

Operational and Fiscal Review

Terms of Reference

Review Objectives

The main objectives of the Operational and Fiscal review are:

1. Recommend with rationale, the addition, modification or discontinuation of Services and Programs.
2. Recommend, with rationale, changes to service levels or programming levels.
3. Identify long-term, sustainable expense management solutions to ongoing budget challenges.
4. Recommend measures to provide quality, affordable municipal programs and services in the most efficient and effective manner while maintaining responsible taxation.

Supplementary objectives

To provide data on the provision and financing of the City of St. Albert municipal services so that strengths and gaps are recognized, comparison to benchmark communities can be made and areas of improvement are identified.

To provide recommendations on the areas to increase efficiencies, cost savings and capturing opportunities for significant improvement in services or resourcing.

To increase community and employee confidence and trust in the operations of the City of St. Albert and build trust within the organization.

To build ongoing structures and practices within the organization to continue the data gathering and decision-making tools initiated with this project.

To prepare the organization for future challenges.

To highlight organizational and operational strengths, weaknesses, what the City is doing well and what improvements it can make.

Review approach

The review will be carried out in two phases:

Phase One to focus on the following services to the public and corporate functions:

- Community Services
- Economic Development
- CAO Office
- Recreation & Parks
- Transit
- Strategic Services & Information Technology
- Environment

Phase Two will focus on the following services to the public and corporate functions:

- Planning & Development
- Legal & Legislative Services
- Utilities
- Financial Services and Assessment
- Engineering Services
- Public Works
- Emergency Services
- Human Resources & Safety

Scope of Review

That the review will at minimum consider:

Assets, Program and Services

- “what” services the City provides and “how” the services are provided, emphasizing "what" services and programs the City should deliver or can afford to deliver and at "what" level or standard of service. Identify alternative service delivery methods and opportunities that have the potential to result in expenditure reductions.
- the current state of all corporate functions, services, programs and the supporting corporate organizational structure, systems, processes and assets and recommendations on future state of these, both at the individual aspect level and overall corporate integration level.
- Opportunities for alternate service delivery, asset ownership and utilization including but not limited to:
 - Outsourcing,
 - Insourcing,
 - Service and program exporting to third parties,
 - Shared services,
 - Job share, shared space and remote work opportunities,
 - “Part IX” (not-for-profit) Corporations and/or Public Private Partnerships on both local and regional scales, and

- Optimal asset ownership mix, with recommendations for asset acquisition and/or disposition.

Review Deliverables

The main deliverables include:

- A summary of research, environmental scan of current situation and forecasted future factors, conditions and assumptions, benchmarks/comparators, methodology, best practices employed, analysis and consultation conducted.
- Detailed results of the current state of the Corporation.
- Specific recommendations and rationale for addition, modification or discontinuation of Services and Programs or alternate service delivery methods and associated resourcing requirements (financial, assets and personnel).
- Specific recommendations and rationale for changes to service levels or programming levels, whether recommended to continue with traditional service models or alternative delivery models.
- Identified long-term, sustainable expense management solutions to ongoing budget challenges.
- Recommended measures to provide quality, affordable municipal programs and services in the most efficient and effective manner while maintaining responsible taxation.
- A high-level recommended implementation plan including an integration plan for congruency, alignment, efficiency and effectiveness through the Corporation to optimize the value of the results to the City of St. Albert.
- Final report and presentation to Council (one public report/presentation and one in-camera for each of the Phase 1 and Final Reports, and a Phase 1 interim report, if necessary).

Supplementary deliverables include:

- Data on the provision and financing of the City of St. Albert municipal services so that:
 - Strengths and gaps are recognized
 - Comparisons to benchmark communities can be made
 - Areas for improvement are identified

- Recommendations on areas for:
 - Increased efficiencies
 - Cost savings
 - opportunities for significant improvement in services or resourcing
- Declining revenue sources have been an ongoing challenge for all municipalities prior to COVID-19 and are expected to be exacerbated by it. New revenue sources are a key component of the Corporate Business Plan Supporting Council's Strategic Plan. While new revenue generation is not an objective of the Operational and Fiscal review, if project budget and schedule permit, the City of St. Albert is receptive to recommendations for new revenue generation opportunities.

Review Governance and Reporting Relationships

- Council will provide direction to, and make decisions on implementing the recommendations of, the Operational and Fiscal Review.
- The Internal Audit Steering Committee (IASC) will be tasked with selecting the party to conduct the review after a competitive procurement process, and thereafter providing governance oversight to that party including vetting their findings and recommendations and providing those findings and recommendations to Council from both Phase One and Phase Two together with the IASC's own comments as deemed appropriate by the IASC. It is expected the review will include provision for engagement with Council and/or Council Members in conducting analysis to develop recommendations.
- The role of Administration is to project manage and co-ordinate the review with the consultant, provide information requested and, dependent on the review format and methodology determined from the selection of the consultant, provide management responses to the consultant's findings and recommendations.

Access to Information

- During the Review itself, Administration will interact with the consultant to inform them of the range of literature available and the consultant will have full access to any information the City has that it requests to analyze and assist in developing recommendations.
- The successful proponent will also be given access to recent internal department service reviews that the City has undertaken over the past three years.
- Through 2018 and 2019 a Priority Based Budgeting (PBB) Model was developed, with limited implementation in 2019 and full implementation planned in 2020 for

development of the 2021 Budget. For the purposes of the Operational and Fiscal Review, it will be complementary to, and build on the PBB Model, which continues to be utilized by the City, with the review's emphasis on analysis of the services and service levels (recommended for addition, amendment or deletion) within the model for the purpose of how to deliver the recommended continued or new services and the appropriate level of service for these. Relevant information will be provided to the successful proponent.

Review Approach and Methodology

The approach and methodology will not be prescribed by the City and will be proposed by the RFP respondents, based on their experience, proprietary systems and methods and industry best practices and will be a component of the RFP evaluation criteria.

Project Phases and Timelines

Phase One

- Phase one to be completed by October 31, 2020. Phase one is to be completed by October 31, 2020 so that any recommendations arising from it may be considered by Council in establishing the 2021 operating and capital budgets.
- Flexibility on the submission of a complete Phase One report for October 31, 2020 may be discussed with and authorized by the IASC, if the consultant identifies a fulsome report may take longer. At minimum, a Phase One interim report will be produced by September 30, 2020 for review by the IASC to present to Council prior to October 31, 2020 to capitalize on readily achievable or implementable opportunities for inclusion in the 2021 Budget.

Phase Two

- Phase two is to be completed by June 30, 2021 so that any recommendations arising from it may be considered by Council in establishing the 2022 operating and capital budgets.
- The Phase Two report will be a final report complete with the Phase 1 report and a corporate integration and implementation plan