



TOWNSHIP OF BROCK

## 2023 Core Services Review (CSR)

Summary Report

September 2023



# 1.0 Brock Core Services Review: High Level Primer

## 1.1 Introduction and Context for Brock Core Services Review

Brock Council and staff recognize the need to modernize and streamline the Township’s operations and service delivery model. Brock has undertaken this Core Services Review (CSR) with the ultimate goal of achieving high value-for-money service delivery and securing a financially sustainable path forward.

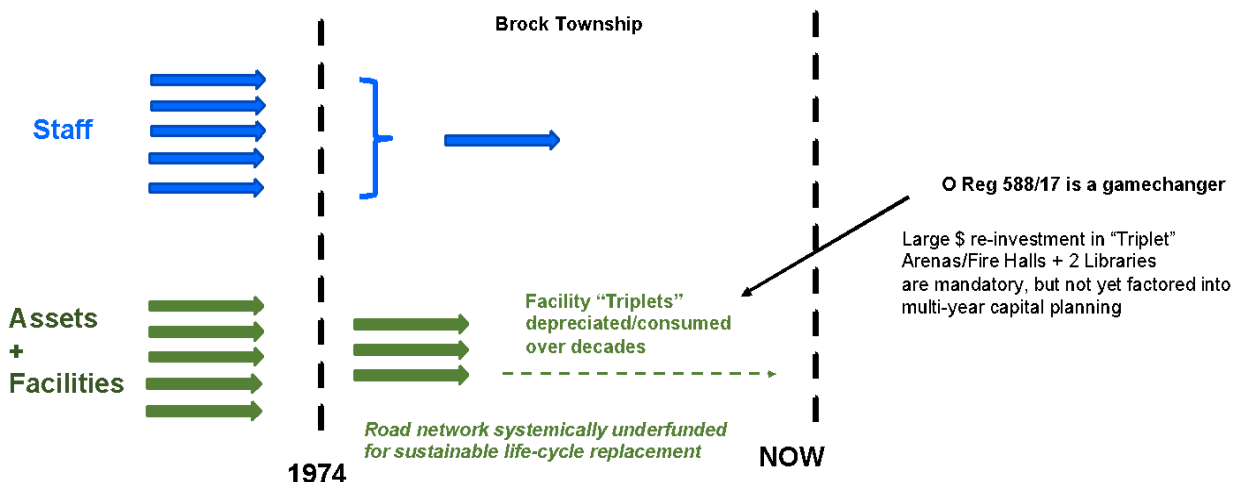
### 2020 Organizational Review

In 2020, Performance Concepts Consulting successfully executed a comprehensive Organizational Review for Brock Township. As a result of that modernization assignment, the Performance Concepts team created a services inventory organized by Department and re-configured Brock’s organizational structure around the principle of *Form Follows Function*. Key recommendations from the Organizational Review are well on the way to being fully implemented (i.e., Mature Brock) resulting in a revitalized/ stabilized CAO + leadership team with clear performance mandates.

### Unfinished Business in Creating Mature Brock

Brock was created via Provincially mandated amalgamation in 1974. Over subsequent years, Brock took steps to integrate/consolidate some of its operations and create a unified staffing model. However, the integration/consolidation approach was not taken for a range of municipal facilities (see Figure below).

## Amalgamation Realities



While the population of the amalgamated Brock did not require “triplet” assets and facilities, each inherited facility was in good condition and had significant life-cycle capacity remaining. Not surprisingly, the triplet facilities were retained. Over subsequent decades, the life-cycle capacity of the “triplets” has been consumed/depreciated. They are now in need of significant rehabilitation/re-investment. This life-cycle asset management requirement has not yet been factored into Brock’s multi-year capital planning. The triplets represent an unfunded capital liability that does not show up on the books – yet.

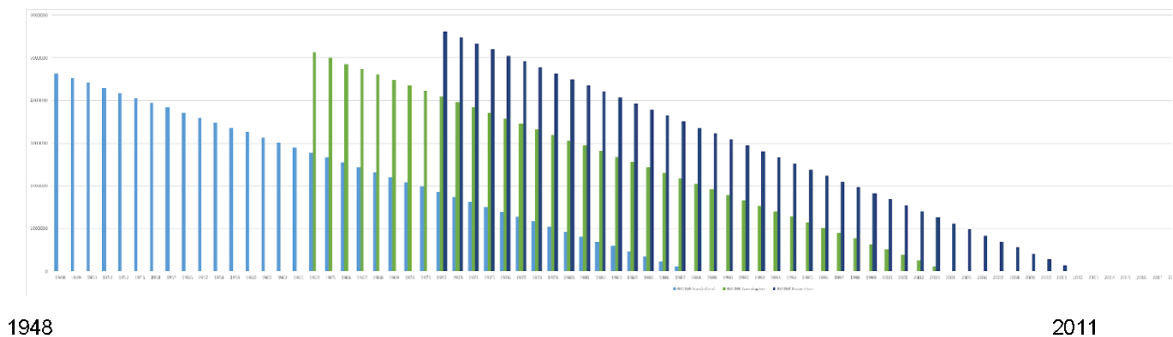
### Meeting O Reg 588/17 Asset Management Obligations

The Province, through O Reg 588/17, has mandated a sustainable asset management model for phased adoption across the Ontario municipal sector. By mid-2025, Ontario municipalities must implement a sustainable rehab/replacement financial plan to maintain service levels and implement a life-cycle asset management driven maintenance/capital program.

With Brock’s “triplet” facilities unfunded capital liabilities + a road network that is systemically underfunded, Brock faces a daunting challenge to proactively secure financial sustainability.

The asset management figure below demonstrates the asset management financial exposure that Brock faces by operating 3 standalone Arenas.

## Asset Consumption – 3 Arenas



**All 3 Arenas are operating beyond their standard asset lifecycles!**

### 2023 Core Services Review

Given the realities of Brock’s financial sustainability challenge + the current uncertain economic climate (e.g., interest rates, inflation) + continuous improvement expectations of taxpayers, a Core Services Review is a logical next step towards modernization. The CSR will ensure that Brock’s portfolio of services (and their sub-components) will be critically reviewed and adjusted as necessary. Key Performance Indicators (KPIs) can/should be developed to measure service delivery performance/value for money and inform the annual budget cycle.

The CSR should guide Brock Council as it establishes the go-forward mix of services, and it provides an opportunity to align Council/Staff across this term of Council. The CSR and a supporting toolkit of KPIs and service delivery results targets will be critical for the Brock staff team to align their work with Council's strategic priorities (i.e., Wildly Important Goals).

## 1.2 Components of Brock's Core Services Review

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A successful Core Service Review "recipe" consists of several components (ingredients). Over the course of 2023, the Performance Concepts team has worked with Brock Council and staff to execute the Core Services Review. Highlights of CSR components that have been successfully executed include the following ingredients:

- A portfolio of *Key Performance Indicators (KPIs)* and go-forward *Results Targets* have been developed for Brock's key forward-facing services. Township staff will need to align these KPIs and Results Targets with the Township's annual budget process. A budget "*Results Contract*" can then be set by Council and staff to link service delivery outcomes to service delivery budgeted costs and subsequent operations.
- A wide-ranging *Brock Situation Analysis* has been completed. This impartial and data-driven SWOT-style analysis focused on internal strengths/weaknesses and external performance improvement opportunities/constraints.
- A *Council Performance Brand* has been developed – *A Financially Responsible, Modernizer Council*. This performance brand expresses Council's envisioned accomplishments when viewed through the lens of Brock's voters and taxpayers at the end of the current Council term.
- A set of *Wildly Important Goals (WIGs)* have been developed to guide/focus Council's future decisions and actions to stay focused and secure targeted results for Brock. Council's longer list of WIGs have been sorted into smaller "doable" packages (2-3 WIGs) that can be relentlessly executed in sequence over the term of Council.
- A *CSR Filtering tool* has been developed to triage forward-facing Brock services (or a specific sub-activity of a service) in order to reach a *maintain/discontinue/modify* decision point. De-cluttering the services portfolio will be necessary to secure a financially sustainable Mature Brock moving forward.
- Low value-added service delivery models and activities have been identified/confirmed for necessary and proactive restructuring or elimination - supported by applying the CSR Filtering tool.
- An interactive Public Information Session was executed to update Brock residents/community groups/property taxpayers, and secure feedback on the progress made across the CSR initiative.

The on line/in-person hybrid session provided a briefing to attendees and documented public input using an online interactive polling tool (See Appendix “5” Mentimeter online survey results). Community input will assist Council in implementing its CSR change agenda moving forward.

### 1.3 Asset Management Pressures and Ontario Reg 588/17

O Reg 588/17 is central to the execution of the CSR. Brock is currently exposed to significant asset management financial risks. O Reg 588/17 prevents municipalities across Ontario from kicking this unfunded liability ‘can’ down the road. All assets must be inventoried, condition rated, and positioned for Renewal or Rehab, Disposal, or Expansion.

## Reg 588/17 = Total Gamechanger

State of Local Infrastructure					Desired Levels of Service				AM Strategy					Financing Strategy					
Asset Types	Asset Valuation	Age	Condition	Updates	DLS through Performance Measures	Actual Service Levels	Service Level Trends	Performance Relative to Targets	Non-infrastructure Solutions	Maintenance	Renewal/Rehab	Disposal	Expansion	Procurement	Risk Assessment	Expenditure Forecast	Revenue Forecast	Funding Shortfalls	Costing

PROVINCIAL DEADLINE: JULY 2025

*Province is determined to compel municipal sector compliance via a mix of carrot and stick tactics*

The *Situation Analysis* set out in this Report will document the stark multi-million dollar asset management choices facing Brock (see Appendix).

### 1.4 Driving Continuous Improvement & Sustainable Service Delivery

Like all municipalities, Brock builds and maintains infrastructure to provide services for residents and businesses. These services support quality of life, protect health and safety, and promote social, economic, and environmental well-being. Preserving that infrastructure and managing resources effectively is critical to the mission of the Township.

Sustainable service delivery requires strategic focus, developing, and integrating assets, information management, people management, and stable finances over time. Steady, incremental continuous improvement can play a key role in creating a mature/sustainable Brock. The CSR + KPIs and results targets are critical tools positioning Brock to deal with aging infrastructure, the current unfunded liability around asset management, and public expectations around service levels.

The CSR will launch Brock on a sustainable operational and financial trajectory by informing/challenging Brock Council re. the go-forward mix of services. Council and staff alignment early in this term of Council is necessary to meet Brock’s challenges impartially documented in the Situation Analysis. The timing of the CSR is beneficial - it can counteract years of underinvestment in asset maintenance and renewal that are now catching up to Brock in the form of increased emergency repair requirements, service delivery interruptions, and resident dissatisfaction with service levels.

## 2.0 Overarching Approach for Core Service Reviews

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### 2.1 CSR Principles: Doing the Right Things. Doing Things Right.

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An effective Core Service Review addresses two fundamental/overarching objectives as per the figure below.

- Accountable and innovative Municipalities strive to ensure they are **Doing the Right Things**.
- Accountable and innovative Municipalities strive to ensure they are **Doing Things Right**.

## Core Service Review Principles



### 2.2 Doing the Right Things in Brock

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The following CSR outcomes are consistent with the data-driven *Situation Analysis* and the Township’s 2020 Organization Review:

- One Brock served by one set of core facilities where appropriate...
  - *Completing the Unfinished Business of Brock Amalgamation*

- Proactively addressing the Reality of Unfunded Capital Liabilities
  - *Meeting O Reg 588/17 Asset Management Obligations*
- Freeing up fiscal capacity to subsequently address Council’s evolving “Wildly Important Goals”
  - *Fixing existing service delivery/facilities before adding new services/programs*

## 3.0 Key Performance Indicators (KPIs) & Results Targets

### 3.1 KPI Design & Reporting

On a go-forward basis, Brock Council and the staff leadership team are committed to delivering high quality service delivery results to residents and taxpayers. Key Performance Indicators (KPIs) have been developed to measure results in an accountable and transparent fashion. Brock will be able to use historic KPI data sets to set future-oriented performance targets.

KPIs + performance targets can be positioned within a Results Dashboard to drive internal operations and align staff effort with measurable accomplishments. Dashboard reporting can be linked to Brock’s strategic planning, long-term master planning, and annual operational planning. Technology investments will be critical to make meaningful progress around timely/efficient population of KPIs with operational and financial data.

Brock will be able to use KPI data sets to tell a data-driven, results-driven story to taxpayers about the Return On Investment received for their hard-earned tax dollars (see Figure below).

# KPIs Generate Accountability for Real World Results

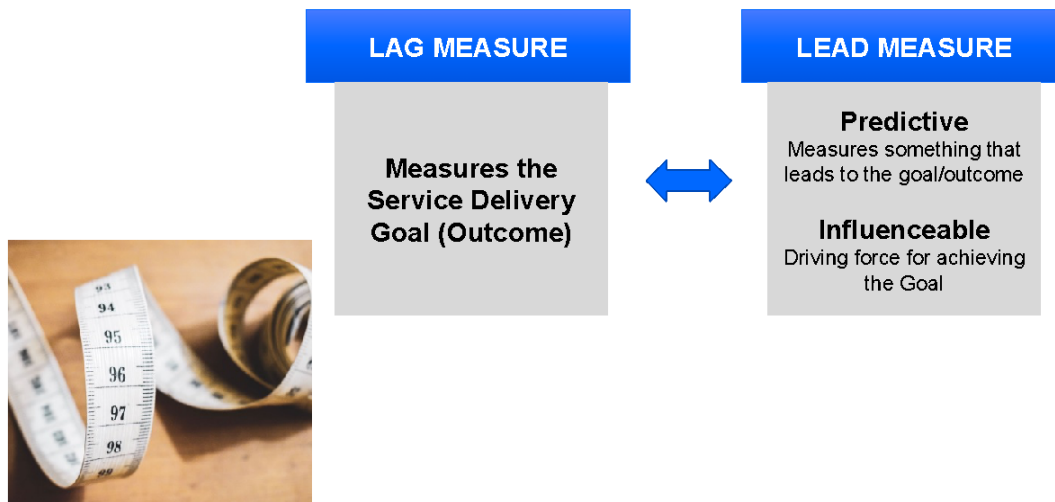


Brock has adopted a state-of-the-art approach to designing its KPI framework. Core Services delivered by Brock will feature two types of KPIs:

- LAG measures
- LEAD measures

LAG measures will measure the desired goal/outcome for each Core Service. The LAG measure is, by definition, backwards looking – it measures Brock’s service delivery accomplishments by tapping into a “rear view mirror” data set. In contrast, LEAD measures are predictive. A LEAD measure tracks actions and behaviours that will eventually secure the desired LAG measure result. LEAD measures are *predictive* of the LAG result/goal, and they are influenceable – Brock staff can make them happen by applying focus and disciplined effort.

## 4DX: Lag versus Lead Measures



When applied together, LAG and LEAD KPIs can transform Brock from a bureaucratic process-driven government into an agile results-driven organization that is guided by measurable data streams and quantifiable results targets.

### 3.2 Setting Service Delivery Performance Targets

Once KPIs are in place tracking historic service delivery performance in Brock, forward-looking *meaningful performance targets* can be developed by referencing historic data sets and incorporating desired levels of improvement.

Staff have already developed an initial set of performance targets derived from KPIs that are now going being tracked in budget year 2024.



### 3.3 Integrating KPIs with Annual Budget Process

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By integrating KPI results targets and reporting with the annual budget process, Brock will be able to create a “results contract” between staff and Council. The results contract can be expanded into a broader commitment between Brock and local residents and taxpayers. In exchange for a spending level budget of “x”, the staff team will commit to a results-driven performance target of “y”. This contract can then be tracked over the fiscal year and actual results can be compared to initial targets. The results contract will create accountability and fuel continuous improvement efforts. A mature *Plan-Do-Check-Act* cycle of operations is the key to making KPIs pay-off for Brock.

## KPIs Align Operational Planning + Budget in a “Results Contract”



### 4.0 Setting the Scene for CSR Recommendations: A Brock Situation Analysis

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#### 4.1 Evidence-Based Situation Analysis Informs Future CSR Restructuring

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The Performance Concepts team has built-out a wide-ranging performance snapshot of Brock’s “As Is” current state. The current state performance snapshot documents Brock’s strengths/weaknesses and performance improvement opportunities. The snapshot has considered organization design, operational practices/processes, staffing levels, deployment/scheduling models, information management systems, spending profiles, and facilities design/adequacy.

#### Strengths to Build On

The “As Is” Situation Analysis identified the following foundational strengths:

- Re-configured Brock organizational structure around the *Form Follows Function* principle

- A revitalized/stabilized CAO and leadership team with clear mandates
- Council willingness to take action to modernize operations and reduce service delivery costs
- Brock's moderately strong financial balance sheet and accumulated reserves and reserve funds
- Durham Region's forecast of slow but steady population and employment growth in Brock.

### **Council Perspectives**

As community leaders and often the first point of contact for residents, Council Members have a unique perspective re. Brock's core services. Tapping into that governance/political perspective is a vital component of the CSR exercise.

The Performance Concepts team conducted a series of interviews with the Mayor and each member of Council. The following themes emerged:

- Brock currently delivers a package of essential "core" services that its residents expect.
- Council is aware there is a desire from some residents for enhanced "discretionary" services, such as off-leash dog parks and more robust recreational programs and community events.
- Brock staff is dedicated, supports Council, and works well as a stable professional team.
- Communication and public engagement opportunities could be improved moving forward.
- Council recognizes that there is a challenge in not having yet achieved an efficient post-amalgamation "One Brock". Providing the same facilities/programs/services (i.e., arenas, libraries, day camps, etc.) in each of the 3 settlement areas is expensive and perhaps unsustainable.
- Opportunities for Brock to significantly grow its taxable assessment base are limited due to Durham Region servicing constraints in all of the settlement areas.
- Council supports more proactive by-law enforcement to address ongoing infractions and reduce citizen complaints.
- Council is open to the concept of shared service delivery with other North Durham/bordering municipalities to reduce and share fixed costs.
- Council is aware that Brock's facilities and infrastructure is aged and in need of rehabilitation or replacement.
- Council indicated that they feel that Brock is not yet achieving its "best self". Steps need to be taken to modernize operations and reduce costs in order to become more affordable/sustainable.

### **Amalgamation Realities - Unfinished Business**

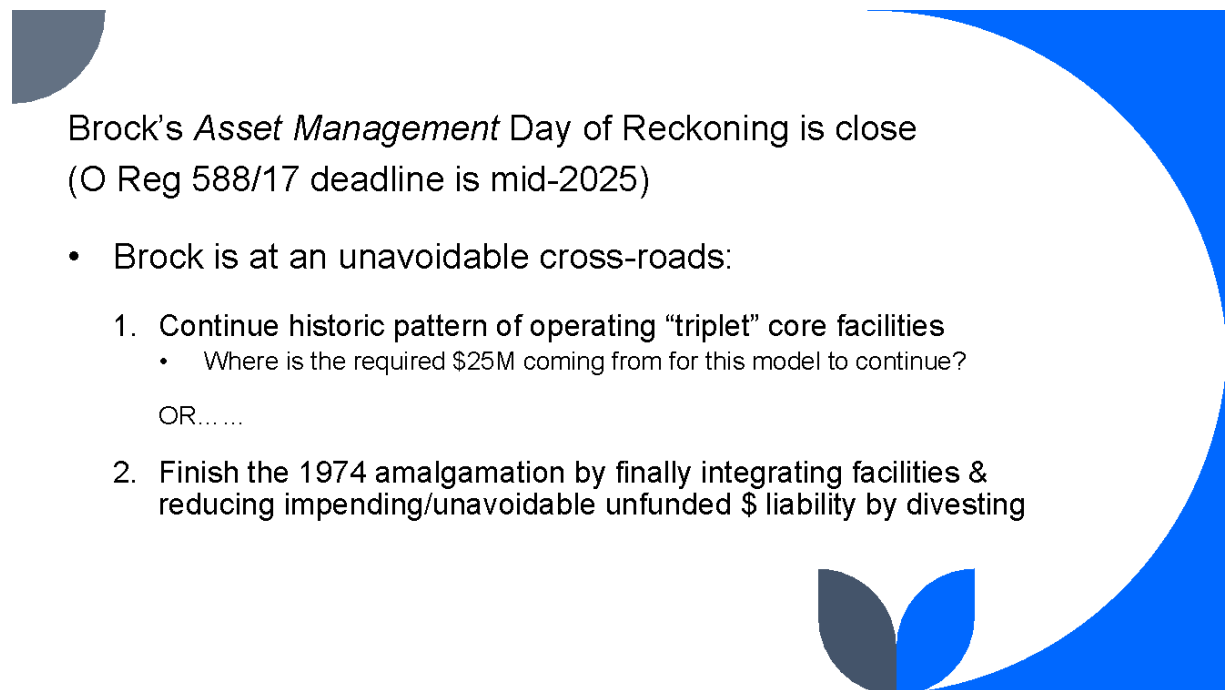
Since amalgamation in 1974, Brock has taken steps to integrate/consolidate all its day-to-day operations and staff team. However, that same approach was not taken across multiple/duplicated facilities. Each of the primary settlement areas (Beaverton, Cannington, and Sunderland) have an arena, a fire hall, and a library. While the population of the amalgamated Brock did not/does not necessitate having "triplet" facilities, each facility inherited at amalgamation was in good condition and had significant life-cycle capacity remaining. Not surprisingly, all of those facilities were retained.

Over the decades, Brock has utilized its facility “triplets” appropriately. However, many of these assets have now essentially been consumed/depreciated, and most need significant rehabilitation/re-investment. In addition, Brock has had to deal with the integration of multiple inherited road networks that have not always received the life-cycle based funding necessary to be sustainable.

### **2019 Asset Management Plan & Upcoming 2024 AMP**

Currently, based on the “triplet” model and the underfunded road network, Brock has at least \$25 million of unfunded liability tied to core Township assets. As a result, Brock will face a significant operational/fiscal challenge to meet the asset management requirements of O Reg 588/17. This asset management mandate imposed by the Province stipulates that by July 2025, all Ontario municipalities must have viable life-cycle based approaches to fund (or dispose of) their assets. The impact of this financial obligation has not yet been accounted for in Brock’s long term capital planning.

The figure below sets out the Performance Concepts team’s updated approximation of Brock’s asset management challenges associated with duplicated assets at/approaching their end-of-useful-life.



**Brock’s *Asset Management* Day of Reckoning is close**  
(O Reg 588/17 deadline is mid-2025)

- Brock is at an unavoidable cross-roads:
  1. Continue historic pattern of operating “triplet” core facilities
    - Where is the required \$25M coming from for this model to continue?
  - OR.....
  2. Finish the 1974 amalgamation by finally integrating facilities & reducing impending/unavoidable unfunded \$ liability by divesting

### **North Durham Peers Generate Service Level Pressure**

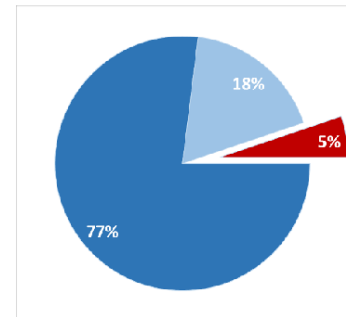
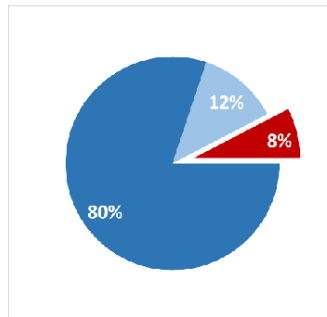
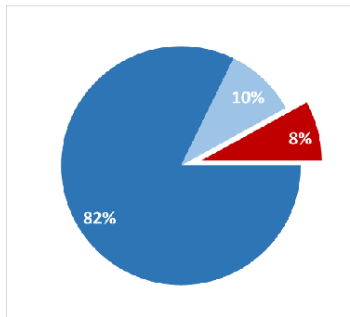
In analyzing the “As Is” Brock, Performance Concepts took a comparative look at the other North Durham municipalities – Scugog and Uxbridge.

Brock has less paved km of roads when compared to its North Durham neighbours, however, Brock has notably more arenas, fire stations, and libraries as well as almost twice as many bridges/culverts.

FACILITY	UXBRIDGE	SCUGOG	BROCK
Libraries	1	1	3
Fire Stations	1	2	3
Arenas	1	2	3
INFRASTRUCTURE	UXBRIDGE	SCUGOG	BROCK
Paved lane km	530	450	269
Percentage Good/V. Good	48%	65%	62%*
Paved lane km / 100 supporting households (taxpaying units)	6.5	5.0	5.1
Bridges/Culverts (sq m)	3,174	2,174	6,410

Brock has significantly less commercial and industrial assessment than Scugog and Uxbridge, resulting in higher residential tax rates.

## Taxable Assessment Shares



### Residential Tax Rates

**0.29%**

UXBRIDGE

**0.33%**

SCUGOG

**0.46%**

BROCK

**Red Piece = Commercial/Industrial with higher effective tax rates**

Brock has no long-term debt (as of 2021) resulting in significantly more debt capacity than its North Durham neighbours to be able to finance major capital infrastructure projects.

# Financial Health Indicators

## Municipal Debt

Debt Indicator	UXBRIDGE	SCUGOG	BROCK
Debt (as of 2021)	\$11,053k	\$1,548k	\$0
Debt Charges	\$1,064k	\$179k	\$0
Debt Repayment Limit	\$3,407k	\$4,690k	\$2,873k

The Performance Concepts team has utilized this evidence-based Situation Analysis to inform the CSR and develop the Recommendations contained in this Report.

## 5.0 Establishing Council's Performance Brand

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All successful CSRs begin with the End in Mind. It is vitally important for Council to consider the end-of-term performance brand that they wish to secure. This brand expresses Council's desired accomplishments when viewed through the lens of Brock's voters and taxpayers at the end of the Council term.

### 5.1 Considering Potential Performance Brand Options

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The Performance Concepts team has worked with Brock Council to establish its envisioned performance brand. There are numerous performance brand options/hybrids that were considered by Council. A detailed survey/questionnaire was developed to assist Council in answering the following question:

*At the end of this term of Council...*

*As you turn and look backwards over your 4 years working together,  
what envisioned Results Brand best describes your collective achievements?*

The Council Member survey results were compiled and rigorously analyzed. The following performance brand options were identified:

#### **A Fiscal Restraint Council**

- Focused on keeping taxes to rate of inflation and saying 'no' to capital or operating cost pressures
- Ensuring that Brock's residential tax burden is competitive vis-à-vis North Durham neighbour municipalities

#### **A Financially Responsible Council**

- Focused on actions to become 'One Brock' re. a sustainable asset/facilities model
- Addressing Brock's asset management unfunded liability
- Ensuring existing assets/facilities/services are properly funded and maintained before adding new ones
- Divesting assets that no longer provide good value for money

#### **A Modernizer Council**

- Focused on investing in modern technology tools to provide more efficient service delivery
- Measuring service results and setting targets linked to budget cycle and outcomes
- Implementing policies and programs to modernize operations and ensure continuous improvement
- Partnering with other municipalities or community groups to lower costs of service delivery

#### **A Green Government Council**

- Focused on more environmentally sustainable practices
- Investing in more green initiatives
- Establishing policies and programs to reduce Brock's carbon footprint to mitigate the impacts of climate change

#### **A Growth & Development Council**

- Focused on growing the local tax base
- Prioritizing multi-residential and non-residential development projects to diversify the tax base
- Taking action to address serving capacity constraints that impede development
- Addressing housing affordability challenges when planning for growth

#### **A 'Cut the Ribbons' Council**

- Focused on building more municipal facilities
- Expanding programs and services to meet community desires
- Ensuring that facilities, services, and programs are provided equally to all three communities
- Increasing arts & culture programs, community, and special events

## **5.2 Council's Go-Forward Performance Brand**

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In order to design/capture Council's predominant Council Performance Brand, the results of the survey were further refined. A clear consensus Brand emerged among Council members: Brock Council wants to function/identify as a ***Financially Responsible, Modernizer Council***.

The **Financially Responsible/Modernizer Council** performance brand encompasses the following elements:

- A focus on capital restructuring challenges to become “One Brock” re. a sustainable asset/facilities model
- Addressing Brock’s asset management unfunded liability
- Ensuring existing/core assets/facilities/services are properly funded and maintained before adding new discretionary elements
- Divesting assets that no longer provide good value for money and constitute a redundant unfunded liability
- A focus on investing in modern technology tools to provide efficient service delivery results
- Measuring service results and setting targets linked to budget cycles and desired outcomes
- Implementing policies and programs to modernize operations and drive a cycle of continuous improvement
- Partnering with other municipalities or community groups to lower/share costs of service delivery.

The **Financially Responsible, Modernizer Council** brand has informed the subsequent CSR work plan and recommendations. This alignment ensures that CSR generated change initiatives will be consistent with the Council’s performance expectations as community leaders of Brock.

## 6.0 Council Strategic Priorities: Wildly Important Goals

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### 6.1 Process for Identifying Potential WIGS

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Following the highly regarded/proven change management program set out in *The 4 Disciplines of Execution (4DX)*, Brock needs to set Wildly Important Goals (WIGs) that align outcomes (or goals) with execution-driven actions and timelines.

The formula for a well-crafted WIG is as follows:

Complete ACTION “X” + Within TIMEFRAME “Y” = OUTCOME

The 4DX process starts with the desired outcome in mind. Brock must then relentlessly commit to “must execute” actions and an unwavering timeline for achieving the outcome (WIG).

#### Sample: Wildly Important Goals (WIGs)

Wildly Important Goal = Weight loss of 10 lbs. by July 31st

Todd will run 10 km a day and forego 2<sup>nd</sup> Wedge pizza to lose 10 lbs by July 31<sup>st</sup>.  
(action + timeline = outcome (WIG achievement))

Council's strategic priorities (WIGs) are the front-end of a successful CSR - they set the stage for where Brock needs to look when shedding low value-added work/assets, and where Brock may need to augment existing resourcing levels.

## 6.2 Council Endorsed WIGs

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When establishing WIGs, Brock Council considered a range of challenges identified in the "As Is" Situational Analysis:

- Moving to "One Brock"
- Asset Rationalization
- Addressing Fiscal Realities
- Modernized Service Delivery.

The following WIGs were endorsed by Brock Council as strategic priorities that align with the **Financially Responsible, Modernizer Council** performance brand:

### **"Financially Responsible" WIGs**

#### **WIG #1 - "One Brock" AMP**

*Complete a Core Services Asset Management Plan that embraces a "One Brock" approach to facilities rehab/ reconstruction & divestiture*

- *Conduct a condition assessment of all buildings/ facilities to establish priority and plan for rehab/ reconstruction projects.*
- *Council approval by mid-2024*

#### **WIG #2 - Multi-Year Roads Sustainability Plan**

*Create a Roads Sustainability multi-year business plan that incorporates targeted levels of proactive surface maintenance hours/\$ as well as required capital upgrades to maintain or improve Pavement Quality scores*

- *Create business plan in 2024 & begin implementation in 2025 budget cycle*
- *Monitor Pavement Quality and report on reduction in capital unfunded liability by end of 2025*

#### **WIG #3 - "State of the Infrastructure" Annual Report**

*Deliver "State of the Infrastructure" annual reports to Council in order to track progress in reducing unfunded liabilities identified in the Asset Management Plan and maintain momentum around identified asset/facility divestiture commitments*

- *Deliver initial "State of the Infrastructure Report in Q1 2025*



#### **WIG #4 - Fire Station Location Review**

*Execute a Fire Station Location Review to evaluate the feasibility of modifying the existing 3-station model in Brock.*

- *Execute Station Location Review in Q1-2 2024 in order to inform Core Services Asset Management Plan due in mid-2024*

#### **“Modernized Services” WIGs**

#### **WIG #5 - Annual Budget to be Informed by Results Targets and Reporting**

*Transform Brocks annual budget cycle by introducing service delivery RESULTS TARGETS and Key Performance Indicator (KPI) RESULTS REPORTING*

- *Pilot Implementation in 2024 budget cycle followed by full Implementation for all Brock core services in 2025*

#### **WIG #6 - Implement Work Order Technology Solution**

*Implement a state-of-the-art Work Order/Maintenance Management technology solution in order to deliver planned maintenance programs across Brock’s network of roads, bridges, culverts, parks, sports fields, arenas, and cemeteries*

- *Secure & configure the technology solution in 2024 and “go live” January 1<sup>st</sup> 2025*

#### **WIG #7 - Initiate Formal Shared Services Program**

*Initiate a formal/on-going Shared Services program with North Durham (or other) municipal partners*

- *Create a service sharing program “framework” for evaluating service sharing proposals by mid-2024*
- *Select/begin implementing a pilot service sharing deal before the end of 2024*

### **6.3 Building WIG Combinations/Clusters to Maintain Focus**

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Municipal Councils can sometimes fall victim to the understandable urge to have lots of priorities. It is hard to say No to good ideas. However, the management science is clear. If you try to focus on 10 priorities simultaneously, you will achieve none and actually end up having *no* priorities. Council’s non-strategic agenda will be *a mile wide and an inch thick*. You will fail (according to the management science).

# Setting Wildly Important Goals: The Law of Diminishing Returns



*The fundamental principle at work is that human beings are genetically hardwired to do one thing at a time with excellence.*

Focusing on a small number (2-3) Wildly Important Goals *at any given point in time* is the recipe for strategic success. *Council endorsed clusters of 2-3 Wildly Important Goals (aligned with its Performance Brand) will drive the technical aspects of the CSR and will inform future budget cycles and operational planning at Brock.*

*Completed Wildly Important Goals can/should be replaced over time with new ones.* In this sense, Brock Council may have many WIGs (strategic priorities) but has wisely opted to deal with them in achievable clusters of 2 or 3 at a time. Accordingly, the Council endorsed WIGs have been organized into clusters that allow for a phased execution organized around the triaged timelines “**Do Now**” followed by “**Do Next**”.

## **WIG Cluster #1 - Do Now WIGs**

- WIG #1 - ‘One Brock’ AMP
- WIG #2 - Multi-Year Roads Sustainability Plan
- WIG #6 - Implement Work Order Technology Solution

The recommended “Do Now” #1 WIG cluster requires action immediately and over the next year to:

- a. Meet pending asset management legislative requirements
- b. Achieve a sustainable asset/facilities model
- c. Begin to modernize operations to achieve efficiencies.

As the “Do Now” Cluster #1 is executed, the following “Do Next” WIG Clusters are lined up in the wings ready for action.

**WIG Cluster #2 - Do Next WIGs**

- WIG #3 - “State of the Infrastructure” Annual Report
- WIG #5 - Annual Budget to Be Informed by Results Targets and Reporting

**WIG Cluster #3 - Do Next WIGs**

- WIG #4 - Fire Station Location Review
- WIG #7 - Initiate Formal Shared Services Program

## 7.0 Triage Tool for CSR Restructuring

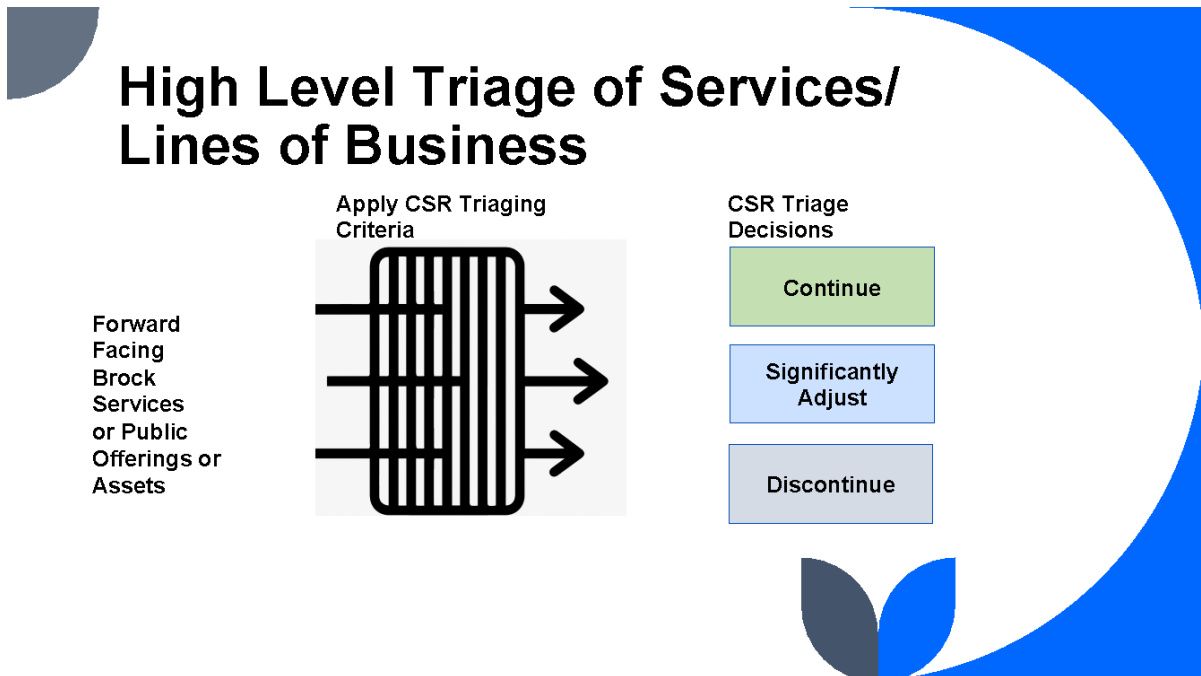
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### 7.1 Overview of Filtering/Triage Tool

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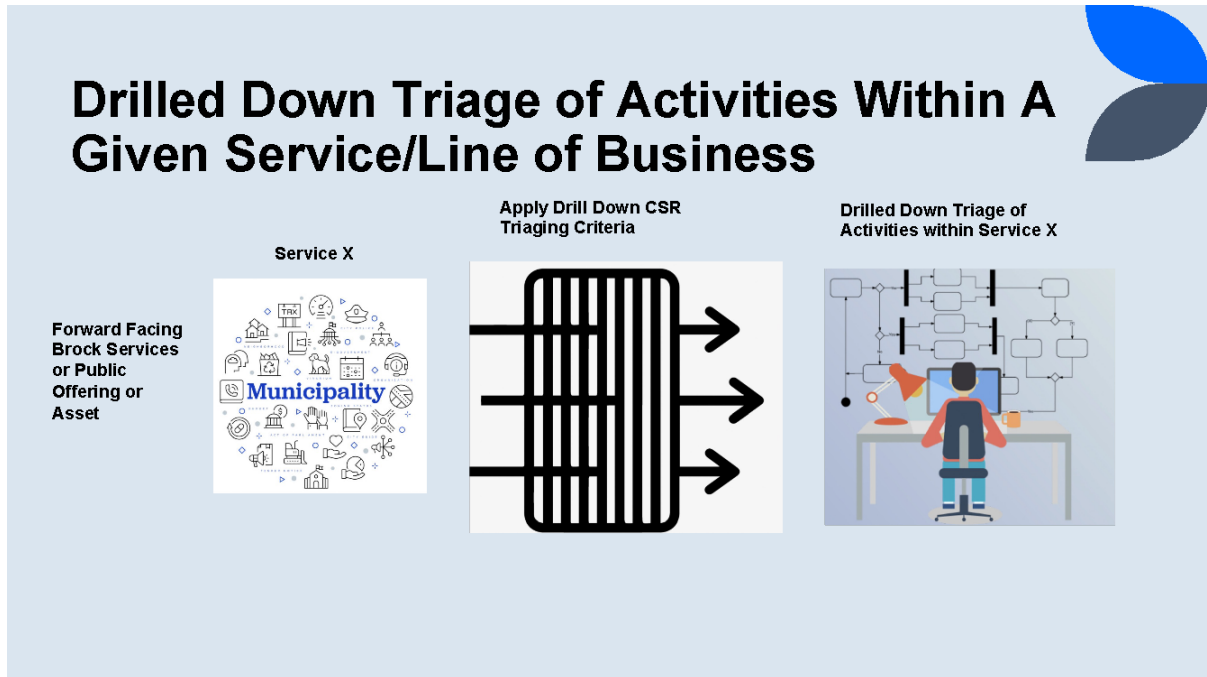
Core Service Reviews are hard. In many instances, they require a municipality to stop doing things that Council and/or staff once thought were good ideas. Cleaning house (decluttering) is never easy, but it is necessary.

A rational approach to CSR de-cluttering requires an objective filtering tool. That tool can be used to triage entire Brock services and/or identify specific elements of service delivery for de-cluttering or alternative delivery mechanisms.



Service sharing with other Durham or border municipalities can be considered. Offloading to community organizations or the private sector can also be considered, as can simply eliminating delivery altogether.

A filtering algorithm has been developed to support triaging and house cleaning/de-cluttering (see the 2 related Figures).



## 7.2 Initial High Priority Services/Assets for CSR Triage

The Performance Concepts team has identified the following as initial high priority services or assets to be triaged using the filtering algorithm. These were selected in response to recognized financial or operational challenges/deficiencies as well as municipal best practices and/or long-term service delivery sustainability.

### Manilla and Wilfrid Community Halls

The Manilla and Wilfrid Community Halls are rentable facilities that are managed/maintained by Brock Township. Providing this service/asset is entirely discretionary and usage of the community halls benefits only a limited number of residents or user groups.

A financial analysis of the community halls demonstrates that the annual costs of operating the halls (\$26,672 in 2022) greatly exceeds the rental revenue generated (\$3,435 in 2022). In addition, each of the

halls has a significant unfunded asset management liability that has not been accounted for in Brock's long term capital planning.

When the filtering algorithm is applied (see Figure below), the resulting conclusion is that the hall rental service should be discontinued, and community halls divested. This would avoid the fiscal impact of resolving the unfunded liability and result in a positive budget impact from eliminating the taxation subsidy, thus creating room in the municipal budget to fund other high priority municipal services.

<b>Service Under Review</b>		
<b>Specific Service Component/Activity/Asset</b>	Wilfrid & Manilla Community Halls	<b>Descriptive Notes</b>
<b>Lead Department Managing the Service/Activity/Asset</b>		Additional features/assets on properties beyond Halls
<b>Description of Service or Specific Component/Activity/Asset</b>	Rentable facilities managed/maintained by Brock Township.	
<b>IS THE SERVICE (Component/Activity/Asset) DISCRETIONARY?</b>		YES
<b>ALIGNED WITH COUNCIL PRIORITIES?</b>	Does the provision of the Service (Component/Activity/Asset) align with Council's Adopted Brand? Does the provision of the Service (Component/Activity/Asset) align with one or more of Council's Wildly Important Goals Does the provision of the Service (Component/Activity/Asset) align with existing Brock Plans (i.e. Strategic Plan, Asset Management Plan, Master Plan)	NO NO NO
<b>BENEFITS GENERATED?</b>	To whom (and to what extent) does the Service provide a benefit: - Brock Residents/Public at Large - Specific User Groups/Community Groups - Individual Resident/Business	No Yes Limited Yes Limited
<b>DATA PROFILE</b>	Countable Unit of Service (Examples: lane km maintained, calls for service, application volumes, rentable hours.)  Number of Units of Service Delivered Annually Gross Operating Cost per Unit of Service Total Budget Gross Operating Costs (annual) Budgetary Pressures/Trends	<b>Hall Rental Hours</b> 4,380 available rental hrs per hall per year - in 2020 Manilla only rented 366 hrs, Wilfrid only 524 hrs \$29.97 per hour rented (approx.) \$26.672 Increasing

<b>SERVICE DELIVERY RESOURCES</b>	Personnel Do staff directly provide the service? Do we have enough staff capacity to continue to provide the service? Do we need to hire more (or differently skilled) staff to provide the service? Facilities Do we currently have a facility to provide the service? Do we have enough capacity in the facility to continue to provide the service? Do we need additional or different facilities to provide the service? Assets Do we have the assets necessary to provide the service? Do we have enough assets to continue to provide the service? Do we need additional or different assets to provide the service?	NO N/A NO YES NO YES YES YES NO YES	<b>Comments/Rationale</b> Contracted maintenance No identified contractor capacity constraints Existing contractor model satisfactory Facility condition ratings indicate at end of useful life-cycle Maintenance capacity sufficient but capacity constrained moving forward Current facilities not sustainable under O Reg 588/17 without significant \$ upgrades Short term delivery can continue despite unfunded liability Assets insufficient in Medium term \$ beyond - unfunded liability MUST be addressed Require O Reg 588/17
<b>FISCAL PROFILE</b>	Operating \$ Capital \$ Asset Mgmt Tax Subsidy User Fee Tax Subsidy Details Is the service currently budgeted for in the operating budget? Is the cost of capital currently budgeted for in the capital budget? Have the assets been recorded and accounted for in the AMP? Is the Service typically subsidized by municipal/provincial taxes across Ontario municipalities? Is a user/fee typically charged by an Ontario municipality? - Total or partial cost-recovery? What is the current degree of taxpayer subsidy in Brock? Has Council formally approved this level of taxpayer subsidy?	YES Partially Not Applicable NO Yes Total Recovery High YES	<b>Comments/Rationale</b> Some capital \$ allocated - but insufficient to address unfunded liability Continuing facility availability (beyond short term) will have net new tax/budget impacts Rental revenues should recover 100% of operating costs + annual capital depreciation Current Brock fee structures do NOT recover all operating costs + capital depreciation Minimal rental revenues in Brock result in high subsidization...80% taxpayer subsidy Council annually accepts implicitly endorses net costs and low \$ rental recoveries
<b>SERVICE DELIVERY IMPACTS/RESULTS</b>	KPI Results? Meeting Performance Targets/Expectations? Value for Money Assessment	Measurable Negative NO Low	Significant/ongoing low cost recovery due to soft utilization resulting in low revenue flow No significant action taken to address utilization/revenue deficiencies Operating subsidy + unfunded capital liability - creates negative VFM assessment
<b>RISK CONSIDERATION</b>	Operational Evaluate Operational Risks Evaluate Operational Benefits Financial Evaluate Financial Risks Evaluate Financial Benefits Legal/Regulatory/Environmental Compliance	Low Risk Low Benefit High Risk Low Benefit High Risk	Contracted maintenance mitigates user risk Limited usage & low VFM equals low benefit Taxpayer subsidy + asset management unfunded \$ liability - highly problematic No discernible benefits O Reg 588/17 compliance has negative financial consequences - unfunded liability must go on the books - One Hall does not meet accessibility requirements
<b>NEXT STEP ACTIONS</b>	Service Delivery Decision Reflecting Risk Considerations	Discontinue	
Rationale for Decision	Summary of Rationale for Change or No Change	Describe Briefly	Avoids fiscal impact of resolving unfunded asset management \$ liability... Positive budget impact from eliminating tax subsidy - create redeployment \$ room in budget

## Beaverton-Thorah Health Centre

The Beaverton-Thorah Health Centre is a rentable facility for local health care providers that is managed/maintained by Brock Township. Providing this service/asset is entirely discretionary and usage of the facility benefits only a very limited number of health care providers.

A financial analysis of the health centre indicates that the annual rental revenues received from health care professionals does generate a modest operating surplus of (\$3,785 in 2022). However, this annual surplus is not sufficient to address future life cycle capital costs resulting in an unfunded capital liability.

When the filtering algorithm is applied (see figure below), the resulting conclusion is that the rental service should be discontinued, and health centre building divested. This would avoid the fiscal impact of resolving the unfunded liability which accumulates each year.

This type of service provision, while once common throughout the province, is now uncommon as most municipalities have divested assets to enable the private sector to deliver this type of service with manageable rental increases.

<b>Service Under Review</b>		
<b>Specific Service Component/Activity/Asset</b>	Beaverton-Thorah Health Centre	<b>CAO Endorsement?</b>
<b>Lead Department Managing the Service/Activity/Asset</b>		NO
<b>Description of Service or Specific Component/Activity/Asset</b>	Rentable Facility for Local Healthcare Providers	
<b>IS THE SERVICE (Component/Activity/Asset) DISCRETIONARY?</b>		YES
<b>ALIGNED WITH COUNCIL PRIORITIES?</b>		
Does the provision of the Service (Component/Activity/Asset) align with Council's Adopted Brand? Goals		NO
Does the provision of the Service (Component/Activity/Asset) align with existing Brock Plans (ie. Strategic Plan, Asset Management Plan, Master Plan)		NO
<b>BENEFITS GENERATED?</b>		
To whom (and to what extent) does the Service provide a benefit: - Brock Residents/Public at Large - Specific User Groups/Community Groups - Individual Resident/Business		No No Yes Significant
<b>DATA PROFILE</b>		
Countable Unit of Service (Examples: lane km maintained, calls for service, application volumes, rentable hours.)	Facility rentable square footage	
Number of Units of Service Delivered Annually	9016 sq. ft.	
Gross Operating Cost per Unit of Service	\$10.93	
Total Budget Gross Operating Costs (annual)	\$98,500	
Budgetary Pressures/Trends	Stable	

SERVICE DELIVERY RESOURCES			Comments/Rationale
Personnel	Do staff directly provide the service?	NO	Contracted maintenance No identified contractor capacity constraints Existing contractor model satisfactory
Personnel	Do we have enough staff capacity to continue to provide the service?	N/A	
Personnel	Do we need to hire more (or differently skilled) staff to provide the service?	NO	
Facilities	Do we currently have a facility to provide the service?	YES	
Facilities	Do we have enough capacity in the facility to continue to provide the service?	YES	
Facilities	Do we need additional or different facilities to provide the service?	NO	
Assets	Do we have the assets necessary to provide the service?	YES	
Assets	Do we have enough assets to continue to provide the service?	YES	
Assets	Do we need additional or different assets to provide the service?	NO	
FISCAL PROFILE			Comments/Rationale
Operating \$	Is the service currently budgeted for in the operating budget?	YES	Unclear whether \$ amount of life-cycle adequate since bldg condition unclear
Capital \$	Is the cost of capital currently budgeted for in the capital budget?	YES	
Asset Mgmt	Have the assets been recorded and accounted for in the AMP?	YES	
Tax Subsidy	Is the Service typically subsidized by municipal property taxes across Ontario municipalities?	NO	Not typically a municipal service at all... a private sector matter typically 100% rental recovery would be typical if it was a municipal service Operating costs recovered from rents but capital unrecovered... depreciation allowance discontinued Council annually accepts (implicitly endorses) non-recovered capital costs
User Fee	Is a user-fee typically charged by an Ontario municipality? Total or partial cost-recovery?	Yes Total Recovery	
Tax Subsidy Details	What is the current degree of taxpayer subsidy in Brock?	High	
Tax Subsidy Details	Has Council formally approved this level of taxpayer subsidy?	YES	
SERVICE DELIVERY IMPACTS/RESULTS			
KPI Results?		Measurable Negative	Significant/ongoing failure to recover capital...unfunded liability No significant action taken to address revenue deficiencies Unfunded capital liability creates low VFM
Meeting Performance Targets/Expectations?		NO	
Value for Money Assessment		Low	
RISK CONSIDERATION			
Operational	Evaluate Operational Risks	Low Risk	Contracted maintenance mitigates user risk Revenue stream only offsets operating costs Unfunded capital rehab liability...accumulates annually...no ongoing reserve fund \$ contribution No operational tax off-set being created for Brock by tenant revenue stream
Operational	Evaluate Operational Benefits	Low Benefit	
Financial	Evaluate Financial Risks	High Risk	
Financial	Evaluate Financial Benefits	Low Benefit	
Legal/Regulatory/Environmental	Evaluate Legal/Regulatory/Environmental Risks	Low Risk	
NEXT STEP ACTIONS			
Service Delivery Decision Reflecting Risk Considerations		Discontinue	
Rationale for Decision	Summary of Rationale for Change or No Change	Describe Briefly	Avoids fiscal impact of resolving ongoing/future unfunded asset management \$ liability... private sector service continuance is probable with manageable rental increases

### 7.3 Ongoing Application of Triage Tool

The Performance Concepts team has worked with Brock staff to triage the identified high priority services/assets. However, in many instances, there is insufficient data available currently to enable a detailed triaging of other Brock services/assets.

As more information becomes available through the implementation of KPIs and results-based management, Brock staff will be in a better position to use the filtering tool to triage additional services/assets.

As well, the completion of the following detailed studies/master plans will provide the necessary data collection to also facilitate the triaging of Brock services/assets:

- Updated Recreation Master Plan (currently ongoing) – providing updated strategy/ recommendations to address issue of replacing “triplet” arenas which are currently unaffordable and inconsistent with Council’s strategic directions (WIGs)
- Condition assessment of all buildings/facilities – providing detailed analysis to assist in maintenance forecasting and budgeting, as well as help to determine whether to renovate, sell, or demolish a facility
- Core Services Asset Management Plan – providing a rationalized “One Brock” approach to facilities rehab/ reconstruction & divestiture
- Fire Station Location Review – providing an evaluation of the feasibility of modifying the existing 3-station model in Brock.

## 8.0 CSR Recommendations for Brock

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The only way to eat the CSR “change elephant” is one bite at a time. Success will require a relentless focus on efficient service delivery execution using a range of tools and techniques. Restructuring Brock’s service delivery model will be complex and demanding in terms of Council and staff resources and bandwidth. It will require focus and perseverance to drive a successful implementation of CSR change. Rigorous Council/senior staff leadership and due diligence will be key to the success moving forward. An internal restructuring Road Map will need to be developed to guide the CSR implementation over the upcoming term of Council and its annual budget cycles. The result will be rational, multi-year change management that is sustainable and achievable. The result should be a “Sustainable Brock.”

### 8.1 **Recommendation: Muster Relentless Focus on Implementing KPIs & Results Based Management for 2024 Budget Cycle**

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The Performance Concepts team has worked closely with Brock to build a measurement driven, results-based culture of accountability using KPIs to set performance targets and drive efficient service delivery. KPIs and draft targets have been prepared for ongoing implementation (see Appendix).

*The 2024 budget cycle can/should be transformed into a “Results Contract” between staff and Council by establishing service delivery targets for Brock’s forward-facing core services. KPI data can/should be incorporated into draft budget development/justification.*

### 8.2 **Recommendation: Organize Immediately to Execute the “Do Now” #1 Cluster of WIGs Across 2024. “Do Soon” WIG Clusters #2 + #3 to Follow.**

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Brock Council has reviewed and indicated consensus support around the following “Do Now” WIGs cluster

- **WIG #1 - ‘One Brock’ AMP**
- **WIG #2 - Multi-Year Roads Sustainability Plan**
- **WIG #6 - Implement Work Order Technology Solution**

*The above #1 Cluster of WIGs should transition into implementation without delay in Q4 2023 and across 2024.*



### **8.3 Recommendation: Implement Triaged Divestiture of Manilla + Wilfrid Community Halls & Beaverton-Thorah Medical Centre**

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The Performance Concepts team has executed a “dry run” of the CSR Triage tool using two low-hanging fruit candidates for restructuring:

- Manilla and Wilfrid Community Halls;
- Beaverton-Thorah Health Centre.

Application of the Triage tool confirms that these assets/facilities are discretionary (not Core) and that annual revenue streams generated are not sufficient to address imminent life cycle capital replacement costs.

The rental program offerings at all 3 buildings should be discontinued before the end of 2024, and the buildings divested to avoid the fiscal impact of eliminating the unfunded liability within the upcoming asset management plan. This divestiture would create room in the municipal budget to fund other municipal services/capital liabilities.

### **8.4 Recommendation: Apply the CSR Triage Tool to Restructure Targeted Services/Assets & Scope the Upcoming “One Brock” AMP + Recreation Master Plan**

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The Performance Concepts team has worked with Brock Staff to identify additional targeted services/assets for possible restructuring/service sharing opportunities. These services/assets should be evaluated using the Triage Tool in an expedited manner to help inform Brock’s upcoming Asset Management Plan and Recreation Master Plan. These high priority services/assets for triaging include the following:

- Subsidized rental of arena space to day care operators
- Operation/maintenance/staffing of 3 arena pads
- By-law enforcement operations/animal control
- Fire suppression (3 station model)
- Road maintenance (selected activities).

While these services/assets have been identified as initial high priorities for triaging, it will be critical for Brock’s continuous improvement objectives to apply the Triage Tool systematically to an expanding range of Brock services/assets.

Brock should immediately apply the CSR Triage Tool to the targeted high priority services/assets to identify restructuring/service sharing opportunities to inform the 2024 Budget process.

In Q1-Q2 2024, Brock should proceed to use the triage tool to rationalize the inventory of assets that are included in the Asset Management Plan and Recreation Master Plan.

All other Brock services/assets should be triaged/evaluated, as situationally appropriate, to assist in making service level and service delivery decisions on a go forward basis.

### **8.5 Recommendation: Use CSR Triage Tool to Drive Service Sharing Investigation with Neighbour Municipalities**

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The CSR Triage tool can be effectively utilized to evaluate existing/new municipal services that are suitable for service sharing projects with North Durham or other neighbouring municipalities. Service sharing can significantly alter the triaged decision on whether to maintain/divest/initiate a municipal service or asset. The Triage tool can be jointly applied with a potential municipal service sharing partner.

### **8.6 Recommendation: Transition Various CSR Deliverables into a Comprehensive Brock Strategic Plan**

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The Performance Concepts team has successfully executed the CSR as per the requirements of the Brock RFP; producing results that Brock Council has used to develop its go-forward performance brand and frame their strategic priorities (WIGs) for this Council term.

A next logical step for Brock is to transition the results of the CSR into a comprehensive strategic plan. Establishing a comprehensive strategic plan allows Council to establish a framework that can guide decision making involving both Township staff and the public that can provide support and a rationale for decisions made. Brock can then ensure that the organizational structures and service delivery models are aligned with the strategic visions and goals that are established.

The various components of the CSR (Council performance brand, 3 WIG clusters, KPI informed service delivery targets, and Triage Tool) provide an ideal transition to a more comprehensive strategic plan. These building blocks all work together to promote a culture of continuous improvement in Brock and align the whole organization in working towards achieving strategic restructuring and long-term sustainability.

# Appendix: CSR Tools/Materials

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1. KPI + Performance Targets Package for Core Services
2. Brock Situation Analysis Package
3. Inventory of Council endorsed WIGS + “Do Now” and “Do Soon” WIGs Clusters
4. Brock Triage Tool (in Excel)
5. Results of Mentimeter.com Online Interactive Survey Tool

## **Appendix 1:**

# **KPI + Performance Targets Package for Core Services**

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The various KPI and Targets packages have been provided separately to Brock.

## Appendix 2:

# Brock Situation Analysis Package

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The Situation Analysis package has been provided separately to Brock.

## **Appendix 3:**

# **Inventory of Council endorsed WIGS + “Do Now” and “Do Soon” WIGs Clusters**

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The WIGs clusters have been provided separately to Brock as a standalone package

# Appendix 4:

## Brock Triage Tool

The following is a copy of the Brock Triage Tool Template. The actual Excel based tool has been provided separately to Brock.

<b>Service Under Review</b>		
Specific Service Component/Activity/Asset		CAO Endorsement?
Lead Department Managing the Service/Activity/Asset		YES
Description of Service or Specific Component/Activity/Asset		
IS THE SERVICE (Component/Activity/Asset) DISCRETIONARY?		YES
ALIGNED WITH COUNCIL PRIORITIES?		
Does the provision of the Service (Component/Activity/Asset) align with Council's Adopted Brand?		YES
Does the provision of the Service (Component/Activity/Asset) align with one or more of Council's Wildly Important Goals?		NO
Does the provision of the Service (Component/Activity/Asset) align with existing Brock Plans (ie. Strategic Plan, Asset Management Plan, Master Plan)?		N/A
BENEFITS GENERATED?		
To whom (and to what extent) does the Service provide a benefit: - Brock Residents/Public at Large - Specific User Groups/Community Groups - Individual Resident/Business		Yes Significant Yes Limited No
DATA PROFILE		
Countable Unit of Service (Examples: lane km maintained, calls for service, application volumes, rentable hours.)		
Number of Units of Service Delivered Annually		#
Gross Operating Cost per Unit of Service		
Total Budget Gross Operating Costs (annual)		
Budgetary Pressures/Trends		Stable
SERVICE DELIVERY RESOURCES		
Personnel	Do staff directly provide the service?	YES
Personnel	Do we have enough staff capacity to continue to provide the service?	NO
Personnel	Do we need to hire more (or differently skilled) staff to provide the service?	N/A
Facilities	Do we currently have a facility to provide the service?	YES
Facilities	Do we have enough capacity in the facility to continue to provide the service?	NO
Facilities	Do we need additional or different facilities to provide the service?	N/A
Assets	Do we have the assets necessary to provide the service?	YES
Assets	Do we have enough assets to continue to provide the service?	NO
Assets	Do we need additional or different assets to provide the service?	N/A
FISCAL PROFILE		
Operating \$	Is the service currently budgeted for in the operating budget?	YES
Capital \$	Is the cost of capital currently budgeted for in the capital budget?	Partially
Asset Mgmt	Have the assets been recorded and accounted for in the AMP?	Not Applicable
Tax Subsidy	Is the Service typically subsidized by municipal property taxes across Ontario municipalities?	YES
User Fee	Is a user-fee typically charged by an Ontario municipality? Total or partial cost-recovery?	NO User Fee
Tax Subsidy Details	What is the current degree of taxpayer subsidy in Brock? Has Council formally approved this level of taxpayer subsidy?	Low NO
SERVICE DELIVERY IMPACTS/RESULTS		
	KPI Results?	Measurable Positive
	Meeting Performance Targets/Expectations?	YES
	Value for Money Assessment	Medium
RISK CONSIDERATION		
Operational	Evaluate Operational Risks	High Risk
	Evaluate Operational Benefits	Low Benefit
Financial	Evaluate Financial Risks	High Risk
	Evaluate Financial Benefits	Low Benefit
Legal/Regulatory/Environmental	Legal/Regulatory/Environmental Compliance Risks	High Risk
NEXT STEP ACTIONS		
	Service Delivery Decision Reflecting Risk Considerations	Maintain - Modernized
Rationale for Decision	Summary of Rationale for Change or No Change	Describe Briefly

## **Appendix 5:**

# **Results of Mentimeter.com Online Interactive Survey Tool**

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Provided separately to Brock as a standalone package