



Town of Tecumseh

Organizational Review Final Report

AODA Compliant
Executive Summary

KPMG LLP

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This report contains 9 pages

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1 Introduction

KPMG was engaged by the Town of Tecumseh (the “Town”) to conduct an organizational review to identify opportunities that will lead to a more efficient and cost-effective delivery of legislated and discretionary municipal services.

Specifically, the review included:

- A detailed review of the operations of all Town departments defining operations within the Town's legislated mandate and policies, including those identified as discretionary.
- A review and evaluation of the current organizational structure and staffing levels, considering the Town's service delivery requirements.
- A review of departmental functions identifying and providing recommendations leading to improved efficiency and cost effectiveness.
- Identification of synergies within and between operational units and departments as well as duplications or overlaps in services or operations and providing recommendations leading to improvement in the quality and delivery of services.
- Reconciling current staffing, supervisory and management resources based on operational and service delivery requirements.
- Identifying current supervisory ratios and based on industry best practices and organizational needs, developing recommendations for appropriate supervisory ratios.
- Coordination and alignment with the findings of the concurrent IT Service Review and the recently completed HR Service Delivery Review.

The Town's current organizational structure has not been reviewed in many years. Additionally, there has been new services added to the Town's portfolio of responsibilities. At the same time, these services have not worked themselves into the Town's organizational structure, nor has there been a review of the optimal reporting relationships, span of control or staffing levels to ensure the Town is operating in the most efficient manner possible, under the most effective organizational structure given the available resources.

KPMG worked with the Project Team which consisted of the Town's Senior Management to design an optimal organizational structure for the Town considering the skills and experience needed to carry out each function and process within the organization.

2 Comparator Analysis

As part of this review, the Town identified four municipalities of similar size and scope to use as comparator municipalities. The purpose of these comparators was to understand the performance of comparator municipalities and to identify opportunities to change how the Town's structure is aligned to deliver municipal services. Conducting these comparisons provides insight into operating efficiencies and/or opportunities to change existing organizational structure and processes to reflect common service levels.

Comparing financial performance and taxation levels has both benefits and risks. While the comparators may provide insight into organizational design or functional service delivery, they also assume that all variables are the same (assessment base, non-taxation revenues) and that the taxation and service levels in other communities are 'right'.

The Comparator municipalities used for this review were the Town of Halton Hills, Town of Innisfil, Town of LaSalle and the City of Woodstock.

The comparative analysis focused on three primary areas, namely, Financial, Staffing and Municipal Services.

2.1 Financial

From a financial perspective, the Town's performance is strong. While the Town's average increase in its municipal levy over the past 5 years has been 3.16%, the average increase across the comparator group was nearly 5%. The municipal debt for the Town of \$4,413 per household is the third lowest amongst the comparator municipalities and below the comparator average of \$5,050 per household. The amount of discretionary reserves held by the Town was the highest (\$5,081/household) across the comparators while the average was \$3,541/household. This provides the Town with greater flexibility for financing new infrastructure.

2.2 Staffing

From a staffing perspective, the staffing level for the Town is below the average of the comparator municipalities. The Town's full-time staffing per 1,000 households was 8.0 positions while the average across the comparator municipalities was 9.8 full time staff per 1,000 households. While the difference in staffing levels reflects the Town's historical staffing model, it can also be partly attributed to the size of each municipality and the use of alternative service delivery models for some functions such as solid waste collection.

2.3 Municipal Services

While services offered can vary from municipality to municipality, the comparator group has a similar service delivery profile.

The Town's cost of recreational services was \$435 per household as compared to the average of \$466 for the comparator municipalities. The revenue recovered for these programs was 31% for the Town, as compared to an average of 35% for the comparator group. The Town had the highest expense for parks per hectare of outdoor recreational space across the comparators at \$13,038 per hectare; the average was \$8,961.

While planning and development expenses were the lowest amongst the comparators at \$586K, the recovery through user fees from planning and zoning were 9% which is below the average of 19%.

The Town's total expenses per household for water/wastewater services were \$750 as compared to the average of \$846.

Fire service expenses were the lowest amongst the comparators at \$146 per household while the average was \$323 per household. This can be attributed to the fact the Town use of a part-time (volunteer) fire service model.

Expenses for summer road maintenance at \$9,283 per lane kilometre places the Town in the middle of the comparator group and below the average of \$11,074. Expenses for winter maintenance of \$989 per lane kilometre was the second lowest amongst the comparators and far below the average of \$1,791.

3 Organizational Design

Following the review of the comparator municipalities, KPMG facilitated working sessions with Senior Management to identify all the services offered by the Town and to reorganize them in a manner that provides optimum efficiency and effectiveness in municipal service delivery.

While it is recommended the overall span of control for the Chief Administrative Officer remain the same with seven distinct departments reporting to the position, some of the services and functions within the departments may need to be realigned in order to optimize the delivery of the services for increased productivity.

KPMG also conducted a review of the Town's customer service methodology in order to ensure the Town is delivering its services in a manner that meets the needs of its citizens in response to concerns raised through the stakeholder interviews and focus groups that were conducted.

As a result of our review, stakeholder interviews with town council, senior and middle management, town staff and representatives from CUPE union leadership, we have the following observations and recommendations:

3.1 Customer Service

KPMG identified there is an inconsistent understanding across the organization on the ownership of customer service within the municipality. The current main phone number for Town Hall has an auto attendant and is not live answered. In our experience, this can lead to citizen frustration and decreased levels of citizen satisfaction. Additionally, we noted many services do not have established service level standards and there is a lack of reporting on service level delivery across the organization.

The Town should consider establishing a centralized Customer Service function which would include establishing a new telephone number for citizens to call for information and service, and this number should be live answered by the customer service representatives during normal business hours.

The Town should also establish a Corporate Customer Service strategy which identifies service levels standards for the various services provided by the Town in order to effectively manage citizen expectations. This would enable the Town to create reports identifying existing service level results and assist in identifying trends.



3.2 Information and Communication Services

The current state assessment identified departmental silos as obstacles to efficient communication. Additionally, stakeholders noted top down communication could be improved throughout the organization. We have also observed citizens are increasingly using various social media channels to access information from their respective municipalities.

In reviewing the Information Technology service area, recommendations were made in concert with the IT Service Review in respect of network security, administration and maintenance of software applications and help desk. Network security has become increasingly challenging for municipal government everywhere, with an increased number of breaches being reported on a regular basis.

3.3 Financial Services

There appeared to be a significant amount of manual effort required by staff within the Financial Services department, along with staff across the organization to manage the administration of payroll and other financial related day-to-day activities.

The Town should seriously consider the implementation of a Human Resources Management Information Software (“HRIS”) which would significantly reduce the level of manual effort and create capacity within the Financial Services department.

The Town should complete the planned business process optimization assessment of the Town’s payroll system.

There appeared to be a lack of capacity within the Financial Services area to keep up with the increased demand for financial reporting, budget preparation, and overall management of the day-to-day financial related activities within the department.

Another area within the Financial Services department that appears to require more focus is grant administration. The research, application, award, accounting and ongoing reporting that is associated with grants is not currently assigned to any one position.

3.4 Public Works & Environmental Services

Currently the Manager of Public Works has a large portfolio that includes the management of all Public Works maintenance activities associated with sanitary sewers, storm sewers & pump stations and other infrastructure such as roads and bridges etc. The Manager also manages all service contracts for sanitary pump station maintenance and other functions such as refuse, recycling and white goods collection



The Town should consider reallocating the responsibility for wastewater collection in order to better align services and consolidate all water-related activities (supply and collection) into the Water area.

We also observed Engineering resources are stretched to keep up with the development related growth and existing infrastructure upgrades, such as those related to flood mitigation.

3.5 Parks and Recreation Services

The Manager of Facilities was tasked with championing the Town's Energy Conservation and Demand Management Plan when it was first made a regulatory requirement by the Province in 2014. While the team made progress in identifying and implementing several basic initiatives, we understand the resourcing and accountability have been inconsistent. With the 5-year review of the 2014 plan underway, the Town's recent declaration of a climate emergency in 2019, and the recent completion and adoption of the County of Essex Regional Energy Plan, the Town lacks appropriate resources to manage these activities.

3.6 Planning & Building

The Planning and Building Services department was reviewed from the perspective of achieving a balanced portfolio of functions to align with the Town's Strategic Priority of development related growth. Recommendations were made to focus this departments functions on working towards that priority in conjunction with the Engineering functions of the Public Works & Environmental Services Department.

As an example, the management of the Transit contract is currently the responsibility of the Planning and Building department. In order to better align transportation functions within the organization, the Town should consider moving the responsibility for this to the Public Works & Environmental Services department to align with other transportation-related services.

3.7 Corporate Services

Stakeholder consultations identified that significant amounts of staff time are being spent on AODA compliance. The approach to compliance across the organization appears to be inconsistent, fractured and somewhat misunderstood, resulting in significant human resources being spend on document accessibility to a level that is unsustainable.

Additional needs in this department relate to evaluating the optimal use of resources and workflow for priorities such as records management, council and committee support, insurance and risk management, legal services, and the ever-increasing legislated responsibilities under the Municipal Act and other legislation.

The Town should conduct a business optimization assessment of the Corporate Services Department to take a deeper dive into these areas to assist the organization in optimizing business processes to address bottlenecks associated with various functions within the department.

3.8 Fire & Rescue Services

The volunteer Fire Service (Fire & Rescue Response) component of the department was excluded from the Organizational Review. With respect to the Fire & Rescue department, the organizational review focused on opportunities to better integrate the department into the remainder of the organization. Recommendations were made that would involve expanding the scope of the department as well as optimizing the delivery of fire prevention, education and training functions.

Fire Prevention is a large and important component of the department and during stakeholder interviews we were advised additional capacity for the timely completion of inspections and the efficient delivery of public education activities is required. .



4 Conclusion

In summary, the Town of Tecumseh delivers many services at a level above the average of similar municipalities and citizens appear to be well served in many areas.

Our recommendations, coupled with the results of the previously completed Human Resource Review, and the concurrent Information Technology Services Review will provide the Town with a path forward to create a more streamlined organizational structure. This new alignment of services is intended to result in improved customer service delivery to the Town's citizens, a more effective delivery of services as well as better alignment of departmental functions to achieve council's Strategic Priorities.



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