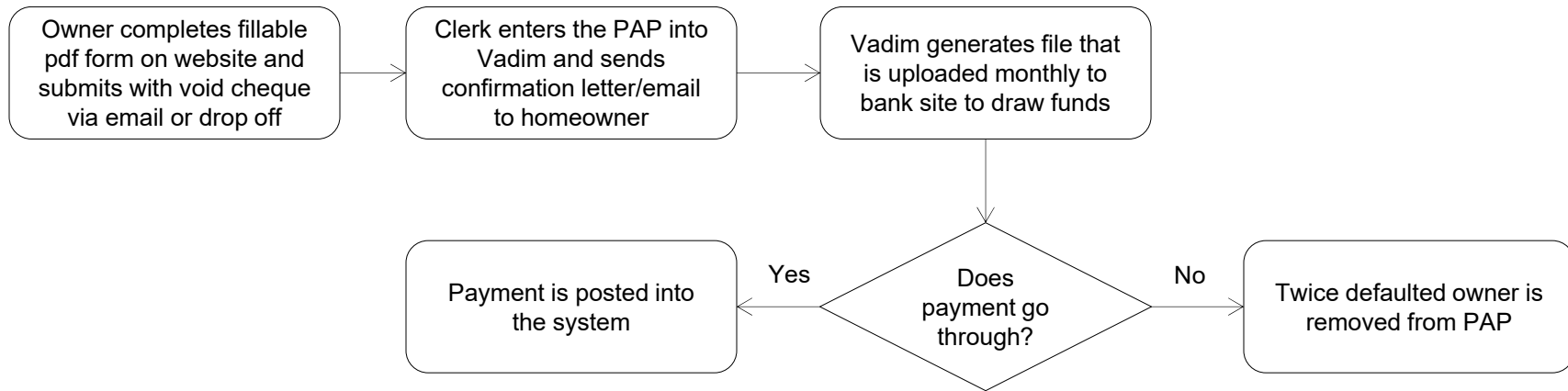
Supplemental and Omits Tax Billings



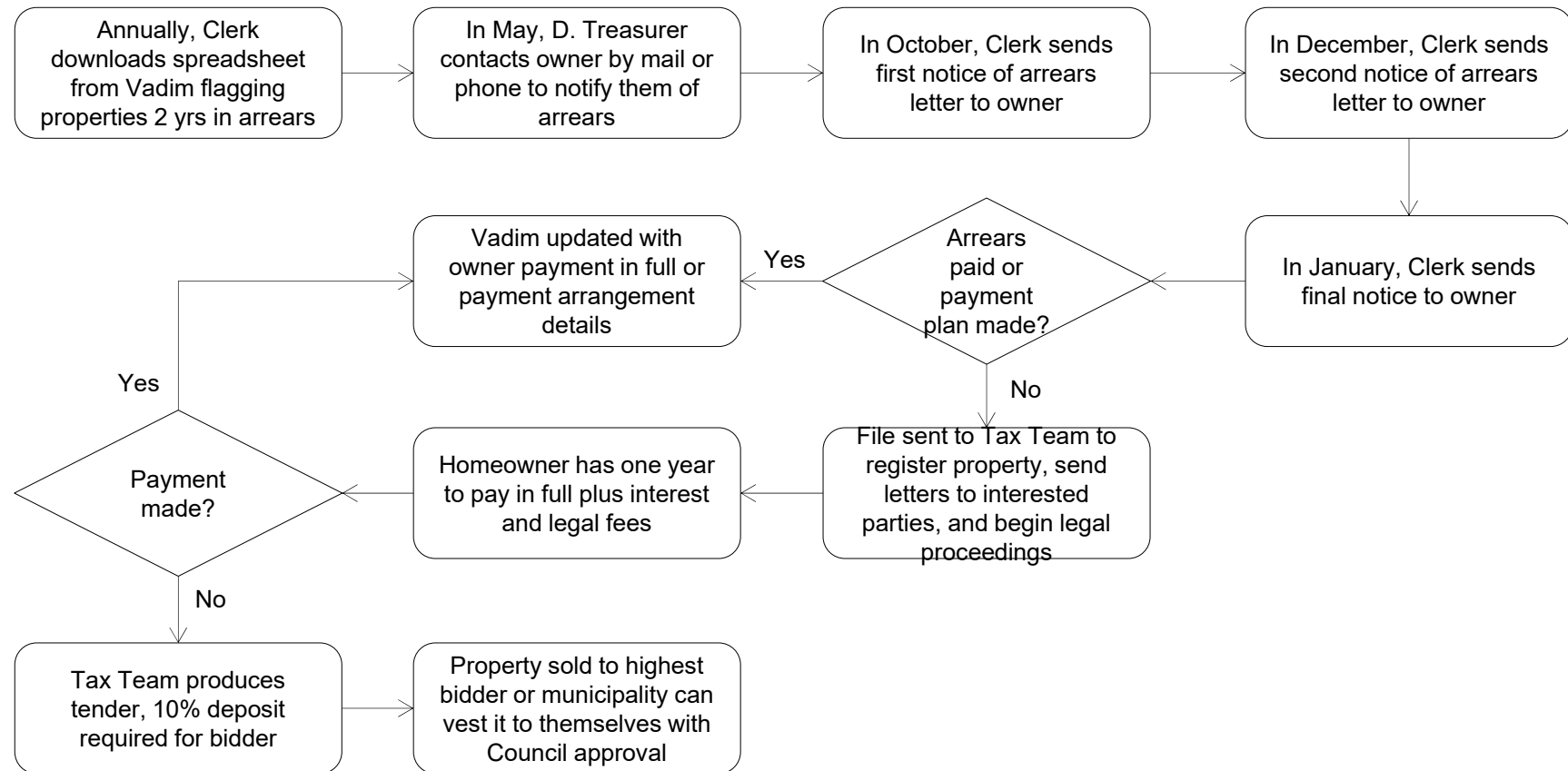
Vacancy Rebate Request



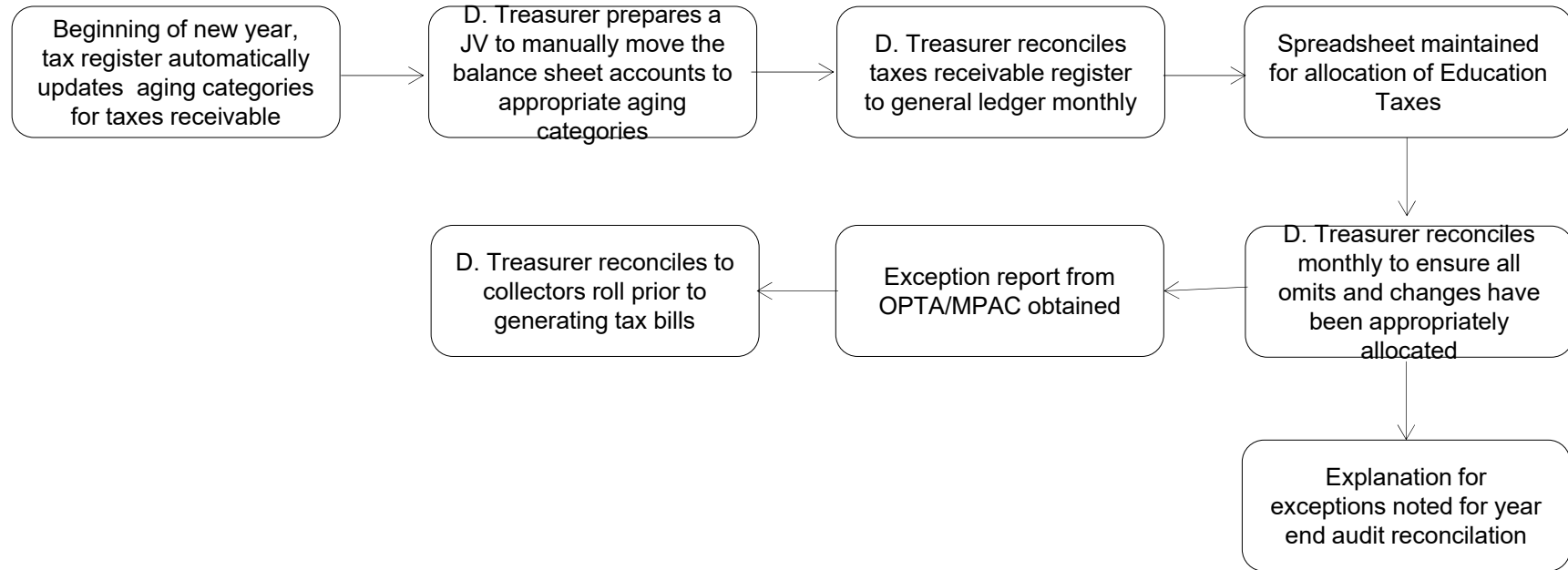
Tax Pre-Authorized Payments (PAP)



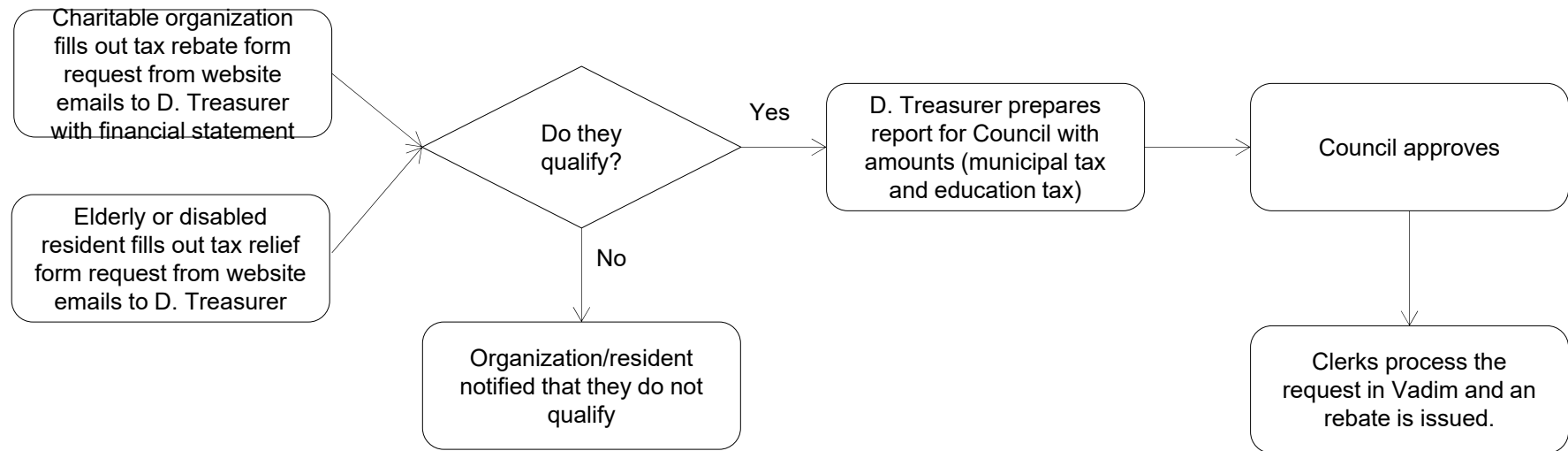
Tax Arrears and Sale



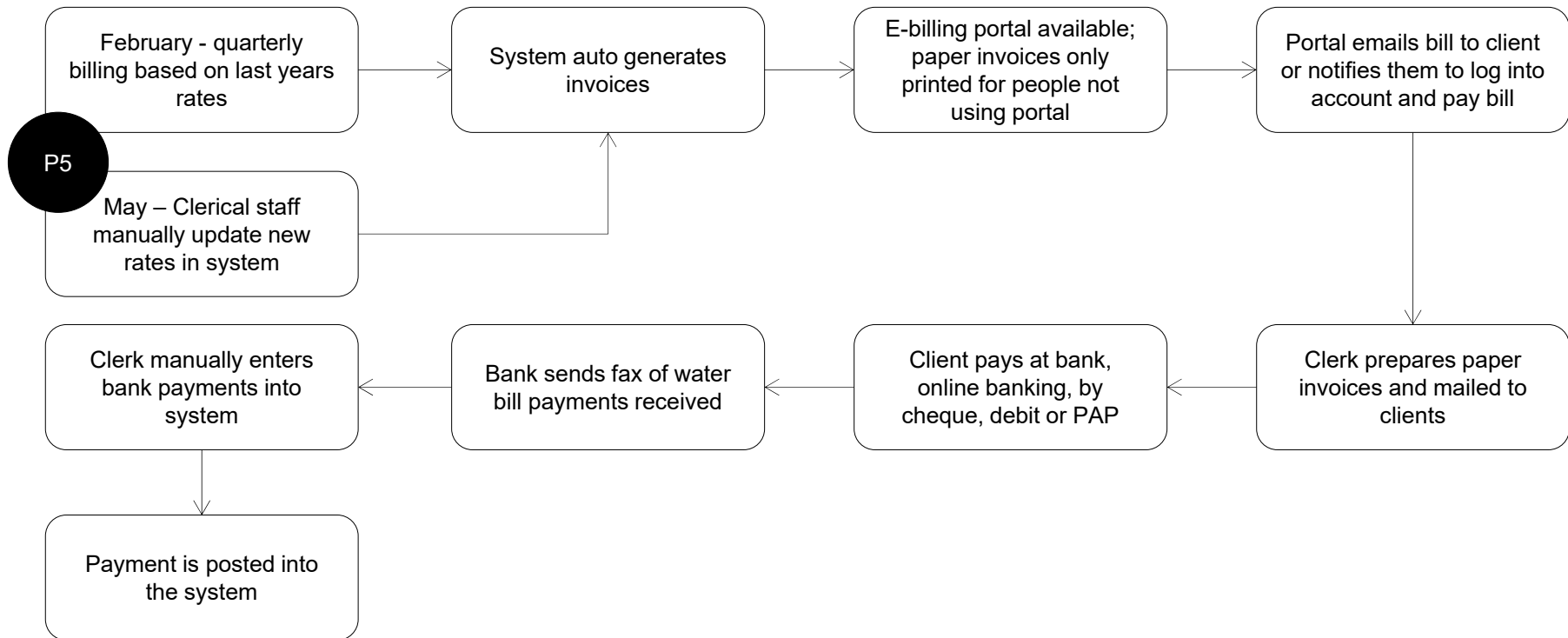
Tax Revenue Reconciliation



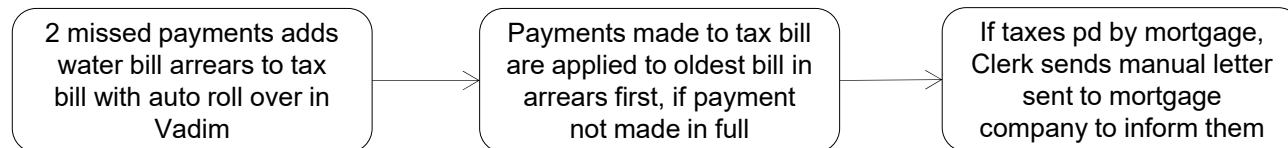
Tax Revenue Rebates and Relief



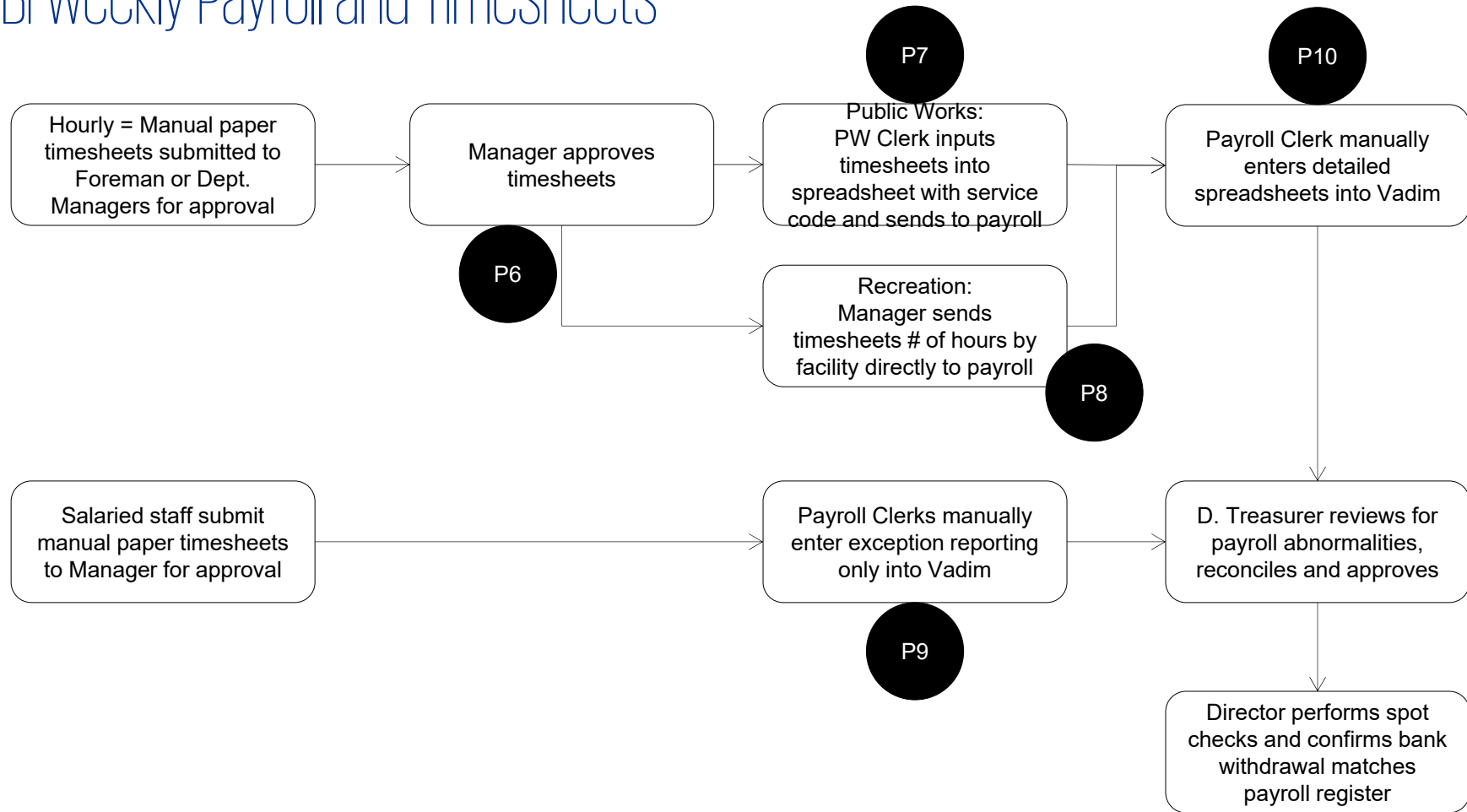
Water Billing - Flat Rate



Arrears:

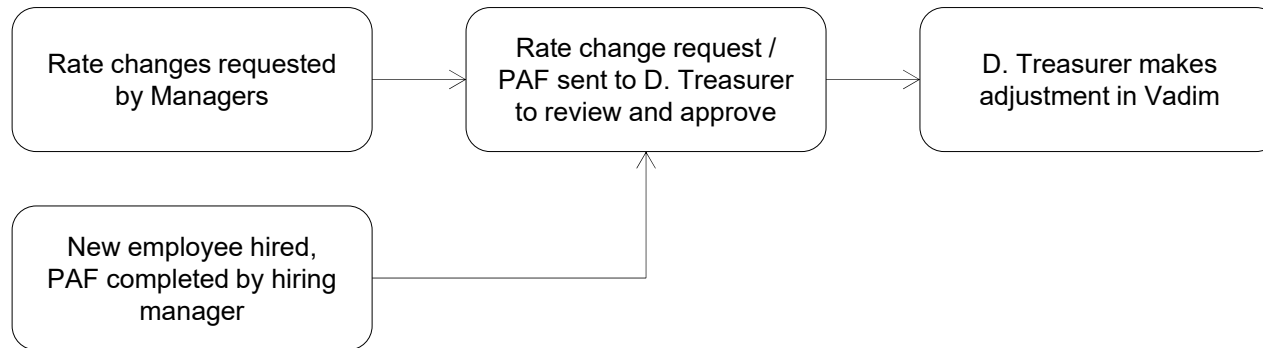


Bi-weekly Payroll and Timesheets

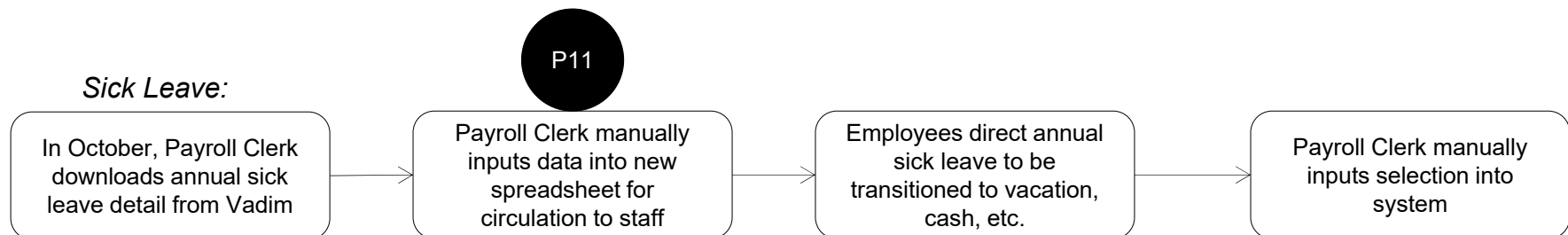


Rate Changes and Annual Sick Leave Direction

Rate Change:



Sick Leave:



Potential Courses of Action

Issue	Potential Course of Action
P1 We understand that WN currently uses an e-billing module for water bills but not yet for taxation.	The Municipality may want to implement the e-billing module for tax as well. This would create efficiencies for staff who currently spend time manually processing and sending invoices, as well as reduce costs from postage.
P2 Staff reported there is a lack of trust in the Vadim system resulting in excessive manual checks, including the PAP reconciliation prior to sending the file to the bank, transferring outstanding water bills to tax accounts and manually calculating supplementals and omits.	The Municipality is encouraged to explore unused functions within the Vadim software to ensure it is being used to its fullest extent. To the extent that staff are uncertain of the accuracy of data produced by the software, a one time recalculation should be performed to satisfy themselves that the system is accurate after which time processes should eliminate further unnecessary checks and recalculations.
P3 Staff reported that some files from the bank can not be uploaded to Vadim due to a discrepancy with the format of some account numbers, resulting in manual entry of the payments received.	The Municipality is encouraged to investigate the cause of the discrepancies and work with the banks to make the appropriate adjustments. This would create efficiencies for staff who currently spend time manually entering the payments received.
P4 We understand that renovation and construction plans from building permit applications can be uploaded through Municipal Connect directly to MPAC, which would expedite the process of generating a new rate and supplemental bill for affected homeowners. Corporate Services staff reported that this option is not currently in use by WN Building department.	The Municipality may want to implement the use of the upload feature on Municipal Connect for documents from building permit applications be utilized and incorporated into standard operating procedures for the Building department. This would expedite the process for supplemental building and ensure that the municipality is accessing accurate tax assessment revenue in a timely manner.
P5 We understand that water billing is based on a flat rate fee structure for residential customers and most commercial customers.	The Municipality is encouraged to investigate the option of upgrading to metered water with digital reading capabilities to increase efficiencies and create a billing structure for water that is based on usage. A metered system would be ideal for commercial customers as a starting point, with the option to expand the service to residential customers.

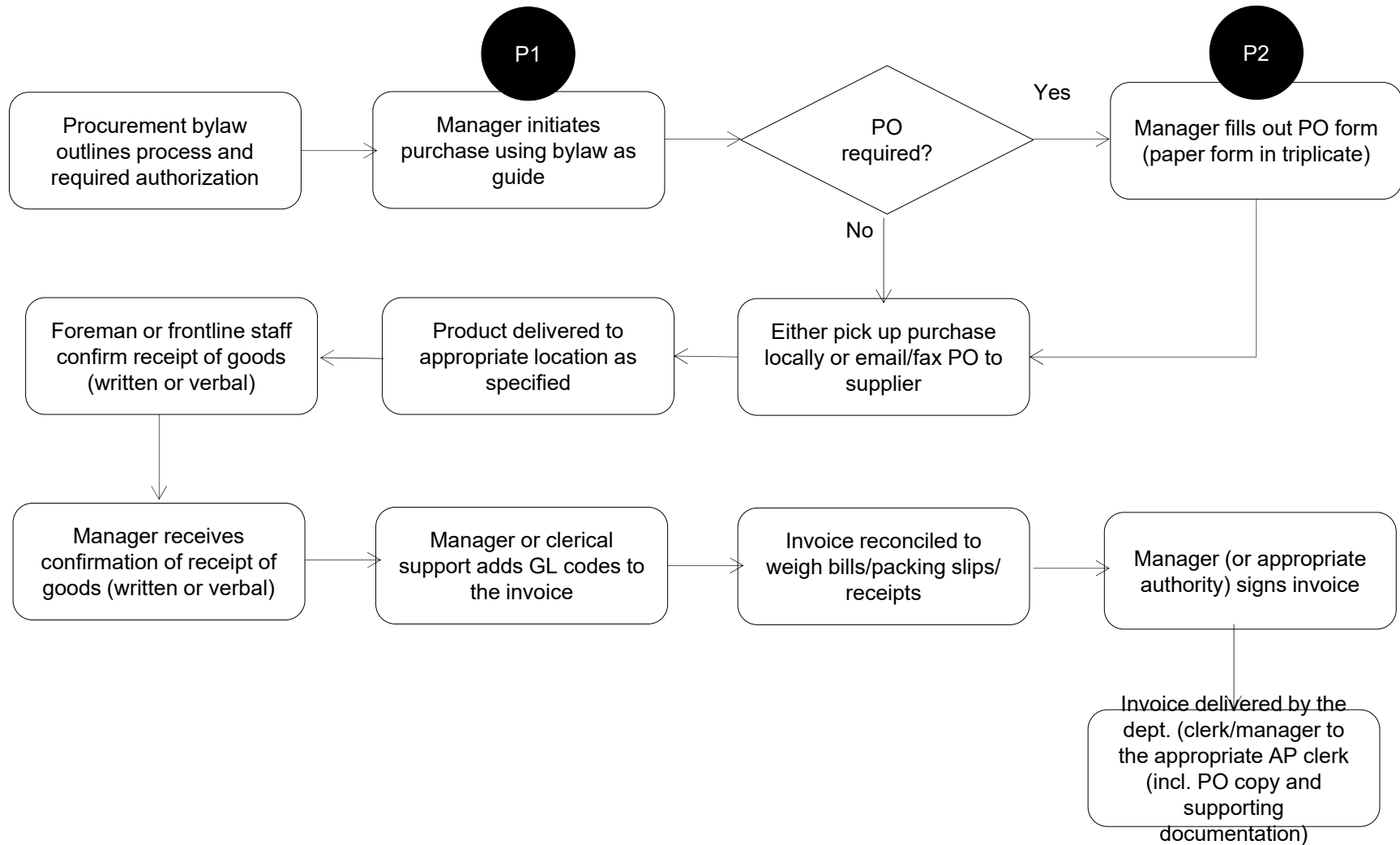
Potential Courses of Action

Issue	Potential Course of Action
P6 Staff reported that vacation tracking is very manual and paper based and controlled at the department level. This creates inefficiencies for Supervisors and Managers in tracking staff's approved vacation days and remaining balances throughout the year.	The Municipality may want to investigate the implementation of the HR module within Vadim. This module that allows for vacation requests and approvals to be completed directly in the system. This would create efficiencies for management by increasing ease of tracking, and provide for system generated safeguards to monitor vacation balances throughout the year.
P7 We understand that Public Works staff use service codes to track their time. Corporate Services staff reported that this data is not used for annual budgeting purposes and the data is not reviewed on a consistent basis. The use of these service codes contribute to additional time spent by payroll clerks, manually inputting timesheets in Vadim.	The Municipality may want to re-consider the usefulness of service codes for time tracking in PW, and minimize or eliminate this practice if possible. Corporate Services reported that activity codes are also utilized in PW and more useful than service codes for annual budgeting. Data collected but not utilized for analysis contributes to inefficiencies in process, and creates unnecessary additional work for clerks entering this detail into Vadim bi-weekly.
P8 It is our understanding that Community Services staff complete paper timesheets and submit to their supervisor or manager who manually enters the data into a spreadsheet which is then sent to payroll. The payroll clerk then manually transfers the data from the spreadsheet in to the system.	The Municipality may want to create a macro-enabled spreadsheet, kept on a shared drive, that Community Services staff can access to input their own time directly into the file. This would eliminate paper and creates efficiencies for management who are spending time manually transferring data from paper to the spreadsheet. Additionally, if the spreadsheet could be created to facilitate direct upload into Vadim, this would create efficiencies for the payroll clerk who is spending time manually inputting data from the Community Services spreadsheet into the system.
P9 Corporate Services staff reported that the exception-reporting method is utilized for full time, salaried employees despite all full time employees submitting detailed paper timesheets on a bi-weekly basis.	The Municipality is encouraged to investigate the elimination of the detailed paper timesheets for full time salaried staff and only exception-reporting be required. Data collected but not utilized contributes to inefficiencies in process and creates unnecessary additional work for full time salaried employees who are submitting more information then required on a bi-weekly basis.

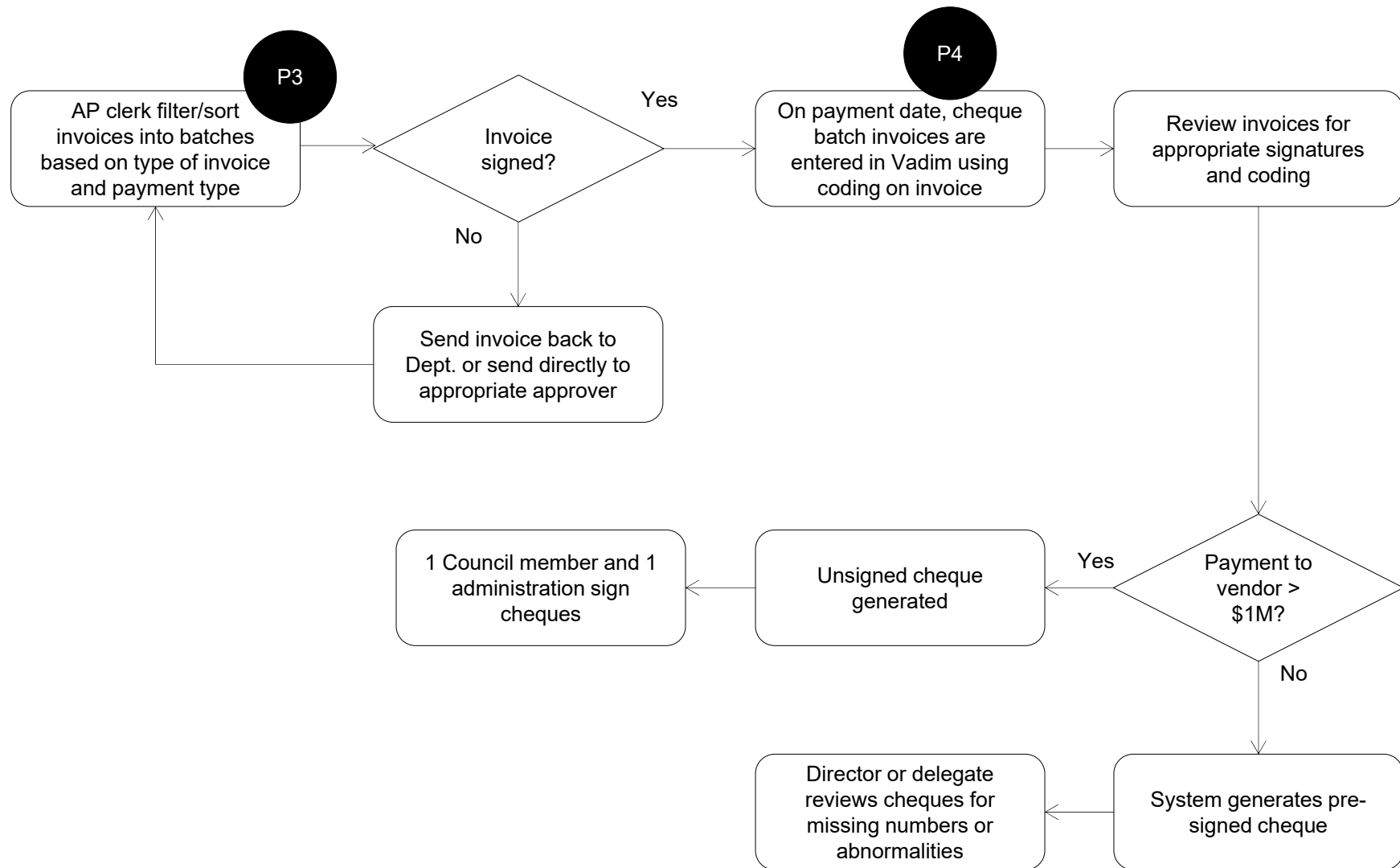
Potential Courses of Action

Issue	Potential Course of Action
P10 We understand the payroll clerk manually inputs data from detailed timesheets into Vadim.	The Municipality may want to investigate the implementation of the HR module within Vadim. This module that allows for each employee to input their time directly into the system. This would create significant efficiencies for the payroll clerk and management by eliminating the manual transfer of data, modernize the paper-based process, and allow for system generated safeguards to track overtime, vacation and sick balances, etc.
P11 Every October, we understand the payroll clerk downloads annual sick leave detail from Vadim into Excel. The clerk manually transfers the data from the download in Excel to an additional spreadsheet for internal circulation to staff.	The Municipality may want to consider revising the Excel file with downloaded data from Vadim to facilitate its use for circulation to internal staff. Excel allows for appropriate safeguards on cells and data to ensure required information remains confidential and secure. This would create efficiencies for the payroll clerk by eliminating the redundant transfer of data from spreadsheet to spreadsheet and create ease of upload into system once completed.

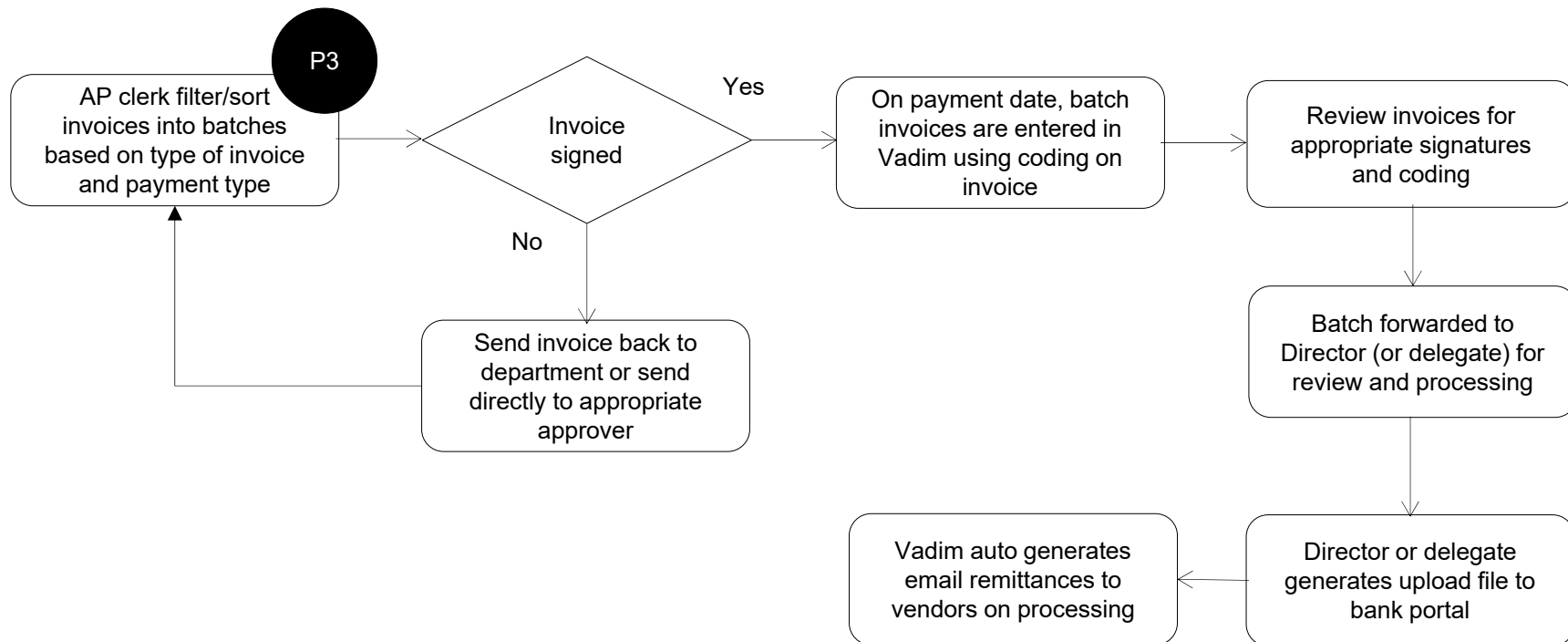
Accounts Payable - Purchasing



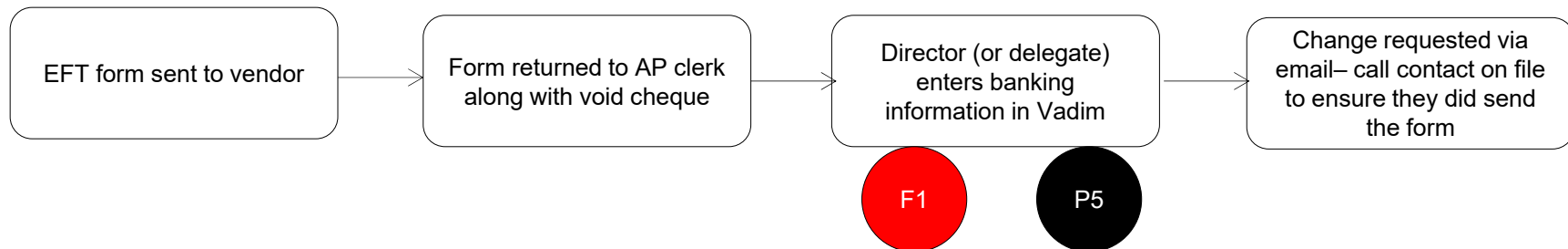
Accounts Payable - Cheques



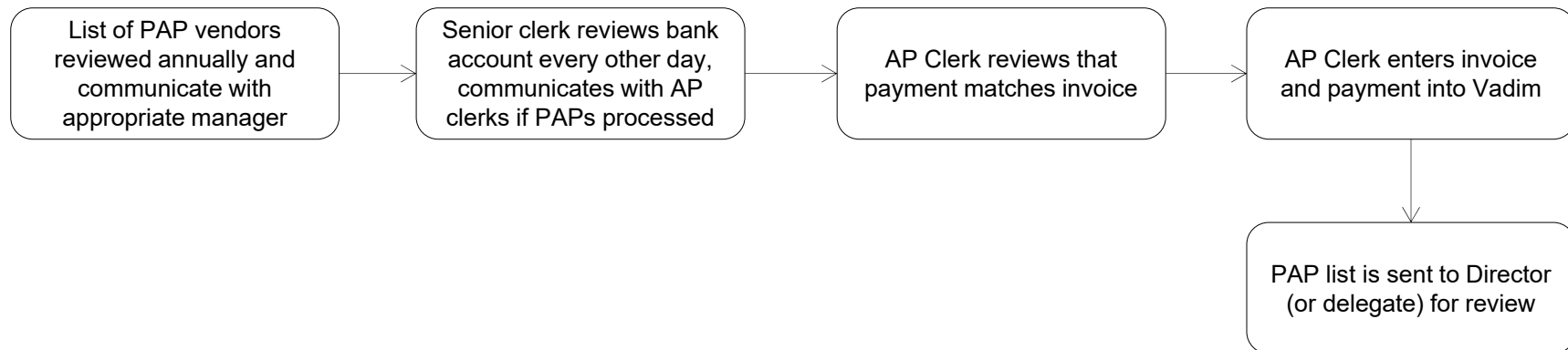
Accounts Payable - EFTs



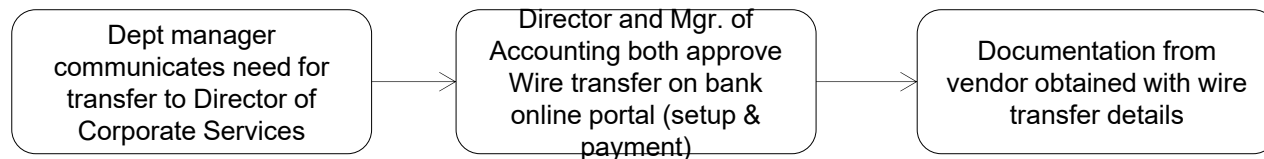
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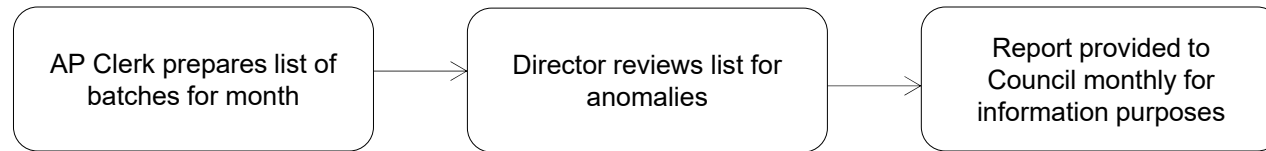
Accounts Payable - PAPs and Wire Transfers



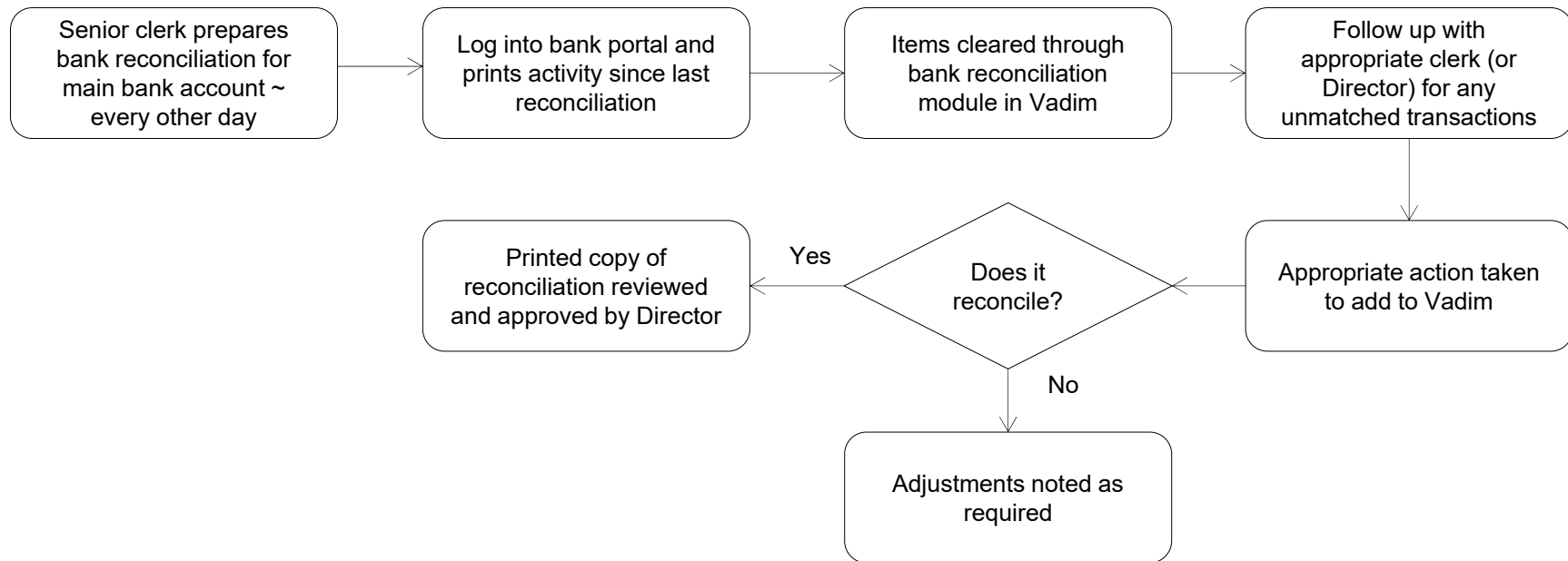
Wire Transfers:



Accounts Payable - Monthly List of Disbursements



Bank Reconciliation



Potential Courses of Action

Issue	Potential Course of Action
P1 We understand that POs are encouraged for all purchases, regardless of cost. Due to the paper-based purchase order system used by WN, creating and processing POs bears some large inefficiencies that would not be present in an electronic PO system. Additionally, upon review of WN procurement policy, it appears authority has been delegated for “low dollar value” (LDV) purchased of up to \$5000 without the requirement of a PO.	The Municipality may want to consider eliminating the requirement for POs for LDV purchases. This would create efficiencies for departmental supervisors and management, as well as for Accounts Payable, as well as reduce the consumption of paper and the need for space to store excess paper files. Where possible, we recommend that LDV purchases are made on vendor accounts or P-cards. Manual inputting of data into the system required by the AP Clerks would be substantially reduced and create capacity for Clerks to focus on higher value work.
P2 We understand that WN currently utilizes a paper-based POs system and copies are processed in triplicate. Paper copies of POs are stored at the requesting Manager’s workspace, in Accounts Payable, and sent to vendor either by email or fax.	The Municipality may want to consider using the electronic PO function within Vadim and eliminating paper POs. This would eliminate the excess paper filing storage requirements at both the department and AP levels. Additionally, an electronic PO system would also create efficiencies through a reduction in time required for circulation and approval (which could be done electronically with electronic signature) and provide additional controls through an auto-generated workflow approval feature in the system. Manual inputting of data into the system required by the AP Clerks would be substantially reduced and create capacity for Clerks to focus on higher value work.
P3 We understand that AP receives invoices electronically from vendors via email, then prints the invoices to paper form to circulate for approvals.	The Municipality may want to consider reducing or eliminating the use of paper in processing invoices and consider attaching the electronic invoice received from the vendor to the electronic PO (as recommended above) within the system. This could facilitate greater ease and efficiency in obtaining required approvals, and efficiencies for departmental staff when referencing historical POs and invoices should the need arise.

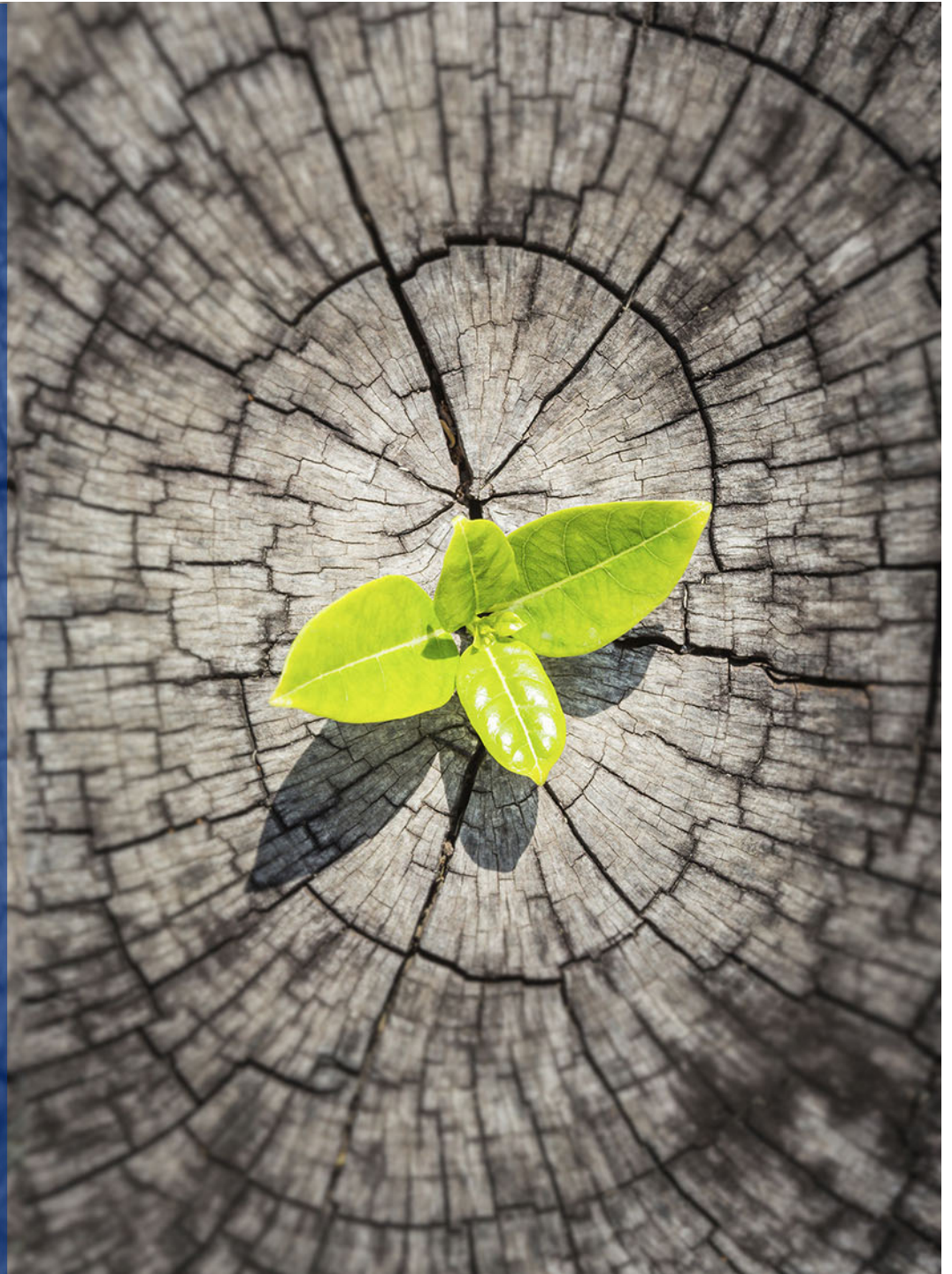
Potential Courses of Action

Issue	Potential Course of Action
P4 Accounts payable clerks enter invoices on the payment date, with unentered invoices that have been received stored in paper batches by the clerks.	The Municipality is encouraged to have invoices entered as they are received to allow for better tracking of invoices in Vadim, to avoid the possibility of losing invoices that are in paper batches, and to avoid missing payment due dates assuming that the payment due date can be entered in Vadim.
P5 For 2020, staff reported that 1244 vendor payments were processed by EFT and 2400 vendor payments were processed via cheque.	The Municipality may want to actively encourage more vendors to register for EFT payments. This would minimize the cost of printing cheques, create efficiencies for AP staff, as well as increase controls.
F1 Staff reported that the Director or delegate enters the banking information into the system when a vendor registers for payment by EFT. It is unclear if there are sufficient system controls in place securing vendor banking information and restrictions in place to limit access to additional staff to make changes to vendor banking details. Staff also reported that regular review of vendor banking information and systems audits are not completed.	The Municipality is encouraged to undertake a review of the system controls regarding vendor banking information to ensure only those with delegated authority can make changes to vendor bank account directions. Additionally, the Municipality may want implement regular system audits to verify vendor banking details are accurate and up to date.



The Municipality of West Nipissing

Community Services Process Maps



Introduction

As part of our service review of the Municipality of West Nipissing (the Municipality) we have provided process maps that outline the individual worksteps undertaken as part of the Community Services department. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by municipal personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following markers:

 Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value

 Client service limitations, representing aspects of the municipality's operations that may adversely impact on customer satisfaction

 Financial risk, representing areas where the municipality's system of internal controls is insufficient to prevent the risk of financial loss

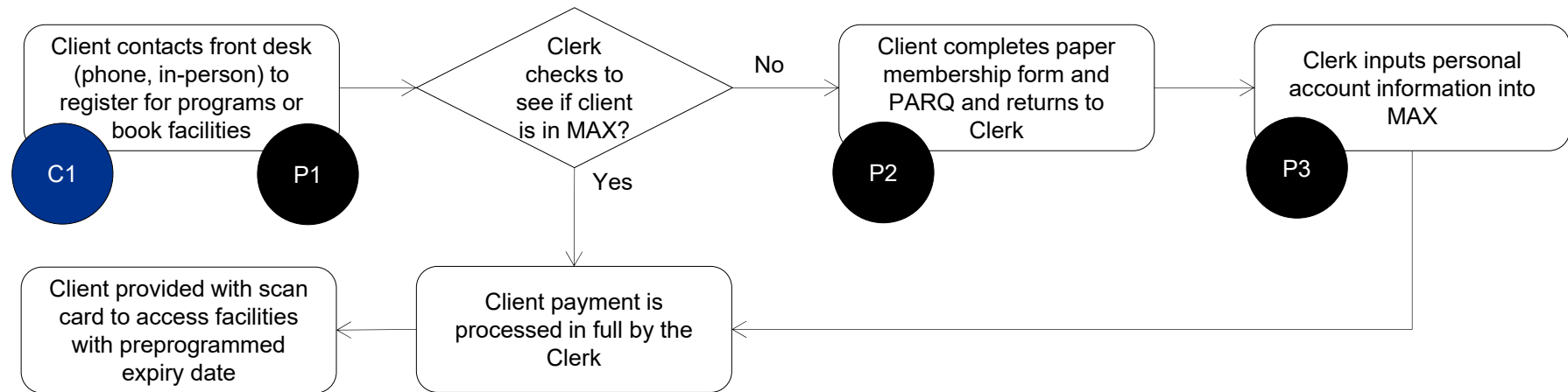
 Litigation risk, consisting of potential areas where the municipality's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

In addition to the process maps, we have also included a summary of the potential areas for improvements, as well as potential courses of action that could be adopted by the municipality to address the identified issues.

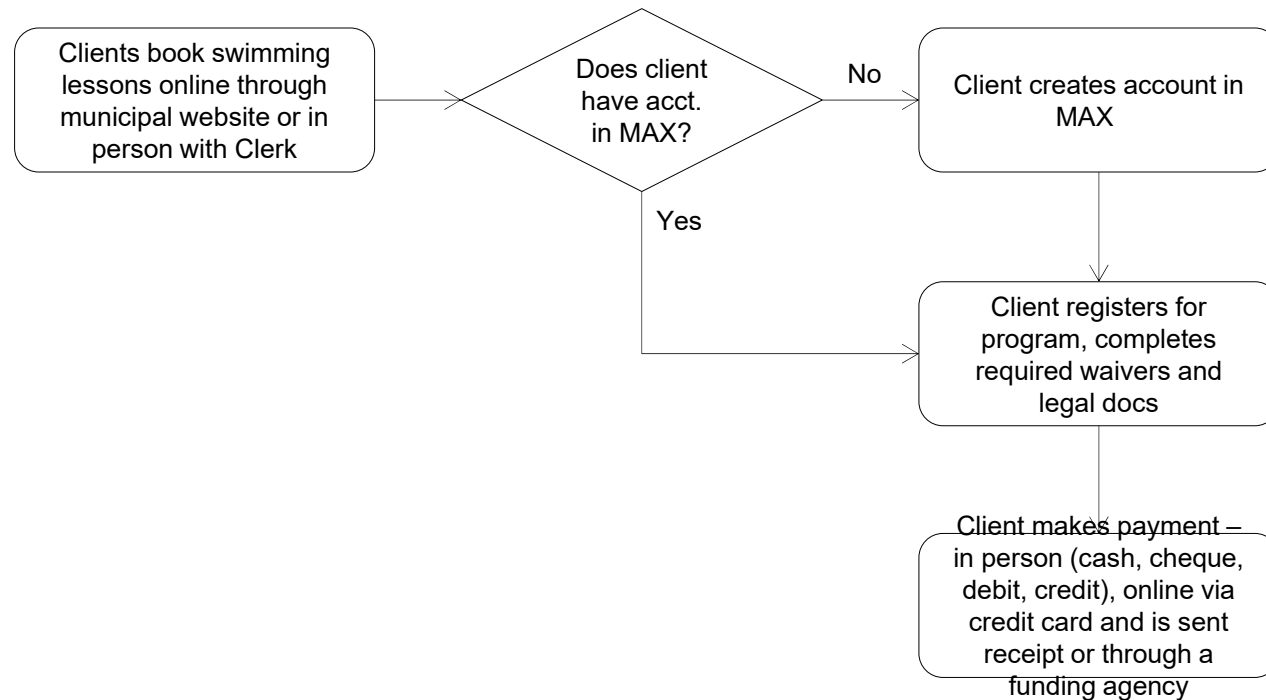
Abbreviations

CSC	Community Services Coordinator
DCS	Director of Community Services
MAX	MaxGalaxy Registration and Payment Software

Program Registration



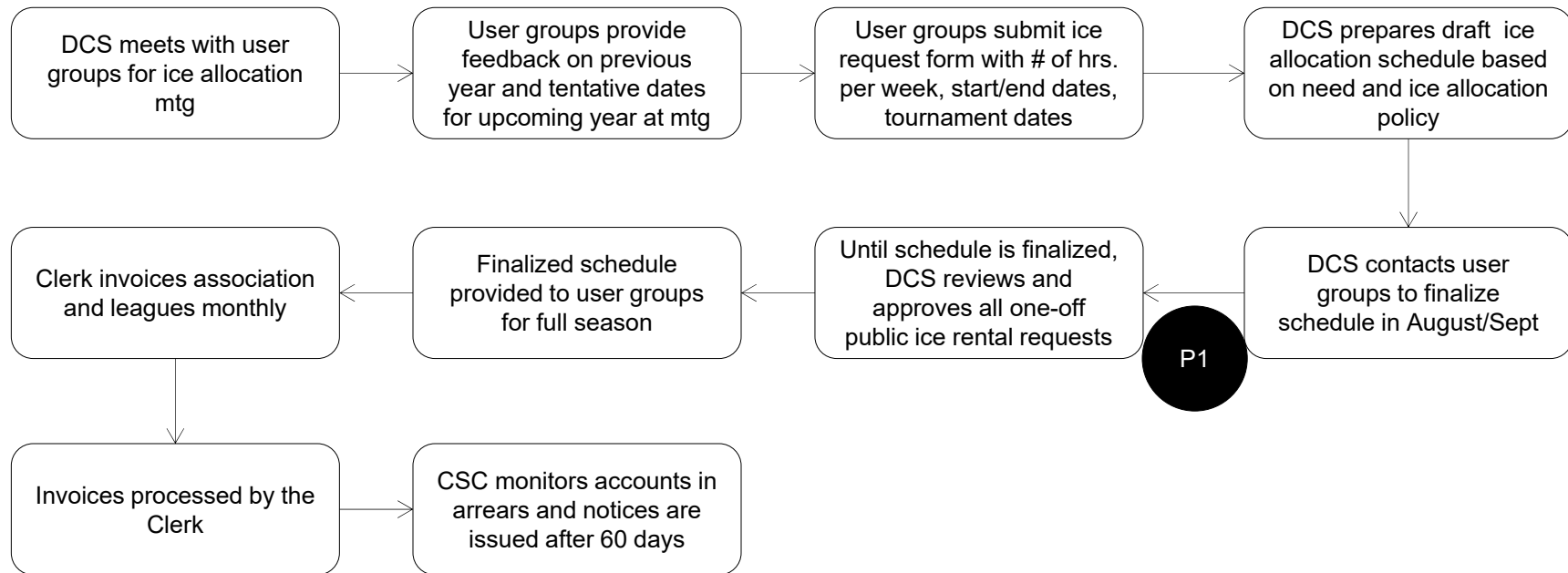
Swimming Lessons Registration - Online



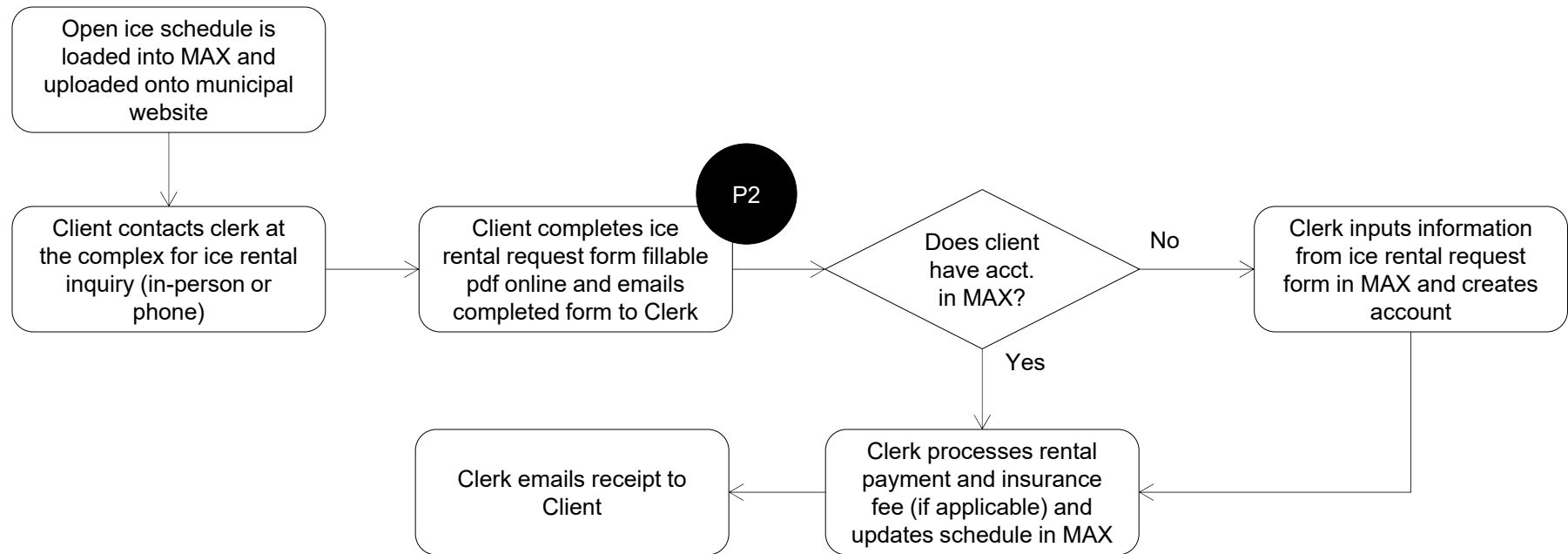
Potential Courses of Action

Issue	Potential Course of Action
P1 Online registration has been set up for swimming lessons and proven effective. It is our understanding that no other recreation/community services programs have been set up for online registration at this time. C1	The Municipality is encouraged to set up all recreation and community services programs, where possible, for online registration. This would create efficiencies for staff, minimize paper, as well as provide increased level of service for residents.
P2 We understand that the Clerk provides all new program registrants with a Physical Activity Readiness Questionnaire (PARQ) that is completed in paper form and kept on client file for up to 12 months and member updates are required annually.	The Municipality may want to consider eliminating the use of the PARQ and/or evaluate it's usefulness. If it's purpose is as a legal document, it's efficacy as such should be re-evaluated. Moving to an online waiver that is acknowledged by checking a box to indicate the registrant has read and understands the terms and conditions for each program may be more legally effective, would eliminate paper, and create efficiencies for Clerks processing program registration.
P3 We understand that clients must complete a paper program registration form which is then submitted to the Clerk who manually inputs the information from the paper form into MaxGalaxy system.	The paper registration form is redundant and the Municipality may want to consider eliminating it. The Clerk can enter the information directly into MAX at the time of client registration. This would minimize paper and the space required for paper file retention.

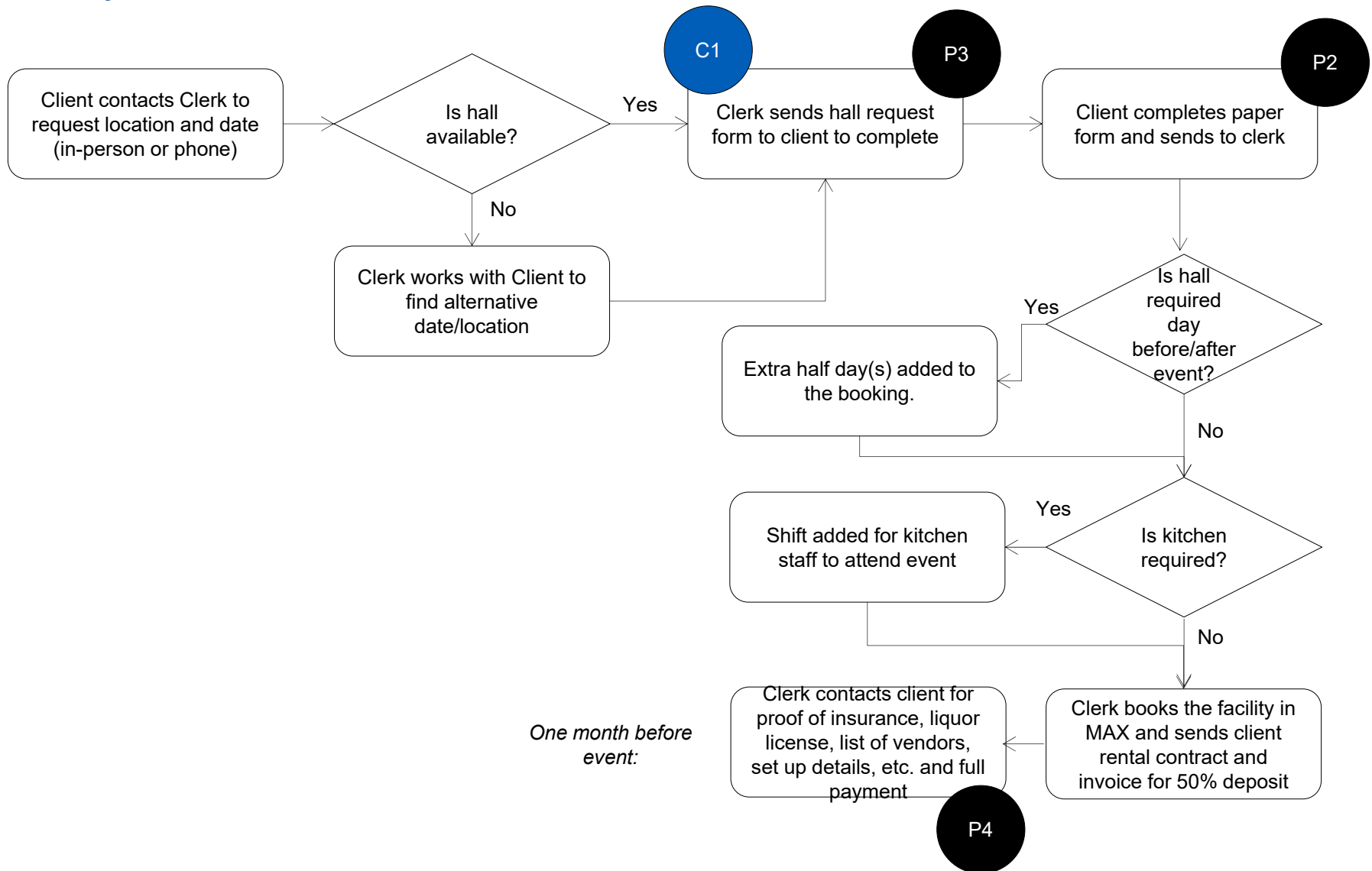
Facility Rentals - Annual Ice Allocation



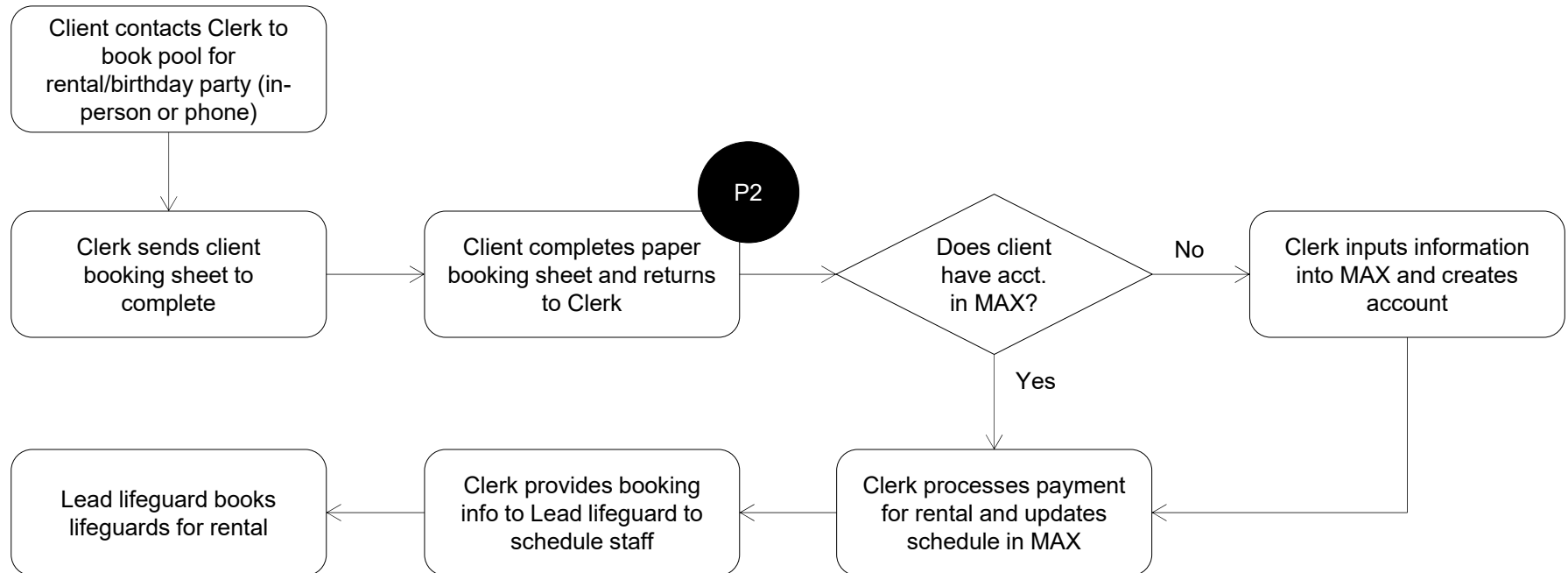
Facility Rentals - Ice Rental



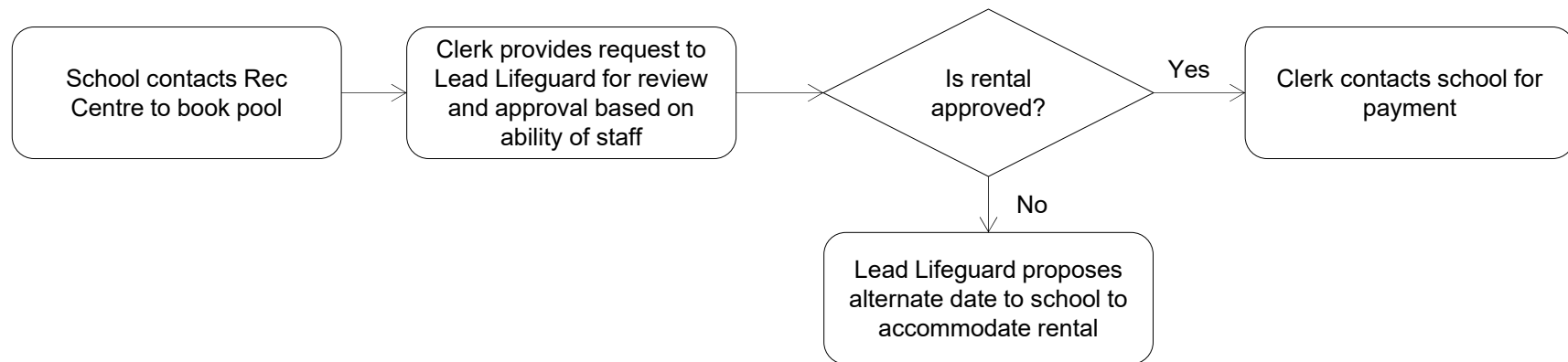
Facility Rentals - Halls



Pool Rentals



School Pool Rentals



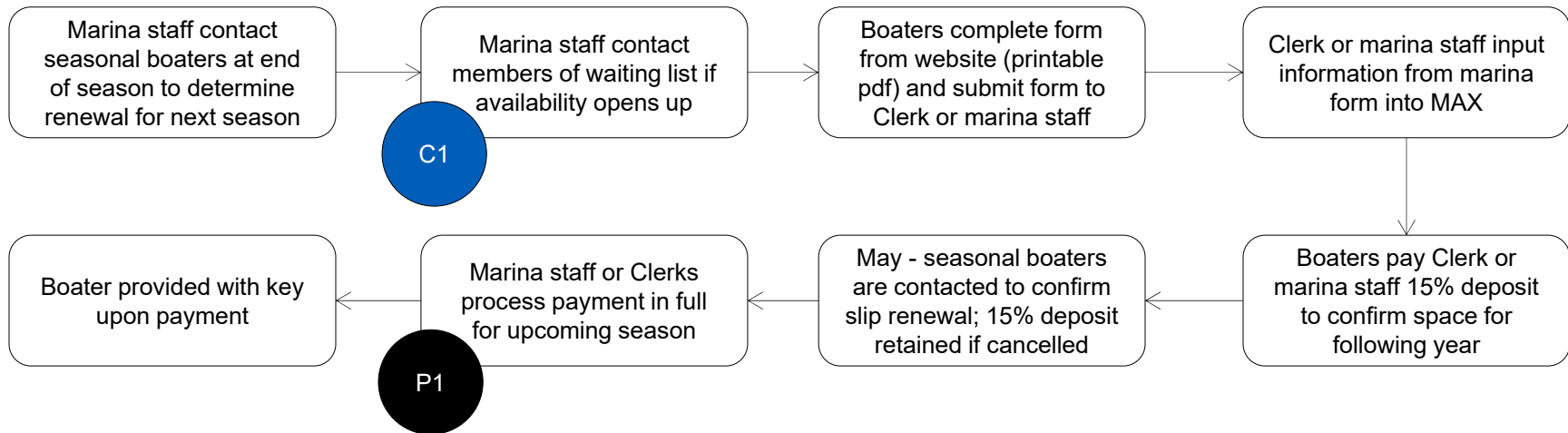
Potential Courses of Action

Issue	Potential Course of Action
P1 We understand that the available ice / public rental schedule cannot be confirmed or published until all major user groups have finalized their schedules for the season. This impacts potentially lost revenue by limiting public rental opportunities, frustrates other users, and creates inefficiencies for the Director, who must individually approve each ice rental request until the major user groups season schedules are finalized. Additionally, we understand that WN is unaware of their ice utilization rates, but staff estimate that the ice is under utilized.	The Municipality may want to consider encouraging or incentivizing the ice rental user groups to finalize their season schedules earlier, in order to facilitate greater access to members of the public for ice availability and rental opportunities. The Municipality may also want to consider the completion of an in-house study to understand current ice utilization rates to determine opportunity for greater use and increased revenue.
P2 We understand that all request forms are printed and retained in hard copy client files.	We recommend that the printing of the request forms be eliminated and the pdf forms are retained in electronic format on a shared drive. Additionally, WN could investigate capabilities with MaxGalaxy to upload documents to client file in system. This would eliminate the use of paper as well as the duplicate client files in soft and hard copy.
P3 C1 We understand that WN has developed a facility rental information package, which they send to the client once an inquiry about a facility rental is received. This information package has all of the rules and regulations for facility rentals as well as additional details on each facility.	The Municipality is encouraged to post the rental information package on the Municipality's website, so it is accessible to residents at any time. This would create efficiencies for the Clerks who spend time answering client questions regarding information contained in the information package, and increase levels of service by providing clients with access to the information required in advance of making a decision to rent a facility.

Potential Courses of Action

Issue	Potential Course of Action
P4 We understand there is no holdback kept with the rental fee. Typically a flat rate for cleaning and damages is would be retained from the client until post-event when cleaning is completed and no damages have been confirmed. This provides the client with increased motivation to ensure the facility to left in a reasonable state, and reduces cleaning burden on municipal staff. Additionally, we understand that currently the cancellation policy for facility rentals is a \$25 administrative fee and clients can cancel with little advance notice and not be further penalized. Staff were unaware of facility utilization rates and cost recovery percentages, but estimate there are multiple facilities throughout the municipality that are under utilized and incurring significant costs for operations.	The Municipality may want to implement a policy whereby a flat rate deposit would be retained from the client by the municipality until cleaning is completed and no damages have been confirmed. WN is in the process of changing their facility rental cancellation policy to reflect similar penalties for cancellation as ice rentals, where if the ice is not rented by another user, than the original client is charged the full fee. A similar cancellation policy for facility rentals would be effective in deterring late cancellations and permit the municipality to recover lost revenue. The Municipality may also want to consider the completion of an in-house study to understand current facility utilization and cost recovery rates to determine opportunity for greater use and increased revenue.

Sturgeon Falls Marina - Seasonal Slip Rentals



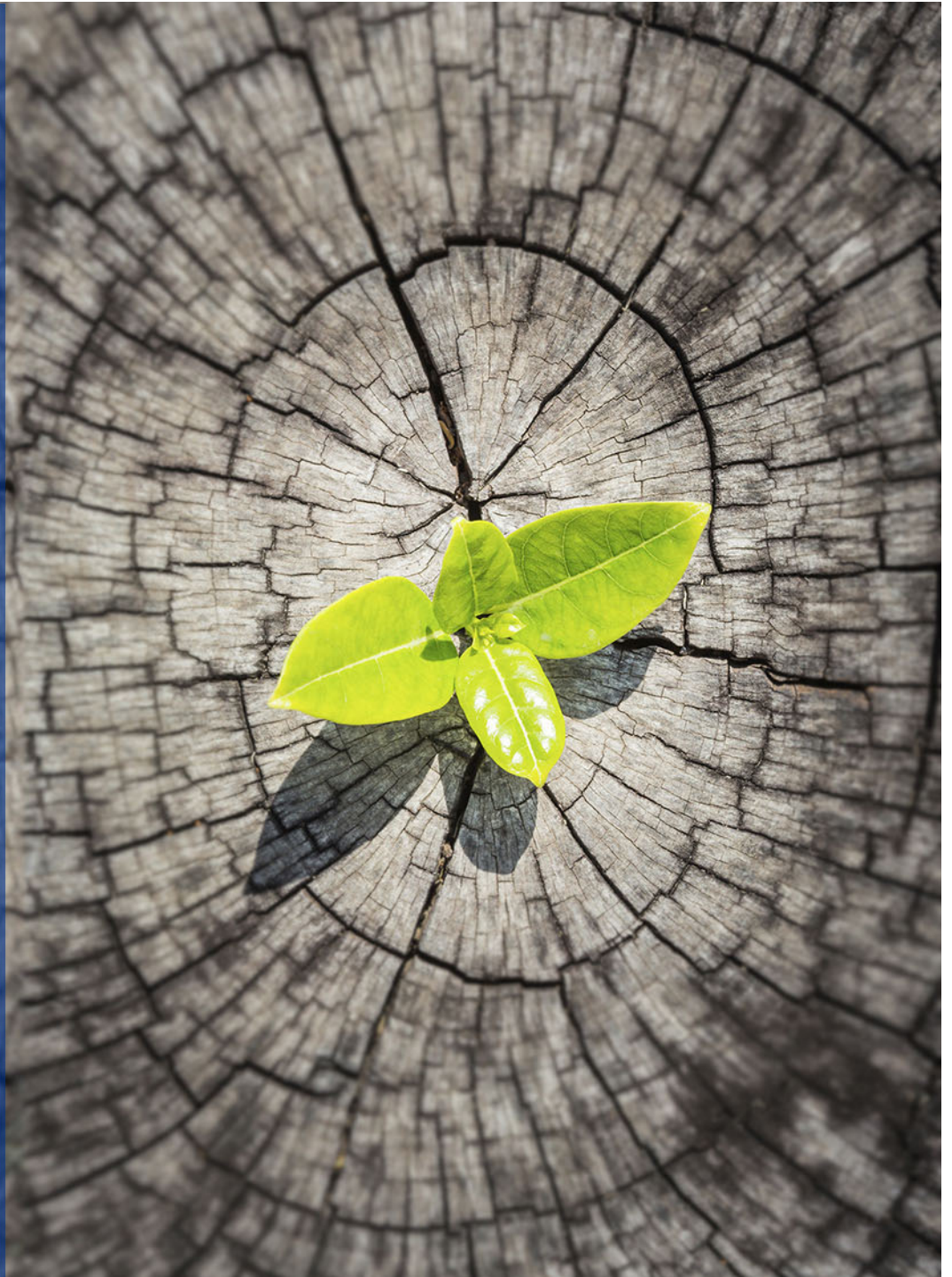
Potential Courses of Action

Issue	Potential Course of Action
C1 Sturgeon Falls Marina has transient slips available for day use only. We understand that there is a large waiting list that has developed in recent years for seasonal slip rentals, which can sometimes result in residents waiting up to three years to obtain a seasonal slip.	The Municipality is encouraged to evaluate the opportunity to build more slips or transition some day use slips to seasonal to maximize revenue and reduce time on waiting list for seasonal boaters.
P2 We understand that there are resident and non-resident rates in use at the marina. Staff informed KPMG that the difference in the resident vs non-resident rates is \$2 (\$21 vs \$23 respectively). This creates inefficiencies and administrative challenges in processing seasonal slip rentals. Additionally, we understand the marina is not operating at full cost recovery model.	The Municipality may want to consider eliminating the resident vs non-resident rates to create efficiencies in the seasonal slip registration processing. We anticipate the revenue impacts from this change will be inconsequential and staff time saved from streamlining this process will be maximized. The Municipality is encouraged to undertake a fee review to re-evaluate seasonal slip rental rates. A regularly scheduled fee review is best practice to maintain pace with inflation, demand, etc., and could generate increased revenue from marina operations.



The Municipality of West Nipissing

Work Orders Process Maps



Introduction

As part of our service review of the Municipality of West Nipissing (the Municipality) we have provided process maps that outline the individual worksteps undertaken as part of the Work Orders process. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by municipal personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following markers:



Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value



Financial risk, representing areas where the municipality's system of internal controls is insufficient to prevent the risk of financial loss



Client service limitations, representing aspects of the municipality's operations that may adversely impact on customer satisfaction



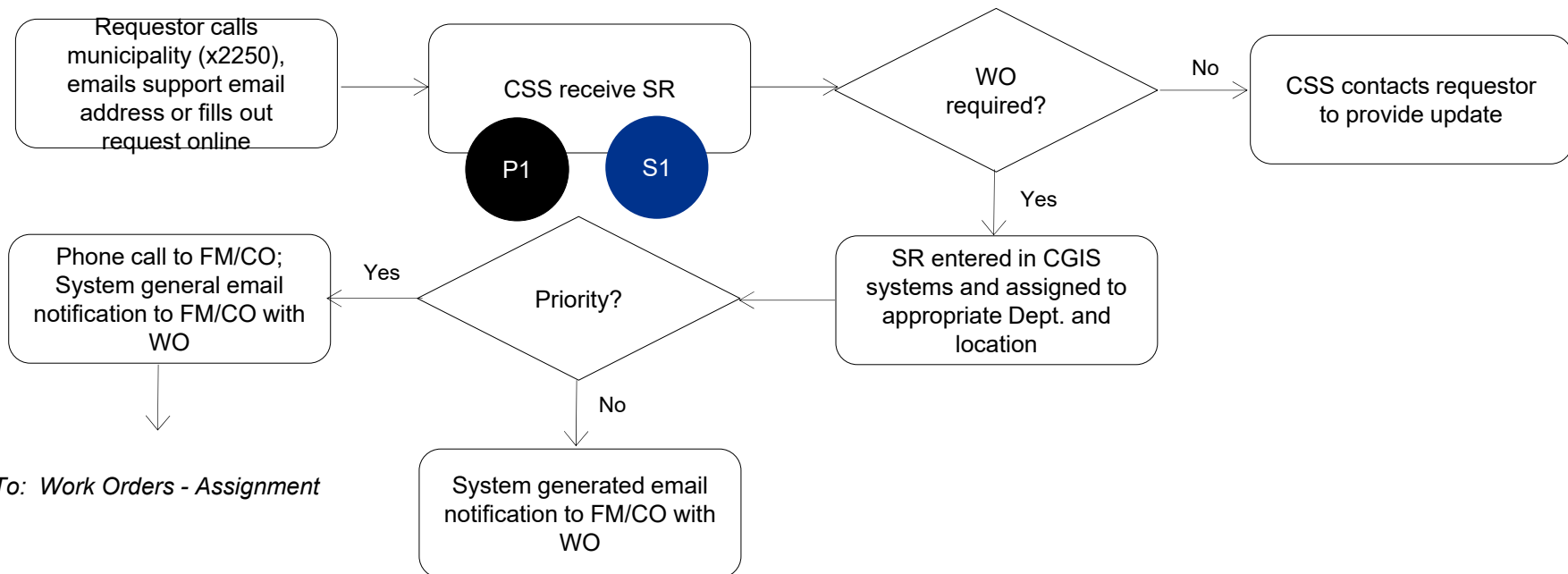
Litigation risk, consisting of potential areas where the municipality's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

In addition to the process maps, we have also included a summary of the potential areas for improvements, as well as potential courses of action that could be adopted by the municipality to address the identified issues.

Abbreviations

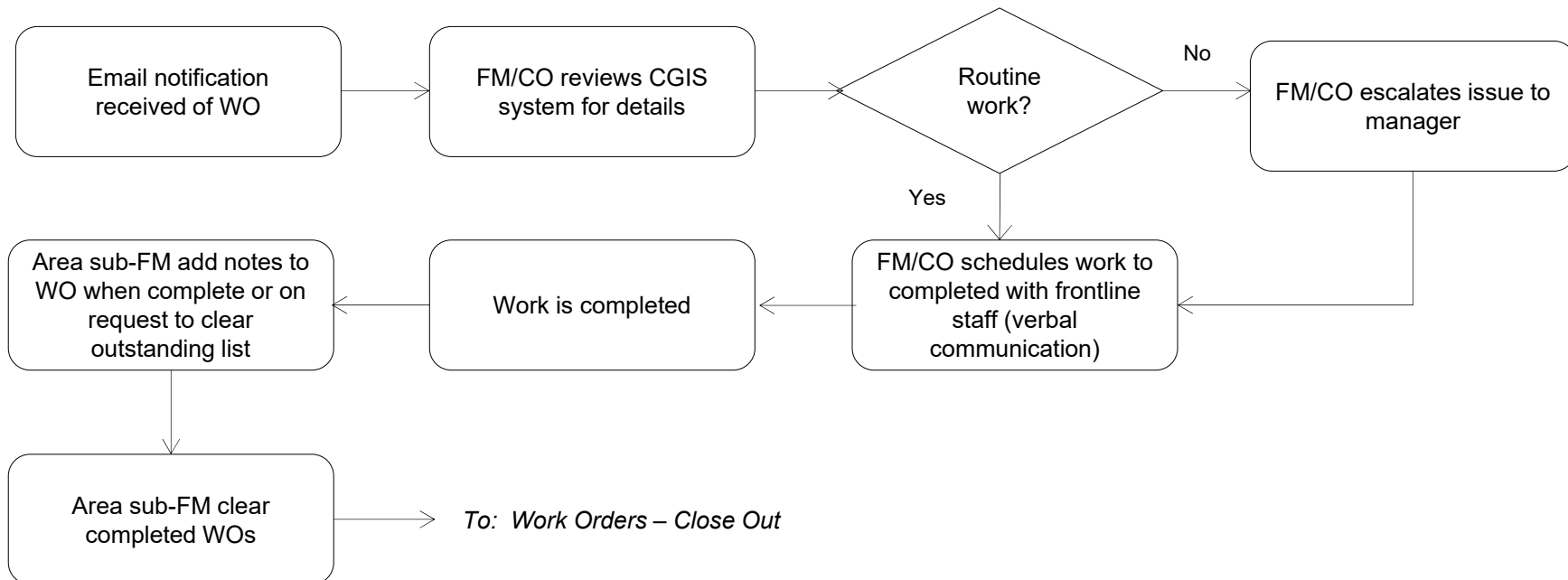
Appt.	Appointment	FM	Foreman
CO	Chief Operator (water/wastewater)	RT	Real Time
CSS	Corporate Support Staff	SR	Service Request
Dept.	Department	WO	Work orders

Work Orders - Request

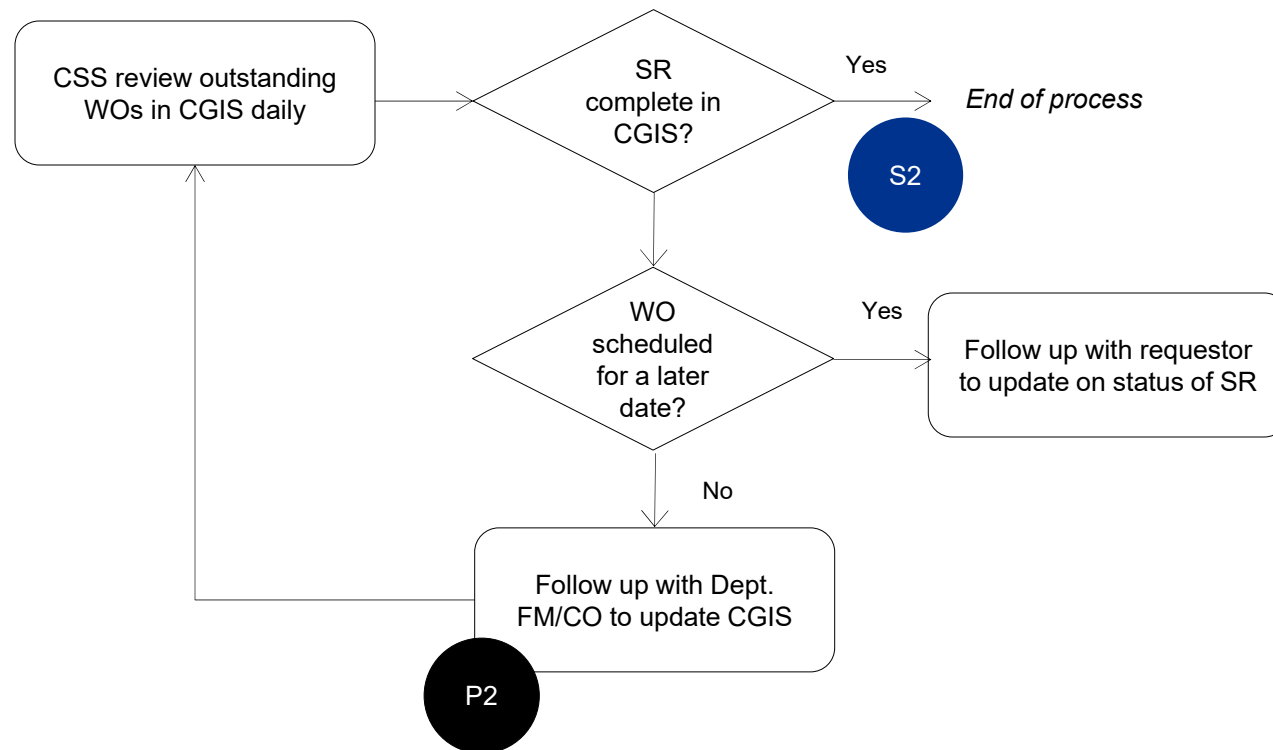


To: Work Orders - Assignment

Work Orders - Assignment



Work Orders - Close Out



Potential Courses of Action

Issue	Potential Course of Action
P1 S1 We understand that the Corporate Support Staff are the initial point of contact for questions, comments and complaints received by Municipality and that they are not always certain of how to answer the queries received or where to direct requests. The result is some frustration when the staff are unable to handle requests directly as well as some requests being sent to the wrong department, causing delays in receiving and completing work orders.	The Municipality may want to develop a variety of training and assistance tools for the Support Staff, including a Frequent Asked Questions document that is updated regularly, occasional workshops to educate the staff on the services offered by the various departments. This would create efficiencies for the support staff, reduce the number of mis-directed requests and increase customer service by responding to requests more expediently.
S2 Staff reported that there is usually no communication to residents when work orders are completed, which may result in customer dissatisfaction if the requestor does not know that a complaint or issue has been resolved.	The Municipality may want to amend their internal processes to include a follow up communication to residents when a work order that resulting from a complaint or issue has been resolved.
P2 We understand that there is often a delay in closing out completed work orders in the CGIS system. The results is unnecessary follow up for the corporate support staff to remind departments that there are outstanding work orders.	The Municipality is encouraged to develop and enforce an internal benchmark with respect to closing completed work orders.



The Municipality of West Nipissing

Building and Planning Process Maps



Introduction

As part of our service review of the Municipality of West Nipissing (the Municipality) we have provided process maps that outline the individual worksteps undertaken as part of the Building and Planning services departments. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by municipal personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following markers:

 Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value

 Client service limitations, representing aspects of the municipality's operations that may adversely impact on customer satisfaction

 Financial risk, representing areas where the municipality's system of internal controls is insufficient to prevent the risk of financial loss

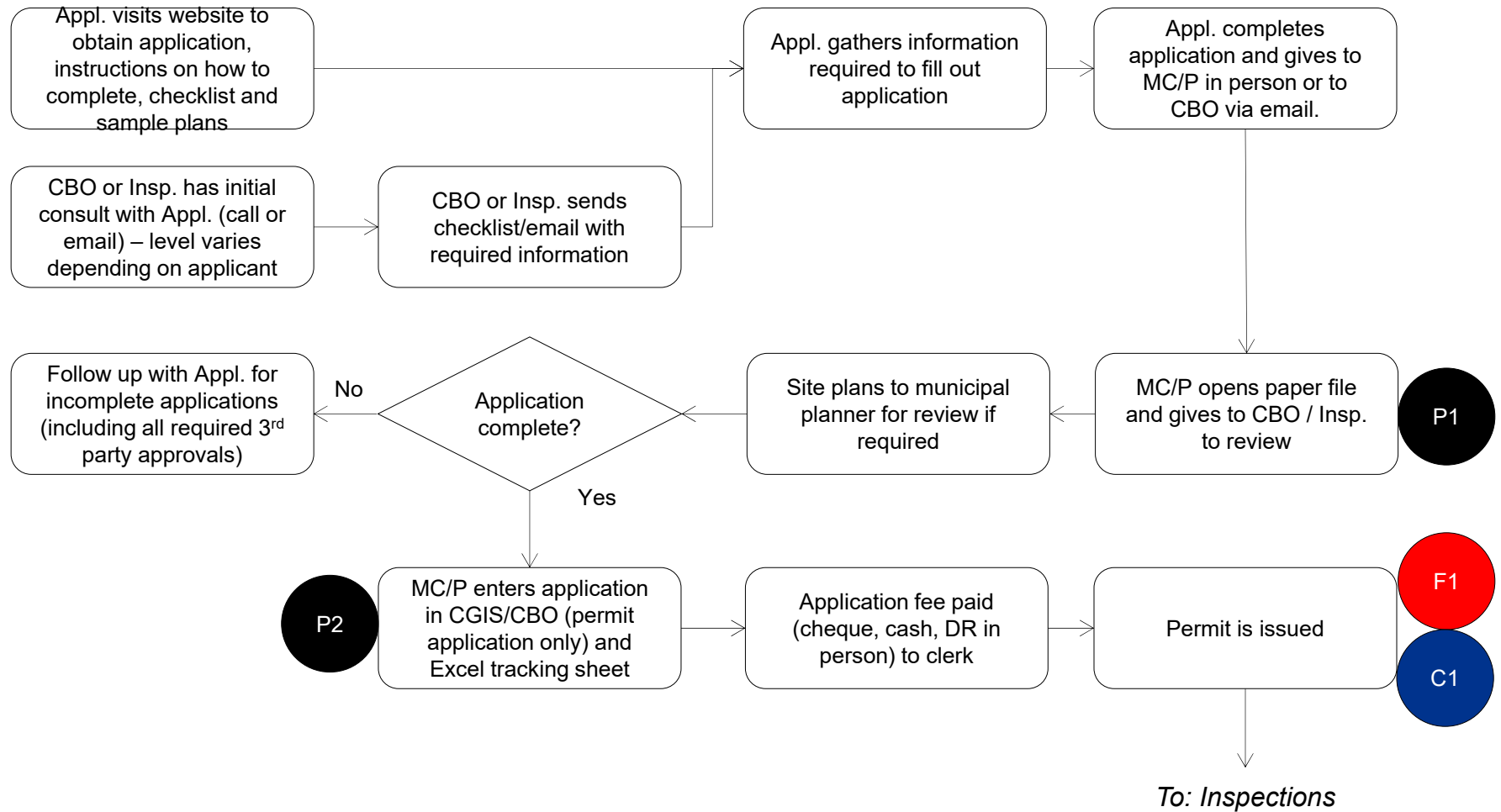
 Litigation risk, consisting of potential areas where the municipality's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

In addition to the process maps, we have also included a summary of the potential areas for improvements, as well as potential courses of action that could be adopted by the municipality to address the identified issues.

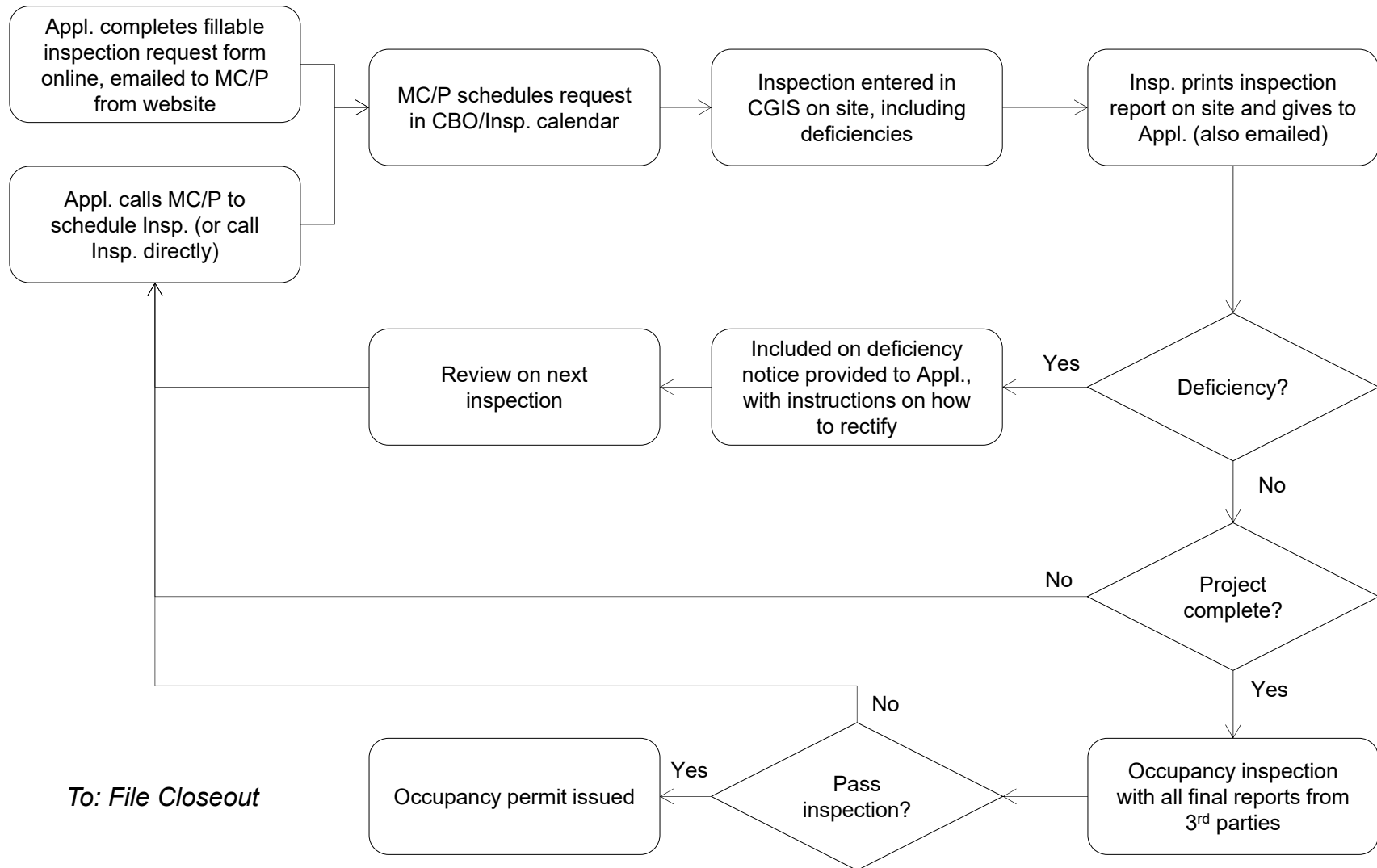
Abbreviations

Appl.	Applicant	Insp.	Inspector (CBI or Building Inspector)
BP	Building Permit	JP	Justice of the Peace
CAO	Committee of Adjustment	LPAT	Local Planning Appeal Tribunal
CBO	Chief Building Official	MC/P	Municipal Clerk/Planner
HO	Homeowner	PAB	Planning Advisor Board

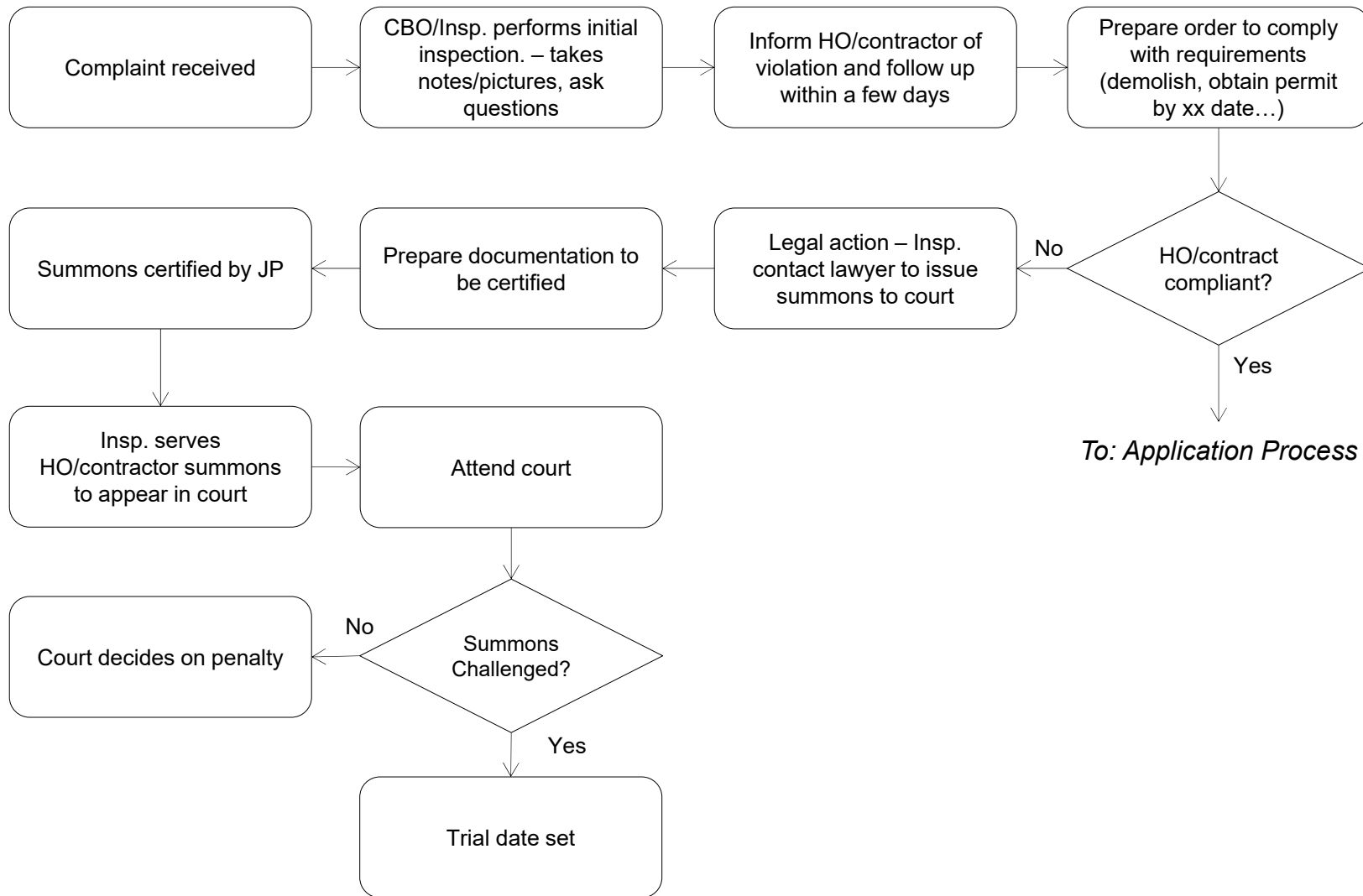
Building Permits - Application



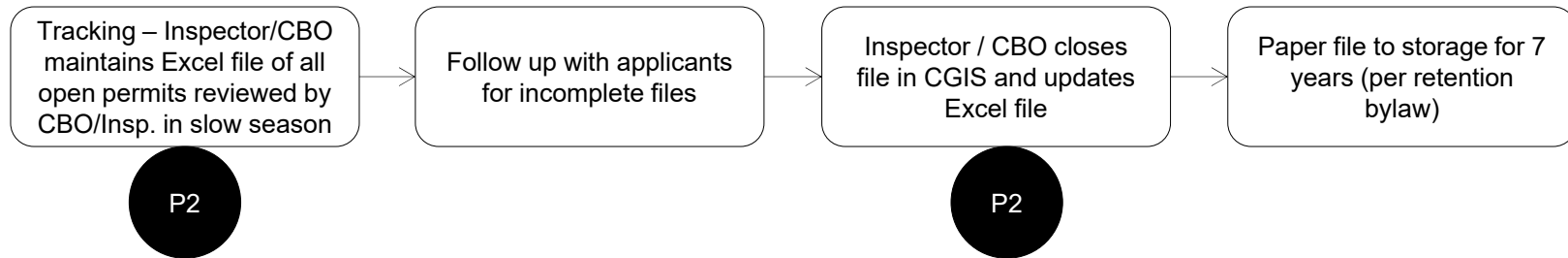
Building Permit - Inspections



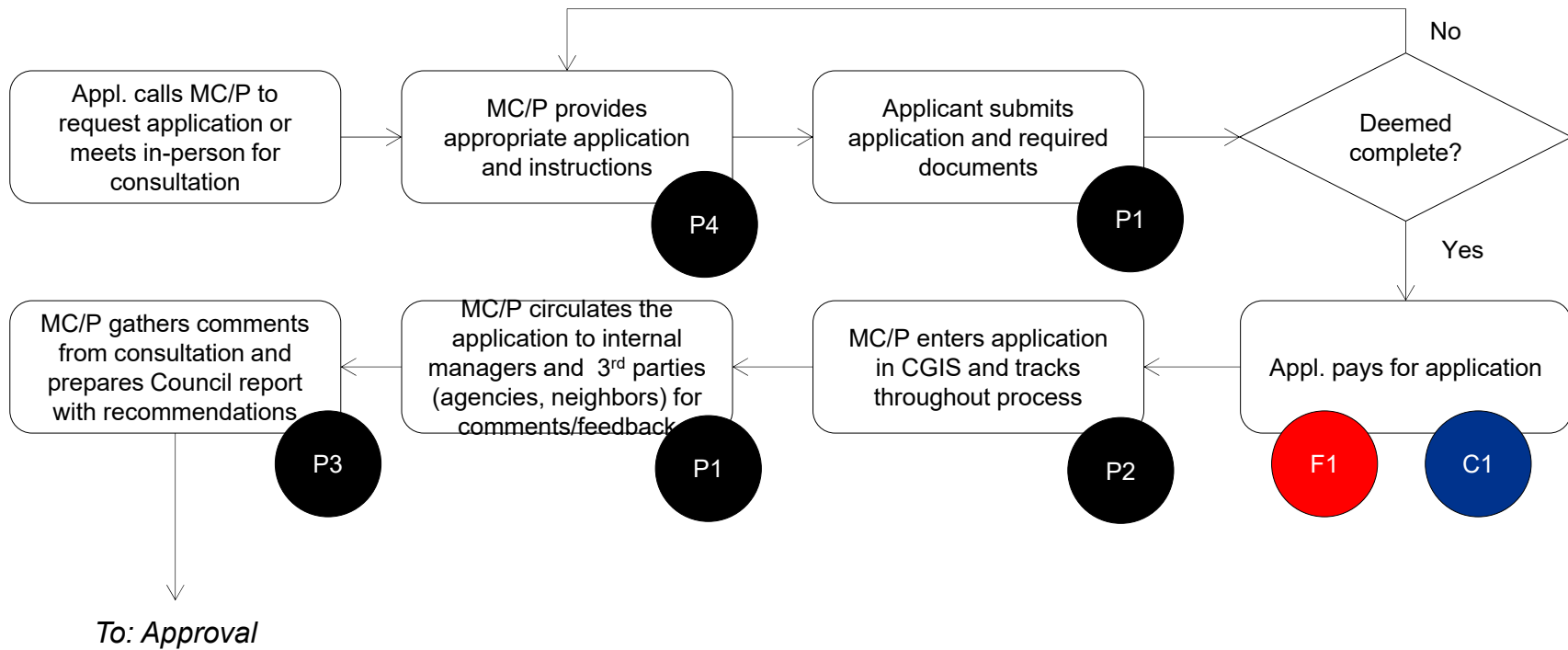
Building Permit - Enforcement



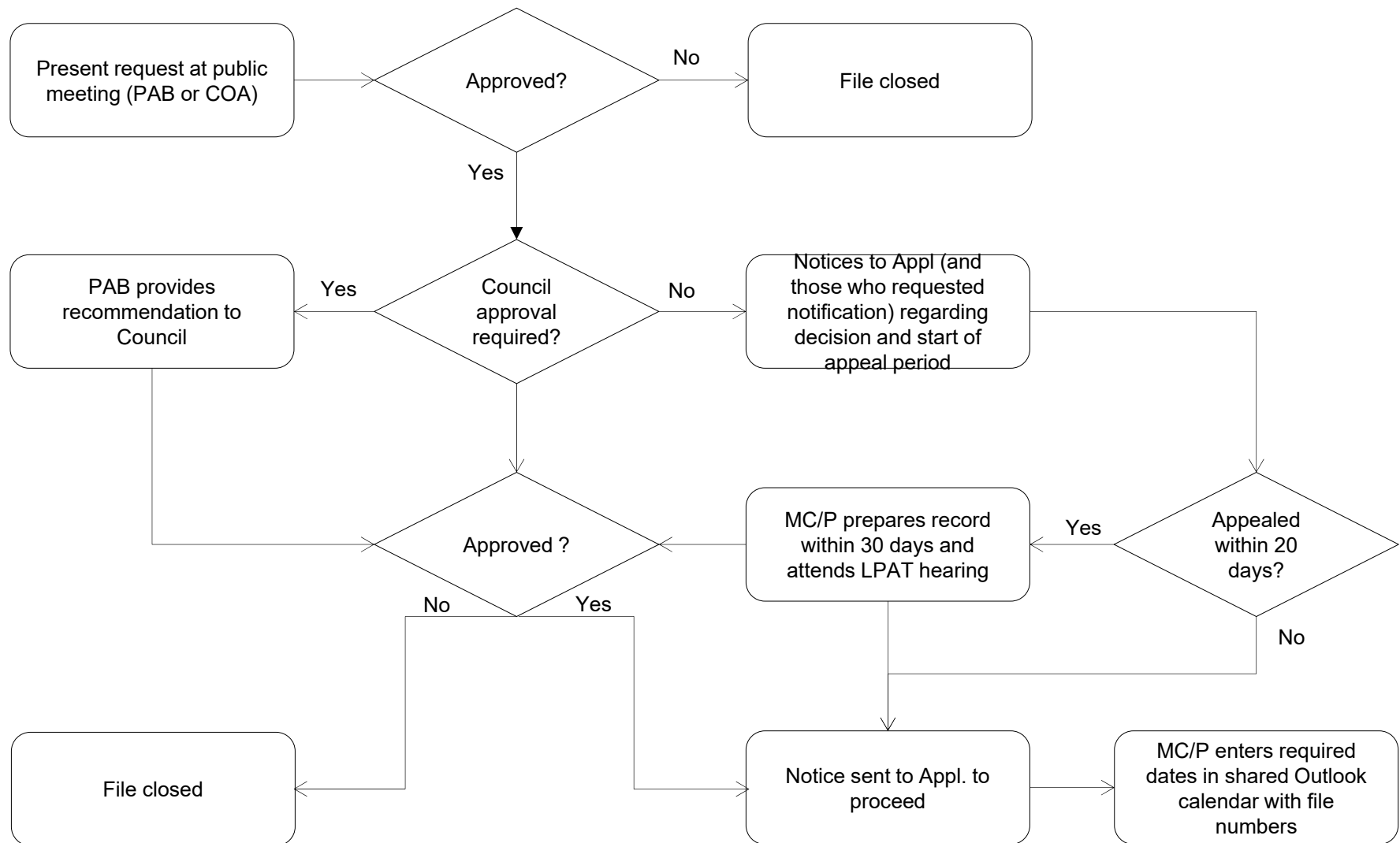
Building Permit – Tracking and Closing files



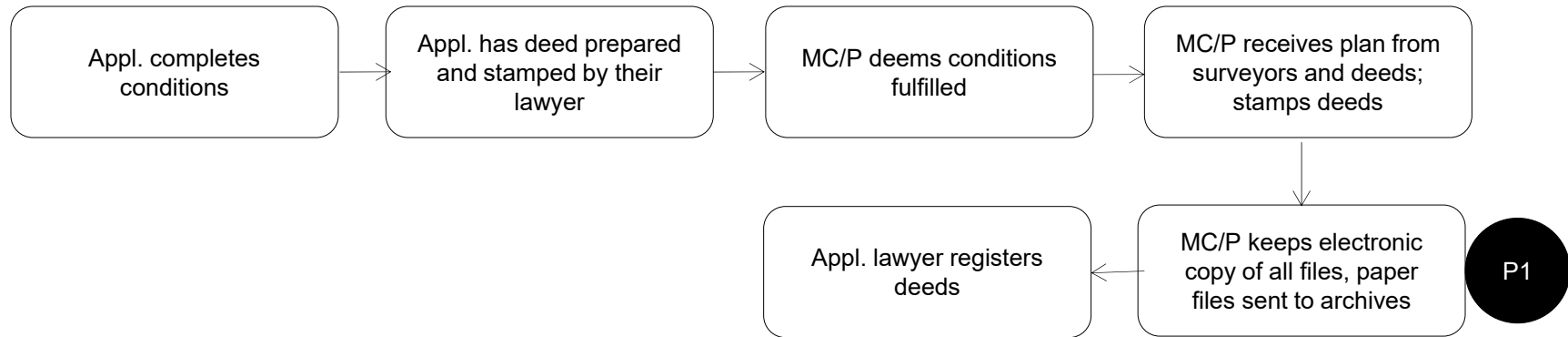
Planning - Application



Planning - Approval



Planning - Close Out



Potential Courses of Action

Issue	Potential Course of Action
 We understand the application fee for building permit and planning applications is not collected until application is deemed complete.	The Municipality may want to consider collecting payment for the applications upon first submission in order to recover fees for staff time spent on applications that are not completed.
 WN Building and Planning department currently has no capabilities for online submission of applications or credit card payment. All applications must be completed on paper/fillable pdf and emailed to submit or dropped off in person. Additionally, applicants must go to municipal building to pay application fees by cheque or debit.	The Municipality may want to consider exploring modernization opportunities to facilitate the submission of building and planning applications online. Additionally, we recommend WN permit credit card payment for application fees to minimize process burden on clerical staff and reduce traffic at municipal office.
 Staff estimate the majority of building and planning applications are received via email. Municipal staff are printing these electronic submission documents and creating paper files for all applications, which are then circulated in paper form to internal parties for comment. Additionally, we understand staff are also scanning in plans to maintain an electronic working file for applications.	The Municipality is encouraged to eliminate the paper files and to keep all application documents and plans electronically on the shared drive. WN could explore CBO/CGIS software capabilities to determine if document upload to individual files is possible. This would eliminate redundancies, minimize paper, and create efficiencies for staff.
 We understand that the Building and Planning Clerk is tracking the status of applications in an Excel file (Building) and in Outlook (Planning).	We understand the CBO/CGIS software has status tracking capabilities and that the Excel file/Outlook tracking is redundant. It is suggested that this step should be eliminated.

Potential Courses of Action

Issue	Potential Course of Action
P3 We understand planning applications received on a Friday are currently added to the agenda to be considered at the COA/PAC meeting the following week. This practice results in the MC/P rushing the process of internal circulation for comments on the application, and creates unnecessary pressure for preparing her recommendation and committee report. Additionally, staff noted there is no standardized process for the collection of internal comments on applications i.e. some are returned via email, some are hand written notes on paper files, etc.	The Municipality may want to consider changing the review schedule for planning applications to allow for sufficient internal circulation time prior to begin added to the committee agendas. This updated schedule could be posted on the website to indicate submission timelines and subsequent committee dates i.e. “if your application is submitted by X date, your application will be presented at the COA/PAC committee meeting on X date.” The circulation and method for commenting on planning applications should be standardized and use of CBO/CGIS software capabilities should be maximized. This will ensure continuity of comments throughout the process and the ongoing ability to reference them when required.
P4 We understand that the Municipal Clerk is also the Municipal Planner. This combination of portfolios and distinct skills could create a succession planning issue for this position in the future. Additionally, we understand there is a lack of cross training framework in place for building and planning clerk position, which requires a basic knowledge of the governing acts and specialized skill set when supporting applications.	The Municipality may want to consider exploring the opportunity to outsource planning responsibilities either to a neighbouring municipality or 3rd party, and could consider separating these portfolios when the opportunity arises from attrition. Additionally, the Municipality is encouraged to develop a cross-training framework for specialized positions that would facilitate continuity for the department in the event of absences, extended leave, departures, etc.



Municipality of West Nipissing

Service Delivery Review

Appendix D
Corporate Level Financial
Indicators



Financial Indicators and Benchmarking

In addition to the corporate-level financial indicators presented in this chapter, we have also undertaken benchmarking for selected municipal services based on comparisons to similar-sized municipalities.

Each service was benchmarked against six comparator municipalities and those municipalities were selected on the basis of being similar to the Municipality with respect to population and number of households. The comparator municipalities were:

- | | | |
|----------------------|------------------------|----------------|
| • Elliot Lake | • Kenora | • Callander |
| • Pembroke | • Prince Edward County | • North Bay |
| • Temiskaming Shores | • West Gray | • French River |

The service-level comparative analysis, which is based on a comparison of 2020 municipal budgets, is intended to provide perspective on the relative cost of delivering services. However, it is important to recognize potential limitations with respect to the analysis:

- Differences in organizational structure and resource allocations can complicate a municipal-to-municipal comparison as the structure of budgets may not yield an apples-to-apples comparison. In certain instances, we have attempted to adjust for these differences by aggregating same or similar services to a level that allows for a reasonable comparison. However, in certain cases the requisite information was not available to KPMG for the purposes of our review.
- In a number of instances, the allocation of costs can vary significantly, impacting any comparison of financial indicators. For example, the treatment of corporate-type costs such as insurance, information technology and financial support can differ, with some municipalities allocating these costs to individual departments while others budget for them as a central cost. Similarly, different approaches to the allocation of fleet expenses (operating only, operating plus capital, operating plus capital plus corporate costs) have the potential to skew the financial analysis.
- The financial benchmarking is independent of any adjustment for service levels. Accordingly, the comparative position of any municipality included in our analysis does not necessarily reflect operating efficiencies but may be due to higher or lower levels of service.

In light of the above, financial indicators are not available for all of the Municipality's services.

A summary of our service-level financial benchmarking is provided on the following pages.

Financial Indicators and Benchmarking

FINANCIAL ASSETS TO FINANCIAL LIABILITIES

This financial indicator provides an assessment of the Municipality'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

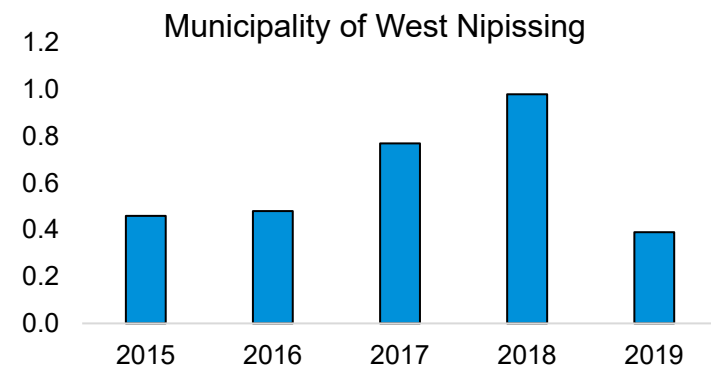
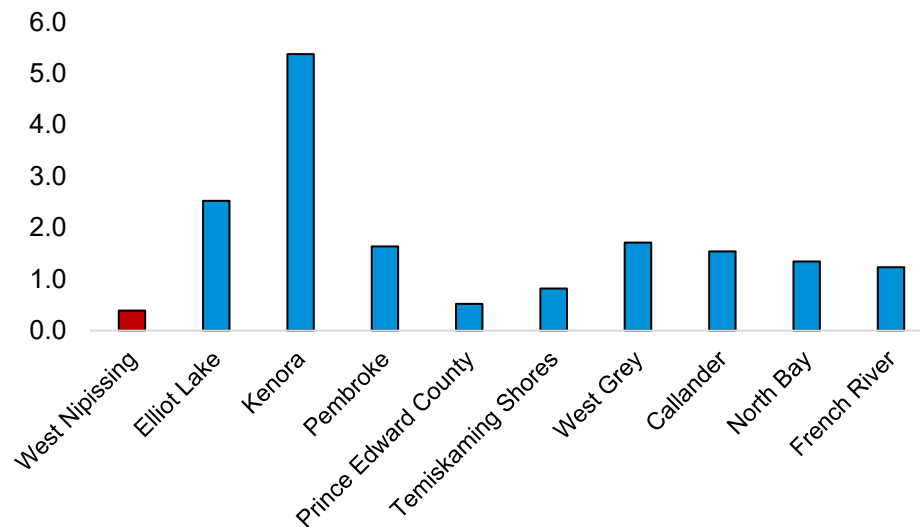
Sustainability ✓
Flexibility
Vulnerability

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



Financial Indicators and Benchmarking

TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

This financial indicator provides an assessment of the Municipality'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 Municipality to revert to taxation or user fee increases or the issuance of debt.

TYPE OF INDICATOR

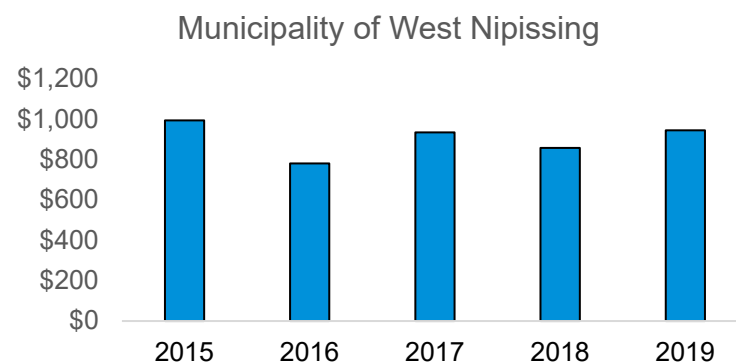
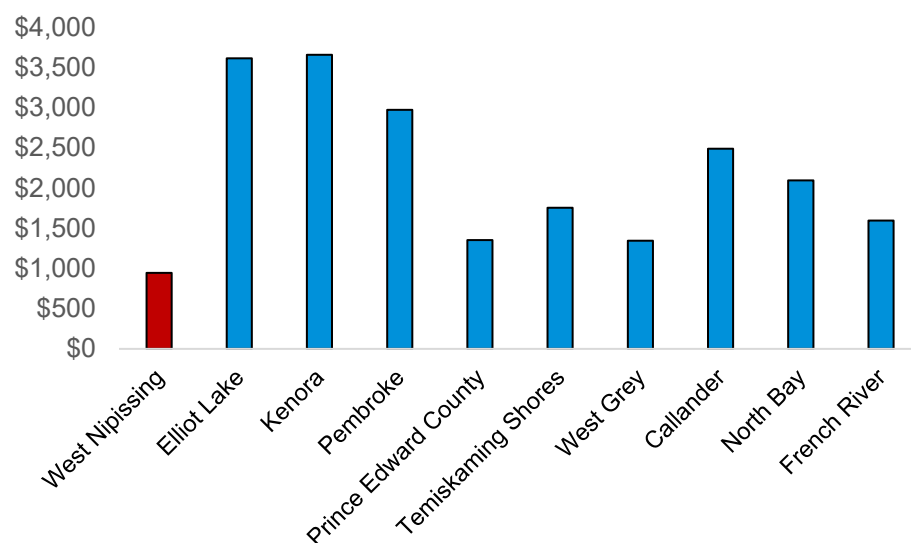
Sustainability ✓
Flexibility
Vulnerability

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 Municipality may not actually have access to financial assets to finance additional expenses or revenue losses



Financial Indicators and Benchmarking

CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

This financial indicator provides an assessment of the Municipality'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 Municipality's ability to continue to deliver services at the current levels may be compromised.

TYPE OF INDICATOR

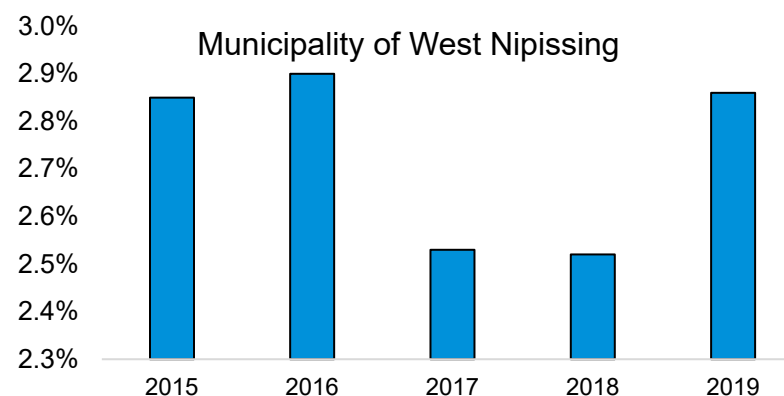
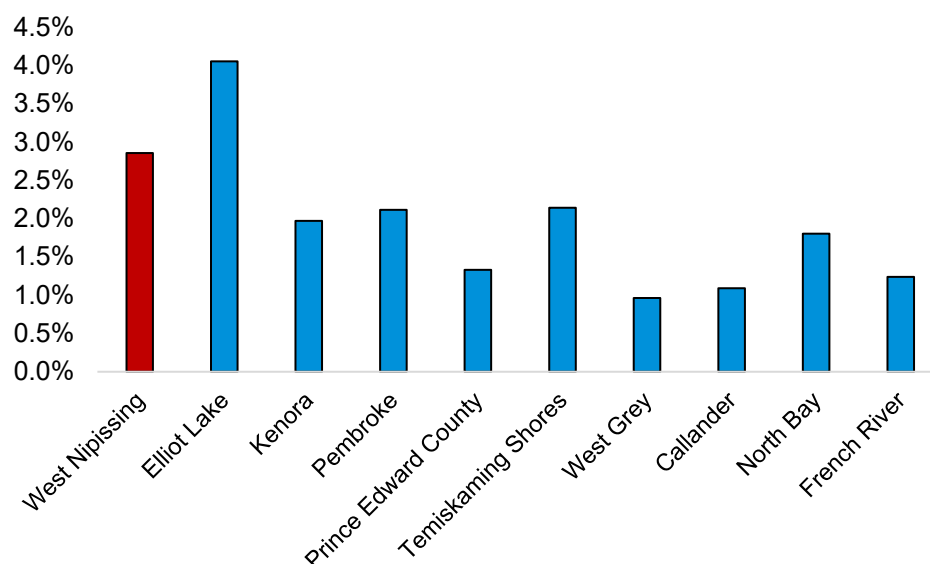
Sustainability ✓
Flexibility
Vulnerability

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 Municipality'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.



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Financial Indicators and Benchmarking

RESIDENTIAL TAXES PER HOUSEHOLD

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

TYPE OF INDICATOR

Sustainability

Flexibility

✓

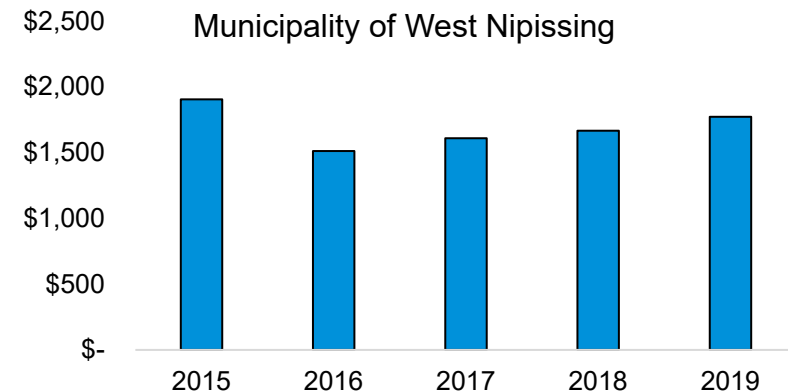
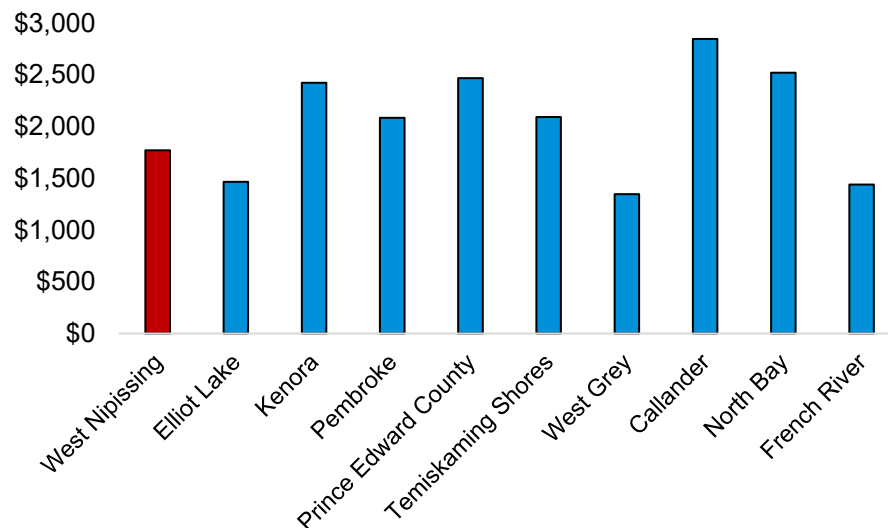
Vulnerability

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.



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Financial Indicators and Benchmarking

TOTAL LONG-TERM DEBT PER HOUSEHOLD

This financial indicator provides an assessment of the Municipality'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

✓

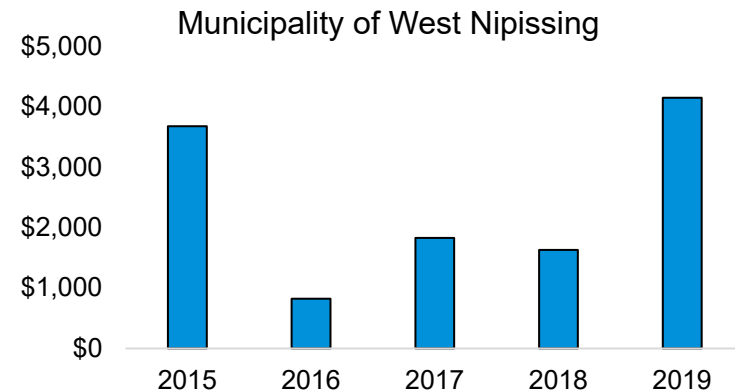
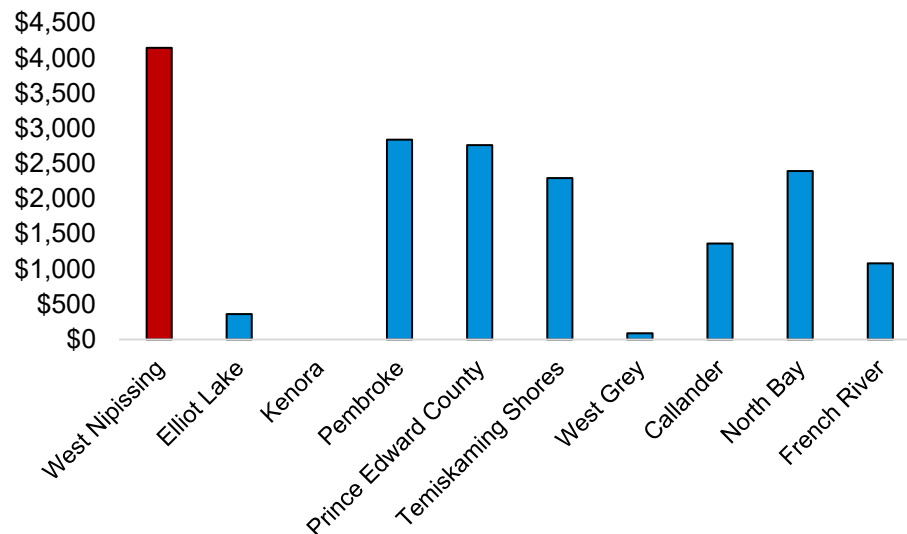
Vulnerability

FORMULA

FIR Schedule 70, Line 2699,
Column 1 divided by FIR
Schedule 2, 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



Financial Indicators and Benchmarking

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 ✓

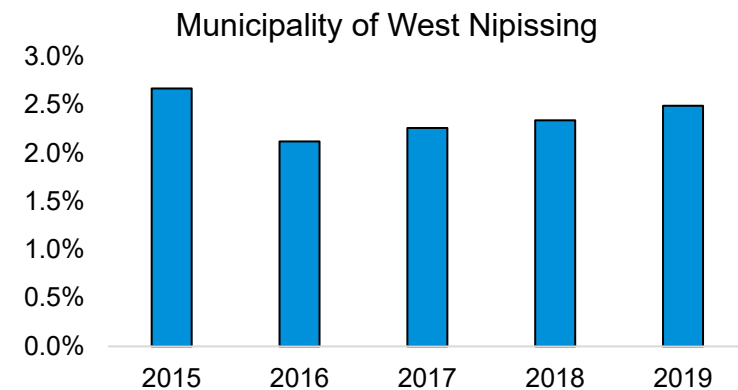
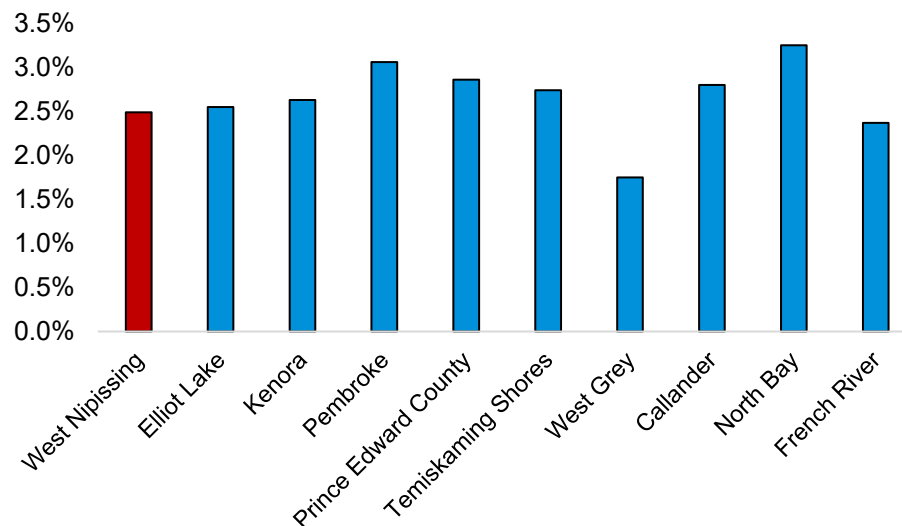
Vulnerability

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 2016 Census.

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.



Financial Indicators and Benchmarking

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

This financial indicator provides an indication as to the Municipality's overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The Municipality'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

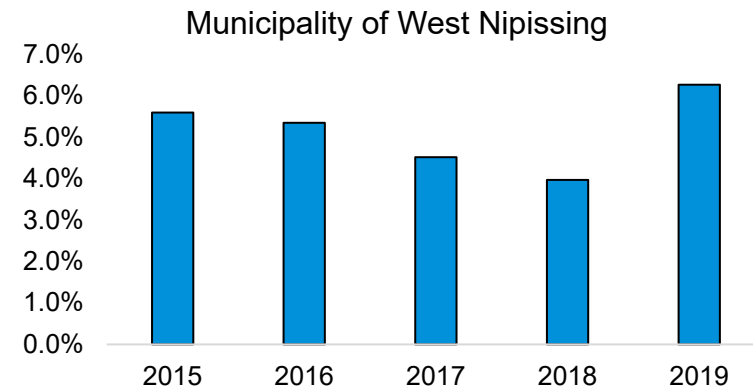
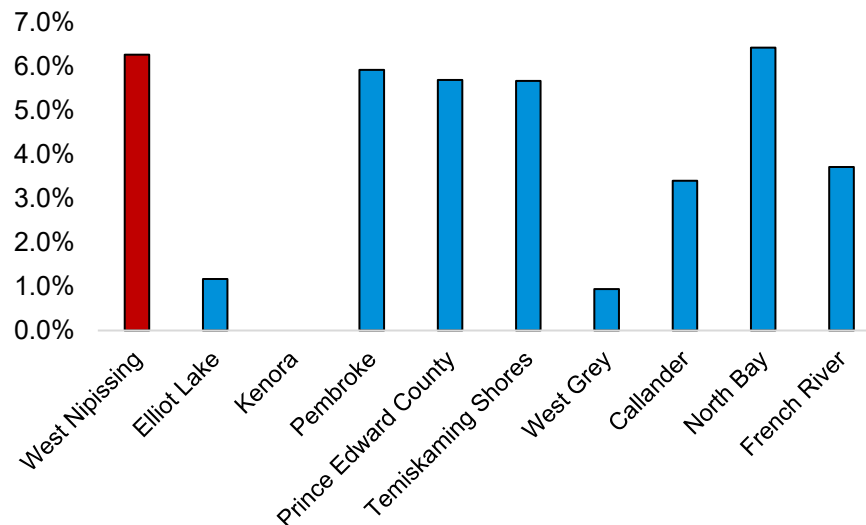
✓

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



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Financial Indicators and Benchmarking

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 Municipality is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the Municipality is, on average, investing in capital assets as they reach the end of useful life, with indicators of less than 50% indicating that the Municipality's reinvestment is not keeping pace with the aging of its assets.

TYPE OF INDICATOR

Sustainability

Flexibility



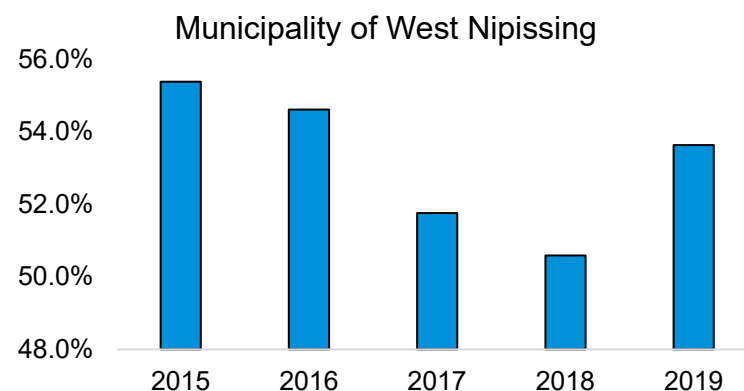
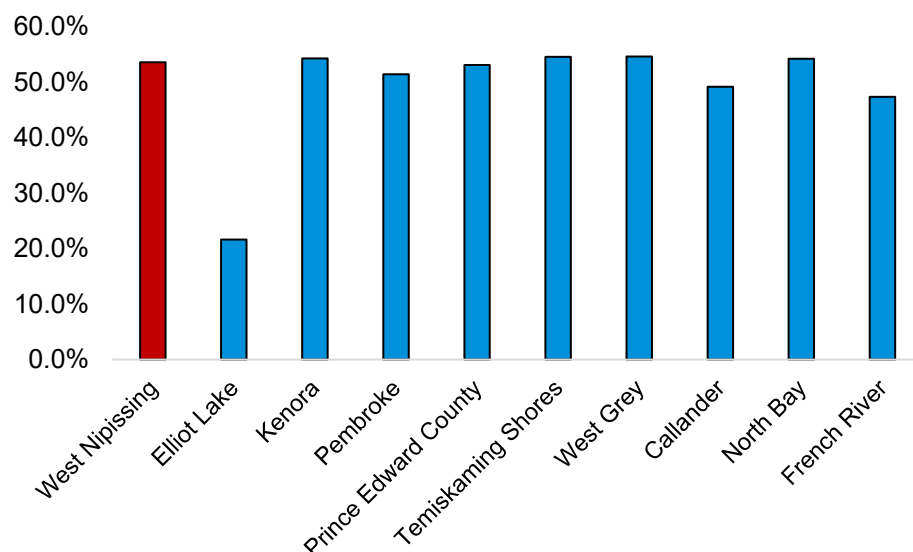
Vulnerability

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 Municipality's tangible capital assets, as opposed to replacement cost. As a result, the Municipality'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.



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Financial Indicators and Benchmarking

OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Municipality'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

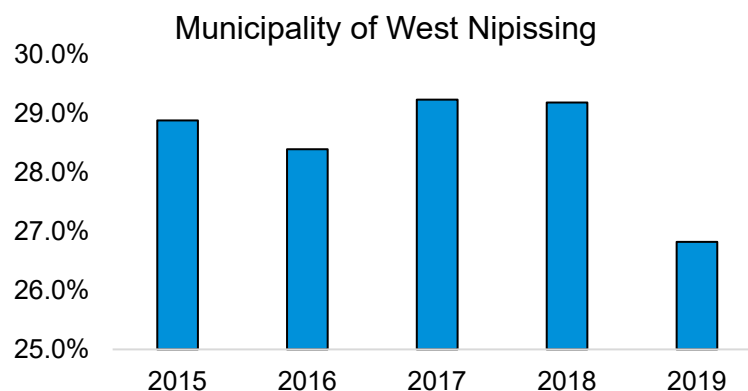
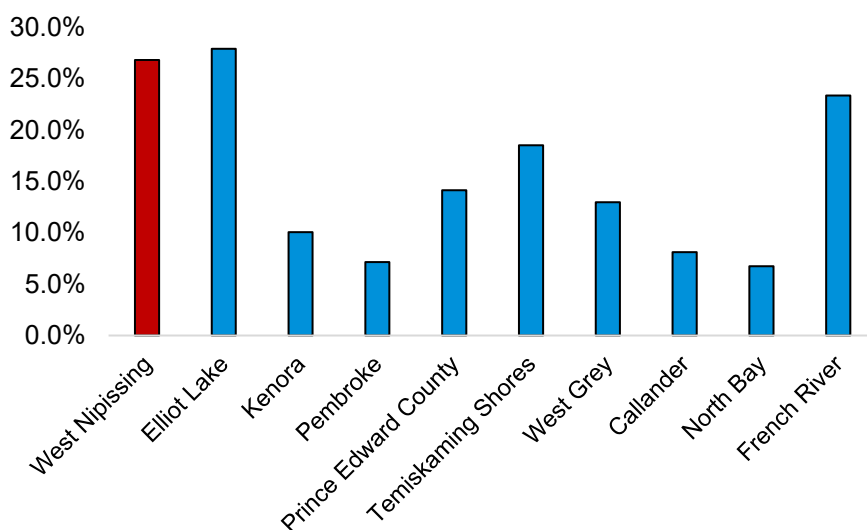
✓

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 Municipality should maximize its operating grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



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Financial Indicators and Benchmarking

CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

This financial indicator provides an indication as to the Municipality'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

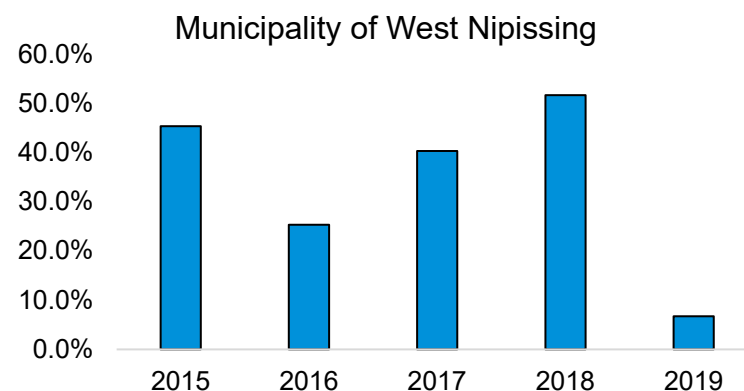
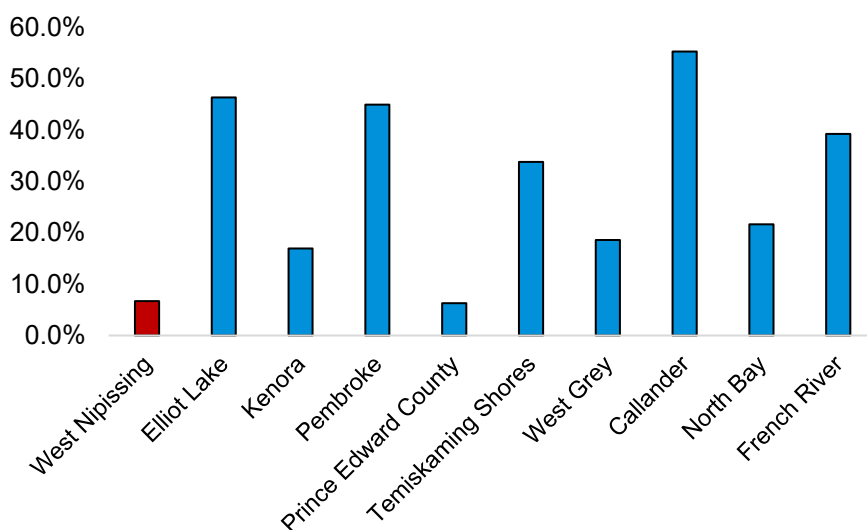
✓

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 Municipality should maximize its capital grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



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