



Township of Machar Service Delivery Review

November 17, 2020



Township of Machar Municipal Service Delivery Review

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Corporation of the Township of Machar

Chapter I: Executive
Summary



Executive Summary

KPMG LLP (“KPMG”) has been retained by the Township of Machar (the “Township”) to undertake a review of the Township’s services. As outlined in the terms of reference for our engagement and consistent with the objectives of the Province of Ontario’s Municipal Modernization Program (the “MMP”), the overall goal of the review was to assist in an objective evaluation of current service offerings provided by the Township with the view of identifying potential opportunities intended to maximize value-for-money, minimize pressure on taxes and contribute towards the long-term sustainability of the Township.

A. Background to the Review

The terms of reference for our engagement were established in KPMG’s engagement letter dated June 9, 2020. The Township engaged KPMG LLP (‘KPMG’) to assist in an objective evaluation of current service offerings provided by the Township with the view of identifying potential opportunities intended to maximize value-for-money, minimize pressure on taxes and contribute towards the long-term sustainability of the Township.

With respect to this engagement, KPMG’s specific role includes:

- Assisting the Township with the establishment of a methodology for the review;
- In conjunction with the Township’s staff, undertaking analysis of services, internal processes, service levels and associated costs and funding; and
- Summarizing the results of our analysis and presenting potential opportunities to the Township.

B. Service Based Opportunities for Consideration

Our report outlines the potential opportunities for the consideration of the Township and they generally fall into one of four categories:

- Operating efficiencies, with the anticipated benefit of (i) enhanced decision making and service delivery, (ii) potential capacity gains, and/or (iii) potential cost savings while maintaining current service levels;
- Service level adjustments, representing either (i) the discontinuance of the Township’s involvement in a non-core service; or (ii) a reduction in the level of service provided;
- Alternate service delivery, which involves changing the Township’s delivery model for a service (e.g. exploration of shared services); and
- Revenue generation. These opportunities seek to reduce the municipal levy by identifying alternate means of funding municipal services through user fees and other cost recovery methods.

Executive Summary

C. Process Based Opportunities for Consideration

Our report outlines the potential process based opportunities for the consideration of the Township where KPMG identified process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value

D. Next steps

Our report provides the Township with potential work steps to advance the service review into 'living' document including the provision of potential implementation tools for the Township's consideration.

E. Acknowledgement

We would like to take the opportunity to acknowledge the assistance and cooperation provided by staff of the Township that participated in the development of the service profiles and the service delivery review. We appreciate that reviews such as this require a substantial contribution of time and effort on the part of Township employees and we would be remiss if we did not express our appreciation for the cooperation afforded to us.

As the scope of our review is intended to focus on areas for potential efficiency improvements and/or cost reductions, we have not provided commentary on the numerous positive aspects of the Township's operations identified during the course of our review.



Corporation of the Township of Machar

Chapter II: Study Overview



Study Overview

Terms of Reference

The terms of reference for our engagement were established in KPMG's engagement letter dated June 9, 2020. The Township of Machar (the 'Township') engaged KPMG LLP ('KPMG') to assist in an objective evaluation of the its current service offerings currently provided by the Township with the view of identifying potential opportunities intended to maximize value-for-money, minimize pressure on taxes and contribute towards the long-term sustainability of the Township.

With respect to this engagement, KPMG's specific role includes:

- Assisting the Township with the establishment of a methodology for the review;
- In conjunction with the Township's staff, undertaking analysis of services, internal processes, service levels and associated costs and funding; and
- Summarizing the results of our analysis and presenting potential opportunities to the Township.

Project Methodology

The methodology for the review involved the following major work steps:

Project Initiation

- An initial meeting was held with the Clerk-Administrator to confirm the terms of the review including the objectives, deliverables, methodology and timeframes.

Current State Assessment

The purpose of the second phase assessed the current state of the Township and its departments. To achieve this, the following took place:

- Information concerning the Township's operations, staffing and financial performance were reviewed and summarized in order to identify the types of services delivered, the associated level of resources (personnel and financial) and the method of funding;
- In advance of the first set of meetings with Township staff, KPMG prepared draft municipal service profiles for the Township's municipal services; and
- Meetings were held with municipal staff to discuss the nature of the services provided and the associated service levels, the rationale for the Township's involvement in the delivery of these services and the method of delivery.

Study Overview

Project Methodology

Review of Current Service Delivery Models

Upon the completion of the first set of meetings, the Township provided commentary with respect to the municipal service profiles. Upon receipt, KPMG issued the final municipal service profiles. The service profiles illustrate the services offered by the Township, the rationale for service delivery, the current service level standard and service delivery model, financial performance, and benchmarking information.

- During this stage of our work, an analysis of the current procedures and practices was performed. In conjunction with the Township's Project Team, key processes were mapped out, analyzed and reviewed to ensure compliance. Those processes included:
 - Customer service
 - Budget
 - Property taxation
 - Agenda preparation
 - User fees - landfill
 - End of day cash reconciliation
 - Grants

Jurisdictional Analysis

- Discussions were held with the Clerk-Administrator to determine appropriate municipal comparators that would be utilized during the course of the review. Municipal comparators were identified and selected based on the following considerations:
 - Single tier municipalities
 - Geography – located in Northern Ontario
 - Similar population and households
 - Typical and/or historical comparators
- The comparators can be found on the following page.

Study Overview

Project Methodology

Jurisdictional Analysis

Municipality	Population ¹	Households ¹
Machar	777	908
Burk's Falls	981	510
Kearney	698	1,304
McMurrich-Monteith	824	752
South River	1,114	528
Strong	1,439	922
Sundridge	961	497

¹Source – Schedule 2 – Financial Information Returns

- Information concerning the comparator municipalities was obtained through analysis of available documentation (including information provided by the municipalities' websites and other information such as Financial Information Returns and statistics from each comparator's 2016 Census Profile).

Opportunity Identification

- During the second and third phases of the review, discussions were held to identify potential opportunities for enhancing efficiencies, reducing operating costs and increasing non-taxation revenues, as well as the potential implementation issues and risks associated with each opportunity

Draft Final Report

- KPMG consolidated all of the previous phases and provided the Clerk-Administrator with a draft final report for the Township's review

Study Overview

Final Report

- Upon the acceptance of the contents of the draft final report, KPMG issued a final report for the service delivery review
- KPMG presented its findings to Council on November 30, 2020.

Restrictions

This report is based on information and documentation that was made available to KPMG at the date of this report. KPMG has not audited nor otherwise attempted to independently verify the information provided unless otherwise indicated. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the Township of Machar. KPMG has not and will not perform management functions or make management decisions for the Township of Machar.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the Township of Machar nor are we an insider or associate of the Township of Machar or its management team. Our fees for this engagement are not contingent upon our findings or any other event. Accordingly, we believe we are independent of the Township of Machar and are acting objectively



Corporation of the Township of Machar

Chapter III: Overview of the
Township

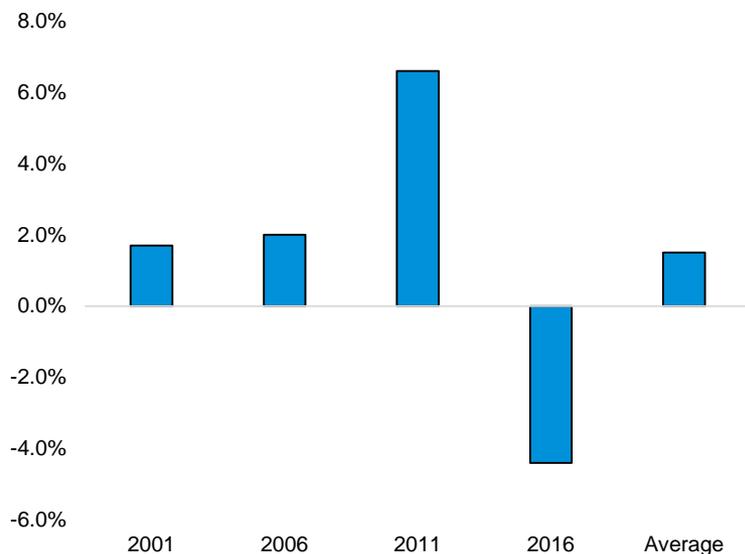


Overview of the Township

A. Community Demographics

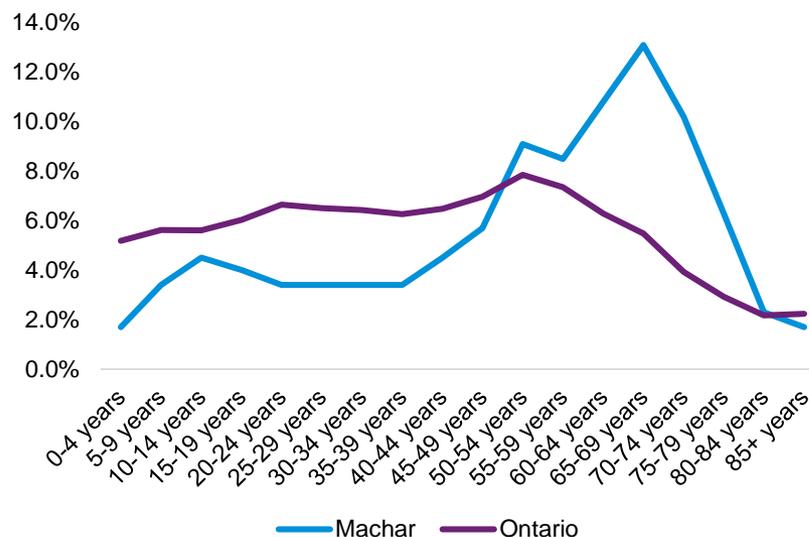
Population Trend

Based on analysis of information obtained through Statistics Canada's Census, the Township's population was 882 with 848 private dwellings in 2016. Over the twenty years or five Census reporting periods (1996 to 2016), the Township's population has remained relatively consistent with a slight increase of 47 residents. Overall, the Township's population has either experienced increases (6.6% between 2006 to 2011) or decreases (4.4% between 2011 to 2016) with an overall average increase of 1.5%



Township Demographics

The demographics of the Township of Machar appear to be consistent with demographic trends for municipalities in Northeastern Ontario with a demographic trend of the Township appearing to be similar in that majority of its residents are older – 61.9% of the Township's residents are 50 years or older.



Source: Statistics Canada – Census Profiles for the Township of Machar

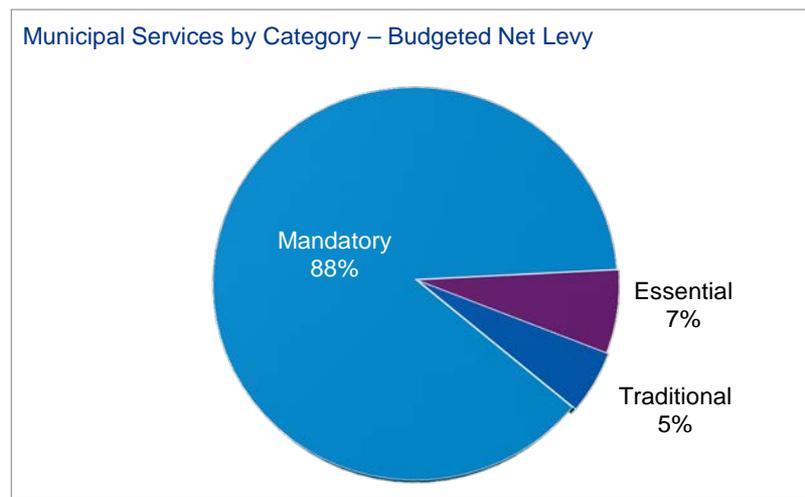
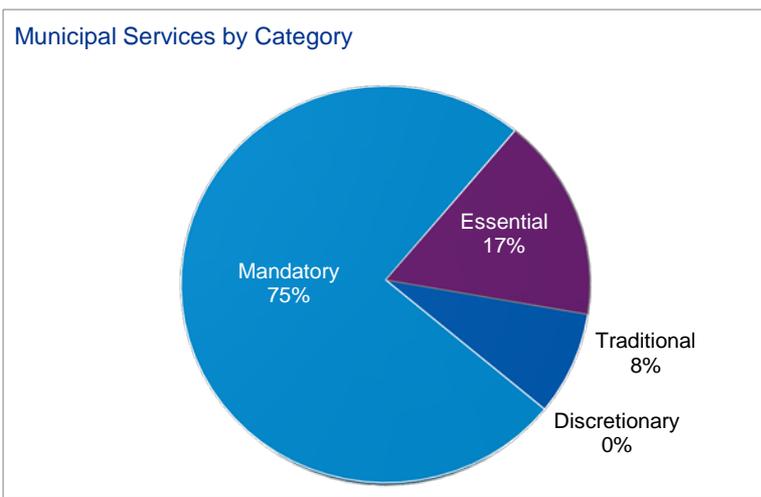


Overview of the Township

B. Municipal Services

For the purposes of our review, we have classified the Township's services into one of four categories based on the rationale for the Township's delivery of the service.

- **Mandatory services** are those services that are required to be delivered by regulation or legislation.
- **Essential services** are those services that, while not mandatory, are required to be delivered in order to ensure public health and safety and/or the effective functioning the Township from a corporate perspective.
- **Traditional services** are those services that are not mandatory or essential but which are typically delivered by municipalities of comparable size and complexity and for which a public expectation exists that the service will be provided.
- **Discretionary services** are those services that are delivered at the direction of the Township without a formal requirement or expectation, including services that may not be delivered by other municipalities of comparable size and complexity.



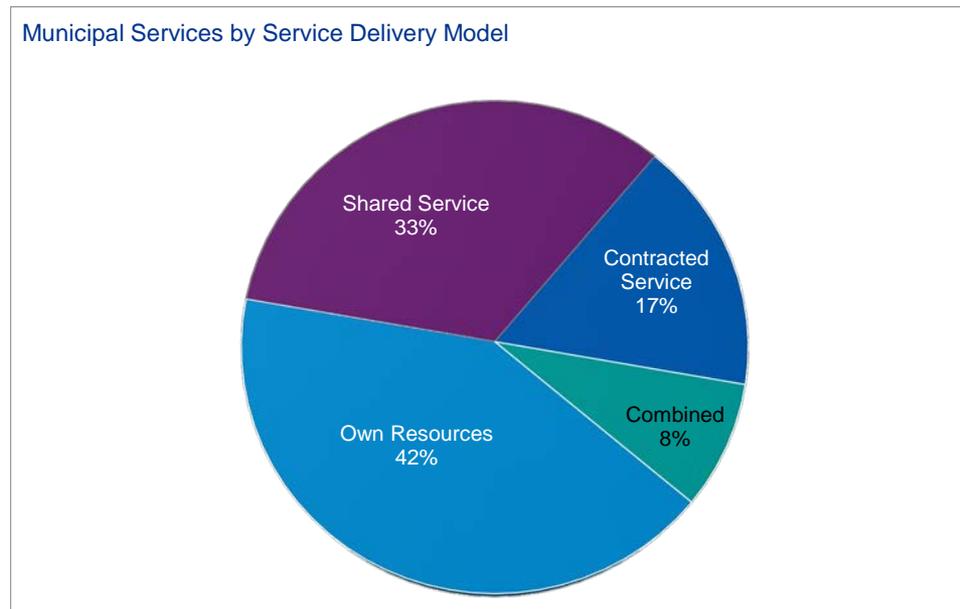
Source: KPMG Analysis of Township's Municipal Service Profiles

Overview of the Township

B. Municipal Services

The chart below is a representation of the Township's services based on how the Township goes about in delivering municipal services. For the purposes of the reader, the categories are as follows:

- **Own resources** – the Township uses predominantly its own resources to deliver a service (there may be the use of contracted services but these are either infrequently used or for specific needs);
- **Shared service** – services where the Township has entered into some form of a shared service arrangement to provide municipal services;
- **Contracted service** – the Township uses predominantly another organization (private and/or public) to provide a service;
- **Combined** – services where the Township delivers a service with the use of own resources and third party service providers.



Source: KPMG Analysis of Township's Municipal Service Profiles

Overview of the Township

C. Financial Overview

Operating Expenditures

Over the past five years, the Township’s operating expenditures (excluding amortization) have increased by approximately \$411,000 (\$2.1 million in 2015 vs. \$2.5 million in 2019), representing an average increase of 4.7% over that period of time. All expenditure categories grew with an average change ranging from 0.7% (external transfers) to 75.3% (interest on long term debt). The Township’s interest on long term debt is in relation to shared fire services with the Village of South River. The Township’s largest expenditure categories were wage and benefits and materials and both of these expenditures grew by an average of 4.6% for the years reviewed. Contracted services grew by an average increase of 9.1% which includes but not exclusive to services provided by the Ontario Provincial Police (‘OPP’), Municipal Property Assessment Corporation and ambulance services. External transfers which consist of payments to the Parry Sound District Social Services Administrative Board and North Bay Parry Sound Health Unit increased by an average of 0.7% over the past five years and these costs are largely out of the control of the Township.

	2015	2016	2017	2018	2019	Average Change
Wages and benefits	\$795,428	\$841,187	\$887,112	\$890,894	\$951,849	+4.6%
Interest on long term debt	-	\$2,444	\$3,284	\$9,771	\$9,197	+75.3%
Materials	\$799,820	\$772,974	\$798,337	\$854,306	\$952,710	+4.6%
Contracted services	\$279,276	\$347,197	\$469,377	\$394,387	\$366,260	+9.1%
External transfers	\$212,989	\$215,833	\$217,046	\$217,770	\$218,714	+0.7%
Total expenses	\$2,087,513	\$2,179,635	\$2,375,156	\$2,367,128	\$2,498,730	+4.7%

Source: KPMG Analysis of Township’s Financial Information Returns

Overview of the Township

C. Financial Overview

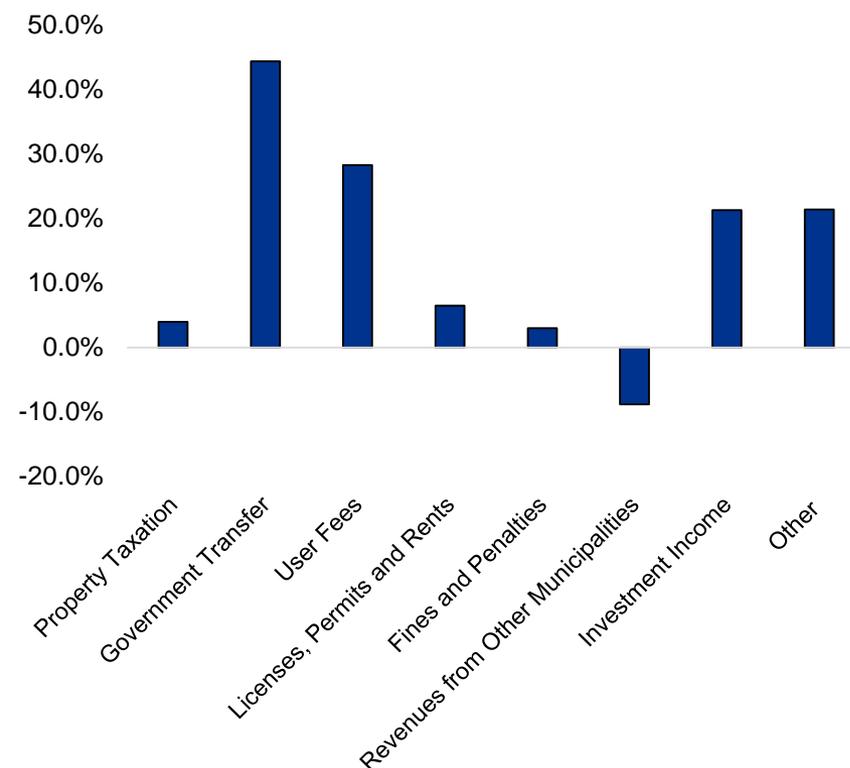
Funding Sources

For the 2019 fiscal year, the Township of Machar generated and received revenues of \$4.1 million. Of that total, the Township's local funding sources (defined as taxes and user fees) accounted for \$2.9 million and represented 46.3% of total revenue. Property tax revenues (own purpose taxation) has increased on an average of 4.0% for the years between 2015 to 2019. Over the same time period, user fee revenues increased on an average of 28.3%.

Government transfers provided to municipalities by the Province of Ontario, increased by an average of 28% over the past five years with a significant increase between 2018 and 2019 where the Township received \$2.0 million in capital grants.

Other revenue sources for the Township's purposes have varied over the five years examined for the purposes of the review and in many cases, the revenues generated are not entirely within the control of the municipality. Revenues associated with licensing and permitting increased by an average of 6.5% meanwhile fines and penalties related revenues decreased by an average of 3.0%.

Funding Source Average Changes (2015 to 2019)



Source: KPMG Analysis of Township's Financial Information Returns



Corporation of the Township of Machar

Chapter IV: Financial
Indicator and Benchmarking
Analysis



Financial Indicators and Benchmarking Analysis

In order to provide additional perspective on the Township's financial performance and position, we have included in this chapter an analysis of financial indicators for the Township and other comparative municipalities.

In Canada, the development and maintenance of principles for financial reporting fall under the responsibility of the Accounting Standards Oversight Council ('AcSOC'), a volunteer body established by the Canadian Institute of Chartered Accountants in 2000. In this role, AcSOC provides input to and monitors and evaluates the performance of the two boards that are tasked with established accounting standards for the private and public sector:

- The Public Sector Accounting Board ('PSAB') establishes accounting standards for the public sector, which includes municipal governments; and
- The Accounting Standards Board ('AcSB'), which is responsible for the establishment of accounting standards for Canadian entities outside of the public sector.

In May 2009, PSAB released a Statement of Recommended Practice that provided guidance on how public sector bodies should report on indicators of financial condition. As defined in the statement, financial condition is '*a government's financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others*'. In reporting on financial condition, PSAB also recommended that three factors, at a minimum, need to be considered:

- **Sustainability.** Sustainability is the degree to which the Township can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the Township's assessment base, there is an increased risk that the Township's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility.** Flexibility reflects the Township's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.

Financial Indicators and Benchmarking Analysis

In May 2009, PSAB released a Statement of Recommended Practice that provided guidance on how public sector bodies should report on indicators of financial condition. As defined in the statement, financial condition is ‘a government’s financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others’. In reporting on financial condition, PSAB also recommended that three factors, at a minimum, need to be considered:

- **Vulnerability.** Vulnerability represents the extent to which the Township is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants such as OMPF; (ii) conditional operating grants such as Provincial Gas Tax for transit operations; and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government, as the Municipal Act does not allow municipalities to issue long-term debt for operating purposes (Section 408(2.1)).

As a means of reporting the Township’s financial condition, we have considered the following financial indicators (*denotes PSAB recommended financial indicator).

Financial Condition Category	Financial Indicators
Sustainability	<ol style="list-style-type: none"> 1. Financial assets to financial liabilities* 2. Total reserves and reserve funds per household 3. Total operating expenses as a percentage of taxable assessment* 4. Capital additions as a percentage of amortization expense
Flexibility	<ol style="list-style-type: none"> 5. Residential taxes per household 6. Total long-term debt per household 7. Residential taxation as a percentage of average household income 8. Total taxation as a percentage of total assessment* 9. Debt servicing costs (interest and principal) as a percentage of total revenues* 10. Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets*
Vulnerability	<ol style="list-style-type: none"> 11. Operating grants as a percentage of total revenues* 12. Capital grants as a percentage of total capital expenditures*

Financial Indicators and Benchmarking Analysis

A detailed description of these financial indicators is included on the following pages, including a comparison of the Township's performance and position against other municipalities noted in the second chapter.

As noted on the following pages, the Township's financial indicators and comparative analysis appear to demonstrate the Township does not appear to have issues with two of the three financial condition categories. The Township's flexibility indicators are consistent with the comparator group. From an overall perspective, we note that:

- The Township's financial indicators are generally consistent with but in some cases more favourable, than the comparator municipalities (taxation per household, reserve and reserve fund and long term debt levels)
- Overall, the Township's municipal service related operating costs are consistent with the comparator group and the majority of the Township's service related operating costs appear to be lower than the comparator group.
 - The Township's transportation operating costs are high within the comparator group. Based on information shared over the course of the review, the higher transportation costs appear to be the result of the Township's investing more in its roadway network in 2019; and
 - The Township's building/bylaw operating costs are also high within the comparator group. The Township experienced an increase in the number of building permits for 2019 based on information contained within the Township's FIR. Furthermore, operating costs relating to building permits and/or other protective services (bylaw) may increase or decrease based upon the level of activity which the Township does not have the ability to control.
- For the purposes of the reader, contracted services include police services, Municipal Property Assessment Corporation, parks and ambulance services.

Financial Indicators and Benchmarking Analysis

FINANCIAL ASSETS TO FINANCIAL LIABILITIES

This financial indicator provides an assessment of the Township's solvency by comparing financial assets (including cash, investments and accounts receivable) to financial liabilities (accounts payable, deferred revenue and long-term debt). Low levels of financial assets to financial liabilities are indicative of limited financial resources available to meet cost increases or revenue losses.

TYPE OF INDICATOR

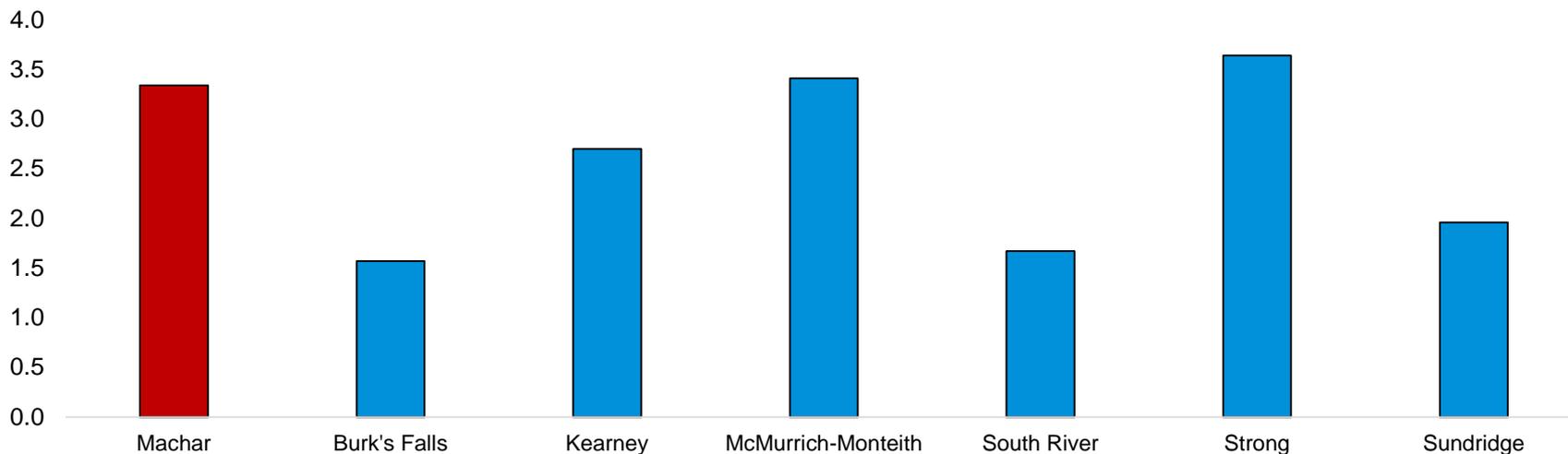
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

FIR Schedule 70, Line 9930,
 Column 1 divided by FIR
 Schedule 70, Line 9940,
 Column 1

POTENTIAL LIMITATIONS

- Financial assets may include investments in government business enterprises, which may not necessarily be converted to cash or yield cash dividends
- Financial liabilities may include liabilities for employee future benefits and future landfill closure and post-closure costs, which may (i) not be realized for a number of years; and/or (ii) may not be realized at once but rather over a number of years



Financial Indicators and Benchmarking Analysis

TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

This financial indicator provides an assessment of the Township's ability to absorb incremental expenses or revenue losses through the use of reserves and reserve funds as opposed to taxes, user fees or debt. Low reserve levels are indicative of limited capacity to deal with cost increases or revenue losses, requiring the Township to revert to taxation or user fee increases or the issuance of debt.

TYPE OF INDICATOR

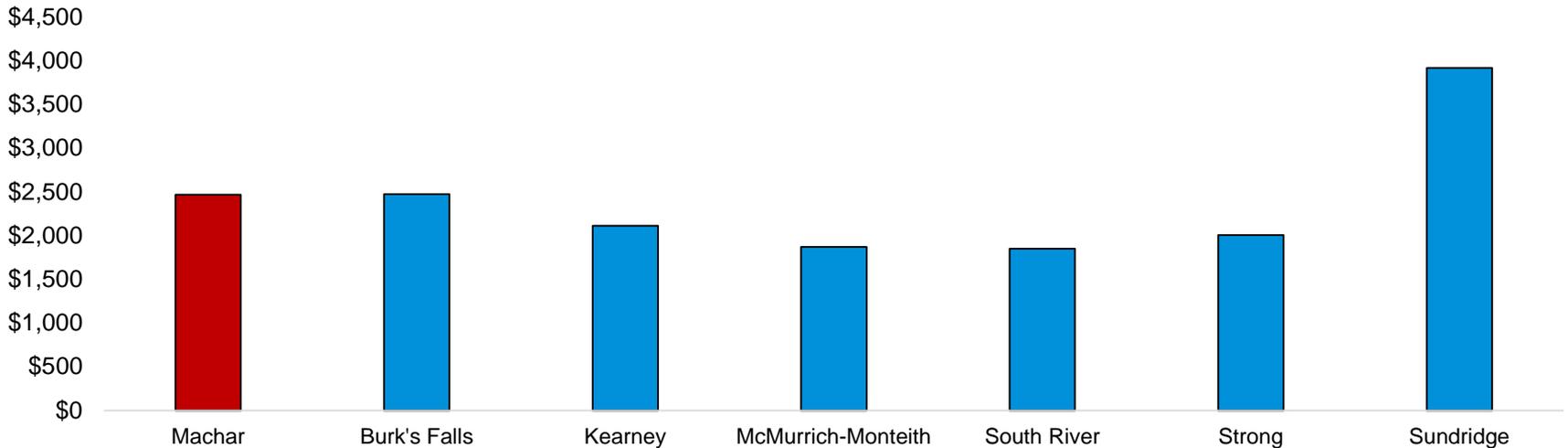
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

FIR Schedule 70, Line 6420,
 Column 1 divided by FIR
 Schedule 2, Line 40, Column 1

POTENTIAL LIMITATIONS

- Reserves and reserve funds are often committed to specific projects or purposes and as such, may not necessarily be available to fund incremental costs or revenue losses
- As reserves are not funded, the Township may not actually have access to financial assets to finance additional expenses or revenue losses



Financial Indicators and Benchmarking Analysis

TOTAL OPERATING EXPENSES AS A PERCENTAGE OF TAXABLE ASSESSMENT

This financial indicator provides an assessment of the Township's solvency by determining the extent to which increases in operating expenses correspond with increases in taxable assessment. If increases correspond, the Township can fund any increases in operating costs without raising taxation rates.

TYPE OF INDICATOR

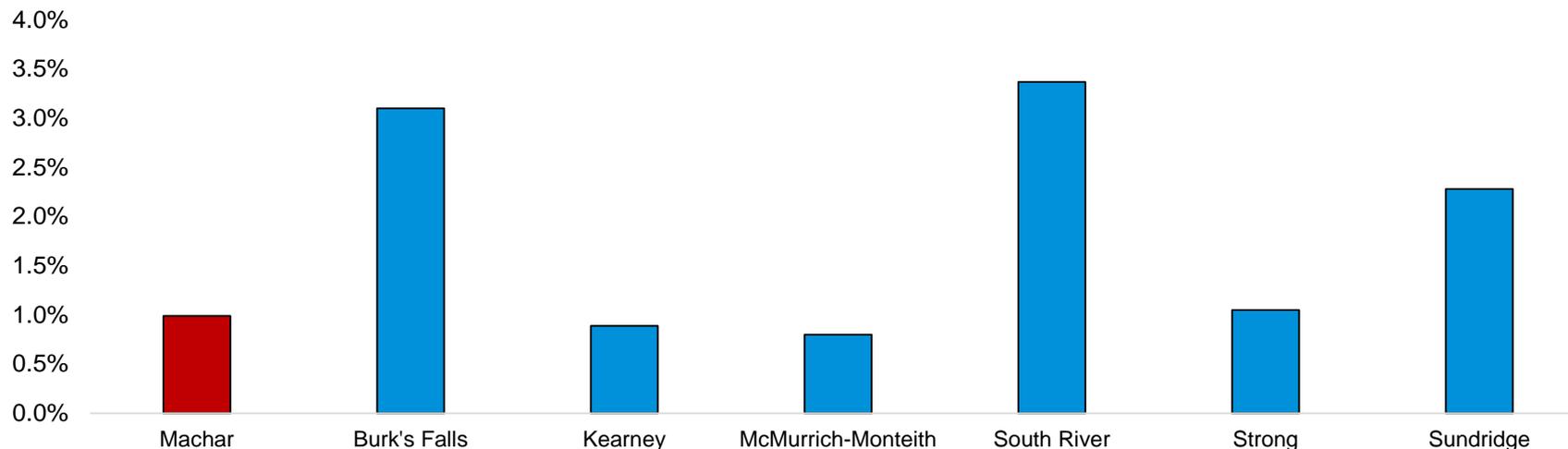
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

FIR Schedule 40, Line 9910, Column 7 less FIR Schedule 40, Line 9910, Column 16 divided by FIR Schedule 26, Column 17, Lines 9199 and 9299

POTENTIAL LIMITATIONS

- As operating expenses are funded by a variety of sources, the Township's sustainability may be impacted by reductions in other funding sources that would not be identified by this indicator.



Financial Indicators and Benchmarking Analysis

CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

This financial indicator provides an assessment of the Township’s solvency by assessing the extent to which it is sustaining its tangible capital assets. In the absence of meaningful reinvestment in tangible capital assets, the Township’s ability to continue to deliver services at the current levels may be compromised.

TYPE OF INDICATOR

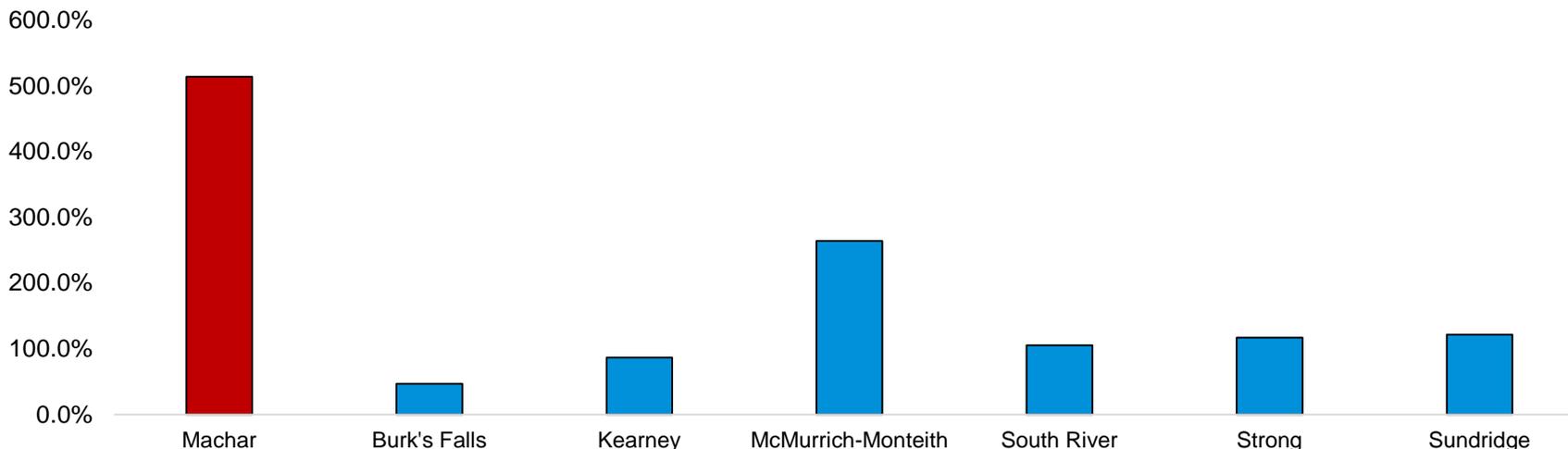
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

FIR Schedule 51, Line 9910,
 Column 3 divided by FIR
 Schedule 40, Line 9910,
 Column 16

POTENTIAL LIMITATIONS

- This indicator considers amortization expense, which is based on historical as opposed to replacement cost. As a result, the Township’s capital reinvestment requirement will be higher than its reported amortization expense due to the effects of inflation.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



Financial Indicators and Benchmarking Analysis

RESIDENTIAL TAXES PER HOUSEHOLD

This financial indicator provides an assessment of the Township's ability to increase taxes as a means of funding incremental operating and capital expenditures.

TYPE OF INDICATOR

Sustainability

Flexibility ✓

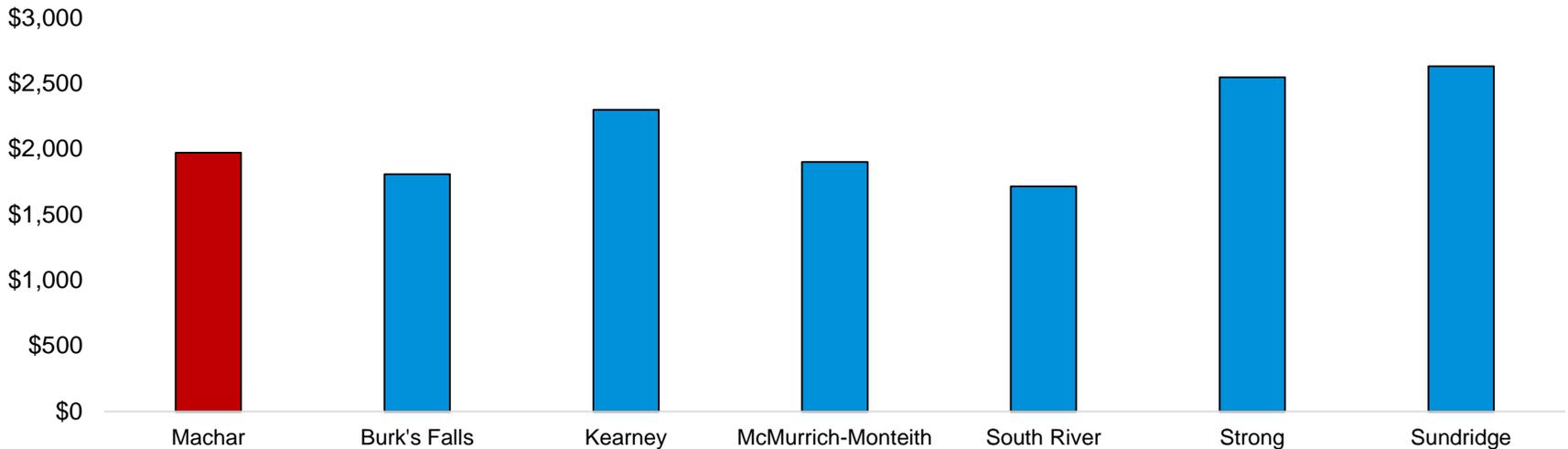
Vulnerability

FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1

POTENTIAL LIMITATIONS

- This indicator does not incorporate income levels for residents and as such, does not fully address affordability concerns.



Financial Indicators and Benchmarking Analysis

RESIDENTIAL TAXATION AS A PERCENTAGE OF HOUSEHOLD INCOME

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes.

TYPE OF INDICATOR

Sustainability

Flexibility ✓

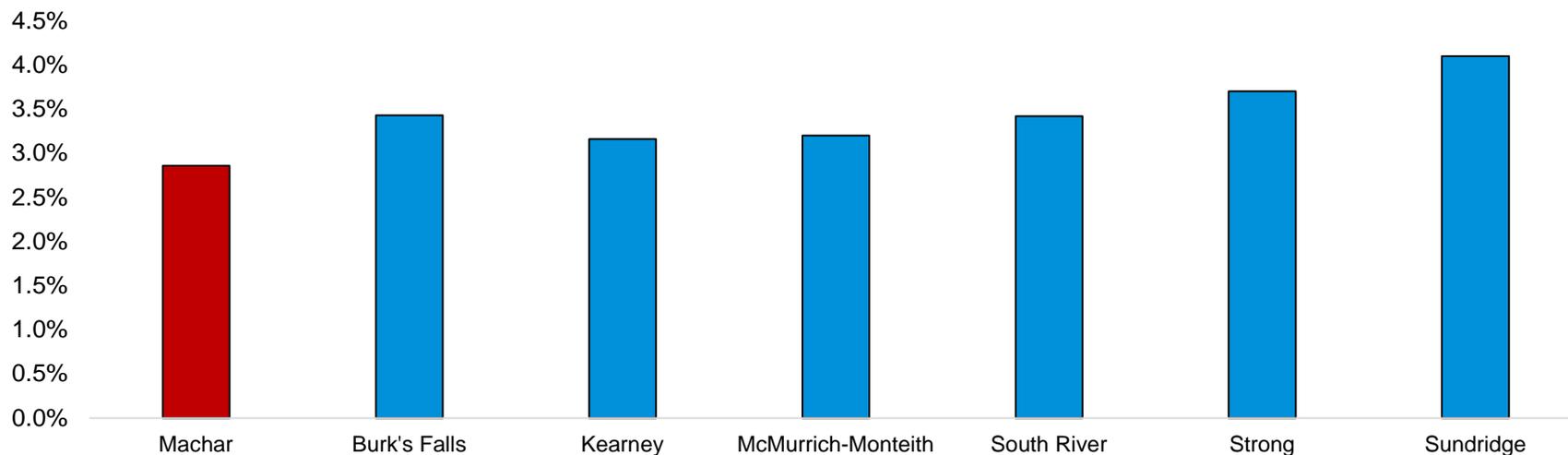
Vulnerability

FORMULA

FIR Schedule 26, Line 0010 and Line 1010, Column 4 divided by FIR Schedule 2, Line 0040, Column 1 (to arrive at average residential tax per household). Average household income is derived from the National Housing Survey.

POTENTIAL LIMITATIONS

- This indicator considers residential affordability only and does not address commercial or industrial affordability concerns.
- This indicator is calculated on an average household basis and does not provide an indication of affordability concerns for low income or fixed income households.



Financial Indicators and Benchmarking Analysis

TOTAL LONG-TERM DEBT PER HOUSEHOLD

This financial indicator provides an assessment of the Township's ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt.

TYPE OF INDICATOR

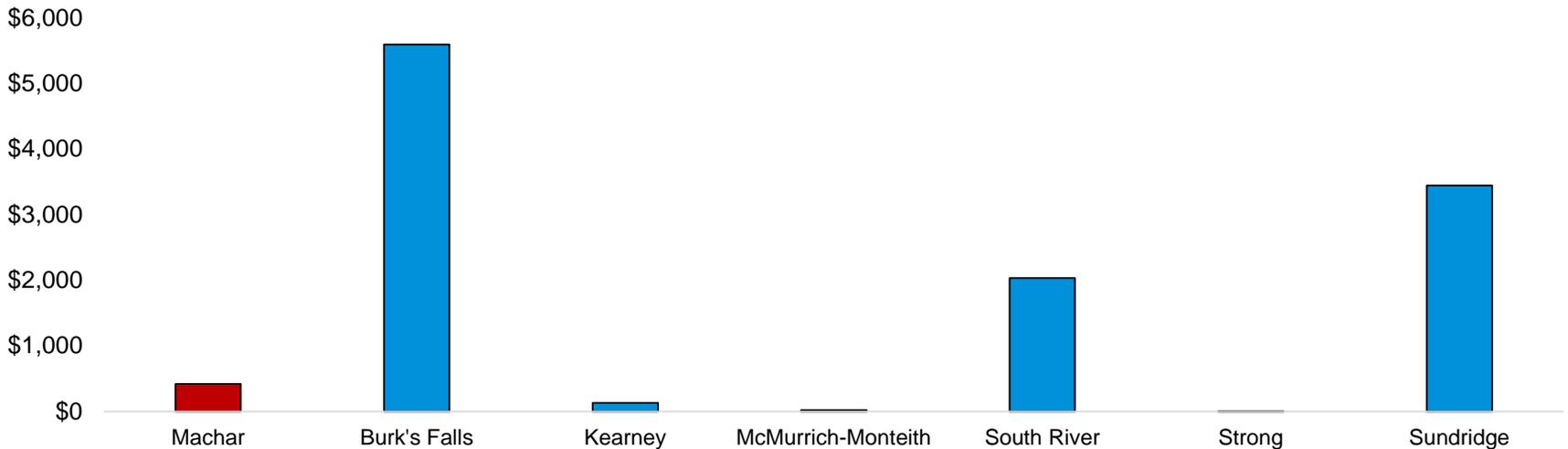
Sustainability
Flexibility ✓
Vulnerability

FORMULA

FIR Schedule 70, Line 2699,
Column 1 divided by FIR
Schedule 2, Line 0040, Column
1

POTENTIAL LIMITATIONS

- This indicator does not consider the Provincial limitations on debt servicing cost, which cannot exceed 25% of own-source revenues unless approved by the Ontario Municipal Board



Financial Indicators and Benchmarking Analysis

TOTAL TAXATION AS A PERCENTAGE OF TOTAL ASSESSMENT

This financial indicator provides an indication of potential affordability concerns by calculating the Township's overall rate of taxation. Relatively high tax rate percentages may limit the Township's ability to generate incremental revenues in the future.

TYPE OF INDICATOR

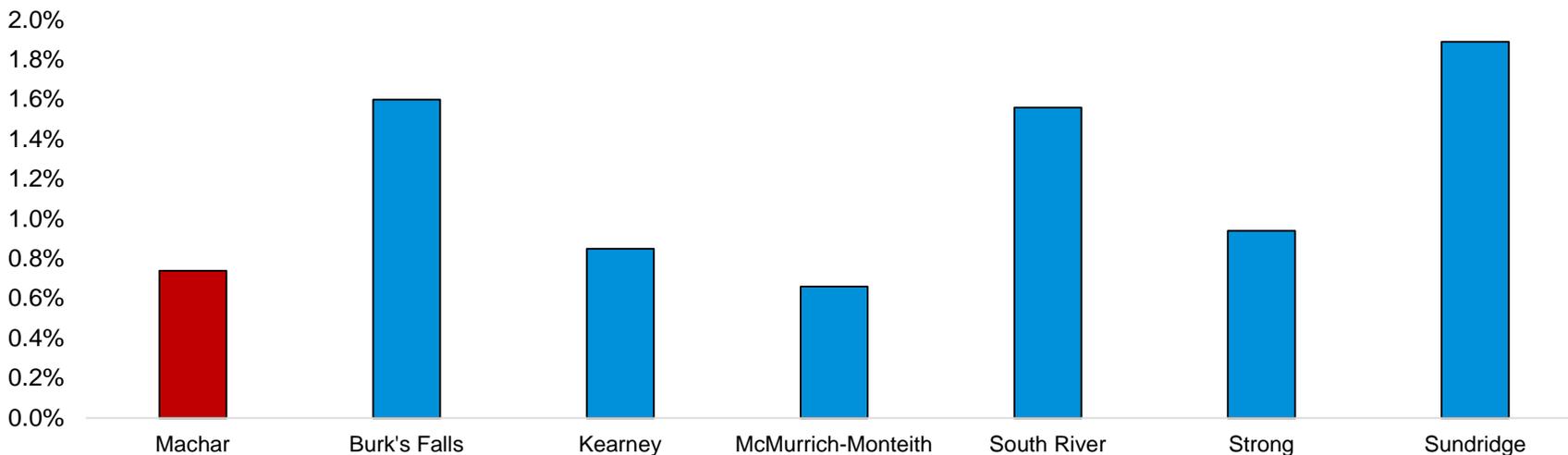
Sustainability
Flexibility ✓
Vulnerability

FORMULA

FIR Schedule 26, Line 9199 and Line 9299, Column 4 divided by FIR Schedule 26, Line 9199 and 9299, Column 17.

POTENTIAL LIMITATIONS

- This indicator considers the Township's overall tax rate and will not address affordability issues that may apply to individual property classes (e.g. commercial).



Financial Indicators and Benchmarking Analysis

DEBT SERVICING COSTS (INTEREST AND PRINCIPAL) AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Township’s overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The Township’s ability to issue additional debt may be limited if debt servicing costs on existing debt are excessively high.

TYPE OF INDICATOR

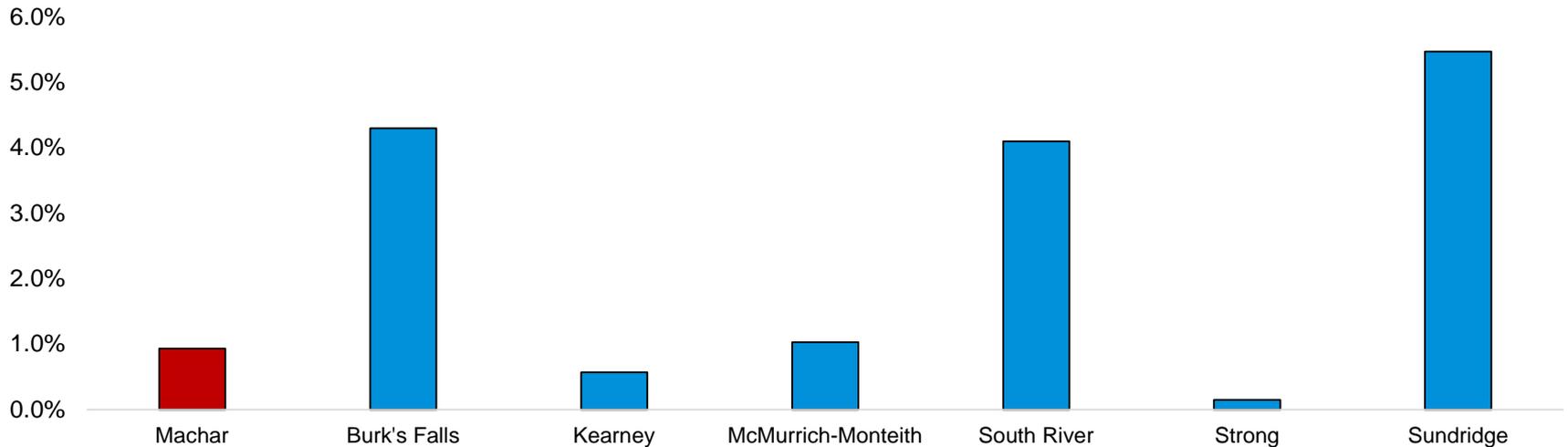
Sustainability
Flexibility ✓
Vulnerability

FORMULA

FIR Schedule 74C, Line 3099, Column 1 and Column 2 divided by FIR Schedule 10, Line 9910, Column 1.

POTENTIAL LIMITATIONS

- No significant limitations have been identified in connection with this indicator



Financial Indicators and Benchmarking Analysis

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS AS A PERCENTAGE OF HISTORICAL COST OF TANGIBLE CAPITAL ASSETS

This financial indicator provides an indication as to the extent to which the Township is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the Township is, on average, investing in capital assets as they reach the end of useful life, with indicators of less than 50% indicating that the Township's reinvestment is not keeping pace with the aging of its assets.

TYPE OF INDICATOR

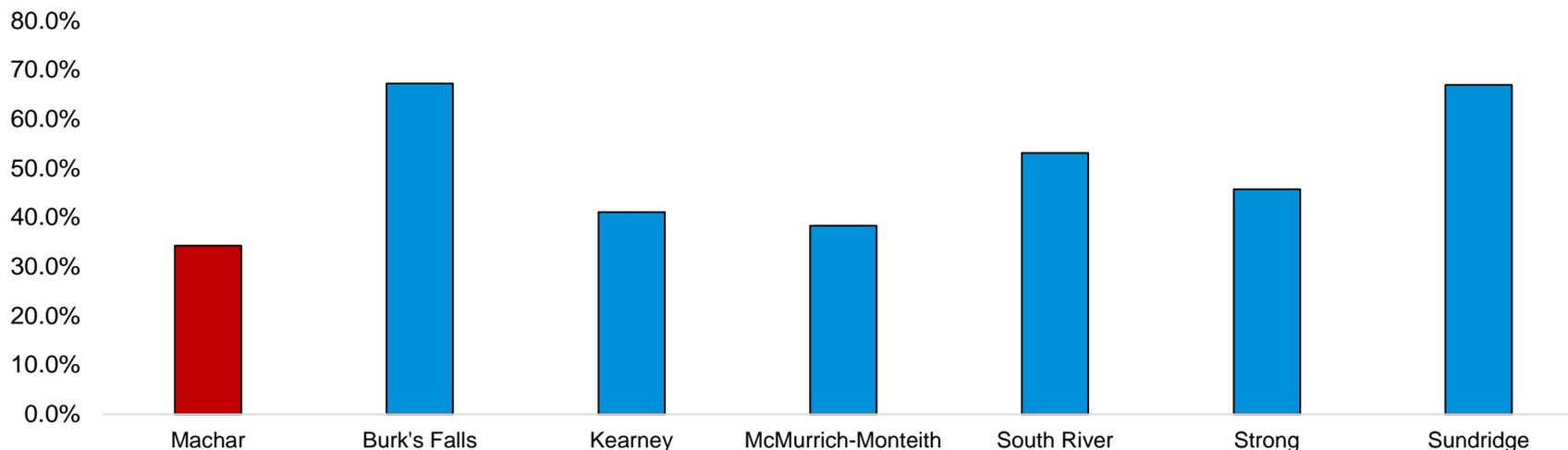
Sustainability
Flexibility ✓
Vulnerability

FORMULA

FIR Schedule 51A, Line 9910, Column 11 divided by FIR Schedule 51A, Line 9910, Column 6.

POTENTIAL LIMITATIONS

- This indicator is based on the historical cost of the Township's tangible capital assets, as opposed to replacement cost. As a result, the Township's pace of reinvestment is likely lower than calculated by this indicator as replacement cost will exceed historical cost.
- This indicator is calculated on a corporate-level basis and as such, will not identify potential concerns at the departmental level.



Financial Indicators and Benchmarking Analysis

OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

This financial indicator provides an indication as to the Township's degree of reliance on senior government grants for the purposes of funding operating expenses. The level of operating grants as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating grants.

TYPE OF INDICATOR

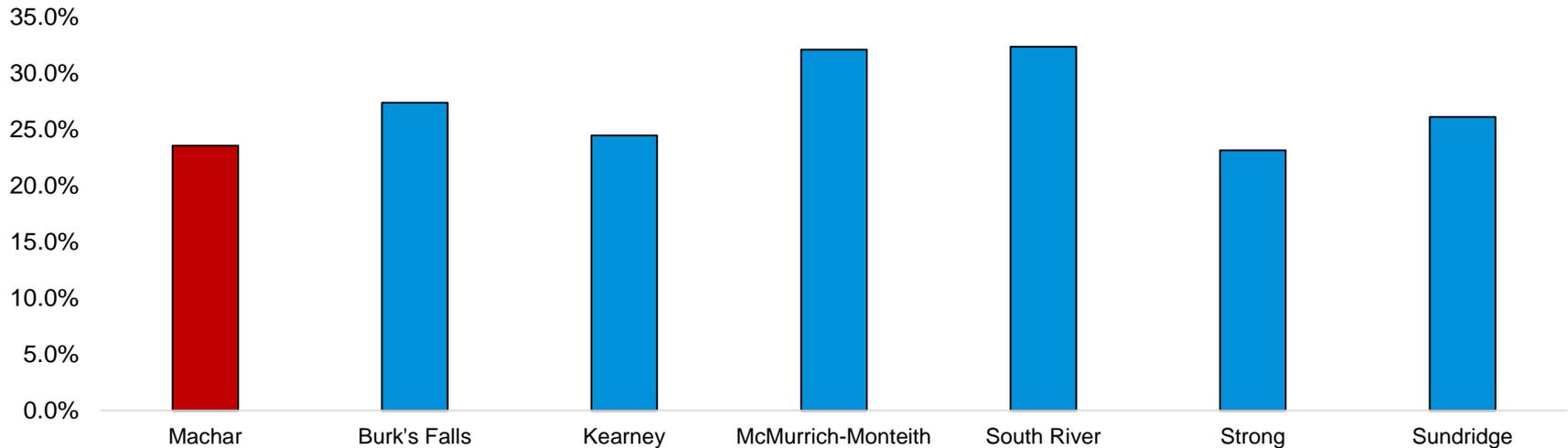
Sustainability
 Flexibility
 Vulnerability ✓

FORMULA

FIR Schedule 10, Line 0699,
 Line 0810, Line 0820, Line
 0830, Column 1 divided by FIR
 Schedule 10, Line 9910,
 Column 1.

POTENTIAL LIMITATIONS

- To the extent possible, the Township should maximize its operating grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



Financial Indicators and Benchmarking Analysis

CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

This financial indicator provides an indication as to the Township's degree of reliance on senior government grants for the purposes of funding capital expenditures. The level of capital grants as a percentage of total capital expenditures is directly proportionate with the severity of the impact of a decrease in capital grants.

TYPE OF INDICATOR

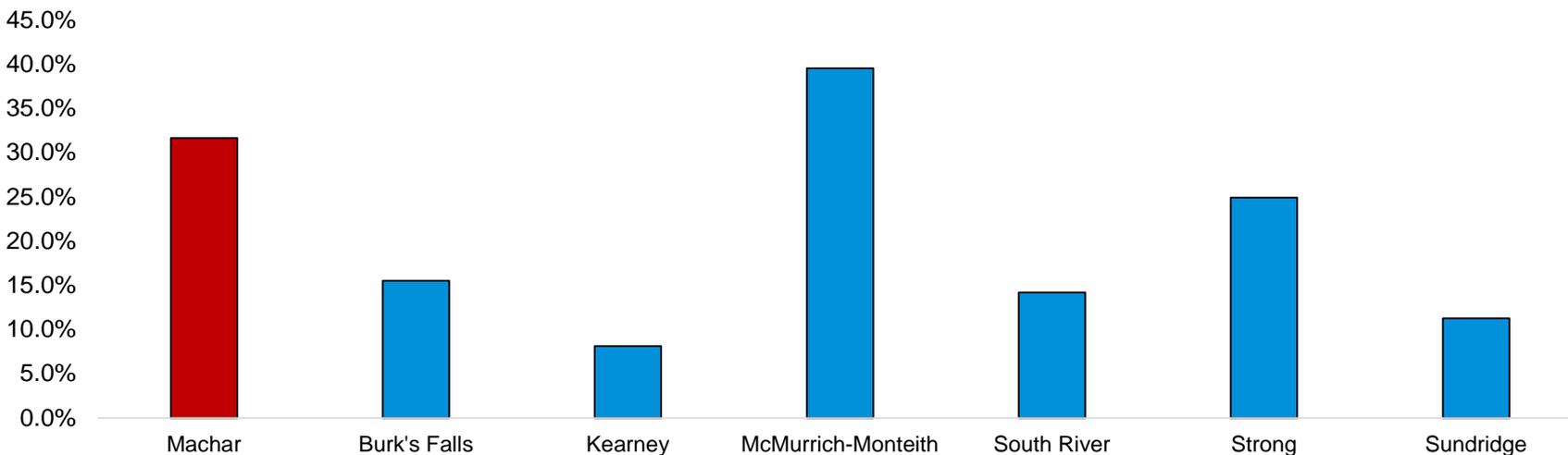
Sustainability
 Flexibility
 Vulnerability ✓

FORMULA

FIR Schedule 10, Line 0815,
 Line 0825, Line 0831, Column
 1 divided by FIR Schedule 51,
 Line 9910, Column 3.

POTENTIAL LIMITATIONS

- To the extent possible, the Township should maximize its capital grant revenue. As such, there is arguably no maximum level associated with this financial indicator.



Financial Indicators and Benchmarking Analysis

Service	Indicator	Machar	Comparator Municipalities		
			Low	High	Average
Corporate Wide	Total wages and benefits costs per household	\$1,048.29	\$932.09	\$1,901.29	\$1,476.23
	Contracted services per household	\$403.37	\$671.66	\$1,696.09	\$1,161.11
General Government	General government Services – Operating costs per household	\$448.08	\$449.59	\$1,168.15	\$706.28
Protective Services	Police Services – Operating costs per household	\$247.65	\$257.43	\$529.67	\$370.91
	Fire Services – Operating costs per household	\$79.26	\$137.08	\$320.46	\$220.59
	Other Protective Services (Building and Bylaw) – Operating costs per household	\$134.92	\$46.22	\$221.45	\$93.55
Transportation Services	Operating costs per household	\$899.05	\$514.24	\$925.41	\$683.24
Environmental Services	Operating costs per household	\$228.10	\$173.37	\$1,201.68	\$607.33
Recreation and Cultural Services	Operating costs per household	\$227.28	\$133.09	\$658.84	\$410.93
Planning and Development Services	Operating costs per household	\$6.55	\$19.05	\$243.91	\$91.89

Source: KPMG analysis of FIR Information (2019)



Corporation of the Township of Machar

Chapter V: Service Based
Opportunities for
Consideration



Service Based Opportunities for Consideration

This section presents the opportunities identified during the course of the service delivery review. The opportunities contained within the report are considered to described at a high level and as such, the potential financial and non-financial benefits were determined on an incremental basis.

From our perspective, we suggest that the potential benefits from these opportunities could be in the form of either capacity benefits or financial benefits:

- **Capacity benefits** result from workload reductions achieved through efficiency gains, allowing Township personnel to focus on other activities. Given that this results in a redirection of staff, as opposed to a reduction in staff, capacity benefits do not result in direct cost savings.
- **Financial benefits** refer to efficiency gains that provide incremental cost savings to the Township through reductions in operating costs as well any opportunities that may provide Township increases in other revenue sources (e.g. user fees).

For the purposes of the reader, the opportunities presented in the following table are not presented in any prioritized order.

Service Based Opportunities for Consideration

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Revenue Generation	Explore the establishment of a capital levy for the purpose of creating another revenue stream for the Township's capital needs	Many municipalities similar to the Township recognize their inability to unilaterally address their respective infrastructure financial needs but at the same, recognize that capital needs cannot be ignored. This opportunity would provide the Township with additional capital revenues to leverage for the maintenance and replacement of municipal assets and the implementation of a capital levy is considered to be a municipal best practice within the municipal sector. Typically, municipalities establish a capital levy ranging between 1% to 3% of its annual levy and may set the rate for pre-determined amount of time prior to review (5 years). Municipalities may also communicate how the capital levy was used on an annual basis.	Potential increased capital specific revenues in excess of \$50,000 annually
Operating Efficiency	Increase the frequency for the tendering of professional services	The Township has a number of contracts for services and materials including professional services (legal, insurance, etc) and operational services (public works related works). During the course of the review, it appears services may not be tendered as frequently as they could be. Increasing the frequency of tendering for services is a municipal best practice, allows the Township to test the market and ensure the municipality is receiving best value for purchased goods and services.	Enhanced decision-making and service delivery; Potential cost savings which cannot be reasonably determined

Service Based Opportunities for Consideration

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency	Financial policy review and development	<p>During the course of our review, we noted that the Township does not possess financial policies which are considered to best practice in the municipal sector. In our experience, the absence of policy can potentially create delays/inefficiencies within related processes.</p> <p>The Township may want to consider the development and/or review of the following:</p> <ul style="list-style-type: none"> • Formal budget process – based on our analysis in a following chapter, the Township’s process appears to be consistent with municipal best practice. However, the Municipality may want to take its current process and formalize it as a Standard Operating Procedure • Donation policy – Every municipality provides support to its residents and community groups in various forms including in-kind and monetary donations. In response to the varying requests put forward to Council, many municipalities adopt municipal donation policies which establish eligibility to receive support from the municipality, financial and non-financial support. Donation policies provide clarity to both Council, in reviewing applications and community groups, in understanding what will be taken into consideration. 	Potential capacity gains within the organization

Service Based Opportunities for Consideration

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency	Re-formalize the shared service agreements with the Village of South River for the provision of fire services and recreation services	<p>At the time of the review, the two municipalities do not have a formal agreement for the sharing of fire and recreational services and the relationship is continuing based on a now expired agreement.</p> <p>The re-establishment of a formal agreement would clearly define each partner's role and responsibilities, create processes with respect to governance, cost sharing and formal communication between the two municipalities.</p>	Enhanced decision-making and service delivery
Revenue Generation	Review the Township's approach to user fees	<p>During the course of the review, municipal staff indicated that the Township's user fees are not consistently reviewed and/or adjusted on an annual basis. Given the current state, the Township may wish to consider the following going forward:</p> <ul style="list-style-type: none"> • The development of a process by which all departments are required to review user fees and service charges and determine whether or not those fees and charges should increase • Ensure that the current level of user fees and service charges reflect a level of cost recovery that the Township deems to be suitable • Where applicable, ensure that the user fees and service charges contain a component for capital replacement 	Enhanced decision-making and service delivery

Service Based Opportunities for Consideration

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency	Review of Information Technology operations	During the course of the review, one corporate function appeared to be missing from the Township’s operation. The Township does not appear to have formal information technology services within its current operations whereas Finance oversees this service with an ad-hoc approach. The informal provision of this service applies additional pressure on the organization as it takes away from core responsibilities. Based on anecdotal information shared during the consultations with the Township, the current approach to information technology does not meet the needs of the organization. The Township may want to explore seeking out a third party service provider to meet current need.	Enhanced decision-making and service delivery
Service Level Adjustment	Explore the potential of redeveloping the Township’s approach to solid waste management	Currently, the Township’s landfill site has approximately 208 years remaining and the use of swipe cards at the site would be considered to be best practice. Based on information shared as part of the review, the Township does not restrict the amount of waste that can be disposed of at the landfill site. The Township may want to explore the potential of changing its approach to solid waste management to be more consistent with municipal common and best practices which would establish a limit to how much waste can be disposed of. Any waste above and beyond that limit would be subject to additional fees.	Potential cost savings/ additional revenues cannot be reasonably determined



Corporation of the Township of Machar

Chapter VI: Process Based
Opportunities for
Consideration



Process Based Opportunities for Consideration

Introduction – How to read this chapter

For each process under review, we have provided process maps that outline the individual worksteps undertaken as part of the process in Chapter VII. These maps are outlined in flowchart form and are intended to assist in understanding (i) the individual worksteps performed by Township personnel; (ii) the sequential ordering of the worksteps; and (iii) decision points included in the process.

Where an area for potential improvement has been identified, they have been indicated in the process maps through the following markers:



Process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value



Financial risk, representing areas where the Township's system of internal controls is insufficient to prevent the risk of financial loss



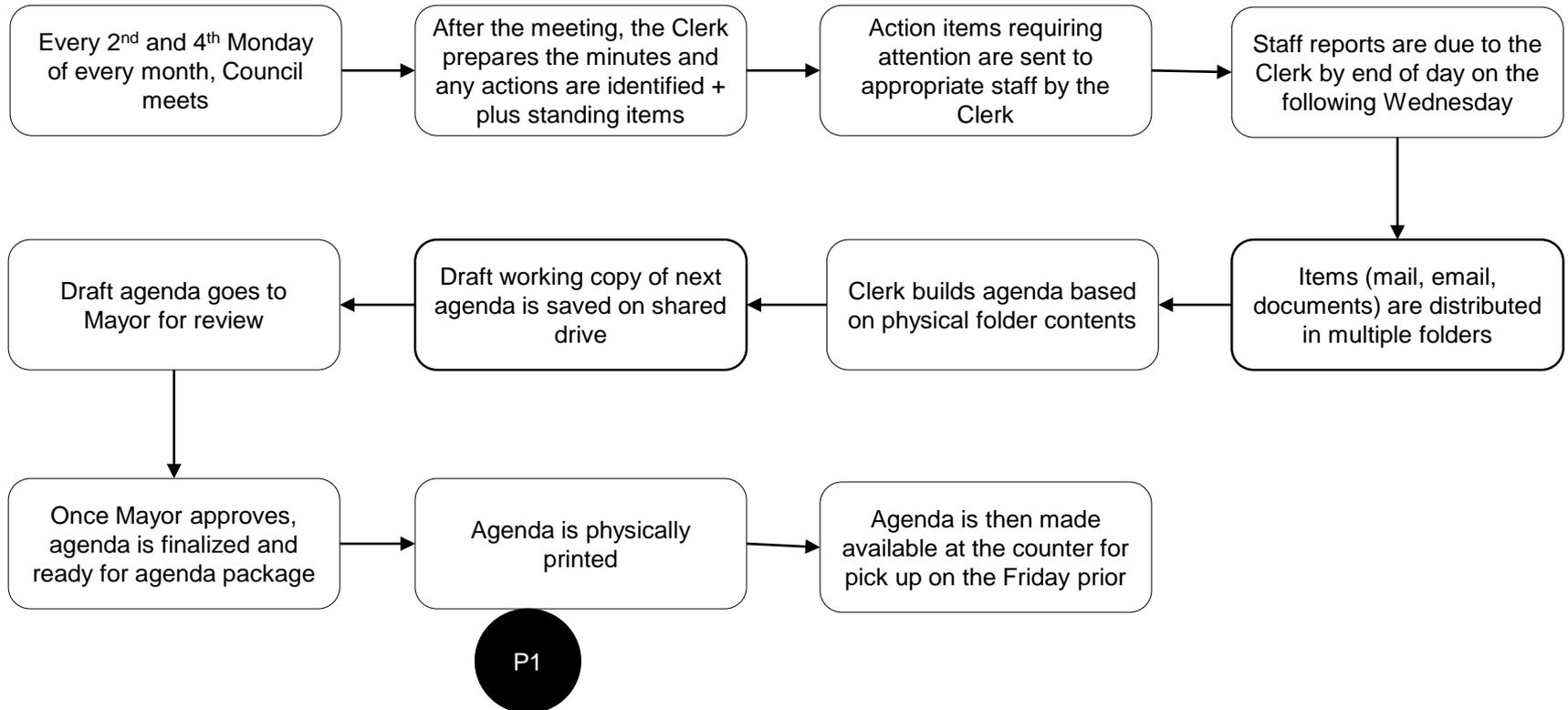
Client service limitations, representing aspects of the Township's operations that may adversely impact on customer satisfaction



Litigation risk, consisting of potential areas where the Township's processes may expose it to risk, including areas where existing measures to mitigate risk are considered insufficient

Included with the process maps are the potential areas for improvements, as well as potential courses of action that could be adopted by the Township to address the identified issues.

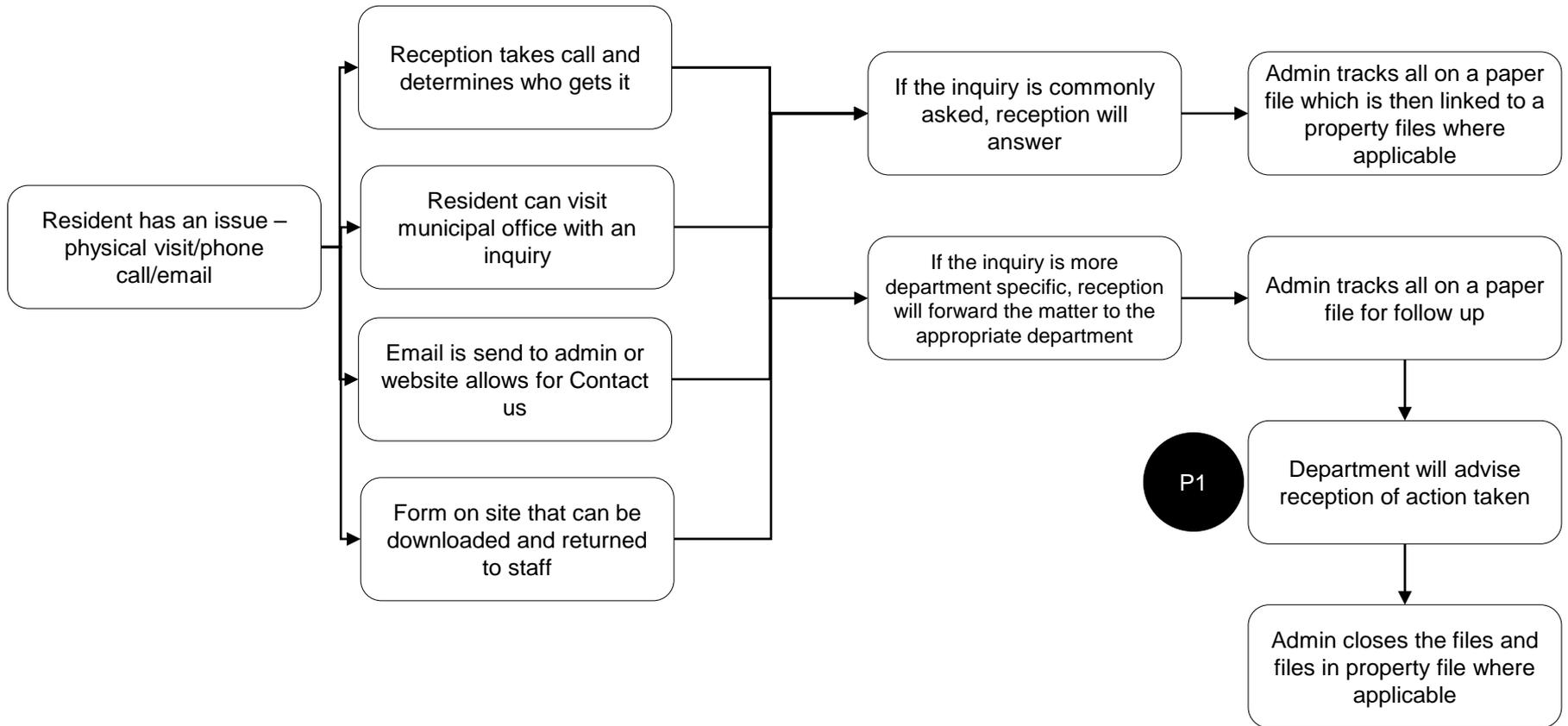
Agenda Preparation



Potential Courses of Action

Issue	Potential Course of Action
<p> Currently, the Township produces physical copies of its agenda packages for the purposes of Council.</p>	<p>The Township may want to give some consideration to ending the practice of producing physical Council agenda packages. A shift in this approach would be consistent with municipal best practice and frees up internal capacity within the organization.</p> <p><i>Note: The Township may not be in a position to fully implement this opportunity as a result of access/usage to information technology services.</i></p>

Customer Service

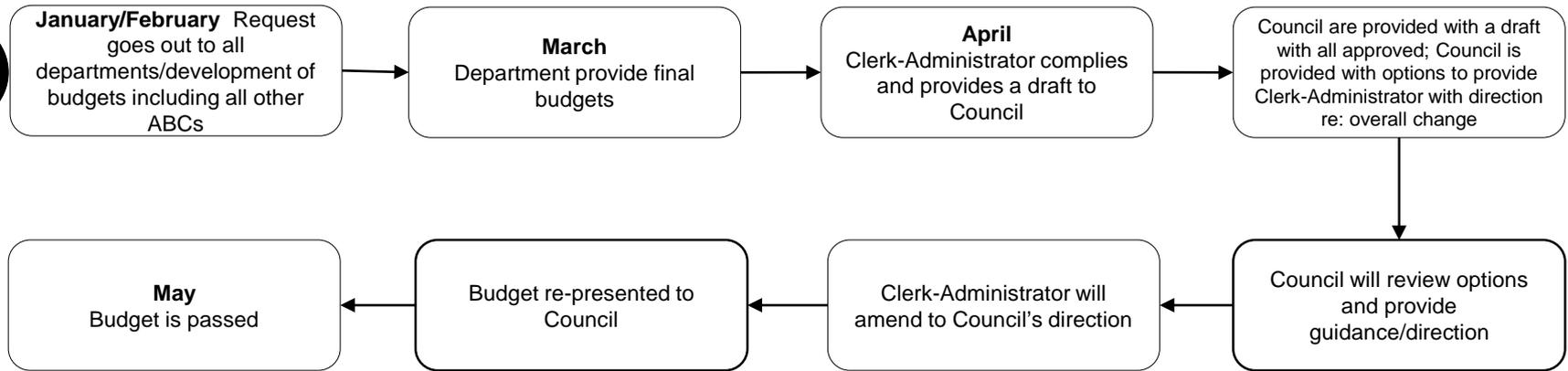


Potential Courses of Action

Issue	Potential Course of Action
<p>P1</p> <p>The Township does not appear to currently have a formal customer service policy which would include items such as the timeframe by which Township staff acknowledge an inquiry as well as other customer service related matters.</p>	<p>The establishment of a customer service policy is considered to be a municipal best/common practice. The Township may want to consider the development and implementation of a customer service policy which sets out how the Township would like to engage with the public.</p>

Budget

P1



Potential Courses of Action

Issue	Potential Course of Action
<p> The Township does not appear to currently have a formal policy that sets out the budget process.</p>	<p>The Township's current approach to the development of its budget appears to follow municipal best/common practices. The establishment of a budget policy simply formalizes the process as a standard operating procedure. A sample policy can be found on the following page.</p>

Potential Courses of Action

SAMPLE BUDGET POLICY

POLICY

- The Township's policy is to establish an annual budget process encompassing all municipal departments and Agencies, Boards and Commissions (ABC's) for which Council is required to approve annual budget estimates or levies.

OBJECTIVES

- To establish the processes of the annual budget
- To encourage long-range planning in operating expenditures
- To achieve approval of the annual budget prior to February 28th of the following year (unless an election year in which years the budget shall be approved by March)
- To encourage effective planning, analysis and allocation of the Township's limited financial resources

IMPLEMENTATION

1. That the Treasurer prepare a report, no later than October 31st of each year, to provide Council a report outlining an overview of the projected budget challenges
2. That Council, no later than December 31st of each year, provide direction to staff regarding any changes in levels of service required for the following year and that this information be taken into account in the determination of the budget targets.
3. That the Treasurer, working in conjunction with other staff, develop and present a preliminary budget not later than January 31st that includes:
 - The calculated amount of capital levy as determined by the capital financing policy.
 - An adjustment to operating cost expenditures (excluding levies from outside boards and agencies) not to be lower than the published year-over-year Consumer Price Index for the month of October
 - An adjustment to levies from outside boards and agencies that reflects the anticipated change in levy amounts.
4. Personnel additions will only be considered if it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies.

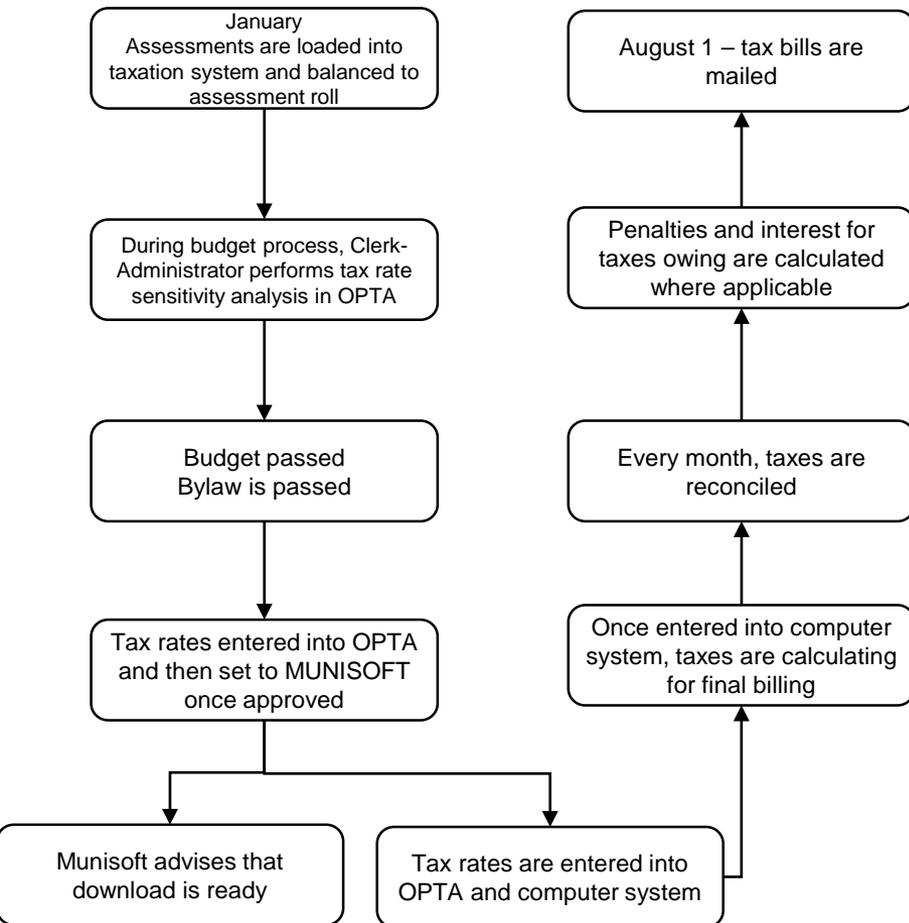
Potential Courses of Action

SAMPLE BUDGET POLICY

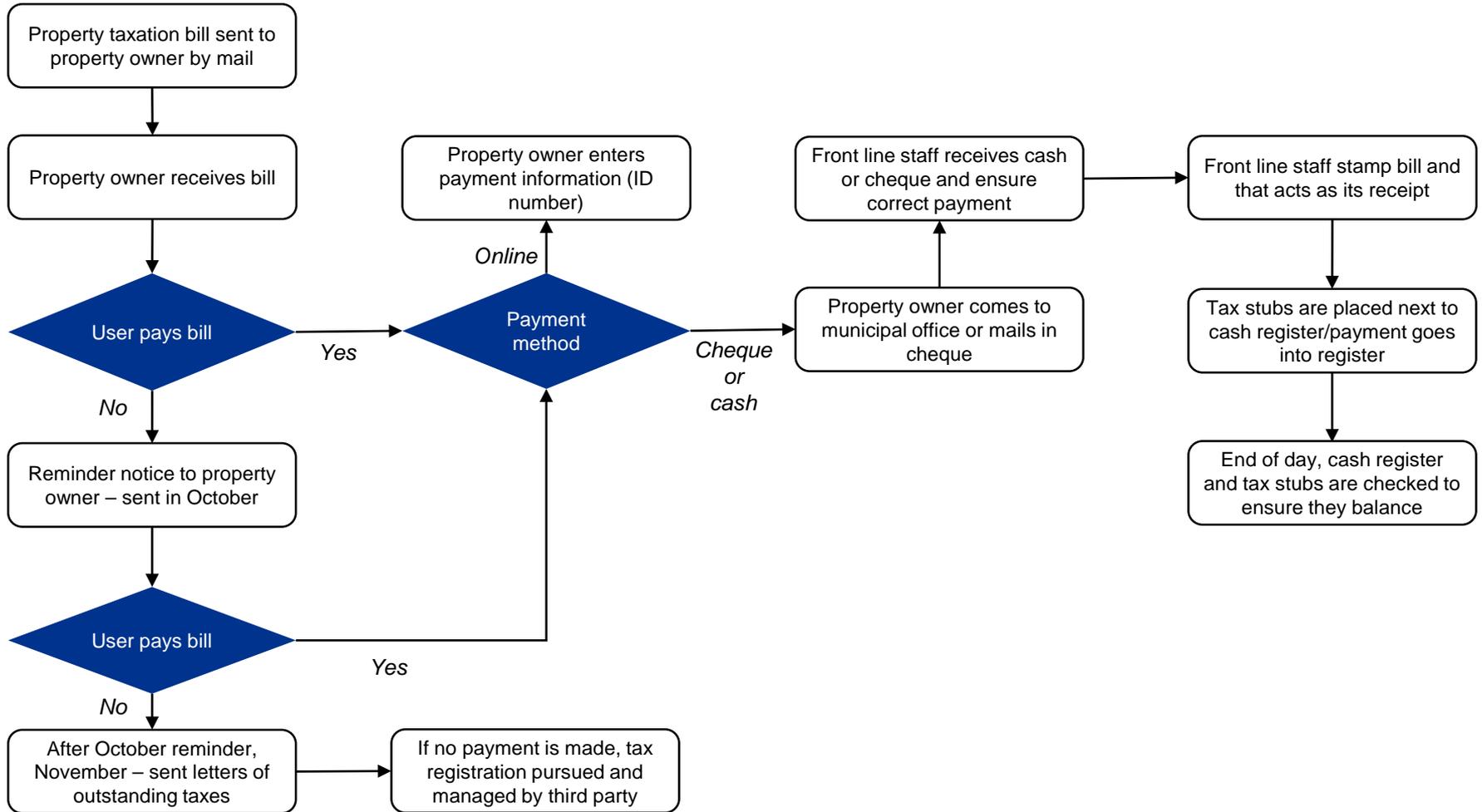
IMPLEMENTATION (Continued)

5. To the extent feasible, personnel cost reductions will be achieved through attrition.
6. Alternative means of service delivery will be evaluated to ensure that quality services are provided to our citizens at the most competitive and economical cost.
7. Operating variances will be monitored on a monthly basis by managers with reports to Council as of June 30th, September 30th and December 31st each year.
8. Capital projects, including approved change orders and other anticipated cost increases, will be reported to Council as of June 30th and December 31st.

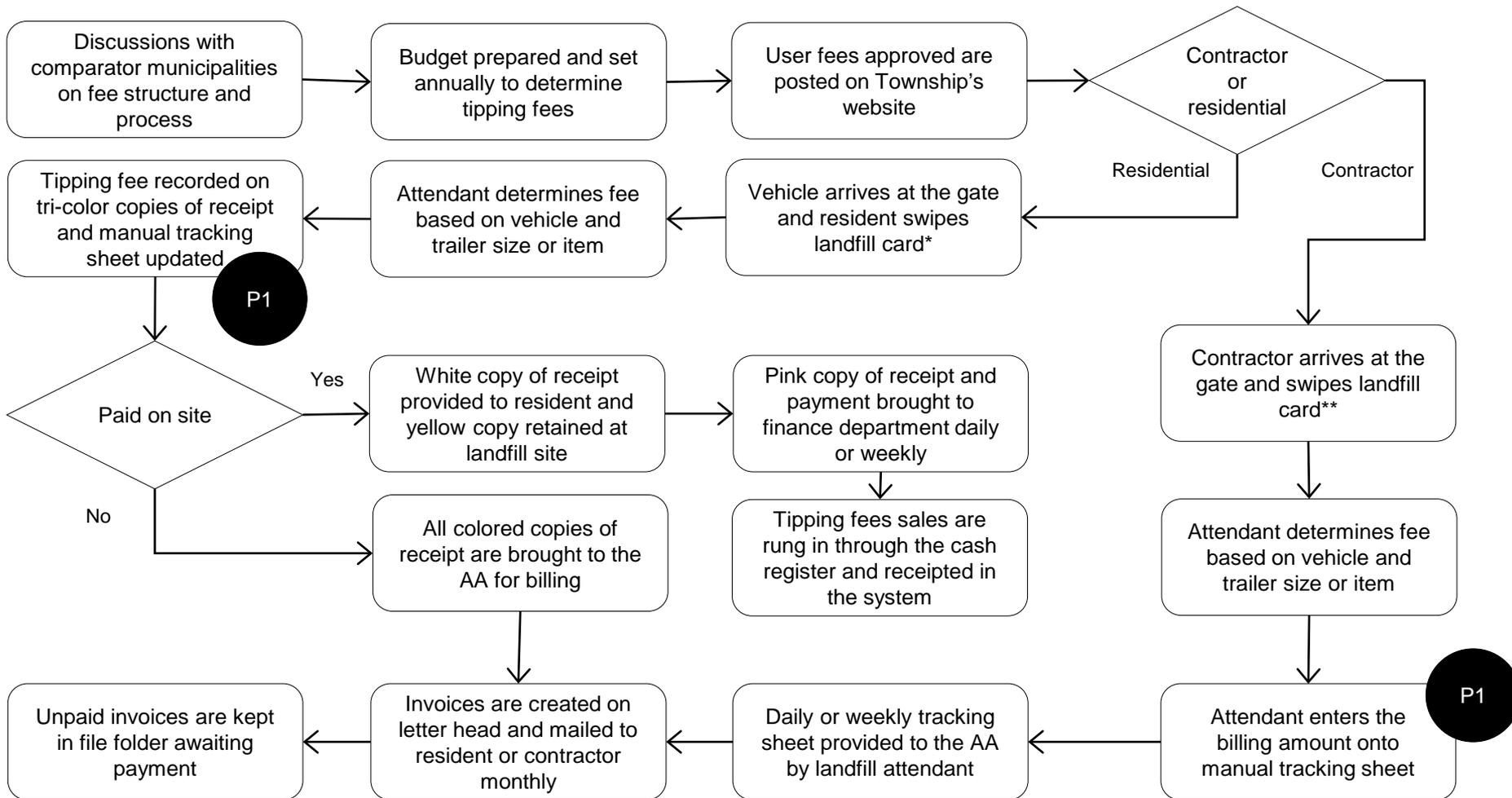
Property Taxation



Property Taxation Payment



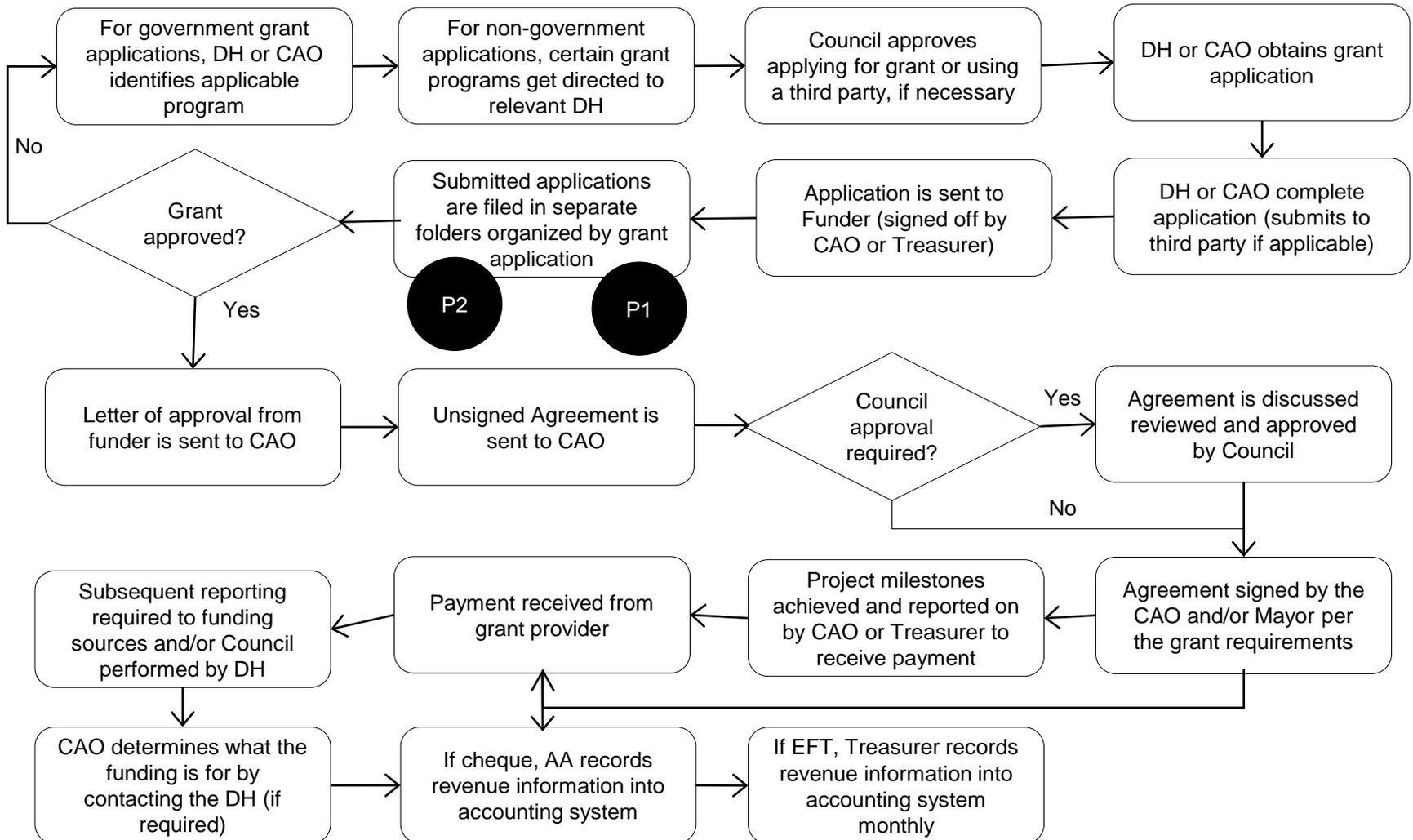
User Fees - Landfill



Potential Courses of Action

Issue	Potential Course of Action
<p>P1</p> <p>On a regular basis the landfill attendant provides the AA with a hand written tracking sheet for purposes of billing unpaid landfill charges to residents and contractors and recording the transactions in the accounting system. Handwritten receipts and the corresponding cash collected are provided to the AA for receipting and recording in the accounting system.</p> <p>At the current time, the document provided to the AA for purposes of billing and recording within the system is a handwritten tracking sheet, which is manually updated by the landfill attendant. Given the manual tracking, it is possible transactions will be missed being reported to the finance department for invoicing.</p>	<p>It is recommended that an excel based tracking sheet be implemented and stored on a shared drive where it is accessible to both the landfill attendants and the AA. Although this is still a manual approach to tracking landfill user fees, it has been noted that implementing a POS system onsite would not be cost efficient given the volume of cash that is collected at the landfill site.</p> <p>Therefore, an excel based tracking sheet that records both collected and uncollected tipping fees, distinguishes between resident and commercial, and tracks the status of the tipping fee between billed and received amounts would provide a centralized method of collecting and recording tipping fees between the landfill and the finance department.</p> <p><i>Note: The Township may not be in a position to fully implement this opportunity as a result of access/usage to information technology services.</i></p>

Billings and Collections: Grants



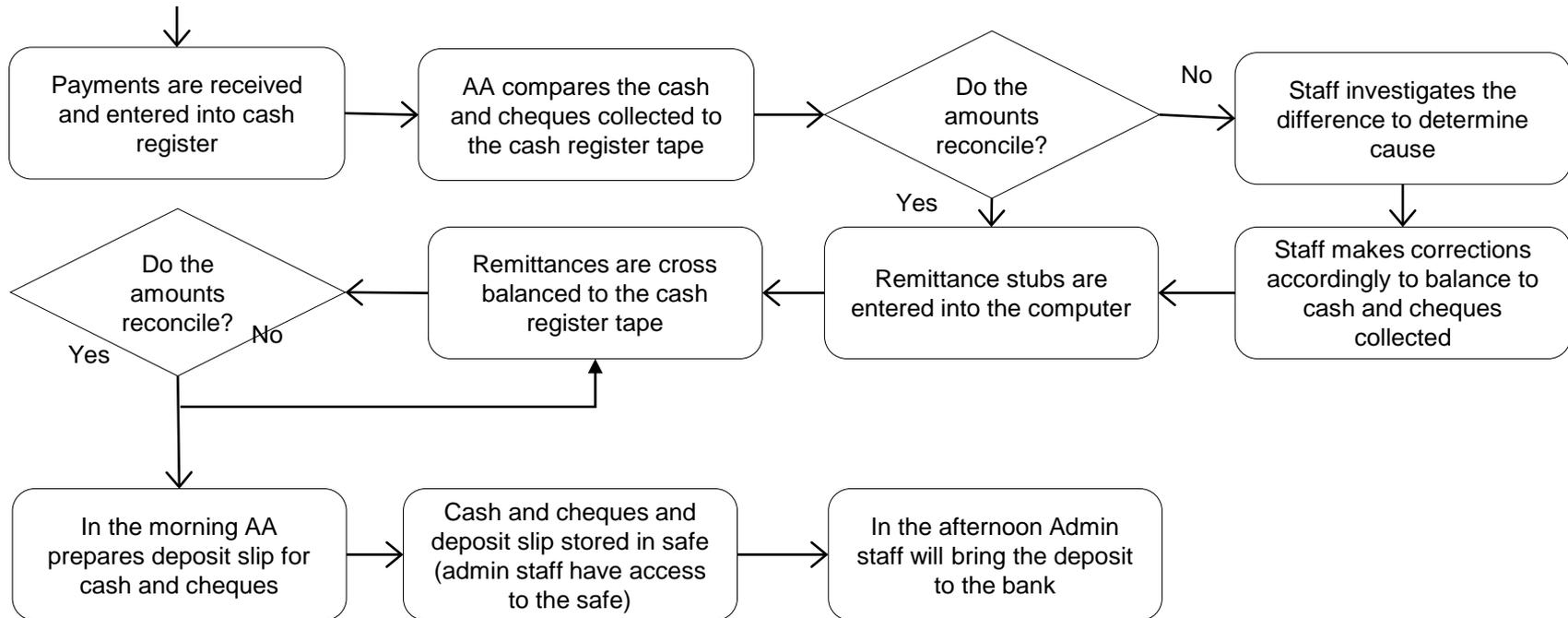
Potential Courses of Action

Issue	Potential Course of Action
<p>P1</p> <p>Currently, a debrief of unsuccessful grant applications does not always occur. Determining the reason for the failed application can identify the strengths and weaknesses in the application and will assist with improved grants submissions in the future.</p>	<p>Follow up should be completed on all unsuccessful grant applications in excess of \$50,000 by the individual who completed the grant application. This will help to identify items to improve on further applications.</p>
<p>P2</p> <p>Currently there is no method of tracking current grant applications throughout the application process. Therefore, this could result in missed application deadlines or mismanagement of current and outstanding applications.</p>	<p>It is recommended that a grant application tracking sheet be implemented and made available to all parties involved in the grant application process. The tracking sheet could be excel based and saved on a shared drive to enable the DHs, the CAO and the Treasurer shared access to both view and update the status of any given application. This will assist with decision making on new application pursuits, time management of application submissions, and follow up on outstanding applications.</p>

Billings and Collections: End of Day Cash Reconciliation

Billing and Collections – User fees

Billing and Collections – Property taxes





Corporation of the Township of Machar

Chapter VII: Next Steps



Next Steps

Upon the acceptance of the final report and as the Township moves forward with the implementation of opportunities identified through the review, the Township may wish to consider the following:

1. The Municipal Service Review Becomes a Regular Report to Council Going Forward

As Council moves into its new role of implementation, the Township has an opportunity to ensure that the results of the municipal service review become part of Council's agenda on a go-forward basis in some manner. To accomplish this, the Township may wish to consider having the service review as a report to Council on a scheduled basis (quarterly as a potential increment). This practice assists in maintaining momentum but also provides an opportunity for Council and the community at large to be kept up to date as to the progress of the opportunities identified within the review. Ultimately, it has the potential keep everyone who invested resources into the process to remain engaged.

2. Establishment of Project Sponsorship

In our experience, a number of transformational projects do not achieve their expected results due to the absence of support from those tasked with governance, which in the case of the Township means Council. In order to ensure that the Township maintains direction with respect to the implementation of the review findings, it may wish to consider the establishment of project sponsorship. For the purposes of this review, the Township should give strongly consider appointing the Clerk-Administrator as the Project Sponsor to oversee the subsequent work efforts associated with the review. The potential mandate of which should include:

- Receiving reports from staff as to the progress of implementation activities, which we suggest occur on a monthly basis – these would logically flow into the first item identified;
- Providing approval for specific implementation plans
- Reporting to Council on the progress of transition activities
- Providing guidance and advice (as requested) to staff in support of transition activities.

We suggest that the Township first establish terms of reference that outline the responsibilities of the Project Sponsor, including a delineation of responsibilities between Council and staff (recognizing that staff have an operational responsibility for the implementation activities).

Next Steps

3. Prioritization of Opportunities

With regard to anything that may bring upon change, there is the potential for “decision paralysis” whereas Council may find it difficult to prioritize one opportunity over another and as a result, opportunities may not be implemented. To assist in the potential implementation of opportunities and to assist Council in its decision making process, the Township may wish to consider the development of opportunity ranking criteria. This criteria allows for Council to assess opportunities through a number of lens including but not exclusive to:

- *Financial Impact* – What would the impact of this opportunity be to the Township’s in terms of cost savings, revenue gains and capacity increases?
- *Customer Service* – Does this opportunity allow the Township to better respond to the needs of its residents/customers?
- *Impact on the Public* – How would the public be impacted by this opportunity? Would this opportunity enhance or reduce public health and safety and quality of life? Does this opportunity benefit or adversely impact vulnerable segments of the community?
- *Implementation Timeline* – In what approximate time frame could this idea be feasibly implemented?
- *Consistent with Municipal Best/Common Practices* – Is the opportunity consistent with best/common practices for similar-sized municipalities?
- *Effort and Cost to Implement* – How much effort, primarily in terms of cost, will be required to implement this opportunity? What are the ongoing costs to maintain this opportunity?
- *Regulatory Compliance* – Will the opportunity result in the Township being non-compliant with respect to Provincial or Federal legislation or regulation?

A sample prioritization scorecard can be found in Appendix A of the report.

Next Steps

4. Develop Implementation Plans

Once the Township has prioritized the opportunities, the next step is the development of implementation plans. The requirement for implementation planning and the associated level of detail will vary depending on the nature of the opportunity and its inherent complexity. Notwithstanding differences in detail, we suggest that a standardized template for implementation activities be developed so as to ensure that all important factors are considered as well as to facilitate communication with the Council committee and the community at large. A potential template has been provided within Appendix A.

Upon completion of the implementation plans, the plans would be presented to the Council for their review and approval. Upon approval, staff would then execute the plans, revising the approach as circumstances warrant.

5. Monitor and report on outcomes

The final component of the implementation process should be the monitoring and reporting on implementation outcomes, the purpose of which is to communicate the overall impact and/or benefits of the implementation process and any 'lessons learned' that may be relevant to other transition activities.

In reporting on implementation outcomes, we suggest that the following areas be addressed:

- Actual implementation activities vs. planned activities
- Actual implementation timeframes vs. planned timeframes
- Actual financial benefits (cost reductions) vs. planned benefits
- Actual one-time costs vs. planned one-time costs
- Outcomes of public meetings (if any)
- Major challenges experienced during the implementation process
- Implications for future/other transition initiatives (i.e. lessons learned)

Ongoing monitoring and reporting activities link back to the first point in this section – the establishment of the service delivery review as a standing item on Council's agenda.



Corporation of the Township of Machar

Appendix A: Implementation
Tools



Implementation Tools

Potential Prioritization Scorecard

Criteria	Description	Scoring Range	
		Low	High
Financial Benefits	<p>What would the impact of this opportunity be to the Township's in terms of cost savings, revenue gains and capacity increases?</p> <ul style="list-style-type: none"> Minimal impact 0 Incremental impact of less than \$25,000 +5 Incremental impact of \$25,000 to \$49,999 +15 Incremental impact of \$50,000 to \$99,999 +35 Incremental impact of more than \$100,000 +70 	0	+70
Public Impact	<p>How would the public be impacted by this opportunity? Would this opportunity enhance or reduce public health and safety and quality of life? Does this opportunity benefit or adversely impact vulnerable segments of the community?</p> <ul style="list-style-type: none"> Significant positive public impact could be expected for multiple and/or vulnerable constituent groups +40 Positive public impact could be expected for some constituent groups +20 Minimal public impact 0 Adverse public impact expected for some constituent groups -20 Significant adverse public response expected for multiple and/or vulnerable constituent groups -40 	-40	+40
Customer Service	<p>Does this opportunity allow the Township to better respond to the needs of its customers?</p> <ul style="list-style-type: none"> Significant enhancement in customer service, addresses major customer need(s) +10 Some contribution to enhanced customer service, addresses secondary customer need(s) +5 No impact on customer service (positive or negative) 0 Opportunity will result in some deterioration in customer service -5 Opportunity will have a major negative impact on customer service (timeliness, access) -10 	-10	+10

Implementation Tools

Potential Prioritization Scorecard

Criteria	Description	Scoring Range	
		Low	High
Time to Implement	<p>In what approximate time frame could this idea be feasibly implemented?</p> <ul style="list-style-type: none"> Before end of 2020 +5 Before end of 2021 +3 Before end of 2022 0 2023 and subsequent years -5 	-5	+5
Consistency With Best/Common Practices	<p>Is the opportunity consistent with best/common practices for similar-sized municipalities?</p> <ul style="list-style-type: none"> Consistent with best/common practices +5 Unknown 0 Inconsistent with best/common practices -5 	-5	+5
Effort and Cost to Implement	<p>How much effort, primarily in terms of cost, will be required to implement this opportunity? What are the ongoing costs to maintain this opportunity?</p> <ul style="list-style-type: none"> Minimal implementation costs 0 Implementation costs less than 50% of expected levy impact -4 Implementation costs of 50% to 100% of expected levy impact -7 Implementation costs in excess of 100% of expected levy impact -10 	-10	0
Regulatory Compliance	<p>Will the opportunity result in the Township being non-compliant with respect to Provincial or Federal legislation or regulation?</p> <ul style="list-style-type: none"> No potential challenges with respect to non-compliance with legislation or regulation 0 Potential challenges with respect to immaterial non-compliance with legislation or regulation -5 	-5	0

Implementation Tools

Potential Implementation Tracking Sheet

Opportunity				
Implementation strategy	Timeframe	Responsibility	One-time Cost	Annual Cost
• Work step #1				
• Work step #2				
• Work step #3				
• Work step #4				
• Work step #5				
• Work step #6				

Considerations		Response
Impact on staffing levels/labour relations	Y/N	
Community relations	Y/N	
Service levels	Y/N	
Contractual obligations	Y/N	



Corporation of the Township of Machar

Appendix B: Municipal
Service Profiles



Township of Machar

Municipal Service Profile General Government - Mayor and Council

Program
General Government

Organizational Unit
Mayor and Council

Type of Service
External

Budget (in thousands)	
Operating Costs	\$ 79
Revenues	\$ -
Net Levy	\$ 79
FTE's	-

Service Overview
The Mayor provides leadership to Council in fulfilling the requirements of government legislation, as well as the strategic goals and objectives identified by Council. The Mayor also represents the Township, both in the community and externally. The Township provides support to elected officials, allowing them to exercise their responsibilities as municipal councillors.

Service Value
Effective leadership of Council contributes towards the achievement of strategic goals, objectives and priorities.

Basis for Delivery
Mandatory - The position of Mayor, along with Elected officials, is a requirement under the Municipal Act.

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
For the purposes of potential key performance indicators, we suggest that the Township monitor outcomes in relation to the strategic plan (if applicable) and budgeted total levy for Mayor and Council (governance) compared to other municipalities

Township of Machar

Municipal Service Profile General Government - Mayor and Council

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Council • Residents and organizations in the community
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Not applicable •
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Leadership of Council (2) Advocacy and promotion of the Township (3) Political representation, including resolution of constituency matters and issues (4) Administrative and clerical support
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own resources - The function of Mayor and Council is provided through the Township's own resources</p>

Township of Machar

Municipal Service Profile General Government - Clerks

<table border="1"> <tr> <th colspan="2">Program</th> </tr> <tr> <td colspan="2">General Government</td> </tr> </table>	Program		General Government		<table border="1"> <tr> <th colspan="2">Service Overview</th> </tr> <tr> <td colspan="2">The Township's Clerk's function fulfills the statutory requirements as outlined within the Municipal Act as well as the services necessary to support efficient and effective governance. This includes the preparation and distribution of meeting agendas and minutes and attendance in meetings to provide support for both Council and committees. The Clerk is also responsible for the oversight of municipal elections every four years.</td> </tr> </table>	Service Overview		The Township's Clerk's function fulfills the statutory requirements as outlined within the Municipal Act as well as the services necessary to support efficient and effective governance. This includes the preparation and distribution of meeting agendas and minutes and attendance in meetings to provide support for both Council and committees. The Clerk is also responsible for the oversight of municipal elections every four years.		<table border="1"> <tr> <th colspan="2" rowspan="2"></th> <th colspan="3">Service Level</th> </tr> <tr> <th>Below Standard</th> <th>At Standard</th> <th>Above Standard</th> </tr> <tr> <th rowspan="4">Basis of Delivery</th> <th>Mandatory</th> <td colspan="3" rowspan="4" style="text-align: center; vertical-align: middle;">  </td> </tr> <tr> <th>Essential</th> </tr> <tr> <th>Traditional</th> </tr> <tr> <th>Discretionary</th> </tr> </table>					Service Level			Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional	Discretionary
Program																												
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Township of Machar

Municipal Service Profile General Government - Clerks

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Township Council • Township employees • Eligible voters and candidates every four years • Residents of the Township
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Not applicable
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Clerical support for Council meetings (2) Administrative support (3) Recording of all Council meetings (4) Records management (5) Municipal elections (6) MFIPPA
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own resources - The function of Clerk s provided through the Township's own resources</p>

Township of Machar

Municipal Service Profile General Government - Finance

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Township of Machar

Municipal Service Profile General Government - Finance

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Township Council • Township Employees • Third parties involved in financial transactions with the Township • Third parties receiving financial support from the Township
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents who benefit from the financial decision-making • Other levels of government
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Financial planning & analysis including budgeting (2) Property taxation (3) Financial transaction processing (4) Financial reporting
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own resources - The function of Treasurer is predominantly provided through the Township's own resources</p>

Township of Machar

Municipal Service Profile Fire Services

Program	
Protection Services	
Organizational Unit	
Fire	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 179
Revenues	\$ -
Net Levy	\$ 179
FTE's	-

Service Overview
The Fire Department is responsible for ensuring the health and safety of residents through the provision of programs and services focusing on three areas: education, prevention and suppression. Fire services are currently shared by the Village of South River and the Township of Machar.

Service Value
The Fire Department seeks to promote a safe community through public education and prevention and the deployment of resources when required.

Basis for Delivery
Mandatory – Section 2(1) of the Fire Prevention and Protection Act, 1997, S.O. 1997, c.4 (the 'FPPA') sets out that every municipality is required to establish a program in the municipality which must include public education with respect to fire safety and certain components of fire prevention and provide such other fire protection services as it determines may be necessary in accordance with its needs and circumstances.

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
The potential performance indicators for this profile would be monitoring compliance with legislation and operating costs per household.

Township of Machar

Municipal Service Profile Fire Services

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents of the Township who receive fire services • Property owners that are subject to fire inspections • Third parties (OFMEM) involved in fire and emergency service operations with the township
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Township residents and visitors
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Fire incident response and operation (2) Fire education and prevention (3) Emergency management
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Shared service - Fire services are provided by the South River-Machar Fire Department

Township of Machar

Municipal Service Profile By-Law Enforcement

Program	
Protection Services	
Organizational Unit	
By-Law Enforcement	
Type of Service	
Essential	
Budget (in thousands)	
Operating Costs	\$ 15
Revenues	\$ (4)
Net Levy	\$ 11
FTE's	-

Service Overview
By-law Enforcement is responsible for the investigation and enforcement of all our municipal bylaws. The By-law Enforcement Officer is responsible for monitoring and enforcing property standards, animal control, zoning regulations, excessive noise, illegal dumping and woodlands conservation.

Service Value
By-law Enforcement contributes towards health and safety, consumer protection, nuisance control and quality of life. All citizens benefit from the enforcement of by-laws as the result is an increased level of public safety, neighbourhood satisfaction, community pride and an overall positive impact on quality of life.

Basis for Delivery
Essential – By-law enforcement and property standards contribute towards the health and safety of residents, as well as the protection of property.

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
For the purposes of potential key performance and benchmarking indicators, we suggest that the Township monitor time required to resolve an issue from time of receipt to resolution and level of cost recovery achieved through fees.

Township of Machar

Municipal Service Profile By-Law Enforcement

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents lodging complaints with respect to by-law non-compliance • Animal owners
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents of, and visitors to, the community
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Resolution of non-compliance with By-Laws (2) Animal licenses
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Contracted Service - The By-Law Enforcement department is provided through a third party service provider (30 hours per month)</p>

Township of Machar

Municipal Service Profile Building

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Township of Machar

Municipal Service Profile Building

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Individuals or companies undertaking construction, renovation or other building-related projects that require permits
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Individuals purchasing homes on the resale market • Development community
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Reviews of construction plans as part of the building permit issuance process (2) Inspections during construction (3) Final occupancy inspections
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Shared Service - The Building department, including the Chief Building Official, is delivered as part of a shared service agreement between the Village and the following municipalities: Burk's Falls, Joly, South River, Ryerson, Strong and Sundridge</p>

Township of Machar

Municipal Service Profile Emergency Management

Program	
Public Protection	
Organizational Unit	
Emergency Management	
Type of Service	
Internal and external	
Budget (in thousands)	
Operating Costs	\$ 9
Revenues	\$ -
Net Levy	\$ 9
FTE's	0.1

Service Overview
<p>Emergency Management provides leadership, guidance and direction to ensure the safety of the community by engaging in mitigation, prevention and preparedness for an emergency. Emergency Management is a legislative service that focuses on (i) emergency operations and training (response plans, infrastructure, best practices, training); and (ii) business continuity, public education, awareness and notification.</p>

Service Value
<p>Emergency Management contributes towards the safety of residents of the community through prevention mitigation and response to community risks and emergencies. In addition, Emergency Management also works to ensure the continuity of municipal services in the event of a disruption, ensuring that physical locations, business practices and continuity of government is maintained during disruptions and emergency events.</p>

Basis for Delivery
<p>Mandatory – Section 2.1 of the Emergency Management and Civil Protection Act requires all municipalities to develop an emergency management program that involves an emergency plan, training programs, public education and other elements as required by the Province.</p>

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
<p>For the purposes of potential key performance indicators, we suggest that the Township monitor compliance with the legislation</p>

Township of Machar

Municipal Service Profile Emergency Management

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Mayor and Council • Township employees • Residents of the Township • Emergency management partners
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents of the Township
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Emergency response planning (2) Incident management system (3) Training for municipal personnel and response partners (4) Public education and awareness for residents (5) Emergency operations centre
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own Resources - Emergency management is predominantly provided with the Township's own resources.</p>

Township of Machar

Municipal Service Profile Police Services

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Township of Machar

Municipal Service Profile Police Services

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none">Residents and visitors of the Township
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none">Residents and visitors of the Township
Service Output	The output of a service that fulfills a recognized client's need.	(1) Police services
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	Purchased Service - Police services are provided by the Ontario Provincial Police.

Township of Machar

Municipal Service Profile Roads

Program	
Public Works	
Organizational Unit	
Transportation	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 1,906
Revenues	\$ -
Net Levy	\$ 1,906
FTE's	4.0

Service Overview
Public Works constructs and maintains municipal roads and bridges, which involves grading, repairing and improving road and bridge structures, maintaining signs, culverts, ditches and shoulders, snow clearing and sanding in the winter months and dust control and grading during the rest of the year.

Service Value
The Township's Public Works function contributes towards the overall delivery of public works functions, including transportation and environmental services in a manner that ensures public health and safety in Machar.

Basis for Delivery
Mandatory – Section 44(1) of the Municipal Act establishes the Township's responsibility to keep highways or bridges under its jurisdiction "in a state of repair that is reasonable in the circumstances". Ontario Regulation 239/02: Minimum Maintenance Standards for Municipal Highways (which has been amended by Ontario Regulation 47/13) provides further clarification by establishing minimum maintenance standards for a range of road network maintenance activities.

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
The potential performance indicators for this profile would be monitoring performance against its internal service level standards in order to ensure compliance with the established service level standards and operating costs per lane kilometre.

Township of Machar

Municipal Service Profile Roads

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Users of the Township's road network • Pedestrians using the Township's sidewalk network
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Township residents and other parties that benefit from effective transportation (e.g. individuals requiring ambulance services)
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Winter roads maintenance (2) Summer roads maintenance (3) Roadside maintenance (4) Bridge maintenance (5) Street lighting (6) Fleet maintenance
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own Resources - The Township's roads operations is delivered predominantly with the use of its own resources.</p>

Township of Machar

Municipal Service Profile Solid Waste Management

<table border="1"> <tr> <th colspan="2">Program</th> </tr> <tr> <td colspan="2">Public Works</td> </tr> </table>	Program		Public Works		<table border="1"> <tr> <th colspan="2">Service Overview</th> </tr> <tr> <td colspan="2"> <p>The Township provides for various solid waste management services including the operation of a landfill site for its residents as well as the residents of the Village of South River and the unincorporated areas of Lount and Laurier. The landfill site operates six days a week from 9:30 to 4:30 year-round. The Township also has a contract with a third party service provider for the removal of recyclable materials..</p> </td> </tr> </table>	Service Overview		<p>The Township provides for various solid waste management services including the operation of a landfill site for its residents as well as the residents of the Village of South River and the unincorporated areas of Lount and Laurier. The landfill site operates six days a week from 9:30 to 4:30 year-round. The Township also has a contract with a third party service provider for the removal of recyclable materials..</p>		<table border="1"> <tr> <th colspan="2" rowspan="2"></th> <th colspan="3">Service Level</th> </tr> <tr> <th>Below Standard</th> <th>At Standard</th> <th>Above Standard</th> </tr> <tr> <th rowspan="4">Basis of Delivery</th> <th>Mandatory</th> <td colspan="3" rowspan="4" style="text-align: center; vertical-align: middle;">  </td> </tr> <tr> <th>Essential</th> </tr> <tr> <th>Traditional</th> </tr> <tr> <th>Discretionary</th> </tr> </table>					Service Level			Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional	Discretionary
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FTE's		1.4																										

Township of Machar

Municipal Service Profile Solid Waste Management

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents who use the Township landfill site
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents, non-resident sectors and visitors to the Township that benefit from effective solid waste services
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Landfill site operations (2) Recycling services
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Combined - Recycling services are provided by external service provider and Township staff operate the landfill site.</p>

Township of Machar

Municipal Service Profile Recreation and Culture

Program
Recreation and Culture

Organizational Unit
Recreation and Culture

Type of Service
External

Budget (in thousands)		
Operating Costs	\$	159
Revenues	\$	-
Net Levy	\$	159
FTE's		-

Service Overview
The Township provides a variety of recreation and cultural services. Those services are delivered in partnership with the Village of South River including the operation of the South River-Machar Community Centre, other joint recreation activities and the South River-Machar Day Camp. The Township also offers access to public beaches, parks and maintains boat launches. Library services are provided through the South River -Machar Union Public Library.

Service Value
Community facilities provide accessible, inclusive, welcoming, quality spaces for community recreational programming, activities, rentals/events and neighbourhood gatherings.

Basis for Delivery
Traditional – The operation of community centres is a typical service offered by municipalities.

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
The potential performance and benchmarking indicators for this profile would be monitoring the level of cost recovery achieved by facility and/or by activity.

Township of Machar

Municipal Service Profile Recreation and Culture

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents of the Township who access community facilities • Residents of the Township who participate in community events and programs
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents and visitors
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Access to recreational facilities (2) Recreational programming (3) Library operations (4) Facility maintenance (indoor and outdoor)
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Shared service - Recreational services are provided through shared service agreements. Municipal park and cemetery maintenance are provided through a third party service provider.</p>

Township of Machar

Municipal Service Profile Planning & Development

<table border="1"> <tr><th>Program</th></tr> <tr><td>Planning & Development</td></tr> </table>	Program	Planning & Development	<table border="1"> <tr><th>Service Overview</th></tr> <tr><td>Planning involves the general design of the municipality through the land use planning process. Land use planning enables the municipality to establish goals and objectives for growth and development. The Central Almaguin Planning Board oversees municipal planning on behalf of the Township.</td></tr> </table>	Service Overview	Planning involves the general design of the municipality through the land use planning process. Land use planning enables the municipality to establish goals and objectives for growth and development. The Central Almaguin Planning Board oversees municipal planning on behalf of the Township.	<table border="1"> <tr> <td></td> <th colspan="3">Service Level</th> </tr> <tr> <td></td> <th>Below Standard</th> <th>At Standard</th> <th>Above Standard</th> </tr> <tr> <th rowspan="4">Basis of Delivery</th> <td>Mandatory</td> <td></td> <td>Planning Services</td> </tr> <tr> <td>Essential</td> <td></td> <td></td> </tr> <tr> <td>Traditional</td> <td></td> <td>Economic Development</td> </tr> <tr> <td>Discretionary</td> <td></td> <td></td> </tr> </table>				Service Level				Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory		Planning Services	Essential			Traditional		Economic Development	Discretionary		
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Township of Machar

Municipal Service Profile Planning & Development

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents and/or members of the development community • Township departments affected by planning issues
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents of the Township who benefit from a comprehensive and planned approach to growth in the community
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Management of applications under the Planning Act (2) Clarifications regarding land use designations or policies in the Official Plan (3) Clarifications regarding zone categories and provisions in the Zoning By-Law (4) Economic development
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Shared Services - Planning services are provided through the Central Amalgam Planning Board and economic development is delivered through the Township's own resources.</p>



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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