The Corporation of the City of Stratford
Finance and Labour Relations Committee
Open Session
AGENDA

Date: January 25, 2022

Time: 5:30 P.M.

Location: Electronic Meeting

Committee Present: Councillor Gaffney - Chair Presiding, Councillor Clifford - Vice-Chair, Mayor Mathieson, Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben, Councillor Vassilakos

Staff Present: Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Karmen Krueger - Acting Director of Corporate Services, Kim McElroy - Director of Social Services, David St. Louis - Director of Community Services, John Paradis - Fire Chief, Anne Kircos - Acting Director of Human Resources, Taylor Crinklaw - Director of Infrastructure and Development Services, Spencer Steckley - Manager of Financial Services, Chris Bantock - Deputy Clerk, Naeem Khan - Manager Information & Business Systems, Marilyn Pickering - Manager of Tax Revenue, Wendy Partridge - Administrative Assistant to the Director of Corporate Services, Michael Mousley - Transit Manager, Mark Hackett - Manager of Community Facilities, Brad Hernden - Manager of Recreation & Marketing, Quin Malott - Parks, Forestry & Cemetery Manager, Nancy Roulston - Manager of Engineering, Alyssa Bridge - Manager of Planning, Jonathan DeWeerd - Chief Building Official, Johnny Bowes - Manager of Environmental Services, Alex Burgess - Manager of Ontario Works, Darren Barkhouse - Manager of Child Care & Early Years, Corry Gunn - Manager Anne Hathaway Day Care Centre, Jeff Wilson - Manager of Housing, Angie Juarez - Supervisor of Housing, Julia Merritt - Library CEO, Adam Ryan - Manager of Public Works, Andy Woodham - Airport Manager, Chief Greg Skinner - Stratford Police Services, Deputy Chief Gerry Foster - Stratford Police Services

To watch the Committee meeting live, please click the following link: https://stratford-ca.zoom.us/j/83917020305?pwd=dm5nSmpUdWFJeHpQYXRwTnRIK2F3dz09
A video recording of the meeting will also be available through a link on the City's website https://calendar.stratford.ca/meetings following the meeting.

Pages

1. Call to Order

The Chair to call the Meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act.*

Name, Item and General Nature of Pecuniary Interest

3. Delegations

None scheduled.

4. Report of the Fire Chief

4.1. Airport Financial Sustainability Study Consultant Costs (FIN22-006) 4 - 144

Motion by _____

Staff Recommendation: THAT the report of the Fire Chief detailing the costs to retain a consultant for the purpose of undertaking a review of the Stratford Airport (FIN22-006), be received for information;

AND THAT direction be given to initiate the study, subject to 2022 budget approval.

5. Treasurer Update

The Acting Director of Corporate Services/Treasurer to provide an update on the 2022 draft budget.

Motion by _____

Staff Recommendation: THAT staff be authorized to make the proposed changes to the budget as noted in the Treasurer's presentation dated January 25, 2022.

6. Expansion Requests

Please refer to the Expansion Requests section in your materials. For members of the public, this information is available on the City's website.

Motion by _____

THAT direction be provided on the 2022 expansion requests.

7. 2022 Draft Operating Budget

Please refer to the Draft Operating Budget section in your materials. For members of the public, this information is available on the City's website.

Committee members are asked to provide any questions, comments, or feedback on the draft 2022 Operating Budget. Amendments to the draft operating budget will require a motion. Direction is also requested to approve the 2022 operating budget as presented or as amended.

7.1. Mayor/Council/CAO Operating Budget

7.2. Community Services Operating Budget

7.3. Corporate Services Operating Budget

7.4. Fire Operating Budget

7.5. Human Resources Operating Budget

7.6. Infrastructure and Development Services Operating Budget

7.7. Social Services Operating Budget

7.8. Stratford Public Library Operating Budget

7.9. Stratford Police Services Operating Budget

8. Upcoming Meetings

Monday, January 31, 2022 at 5:30 p.m., via Zoom.

9. Adjournment

Meeting Start Time:
Meeting End Time:

Motion by _____

Committee Decision: THAT the Finance and Labour Relations Committee meeting adjourn.

MANAGEMENT REPORT

Date: January 25, 2022
To: Finance and Labour Relations Committee
From: John Paradis, Fire Chief
Report#: FIN22-006
Attachments: 2015 Airport Economic Impact Analysis Report, 2021 Service Delivery Review

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Title: Airport Financial Sustainability Study Consultant Costs

Objective: To identify potential costs to retain a consultant to conduct a study on the Stratford Municipal Airport's financial sustainability and to seek direction of Council.

Background: During the 2022 budget deliberations, on 17 January 2022, Council passed a motion: **THAT a review of the 2022 draft Airport Budget be referred to staff to explore revenue expansion opportunities to reduce the annual cost of operating the Airport.**

At the December 14, 2021, Finance and Labour Relations Committee meeting, the following direction was given:
THAT staff be directed to prepare a report detailing the costs to retain a consultant for the purpose of undertaking a review of the Stratford Airport, specifically on whether it can be made financially sustainable, and on the options available to the City if it cannot be made financially sustainable.

During the 2020 budget deliberations on February 13, 2019, Council passed a motion:
THAT staff review the Airport fees in order to move towards a cost recovery model.

Following the above noted direction, it was determined to include the airport fees in the Service Delivery Review that the City was about to undertake. The recommendations of the SDR were presented to Council in 2021.

SDR
The objective of the 2021 Service Delivery Review was to identify any ways that service delivery could improve, whether through technology integration, integration of services to allow economies of scale, structure realignment, or increased revenue generation.

During the review three alternatives were determined to reduce losses at the airport: increasing fees, expanding hangar space, or selling the airport. Options were given within the report for these alternatives, including pros and cons of selling the airport. This information can be found on pages 66-72 of the report attached.

This study, if approved by Council, will be all encompassing to address all 3 motions of Council.

Analysis: Staff reached out to consultants operating in the field of consulting for airport operations. Discussions were specifically around the following criteria

1. Annual aircraft movements;
2. Airport businesses and tenants;
3. Historical financial position (i.e., the tax-supported deficit);
4. Multiplier and visitor-based models of quantitative economic impacts (i.e., employment, labour earnings, and GDP contribution);
5. Social impact assessment, including usage statistics / descriptions of Orange activity, OPP, RCAF, MNRF, etc.; and
6. Where quantitative data is unavailable, qualitative descriptions of the social and economic roles of the airport to the region (e.g., theatre visitors arriving by air, corporate traffic, contribution of pilots to the national aviation system, etc.). This could include the perspectives of Invest Stratford and Destination Stratford from an economic development standpoint.
7. Review prior studies and recommendations within those studies (2021 Service Delivery Review and 2015 Airport Economic Impact Analysis Report.
8. Analysis and recommendations for the service becoming revenue neutral or revenue positive.
9. Recommended next steps if conclusion is that the Stratford Municipal Airport cannot be made financially sustainable.

It is not clear yet whether this type of consultant is able to take on reviewing airport operations through a climate change lens. If not feasible, it is Staff's intent to reach out to the University of Waterloo to offer up the airport as a learning opportunity for a climate change study of the airport while providing education for students studying in this field.

Financial Implications:

Financial impact to current year operating budget:
The City of Stratford should expect to pay between $20,000-$40,000 for a consultant operating in this field to complete a study of this scope and magnitude.

Funding would be reflected in the operational budget as a transfer from reserves for $40,000 and an expenditure under consultants for $40,000.

Financial impact on future year operating budget:
Future financial impact would be determined by recommendations from the study and City Council decisions from those recommendations.

Link to asset management plan and strategy:
This study would consider the existing life cycle management of infrastructure at the airport versus future investments to maintain a viable revenue neutral or revenue positive service for the City of Stratford.

Alignment with Strategic Priorities:
Strengthening our Plans, Strategies and Partnerships
Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources
Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Alignment with One Planet Principles:

Equity and Local Economy
Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community
Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendation: THAT the report of the Fire Chief detailing the costs to retain a consultant for the purpose of undertaking a review of the Stratford Airport (FIN22-006), be received for information;

AND THAT direction be given to initiate the study, subject to 2022 budget approval.

Prepared by: John Paradis, Fire Chief
Recommended by: Joan Thomson, Chief Administrative Officer

ECONOMIC IMPACT ANALYSIS REPORT

2015

STRATFORD MUNICIPAL AIRPORT

UNIVERSITY OF WATERLOO
FACULTY OF ENVIRONMENT
School of Planning

Stratford
ONTARIO CANADA
Dramatically Different!

AUTHORS & ACKNOWLEDGEMENTS

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Special Thanks to:

Mayor Dan Mathieson, City of Stratford
Ron Shaw, CAO, City of Stratford
John Paradis, Fire Chief, City of Stratford
Andy Woodham, Manager, Stratford Municipal Airport
University of Waterloo Stratford Campus

For further information, please contact:

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Cover Photo Source: Canadian Owners and Pilots Association

CONTENTS

EXECUTIVE SUMMARY

This study was undertaken at the request of the City of Stratford in response to questions raised during the 2015 budget process. The following represent the specific objectives of our report:

1. to determine the value of municipal investment in Stratford Municipal Airport;
2. to investigate the value of Stratford Municipal Airport to the City of Stratford;
3. to determine the feasibility of raising current rates; and
4. to consider the possibility of making Stratford Municipal Airport revenue-neutral.

The report is comprised of an assessment of current airport infrastructure and operations, economic impact, issues and opportunities, and future options. This study and analysis is temporally bounded by the 2014 fiscal year.

Opening in 1964 as Festival City Airpark, Stratford Municipal Airport now features two paved runways, a terminal building, flight school, aircraft maintenance facility, hangar spaces and parking capacity. The airport's runways are able to handle a wide variety of single engine and multi-engine aircraft, as well as medium sized business jets. There are no scheduled flights to Stratford Municipal Airport. In 2014, the airport handled approximately 9000 aircraft movements, with local, regional, and international origins.

The airport is owned by the City of Stratford, while its operations and management are contracted out to Stratford Air Services Ltd., which maintains a low marginal cost of operation for the city, while relying on significant institutional knowledge by airport management.

A key question concerning any municipal infrastructure is its place in the community, including the role and impact, which can be addressed from different perspectives. The focus of our study is on the economic impact of the airport. Our analysis uses an econometrics assessment technique based on approaches used in similar studies of comparable airports in Ontario. The economic impact analysis expresses the value of Stratford Municipal Airport, in terms of job equivalents and economic contributions to the City of Stratford, surrounding region, and national economy. It quantifies the direct - for example, salaries of employees, and indirect - the spending of those salaries and other transactions - economic impacts. The City of Stratford also relies on the presence of the airport to attract new business and investment.

The final determined impact is an average of three models, with an estimate of $3.3 million in economic activity and 27 person years of employment generated by the Stratford Municipal Airport. It should be noted these numbers are estimates, supported by accepted economic theory and derived from established standard techniques employed in similar studies across Canada. Like all estimates, the results are subject to a margin of error caused by the intangible factors associated with econometric assessments. These factors and other limitations of the assessment are considered and discussed as part of this report.

The issues presented in this report deal primarily with the supply or operational capacity of the airport. Opportunities are also explored, particularly those aimed at capturing potential demand for space (parking and hangars), services - for example fuel sales, and operational capacity. Runway 05/23 is the main runway, and the operational capacity and extension potential is currently limited by a privately owned woodlot, which presents an obstacle to approaching aircraft and has resulted in a displaced, or shortened threshold. Therefore, this limitation does not allow for some aircraft to land at the airport during adverse weather, resulting in lost revenue and benefit.

This report addresses the feasibility of changing the current airport fee structure to achieve revenue-neutral operation. The competitive nature of the Southern Ontario's aviation market, combined with the inherent nature of consumer behaviour to choose the most cost-effective option, is a deterrent to raising user fees.

Stratford Municipal Airport is considered a community asset for promoting economic development, regional connectivity, and providing access to the City of Stratford for visitors, professionals, and recreational users.

AIRPORT BACKGROUND

Located 6 kilometres north of the City of Stratford is the Stratford Municipal Airport. The City and airport are situated in the heart of Southern Ontario, and enjoy relatively good access to the 401 corridor, the Greater Toronto Area and 6 million plus people, as well as the U.S. border markets. The airport property is in the Township of Perth East in Perth County. The airport is owned by the City of Stratford, and management is contracted to Stratford Air Services. The airport is also home to a flight school, which operates as a private career college offering flight training.

AIRPORT CHRONOLOGY

The Stratford Municipal Airport has been apart of the Stratford economy and community since its beginnings in 1964. The airport has undergone various modifications and upgrades throughout the last 50 years to maintain operational functionality and amenities, and to remain a modern facility in the competitive Southern Ontario aviation market.

1964

1964 ~ Festival City Airpark is developed by private operator
1970 ~ Festival City Airpark and City of Stratford enter agreement to operate airport
1982 ~ Stratford Air Services begins flight school operations

1984

1984 ~ Master Plan is completed to establish airport development
1985 ~ City of Stratford purchases airport lands from private owner
1985/86 ~ Additional lands are purchased to allow for runway expansion
1988 ~ Phase 1 of Runway 05/23 is completed

2012

1991 ~ Current airport terminal and office building is constructed
1993 ~ Runway 05/23 is extended to 5000ft.
1997 ~ Elm Aviation starts maintenance operations at airport
2012 ~ Runway 05/23, the primary runway, is resurfaced

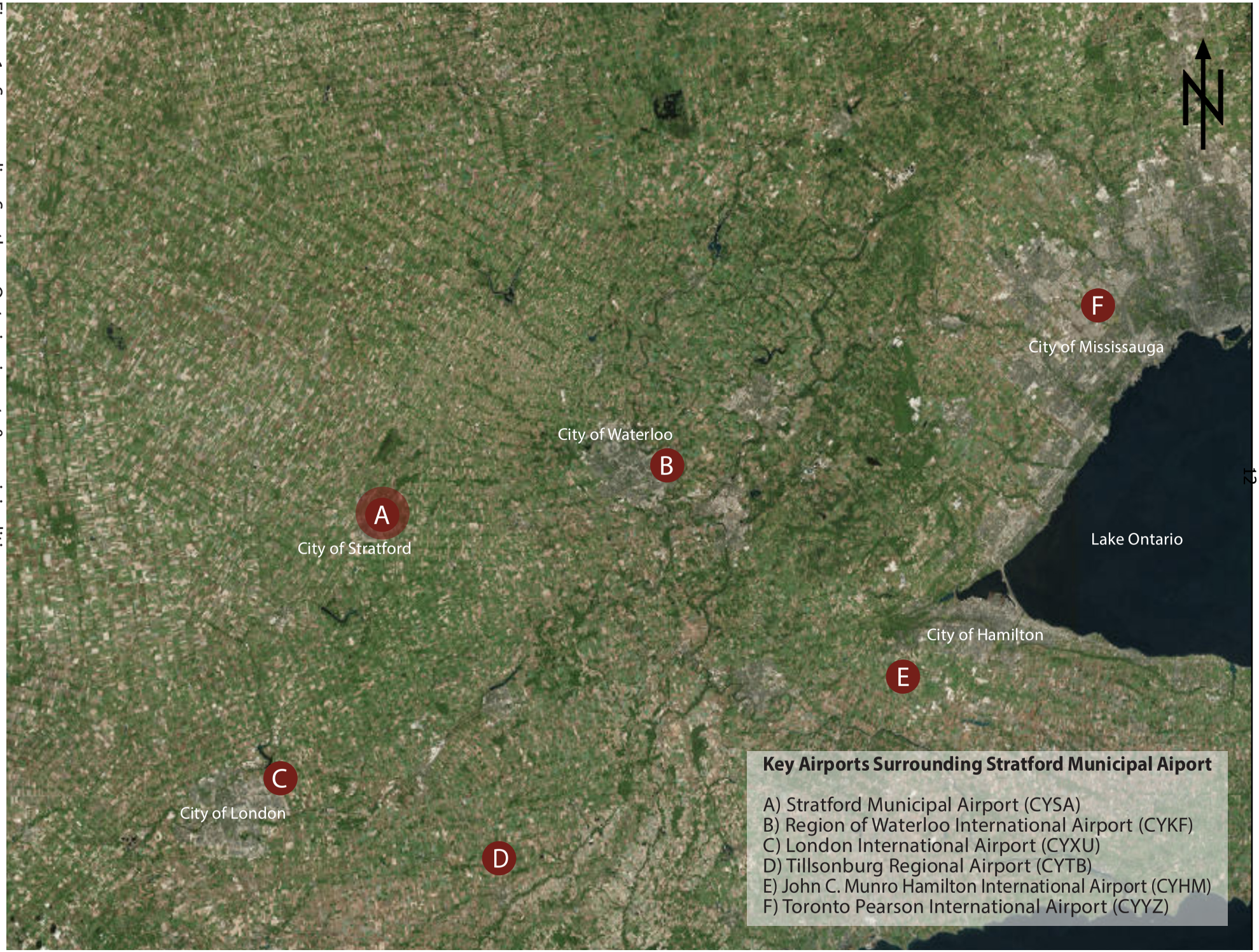

Figure 1 - Surrounding Southern Ontario airports & municipalities

AIRPORT INFRASTRUCTURE & OPERATIONS

This study considers the current infrastructure at Stratford Municipal Airport as it is an asset to its operation and is a determinant in the type of uses which the airport is able to accommodate. Infrastructure has been divided into four subcategories, and will be further discussed in the issues and opportunities section of this report.

AIRFIELD

- Aircraft parking apron
- Tie down points for 14 aircraft
- Short term parking space for 4 medium-sized corporate jets on main apron
- 43 aircraft based at airport - a mixture of flight school, private, and recreational aircraft
- 29 leasable & rentable hangar spaces located on site, all of which are occupied

SERVICES & AMENITIES

- Aviation gas (100 LL) and jet fuel (Jet A) underground tanks and dispensing system
- Terminal & office building (operated by Stratford Air Services)
- Aircraft maintenance hangar (operated by Elms Aviation)

NAVIGATION & CONTROL

- Airport is uncontrolled - Unicom Radio (no onsite air traffic control)
- VFR (Visual Flight Rules) Navigation
- IFR (Instrument Flight Rules) Navigation Aid - VOR/DME London VOR
    - this is a navigational aid based on the ground, to help the pilot establish bearings of aircraft
- Airfield lighting system consists of aircraft controlled medium intensity edge lighting on runways, taxiways, and aprons
- 3 lighted wind indicators

OPERATIONS

- Airside emergency services handled by Stratford Fire Department
- Emergencies in/around buildings handled by the Township of Perth East Fire Department
- Canadian Customs Port of Entry - those arriving from outside Canada are required to call in

AIRPORT GROUNDS

Figure 2 - Airport property and facilities map

A. Runway 05/23 - 5000ft. (1524m)
B. Runway 17/35 - 2829ft. (862m)
C. Apron (Aircraft Parking)
D. Terminal & Administration Building
E. Aircraft Maintenance Hangar

* The privately owned parcel of land to the north east of Runway 23 presents unique challenges to aircraft operations on Runway 23 and any future runway expansion plans. Situated on this private land is a small woodlot adjacent to the airport boundary. The location of these trees affects the obstacle limitations for the approach to this runway. Transport Canada regulations require an obstacle free approach path. To obtain certification on Runway 23, the threshold has been displaced by 1030 ft. (which means landing distance available is 3970 ft.). Runway 23 is the primary runway due to prevailing winds. Runway 05 landing distance is 5000 ft.

The airport sits on approximately

482 acres

AIRCRAFT MOVEMENTS

For the 2014 fiscal year, the Stratford Municipal Airport handled approximately 9000 aircraft movements comprised of flight school, local, and itinerant traffic. The airport has received traffic from across the United States, Western Canada and from the northeastern seaboard, and historically has serviced aircraft from Alaska, Switzerland, and military demonstration teams such as the Canadian Snowbirds. In addition, the airport serves as a recreational and tourism access point for Stratford and the broader Southwestern Ontario region, and provides an excellent facility for military and emergency services operations. There are currently no scheduled commercial flights.

Figure 3 - Recorded 2014 Southern Ontario flight origins for traffic destined to Stratford Municipal Airport

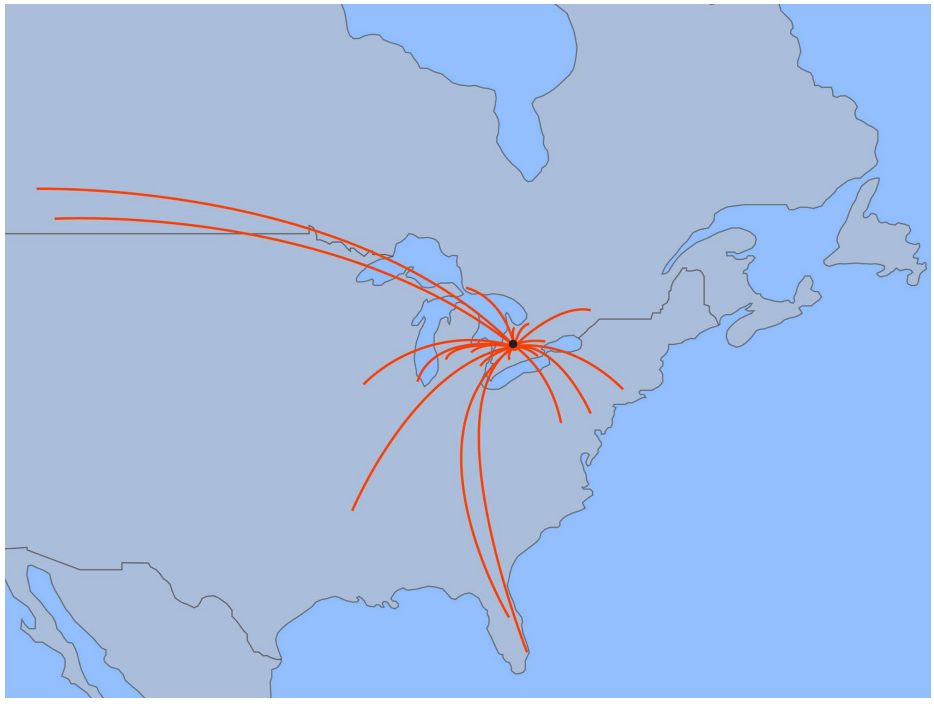

Figure 4 - Recorded 2014 North American flight origins for traffic destined to Stratford Municipal Airport

AIRPORT FINANCES

In 2014, the City of Stratford budgeted $170,834 of the tax levy towards the airport.

Revenue	-$234,289.00
Expenditures	$375,417.00
Net Budget	$141,128.00
Less Amortization	$86,294.00
Transfer to Reserves	$116,000.00
Total Budget (Tax Levy)*	$170,834.00

*from the 2014 City of Stratford budget document

In reviewing the 2014 financial records from Stratford Municipal Airport, the total operational revenue was $298,577.87.

Total Fuel Revenue	$262,055.39
Total Landing Fee Revenue	$1,525.50
Total Parking Revenue	$6,902.04
Total Rent Revenue	$9,322.50
Total Hangar Land Lease Revenue	$18,772.44
Total Operational Revenue	$298,577.87

The 2014 adjusted tax levy for the City of Stratford is $49,994,652.00. The airport budget is 0.0034% of the 2014 annual budget.

AIRPORT GOVERNANCE

The airport is owned by the City of Stratford, while its operations are contracted out to an independently managed operator. Stratford Air Services Ltd. is responsible for regular airport functions, maintenance, and administration, as well as the flight school which is a registered private career college.

The airport management reports to the City of Stratford Fire Chief. The airport property is located in the Township of Perth East, which collects property and hangar lease taxes from the airport.

There are various governance structures across Ontario's municipal airports. However, this report focuses primarily on small municipal airports similar to that of Stratford. Many of the smaller airports are governed under the same model as Stratford in which the municipality contracts out management of airport operations.

METHODOLOGY

ECONOMIC IMPACT STUDY BACKGROUND

An economic impact analysis gauges the economic activity in a particular study area caused by a specific business, policy, program, event, or entity. The delineated study area to be assessed could be a neighbourhood, city, region, state, country, or continent. This study examines the value the Stratford Municipal Airport provides to the local region. The impact of economic activity is determined through inputs, outputs, value-added measurements, and intangible factors. For example, Statistics Canada estimates the impact of national economic activity through a complex input-output model that tracks the flow of capital between the different sectors of the economy. Components of these impacts include:

- Business Revenue and Costs
- Gross Domestic Product
- Property Values
- Labour Income
- Employment (person-years)
- Proximity
- Attractiveness
- Competitiveness
- Tourism
- Taxation
- Quality of Life
- Economic Development

Economic activity is split into direct and indirect impacts. Direct impacts are the result of spending for salaries, raw materials, and operating expenses. Indirect impacts estimate the transactions that occur as a result of direct spending; employees spending salaries at grocery stores and gas stations, or visitors purchasing products and services from local merchants. Indirect impacts mimic the dynamic economic interactions between entities, and the continual spending on goods and services.

Governments often use economic impact analysis to verify the effectiveness of policies or programs, and public spending. The assessment of transportation-related infrastructure is common, and often uses an econometrics-based analysis. The 2014 economic impact of the Stratford Municipal Airport is determined through an econometric assessment technique. Econometrics is the quantifiable estimation of actual economic performance using statistics, economic theories, observed data, and inference. However, it is important to note modelling is based on assumptions which are needed to make it work, yet often are the source of weakness. The best approach is always to be transparent about the assumptions, sources of data, and basis for the modelling choices.

The usage of multiple models is designed to improve the accuracy and precision of the overall assessment. Accuracy is the proximity of determined values to the actual value, while precision is the proximity of determined values to each other. The modelling techniques described below have been derived from previous economic impact studies of small airports across Canada including: the District of Muskoka Airport (2009), the Tillsonburg Municipal Airport (2006), and the Oshawa Municipal Airport (2007). The results of modelling indicate a high degree of precision based on the narrow dispersion of estimated values, while accuracy is inferred based on the proximity to results of other studies undertaken on similar sized airports. The data used in the assessment was derived from Statistics Canada, the Huron Perth County Real Estate Board, Ontario Ministry of Tourism, Culture and Sport, direct data provided by airport and city staff, previous literature, and consultations with industry experts.

1) MULTIPLIER MODEL

This model utilizes multipliers to infer the indirect economic impacts from the direct economic impacts. The direct impacts consist of labour (salaries), airport revenues from airport related activities, and the number of employees hired at the airport. Indirect impacts are those which result from airport activity, such as the airport purchasing fuel, supporting the fuel industry both financially, and in terms of employment. Multipliers which are not observed values, but rather derived from Statistics Canada data, attempt to quantify the interactive connection (transactional flow of money related to inputs and outputs for a given sector) between direct and indirect impacts within the local economy. Multipliers are derived from the Statistics Canada National System of Accounts, replicating the interchange of capital between sectors of the economy at the provincial level. These metrics are the industry standard for the majority of econometric assessments in all industries. Importantly, this model has been recently applied to economic impact studies of the Oshawa Municipal Airport in 2007, and Smith Falls / Montague Airport in 2008

Table 1 - Description of multipliers used in multiplier model

Direct Impact	Multiplier	Description
Employment	1.328	For each employee at the airport, 1.328 full-time equivalents (FTEs) are generated[1].
Labour	3.608	For each dollar spent on labour, $3.608 is generated in indirect impact.
Revenue	3.108	For each dollar collected as revenue, $3.108 is generated in indirect impact.

[1]Full-time equivalents are the same as person years; one person year is 1832 hours of work

2) REGRESSION MODEL

This model uses two linear regression equations to estimate the airport's economic outputs based on a collection of data inputs and standard set of coefficients. The model coefficients were developed by the Transport Institute of the University of Manitoba through a survey of 43 Canadian airports, and provide for 95% confidence levels in predicting the employment and revenue generated by airports. Inputs of both equations include: the number of direct FTEs at the airport, the number of passengers, wealth of the community, and the presence of a maintenance facility. The revenue equation also uses the number of large aircraft serviced as an input. The equations and model coefficients can be found in Appendix B. Direct FTEs were sourced from data provided by airport staff. The number of passengers and large aircraft serviced were inferred from estimations of the number of itinerant flights, confirmed by consultations with airports of similar sizes, Transport Canada data, and an assumption of three passengers per flight (Table 2). The wealth of the Stratford community, measured by average home price, is taken from data provided by the Huron Perth County Real Estate Board. The model has been applied to economic impact studies of St. Thomas Municipal Airport in 2007, Tillsonburg Municipal Airport in 2006, and Haliburton-Stanhope Airport in 2006.

Table 2 - Description of variables used in regression model

Variable	Passengers	Wealth	Large Aircraft***	Maintenance
Value	397	$263,113*	30	2.71828**

*Wealth is the average home sale price of the City of Stratford (retrieved from Huron Perth County Real Board)
**Presence of maintenance base results in a pre-defined input variable
***Number of large aircraft serviced at Stratford Municipal Airport in 2014

3) VISITOR-BASED MODEL

This model is similar to the multiplier model, however it also takes into account the impacts of tourism generated by the airport, and the induced economic benefits from indirect multipliers (Table 3). Visitors are categorized by the general origin of their trip and assigned a particular spending value (Table 4). These spending values are derived from surveys conducted by the Ontario Ministry of Culture, Tourism and Sport. By estimating the total amount of visitors from the airport, their spending, and using multipliers derived from the first model, results in the calculation of the employment and revenue impacts. A similar economic assessment approach was used by the District of Muskoka Airport in 2009.

Table 3 - Description of multipliers used in visitor-based model

Direct Impact	Multiplier	Description
Employment	1.328	For each employee at the airport, 1.328 full-time equivalents (FTEs) are generated.
Labour	3.608	For each dollar spent on labour, $3.608 is generated in indirect impact.
Revenue	3.108	For each dollar collected as revenue, $3.108 is generated in indirect impact.
Tourism	0.246	For each dollar as a direct tourism expenditure, $0.246 is generated in indirect impact.

Table 4 - Spending values of visitors to Stratford Municipal Airport, by origin

Point of Origin	Local	Regional	Canadian	USA
Spending*	$67.00	$147.00	$411.00	$201.00

*calculated as spending per day

ECONOMIC IMPACT ANALYSIS RESULTS

This section discusses the economic impact analysis outputs of the multiplier, regression, and visitor-based models. The total impact for each of the three models (see Table 5) is calculated by adding the direct and indirect impacts together and providing total impact estimates for employment and economic output. The visitor-based model calculates induced impacts resulting in slight inflation of the results.

Table 5 - Impact summary of the outputs of the three models used

Impact	Multiplier Model	Regression Model	Visitor-Based Model
Total Employment	23	16.5	41
Total Economic Output	$3,036,383.72	$3,280,376.13	$3,830,730.46

The total economic output of each model represents the revenues of the airport, the labour income, and resultant spending. In addition, the visitor-based model accounts for the impact of tourism spending. Therefore, this value indicates the contribution of the Stratford Municipal Airport to the local and wider economy.

The airport's direct employment impact is associated with the operation, maintenance, and provision of air services. The airport's indirect employment impact is generated from service providers and suppliers that support activity at the airport. The total employment of the airport is the sum of the direct and indirect FTEs, which can be found in both the local and wider economy.

MODEL PROS & CONS

Multiplier Model

A major advantage of the multiplier model is that this methodology is calculated based on reliable Statistics Canada data and is an industry standard practice. However, the model must estimate the labour income and revenue earned from the maintenance firm activity at the airport, as this data could not be obtained. Furthermore, the model represents the larger economic impact, not just the economic impact for the City of Stratford.

Regression Model

The regression model is advantageous as this methodology calculates the economic value of a maintenance facility located at the airport, and demonstrates a strong correlation between the input variables and predicting employment and revenue generated by the airport. The regression model is credible as many airport economic impact studies follow this methodology. However, the average number of passengers must be estimated as this data is difficult to obtain from smaller general aviation airports. Community wealth characteristics must also be estimated using the average housing price in the City of Stratford which may not be an accurate indicator of the overall wealth in the community. Finally, the transferability of the model coefficients, based on 1990s data, to 2014 may not be representative of the structural changes and expansion of the Canadian economy.

Visitor-Based Model

The visitor-based model is an extension of the multiplier model and has the advantage as the only methodology that incorporates the impacts of tourism and induced variables. Furthermore, data retrieved from the airport's flight log allowed the estimation of traffic based on known destinations. However, the average number of passengers is assumed as three per flight. In addition, tourism spending is estimated from Ontario Ministry of Tourism, Culture and Sport surveys of visitor behaviour based on area of origin. This model is inflated based on the inclusion of induced impacts, however is corrected through the averaging of all three models.

ECONOMIC ANALYSIS SUMMARY

The results of our calculations, averaging the estimated impacts across the three models, indicate that the airport generated approximately 3.3 million dollars in economic impact, and 27 person-years of employment in 2014.

The accuracy of this economic impact analysis is difficult to quantify with a high degree of certainty due to the inherent limitations of each model and data requirements. Further, the models are used to provide a general sense of economic impact, not a precise estimate. Three reputable economic impact analyses were conducted on the Stratford Municipal Airport to understand the monetary difference in calculated economic impact for each method.

Our recommended solution is to use an average of these three methods to estimate the overall economic impact of the Stratford Municipal Airport as follows:

IMPLICATIONS & SIGNIFICANCE

The results of this economic analysis has positive implications for many aspects of Stratford's economy. The airport's business and operations directly and indirectly supports numerous jobs within the municipality and local area. It also generates revenue and economic impact through its operations and associated activity.

However, it is also important to note that impacts of the airport on Stratford's competitiveness and community appeal are difficult to capture in models such as these. They are intangible, yet catalytic, components of the value of the airport to the local economy which reach beyond the numbers. In consultation with city staff and as reported in other airport studies, the intangible benefits of the airport should not be overlooked. For new companies with global connections, the airport has potential to act as a gateway to the city for its employees, goods and clients.

MUNICIPAL AIRPORT ISSUES & OPPORTUNITIES

The study of the Stratford Municipal Airport identifies several issues and opportunities to be considered going forward. These were identified through consultation with airport and city staff, site visits, and a review of previous studies. Airports of close size to Stratford Municipal Airport face similar issues and opportunities which are outlined in their respective reports. The issues that present themselves at the airport generally relate to the overall supply, or operational capacity of the airport.

AIRFIELD ISSUES

The privately owned woodlot at the threshold of Runway 05/23 also presents a supply issue at Stratford Municipal Airport. Due to Transport Canada regulations, the threshold of the runway is displaced by 1030ft. to provide an obstacle free approach surface. Runway 05/23 is the primary runway, and in adverse westerly wind conditions, some aircraft are forced to divert to other airports due to the displaced length of Runway 23. This issue effectively shortens the length of Runway 23, and limits the airport's ability to accommodate larger aircraft, particularly during adverse wind conditions.

Additionally, the airport has reached capacity in its storage hangar space. Plans have been proposed to expand the airport's hangar supply, however they have yet to go beyond the proposal stage. The airport's parking apron is also nearing capacity and is limited in its ability to handle larger private jets and/or an influx in smaller aircraft. This supply shortage of hangar and parking space may force air travellers and aircraft to use other nearby airports.

OPERATIONAL ISSUES

The airport lands are located in the Township of Perth East and not within the City of Stratford's jurisdiction. The intergovernmental context of Stratford Municipal Airport also presents an issue to determining the true economic impact of the facility, due to the difficulty of quantifying the relationship between municipalities and the County.

SERVICES & AMENITIES ISSUES

Fuelling at Stratford Municipal Airport takes place via a pumping station connected to an underground tank, and its refuelling speed is relatively limited compared to the much quicker refuelling options such as tanker truck. The limited refuelling speed can affect turnaround times of larger aircraft and reduce the number of movements possible.

OPERATIONAL OPPORTUNITIES

Opportunities at Stratford Municipal Airport generally look at the correlating activity increase - demand (for space, services etc.) that may be realized with an increased supply, or operational capacity. The flight school and its fleet of small aircraft is a large driver of demand, particularly for fuel sales. Similarly, any increase in traffic movement and flight activity will increase fuel sales and allow the airport to collect more landing fees from larger corporate jets. The opportunity exists to collect more hangar leases and accommodate more parked aircraft, which would bolster the airport attractiveness in the regional context.

The airport is a selling feature for the City of Stratford when trying to attract new economic opportunities. The benefit of these economic opportunities extends beyond the airport into the greater community. This attraction, combined with opportunities to increase activity levels at the airport would help the municipality increasingly recover their investment in the airport operation. The implications of these issues and opportunities will be connected and further discussed in the future options section of this report.

FUTURE OPTIONS

Future options for the Stratford Municipal Airport include the option to maintain the current operations at the airport, to increase supply and potentially capture more of the market demand. This section also discusses opportunities to improve the future availability of data at the airport. Finding specific solutions or recommending a preferred course of action was beyond the scope of this project. Our focus is on recommendations to better understand the value of the municipal airport, thereby enabling the City of Stratford to identify and implement solutions.

REVENUE OPTIONS & OPPORTUNITIES

Municipal facilities such as Stratford Municipal Airport, are funded through the municipal tax levy, making it a public asset. It acts as an amenity for local flyers, students, and visitors and provides a key part of the air transportation infrastructure network that connects Stratford through this mode to Ontario, Canada, and the world. The airport does not charge fees to most private or recreational aircraft, but does charge commercial and business users. In assessing trends in fees at nearby airports (Table 6), it would not be feasible to impose user fees for general aviation movements (non-scheduled private/recreational flyers), which would see these fees as a deterrent to using/visiting Stratford Municipal Airport.

Private/recreational traffic (general aviation) is of significant benefit to smaller municipal airports, which generates revenue primarily from fuel sales. Regardless of user fees, general aviation users will typically purchase fuel at a visit. Any additional revenue from introducing user fees for general aviation would be negligent in comparison to the decline in revenue from lost fuel sales if those users chose to visit another airport.

Raising user rates at the Stratford Municipal Airport, in the competitive Southern Ontario aviation market would not be good business. Achieving revenue neutrality at Stratford Municipal Airport through user fees is therefore not considered viable. The direct, indirect, and catalytic economic impacts of the Stratford Municipal Airport provides an important consideration when examining the value of municipal investment in the airport.

CATALYTIC IMPACTS – the presence of the airport improves the attraction to the City of Stratford and helps support other sectors of the local economy

Table 6 - Comparison of user fees charged at airports in Southern Ontario

Airport	Fee Structure
Stratford Municipal Airport	• parking fees charged $6.00 overnight, $67.00 monthly • $50.00 landing fee charged for corporate aircraft
Tillsonburg Regional Airport	• no landing fees charged • overnight parking is $6.00, or free with purchase of fuel
Muskoka Airport	• no landing fees charged for aircraft under 3000kg • $42.00 for turboprop & rotary wing aircraft and $75.00 for jets over 3000kg, not based at Muskoka Airport) • further landing fees charged based on weight • minimum $50.00 overnight parking fee for jets; remainder charged based on weight
Region of Waterloo International Airport	• no landing fees charged for aircraft under 1000kg (each 1000kg after is $6.25) • parking fees are charged on a per day basis, based on weight, ranging from $10.00-$60.00

GOVERNANCE

The current governance structure of the airport (direct ownership with contractual management) is dependent on key staff members fulfilling diverse roles and functions. If key staff members were to leave the airport, the City of Stratford would be required to replace significant institutional knowledge and expertise, as well as determine the most suitable governance structure for the airport going forward.

The City of Stratford would have the opportunity to select a new governance structure for the airport, however the current model is the most viable under the existing municipal system. The City of Stratford is able to benefit from increased operational cost savings under the current governance model, which does not require the City to directly employ airport staff.

If the City of Stratford were to consider a new governance model, one option would be a joint ownership agreement of the airport between the City of Stratford and Perth County or the Township of Perth East. The current structure sees the Township of Perth East collecting property taxes from the airport. A joint ownership agreement could allow for a reduction in the Stratford's contribution towards the airport, and could allow the airport to increase its development potential. Any additional capacity (ex. - runway length, hangar units) at Stratford Municipal Airport will impact levels of activity at the airport.

LACK OF DATA

The lack of airport data, specifically regarding the number and purpose of flight movements, poses a challenge for more accurately assessing the economic impact of the Stratford Municipal Airport. If such information was systematically collected, analysis could be conducted on a yearly basis to assess the airport benefit, similar to the strategy undertaken by the District of Muskoka in assessing their municipal airport.

The ideal information that could be collected from airport visitors would include:

- Purpose of travel (business or pleasure)
- Duration of stay
- Location of stay (hotel, private home etc.)
- Origin location
- Number of passengers on the aircraft

The data collection system where passengers would input this information could be located inside the airport terminal. Therefore, individuals who are landing at the airport would be asked to walk through the terminal building to input data. Data could be entered manually by a receptionist, or more automatically through use of a tablet or computer. An alternative option to collect this data would be a paper form, to be completed by the aircraft owner, while the plane is refuelling.

CONCLUSIONS

The Stratford Municipal Airport generated an estimated economic impact of $3.3 million and supported 27 person-years of employment in the 2014 fiscal year. As previously outlined, achieving revenue-neutrality is not feasible for this facility due to the competitive nature of the Southern Ontario aviation market.

The airport is an influential selling feature for the municipality's economic development, when attracting investment from new and innovative business owners and foreign direct investment. The facility is also a tourism access point, particularly for the annual Stratford Festival.

The airport supports a wide variety of general aviation and private users, providing a local, regional, and national transportation link to the City of Stratford. Stratford Municipal Airport also acts as a community access point for other valuable services and users, such as emergency medical services, visiting professionals and delegates, and special events including the Canadian Forces Snowbirds.

Decision making regarding the airport could be improved through implementing a data collection system to allow the municipality and operator to better understand the operations at the airport. This understanding would also help address many of the challenges and issues presented in this report, and help develop a strategic plan for tapping into its potential.

Stratford Municipal Airport is a community asset that provides value to the City of Stratford and its residents, improving the overall quality of life within the municipality.

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APPENDIX A

Terms of Reference:

City of Stratford Airport Study

1.0 PURPOSE

To create a partnership between the Corporation of the City of Stratford (hereinafter referred to as the "City") and the University of Waterloo Stratford Campus (hereinafter referred to as the "University") to undertake a community impact study on the Stratford Municipal Airport (hereinafter referred to as the "Airport").

2.0 BACKGROUND

2.1 Airport Operations

- The Stratford Municipal Airport is owned by the City of Stratford.
- The Airport is located 6 kilometres north of the City on a 482 acres site in the Township of Perth East in Perth County.
- The airport is a Canada Border Services Agency "airport of entry" and is a Transport Canada certified facility.
- Management and operation of the airport is provided by a contract between the city and the Fixed Base Operator (flight training unit). The flight training unit has 4 fulltime and 2 part time employees. All staff members assist with airport operations if required. Airport management reports directly to the Stratford Fire Department.
- There are no scheduled flights to or from the Stratford Airport.
- The Airport is home to 45 based commercial and private aircraft. The runways and modern facilities handle all types of single engine, multi engine aircraft as well as medium sized business jets.
- Corporate, freight, air ambulance, training, and recreational flights comprise the approximate 10,000-12,000 annual aircraft movements. A flight school designated as a Private Career College offering vocational flight training is also available.

The 2015 Airport budget is as follows:

Revenue	-$237,987
Expenditures	$380,569
Net Budget	$142,015
Less Amortization	-$86,294
Transfer to Reserves	$116,000
TOTAL BUDGET (tax levy)	$172,288

2.2 Value of Municipal Airport

While there are no scheduled commercial flights operating at the Airport, the Stratford Economic Enterprise Development Corporation (SEED Co) uses the Airport's existence as a selling feature when trying to attract new businesses to the community. Many local businesses utilize the airport for transporting personnel and freight if required. Tourism is also a large market for Stratford due to the international prestige of the Stratford Festival. The Airport is a key access point for this market, as it enables private and corporate aircraft to fly to Stratford to experience the Festival.

2.3 Airport Study

This economic impact study has been initiated in response to questions raised during the 2015 Budget Process. There is little opportunity to recover Airport operating costs. Therefore, the City requires an economic impact study to determine the value of municipal investment in the Airport. This study will investigate the Airport's value to the municipality, determine the feasibility of raising current rates, and consider the possibility of making the Airport revenue-neutral.

The City of Stratford has engaged the University of Waterloo Stratford to create this study. Students in Dr. Clarence Woudsma's Planning and Local Economic Development program, under his direction, will undertake this project in partnership with the City.

3.0 MEMBERSHIP

3.1 City of Stratford:

Ron Shaw – CAO, City of Stratford
John Paradis – Fire Chief, City of Stratford
Andy Woodham – Manager, Stratford Municipal Airport

3.2 University of Waterloo:

Dr. Clarence Woudsma – Director School of Planning, University of Waterloo
Ginny Dybenko – Executive Director, University of Waterloo Stratford Campus
Leanne Perreault – Administrative Officer, University of Waterloo Stratford Campus

4.0 DELIVERABLES

The Airport Study will comprise a written report that will be presented to Stratford City Council.

4.1 Content

The Airport Study will consider the following:

a) Airport Infrastructure
b) Aircraft Movements and Airport Operations
c) Economic Impact (direct and indirect)
d) Future Options
e) Revenue Opportunities
f) Organizational and Governance Models

4.2 Consultation

The study team will have access to relevant background information and may consult with the following:

- Manager of Stratford Municipal Airport
- CAO of the City of Stratford
- Fire Chief of the City of Stratford
- CEO of SEED Co; (and most relevant business interests)
- Mayor of the City of Stratford;

Depending on final scheduling of tasks and activities the scope may allow for further consultations with outside stakeholders where warranted.

4.3 Presentation

The draft Study will be reviewed by the CAO, Fire Chief, and Airport Manager before the final draft is presented to Stratford City Council.

5.0 PROJECT SCHEDULE

Milestone	**Anticipated Completion Date – 2015**
Initial Project Meeting	Late September 2015
Review Existing Documentation and Data	September 2015
Consultation Process	September/October 2015
Impact Analysis	October/November 2015
Draft Study Review	Early December 2015
Final Presentation	As Council Schedule Permits

APPENDIX B

Below are the equations and variables used in the regression economic model, and are further described on page 8 of this report.

Employment equation: $E = a_0 + P^{a1} + W^{a2} + B^{a3} + u$

Revenue equation: $R = b_0 + P^{b1} + W^{b2} + L^{b3} + B^{b4} + u$

Description of Variables	Dependent Variables	
Independent Variable	Employment (E)	Revenue (R)
Constant	a_0 = -10.337	b_0 = -0.821
Passenger Traffic (P)	a_1 = 0.754	b_1 = 0.493
Wealth (W)	a_2 = 0.593	b_2 = 0.937
Large Aircraft (L)	N/A	b_3 = 0.178
Maintenance Base (B)	a_3 = 0.332	b_4 = 0.482
Adjusted R^2	0.969	0.948

Note: the random disturbance term (u) is not applied in this assessment

BLACKLINE CONSULTING

A HIGHER STANDARD

Service Delivery Review

Final Report

City of Stratford

16th February 2021

Contents

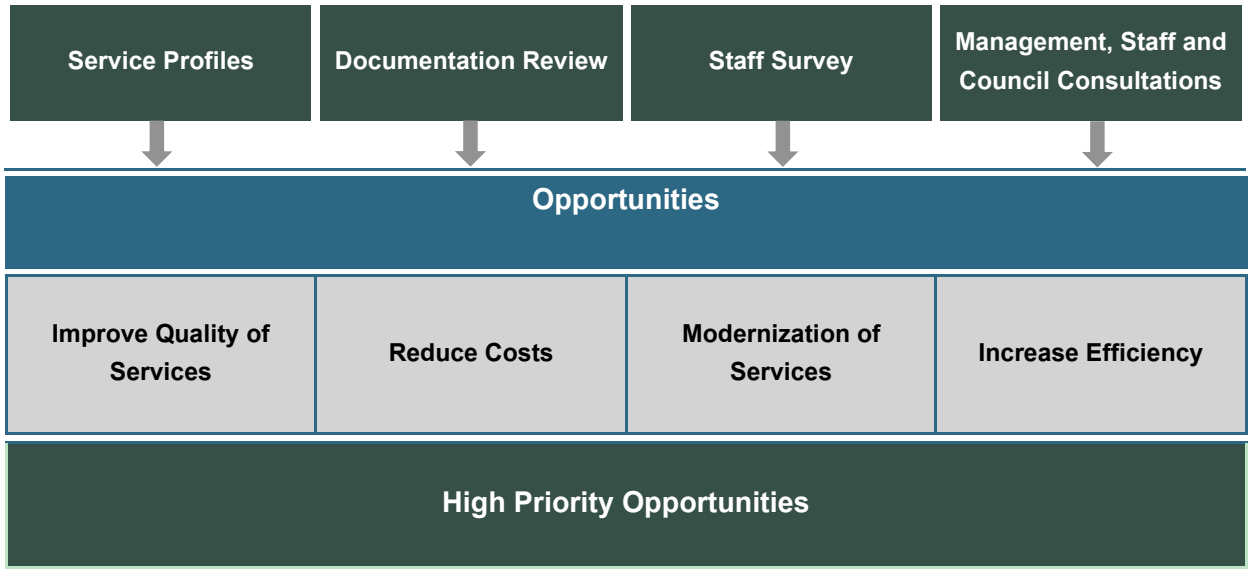
Summary

Executive Summary

In May 2020, the City of Stratford selected Blackline Consulting to conduct a service delivery review of the organization. The scope included all City services. The objective was to identify any ways that service delivery could improve, whether that was technology enablers to provide a better customer experience, integration of services that allow economies of scale, structure realignment or increased revenue generation.

Approach

We engaged with management, staff and council members throughout the engagement for purposes such as data gathering, prioritizing opportunities and gathering feedback. The diagram below shows how we used this wide consultation to generate the service improvement opportunities.



Through those consultations and analysis, we generated an index of opportunities for change to how the City operates that could modernize service delivery, reduce costs, increase revenues or redeploy staff.

The table following shows the number of opportunities generated from each of those inputs. In most cases, an opportunity came from more than one source.

Source	Management and Council Interviews	Staff Interviews	Staff Survey	Staff Workshops	Service Profile
# Opportunities	43	16	11	22	52

We then worked with CLT to validate the opportunities had merit and to determine a priority. From the full list of opportunities, nine were considered high priority and requiring more in-depth analysis.

Opportunities

1. *Reduce the use of paper*

Various departments across the City rely on paper to operate, whether forms, applications, invoices or permits. The table below shows the number of forms departments handle each year.

Department	Paper Transactions
Clerks	5219
Community Services	3160
Finance	59560
Human Resources	3537
Public Works	81
Social Services	700

The City's first step towards eliminating paper is to make electronic/digital the default option. Providing online forms to replace the paper forms used today. The City will not eliminate paper forms, so people will still wish to use them, however, this should be the exception and not the rule.

To enable transactions to occur online, the City will have to allow customers to pay online with a credit or debit card.

In situations where paper still arrives, the City should digitize it as soon as it arrives, whether that is staff keying information into systems or technology that can scan the paper and automatically create the record in the correct system.

The table below shows the estimation of the labour-saving from converting the various forms into electronic and not having to process the paper. This labour-saving is the comparison to the effort spent processing paper today with effort of processing electronic submissions.

Department	Percentage decrease
Finance	-47.99%
Clerks	-68.13%
HR	-78.73%
Public works	-62.69%
Community Services	-17.25%
Social Services	-100%
Total	**50.33%**

2. Enhance HR systems

The key functions performed under the department include recruitment, occupational health & safety, compensation and benefits (in conjunction with Payroll), performance management, labour relations, negotiations, employee database, leave management, training and development. Today there is no enterprise IT system supporting these activities, meaning many activities are manual and time-consuming.

We have split this opportunity into three parts:

1. Modernize the time and attendance (TAS) process and system

2. Redesign the payroll process to eliminate manual steps that are occupying the Payroll Clerk unnecessarily

3. Implement an HRIS to automate manual processes and deliver self-serve capabilities.

Modernize the TAS process and system.

The City has two relatively manual methods of collecting time and attendance from staff: Paper timesheets and Excel timesheets.

Time and Attendance Processes							
Process steps	Fill in timesheet	Transport to approver	Review/ approve	Transport to admin	Summarize timesheets	Transport to payroll	Total
How many staff complete this step	445	291	47	57	22	35	
Current Total Labour (Hours per week)	65	15	37	2	26	2	**147**

The introduction of a time and attendance system (TAS) will reduce the number of steps and manual processes to record time and attendance. For instance, transporting paper or sending spreadsheets via excel will no longer be necessary as all the time and attendance information will be in one central location.

Redesign the payroll process to eliminate manual steps that are occupying the Payroll Clerk unnecessarily

The consolidated timesheets are received by the payroll clerk in an Excel file. The entries are then reviewed and typed into Microsoft Great Plains – the software used by the Finance division by the Payroll Clerk. The Payroll Clerk is currently expending about 9 hours a week on this activity.

Integrating the time and attendance system with the payroll solution will eliminate the need for the Payroll Clerk to summarize or transcribe time and attendance information.

Implement an HRIS to automate manual processes and deliver self-serve capabilities.

An HRIS system allows an organization to file, track, manage and share employee information and records in a single system. Currently, the City is not able to completely perform some core HR functions such as credential tracking, training records (some departments do keep records) and succession planning due to capacity limits. In other instances, such as HR paper files and recruitment, the majority of the associated activities are still relatively manual.

HR Functions	Performed today?	Manually intensive ?	Percent of staff per year	Yearly Labour Hours
Credential tracking	Limited	-	15%	17
Training records	Limited	-	25%	56
Succession planning	Limited	-	0.05%	22
Paper HR files	Partially	Yes	100%	225
Screening and recruitment activities	Partially	Yes	-	1,173
Benefits enrollment and status changes	Yes	Yes	10%	23
Vacation/lieu/sick balance tracking	Yes	Yes	100%	133
Total				1,628.54

Implementing an HRIS would substantially reduce the labour associated with these activities and give HR staff the ability to address some of the items they do not have the capacity for today.

3. Review the utilization of the fleet

The Fleet Division has responsibility for the maintenance of the public works and transit fleet. However, the fleet in other departments is purchased, allocated, used and disposed of by that department. The Division currently manages 91 vehicles in the fleet.

Typically, we use vehicle usage time when assessing fleet utilization. Vehicle usage time is a measure of the time a vehicle is in use from the moment it leaves the lot until it is returned. The City does not record this information. In its absence, we group vehicles with similar uses and compared the kilometres they had been driven. Doing this will only indicate if there may be a difference in usage.

This kilometre assessment did show variance, which suggests the City should begin tracking actual usage data to investigate the utilization of the fleet.

4. Consolidate grass maintenance

Various staff across departments have responsibility for grass maintenance in different parts of the City. For some, it is a substantial part of their responsibilities, for others, it occupies a small amount of their time. For example, Community Services and Roads.

Department	**Description**	**Total Travel hrs** (Travel time x # of cuts/yr.)	**Volume of work** (Work hours x # of cuts/yr.)	**Total Volume**
Community Services	Riding Mower	3432	728 hours	**4160 (Hours/Yr.)**
Infrastructure & Development Services	Machine Work	0	222 hours	**222 (Hours/Yr.)**
	Weed Trimming	156	224 hours	**380 (Hours/Yr.)**

Consolidating grass cutting into one department may offer some benefits:

- Lower switching costs – when a person moves from one task to a different one, some time is lost switching between the two.
- Consolidating equipment – in some circumstances, there may be duplicate grass cutting equipment, although in some situations, the equipment is specialized.
- Travel time – in many instances, staff are travelling to the location of the grass, which might be reduced if the work were consolidated

5. Increase airport revenues

The Stratford Airport has higher expenses than income, having an annual loss of $175,000 in 2019. While the current expenses and revenues may be reasonable, the structure of the existing airport management contract keeps expenses low. This is a discretionary service that not all municipalities provide and as such, the City wished to investigate what economic alternatives it had to offset these expenses more fully.

We investigated three options – increase fees, expand the current facility and selling the airport.

Increase fees

For the airport to be able to offset the current losses, the fees would need to increase by 70%. Increasing the fees at this rate will reduce the competitiveness of the Stratford Airport, given that the fees would be higher than those of its competitors.

In March 2020, Stratford Airport completed a benchmark analysis of its fees to compare them to other similar airports. It showed the possibility of increasing fuel and terminal rentals to closer to the benchmark average.

Extend the taxiway and build a new hangar

The airport has the land for additional hangar space. To access the additional space, the airport would need to extend its taxiways to connect the hangar to the runway. When the airport leases space for hangar construction, the renter is responsible for the costs of that construction. A new hangar would lead to more airplane traffic and more fuel sales.

The Stratford Airport has estimated that the cost to construct the extension is $200,500 and would generate around $25,000 per year based on the current hanger income.

Sell the Airport

The City could investigate selling the airport – with the intention that it continues to operate as an airport or as land.

We estimated what the airport might sell for based on a recent sale of Lake Simcoe airport, which valued the airport at approximately $8m. It is a larger airport with more services than Stratford, hence estimating a value of $3m. The City provided us with a Valco report from 2019 that valued farmland in Perth County at approximately $20,000 per acre, which values the land at around $8.5m.

Selling the airport will have both positive and negative implications for the City of Stratford. The Economic Impact Analysis Report from 2014 concluded that the airport generated an estimated economic impact of $3.3 million in that year for the City. If the airport was sold, specifically as land, this economic benefit would be lost.

To offset expenses, the City should consider increasing some fees and adding an additional hanger.

6. Repair fire vehicles internally

The Fire Department owns four heavy-duty fire apparatus and five light-duty vehicles. All vehicles are maintained and repaired by external mechanics. The maintenance cost of these vehicles ranges between $50,000 and $120,000 per year, with approximately 60% of the cost being related to labour. Additionally, whenever a vehicle requires maintenance, there can be six hours of staff time lost - one and a half hours of travel time each way for two people.

Operational Costs	Current	In House Mechanic
Maintenance - Parts and Equipment	-$ 34,000	-$ 27,200
Maintenance - Labour	-$ 51,000	-$ 2,448
Lost Travel Time - Salaries	-$ 9,346	-$ 467
Salaries - Mechanic	$ -	
Utilities Costs	$ -	-$ 470
Total Operational Costs	**-$ 94,346**	**-$ 30,585**

Training

Specific training to qualify for the Emergency Vehicle Technician status. The certification is structured into 8 modules for fire vehicles. Courses and examinations for each module are in the range of $500 per person – or $4,000 if all 8 modules are required. Reviewing the modules, it appears that Stratford would likely need 6 of the modules for a total of $3,000 per person.

7. Consolidate invoicing

Some departments outside of finance currently process invoices. Often these departments have a small number of invoices to manage and follow processes that work with the situation they face but may be different than the corporate approach. An example of these differences is interest. The City generally charges a monthly interest rate of 1.25% when finance manages invoices, but this may not happen when departments manage invoices.

One example is Recreation Division. They process around 100 invoices per month and use a software called *Perfect Mind.* Three staff have part of their jobs processing invoices.

System integration with the Financial system

Integration between systems will allow for more automation and reduce the labour that goes into the invoicing process. In the Recreation Division example, staff will still input rental data into Perfect Mind so they can manage rentals. Integrating Perfect Mind with Great Plains will allow this data to be automatically reflected in the finance system.

8. Facility maintenance and utilization

We conducted an investigation into three aspects of the City operates facilities:

- Whether the maintenance costs were higher at any of the recreation facilities than the others
- Would a central function managing facilities be more effective or efficient than the current decentralized model
- Are the recreation facilities highly utilized and are there steps that could increase the utilization

In each of these areas, the City does not currently have sufficient data for us to conclude whether changes would yield benefits. The analysis we could undertake suggests there is merit to the concepts, but that staff will need to conduct a more complete analysis when they can gather the data required.

Facility Maintenance Costs

From a recreation facility maintenance perspective, we were able to identify a basic maintenance cost per square foot.

Facility	Amenities	Total Maintenance Costs per sq ft.
Dufferin Arena	1 ice arena	$ 3.9
Allman Arena	1 ice arena and 1 upper lobby	$ 6.1
Stratford Agriplex	3 meeting rooms, 4 gymnasiums, 1 community hall and 1 bingo hall	$ 4.4
Rotary Complex	4 meeting rooms, 2 ice arenas, 4 community halls and 1 walking track	$ 6.0

With this basic measure, two of the facilities are much more expensive per square foot, but we do not have data to determine why this difference may exist.

Facility Maintenance

Facilities maintenance in the City is decentralized, with managers from respective departments (e.g., Fire, Library, Daycare, Infrastructure and Development Services, Social Services and Community Services) responsible for the operation and maintenance of their facilities.

The City spends approximately $1.42m on facilities maintenance annually. In addition to this figure, facility managers spend around 1,993 hours on administration, managing operations and project management. Centralizing facility maintenance offers potential benefits:

- Preventative maintenance – most maintenance is currently demand, when something requires repair, it is attended to. According to the United States Department of Energy, it should be common practice for organizations to limit demand maintenance to 20% of total maintenance cost and they estimate that preventative maintenance reduces total maintenance costs by 12-18%.
- Contractor consolidation – a central function is better able to agree and use a shorter list of contractors, where the City might get better pricing or volume discounts.

To do this, particularly the preventative maintenance, the City would require a work order management system that supports facility maintenance.

Facility Utilization

The Recreation Division operates ice arenas, multi-use sports fields, community centres and other recreational facilities. The hours of operation vary for each facility, but most of them are open seven days a week.

Limited data is retained on the capacity of each facility and how much it is being used. Over time community demand will change and understanding each amenity in a facility, what is programed and who is attending will allow the City to adjust to best match community needs.

With the limited data available in each of these three areas, we recommend the City put in place mechanisms to capture the required data and, after a representative period of data collection, complete a fulsome analysis to determine what actions, if any, should be taken.

This work focused on identifying ways the City could modernize its operations

Context and Scope

The City of Stratford (City or Stratford) is committed to providing modern and efficient services and service delivery to its residents. To this end, Stratford decided to undertake a Service Delivery Review (SDR) to identify opportunities within the City's operations and to maintain fiscal sustainability. In May 2020, Blackline Consulting (Blackline or BLC) was selected by the City to conduct the SDR.

Scope and Focus

Blackline assessed all services provided by the City. The SDR included interviews with staff, management and Council. In addition to the seven City Departments, the City also wishes to include the partners that it works with who report to separate boards as part of the review. These partners included the Stratford Police Services and the Public Library.

Throughout the SDR, we identified a list of 99 opportunities from which 12 were further analyzed. Blackline worked together with the Corporate Leadership Team (CLT) and City staff to go through the prioritization process. For the prioritized opportunities, Blackline developed various recommendations and identified the financial and non-financial benefits of each of them. Additionally, we developed an implementation and monitoring plan for the City to follow once the Departments are ready to move forward with the proposed recommendations.

Objective

The SDR had five main objectives:

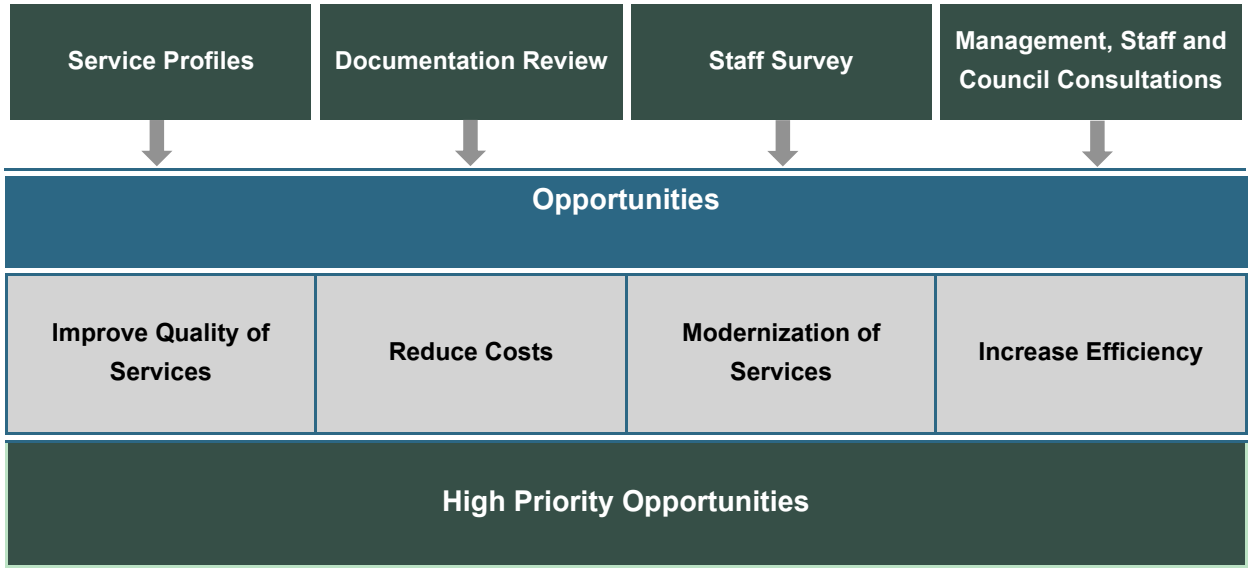
1. Modernize Service Delivery – identify secure technology enablers to provide a better customer experience
2. Integration of Services – identify integrations that allow economies of scale, cost reduction and efficiency
3. Structure Alignment – explore shared services within the City or other organization
4. Revenue Generation – identify opportunities for revenue generation within the City
5. Implementation Plan – develop a clear plan to implement the final recommendations

The Blackline team used the five objectives as a guide throughout the SDR. The delivered opportunities and recommendations are all in line with the City's objectives and Stratford's strategic priorities.

Our approach took input from across the City

Approach

The approach we took to complete this engagement follows the structure outlined below. We engaged with management, staff and council members throughout the engagement for purposes such as data gathering, prioritizing opportunities and gathering feedback.



Management Opportunities – Blackline worked with management and staff to validate the feasibility of the opportunities identified for each of the Departments. The prioritized opportunities were analyzed by Blackline's team.

Paused Opportunities – In discussion with management and staff, certain opportunities were deemed not to have merit and no more analysis was required.

Our first phase involved gathering data on how the City operates today. Through consultation and analysis, we generated an index of opportunities for change to how the City operates that could modernize service delivery, reduce costs, increase revenues or redeploy staff. In building the list of opportunities, we used each of the inputs shown above.

Staff survey – an online survey was published for all staff to complete anonymously. We received 100 responses. Appendix A: Survey Output contains a summary of those responses, highlighting some of the key themes staff raised.

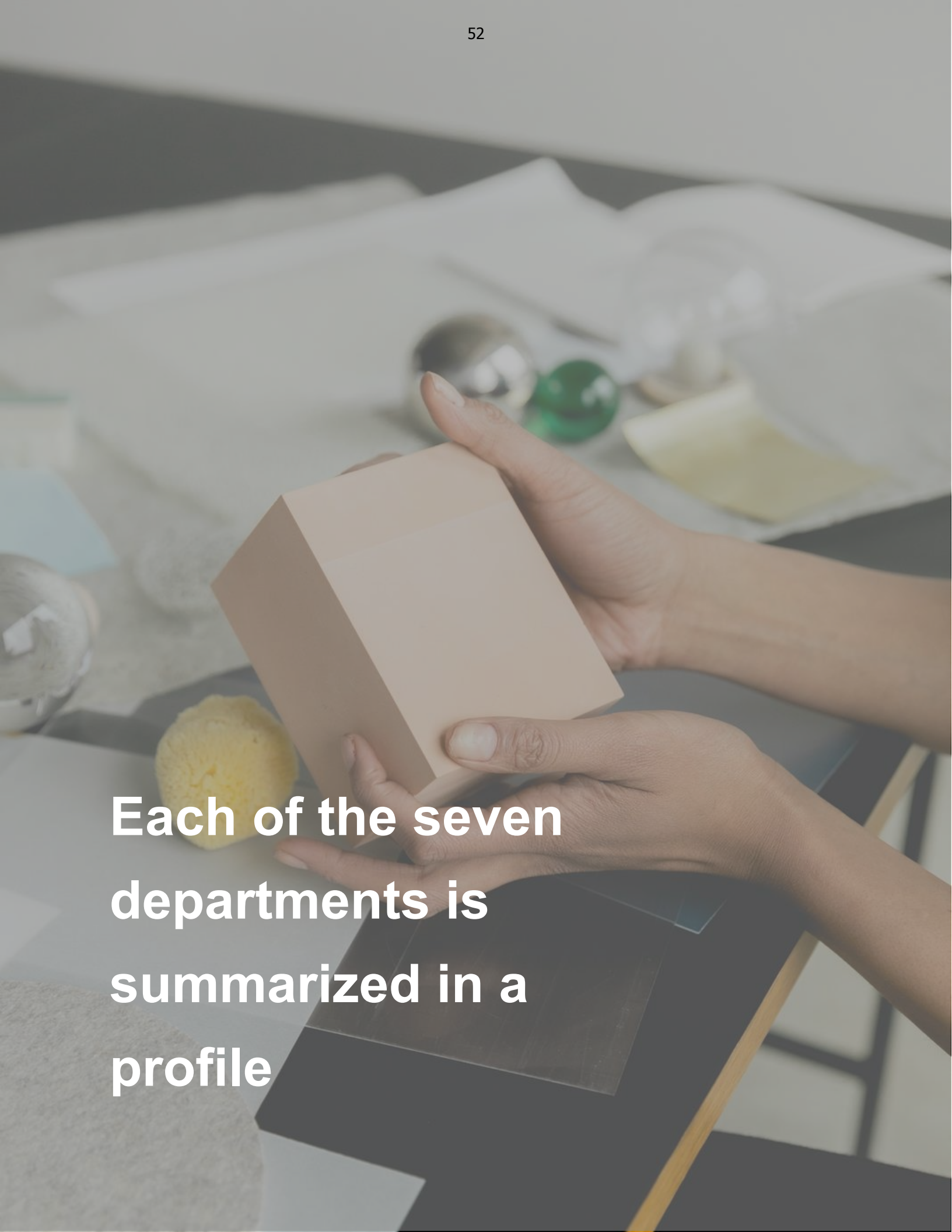
Staff workshops – conducted six in-person workshops open to all staff in which asked for attendees' input on changes the City could make or areas where they felt service delivery should be improved. Over 30 staff attended these sessions.

The table following shows the number of opportunities generated from each of those inputs. In most cases, an opportunity came from more than one source.

Source	Management and Council Interviews	Staff Interviews	Staff Survey	Staff Workshops	Service Profile
# Opportunities	43	16	11	22	52

We then worked with CLT to validate the opportunities had merit and to determine a priority. From the full list of opportunities, twelve were considered high priority and requiring more in-depth analysis.

This report presents the analysis of each of those opportunities and the supporting operational and financial impact if the City were to move forwards with the change.



Each of the seven departments is summarized in a profile

Departmental Profiles

The City is structured into seven departments:

Office of the CAO	**Fire Services**	**Infrastructure and Development**	**Community Services**
Social Services	**Human Resources**	**Corporate Services**	

For each department, we developed profiles of the services they provided. Each service is categorized as:

- Legislated – the municipality is mandated to provide the service
- Core – the municipality is not mandated to provide the services, but the service is essential to support the operations of the municipality
- Discretionary, non-core – the municipality is not mandated to provide the service and if it were to stop, no other services would be affected

We also consider who is delivering the services, is it City staff or is it a party outside of the City employees. This could be a contract with a third party, a community group or even volunteers.

The following pages profile each of the departments highlighting the services they provide and the resources they use.

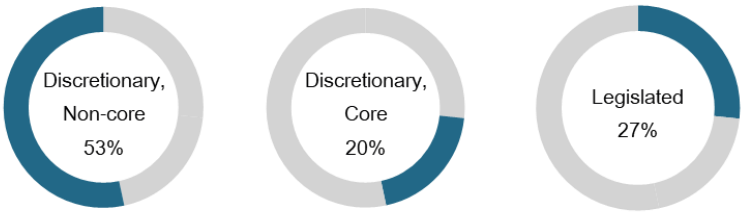
Office of the CAO

List of Services

- Government Relations
- Council Support
- Corporate Performance Management
- Strategic Planning
- Corporate Policy
- Acquisition and Disposal of Property
- Leasing and Licensing of Real Property
- Stakeholder and Media Relations
- Corporate Communications and Graphics
- Solicitor and Barrister

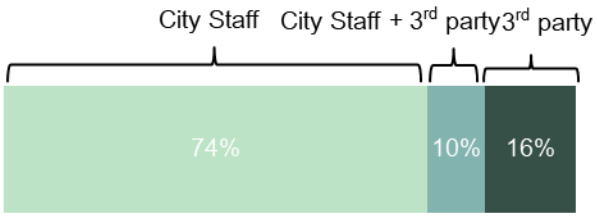
Service Standards

27% of the services delivered by the office of the CAO are legislated and a further 20% core to City operations. The remaining 53% are discretionary, non-core, which means that the services will depend on the specific needs and goals of the City.



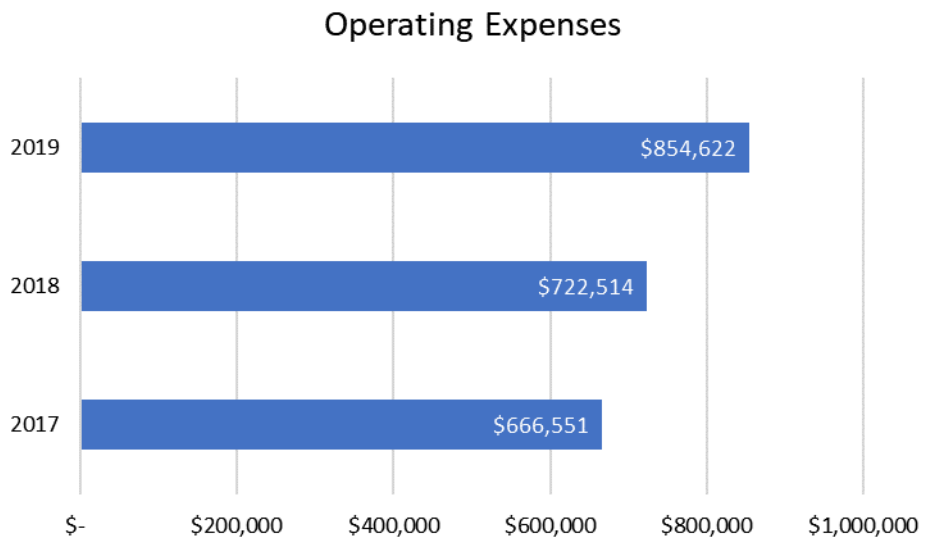
Delivery Model

74% of the services are provided by City staff, with the remaining supplemented by third parties – particularly the barrister and solicitor services.



Budget

Operating expenses for the Office over the preceding three years.



The largest contributors to the increase are salaries and benefits.

Observations

- The scope of services from the office of the CAO is much broader than is common.
- The CAO is legislated, however, 53% of the services of the office are discretionary – meaning they are not required for the municipality to meet its legislated mandate. These services often enhance the operation of the municipality or are deemed highly desirable by the community.

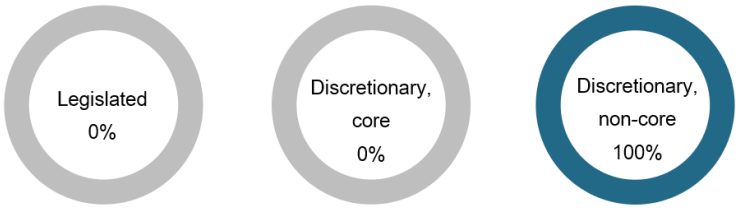
Fire Services

List of Services

- Dispatching Services
- Medical Response
- Fire Prevention
- Emergency Preparedness
- Training
- Fire Suppression
- Airport Services

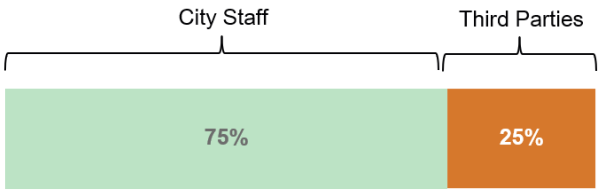
Service Standards

100% of services offered by the Fire Department are discretionary, non-core – municipalities are not legislated to provide Fire suppression. When a municipality chooses to provide these services, there are standards they must meet. Fire services in Ontario are legislated under the Fire Protection and Prevention Act.



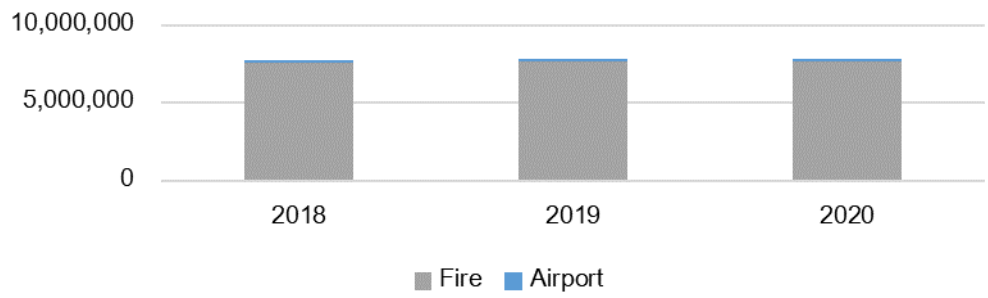
Delivery Model

75% of the services provided by the Fire Department are delivered by City staff. The City Airport is operated by a third party, this is why 25% of the services are not delivered by City staff directly.



Budget

Operating expenses for fire and the airport.



Observations

- If fire services are provided, they are then covered by a range of legislation and standards. Staffing levels are set by City Council.
- It is uncommon for responsibility for a municipal airport to fall under fire.

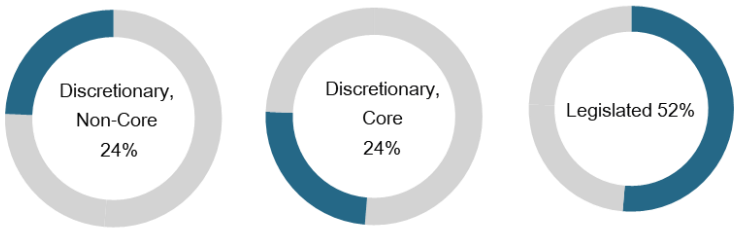
Infrastructure and Development Services

List of Services

- Public Works - Roads, Storm, Waste Management and Animal Services
- Fleet
- Engineering
- Water and Sanitary Environmental Services
- Developmental Services

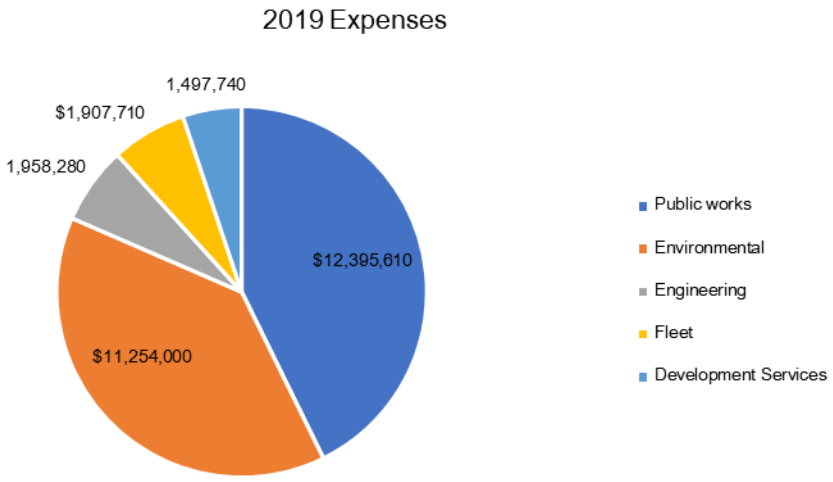
Service Standards

Over half the work of IDS is legislated, which includes both legislation that compels the municipality to provide the service and service standards that must be met when delivering the service.



Budget

2019 operating expenses for the Department.



Observations

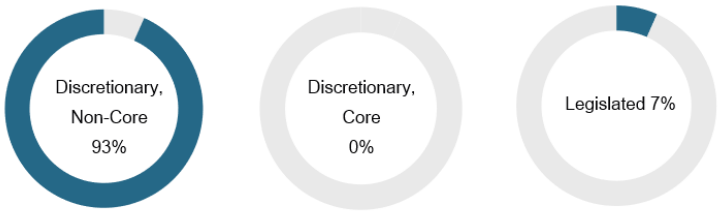
- IDS is the largest portfolio in the City and brings together services that relate to all aspects of municipal infrastructure. Many of the services are legislated and bring with them mandatory service standards.
- Approximately 16% of the services funded by the operating budget are delivered by third parties, which is relatively low for infrastructure services who often make extensive use of contracted services.
- Virtually all the capital projects are delivered by contractors, which is common with other municipalities.

Community Services

List of Services

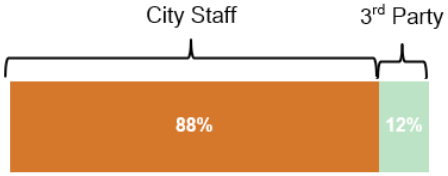
- Transit Services
- Recreation Programs
- Parks and Forestry
- Cemetery
- Recreation Facilities

Service Standards



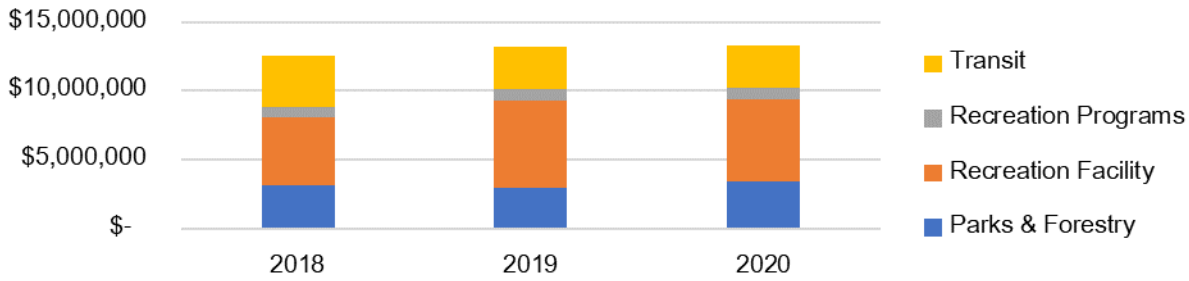
93% of services offered by the Community Services Department are discretionary, non-core. This means that the services will depend on the specific needs and goals of the City. The other 7% of services are legislated.

Delivery Model



88% of the services provided by the Community Services Department are delivered by City staff. 12% of the activities of the Department are delivered by a third party (e.g. facility maintenance).

Budget



Observations

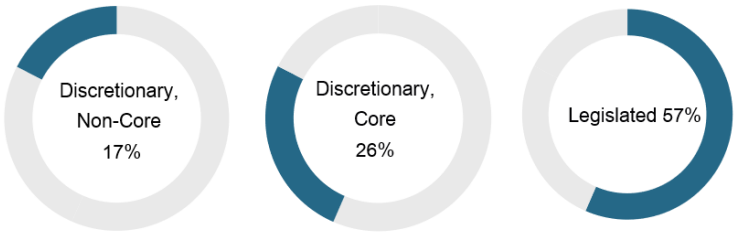
- Recreation Facilities is responsible for the maintenance and operations of all City facilities that are related to sports, arts and recreation programs. Maintenance of facilities, parks and forestry is supplemented by third-party contractors.
- Forestry is the only legislated service provided by Community Services. Regardless of the legislation, Community Services divisions have set service standards based on regulations and City by-laws.

Corporate Services

List of Services

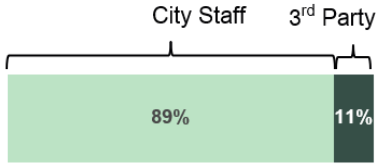
- Clerk Services
- Financial Services
- Information Technology (IT)
- Taxation and Collection

Service Standards



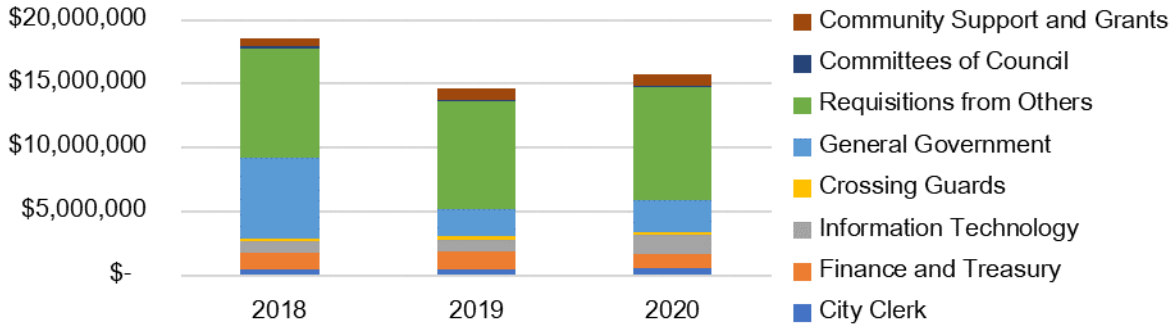
57% of services offered by the Corporate Services Department are legislated. The rest of the services are discretionary, of which only 25% are core services, meaning that the City could not operate without those.

Delivery Model



89% of the services provided by the Corporate Services Department are delivered by City staff. 11% are delivered by a third party (e.g. IT helpdesk.

Budget



Observations

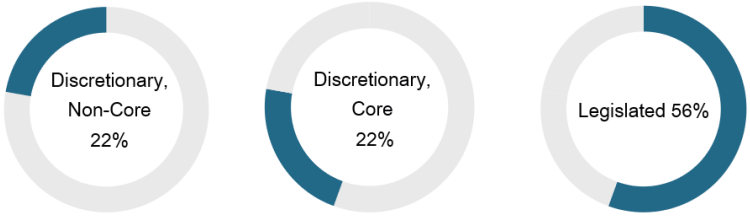
- Typically, very few of the services within a Corporate Services function are characterized as discretionary, non-core as they are vital to the operation of the municipality – and that is the case in the City.

Social Services

List of Services

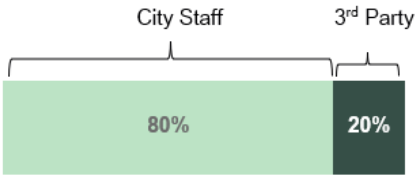
- Housing Access Centre & Community Social Housing
- Housing Stability & Supportive Housing
- Britannia St. Apartments
- Homeless Prevention & Response
- Daycare
- Perth and Stratford Housing Corporation
- Affordable Housing Programs
- Ontario Works
- Early Years and Childcare

Service Standards



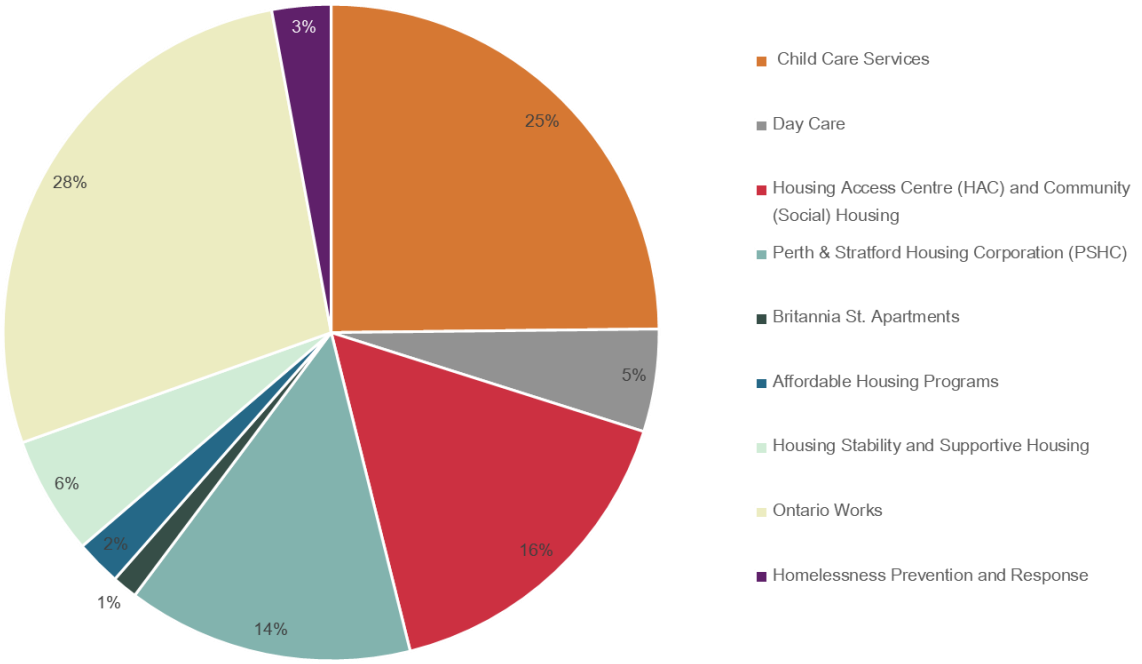
56% of services offered by the Social Services Department are legislated. The rest of the services are discretionary, of which 22% are core services, meaning that the City could not operate without those and the rest are non-core.

Delivery Model



80% of the services provided by the Social Services Department are delivered by City staff. These staff are supplemented by other organizations and contractors (e.g. building maintenance).

Budget



Observations

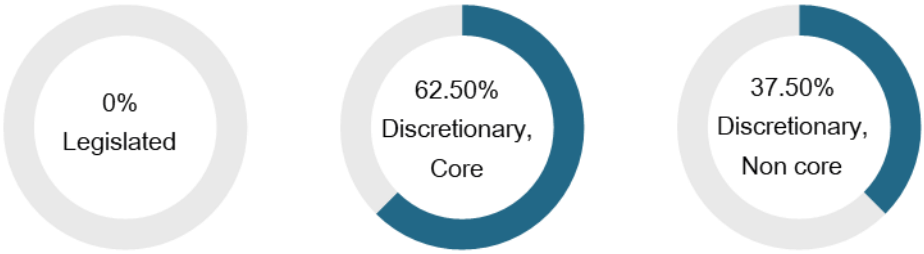
- Much of Social Services budget is supplied by the Province.
- As a department, Social Services has one of the highest amounts of legislated services

Human Resources

List of Services

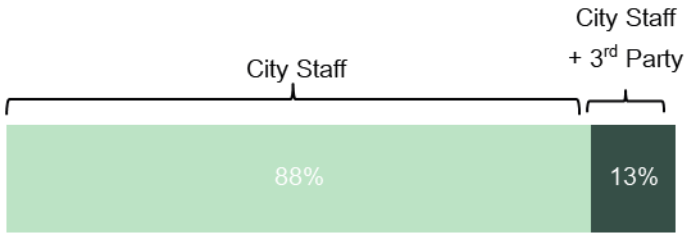
- Recruitment
- Performance Management
- Union and Employee Relations
- Workforce and Succession Planning
- Development, Engagement and Training
- Time and Attendance
- Health and Safety
- Compensation and Benefits

Service Standards



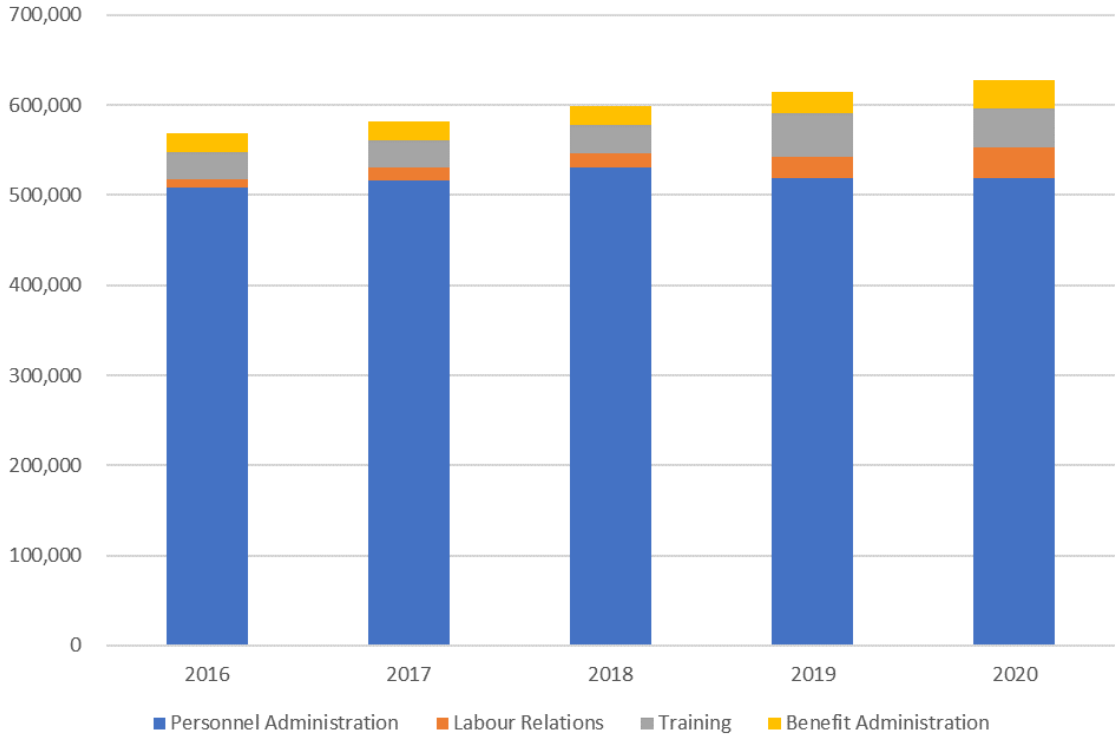
HR is not a legislated service but is essential to the operation of City – as shown in the Discretionary, Core category. HR has a substantial role in ensuring that the municipality meets its legislated requirements as an employer.

Delivery Model



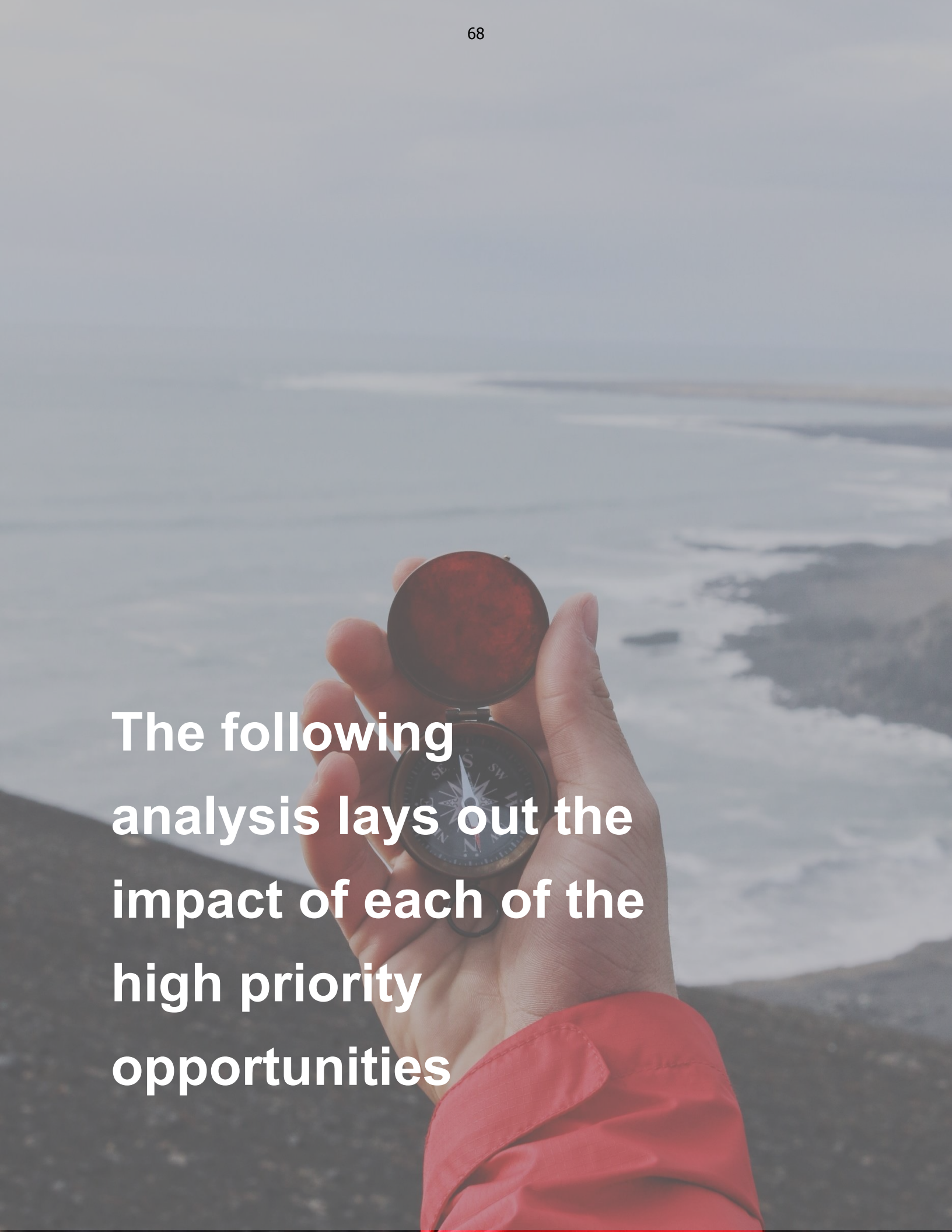
The vast majority of HR services are delivered by City staff. The small percentage supplemented by third parties relates to outside training and legal services particularly related to employee relations.

Budget



Observations

- The department is very small by headcount, with a Director, Manager of Health and Safety and two Coordinators. Bloomberg's current benchmarks for the ratio of HR staff to employees is 1.5 per 100 – which directionally suggests Stratford is staffed below this benchmark.
- The vast majority of HR expenses relate to staff, which is expected for a service function such as HR. However, non-staff related expenses have been rising in recent years.



The following analysis lays out the impact of each of the high priority opportunities

Opportunity Analysis

Context

During the first phases of our work, we collated a total of 99 opportunities to change how the City operated. We worked with the CLT to review, vet and prioritize these opportunities. With the opportunities that management agreed had merit, the group identified those they considered higher priority and requiring additional investigation. This resulted in the following list of opportunities:

- Reduce the use of paper
- Enhance HR systems
- Review the utilization of the fleet
- Increase airport revenues
- Repair fire vehicles internally
- Consolidate grass maintenance
- Consolidate invoicing
- Facility maintenance and utilization

Following are the analysis of those opportunities describing the situation, analyzing the data the City has available and showing the financial implications of potential changes. In some cases, the City does not have all the data available to complete the analysis and so we have used estimations to show what the potential could be. This is particularly true for facilities management, fleet utilization, recreation maintenance and facility utilization.

Full-Time Equivalence

When considering becoming more efficient, we can often identify tasks that a number of staff spend a small amount of their time on to eliminate or automate. To calculate the saving in this situation, we use the concept of full-time equivalent (FTE). If 35 staff spent an hour a week on a task, we equate this to 1 FTE.

This is not the same as a full-time position. In this example, if we eliminated that one-hour activity for the 35 staff, there would be a saving of 35 hours a week.

In this report, we present labour in terms of FTEs, not full-time positions.

IT Staffing

Each of the opportunities profiled has an implementation plan that outlines a preliminary amount of staff time to make the change. Many of the opportunities have a heavy requirement of IT skills and capabilities. We are aware that the City has staffed the IT function to operate the City IT systems and not necessarily to support large scale IT changes. As such, it is unlikely that the current IT staff have the capacity to support these initiatives in the near term. The City may wish to consider adding temporary staff, such as IT project managers, to allow it to move forward sooner.

The first two opportunities span the whole City and would affect many or all departments.

1. Reduce the Use of Paper

Situation

Various departments across the City rely on paper to operate. Using paper within processes leads to a range of complexities:

- It needs to be physically moved around. From its arrival at a City location to the intended recipient, through any approvals procedures and final to be filed.
- It occupies storage space. The paper records are stored and maintained within City buildings. Paper cannot be searched, so often, other records are required to help find specific information within documents.
- Creates duplicate work. Some information from most pieces of paper will be copied to another location, most often into an IT system.
- Application, licenses and permit forms are currently available on City's website as a printable version. Resident's download, print and fill the applicable form offline, then visit the office for payment processing and action.

In certain situations, municipalities do need to retain paper records, but City operating process can still be paperless even in these situations.

Analysis

Reduce the need for paper to be the processed

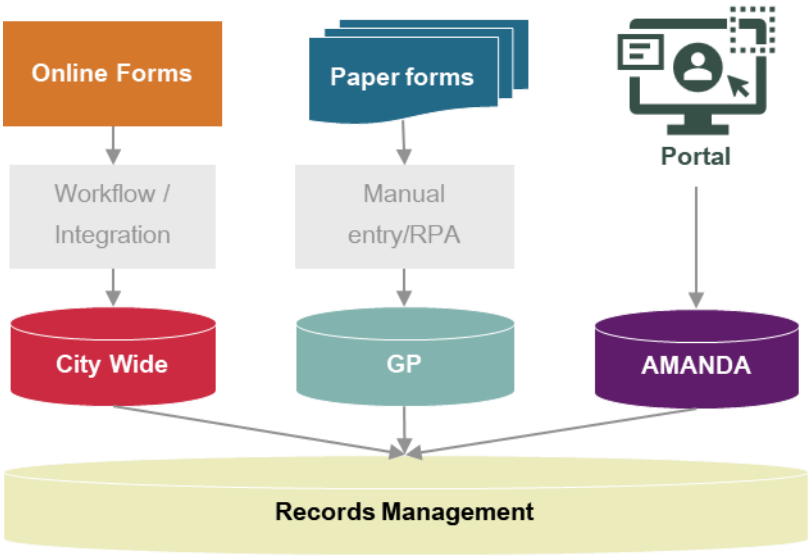
The City's first step towards eliminating paper is to make electronic/digital the default option. To do this, it is important to identify the primary point through which paper comes into the City and determine where it can be removed. This is not to say certain paper options will not be available, however, instances where paper is used should be the exception and not the rule. Thus, it is important to promote and encourage digital options.

From an external perspective, the primary points at which paper comes to the City include:

- Related to vendors – contracts, invoices, PO's, proposals.
- Applications – buildings, licenses.

Ideally, the City should make available an online method of communicating this information. However, the City will also need a method of converting paper still received into a usable electronic format.

After Identifying services that the City could provide electronically through an online form or application for customers. Group forms for related services and identify whether business intelligence can be used to create one dynamic form, to reduce the number of forms and areas on the website the customer needs to access. Be consistent where possible. For example, Bylaw, Animal Services and Fire Services all receive complaints that relate to the specific bylaws they are responsible for. Rather than creating three separate forms, provide the customer with one dynamic form. Use business rules to move the customer through the different sections of the form, adapting the required fields based on how the customer responds to help distinguish the type of complaint.



Identify Barriers

Typically, the main barrier preventing municipalities from eliminating paper are legal barriers e.g., bylaws or provincial regulations requiring handwritten signatures.

- Determine whether legislation dictates paper forms must remain paper. For example, legislation dictates that the FOI request be in writing. Before implementing this as an electronic form, the City will need to investigate whether an online form constitutes writing. E.g., confirm where electronic signatures are acceptable.

Make applications available as an online service with the ability to pay and complete the process online. This can be done by:

- Accepting electronic applications. Once things have been input into systems, it is also easier to automate steps in the process. For instance, autofill as a result of drop-down selections.
- Creating a portal where residents can submit applications and check for updates.
- Allowing customers to pay online with a credit or debit card. For example, any integration with the City's finance system.
- For each form requiring an online payment solution, determine:
  - unique information, property tax number, permit number, etc.
  - the payment options (debit, credit, electronic funds transfer)
  - the volume and size of payments
- Integrate the online submission with the operational systems that require the information.
- Ensure resources are in place in the IT Division to complete the work necessary.

Exceptions

It is also important to have a solution to overcome exceptional circumstances when paper comes into the City. Exceptions always exist, but we suggest processes should not be designed around exceptions. When an applicant is unable to provide an electronic application, have a process to handle this exception.

In situations where paper must come in, the City has a few options of digitizing this:

- Have staff key paper information into the system at the point it arrives at the City – typically in the mailroom. Staff can also scan the paper, create a record and file paper in general storage. Avoid transiting the paper around the City. Often physical paper is used as a trigger telling staff there is work to be done – if that is the case, ensure that the process is updated to have staff look into the system for pending work.
- In some circumstances, Robotic Process Automation (RPA) can be applicable. RPA is a software technology that can perform high-volume, repeatable tasks that require some judgement. The RPA software is trained to do a specific task, for example, process invoices. The software is shown what the elements of an invoice are and learns to recognize them when it scans a document. Even though the format of an invoice will be different from different vendors the software will still be able to find the information it is looking for. It can then create an entry in the AP ledger. This is a mainstream technology, Microsoft's product is called PowerAutomate for example.

Complete data entry on historical paper records that are required

One classification of data is reference data and transactional data. Reference data is used multiple times and tends not to change, for example, a vendor name and address. Transactional data is a specific interaction between the City and another party – such as an application for a parking permit. Generally, reference data needs to be digitized, but only in process transactions do. The City should run a short program to migrate paper reference data to electronic systems, but generally not the transactional data.

Financial Benefits

The table following shows the expected reduction in cost based on staff time spent doing manual paper processes. For all the processes, we eliminated the need and labour associated with storing paper files as we assumed that the forms and applications could all be moved online.

However, some departments have additional options for reducing paper use. For instance, for finance processes, we modelled the City implementing RPA to address the large number of invoices (12,480) and purchase orders (4,680). Considering that the robots can only be trained to do only one specific process/task, both these processes were the only process with high enough volume to justify the costs. Procuring an RPA solution will eliminate the need to transcribe information from the invoices into the financial system. In other finance-related activities, such as letters, we eliminated just the labour associated with storing paper files. For Clerk processes, moving applications forms and licenses online will reduce the amount of time staff spent on review forms as business rules will limit the number of errors applicants make. Additionally, the need to store paper files will be eliminated.

In Appendix C, we have listed all the paper forms the City has identified and the current volume handled in a year. The table below shows that after online forms and RPA are implemented the City can expect around a 50% decrease in labour cost associated with the paper process (FTE at $50 per hour). Majority of these savings of the need to transcribe information and mail out documents/letters to residents. In terms of absolute value, the finance department expects to see the largest savings from removing manual processes ($194K). However, as a percentage of current spend human resources will see the largest decrease in spend (79%).

Department	Current	Future	Percentage decrease
Finance	$ 405,933	$ 211,133	-47.99%
Clerks	$ 50,824	$ 16,198	-68.13%
HR	$ 34,651	$ 7,269	-78.73%
Public works	$ 1,176	$ 439	-62.69%
Community Services	$ 30,525	$ 25,461	-17.25%
Social Services	$ 1,167	$ -	-100%
Total	**$ 524,276**	**$ 260,400**	**50.33%**

The table below shows the change to operating expenses related to moving away from paper and towards digital processing. We have also indicated the anticipated one-time or capital costs associated with implementing the capabilities that would allow the City to move away from paper.

Financial Impact	Baseline ($)	New ($)
One-time Costs		
RPA Development	$ -	$ 16,000
Online Forms (22)	$ -	$ 55,000
Integration of back-end Systems	$ -	$ 145,000
Total	**$ -**	**$ 216,000**
Ongoing Costs		
Licensing Fee (RPA)	$ -	$ 38,400
Staff Labour	$ 499,631	$ 255,266
Net Position	**$ 499,631**	**$ 293,665**

Note: RPA solution cost is based on UiPath RPA, which costs $1,300 per user per month for an attended robot. There is also an additional one-time fee for developing the robot at $40 per hour for a total of 200 hours. We estimated the City would procure two robots.

We estimated a total of $55,000 would be spent on developing online forms for the City. However, we believe this figure could be lower as some of these forms can be consolidated into a single dynamic form.

Non-Financial Benefits

Providing customers with the ability to receive services electronically both improves customer service and increases staff efficiency:

- Environmental impact the City has will be improved
- Online submissions reduce the need for staff to enter information manually.
- Business rules and automation will decrease the time spent fixing errors from human intervention.
- Reducing paper will free up physical space.
- Reducing the time it takes for staff to find and provide records of applications and forms.
- Reducing the volume of phone calls and front desk foot traffic.

Assumptions

- The City has the internal capability to create digital and online forms

Risks

- Not all processes can have paper removed from them. Moving other processes to digital should not mean they create problems for processes that still require paper.
- Paper is often a trigger that work needs to occur. Applications can be placed in in-trays so that staff know it needs to be reviewed, for example. Care should be taken to ensure that replacement triggers are provided to staff so they do not inadvertently miss processing the electronic work item.

Implementation Plan

Steps and Actions	Responsible	Labour (Hrs)
Make electronic/digital the preferred option		
Identify the primary points through which paper comes into the City	Department Managers Manager of IT Clerk	20
Determine where paper can be replaced with electronic forms (e.g. building permit applications, community housing applications)	Manager of IT Department Managers Clerk	40
Identify barriers		
Create a list of processes where paper would be difficult to remove (e.g. those that cannot go online due to provincial bylaws or policies)	Clerk Department Managers	30
Investigate the reasons for these difficulties and what changes can be made to mitigate them (e.g. change in bylaws)	Clerk Department Managers	100
Implement changes to remove barriers, such as changing bylaws, where necessary.	CAO Clerk Department Managers By-Law Department Manager of IT	150
Create online forms		
Identify key stakeholders for each form	Clerk	20
Create RFP and requirements to look for a vendor that can support the City's transition to online forms and applications	Manager of IT	250
Draft scoring criteria to select the vendor	Clerk Manager of IT Departmental Leadership Purchasing Clerk	20
Publish RFP	Purchasing Clerk	5

Assess proposal responses and select vendor	Clerk Manager of IT Departmental Leadership Purchasing Clerk	50
Build the online forms and applications*	Vendor Manager of IT	75
Implement online forms and applications	Manager of IT Vendor	75
Train staff to use the online forms and applications	Manager of IT Vendor	20
Create a process for exceptions		
When a resident chooses not to use the online form, identify where the paper will arrive at the City	Clerk Department Managers	30
Develop a process for capturing the paper and transcribing it into the appropriate system	Clerk Department Managers	75
Define responsibilities for capturing the paper	Clerk Department Managers	35
Implement the process	Corporate Service staff	~
Implement robotic process automation		
Perform market scan for a scanning solution to acquire a proper understanding of what is available	Manager of Finance Manager of IT	45
Identify key stakeholders	Clerk	5
Chose paper forms that have the strongest case for using RPA	Manager of IT	50
Create RFP and requirements for RPA (scanning solution)	Manager of IT Manager of Finance	250
Draft scoring criteria	Clerk Manager of IT Purchasing Clerk	20
Publish RFP	Purchasing Clerk	5
Assess proposal responses and select vendor	Clerk/ IT	50
Build the robot – RPA scanning solution*	Vendor Manager of IT	75
Configure IT environment to support RPA	Manager of IT	100
Implement RPA	Clerk Manager of Finance Manager of IT Vendor	35
Train staff to use the RPA	Clerk Manager of Finance Manager of IT Vendor	40

Classify data into reference data and transactional data		
Complete data entry on historical paper records that are required	Clerks Temporary Data Entry Staff	500
The City should run a short program to migrate paper reference data to electronic systems	Clerks Temporary Data Entry Staff	250

* Hours of City staff only

2. Enhance HR Systems

Situation

The key functions performed under the department include recruitment, occupational health & safety, compensation and benefits (in conjunction with Payroll), performance management, labour relations, negotiations, employee database, leave management, training and development. Each of these functions falls into one of the HR categories listed below. The table below gives a brief summary of the limitation the department is facing in each key HR category:

HR Category	Situation
Core HR	The City typically does its human resources records management manually. Employee files are kept in paper forms and folders. Additionally, Human resources information is not centralized, and staff cannot access this information unless they make a request to the HR department. These information requests include vacation balance information, sick leaves, payday etc. An HRIS system with a portal and self-serve capabilities will remove some of the manual processes associated with HR records and will improve ease of access to HR information.
Talent Management	The department has a tool for performance management; however, this tool is not robust enough to handle the need of the City and as a result, it requires a refresh of the tool and the process. Furthermore, training and development are limited within the organization. The department has a platform that tracks training, but its overall process is outdated, and the platform is limited e.g. staff have manually had to fill forms, which takes up their time. Overall, the City is strong on transactional HR, however, it needs to enhance its focus on being a strategic partner to the organization in order to improve on its services.
Recruitment	All organizations face challenges easily find highly qualified and suitable experienced candidates to fill vacancies. Stratford's task is compounded as the recruitment process can take a long time, which can lead to a loss of potentially qualified candidates. Additionally, Stratford has seen occasions when recruits leave to larger municipalities that might have higher pay rates. The experience has given some staff the sense that Stratford was a training ground for those individuals.
Succession Planning	Given the City's demographic, Stratford, like other Ontario Cities, will continue to see an increase in retirements in the coming years. This has also increased recruitment demand (see above) with less time to fill roles with the right candidates. Currently, the City has a workbook it uses to track its picture of retirement eligibility; however, this is still a relatively manual process that is subject to potential errors and limited reporting.

Time and Attendance	The City has a decentralized manual time and attendance process, as there is no software used to manage staff time, making the process relatively inefficient. The process is limited to paper and Excel timesheets and is distributed throughout the organization. For instance, to request vacation, staff must fill in a form and hand it to their manager for approval. Following approval and signature from the manager, staff sometimes take it to HR physically and sometimes through email. The ability to fill and approve vacation requests and other time and attendance related forms electronically or through a portal will greatly improve the process for staff. Furthermore, this manual process extends to payroll, as staff fill in their timesheets in excel to be sent by their respective departments to Payroll weekly. Furthermore, there is one FTE dedicated to payroll in the City (within Corporate Services). The entire payroll process is mostly manual and, thereby, is open to errors. This process could be largely automated with the use of a system and supporting approval workflows.

As seen in the situations described above, the department has some functions in each HR category that they do not perform likely due to resource constraints. Furthermore, most of the HR department processes remain manual as the team uses multiple sources to pull and integrate data for daily processing, resulting in the certain complexity:

- Risk of labour law non-compliance
- Poor resource utilization due to manual processes
- Better ability to forecast resource and succession requirements
- De-centralized resource distribution

Analysis

We have split this opportunity into three parts:

1. Modernize the time and attendance (TAS) process and system

2. Redesign the payroll process to eliminate manual steps that are occupying the Payroll Clerk unnecessarily

3. Implement an HRIS to automate manual processes and deliver self-serve capabilities.

Modernize the TAS process and system.

The City has two relatively manual methods of collecting time and attendance from staff: Paper timesheets and Excel timesheets. Inconsistent manual processes often lead to the following challenges:

- Inaccuracies and potential transcription errors, which can lead to payroll errors.
- High amounts of paper
- Lots of time is spent reviewing information

To mitigate some of these challenges, the City can move to an exception-based recording by implementing a time recording solution. This will require staff to record time directly and have workflows to enable approvals.

When implementing a time and attendance system, it is important to consider the amount of time and resources expended on the TAS process. From this, the City will be able to determine the benefit of procuring a system. As can be seen in the table below, the City currently expends 4,824 and 4,004 minutes per week of salaried and hourly staff time, respectively. This figure comes to a total of 7,650 hours a year or 4.65 FTE distributed throughout the organization.

Time and Attendance Processes							
# salaried staff	326		# hourly staff	169			
Salaried Staff							
Process steps	Fill in timesheet	Transport to approver	Review/ approve	Transport to admin	Summarize timesheets	Transport to payroll	Total
How many staff complete this step	276	276	28	28	16	16	
Average number of sheets per person	1	1	9.86	1	17.25	1	
Labour Spent per sheet (In minutes)	5	3	5	3	5	3	
Current Total Labour (In weekly minutes)	1,380	828	1,380	84	1,104	48	**4,824**
Hourly Staff							
Process steps	Fill in timesheet	Transport to approver	Review/ approve	Transport to admin	Summarize timesheets	Transport to payroll	
How many staff complete this step	169	15	19	19	6	19	
Average number of sheets per person	1	1	8.89	1	15.5	1	
Labour Spent (In minutes)	15	3	5	3	5	3	
Current Total Labour (In minutes)	2,535	45	845	57	465	57	**4,004**
Note: Fire does not submit timesheets, 42 hours are automatically input. Also, in the summer, there are up to 100 seasonal staff in parks, cemetery and recreation, who also submit timesheets and have them summarized into spreadsheets.							

The introduction of a time and attendance system (TAS) will reduce the number of steps and manual processes to record time and attendance. For instance, transporting paper or sending spreadsheets via excel will no longer be necessary as all the time and attendance information will be in one central location. It also promotes one source of truth and eradicates the need to store paper files. The table below shows the savings expected from moving to an automated TAS system.

TIME AND ATTENDANCE SAVINGS						
	Weekly Minutes Spent on T&A Process	**Yearly Minutes Spent on T&A Process**	**Yearly Hours Spent on T&A Process**	**Yearly Time Saved in hours**	**FTE's Savings**	**Dollar Savings**
Current Salaried Labour	4,824	250,848	4,180			
Salaried Labour (with T&A System)	414	21,528	358.80	3,822	2.32	$ 191,700
Current Hourly Labour	4,004	208,208	3,470			
Hourly Labour (with T&A System)	3,380	175,760	2,929.33	540.80	0.33	$ 27,040
Total Savings (at $50 per hour)					**2.65**	**$ 218,140**

The City can expect to redeploy the equivalent of 2.65 FTEs of labour annually from implementing a more automated time reporting solution that moves to exception-based reporting for salaried staff. Labour that can be directed to other activities.

Redesign the payroll process to eliminate manual steps that are occupying the Payroll Clerk unnecessarily

When the TAS process is complete the consolidated timesheets are received by the payroll clerk in an Excel file. The entries are then reviewed and typed into Microsoft Great Plains – the software used by the Finance division by the Payroll Clerk. In some instances, the Payroll Clerk receives individual timesheets, which they have to consolidate and summarize. The table below shows that the Payroll Clerk is currently expending 140 and 475 minutes per week on its salaried and hourly staff, respectively. This adds to a total of 534 hours a year on payroll processes (summarizing and transcribing information into GP).

PAYROLL PROCESSES		
# salaried staff	326	
# hourly staff	169	
Process steps		Transcribe to Payroll solution
How many staff complete this step		1
Average number of sheets per person		28
Labour Spent per sheet (In minutes)		3
Current Total Labour (In minutes)		84
Process steps	Summarize Timesheet	Transcribe to Payroll solution
How many staff complete this step	1	1
Average number of sheets per person	76	19
Labour Spent (In minutes)	5	5
Current Total Labour (In minutes)	380	95

To mitigate the challenges of having a highly manual process, once each employee inputs TAS information, the data needs to be automatically reflected in the system used by Finance and HR. The diagram below details the payroll process framework. This framework needs to be considered as part of the new payroll process and system integration.

Payroll is the process whereby employee time, benefits, deductions and taxes are recorded, calculated, processed, paid and reported.

Process Cycle	Description
Manage Employee Data	Manage Employee Data includes setting up and maintaining the employee record in the payroll system and managing benefits, deductions, third-party garnishments, and terminations.
Process Time & Expenses	Process Time & Expense includes key activities such as: • Capturing time and expense data and approving submitted data • Calculating gross wages, including commissions and bonuses • Determining deductions, withholdings, and garnishments • Payment of salary or wages through direct deposit, manual check or both
Post and Reconcile	The Post and Reconcile process involves posting payroll to the general ledger, reconciling the ledger to the sub-ledgers, recording adjustments, and performing an analysis of the payroll expense and accrual.
Manage Taxes	Manage Taxes includes accurately calculating, recording, and reporting payroll-related taxes in a timely manner.
Reporting and Governance	Reporting and Governance encompasses regulatory compliance, overseeing and maintaining an organization's payroll system and associated data, and continuous improvement activities.

Integrating the time and attendance system (TAS) with the payroll solution will eliminate the need for the Payroll Clerk to summarize or transcribe time and attendance information.

The table below shows the savings expected from moving to an automated TAS system.

PAYROLL SAVINGS						
	Weekly Minutes Spent on Payroll Process	**Yearly Minutes Spent on Payroll Process**	**Yearly Hours Spent on Payroll Process**	**Time Saved in hours**	**FTE's Savings**	**Dollar Savings**
Current Salaried Labour	84	4,368	72.80			
Salaried Labour (post integration with T&A System)	0	0	0	72.80	0.04	$ 3,640
Current Hourly Labour	475	24,700	411.67			
Hourly Labour (post integration with T&A System)	0	0	0	411.67	0.25	$ 20,583
	Total Savings				**0.29**	**$ 24,223**

Implement an HRIS to automate manual processes and deliver self-serve capabilities.

When deciding to implement an HRIS, it is important to answer three main questions. This business case is based on the answers to these questions.

- What is not being done today that an HRIS can provide. (e.g., are they tracking qualifications, certification)?
- What are you doing that is manually intensive that an HRIS will alleviate (e.g., paper records, as there will be a time-saving element there)?
- How many transactions do HR staff have to get involved in that could be self-served?

An HRIS system allows an organization to file, track, manage and share employee information and records in a single system. Currently, the City is not able to completely perform some core HR functions such as credential tracking, training records (some departments do keep records) and succession planning due to capacity limits. In other instances, such as HR paper files and recruitment, the majority of the associated activities are still relatively manual. Lastly, while benefit enrollment, status changes and vacation/lieu/sick balance tracking are currently being performed relatively efficiently, some of these activities are candidates to be moved to self-serve, along with the required approval workflows.

HR Functions	HRIS Impact
Credential tracking	An HRIS system will allow the City to perform HR functions they currently are not equipped to perform. For instance, with regards to employee development, the system can assist the City with activities such as credential tracking and training records by tracking and pushing employees towards achieving performance goals. An HRIS system will help the City plan for long-term growth, succession and sustainability.
Training records	HRIS systems can often identify those core skills and competencies that, when developed, will benefit both staff and the organization. Additionally, Stratford, like other municipalities, has a significant portion of its staff becoming eligible for retirement, which HR tracks.
Succession planning	However, the City does not have a recruitment or succession plan on how it will deal with these retirements.
Paper HR files	Currently, some of the City's HR processes are manual and this often slows down core functions such as recruitment. As a result, the City's expenses associated with recruitment have risen by 20% in recent years, while the volume of postings and positions filled has remained roughly the same.
Screening and recruitment activities	An HRIS system can reduce the time spent on the recruitment process and permit the City to fill positions faster and more efficiently, which will, in turn, reduce costs. Whether through online hire requests, resume screening tools or having new hires fill required forms online before starting.
Benefits enrollment and status changes	The self-serve and approval workflow functions of an HRIS will empower staff with the ability to perform these functions themselves, freeing up HR staff time to perform other HR-related activities.
Vacation/lieu/sick balance tracking	

The table below shows the amount of labour associated with some of these HR functions and the impact of procuring an HRIS system could have on these functions in terms of labour savings.

HR Functions	Performed today?	Manually intensive ?	Percent of staff per year	Yearly Labour Hours	FTE s	Dollar Value
Credential tracking	Limited	-	15%	17	0.01	$ 843
Training records	Limited	-	25%	56	0.03	$ 2,812
Succession planning	Limited	-	0.05%	22	0.01	$ 1,100
Paper HR files	Partially	Yes	100%	225	0.14	$11,250
Screening and recruitment activities	Partially	Yes	-	1,173	0.71	$ 58,650
Benefits enrollment and status changes	Yes	Yes	10%	23	0.01	$ 1,145
Vacation/lieu/sick balance tracking	Yes	Yes	100%	133	0.07	$ 5,625
Total				1,628.54	0.99	$ 81,427

As can be seen from the table above, implementing an HRIS solution will reduce the HR staff workload by approximately 1,628 hours, which translates to 1 FTE that could be re-allocated to address other HR priorities.

Financial Benefits

In order to determine whether the productivity gain is worth more than the cost of the systems, we have translated the FTEs into labour costs. The comparison indicates that the productivity gain is worth more to the City than the cost of the systems to operate.

Costs	Baseline ($)	New ($)
Operating Cost		
New TAS System	$ -	$ 135,000
HRIS System	$ -	$ 45,360
TAS Labour	$ 382,546	$ 164,406
Payroll Labour	$ 24,223	$ -
HR Labour	$ 81,427	$ -
Total Costs	**$ 488,197**	**$ 344,766**

Note: HRIS solution cost is based on Microsoft Dynamics HR, which costs $153.60 per user per month and an additional $5.10 per user per month for employee and manager self-service capabilities. Time and attendance software costs are based on Blackline data at $25 per user per month.

The TAS labour saving shown here applies only to the time-reporting process, however, a TAS would also support absences, vacation booking and even potentially scheduling. Additionally, we have modelled non-salaried staff as having to continue to fill in timesheets, however, many TAS solutions are providing more creative approaches to time recording. For instance, mobile apps are available from some providers that allow staff to clock in and clock out of shifts on their mobile devices, with their GPS location being added to the time entry. This can be a good solution for recreation staff, for instance, that almost eliminates timesheet entry, increasing the time savings available.

Non-Financial Benefits

- Integration of data leads to easy access to information as information is typically entered only once for many HR-related functions.
- Easier and more accurate compliance with labour laws and collective agreements as data is already in a system and can be reported upon.
- Reduce the number of manual processes and increase employees time to accomplish other tasks
- Improve the user and customers' satisfaction with the HR process.
- Recruiting management functions such as applicant tracking and management will reduce time spent on recruiting.

Assumptions

- Adequate training for all staff
- Adequate senior leadership support
- Clear understanding of the level of support required to implement the system
- Both solutions are cloud-based and have limited one-time costs to implement
- Clear understanding of how TAS and HRIS goals align with the business

Risks

- Possible pushback from employees used to staff performing these functions for them. Thus, training and change management will be important.
- Security is a risk, as HR usually contains sensitive and confidential information. However, this can be mitigated by ensuring compartments within the system and multiple levels of access.
- Risk of certain functions of the system not used and overpaying for a system. As a result, it is important to have a good idea of what you want to measure.
- Risk of a failed implementation because of inadequate levels of support required to sponsor the plan. Also, a clear understanding of how HRIS goals align with the business is important for a successful implementation.

Implementation Plan

Steps and Actions	Responsible	Labour (Yearly Hours)
Create time and attendance policies to streamline the process		
Develop a policy that ensures employees are responsible for reporting their own time	HR Coordinator	15
Develop a policy that ensures only supervisors approve time of their direct reports	HR Coordinator	15
Procure a time and attendance system (TAS) and have staff submit their time into TAS system		
Perform a market scan for a time and attendance systems to acquire a proper understanding of what is available in the market	Corporate Services HR Coordinator Manager of IT	15
Identify key stakeholders	HR Coordinator Departmental Staff key to TAS today	25
Create RFP and requirements for a TAS	Manager of IT HR Coordinator Departmental Staff key to TAS today	250

Draft scoring criteria	Manager of IT HR Coordinator Departmental Staff key to TAS today Purchasing	20
Publish RFP	Purchasing Clerk	5
Assess proposal responses and select vendor	Manager of IT HR Coordinator Departmental Staff key to TAS today Purchasing	50
Modernize time and attendance process		
Establish new methods and processes for tracking time and attendance for each employee	Departmental Staff key to TAS today Vendor	100
Establish a process to only report time by exception	Departmental Staff key to TAS today Vendor	100
Implement TAS*	HR Coordinator Manager of IT Vendor	300
Train staff to input their time on TAS	Manager of IT Vendor All Staff	80
Procure an HRIS system		
Perform a market scan for an HRIS system to acquire a proper understanding of what is available	HR Coordinator Manager of IT	15
Identify key stakeholders	HR Coordinator	25
Create RFP and requirements for an HRIS	Manager of IT HR Coordinator CLT	250
Draft scoring criteria	HR Coordinator Manager of IT Purchasing Clerk	20
Publish RFP	Purchasing Clerk	5
Assess proposal responses and select vendor	HR Coordinator Manager of IT Purchasing Clerk	50
Implement HRIS*	HR Coordinator Manager of IT Vendor	350

Train staff to use self-service function of HRIS	Manager of IT Vendor HR Coordinator All staff	80

* Hours of City staff only

3. Review the Utilization of Fleet

Situation

The Fleet Division has responsibility for the maintenance of the public works and transit fleet. However, the fleet in other departments is purchased, allocated, used and disposed of by that department. The Division currently manages 91 vehicles in the fleet.

- To get the most value from a vehicle, it should be used to the fullest extent possible. A vehicle used eight hours a day will have a lower cost of ownership than a vehicle used four hours a day because there are a range of fixed costs associated with each vehicle.
- The use of a vehicle does not mean it is actively being driven, many vehicles are used to carry people and equipment to work locations outside of City facilities.
- As well as the cost to purchase the vehicle, other fixed costs include storage, licensing, time-based maintenance, insurance and seasonal change-over.

If the City has underutilized vehicles, eliminating the underused vehicles will lower the cost of fleet and fleet maintenance.

Analysis

This opportunity considers two main elements:

- Perform a fleet rationalization and utilization study to identify vehicles that are underutilized and can be eliminated. Consideration should also be given to whether the City should own certain specialized vehicles or rent them when needed.
- Study fleet needs and look for opportunities to standardize certain vehicles and potentially reduce specifications.

Prior to acquiring a new vehicle, the fleet department should consider whether a new requirement could be met using the existing fleet. It is important to examine current vehicle utilization to determine whether pooling is feasible, particularly if some vehicles are being underutilized. For example, if the City has two vehicles used for the same purpose that have low annual mileage/use, perhaps one of them could be pooled and the other one disposed of. Over time, as workloads change, the fleet will change, as will the usage of individual vehicles.

- By reviewing the fleet utilization, we may identify vehicles that are underutilized and may not be required in the fleet any longer. The vehicle usage can be consolidated into another vehicle, increasing its utilization and reducing the total cost of ownership.
- Additionally, vehicles with lower utilization may signal work that would be better contracted out.

The City does not currently track the utilization of its vehicles

Typically, we use vehicle usage time when assessing fleet utilization. Vehicle usage time is a measure of the time a vehicle is in use from the moment it leaves the lot until it is returned. The City does not record this information. In order to investigate whether underutilization might exist, we estimated vehicle usage from the mileage of the vehicles. This is an imperfect approach, and the results should be considered as indicative only – giving the City a sense of potential from track actual usage.

- We grouped the majority of the City's vehicles into six categories to determine which vehicles were candidates for consolidation. These six groups were further divided into sub-categories to identify any features that may impact consolidation.
- For each type of vehicle, we identified the vehicle that had added the highest KM a year and set that as the as the maximum KM for that vehicle type, shown in the table below. This figure was derived from the total kilometres accrued on the vehicle on a yearly basis (i.e., Total KM/ Age of the vehicle).
- We divided a vehicle's actual annual KM by the vehicle type maximum KM to get an estimate of utilization.
- Although the City has a total of 91 vehicles in its fleet, only 86 vehicles were considered in our consolidation analysis. This included vehicle sub-categories that a) did not have multiple vehicles b) Vehicles dedicated to a specific use such as sweepers, enforcement car, forestry and box chipper were not included.

Type of Vehicle	Sub Category	Max Km/Yr.
Buses	11 Passenger	75,555 KM
	34 Passenger	
	35 Passenger	
	38 Passenger	
Dump Trucks	Dump Truck	14,706 KM
	Dump Truck with Attachment	
Flusher Trucks	N/A	14,116 KM
Pick-up Trucks	General Use	22,036 KM
	Pick-up Truck with Attachment	
	Staff Dedicated	
Vans	Staff Dedicated	12,027 KM
	Department Dedicated	
	Mobile Library	
	Maintenance Van	
Cars	Staff Dedicated	10,338 KM
	SS Outreach	
	Departmental Floater	

This approach is indicative only. There are many instances when a vehicle is in use but not adding KM. For example, when a road crew works on a road repair.

We cannot always expect vehicles to be 100% utilized, but highlighted in the table below page are the vehicle pools with low average utilization

The shading provides a visual indication of the relative utilization.

60-100% utilization

30-60% utilization

0-30% utilization

Type of Vehicle	Sub Category	# of Vehicles	Average Utilization	#of Vehicles with Low to Medium Utilization
Bus	11 Passenger	5	65%	3 Low; 1 Medium
	34 Passenger	5		3 Medium
	35 Passenger	2		None
	38 Passenger	8		1 Medium
Dump Truck	Dump Truck with Attachment	6	56%	1 Low, 3 Medium
	Dump Truck	4		1 Low; 2 Medium
Flusher Truck	N/A	2	68%	1 Medium
Pick-up Truck	Staff Dedicated	18	30%	13 Low; 5 Medium
	General Use	8		3 Low; 4 Medium
	Pick-up Truck with Attachment	4		4 Medium
	Service Trucks	3		2 Low; 1 Medium
	Water Sample	1		None
	Traffic Dedicated	1		1 Low
Vans	Department Dedicated	4	66%	2 Medium
	Staff Dedicated	3		3 Medium
	Mobile Library	2		1 Low; 1 Medium
	Maintenance Van	3		None
Cars	SS Outreach	3	73%	None
	Staff Dedicated	2		1 Medium
	Departmental Floater	2		1 Medium

- From a KM approximation, the fleet appears generally well utilized.
- Vans, pickup trucks and dump trucks appear to be candidates for further investigation.

Begin to Track Utilization

After estimating vehicle utilization by analyzing kilometre per year, we believe City needs to:

- Begin to track utilization (from the moment vehicles are signed out until return) to accurately estimate how well the vehicles are being used and compare to the utilization presented above. Our initial utilization assessment can give the City an idea of what to look out for but is limited in nature. If the figures for both assessments match, the City can begin to look to eliminate some of the fleet or look at alternate ways of provisioning those vehicles.
- Consolidate its fleet, as this will promote effective and efficient use, which in turn will increase utilization. This will ensure that all equipment and fleet are situated in one location and will ultimately give the fleet department insight into the allocation of vehicles.
- Consider year-round utilization when purchasing vehicles and equipment to get maximum use.
- Eliminate some of its vehicles. We understand that two of the City's vehicles (two floater cars) are already going to be disposed of in 2021 and will generate some savings.

We understand that using KM per year is not a perfect measure and should not be used on its own as it cannot accurately estimate aspects like seasonal usage. For instance, dump trucks likely have high utilization winter months for winter operations, but the kilometres will drop significantly in the summer months, especially as the City has staffing shortages (vacation) and the trucks are only used for projects such as hauling of material, ditching etc.

Financial Benefits

There are a number of benefits if a municipality can eliminate under-utilized vehicles

Firstly, are the annual maintenance costs, when removing a vehicle, you transfer a portion of those costs to the vehicle that inherits the additional utilization, but you eliminate some of the fixed maintenance costs that do not relate to usage, such as seasonal switch over. The sale of the vehicles would generate a small income. The largest benefit is not having to replace the vehicle in the future. The replacement cost of the vehicles ranges between $20,000 to $130,000 for general vehicles such as pickup trucks and vans.

Implementation Plan

Below are all the steps required for the City to begin to track the utilization of its vehicles. This process of analyzing the fleet utilization should occur periodically and be a key input to considering expanding the fleet.

Steps and Actions	Responsible	Labour (Hrs)
Begin to measure cab time on vehicles and equipment.		
Develop a method for tracking utilization of vehicles – this is the time that the vehicle is actually being used – not just the time it is being driven	Fleet Supervisor	40
Implement the method – this may be a technology solution to track time or paper as previously used	Fleet Supervisor	100
Establish City-wide procurement policies for vehicles and equipment		
Create a vehicle purchasing policy that determines what factors and parameters will be considered when the City needs to acquire a new vehicle or equipment	CAO Fleet Supervisor Department Directors Purchasing Clerk	200
Calculate utilization rates of all vehicles and equipment		
Group vehicles and equipment according to specific characteristics that means they have similar use and should have a similar utilization	Fleet Supervisor	30
Determine a target utilization rate for each group of vehicles	Fleet Supervisor Department Directors	30
Measure utilization based on cab time.	Fleet Supervisor	60
Determine if any vehicles are under-utilized and investigate the reasons to confirm whether the fleet can be changed or the vehicle is required at the lower utilization	Fleet Supervisor	100
If the investigation determines the vehicle is under-utilized, develop a plan to consolidate its use to another vehicle and dispose accordingly	Fleet Supervisor	60

4. Consolidate Grass Maintenance

Situation

The responsibility for grass cutting is shared between Roads and Community Services. However, the rationale about who is responsible for what and where is not clear. Each department typically sends out individuals to their allocated areas (some flats, property, hill areas) in the City Community Services carries the bulk of this responsibility, while Roads only handle a small share of the grass cutting workload. This means that grass cutting for the Roads Division often appears to be an inefficient use of staff time, as they are likely spending a lot of their time driving through the City relative to cutting grass. Additionally, the Community Services staff responsible for grass cutting drive past the lots allocated to the Roads Division as they go about their duties.

Analysis

Explore the feasibility of having one division/department perform these services. The City should also consider if there are additional costs from selecting one department, e.g., would community service need more equipment to perform this, as they are not Roads.

Currently, grass cutting for Infrastructure & Development Services is typically done by City operators and can be grouped into two main parts: machine work and weed trimming. The machine work involves the use of tractors that are driven along relatively long ditch lines on the outskirts of the City. Weed trimming, on the other hand, is manual handwork and only occurs in 5 locations that that scattered across the City. Conversely, grass cutting for the Community Services is typically done by summer students.

Department	Description	# of staff	FTE	# of Locations	# of Hours	Travel time per cut	# grass cutting p/year (May- October)
Community Services	Riding Mower	1	0.5	59	28 hrs	132 mins	26 (Weekly)
Infrastructure & Development Services	Machine Work	1	0.5	29	37 hrs	0	6 (Monthly)
	Weed Trimming	3	1.5	26	112 hrs	26 mins	6 (Monthly)

As can be seen in the table below, Community Services staff spend a total of 4,160 hours per year on grass cutting while Roads spend a total of 602 hours on grass cutting.

Department	Description	Total Travel hrs (Travel time x # of cuts/yr.)	Volume of work (Work hours x # of cuts/yr.)	Total Volume
Community Services	Riding Mower	3432	728 hours	**4160 (Hours/Yr.)**
Infrastructure & Development Services	Machine Work	0	222 hours	**222 (Hours/Yr.)**
	Weed Trimming	156	224 hours	**380 (Hours/Yr.)**

Note: that this analysis does not include clean-up time required after machine work and riding mowers.

The City could move all 602 IDS grass cutting hours to Community Service to make a total of 4762 hours. Moving the grass cutting to one department will improve the efficiency of grass cutting in the City.

Financial Benefits

Some of the efficiencies listed above can be translated into financial benefits.

IDS staff also carry out other job duties besides cutting grass, such as load work and asphalt. As a result, they spend time switching from grass cutting to other public works related duties. Moving the grass cutting to Community Services reduces this switching cost, which includes setting up and putting away equipment. Switching cost is an economic concept that explains the costs (not limited to financial) that one incurs from switching from one service or product to another. We estimate that moving grass cutting to Community Services saves the City about 20 minutes for each worker per occurrence of grass cutting, which adds up to 8 hours in a year.

Second, the City may save on some equipment that the Community Services staff already have all the equipment. Some of the IDS equipment would need to be transferred to Community Services.

Non-Financial Benefits

Moving to a single division responsible for grass cutting has some non-financial benefits:

- Time-saving
- Cost-effective through economies of scale.

Assumptions

- The same standards can be applied across all City grass
- Community Service staff is more cost-effective than outsourcing
- Community Services staff can be trained to operate IDS tractor for the machine work
- Summer students who cut community services grass do not require any certification/specialization to operate IDS tractor for the machine work

Risks

Unable to hire the necessary staffing resources.

Implementation Plan

This assessment has considered grass maintained by Community Services and IDS, however, other departments also maintain grass. Within the implementation plan, we have suggested that once this phase has been completed, the City seeks to identify other divisions that have grass maintenance responsibilities and consolidate those activities as well.

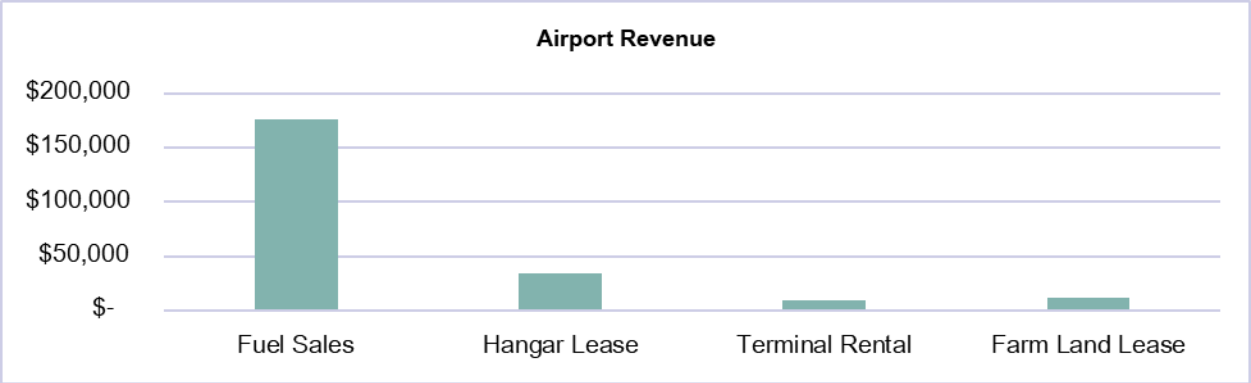
Steps and Actions	Responsible	Labour
Transfer the responsibility of grass cutting to Community Services.		
Work with HR to develop new roles and responsibilities	Public Works Manager Community Services Manager HR Coordinator	60
Determine if the City needs to hire new staff – if this is the case, then evaluate how many more FTE/summer students will be required to manage the workload	Community Services Manager Public Works Manager	30
Transfer equipment between departments, where necessary	Public Works Manager Community Services Manager	15
Train community service staff on how to use grass cutting machinery and provide safety protocols	Public Works Staff Health and Safety HR Coordinator	50
Design an efficient grass cutting route and schedule	Community Services Manager	100
Investigate other departments that have grass cutting responsibilities	Community Services Manager	200

5. Increase Airport Revenue to Offset Expenses

Situation

The Stratford Airport has higher expenses than income, having an annual loss of $175,000 in 2019. While the current expenses and revenues may be reasonable, the structure of the existing airport management contract keeps expenses low. There is a possibility that this contract may expire in the coming years and the City would see the cost of operating the airport increase. This is a discretionary service that not all municipalities provide and as such, the City wished to investigate what economic alternatives it had to offset these expenses more fully.

The airport has two income streams: fuel sales and space rentals/leases. The following graph shows the revenue from leases and rentals in 2019.



In March 2020, Stratford Airport completed a benchmark analysis of its fees to compare them to other similar airports.

Stratford's fuel prices are slightly lower than the average direct comparators. Additionally, Stratford does not waive landing fees with the purchase of fuel, this gives Stratford a higher income than peers. Moreover, the City airport has 9 hangar contracts signed in the last 10 years, for 20-25 years each. The following table provides details on hangar land leases, farmland leases and terminal building rental fees.

Hangar Land Leases	9 hangars – these leases give the City an additional income by charging a flat rate per sq. ft.
Farmland Leases	100 acres – the airport does not pay for tile drainage, putting the cost on the farmer. This gives the City a competitive cost rate with no additional costs.
Terminal Building Rental	The Terminal Building charges a flat rate of $9,000 to the flight school ($2 per sq ft). This rate is very low compared to the $20 – $40 range per sq ft that other municipalities charge.

The airport handles approximately 9,000- 12,000 aircraft movements per year. The 2014 Stratford Airport Economic Impact Report estimated that the airport generates $3.3m in local economic activity for the City.

The airport has the capacity to expand the taxiway on the east side and increase the revenue from farmland.

- Expanding the taxiway would lead to an expansion of suitable space for hangar constructions. If this were to happen, the City airport typically follows two scenarios: (1) the City invests in the expansion of the taxiway and the renter builds a new hanger, or (2) the City expands the taxiway and the costs for constructing a new hanger are split between the City and the renter.
- Stratford's farmland is leased, providing some revenue to the airport. The City could investigate whether using this land for other purposes would generate a higher level of income.

Analysis

This business case investigates three alternatives to reduce the losses at the airport – increasing fees, expanding hanger space and selling the airport.

Increase fees to offset expenses

The Stratford Airport can decide to increase its fees to increase revenue. For the airport to be able to offset the current losses, the fees would need to increase by 70%. Increasing the fees at this rate will reduce the competitiveness of the Stratford Airport, given that the fees would be higher than those of its competitors.

The table below shows Stratford Airport's current fees, the average fees charged by peers and the increased fees scenario. As the table shows, by increasing the fees, the Stratford Airport loses the ability to be competitive with other regional airports.

Fees	Current Fees	Average Fees Benchmark	70% Increased Fees
Fuel Sales	$ 2.00	$ 2.04	**$ 3.57**
Hangar Lease	$ 0.26	$ 0.25	**$ 0.44**
Terminal Rental	$ 2.25	$ 18.00	**$ 3.83**
Farmland Lease	$ 120.00	$ 208.00	**$ 204.00**
Parking fees	$ 70.00	$ 68.50	**$ 119.00**
Revenue	**$ 250,310**	**$ 313,199**	**$ 425,527**
Net Operating Expenses	**-$ 173,000**	**-$ 110,111**	**$ 2,217**

We have assumed that any increase in fees would not lead to a material increase in expenses as it would represent the same number of transactions.

Extend the taxiway and build a new hangar that will increase revenue from hangar leases

The airport has the land for additional hangar space. To access the additional space, the airport would need to extend its taxiways to connect the hangar to the runway. This is a great opportunity to increase revenue considering that when the airport leases space for hangar construction, the renter is responsible for the costs of that construction. The City can also choose to split the construction costs with the renter. Furthermore, the construction of a new hangar would lead to more airplane traffic. The City will have the opportunity to sell fuel to those new customers.

The Stratford Airport has estimated that the cost to construct the extension is $200,500 and staff suggest this would occur over two years - $125,000 in the first year and the remainder the following year. Additional costs for the construction will be assessed by the hangar developer once they fully plan the project.

OPEX	-$ 425,450	-$ 425,450	-$ 425,450	-$ 438,214
Total Budget	**-$ 175,140**	**-$ 300,140**	**-$ 274,661**	**-$ 162,425**

- The operational costs will increase approximately 3% once the hangar is constructed. We have estimated that as the City finishes the expansion of the taxiway in year 2, the increase in operational costs will be in the budget for year 3 when the hangar is constructed.
- The revenue from the new hangar lease will be part of the year 3 budget when the hangar is ready to operate.

Adding one hangar space could increase the airport's revenue but would not be enough to offset the losses. With the addition of a hangar, the Airport will still need to increase fees by 70% to meet the income needed to offset expenses.

Sell the Airport

Selling the airport will have both positive and negative implications for the City of Stratford. The Economic Impact Analysis Report from 2014 concluded that the airport generated an estimated economic impact of $3.3 million in that year for the City. This was done by attracting local and foreign investment, increasing tourism, and being the access point to valuable services (e.g. emergency medical services, visiting professionals and delegates, and accessing special events).

The following table shows some of the implications of selling the airport:

Selling as airport	• The City will not have operational costs • The economic activity that the airport brings	• The City will no longer have control over air transportation in Stratford
Selling as land	• The new owner might decide to use the land for other activities that coincidentally impact the City in a positive way	• The City will lose the positive economic impact that the airport brings to the City

The following table shows how the airport's budget might look like if the City decided to sell it. We have considered two scenarios – the first has the facility continuing to be used as an airport and the second is if it were sold as farmland.

Financials	Current	Selling the Airport Continuing Operations	Selling the Airport as Farmland
Fuel Sales	$ 176,500	$ -	$ -
Hangar Lease	$ 34,290	$ -	$ -
Terminal Rental	$ 9,000	$ -	$ -
Farmland Lease	$ 12,000	$ -	$ -
Parking Fees	$ 16,320	$ -	$ -
Other User Fees	$ 2,200	$ -	$ -
Economic Benefit	$ 3,300,000	$ 3,300,000	$ -
Total Income	**$ 3,550,310**	**$ 3,300,000**	**$ -**
Operating Expenses	-$ 410,450	$ -	$ -
Property Taxes	-$ 15,000	$ -	$ -
Total Costs	**-$ 425,450**	**$ -**	**$ -**
Total Budget	**$ 3,125,000**	**$ 3,300,000**	**$ -**

We estimated what the airport might sell for based on a recent sale of Lake Simcoe airport, which valued the airport at approximately $8m. It is a larger airport with more services than Stratford, hence estimating a value of $3m. The City provided us with a Valco report from 2019 that valued farmland in Perth County at approximately $20,000 per acre, which values the land at around $8.5m.

Financial Benefits

The table below summarizes the financial implications of each of the options considered.

Costs	Baseline ($)	Construction of One Hangar Scenario 1	70% Increased Fees Scenario 2
Operating Costs			
Property Taxes	-$ 15,000	-$ 16,667	-$ 15,000
Other expenses	-$ 410,450	-$ 456,056	-$ 410,450
Total Operating Costs	**-$ 425,450**	**-$ 472,722**	**-$ 425,450**
One Time Costs			
Expansion of taxiway	$ 0	-$ 200,000	$ 0
Total One Time Costs	**$ 0**	**-$ 200,500**	**$ 0**
Total Costs	**-$ 425,450**	**-$ 673,222**	**-$ 425,450**

Revenue	Baseline ($)	Scenario 1	Scenario 2
Fuel Sales	$ 176,500	$ 196,111	$ 300,050
Hangar Lease	$ 34,290	$ 38,100	$ 58,293
Terminal Rental	$ 9,000	$ 9,000	$ 15,300
Farmland Lease	$ 12,000	$ 12,000	$ 20,400
Parking fees	$ 16,320	$ 18,133	$ 27,744
Other user fees	$ 2,200	$ 2,444	$ 3,740
Total Revenue	**$ 250,310**	**$ 275,789**	**$ 425,527**
Net Impact		**$ 273,251**	**$ 175,217**

Non-Financial Benefits

- Adding hangar space will bring more aircraft traffics to the City, increasing the City's economic activity and opportunities

Assumptions

- Peers fees will remain around the same range as current
- The Stratford Airport can decide to sell only the terminal and hangar spaces without selling the farmland
- The current leases will remain in place after the City increase its fees

Risks

- Fees get increased at a level that they are not competitive, and clients decide to move their operations to other nearby airports
- The City expands the taxiway and leases do not increase – no hangers are constructed in the short and mid-term
- The airport buyer decides to close the airport and negatively impact the economic activity in Stratford

Implementation Plan

The City can decide either to increase its fees, build a new hangar or follow both recommendations to increase its revenue from the airport. The following table lists the steps that the City could follow to implement those recommendations.

Steps and Actions	Responsible	Labour (Hrs)
Increase fees		
Analyze current fees to understand how an increase will impact the competitiveness of the airport	Airport Management and Fire Chief	100
Decide which fees can be increased and by how much to increase total revenue but remain competitive	Airport Management and Fire Chief	60
Develop a communication plan of the new fees	Communications Staff	50
Build a new hangar		
Investigate the market demand for additional hangar facilities	Fire Chief	50
Prepare a business case for Council's approval on the expansion of the taxiway	Airport Management and Fire Chief	100
Prepare and release an RFP for the expansion of the taxiway and decide who will perform the expansion work	Purchasing Clerk Fire Chief	350
Manage the completion of the expansion of the taxiway*	Fire Chief Contractor	300
Solicit a new renter for the available space for the new hangar	Fire Chief	150

* City staff time only

6. Create an Internal Capability to Repair Fire Services Vehicles

Situation

The Fire Department owns four heavy-duty fire apparatus and five light-duty vehicles. Currently, the City has no staff that can provide maintenance to these vehicles. All vehicles are maintained and repaired by external mechanics. The maintenance cost of these vehicles ranges between $50,000 and $120,000 per year, with approximately 60% of the cost being related to labour. The table below provides the details of the vehicles that the Department utilizes.

	Qty	Vehicle
Heavy Fire Apparatus		Engine 1
	1	Engine 2
	1	Ladder 1
	1	Rescue 1
Light Duty Vehicles	4	Half-ton pickup trucks
	1	SUV

The process that the Department follows for maintenance and repair of its vehicles has certain inefficiencies:

- Whenever a vehicle requires maintenance, there can be six hours of staff time lost - one and a half hours of travel time each way for two people.
- The cost of the repairs appears higher than if the repair was completed by City staff.

Public Works at the City has three in-house mechanics dedicated to vehicles and equipment maintenance. Whenever these mechanics are not able to manage the volume of repairs, Public Works contracts mechanic services. The City recently centralized some department's fleet management, there are approximately nine vehicle mechanics across all departments.

Analysis

Create an internal capability to repair emergency vehicles.

Based on historical data of repairs and maintenance, fire vehicles need approximately 0.6 of an FTE of labour for maintenance. Given that the City has already started centralizing fleet management, there is an opportunity for this FTE to be shared across all departments and we understand that existing staff are able to take on this workload with training.

Operational Costs	Current	In House Mechanic
Maintenance - Parts and Equipment	-$ 34,000	-$ 27,200
Maintenance - Labour	-$ 51,000	-$ 2,448
Lost Travel Time - Salaries	-$ 9,346	-$ 467
Salaries - Mechanic	$ -	
Utilities Costs	$ -	-$ 470
Total Operational Costs	**-$ 94,346**	**-$ 30,585**

- **Maintenance Labour Costs** – the Department will still have labour costs associated with maintenance even if the City trains an in-house mechanic. There are a few specialty-type reasons that some vehicles would be required to go to a different a mechanic, such as repairs to the ladder on a ladder truck. We have estimated that only 5% of the repairs will be of this kind.
- **Lost Travel Time** – there are 6 hours of work lost every time a vehicle requires repair or maintenance, considering that two staff drive the vehicle to the mechanic. Each vehicle requires 6 visits to the mechanic on average, accounting for a total of 54 trips every year. We have estimated an average salary of $29 per hours.
- **Salaries Mechanic** - the average hourly rate of a mechanic in the region is $32.67 per hour. We have estimated that the Fire Department requires 0.6 of an FTE, this equals 1248 total hours a year.
- **Utilities Costs** – we have estimated a 2% increase in utilities if the mechanic operates in-house.

Offer the mechanic service to neighbouring municipalities.

No municipality in Perth County has an emergency vehicle technician on payroll. Should Stratford staff have the capacity, the City might be able to offer fleet services for emergency vehicles at other municipalities in the region.

Operational Costs	Current	In House Mechanic + Provide Mechanic Services
Maintenance - Parts and Equipment	-$ 34,000	-$ 27,200
Maintenance - Labour	-$ 51,000	-$ 2,448
Lost Travel Time - Salaries	-$ 9,346	-$ 467
Salaries - Mechanic	$ -	
Utilities Costs	$ -	-$ 587
Total Operational Costs	**-$ 94,346**	**-$ 30,703**

Revenue		
Mechanic Services	$ -	$ 32,618
Total Revenue	**$ -**	**$ 32,618**
Effect on Budget	**-$ 94,346**	**-$ 1,916**

- **Salaries Mechanic** - the average hourly rate of a mechanic in the region is $32.67 per hour. For this scenario we have assumed that the City will hire one full-time mechanic to be able to offer services to other organizations.
- **Utilities Costs** – we have estimated a 2.5% increase in utilities, assuming that other organizations' vehicles will be repaired at Stratford's facilities.

Training

Specific training to qualify for the Emergency Vehicle Technician status. The certification is structured into 8 modules for fire vehicles. Courses and examinations for each module are in the range of $500 per person – or $4,000 if all 8 modules are required. Reviewing the modules, it appears that Stratford would likely need 6 of the modules for a total of $3,000 per person.

Financial Benefits

Costs	Baseline ($)	In House Mechanic	In House Mechanic + Offer Services
Operating Costs			
Maintenance - Parts and Equipment	-$ 34,000	-$ 27,200	-$ 27,200
Maintenance - Labour	-$ 51,000	-$ 2,448	-$ 2,448
Lost Travel Time - Salaries	-$ 9,346	-$ 467	-$ 467
Salaries - Mechanic	$ -	$ -	$ -
Utilities Costs	$ -	-$ 470	-$ 587
Total Operating Costs	**-$ 88,115**	**-$ 30,585**	**-$ 30,703**

Revenue	Baseline ($)		
Mechanic Services	$ -	$ -	$ 32,618
Total Revenue	$ -	$ -	$ 32,618

Net Impact		**$ 57,530**	**$ 90,030**

Non-Financial Benefits

- The Fire Department will reduce the lost time associated with travel time to the mechanic – that staff time can be dedicated to other activities in the Department
- The City will have a mechanic that can also look after other departments' vehicles and equipment when the current mechanics are busy

Assumptions

- Neighbouring organizations are interested in hiring mechanic services offered by the City of Stratford
- The City has the physical space to provide mechanic service to other municipalities

Risks

- Staff hired does not have the technical knowledge required by the Fire Department and the Department will still need to outsource some maintenance tasks
- Other organizations do not look for mechanic services that are provided by the City

Implementation Plan

The outline below considers existing staff taking on responsibilities for fire vehicle maintenance.

Steps and Actions	Responsible	Labour (Hrs)
Create internal capability to repair emergency vehicles		
If needed, update staff roles and responsibilities to reflect the additional vehicles	Deputy Fire Chief HR Coordinator Supervisor of Fleet	30
Define which repairs will be handled by the in-house mechanic and which repairs will require specialized support	Deputy Fire Chief Supervisor of Fleet	15
Have mechanics attend required training to be able to complete the identified maintenance tasks	Mechanics	40
Communicate to fire staff the new process for vehicle maintenance	Deputy Fire Chief Supervisor of Fleet	5
Offer the mechanic service to neighbouring municipalities		
Contact nearby municipalities to discuss whether they have an interest in using the mechanic services for their fire vehicles	Supervisor of Fleet	15
Draft and agree the service standards the City will deliver to others include prices lists and response times	Supervisor of Fleet	60
Quantify the volume of work that will come from other municipalities to confirm the City has capacity	Supervisor of Fleet	40
Communicate the procedures for vehicle maintenance to the other organizations	Supervisor of Fleet	5

7. Have Finance Division Process All Invoices

Situation

Some departments outside of finance currently process invoices, one example is Community Services. Often these departments have a small number of invoices to manage and follow processes that work with the situation they face but may be different than the corporate approach. An example of these differences is interest. The City generally charges a monthly interest rate of 1.25% when finance manages invoices, but this may not happen when departments manage invoices.

The Recreation Division recently transitioned to new software called *Perfect Mind.* This system is used to book facilities, register for programs and keep track of all recreation services operations. The Division also uses the software *Cemetery 2000* for cemetery transactions. The modules in those systems that are currently used for invoicing do not allow the Department to charge interest on overdue invoices.

The Department processes around 190 invoices every month and has 3 staff who have part of their job processing invoices. These staff review rentals and plot sales information (e.g. contact details, define burial options and other details related to cemetery memorials). The Division gathers all the details from customers and types them into the system. The table below provides details of the number of invoices processed by the Community Services Department.

# of Recreation Invoices	90 -100 per month
# of Cemetery Invoices	100 per month
# of Staff Dedicated to Invoicing	0.5 FTE

While there is an opportunity for the Department to transfer the invoicing operations to the Finance Division, Community Services will still need to input all the details related to the rentals into Perfect Mind and Cemetery 2000. Currently, the Finance Division does not have access to all the transactions completed by Community Services, because there is no integration between systems. Community Services still needs to provide details for Finance to type into the system.

Analysis

Allowing the Finance Division to process invoices for Community Services

Finance processes invoices for all other departments in the City, except for Community Services. Allowing the Finance Division to process invoices for Community Services will give more consistency to the financial processes in the City. Finance already has a well-established process for invoicing and would be more efficient than Community Services. Moving invoicing to Finance will also allow the City to charge interest on those overdue invoices, providing additional income to the City. The interest income goes to a general interest earned account, meaning that they will not go directly into the Community Services budget.

- Community Services will require 2.5 FTEs to gather documentation and details for rentals and plot sales. The Finance Division will be responsible for the invoicing part of the process, currently requiring 0.5 FTE. Since the Finance Division have staff fully dedicated to invoicing, we estimate that the process will be more efficient, requiring only 0.25 of an FTE.

System integration between Community Services software and the Financial system used by the City

Integration between systems will allow for more automation and reduce the labour that goes into the invoicing process. Community Services will still input rental data into Perfect Mind so they can manage rentals. Cemetery Services will also continue to use Cemetery 2000 to input plot sales and keep records. Allowing this data to be automatically reflected in the finance system will reduce the labour required by Finance. The following table provides details of the systems used by the City:

Perfect Mind
• Perfect Mind has the capability to export data referring to a facility or event by generating a report in a format that can later be imported into the financial system. • Perfect Mind is a hosted software that has API integration capabilities. API stands for application programming interface, and it enables interaction between data, applications and devices. Integration between Perfect Mind and Microsoft Great Plains is possible, but it will require around 4 weeks of work of an FTE (160 hours of labour).
Cemetery 2000
• Cemetery 2000 has the capability to export data referring to plot sales by generating a report in a format that can later be imported into the financial systems. This will reduce the manual entries into the financial system.
Microsoft Great Plains
• The system used by the Finance Division has the capability to integrate with other systems by using the API functionality. The integration between Cemetery 2000 and Microsoft Great Plains might not be possible given that Cemetery 2000 is an older software that does not have this capability.

Financial Benefits

Costs	Baseline ($)	Integration Scenario ($)
Operating Costs		
Labour associated with invoicing	-$ 180,000	-$ 157,500
Total Operating Costs	**-$ 180,000**	**-$ 157,500**
One Time Costs		
System integration	$ -	-$ 5,000
Total One Time Costs	**$ -**	**-$ 5,000**
Total Costs	**-$ 180,000**	**-$ 162,500**

Revenue	Baseline ($)	Scenario 1
Overdue invoice interest	$ -	$ 4,891
Total Revenue	**$ -**	**$ 4,891**
Net Impact		**$ 12,609**

Non-Financial Benefits

- The City will have a centralized invoicing process, allowing the Finance Division to have real-time information on all invoices
- There will be less chance of errors in the invoicing process
- The invoicing process will be optimized given that the Finance Division already processes all other invoices in the City

Assumptions

- The invoicing process for Community Services is not different from the regular invoicing process done by Finance
- The number of invoices processed by Community Services is stable during the year
- 21% of invoices in Community Services are overdue and will be paid within30 to 60 days with a 1.25% interest rate
- 75% of the time used to process one invoice is dedicated to gathering data and contacting clients, while the other 25% is dedicated to invoicing activities
- As the invoicing activities are moved to the Finance Division, each invoice will be processed in half the time they are processed by Community Services
- Building an integration between the Community Services software and the Financial Services software will take 320 hours – 2 months salary of one FTE

Risks

- Resistance to change from staff in the Finance Division and Community Services Department
- The system integration does not consider the process changes required by the Community Services Department and the Finance Division

Implementation Plan

Further investigation is required by City staff to the other opportunities to consolidate invoicing from other departments as that data is not available at this time. The implementation plan below outlines an approach to this investigation.

Steps and Actions	Responsible	Labour (Hrs)
Identify all invoices that are issued and managed by departments other than finance	Manager of Finance Departmental staff	30
Put in place a mechanism for staff to track the volume of invoices they process and the amount of their time it takes	Manager of Finance	20
Investigate the process and system used by each department to process and manage invoices	Manager of Finance	40
Determine if a business case exists to migrate invoice processing from each department	Manager of Finance	50
Evaluate how the current systems could be integrated and support the new invoicing process	IT Manager Invoicing Staff	50
Implement the most cost-effective integration between the systems to transfer the required data	IT Manager	100

8. Facility Maintenance and Utilization

Situation

We conducted an investigation into three aspects of the City operates facilities:

- Whether the maintenance costs were higher at any of the recreation facilities than the others
- Would a central function managing facilities be more effective or efficient than the current decentralized model
- Are the recreation facilities highly utilized and are there steps that could increase the utilization

In each of these areas, the City does not currently have sufficient data for us to conclude whether changes would yield benefits. The analysis we could undertake suggests there is merit to the concepts, but that staff will need to conduct a more complete analysis when they can gather the data required.

Analysis

Facility Maintenance Costs

From a recreation facility maintenance perspective, we were able to identify a basic maintenance cost per square foot.

Facility	Amenities	Total Maintenance Costs per sq ft.
Dufferin Arena	1 ice arena	$ 3.9
Allman Arena	1 ice arena and 1 upper lobby	$ 6.1
Stratford Agriplex	3 meeting rooms, 4 gymnasiums, 1 community hall and 1 bingo hall	$ 4.4
Rotary Complex	4 meeting rooms, 2 ice arenas, 4 community halls and 1 walking track	$ 6.0

With this basic measure, two of the facilities are much more expensive per square foot.

The amenities that a facility has will certainly change the maintenance cost.

- The Dufferin and Allman Arena's are similar in terms of amenities – but Allman is much more expensive to maintain. Dufferin was renovated in 2010 and now is an energy-efficient facility, which may explain the difference in maintenance costs. Allman is a taller building than Dufferin, which means there is more building to maintain.
- Most of the difference is in building maintenance costs. Allman actually spends less per square foot on maintenance contracts ($1.41) than Dufferin ($1.76). The City is spending over double on the building maintenance at Allman than it is for Dufferin.

Baseline maintenance costs by facility

The City needs to track the maintenance activities for each facility and their costs. Setting the baseline for those costs will help the Community Services Department to understand why some facilities are more expensive to maintain and will allow them to keep track of those costs. When the City operated Works Manager this was completed.

Having details on all maintenance costs per facility, the City will be able to decompose exactly what is driving the higher per square foot costs. This analysis will inform the approach the City takes to managing costs.

Develop a strategy to mitigate maintenance costs that are out of the baseline

The City can then develop a strategy to mitigate the costs that are higher than the baseline. Mitigation strategies could include investing in facility modernization, replacement of older equipment such as HVAC units or other approaches.

Facility Maintenance

Facilities maintenance in the City is decentralized, with managers from respective departments (e.g., Fire, Library, Daycare, Infrastructure and Development Services, Social Services and Community Services) responsible for the operation and maintenance of their facilities.

The table below shows an estimation of the current amount the City spends on facilities maintenance at $1.42m. In addition to this figure, facility managers spent 1,993 hours on administration, managing operations and project management.

	Env. Services	Public Works	Building Services	Comm. Services	Social Services (Day Care Only)	Total
Total Administration & Project Management	50 hrs	520 hrs	450 hrs	700 hrs	273 hrs	1993 hrs
Operations (custodians) FTE	Contractor Spend	1 FTE	9 FTE 3 PTE	3.0 FTE 7 PTE	0	13.0 FTE 10 PTE
Maintenance FTE	0.05	0	0.1	2	0	2.15 FTE
Operations FTE in dollars ($25/hour)	$ -	$ 52,000	$ 624,000	$ 338,000	$ -	$ 1,014,000
Maintenance FTE in dollars ($40/hour)	$ 4,160	$ -	$ 8,320	$ 166,400	$ -	$ 178,880
Maintenance contractor spend	$ 2,757	$ 18,158	$ 55,617	$ 147,175	$ 4,263	$ 227,973
Total Maintenance Spend	$ 6,917	$ 70,158	$ 687,937	$ 651,575	$ 4,263	$ 1,420,853

Implementing a work order management system

In order to both better track maintenance information and to analyze the data to understand what is driving maintenance costs, a work order management system would be essential.

- The City does not have a work order management system for tracking facilities maintenance and as such, does not know the number of work orders completed.
- The City recently implemented Citywide to assist with its asset management practice. Citywide has a work order management module that could be used to allow work order and inventory management, maintenance schedules and time tracking.

Moving to preventative maintenance to reduce demand maintenance

Currently, the majority of the City's maintenance costs are attributed to demand maintenance. The City should establish maintenance schedules for all assets to reduce demand maintenance. Moving to more preventative or even predictive maintenance reduces the total cost of maintenance and also reduces equipment failures and the associated loss of revenue. According to the United States Department of Energy, it should be common practice for organizations to limit demand maintenance to 20% of total maintenance cost and they estimate that preventative maintenance reduces total maintenance costs by 12-18%.

Preventative maintenance assists in managing an organization's maintenance bill in three ways:

- First, preventative maintenance reduces the frequency that components of buildings require repair or replacements. For instance, something that breaks every 3 months that is only repaired on the fly will likely cost the City more money on maintenance as preventive maintenance can extend the distance between breaks from months to years in many instances.
- Second, preventative maintenance reduces the cost of repairs as contractors are likely to charge much higher fees upon breakdown repair (demand maintenance). Sometimes because it takes the technician much longer to figure out the issue or to locate the necessary parts.
- Additionally, breakdown repair extends beyond higher cost. Unexpected downtime can lead to services stopped or at least be limited, which negatively impacts customer service, experience and potentially revenues. Currently, the City spends around $125,216 on internal labour and $159,581 on external labour (contractors).

Facility Utilization

The Recreation Division operates ice arenas, multi-use sports fields, community centres and other recreational facilities. The hours of operation vary for each facility, but most of them are open seven days a week. Limited data is retained on the capacity of each facility and how much it is being used.

Facilities	Hours Utilized	Hours Available	Utilization
Stratford Agriplex	7644	13832	55%
Rotary Complex	3522	4910	72%
Allman Arena	1040	2030	51%
Dufferin Arena	1140	2030	56%
Anne Hathaway Ball	1600	2100	76%
National Stadium	n.a.	2100	n.a.
Stratford Education Recreation Complex (SERC)*	5300	28392	19%
Packham Road Ball and Soccer Complex	2000	2100	95%
Dufferin Park Ball	300	1680	18%
Optimist Park	400	1680	24%
Lower Queens Park	300	1680	18%
Stratford Tennis Club	n.a.	1680	n.a.
Lions Pool	n.a.	n.a.	n.a.

* Hours shown do not include soccer, tennis or rugby as the City does not track them

These hours are the aggregate usage but do not give us insight into peak demand or how full a specific program is. Staff would need to gather much more data to understand whether any of these facilities need to be more highly utilized or whether they are actually at operational capacity.

Implementation Plan

The first step to moving forward with this opportunity is to conduct a real-time investigation before any decision can be made on changes to actual facilities. The table below provides a set of implementation steps.

Steps and Actions	Responsible	Labour (Hrs)
Baseline maintenance costs by facility		
Identify a system to track maintenance costs – might be able to use the finance system	Facilities Manager IT Manager Manager of Finance	10
Set up the system to capture the required data, including facility, maintenance activity, cost and reason for maintenance, at a minimum	Facilities Manager IT Manager	50
Record details on all maintenance activities as they occur	Facilities Staff	~
After a representative period of time – likely 1 year – analyze the maintenance costs to determine: differences between facilities, cause of the differences*	Facilities Manager	30
Develop a mitigation strategy		
Develop a plan to remediate the causes of the higher costs – potentially through capital investment in the buildings or the equipment	Facilities Manager	200
Implement the facility changes in the plan	Facilities Manager	~
Re-analyze the maintenance costs to confirm a reduction as expected*	Facilities Manager	30
Facility Utilization		
Define the capacity of each amenity in each facility. The capacity is the number of people who can use the amenity at a time, for example, two teams of seven people on a soccer pitch. Then define the hours of operation for each amenity	Recreation Manager	200
Track the time that each amenity is used, what programming was running and what participation there was (number of people)	Recreation Manager	~
Establish a policy on recovery of costs, how much does the City with to subsidize programming. Often the subsidy will vary by program to align with the City's overall objectives for providing recreation services. Translate the policy into facility utilization targets	Recreation Manager	100

After a representative period of time, probably 1 year, analyze the utilization of each amenity both in terms of hours used and percentage of capacity. Also, consider which programming is more and less popular*	Recreation Manager	200
Compare the analysis to the facility targets to determine whether any adjustments may be needed to meet the targets	Recreation Manager	30
If adjustments are indicated, determine the change that is required – which could include changing the programming mix, repurposing an amenity, discontinuing a program, change marketing etc.	Recreation Manager	100
Make the adjustment as required and monitor to confirm they have the expected impact	Recreation Manager	200

* If the City determines it does not have the analytic capability to do each of these reviews, external consultants could be hired to support staff.

Delivering these changes will require a formal oversight structure

Implementation Governance and Change Management

The opportunities outlined in this report will take time to implement and should be formally monitored and reported upon to help ensure that the potential benefits are realized. This section outlines our recommendations for organizing, implementing and monitoring these changes.

Governance and Reporting

Independent of implementation, we believe it will be beneficial to have a coordinating function. A staff member within the Office of the CAO will be given the responsibility to monitor the progress of each change that the City implements. The information on progress will be supplied by the individuals listed in the implementation plans. The progress will be reported to CLT either monthly or quarterly, depending on the amount of activity that is underway.

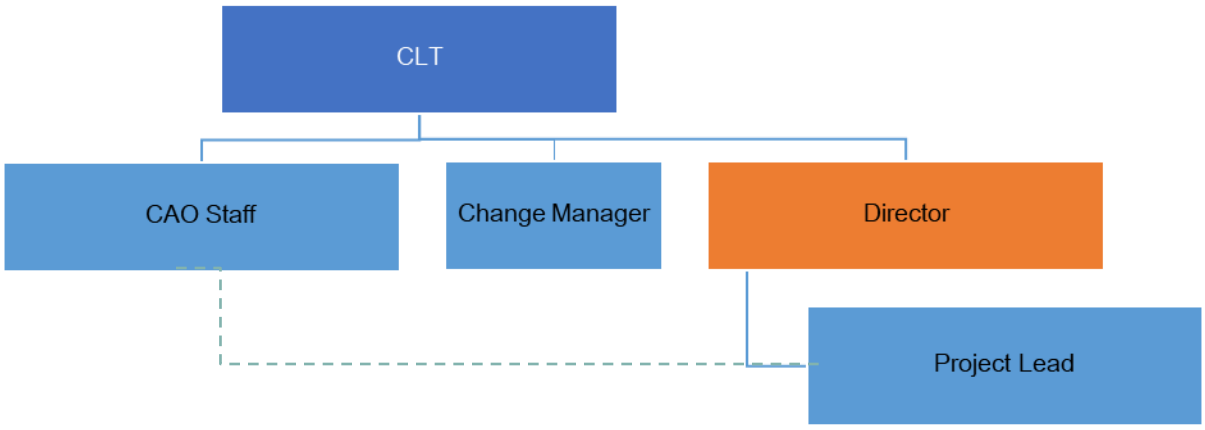
CLT, in this context, will provide direction to responsible staff on implementation matters such as pace, they will decide on the scope and particular on any changes in scope and they will work to resolve an implementation conflicts – for example, a staff member is needed on two initiatives at the same time.

In addition to these staff, we also suggest the City identify a Change Manager who would be responsible for developing and executing the change management plan. The objective of executing the plan is that staff are fully able to transition to new responsibilities and ways of working following an implementation. The change managers responsibilities include:

- Report to CLT on the progress of the change management plan
- Hold regular meetings with staff implementing changes to discuss what changes will impact each department and the effectiveness of the change management plan
- Provide the supports required by staff during the transitioning period when organizational changes are required

Reporting

The following chart outlines the reporting structure that the City can decide to use for the implementation.



The following list is a common approach to reporting with a structure of this nature:

- Implementation Plan: To launch a project, the responsible staff should submit a business case highlighting the expected benefits, a budget and a schedule to the CLT approval
- Status: Monthly or quarterly, the responsible staff will report status to the CAO staff member responsible for monitoring, who will summarize the various reports and present to CLT
- Change Effectiveness: On a monthly basis, the change manager should report to the board against a set of agreed change indicators that can confirm the change management plan is being effective at preparing staff

Change Management

Whenever organizational changes occur, we believe it is important to put in place formal supports for staff to help them with the process of transitioning. Often referred to as change management, we frame it to have a very specific objective:

Objective: on the first day after the organizational changes have been made, all staff continue to be effective at their job.

The change management plan is developed to deliver consistency across the organization and it is the responsibility of the change manager to oversee it. As a framework for developing the change management plan, we subscribe to the ADKAR model for individual change. The model provides structure and direction for change leaders that helps them understand what activities staff require (training, coaching, etc.) to transition through the change. It suggests five stages that a change management plan should progress through:

- **A** Awareness of the need for change
- **D** Desire to support the change
- **K** Knowledge of how to change
- **A** Ability to demonstrate new skills/behaviours
- **R** Reinforcement to make the change stick

Creating the Case

Often focus is placed on the business case for change – which is valid – however, there should be an accompanying personal case for change, "what's in it for me?" The first step in creating a change management plan is to establish the individual case for change and the accompanying messaging.

Building the Plan

We suggest that the change manager follows these steps to build the plan:

- Consult with the City leadership on the specific needs of staff given the changes contemplated
- Identify actions that achieve the objective of each of the five phases, for example – how will we build awareness of the changes that are happening
- Identify the resources needed to deliver the change management plan

Communication Strategy and Plan

Communication is one of the fundamental elements of change management. To build the strategy and plan:

- Presents an overall, agreed approach and set of objectives for how communication activities, through engagement and education, will help the target audience to understand, desire and know-how to make the change
- Outlines the various stakeholders and their communication needs
- Defines the key messages that will be used to communicate the changes
- Defines the main communication channels and mechanisms that will be used to communicate between the project team and the target audience.
- Defines measures to test the success of the Communication Strategy in engaging and educating the target audience

Education

Another foundation of change management is equipping staff with the knowledge they need to be effective after the change.

- Training is the formal component of education and often particularly applicable when new IT systems are being implemented. If training is required, it is the job of the change manager to identify the format, provider and schedule for the training to occur
- Subject matter experts (SME) are another approach to disseminating knowledge – rather than formal training, staff can know that specific individuals are available to answer their questions
- Project participation is a good way for staff to learn about new ways of working or processes. This is often done to develop the SME's.

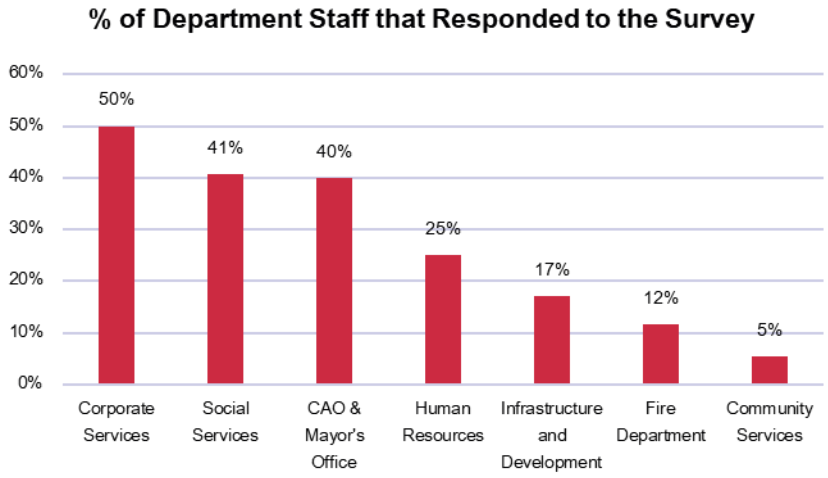
Appendices

Appendix A: Survey Output

Context

In order to broadly engage City staff and give as many as possible a chance to input into the service delivery review, the City made an online survey available to staff from early July to early August 2020. We received 100 responses in total, with representatives from all departments.

The chart following shows the percentage of staff from each department that responded. Most departments were fairly well represented, with the exception of Community Services, which may be due to having casual employees. Staff from partner organizations also participated in the survey, submitting 17 responses.



The survey sought the viewpoints of staff on the strengths and improvement opportunities in the way the City delivers services. The 12 questions asked are contained within appendix C of this report. Questions 1, 4, 8 and 10 do not get a separate section here as they ask for more details from a respondent on why they answered the previous question the way they did.

Summary Findings

Staff tended to have a positive view of the way the City operates. The following table summarizes the themes that emerged from the survey responses.

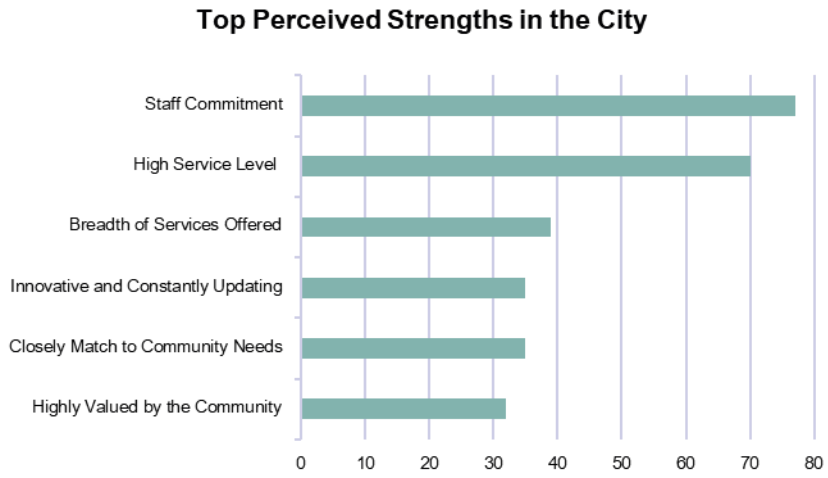
1	**Improving processes and applying technology**

- Being more efficient was part of many of the questions and the application of technology or having the right tools was a common observation.
- Direct suggestions on making process improvements were frequently made, but also indirect references through comments on the level of bureaucracy. Staff who had done process improvement

		work recently felt it was an approach that had merit in other departments beyond their own.
2	**More communication within and between departments is desirable**	• Communication featured in many of the questions. Whether it related to changes to the work environment, factors that make the work more difficult or key areas for improvement. • When mentioned, it was often mentioned along with bureaucracy – suggesting perceived unnecessary process was being used as a substitute for communication within and between departments. • Better collaboration between departments was also cited commonly along with communication.
3	**Flexible working and hours have improved staff experience**	• COVID has brought many changes to the City, but the two that had the most impact on respondents where the flexibility in working practices and hours. Most acknowledge that flexibility should not be to the detriment of the customer experience, but that COVID had demonstrated what is possible and desirable. • In fact, many respondents asserted that these factors would and have had a positive impact on productivity.
4	**Expand online services**	• While arguably a sub bullet to applying technology – online services were cited as a way to improve customer service, extend availability and reduce time occupying staff with items such as payments.
5	**Concerns around staff morale**	• While we have coined the theme staff morale, many of the concerns and suggested improvements relate to how staff feel at work. In fact the single most common suggested measure of the impact of changes was whether it improved staff morale

2. In your opinion, what are the strengths of the Department in terms of delivering services?

Over 70% of respondents indicated that staff commitment and high service levels are the two top strengths of the City.



Staff commitment generally comes from factors such as proper training, processes and policies in place, quality of services provided and a good work environment. When organizations have highly committed staff, they are motivated to improve the quality of services offered and generate ideas for improvement.

Staff believe that the breadth of services offered matches the community needs, however, many commented that making them easy to access would be an improvement, particularly making more services available online.

There was no real departmental bias. Staff selected similar strengths, no matter which department they belonged to. Responses like this tend to indicate the strength of a particular set of values and we can suggest that the City has a consistent set of values and culture.

3.What could the Department change to improve its service delivery for residents, tourists, staff or other stakeholders?

Technology improvements and innovation are required to deliver better services to customers, with the top three changes that staff wish to see related to technology.

Staff from all departments mentioned that implementing IT systems is a change that will support service delivery.

Process improvement featured as an area that can assist service delivery efficiency and can be combined with the technology changes. The number of respondents identifying these changes suggests that a significant portion of the staff would support modernization efforts and be open to changes.

From a customer perspective, suggestions of electronic bills and paying online for City services were made. 48% of staff said that making service available through different channels would achieve better service delivery. With the City open from 8:30am to 4:30pm, providing customers with online access will extend the service hours.

The work environment can be improved by promoting collaboration between departments. Some comments related to finding it frustrating when process requirements were not in line with job responsibilities. These comments suggest the City may need to do a comparative review of job responsibilities to ensure that levels and responsibilities are consistent across the Corporation.

5. What aspects of how the Department delivers its services do you believe are least liked by residents, tourists, staff or other stakeholders?

Reducing wait times, providing online services and addressing accessibility concerns are most likely to improve customer satisfaction.

When some of these customer concerns are combined, flexible access to services appears as a strong theme.

Having more access to services online, the option to pay online, extending hours of operation and having satellite offices would all contribute to more flexible access to services for customers. Most customers have full or part-time jobs making it more difficult to visit City Hall during hours of operation. Coupled with the travel time, staff felt this had a major impact on customer satisfaction. Social Services customers have raised concerns about the location. As the regional service manager, customers come from across the County. Respondents indicated that these customers would benefit more from satellite offices than online services because of the nature of the services they are accessing.

Less limited parking and greater accessibility have also been mentioned as changes customers would value.

6. What positive changes has the Department made in recent years that could be implemented by other departments?

Their own experiences of process improvement and training could be applied to other City departments to improve service delivery

In recent years, many departments have made changes to their processes that have had a positive impact on service delivery

Staff felt that some of those changes could be implemented in other parts of the organization.

Community Services and Corporate Services could benefit from changes in their processes and learn from other departments' initiatives.

Providing more training and increasing online access to services also ranked highly

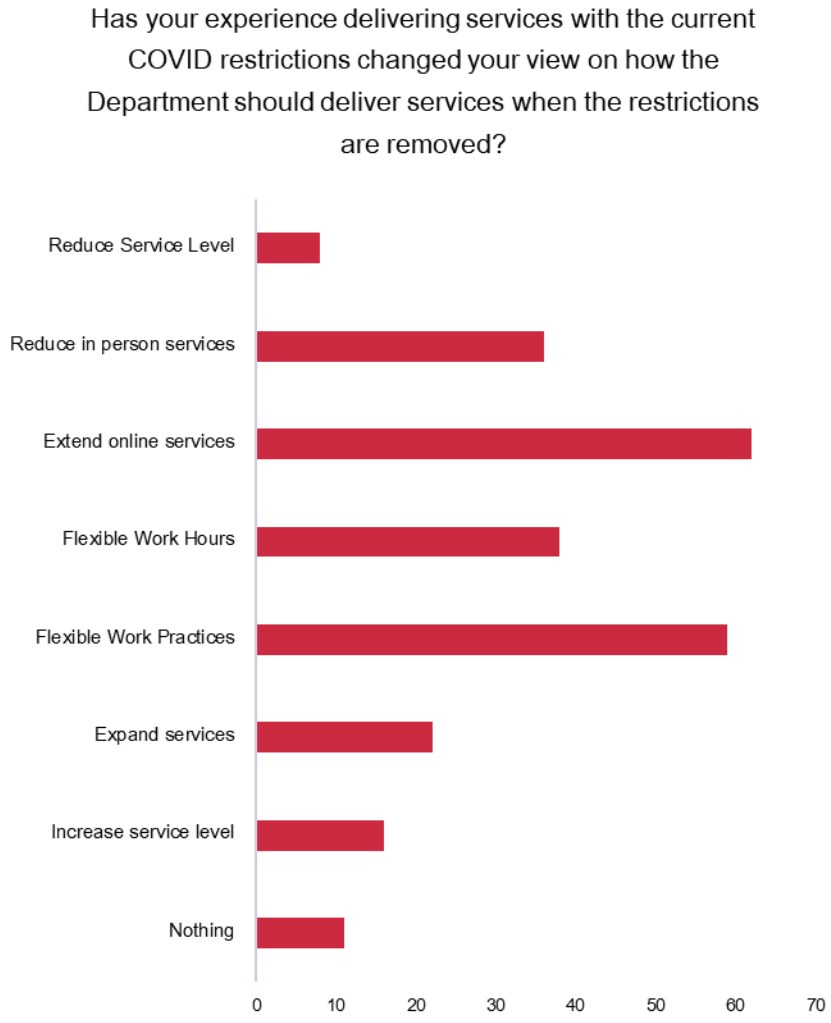
Where there are a small number of staff focused on specific activities – cross-training was cited as the approach to get a more flexible and responsive workforce.

Staff also mentioned that the training programs had helped them better understand the context and importance of their role to other departments.

Transit has developed a real-time application where customers can access the on-demand service, while Community Services has made available virtual online programs for seniors.

These successes demonstrate the value of online delivery and should encourage all departments to think about what they can take online.

7. Has your experience delivering services with the current COVID restrictions changed your view on how the Department should deliver services when the restrictions are removed?



COVID19 highlighted to staff the achievability and value of organizational flexibility. The chart to the right shows the most common suggestions.

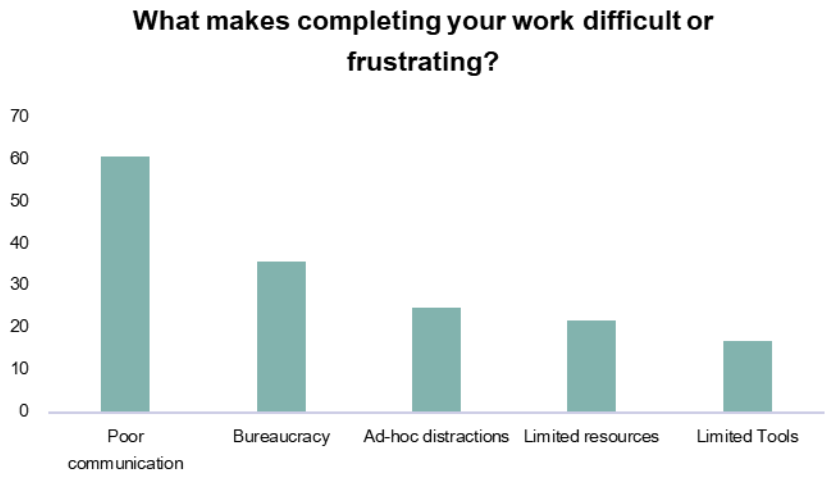
At least 89% of staff believe that their experience with COVID19 has presented opportunities for improvement in service delivery.

Many staff mentioned either an increase in online service or a reduction of in-person services. The most popular reason for these were improved service delivery, increased in productivity and safety concerns due to the pandemic.

Flexible work practices such as working remotely or adjusting service hours were as common as online services. Additionally, about half of the people who identified flexible work practices also selected flexible work hours – suggesting that the two changes are complimentary.

9. What makes completing your work difficult or frustrating?

Bureaucracy and poor communication were felt to make the work more difficult. These are interesting responses as, more commonly, the feedback from surveys relates to not having enough staff – but only 20 responses cited resources.



Communication and bureaucracy as concerns were not limited to one or two departments but identified in all departments – although not to the same degree. In fact, the two difficulties were often mentioned together. Departments with fewer staff were less likely to cite poor communication as a source of frustration

Similarly, where respondents selected limited resources as a main source of frustration, they also mentioned limited availability of tools. In this example, it is easier to draw a causal link – staff feeling that with the right tools they could be more productive, but without them feeling they need more staff.

The following table outlines some of the specific comments staff made and suggests what the problem might be.

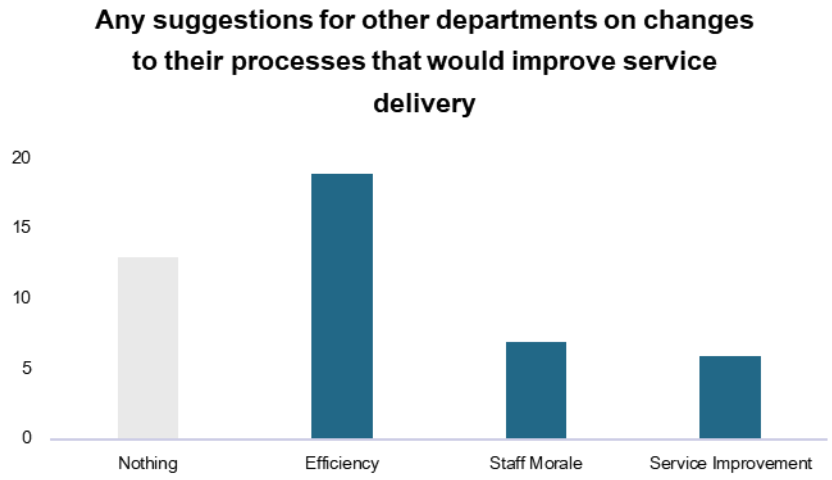
Theme	Comments	Possible Causes
Late Communication	• Not updated on pending changes • Dates approaches before hearing • Changing priorities not communication – lowers morale • More timely sharing of information • Last minute communications • Other work takes priority over prompt communication	• Hierarchical view – staff don't need to know • Not allowing staff time to process changes

Waiting for Responses from Other Departments	• Waiting for replies from other departments • Delay in responses from other departments • Late response and little details from other departments • Not collaborating between departments • No willingness to collaborate between departments • Delays in getting approvals from other departments • Not respecting others processes and deadlines	• Prioritizing own work over others • Incentives do not support collaboration
Not Consulted	• Not consulted on decisions that affect them • Not consulting those that are affected	• Hierarchical view – managers make decisions staff go along with them
Not Transparent About Decision Making	• Don't hear what happens with suggested changes • Be transparent on how decisions are made • Not consulting those affected by a decision • Would like input on decisions that will affect them • Reasons for specific staffing decisions • Not knowing how decisions are made	• Staff do not have the same information as decision makers
Inconsistent Messages	• Different amounts of information given by different managers • Inconsistent • Office policies seem to be different between departments • Communicating changes that do not apply to that employee group	• No existing culture or expectation on what is communicated to staff or when

Looking at the specific comments, we can see they would like to be consulted on changes that affect them, given information sooner and that information communicated is consistent between different staff.

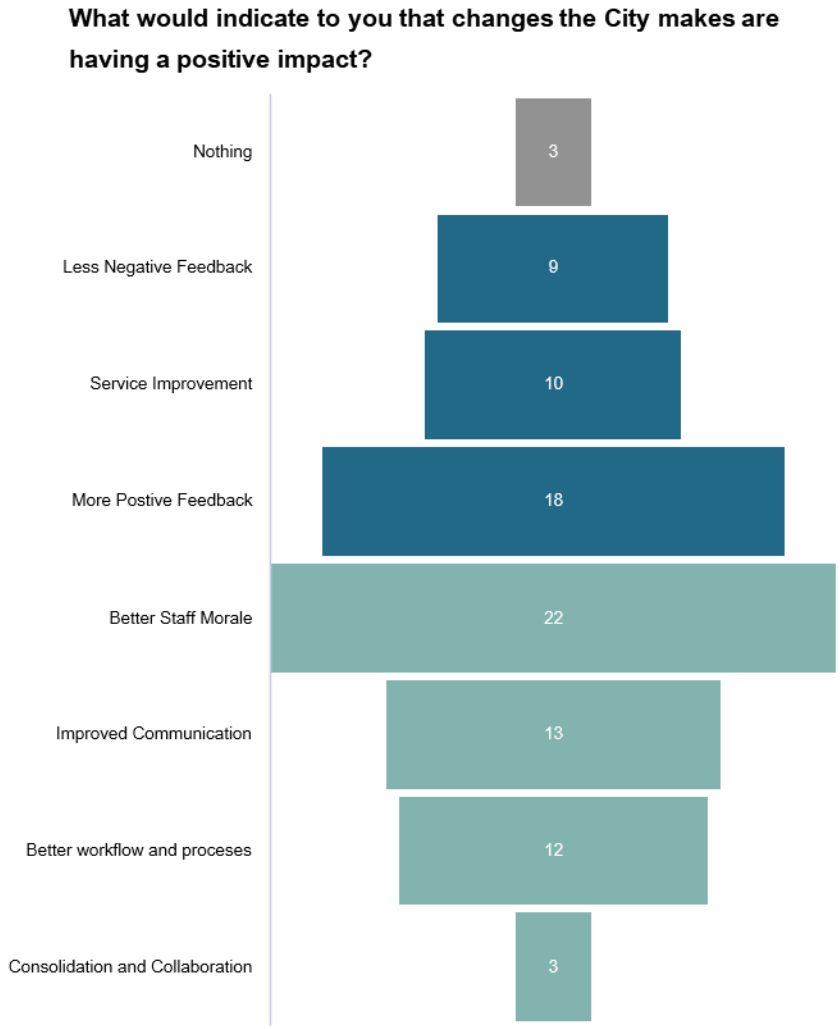
11. Thinking about other Departments, do you have suggestions on changes to their processes that would improve service delivery?

Staff felt that increasing collaboration, resource sharing and cross-training would boost both morale and efficiency within the organization. Similar to the responses staff gave when asked about difficulties, suggestions for improvement focused on morale and efficiency. Much of the changes were effectively the corollary of the frustrations they had identified.



Some interesting themes included focusing on the culture, collaboration and cross-training as both a morale and efficiency booster. Directly related to service improvement, better triaging of calls and improving customer service were the most mentioned.

12. What would indicate to you that changes the City makes are having a positive impact?



Many staff felt that customer feedback was the best way of measuring the impact of changes. That said, staff were split on whether the best measures should relate to customers experience or staff experience. In the chart to the right, a blue bar means that the impact indicator is public facing, i.e. has a direct impact on residents. The teal bar means that the impact indicator relates to internal experience.

Direct feedback from the public accounted for 30% of the responses - increased positive feedback at 20% and reduced negative feedback at 10%.

However, 56% of the responses were related to internal signs of improvement, particularly staff morale.

We typically expect to see resident facing staff list public-facing measures. However, in this survey, those departments tended to mention internal indicators such as efficiency and staff morale rather than customer service.

The measures suggested would be more difficult to measure, few staff cited specific, measurable performance indicators. Additionally, we know the City has limited data to use as a baseline to identifies changes to the measures suggested.

Appendix B: Survey Questions

1.Which department do you work for?

- ○ CAO & Mayor's Office
- ○ Community Services
- ○ Corporate Services
- ○ Infrastructure and Development Services
- ○ Fire Department
- ○ Human Resources
- ○ Social Services
- ○ Partner Organization (e.g., STA, SEED, SPL)
- ○

2.In your opinion, what are the strengths of the Department in terms of delivering services?

- ○ Staff commitment
- ○ Exceptional facilities
- ○ Efficient processes
- ○ Excellent IT automation
- ○ Communication
- ○ Commitment to health and safety
- ○ High service level
- ○ Highly effective equipment
- ○ Breadth of services offered
- ○ Highly valued by the community you serve
- ○ Closely matched to community needs
- ○ Innovative and constantly updating

3.What could the Department change to improve its service delivery for residents, tourists, staff or other stakeholders?

- ○ Make the service available in different channels (online, community locations, over the phone etc.)
- ○ Stop delivering certain services
- ○ Streamline our processes
- ○ Reorganize staff positions or responsibilities
- ○ Move our location
- ○ Expand access to the service
- ○ Change the type of equipment we use
- ○ Implement IT systems to support delivering the service
- ○

4.Can you describe the specific change you were thinking of:

5.What aspects of how the Department delivers its services do you believe are least liked by residents, tourists, staff or other stakeholders?

6.What positive changes has the Department made in recent years that could be implemented by other departments?

7.Has your experience delivering services with the current COVID restrictions changed your view on how the Department should deliver services when the restrictions are removed?

- ○ No change
- ○ Reduce service level
- ○ Increase service level
- ○ Expand service
- ○ Reduce service
- ○ Extend online services
- ○ Reduce in-person services
- ○ Implement flexible working practices
- ○ Implement more flexible working hours to better match service demand

8.Can you explain your selection or provide other ideas for changes:

9.What makes completing your work difficult or frustrating?

- ○ Nothing
- ○ Not having the right tools
- ○ Too much red tape
- ○ Too much time waiting for other departments
- ○ Often distracted by ad-hoc requests
- ○ Not knowing how decisions are made
- ○ Poor communication
- ○ Not having the information, I require readily available
- ○ Having to go back and forth between departments to get my work done
- ○ Lack of resources
- ○
- ○

10.Can you describe why you made that selection or provide other suggestions:

11.Thinking about other Departments, do you have suggestions on changes to their processes that would improve service delivery?

12.What would indicate to you that changes the City makes are having a positive impact?

Appendix C: Index of Paper Forms

The following table identifies the paper forms the City currently process and the number of these forms handled each year.

Department	Process	Number of Transactions
Finance	Invoices (Payable)	9,360
Finance	Invoices (Receivable)	3,120
Finance	Purchase orders	4,680
Finance	Tax bill	24,000
Finance	Over due letters	6,000
Finance	PAP letters	12,400
Clerks	Marriage Licences	250
Clerks	Civil Ceremony	50
Clerks	Business Licences	60
Clerks	Lottery Licences	77
Clerks	Lottery Reports to support the licences	250
Clerks	Requests for Review (Parking Tickets)	360
Clerks	Bicycle Licences	25
Clerks	Encroachment Applications	3
Clerks	Advisory Committee Applications	45
Clerks	Meterhood Applications/Rental Agreement Form	59
Clerks	Auditorium Rental Applications	30
Clerks	Pet Tag Applications	171
Clerks	Municipal Freedom of Information Requests	31
Clerks	Municipal Information Applications	8
Clerks	NICs (Parking Payment Notices – External)	3800
Human Resources	Employee record changes	112.5
Human Resources	Resumes	3364.5
Human Resources	Job postings	60

Public Works	Committee of Adjustment Applications for Minor Variances	22
Public Works	Consents	11
Public Works	Draft Plan of Condominium	3
Public Works	Plan of Subdivisions	1
Public Works	Site Plan Applications	12
Public Works	Formal Consultation Applications	22
Public Works	Zone Change Applications	6
Public Works	Official Plan Amendment Applications	1
Public Works	Part Lot Control Applications	2
Public Works	Brownfield Applications	1
Community Services	Parks Rental Applications (not in Perfect Mind yet), letters	60
	Invoice	50
	Purchase Orders	3000
	Cemetery invoices and receipts, statements, deeds	50
Social Services	Subsidy application	700

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