

Core Services Review Update

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Recommended by:	Chief Administrative Officer

Report Summary

This report describes the status of opportunities identified in the 2020 Core Services Review.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report describes work that has been underway to realize the anticipated benefits described in the 2020 Core Services Review, which was an initiative specifically identified in Council's Strategic Plan as one of the actions to support the "Asset Management and Service Excellence" objective and, specifically, Goal 1.5, "Demonstrate innovation and cost-effective service delivery".

Financial Implications

There are no financial implications associated with this report.

Background

The purpose of this report is to respond to Council's November 8, 2022 [direction](#) for an update on the status of the opportunities identified in the 2020 Core Services Review. While work remains to be completed, the intended outcomes are being addressed.

In 2019, City Council [directed](#) staff to undertake a two-phase core services review. Factors influencing this direction include:

- A perception that municipal services provide low value for money, combined with a view that taxation levels should not increase. If service improvements require higher funding levels, the review could identify how the corporation could reallocate available resources to provide the required funding.
- Greater Sudbury's property taxes remain below the provincial average. Council expressed an interest in exploring the potential for changing the municipality's services as a way of sustaining current taxation levels.
- Recognition that years of underinvestment in asset maintenance and renewal are catching up to us in the form of increased emergency repair requirements, service interruptions and dissatisfaction with service levels.

- Annual deficits produced as a consequence of service demands, typically in response to weather events that drive higher maintenance costs, that require more resources than were included in the annual budget.

The first phase included providing information about services, service levels and performance. The information contained in the Phase 1 report identified a total of 58 services, 11 of which are legislated, mandated or required by senior levels of government, and 47 of which are traditionally offered by municipalities.

The second phase began in 2020 but was interrupted by the corporation’s pandemic response. Council approved two of the five motions presented for its consideration, and anticipated it would consider the directions recommended by the remaining three motions during its 2021 budget deliberations. This phase also assessed enterprise systems to identify approaches that could ensure the corporation maximized the value of its technology investments and delivered new insights about staff productivity and service efforts.

KPMG estimated potential operating savings of \$4 million per year. It believed these savings would be realized by rationalizing facilities, introducing more technology into our work processes (creating a “digital city”), implementing a lean management system, reviewing facility use agreements, modernizing phone systems, reviewing user fees and cost recovery, reviewing maintained parkland requirements, and outsourcing ski hills.

Analysis

The ten opportunities for change recommended by the Core Service Review were:

Ref No.	Opportunity	Description	Estimated cost saving for re-allocation
1	Facilities Rationalization	Rationalize the number of city-owned and run facilities with the aim of disposing of the resulting excess capacity across facilities and office buildings.	\$1,000,000

Status:

This is underway. Significant effort has been made to address this opportunity, typically as part of other service changes that also address corporate goals such as asset renewal and service improvement projects. For examples, please review the following reports: [Tom Davies Square – One-Stop Shop](#); [Greater Sudbury Museums Review](#); [Emergency Services Station Location Study](#).

Savings realized from the creation of the One-Stop Shop worth \$250,000 annually were directed by Council to support Lorraine Street Transitional Housing services. As work on developing the Valley East Twin Pad facility continues, part of the plan anticipates it would enable the decommissioning of other arenas such as the Centennial Community Centre and the Raymond Plourde Arenda.

The Depot Master Plan, intended to renew and renovate existing public works depots and dispose surplus public works facilities, has moved into the detailed design and construction of a new salt and material management building at the Frobisher Yard. As part of this plan, we will also rationalize office space to create a smaller footprint for these support services.

Work remains underway to assess further space utilization changes within Tom Davies Square. With the successful launch of the One-Stop Shop, the use of remote work arrangements by municipal staff and provincial staff at 199 Larch St, opportunities exist to further rationalize municipal facilities and office space. Staff continue to examine these opportunities and will bring more reports to Council when the analysis, including anticipated financial implications, is complete. Staff recognize, however, implications of realizing cost savings from facility rationalization efforts include the potential to inadvertently exacerbate some residents’ feelings of alienation or

Ref No.	Opportunity	Description	Estimated cost saving for re-allocation
		inequity, particularly if their feelings of connectedness with the entire community relate to the nearby presence of municipal facilities.	
2	Create a Digital City	By prioritizing new and existing digitization projects, the city can leverage technology to improve the delivery of both client facing and internal services.	\$600,000

Status:

This is underway. There are several examples of technology projects underway that contribute to improving both client facing and internal services. Since the Core Service Review’s completion, Council approved several projects that leverage technology to improve service delivery. Some examples include the Automated Metering Infrastructure project, COMPASS, Land Management Information System and Customer Relationship Management system. We are currently in the implementation phase of a new traffic management system where traffic signals are being upgraded to enhance control, automation, monitoring and data collection. This will provide operational benefits to several services including Fire, Paramedics and Transit.

Future projects will be introduced that illustrate the value of continuing the corporation’s digitization efforts in the context of a “digital first” approach that is currently under development. Annually, staff provide information about these and other technology projects via an annual update on the corporation’s IT Strategy. The latest update was provided last June, and is available [here](#).

3	Lean Management System	Through implementation of a lean management system (or other business innovation methods), the City can implement opportunities for efficiency, including those identified by front-line employees.	\$350,000
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Status:

This is underway. Staff in various parts of the organization, including Water and Wastewater Services and Community Safety, have responsibility for analytics and business improvement projects that use lean management principles. Work continues on leveraging this capacity to create enterprise-wide improvements in the way the corporation defines data requirements for its services, uses analytics in its routine workflows and systematically identifies opportunities for further change.

Further, all of the corporation’s recent change projects such as our Customer Relationship Management System, COMPASS, the Human Capital Management Plan, Land Management Information System, and One-Stop Shop incorporated steps that examined the potential to redesign workflows so that cycle times were minimized and service quality was maintained or enhanced. Like our regular review of benchmarking data via the corporation’s participation in MBNCanada, the World Council on City Data and the BMA Municipal Study, management’s approach to service delivery reviews reflects lean practices.

Nevertheless, staff believe this recommendation deserves more attention. New data from COMPASS, which itself represents a unique innovation few municipalities have, offers insights about workflows and organization performance that would support projects intended to assess how lean management/business innovation methods could produce further performance improvements.

Ref No.	Opportunity	Description	Estimated cost saving for re-allocation
4	Review Shared Use Agreements	The pricing charged and services provided by the City through shared use agreements of arenas and recreation facilities should be reviewed.	\$175,000

Status:

This remains outstanding. The timing of this work has been significantly influenced by both the municipality's and the school boards' pandemic responses. Staff have been meeting with school board officials to discuss the agreement with the expectation that revisions will be identified by the end of 2023. Similarly, staff renegotiated the corporation's agreement with the Northern Watersports Centre that adjusted both pricing and facility access terms for using that facility.

Separate, but related, is the work that was completed to share services with nearby communities, including Markstay-Warren and Atikameksheng. Staff recently completed an agreement with Markstay-Warren to provide water and wastewater services. This provides a win/win solution that leverages, and extends, staff's expertise. Also, in collaboration with Vale, we have a long standing agreement to share water services in Lively, Copper Cliff, Naughton and Whitefish.

5	Modernize Phone Systems	A telephone modernization plan could not only save on operational costs compared to a traditional desk phones but also enable a more flexible work environment.	\$75,000
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Status:

This is complete. As anticipated the modernized phone system achieved intended operating savings and provides more integration between technology tools to support a more flexible work environment.

6	Review User Fees & Cost Recovery	Fee structures charged to users for arenas and recreation facilities should be reviewed and aligned with cost recovery rates for recreation facilities.	\$245,000
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Status:

This is complete. Council approved a user fee policy that identified a consistent method for defining subsidies related to municipal user fees that recognizes both personal and community benefits associated with the service. While actual fee revenue will vary according to utilization levels, the projected change in fees resulting from the application of the policy is anticipated to be \$470,000 in 2023. This aligns with Council's budget direction to increase reliance on non-tax revenue, and reduces requirements for property tax support while maintaining access to municipal services.

7	Expand Facilities Management Systems	Facilities management services such as remote monitoring and automation for HVAC systems could be expanded to arena and recreation facilities.	\$156,000
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Status:

This is underway. Various capital projects have been approved that address this change opportunity. For example, the 2022 Budget included \$833,000 for improvements at various pool facilities; the 2023 Budget (p.423 and p.466) includes \$795,000 for HVAC upgrades at Minnow Lake Place and \$152,000 for building automation systems replacements. Capital forecasts anticipate further investments in accordance with current asset management plans.

Ref No.	Opportunity	Description	Estimated cost saving for re-allocation
8	Optimize Office Space	Explore opportunities to optimize office space through consolidated seating arrangements, introducing flexible/remote working locations, and moving from paper-based document storage.	\$193,000
<p>Status:</p> <p>This is underway. As described earlier in this report, this analysis is connected to the facilities rationalization work that has been, and remains, underway. It also involves incorporating the effects of the corporation's remote work policy to reset office space use standards and redeploy space accordingly.</p> <p>Council approved a business case in the 2022 Budget (see 2022 Budget, p. 326) to develop a strategy for creating an electronic content management system. The expected outcome is a plan for the progressive implementation of ECM that allows community and staff simple access to commonly administered information and that will replace multiple paper and various standalone electronic filing solutions. This will further provide the community and staff with improved access to City information from anywhere and anytime.</p>			
9	Review Maintained Parkland Requirements	Hectares of parkland maintained by the City far exceed established service levels and benchmarking averages and could be naturalized to standard levels.	\$980,000
<p>Status:</p> <p>This remains outstanding. This is an issue that could benefit from more community engagement. Throughout the pandemic response and considering last year's municipal election, this opportunity remains a choice Council can explore further. It is difficult, however, to consider this from purely an administrative or "cost saving" perspective. Despite the more than 20 years since Greater Sudbury's amalgamation, amenities like public parks have a longer history and the potential for change to this service could inadvertently exacerbate some residents' feelings of alienation or inequity despite the financial savings that could be realized.</p>			
10	Outsource Ski Hills	The operation of ski hills is a service uniquely offered by the City which could be outsourced to a private or not-for-profit third-party provider.	\$243,000
<p>Status:</p> <p>This remains outstanding. Staff initiated conversations with stakeholders to identify the factors that need to be considered in an outsourcing decision. The corporation's pandemic response interrupted this work.</p>			

Core Service Reviews in Other Cities

Work to identify "best practices", while accelerated by third party support, is routinely part of the way this administration manages services on Council's behalf. Examples of core service reviews in other communities identify opportunities for change that are underway in Greater Sudbury, or already complete. These change efforts were undertaken by management without any third party support.

For example, a similar service review completed in Guelph in 2021 called for the introduction of a CRM/311 Service and centralization of "back office" functions. Both of these initiatives were previously established in Greater Sudbury. In Windsor, a 2022 digital modernization strategy recommended updating the municipality's website, digitizing staff recruiting processes and centralizing all IT requests. In Greater Sudbury, the corporation's website and changes in IT governance were completed several years prior to the Core Service review. Further, work to digitize staff recruiting processes is underway as part of the corporation's Human Capital Management Plan.

In Thunder Bay a 2020 service review recommended, among other changes, the implementation of automated water meter reading technology. In Greater Sudbury, the AMI project was developed, recommended and managed by staff, and approved by Council in 2021. It should be complete this year. It will provide new online service options for water customers and greater ability for both the corporation and individual customers to monitor water consumption patterns. Another example is Council's decision to convert Greater Sudbury's street lighting network to LED, producing \$1.1 million annually in electricity savings since 2021.

These examples reinforce the importance of networking and maintaining memberships in organizations that promote information sharing and best practice identification. The value of benchmarking exercises not only comes from their capacity for providing objective information about the corporation's performance, but also in the opportunities they provide for staff to connect with their colleagues and share information that makes identifying service improvements easier.

Next Steps

Your management team regularly looks for opportunities to make positive change that improves service, reduces net cost and/or introduces innovation that improves the corporation's efficiency. Work on the directions provided by the Core Service Review will continue so that the anticipated benefits are fully evaluated and, where Council agrees, applied to the corporation's service delivery plans.

References:

Core Service Review Final Report, January 2020: <https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/pdfs/kpmg-final-report-of-core-service-review/>

Report to City Council, September 24, 2019: <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=2075>

Motion CC2019-156, May 28, 2019 (amended from FA2019-40, May 14, 2019): <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=30307>