

Appendix A: An Update on Actions Taken in Response to KPMG’s 2019 Service Review

August 2024

Service Review Opportunities without direct savings

Service Opportunity Title	Opportunity Description	Project Update and Key Milestones – as of November 2020	Project Update and Key Milestones – as of August 2024
Waterloo Crime Prevention Council (WRCPC)	Evaluate the need and service delivery approach for Crime Prevention Council services	<p>The design team, which consists of members of Waterloo Wellbeing and WR Crime Prevention Council, met at the end of September and determined that there is strong interest in a broader vision that encompasses the mandate of both organizations. There is currently a collaborative effort underway to map the common partners involved in Waterloo Wellbeing, WR Crime Prevention, Immigration Partnership and Children and Youth Planning Table.</p> <p>Significant milestones and target dates: - October - Holding 2 meetings to develop a common vision. Engaging a communications specialist to help clearly articulate the vision.</p>	<ul style="list-style-type: none"> The Waterloo Region Crime Prevention program ended on April 30, 2022. Since then, Regional council has endorsed a new Community Safety and Wellbeing Plan and invested significantly in new community-based funds to support a safe and well Waterloo Region for all. These include the Upstream Fund and Community Capacity Building Fund. The Region also funded Community Justice Initiatives (CJI), to create a community-based justice centre. The agreement was to fund CJI began April 1, 2022, for 5 years, for an amount of \$575,000 annually. Effective August 2024, after evaluating work completed to date and in consideration of new initiatives including the Plan to End Chronic Homelessness, the

		<ul style="list-style-type: none"> - November - Presenting the common vision to Connectors Hub (Waterloo Wellbeing) and Crime Prevention Council for input and endorsement. - December – Presenting common vision to Chair Redman/ CAO for feedback - January- February – Engaging key stakeholders to ensure support for the vision. - March – Presenting to Regional Council for approval along with a proposed implementation plan. 	<p>Upstream Fund and Community Safety and Wellbeing plan, the Region of Waterloo is no longer providing funding to CJI for this specific initiative as of December 31, 2024.</p>
<p>Social Development Services</p>	<p>Review the need for and service delivery approach for Social Development Services</p>	<p>The review of the Social Development Programs was completed on October 1, 2020. Recommendations have been presented to the Departmental Leadership team.</p> <p>Significant milestones and target dates: Draft report is complete. The Review identified that all three Social Development Programs are providing cost-effective and efficient services that work “<i>upstream</i>” to support individuals and families who live in low income. This was demonstrated during COVID when each of these services continued to be delivered and, in fact, responded in very flexible ways to ensure that the needs of vulnerable individuals and families are met. Unless Council decides differently, we see no cost savings to be achieved given that these services are provided by agencies in the community. A key finding (not new) is that because the funding amounts do not change year over year, each agency is actually doing</p>	<p>A review was completed of the Social Development Programs between July – September 2024.</p> <p>These upstream programs show a strong alignment with the Regional Strategic Plan, particularly in the area of equitable services and opportunities. These programs continue to provide cost-effective support to individuals, families and children in the community who live in deep poverty. Delivery of these programs reduces housing and economic precarity for these individuals and families and diverts them from using more expensive services such as health, justice, and child protection. Since 2021, the demands on all three programs have sharply increased. In 2023 the programs serviced a combined 21,000 households including 2,518 families served through the Family Outreach Program, 17,213 households served through the Food Assistance Network and 1,803 households served through the Counselling</p>

		more with less on an ongoing basis. Community Services is not recommending any significant changes to program delivery or funding. They are well managed and evaluated and demonstrate that they are achieving the outcomes they are intended to achieve.	Collaborative. While the number of individuals and families served continues to increase, these programs continue to be funded the same amount year over year. The agencies end up supplementing the cost of the service with funding from other sources. Like in 2020, Community Services is not recommending any significant changes to program delivery or funding. They are well managed and evaluated and demonstrate that they are achieving the outcomes they are intended to achieve.
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Service Review Opportunities - Still in Progress

Service Opportunity Title	Opportunity Description	Project Update / Key Milestones / Financial and FTE Implications (if applicable) – Status as of November 2020	Project Update / Key Milestones / Financial and FTE Implications (if applicable) – Status as of August 2024
Region of Waterloo International Airport – Air Service & Business Development	Re-evaluate the business practices at the Region of Waterloo International Airport for greater operational efficiency and effectiveness and revenue generation	<p>The Office of Corporate Performance is currently leading a review of airport operations for efficiencies.</p> <p>Significant milestones and target dates: Formal recommendations and a draft action plan is expected to be presented by early December.</p>	With the addition of Flair airlines in 2020, focus has been on significant growth at the Airport, with many new policies and procedures that have been adapted as a result. The new Airport Master Plan is on track to be released by the end of 2024, and approved by Regional Council in early 2025.

<p>Housing & Homelessness System Management</p>	<p>Conduct a process review regarding the administration of Housing and Homelessness System Management Services</p>	<p>Housing Services has put forward options for maximizing efficiencies that can be repurposed for anticipated growth in how we deliver and fund emergency shelter services to the region's homeless residents and the need to create affordable housing options across the income spectrum.</p> <p>Significant milestones and target dates: Formal recommendations and a draft action plan are expected by December:</p> <ul style="list-style-type: none"> - Accelerate work already in progress to revise the back end policy, processes, and technology that support the application and waitlist management for access to community housing. - Pursue merger of current non-union positions to unionized positions 	<p>An Attestation Model was piloted in 2020 for the community housing waitlist to reduce administrative work. The Model has since been updated to a Supportive Application Model where staff intentionally work with applicants with identified barriers to complete their applications within 6 months of applying. This model balances a reduction in administrative work with timely and targeted application support. The Affordable Housing Applicant Portal launched in 2023, allowing new applicants to apply directly on the portal website, which automates the application process and reduces administrative work related to data entry. Efficiencies in work/roles are actively considered as new technology is implemented.</p>
<p>Library Services</p>	<p>Evaluate alternative service delivery approaches for Library Services</p>	<p>Steering Committee reviewing interim report and providing input to KPMG</p> <p>Significant milestones and target dates:</p> <ul style="list-style-type: none"> - October 22: Joint Township Council Meeting presented interim report, current state and next steps - December 2020: Final Report <p>Significant Changes could include governance, oversight and delivery of the library service based on recommendations of the most efficient and cost-effective model.</p>	<p>Library staff liaised with Township staff to review service and programming overlap, and programming was aligned. An MOU on facility service levels was developed and adopted by the Library Committee, June 4, 2024 – currently being ratified by the Townships. Library governance was reviewed by a governance working group under the direction of the Library Committee. New terms of reference were approved at the August 14, 2024 meeting to establish new public, non-voting members on the committee, one from each Township – four (4) in total.</p>

<p>Fleet Management</p>	<p>Conduct Regional Fleet Utilization Study</p>	<p>A report was presented to CLT September 30th regarding findings and potential savings opportunities.</p> <p>Significant milestones and target dates: Fleet Management has reviewed all low utilization vehicles in the organization and identified a number of opportunities both within program areas as well as across Division and Department boundaries. Staff are currently reviewing those opportunities with program areas to determine potential operational impacts. Examples include sharing landscaping equipment between program areas to reduce the overall equipment needs and considering opportunities for alternate service delivery models that would require fewer vehicles or equipment.</p> <p>The 2021 opportunities represent potential capital savings of \$2.6M to \$3.4M, annual reserve contribution savings of \$209K to \$270K and annual operating cost savings of \$180K to \$242K, some of which would be offset by costs for alternate modes of service delivery within specific program areas.</p>	<p>A. Explored opportunities for shared equipment such as:</p> <ul style="list-style-type: none"> • Single road grader shared between two yards vs. each yard having their own respective unit. • Shared/repurposed landscaping equipment between departments. <p>B. Installation of vehicle telematics for more concise utilization data to support the following:</p> <ul style="list-style-type: none"> • Tailored EV solutions based on actual usage vs. by vehicle type alone (critical in budding EV landscape as unit range evolves) • By-trip utilization – can another more cost-effective solution be used or possibly even eliminated? <p>C. “Right-sizing” of Fleet Assets by:</p> <ul style="list-style-type: none"> • Working with program areas to determine if another more cost-effective vehicle solution could be used in an application (SUV vs. full-sized van or pick-up, etc.) • Regional Fleet Pool/Unit Loaner program pending review. <p>D. Revamped 10-Year Capital Plan to better reflect current market landscape post-COVID due to longer lead times and increased costs as well as to account for EV transition.</p>
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<p>Discretionary grants to other organizations</p>	<p>The Region provides funding support to community groups or external organizations.</p>	<p>Inventory of Grants has been created; being reviewed with related program staff as part of 2021 budget development meetings.</p>	<p>Regional Council approved a new Grants Administration Policy in 2022. This administration policy ensures that grants align with existing and emerging strategic priorities, that their purpose, objective, eligibility criteria, decision making processes, and reporting requirements, are clearly and transparently outlined and can be applied as consistently as possible</p> <p>In June 2024, Regional Council directed staff to: compile a comprehensive review of funding provided by the Region to external organizations and conduct analysis on whether it matched a strategic priority within the Region of Waterloo’s Strategic Plan, Growing with Care. This review was completed and presented to the 2025 Plan and Budget Sub Committee on August 28, 2024.</p> <p>The 2025 Plan and Budget Subcommittee plan to take their recommendations following the review to the 2025 Plan and Budget Committee in the fall of 2024. The recommendations include amendments to the overarching Grant Administration Policy to further improve the process to administer grants.</p>

Service Review Opportunities with Actions and Budget Savings

Service Opportunity Title	Opportunity Description	Project Update / Key Milestones / Financial and FTE Implications (if applicable) – Status as of November 2020	Project Update / Key Milestones / Financial and FTE Implications (if applicable) – Status as of August 2024
Child Care Operations – Child Care Centres	Review the need for and the number of directly operated Child Care Centres	<p>KPMG’s review is complete.</p> <p>Significant milestones and target dates: Children’s Centres Review final report and Steering Committee recommendations went to the 2019 Service Review Steering Committee on October 27, 2020.</p> <p>The Steering Committee supports Option 4 - to close all 5 Region operated Children’s centres. This allows the Region to save \$6.8M (\$678K levy impact) in annual operating costs and to avoid \$615K in annual capital expenses. Remaining Ministry of Education funding will be invested into increased quality of care within the system and provide incentives for service providers. The Steering Committee directed staff to create a detailed implementation plan and a comprehensive communication plan to move forward should Council Approve.</p>	The directly operated child care centres were closed.

		This will impact 62 positions working within the Children's Centres.	
Museum Services	Re-evaluate the business model for Museums Services	<p>The Museum Review was completed in July</p> <p>Significant milestones and target dates: Implementation is currently underway. Major changes include:</p> <ul style="list-style-type: none"> – adjustments to staff schedule – alignment of service hours to customer demand – program changes focusing on return on investment <p>Estimated savings of \$532,000 are expected.</p>	<ul style="list-style-type: none"> • Over the past few years, funding for ROW museums has been reduced as part of cost-saving exercises to reduce tax-levy impact. • Program changes focusing on return on investment are on-going including expansions in summer camp programs for 2023 and 2024. • Restructuring of supervisory staff consolidated along with savings from the staffing plan. • Service hours increased slightly in July 2024, accommodated within the existing budget.
Waterloo Regional Housing – Maintenance & Asset Management	Explore the Region's service delivery model (in-house, outsourcing or a mix) to further enhance operational efficiencies in the maintenance of Waterloo Regional Housing Assets	<p>Facilities Management, in consultation with Corporate Performance and Human Resources has conducted a review of efficiency and savings opportunities within the Division.</p> <p>Significant milestones and target dates:</p> <ul style="list-style-type: none"> – Facilities Management, in consultation with Corporate Performance and Human Resources has identified efficiency and savings opportunities within the Division. 	<ul style="list-style-type: none"> • Transfer of two properties remaining under Region of Waterloo Community Housing Inc. (ROWCHI) to the Waterloo Region Housing (WRH) portfolio in 2023 achieved savings through operational efficiencies, avoiding higher mortgage financing costs, and reducing insurance and external audit fees. ROWCHI continues to exist as a shell company without properties in its envelope. Tenants residing at these properties experienced no changes from the property transfer.

		<ul style="list-style-type: none"> – Implementation will be focused on optimizing the use of contracted and in-house services as well as improving the efficiency and effectiveness of internal operations. – Examples include optimizing staff dispatching and bundling of service contracts. 	<ul style="list-style-type: none"> • Exploration of disposition and alternatives for single and semi-detached Waterloo Region Housing units is underway. • Facilities and Housing reached a service-level agreement in 2023. The agreement will be reviewed every two years to ensure cost-effectiveness, along with high property standards and tenant satisfaction.
Facilities Management Services	Explore the Region's service delivery model (in-house, outsourcing or a mix) to further enhance operational efficiencies in the maintenance and management of Regional buildings and properties	<p>Staff have also considered more significant changes to the Facilities Management Business model such as selling off existing buildings and contracting out all facilities management services. These approaches have long timelines for implementation and inconclusive evidence of savings potential based on the experience of other municipalities and levels of government.</p> <p>2021 Savings are estimated to be \$757,000. Further savings are expected for 2022 which may include reduction and/or repurposing of FTE's.</p>	<ul style="list-style-type: none"> • Service contract bundling is complete with intake of WRH service contracts complete, and monitoring of properties ongoing. Continual monitoring for additional service contract opportunities. • The change from client-focused building assignment to zone portfolio assignment has been completed for maintenance staff to optimize effort and increase efficiency. • Supervisors partnered to clients is complete. • Work order optimization (i.e., dispatch optimization) is still in progress, with the program selection complete, and integration and rollout in progress.
Multimedia Services– Graphic Design/Multimedia, Video, Printing	Review the Region's service delivery model (centralized vs decentralize operations, insource vs. outsourcing, or any combination) to further enhance operational	<p>The final analysis and recommendations are complete.</p> <p>Significant milestones and target dates: The final review has been completed. Significant changes include:</p>	Complete

	<p>efficiencies and effectiveness in delivering multimedia services while still meeting the diverse organizational needs. This review will include all program areas that provide multimedia services including GRT and Waste Management.</p>	<ul style="list-style-type: none"> - Centralization of Multimedia services into a single group - Avoid filling a currently vacant position - Insourcing of work to existing staff at a lower cost <p>Financial savings are estimated at approximately: \$125,000 which includes a reduction of 1 FTEs.</p>	
<p>Specialized Public Transit – MobilityPLUS Operations</p>	<p>Review MobilityPLUS Operations</p>	<p>MobilityPLUS Service Review consultant report completed in 2020.</p> <p>Significant milestones and target dates: Staff are implementing some internal facing and AODA compliance recommendations immediately. Many of the recommendations will impact customers and public consultation on those is recommended. Approximately 40 short, medium and long term recommendations focus on the following areas:</p> <ul style="list-style-type: none"> - Eligibility and Registration - Customer Service - Operations - Scheduling and Service Planning - Delivery Model - Organizational Design and Communication 	<p>Regional Council adopted a number of recommendations from the 2020 MobilityPLUS Service review in 2021 and 2022 including, but not limited to the following:</p> <p>Eligibility and Assessment:</p> <ul style="list-style-type: none"> • Expand types of customer eligibility categories to ease demand on door-to-door services by matching customer abilities to the appropriate GRT service • Make dialysis an eligibility category, which removed the then-current automatic eligibility for dialysis customers. <p>Operations & Service Delivery:</p> <ul style="list-style-type: none"> • Reduced trip pre-booking window from the current 28 days to a 7-day advance booking window for both casual and subscription trips to reduce the high volume of canceled trips.

		<p>The potential changes in policies, booking and service could result in savings as noted in the KPMG review. These changes would largely result in MobilityPLUS services being provided more efficiently. This would result in being able to reduce hours of service while maintaining the number of rides. This does not address the issue of the backlog or unfilled rides. Riders would be impacted unevenly (some feeling they have lost under the new approach while others have gained) which is why consultation is important.</p> <p>An alternative approach would be to maintain funding/resource levels but increase the number of available rides to address unfulfilled demand.</p> <p>Input from this Committee and Council is required on service level.</p> <p>COVID has also been impacting MobilityPLUS. The demand for service is reduced and drivers have been reassigned to bus cleaning. If there were changes to MobilityPLUS service it would still be necessary to clean the conventional buses.</p> <p>2021 budget estimated savings \$280,000. Pending the decision on service (above) further savings would be implemented in 2022.</p>	<ul style="list-style-type: none"> • Eliminated trip purpose for booking trips as this was an outdated practice and this change put GRT in alignment with the intent of AODA and most peers. This change allowed people who use MobilityPLUS to move freely regardless of their trip's intent. • Introduced a cap on the number of reoccurring trips (known as subscription trips) per timeslot. • Modified the cancellation policy to reduce the high number of trip cancellations. A two-hour advance notice (increased from one hour) offers GRT the opportunity to dynamically redeploy resources to deal with incidents and deliver more same-day trips. • Provided equity between group and individual booking. • Implemented online booking software and processes. • Provided customers with advanced notification of vehicle arrival to help reduce wait times by improving knowledge of arrival times. <p>Scheduling and Service Planning</p> <ul style="list-style-type: none"> • Reduced scheduling window. • Aligned vehicle service hours to demand. Alignment of vehicle service hours to demand by time of day, weekday, and season will help GRT address high-unaccommodated rates, no-show volumes, and operational inefficiencies.
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