

# BMA

Management Consulting Inc.



Report of Draft  
Recommendations  
Service Review

## Executive Summary

## **Introduction**

**The Review of Services** is a long-term strategy, which is being conducted in two phases, to identify sustainable solutions to ongoing budget challenges and ensure municipal services and programs are provided in the most efficient and effective manner to best meet the needs of the community.

**Phase 1**, which is the focus of this report is to:

- ◆ Develop a better understanding to what extent the services identified help achieve public policy goals
- ◆ Determine the degree of fit or necessity of those services and programs in terms of the achievement of public policy and strategic value
- ◆ Investigate why the City provides a service, how the service is delivered and whether or not the City should continue providing a service.
- ◆ Identify any services that do not serve the purpose of achieving public policy and/or strategic intentions
- ◆ Assess financial implications of discontinuing any services that do not serve the public policy objectives
- ◆ Create an exit strategy as required for those services that are deemed to be non-essential

This plan was developed on the principles of openness, transparency, inclusion and accessibility. The following statements put those principles into the context of the **Review of Services**:

- ◆ City of Kingston employees, who take pride in delivering municipal services and programs, deserve to be informed and consulted about the Review of Services.

- ◆ Members of the public, who live, work and play in the City of Kingston and receive the services, deserve to be informed and consulted about the Review of Services

Five services/programs were selected for review:

- ◆ **Transit Charter Bus Services**
- ◆ **Recreation Day Camp Programs**
- ◆ **Belle Park Fairways**
- ◆ **Lake Ontario Park Campgrounds**
- ◆ **City Property and City Leasing**

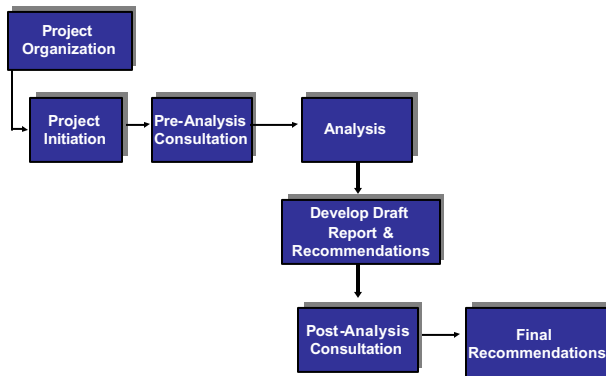
By looking at a limited number of smaller services areas, the expectation is that the City will be able to assess and refine the process and testing before engaging in a review of larger service areas. Phase I of the Review of Services will not necessarily result in fewer services and will not address contracting out or other Alternate Service Delivery models. The Review of Services will allow the municipality to confirm and clarify the reason it has decided to continue to deliver a service or services.

**Phase 2**, which would be the next phase of the project, focuses on:

- ◆ What level of services should be provided?
- ◆ How the services should be provided?
- ◆ How the service could be improved?

This focuses on ensuring that the most appropriate management and service delivery models are being used.

The following provides a high level overview of the review process undertaken in Phase 1.



Pre-Analysis Consultation included:

- ◆ Meetings with staff providing the service to gather information
- ◆ Focus group session with staff providing the service
- ◆ Open house sessions for all staff within the municipality
- ◆ Open house sessions with the general public and users of the service
- ◆ Citizen surveys and comment cards
- ◆ Confirmation of Council's public policy objectives
- ◆ Received correspondence by email and regular mail

Every effort was made to provide ample opportunities to provide input into the service review. Staff developed a detailed communication plan to ensure that the public were well informed of the process and were given preliminary information upon which to understand the service under review. This included brochures, radio advertisements, extensive use of the City's website, newspaper notification of meetings and direct mail out to identified stakeholders.

The information gathered during the pre-

analysis consultation phase sessions has been documented and included as appendices to the report. Highlights have been included throughout the report to assess the alignment of the service with public policy objectives.

In addition to the information gathered during the pre-consultation phase, information was gathered from other municipalities to better understand the rationale of other municipalities in the provision of these services, who is not providing these services/programs and policies and practices used in other municipalities.

These reports present draft recommendations and the analysis conducted to date.

### ***Evaluation Process***

To ensure consistency, internal data gathering for each service followed a predetermined general framework. This format was also used to evaluate each of the 5 services/programs under review against each of the 6 separate and distinct tests described below.

#### **1. Clarity of Purpose Test**

This includes defining the primary clients and stakeholders, defining other departments that are impacted by the provision of service, defining the purpose or intent of the service.

#### **2. Public Interest Test**

To determine how important the service is to meet the needs of the primary clients and stakeholders. Is there sufficient public interest?

#### **3. Role of Government Test**

Is there a legitimate and necessary role for municipal government in this service (public policy)? Determine if the service is legitimate and necessary to meet the municipality's legal/policy mandate. Who else is involved in the delivery of the service? Can the public interest needs be met if service was no longer provided by municipal government?

#### **4. Strategic Value Test**

Is the service important and necessary for the municipality to achieve the strategic objectives defined in the community and/or corporate vision?

#### **5. Cost/Benefits Test**

What is the net cost/revenue of the service? How is it funded? Is it affordable? Are city assets required to provide this service? How are they accounted for in the net cost/revenue calculation? What are the expenditures, revenues and staff associated with providing this service?

#### **6. Performance Test**

What is the evidence that this service is meeting its intended policy and public needs objectives as identified above? Are there established service levels for this service? Are there performance measures in place to monitor the achievement of established service levels?

### **Summary of Findings/ Recommendations**

The next three pages of the executive summary provide a high level overview of the findings, evaluation undertaken and draft recommended actions for each of the services/programs.

#### **Charter Transit Bus Services**

The City currently provides charter transit bus services. Their presence in the marketplace has been declining as a result of market forces and the presence of a number of private sector service providers. It is recommended that the City exit some services currently provided by the charter transit bus services such as local shuttle business for non-tourist related activities

as there is sufficient private sector operators to provide this service and this is beyond the key public policy objectives.

The City should not compete where service needs can be met by the private sector in an efficient and cost effective manner. It is further recommended that the City charter transit bus services to shuttle City departments/Utilities only when the cost of service is less than that available by the private sector and/or when the service needs cannot be met by the private sector. The City should however maintain and clearly define operations/services that support tourism and economic development related activities for large special events that cannot be accommodated by the private sector.

#### **Recreation Day Camps**

The City has a responsibility to ensure that there are adequate programs available within the community to promote a healthy and safe physical and mental environment for children/youths. The provision of recreational day camp programs meets accessibility and affordability public policy objectives in that the services are provided across the City and at reasonable rates, with subsidies available for families in need.

The role of the City should be clarified in terms of directly providing the service versus other roles such as co-ordinating and facilitating the provision of programs available by all agencies in Kingston. Therefore, it is recommended that the City pursue opportunities to improve community partnering and identify the capacity within the market to permit existing agencies to directly provide services on behalf of the City, where appropriate.

There is a need to develop a business case prior to expanding any existing services or developing new programs to offer. In addition, there is a need to develop a clear user fee and cost recovery policy for residents and non-residents, given that these services are currently subsidized by the taxpayers of the City of Kingston. Formal discussions should be held with existing service providers, through the establishment of a Committee/Task Force to review opportunities to work in a non-competing manner and provide an appropriate forum for input.

### **Belle Park Fairways**

Belle Park Fairways meets a number of public policy objectives identified by Council including providing an opportunity for residents and visitors to enjoy recreational activities that are affordable and accessible. Belle Park Fairways in its current location serves a niche market in Kingston; largely seniors, to a lesser extent juniors and beginners that may not be otherwise served by private sector courses.

There is some concern from the general public regarding the existing taxpayer subsidy for this program. In addition, at the current low rates, which do not cover the cost of operations, the city is unfairly competing against the private sector. As such it is recommended that a review be undertaken to determine whether the golf course could be operated on a self-sustaining basis, consistent with the approach undertaken by a number of other municipal service providers, while at the same time, meeting public policy objectives for affordable and accessible service.

### **City Property and City Leasing**

The City currently leases some surplus assets to the private, public and not-for-profit sector. Leasing to the not-for-profit sector meets the

accessibility public policy objective in that it provides affordable space to select agencies. The current not-for-profit organizations benefiting from below market City leases, provided on an ad hoc basis, are not put through the same scrutiny, evaluation process or limitations on the amount of support provided as cash grants provided by the City through their Healthy Community Grant program. Leasing at below market rates which is the current practice for not-for-profit organizations are in fact, de facto grants and should be treated as such.

There are other ways for the City to provide support to not-for-profit organizations that should be evaluated against leasing to determine the most effective, fair and equitable approach. A cost/benefit analysis for evaluating opportunities to support not-for-profit organizations should compare the in-kind grant benefit against other forms of support that may be available.

With the exception of the airport properties, which cannot be sold as part of the terms of the transfer from the Federal government, there is no evidence to validate that leasing surplus City owned properties to the private and to other public sector organizations meets any Council defined public policy objective.

In general, exiting the leasing business is recommended. A number of steps should however be undertaken which would include adopting criteria to determine which buildings and properties should be identified as surplus and sold. For those assets that are not surplus (and those at the airport) or for those assets that do not attract a buyer, the City should determine what the market rent would be to lease the space; the marketability of the space; the costs/benefits of demolition and the costs/benefits of leaving the space vacant to determine the most appropriate action.

### **Lake Ontario Park Campground**

Lake Ontario Park (LOP) Campground has been host to a number of large events, providing an underdetermined level of economic benefit to businesses in the surrounding neighbourhoods and downtown. However, the LOP overnight camping facilities, which can only be used by tourists are under utilized and are not attracting the same degree of interest as its private sector competitors.

It is recommended that prior to making a decision to exit the overnight campground business, the City needs to undertake a market assessment to review the supply/demand for existing product within the tourism industry; the effectiveness of the LOP Campground operations; the suitability of the LOP Campground amenities to meet market demands and ultimately identify any deficiencies that should be addressed to better meet economic sustainability objectives.

A business plan should be developed to identify the feasibility of meeting/modifying the existing public policy objective while at the same time eliminating/lowering the taxpayer subsidy required. A life-cycle assessment of the LOP Campground's infrastructure is also needed to determine future capital needs. The assessment should identify, consider and assess alternate uses of the Campground section of Lake Ontario Park to confirm the highest and best use of the site in the context of the City's entire portfolio of parks and tourist related facilities

### **Next Steps**

During the month of February, members of Council, City staff and members of the public will have the opportunity to review the draft recommendations and share their opinions and comments. See the City's website for additional detail.

In addition, comments can be provided by:

**Email:** [reviewofservices@cityofkingston.ca](mailto:reviewofservices@cityofkingston.ca)

**Phone:** (613) 546-4291 ext. 4323

**Mail:** Review of Services Project Manager, Strategic Initiatives & Communications Office, City of Kingston—City Hall, 216 Ontario Street, Kingston, ON, K7L 2Z3.

This feedback will be considered by the Review of Services Task Force, who will then prepare final recommendations to Council by mid-March.

### **Obtaining a Copy of the Detailed Reports**

The detailed draft reports are available in their entirety at [www.cityofkingston.ca/ros](http://www.cityofkingston.ca/ros) .

**Summary of Evaluation Undertaken**

In total, each of the five services under review were evaluated against six criteria to determine the degree to which each service/program meets the criteria. The following summarizes the evaluation undertaken.

**Degree To Which Each Service Meets the 6 Evaluation Criteria**

		Charter Bus Service	Recreation Day Camps	Belle Park Fairways	City Property & City Leasing	Lake Ontario Park Campground
1	Clarity of Purpose Test	Moderately Met	Met	Met	Marginally Met	Moderately Met
2	Public Interest Test	Marginally Met	Met	Met	Marginally Met	Marginally Met
3	Role of Government Test	Marginally Met	Moderately Met	Moderately Met	Moderately Met	Marginally Met
4	Strategic Value Test	Marginally Met	Met	Marginally Met	Marginally Met	Moderately Met
5	Cost/Benefit Test	Met	Met	Questionable	Questionable	Questionable
6	Performance Test	Marginally Met	Moderately Met	Met	Marginally Met	Marginally Met

**Summary of Recommended Actions**

Based on the analysis undertaken, the report provides draft recommended actions for each of the five services under review. The following table summarizes the results.

**Recommended Actions**

	Charter Bus Service	Recreation Day Camps	Belle Park Fairways	City Property & City Leasing	Lake Ontario Park Campground
Exit Business	Yes, most services	No	No	Yes, in general	No
Maintain Status Quo	No	No	No	No	No