



## Region of Niagara Service Sustainability Review

# Opportunities Analysis

Presentation to the  
Committee of the Whole

November 7th, 2019



# Agenda

- Introduction
- Key Themes
- Next Steps

# Introduction

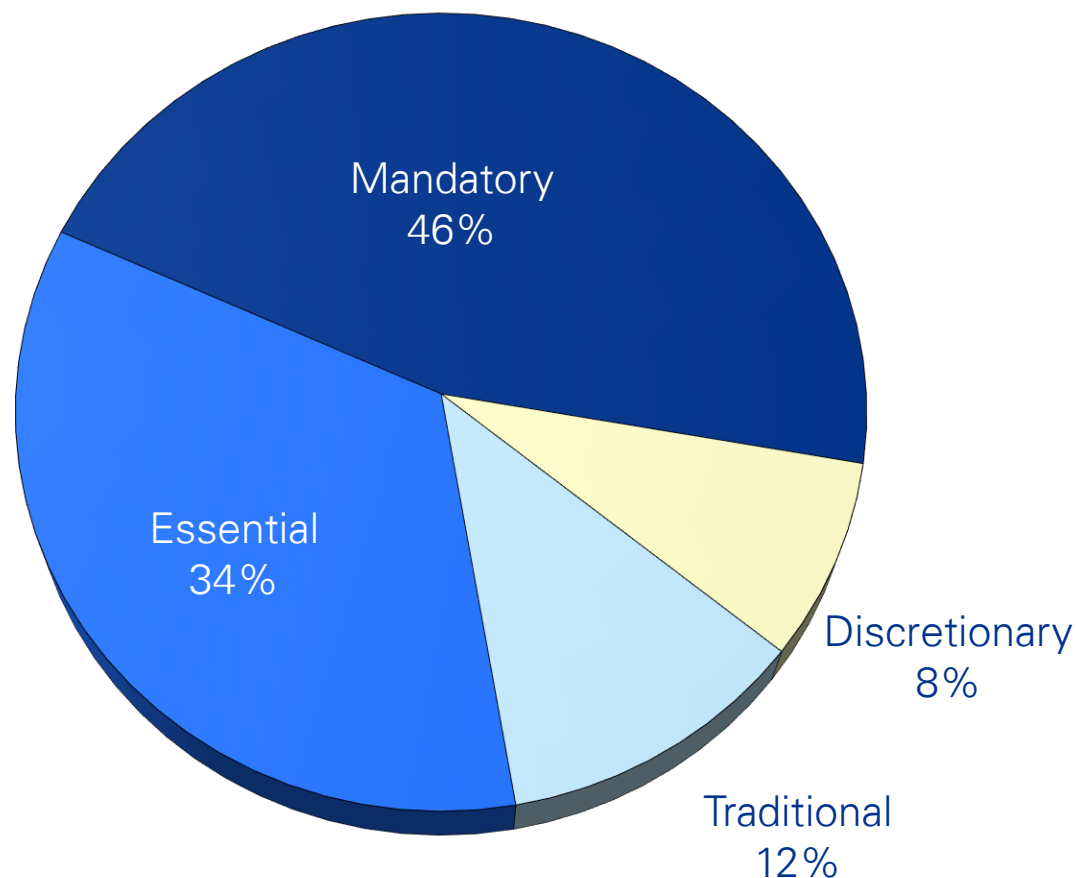
- Over the last nine months, KPMG has been working with Regional personnel on the Region's service sustainability review
  - Service profile development
  - Benchmarking
  - Key performance indicators
  - Opportunities for cost reductions
  - Business case development
- The purpose of today's presentation is to provide Council with an update on the review and next steps

# Key Themes

- Discretionary services are more the exception than the rule

# The Region's Services by Basis of Delivery

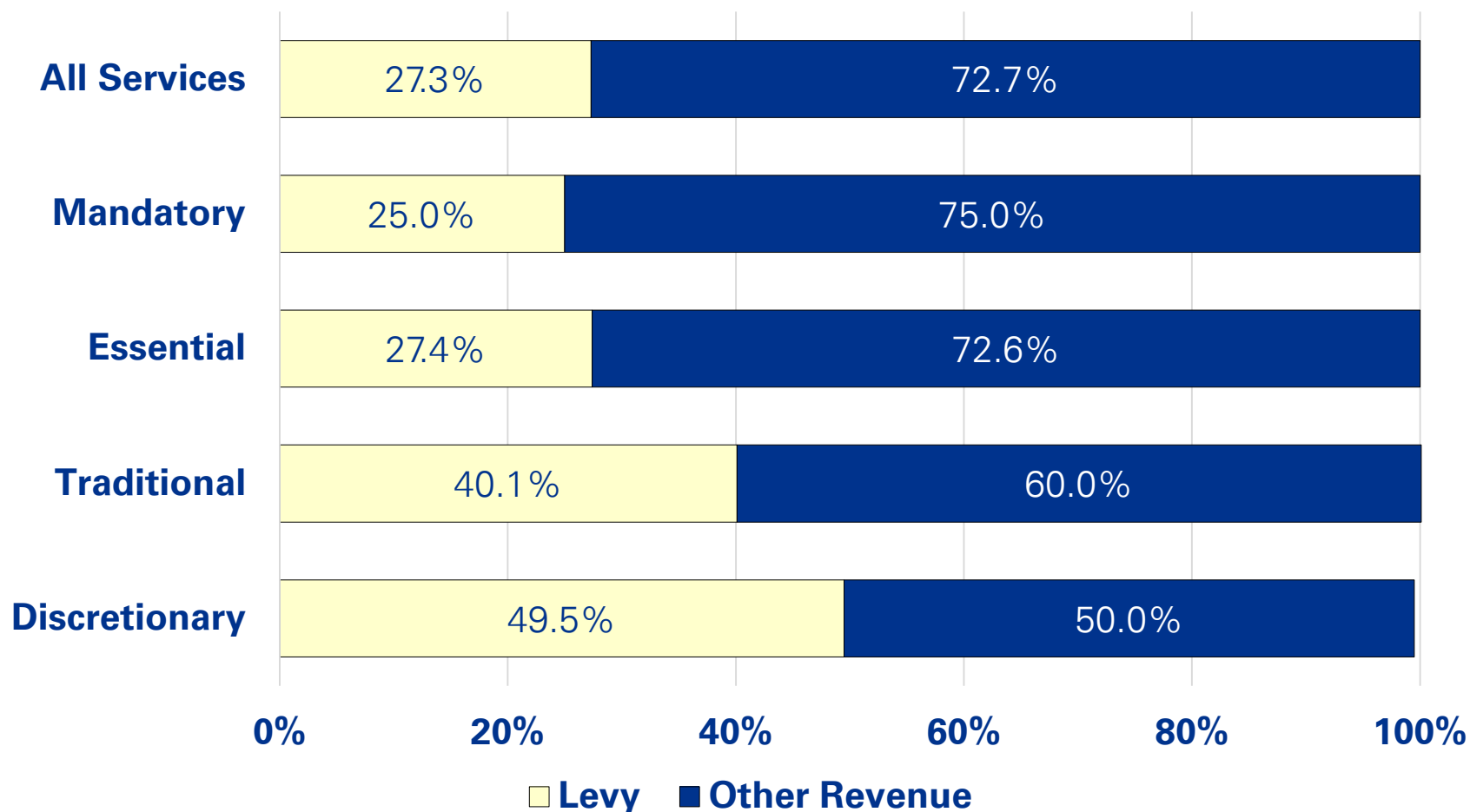
## Number of Services



- **Mandatory** – Services that are required to be delivered by regulation or legislation
- **Essential** – Services that, while not mandatory, are required to be delivered in order to ensure public health and safety and/or the effective functioning the Region as a corporate body
- **Traditional** – Non-mandatory, non-essential services that are typically delivered by municipalities of comparable size and complexity and for which a public expectation exists that the service will be provided
- **Other Discretionary** – Services that are delivered at the direction of the Region without a formal requirement or expectation

# The Region's Services by Basis of Delivery

## Funding by Type of Service



# Key Themes

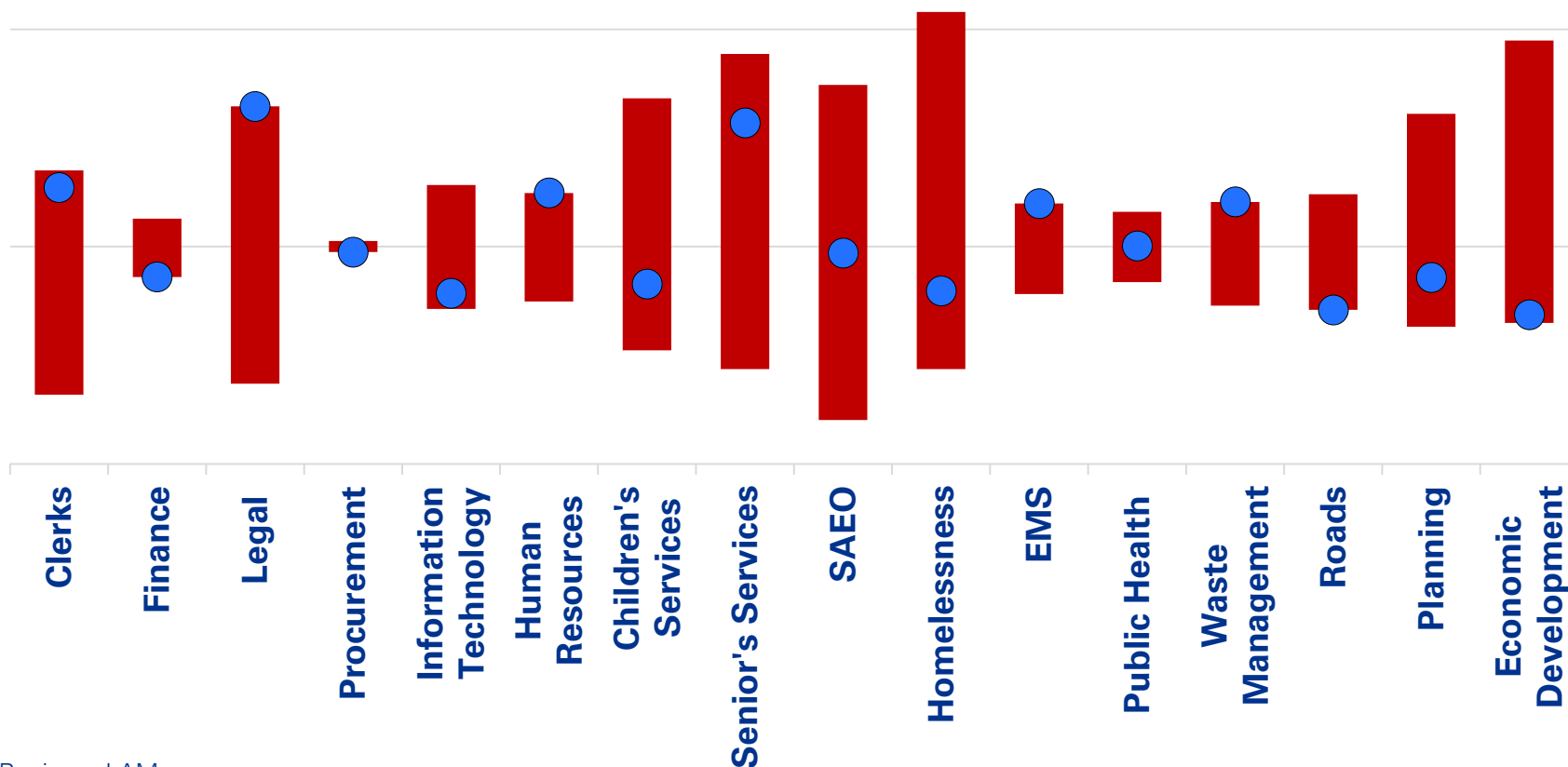
- Discretionary services are more the exception than the rule
- The cost of services, while a valid concern, does not appear to be a significant issue



# Cost of Services (Preliminary)

Range of Municipal Comparator Group

Region of Niagara



\*Region + LAMs



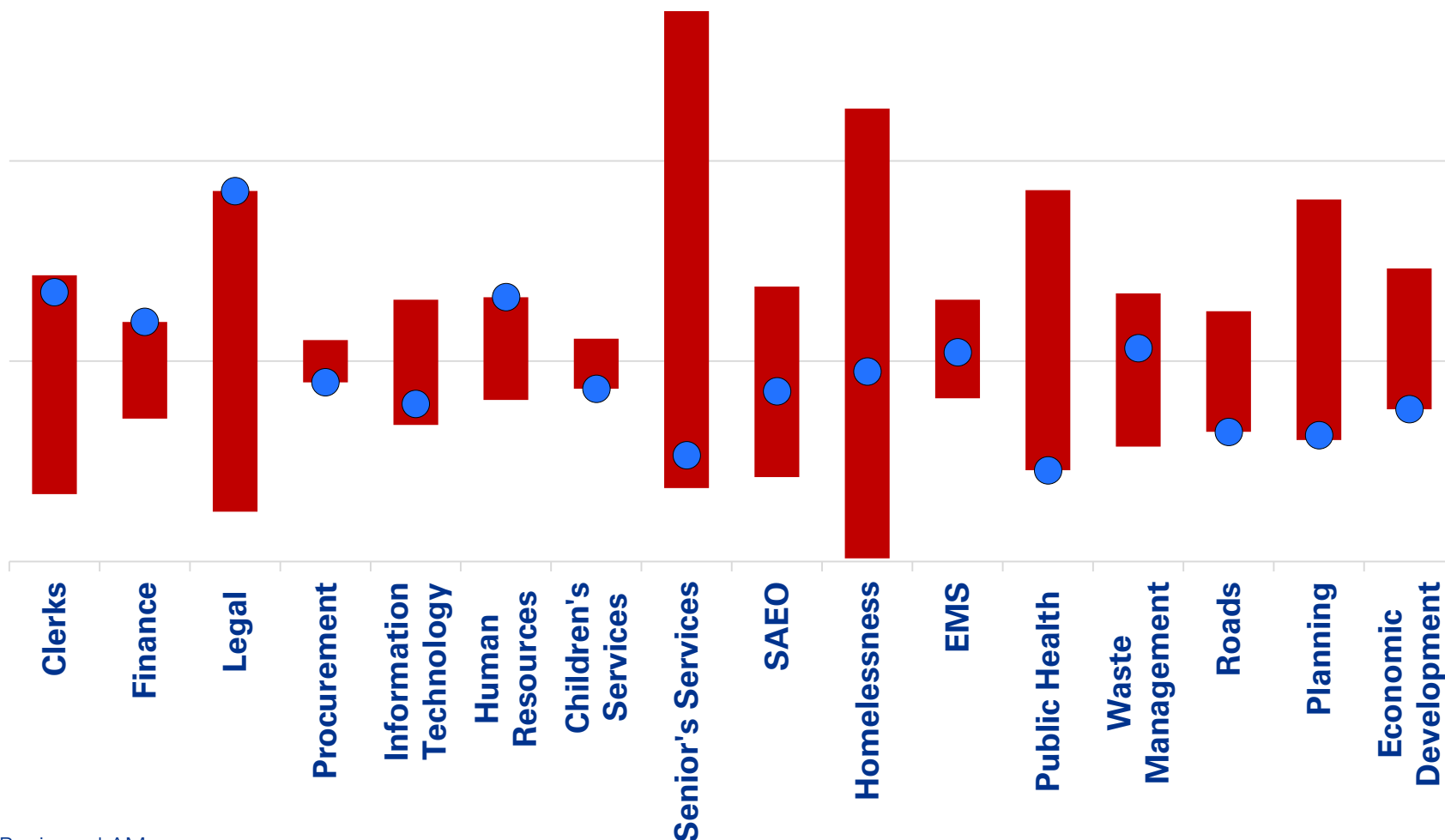


# Cost of Services - Levy (Preliminary)

Range of Municipal  
Comparator Group



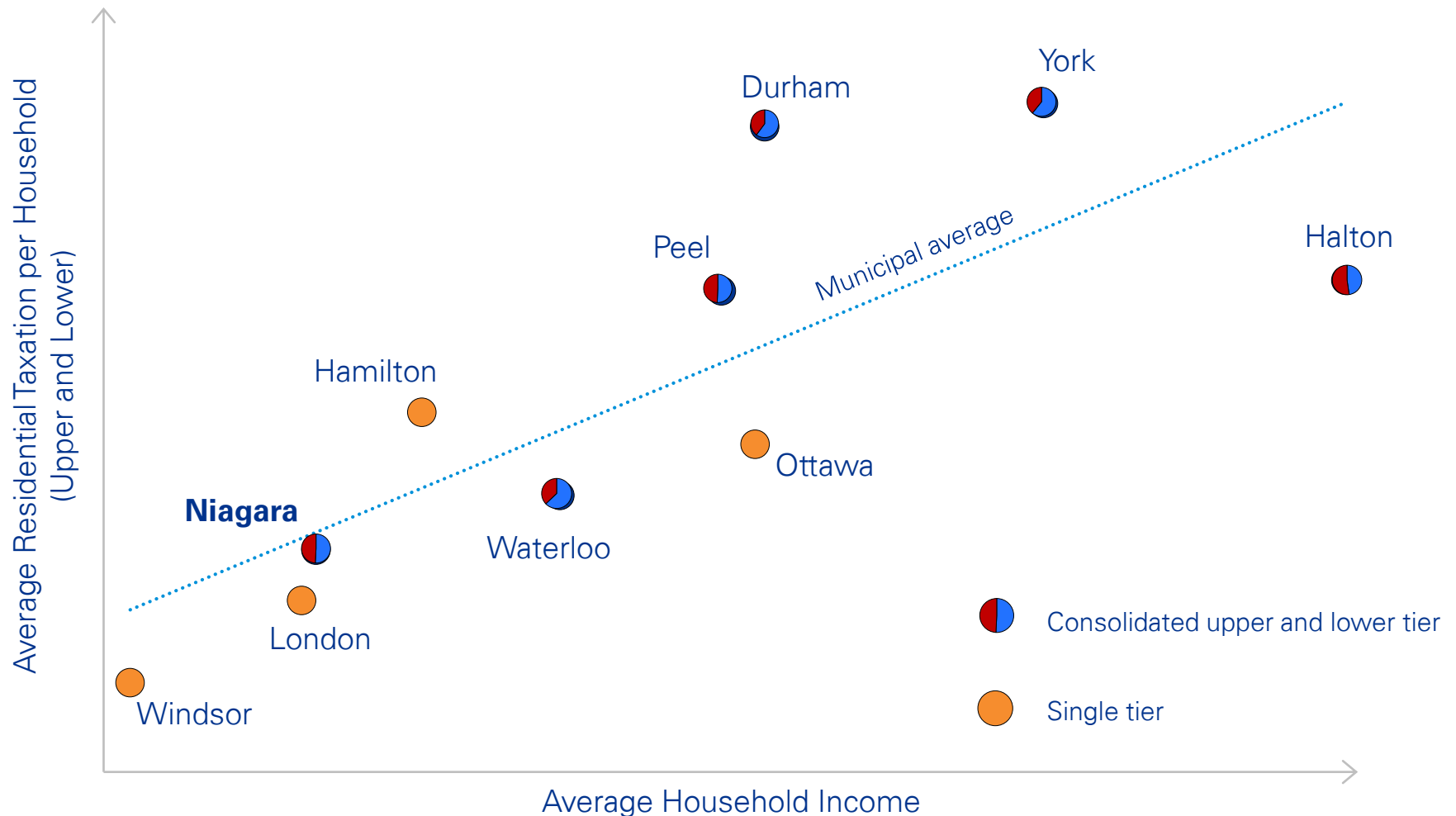
Region of Niagara



\*Region + LAMs



# Niagara By The Numbers (2017)

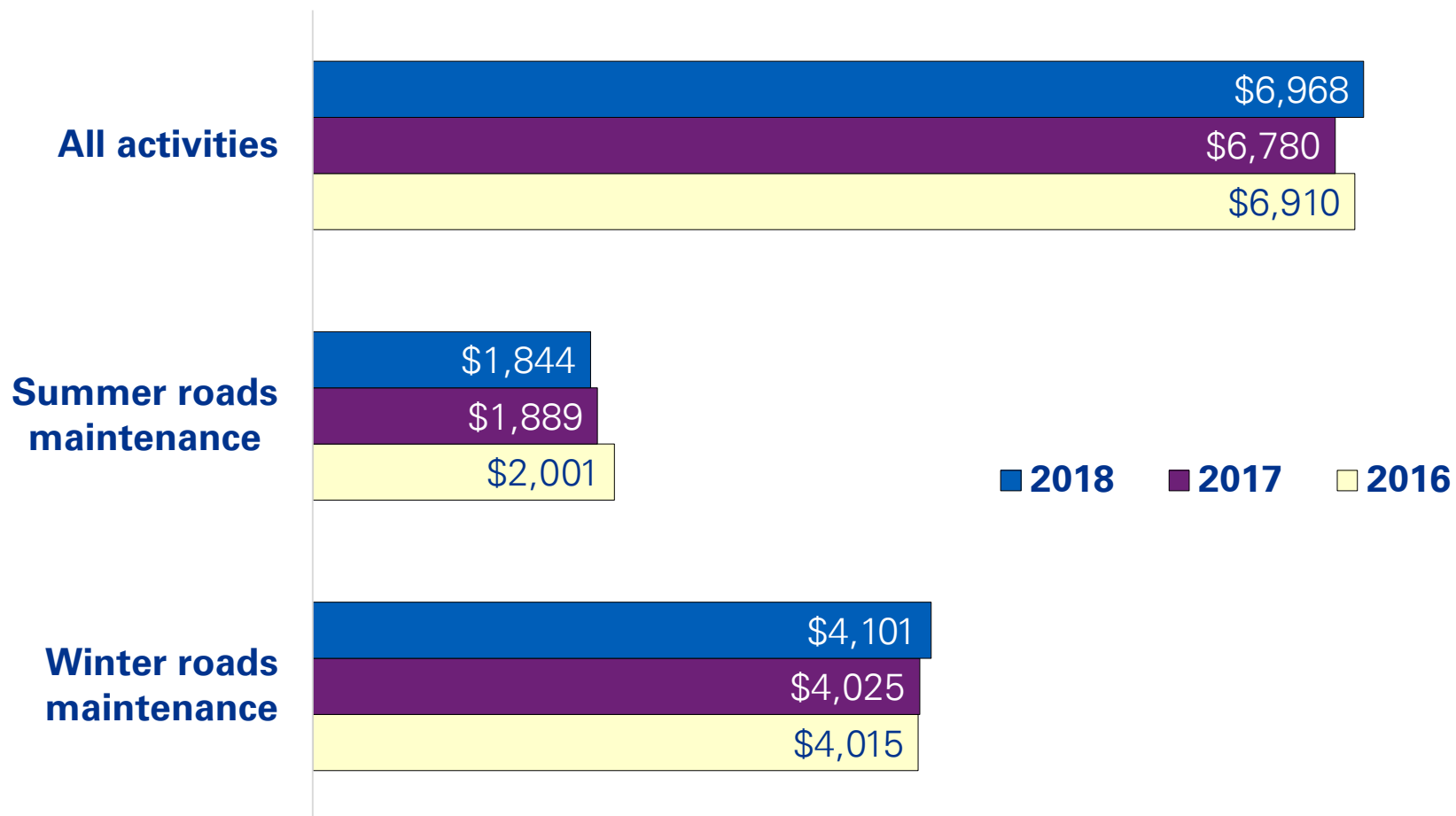


# Key Themes

- Discretionary services are more the exception than the rule
- The cost of services, while a valid concern, does not appear to be a significant issue
- Cost reductions have been underway prior to the service sustainability review

# Cost of Services

## Maintenance Cost per Lane Kilometre

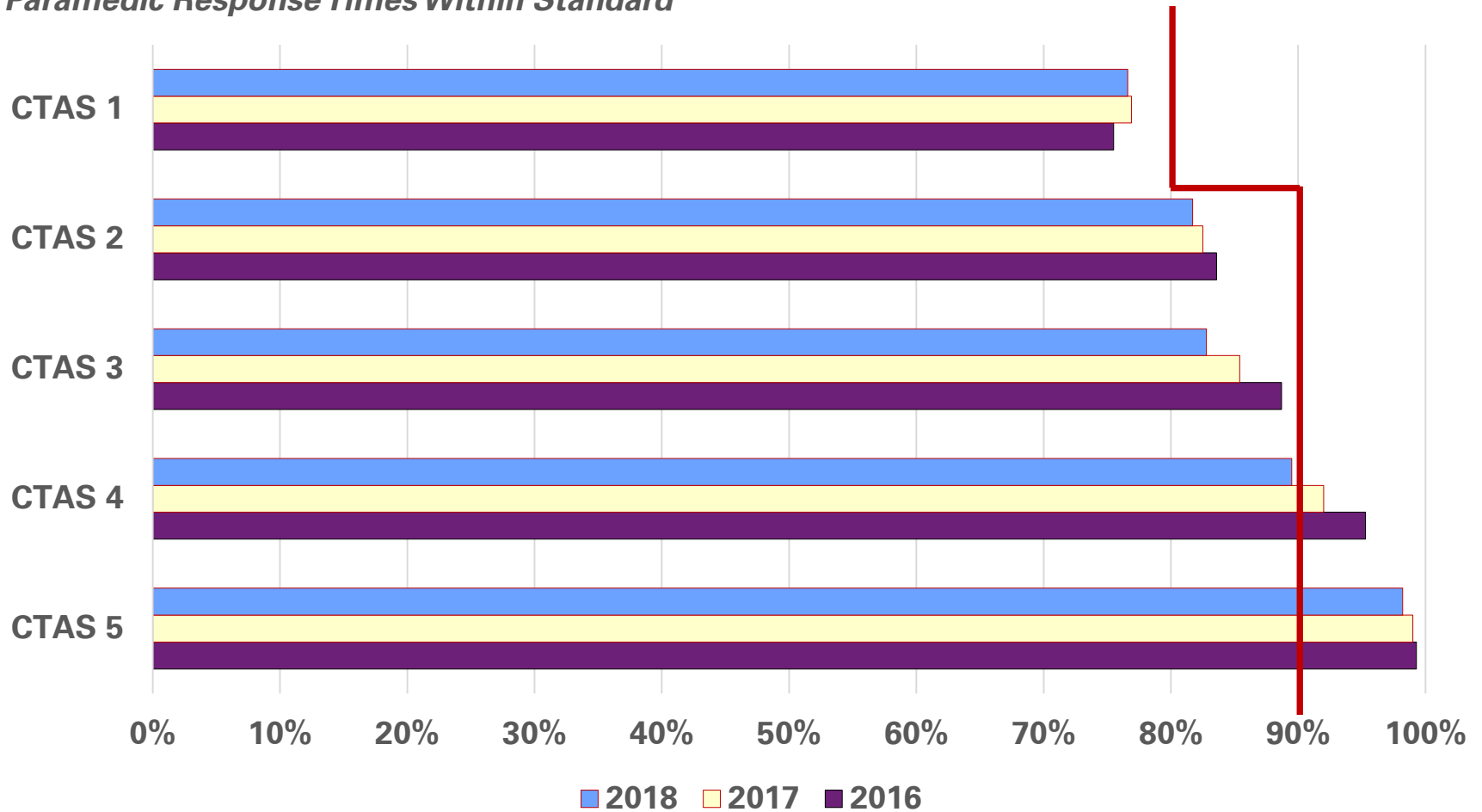


# Key Themes

- Discretionary services are more the exception than the rule
- The cost of services, while a valid concern, does not appear to be a significant issue
- Cost reductions have been underway prior to the service sustainability review
- Financial constraints have impacted service levels in certain areas

# Service Level Impacts

## *Paramedic Response Times Within Standard*



# Key Themes

- Discretionary services are more the exception than the rule
- The cost of services, while a valid concern, does not appear to be a significant issue
- Cost reductions have been underway prior to the service sustainability review
- Financial constraints have impacted service levels in certain areas
- Opportunities exist that can be pursued by Council



# Identified Opportunities

***Operating changes***



***Discretionary program reductions***



***Integration with local area municipalities***



***Alternate service delivery***



# Priority Opportunities

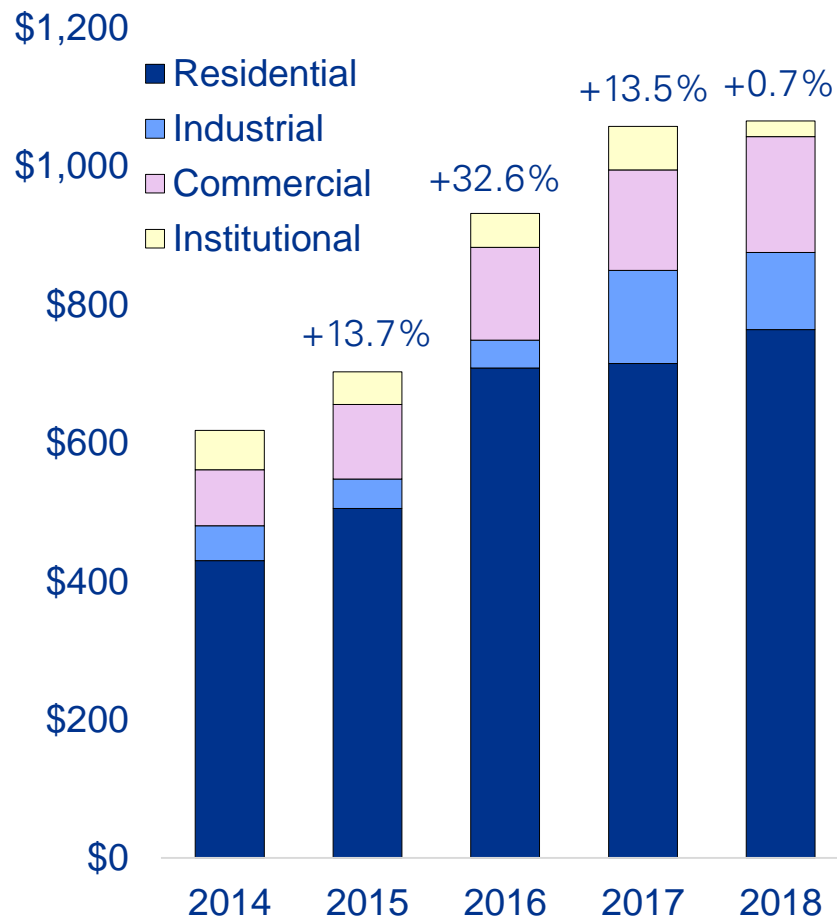
## **Opportunity No. 1(a) – Reduce or Eliminate Private Sector Grants (SNIP, Gateway, Cultural, Waterfront)**

## **Opportunity No. 1(b) – Reduce or Eliminate Development Charge Rebates**

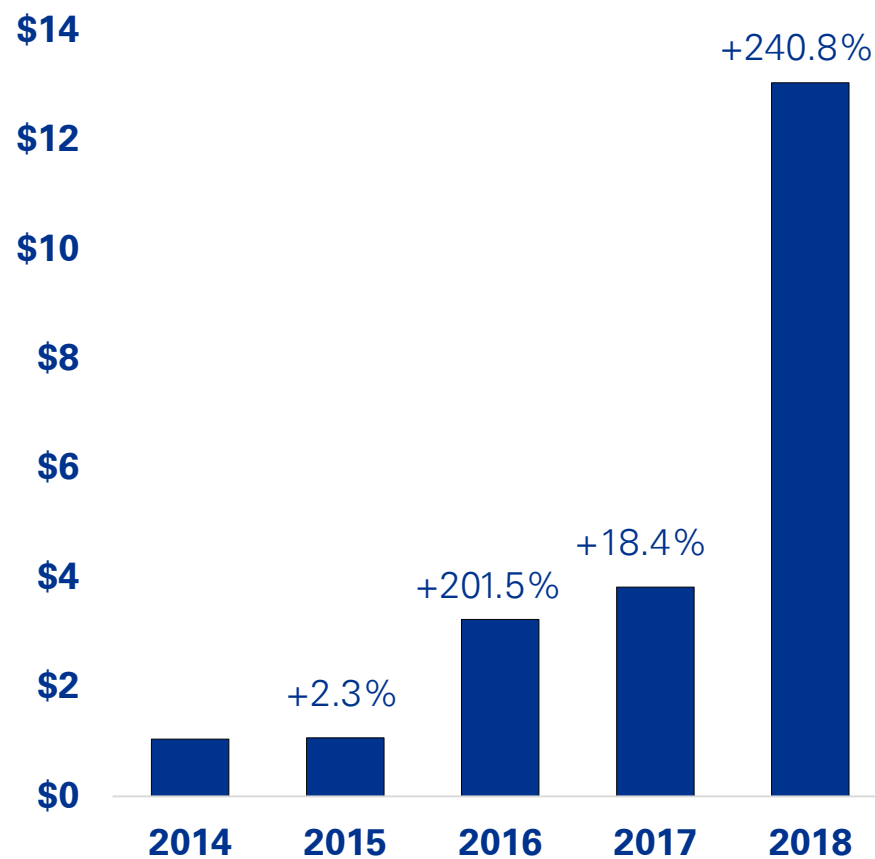
- Significant annual financial investment (\$8.3 million budgeted for 2019)
- Discretionary service that is fully funded by municipal levy (no senior government support)
- Questionable incremental impact
  - No apparent correlation to assessment growth, building permit values or development charge revenues
  - Assessment growth in the Region appears to track to Canadian and Ontario GDP growth
- Public policy objectives (e.g. brownfield redevelopment, affordable housing) provide non-financial rationale for continuation

# Priority Opportunities

## Value of Building Permits Issued (in millions)



## Value of Development Charge Rebates (in millions)



# Next Steps

- Submission of final Service Sustainability Review report
  - Service profiles
  - Benchmarking and key performance indicators
  - Business cases
  - Program rankings
- Implementation of individual strategies



**kpmg.ca**



© 2018 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.

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 endeavour 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.