



cutting through complexity

Presentation to the General Issues Committee – City of Hamilton

Service Delivery Review Project

October 29th, 2012

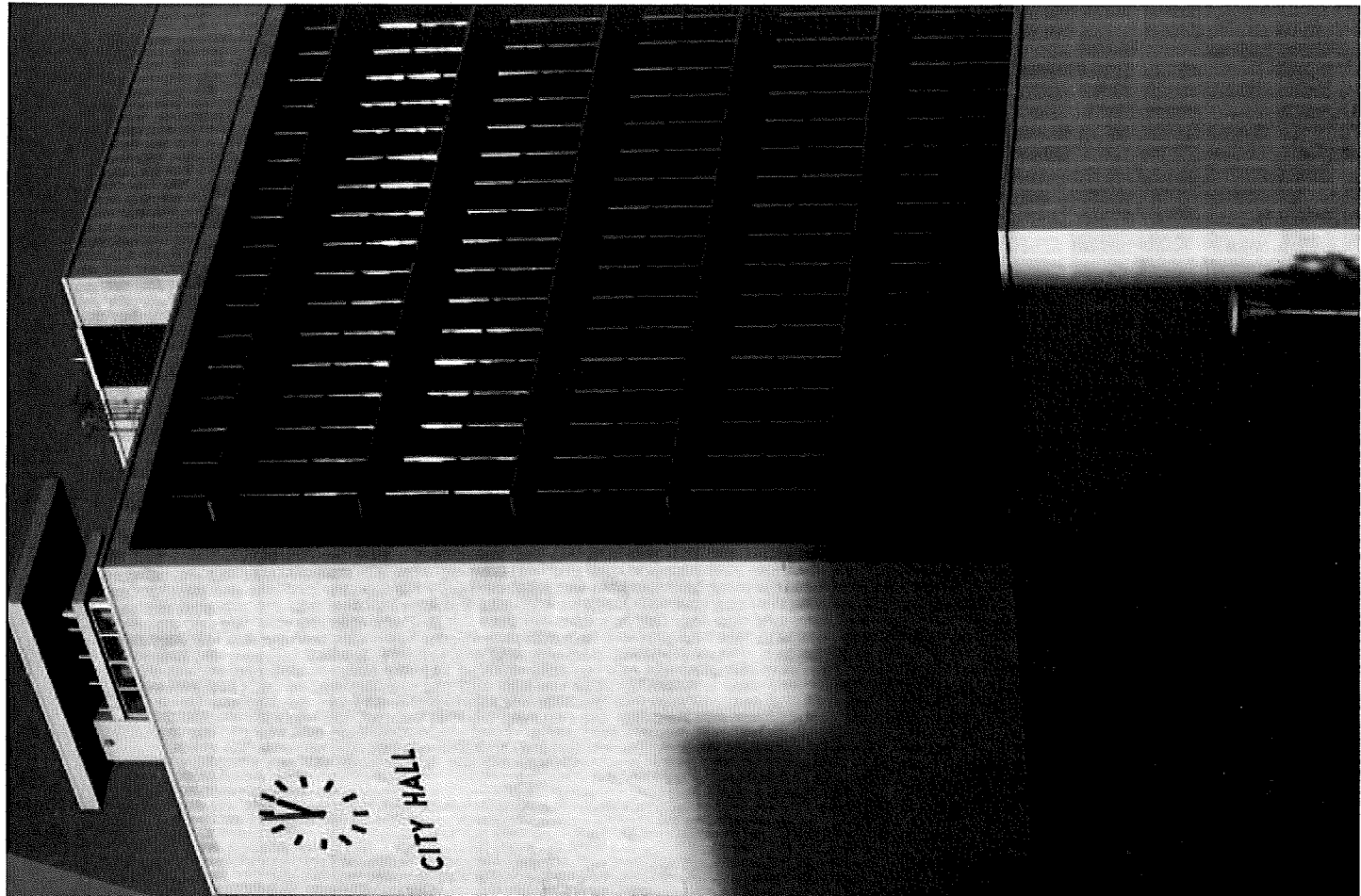
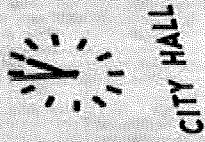


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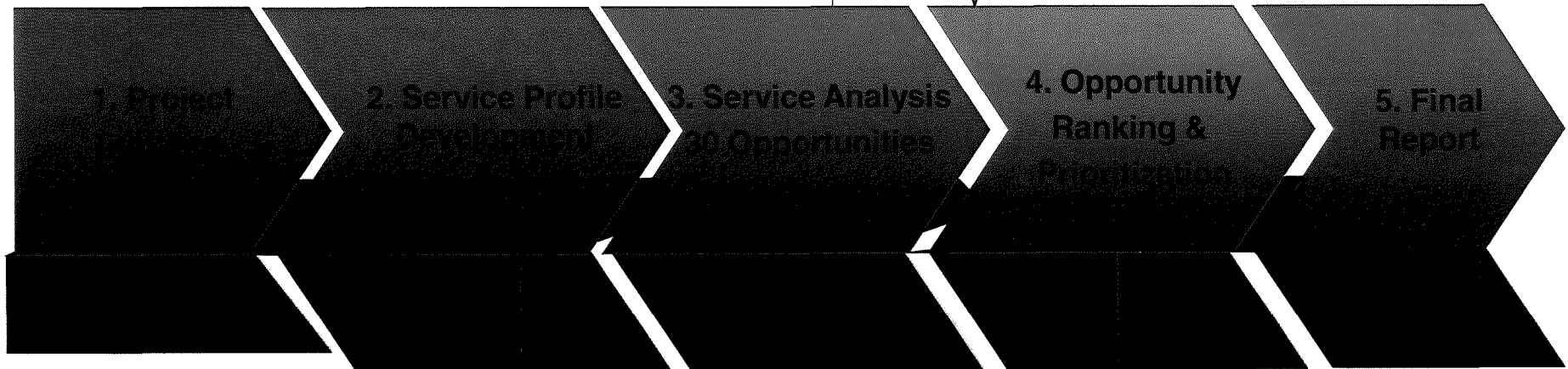
Project Phases

We are Here !!

1. Meet with Strategy Team
Team to clarify expectations, refine lines of inquiry, and develop a subsequent work program for the engagement

3. Identify top 30 opportunities, Conduct Jurisdictional Review, evaluate opportunities

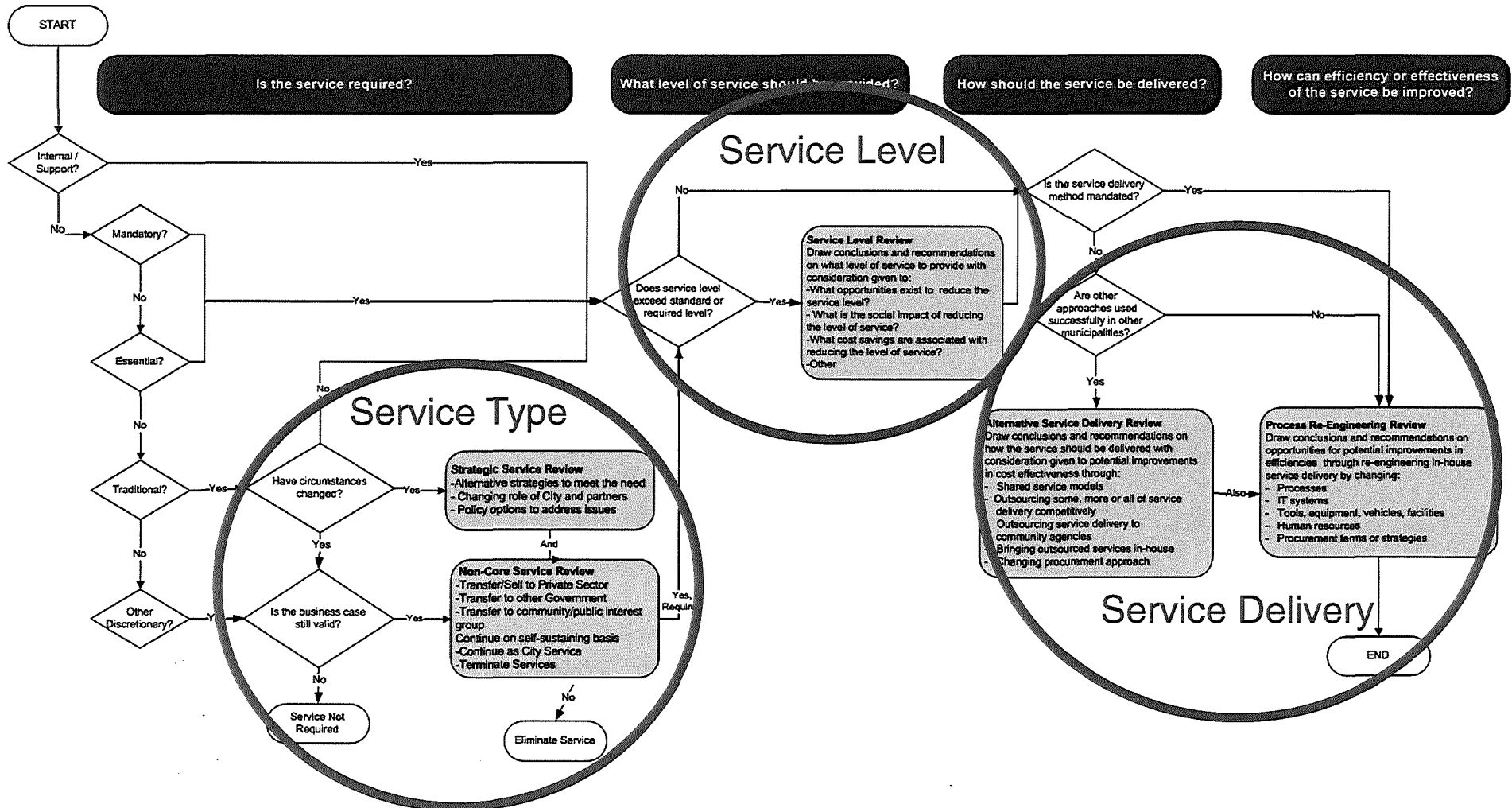
5. Develop a final report and a high level implementation road map and present to Council



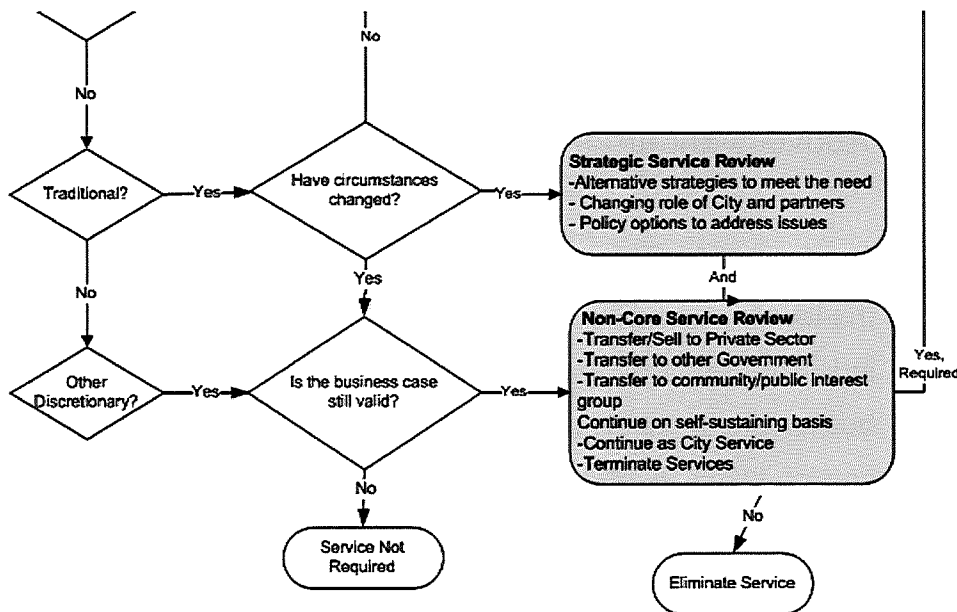
2. Collect relevant information on service profiles and finalize with financial data

4. Identify top 8 -10 opportunities and develop high level business plans

Identifying Opportunities - The Service Assessment Filter



Service Type



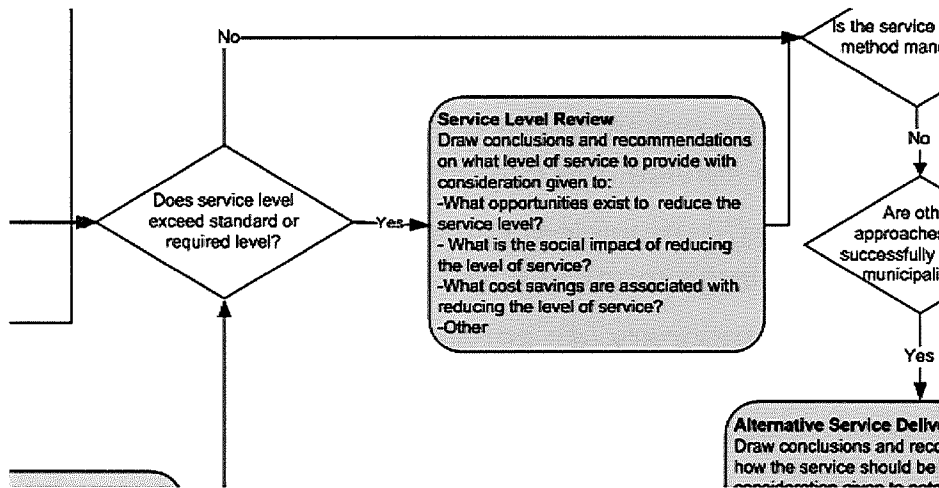
The “core continuum” was defined with the following categories:

- Mandatory (1): mandated or required by legislation from the federal or provincial government
- Essential (2): critical to the operation of the City. Without the service, the City would stop functioning
- Traditional (3): municipal service, provided by virtually all large municipalities for many years
- Other Discretionary (4): service provided by the City to respond to particular community needs, based on a positive business case, or other specialized purposes

Opportunities when

- Internal
- Traditional
- Other Discretionary
- Shared Service, distributed service options
- those services with a changing context or environment
- Subject to business case, self-sustaining

Service Level



- Assess service level as:

Below Standard (B)

At Standard (S), with S- and S+ indicating somewhat below or above standard

Above Standard (A)

Service level “At Standard” is consistent with:

- the level required by legislation, or ...
- industry standards and practices, or...
- business case analysis justification, ...
- service levels in other municipalities, ...
- reasonable expectations

A service may be noted as “Above Standard” when the provided service is above the service level target, or because the service level target is higher than the standard, as defined above

Opportunities when

- Service level is higher than standard

Service Delivery

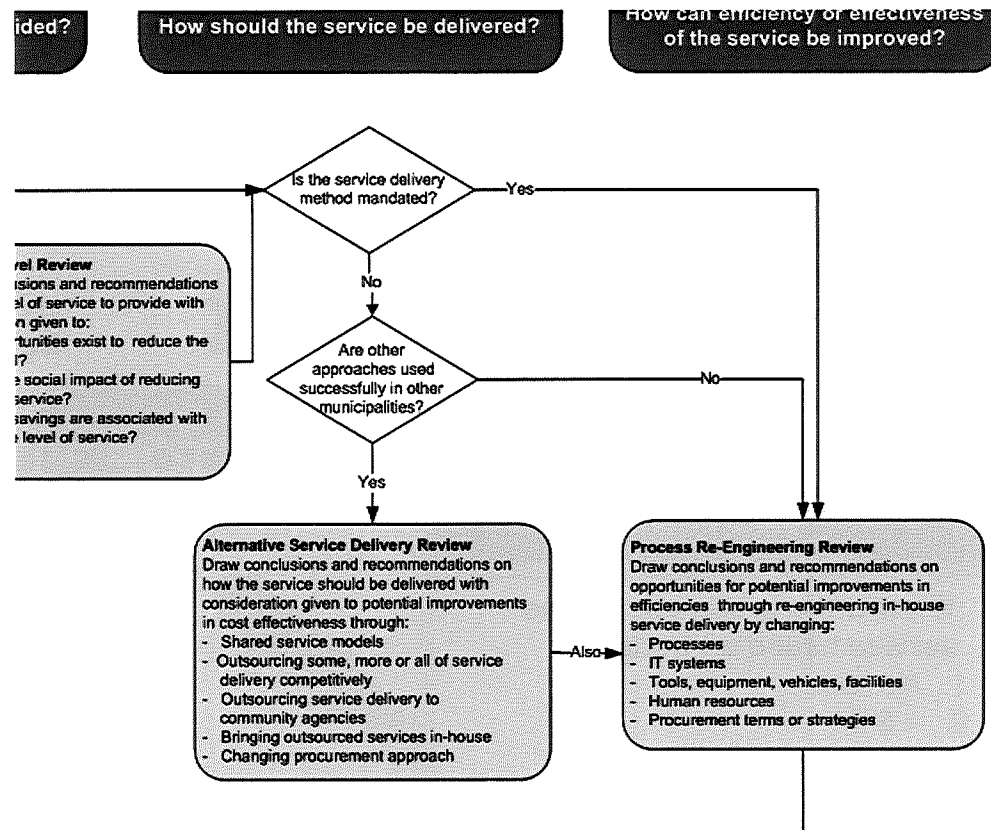
Examination of how service is delivered in Hamilton and other cities

Examination of costs of service delivery in Hamilton and other cities

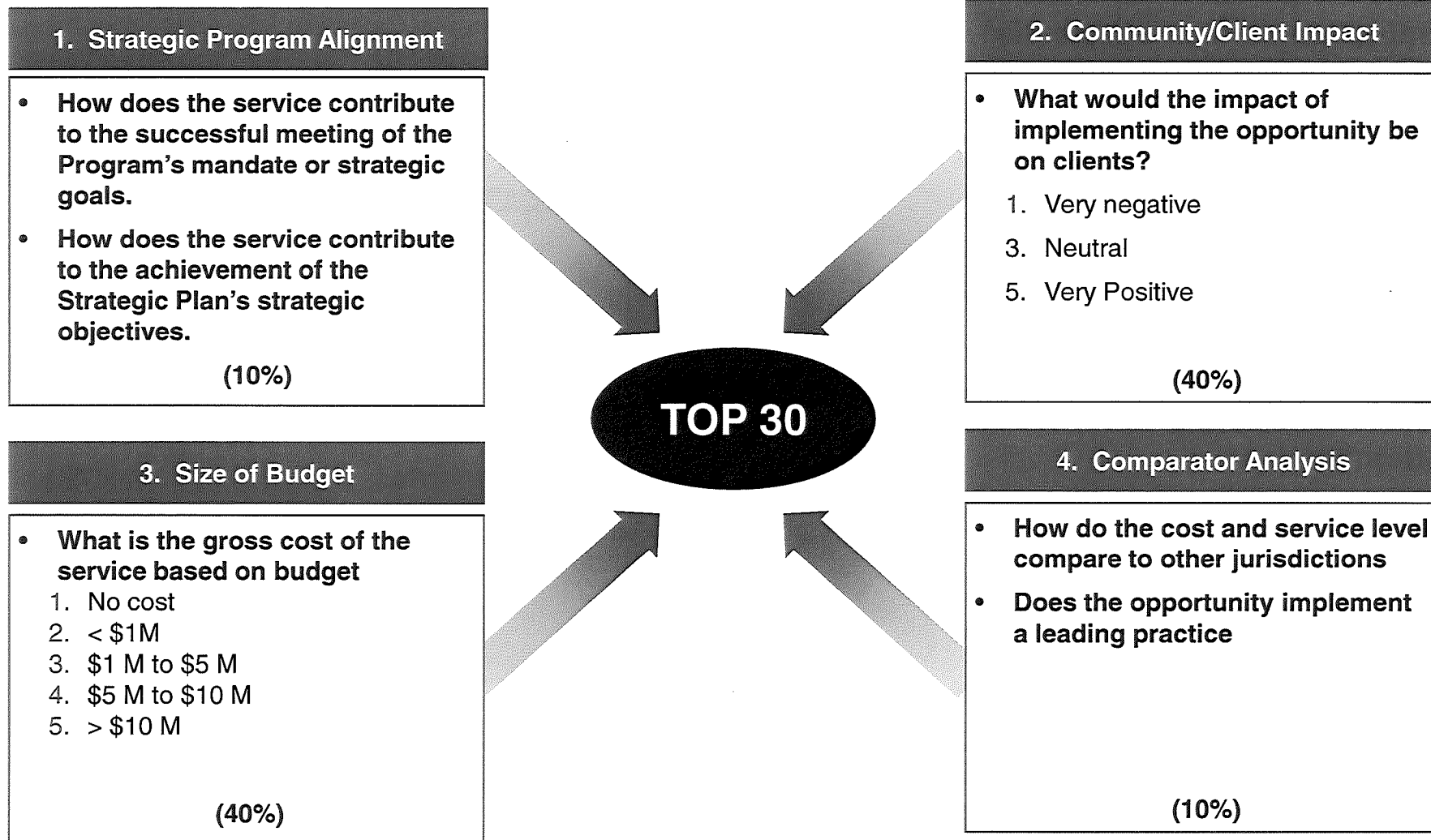
Considers any legislative restrictions

Opportunities when

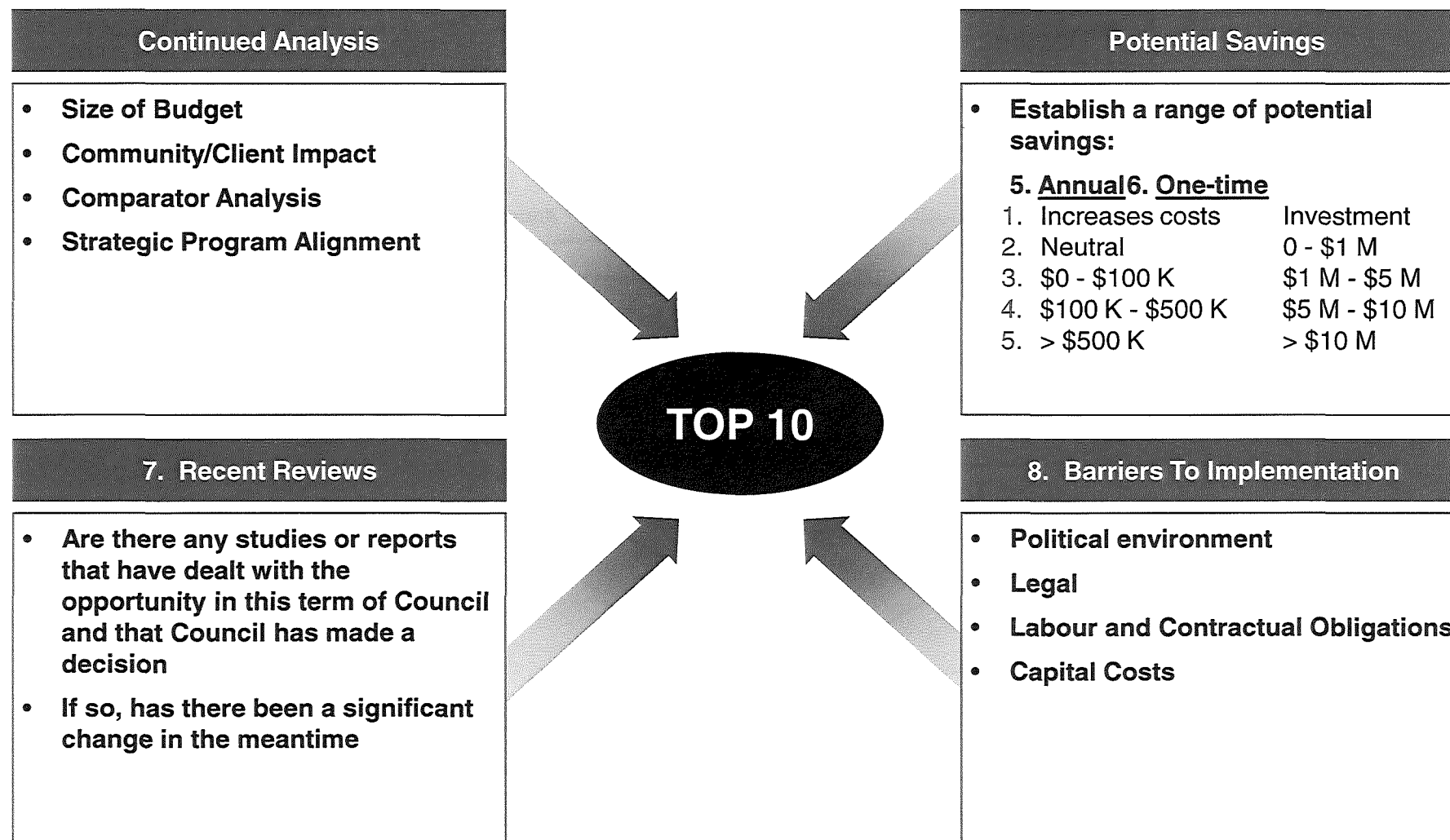
- Service delivery is different
- Costs in Hamilton are higher



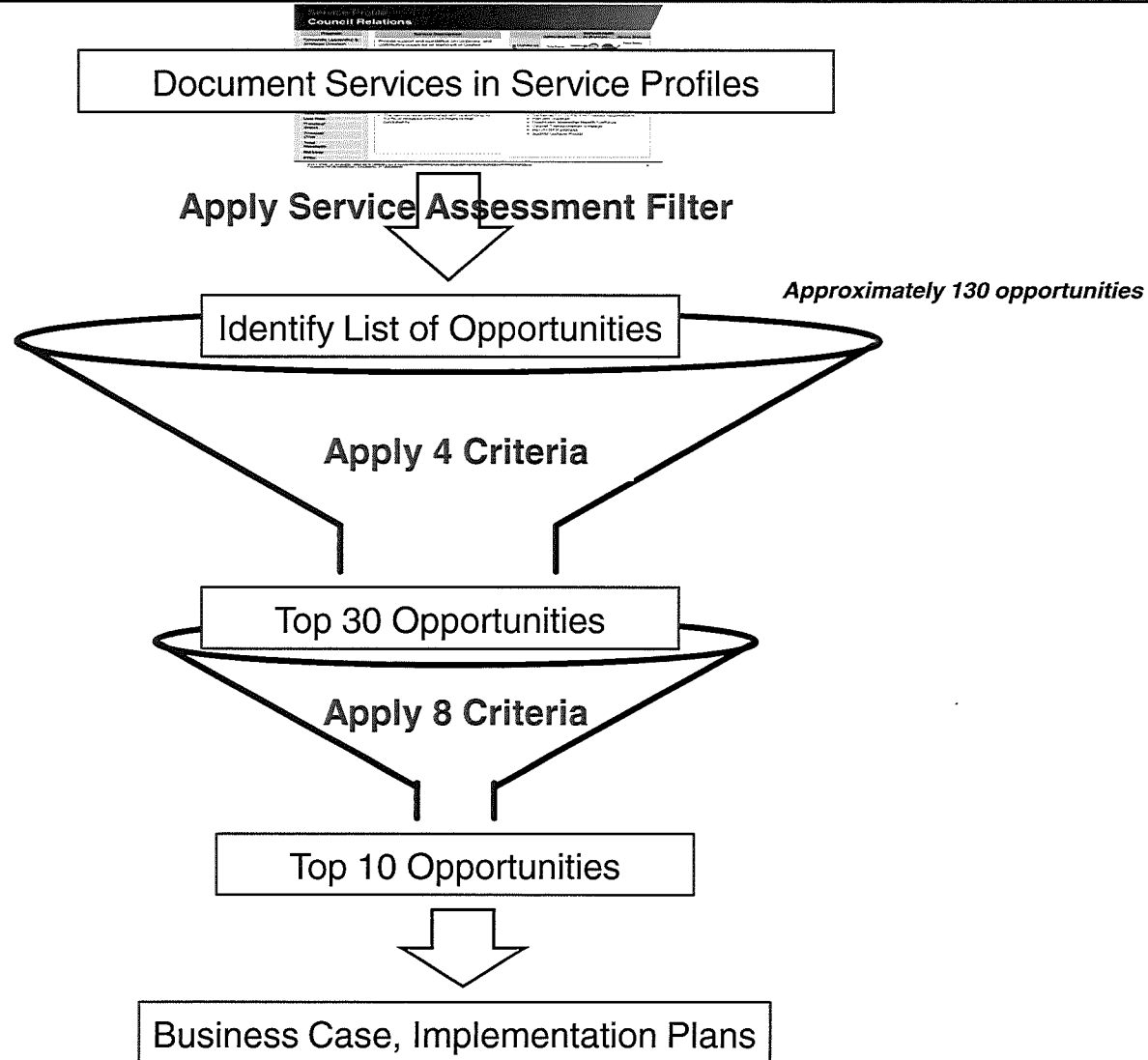
Filtering To The Top 30 Opportunities



Selecting The Top 10 Opportunities



Process Summary



Objectives For Today

Review Top 30 (and ties) List

- Tentative Top 10
- Items Already Underway
- Other Opportunities Not in the Top 10
- Opportunities Already Decided by Council

Scan Opportunities Outside the Top 30 (Appendix C)

- Identify specific items for further evaluation

Identify Any Other Opportunity Not On The Overall List

Top 10 List

#	Opportunity Description	Total Score	Timing	Comments	Grouping
1	Central Fleet - move to a model of purchasing vehicles on credit and charging user departments the cost of the debt payments, using lifecycle costing analysis to determine when vehicles should be retired.	21.7	Short Term	The use of a credit model for fleet purchases improves the transparency of fleet purchases since fleet costs are fully represented in the operational budget; allows purchase of vehicles when appropriate from life-cycle costing analysis; Balance in fleet reserve can be applied against the City's debt position.	A
2	Transfer the business of food preparation/delivery at the City's arenas, recreation facilities, golf courses to the private sector and/or community & recreation user groups.	19.2	Short Term	Food preparation is a service that can be assumed by community user groups or the private sector and reduce the City's operational costs	A
3	Undertake a Master Fire Plan with a view to optimizing the use of existing resources and explore opportunities to achieve cost effectiveness and efficiencies, avoiding the need for additional resources in the future. Considered an industry best practice, the Master Fire Planning process will draw a correlation between the City Of Hamilton's risk profile and the resources required to support the fire protection and public safety needs of the community at affordable response levels. EMS needs, in terms of station locations and coordinated response should be considered.	19	Mid Term	Fire services is a significant cost to the City. It appears that there has not been a full review of the Fire Service since amalgamation. There is an opportunity to address many of the legacy inefficiencies carried over from amalgamation. Savings will largely be avoidance of future increases - but some reductions may be possible.	A

Top 10 List

#	Opportunity Description	Total Score	Timing	Comments	Grouping
4	Increase parking rates at existing off-street paid lots, on-street at meters and for monthly permits.	18.2	Short Term	Parking is an important source of non taxation revenue for municipalities. The opportunities represented by parking should be maximized to reduce the tax burden on property owners.	A
5	Make Fleet a competitive service provider (users can buy services from Fleet or elsewhere).	17.9	Short Term	Allowing departments to use Fleet Services or other suppliers would make customer service and better customer value imperatives for Fleet.	A
6	Increase fees for City operated recreation programs and recreation facility rentals considering: <ul style="list-style-type: none"> - cost of operations and facility maintenance, - availability of private alternatives (avoiding unfair competition), - the target client group, - the fees charged by other municipalities. As part of the program, expand subsidy programs to ensure affordability is maintained.	17.5	Mid Term	Hamilton has made a significant investment in public recreation facilities and programs. There is an opportunity for the City to determine what is the appropriate R/C ratio for recreation and adjust fees accordingly. Maintaining access to programs for low income residents is a priority.	A

Top 10 List

#	Opportunity Description	Total Score	Timing	Comments	Grouping
7	Examine P3 (Public/Private Partnership) Operations and/or lease of private facilities to replace/supplement municipal capacity for recreation facilities.	17.2	long term	P3 development offers the potential to minimize capital and operating costs in development or renovation/upgrade of municipal recreation facilities.	A
8	<p>Improve sustainability by reducing and limiting costs of voluntary sewer programs by:</p> <ul style="list-style-type: none"> - Reducing the cost of the Protective Plumbing Program (\$1.7M in 2011), considering lower maximum grants, shared costing, and annual maximums - Establishing a maximum annual contribution to the Sewer Lateral Management Program of \$500,000 (\$3.4M in 2011) and - Limiting the flooding related compassionate grants to circumstances where City facilities created the flood, and for repeated events, protective plumbing was installed (from \$80K to \$730K per year). 	17.2	Short Term	Hamilton offers voluntary sewer programs to its citizens that are generous in their support in comparison to peer municipalities. There is an opportunity to review the terms and conditions of the sewer programs to ensure they are effectively applied, or eliminate them entirely.	A

Top 10 List

#	Opportunity Description	Total Score	Timing	Comments	Grouping
9	To develop a Strategic Workforce Plan for the next 3-5 years that readies the City of Hamilton workforce to be flexible and responsive to the changing needs of the community, changing business strategy requirements and the fiscal realities of municipal government	16.9	Mid Term	Staffing costs are the largest expenditure of the City. How staff are managed can either amplify or mitigate the City's labour costs. Improved flexibility can achieve cost savings without layoffs or outsourcing.	A
10	Review IT governance and strategy, focusing on: <ul style="list-style-type: none"> - establishing a corporate GIS system (outsourcing options) - centralizing more IT systems such as client data banks - consolidating records management - centralizing IT resources now in departments. 	16.7	Short Term	It appears that the City's IT strategy is disparate and resources are in various departments. Centralizing resources and addressing highest corporate priorities would improve effectiveness.	A

Top 30 Opportunities – Already Underway

#	Opportunity Description	Total Score	Timing	Comments	Grouping
11	Increase use of bus priority measures (dedicated lanes & signals) to improve the efficiency/effectiveness of public transit.	19.4	Mid Term	Transit Priority lane pilot initiated under development as a Metrolinx Quick-Wins funded initiative. A staff report to Council for consideration is planned in Q4/12	B
12	Decrease employee absenteeism	18.9	Mid Term	An Attendance Improvement Initiative is underway as described in the Management Action Plan reported to AF&A on June 11 (HUR12008). Goal is to achieve a minimum of 10% reduction in average sick days per employee by end of 2014, an average of one day per employee. Savings will be reflected in improved effectiveness and some cost reductions.	B
13	Consolidate corporate call handling	17.7	Mid Term	Consolidation of corporate call handling is an opportunity to improve customer service and achieve efficiencies. With partial implementation, there has been approximately \$281k in savings realized to date.	B
14	In light of all day kindergarten in schools, develop a strategy for evolution of child care in Hamilton (as system operator) and at Red Hill Family Centre (as facility operator) to maximize return for funds spent	17	Mid Term	The early years learning environment is undergoing widespread change as a result of the Province's policy shift. There is an opportunity for the City to review its early years/daycare services to ensure that they are still relevant and efficient in the new system.	B

Top 30 Opportunities – Already Underway

#	Opportunity Description	Total Score	Timing	Comments	Grouping
15	Transit - focus on peak hours and days. Reduce evening and weekend service. Use a usage/cost recovery ratio to evaluate routes, route sections and time of day	16.6	Mid Term	A comprehensive full system Operational Review was completed in 2010. During 2012 budget deliberations, staff listed curtailment of low performing routes as a budget mitigation option. Further discussion is expected in the 2013 budget	B
16	Implement the results of the review of major recreation and community facilities to determine if the current number is warranted or can be reduced, and if the configuration of facilities can be changed as lifecycle investments are required in order to reduce operating costs (e.g. consolidating). Review would encompass: - arenas - indoor pools - outdoor pools - community halls and recreation centres	16.2	long term	Should be considered in concert with item 7, with any new or replacement facilities considered as P3 approaches, for consolidation to improve efficiency	B
17	Hospital emergency room - find resolution to delayed hand-off of EMS patients	16.2	Mid Term	A continuing problem for EMS. Recently got two off-load nurses. Committee active in finding other ways to address the issue.	B

Top 30 Opportunities – Already Underway

#	Opportunity Description	Total Score	Timing	Comments	Grouping
18	Change procurement processes to emphasize value for dollar and good client service and appropriate levels of risk	16	Short Term	An external review of the procurement process was conducted by NIGP. As of December 2011, 27 of the 58 recommendations had been addressed.	B
19	Long Term Care Homes - Manage the Case Mix Index to maximize revenues	15.5	Short Term	The Case Mix Index is a key performance indicator and influences funding of Long Term Care homes. Continued attention to recording activities maximizes revenues.	B
20	Transit - Establish a target revenue: cost ratio and increase transit fares and adjust services (see 15) as required to achieve it.	15.4	Short Term	A comprehensive full system Operational Review was completed in 2010. The establishment of a target R/C ratio by Council would give clear direction to Staff on implementing the operational review.	B

Other Top 30 Opportunities – Not in Top 10

#	Opportunity Description	Total Score	Timing	Comments	Grouping
21	Social Supports: One stop intake of clients for Ontario Works/ housing / child care / recreation / transit subsidy/ water-waste water subsidy	16.9	Mid Term	This approach can improve customer service, and ensure clients are aware of the full range of services available. There is an opportunity for the City to work with the Province to implement a one stop intake for social services and improve the service level while reducing the cost to the City.	C
22	Close the aviary - Gage Park Master Plan calls for a \$2M upgrade to the Aviary	16.7	Short Term	The construction of a new aviary is a significant capital expenditure (\$2M) for a non essential service. Gage Park Master Plan was approved in 2010 (PW10033), with staff to report back with a detailed cost analysis prior to implementation.	C
23	Examine impacts of development on ongoing municipal costs - storm water ponds, gateway features, landscaping, types of trees, illumination, winter control - change subdivision plans to minimize - or recover costs	16.6	Short Term	Approval of subdivisions with non-standard features can lead to costs following the assumption of the subdivision even if the capital cost is funded by the developer. There is an opportunity for the City to limit the features it will accept.	C
24	Explore opportunities for the City to become the delivery agent for Ambulance Dispatch and consolidate dispatch operations for all emergency services	16.5	long term	Niagara Region recently assumed ownership of ambulance dispatch; Ottawa has done it for some years. There is an opportunity for the City to explore the consolidation of all emergency services' dispatch into one central operation	C

Other Top 30 Opportunities – Not in Top 10

#	Opportunity Description	Total Score	Timing	Comments	Grouping
25	Improve corporate management of assets by: - consolidating management of all corporate real estate assets - consolidating asset management functions corporately	16.5	Mid Term	The City manages/owns a large portfolio of real property and facilities. Leading practice suggests that a business unit devoted to corporate asset management improves minimizes cost of real estate and ensures resources go to highest priorities. This initiative is now underway through the departmental reorganization in Oct. 2012	C
26	Examine cost-effectiveness of public health clinics - opportunities to consolidate clinics, delivery in other ways	16.2	Mid Term	Some health units use multiple purpose clinics and/or make greater use of private practice doctors and dentists to minimize costs and expand client service options. Hamilton Public Health has already conducted some consolidation, but does still have some locations with low volumes and poor cost-effectiveness	C
27	Expand outsourcing of design and construction supervision.	16.2	Mid Term	Currently outsourcing is project specific and utilizes a Roster system for consultant selection.	C
28	Consolidate provision of maintenance for central fleet, fire, ambulance and transit non revenue vehicles. Consider discussion with police for inclusion.	15.7	Mid Term	Fleet maintenance is scattered across the organization. It appears that there are operational/facility issues that remain from amalgamation.	C
29	Pursue legislative changes to permit the establishment of a user room tax to fund visitor attractions	15.2	Mid Term	Would serve as key funding source for destination marketing. No authority for compulsory tax.	C
30	Redesign the budget process with a view to establishing a multi-year, service-based operating budget, minimizing the length of the annual budget cycle	15.2	Mid Term	Long term operating budgets promotes longer term thinking, reduces annual budget process demands, service based budgets provides a real understanding of the cost of services provided.	C

Top 30 Opportunities – Already Decided

#	Opportunity Description	Total Score	Timing	Comments	Grouping
31	Transfer one Long Term Care home to non-profit operation with resident/family involvement in governance	15.6	Mid Term	Non-profit operation can lower costs over time, while providing opportunities for family involvement in governance.	D
32	Golf Courses -Sell one of the Chedoke courses for development purposes.	15.4	Mid Term	Municipal golf courses are a discretionary service, and compete with private courses with lower labour costs and generally similar or higher rates. Consider moving PW yard and use this space as hotel complex with clubhouse. Update the Business Plan for the course that takes the capital requirements into consideration.	D
33	Solid Waste Collection - Reduce to bi-weekly.	13.96	long term	The new Waste collection system model was approved through General Issues Committee Report 12-005 in February 2012	D
34	Expand contracting of garbage collection and bulk waste collection.	11.6	long term	The new Waste collection system model was approved through General Issues Committee Report 12-005 in February 2012	D

Next Steps

Following the Meeting

- Conduct any further analysis required

November 15th (if needed) – GIC to Confirm Top 10

February 2013

Final Report with Executive Business Case for each of Top 10

- Background
- Opportunity
- Analysis
 - Impact on finances, clients, staff
 - Risk Management
- Recommendations
- Implementation Plan
 - Key Steps
 - Resource Requirements

Thank You

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