



SUBJECT: Provincial Audit and Accountability Fund

TO: Committee of the Whole

FROM: City Manager's Office

Report Number: CM-14-19

Wards Affected: All

File Numbers: 155-03-01

Date to Committee: June 10, 2019

Date to Council: June 17, 2019

Recommendation:

Direct staff to submit an Expression of Interest to the Ministry of Municipal Affairs and Housing Central Region by the June 14, 2019 deadline under the “review of service delivery and modernization opportunities” and;

Direct the Director of Finance to single source a third-party consultant to complete this review should the City of Burlington’s request for funding be approved by the Ministry of Municipal Affairs and Housing.

Purpose:

On May 21, 2019 the Premier announced the creation of the Audit and Accountability Fund; \$7.35 million for large urban municipalities and district school boards interested in conducting service delivery and administrative expenditure review with the goal of finding efficiencies while protecting important front-line services. Eligible municipalities may apply individually or collectively, with other eligible municipalities to conduct an independent third-party review of municipal service delivery expenditures to find efficiencies.

A letter was received on May 29, 2019 from the Deputy Minister of Municipal Affairs and Housing inviting the City of Burlington to first submit an “intention to apply” for the funding, due by June 14, 2019, followed by a more detailed “expression of interest” required by June 30, 2019.

Projects that are eligible can take the following forms:

- A line-by-line review of the municipality’s entire budget

- A review of service delivery and modernization opportunities
- A review of administrative processes to reduce costs.

Furthermore, a final report by an independent third party must be completed by November 30, 2019 and posted publicly outlining the analysis, findings and actionable recommendations.

As part of each annual budget process, the city conducts a line-by-line review of the operating budget, and this will continue as it has proven to find savings. During the 2019 budget process the line by line review formulated efficiencies and net budget reductions of \$1.1 million. Given we already undertake a line by line review, staff recommend we submit an expression of interest for a review of service delivery and modernization opportunities.

Staff recommend that we assess and review service delivery within the Roads, Parks, and Forestry department, as it specifically relates to corporate fleet, leaf collection and winter maintenance. Early results of the Mayor's Red Tape Red Carpet Task Force indicate that specific development review processes that precede building permit application and approval, should be a focus for business process improvements, therefore it is also being recommended in the service review.

Background and Discussion:

As part of the 2019 budget approval City Council directed the City Manager to report back on;

Development and Implementation of a City Manager led multi-year City Service Review Process focused on identifying and recommending for Council consideration in conjunction with the annual budget process, proposed changes to City services resulting in sustainable operational efficiencies and annual net budget savings.

City Council also directed the Director of Roads, Parks and Forestry;

To complete a review of winter operations and provide recommendation to Committee of the Whole for the 2020 budget considerations including the following;

- Improvements to sidewalk, pathway and bike lane clearing in accordance with recent revisions to the Minimum Maintenance Standards; and,
- Increased management oversight of winter operations on shifts; and,

- Increased oversight of contracted services; and,
- Consideration of changes to equipment and service provision for plowing (10-year contract preparations are commencing); and,
- Options for enhanced service on residential roads; and,
- Options for enhanced service on laneways and pathways; and,
- Options for changes to the Windrow program; and,
- Options for enhanced communications; and,
- Option for salt boxes in neighborhoods near pathways; and,
- Consultation with citizen advisory committees for service level suggestions; and,
- Review of road prioritization/ service levels for snow removals; and,
- Options to purchase a grader to secure a contract for the operation of a grader, including analysis of the value proposition of those options; and,
- Report back at a workshop before the 2020 budget.

The two staff directions approved by Council align with the guidelines and intent of the Audit and Accountability Fund as proposed by the Ministry of Municipal Affairs and Housing.

Strategy/process

Staff are recommending the following services be reviewed:

Service	Focus of Review	2019 Gross Operating Expenditure
Corporate Fleet	Assess the corporate wide inventory of vehicles; Green Fleet Strategy, allocation and use of corporate vehicles and best practices.	\$3.0 M
Leaf Collection	Assess the effectiveness and service level of the current program.	\$0.8 M
Winter Maintenance	Assess efficiencies in service delivery and cost effectiveness of employing internal vs external resources, review of service standards and best practices.	\$6.0 M
Pre-Building Permit Development Approval Process	Assess the detailed business process for zoning clearance and verification, site grading and alterations, and committee of adjustment variances.	\$3.7 M

The areas identified above are manageable for review within the time period provided by the Province.

Municipal service reviews can take various forms including:

- Comprehensive core service review of all City services
- Individual service reviews including value for money (VFM) audits
- Systematic multi-year organizational review of all services including but not limited to detailed examination of service delivery change options and opportunities including partnerships.
- Shared service reviews, business process integration and digital transformation
- Ongoing continuous improvement including Lean methodologies

In the City of Burlington's case, the service review approach should reflect a "made in Burlington" solution that is integrated with both the strategic planning and annual budget process. Best practices have identified the service review process should encompass the following key elements:

- A focus on detailed financial and performance related data analysis
- An examination of all feasible and innovative service delivery options and opportunities
- A focus on the overall service performance vs Council approved service standards
- A focus on identification of sustainable long-term service delivery efficiencies and associated direct cost savings.
- A consistent and rigorously applied service review methodology with direct leadership and involvement of City Manager and Burlington Leadership Team members.

One of the outcomes of the reviews would be to develop a robust approach to service review that could be efficiently applied to all City of Burlington services. The services proposed in this report will effectively act as "pilot projects" for the development and refinement of Burlington's service review process. Subject to approval, use of the Provincial funding will help ensure service reviews become embedded in the City's ongoing strategic management of the organization.

Financial Matters:

The Audit and Accountability Fund guidelines suggest that most review projects will be less than \$250,000. Only third-party consulting fees will be eligible and City administrative costs such as staff time are not eligible. A corporate team led by the City Manager's office will be established that will work closely with the external consultant.

Conclusion:

Staff recommend we take advantage of the opportunity provided by the Province to secure funding to undertake selective service review projects as identified in this report. The City will leverage this exercise to refine our own methodologies and develop a 2020-2022 workplan for service reviews across the organization.

Respectfully submitted,

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Appendices:

- A. Audit and Accountability Fund Program Guidelines

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.