



The Municipality of Marmora and Lake

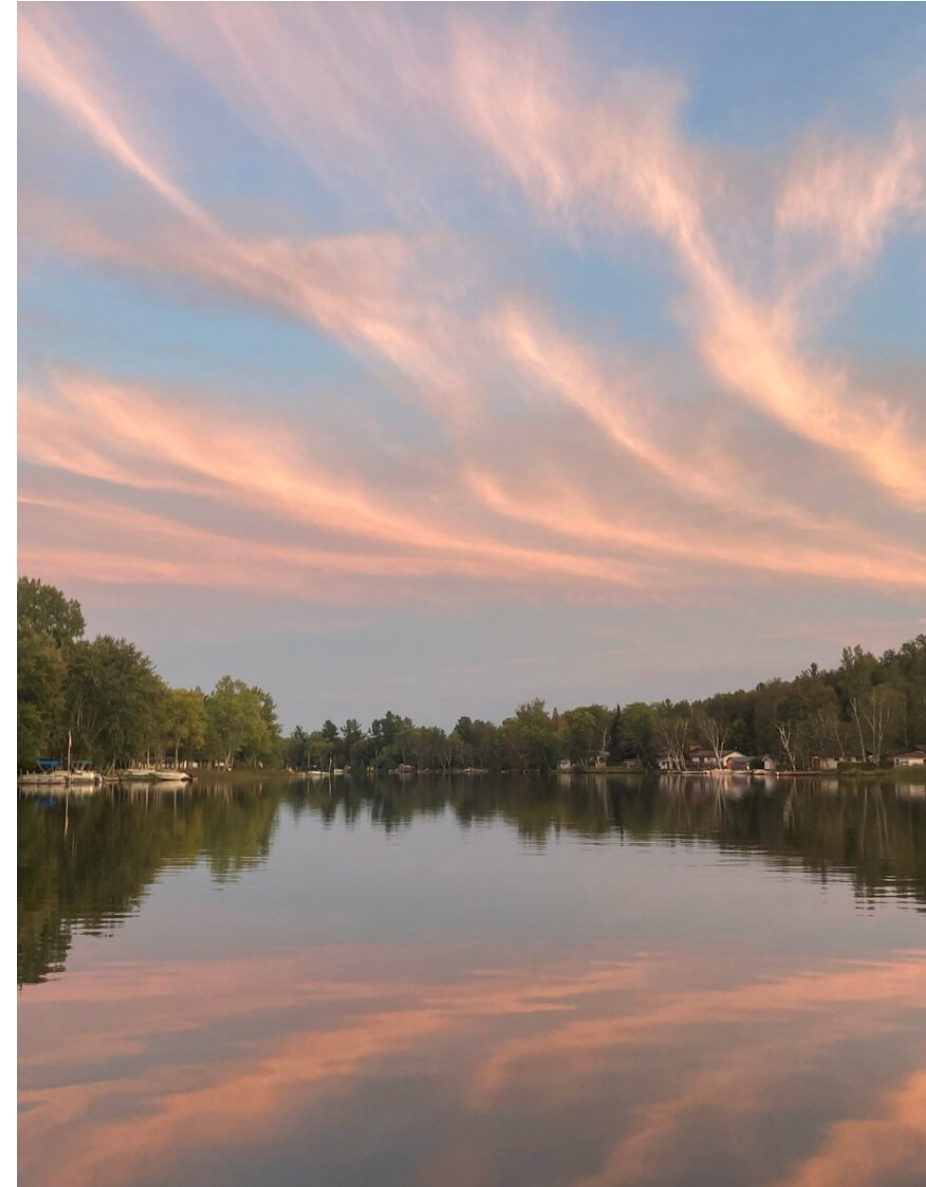
Service Delivery Review – Executive Summary Report

January 18, 2022



Wherever business takes you

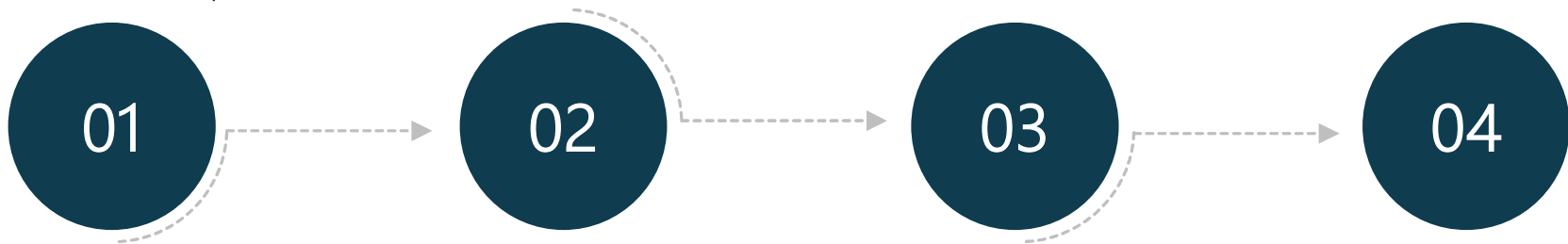
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Understanding our Methodology



The Municipality of Marmora and Lake (MaL) engaged MNP LLP (MNP) - a Canadian accounting, tax and consulting firm - to conduct a service delivery review to summarize a current state assessment and offer recommendations to improve the overall effectiveness and efficiency of MaL. The goal of this engagement is to identify inefficiencies, barriers and challenges, and provide corresponding recommendations for improvement.



Project Initiation and Planning

Finalizing the project plan and assembling background documentation.



Current State Assessment

Identifying and communicating with the right stakeholders to further assess how focus areas align with the Township's needs and financial capabilities



Observations and Opportunities

Outlining key observations and initial opportunities to identify potential financial and service impacts.



Recommendations

Formulating final recommendations and implementation roadmap in alignment with the observations and opportunities, and with the Township's priorities

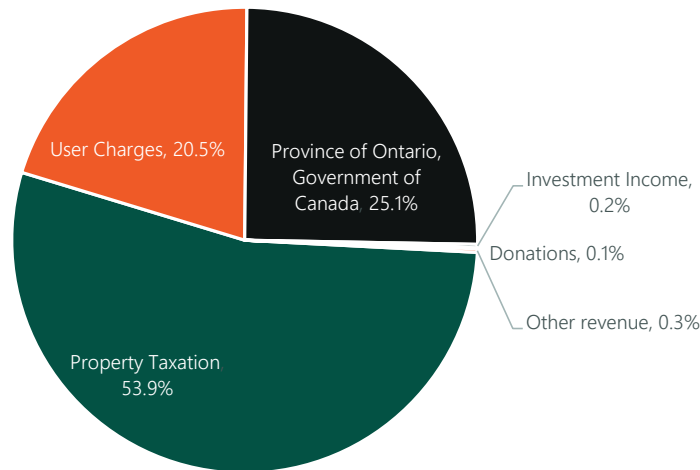


Financial Overview



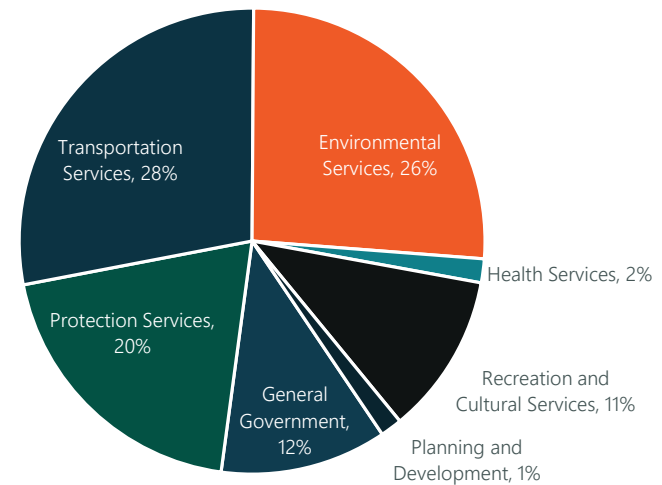
The charts below provide an overview of the distribution of revenues and expenses for 2020. Taxes are the major source of revenue for the Municipality. This is typically positive for municipalities as too much reliance on government transfers and funding is risky given the political uncertainty. The Municipality's largest expenditure is Transportation Services, which is mainly road maintenance and clearing. Environmental Services is the second largest expense with the largest cost driver in this expense category as salaries for water services, which are done in-house. Despite the challenges associated with Covid-19, **the Municipality finished 2020 in a strong financial position with a net operating fund surplus of \$928,526** (\$1,772,945 less than 2019) that was mostly invested into capital projects in Water and Sewer, Roads and Bridges, and Machinery and Equipment.

2020 Audited Revenues



Total Revenues: \$8,601,513

2020 Audited Expenses



Total Operational Expenditures: \$7,672,987



Current State Observations



The following section provides an overview of the observations identified through both internal consultation with key stakeholders and the documentation review.

Challenges

Stagnant Capital Reserves versus Increasing Service Needs

A combination of municipal amalgamations, a growing population, and higher expectations for service levels from new residents have applied an upwards pressure on service needs. To finance delivering this more demanding service needs, there is a perceived need for an increase in taxes to feed into capital reserves.

Outdated Fleet, Equipment, and Aging Infrastructure

Some departments of the Municipality have not seen upgrades in assets or equipment (in some cases) in twenty years, and service levels have suffered as a consequence. Upgrades are badly needed to continue to meet regulatory standards as well as offer services at desired and expected levels.

Staff Retention and Turnover

Several positions within the Municipality are experiencing high levels of turnover. Departments have stated they struggle to find and retain employees in positions when there are equivalent positions available in nearby Townships and Municipalities that offer more competitive compensation. This has also been mentioned numerous times in staff survey responses received. This has resulted in staff shortages in some departments that have impacted effective service delivery levels and result in overtime expenses for staffed employees.

Technology Use and Staff Communications

There are several applications that the Municipality has purchased licenses to use, but are not utilizing to their full capacity. The failure to use these applications to their full potential further results in less communication and collaboration between departments. Lower levels of low technology use are causing some disconnects in the organization (seen with members of staff and council).

Climate Change Cost Increases

The rising intensity of storms and short-term variation in temperature requires greater maintenance of roads, parks, and infrastructure. Warmer and extreme weather patterns are leading to increased frequency of natural disasters. Service response to these weather-related changes can constrain the Municipality's existing resources and funds if not proactively accounted for.

Strengths

Economic Development Potential

There are multiple opportunities for economic development across the Municipality, including the opportunities found at Booster Park and the Marmora Mine. These represent opportunities for new revenue, new jobs, and tourism dollars injected into the economy.

Growth Potential

With a larger number of younger residents reportedly moving to the Municipality, there is an opportunity to reverse a decreasing population trend. This younger demographic arrives with higher service expectations and potentially a greater willingness to pay higher taxes since relocating from higher-tax areas.

Motivated Staff

Interviews with Municipality staff have shown a consistent eagerness to improve service delivery. Further, we have seen a positive response theme of "the Municipality is doing the best they can with the resources that are available to them", showing a promising impression of staff resourcefulness.

Common Themes

Four key common themes were observed throughout the project which were used to categorize initial opportunities in the current state assessment and formed the basis for the future state recommendations. The common themes are **Capital Reserve Management, Staff Retention, Leveraging Technology, and Growth Opportunities.**



Service Delivery Review – Key Areas of Focus



The following four (4) areas were identified as the focus of this service delivery review:



**Capital Reserve
Management**



Staff Retention



**Leveraging
Technology**



**Growth
Opportunities**



Recommendation Priority Summary



MNP developed four (4) types of recommendations – further broken down into ten (10) suggested sub-recommendations below for Marmora and Lake to consider. Below is a summary of the recommendations and sub-recommendations:

Recommendations:

1. Capital Reserve Recommendations

- 1.A Reallocate funds from discretionary services to augment capital reserves to support infrastructure.
- 1.B Consider increasing taxes over time to fund the infrastructure needs and take advantage of higher Lower/Single tier tax percentages relative to County and benchmark comparator averages.

2. Human Resources Recommendations

- 2.A Review and update current succession plans and training materials.
- 2.B Create a formalized exit interview process to determine root causes of staff attrition with supporting levers to address them
- 2.C Introduce formalized structures to enable and encourage easier seasonal sharing of staffing resources between departments

3. Technology Recommendations

- 3.A Conduct a technology inventory review to provide formal structure outlining the functionality, use, and integration capabilities of software, and to ensure technology systems are being utilized
- 3.B Provide technical training to staff to ensure technology systems are being utilized efficiently and effectively

4. Growth Initiatives Recommendations

- 4.A Conduct an assessment of the Economic Development Committee's effectiveness in strategic planning and initiatives delivery
- 4.B Investigate the Booster Park contract to design a Municipal takeover upon expiration of the current contract
- 4.C. Have a staff report or consultant produce a cost/benefit analysis of leaving BISB



1. Capital Reserves – Immediate Priorities



The following recommendation should be commenced within the next 3-9 months, provided the Municipality can secure adequate resources.



Recommendation 1.B. (2022 Q2 – 2022 Q4)

Consider and prepare staff reports for increasing taxes over time to fund the infrastructure needs in-line with County and benchmark comparator averages for Lower/Single tier tax percentages.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
✓			✓



1. Capital Reserves – Long-term Priorities



The following recommendation should be commenced within the next 9+ months, provided the Municipality can secure adequate resources.



Recommendation 1.A. (2022 Q4 – 2023 Q2)

Reallocate funds from discretionary services to augment capital reserves.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
✓	✓		✓



2. Human Resources- Immediate Priorities (1/2)



The following recommendations should be commenced within the next 3-9 months, provided the Municipality can secure adequate resources.



Recommendation 2.A. (2022 Q1 – 2023 Q1)

Review and update current succession plans and training materials.



Recommendation 2.B. (2022 Q3 – 2023 Q2)

Create a formalized exit interview process to determine root causes of staff attrition with supporting levers to address them.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
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Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
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2. Human Resources- Immediate Priorities (2/2)



The following recommendation should be commenced within the next 3-9 months, provided the Municipality can secure adequate resources.



Recommendation 2.C. (2022 Q2 – 2022 Q4)

Introduce formalized structures to enable and encourage easier seasonal sharing of staffing resources between departments.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
✓	✓		



3. Technology – Long-term Priorities

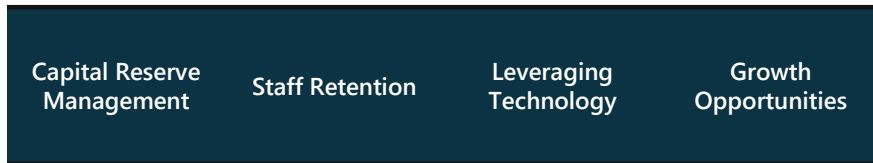


The following recommendations should be commenced within the next 9+ months, provided the Municipality can secure adequate resources.



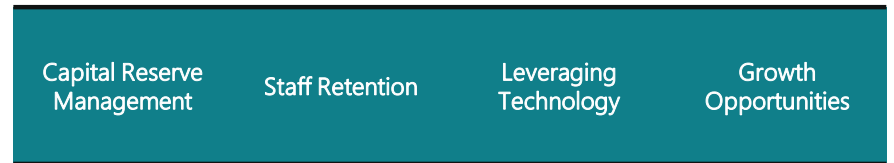
Recommendation 3.A. (2022 Q3 – 2022 Q4)

Conduct a technology inventory review to provide a formal structure outlining the functionality, use, and integration capabilities of software, and to ensure technology systems are being utilized.



Recommendation 3.B. (2022 Q4 – 2023 Q4)

Provide technical training to staff to ensure technology systems are being utilized efficiently and effectively.



4. Growth Initiatives - Immediate Priorities (1/2)



The following recommendations should be commenced within the next 3-9 months, provided the Municipality can secure adequate resources.



Recommendation 4.A.

(2022 Q2 – 2023 Q1)

Conduct an assessment of Economic Development Committee’s effectiveness in strategic planning and initiatives delivery.



Recommendation 4.B.

(2022 Q2 – 2022 Q3)

Investigate the Booster Park contract to design a Municipal takeover upon expiration of the current contract.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
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Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
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4. Growth Initiatives - Immediate Priorities (2/2)



The following recommendation should be commenced within the next 3-9 months, provided the Municipality can secure adequate resources.



Recommendation 4.C. (2022 Q1 – 2022 Q3)

Have a staff report/consultant's report produce a cost/benefit analysis of leaving BISB.

Capital Reserve Management	Staff Retention	Leveraging Technology	Growth Opportunities
			✓



Next Steps



The following actions are recommended:

1. Council accepts MNP's Service Delivery Review Recommendation Report as a broad road map for the Municipality's strategic service delivery over the next 2 years.
2. The recommendations be reviewed by the Senior Management Team and future workplans and budgets allocate resources for each activity, as required.
3. As recommendations are advanced, staff report to council regarding timing and key milestones required to implement each of the activities. These reports may be submitted to Council for review and approval in sequence, based on the implementation road map set out in the Report.





Thank You



JEN HAYES

ENGAGEMENT PARTNER



E: Jen.Hayes@mnp.ca



T: 416.515.5055

111 Richmond St. W



Suite #300

Toronto, ON M5H 2G4



GRAEME WEDGE

PROJECT MANAGER



E: Graeme.Wedge@mnp.ca



T: 416.260.3516

111 Richmond St. W



Suite #300

Toronto, ON M5H 2G4



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