



City of North Bay Report to Council

Report No: CAO-2024-002

Date: April 12, 2024

Originator: John Severino, P.Eng, MBA

Business Unit:
Administration

Department:
Office of the CAO

Subject: Organizational Review

Closed Session: yes no

Recommendation

That Report to Council CAO 2024-002 dated April 12, 2024 from John Severino be received and referred to a Special Committee Meeting on April 30, 2024.

Executive Summary

The Organizational Review is nearing completion and KPMG will present final recommendations to Council on April 30, 2024.

The review was a collaborative effort that included feedback from stakeholders across all levels of the municipality including the Mayor and Members of Council.

Key elements of the review included:

- (a) Reviewing existing operations and services to recommend opportunities to find efficiencies and ways to improve service delivery such as through the use of new technology.
- (b) Benchmarking the City against other municipal comparators and developing recommendations for future performance measurement.
- (c) Reviewing internal and external communications.

The final report will include several recommendations and possible implementation timelines and strategies. Following KPMG's presentation, the CAO along with the Senior Management Team will develop an implementation strategy that considers existing projects already underway, capacity and

available resources and budget implications. The Senior Leadership Team's implementation plan will be brought back to Council for approval.

Background

An independent third party operational review of the City of North Bay was requested by Council at the December 6th, 2022 Council Meeting through Council Resolution No. 2022-345(a) and (b).

Following the completion of a formal Request for Proposal process, a contract was awarded to KPMG LLP in June 2023 to conduct an Organizational Review of the City to investigate the overall organizational effectiveness to ensure value for the taxpayer. The review was to be completed in a phased manner over an approximate 9 month period.

KPMG's review included the following:

- A catalogue of services/programs currently provided by the City.
- Identification of redundant, deficient, or missing services, as well as classification of services as core/essential, discretionary, etc.
- The rationale for the delivery or suggested alternative models of delivery of the service/program if a more effective model is appropriate.
- Identification and recommendations of optimal service levels as they pertain to municipal operations.
- Identification of the most cost-effective, sustainable, and strategic way to structure the City's operations to deliver the required services to meet the current and foreseeable needs of the community.
- Identification and prioritization of the opportunities to guide the implementation of recommended improvements and/or innovative service delivery models.
- Investigation of communications, both internally and externally, as well as policies and plans for public engagement.
- Recommendations of innovative technologies and models that have been proven to improve operational efficiencies.
- Benchmarking data regarding municipal services and programs in comparable municipalities (i.e., geographical location and demographics) and recommendations of key performance indicators for future measurement of performance.

KPMG LLP will present the final recommendations to Council at a Special Committee Meeting scheduled for April 30th, 2024.

A Supplemental Report to Council which will include KPMG's recommendations will be provided in advance of the April 30th Committee Meeting.

Financial/Legal Implications

This report is being presented to Council to refer the Organizational Review to a Special Committee Meeting for a presentation by KPMG. Recommendations will be presented with estimated costs and/or benefits associated with each option. Following the presentation, Council will have an opportunity to ask questions before formally accepting the report and directing the CAO to proceed with the development of an implementation plan.

Capital Project No. 4353GG - Organizational Review Implementation was included in the City's 2024 Capital Budget and Forecast Plan with funding of \$250,000, \$150,000 and \$155,000 in 2024, 2025 and 2026 respectively. This funding was identified to initiate the implementation of the recommendations in a phased manner. Updated funding requirements will be brought forward to Council as part of the Senior Leadership Team's implementation plan following prioritization and analysis of each strategic recommendation.

Corporate Strategic Plan

- Natural North and Near
- Affordable Balanced Growth
- Responsible and Responsive Government
- Economic Prosperity
- Spirited Safe Community

Specific Objectives

Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate.

Ensure continuous improvement of governance and administration.

Explore opportunities to reduce the costs of government service delivery, including shared services and new technologies.

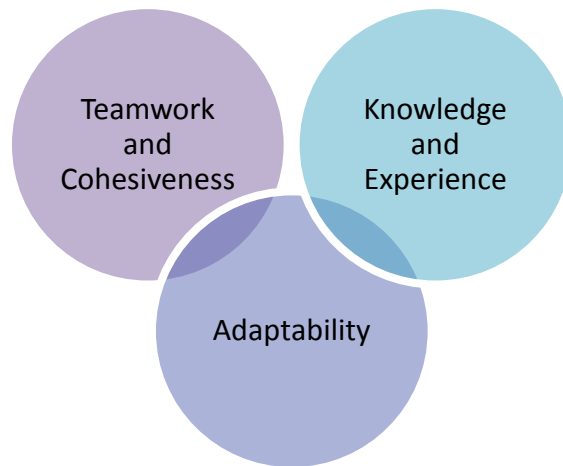
Work with community stakeholders to enhance safety and integration throughout the City.

Options Analysis

Over the last nine months, KPMG has worked collaboratively with internal stakeholders at all levels of the municipality, as well as with the Mayor and Members of Council, to review current operations and services to identify opportunities to improve organizational effectiveness and find efficiencies. The City is very fortunate to have dedicated employees with diverse expertise that were instrumental in bringing forward ideas and recommendations to the consultant for consideration throughout the process. Feedback was obtained through one-on-one interviews, focus groups and an employee survey. Stakeholder feedback was summarized into four major themes:



While the main purpose of the review was the identification of opportunities for improvement, the review also identified key strengths within the municipality including:



Stakeholder feedback and benchmarking data gathered and analyzed during the review process led to the identification of a list of top ten (10) strategic opportunities for the City. The final report will identify the rationale for each strategic recommendation together with a detailed implementation plan. Furthermore, thirteen (13) other recommendations will be highlighted for consideration to assist with modernization of the City's operations.

The communications review portion of the project was completed by KPMG in partnership with Redbrick Communications. The communications review explored internal and external communications, municipal best practices, current challenges and identified opportunities for improvement with a detailed multi-year implementation plan.

KPMG's final report will serve as an important resource for the City as we continue to improve the effectiveness and efficiency of municipal operations. The review is a critical step in the City's continuous improvement journey. The review was not intended to provide quick responses to address all of the City's challenges. The work completed as part of the review will serve as a foundation to guide the City towards a culture of continuous improvement using a planned and cohesive approach to ensure sustainable delivery of municipal services in an effective and efficient manner.

Implementation of the opportunities is expected to be a multi-year, resource-intensive process with many variables to consider. Key considerations include the following:

- Is the City Ready?
- Who will lead implementation of the recommendations?
- Is the implementation plan appropriately funded and resourced?

Following the April 30th presentation to Council, it is recommended that Council approve KPMG report and recommendations in principle and direct the CAO to undertake an analysis of the strategic opportunities presented in the report and present an implementation plan to Council for approval. The implementation plan needs to consider the impact and alignment with existing projects and strategic initiatives currently underway, resourcing and capacity requirements and budget implications.

Recommended Option

That Report to Council CAO 2024-002 dated April 12, 2024 from John Severino be received and referred to a Special Committee Meeting on April 30, 2024.

Respectfully submitted,

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer