

## Service Performance Benchmarking

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## Report Summary

This report provides information regarding the City's municipal benchmarking efforts, through participation in the Municipal Benchmarking Network Canada and the World Council on City Data.

## Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report supports the City of Greater Sudbury's Strategic Initiative of Asset Management and Service Excellence which calls for the corporation to "demonstrate innovation and cost-effective service delivery." Staff believe achieving this outcome requires robust data collection and reporting, and a reliable basis for comparison.

## Financial Implications

There are no financial implications associated with this report. The City's annual operating budget for MBNCanada is \$50,000 for membership dues and travel.

## Background

The purpose of this report is to respond to the request for information relating to the Municipal Benchmarking Network Canada and World Council on City Data. On January 28, 2025, Audit Committee passed resolution AC2025-05 which states:

**THAT** the Auditor General's office be directed to conduct a follow-up audit in 2026 to identify opportunities to better manage this expense;

**AND FURTHER THAT** staff be directed to provide a report to the April 2025 meeting of Finance and Administration Committee outlining the purpose, scope and methodology of the Municipal Benchmarking Network of Canada and World Council on City Data and the value of each benchmarking exercise to problem solving and decision making;

**AND FURTHER THAT** staff provide options for Committee's consideration to perform service, cost and

outcome benchmarking which could replace or improve upon existing data collection and analysis methods.”

### **Municipal Benchmarking Network Canada**

City of Greater Sudbury has long been one of several Canadian municipalities that collaborate annually to collect and report performance measures through its membership in the Municipal Benchmarking Network Canada (MBNCanada), previously known as the Ontario Municipal Benchmarking Index (OMBI). The City began collecting data in 2004 and continued through 2014, at which point it paused participation. Greater Sudbury rejoined the program in 2016 and has remained an active member since then.

#### Purpose

The Municipal Benchmarking Network Canada (MBNCanada) was founded in 1998 by five Chief Administrative Officers (CAOs) and City Managers with the goal of measuring and comparing municipal performance.

MBNCanada enables City staff to collect data and compare municipal performance across a variety of services. The methodology allows for city-to-city comparisons, regardless of organizational structure. Through MBNCanada, municipal staff share best practices and strategies, working together to raise the standard of excellence in their communities. The program fosters continuous improvement, contributing to public trust and confidence in municipal government.

MBNCanada also serves as a tool for communicating performance to Council, setting policies, informing reviews, evaluating programs, supporting budget recommendations, identifying trends, and developing performance dashboards.

#### Scope

MBNCanada collects both single-year and multi-year performance data across a wide range of core municipal services. Data is collected annually and is cumulative, allowing for trend analysis over time. Services examined include fire and emergency services, transit, solid waste management, roads, parks, water and wastewater, library services, long-term care, and social services, among others. Each participating municipality is responsible for submitting data according to MBNCanada’s standardized definitions, ensuring consistency across the network.

The geographical scope includes single-tier and upper-tier municipalities across Canada. This supports service efficiency and performance comparison by allowing municipalities to benchmark against similar organizations in terms of population, geography, and service complexity.

In 2017, the City of Greater Sudbury was among eighteen Canadian municipalities participating in MBNCanada, however in 2024, there was a decline in participants and only nine Canadian municipalities remain. These include Durham Region, Niagara Region, Region of Waterloo, City of Windsor, City of Winnipeg, York Region, City of Kelowna, City of Greater Sudbury, and City of Hamilton (paused their membership and reporting obligations for 2024 and 2025).

#### Methodology

Benchmarking through MBNCanada provides direction and guidance on the calculation of cost measures (e.g., cost allocation) to ensure a consistent approach across all participating municipalities. The methodology includes a costing framework that allows municipalities to attribute overhead (internal service support costs) and amortization (asset ownership costs) to the operational cost of providing services. This total costing method allows for better comparability between municipalities, regardless of organizational structure.

Although MBNCanada aims to provide benchmarks for comparison purposes, influencing factors must be considered when comparing measures for different municipalities, such as organizational structures (centralized vs. decentralized) and differences in service levels (e.g., weekly vs. bi-weekly garbage collection). These differences have a significant impact on reported measures. Since each municipality has different organizational forms, a common cost allocation template is neither feasible nor practical. Instead, MBNCanada establishes a set of principles that each municipality must follow to ensure a consistent

methodology for determining the cost of both operating programs and centralized program support functions.

### Analysis

Benchmarking of both multi-year trends and comparisons with other municipalities provides data-driven insights into service performance. It offers useful context for decision-making about service levels and helps identify opportunities for change by comparing local performance with peer municipalities across the country. Additionally, it enables meaningful interventions based on the experiences of other municipalities, reducing the time required to analyze issues and find effective solutions that lead to improved services and cost efficiencies.

### **Benefits:**

The City of Greater Sudbury has realized the following benefits from its participation in MBNCanada:

- a) Meaningful and Valuable Comparisons  
MBNCanada allows municipalities to compare performance with similar municipalities using a standardized cost allocation model. This approach ensures "apples-to-apples" benchmarking. However, influencing factors such as service levels, geographical size, and climate must be considered when interpreting cost differences.
- b) Network of Municipal Experts  
Participation in MBNCanada provides access to a network of professionals across municipalities. Expert panel meetings are held multiple times per year to review and discuss performance, exchange best practices, and explore service innovations. Participants are encouraged to network with their peers, share ideas, and solicit advice as needed.
- c) Alignment with Strategic Goals  
Participation in MBNCanada supports the City's Asset Management and Service Excellence efforts by enhancing customer focus, efficiency, sustainability, and commitment to excellence. It enables business units to pursue innovation and performance improvement initiatives.
- d) Established Use of Data for Problem-Solving and Decision-Making  
The data collected through MBNCanada provides valuable, longitudinal data and insights for problem-solving and informed decision-making, ensuring that policy and service improvements are data driven.

### **Limitations**

While there are many benefits to participation in MBNCanada, limitations do exist. Some of these include:

- a) Data Limitations  
While MBNCanada has been widely recognized, some participants view its overall use as limited. There are concerns that the emphasis on comparability can lead to a focus on cost reduction at the expense of policy considerations. Additionally, in some cases, the data is only referenced when it reflects negatively on performance, rather than being used as a continuous improvement tool. Another challenge is the "we are different" mindset, where municipalities rationalize away comparative information based on local exceptions.
- b) Participation and Sustainability  
MBNCanada remains a voluntary program, and its financial dependence on the benchmarking program brings significant risk to its financial and organizational sustainability. The establishment of expert panels has helped reduce professional isolation, leverage expertise, and open the door to best practice investigations. However, since funding for the program comes from voluntary participants, long-term sustainability remains a key concern.
- c) Retention and Expansion  
There are concerns about declining participation and insufficient or inadequate comparator municipalities as well as expansion to include municipalities outside of Ontario due to differences in service delivery. Its continued operations with limited financial resources has constrained its ability to expand and innovate new programs and service offerings. The program's historic focus

on municipalities with populations of 150,000+ has limited its recruitment pool and its associated revenues as well as the ability to retain current municipalities given that the value of the program is derived from its participants. A strategic review took place in 2024 but has not been fully implemented. The Board continues to make efforts to improve the perceived value of the measures and onboard new participating municipalities.

### Cost of Participation

	Costs
Annual Membership (2024)	\$28,250 (tax included)
Travel and Training (incl. MBNC National Forum)	\$25,000
Other (one-time fee in 2024 for Program Review costs)	\$11,300 (tax included)
<b>Staff Time</b> Estimated 1,250 hours <ul style="list-style-type: none"> <li>• Municipal Lead = 475 hrs</li> <li>• Expert Panel Members/Data Entry = 750hrs<sup>(a)</sup></li> <li>• Financial Advisory Panel Chair = 25 hrs</li> </ul>	* Approximately 30% of one FTE's Time * Unable to provide a comprehensive estimate of the cost beyond a limited number of tracked staff contributions <sup>(b)</sup> * Approximately 3% of one FTE's Time

(a) Expert panel members and data entry members include Division General Managers, Directors, Managers, Coordinators, and Analysts.

(b) While the City can report on direct costs such as membership fees and known allocations of staff time where tracked (e.g., through the COMPASS activity for select roles), it is not currently possible to determine the full cost of participation in these benchmarking programs. This is primarily because staff time associated with data collection, validation, and analysis is not consistently tracked across all departments. Many service areas contribute on an ad hoc or embedded basis as part of their broader responsibilities, and do not record hours specific to these initiatives. Staff are working to enhance staff time reporting for this activity through COMPASS workshops and data literacy training programs.

While some service-specific benchmarking programs exist within certain business units—often facilitated by provincial ministries, formal associations, or informal networks—MBNC Canada remains the only comprehensive municipal benchmarking system that spans multiple service areas across municipalities.

### **World Council on City Data**

Following a review by the CAO and with support from the Executive Leadership Team, Greater Sudbury joined the Toronto-based World Council on City Data (WCCD) in 2020. Finance staff coordinated the enterprise-wide data collection and reporting process.

WCCD certifies cities across the globe under ISO 37120, the first international standard for city data. Through WCCD, a global network of more than 100 cities share comparable and independently verified municipal data in accordance with the ISO standard.

### Purpose

The World Council on City Data (WCCD) was founded in 2014 and exists to help communities of all sizes in Canada and across the globe embrace standardized, independently verified, and globally comparable city data. WCCD supports comparisons with data that assists cities in improving their performance and their communities' quality of life. Since 2014 the WCCD has been working with almost 100 cities across 38 countries and has helped these cities to adopt ISO 37120. In 2020, the City of Greater Sudbury was among thirty-one Canadian municipalities participating in the ISO certification, however in 2024, there are only twenty-two Canadian municipalities remaining.

ISO 37120 uses data sources both within the municipal government's direct service delivery responsibilities and beyond – such as Statistics Canada and Ministry of Education – to develop a more fulsome profile of a city's quality of life.

### Scope

The World Council on City Data (WCCD) collects data aligned with ISO 37120, the first international standard for city indicators. This framework includes over 100 standardized indicators across 19 themes such as economy, environment, education, energy, governance, health, recreation, safety, solid waste, transportation, urban planning, and water and sanitation. Data is submitted annually, enabling both single-year analysis and the ability to track multi-year trends over time.

The program requires municipalities to gather data from both internal service areas and external sources, such as Statistics Canada, provincial ministries, and other public agencies. This results in a comprehensive dataset that reflects both service delivery and overall community well-being.

WCCD participants span the globe, including cities across North America, Europe, Asia, Africa, and Latin America. In Canada, approximately 22 municipalities are currently active members (as of 2024). This wide geographical scope allows for international benchmarking, although the level of comparative access is limited. The WCCD visualization portal permits internal year-over-year analysis for the City's own data, but access to peer city data is restricted and not publicly available. Comparative insights are therefore dependent on WCCD approval and internal tools rather than open-access benchmarking platforms.

### Methodology

ISO 37120 is a standard developed by the International Organization for Standardization (ISO) that provides a methodology for measuring and reporting the performance of cities. It focuses on the sustainability and quality of life in urban environments. Specifically, ISO 37120 is part of the larger ISO 37100 series, which aims to establish standardized metrics for urban sustainability.

Key aspects include:

- Indicator Based Framework
- Data Driven Approach
- Sustainability and Quality of Life
- Global Comparability
- Adaptability
- Continuous Improvement

### Analysis

#### **Benefits**

The WCCD provides cities with standardized data to measure, compare, and improve urban performance based on the ISO 37120 standard and other ISO standards. Below are some key benefits of WCCD participation:

- Standardized Global Benchmarking  
WCCD provides consistent and internationally recognized data standards. Cities can compare their performance with other municipalities worldwide across various metrics, including economy, environment, governance, and infrastructure.
- Data-Driven Decision-Making  
Access to high-quality, verified data helps cities make evidence-based policy decisions and optimize service delivery.
- Improved Sustainability and Resilience  
WCCD helps cities track progress toward sustainability goals, such as waste management and energy efficiency.
- Attracting Investment and Funding Opportunities  
Certification through WCCD signals to investors, businesses, and international organizations that a city is well-managed and transparent. Cities with strong performance data can leverage funding from federal and provincial programs, sustainability funds, and other initiatives.
- Transparency and Public Engagement  
Publicly available, standardized data increases trust and accountability between city governments and residents. It also helps municipalities communicate progress on key performance areas and engage citizens in decision-making.

## Limitations

The World Council on City Data (WCCD) offers many benefits, but there are also limitations and challenges associated with its use. These include:

a) Data Comparability Challenges

Cities vary in structure and priorities (e.g., population size, governance models, service delivery methods), which can make direct comparisons difficult. Different interpretations of indicators may affect how cities report their data, despite standardized ISO guidelines.

In addition, a visualization portal of WCCD data exists for internal CGS reporting but does not provide CGS with the tools or the comparisons that would allow for useful benchmarking against other peer cities. The visualization portal does have the functionality to see the City's own data over multiple years, but not that of other peer municipalities. There is no public facing visualization portal or data available.

b) Data Availability and Quality Issues

Not all cities have the capacity or resources to collect and report high-quality, standardized data. Some municipalities lack historical data, making trend analysis difficult. Data gaps can limit how useful benchmarking is for certain sectors or regions.

c) Costs and Resource Requirements

WCCD certification requires financial and human resources, which is a burden for municipalities. Maintaining and updating data for continued certification requires ongoing investment.

d) Focus on Standardized Indicators

While ISO standards ensure consistency, they do not fully capture unique local factors or specific policy goals of a city. Some city-specific priorities (i.e. cultural development, community well-being) may not be well-represented in WCCD metrics.

e) Use of Data

Clause 5.2 of Schedule A of the renewal agreement with WCCD states that the WCCD does not allow CGS to use any of the comparative data (except for internal purposes) unless specifically authorized by the WCCD (Refer to Appendix C for full details of clause 5.2). This presents issues for CGS when responding to media requests and providing information for Council reporting, where information is available, but not able to be shared publicly without authorization from WCCD.

### Cost of Participation

When the City joined WCCD in 2020, the initial three-year membership commitment was supported through financial assistance from the Federal Ministry of Infrastructure and Communities and was without cost until 2021.

The City paused its participation in WCCD following their platinum certification in 2021 but rejoined in 2024. In order to avoid any gaps in data collection, the City paid to participate for the three-year period of 2022 through 2024 and begin the data collection for the years of 2020, 2021 and 2023 (the data calls each year are for the previous 12 months).

	Costs
Renewal and Membership Fee	\$91,312 CAD (tax included) *entirety paid in 2024  <u>Breakdown:</u> 2022 \$18,000 USD = \$24,653 CAD <sup>(a)</sup> 2023 \$18,000 USD = \$24,653 CAD <sup>(a)</sup> 2024 \$23,000 USD = \$31,501 CAD <sup>(a)</sup>
Staff Time Estimated 325 hours <ul style="list-style-type: none"> <li>• Coordinator = 250 hrs</li> <li>• Subject Matter Experts = 75 hrs</li> </ul>	<ul style="list-style-type: none"> <li>* Approximately 15% of one FTE's Time</li> <li>* Unable to provide a comprehensive estimate of</li> </ul>

	the cost beyond a limited number of tracked staff contributions <sup>(b)</sup>
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(a) These are exclusive of HST.

(b) While the City can report on direct costs such as membership fees and known allocations of staff time where tracked (e.g., through the COMPASS activity for select roles), it is not currently possible to determine the full cost of participation in these benchmarking programs. This is primarily because staff time associated with data collection, validation, and analysis is not consistently tracked across all departments. Many service areas contribute on an ad hoc or embedded basis as part of their broader responsibilities, and do not record hours specific to these initiatives. Staff are working to enhance staff time reporting for this activity through COMPASS workshops and data literacy training programs.

Unlike MBNCanada, measures and benchmarks identified as part of ISO37120 certification have not been included in staff reports or public documents, such as the annual budget document and Annual Report.

### **Potential Alternative Benchmarking Methods**

There are additional or alternative benchmarking methods that may be considered:

#### 1. Benchmarking through the use of Financial Information Return (FIR) Data

The **Financial Information Return (FIR)** is a standardized reporting tool submitted annually to the Ministry of Municipal Affairs and Housing by all Ontario municipalities. It includes detailed financial and statistical data across nearly all service areas, covering revenues, expenditures, assets, liabilities, staffing and more.

In theory, almost every line item in the FIR can be benchmarked. This includes:

- Operating and capital expenditures by service area
- Reserve levels and debt servicing
- Revenue sources (e.g., user fees, taxation, grants)
- Asset values and amortization
- Per-household and per-capita cost comparisons

FIR data supports high-level financial comparisons across municipalities and can be used to assess financial condition, service costs and taxation levels. These comparisons can be made by population size, geographic region, urban/rural status, or tier of government (single-tier vs. upper/lower-tier).

#### Scope

What is Included:

- Financial data across most service areas, including protective services, public works, recreation, social housing, and more.
- Standardized definitions for consistency across municipalities.

What is Excluded/Limited:

- Non-financial performance measures (e.g., service levels, program outcomes).
- Detailed context for service delivery models, local policy decisions, or service standards.
- Qualitative data or influencing factors (e.g., climate, geography, local demand).

This means while FIR data is strong for benchmarking costs and financial condition, it lacks the nuance needed to fully compare *why* costs or outcomes differ.

#### Cost of Participation:

Should the organization decide to pursue benchmarking using FIR data, there are resourcing impacts to consider. Currently, the City pays \$6,000 to have access to the annual BMA Study and approximately 5% of an FTE's time to provide the data. Should the organization pursue benchmarking through FIR data alone, without the BMA Study resource, it is estimated that this process could require a significant increase in staff effort. In addition, municipalities often issue restatements on FIR data. This occurs at various times throughout the year without notification. Therefore, it would be incumbent upon staff to

remain abreast of these changes.

## 2. Current Organizational Performance Metrics on Service Profiles

The Performance and Change section of the Data Analytics and Change Division is currently working with service areas to update and improve their service profiles with new performance measures that better reflect the City's service levels and strategic priorities. Building this new database will allow the corporation to begin comparing year-over-year metrics for the organization and could potentially allow for comparisons with select municipalities who have data sources from which we can pull this information.

### Scope

This option would allow CGS to compare its performance, year-over-year, for each service area. This method of benchmarking is limiting when it attempts to benchmark against other municipalities. The most significant challenge lies in the way in which municipalities measure their performance and calculate their performance measures. The lack of a standardized approach among municipalities means that achieving an apples-to-apples comparison with desired municipalities may not be achievable. This work will also require the establishment of relationships with staff at other peer municipalities and relies on their commitment to sharing information to develop meaningful comparisons.

### Cost of Participation

In terms of resourcing and cost, the organization is already establishing and collecting performance measures from all service areas and is expected to continue to maintain and enhance these on an ongoing basis. However, to use these measures to benchmark against other municipalities would require significant enhancements to existing resources. It is estimated that two additional full-time employees would be required to maintain organizational performance metrics and collect information from other peer municipalities.

## 3. Additional Benchmarking Initiatives

Refer to **Appendix A** for additional programs and initiatives used by the City of Greater Sudbury to measure performance and benchmark across peer municipalities.

Refer to **Appendix B** for additional benchmarking initiatives identified throughout the creation of this response.

## **CONCLUSION**

As the City of Greater Sudbury continues to move toward a service-based budget framework, the importance of understanding service delivery models and service level standards becomes more critical for meaningful benchmarking. Contextualizing cost and performance data with service levels enables more accurate comparisons between municipalities and supports improved decision-making.

While developing consistent external benchmarks for every service area remains resource-intensive, the City is leveraging a combination of existing benchmarking programs (e.g., MBNCanada, BMA Study, WCCD), departmental service profiles, and internal performance metrics to build this context. As we continue to align budgeting with service outcomes, the integration of these tools will support more strategic and data-informed benchmarking practices over time.

MBNCanada is the most comprehensive Canadian municipal benchmarking system, offering standardized data for municipal comparisons. WCCD provides a global perspective but has significant limitations, including high costs and restricted access to comparative data.

Alternative methods like FIR data and internal metrics offer some benchmarking value but are quite quantitative in nature. Outside of a formalized data sharing initiative, insights into services and service levels being provided and service outcomes being directed by peer municipal Councils can be time-consuming and difficult to obtain.