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Town of Aurora

# General Committee Report

No. CS21-070

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**Subject:** Final Report Town of Aurora Municipal Service Delivery Review

**Prepared by:** Martin Stefanczyk, Program Manager, Corporate and Strategic Initiatives

**Department:** Corporate Services

**Date:** November 2, 2021

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## Recommendation

1. That Report No. CS21-070 be received; and
2. That staff be directed to prioritize and action the recommendations in the report as appropriate; and
3. That staff report back to Council on progress.

## Executive Summary

The purpose of this report is to provide council with the result of Municipal Service Delivery Review conducted by Strategy Corp.

- Through interviews Council and the leadership team were engaged to confirm and detail the expected objectives of a successful review
- The Service Delivery Review examined all Town departments and divisions to identify strengths, gaps and opportunities
- The Town's services were benchmarked to comparable municipalities which included eight key findings
- An assessment of the expected shifts to service demands in the context of the Town's population growth was completed
- The Service Delivery Review resulted in 21 Service Driven and 17 Continuous Improvement Opportunities.

## Background

Council, at its meeting on May 19, 2020 passed the following motion;

1. That the Town of Aurora consider a Municipal Services Review to identify actions and directions that could result in a more efficient and cost-effective service delivery, enhanced organizational and operation procedures, new revenue streams, and potential savings; and
2. Be It Further Resolved That this item be referred to the 2021 budget with an estimate on the cost of conducting a service review; and
3. Be It Further Resolved That pending Council's approval of the cost to conduct a review, the CAO be directed to finalize and issue a Request for Proposal for a Service Level and Delivery Review no later than February 2021

Service Delivery Reviews (SDRs) are an important and rigorous evaluation process that look at the needs and expectations of the community, the performance and costs of the services provided and result in key recommendations on industry best practices and approaches to improved service delivery. As a result of the completed SDR the Town of Aurora is better positioned to make more informed and strategic choices about our service delivery, prioritize service investment decisions and ensure services are delivered in a fiscally and operationally responsible way.

The Town issued this RFP on January 26, 2021 and received 10 competitive submissions. Strategy Corp. an industry leader in Service Delivery Reviews was the successful proponent.

## Analysis

**Through interviews Council and the leadership team were engaged to confirm and detail the expected objectives of a successful review**

The objectives outlined included;

- Providing clarity on the services that Aurora provides and articulating their value
- Validating that Aurora is providing the right services and whether it should provide new ones
- Identifying where service levels and KPIs need to be set and documented and how they currently compare to peers
- Gaining the resident perspective on the services provided

- Informing further discussions on organizational capacity and how departments should collaborate to achieve service levels
- Understanding how growth and COVID-19 will impact service levels and future resource needs and
- Informing disaster recovery and business continuity planning.

**The Service Delivery Review examined all Town departments and divisions to identify strengths, gaps and opportunities**

This analysis resulted in the identification of current strengths, gaps and opportunity areas of the Town's services and a detailed and comprehensive inventory of services, service descriptions, and the categorization of services according to service drivers which included;

- legislated
- discretionary
- combination of legislated/discretionary

**The Town's services were benchmarked to comparable municipalities which resulted in eight key findings**

Town of Aurora's service delivery was compared to Newmarket, Oakville, Caledon, Halton Hills and Ajax. These five comparator municipalities were selected through the following criteria;

- Similar service offering
- Population density and growth
- Comparable family incomes
- Two-tier government structure
- Prioritizing the preservation of natural and cultural heritage while accommodating growth

The benchmarking resulted in eight key findings

1. **Revenue and Household Development.** While every community's revenue composition was relatively similar, Aurora is less reliant on property taxation than its peers (45.1%). The Municipality also had the highest proportion of residential development permits at 94%.
2. **Average Water and Sewer Fees.** Aurora charges an average rate for water and sewer charges per household. Although only Newmarket is responsible for billing

water rates among comparators, Aurora is performing on-par compared to other municipalities in York Region and beyond.

3. **MMAH Key Performance Indicators** Aurora's comparators also meet most or all MMAH's KPI targets. Over half of comparators outperform Aurora on Operating Surplus Ratio and Asset Sustainability Ratio, which could be areas to consider for further improving Aurora's financial health.
4. **Large Proportion of Spending on Contracted Services.** The Town spends the highest amount on contracted services among comparators, at 49.6%. This includes outsourcing Fire Services to Newmarket and Water and Wastewater Services to York (~56% of contracted spending).
5. **Lower than Average Debt and Debt Repayment Charges.** Aurora maintains the lowest debt and debt repayment charges, according to several metrics, in the comparator set.
6. **High Reserves.** Aurora has high reserves compared to other municipalities. However, this is due primarily to Aurora's hydro sale funds. A portion of this fund is being spent on the Aurora Town Square and will reduce the Town's reserves.
7. **A Comparatively Small Staff Complement.** Aurora employs among the fewest staff in the comparator set relative to local population, in addition to the highest part-time staff relative to total staff among comparators.
8. **Average Tax Amount on Par with Comparators.** Residents in the Town of Aurora pay a municipal tax amount per household (\$4,985) that is aligned with that of comparators (\$4,753). Notably, Aurora's average Current Value Assessment (CVA) is one of the highest in Ontario.

### **An assessment of the expected shifts to service demands in the context of the Town's population growth was completed**

Leveraging York Region's ongoing municipal comprehensive review which provided population forecasts until 2051 for Aurora projected, slow growth and expedited growth service demand profiles were developed. The six key findings of the impact to service demand due to population growth are as follows;

1. Growth will require Aurora to continuously modernize and digitize operations to

achieve cost-efficiencies, with particular emphasis on IT and HR as automation and changing workforce needs impact the future of government.

2. Aurora's ability to service water and wastewater needs for the planned growth targets are highly dependent on the Water Reclamation Centre currently scheduled for completion in 2028.
3. An aging and increasingly diverse population, higher density development, ability to develop and service new facilities, and citizen preferences will require Aurora to continuously innovate recreation and culture services.
4. Aurora's fiscal strategy will need to pay particular focus to delays in development charge (DC) collections and their impact on future debt requirements and DC rates.
5. As identified in the recent Master Transportation Study, Aurora should focus on managing the existing transportation network while improving connectivity and safety particularly for pedestrians and cyclists.
6. To accommodate growth, Building Services will need to strengthen organizational capabilities to service infill development.

### **The Service Delivery Review resulted in Service Driven and Continuous Improvement Opportunities.**

There are a total of 38 Improvement Opportunities identified and their categories are described below. Detailed explanation of each Improvement Opportunity can be found in the attached report starting on page 26.

There are 21 recommended service driven opportunities. These Service Driven Opportunities are divided into;

- **Enterprise Wide Opportunities** that apply across the organization and can benefit from an enterprise wide solution.
- **Department Specific Opportunities** that apply to specific Town Departments and Divisions. These focus on actions and initiatives that will either improve the internal operations of the Division or how it delivers external services. In some cases these opportunities can have inter departmental connections.

There are also 17 continuous improvement opportunities that if implemented will enhance the Town's reputation as a leading municipal organization in Ontario

- **Leading Municipal Practice:** Opportunities that Aurora may consider as part of broader efforts to modernize and continuously improve. While not directly linked to a service, they provide the organizational infrastructure to improve service delivery.
- **Innovative Practices:** Opportunities for innovation that, in a post COVID 19 environment, will address changing resident needs and preferences.

Town staff will review the complete list of recommendations in the context of organizational capacity and prioritize accordingly.

### **Advisory Committee Review**

NA

### **Legal Considerations**

None.

### **Financial Implications**

All presented recommendations will need to be fully assessed by staff in order to determine their feasibility and financial implications. Once a course of action has been determined, all anticipated financial implications and their timing will be presented to Council. Upon Council endorsement of the resultant action plan, any arising budget implications will be presented to Council for its review and approval as necessary.

### **Communications Considerations**

The Town will follow up with the residents who participated in the municipal service delivery review survey to share the outcomes of their participation and of the review. The findings of the review will also be shared more broadly with residents through a media release, the Town's website and social media channels.

## **Link to Strategic Plan**

**Ensuring the responsive and efficient delivery of municipal services is aligned with The Corporation of the Town of Aurora Council's approved 2011-2031 Town of Aurora Strategic Plan.**

The Strategic Plan outlines the Town's Vision 2021 as follows;

“An innovative and sustainable community where neighbours care and businesses thrive”

Goal: Supporting an exceptional quality of life for all

Objective #6 Promoting service accountability, excellence and innovation

- Work with community partners to define, redefine and meet community expectations
- Regularly examine the Town's municipal structure and resource allocation to maintain flexibility and respond to rapid changes within the community
- Develop a plan to review and realign service levels to reflect current and future demographic trends

## **Alternative(s) to the Recommendation**

- Council to provide direction

## **Conclusion**

The 2021 Town of Aurora Municipal Service Delivery Review has been completed and concluded that

- The Town is in a strong financial position when assessed against 65 financial indicators
- The majority of Town services are being performed at/above standard
- The Town is actively investing in continuous improvement and has a strong culture with dedicated staff committed to ensuring service delivery excellence to citizens

## **Attachments**

Attachment #1 Strategy Corp. Final Municipal Service Delivery Review Report

Attachment #2 Summary Presentation

## **Previous Reports**

NA

## **Pre-submission Review**

Agenda Management Team review on October 14, 2021

## **Approvals**

Approved by Techa van Leeuwen, Director, Corporate Services

Approved by Doug Nadorozny, Chief Administrative Officer