



Final Report

Town of Essex Service Delivery Review

November 2020



Table of Contents

Executive Summary	3
Summary of Findings	4
Project Context	7
Summary of Benefits Identified	13
<hr/>	
Recommended Service Delivery Improvement Opportunities	16
Enterprise-Wide Opportunities	19
Department-Specific Opportunities	39
Shared-Service Opportunities	54
<hr/>	
Appendices	
Appendix A: Additional Detail on Select Potential High-Impact Opportunities	64
Appendix B: Financial Assumptions	78



EXECUTIVE SUMMARY

Summary of Findings

This SDR revealed that the Town of Essex is a well managed and sustainable organization...

1) The Town of Essex is in a financially healthy and sustainable position. This was determined using several indicators taken from the Ministry of Municipal Affairs and Housing's (MMAH) Financial Information Returns, and through a comparison of the Town to similar peer municipalities. The following themes emerged from this analysis:

- ✓ Essex is successfully building up reserves and outperforming recommended targets for operating surpluses.
- ✓ Capital spending has been financially prudent as the Town has grown reserves consistently and managed both short- and long-term debt.
- ✓ Essex has sustainable debt management and must continue to balance funding capital projects and the capacity to deal with unexpected circumstances.
- ✓ The Town's revenues have consistently outstripped operational expenses, suggesting that Essex has found an appropriate balance.
- ✓ The Town's asset management lifecycle reserve and ongoing work towards a fully funded AMP demonstrates a keen awareness of the need to invest in infrastructure maintenance and renewal.
- ✓ Essex outperformed both its peer group in the County as well as comparator municipalities across MMAH's targets for financial indicators.

2) The Town is delivering efficient and high-quality services.

- ✓ The Town has a lean staffing complement relative to its comparator municipalities;
- ✓ The Town prioritizes customer service;
- ✓ Essex has a clear strategic vision and priorities; and
- ✓ Town staff are committed to continuous improvement
- ✓ The Town is proactive in managing and utilizing recreational services during peak hours

...with opportunities to realize productivity and long-term cost savings through a continuous improvement culture and shared services arrangements

3) The primary opportunities for service delivery improvements lie in initiatives that will enhance productivity and allow for more cost-efficient delivery of services through shared services with neighbouring municipalities. Implementing these initiatives would move the yardsticks forward for a Town that is functioning well and will help create the conditions for the Town to continue providing high quality and efficient services.

Overall, **29** opportunities for improved service delivery were identified in this review.

Potential Annual Benefits of more than \$900,000

22 of the identified opportunities relate to potential productivity gains for the Town.

6 of the identified opportunities relate to delivering shared services with neighboring municipalities that drive future cost savings.

Implementing these initiatives will achieve positive benefits for the Town, including increased efficiencies and cost savings across the organization. Further details on these initiatives can be found in the following sections of this report. Wherever possible, estimated cost savings were assigned to opportunities to illustrate the estimated financial benefit the Town could realize by implementing these initiatives. These savings targets are based on leading literature and observations from other municipal practices. They represent a goal and the Town's efforts towards achieving these goals will yield saving, a more resilient organization, and better quality services for residents.

Project Context

Project Background

Project Context

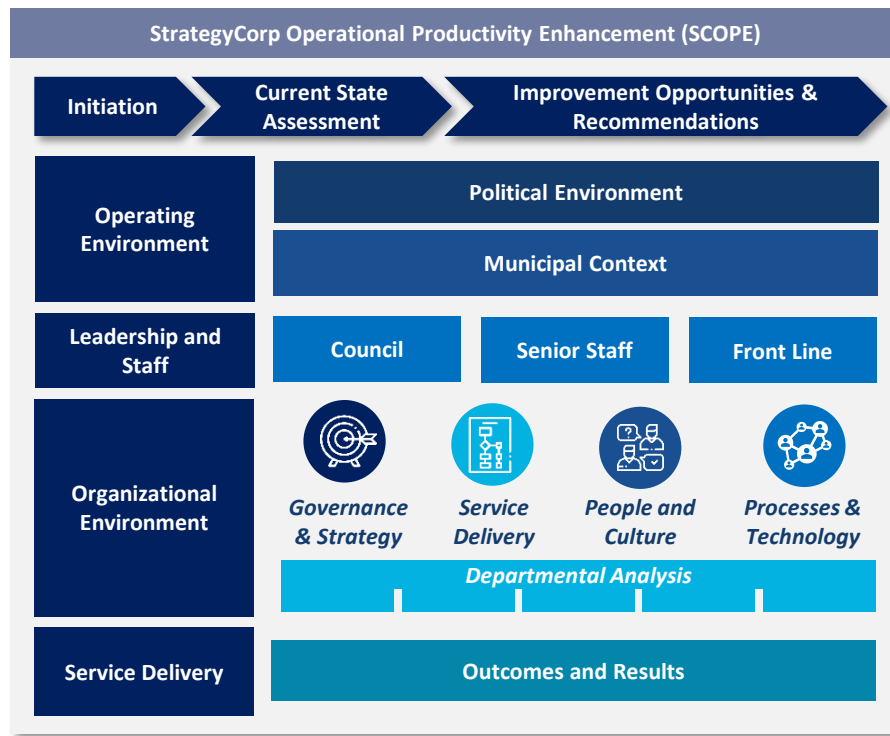
The Town of Essex engaged StrategyCorp to conduct a Service Delivery Review (“SDR” or “Engagement”) as a next step to the Service Delivery Improvement Project. (SDIP) The SDR will identify ways to modernize service delivery, reduce future costs, and make the best use of limited resources.

The primary focus of this review is to evaluate the Town’s services in order to achieve a more efficient and effective service delivery model, without compromising customer/ratepayer services or local identity and control.

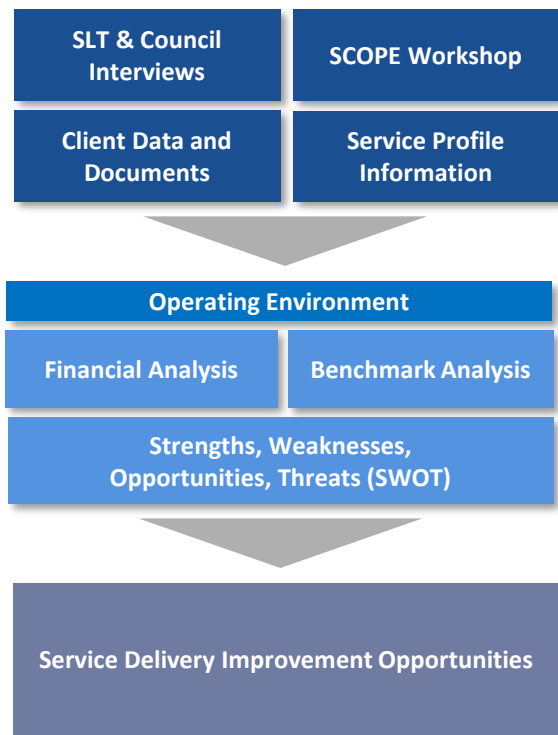
Methodology and Approach

Our approach to conducting the current state assessment utilized multiple sources of inputs and extensive engagement, including:

1. Analyzing internal and external data to evaluate current operations and trends;
2. Benchmarking current performance and delivery models against relevant municipal comparators;
3. Conducting one-on-one interviews and workshops with elected officials, senior leadership, and staff; and
4. Identifying initial improvement opportunities and assessing them against evaluative criteria to shortlist those with high potential.



Key High-Level Findings from the Current State Review



Information gathered through existing data and documents, specific details on all core services, Senior Management Team (SMT) and Council interviews, and a workshop with staff, informed the following outputs, which in turn, were used to develop service delivery improvement opportunities.

Key takeaways were as follows:

- **Essex has achieved strong financial health and sustainability** by building up reserves and outperforming the recommended target for operating surplus.
- **Essex has sustainable debt management** and must continue to balance funding new and upgraded capital projects, the maintenance of existing capital projects, and the capacity to deal with unexpected circumstances. It would be beneficial for the Town to continue to evolve their Asset Management Plan to support responsible capital expenditures.
- **Essex has made investments in its human capital** and should continue to focus on enhancing training, professional development, and performance management to achieve maximum organizational capacity, and explore the potential of work-from-home arrangements.
- **Essex receives the least amount of revenue from property taxes and the most amount of revenue from the Ontario Municipal Partnership fund (OMPF)** as compared to its peers. Should the OMPF funding decrease, the Town may face revenue shortfalls. This is further compounded by its less lucrative tax assessment mix, which is predominantly rural nature, reinforcing the need for a reserve management strategy to manage potential future financial risks.
- **There are opportunities for regional collaboration** and sharing of services. The initial channel for this type of activity may be through a shared services initiative of the County's south shore municipalities to help build momentum and show proof of concept for further expansion.

Preliminary analysis indicates that high-impact opportunities lie in optimization through the lens of people (e.g. training skilled workforce), process (e.g. standardizing processes), and tools (e.g. modernizing IT infrastructure).

Essex's Internal Strengths and Weaknesses

Through the course of our assessment of the Current State, we identified several strengths and weaknesses internal to the Corporation of the Town of Essex that impact how services are delivered in Essex.

STRENGTHS

- **Financial health and sustainability:** The Town is in a favourable financial position due to prudent planning and spending, and provincial support.
- **Lean staffing complement:** The Town has a lean staffing complement in comparison to its peer comparators which will need to be re-evaluated as the Town grows.
- **Customer-service focus:** The Town takes a resident-centric approach and prioritizes the delivery of high-quality services and the customer experience.
- **Commitment to continuous improvement:** Administration and staff are continually looking for ways to “do things better”, push boundaries and deliver services more effectively and efficiently (e.g. “Virtual City Hall”).
- **Clear strategic vision and priorities:** The 2019-2022 Corporate Strategic Plan sets out the Town’s priorities and provides a clear path forward for Council, staff and the community.
- **Sustainable asset management planning:** The Town is ahead in terms of the provincial legislation – its asset management lifecycle reserve and ongoing work towards a fully funded AMP demonstrate a keen awareness of the need to invest in infrastructure maintenance and renewal.
- **Environmental leadership and stewardship:** The Town is committed to protecting and enhancing Essex’s natural environment and working with the community to build a sustainable future.

WEAKNESSES

- **Cross-departmental communication:** Collaboration and information sharing across departments is limited and there are few opportunities to discuss best practices or share resources (e.g. software), which contributes to the silo effect.
- **Leveraging technology:** Certain technologies currently in use are outdated or underutilized.
- **Lack of consistent service levels and KPIs:** Some departments do not have clear service level standards and lack the ability to track and measure performance.
- **Outdated facilities:** Essex’s Town Hall and other municipal facilities are dated (some are beyond their useful life) and has not kept pace with the growth in the Town’s staff and services, leading to constrained working conditions for employees and frustration for residents.
- **Spread out facilities and services:** Facilities are located across the municipality in order to be able to service the wide geographical area of the Town, but this is accompanied by a lack of centralization and increased costs.
- **Lack of standardized policies and procedures:** In some departments issues are often handled on an ad-hoc basis due to the lack of clear policies and processes, which can lead to inconsistencies in how these issues are managed and resolved.
- **Investment in human capital:** The current state of succession planning and performance management are challenges to increasing organizational growth and capacity.

Essex's External Opportunities and Threats

Through the course of our assessment of the current state, we identified several opportunities and threats external to the Corporation of the Town of Essex that have shaped, are shaping, or will shape, service delivery in Essex.

OPPORTUNITIES

- **Affordability of housing:** Essex's housing prices are among the lowest in Canada, making it an attractive destination for retirees, families and small businesses, and the Town should focus on supporting that growth.
- **Distinct and diverse economic base:** The Town's mix of industries is unique for a municipality of its size and ranges from agriculture to agri-tourism and wine-making to steel manufacturing.
- **"Administrative capital":** Because Essex is located centrally in the County and is home to the County's offices, it functions as a service hub for the area.
- **Leverage supports from other levels of governments:** Given the influx of new residents, the Town can explore grant and funding opportunities to develop creative solutions to address evolving housing needs.
- **Continued informal and formal regional collaboration:** Informally sharing information, or formally sharing service delivery, can support streamlined processes, adoption of best practices, cost and time savings, and greater consistency in policies and service deliveries across municipalities.
- **Adaptation as a result of COVID-19:** The pandemic drove the modernization of some customer-facing services as well as staff policies, demonstrating that improvements can be actioned quickly and effectively when required.
- **Tourism and wine industry:** The Town's award-winning wineries, waterfront and marina present opportunities to attract even more tourism to the area.

THREATS

- **Reliance on the OMPF:** As the Town's financial state improves, the province may allocate less in OMPF funds over time. The Town may have to raise taxes to make up for this revenue loss.
- **Changing municipal sector:** Like municipalities across Ontario, Essex faces the challenge of providing high quality services with limited revenue generation opportunities, heightened public expectations, resistance to tax increases, and changing policies and priorities at the other levels of government.
- **Geographical distribution:** Essex's geographical spread poses unique challenges for service delivery, and there is a perception among some that services are not offered equally across the municipality.
- **Broadband internet service is lacking:** The lack of reliable high-speed internet service across the municipality poses challenges in considering digital solutions to modernize the way some services are delivered and accessed.
- **The perceived threat of further amalgamation:** Protecting Essex's identity and the unique identities of the Town's four centres is a priority for citizens, resulting in concerns about any further amalgamations.
- **Climate change:** Changing weather patterns and extreme weather events have the potential to have a serious impact on Essex's predominately agricultural economic base.

Overview of Service Delivery Improvement Opportunities

29 opportunities for improved service delivery were identified. Below is an overview of enterprise-wide, departmental, and shared service opportunities:

Enterprise-Wide Opportunities		Departmental Opportunities		Shared Service Opportunities
Governance and Strategy		CAO's Office	Infrastructure Services	Explore the development of a south shore shared services initiative
GS1. Continue to strengthen Council-staff relationship through training.		CO1. Continue to monitor police service levels through ongoing police surveys.	IS1. Update condition assessment ratings and tools to rate conditions and collaborate with finance to continue maintenance of the asset management plan (AMP) that ties into the Town's reserve policy.	SS1. Increase participation in regional collaborative purchasing organizations
GS2. Establish a clear implementation plan for the current strategic plan.		CO2. Assess optimal dividend strategy for ELK Energy.		SS2. Assess the feasibility of sharing fleet and expensive equipment across departments and with neighbouring municipalities.
GS3. Continue to establish clear expectations and guidelines through annual department-level planning processes.		Community Services	Development Services	SS3. Establish a regional standard for fire training and hire one fire trainer for the region.
GS4. Develop an Enterprise Risk Management (ERM) plan to identify and prepare for any potential critical issues that may interfere with the Town's operations and objectives.		CS1. Evaluate the placement of Facilities within Parks and Facilities and consider a separate Facilities division.	DS1. Modernize the Building Division's outdated service model.	SS4. Continue improving recreation asset utilization by enhancing shared programming and purchasing.
People and Culture		Corporate Services	DS2. Further explore cost recovery improvements and potential impacts on key development services.	SS5. Explore opportunities for regionalizing building inspection services.
PC1. Develop a comprehensive human resources strategy.		CoS1. Further investigate moving the human resources function from Corporate Services to the CAO's office.		SS6. Consider alternative models for GIS delivery.
PC2. Continue to update and standardize workforce policies.		CoS2. Continue to augment budget training across departments.		
PC3. Develop standardized corporate communications policies to support staff engagement.		CoS3. Develop an organization-wide IT training and infrastructure strategy.		
Processes and Technology				
PT1. Continue to expand use of the Town's customer relationship management (CRM) software internally and externally.				
PT2. Conduct a review of the existing management process and invest in an organization-wide records management system.				
PT3. Develop formal schedule of regular cross-departmental discussions and workshops.				
PT4. Develop standard operating procedures for any services that do not currently have them in place.				
Service Delivery				
SD1. Assess opportunities for new and upgraded facilities including a new Town Hall.				
SD2. Review current complement of Clerks to optimize efficiencies.				
SD3. Put in place a regular cycle to Establish and review clear service levels for all services across the organization.				

Summary of Benefits Identified

Summary of Potential Benefits (1 of 2)

The following is summary of the potential benefits the Town could achieve by implementing the proposed initiatives. These benefits are yard markers and pursuit of this improvement initiatives will leave the Town and its residents better off. The benefits of each opportunity have also been categorized by either potential increased revenues, potential direct savings (dark green) or potential productivity gains (light green). *For a description of key financial assumptions, please see Appendix B.*

Opportunities	Potential Benefit*	Investment**	Potential Increased Revenues	Potential Direct Savings "Dark Green"	Potential Productivity Gains "Light Green"
Enterprise-wide Opportunities					
Governance and Strategy					
GS1 Council-staff training	-	\$10-15K	-	-	✓
GS2 Implementation plan for the current strategic plan	\$105K	-	-	-	✓
GS3 Department-level planning processes	\$105K	-	-	-	✓
GS4 Enterprise Risk Management (ERM) plan	-	\$40K	-	-	✓
People and Culture					
PC1 Comprehensive human resources strategy	-	\$50-75K	-	-	✓
PC2 Updated and standardized workforce policies (flexible work savings)	\$148K	-	-	-	✓
PC3 Standardized corporate communications	\$47K	-	-	-	✓
Processes and Technology					
PT1 Expanded use of the Town's customer relationship management (CRM) software	\$57K	\$16K	-	-	✓
PT2 Organization-wide records management system.	\$184K	\$81K	-	-	✓
PT3 Formal schedule of regular cross-departmental discussions and workshops	-	-	-	-	✓
PT4 Standard operating procedures for any services that do not currently have them in place	-	-	-	-	✓
Service Delivery					
SD1 Assess opportunities for new and upgraded facilities including a new Town Hall	-	\$150K	-	-	✓
SD2 Review the current complement of Clerks and Executive Assistants to optimize efficiencies & CAO time	\$22K	-	-	-	✓
SD3 Establish clear service levels for all services across the organization.	-	-	-	-	✓

Summary of Potential Benefits (2 of 2)

Opportunities	Potential Benefit*	Investment**	Potential Increased Revenues	Potential Direct Savings "Dark Green"	Potential Productivity Gains "Light Green"
Department-Specific Opportunities					
CAO's Office (CO)					
CO1 Continue to monitor police service levels through ongoing police surveys		-	-	-	✓
CO2 Explore and assess optimal dividend strategy for ELK Energy			-		✓
Community Services (CS)					
CS1 Evaluate the placement of Facilities within Parks and Facilities		-	-	-	✓
Corporate Services (CoS)					
CoS1 Further investigate moving the human resources function to the CAO's office		-	-	-	✓
CoS2 Continue to augment budget training across departments	\$18K	\$10K	-		✓
CoS3 Develop an organization-wide IT training and infrastructure strategy		-		-	✓
Infrastructure Services (IS)					
IS1 Update condition assessment ratings and tools and update the asset management plan (AMP)	\$133K	-	-	-	✓
Development Services (DS)					
DS1 Modernize the Building Division's outdated service model.		-	-	-	✓
DS2 Explore cost recovery improvements and potential impacts on key development services.	\$25K	-	✓	-	-
Shared Service Opportunities (SS)					
Collaborative Purchasing					
SS1. Increase participation in collaborative purchasing organizations	\$130-325K		-	✓	-
SS2. Assess feasibility of sharing fleet/equipment across departments & neighbouring municipalities	\$30-75K		-	✓	-
Regional Coordination					
SS3. Create a regional standard for fire training and hire one fire trainer for the region.		\$15-22K	-	✓	-
SS4. Consider shared recreation programming and purchasing.	\$21-65K	-	✓	-	-
SS5. Explore opportunities for regionalizing building inspection services		\$19K	-	✓	-
Corporate Services					
SS6. Consider alternative models for GIS delivery (**Savings dependent on type of GIS of services shared)			**	✓	-
Total Benefit/Investment	\$1-1.3M	\$391-428K			
Total Net Benefit	\$634K-917K				

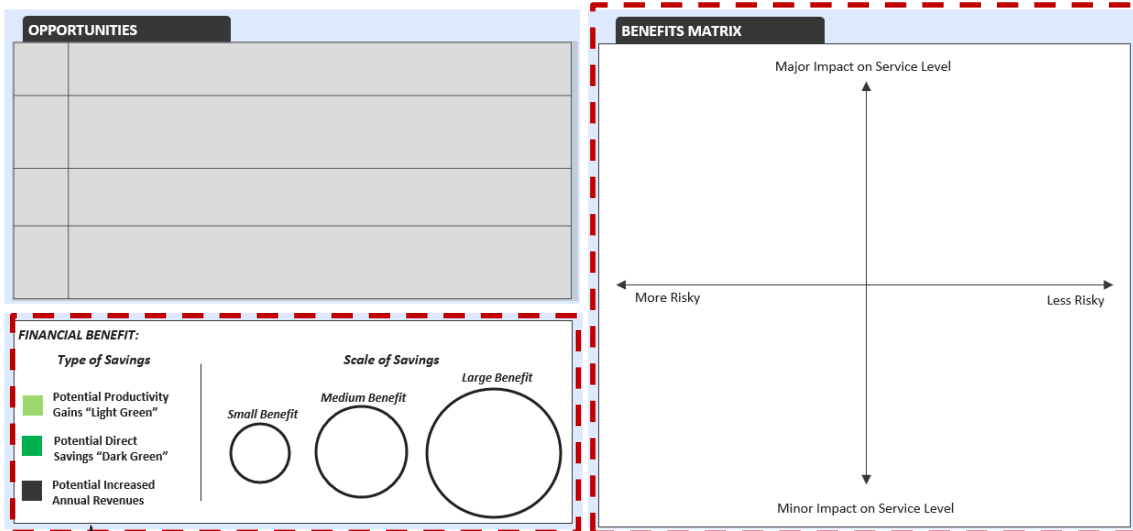


SERVICE DELIVERY IMPROVEMENT OPPORTUNITIES

Key Definitions (1 of 2)

In this report opportunities are grouped in service delivery categories. Each category includes a summary slide that presents a brief overview of the opportunities. This summary includes a benefit matrix and a representation of the opportunities' financial benefits.

xx: Summary of Opportunities



Summary of Opportunities Benefits Matrix:

Each opportunity is presented on a matrix that depicts the risk of each opportunity against its service level impact.

Financial Benefits

Light green circles represent opportunities with potential productivity gains. Dark green circles depict opportunities with potential direct cost savings. Black circles represents opportunities with potential increased annual revenues. The size of the circles are also used to estimate the total potential benefit value (e.g. a large black circle is estimated to have greater net benefit to the Town of Essex in comparison to a smaller black circle).

Key Definitions (2 of 2)

The details of each opportunity are expanded upon in individual initiative slides. These slides outline the current state of the opportunity and an overview of improvement steps the Town could undertake. The slides also include total estimated savings, key benefits, challenges and implementation considerations that could result from undertaking the suggested improvements. Finally, the slide includes an impact analysis, outlined below.

IMPACT ANALYSIS	
Service Impact 1 — 2 — 3	
Investment 1 — 2 — 3	
Risk 1 — 2 — 3	
Timelines 1 — 2 — 3	



Method for Assigning Impact Analysis Levels:

	Service Impact	Investment	Risk	Timelines
1	Marginal impact on resident satisfaction and service levels	Less than \$5,000	Remote possibility of a low impact impediment to implementation	Between Q1 and Q3 in Year 1 (2021)
2	Indirect improvement that increases resident satisfaction and improves service levels	\$5,000-\$10,000	Moderately impactful and possible impediment to implementation	Between Q3 in Year 1 (2021) and Q2 in Year 2 (2022)
3	Direct improvement that increases resident satisfaction and improves service levels	More than \$10,000	Highly impactful and likely impediment to implementation	Beyond Q2 in Year 2 (2022)

Enterprise-Wide Opportunities

Governance and Strategy: Summary of Opportunities

OPPORTUNITIES

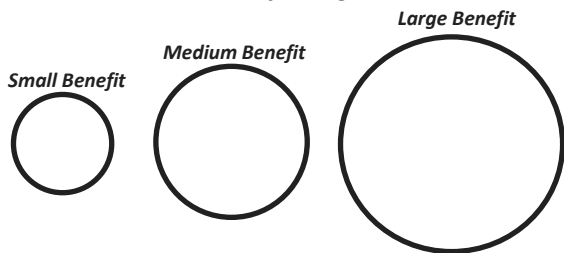
GS1	Invest in: (i) continued training on the roles of staff and council; and (ii) council setting its own annual education agenda.
GS2	Establish a clear implementation plan for the current strategic plan with a performance measurement framework. 0.25% productivity gain equaling approximately \$105K.*
GS3	Establish clear expectations and guidelines through an annual department-level planning process. 0.25% productivity gain equaling approximately \$105K.*
GS4	Develop an Enterprise Risk Management (ERM) plan that will identify, assess, and prepare for any potential critical issues that may impact the Town's operations and objectives.

FINANCIAL BENEFIT:

Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



GS1. Council-Staff Relationships & Council Development

Estimated Savings



Streamlined
Decision-Making



Talent
Development

CURRENT STATE/PROBLEM

Staff and Council have a good relationship, but both groups identified the need for additional training to ensure that Council can maintain the right balance between strategic oversight and operations.

- It was observed by both staff and members of Council that Council can focus more on operational oversight than on strategic oversight, and while there is a role for Council to play in both areas, operational matters can sometimes dominate the discussion.
- The positive impact of existing training efforts have been recognized, and there is a desire to continue to build on the existing curriculum.

INITIATIVE DESCRIPTION

Invest in: (i) continued training on the roles of staff and council; and (ii) council setting its own annual education agenda.

- Council-staff training is a municipal best practice for governance and has also been adopted by many municipalities across Ontario. Training allows for both sides to better understand each others' roles and responsibilities and strengthen overall communication and collaboration. This training could include refreshing staff and Council on the Code of Conduct and legislated roles as outlined in the Municipal Act, local procedural by-laws, and local practices.
- In addition, while Councillors typically receive an onboarding orientation at the beginning of their terms, governance training should be an ongoing priority. Therefore, Council, with support from staff, should set an annual education plan for itself. This annual education plan should include training on key policy or programmatic issues as identified by Council.

Key Benefits:

- Improved council/staff productivity.
- Improved organizational culture.
- Increased transparency and accountability.

Key Challenges:

- Council appetite and budget allocation to invest in its own professional development.

IMPACT ANALYSIS

Service Impact 	While this initiative will not directly impact service levels, it will improve the productivity of both Council and staff. This would have an indirect benefit on services.
Investment 	Council-staff training should be done by a 3rd-party consultant (\$10-15K). Council training can be facilitated by staff and outside experts.
Risk 	This is a low-risk initiative. This largest barrier to implementation is organization buy in.
Timelines 	Training could be completed for the Q1 of the new year.

IMPLEMENTATION

Overall, the Town may need to:

- Council-staff training should occur on annual basis using a third-party to assist with the training.
- Council needs to adopt and make an annual training agenda a priority for itself, including investing time in proactively planning its own annual education plan.

GS2. Implement Strategic Plan - Corporate Strategic Planning Framework

Total Estimated Savings
\$105K*

CURRENT STATE/PROBLEM

There is broad senior level support for the strategic plan, but uncertainty about implementation and progress remain.

- It was noted that the Town has a clear strategic direction, but the Town's progress against the plan, and how this informs the Town's priorities is unclear.

INITIATIVE DESCRIPTION

Implement a comprehensive corporate strategic planning framework to unify and clearly articulate the relationship between the Corporate Strategic Plan, the Official Plan, the Service Master Plans, the budget, and departmental work plans. The framework should include performance measures to track and evaluate progress.

- To achieve the full impact of strategic plan strategic planning needs to be a regular and permanent feature of the Municipality's governance, with regular reviews and adjustments to reflect progress in achieving strategic goals.
- At the staff level, there is a need to assign the strategic plan's six priorities and 21 initiatives to leads to ensure implementation. Once leads are assigned, communicating initiatives to their supporting team members should be assigned to support implementation.
- A priority for the leads and SMT should be to include performance measures in departmental work plans to track and report on progress and use these as the basis for quarterly status updates to council and the community.

Key Benefits:

- Increased transparency and accountability.
- Continuous improvement.
- Improved performance.

Key Challenges:

- Securing Council buy-in.
- Task management.
- Sufficient financial and human resources to support implementation.

IMPACT ANALYSIS

Service Impact 	This opportunity will greatly impact strategic planning at the Town and ensure that priorities are actioned for the benefit of residents and stakeholders.
Investment 	There is no required investment other than time of staff and council to link the strategic plan to budget and departmental work plans.
Risk 	This opportunity is low risk with significant upside on operations; there is minimal impact on residents and minimal operational risks.
Timelines 	Initiative can start now.

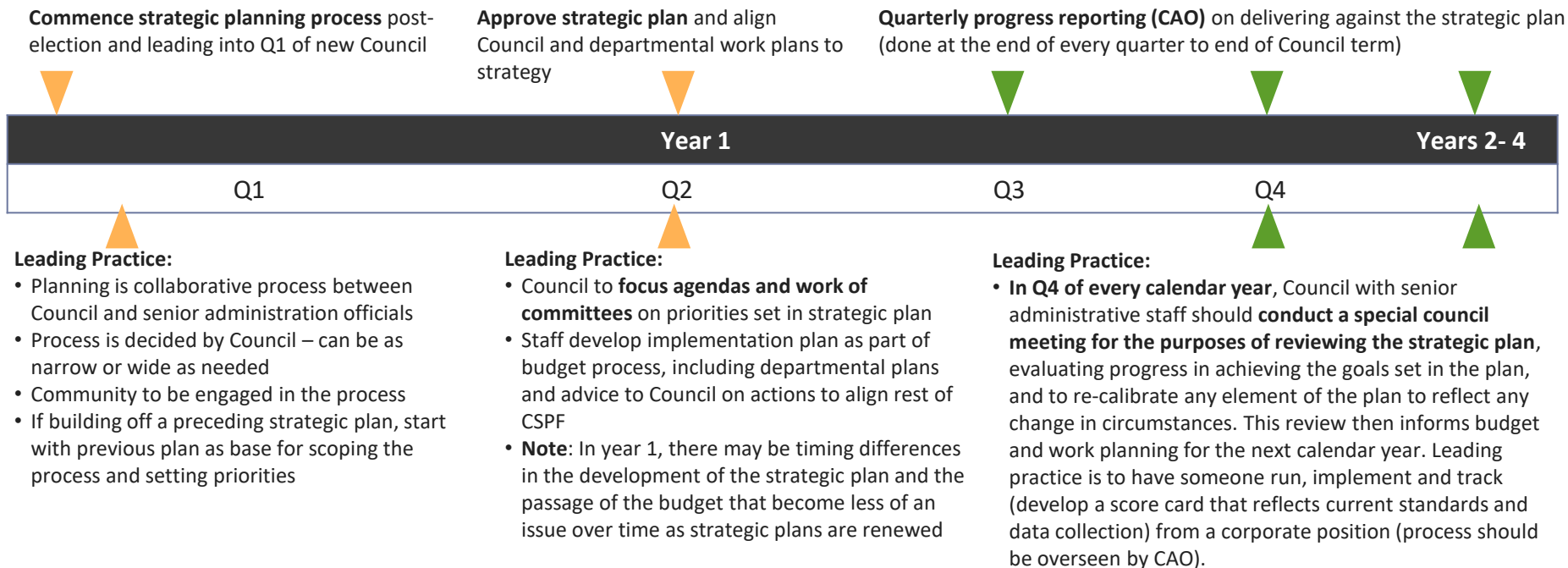
IMPLEMENTATION

Overall, the Town may need to:

- Implement status updates on progress against the strategic plan. This should happen on a quarterly cadence along with a Q4 Council – staff annual review that is meant to align everyone on the progress for the year and the priorities for the upcoming year (see next slide).
- Invest in training for lead staff on developing and managing key performance measures and linking strategy to operations.

GS2. Implement Strategic Plan - Strategic Planning Cycle

Strategic planning, properly done, is an ongoing and regular process of good governance (i.e. Council) in partnership with administration and the community. To ensure that strategic planning becomes an ongoing and regular process, leading practice is to have Council establish a strategic planning cycle and to enshrine this cycle in policy. The recommended strategic planning cycle for Essex is provided and explained in the figure below.



GS3. Annual Department-Level Planning Process

Total Estimated Savings
\$105K*

CURRENT STATE/PROBLEM

Staff and management identified challenges with connecting individual department activities to the goals identified in the strategic plan, and they noted the need for goal-setting at a more tactical level.

INITIATIVE DESCRIPTION

Establish an annual department-level planning process that is focused on linking the strategic plan to annual departmental priorities and budgets.

- Departmental alignment is key to effectively implementing a strategic plan so that departments understand what goals they are working towards.
- Departments should get into the practice of developing annual work plans that outline clear initiatives that link to the strategic plan and inform the Town's annual budget.
- These business plans can also include performance measures against the initiatives. The Town recently developed departmental performance plans, and so this process could be linked to, or may already be included in those plans.
- Tecumseh, Oakville, and the member municipalities of York Region are all examples of peers that employ department level planning processes.

Key Benefits:

- Clearer direction and linkage of strategy to operations.
- Strategic prioritization of effort.
- Improved staff productivity.

Key Challenges:

- Staff capacity to develop business plans.
- Fear that plans will be used to blame staff as opposed to empower them.

IMPACT ANALYSIS

Service Impact 	By having clear and planned initiatives by department, there will be a stronger link between strategy and operations. This will improve service efficiency and effectiveness.
Investment 	This requires a change in how departments and SLT plan the work of the Town. Commitment will be required at all levels of the organization.
Risk 	Medium risk – change management will be needed to support directors and managers as they shift their planning approaches.
Timelines 	A soft implementation in 2021 through efforts made to better connect budget process to strategic plan. Full implementation beginning in 2022.

IMPLEMENTATION

Overall, the Town may need to:

- Create departmental business plan templates that SLT will require departmental leadership to use to support business planning and budget preparation.
- Use strategic planning cycle (slide 17) to overlay departmental planning with Q4 of each year used to finalize departmental plans for the next fiscal year.
- Communicate and socialize departmental staff to these plans to build shared understanding of work priorities and links to strategic plan.

GS4. Enterprise Risk Management Plan

Estimated Savings



Enhanced
Decision-Making



Risk
Mitigation



Data &
Information

CURRENT STATE/PROBLEM

Essex has been prudently managed but could benefit from risk-planning. The Town holds the second highest tangible capital assets per capita amongst its peers, which may need to be serviced or replaced in the short term.

- The Town also receives a higher OMPF allocation than its peers, and if these transfer payments are reduced, Essex will require alternative revenue streams.

INITIATIVE DESCRIPTION

Develop and Enterprise Risk Management Policy that sets out the key categories and specific risks faced by a municipality and the activities undertaken to mitigate these risks.

- Risk management ROI is measured by money saved in the future by having a plan to mitigate a risk such as: (i) saved time by senior management/council when crisis hits if risk mitigation and action plan is already in place; and, (ii) saved professional/third party costs in event of a cyber attack given lack of a plan or insurance.*
- In light of COVID-19, and the business continuity and other risks it has presented to the Town, an Enterprise Risk Management Policy needs to be a key part of the policy suite. Risk management is not just financial in nature, it is also operational (e.g. service quality) and reputational.
- It is recommended that risk management become a key decision-making criterion for Council and a core feature of the budget process and staff reports to Council. The elements to be developed and incorporated into the ERM Policy are generally consistent across municipalities. The City of Burlington's [ERM Policy](#) is provided by way of example.

Key Benefits:

- Proactive risk management and cost avoidance.
- Refinement of risk management tools over time.
- Better informed council decision-making.

Key Challenges:

- Capacity in developing and maintaining the ERM.
- Consistent investment in staff professional development in risk management.

IMPACT ANALYSIS

Service Impact 	ERM helps to avoid costs by positioning the organization's governance and staff to identify and mitigate risks over times, including better assessing risk management measures.
Investment 	This will likely require the assistance of outside service providers to develop the policy and associated tools. Estimated cost to retain a consultant is \$35,000 and annual staff training of \$5,000 .
Risk 	Making risk management a core competency of the organization involves change management, including staff training.
Timelines 	Policy should be developed in 2021 for soft implementation in 2022.

IMPLEMENTATION

Overall, the Town may need to:

- Assign a corporate lead to develop Enterprise Risk Management Plan.
- Risk Considerations should be added to all staff reports to council. This will help Council in understanding the key risks and potential mitigations around the matter. Key considerations to include strategic, governance, management, operational, financial, stakeholder.
- Risk planning should be a feature of budget planning and departmental business plans. For departmental business plans, the Town should set a process and format for departments to report risks and mitigation measures on an ongoing basis.

People and Culture: Summary Of Opportunities

OPPORTUNITIES

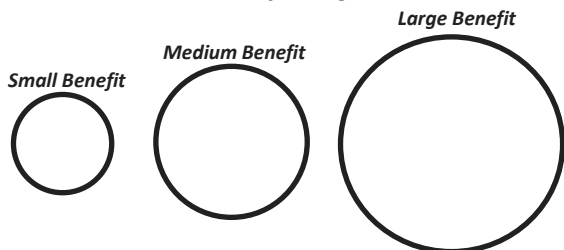
PC1	Develop a comprehensive human resources strategy.
PC2	Update and standardize workforce policies by: (1) standardizing performance management; (2) standardizing policies on professional development and training; and (3) implementing options and protocols for flexible work (e.g. work from home). Up to ~\$148K through efficiencies gain from flexible work policies*.
PC3	Develop standardized corporate communications policies to support staff engagement and satisfaction through targeted communications, particularly surrounding the strategic plan. \$47K** in time savings (less Director time spent on inefficient communication with teams and less Communication Manager time supporting individual departments).

FINANCIAL BENEFIT:

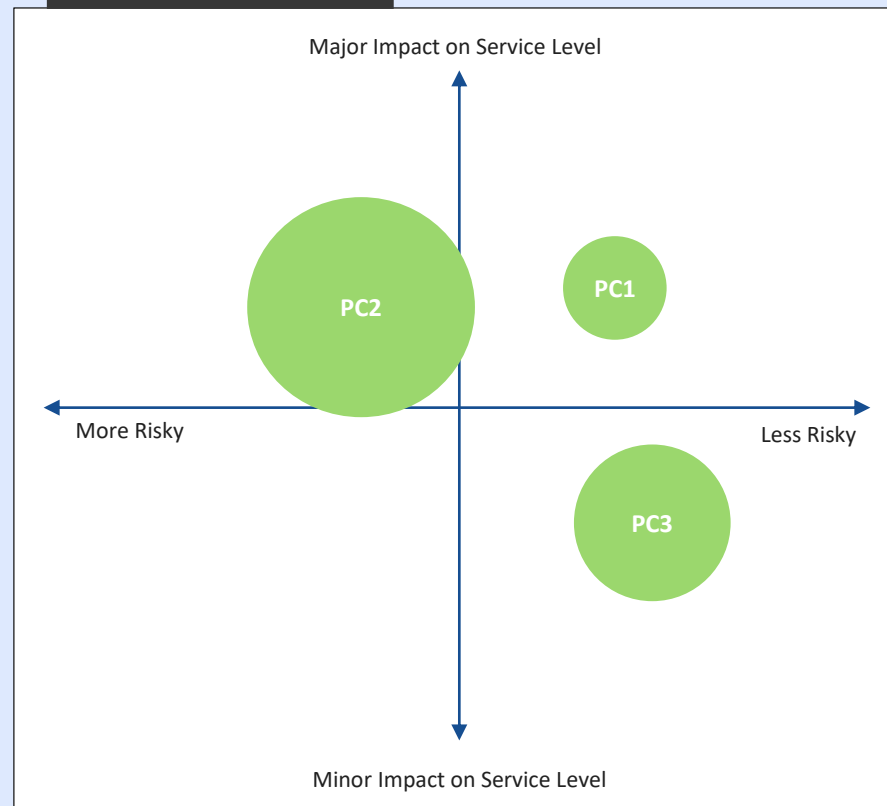
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



PC1. Human Resources Strategy

Estimated Savings



Streamlined
Decision-Making



Talent Development
& Acquisition

CURRENT STATE/PROBLEM

Staff across departments noted retention and succession planning as areas of concern given that several critical resources will be retiring in the next five years. The organization is already lean but could better:

- Develop staff to grow into management roles instead of hiring externally.
- Attract and retain talent (particularly in the manager ranks) to help ensure that turnover does not result in lost competencies, corporate knowledge and history.

The Town's staff complement will likely need to grow if the Town wants to increase existing, or add new, services.

INITIATIVE DESCRIPTION

Develop a comprehensive human resources strategy that maintains clearly defined roles and responsibilities; policies for continuity of knowledge; procedures for succession planning; and plans for further developing the Town's human capital.

- In response to these challenges, and to better prepare for the future, a human resources strategy is a recommended municipal best practice and can provide tactics to reduce turnover, prepare the organization to fill vacancies, and support the development of a stronger staff complement.
- The Town therefore needs to: (i) Establish a succession plan and ongoing succession planning process to identify and plan for departures of key personnel; and (ii) explore retention/growth tactics (including annual staff engagement surveys, recruiting), and identifying and benchmarking activities against workforce threats, among others.
- Succession planning is a long-term, incremental process that does not exist in isolation. It must be aligned with the Town's strategic and organizational objectives and should reflect desired service delivery goals.

Key Benefits:

- Increased availability of capable individuals for management positions.
- Fewer financial resources spent in external search for staff.

Key Challenges:

- Resisting bias.
- Providing comprehensive and focused opportunities.
- Preparing for external factors (virtual work creating competition).

IMPACT ANALYSIS

Service Impact 	Does not impact service delivery and it allows minimized service disruptions related to vacated positions.
Investment 	Investment includes the development of the HR strategy. Estimate cost for external consulting services is \$50K to \$75K .
Risk 	Implementing this initiative is a key risk mitigation for the strategic management and operation of the Town.
Timelines 	This will be a longer-term implementation as significant work and cross-departmental coordination is required.

IMPLEMENTATION

Overall, the Town may need to:

- Enumerate skills and competencies requirements of key positions and assess risk of turnover in key positions. Put into place succession planning approach, including identifying high-potential staff, to plan for the succession of these positions.
- Begin retention activities such as the deployment of a staff engagement survey.
- Internal HR may need external consulting assistance to prepare succession plan framework and align training and professional development programs (addressed in PC2) to the framework. Integrate succession planning into the overall performance management framework for staff and communicate the succession planning framework to all staff.

PC2. Standardize Workforce Policies

Estimated Savings



Assets &
Productivity

CURRENT STATE/PROBLEM

Some of the organization's workforce policies are inconsistently applied and updated, causing some confusion amongst staff.

- Staff noted that outdated workplace policies and performance management impact their perceptions of support from their employer.
- The lack of standardized, high-quality workforce policies may be a barrier to talent recruitment and retention.
- There is a desire for increased professional development training opportunities amongst staff.

INITIATIVE DESCRIPTION

As part of the development of the Human Resources Strategy, review all existing policies such as.

- Standardizing performance management: Performance management is increasingly important in the public sector in responding to budgetary and fiscal pressures, increasing demands for public services, and managing workforce development.
- Standardizing policies on professional development and training: Helps both leadership and staff achieve organizational objectives, improves overall company performance, and help provide reliable service delivery.
- Explore flexible work models. The recent disruptions as a result of COVID-19 have demonstrated the Town's ability to adapt to new working environments. According to the Global Workplace Analytics, with conservative assumptions, the Town could save up to **~\$3,800/FTE annually*** if FTEs worked 1 day from home per week as a result of increased productivity, lower real estate costs, reduced absenteeism and turnover, and better disaster preparedness. It was assumed that 60% of the Town's FTEs would be eligible to work from home.

Key Benefits:

- Improved skill-level of workforce.
- Greater alignment between staff capabilities.
- Improved employee morale and engagement.

Key Challenges:

- Resources required to develop and implement policies.
- Work from home data security and access.

IMPACT ANALYSIS

Service Impact 	Internal consistency will directly strengthen external service delivery.
Investment 	Investment includes the development of the performance management and succession planning frameworks and funding for required training.
Risk 	Process standardization mitigate risk, but there will be some risk associated with working from home, such as data security.
Timelines 	In coordination with the HR Strategy (opportunity PC1), this will be a longer-term initiative.

IMPLEMENTATION

Overall, the Town will need to:

- This opportunity should be implemented as part of the HR Strategy outlined in opportunity PC1.
- Convene a working group to conduct a review of current workforce policies.
- Identify existing policies that currently work well, identify and address any major gaps, and implement updated consistently across the organization.

PC3. Corporate Communication Strategy

Total Estimated Savings
\$47K*

CURRENT STATE/PROBLEM

There is currently no formal corporate communications plan to guide communications practices both internally amongst Council and staff, and externally to residents and other stakeholders.

- Currently, senior management serves as the main channel to inform staff of organizational objectives.
- Staff are not always clear about how goals will impact them individually and within their departments.
- The Town has a Communications Office that undertakes key activities such as media relations; website and social media management, marketing, branding, and emergency management. These activities are primarily externally focused and are not guided by an overarching communications strategy.

INITIATIVE DESCRIPTION

Develop a master communications plan with a supporting implementation and resourcing plan, and department-level communications 'tool kits.'

- The master communications plan should focus on enhanced communications within the Town and between the Town and the public, as strong communications, both internal and external, is important for effective and efficient Town operations and relations. Improved internal communications processes will allow senior management to spend less time on repetitive communication activities.
- This initiative could also include the development of a communications toolkit that provides departments with guidelines for external communication. This would free up capacity within the communications department to create and enforce corporate communications policies. The communications toolkit would support departments in identifying audiences and stakeholder groups, suggested framing per group, communications objective, channel identification, and communication planning initiatives.

Key Benefits:

- Improved staff engagement through understanding of Town goals and priorities.
- Improved productivity and save Communications staff time.

Key Challenges:

- Time and effort to develop and implement.
- Socialization of the plan and policies and securing buy-in from all levels of staff and Council.

IMPACT ANALYSIS

Service Impact 	This opportunity will increase staff morale and engagement which will enhance service quality.
Investment 	Investment includes the time required to develop communications plan, which may be substantial depending the staff allocated to support this initiative.
Risk 	There is little to no risk associated with implementing this initiative. In fact, it will assist with overall risk management.
Timelines 	Depending on staff availability to support this initiative, the development and implementation would take about 8-12 months.

IMPLEMENTATION

Overall, the Town will need to:

- Form a working group led by the Strategic Communications Manager to undertake review of existing internal and external communications tools, channels, and identify opportunities for improvement
- Engaging staff from across the organization, develop a communications vision and design principles, define medium- and long-term goals, and identify options for optimization. Develop a strategy and begin implementation once approved.
- Where possible measure engagement (surveys, frequency of use of centrally accessible documents, all-staff meeting attendance, etc.). This will help identify high impact content and an understanding of what works.

Process and Technology: Summary Of Opportunities

OPPORTUNITIES

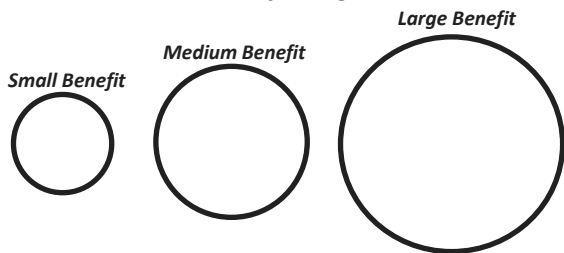
PT1	Expand use of the Town's customer relationship management (CRM) software and establish customer service policy(ies). Explore additional applications of this software. This opportunity is estimated to save \$41K/ year in staff time.
PT2	Conduct a review of the existing records management process and invest in a records management system (e.g. eSolutions). Estimated to save ~\$103K /year in staff time
PT3	Develop formal schedule of regular cross-departmental discussions and workshops with select staff that focus on best practices, learnings, opportunities for improved communications, and collaboration.
PT4	Develop standard operating procedures for any services that do not currently have them in place and that require additional procedural rigor and standardization.

FINANCIAL BENEFIT:

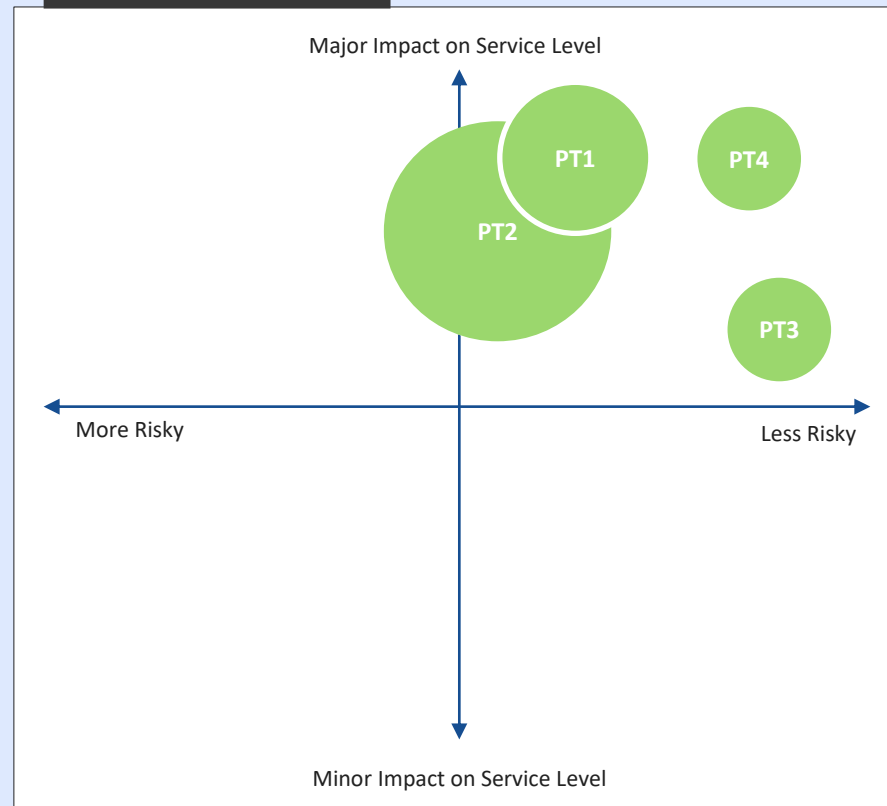
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



PT1. CRM Software and Customer Service Policy

Total Estimated Savings
\$41K*

CURRENT STATE/PROBLEM

Customer service is a priority for the Town. It has a tracking system for customer complaints and inquiries, but the number of staff using the software could be expanded.

- A lack of a standard corporate customer service policy leads to siloed approaches to customer service, and in some cases duplication of efforts around customer service-related activities.
- The Town also requires training for staff as the software is expanded, and cross-training between departments to improve customer service.

INITIATIVE DESCRIPTION

Expand training and staff use of the Town’s customer relationship management (CRM) software and establish a Town of Essex customer service policy. Explore additional applications of this software (e.g. integration with GIS) to improve service integration across related departments such as corporate, development, and infrastructure services.

- **Training:** To be effective, staff must be trained in all aspects of the policy, process and tools through performance measurement, management, job description, and performance review.
- **Sharing of Best Practices:** Currently, some departments function as isolated centres of excellent customer service. Translating those learnings across the organization alongside expanded use of software will result an improved resident experience



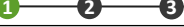

Key Benefits:

- Improving the capacity of staff to utilize the CRM software, and understand best practices.
- Improved service for residents.

Key Challenges:

- Staff time and capacity is a key challenge for sharing of best practices.
- Manage risks related to security, data management, and continuity if services.

IMPACT ANALYSIS

Service Impact 	Services are anticipated to improve as net-new policies will improve efficiency and reduce duplication of effort.
Investment 	Annual costs for expanding CRM software to additional clerks and coordinators would require an investment up to \$16K* .
Risk 	Expanding the use of CRM and implementing a corporate customer service policy are low risk as they are supported by staff and managers.
Timelines 	Updating policies and expanding CRM use can be implemented in the next 6-8 months, including training of new staff.

IMPLEMENTATION

Overall, the Town may need to:

- Conduct a workshop with departments providing customer services to develop a corporate customer service policy. Policy should support consistency and reliability for residents and reflect where variability exists due to legislative or other requirements.
- Identify departments currently not using the CRM system and develop an expansion and training plan including number of new licenses required.
- Develop and design materials to communicate new policies to the organization.
- Expand CRM licenses and train staff on new policies and CRM system.

PT2. Records Management

Total Estimated Savings
\$103K*

CURRENT STATE/PROBLEM

The Town manages records with both paper-based and digital processes but lacks a central location for storing information.

- This makes accessing information time-consuming and puts the Town at risk when it receives information requests.
- The current software may have capacity to accommodate increased records management functionality, which could be explored further.
- Additionally this service may be a strong candidate for a shared solution.

INITIATIVE DESCRIPTION

Conduct a review of the existing records management process and invest in an organization-wide electronic document management (EDM) system.

- An effective records management system is a best practice in order to manage risk related to provincial requirements on records management.
- The Town should ensure consistent use of existing software across the organization.
- The implementation of this opportunity may lead to savings in staff time that was previously allotted to paper document management, storage, and disposal; and monthly costs for physical records storage will be reduced in the future.

Key Benefits:

- Regulatory compliance.
- Save staff time and improve access to information.
- Streamline processes.

Key Challenges:

- Training for additional EDM users.
- Administrative protectiveness of existing process and files.

IMPACT ANALYSIS

Service Impact 	A discernible impact to services through quicker response times and more time dedicated to higher value-added work.
Investment 	Investment of ~\$81K generates estimated productivity savings of ~\$184K/year in staff time.*
Risk 	This is a low-risk initiative that enhances the Town's overall risk management approach and reduces liability exposure.
Timelines 	Selecting and implementing a EDM system can take place within one year. Training for all users may run into a 2 nd year.

IMPLEMENTATION

Overall, the Town may need to:

- Assess current records management processes and identify key gaps to address.
- Confirm whether the Town has access to EDM software and if it does not, select and implement EDM software for consistent use across the organization.
- Policies and/or bylaws that address digital records retention, standardized practice for records management, naming conventions, and file tracking should be updated.
- Staff should undergo training to ensure a full understanding of the new software system and records policies.

PT3. Cross-Departmental Collaboration

Estimated Savings



Operational
Synergies



Talent
Development



Data &
Information

CURRENT STATE/PROBLEM

Front-line staff and supervisors at the Town lack the requisite means to communicate upward and across departments and are looking for additional channels for communication and collaboration.

INITIATIVE DESCRIPTION

The Town should facilitate regular cross-departmental meetings with the CAO, SMT, and Managers:

- Develop formal schedule of regular cross-departmental discussions and workshops with select staff that focus on best practices, learnings, opportunities for improved communications, and collaboration.
- Providing additional channels for staff communication could increase collaboration and information sharing and help overcome any silos that may exist due to procedural and physical barriers.
- Regular cross-departmental meetings with the CAO, SMT, and managers will help facilitate two-way communication and provide front-line workers and supervisors a vehicle to communicate upwards in the chain of command.
- In addition to regular meetings, Essex should also consider Lunch & Learns, newsletters posted on Intranet, Town Hall meetings and distributing summaries of Council meetings to keep staff apprised on relevant issues in a timely manner.

Key Benefits:

- Improved communication.
- Better staff morale.
- Improved service delivery.

Key Challenges:

- Increased coordination.
- Ensuring engagement is effective at influencing outcomes for staff.
- Measuring improvements.

IMPACT ANALYSIS

Service Impact



This opportunity will increase staff morale and engagement which will enhance service quality.

Investment



There will be little investment required for cross-departmental meetings (time and effort).

Risk



There is little to no risk associated with implementing this initiative.

Timelines



This initiative can be implemented within the next 6-8 months or less.

IMPLEMENTATION

Overall, the Town may need to:

- Appoint an internal resource to manage all aspects of this initiative (coordination, delivery of communications, etc.).
- Understand in greater detail the information that front-line staff want to both receive from, and relay to, the Town's senior leadership.
- Actively engage with front-line staff to ensure the meeting design and structure reflects their wants and needs. Further ensure that action items are identified from these meetings and that SMT reports on how these action items have been addressed.

PT4. Standard Operating Procedures

Estimated Savings



Enhanced
Service Quality



Risk
Mitigation

CURRENT STATE/PROBLEM

Standard operating procedures (SOPs) are not codified, making training challenging for new staff.

- Through interviews and workshops it was noted that departments lack clear and consistent procedures.
- Without standard operating procedures, departments lack transparency into complex projects, which can cause frustrations both internally and externally.
- Lack of standard operating procedures could also result in inefficient practices and the development of 'tribal' knowledge that hinders succession planning.

INITIATIVE DESCRIPTION

Develop SOPs for any services that do not currently have them in place and that require additional procedural rigor and standardization (e.g. Infrastructure, Planning and Development).

- Developing standard operating procedures supports the achievement of higher service standards, reduces training obstacles, and promotes information sharing.
- SOPs are a resource that can shorten the learning curve associated with learning a new role and gathering information related to job duties, and by providing a central repository of information, SOPs minimize time spent searching for information.
- The development of SOPs aligned with service standards brings consistency and reliability in service delivery across the organization, the customer experience, and customer interaction.
- Over time, the use of SOPs should include a process that measures and manages compliance and also provides opportunities to refine SOPs.

Key Benefits:

- Improved efficiency/consistency across department functions.
- Training materials to support onboarding.
- Implementation of best practice.

Key Challenges:

- Training and change coordinated across multiple departments.
- Multiple stakeholders will need to align on what the standard operating procedures should look like.

IMPACT ANALYSIS

Service Impact 	Standardizing operating procedures will enable the Town to standardize the quality-of-service delivery.
Investment 	Time and effort investments are required to translate current practice into codified SOPs and to train staff on these SOPs.
Risk 	Minimal risk as this is a purely internal opportunity. SOPs will enable managers and staff to better manage service delivery risks
Timelines 	This is an 'evergreen' initiative that will take four to five years for the initial codification process and will require ongoing upkeep on five-year cycles.

IMPLEMENTATION

Overall, the Town may need to:

- Starting with the service profiles generated in the SDR Current State Report, staff should prioritize service areas where SOPs will be codified. Set out a multi-year process to achieve the codification of all SOPs across all service areas. This may be supported by workshops in each department to prioritize the work.
- Integrate this process with the departmental annual planning process (opportunity GS3). Link SOPs to any onboarding or professional training materials as appropriate.
- Once in place, set SOPs on a five-year review cycle to ensure evergreening of procedures and updating based on business needs and best practices.

Service Delivery: Summary Of Opportunities

OPPORTUNITIES

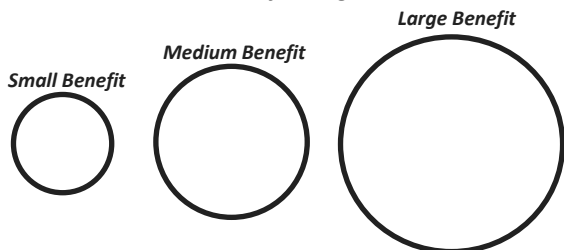
SD1	To benefit staff, Council and residents, assess opportunities for new and upgraded facilities, including a new Town Hall, and develop an accommodation policy to optimize facility use.
SD2	Review the current complement of Clerks to optimize efficiencies and consider increased centralization and generalization of the clerk function. <i>Additional administrative support to CAO through redistribution of resources may lead to \$22K in annual time savings.</i>
SD3	Establish clear service levels for all services across the organization.

FINANCIAL BENEFIT:

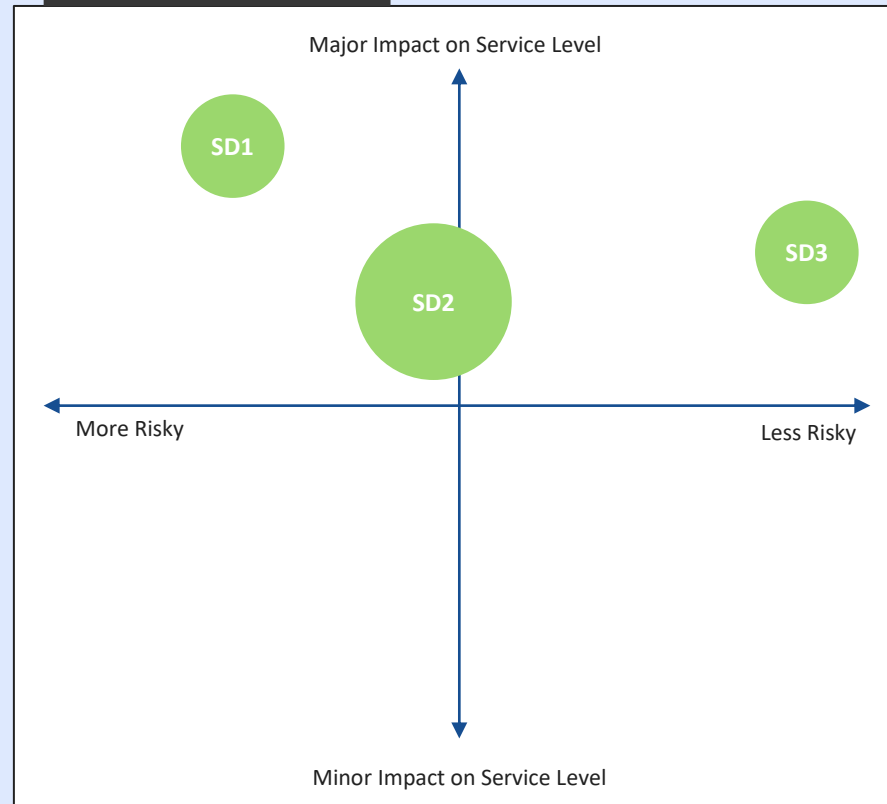
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



SD1. Conduct a Consolidated Office Footprint Study

Estimated Savings



Commuting



Assets & Productivity



Data & Information

CURRENT STATE/PROBLEM

Currently, the Town’s facilities are dated, resulting in a lack of adequate space for staff and impediments to accessing services for customers.

- The Town Hall is over capacity, and departments are split up across several buildings, which creates physical barriers to collaboration and additional operational costs for the Town. Maintaining multiple buildings can also be confusing for residents.
- While the Town has taken steps to leverage its County Chambers, saving money for residents, information gaps and a lack of a clear policy threaten the staff’s health and wellness, culture, and productivity.

INITIATIVE DESCRIPTION

To benefit staff, Council, and residents, Essex should gain a better understanding of the organization’s space and facility needs to support its operations over the long-term. Specifically, the organization should:

1. Refresh its Town Hall Study. This should include a comprehensive feasibility analysis that includes a quantification of potential cost efficiencies and wellness and other benefits from consolidating in one location.
2. Develop an Accommodation Policy for the Town that examines the space and functional needs of staff and residents. This should inform an optimal physical and geographic layout for Town services.

The need for these frameworks is exemplified by the Infrastructure Department, whose staff are spread out across 4 buildings, and whose fleet is currently stored in 2 locations. Critically, both the Town Hall Study and the Accommodation Policy should measure how much time the Town spends commuting between facilities in clear quantitative terms.

Key Benefits:

- Improved staff morale.
- Improved resident experience.
- Reduced O&M costs.
- Improved communication and collaboration.

Key Challenges:

- Upfront capital cost.
- Accessibility for residents outside the Town’s core.

IMPACT ANALYSIS

Service Impact

1 — 2 — 3

Service delivery, citizen and staff experience will be improved – this has been vocal priority in both interviews and workshops.

Investment

1 — 2 — 3

\$150K to undertake study.

Risk

1 — 2 — 3

The Town will have to manage external and internal optics in moving staff and shutting down facilities. Workflows will need to be redesigned for staff.

Timelines

1 — 2 — 3

This is a long-term opportunity, as the Town will need to conduct significant planning before initiation.

IMPLEMENTATION

Overall, the Town needs to:

- Conduct a detailed feasibility analysis that includes identifying outcomes, defining public benefit, identifying demographic trends and needs, identifying community demands, understanding current state capacity and existing facility conditions and functionality.
- Following a feasibility analysis, prioritize buildings that will be consolidated and staff to be relocated.
- Work with council and private stakeholders to identify potential areas for a new consolidated townhall.

SD2. Clerk and Administrative Support Model

Total Estimated Savings
\$22K*

CURRENT STATE/PROBLEM

- In certain instances there is excess capacity across administrative and clerk resources, and a resourcing review may reveal efficiencies.
- There are currently 11.8 resources who play administrative clerk/assistant roles, which is in line with peer comparator administrative staffing levels.
 - It was also noted that clerks are specialized in their roles, which can reinforce departmental silos.
 - Due to a high volume of workload and inquiries, the CAO is often unable to respond in a timely manner.

INITIATIVE DESCRIPTION

- Review the complement of Clerks and Administrative Assistants to optimize efficiencies.*
- The Town should move to one full time Fire Clerk, (as opposed to the current 0.5), which would bring it in line with all other divisions who have a clerk for each division.
 - In the medium term, a new FTE to be shared between the CAO and the Mayor should be considered, to help alleviate some of the
 - The Town should also consider more generalized training for the Clerks (i.e. all Clerks should have a common skillset that can be deployed where needed).
 - The Town might consider a shift from a decentralized admin support model to a more centralized one. This would lead to greater integration, even distribution of responsibilities, and overall responsiveness. Should the Town’s office footprint be consolidated, this would lead to opportunities to rationalize the number of Clerks.
- See Appendix A “Clerk and Administrative Support Model” for additional detail*

- Key Benefits:**
- Increased CAO capacity to focus on strategic matters
 - Greater horizontal administrative integration and increased customer service consistency.
- Key Challenges:**
- Transitioning CAO to utilize admin support.
 - Clerk buy-in to take on more generalist knowledge of administrative subject matter and processes.

IMPACT ANALYSIS

Service Impact ① — ② — ③	Increased general administrative knowledge and capabilities and increased responsiveness from CAO will improve service.
Investment ① — ② — ③	This could be combined with work being done on the HR Strategy and Workforce Policy opportunities (PC1 & PC2).
Risk ① — ② — ③	There is little to no risk associated with this opportunity.
Timelines ① — ② — ③	In coordination with the HR Strategy and Workforce Policy opportunities (PC1 & PC2), this will be a longer-term initiative.

IMPLEMENTATION

- Overall, the Town needs to:**
- As part of the broader professional development and training planning, identify potential areas of more general administrative knowledge and training such as processes related to customer service and document management, and proficiency in all supporting software. Develop a foundational administrative training curriculum for all existing and incoming clerks.
 - Further investigate the workloads of Director’s Admin Assistant and the Fire Clerk to determine actual resourcing requirements and redistribute excess capacity to support CAO.

SD3. Service Levels

Estimated Savings



Standardization



Talent Development



Data & Information

CURRENT STATE/PROBLEM

Service level standards vary from department to department and between staff.

- Through interviews and surveys, a picture has emerged that service level standards are limited in scope, not communicated to staff, or enforced.
- As a result, response times, and citizen experience varies depending on who picks up the phone.

INITIATIVE DESCRIPTION

Establish clear service levels for all services across the organization.

- With clear service levels in place across the organization, the Town can identify where its services are successful and where they are not – re-allocating resources or adapting delivery methods where appropriate.
- This is a best practice for municipalities, irrespective of size or geography. Service levels allow organizations to identify key improvement areas and track progress over time.
- Infrastructure Services could especially benefit from implementing service standards, as the department metrics beyond what is provincially legislated. Clear service levels will support the effective implementation of the Asset Management Plan.
- In its **Current State Report**, StrategyCorp built comprehensive service profiles capturing how the Town’s services are currently performing. Essex can build on these profiles – refining and iterating them to ensure an accurate picture over time.

Key Benefits:

- Improved service across department and staff
- Ability to measure and track service levels
- Ability to proactively train personnel

Key Challenges:

- Training and change management will need to be coordinated
- Additional metric to be tracked by managers increases workload

IMPACT ANALYSIS

Service Impact

1 — 2 — 3

Clear standards across the organization would improve service levels and provide an improved citizen experience

Investment

1 — 2 — 3

While creating standards are low investments, training staff will require time from managers

Risk

1 — 2 — 3

This is a low-risk opportunity, it has been communicated as need from both staff and managers

Timelines

1 — 2 — 3

The development of standards and training of staff can be completed within a 6-8-month time frame

IMPLEMENTATION

StrategyCorp proposes that all service levels be updated every 5-year horizon, or that 20% of all service levels be re-examined each year.

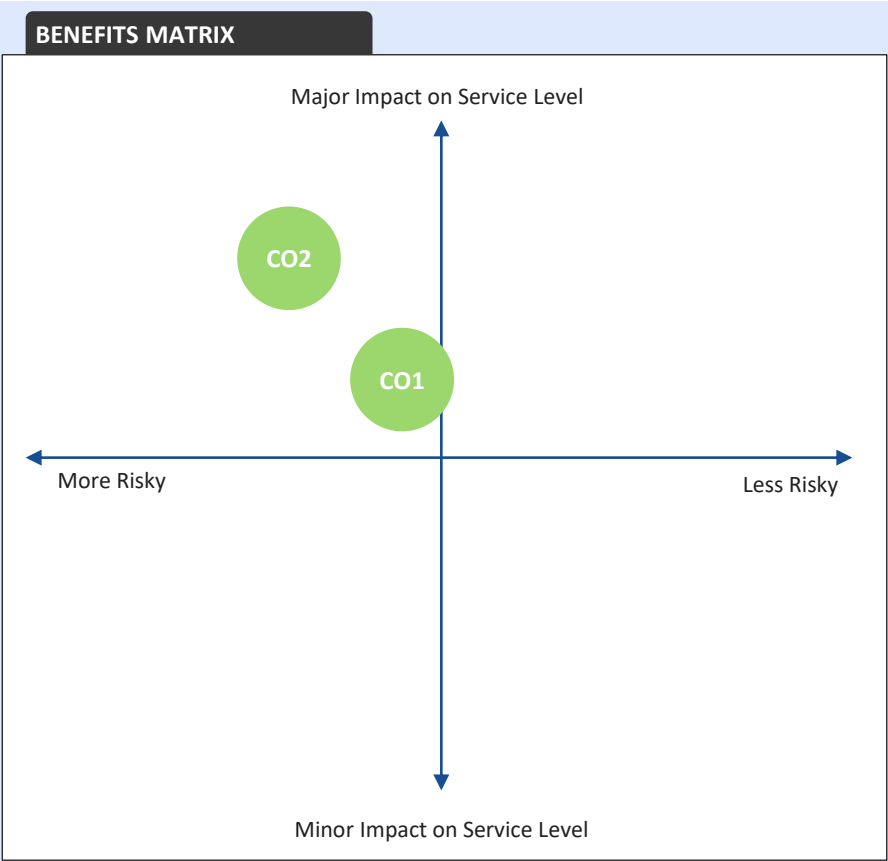
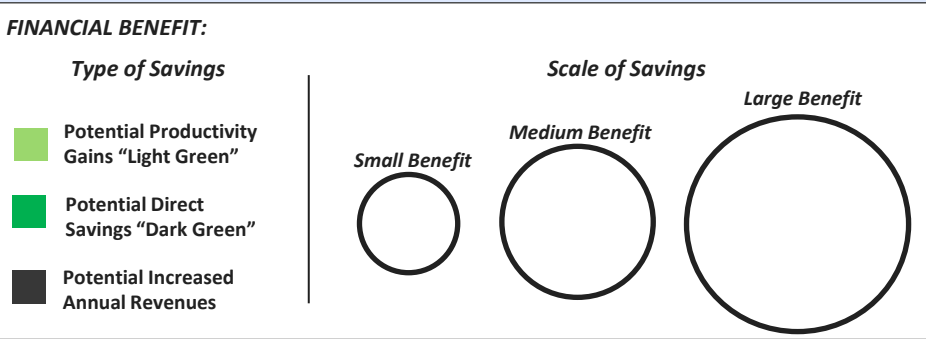
Overall, the Town also needs to:

- Conduct workshops across multiple departments (e.g. infrastructure services) to align on service level standards
- Develop KPI dashboard to measure services and understand areas for improvement
- Conduct training with staff to ensure translation of service standards across the organization

Department-Specific Opportunities

CAO's Office: Summary Of Opportunities

OPPORTUNITIES	
CO1	Continue to monitor police service levels through ongoing police surveys.
CO2	Explore and assess optimal dividend strategy in ELK Energy (e.g. an alternative dividend return structure, equity carve out, liquidation, etc.) to make available additional funding to support infrastructure and capital expenditures.



CO2. Police Service Levels

Estimated Savings



Standardization

Talent
DevelopmentData &
Information

CURRENT STATE/PROBLEM

The recent police services survey found mixed service reviews from residents, and many respondents indicated that police service levels are not meeting expectations.

- Residents noted that they felt police had poor response times, are not present in the community, and could improve communications.
- Though Essex is a safe community, residents desire improved service levels.
- There are currently four different police services boards across Essex, Amherstburg, Kingsville, and Leamington.

INITIATIVE DESCRIPTION

Continue to monitor police service levels through ongoing police surveys.

- More robust contract management and oversight through consistent monitoring can more quickly identify and resolve service level issues.
- As concerns are raised with the reporting relationship with the OPP, they could be recorded and remedied.
- Additionally, should there be continued concerns about service levels and quality, the Town may consider regionalizing policing services to achieve improved service levels. Town should also closely follow the developments with respect to police services in Leamington, Amherstburg, and LaSalle to inform future options and negotiations with OPP.

While the exact dollar value of setting clearly defined service levels can be challenging to establish, the act of target definition is useful in and of itself for guiding staff and departmental performance.

Key Benefits:

- Improved service levels.
- Potentially reduced costs through use of a different provider.

Key Challenges:

- Changing an external organization.

IMPACT ANALYSIS

Service Impact 	This initiative could have a large impact on service, especially if a different providers is considered.
Investment 	This would be a low dollar investment. However, it will require political commitment to create meaningful change
Risk 	This is a higher risk initiative as it requires changing an external organization.
Timelines 	This would be a multi-year initiative, especially if Essex pursues a regional police service with other municipalities.

IMPLEMENTATION

Overall, the Town may need to:

- Decide what is the optimal path forward – either improving service levels of existing provider or pursue a regional police service.
- Once a strategic decision is pursued, Essex would either need to provide stronger contract management over the OPP or canvass neighbouring municipalities in their willingness to create a regional service.

CO3. Dividend Strategy in ELK Energy

Estimated Savings



Operational
Synergies



Increased
Collaboration

CURRENT STATE/PROBLEM

There has been ongoing discussion about hydro consolidation in the region for some time.

- While merger activity has slowed, there remains an opportunity for Essex to develop an optimal dividend strategy.

INITIATIVE DESCRIPTION

Essex should as the ELK Board of Directors to initiative a service delivery review of ELK.

- ELK is a comparatively efficient LDC and has achieved a return on equity higher than what is deemed in rates, as indicated in the most recent OEB Scorecard.
- The service delivery review should assess whether there are opportunities to achieve greater cost savings within ELK for the benefit of both ratepayers and the shareholder.
- This project should extend beyond a reassessment of the synergies and cost savings that might be achieved through a merger with neighbouring LDCs. It should also include, as an alternative, to such a merger, an assessment of any savings that might be achieved through shared services (either with the municipality or others), outsourcing and the rationalization of real estate holdings.

Key Benefits:

- Opportunity to find saving opportunities to the benefit of ratepayers and shareholders.
- Potential increased dividend through a more efficient LDC.

Key Challenges:

- LDC cooperation.
- Willingness to invest in a robust service delivery review project.

IMPACT ANALYSIS

Service Impact



This initiative could reduce costs for ratepayers and improve dividends for the Town

Investment



ELK would need to invest in an external third-party to undertake the service delivery review through a competitive RFP.

Risk



This is a higher risk initiative as it requires changing an external organization.

Timelines



This would be a multi-year initiative.

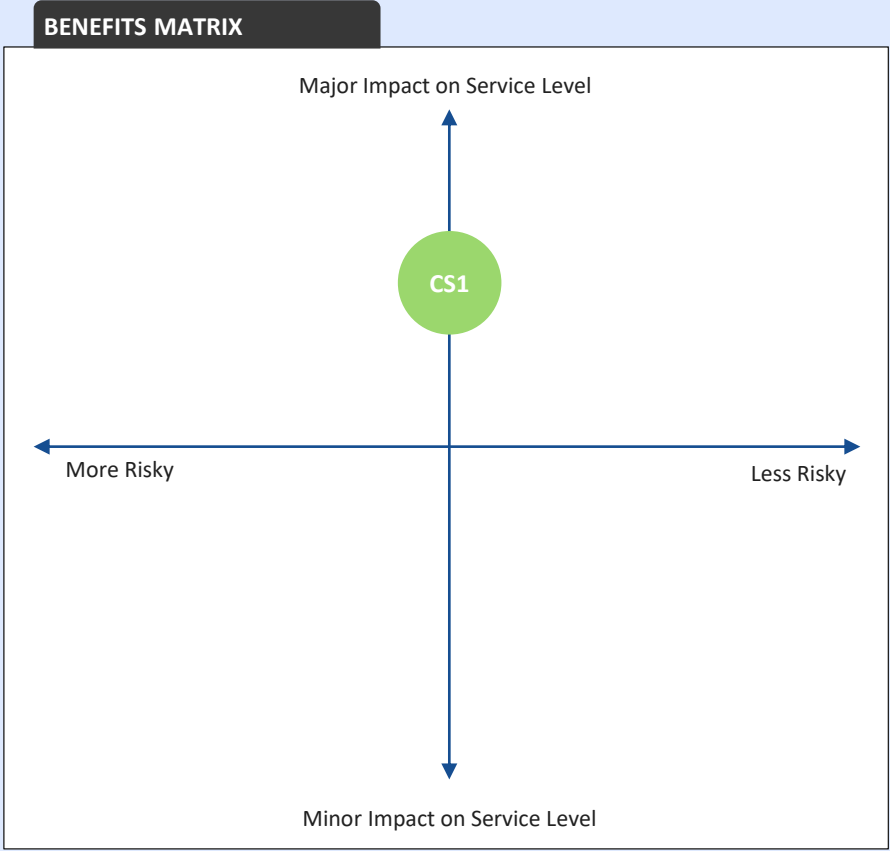
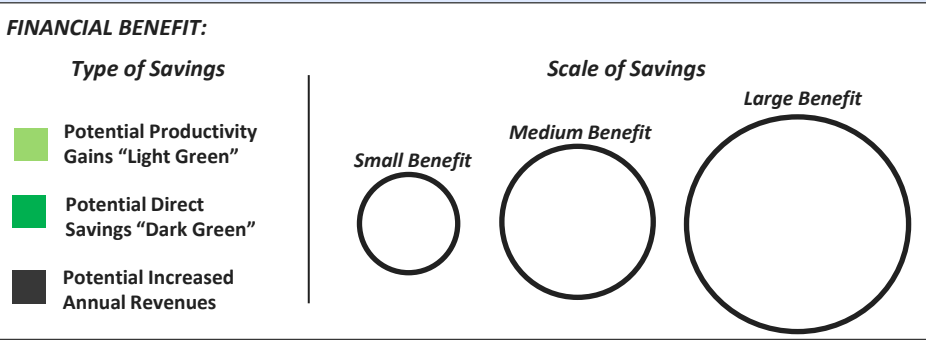
IMPLEMENTATION

Overall, the Town may need to:

- Communicate its position to the Board of ELK and ask for a service delivery review to be scoped, procured, and implemented. This would include setting out expectations for the scope of the review such as finding efficiencies to enhance ratepayer experience and drive greater return to shareholders.

Community Services: Summary Of Opportunities

OPPORTUNITIES	
CS1	Evaluate the placement of Facilities within Parks and Facilities and consider either a separate facilities division to provide services to multiple departments or the development of a 'whole-of-organization' facilities plan that can identify opportunities for internal shared resources and more efficient uses of the function.



CS1. Placement of Facilities

Estimated Savings

Operational
SynergiesIncreased
CollaborationData &
Information

CURRENT STATE/PROBLEM

Facilities current provides services across departments within the enterprise.

In its current location within the organizational structure, Facilities is siloed from the other divisions, which results in those divisions not realizing some of the potential benefits of access to Facilities-related services.

INITIATIVE DESCRIPTION

Evaluate the placement of Facilities within Community Services.

- There is an opportunity to explore moving Facilities from Community Services to become a standalone division within the Town to reflect the fact that it services facilitations across divisions.
- Conduct review specific to the facilities function to determine if an alternative organizational structuring would in fact lead to greater/broader utility of Facilities-related services or if there are other options to achieve this outcome through process changes.

Key Benefits:

- Other divisions will benefit from Facilities-related support.
- Increased collaboration across community services.

Key Challenges:

- Culture shift to a more collaborative approach.
- Change management associated with moving a function of increasing its responsibilities.

IMPACT ANALYSIS

Service Impact 	Expanding access to Facilities' services will ultimately improve services internally and externally to residents.
Investment 	Increased activity (and additional resources) would be supported by a clearer cost allocation for services provided across enterpriser.
Risk 	There is some risk of service disruption if a change is implemented without sufficient planning and communication.
Timelines 	Because of the review necessary to determine optimal future state this will take about 12-18 months to fully implement.

IMPLEMENTATION

Overall, the Town may need to:

- The review should be scope to consider all possible options for ensuring that Facilities' enterprise function is properly mandated and resourced.

Corporate Services: Summary Of Opportunities

OPPORTUNITIES

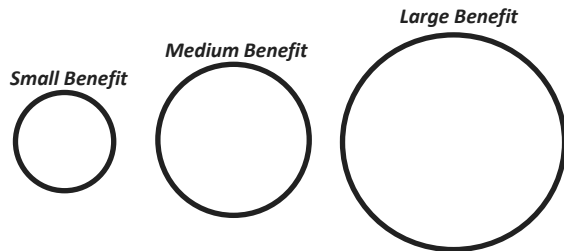
CoS1	Further investigate moving the human resources function from the Corporate Services Department to the CAO's office.
CoS2	Continue work to augment budget training across departments. <i>A \$10K investment in training with result in approximately 18K in savings (10% of annual budget time savings) for a total of \$8K.</i>
CoS3	Develop an organization-wide IT training and infrastructure strategy.

FINANCIAL BENEFIT:

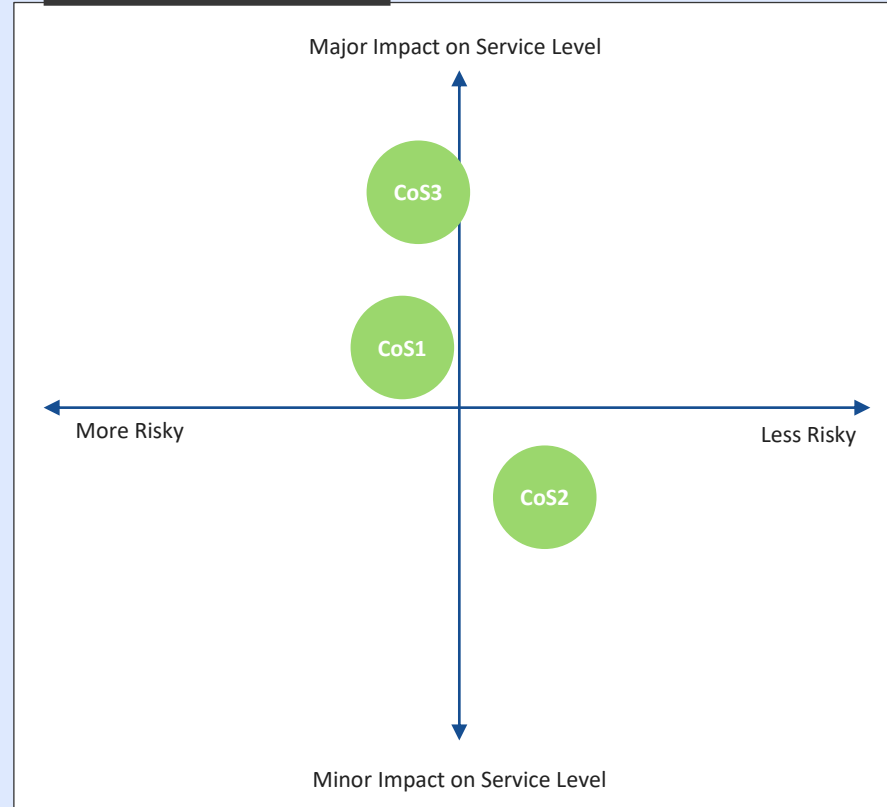
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



CoS1. Location of Human Resources Function

Estimated Savings



Streamlined
Decision-Making



Talent
Development

CURRENT STATE/PROBLEM

Given the confidential nature of human resources, this function may be better situated within the CAO's office to allow for a direct reporting relationship between the manager of HR and the CAO.

- A recent organizational review recommended that the Human Resources function be moved from the CAO's Office and into Corporate Services.
- It was noted that because HR is an enterprise-wide function, its placement in another department can cause some inefficiencies due to the often-confidential nature of the subject matter.

INITIATIVE DESCRIPTION

Further investigate moving the human resources function from the Corporate Services Department to the CAO's office.

- While it will be important to set a clear role description to avoid the perception that this is a director role, this change would address the conflict of interest that arises when the HR reports to one director.
- As the CAO sets the strategic direction for the organization, this new structure could streamline decision-making and promote greater coordination across departments.
- The Society for Human Resource Management suggests that there is an inherent tension between HR and Financial reporting relationships (e.g. cutting salaries to address budget issues vs. increasing salaries to retain top talent).

Key Benefits:

- Support enterprise-wide HR service.
- Increased reporting efficiency directly to CAO.

Key Challenges:

- Organizational resistance.
- CAO capacity.

IMPACT ANALYSIS

Service Impact 	This initiative would support an enterprise-wide service and support improved reach of service.
Investment 	This would be a low dollar investment for the Town.
Risk 	There may be organizational resistance to this change.
Timelines 	This initiative could be achieved between Q3 in Year 1 (2021) and Q2 in Year 2 (2022).

IMPLEMENTATION

Overall, the Town may need to:

- Determine capacity of CAO to oversee this service.
- Create change management plan for this organizational change.
- Announce change and the reason for this change to whole-of-organization.
- Implement change management plan.

Note: There is no 'silver bullet,' and all organizations address this tension differently. Given the findings of the organizational review in 2017, however, it is recommended that, for now, the Town continue to monitor the performance of HR in Corporate Services for future consideration.

CoS2. Augment Budget Training

Total Estimated Savings
\$8K

CURRENT STATE/PROBLEM

Staff seek hands-on support from the finance department, such as year-round support for managing budgets and conducting long-term planning.

INITIATIVE DESCRIPTION

Continue work to augment budget training across departments.

- Implementing further budget training would decrease the demand for support from the finance department, and ensure continuous improvement and consistency in the annual budget development process.
- This “bottom-up” approach to budgeting has demonstrated better accuracy for organizations. This is because departments have more input in budget creation, allowing for more accurate cost calculations to be generated from the budget’s onset.
- For the Town to achieve more “bottom up” budgeting, training staff in clear processes and literacy is need.





Key Benefits:

- Increased budgeting accuracy.
- Improved employee motivation.

Key Challenges:

- Organizational resistance.
- Finance staff capacity.

IMPACT ANALYSIS

Service Impact 	This initiative would support increased budget accuracy allowing for better service planning.
Investment 	This would be a low dollar investment for the Town. The Town would need to invest \$10K for one-time staff training.
Risk 	There may be organizational resistance to this change.
Timelines 	This initiative could be achieved between Q3 in Year 1 (2021) and Q2 in Year 2 (2022).

IMPLEMENTATION

Overall, the Town may need to:

- Create a clear process for bottom-up budgeting and identify missing skills and gaps across departments for this to occur.
- Create training materials and SOPs that address training need and reconfirm processes.
- Implement training and monitor compliance.

CoS3. IT Training and Infrastructure Strategy

Estimated Savings

Standardiz
ationStreamlined
Decision-MakingData &
Information

CURRENT STATE/PROBLEM

Staff have a lack of (1) understanding on what IT tools are available and (2) proper training on the different IT tools.

In addition, IT could be a shared service across municipalities to improve service levels and reduce costs.

INITIATIVE DESCRIPTION

Develop an organization-wide IT training and infrastructure strategy.

- A strategy could be developed to help ensure continuous improvement in IT systems and tools to streamline key organization processes. This strategy may also consider opportunities to improve service delivery by outsourcing or sharing IT delivery (with certain neighbouring municipalities or across the county).
- Outsourcing and/or exploring shared services agreements for IT would likely improve service levels through increasing the service's economies of scale and ability to provide more specialized services while decreasing costs through economies of scale.
- Municipalities in both Elgin County and Middlesex County have entered into a shared service agreement for IT services and have created an IT plan.

Key Benefits:

- Improved service levels.
- Increased planning.
- Decreased costs.

Key Challenges:

- Partner identification and willingness to explore shared services.

IMPACT ANALYSIS

Service Impact 	If a shared service is explored, this could strengthen the quality of service while decreasing costs.
Investment 	Creating a shared service and voluntarily amalgamating services would have an initial investment.
Risk 	There may be organizational resistance to this change.
Timelines 	This initiative would be a multi-year initiative to identify partners and create a unified digital strategy.

IMPLEMENTATION

Overall, the Town may need to:

- Determine strategic direction for this service include exploring an intermunicipal shared service
- Canvass potential municipal partners.
- Create a shared service agreement.
- Create a digital strategy.

Infrastructure Services: Summary Of Opportunities

OPPORTUNITIES

IS1

Update condition assessment ratings and tools to rate conditions and collaborate with finance to continue maintenance of the asset management plan (AMP) that ties into the Town's reserve policy.

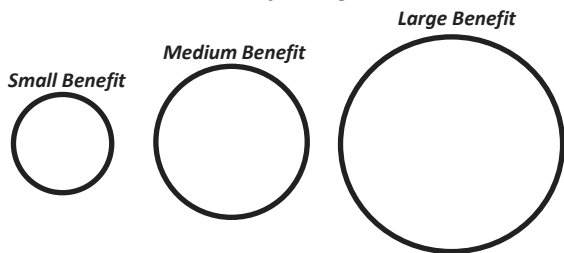
If fully realized, Essex could save at least 133,000 in long-run maintenance and capital expenditures related to the upkeep of assets including paved and unpaid roads, shouldering, and bridges and culvers*

FINANCIAL BENEFIT:

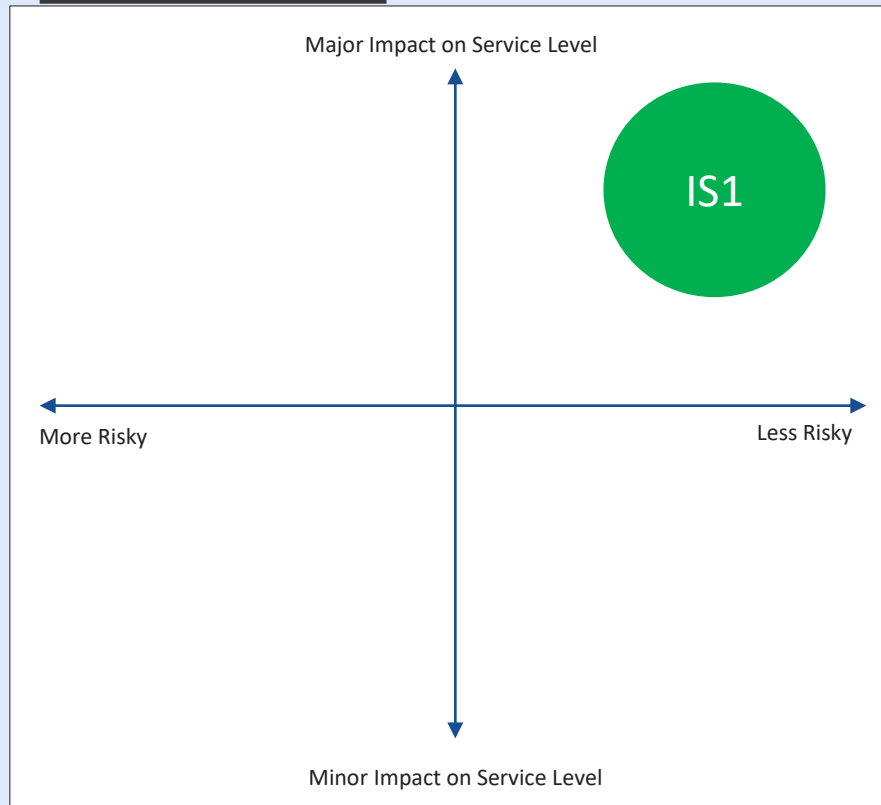
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



IS1. Asset Management

Total Estimated Savings
\$133K*

CURRENT STATE/PROBLEM

Infrastructure Services does not currently have up to date condition assessment ratings. Relatedly, there is also a need to update the Town's Asset Management Plan, which was developed in 2015 (and partially updated in 2017). This has already been acknowledged as a priority by the Town, and work is underway to begin the updating process.

- According to Leadership in Sustainable Infrastructure, through sustained improvement in its Asset Management Practices, the Town of Essex can expect to achieve, conservatively, **between 7% to 17%** of its capital expenditures on primary assets. StrategyCorp assumed savings of 10% of 2019 actual spending on roads, bridges and culverts, or approximately **\$133,000**.

INITIATIVE DESCRIPTION

Update condition assessment ratings and tools to rate conditions and collaborate with finance to update the asset management plan (AMP)) that ties into the Town's reserve policy.

- Condition assessments determine the extent to which a facility or infrastructure asset can meet the intended purpose and are critical to long term capital and financial planning. The condition ratings form a facility/asset condition index, and this type of framework would provide more accurate information when developing an AMP.
- An AMP enables the Town to better manage capital expenditures, and better plan for the required maintenance and capital expenditures required to ensure optimal performance of assets. An accompanying reserve policy sets out Council's goals for how much it will reserve each year to support its AMP and helps taxpayers understand how reserves impact their tax rate.

See Appendix A "Asset Management" for additional detail on this opportunity.





Key Benefits:

- Ability to prioritize and categorize assessment data and integrate it into maintenance and capital project and budgetary planning.

Key Challenges:

- Maintaining and updating the inventory in real time.
- Technical capabilities and the collection of data.

IMPACT ANALYSIS

Service Impact 	Well maintained facilities and infrastructure are critical to high quality service delivery and overall resident satisfaction.
Investment 	Comprehensive asset management and planning is time intensive and requires consistent monitoring and reporting.
Risk 	Asset assessment and management planning is a risk analysis for physical resources and assets, and the Town.
Timelines 	Ratings and an updated AMP can be completed in 12 months.

IMPLEMENTATION

Overall, the Town may need to:

- Take a comprehensive inventory of facility equipment and related infrastructure including demographic information to help identify each asset uniquely, such as age, location and capacity.
- Update to ensure asset management provides the most accurate and pertinent information needed to support informed planning and decision-making.
- Undertake full AMP update process taking a risk-based approach and focus resources on the 'right' assets as required.

Development Services: Summary Of Opportunities

OPPORTUNITIES

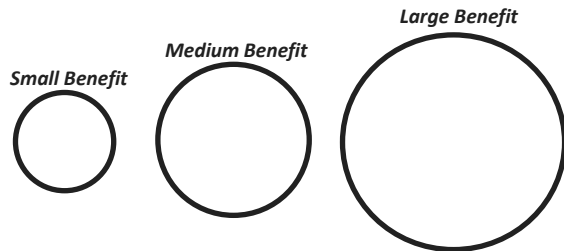
DS1	Modernize the Building Division's outdated service model to not only archive dated records, but also to move to electronic services both in office and in the field.
DS2	Further explore cost recovery improvements and potential impacts on key development services. This could result in approximately \$25K in increased revenues for cost recovery programs.*

FINANCIAL BENEFIT:

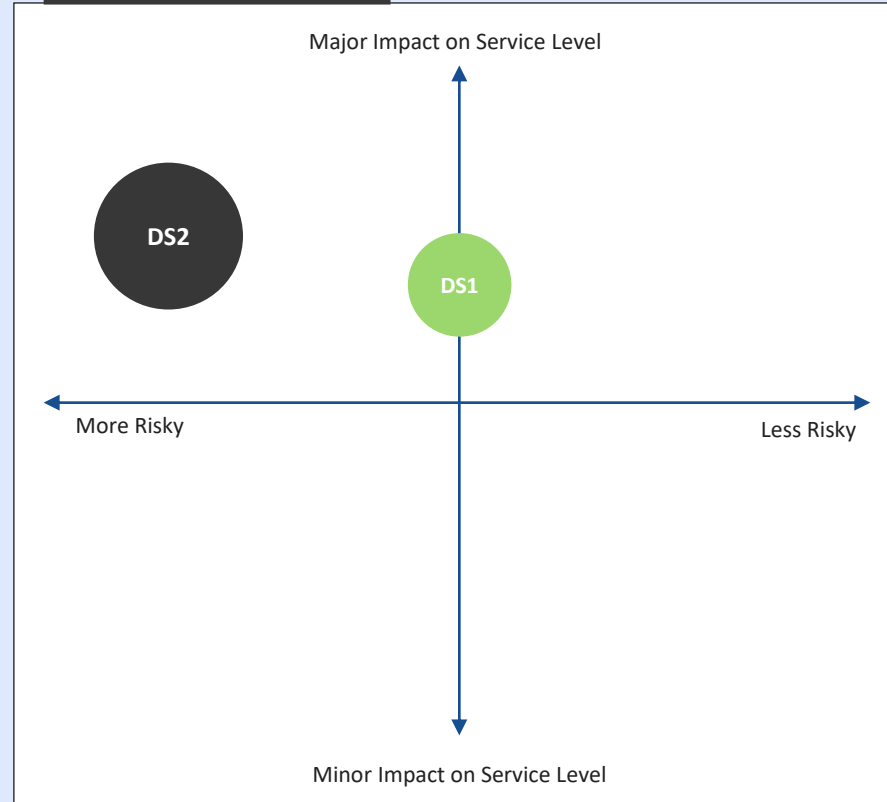
Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues

Scale of Savings



BENEFITS MATRIX



DS1. Modernize Building Division's Service Model

Estimated Savings

Standardiza
tionCustomer
ProcessingData &
Information

CURRENT STATE/PROBLEM

Currently, many paper applications and hard copy plan drawings continue to be submitted to the department.

- As well, inspectors in the field or in their vehicles are not equipped with tablets or laptops and fill out paperwork when they return to the office.
- Furthermore, archives are not scanned and searchable, and filing cabinets are filled with decades of documents that are not scanned and searchable.

INITIATIVE DESCRIPTION

Modernize the Building Division's outdated service model to not only archive dated records, but also to move to electronic services both in office and in the field.

- Updating and modernizing these processes would improve service delivery across the department.
- For instance, in February 2020, Dufferin County launched an online portal for all County residents to submit building permit applications electronically. The Town of Essex could explore acquiring a similar system.
- Over time, the Town may wish to explore having Building Services be a shared service with other municipalities in the county.

Key Benefits:

- Improved customer experience.
- Improved staff productivity.
- Better data quality.

Key Challenges:

- Technology implementation and integration.

IMPACT ANALYSIS

Service Impact 	If a shared service is explored, this could strengthen the quality of service while decreasing costs.
Investment 	This would require a significant investment in the service's IT infrastructure.
Risk 	Both staff and resident-facing processes would change. Integrating this new processes present a risk.
Timelines 	This initiative would be a multi-year initiative to integrate the new technologies.

IMPLEMENTATION

Overall, the Town may need to:

- Identify process challenges and go to market for digital transformation tools.
- Select vendor(s) and work to further define business process needs.
- Implement.

DS2. Development Cost Recovery Improvements

Total Estimated Savings
\$25K*

CURRENT STATE/PROBLEM

Essex has the lowest share of revenue from development charges in comparison to its peers, and upon preliminary analysis, is seeing low-cost recovery on by-law enforcement and planning.

- It is understood that Council has waived development charge fees for all industrial, commercial and institutional developments as well as a portion of residential development in the Harrow area, but it may be worth revisiting this decision to assess its impact and benefits to date.
- In addition, the Town may benefit from reviewing and adjusting fees related to development services.

INITIATIVE DESCRIPTION

Further explore cost recovery improvements and potential impacts on key development services.

- For development charges, a 2013 AMO report on the subject concluded that “large body of literature is devoted to investigating how firms make locational and business expansion decisions.
- While DCs could be one of many factors influencing a firm’s decision to locate or expand in a particular community, it does not appear that current non-residential DCs are a barrier to economic development.”
- In addition, Essex’s should reevaluate its planning fees to ensure that they are including all costs associated and are optimizing cost recovery.

Key Benefits:

- Better cost recovery ratio.

Key Challenges:

- Resident and industry push back.

IMPACT ANALYSIS

Service Impact 	This would improve cost-recovery of key Town services.
Investment 	There would be little Town investment to make these changes.
Risk 	There may be pushback from residents and industry.
Timelines 	To lower pushback, these changes should be introduced over a multi-year horizon.

IMPLEMENTATION

Overall, the Town may need to:

- Explore reintroducing development charges.
- Essex’s development staff should reevaluate costs associated with processing different types of applications and review fees.
- Essex’s bylaw staff should explore raising fees.

Shared Service Opportunities – South Shore Shared Initiative

Collaborative Purchasing: Summary Of Opportunities

By sharing certain assets and resources with neighbouring municipalities, Essex can lower costs through economies of scale and scope. It may allow access to new revenue streams that require a critical mass of users or inputs. Embarking on a **shared service initiative*** will allow Essex to potentially improve service delivery, increase service integration, and build local capacity.

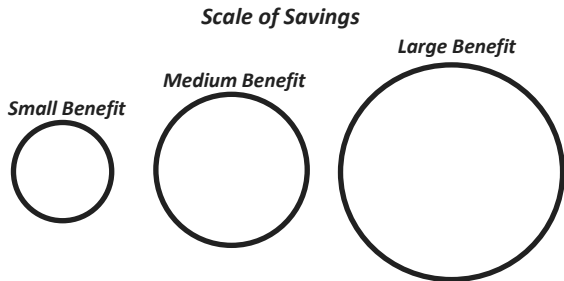
OPPORTUNITIES

SS1	<p>Increase participation in collaborative purchasing organizations that offer procurement support and expertise to facilitate a collaborative purchasing initiative with some or all the neighbouring municipalities.</p> <p>Shared procurement could save between 10-25% of purchasing costs, for general office supplies this could amount to \$130-325K.</p>
SS2	<p>Assess the feasibility of sharing fleet and expensive equipment across departments and with neighbouring municipalities—for example, shoulder pavers or rescue vehicles.</p> <p>Shared procurement saves 10-25% of purchasing costs, for rescue vehicles this would amount to \$30-75k per vehicle.</p>

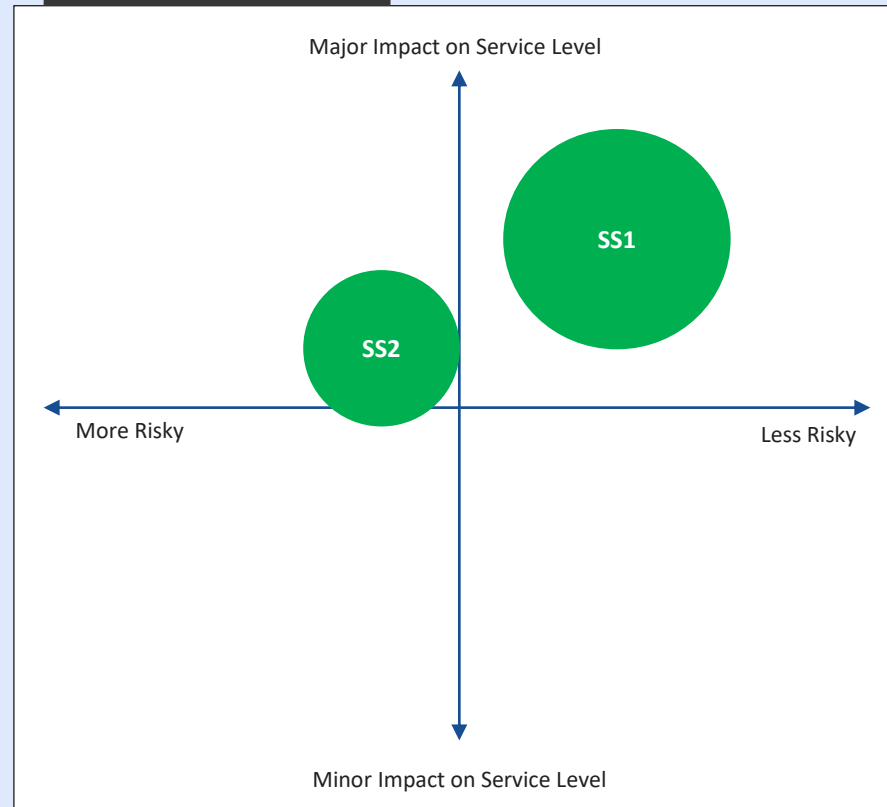
FINANCIAL BENEFIT:

Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues



BENEFITS MATRIX



SS1. Increase Participation in Collaborative Purchasing Organizations

Total Estimated Savings
\$130-325K*

CURRENT STATE/PROBLEM

The Town's 2019 budget indicates nearly 2.5M will be spent on Materials and Supplies in 2020.

- With each local municipality purchasing supplies, equipment, and other assets individually, efforts are duplicated, and costs grow.
- Service capacity and demand for equipment also varies year to year and extenuating circumstances such as COVID can put additional budgetary pressures on local governments.

INITIATIVE DESCRIPTION

Increase participation in collaborative purchasing organizations (CPO) that offer procurement support and expertise to facilitate joint purchasing with some or all the neighboring municipalities.

- Municipalities across Ontario have realized significant savings through collaborative procurement. The Niagara Region Purchasing Co-operative (NRPC) is a group of local municipalities that has grown to include other public sector organizations such as universities. The NRPC has allowed participants to lower costs by jointly purchasing supplies (e.g. paper towels, photocopy paper, computers), vehicles and other required equipment.
- Essex could purchase more materials and services through the Ontario Public Buyers Association, the Ontario Education Collaborative Marketplace, or Supply Chain Ontario while working towards a regional collaborative procurement cooperative.

Key Benefits:

- Lower purchasing price for supplies, vehicles and other equipment.
- Flexibility to meet service and demand drivers.

Key Challenges:

- Requires collaboration with multiple local municipalities to implement.

IMPACT ANALYSIS

Service Impact 	Participating in a CPO would allow the Town to attain additional fleet and equipment capacity.
Investment 	Minimal upfront investment is required, as joining the collaborative would increase group purchasing power.
Risk 	Optics need to be carefully managed to avoid the perception of amalgamation.
Timelines 	The Town can establish a CPO with neighboring municipalities in the next 6-8 months.

IMPLEMENTATION

Overall, the Town may need to:

- Conduct preliminary meetings with neighboring municipalities to determine interest in participating in a collaborative procurement organization.
- Develop a list of potential items for purchasing, including volume and current prices.
- Create a joint purchasing initiative and assign an internal Essex champion to liaise with neighboring municipalities to coordinate purchasing.

Note: Participation in a collaborative purchasing organization does not require other County municipalities. Essex can do this on their own directly with the collaborative organization.

SS2. Share Fleet and Equipment

Total Estimated Savings
\$30-75K*

CURRENT STATE/PROBLEM

- The Town of Essex is tasked with the routine maintenance of Town infrastructure as well as the provision of services in an efficient manner.
- To this extent, the Town has traditionally purchased specialized vehicles and equipment (e.g. fire trucks) in isolation.
 - Given that neighboring municipalities also follow similar purchasing habits, this results in duplication of effort and unnecessary purchasing costs.

INITIATIVE DESCRIPTION

- Assess the feasibility of sharing fleet and expensive equipment across departments and with neighbouring municipalities—for example, shoulder pavers.*
- High-cost, low-use equipment such as shoulder pavers and fire trucks could be purchased or shared between municipalities to reduce costs. Other municipalities have utilized a regional fleet approach with oversight from a Steering Committee.
 - The committee approves, evaluates and oversees the management of the fleet, service improvements and operational compliance. The Town of Essex would benefit from the fleet by allowing the Town to purchase expensive equipment at lower costs, spreading risk across participants and enhancing the Town’s ability to provide service to citizens.

- Key Benefits:**
- Enhanced ability to purchase specialized equipment.
 - Reduction of costs.
 - Potential expansion of services provided.
- Key Challenges:**
- Town will not be able to use some fleet equipment on demand but will need to coordinate with other participating municipalities.

IMPACT ANALYSIS

Service Impact 1 — 2 — 3	Collaboratively purchasing fleet and equipment will allow the Town provide additional services to residents.
Investment 1 — 2 — 3	Minimal upfront investment is required, as joining the collaborative would increase group purchasing power.
Risk 1 — 2 — 3	A collaborative fleet could reduce the Towns ability to provide services on-demand and will require collaboration with partnering municipalities.
Timelines 1 — 2 — 3	Developing the purchasing and fleet usage system will require between 12-14 months.

IMPLEMENTATION

- Overall, the Town may need to:**
- Conduct preliminary meetings with neighboring municipalities to determine interest in participating in a collaborative fleet sharing. Internally, the Town must identify service outcomes and strategic goals increased fleet sharing will support.
 - Develop a preliminary list of potential vehicles and equipment that would improve service delivery.
 - Create a joint purchasing initiative, and assign an internal Essex champion to liaise with neighboring municipalities to coordinate purchasing of vehicles and equipment
 - Develop a schedule for fleet sharing between participating municipalities.

Regional Coordination: Summary Of Opportunities

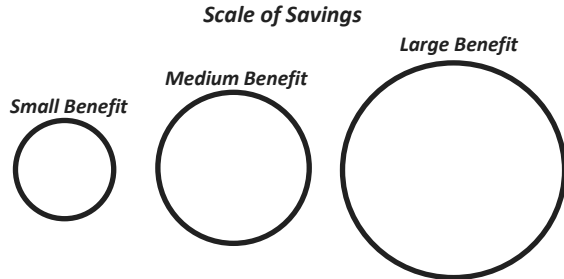
OPPORTUNITIES

SS3	As the region works towards shared fire services, create a regional standard for fire training and hire one fire trainer for the region.
SS4	Continue shared programming and explore new options to expand programming and purchasing to improve facility utilization Assuming a 1-3% increase in utilization through coordination would provide the Town with \$21-65K a year.
SS5	Explore opportunities for regionalizing building inspection services.

FINANCIAL BENEFIT:

Type of Savings

- Potential Productivity Gains "Light Green"
- Potential Direct Savings "Dark Green"
- Potential Increased Annual Revenues



BENEFITS MATRIX



SS3. Create a Regional Standard for Fire Training

Estimated Savings



Standardization

Streamlined
ProcessImproved
Quality

CURRENT STATE/PROBLEM

Each municipality in the region has different standards for fire training and multiple municipalities have their own fire trainer on-hand.

- Duplication of efforts and personnel results in additional costs, training time and a lack of cross-municipal standards creates a competency risk for staff.

INITIATIVE DESCRIPTION

As the region works towards shared fire services, create a regional standard for fire training and hire one fire trainer for the region.

- Understanding that the Town of Essex is currently in an automatic aid agreement with neighboring municipalities, this initiative would add to the agreement and look to incorporate fire coordination by setting a regional standard and hiring a single fire trainer for the region.
- Coordinating standards and sharing training personnel will ensure consistent service standards and is a first, easy step towards a fully regional approach to fire services.
- Fire training coordination would be implemented similarly to Elgin County, where a group of County Fire Chiefs worked together to create a standardized training program, offered by one dedicated fire trainer. This reduced the length of time required for recruits to be trained, improved the quality of firefighter training in the region, and allowed partners to save on fire trainer costs.

Key Benefits:

- Implementing best practices.
- Reducing training time.
- Improving quality of training.

Key Challenges:

- Aligning on training needs and resources.
- Cost of training, specialized equipment and program materials.

IMPACT ANALYSIS

Service Impact 	Developing a regional standard for fire training will improve service delivery and reduce costs.
Investment 	Investing in a regional fire trainer would require an investment between \$15-22K .
Risk 	The Town will have to manage optics to avoid the perception of amalgamation. In addition, the Town must ensure standards meet Essex requirements.
Timelines 	The Town can establish a fire training with neighboring municipalities in the next 6-8 months.

IMPLEMENTATION

Overall, the Town may need to:

- Conduct preliminary meetings with neighboring municipalities to determine interest in participating in developing regional standards for fire training and sharing a fire trainer.
- Align on universal standards for the region and draft training documentation.
- Hire a fire trainer for the region and develop schedule for training participating municipalities.

SS4. Shared Recreation Utilization and Purchasing

Total Estimated Savings
\$21-65K*

CURRENT STATE/PROBLEM

The Town of Essex operates multiple facilities and provides programming to its citizens throughout the year.

- While the residents of Essex enjoy the programming offered by the Town, facilities remain 52% utilized. Facilities are well utilized during peak hours but are not optimally utilized in off-peak hours.
- Currently, the Town's arenas account for an estimated 25% of the recreation departments total budget, and 3% of the Town's total expenses.
- Increasing utilization of the facilities will help the Town recover operational costs.

INITIATIVE DESCRIPTION

Consider shared recreation programming and purchasing.

- There are a range of different types of partnerships to be considered such as per capita cost sharing contributions, facility operations cost sharing or facility capital contributions. This kind of collaboration may result in increased delivery efficiencies, programming optimization and avoidance of facility duplication.
- A shared mandate for recreation programming and purchasing would mean opportunities to share costs for parks maintenance (e.g. at Co-An and McGregor parks), and collaborative purchasing for certain programs (e.g. baseball diamond clay). It should be noted that the Town currently does provide some shared programming with neighboring municipalities, however, there is opportunity to continue and enhance these efforts to improve off-peak utilization.
- It was noted that there are already some successful examples of shared recreation programming (i.e. Harrow and Kingsville hockey sharing arenas).

Key Benefits:

- Increased usage of facilities and programming.
- Reduced maintenance and purchasing costs.

Key Challenges:

- Alignment on programming offered.
- Will require other municipalities to agree to sharing recreation programming.

IMPACT ANALYSIS

Service Impact 	The Town will be able to better utilize its recreational facilities and expand programming to meet resident needs.
Investment 	Minimal upfront investment would be required as the facilities are already available and operated.
Risk 	The Town will have to manage optics to avoid the perception of amalgamation. In addition, the Town must ensure standards meet Essex requirements.
Timelines 	Establishing a shared recreation programming and purchasing collective could take 12-14 months.

IMPLEMENTATION

Overall, the Town may need to:

- Develop a list of programs with additional capacity that would benefit from additional participants and purchasing opportunities that could work in tandem with other municipalities
- Conduct preliminary meetings with neighboring municipalities to identify synergies and opportunities for collaboration
- Create a schedule to market and promote programs in collaboration with member municipalities

SS5. Regionalize Building Inspection Services

Estimated Savings



Standardization

Streamlined
ProcessImproved
Quality

CURRENT STATE/PROBLEM

The Town of Essex has indicated a shortage of inspectors in the region.

- Currently, only the Chief Building officer and building inspector can conduct building inspections. In addition, they need to be issued within 10 days, which creates an additional risk due to capacity.
- This resource and capacity gap reduces the Towns ability to meet current and future demand of inspection services.

INITIATIVE DESCRIPTION

Explore opportunities for regionalizing building inspection services.

- Regionalizing building inspection services would allow the Town to hire and share resources according to demand drivers.
- Funding for the position would be shared and inspections could be carried out in a timely and efficient manner across the region.
- Other municipalities such as the County of Lambton utilize a Building Service Department that coordinates the role for all 11 municipalities under its purview.
- The department provides inspection and enforcement services, issuances of building permits, assesses compliance with the Ontario building code. For the County of Lambton, this service is cost-neutral.

Key Benefits:

- Delays in inspections and enforcement are passed onto Essex resident. Improving this service will make construction process more efficient.

Key Challenges:

- Each community approaches inspections and enforcement differently.

IMPACT ANALYSIS

Service Impact 	Regionalizing inspection services and increasing capacity would improve service delivery.
Investment 	A shared investment would be required to hire additional inspector costing between \$19K .
Risk 	Regionalized inspection services could reduce the Towns ability to provide services on-demand and will require collaboration with partnering municipalities.
Timelines 	The Town can hire inspectors with neighboring municipalities in the next 6-8 months.

IMPLEMENTATION

Overall, the Town may need to:

- Conduct preliminary meetings with neighboring municipalities to determine interest in participating in developing regional building inspection services.
- Align on volume and demand requirements for inspection services per municipality.
- Align on standards for building inspections as well as any templates and forms required.
- Hire a building inspectors based on total regional volume and demand for inspection service.

Corporate Services: Summary Of Opportunities

OPPORTUNITIES

SS6


Consider alternative models for GIS delivery.

FINANCIAL BENEFIT:

Type of Savings

 Potential Productivity Gains "Light Green"

 Potential Direct Savings "Dark Green"

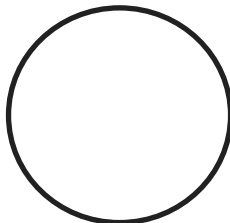
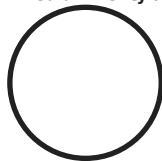
 Potential Increased Annual Revenues

Scale of Savings

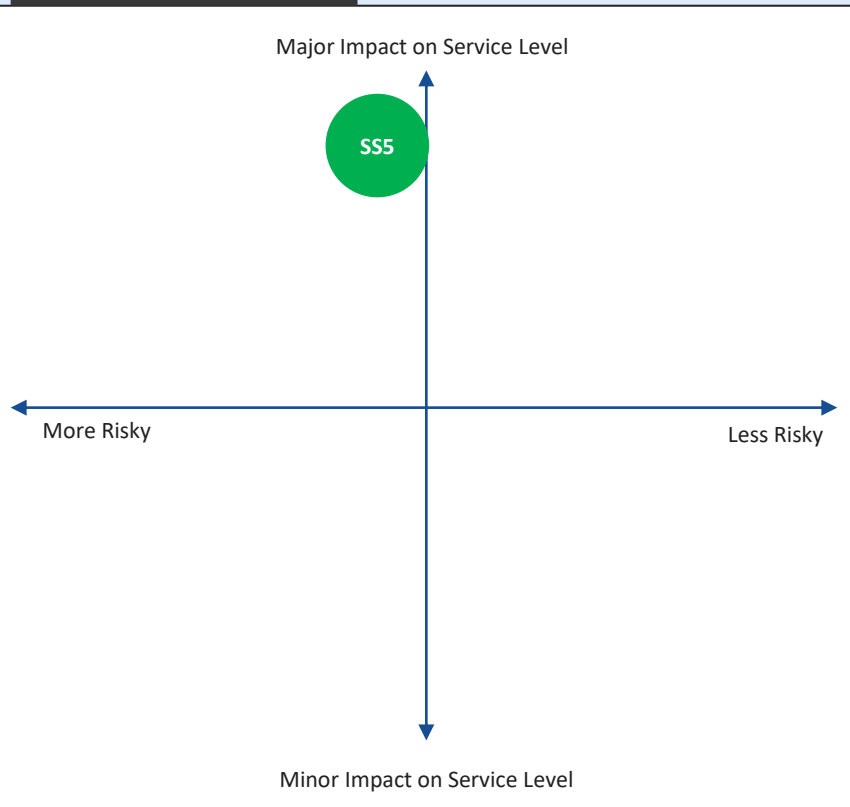
Small Benefit

Medium Benefit

Large Benefit



BENEFITS MATRIX



SS6. Consider Alternative Models for GIS delivery

Estimated Savings



Ability to provide
more services



Ability to perform
complex services

CURRENT STATE/PROBLEM

The Town of Essex currently provides its own GIS and mapping services in-house, and while each of its Essex County peers also provide this service, the other selected peer comparators, Strathroy-Caradoc and Tillsonburg receive GIS services at the County level.

- The duplication in effort across multiple municipalities indicates an opportunity to develop a GIS cooperative that would save costs.

INITIATIVE DESCRIPTION

Consider alternative models for GIS delivery.

- The Town should explore different models for GIS delivery in the County of Essex, which could take on different forms such as a direct upload to the County or the development of a GIS cooperative, a model which has seen success in Northumberland County.
- In Northumberland County, GIS is provided through a managed service agreement to seven member municipalities, and encompasses ongoing data collection and map updates as well as ad-hoc projects and requests for specific maps.
- The cooperative enables municipalities to embark on cost prohibitive projects by implementing cost sharing. The county assumes half of the total cost, and the local municipalities cover the remaining half based on land area or population, depending on the type of project.

Key Benefits:

- Ability to conduct expensive GIS projects.
- Enhanced GIS capabilities.

Key Challenges:

- Requires a shared understanding of GIS priorities between participants.

IMPACT ANALYSIS

Service Impact 	A GIS cooperative has shown to improve service delivery by expanding the scope of services provided.
Investment 	Investment impact ranges based on the Towns GIS priorities, while a collaborative is low investment, new projects could require additional investments.
Risk 	The Town will have to manage optics to avoid the perception of amalgamation.
Timelines 	Establishing a shared GIS collaborative requires coordination of assets and implementation could take 12-14 months.

IMPLEMENTATION

Overall, the Town may need to:

- Conduct preliminary meetings with neighboring municipalities to determine interest in participating in a GIS cooperative. Align internally on GIS strategy and outcomes for the Town.
- Identify GIS services that are candidates for shared services, including those that may traditionally be considered cost prohibitive.
- Identify GIS assets that may need to be purchased to support Town strategy and outcomes.
- Align on a set of baseline services and assets that can be conducted with participating municipalities.



Appendix A: Additional Detail on Select Potential High-Impact Opportunities

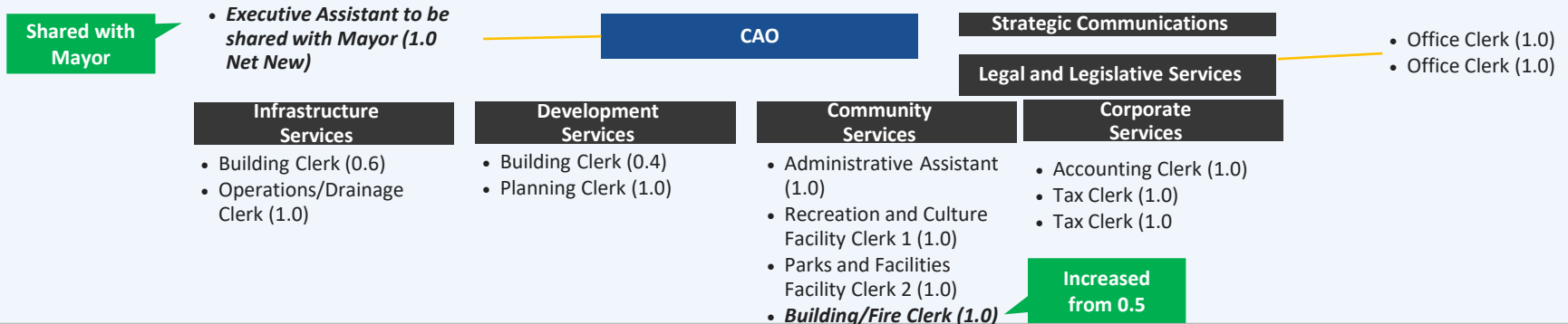
Clerk and Administrative Support Model

Current Distribution of Clerks/Admin Assistants and Potential Future State

Current State








Potential Future State



Notional Approach to Shared Services

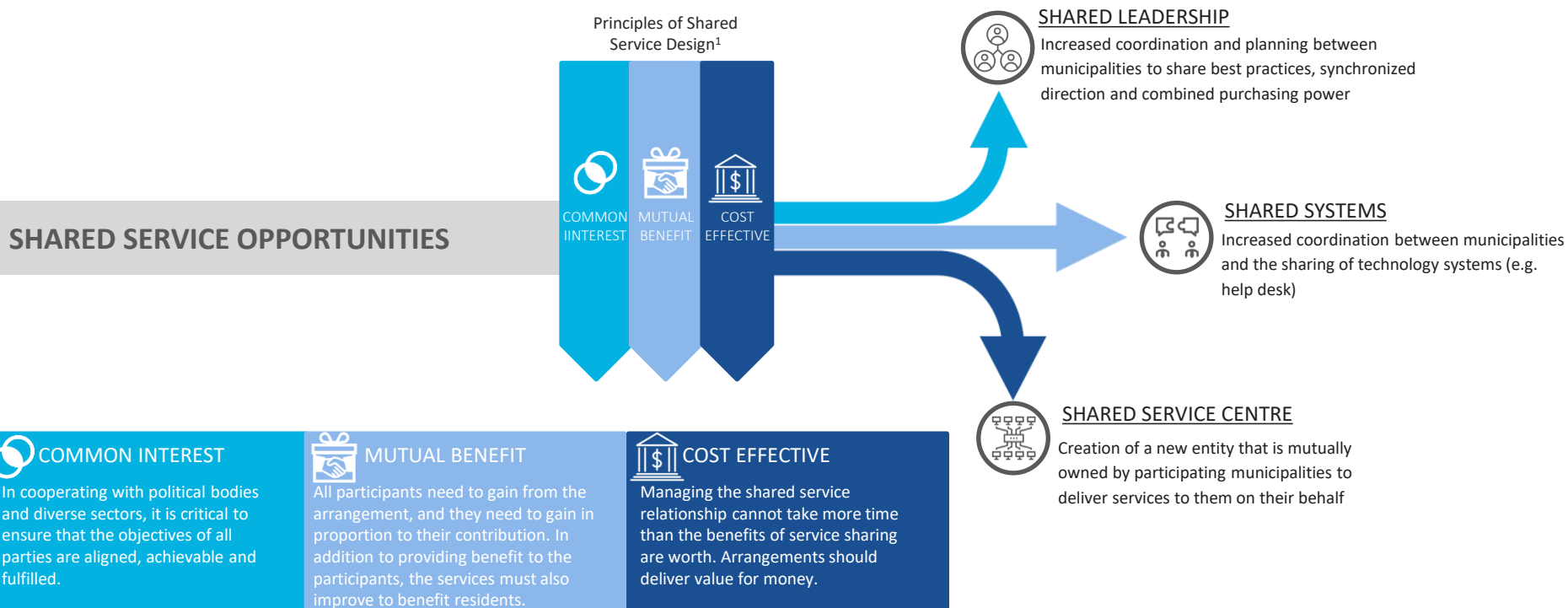
Notional Shared Services Candidate Service Areas

Through surveys and engagement with Departments, opportunities were identified to improve services, reduce duplicated efforts, manage costs and improve service delivery by exploring shared services. Outlined below are high potential areas for shared services arrangements with neighbouring municipalities.

Service Area	Service	Shared Service Opportunities
 Human Resources	<ul style="list-style-type: none"> Payroll Administration Joint Benefits 	<ul style="list-style-type: none"> Moving to a shared service model for payroll administration would reduce costs by taking advantage of scale and cost-sharing.
 Information Technology	<ul style="list-style-type: none"> IT Security IT Asset Management Helpdesk and Technical Support 	<ul style="list-style-type: none"> Improved ability to respond to complex and evolving cyber security threats. Robust maintenance of IT assets and potential for increased scalability as Town grows. Accessible around-the-clock support from highly specialized workforce.
 Fire Services	<ul style="list-style-type: none"> Joint Fire Services 	<ul style="list-style-type: none"> Reducing duplication of effort among member municipalities, and joint procurement resulting in increased savings.
 Planning, Development & Legislative Services	<ul style="list-style-type: none"> Building Permits and Inspections 	<ul style="list-style-type: none"> Scalability of building inspections, improving service and reducing costs by reducing duplication of efforts. Standardization of common permitting and inspecting systems across municipalities creating efficiencies for contractors and developers.
 Shared Procurement	<ul style="list-style-type: none"> Procurement of materials, equipment across all departments 	<ul style="list-style-type: none"> Strategic planning and management of procurement of services and commodities. Joint purchasing of assets and equipment across all departments at scale to reducing purchasing costs.

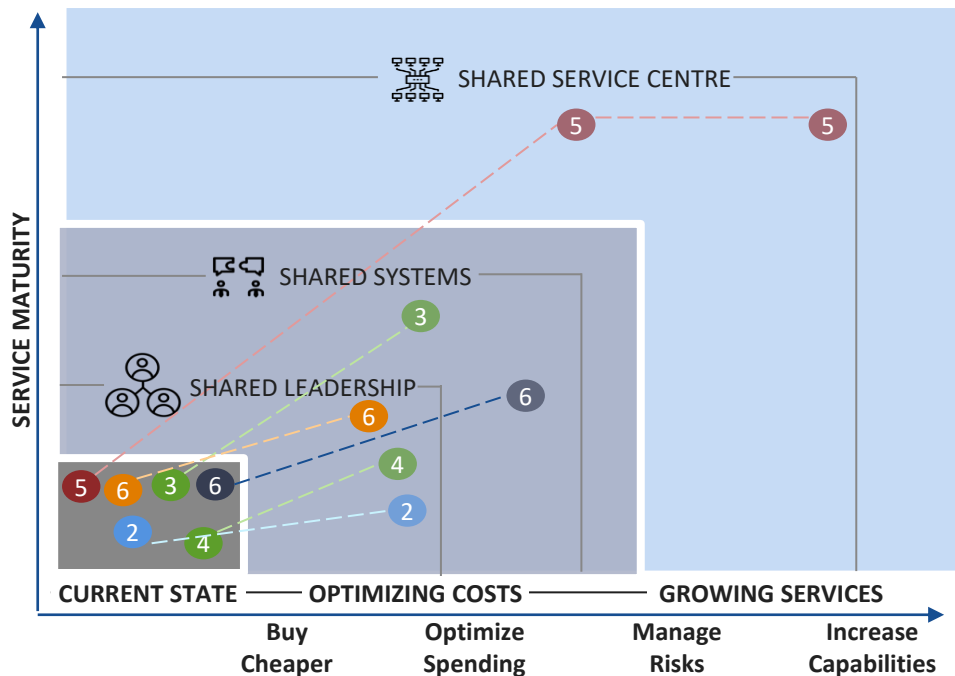
Future State Design: Shared Service Design Leading Practice (1 of 2)

The basic principles for shared service design guides municipalities in identifying which opportunity works best for participants, as well as the ideal service delivery model as shown below:



Future State Design: Shared Service Design Leading Practice (2 of 2)

Transitioning to a shared service delivery model will allow the Town to buy cheaper, optimize spending, managing risks and increase capabilities.



Service	Future Model	Description
1. Shared Procurement	Shared Leadership	Group planning and management of purchasing of supplies and equipment to buy cheaper.
2. Joint Fire Services	Shared Leadership	Joint purchasing of equipment and other assets would realize cheaper costs regardless of joint services.
3. Payroll Administration	Shared Systems	Shared payroll administration for participating municipalities optimize spending.
4. Joint Benefits	Shared Leadership	Group purchasing of benefits to buy cheaper.
5. IT Shared Services	Shared Service Centre	Optimize spending and manage risks by sharing the administration and maintenance of IT assets. Further opportunity to increase capabilities in IT security.
6. Building Permits and Inspection	Shared Systems	Shared building inspections and permits operation to optimize resource management for participating municipalities.

Note: Service opportunities in the table above are organized in no particular order

Future State Design: Comparator Insights

	Northumberland County	Perth County Fire Services	County of Lambton	Elgin County
Departments	Human Resources - Payroll IT Services	Fire	Planning, Development & Legislative Services	Human Resources - Benefits
Type	Shared Service Centre	Shared Leadership	Shared Service Centre	Shared Systems
Context	Northumberland County provides shared services for Human Resources and IT Services. The County has entered into Managed Service Agreements with multiple participating municipalities, providing IT security, managing assets and technical support.	West Perth required a Fire Chief for their town, and Perth East was actively recruiting for a PT Fire Protection Officer. To support resourcing and expand services while reducing costs, West Perth and Perth East entered into a Joint Fire Service agreement, with West Perth revising its command structure to mirror Perth East, and Perth East hiring a Fire Protection Officer fulltime to be shared between both municipalities.	The County of Lambton Building Services Department has a coordinating role for all 11 lower-tier municipalities and manages building permits for changes to existing properties, providing services to both municipalities and residents.	Elgin County and six of its seven local municipal partners participate in a benefits consortium that was established 25-years ago. The member municipalities of this consortium have different plans and labour units. Each municipality can build custom plans that meets their needs.
Savings	Between 10-15% cost savings have been achieved in IT by participating townships.	15% savings achieved from joint purchasing and hiring.	N/A	5-10% savings depending on the size of the employer and individual groups.

Future State Design: Notional One time and annual costs to set up a Shared Service Organization

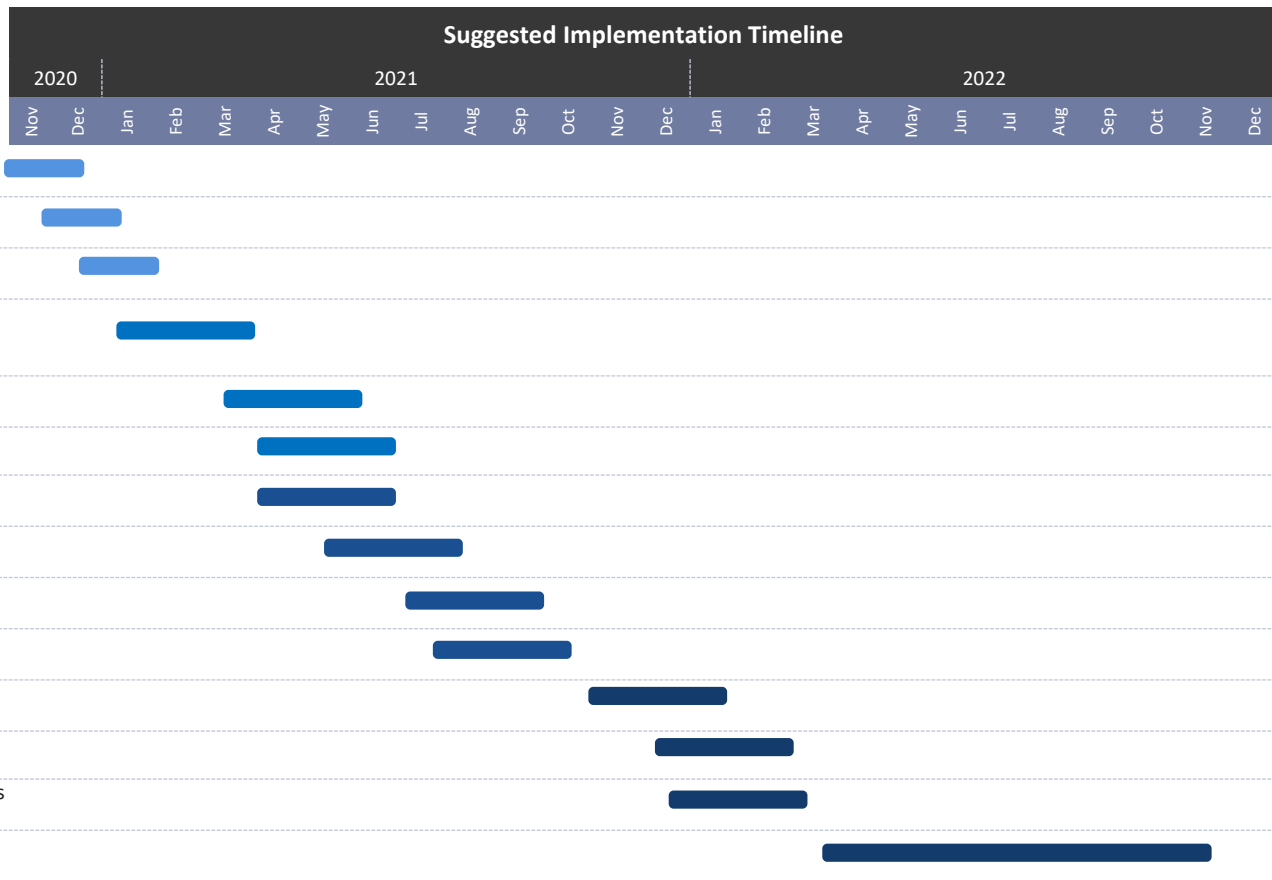
Notional costs to set up and operate a shared services corporation evenly split among four participating municipalities. The costs below are estimated based on similar shared services provided at the County level.

South Shore Shared Service (S4) Development Costs					
Initial Start Up Costs	Low-end Net Costs	High-end Net Costs	Annual Staff Salary Costs	Low-end Net Costs	High-end Net Costs
Legal work and incorporation costs for the S4 organization	\$125,000	\$150,000	Administrative support	\$100,000	\$125,000
Implementation of governance structure	\$90,000	\$120,000	IT Staff x 3	\$340,000	\$380,000
Purchasing IT and organizational assets to support operations	\$300,000	\$400,000	HR Staff x 2	\$200,000	\$240,000
Staff training	\$50,000	\$75,000	Fire Service Chief and Deputies (x4)	\$420,000	\$500,000
			Procurement Staff	\$110,000	\$130,000
			Building Staff	\$130,000	\$160,000
Total Estimated Cost	\$565,000	\$745,000	Total Estimated Cost	\$1,300,000	\$1,535,000
Total One Time Cost for Town of Essex	\$141,250	\$185,250	Total Annual Cost for Town of Essex	\$325,000	\$383,750

Note: Salary numbers were estimated for setting up a stand-alone shared service organization, they are not reflective of salaries paid at the Town of Essex for similar roles

Implementation and Next Steps: Timelines and Key Considerations

*Timeline below is based on an optimal scenario inclusive of resource availability, buy-in among participants and council approvals



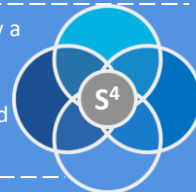
Implementation and Next Steps: Timelines and Key Considerations

Suggested Implementation Timeline																									
2020			2021												2022										
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

IDENTIFY OPPORTUNITIES	Essex signs off on an initial vision for their identified opportunities
	Reach out to potential member municipalities and socialize opportunity for a shared service organization
DEFINE FEASIBILITY	Build a shared vision with member municipalities, assessing each opportunity against shared service basic principles
	Develop an assessment framework for each opportunity, to determine if the opportunity furthers municipal goals
PRIORITIZE SHARED SERVICES	Identify process and personnel changes that would be required for shared services
	Conduct a cost benefit analysis and finalize Joint Service Program proposal
DEVELOP IMPLEMENTATION PLAN	Align each opportunity to a type of shared service
	Prioritize shared service opportunities based on (1) cost/benefit and (2) ease of implementation
	Create a shared service working group and assign a lead municipality for each shared service opportunity
	Present Joint Service Program proposal to municipal councils for approval
	Identify key outcomes, technical, service level and performance requirements from contractors
	Develop a governance structure and transition roadmap
	Manage people and change: develop internal communications of timeline and implementation readiness program
	Present procurement proposal to respective councils, following approval, execute on procurement

IDENTIFY OPPORTUNITIES

- Essex signs off on an initial vision for their identified opportunities
 - Deep dive analysis into shared service candidates e.g. validating costs to provide services in-house, number of FTEs required to provide service, potential concerns and perceived barriers
- Reach out to potential participants and socialize opportunity for a shared service organization
 - Attend a collaborative workshop, facilitated by a neutral party, to disclose service opportunities for peer municipalities in Essex County and signal intent to explore the South Shore Shared Services (S⁴) initiative
- Build a shared vision with member municipalities, assessing each opportunity against shared service basic principles
 - Each participant will identify shared service opportunities, which are assessed against the three principles for shared services: common interest, mutual benefit, and cost effectiveness



Implementation and Next Steps: Timelines and Key Considerations



IDENTIFY OPPORTUNITIES	Essex signs off on a shared vision for their identified opportunities
	Reach out to potential member municipalities and socialize opportunity for a shared service organization
	Build a shared vision with member municipalities, assessing each opportunity against basic principles
DEFINE FEASIBILITY	Develop an assessment framework to determine if each identified shared service opportunity furthers joint municipal goals
	Identify process and personnel changes that would be for a future state shared service organization
	Align each opportunity to a type of shared service
PRIORITIZE SHARED SERVICES	Conduct a cost benefit analysis and finalize Joint Service Program proposal
	Prioritize shared service opportunities based on (1) cost/benefit and (2) ease of implementation
	Create a shared service working group and assign a lead municipality for each shared service opportunity
DEVELOP IMPLEMENTATION PLAN	Present Joint Service Program proposal to municipal councils for approval
	Identify key outcomes, technical, service level and performance requirements from contractors
	Develop a governance structure and transition roadmap
IMPLEMENTATION PLAN	Manage people and change: develop internal communications of timeline and implementation readiness program
	Present procurement proposal to respective councils, following approval, execute on procurement

DEFINE FEASIBILITY

1. Develop an assessment framework to determine if each identified shared service opportunity furthers joint municipal goals
 - ▶ Once a list of finalized shared service opportunities have been finalized, assign a lead from each town and begin a detailed assessment to determine potential savings, alignment to municipal goals, and both organizational and political risks
2. Identify process and personnel changes that would be for a future state shared service organization
 - ▶ Assess the current state processes and personnel to identify how many additional staff will be required, and what the future state organizational design will be
3. Align each opportunity to a type of shared service:



SHARED LEADERSHIP



SHARED SYSTEMS



SHARED SERVICE CENTRE

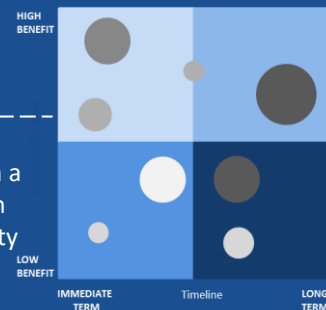
Implementation and Next Steps: Timelines and Key Considerations



IDENTIFY OPPORTUNITIES	Essex signs off on a shared vision for their identified opportunities Reach out to potential member municipalities and socialize opportunity for a shared service organization Build a shared vision with member municipalities, assessing each opportunity against basic principles
DEFINE FEASIBILITY	Develop an assessment framework for each opportunity, to determine if the opportunity furthers municipal goals Identify process and personnel changes that would be required for shared services Align each opportunity to a type of shared service
PRIORITIZE SHARED SERVICES	Conduct a cost benefit analysis and finalize Joint Service Program proposal Prioritize shared service opportunities based on (1) cost/benefit and (2) ease of implementation Create a shared service working group and assign a lead municipality for each shared service opportunity Present updated Joint Service Program proposal to municipal councils for approval
DEVELOP IMPLEMENTATION PLAN	Identify key outcomes, technical, service level and performance requirements from contractors Develop a governance structure and transition roadmap Manage people and change: develop internal communications of timeline and implementation readiness program Present procurement proposal to respective councils, following approval, execute on procurement

PRIORITIZE SHARED SERVICES

1. Conduct a cost benefit analysis and finalize Joint Service Program proposal
 - ▶ Conduct a cost benefit analysis on the future state organization, including costs for setting up the S4, savings, personnel required, and future state organization design
 - ▶ Summarize findings into the Joint Service Program Proposal for municipal council approval
2. Prioritize shared service opportunities based on (1) cost/benefit and (2) ease of implementation
 - ▶ Build a 2X2 matrix based on cost/benefit to implement shared service opportunities as well as time/effort commitment required for implementation



3. Create a shared service working group and assign a lead municipality for each shared service opportunity
 - ▶ Lead will be responsible for subsequent steps, including project management of the design and implementation of each shared service opportunity
4. Present an updated and prioritized version of the Joint Service program to respective councils for approval

Implementation and Next Steps: Timelines and Key Considerations

Suggested Implementation Timeline																									
2020				2021												2022									
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

DEVELOP IMPLEMENTATION PLAN

1. Identify key outcomes, technical, service level and performance requirements from shared services
 - Develop KPIs that would monitor the performance of shared service initiatives, identify reporting cadence and owners
2. Develop a governance structure and transition roadmap
 - Develop a governance structure and implementation roadmap for the implementation of a shared service organization, including roles and responsibilities, oversight board, implementation leads
3. Manage people and change: develop internal communications of timeline and implementation readiness program
 - Develop a plan to communicate changes both internally to staff and externally to residents at each municipality
 - Build recruitment plan for net new positions required to operate the Shared Service organization
4. Present implementation proposal to respective councils; following approval, execute on implementation





Appendix B: Financial Assumptions

Financial Assumptions (1 of 3)

Opportunity	Key Assumptions																				
GS2: Strategic Plan Implementation Roadmap GS3: Departmental Strategic Planning Process	<ul style="list-style-type: none">Savings calculated based on best practices in the private sector, OnStrategy estimates that businesses could realize efficiency gains that equate to 12% of their bottom line. A conservative estimate in the municipal sector would equate to around 0.5% of the Town’s annual operating budget.																				
PC2L: Review amd Standardize Workforce Policies	<ul style="list-style-type: none">According to the Global Workplace Analytics, a typical employer can save an average of \$11,000 per half-time telecommuter per year as a result of increased productivity, lower real estate costs, reduced absenteeism and turnover, and better disaster preparedness. Using this as a baseline, it was assumed that 60% of the Town’s FTEs would be eligible to work from home. <i>See page 78 for detailed calculation.</i>																				
PC3: Develop a Corporate Communications Plan	<ul style="list-style-type: none">Director time savings calculated based on 2 hours of Director hourly rate (Step 3), per week x 4 Directors:<table><tr><th>Director Annual Salary</th><th>+ Benefits</th><th>Hourly</th><th>Weekly</th><th>Annually</th></tr><tr><td>\$ 135,407</td><td>\$ 176,029</td><td>\$ 90.27</td><td>\$ 722.17</td><td>\$ 37,552.87</td></tr></table>Strategic Comms Manager time savings based on 3 hours of hourly rate (step 3), per week:<table><tr><th>Comms Manager Annual Salary</th><th>+ Benefits</th><th>Hourly</th><th>Weekly</th><th>Annually</th></tr><tr><td>\$ 84,181</td><td>\$ 109,435</td><td>\$ 56.12</td><td>\$ 168.36</td><td>\$ 8,754.82</td></tr></table>	Director Annual Salary	+ Benefits	Hourly	Weekly	Annually	\$ 135,407	\$ 176,029	\$ 90.27	\$ 722.17	\$ 37,552.87	Comms Manager Annual Salary	+ Benefits	Hourly	Weekly	Annually	\$ 84,181	\$ 109,435	\$ 56.12	\$ 168.36	\$ 8,754.82
Director Annual Salary	+ Benefits	Hourly	Weekly	Annually																	
\$ 135,407	\$ 176,029	\$ 90.27	\$ 722.17	\$ 37,552.87																	
Comms Manager Annual Salary	+ Benefits	Hourly	Weekly	Annually																	
\$ 84,181	\$ 109,435	\$ 56.12	\$ 168.36	\$ 8,754.82																	
PT1: Expand Use of CRM and Implement Customer Service Policies	<ul style="list-style-type: none">The \$16K investment was calculated by using a \$75 per month licensing fee for 17 clerks and coordinators.The investment and clear policies would save 2 hours per week per 17 clerks, annually this amounts to 1768 hours. At a \$32 blended cost/hour per clerks and coordinators, this opportunity would save \$56,576.																				
PT2: Expand the use of Records Management	<ul style="list-style-type: none">Records management works and electronic document management is a function across multiple municipal departments, specifically Admin, HR, Finance, Public Works , Planning and Social services. At the Town of Essex, this amounts to an estimated 80 FTEsOn average, from surveys conducted at other municipalities, staff spend 3 hours a week or 12 hours a month managing records or documents. For Essex, this totals 960 hours a month (80 FTEs X 12 hours) or 11,520 hours a year.Based on our experience an Electronic Document Management system has been shown to save 50% or 5760 hours per year. The hourly average wage rate at Essex for these positions is \$32, and thus would result in \$184,420 per yearInvestment Costs: the Town of Bancroft’s implementation of EDM software costs \$20,000 and a Records Management Coordinator has an average salary of \$61,000 according to our experience at other municipalities, resulting in a total investment of \$81,000																				

Financial Assumptions (2 of 3)

Opportunity	Key Assumptions										
SD2: Review the Clerk and Administrative Support Model	<ul style="list-style-type: none">Savings were calculated based on 3.5 of CAO hourly rate (Step 3), per year assuming that EA time increases from 0.3 to 0.5 through the redistribution of existing resources. <table><tr><th>CAO Annual Salary</th><th>+ Benefits</th><th>Hourly</th><th>Weekly</th><th>Annually</th></tr><tr><td>\$ 177,969</td><td>\$ 231,360</td><td>\$ 118.65</td><td>\$ 415.26</td><td>\$ 21,593.56</td></tr></table>	CAO Annual Salary	+ Benefits	Hourly	Weekly	Annually	\$ 177,969	\$ 231,360	\$ 118.65	\$ 415.26	\$ 21,593.56
CAO Annual Salary	+ Benefits	Hourly	Weekly	Annually							
\$ 177,969	\$ 231,360	\$ 118.65	\$ 415.26	\$ 21,593.56							
CoS2. Augment Budget Training	<ul style="list-style-type: none">Savings were calculated using staff hourly rates and assuming the following distribution of annual budget development hours per position. It was also estimated that training would take place over a 20 hour period. <table><tr><th>CAO and D CAO</th><th>Director Level</th><th>M Finance</th><th>Assistant Manager Finance</th><th>Other Manager Level</th></tr><tr><td>188 hrs per year (10% of time)</td><td>94 hrs per year (5% of time)</td><td>627 hrs per year (30% of time)</td><td>627 hrs per year (30% of time)</td><td>188 hrs per year (10% of time)</td></tr></table>	CAO and D CAO	Director Level	M Finance	Assistant Manager Finance	Other Manager Level	188 hrs per year (10% of time)	94 hrs per year (5% of time)	627 hrs per year (30% of time)	627 hrs per year (30% of time)	188 hrs per year (10% of time)
CAO and D CAO	Director Level	M Finance	Assistant Manager Finance	Other Manager Level							
188 hrs per year (10% of time)	94 hrs per year (5% of time)	627 hrs per year (30% of time)	627 hrs per year (30% of time)	188 hrs per year (10% of time)							
DS2: Planning Fees	<ul style="list-style-type: none">2018 revenues \$94,500, costs \$170,000 net \$75,500 (50% improvement cost recovery).										
SS1: Increase Participation in Collaborative Purchasing Organizations SS2: Share Fleet and Equipment	<ul style="list-style-type: none">In the 2019 audited financials, the Town of Essex, spent \$1.3M for General government materials and supplies. Reports from Deloitte indicate that shared procurement can save between 10-25% of supply costs resulting in a savings of \$130-325K.In the 2020 Essex Budget and Forecast, the Town mentioned purchasing a new Fire truck costing 300K, utilizing a similar methodology as SS1, the Town would save 10-25% of the cost for the vehicle or \$30-75k										

Financial Assumptions (3 of 3)

Opportunity	Key Assumptions
SS3: Create a Regional Standard for Fire Training SS5: Regionalize Building Inspection Services	<ul style="list-style-type: none"> Fire Training: To calculate investment required from the Town of Essex, annual salary inclusive of benefits (\$84K) was divided by four – with the assumption that the South Shore Shared Service initiative would include Essex and three other municipalities resulting in a \$21K investment Regional Building Inspector: To calculate investment required from the Town of Essex, annual salary inclusive of benefits (\$74K) was divided by four – with the assumption that the South Shore Shared Service initiative would include Essex and three other municipalities resulting in a \$19K investment
SS4: Shared Recreation Programming and Purchasing	<ul style="list-style-type: none"> The Town of Essex made \$2.1M in revenue last year from recreational programs and user fees at their facilities. If the Town can increase utilization by 1 to 3% this would result in additional revenue between \$21K and \$65K.
IS1. Asset Management	<ul style="list-style-type: none"> Through sustained improvement in its Asset Management Practices, the Town of Essex can expect to achieve, conservatively, between 7% to 17% of its capital expenditures on primary assets. StrategyCorp assumed savings of 10% of 2019 actual spending on roads, bridges and culverts, or approximately \$133,000.



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