



Village of South River
Municipal Financial
Management Practices and
Service Delivery Review

Service
Delivery Review

November 23
Final Report



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Village of South River Municipal Financial Management Practices and Service Delivery Review

Chapter I: Executive Summary



Executive Summary

KPMG LLP (“KPMG”) has been retained by the Village of South River (the “Village”) to undertake a review of the Village’s financial management practices and municipal services. As outlined in the terms of reference for our engagement and consistent with the objectives of the Province of Ontario’s Municipal Modernization Program (the “MMP”), the overall goal of the review was to assist with a review of financial management practices and municipal services that will make recommendations on the Village’s financial practices, structure, service delivery and staffing resources while prioritizing efficiency and effectiveness in municipal service provision, customer service excellence, value and respect for Village staff, value for money for Village services provided, fiscal responsibility, and accountability and transparency.

A. Background to the Review

The terms of reference for our engagement were established in KPMG’s engagement letter dated April 30, 2020. The Village engaged KPMG LLP (‘KPMG’) to assist in an objective evaluation of financial management practices and current service offerings provided by the Village with the view of identifying potential opportunities intended to maximize value-for-money, minimize pressure on taxes and contribute towards the long-term sustainability of the Village.

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

- Assisting the Village with the establishment of a methodology for the review;
- In conjunction with the Village’s staff, undertaking analysis of current financial policies, procedures and practices;
- In conjunction with the Village’s staff, undertaking analysis of services, service levels and associated costs and funding; and
- Summarizing the results of our analysis and presenting potential opportunities to the Village.

B. Service Based Opportunities for Consideration

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

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

Executive Summary

C. Process Based Opportunities for Consideration

Under a separate cover, our financial management practices report outlines the potential process based opportunities for the consideration of the Village where KPMG identified process inefficiencies, which may include duplication of efforts, manual vs. automated processes and the performance of work with nominal value. KPMG also provides analysis with respect to shared services between the Village and the Township of Machar.

D. Next steps

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

E. Acknowledgement

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

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



Village of South River Municipal Financial Management Practices and Service Delivery Review



Chapter II: Background to the Review



Background to the Review

Terms of Reference

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- In conjunction with the Village's staff, undertaking analysis of services, service levels and associated costs and funding; and
- Summarizing the results of our analysis and presenting potential opportunities to the Village.

Project Methodology

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

Project Initiation

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

Current State Assessment

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

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

Background to the Review

Project Methodology

Jurisdictional Analysis

Discussions were held with the Clerk-Administrator and Chief Financial Officer/Deputy Clerk to determine appropriate municipal comparators that would be utilized during the course of the review. Municipal comparators were identified and selected based on the following considerations:

- Single tier municipalities
- Similar population and households
- Geography – located in Northern Ontario
- Typical and/or historical comparators

Municipality	Population ¹	Households ¹
South River	1,114	528
Burk's Falls	981	510
Machar	777	908
Strong	1,439	922
Sundridge	961	497
Whitestone	821	1,924

¹Source – Schedule 2 – Financial Information Returns (2019)

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

Opportunity Identification

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

Background to the Review

Project Methodology

Draft Final Report

- KPMG consolidated all of the previous phases and provided the Clerk-Administrator and Chief Financial Officer/Deputy Clerk with draft final reports for the Village's review

Final Report

- Upon the acceptance of the contents of the draft final report, KPMG issued final reports for the financial management practices and service delivery review
- KPMG presented its findings to Council on November 23, 2020.

Restrictions

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

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

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

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



Village of South River Municipal Financial Management Practices and Service Delivery Review



Chapter III: Overview of the Village

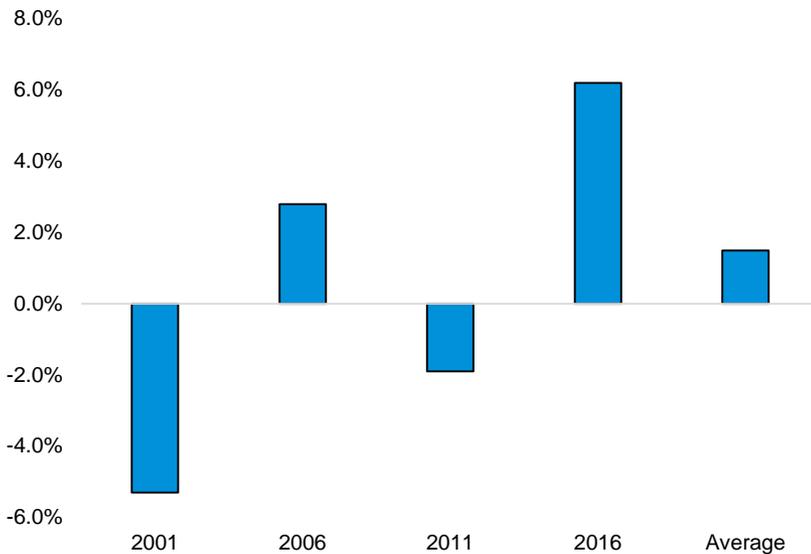


Overview of the Village

A. Community Demographics

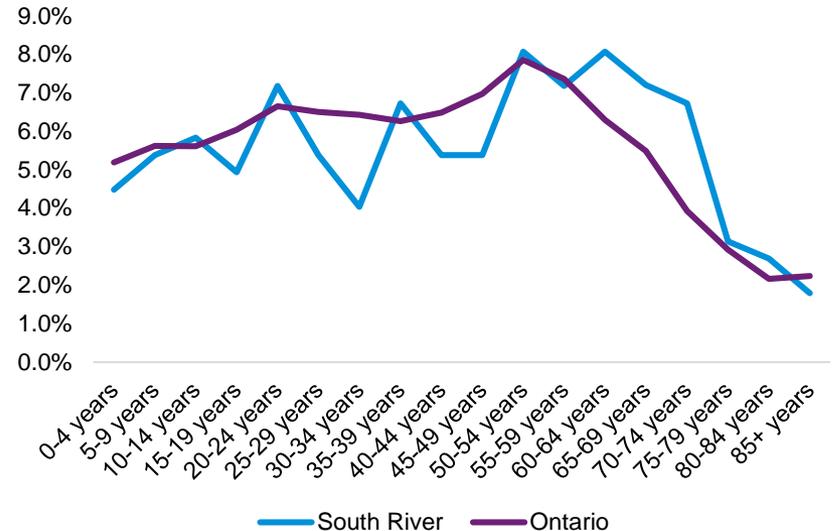
Population Trend

Based on analysis of information obtained through Statistics Canada's 2016 Census, the Village's population was 1,114 with 528 private dwellings in 2016. Over the twenty years or five Census reporting periods (1996 to 2016), the Village's population has remained relatively consistent with a minimal increase of 16 residents. Overall, the Village's population has either experienced increases (6.2% between 2011 to 2016) or decreases (5.3% between 1996 to 2001) with an overall average increase of 1.5% over the twenty year period.



Village Demographics

The demographics of the Village of South River appear to be consistent with demographic trends for municipalities in Northeastern Ontario with a demographic trend of the Village appearing to be similar in that a higher percentage of its residents are older – 44.8% of the Village's residents are 50 years or older.



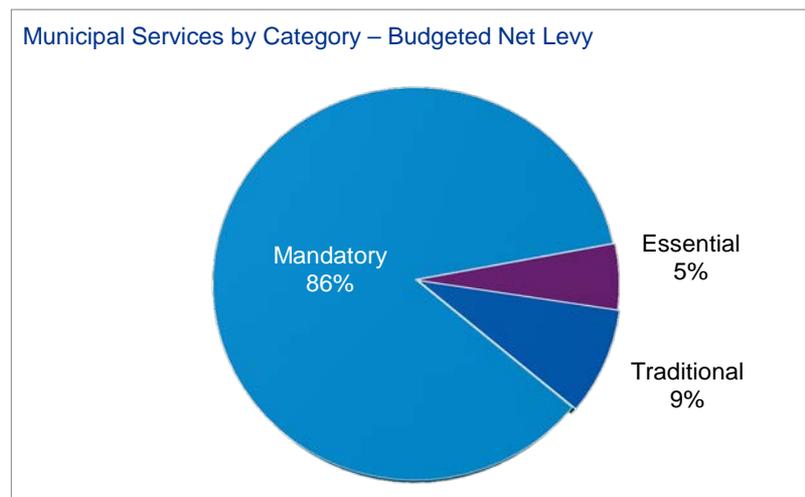
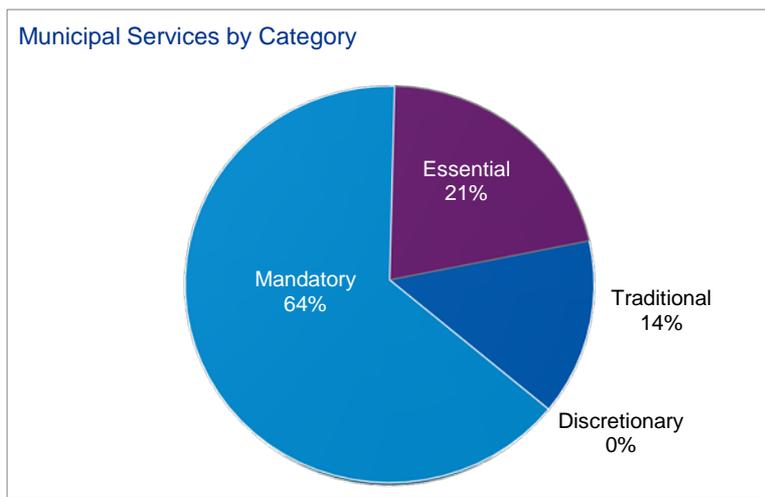
Source: Statistics Canada – Census Profiles for the Village of South River

Overview of the Village

B. Municipal Services

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

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



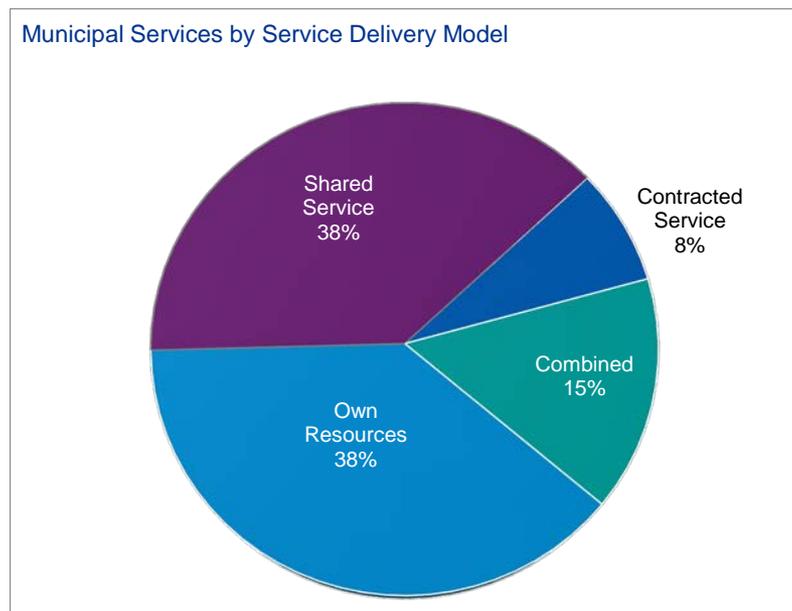
Source: KPMG Analysis of Village's Municipal Service Profiles

Overview of the Village

B. Municipal Services

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

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



Own Resources	Shared Service	Contracted Service	Combined
<ul style="list-style-type: none"> • Governance • Corporate Services (Administration and Finance) • Emergency Management • Public Works 	<ul style="list-style-type: none"> • Fire • Building services • Bylaw • Recreation • Planning and Development 	<ul style="list-style-type: none"> • Police 	<ul style="list-style-type: none"> • Water • Solid Waste Management

Overview of the Village

C. Financial Overview

Operating Expenditures

Over the past five years, the Village's operating expenditures (excluding amortization) have increased by approximately \$94,000 (\$1.3 million in 2015 vs. \$1.4 million in 2019), representing an average increase of 1.9% over that period of time. The Village's largest expenditure category was wage and benefits and these expenditures grew by an average of 5.0% for the years reviewed. Interest on long term debt increased but that is reflective of the Village incurring long term debt for capital purposes. The Village's contracted services decreased by an average increase of 0.2% and rents and financial expenses also decreased by an average of 4.4% over the years reviewed. External transfers which consist of payments to the Parry Sound District Social Services Administrative Board and North Bay Parry Sound Health Unit increased by an average of 0.2% over the past five years and these costs are largely out of the control of the Village.

	2015	2016	2017	2018	2019	Average Change
Wages and benefits	\$801,843	\$822,509	\$838,996	\$875,560	\$974,052	+5.0%
Interest on long term debt	\$7,668	\$9,396	\$20,940	\$29,439	\$30,050	+47.0%
Materials	\$450,733	\$491,400	\$440,968	\$410,666	\$542,826	+0.9%
Contracted services	\$706,750	\$641,370	\$659,541	\$683,092	\$695,786	-0.2%
Rents and Financial Expenses	\$50,850	\$58,669	\$45,586	\$43,505	\$40,558	-4.4%
External transfers	\$88,394	\$90,191	\$93,309	\$87,037	\$88,912	+0.2%
Total expenses	\$1,304,395	\$1,291,026	\$1,260,344	\$1,253,739	\$1,398,132	+1.9%

Source: KPMG Analysis of Village's Financial Information Returns

Overview of the Village

C. Financial Overview

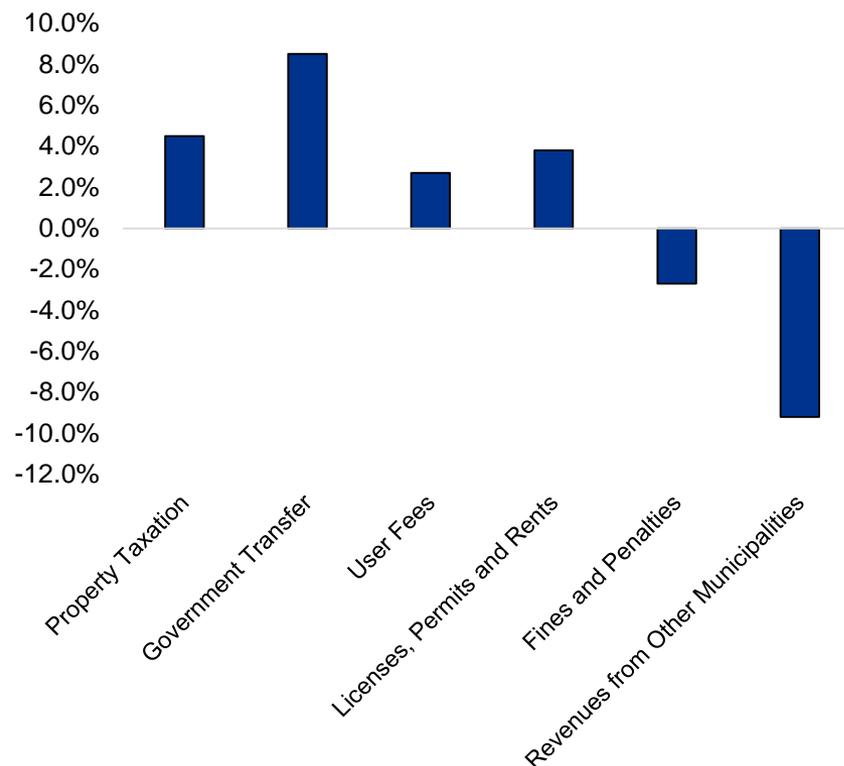
Funding Sources

For the 2019 fiscal year, the Village of South River generated and received revenues of \$3.1 million. Of that total, the Village's local funding sources (defined as taxes and user fees) accounted for \$1.6 million and represented 51.6% of total revenue. Property tax revenues (own purpose taxation) has increased on an average of 5.0% for the years between 2015 to 2019. Over the same time period, user fee revenues increased on an average of 2.7%.

Government transfers provided to municipalities by the Province of Ontario, increased by an average of 9% over the past five years with larger increases between 2018 and 2019.

Aside from revenues received from other municipalities which decreased by an average of 9% and fines and penalties which decreased by an average of 3%, all other municipal revenues sources increased over the past five years. However, it should be noted that the revenues generated are not entirely within the control of the municipality. Revenues associated with user fees, licenses, permits and rents, and fines and penalties can vary year to year based on related activity and other factors.

Funding Source Average Changes (2015 to 2019)



Source: KPMG Analysis of Village's Financial Information Returns



Village of South River Municipal Financial Management Practices and Service Delivery Review



Chapter IV: Financial Indicators and Benchmarking



Financial Indicators and Benchmarking

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

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

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

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

- **Sustainability.** Sustainability is the degree to which the Village can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates. To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the Village's assessment base, there is an increased risk that the Village's current spending levels (and by association, its services, service levels and ability to meet creditor obligations) cannot be maintained.
- **Flexibility.** Flexibility reflects the Village's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs. Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers. On the other hand, municipalities with low levels of flexibility have limited options with respect to generating new revenues, requiring an increased focus on expenditure reduction strategies.
- **Vulnerability.** Vulnerability represents the extent to which the Village is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control. The determination of vulnerability considers (i) unconditional operating grants such as OMPF; (ii) conditional operating grants such as Provincial Gas Tax for transit operations; and (iii) capital grant programs. Municipalities with relatively high indicators of vulnerability are at risk of expenditure reductions or taxation and user fee increases in the event that senior levels of funding are reduced. This is particularly relevant for municipalities that are vulnerable with respect to operating grants from senior levels of government, as the Municipal Act does not allow municipalities to issue long-term debt for operating purposes (Section 408(2.1)).

Financial Indicators and Benchmarking

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

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

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

As noted on the following pages, the South River's financial indicators appear to demonstrate the Village does not have issues with the three financial condition categories. From an overall perspective, we note that:

- The Village does not appear to be facing a significant affordability constraint, with taxation levels consistent with or lower than the comparator municipalities;
- The Village's service based indicators are generally consistent with the comparator municipalities.

Financial Indicators and Benchmarking

FINANCIAL ASSETS TO FINANCIAL LIABILITIES

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

TYPE OF INDICATOR

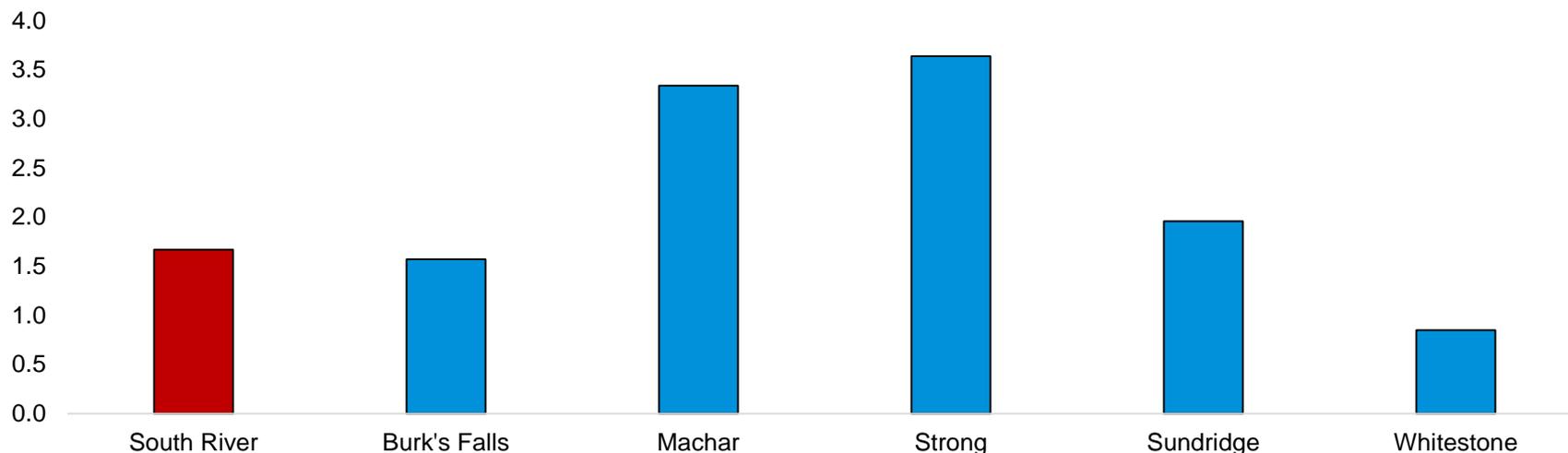
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

TOTAL RESERVES AND RESERVE FUNDS PER HOUSEHOLD

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

TYPE OF INDICATOR

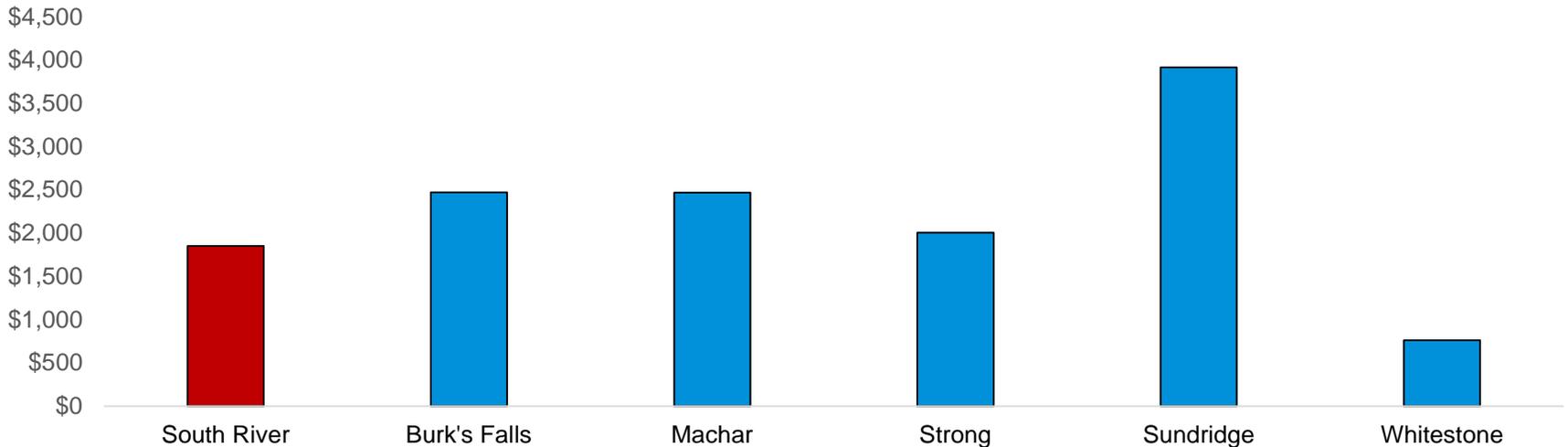
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

CAPITAL ADDITIONS AS A PERCENTAGE OF AMORTIZATION EXPENSE

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

TYPE OF INDICATOR

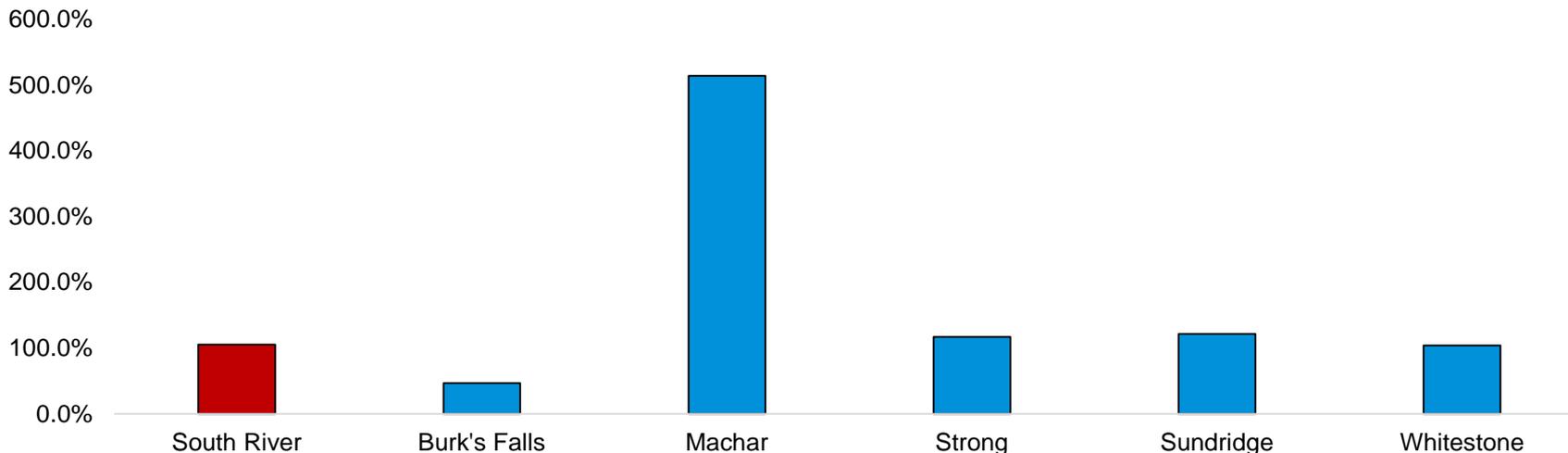
Sustainability ✓
 Flexibility
 Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

RESIDENTIAL TAXES PER HOUSEHOLD

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

TYPE OF INDICATOR

Sustainability

Flexibility ✓

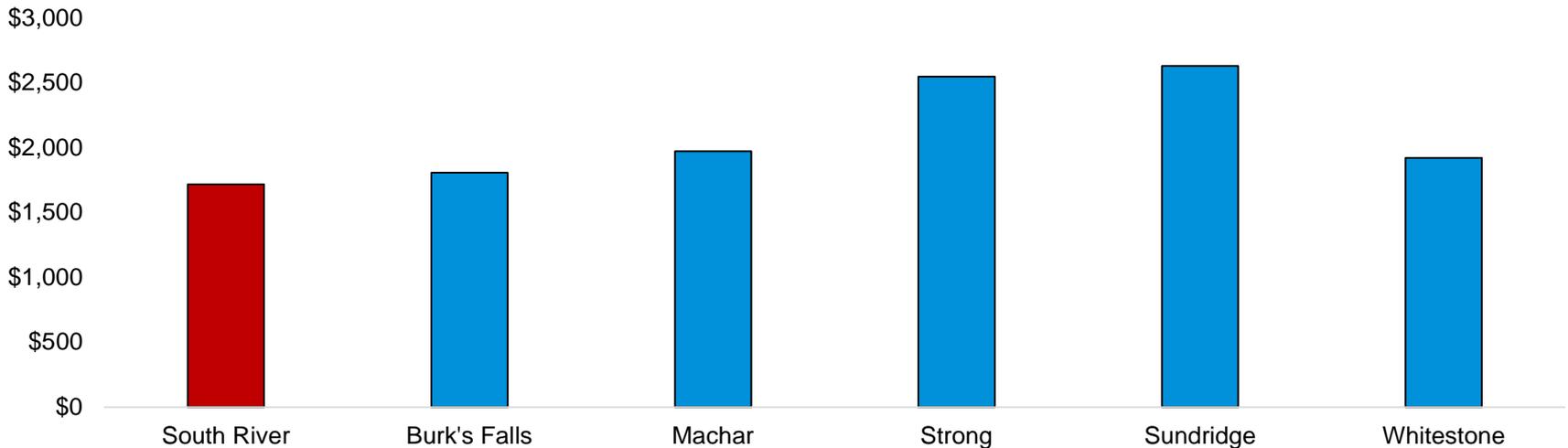
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

RESIDENTIAL TAXATION AS A PERCENTAGE OF HOUSEHOLD INCOME

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

TYPE OF INDICATOR

Sustainability

Flexibility ✓

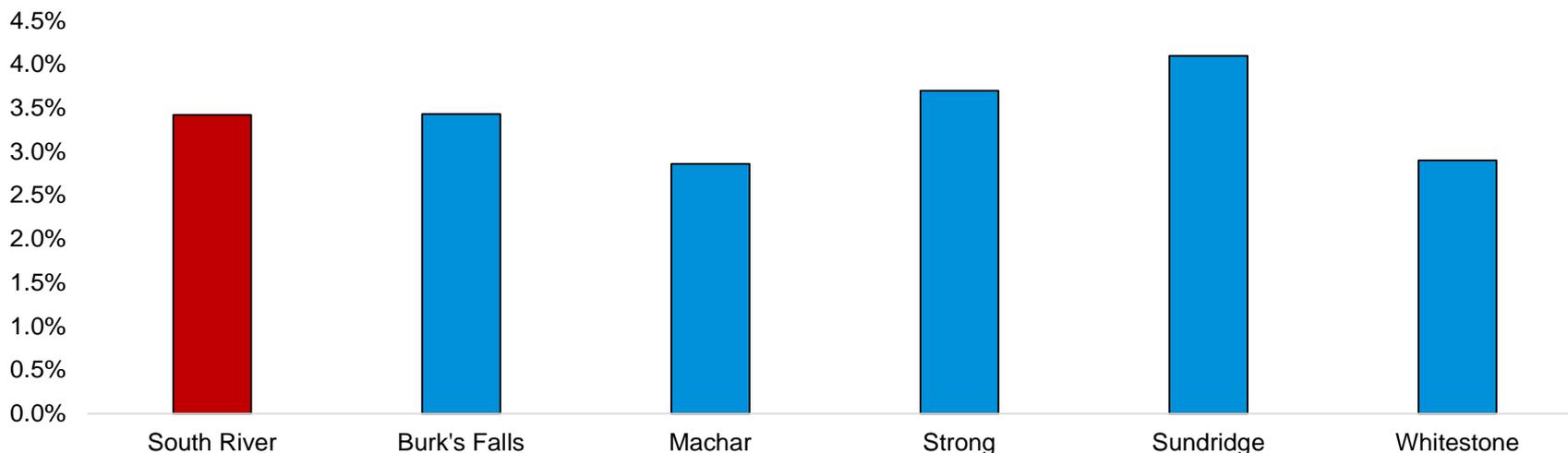
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

TOTAL LONG-TERM DEBT PER HOUSEHOLD

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

TYPE OF INDICATOR

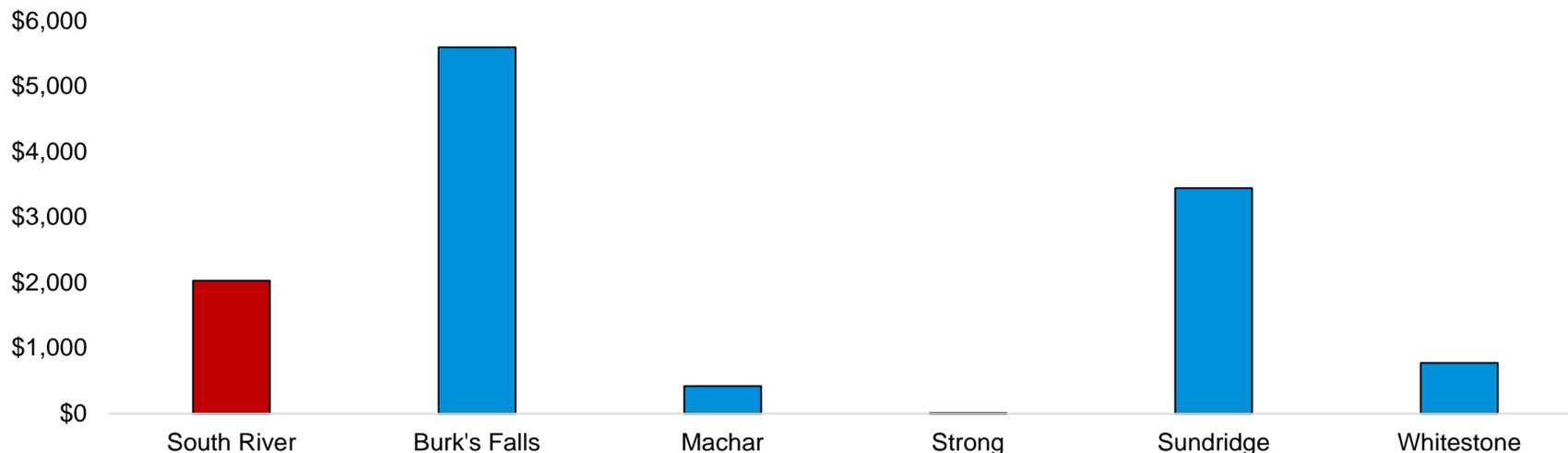
Sustainability
Flexibility ✓
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

TOTAL TAXATION AS A PERCENTAGE OF TOTAL ASSESSMENT

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

TYPE OF INDICATOR

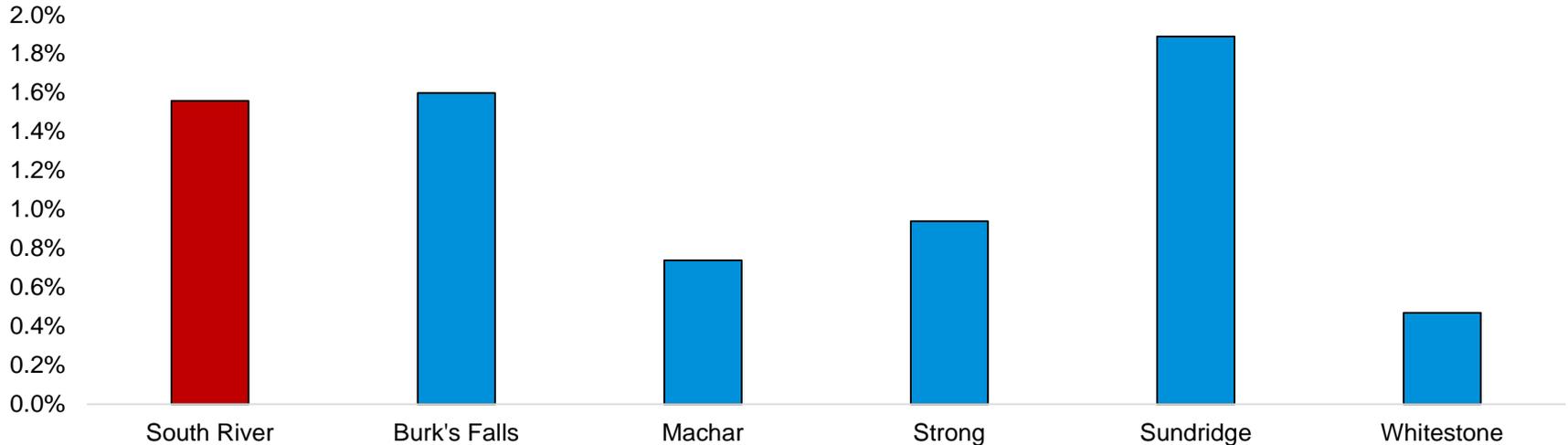
Sustainability
Flexibility ✓
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

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

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

TYPE OF INDICATOR

Sustainability

Flexibility ✓

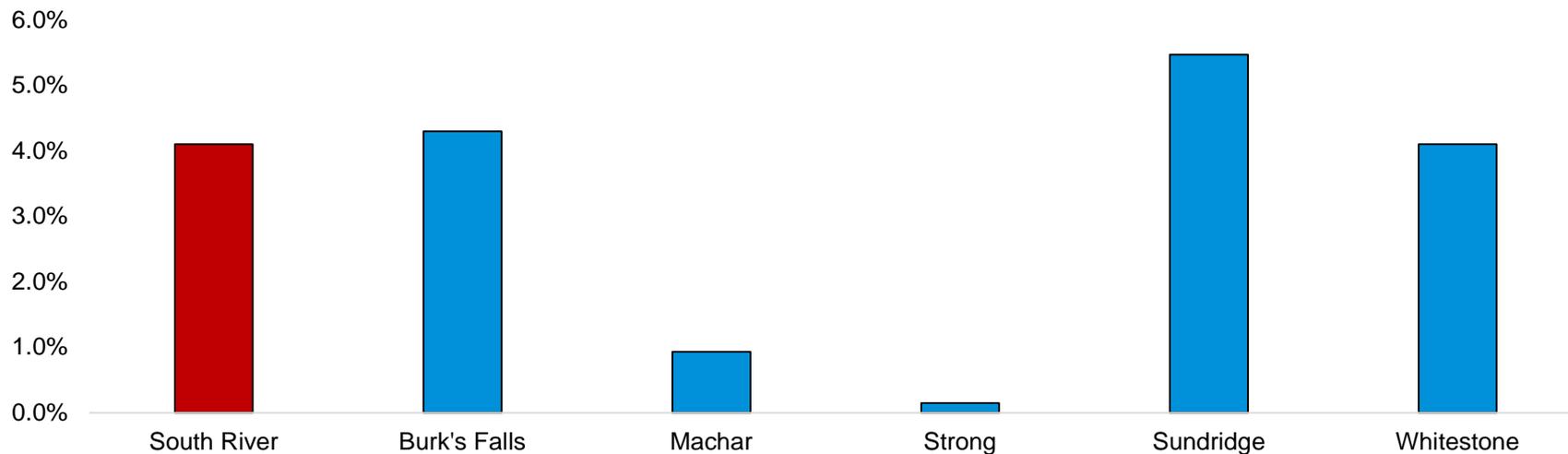
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

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

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

TYPE OF INDICATOR

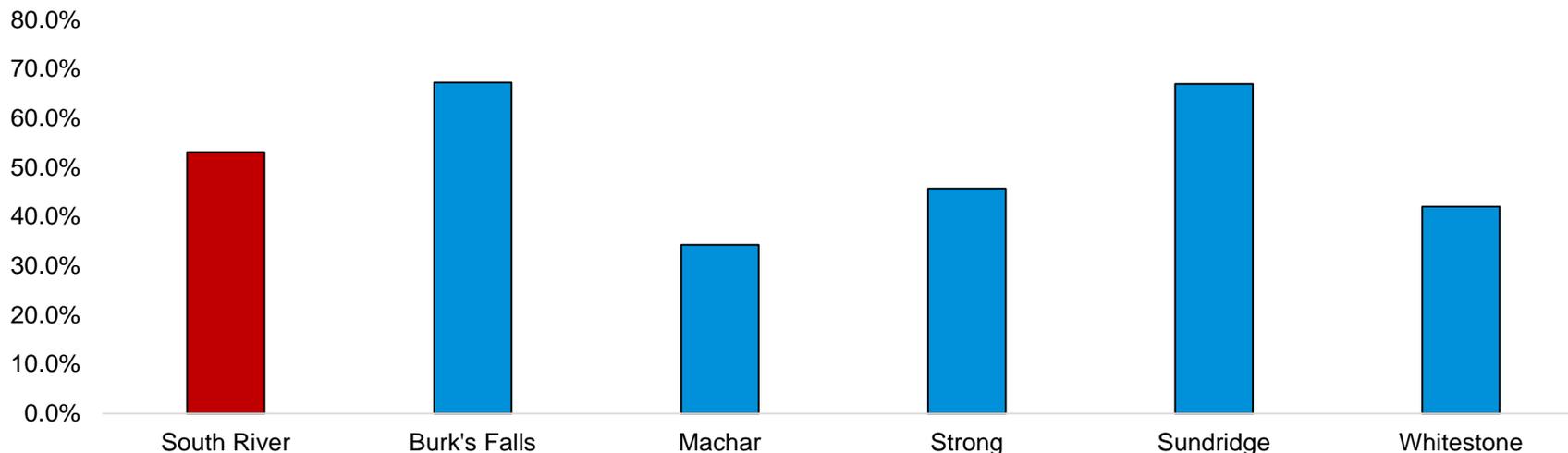
Sustainability
Flexibility ✓
Vulnerability

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

OPERATING GRANTS AS A PERCENTAGE OF TOTAL REVENUES

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

TYPE OF INDICATOR

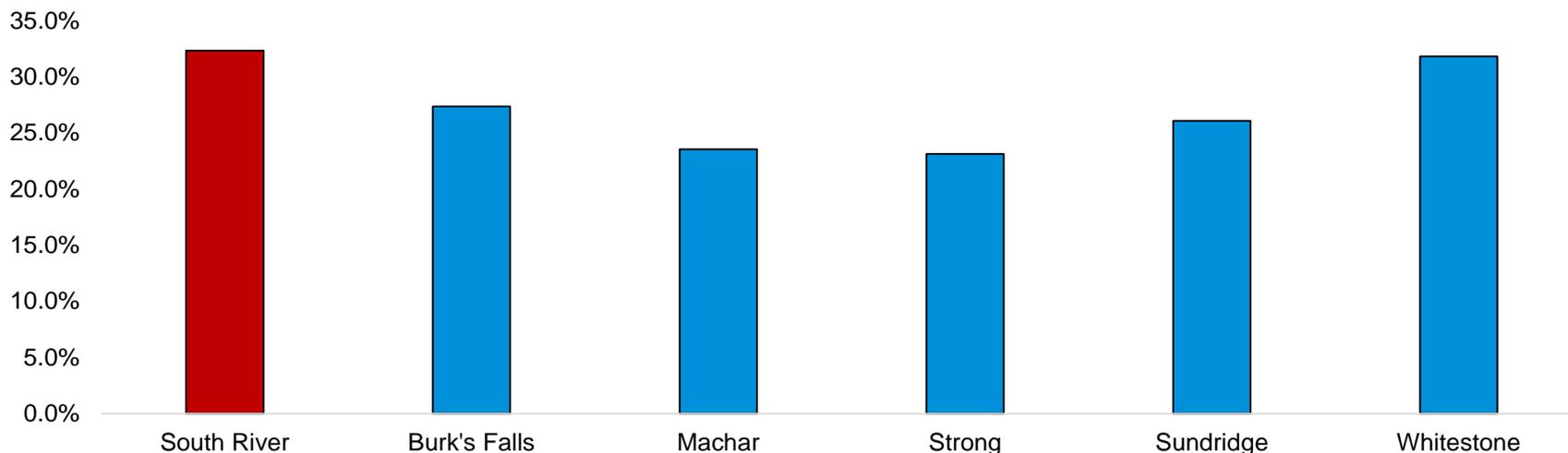
Sustainability
Flexibility
Vulnerability ✓

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

CAPITAL GRANTS AS A PERCENTAGE OF TOTAL CAPITAL EXPENDITURES

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

TYPE OF INDICATOR

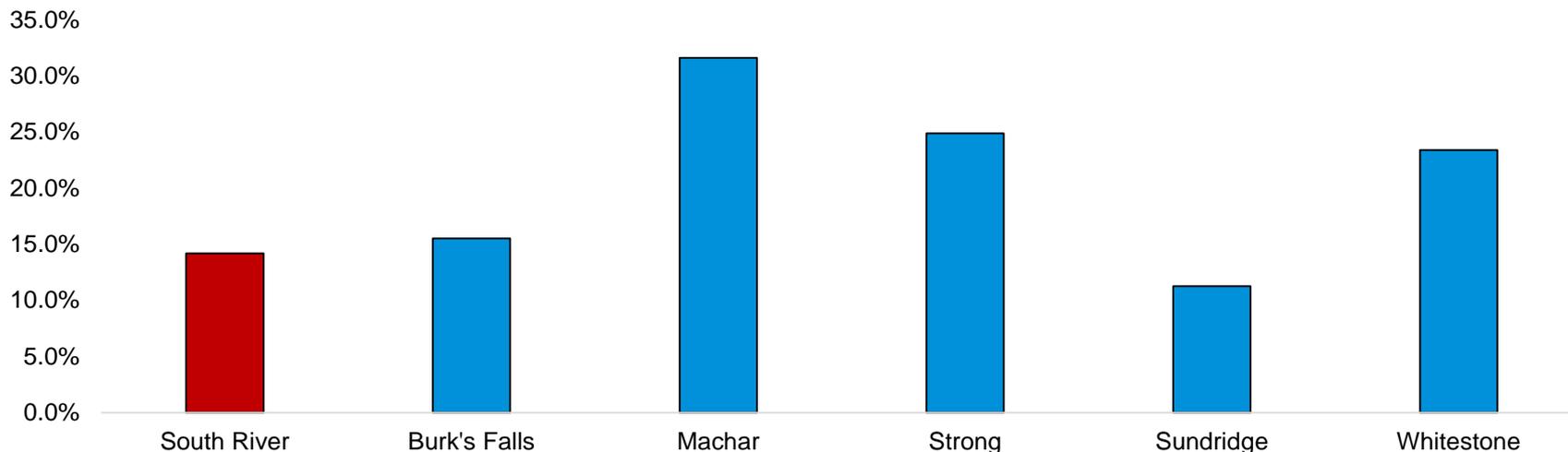
Sustainability
Flexibility
Vulnerability ✓

FORMULA

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

POTENTIAL LIMITATIONS

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



Financial Indicators and Benchmarking

Service	Indicator	South River	Comparator Municipalities		
			Low	High	Average
Corporate Wide	Total wages and benefits costs per household	\$1,048.29	\$932.09	\$1,901.29	\$1,476.23
	Contracted services per household	\$1,317.78	\$403.37	\$1,696.09	\$1,025.52
General Government	General government Services – Operating costs per household	\$1,081.19	\$448.08	\$1,168.15	\$757.88
Protective Services	Police Services – Operating costs per household	\$424.10	\$247.65	\$529.67	\$361.96
	Fire Services – Operating costs per household	\$277.41	\$79.26	\$320.46	\$197.21
	Other Protective Services (Building and Bylaw) – Operating costs per household	\$71.30	\$46.22	\$100.31	\$84.23
Transportation Services	Operating costs per household	\$582.52	\$514.24	\$925.41	\$756.24
Environmental Services	Operating costs per household	\$806.99	\$191.72	\$1,201.68	\$564.05
Recreation and Cultural Services	Operating costs per household	\$654.98	\$124.80	\$658.84	\$353.41
Planning and Development Services	Operating costs per household	\$144.18	\$6.55	\$243.91	\$74.56

Source: KPMG analysis of FIR Information (2019)

Financial Indicators and Benchmarking

Comparative Analysis – Technology

One aspect of the review was to explore the Village’s use of technology within the municipality’s operations. The Village’s use of technology was examined within the process mapping phase of the review but this was also complemented with an environmental scan among the comparator group. Each comparator municipality was asked to provide information pertaining the use of software as well as how long each has used software.

- Financial software
- Telecommunications (phone and email)
- Agenda preparation software
- Recreational software
- Website maintenance
- Operations (work order management) software

The following table is a summary of the information received from the municipal comparators:

Financial	Agenda Preparation	Website Maintenance	Telecommunications	Recreation	Operations
All of the responding comparators currently use Munisoft with the software being in place ranging from 4 to over 15 years.	The common practice is the use of Microsoft Word and Adobe Acrobat for the preparation of meeting agenda. None use specific agenda preparation software.	Website maintenance services ranged with municipalities seeking new sites along with third party hosting/maintenance to very recent updates through third party service providers.	The entire comparator group make use of traditional phone and email services; there is no use of Voice over IP ('VOIP') technology.	None of the comparators use any recreational software packages.	None of the comparators make use of operational software; work order management appears to be paper based across the group.



Village of South River Municipal Financial Management Practices and Service Delivery Review



Chapter V: Service Based Opportunities



Service Based Opportunities

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

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

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

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

Service Based Opportunities

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency	Explore the potential investment in the South River-Machar Community Centre & Arena to ensure redundancy in the facility's operations	During the course of the review of the Village's services and operations, a potential risk/gap was identified within the Village's shared recreational facility. The Village does not appear to have a stand by generator for the purposes of operations at the arena. The Village may want to consider investing in this piece of equipment to ensure that ice operations and in particular, summer ice operations are not at risk if there should be power outages and/or other risks to maintaining the ice surface.	Potential capacity gains within the organization; Potential reduction in financial risk
Operating Efficiency	Explore the increased use of technology to provide enhanced customer service to users of the Village's recreational facilities	The Village does not appear to make use of software to allow for easier access to recreational facilities. As a result, all processes associated with recreational facilities and related services are largely paper based/manual. In order to shift toward municipal common/best practices, the Village may want to consider the acquisition of software which would allow for facility rentals to be completed electronically (internally) while providing access to the public to see when there may be availability to rent the facility.	Potential capacity gains within the organization
Operating Efficiency/Alternate Service Delivery	Explore the potential of shifting the annual maintenance of community flower beds to interested community groups	At the time of the review, the Village currently maintains a number of flower beds across the community through the use of their own resources (Public Works staff). A common practice is to shift the responsibility of community flower beds to interested parties including local businesses, Chamber of Commerce and other community based organizations. To assist, municipalities may provide a small annual stipend for its maintenance and this may free up capacity for municipal resources to be deployed elsewhere.	Potential capacity gains within the organization

Service Based Opportunities

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Revenue Generation	Explore the establishment of a capital levy for the purpose of creating another revenue stream for the Village's capital needs	Many municipalities similar to the Village recognize their inability to unilaterally address their respective infrastructure financial needs but at the same, recognize that capital needs cannot be ignored. This opportunity would provide the Village with additional capital revenues to leverage for the maintenance and replacement of municipal assets and the implementation of a capital levy is considered to be a municipal best practice within the municipal sector. Typically, municipalities establish a capital levy ranging between 1% to 3% of its annual levy and may set the rate for pre-determined amount of time prior to review (5 years). Municipalities may also communicate how the capital levy was used on an annual basis.	Potential increased capital specific revenues in excess of \$25,000 annually
Revenue Generation	Explore the potential of adjusting water rates to ensure that there is a component built within the rates for capital reinvestment.	A municipal common/best practice in the development of water rates is the inclusion of a capital cost component. This provides the municipality with the ability to increase revenues specific to the future replacement of all water related infrastructure needs. At the review, it does not appear that the Village has such a component within its water rates and may want to consider its inclusion in the development of its future water rates.	Potential revenues cannot be reasonably determined
Alternate Service Delivery	Explore the potential of increasing the use of third party service providers for janitorial/maintenance services of municipally owned facilities	Currently, the Village owns and operates a number of facilities (municipal and non-municipal related buildings) and as a result, the Village is responsible for the ongoing maintenance of these buildings. To potentially increase capacity within its Public Works department, the Village may want to consider increasing its use of third party service providers for janitorial/maintenance services.	Potential capacity gains within the organization

Service Based Opportunities

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency	Re-establish the shared service agreements with the Township of Machar for the provision of fire and recreation services	<p>The agreement should be revised to refine the requirements for the transfers for reserves for future purposes. The requirement for the annual allocation to reserves in accordance with the asset management policies. Capital budgets should be prepared for a five year period where possible to ensure both Council's are aware of the upcoming capital requirements for the arena and fire department.</p> <p>Tracking of the time associated with the management of the arena and fire department contacts should be completed for all staff involved in this management. The time associated with the management should be compared to the administration allocation completed annually to determine if the cost associated with the contract management is recouped by the Village.</p> <p>Based on the financial information provided and analyzed within the financial management practices report, there is no rationale for the recreation cost sharing as currently proposed in the 2019 amended agreement. In the past and amended agreement it was noted there is a requirement for the Village of South River to fund 2/3 of the operating expenses and the Township of Machar to fund 1/3 of the operating expenditures with a 50/50 split for all capital expenditures. The facilities are available for use by the Village and the Township equally, with organizations from both communities such as the Hockey Opportunity Camp and the Spartans utilizing the space. The availability of the space for the use by both communities should be the driving force behind the cost allocations and amended agreement. It is recommended prior to signing the revised agreement that the cost sharing allocation be changed to a 50/50 cost sharing split between both communities.</p>	Enhanced decision-making and/or service delivery

Service Based Opportunities

Nature of the Opportunity	Opportunity	Rationale	Anticipated Benefit
Operating Efficiency/Revenue Generation	Explore the potential rationalization of the Village's properties that do not provide municipal services (rental properties)	Based on information shared during the review, the Village currently owns and operates five rental properties. The ownership and operation of rental properties is not a typical municipal service in particular for similarly sized municipalities. The Village may want to consider no longer owning and operating these types of properties.	Potential revenues cannot be reasonably determined
Alternate Service Delivery	Explore the potential shift in the Village's recycling strategy	The Village currently belongs to a local area recycling initiative. To ensure that the residents of the Village are receiving both the best value and level of service, the Village may want to explore all other regional options for its recycling services.	Enhanced decision-making and/or service delivery



Village of South River Municipal Financial Management Practices and Service Delivery Review



Chapter VI: Next Steps



Next Steps

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

1. The Review Becomes a Standing Item on Council's Agenda Going Forward

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

2. Establishment of Project Sponsorship

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

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

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

Next Steps

3. Prioritization of Opportunities

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

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

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

Next Steps

4. Develop Implementation Plans

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

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

5. Monitor and report on outcomes

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

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

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

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



Village of South River Municipal Financial Management Practices and Service Delivery Review



Appendix A – Implementation Tools



Implementation Tools

Potential Prioritization Scorecard

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

Implementation Tools

Potential Prioritization Scorecard

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

Implementation Tools

Potential Implementation Tracking Sheet

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

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



Village of South River Municipal Financial Management Practices and Service Delivery Review



Appendix B - Municipal Service Profiles



Village of South River

Municipal Service Profile General Government - Mayor and Council

Program
General Government

Organizational Unit
Mayor and Council

Type of Service
External

Budget (in thousands)		
Operating Costs	\$	57
Revenues	\$	-
Net Levy	\$	57
FTE's		-

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

Service Value
Effective leadership of Council contributes towards the achievement of strategic goals, objectives and priorities. Councillor's Offices ensures political representation for residents of the Village and supports elected officials in addressing constituency matters and issues.

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

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

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

Village of South River

Municipal Service Profile General Government - Mayor and Council

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

Village of South River

Municipal Service Profile General Government - Clerks

Program	
General Government	
Organizational Unit	
Clerks	
Type of Service	
Internal and external	
Budget (in thousands)*	
Operating Costs	\$ 844
Revenues	\$ (18)
Net Levy	\$ 826
FTE's	4.0

* - Represents the consolidated Administration budget - Included in this section are a combination of salaries and benefits as well as other corporate/administration related costs for the Village.

Service Overview
The Village's Clerk's function fulfills the statutory requirements as outlined within the Municipal Act as well as the services necessary to support efficient and effective governance. This includes the preparation and distribution of meeting agendas and minutes and attendance in meetings to provide support for both Council and committees. The Clerk is also responsible for the oversight of municipal elections every four years.

Service Value
The Clerks function is responsible for providing support to Council in the conducting of effective and efficient meetings in compliance with all related provincial legislation and by doing so, ensuring Council operates in an accountable and transparent manner.

Basis for Delivery
Mandatory – Section 228 of the Municipal Act requires all municipalities to appoint a clerk with the formal duties of the Clerk established within the legislation.

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

Proposed Key Performance Indicators and Benchmarking
For the purposes of potential key performance indicators, we suggest that the Village monitor compliance with provincial legislation and budgeted total levy for administration compared to other municipalities.

Village of South River

Municipal Service Profile General Government - Clerks

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

Village of South River

Municipal Service Profile General Government - Finance

Program
General Government

Organizational Unit
Finance

Type of Service
Internal and external

Budget (in thousands)*		
Operating Costs	\$	848
Revenues	\$	(18)
Net Levy	\$	830
FTE's		4.0

* - Represents the consolidated Administration budget - Included in this section are a combination of salaries and benefits as well as other corporate/administration related costs for the Village.

Service Overview
Finance provides financial leadership, planning, advice, guidance (i.e. policies) and reporting to internal and external stakeholders as well as transactional services relating to accounts payable, accounts receivable, general ledger, banking, payroll and tangible capital assets. Include taxation, project & capital financing

Service Value
Finance contributes to financial sustainability and flexibility by undertaking financial planning and analysis in connection with municipal decisions and strategies.

Basis for Delivery
Mandatory – Pursuant to Section 286(1) of the Municipal Act, 2001, all Ontario municipalities are required to appoint a treasurer “who is responsible for the handling of all financial affairs of the municipality on behalf of and in a manner directed by the council of the municipality”.

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

Proposed Key Performance Indicators and Benchmarking
For the purposes of potential key performance indicators, we suggest that the Village monitor compliance with provincial legislation and budgeted total levy for administration compared to other municipalities.

Village of South River

Municipal Service Profile General Government - Finance

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

Village of South River

Municipal Service Profile Fire Services

Program	
Protection Services	
Organizational Unit	
Fire	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 422
Revenues	\$ (248)
Net Levy	\$ 174
FTE's	1.0

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

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

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

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

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

Village of South River

Municipal Service Profile Fire Services

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

Village of South River

Municipal Service Profile By-Law Enforcement

Program	
Protection Services	
Organizational Unit	
By-Law Enforcement	
Type of Service	
Essential	
Budget (in thousands)	
Operating Costs	\$ 63
Revenues	\$ (42)
Net Levy	\$ 21
FTE's	0.3

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

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

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

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

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

Village of South River

Municipal Service Profile By-Law Enforcement

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

Village of South River

Municipal Service Profile Building

Program	
Protection Services	
Organizational Unit	
Building	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 1
Revenues	\$ -
Net Levy	\$ 1
FTE's	-

Service Overview
Building Services provide an efficient system of building permit approvals which minimize hazards to persons and property by ensuring that all construction within the Village adheres to provincial and municipal regulations. This section issues building, plumbing, demolition, occupancy and other permits governed by the Ontario Building Code.

Service Value
Through inspections, Building Services ensures that projects are designed and constructed in accordance with the terms and conditions of applicable municipal and legislative requirements.

Basis for Delivery
Mandatory – Pursuant to Section 3.1 of the Building Code Act ('BCA'), municipalities are mandated the responsibility to enforce the BCA and in doing so, are required to appoint a chief building officer and such inspectors under Section 3(2) of the BCA.

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

Proposed Key Performance Indicators and Benchmarking
For the purposes of potential key performance and benchmarking indicators, we suggest that the Village monitor compliance to the legislation and level of cost recovery achieved through fees.

Village of South River

Municipal Service Profile Building

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

Village of South River

Municipal Service Profile Emergency Management

Program	
Public Protection	
Organizational Unit	
Emergency Management	
Type of Service	
Internal and external	
Budget (in thousands)	
Operating Costs	\$ 3
Revenues	\$ -
Net Levy	\$ 3
FTE's	-

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

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

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

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

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

Village of South River

Municipal Service Profile Emergency Management

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

Village of South River

Municipal Service Profile Police Services

<table border="1"> <tr> <th colspan="2">Program</th> </tr> <tr> <td colspan="2">Protection Services</td> </tr> </table>	Program		Protection Services		<table border="1"> <tr> <th colspan="2">Service Overview</th> </tr> <tr> <td colspan="2">The Village provides police services through a third party agreement with the Ontario Provincial Police ('OPP'). The OPP provides the Village with the adequate and effective level police services as outlined within the Police Services Act and in accordance with the needs of the Village.</td> </tr> </table>	Service Overview		The Village provides police services through a third party agreement with the Ontario Provincial Police ('OPP'). The OPP provides the Village with the adequate and effective level police services as outlined within the Police Services Act and in accordance with the needs of the Village.		<table border="1"> <tr> <th colspan="2" rowspan="2"></th> <th colspan="3">Service Level</th> </tr> <tr> <th>Below Standard</th> <th>At Standard</th> <th>Above Standard</th> </tr> <tr> <th rowspan="4">Basis of Delivery</th> <th>Mandatory</th> <td colspan="3" rowspan="4" style="text-align: center; vertical-align: middle;">  </td> </tr> <tr> <th>Essential</th> </tr> <tr> <th>Traditional</th> </tr> <tr> <th>Discretionary</th> </tr> </table>					Service Level			Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory				Essential	Traditional	Discretionary
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FTE's		-																										

Village of South River

Municipal Service Profile Police Services

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

Village of South River

Municipal Service Profile Public Works - Transportation

Program	
Public Works	
Organizational Unit	
Transportation	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 685
Revenues	\$ (30)
Net Levy	\$ 655
FTE's	4.0

Service Overview
Public Works constructs and maintains municipal roads and bridges, which involves grading, repairing and improving road and bridge structures, maintaining signs, culverts, ditches and shoulders, snow clearing and sanding in the winter months and dust control and grading during the rest of the year. The Public works department also repairs, maintains and installs new water lines, services and watermains along with installing water meters and interpreters. The department also provides for crossing guards within the community and provides park maintenance services in the summer months.

Service Value
The Village's Public Works function contributes towards the overall delivery of public works functions, including transportation and environmental services in a manner that ensures public health and safety in South River. Public Works also contributes towards the community's economic development by ensuring the supporting services are provided on a reliable and cost effective and cost effective basis.

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

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

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

Village of South River

Municipal Service Profile Public Works - Transportation

Profile Component	Definition													
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Users of the Village's road network • Pedestrians using the Village's sidewalk network 												
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Village residents and other parties that benefit from effective transportation (e.g. individuals requiring ambulance services) 												
Service Output	The output of a service that fulfills a recognized client's need.	<table border="0"> <tr> <td>(1) Winter roads maintenance</td> <td>(7) Traffic signal maintenance</td> </tr> <tr> <td>(2) Summer roads maintenance</td> <td>(8) Street lighting</td> </tr> <tr> <td>(3) Roadside maintenance</td> <td>(9) Crossing guards</td> </tr> <tr> <td>(4) Bridge maintenance</td> <td>(10) Park maintenance</td> </tr> <tr> <td>(5) Sidewalk maintenance</td> <td>(11) Water distribution & maintenance.</td> </tr> <tr> <td>(6) Fleet maintenance</td> <td></td> </tr> </table>	(1) Winter roads maintenance	(7) Traffic signal maintenance	(2) Summer roads maintenance	(8) Street lighting	(3) Roadside maintenance	(9) Crossing guards	(4) Bridge maintenance	(10) Park maintenance	(5) Sidewalk maintenance	(11) Water distribution & maintenance.	(6) Fleet maintenance	
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(6) Fleet maintenance														
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Own Resources - The Village's roads operations is delivered predominantly with the use of its own resources.</p>												

Village of South River

Municipal Service Profile Solid Waste Management

<table border="1"> <tr><th>Program</th></tr> <tr><td>Public Works</td></tr> </table>	Program	Public Works	<table border="1"> <tr><th>Service Overview</th></tr> <tr><td>The Village provides for various solid waste management services including regular waste and recycling collection services (provided by a third party) - residential household waste and recycling is collected weekly. For recycling, containers are collected one week and paper products the following week. The Village also provides with their own resources for seasonal compost collection (spring and fall) which takes place on every Monday in the months of May and October.</td></tr> </table>	Service Overview	The Village provides for various solid waste management services including regular waste and recycling collection services (provided by a third party) - residential household waste and recycling is collected weekly. For recycling, containers are collected one week and paper products the following week. The Village also provides with their own resources for seasonal compost collection (spring and fall) which takes place on every Monday in the months of May and October.	<table border="1"> <tr> <td></td> <th colspan="3">Service Level</th> </tr> <tr> <td></td> <th>Below Standard</th> <th>At Standard</th> <th>Above Standard</th> </tr> <tr> <th rowspan="4">Basis of Delivery</th> <td>Mandatory</td> <td colspan="2" rowspan="4" style="text-align: center; vertical-align: middle;">  </td> </tr> <tr><td>Essential</td></tr> <tr><td>Traditional</td></tr> <tr><td>Discretionary</td></tr> </table>				Service Level				Below Standard	At Standard	Above Standard	Basis of Delivery	Mandatory			Essential	Traditional	Discretionary
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Budget (in thousands)																							
Operating Costs	\$	101																					
Revenues	\$	-																					
Net Levy	\$	101																					
FTE's		-																					

Village of South River

Municipal Service Profile Solid Waste Management

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents who receive weekly household waste collection • Residents who receive bi-monthly recycling collection
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents, non-resident sectors and visitors to the Village that benefit from effective solid waste services
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Household collection services (2) Recycling collection services (3) Seasonal compost collection
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Combined - Garbage and recycling collection are performed by external service provider and Village staff provide the seasonal compost collection service.</p>

Village of South River

Municipal Service Profile Water

Program	
Public Works	
Organizational Unit	
Water	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 393
Revenues	\$ (393)
Net Levy	\$ -
FTE's	-

Service Overview
<p>Within the Village of South River there is one Water Treatment Plant and one municipal drinking water system. The system has approximately 500 customers.</p>

Service Value
<p>The Village contributes to the health of the community with the effective and efficient delivery water services which are fully compliant with all legislation and regulations.</p>

Basis for Delivery
<p>Essential – Under the Municipal Act, there is no requirement for municipalities to maintain drinking water systems. Where municipalities choose to maintain a drinking water system, the provisions of the Safe Drinking Water Act, 2002, S.O. 2002, c.32 ('SDWA') and related regulations apply</p>

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

Proposed Key Performance Indicators and Benchmarking
<p>The potential performance indicators for this profile would be monitoring compliance with legislation and cost recovery.</p>

Village of South River

Municipal Service Profile Water

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> Users of the Village's water systems
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> Residents and organizations that benefit from access to potable water
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> Water treatment Water distribution Infrastructure installation and maintenance Laboratory testing
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Combined - Water services are delivered through the use of third party resources (OCWA) and the Village provides water distribution services.</p>

Village of South River

Municipal Service Profile Recreation and Culture

Program	
Recreation and Culture	
Organizational Unit	
Recreation and Culture	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 542
Revenues	\$ (355)
Net Levy	\$ 187
FTE's	3.5

Service Overview
<p>The Village provides a variety of recreation and cultural services. Those services are delivered in partnership with the Township of Machar including the operation of the South River-Machar Community Centre, other joint recreation activities and the South River-Machar Day Camp. -Recreation maintains Tebby Park, Ball Diamonds, Soccer Program, Tennis and Pickleball Courts. Library services are provided through the South River -Machar Union Public Library.</p>

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

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

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			
	Essential			
	Traditional			
	Discretionary			
		Proposed Key Performance Indicators and Benchmarking		
<p>The potential performance and benchmarking indicators for this profile would be monitoring the level of cost recovery achieved by facility and/or by activity.</p>				

Village of South River

Municipal Service Profile Recreation and Culture

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

Village of South River

Municipal Service Profile Planning & Development

Program	
Planning & Development	
Organizational Unit	
Planning & Development	
Type of Service	
External	
Budget (in thousands)	
Operating Costs	\$ 42
Revenues	\$ (25)
Net Levy	\$ 17
FTE's	-

Service Overview
<p>Planning involves the general design of the municipality through the land use planning process. Land use planning enables the municipality to establish goals and objectives for growth and development. The Central Almaguin Planning Board oversees municipal planning on behalf of the Village. The Almaguin Community Economic Development ('ACED') is made up of 10 municipalities (Armour, Burk's Falls, Perry, Ryerson, Joly, Strong, Sundridge, South River, Powassan, and Magnetawan), with the common goal of strengthening the regional economy.</p>

Service Value
<p>Planning and Development Services promotes strategic growth and policy through land use planning. Through this process, the interests and objectives of individual property owners are balanced with the interests and objectives of the Village of South River in alignment with the Provincial Policy Statement.</p>

Basis for Delivery
<p>Mandatory – The Planning Act establishes the responsibility for municipalities to make local planning decisions that will determine the future of their community. The Planning Act also requires municipalities to ensure planning decisions and planning documents are consistent with the Provincial Policy Statement.</p>

		Service Level		
		Below Standard	At Standard	Above Standard
Basis of Delivery	Mandatory			Planning Services
	Essential			
	Traditional			Economic Development
	Discretionary			

Proposed Key Performance Indicators and Benchmarking
<p>For the purposes of potential key performance indicators, we suggest that the Village monitor cost recovery achieved through fees and operating costs per household.</p>

Village of South River

Municipal Service Profile Planning & Development

Profile Component	Definition	
Direct Client	A party that receives a service output and a service value.	<ul style="list-style-type: none"> • Residents and/or members of the development community • Village departments affected by planning issues • Potential investors
Indirect Client	A set of parties that benefits from a service value without receiving the service output directly.	<ul style="list-style-type: none"> • Residents of the Village who benefit from a comprehensive and planned approach to growth in the community • Economic development partners
Service Output	The output of a service that fulfills a recognized client's need.	<ol style="list-style-type: none"> (1) Management of applications under the Planning Act (2) Clarifications regarding land use designations or policies in the Official Plan (3) Clarifications regarding zone categories and provisions in the Zoning By-Law (4) Economic development (5) Strategic initiatives (6) Financial support
Primary Delivery Model	How the service is predominantly delivered, recognizing that a combination of delivery models may be used.	<p>Shared Services - Planning services are provided through the Central Amalguin Planning Board and economic development is delivered through ACED. The Village also relies upon a third party service provider (Wayne Simpson and Associates) for planning services</p>



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

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