



cutting through complexity

Frontenac County Comprehensive Review of Services & Organization Final Report

December 18, 2013

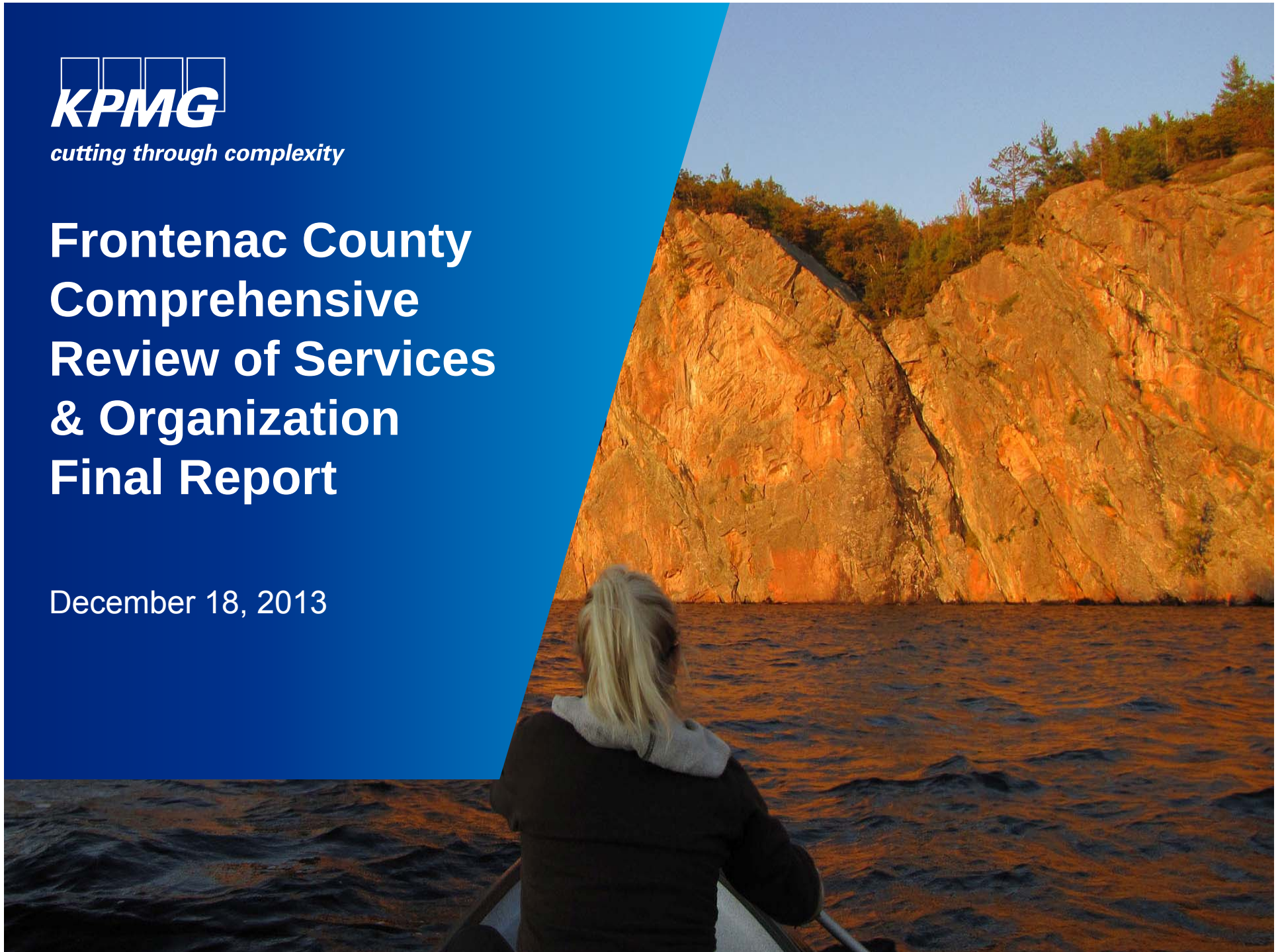




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Disclaimer

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

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the County of Frontenac. KPMG has not and will not perform management functions or make management decisions for the County of Frontenac. The determination of the high level organizational structure and the detail design of the organization is the responsibility of the County of Frontenac management.

This report includes or makes reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

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

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



Executive Summary

Introduction

All organizations need to know that virtually no program or activity will perform effectively for a long time without modification and redesign. Eventually every activity becomes obsolete. Among organizations that ignore this fact, the worst offender is government.

Peter Drucker, The Age of Discontinuity

Introduction

Over the past decade, the County of Frontenac (the County) has evolved from a management board established under a Ministerial restructuring order to a County responsible for the delivery of planning, ferry, land ambulance and long term care services with support from a corporate services department. The growth in service scope has led to a corresponding increase in the County's annual operating budget from \$16.9 million in 2002 to \$34.4 million in 2012. The County is fortunate that the City of Kingston and the Province of Ontario provide substantial funding for the County's operations (75% in 2012). Nonetheless, County Council has expressed concern about the upward pressure on the operating budget. Through this term of office, Council has focused on controlling costs and limiting increases to the municipal levy.

In order to assist the County with the identification of potential opportunities for improved efficiencies, KPMG was retained to undertake a comprehensive review of services and organization. This review involved an evaluation of the County's operations, personnel and financial performance with the view of identifying options for maintaining adequate service levels while allowing for long-term sustainable budgets.

Overall, the land ambulance, nursing home and ferry services were found to be well run and committed to excellence in service delivery. Nonetheless, the project identified 27 opportunities to improve the efficiency and effectiveness of the County's operations. While some of these opportunities are capable of immediate implementation, others have a longer term focus. The immediate term opportunities focus on the internal business processes and structure of the organization. The longer term opportunities involve the participation of municipal partners and extensive negotiation.

The key finding from the project is the need for the county's member municipalities to work together under shared services agreements so that the collectively the county can achieve the necessary economies of scale for low cost service delivery for the benefit of the Frontenac property taxpayer – the concept of *One Frontenac*. The long term sustainability of Frontenac county depends on the endorsement of *One Frontenac* by its member municipalities. Early indications are that, under the leadership of Frontenac Islands with its shared services agreement for financial services, this is an achievable goal.

We recognize that the ultimate decision as to method and level of services provided by the County rests with Council and we trust that our report assists with the decision-making process.



Executive Summary

Scope, Deliverables and Timing

It is common for both internal and external stakeholders to confuse an organizational review with a service delivery review given the widespread media attention of the Toronto Service Delivery Review.

A service delivery review is all about identifying municipal services that can be delivered in a new manner or at a different service level.

An organizational review instead is about the alignment of the organization's resources to most effectively and efficiently deliver those services.

Project Objectives

KPMG was engaged by the Frontenac County to undertake a comprehensive review of services and organization with the following primary objectives:

- 1. Identify opportunities to achieve greater economies, efficiencies and effectiveness in the delivering of County services.**
- 2. Identify leading practices from other government organizations and the private sector that can be applied to the County of Frontenac operations**
- 3. Ensure that taxpayers are getting value for their money Project Drivers (why are we doing this, what problem do we want to solve)**

To uncover opportunities that could lead to a more efficient and responsive organization in the context of limited growth, increasing service level demands, new legislative requirements and leading practices in local government.

Project Principles

- The recommendations of KPMG will be highly implementable and reflect the independent professional opinion of the consulting team
- The outcomes will be innovative and reflect leading practices from both the public and private sector
- The ability to measure and/or use benchmarks where possible is highly desirable



Executive Summary

Scope, Deliverables and Timing

Project Scope (Summarized)

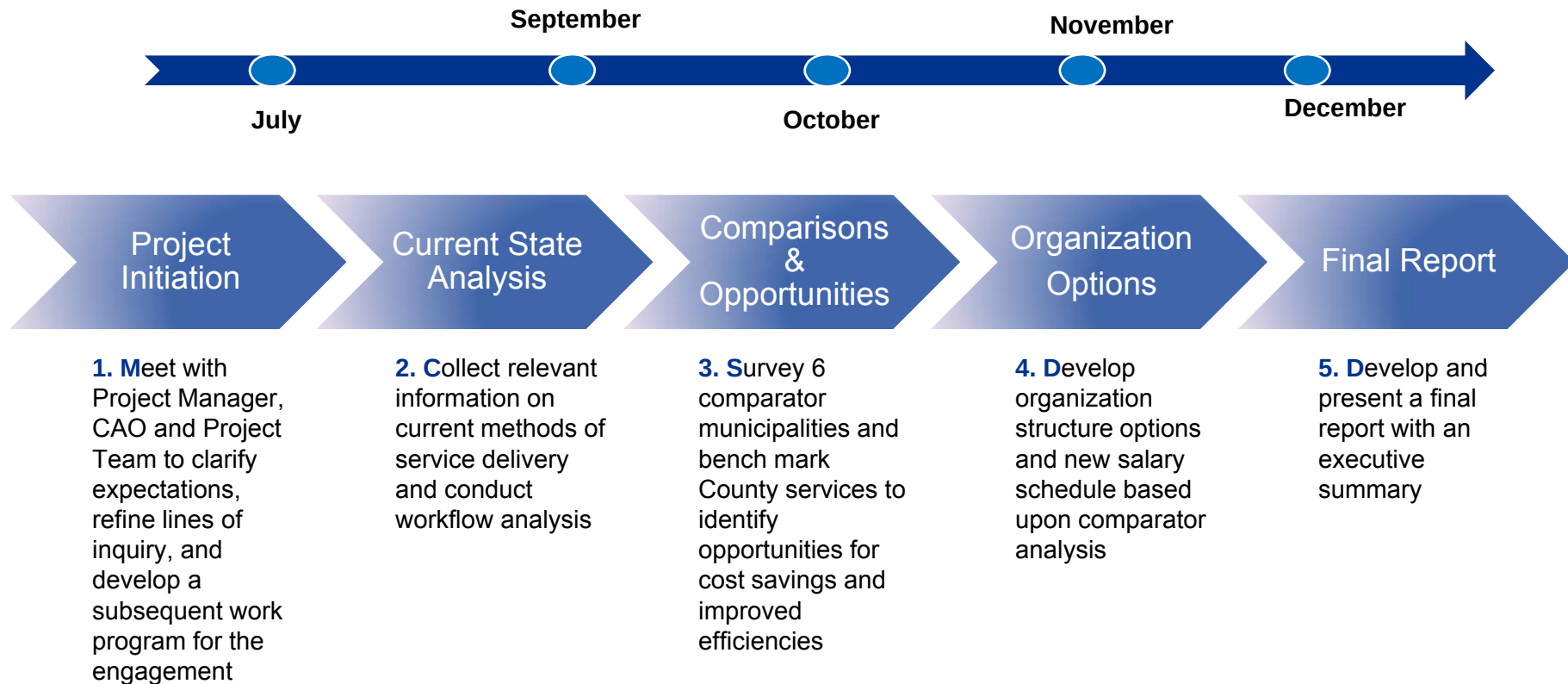
- Gain an understanding of, and comment on, all aspects of the operations of the County
- Review the municipal services and service levels for all activities under Corporate, Fairmount Home and Emergency and Transportation Services. All members of Council and County senior staff are to be interviewed.
- Document three work and work flow routines to assess optimal human resource allocation across the departments
- Benchmark and measure the County's services in context of other municipal and private sector organizations
- Identify potential opportunities for cost savings balanced against the broader community benefit
- Provide service delivery options, organizational options and recommendations including revised job descriptions and organizational chart
- Salary schedules for non-union administrative positions and confidential assessment of unionized staff compensation

Project Timing

- The project commenced July 23, 2013, and will be completed when the final report is submitted to the County of Frontenac on or before January 15, 2014.



Executive Summary Project Phases



As part of the County of Frontenac comprehensive review of services and organization, Warden and Council, CAO, Senior Management Team and staff were interviewed. Five focus groups were facilitated with management and labour representatives. In addition, both Council and Staff were surveyed. Five Councillors and 115 staff completed the surveys.

Strategy

- There is no agreed upon strategy for the County and as a result, there is no common direction or criteria for decision making; people are pulled in different directions.

Structure

- The lack of consensus on strategic direction has meant the organization has not structured itself to deliver on an agreed mandate particularly in Corporate Services. Accordingly, the CAO's span of control is far too large resulting in operational inefficiency.

Processes

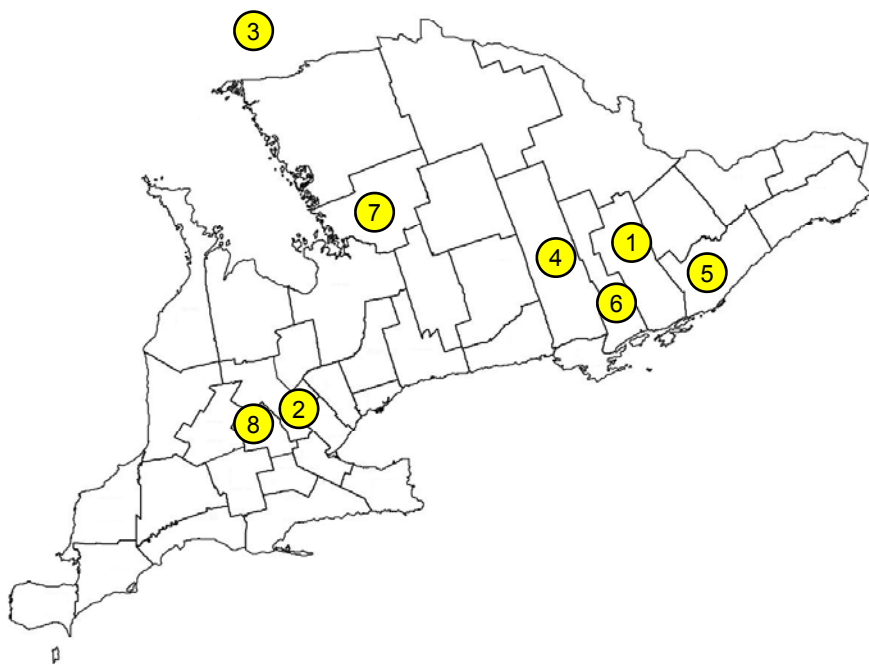
- The governance instability of Council and the CAO's wide span of control have led to a certain amount of grid lock at the leadership level of the organization. Nevertheless, County staff have continued to deliver a high level of service to their clients.

People Practices

- It is apparent that the County is an employer that values its employees even though there may be profound disagreements with its labour representatives. County staff continue to be noted for the quality of their service delivery and commitment to their clients.

Culture

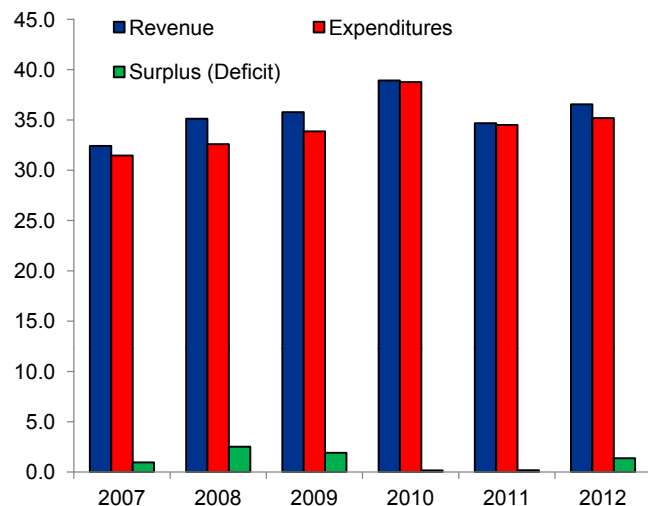
- While Council's political behaviour has affected the corporate culture of the County, the organization does not exhibit overly high levels of bureaucratic churn and disengagement.



Community	Population ¹	Households ¹	Service Area Population ¹	Service Area Households ²
1. Frontenac	26,375	18,801	151,020	71,593
2. Guelph	121,688	52,179	216,316	84,373
3. Greater Sudbury	161,900	74,069	161,900	74,069
4. Hastings	39,888	23,547	153,327	77,180
5. Leeds & Grenville	60,400	33,732	88,355	49,234
6. Lennox & Addington	41,824	18,295	41,824	18,295
7. Muskoka	59,721	47,996	59,721	47,996
8. Perth	37,571	13,883	74,074	30,743
Comparative Average	73,987	37,556	113,788	54,556

¹ Municipal Financial Information Return Schedule 02 & 90, 2012.

Historical Operating Results Before Transfers



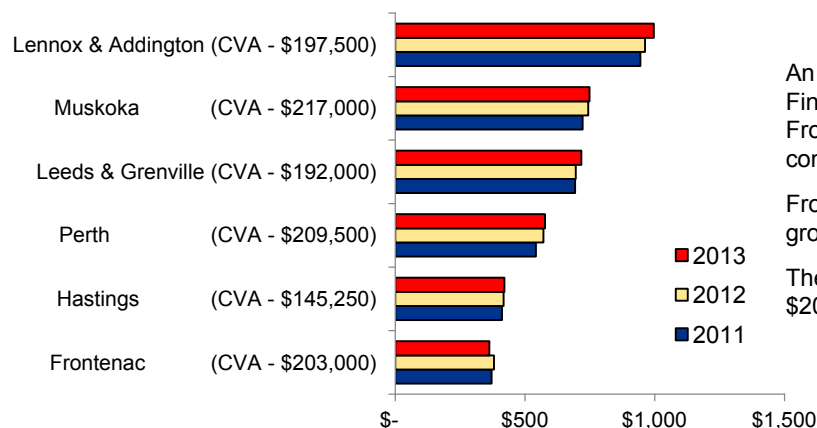
This chart shows the operating results for the County before any transfers from reserve or debenture.

It's an important depiction of the County's financial health because it indicates the long term financial sustainability of the County.

In this case, the County has a positive outlook because it has not incurred an operating deficit over the past six years.

The continued drawing down of reserves to fund operating deficits is a financial practice that is financially unsustainable and will ultimately lead to some type of intervention.

Average/Typical Taxation – Single Family Home

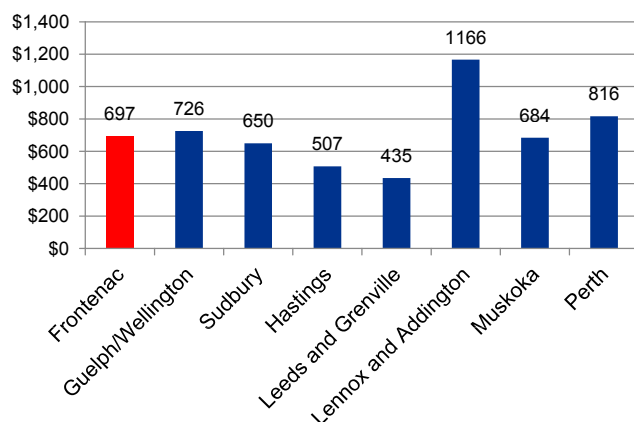


An analysis of assessment and taxation data from the Ministry of Finance's Online Property Taxation Analysis shows that Frontenac County has the lowest average taxation among the comparator group.

Frontenac County is the only municipality of the comparator group that showed a decline in taxation.

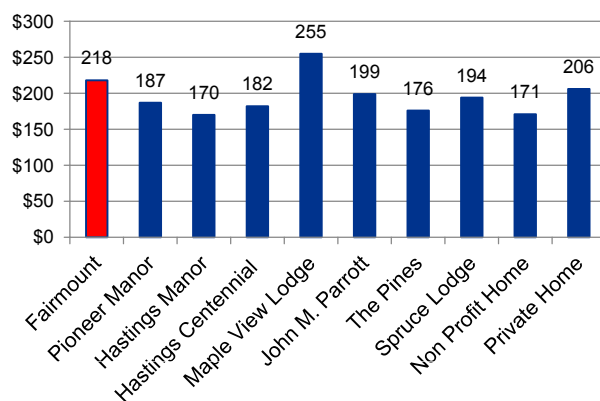
The average current value assessment for Frontenac County is \$203,000; second highest of the comparator group.

Cost per EMS Call



A comparison of the Frontenac Paramedic Service's operations indicates that its cost per call (\$697/call) is below the average cost per call of its comparators (\$ 712/call). Nonetheless, its operating cost per unit hour (\$181) is higher than its comparators (\$154) and should be addressed moving forward.

Long Term Care Expense per Day



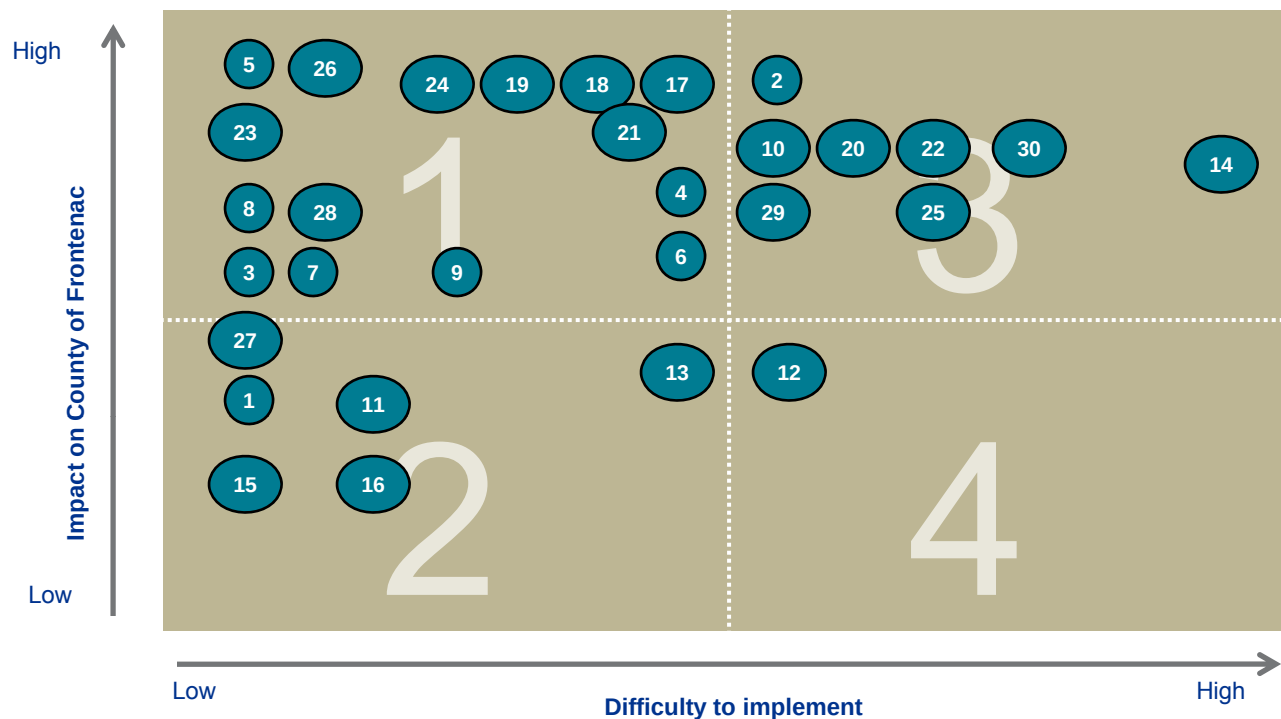
The cost per day for Fairmount Home (\$218) is above the comparator average (\$199) and the second highest among the comparator group. Interestingly, the private home's cost per day (\$206) is the third highest of the comparators. Fairmount Home receives substantially less provincial funding (\$109) when compared to the comparator average (\$129) a result of its CMI. It does, however, receive more resident revenue per day (\$59) than the comparator average (\$58).



Executive Summary

Recommended Opportunities (● See Chart on Page 12)

1. Review fleet requirements for corporate vehicles and implement a requirement for a business case prior to the purchase of any new vehicle. All vehicles at the end of their life cycle are to be declared surplus and sold.
2. Implement a corporate wide absenteeism program administered as a wellness program in partnership with the unions.
3. Leave the reception desk vacant for breaks and lunch with a sign indicating where a visitor can go for assistance.
4. Implement a formal cross training program to increase the capacity of the organization.
5. Distribute past, current and future gas tax revenue to the member municipalities to assist in the funding of their road networks, keeping a small balance for appropriate corporate spending.
6. Standardize the work week in Corporate Services to 35 hours per week.
7. Re-implement a Christmas party for staff as a way of reminding Council and staff that they are part of a common endeavour. Alcohol is to be self financed by staff.
8. Push administrative tasks, such as mail delivery, to the appropriate level in the organization.
9. Council regularly consider one new policy prepared by staff at each Committee of the Whole meeting. Additionally, all personnel policies should be compiled and approved by Council.
10. Implement the proposed changes to the Corporate Services department to improve both accountabilities and the decision making processes within Corporate Services.
11. Implement the proposed Council agenda preparation process to remove the organization wide angst of Council reports.
12. Partner with an outside service provider for GIS services should the demand from member municipalities increase.
13. Contract with external information technology firms to implement large IT projects.
14. Investigate the feasibility of a municipal dispatch centre for EMS and fire services.
15. Actively support AMO's position on eliminating the legislative requirement of nursing home ownership detailed in its 2009 White Paper to provide future opportunity for change in service delivery.
16. Continue to evaluate the value of in house communications advice to determine whether the position should be contracted or remain in house.
17. Determine three processes that would benefit from a lean 6 sigma investment and implement one blitz Kaizen per year.
18. Continue to monitor the cost per call and operating cost per unit hour for EMS; develop a plan to reduce the operating cost per unit hour to the average of the Hastings, Guelph, and Sudbury land ambulance services.
19. Prepare a strategic plan that lays out an agreed future role for the County in the delivery of municipal services.
20. Complete an asset management plan and develop a life cycle funding model to fund the infrastructure gap.
21. Create operating stabilization reserves for Fairmount Home and Frontenac Paramedic Services with a targeted reserve balance of 10% of annual operating expenditures for the department.
22. Work with the Townships to develop a plan to increase the level of shared services in the County, remembering good paper ensures good business.
23. Share the vacated tax room from the uploading of social services to the Province of Ontario with the lower tier municipalities.
24. Annually pass a Budget schedule in September ensuring the passage of the operating and capital budgets by December 31st of each year
25. Cross train and pool administrative resources to improve the efficiency and effectiveness of the organization's administrative backbone.
26. Reduce the number of staff meetings required of Corporate Services staff to one 45 minute staff meeting per month. Reduce the number of senior management team meetings to one meeting per week of 1 hour duration.
27. Review the minute taking requirements for staff meetings
28. Reduce the number of staff in attendance at Council meetings thereby lowering the cost of Council meetings and ensuring that staff are focused on work that is of highest and best use to the County.
29. Report quarterly to Council's Committee of the Whole on the financial performance of the Frontenac Paramedic Service and Fairmount Home.
30. Develop a policy of gradual adjustments to the tax levy to avoid unforeseen spikes or drops.



Sample rating of each of the potential opportunities for improvement against two criteria:

- Difficulty to implement
 - This rating indicates the degree to which the potential opportunity for improvement would be difficult (higher) or simple (low) to implement
 - A difficult implementation would come at a higher cost to the County and / or may take longer to implement, while a simple implementation would come at a minimal cost and / or may be implemented within a short time frame
- Impact on County of Frontenac
 - This rating indicates the degree to which the potential opportunity for improvement would produce large (high) or minimal (low) benefits for the County
 - A large benefit would reduce the deficit by more than more than a small benefit

The order that opportunities should be implemented would be: (1) top left quadrant (low difficulty, high benefit), (2) bottom left (low difficulty, low benefit) and (3) top right (high difficulty, high benefit). Those in the bottom right quadrant would be considered to be optional as a result of the potential effort required versus the potential benefit derived.



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Current State Assessment

Frontenac County Comprehensive Review of
Services and Organization Interim Report



The Engagement Process

Perspectives on the organization's strategy, structure, processes, people practices and culture were gained through 25 interviews and 6 focus groups involving over a hundred different stakeholders.

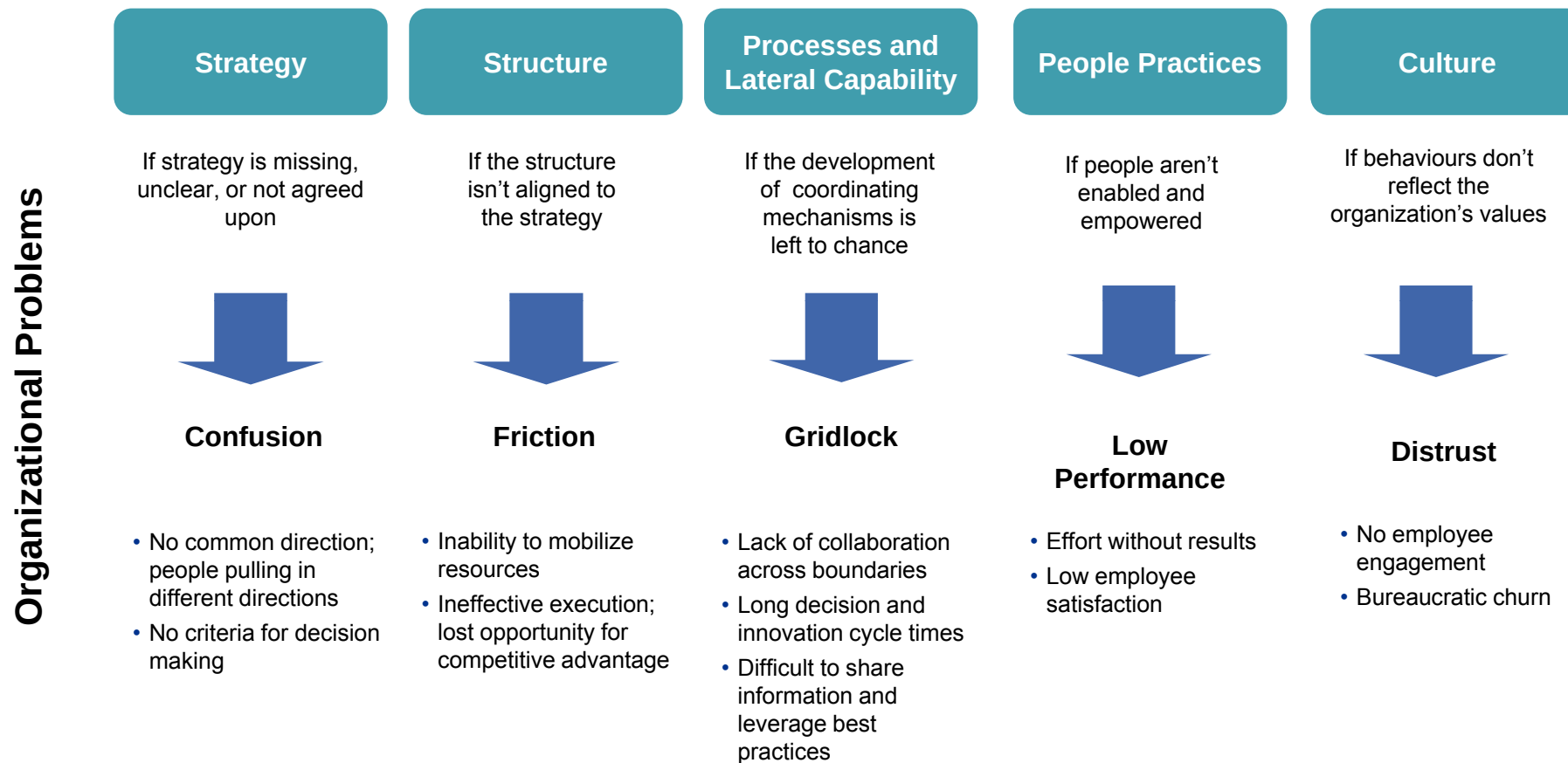
Specific responses have been aggregated in this summary document and presented in the form of general themes and messages.

The findings of the consultation presented in this summary document was used to inform the development of organizational solutions

- As part of the County of Frontenac comprehensive review of services and organization, Warden and Council, CAO, Senior Management Team and staff were interviewed. Five focus groups were facilitated with management and labour representatives. In addition, both Council and Staff were surveyed. Five Councillors and 115 staff completed the surveys.

Interviews	Focus Groups
1. Warden Gutowski 2. Deputy Warden Clayton 3. Councillor Inglis 4. Councillor Doyle 5. Councillor Purdon 6. Councillor McDougall 7. Councillor Davison 8. Councillor Jones 9. Walter Knott, Committee Chair 10. Elizabeth Savill, CAO 11. Marian VanBruinessen, Treasurer 12. Paul Charboneau, Chief of Paramedic Services 13. Julie Shillington, Administrator Fairmount Home 14. Susan Brant, Deputy Treasurer 15. Jannette Amini, Deputy Clerk 16. Anne Marie Young, Manager Economic Sustainability 17. Joe Gallivan, Manager Sustainability Planning 18. Colleen Hickey, HR Specialist 19. Kristin Mullin, Communications 20. Alison Vandervelde, Communications 21. David Millard, Manager of Information Systems 22. Dave Gemmill, Deputy Chief of Operations 23. Chris McBain, Operations Supervisor 24. Campbell Daily, Marine Supervisor 25. Tom Mercer, Manager of Environmental Services 26. Mary Lake, Director of Care	1. Paramedics 2. Corporate Services Administrative Assistants 3. Corporate Services Technical Staff 4. Fairmount Administrative Staff 5. Fairmount Environmental & Recreation Staff 6. Fairmount Nursing Staff

Identifying the Source of the Problem: Unaligned Organization Performance



Source : Modified from Galbraith's Organizational Review Metrics



Framework for Evaluating the Effectiveness of the Organization Design

Organizational Factor	Description
Strategy	Understanding of strategy and mission Alignment to vision Agreement on priorities Clarity of performance measures
Structure	Clarity of roles and accountabilities Reporting Relationships & Span of Control Delegation of authority Work Alignment Capacity
Processes & Systems	Decision-making Meeting effectiveness Communication Enabling Technology Standardized operational processes & practices
People Practices	Leadership Staff Engagement Organizational competency Performance management HR Practices and Policies
Culture	Values & Beliefs Behaviours

Many people assume that a strategy is a big-picture overall direction, divorced from any specific action. But defining strategy as broad concepts, thereby leaving out action, creates a wide chasm between strategy and implementation. If you accept this chasm, most strategy work becomes wheel spinning.

*-Richard P. Rumelt,
Good Strategy Bad Strategy*

- The County Council has attempted to agree upon a strategic plan twice during this current term. In both cases, there was a lack of agreement on Council on the direction and role of the County in the delivery of services within the broader community of Kingston and Frontenac County.
- It is apparent that the key question that remains unresolved is the role of county government in delivering municipal services. There is a belief among some members of Council that the County should remain a management board delivering a minimal level of service through contracted services with the private sector. In this model, the member Townships are assigned primary responsibility for municipal service delivery without any central or common guidance from county government. In contrast, there is an opposing position that believes county government should be at the forefront of providing shared municipal service delivery, coordinating and guiding the Townships in how they deliver their services. This view of county government is much more activist and involves direct service delivery with a larger organization.
- As a result, there is no consensus on the vision and mission of the County. This has real impact on the organization because there is no agreement on the strategic priorities of the County. The two opposing views of the County conflict with one another making any kind of agreement on strategic priorities almost impossible to reach. This is illustrated by the County's attempt to develop a new Official Plan as required by Provincial Regulation O. Reg 101/13. Staff prepared a first draft employing the standard consultation and planning principles of the profession. Council, however, is undecided on the draft Official Plan to the point where meetings with the Minister of Municipal Affairs and Housing to discuss the draft have themselves become points of contention and disagreement.
- The lack of consensus surrounding the strategic direction or role of the County has frustrated Staff who have worked hard to bridge the two conflicting positions. Inevitably it appears that the County's senior leadership team has been drawn into the debate as they have tried to fill the void in strategic direction with new initiatives such as the Integrated Sustainability Plan or Community Paramedicine. On their own these initiatives are valid and often required, but independent of any strategic direction or priority they allow staff to be criticized for creating *busy work* or work of low tangible value.
- Council has recently released an RFP for a facilitator to assist in the development of a new strategic plan. Even though Council is in the final year of its term, we encourage Council to consider the County's future role in the delivery of municipal services. Without a resolution to this fundamental question, the establishment of any type of strategic direction is difficult.

Summary of Analysis

There is no agreed upon strategy for the County and as a result, there is no common direction or criteria for decision making; people are pulled in different directions.

Ambiguity is great for certain kinds of creative activities but it is the mortal enemy of systems design.

*- Stephen Haeckel,
Adaptive Enterprise*

The war is not won with bayonets but with effective organization.

- Anomynous

- The clarity of roles and accountabilities varies across the organization. For the most part, we found Emergency Management and Transportation services to have a high degree of clarity around the different roles in the department. This is expected given the semi-martial nature of the paramedic service. Although, there was some confusion amongst paramedic staff surrounding the role of Council and the Chief of Paramedics in the setting of service level standards and allocation of resources.
- The inclusion of the ferry service within the responsibilities of the Chief of Paramedics suggests the department is misaligned. Nevertheless, it is a self contained business unit that has minimal interaction with other County departments. Accordingly, the ferry service's inclusion within Emergency Services is understandable given the size of the County organization.
- We found Fairmount Home to have a good understanding of roles and accountabilities within the department. The only exception was the finance and administration functions within the Home where the relationship to the County's Corporate Services department was unclear.
- Within Corporate Services it appears roles and accountabilities sometimes blur as staff are assigned to special projects, such as sustainability projects. This stretches the capacity of existing resources and causes confusion around accountabilities. Additionally, the CAO has 12 direct reports including several administrative and technical staff. As a result, day to day administrative responsibilities sometimes gets muddled , such as, the booking of meeting rooms.
- It is a widespread belief throughout the organization that there are too many positions reporting directly to the CAO limiting her ability to provide strategic leadership. It appears the span of control for the CAO is too large given the independent, non-standardized nature of the work and the range in employee experience. This contributes to a widely reported bottle neck in decision making at the senior leadership level. The combination of CAO and Clerk positions is not a viable practice for a municipality larger than a small Township of 5,000 people.
- There was no suggestion throughout the consultation that organizational silos were a significant structural problem for the organization. It appears from the work plans and other similar documentation that there is significant effort to build interdepartmental coordination or horizontal integration.

Summary of Analysis

The lack of consensus on strategic direction has meant the organization has not structured itself to deliver on an agreed mandate particularly in Corporate Services. Accordingly, the CAO's span of control is far too large resulting in operational inefficiency.

*"here is nothing either good
or bad, but thinking makes it
so*

- Hamlet (Act II, Scene II)

*Most of what we call
management consists of
making it difficult for people
to get their work done.*

— Peter Drucker

- At the last election, the composition of County Council changed from a four member Council of Township Mayors to an eight member Council composed of the Mayor and a Councillor from each Township. Because of this change, there were several Councillors elected to County Council who were unfamiliar governance processes and decision making practices of upper tier level municipal government. Additionally, the internal governance practices for the County were not sufficiently ready for the change in Council structure. Combined with Council's disagreement on the future role of county government in Frontenac County, this has resulted in acrimonious and unstable governance for this term of office. The clearest example is the disagreement on the term of office for Warden that has resulted in law suits between Councillors and negative media attention for the County.
- Decision Making within the organization is based upon approved policy to the extent that there is a policy on how to develop policy. The adoption of policy within the organization requires an escalating series of consultations and approvals until it reaches the office of the CAO. Unfortunately because of the CAO's wide span of control there is limited capacity for review and approval of draft policy. We heard numerous complaints of decision making bottlenecks at the CAO level. Inevitably, the organization develops *work arounds* defeating the original intent of policy based decision making.
- The organization places a significant importance on communication and interdepartmental coordination. The primary tool used to transfer knowledge is staff meetings. There are numerous staff meetings at the beginning of the week that involve the senior management team, corporate management team, front line staff both at a corporate level and a departmental level. We understand through the consultation process that these meetings often exceed their budgeted time and duplicate both the attendees and the agenda items so that the same people are hearing the same information at multiple meetings.
- The County has begun to provide services to the member Townships in areas such as finance, planning, human resources, communications and GIS. It is our belief that "good paper makes good business." The development of service agreements between the County and Township detailing, for example, the expected service levels, compensation, and length of agreement confirms and formalize service standards and reduce complaints between parties. At this point in time, the County and member Townships do not have formal service agreements for all services provided by the County to the member Townships.
- The most fundamental process for Council is the approval of the budget. It is our understanding that the budget can sometimes not be approved until May of each year after a series of arduous and protracted budget meetings. Municipalities are increasingly approving their annual capital and operating budgets by December 31st of each year so that the organization can immediately focus on service delivery in the new year confident in Council's priorities. Smaller municipalities, such as the County, have limited capacity in their finance departments. Separating the completion of year end and the development of the annual budget significantly improves the efficiency and effectiveness of the finance department. An emerging leading practice, adopted by several Ontario municipalities, is to adopt a three year operating and capital budget

Summary of Analysis

The governance instability of Council and the CAO's wide span of control have led to a certain amount of grid lock at the leadership level of the organization. Nevertheless, County staff have continued to deliver a high level of service to their clients.

If the rate of change on the outside exceeds the rate of change on the inside, the end is near.

- Jack Welch

You absolutely must have the discipline not to hire until you find the right people.

- Jim Collins

- The administrative leadership of the County is highly competent and committed to excellence in service delivery. It is evident that there is high quality staff through out the organization who are focused on improving the lives of their clients.
- The organization has been required to reduce its staff complement within the paramedic service and Fairmount Home in the past year because of budgetary pressures. These decisions are traumatic for an organization but it appears that the layoffs were well handled and professional.
- The reduction of one land ambulance and associated lay offs has upset the paramedic union and has caused some labour unrest. Year to date there has been 29 grievances an increase of 61% from the previous year.
- EMS has experienced a 33% increase in sick leave since 2010. This increase in sick leave for EMS is an area of concern for Council and its management team. In contrast, Fairmount has reduced its sick leave by 28% in the same period, a truly positive statement about the people practices at the Home.
- The County has a comprehensive work place safety program and has had a successful Road to Zero review by the WSIB. In addition, the organization employs an occupational health nurse to provide advice in support of injury prevention, disability management, return to work, health and safety policy and program development and legislative compliance.
- The physical work environment for the staff assigned to the *Old House* is not a professional office environment. Work stations are scattered throughout the various rooms of a residential house which results in a noisy and inefficient work environment. Should the County continue on its current path of becoming a larger regional presence in the delivery of municipal services, then the requirement for a modern office environment located in a central part of the County will become more apparent.

Summary of Analysis

It is apparent that the County is an employer that values its employees even though there may be profound disagreement s with its labour representatives. County staff continue to be noted for the quality of their service delivery and commitment to their clients.

The simple act of paying positive attention to people has a great deal to do with productivity.

- Tom Peters

Your brand is your culture.

- Tony Hsieh

- The County does not have values specific to the organization to guide organizational behaviour, however, some of the departments of value statements specific to their area.
- Council's discord has affected the culture of the organization. Municipal organizations pay close attention to the behaviour and style of their elected representatives and expect Council to lead by example. The Senior Management Team has worked hard to buffer Council's political behaviours in the Council Chambers from the organization. Nonetheless it has had an impact on staff.
- In many government organization when the behaviour of the elected representatives is misaligned with the organization's values then the level of distrust and suspicion increases among staff. What this produces is bureaucratic churn where staff disengage from the organization's mission and instead focus on self preservation and issue avoidance perpetuating the governance discord at Council. This is a potential issue of which the County will have to closely monitor moving forward.
- The public entrance for the County building is continuously locked requiring the receptionist to manually unlock the door for each visitor. This practice was implemented several years ago as a result of a work place violence threat. It is our understanding that this threat has been removed. The locking of a public entrance into a government building during work hours presents an image to the public that is contrary to the idea of open government. It is also an inefficient practice that diverts the attention of the receptionist from more value added work.

Summary of Analysis

While Council's political behaviour has affected the corporate culture of the County, the organization does not exhibit overly high levels of bureaucratic churn and disengagement.



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Service Profiles

Frontenac County Comprehensive Review of
Services and Organization



Service Level Baselines

How to Read the Analysis

The service level baselines are intended to provide a comparison of service levels, delivery methods, staffing levels and overall operating costs for the County against the comparator municipalities (Hastings County, Lennox-Addington County, Leeds Grenville County, Muskoka District, Perth County and the City of Greater Sudbury) and other service level benchmarks that may be relevant.

For the purposes of our report, the service level baselines are presented on a departmental basis (consistent with the County's budget structure), with additional detail provided at the sub-departmental level where considered appropriate. For each service level baseline, the following information is presented:

Services Provided A high-level listing of the types of services provided.	Delivery Model The method of delivery used by the County in the provision of the service, which may include own resources, external service providers (both private sector and public sector), shared service arrangements with other organizations or volunteers.
Service Level Standard Information concerning minimum service levels and/or service levels provided by the comparator municipalities as well as an indication as to whether the County's current service levels are consistent with, exceed or fall below the minimum/comparable service levels. Please note that for certain services, service level standards are not available.	Indicators A comparison of key financial and staffing indicators for the County against the comparative municipalities. Where the County's indicators are higher than the comparator municipalities, they could be indicative of (i) a higher level of service or (ii) the potential for efficiencies and other cost reductions. Except where noted, the indicators have been developed based on 2011 Municipal Financial Information Returns as this represents the last year for which Financial Information Returns are available for the County.

Overall Potential for Improved Effectiveness and Efficiency

Moderate - There is potential opportunity to examine the feasibility of changing operating context Fairmount Home to a non-profit entity. This would allow the Fairmount to develop policies and practices specific to a long-term care home, and would allow labour management relations to occur using other non-profit homes as the benchmarks rather than municipal homes.

Services Provided	Delivery Model
The provision of long term care services to 128 residents. One wing (32 beds) provides secure care for residents with more advanced dementia or behavioural concerns. Services include: A. Nursing Care - To meet medical and personal support needs of residents, in accordance with legislative requirements and policy - One RN per floor for day and evening shifts, one total overnight - One RPN per 32 bed wing days and evenings 3 PSWs per wing day and evenings (4 on days in the secure wing), 1 PWS float on days and 6 total overnight B. Meals 3 meals, 2 snacks per day and a morning hydration pass C. Accommodation - Single or shared rooms with washrooms D. Recreation - Variety of programs and activities provided in wings or in shared spaces such as the Auditorium E. Medical Care - On site visits for non-emergency care - Full time Nurse Practitioner on site - Full time Occupational Therapist and Rehabilitation Assistant - Contract Physiotherapy services F. Spiritual Care	- There are three departments that report to the Home Administrator - The Resident Care Department includes the Registered Nurses (RNs) that are available 24/7 in the home to provide nursing care, and the Registered Practical Nurses (RPNs) and Personal Support Workers (PSWs) that provide care to the residents. This department also includes two Recreationists, the Volunteer Coordinator, an Occupational Therapist and a Rehabilitation Assistant that provide supplementary recreational and rehabilitative services. - The Dietary Department provides meals and snacks to residents. - The Environmental Services Department is responsible for building maintenance, housekeeping and laundry services for residents - In addition there is a Medical Director who provides, directly and through a nurse practitioner medical diagnosis, prescription and care of residents - All services are provided by staff except the Medical Director and her staff (who are paid by OHIP for services provided), and the Manager of Environment Services and Dietary Services who is contracted from SEDEXO, and the Dietician and Coordinator of Religious and Spiritual Care who are on contract. - There are approximately 120 volunteers involved in the home, providing additional support to residents. - Frontenac Country staff provide Finance, Human Resources and Information Technology services on a shared service basis. - The Ministry fully funds the physiotherapist, physiotherapy aides and the exercise programs.



Service Level Baselines Fairmount Home

Overall Potential for Improved Effectiveness and Efficiency

Moderate - There is potential opportunity to examine the feasibility of changing operating context Fairmount Home to a non-profit entity. This would allow the Fairmount to develop policies and practices specific to a long-term care home, and would allow labour management relations to occur using other non-profit homes as the benchmarks rather than municipal homes.

Service Level Standard	Indicators
- Long Term Care facilities in Ontario are all regulated by the Long Term Care Act of Ontario and O. Reg 79/10. - Admission to homes is through the CCAC, with all residents having equal access to all homes, whether municipally operated (Fairmount), operated by a non-profit (Providence Manor Home), or operated by a private company (Extendicare). Accordingly, Fairmount cannot give priority access to Frontenac County residents. - Fairmount employs the Gentlecare™ approach that is well understood and appreciated throughout the home. It involves focusing activities around the residents and their needs and desires, providing flexibility in the approach to care and involving residents in decisions about their care. - There is currently a major upgrade / expansion of the Home's Auditorium underway. - Staffing was reduced by 4 FTEs in 2011. This has reduced the amount of time staff can spend with each resident, impacting the ability to socialize and converse with residents. - The provision of the full time Nurse Practitioner position has improved resident access to timely care. The position received some provincial support, but replaces services provided by the Medical Director at no cost to the County - Therapeutic services provided in the home (OT, rehab, physiotherapy) reflect the direction care is evolving in long term care homes, but is at a higher service level than the standard. - Fairmount Home is accredited with Accreditation Canada.	- The annual gross operating expense for Fairmount Home is \$10.7 million. - The County receives \$ 5.9 million from the Province, \$2.4 million from the City of Kingston for the operation of Fairmount Home and \$2.9 million from residents. - The annual net operating expense supported by the County's levy is \$0.08 million. - Provincial funding is determined by the Case Mix Index (CMI). It has been declining relative to other homes, reducing Ministry funding - Case mix index is a relative value assigned to a diagnosis-related group of patients in a medical care environment. The CMI value is used in determining the allocation of resources to care for and/or treat the patients in the group - Fairmount has essentially the same level of funding from the province as other municipal and non-profit homes.¹ - Operating revenue is slightly higher than the provincial average (\$47/resident day vs \$42 average).¹ - Operating costs were \$235 per day compared to the provincial average of \$217 per day. The biggest difference was the facility cost (interest and depreciation).¹ - Most wage levels were lower than the averages provided, but casual rates were higher than average.¹ ¹ Ontario Association of Non-Profit Homes and Services Benchmarking Report on Municipal Homes 2011

Service Level Baselines

Emergency Medical Services

Overall Potential for Improved Effectiveness and Efficiency

Moderate - There is potential opportunity to examine the feasibility of changing the operating context of the paramedic service through the outsourcing of the staffing functions of the business.

Services Provided	Delivery Model
- The provision of emergency and non-emergency pre-hospital medical care and transportation to individuals experiencing injury or illness. A.Primary Care Paramedics (PCP) • Patient assessment • Cardiopulmonary resuscitation (CPR) • Patient immobilization • Basic trauma life support • Oxygen therapy via various methods • Blood glucose testing • Trauma care, including basic wound care B.Advanced Care Paramedics (ACP) • Advanced airway management equipment • Orotracheal and nasotracheal intubation equipment • ETCO2 monitoring • Laryngoscopy and removal of foreign body obstruction using Magill forceps • Intravenous therapy • 12-Lead ECG interpretation • Needle thoracostomy • Intraosseous , external jugular IV starts and central venous access device • Manual defibrillation, synchronized cardioversion and external transcutaneous cardiac pacing - Community Paramedicine – non-emergency, community based service with a focus on health promotion and injury prevention.	• The County relies primarily on its own resources (mix of full-time and part-time personnel) for EMS services. • The County delivers land ambulance services to the City of Kingston and County residents; total population served is 151,020 ¹ • The FPS operates the following fleet: 15 ambulances 1 paramedic response unit 6 supervisor and command vehicles 1 logistics vehicle 1 Emergency Support Unit for large scale emergencies and multi casualty incidents. 1 Simulation Mobile Lab • There are urban stations: • Station 00 (Headquarters) – Glenburnie • Station 01 – Palace Road • Station 02 – Justus Dr. • Station 03 – Hwy 15 • There are four rural stations: • Station 04 – Parham • Station 05 – Ompah • Station 06 – Wolfe Island • Station 07 - Sydenham • There is one logistics station in Kingston for medical and equipment supplies. • Dispatch services are provided by the Ministry of Health through Hotel Dieu Hospital.

¹ 2012 Financial Information Return



Service Level Baselines Emergency Medical Services

Overall Potential for Improved Effectiveness and Efficiency

Moderate - There is potential opportunity to examine the feasibility of changing the operating context of the paramedic service through the outsourcing of the staffing functions of the business.

Service Level Standard	Indicators
• The provision of ambulance service across Ontario is a joint responsibility of approximately 50 Upper Tier Municipalities (Regions, Counties, selected cities, and designated Service Delivery Boards in Northern Ontario) and the Ministry of Health. • The Ministry continues to set standards, fully funds air ambulance, dispatch and base hospital programs, and through an approved funding template, provides a maximum of 50% of required land ambulance service funding. • Applicable legislation includes Ambulance Act RSO 1990, Ontario Regulation 129, Ontario Regulation 257/00 • A level of paramedic is specified in Ontario Regulation 257/00 made under the Ambulance Act, RSO 1990, c A-19. Schedules 1, 2 and 3 to this regulation specify the mandatory controlled acts for each level of paramedic. • A paramedic must be authorized by a medical director of a Regional Base Hospital (RBH) to perform controlled medical acts. Frontenac County EMS paramedics are certified under the Eastern Ontario Regional Paramedic Program by Dr. Justin Maloney.	• The annual gross operating expense for EMS services is \$14.5 million. • The County receives \$ 7.4 million from the Province, \$6.2 million from the City of Kingston for the provision of land ambulance services. • The annual net operating expense supported by the County's levy is \$0.9 million. • On a per household basis, the County's EMS costs (\$203/HH) is lower than the average of its comparators (\$217/HH).¹ • There were 21,375 responses in 2012 and 65,700 hours of service.² • The total responses per 1000 population (142 calls) is less than the average of 167 calls.³ • The total service hours per 1000 population (435 Hrs) is less than the average of 684 Hrs.³ 1 2012 Financial Information Return 2 Information provided by the Frontenac Paramedic Service 3 KPMG survey of comparator land ambulance services

Service Level Baselines

Ferry Services

Services Provided	Delivery Model
24/7 ferry service between Howe Island and the mainland.	- The 15 car cable ferry is owned by the Ontario Ministry of Transportation – Frontenac Howe Islander. - The County relies primarily on its own resources (mix of full-time and part-time personnel) for ferry services, except for major maintenance. - Maintenance is delivered by the Ministry of Transportation.
Service Level Standard	Indicators
The ferry service operates under the authority of Transport Canada and the <u>Canada Shipping Act 2001</u>.	- Annual ridership has increased from 204,010 vehicles in 2010 to 207,276 vehicles in 2012. - Heavy truck passages (over 3,000 kg) have declined from 6,352 in 2010 to 5,358 in 2012. - Unscheduled out of service time has decreased from 1402 minutes in 2011 to 35 minutes in 2012. - Scheduled maintenance time, the actual time that the Ministry of Transportation took to perform scheduled maintenance during the year, increased from 1748 minutes in 2010 to 6552 minutes in 2012. ¹. 2012 Ferry Operations Annual Report
Overall Potential for Improved Efficiency and Effectiveness	
Low – There is a potential opportunity to assume the operations of the ferries currently operated by Frontenac Islands Township and deliver ferry services to Howe and Simcoe Island under one operator.	

Services Provided	Delivery Model
• Chief Administrative Officer • Legal • Executive Assistant/Receptionist(Administrative support) • Communications Officer • Information Technology • County Clerk & Council support • AODA Support	• The County relies primarily on its own resources (mix of full-time and part-time personnel) for administrative services, with the following exceptions: • Legal Services • Insurance Services • The County provides AODA, IT and communication services to the lower tier municipalities.
Service Level Standard	Indicators
• Service levels for specific administrative functions are established either by legislation (e.g. Municipal Act, Occupational Health and Safety Act, AODA) or County bylaws. • Major aspects of the County's administrative functions (e.g. Information Technology), however, do not appear to have formally defined service level standards. • There are no service agreements detailing service level standards between the County and the member Townships on the provision of AODA, IT or communications services.	• General government net costs per household at \$106 are significantly lower than the comparator average of \$232.¹ • General government costs as a percentage of total municipal operating costs is lower (6%) than the average of the comparator municipalities (8%).¹ • General government salary and benefit costs as a percentage of operating costs is significantly lower than the comparative average (40% vs. 56%). ¹. 2012 Financial Information Return Schedule 40
Overall Potential for Improved Efficiency and Effectiveness	
High– There is a potential opportunity to share the cost of <i>back office</i> corporate support services among the member municipalities and neighbours of Frontenac County. Specific services that offer the greatest opportunity for cost savings include information technology, human resource services, purchasing, and health and safety.	

Service Level Baselines Planning and Development

Services Provided	Delivery Model
- Planning (Subdivisions, County Official Plan, Sustainability Plan, Special Studies) - GIS - Economic Development	- The County relies primarily on its own resources for planning services. - Planning services are provided to the lower tier municipalities with the exception of North & South Frontenac Townships. - Economic development support is provided to the Townships on a project specific basis.
Service Level Standard	Indicators
- Planning services are provided pursuant to the Planning Act. O. Reg 101/13 requires all upper-tier municipalities to adopt an official plan. It requires upper-tier municipalities to adopt an official plan no later than March 31, 2015. - Presently, Frontenac County has not adopted an official plan. - The provision of planning services to the Townships will ensure all lower tier municipalities meet the provincial requirements for land use planning matters. - There are service agreements detailing service level standards between the County and the member Townships on the provision of planning services.	- The County's salaries and benefits for planning services as a percentage of the department's operating costs is significantly lower than the comparator average (28% vs. 60%). - The net cost per household for planning services (\$33) is significantly lower than the comparator average of \$67.
Overall Potential for Improved Efficiency and Effectiveness	
High – There is a potential opportunity to share the cost of land use planning between the Townships and County through the delivery of planning services by the County of Frontenac.	

Services Provided	Delivery Model
• Budget development and reporting • Financial year end and other periodic financial reporting • Purchasing/procurement/accounts payable • Revenue/receivables/cash receipts • Financial services support to Emergency & Transportation Services and the Fairmount Home • Management of tangible capital assets • Payroll Services • Review and oversight of third party agreements with the City of Kingston and the Province.	• The County relies primarily on its own resources for financial services. • Financial services are provided to Frontenac Islands (projected to end in 2013). • Internal audit services are contracted to an independent audit firm when required.
Service Level Standard	Indicators
• Financial services are delivered in accordance with the Municipal Act , Canadian Institute of Chartered Accountants (CICA) Handbook and the Public Sector Accounting Board (PSAB). • Financial statements are subject to an annual independent audit; there is no internal audit function.	• The County's debt per household is significantly lower than the comparator average (\$606 vs. \$898). • The County's reserves per household (\$768) is lower than the comparator average of \$998.
Overall Potential for Efficiency and Effectiveness	
High – There is a potential opportunity to share the cost of financial services among the member municipalities of Frontenac County specifically in the areas of property tax administration or other Treasury functions where required.	

Service Level Baselines

Human Resource Services

Services Provided	Delivery Model
• Collective bargaining for 3 unionized groups - CUPE 109, OPSEU 462 and CUPE 2290 • Grievances and dispute resolution management • Compensation administration for union and non-union employees • Recruitment for all County positions, • Corporate training • Employee record maintenance • Performance management and appraisal process • Occupational Health and Safety	• The County relies primarily on its own resources (mix of full-time and part-time personnel) for human resource services. • Employee Benefits, Short and Long Term Insurance Benefits are delivered through a county consortium. • Legal advice for labour negotiations and grievances is provided through an external solicitor. • The County provides human resource services to the member municipalities on an as-needed basis.
Service Level Standard	Indicators
• Service levels for specific human resource functions are established either by legislation (e.g. Municipal Act, Occupational Health and Safety Act, WSIB, AODA) or County bylaws. • There are no service agreements detailing service level standards between the County and lower tier Townships on the provision of human resource services or work place safety.	• Delivery of HR services to ~362 employees - 228 full-time and 134 part-time. • Year to date there has been 29 grievances an increase of 61% from the previous year. • The County has received a favourable review in a recent Road To Zero report by the WSIB.
Overall Potential for Improved Efficiency and Effectiveness	
Moderate – There is a potential opportunity to share the cost of human resource support services among the member municipalities of Frontenac County particularly in the areas of health and safety and corporate training.	



cutting through complexity

Workflow Analysis

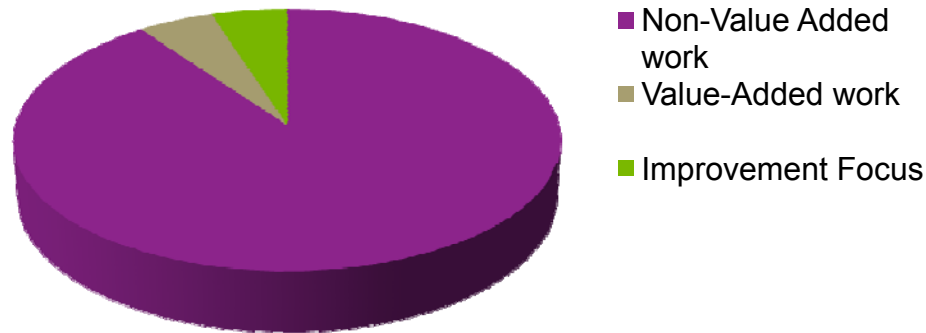
Frontenac County Comprehensive Review of
Services and Organization



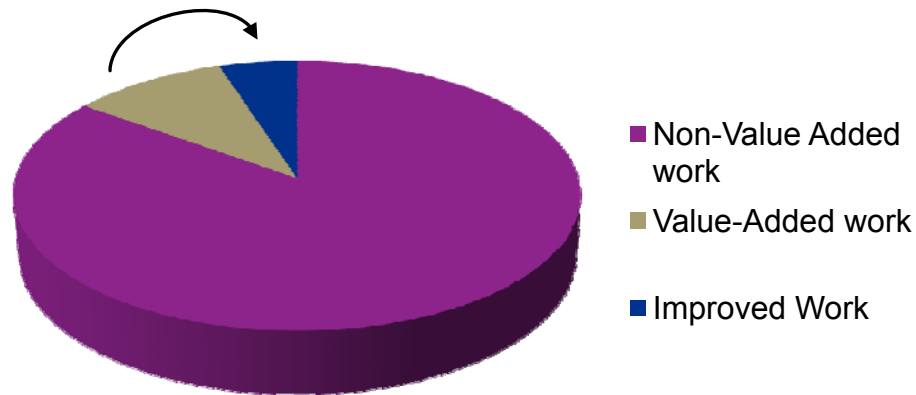
If we think about our daily work at the office . . .



If you focus on improving value added work, with a new computer system or more people, then you don't get much improvement overall.

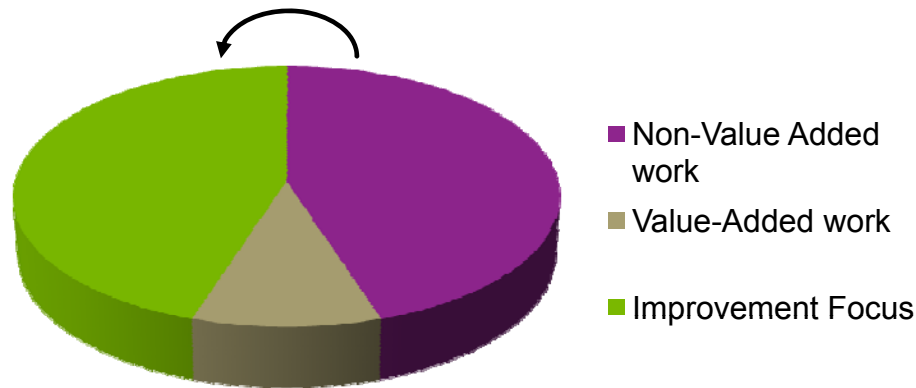


50 % improvement in value-added work (VA)...

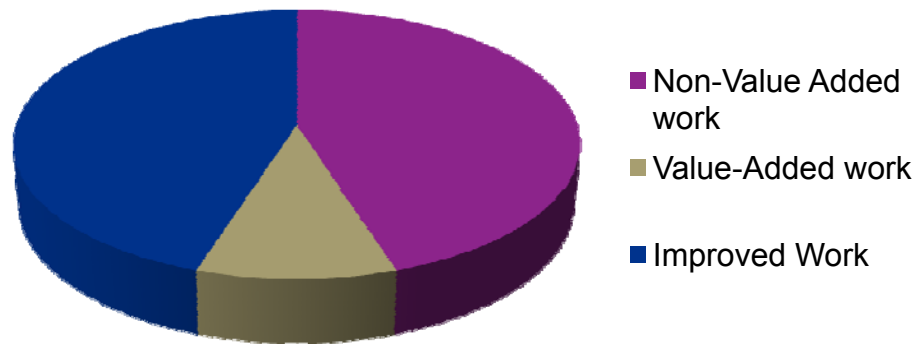


...doesn't yield much in the way of overall improvement.

But when you focus on eradicating waste, big things happen.



50% improvement in non-value-added work (NVA)...



...yields a much bigger impact on capacity, speed, lead times, quality, and customer and employee satisfaction.

Workflow Analysis Budget Process – Staff Preparation Phase

Possible Process Waste:

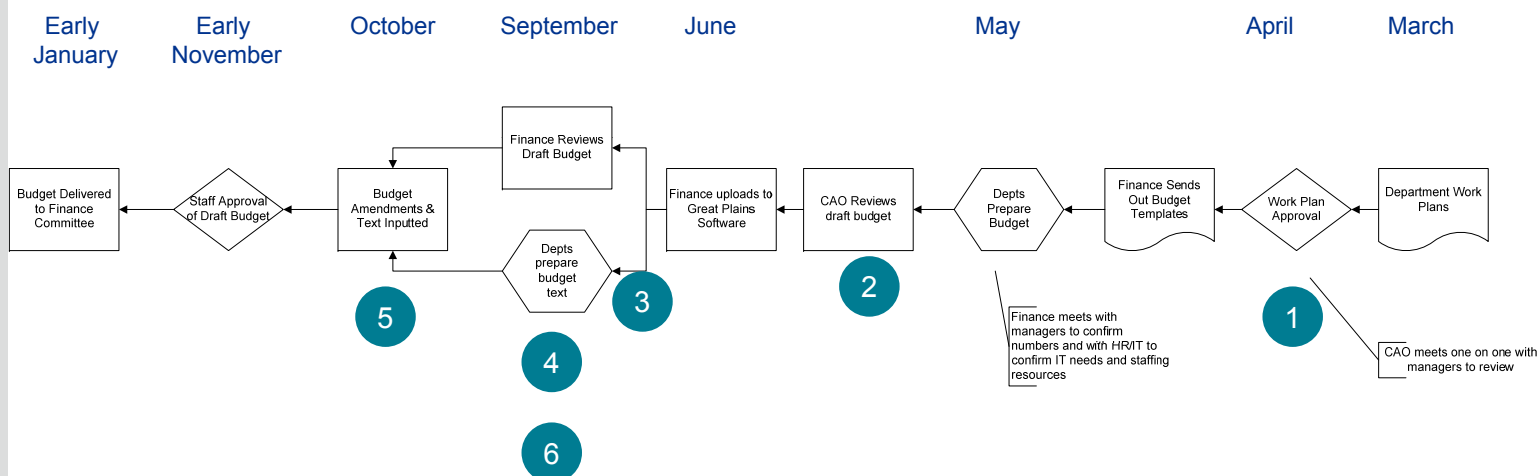
1. Waiting/Delays in Work Plan approvals
2. Redundant review by CAO prior to upload into Great Plains
3. Waiting/delays in budget review/approval because of competing operational demands

Information Waste

4. Data discrepancies
5. Converting formats
6. Unclear or incorrect data

People Waste

7. Lack of project management
8. Ineffective budget meetings
9. Unclear sponsorship, norms & schedule
10. Emotional waste, unnecessary frustration, stress



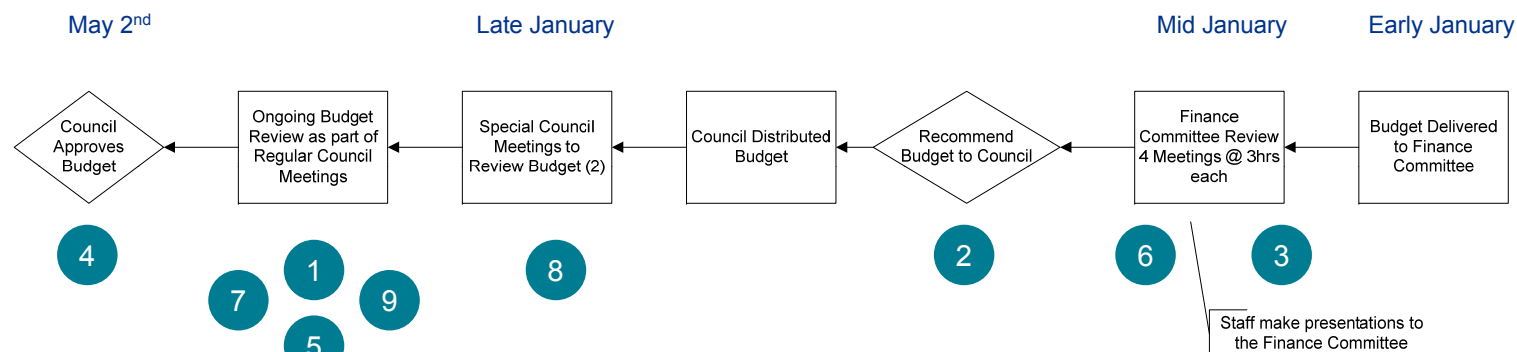
Workflow Analysis Budget Process – Council Approval Phase

Process Waste:

1. Waiting/Delays in budget review by Council
2. Unnecessary complexity in budget review by Council
3. Redundant review by Finance Committee

People Waste

4. Lack of project management
5. Ineffective budget meetings
6. Unclear sponsorship, norms & schedule
7. Emotional waste: unnecessary frustration, stress
8. Lack of training
9. Mishandled conflict

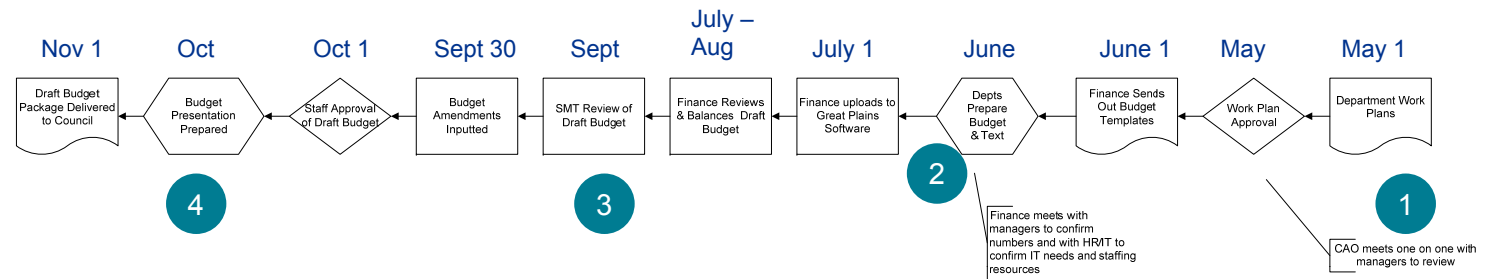


Workflow Analysis Revised Budget Approval Process

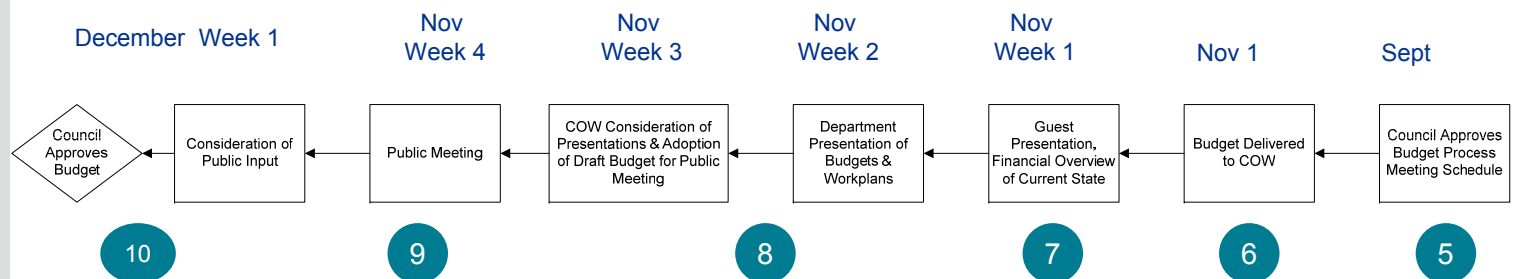
Key Changes

- Budget begins May 1 with work plans due at month's end
- No CAO review prior to upload into finance software
- SMT review of draft budget in September & approved Oct 1 for Council
- Budget presentation prepared in October
- Council Approves Budget Meeting Schedule
- Budget delivered to Council COW not Finance Committee
- Council education session with financial overview of organization
- Two Meetings to deliberate and review draft budget
- Public meeting to inform citizens
- Budget approved first week of December

Staff Preparation Phase



Council Approval Phase



Possible Process Waste:

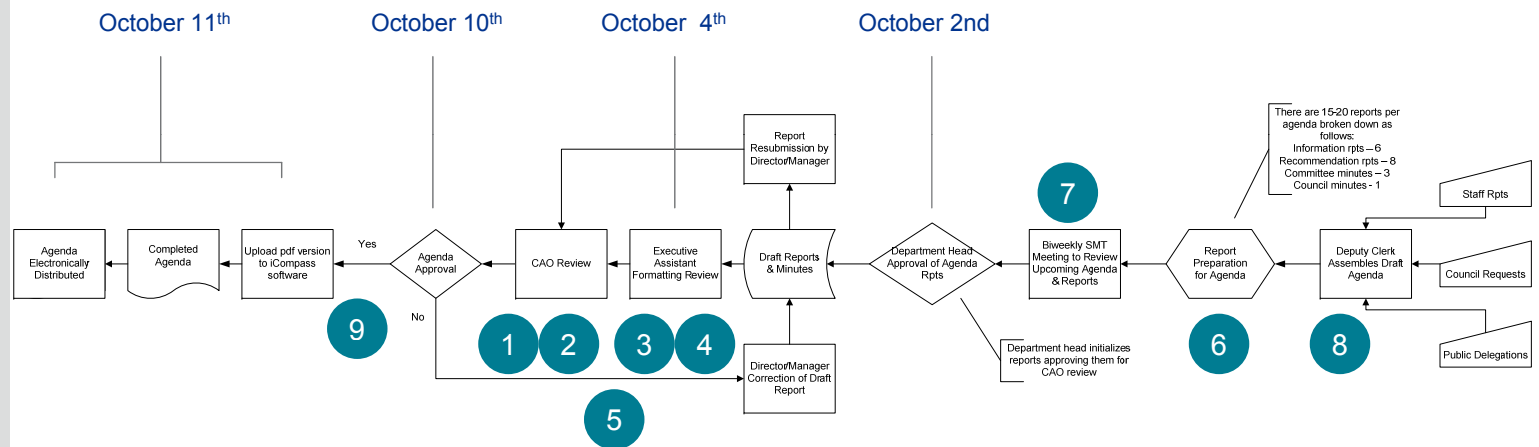
1. Waiting/Delays in Council Report approvals
2. Redundant review of formatting & grammar
3. Redundant review of minutes

Information Waste

4. Converting formats
5. Unclear or incorrect data

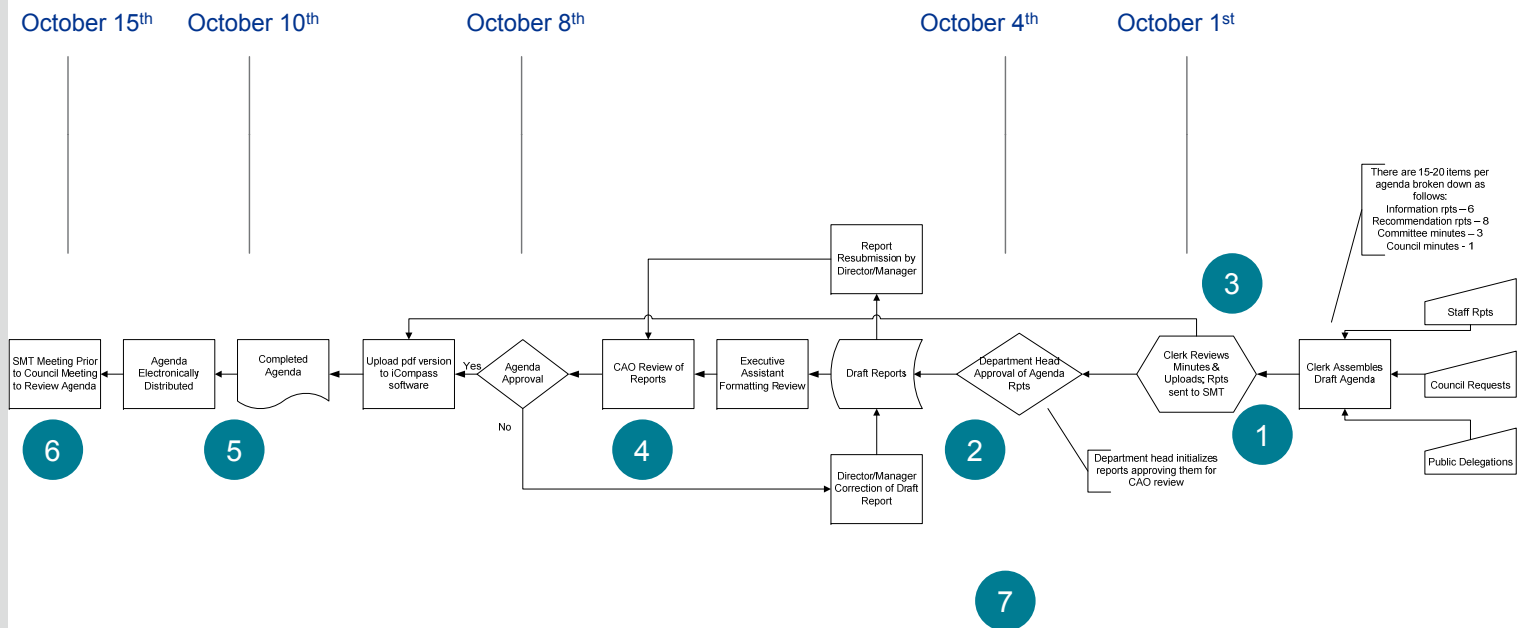
People Waste

6. Underutilized talent
7. Ineffective management meetings
8. Unclear sponsorship, norms & schedule
9. Emotional waste, unnecessary frustration, stress

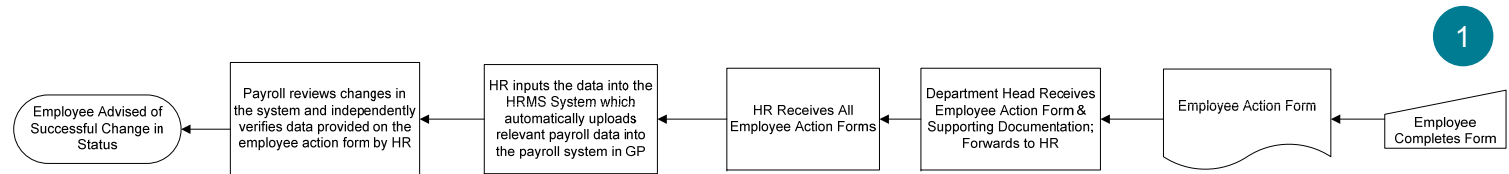


Key Changes

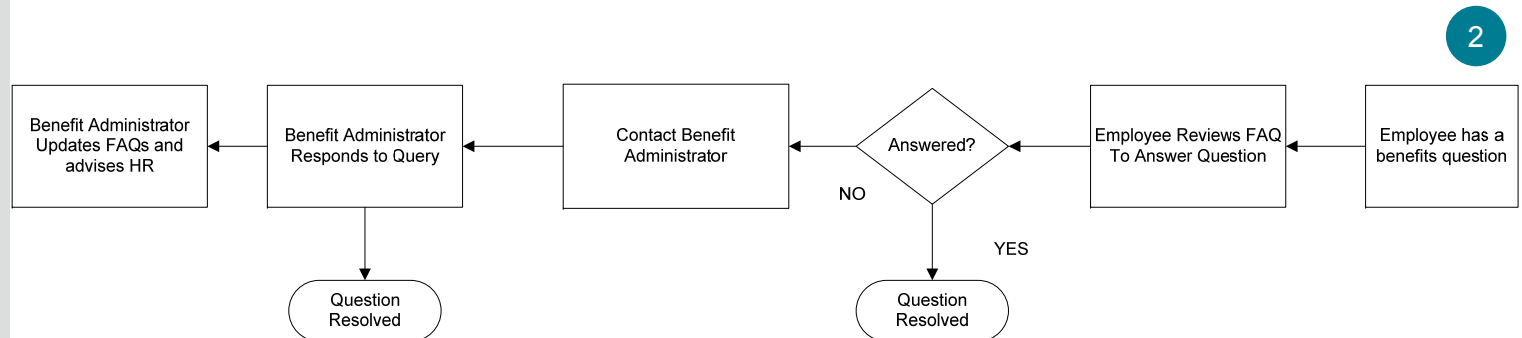
1. Clerk solely responsible for preparation of agenda package
2. SMT meeting to review agenda and approve agenda is removed from the process
3. Minutes removed from CAO review
4. CAO review period reduced to 2 working days
5. Agenda completed & distributed on the Thursday - one day earlier
6. SMT meeting day before Council meeting to prepare and confirm report recommendations



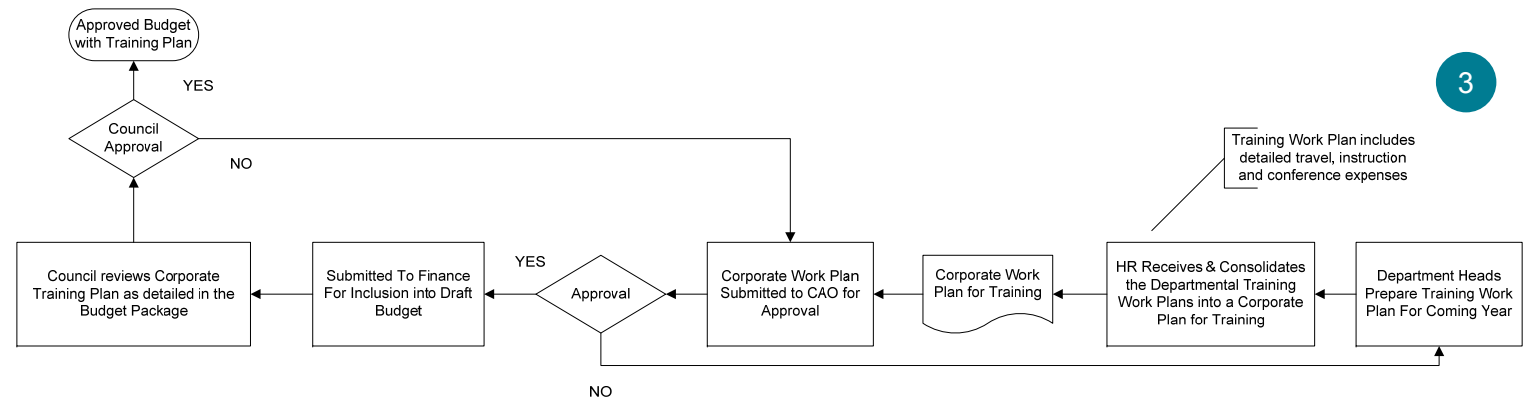
1. Employee data entry into the HRMS System



2. Employee benefit query responsibilities



3. Development and approval of organization wide training work plan





cutting through complexity

Comparisons & Opportunities

Frontenac County Comprehensive Review of
Services and Organization



Financial and Staffing Perspectives on the County

Comparative Analysis – Why Compare to Other Communities

For the purposes of the project, seven comparator communities were selected as municipal comparators based on population size, services and geography:

1. Guelph
2. Greater Sudbury
3. Hastings County
4. United Counties of Leeds & Grenville
5. Lennox & Addington County
6. Muskoka District
7. Perth County

The primary purpose of the comparative analysis is to understand the performance of comparator municipalities and to identify opportunities to change how the County's organization is aligned to deliver municipal services.

- Communities with similar financial benchmarks/service levels – insight into operating efficiencies
- Communities with different financial benchmarks/service levels – opportunities to change existing organizational structure/processes to reflect common service levels

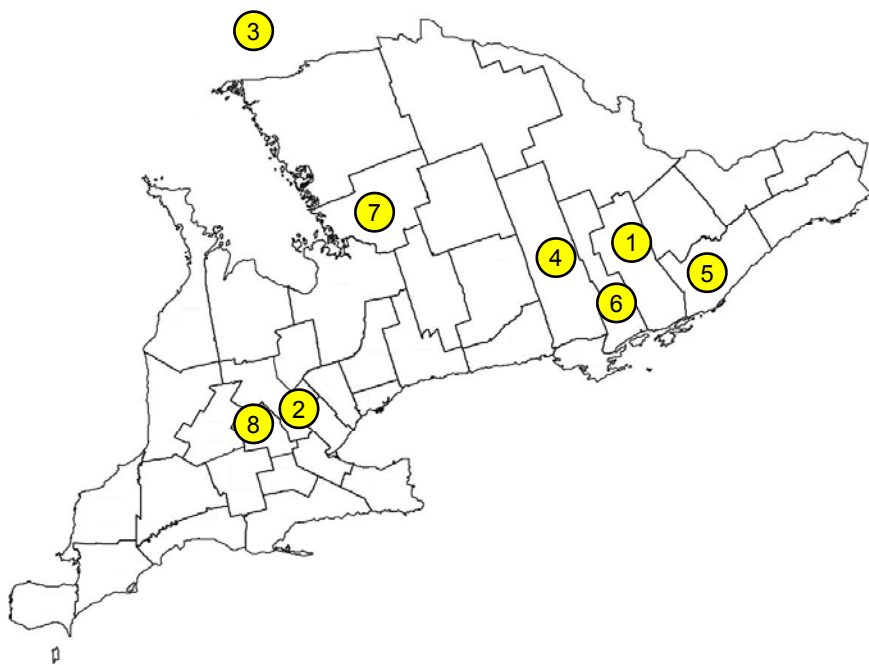
Comparing financial performance and taxation levels has both benefits and risks

- Provides insight into affordability issues; what a peer municipality can achieve with the same resources
- Assumes that all variables are the same (assessment base, non-taxation revenues)
- Assumes that taxation levels in other communities are 'right'

For the purposes of comparing the operations of the Homes for the Aged and Emergency Medical Services, all seven municipal comparators were included where appropriate. The population and household numbers are for the service area. The comparative financial analysis excludes the Cities of Greater Sudbury and Guelph given their significant differences from the Counties. The population and household numbers solely represent the specific County and not the service area.

¹ Statistics Canada census profiles (2011)

² Municipal Financial Information Return Schedule 02 (2011)



Community	Population ¹	Households ²	Service Area Population ¹	Service Area Households ²
1. Frontenac	26,375	18,801	151,020	71,593
2. Guelph	121,688	52,179	216,316	84,373
3. Greater Sudbury	161,900	74,069	161,900	74,069
4. Hastings	39,888	23,547	153,327	77,180
5. Leeds & Grenville	60,400	33,732	88,355	49,234
6. Lennox & Addington	41,824	18,295	41,824	18,295
7. Muskoka	59,721	47,996	59,721	47,996
8. Perth	13,883	13,883	74,074	30,743
Comparative Average	73,987	37,556	113,788	54,556

¹ Statistics Canada census profile, 2011 census data.

² Municipal Financial Information Return Schedule 02 & 90, 2012.



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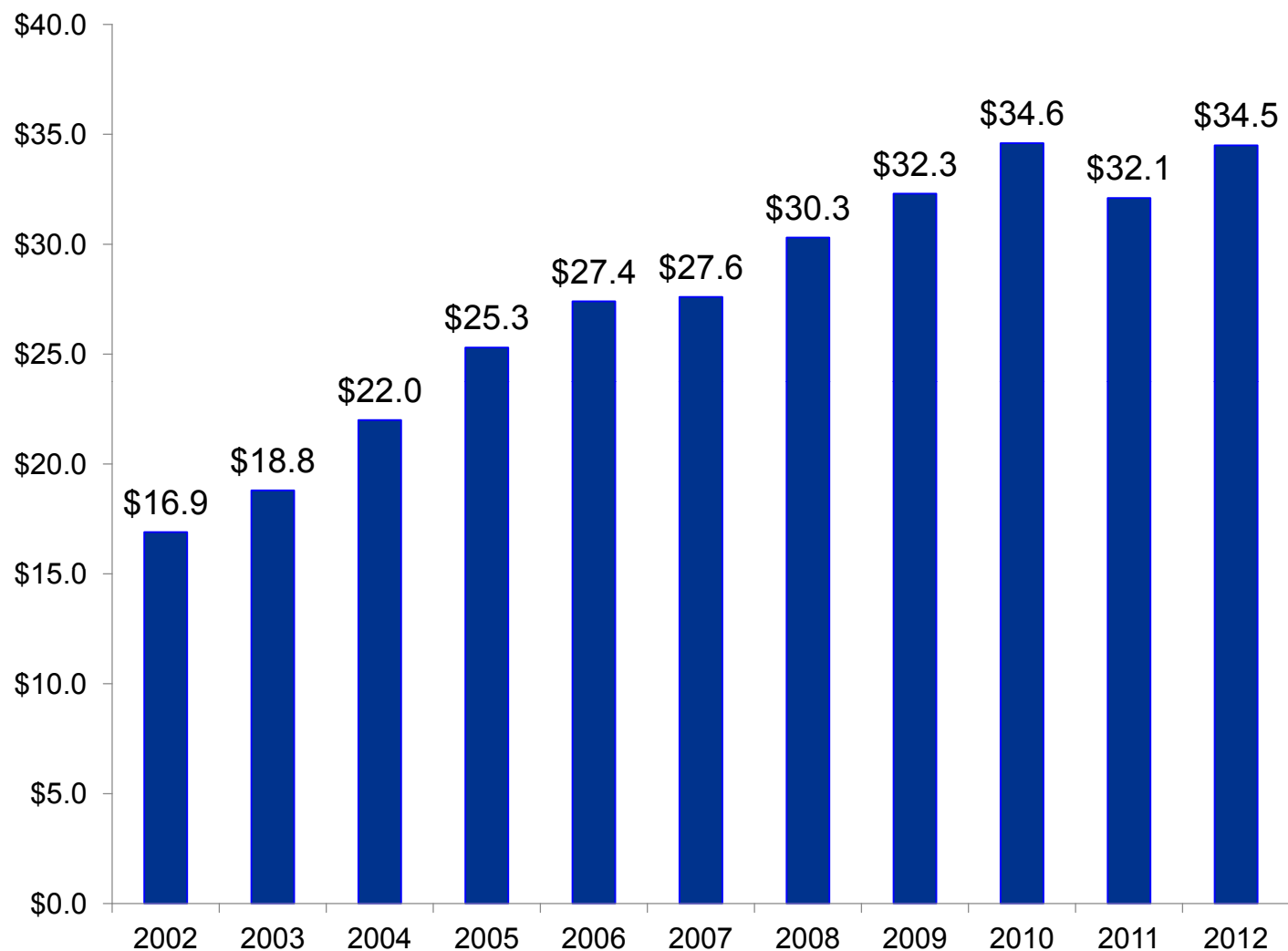
Comparative Analysis – Corporate Services





Financial Perspectives on the County of Frontenac Historical Operating Costs¹

Since 2002, the County's operating costs have increased from \$16.9 million to \$34.5 million recognizing the increase to operating costs of \$5.8 million in 2004 with the Provincial download of Emergency/Land Ambulance Services.



¹ KPMG analysis of the County's FIR, prepared in connection with the Review. Considers operating costs only (i.e. excludes capital or reserve transactions), with amounts adjusted to reflect pre-TCA accounting standards (i.e. excludes amortization of TCA).



Financial Perspectives on the County of Frontenac

Changes in Historical Operating Costs

The primary contributor to past increases in operating costs has been higher salary and benefit costs, which have increased an average of 8% per year since 2004.

There has been only a 2% average annual increase since 2004 in non salary/benefit expenses.

The role and reach of the County has increased significantly since the 2002. Accordingly, there has been large increases in the salaries/benefits for the Emergency Services, Planning and General Government areas, (10%, 18% and 12% respectfully).

Operating expenditures by type¹ (in millions)	2002	2004	2012	Avg Annual Increase 02-04	Avg Annual Increase 04-12
Salaries and benefits	\$4.33	\$11.87	\$22.71	65%	8%
Other Expenses	\$12.64	\$10.21	\$11.74	-10%	2%
Total	\$16.97	\$22.08	\$34.45	15%	7%

Salaries and benefits by function¹ (in thousands)	2002	2004	2012	Avg Annual Increase 02-04	Avg Annual Increase 04-12
Transportation (Ferry Service)	\$505,895	\$593,657	\$841,567	8.3%	4.4%
Planning and Development	\$51,659	\$69,205	\$266,419	15.7%	18.3%
Emergency Services	\$0	\$5,839,185	\$12,259,774	-	9.7%
Social and Family Services	\$3,603,151	\$5,035,024	\$8,487,287	18.2%	6.7%
General Government	\$177,073	\$339,643	\$855,261	38.4%	12.2%
Total	\$ 4.34m	\$11.87m	\$22.71m	65.3%	8.4%

¹ KPMG analysis of internal financial statements and annual financial information returns.

Environmental Scan

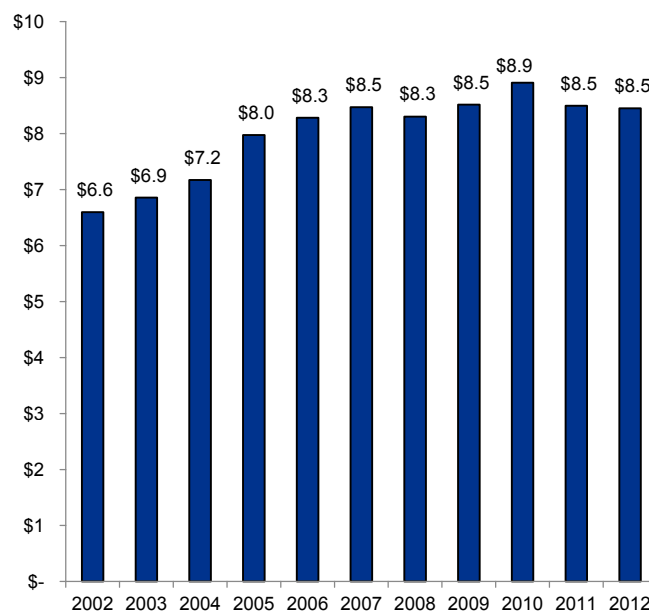
Overview of the County's Financial Performance

The County's 2012 budget reflects a total municipal levy of \$ 8.5 million¹ which, when combined with \$26 million in other revenues, will fund a total of \$34.4 million in expenditures.

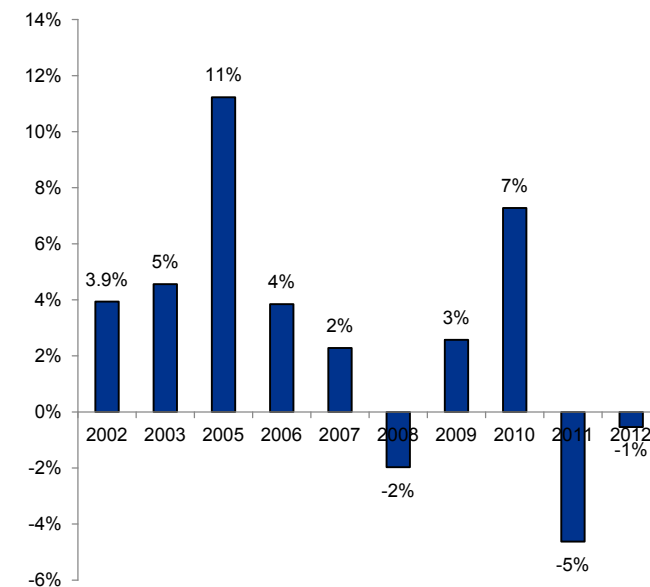
Since 2002, the County's municipal levy has increased by an average of \$185,000 or 2.6% per year. In comparison, the Consumer Price Index increased on average 1.9% annually since 2002.

It is important to note, however, that the annual increases in the County's municipal levy have fluctuated significantly from year to year, with several large annual increases experienced during 2004 (11%) and a significant decrease in 2011 (-5%). The leading practice for tax policy is levy increases that are steady and predictable over a five to ten year period – a policy that the County has not been able to achieve.

Total municipal levy – 2002 to 2012 (millions of dollars)²



Annual change in municipal levy – 2002 to 2012²



¹ For the purposes of our report, municipal levy includes payments-in-lieu and supplementary taxes, write-offs and rebates.

² Source – Municipal Financial Information Returns (Schedule 10), and internal financial information provided by management.



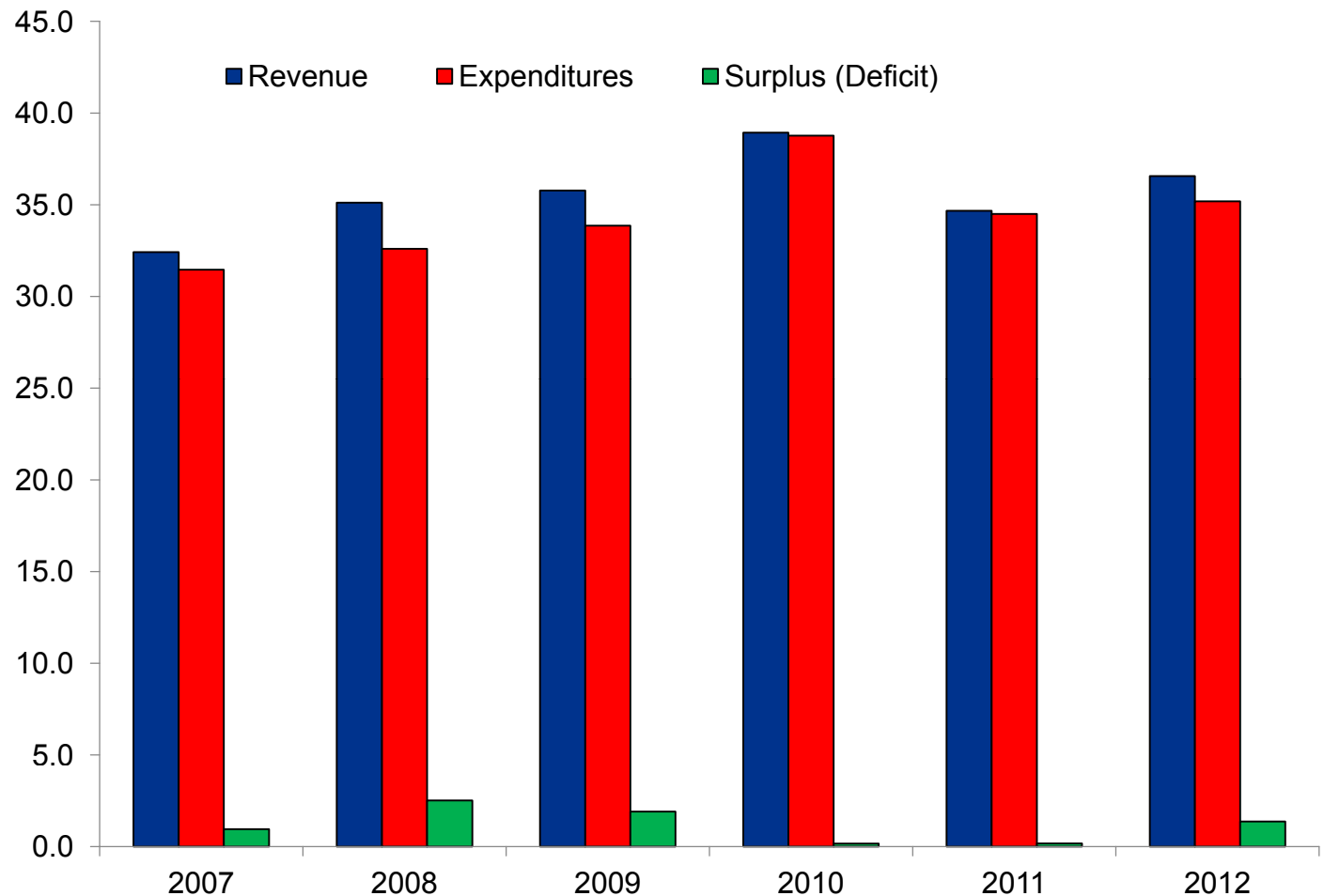
Financial and Staffing Perspectives on the County *Reported Operating Results (In Millions)*

This chart shows the operating results for the County before any transfers from reserve or debenture.

It's an important depiction of the County's financial health because it indicates the long term financial sustainability of the County.

In this case, the County has a positive outlook because it has not incurred an operating deficit over the past six years.

The continued drawing down of reserves to fund operating deficits is a financial practice that is financially unsustainable and will ultimately lead to some type of intervention.



Source – audited financial statements adjusted for pre-TCA accounting basis

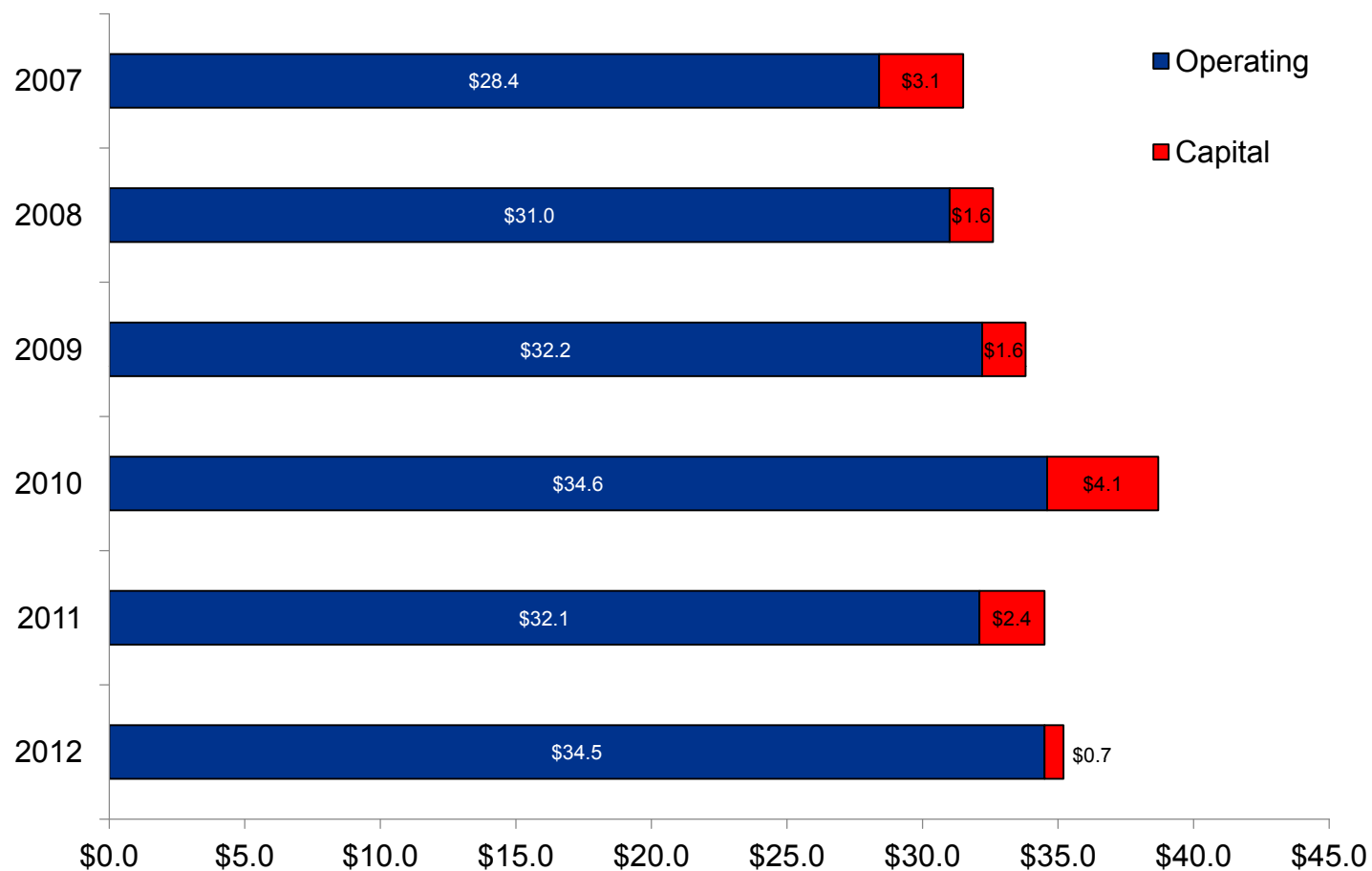


Financial and Staffing Perspectives on the County *Operating and Capital Expenditures (In Millions)*

The capital expenditure history of the County for the past six years is consistent with Canadian municipalities.

Following the economic crisis of 2008/09, municipalities significantly increased their capital programs to take advantage of stimulus funding from the Federal government.

In Frontenac's case it received funding to construct a new ambulance station in Sydenham and a new library in South Frontenac.



Source – audited financial statements adjusted for pre-TCA accounting basis



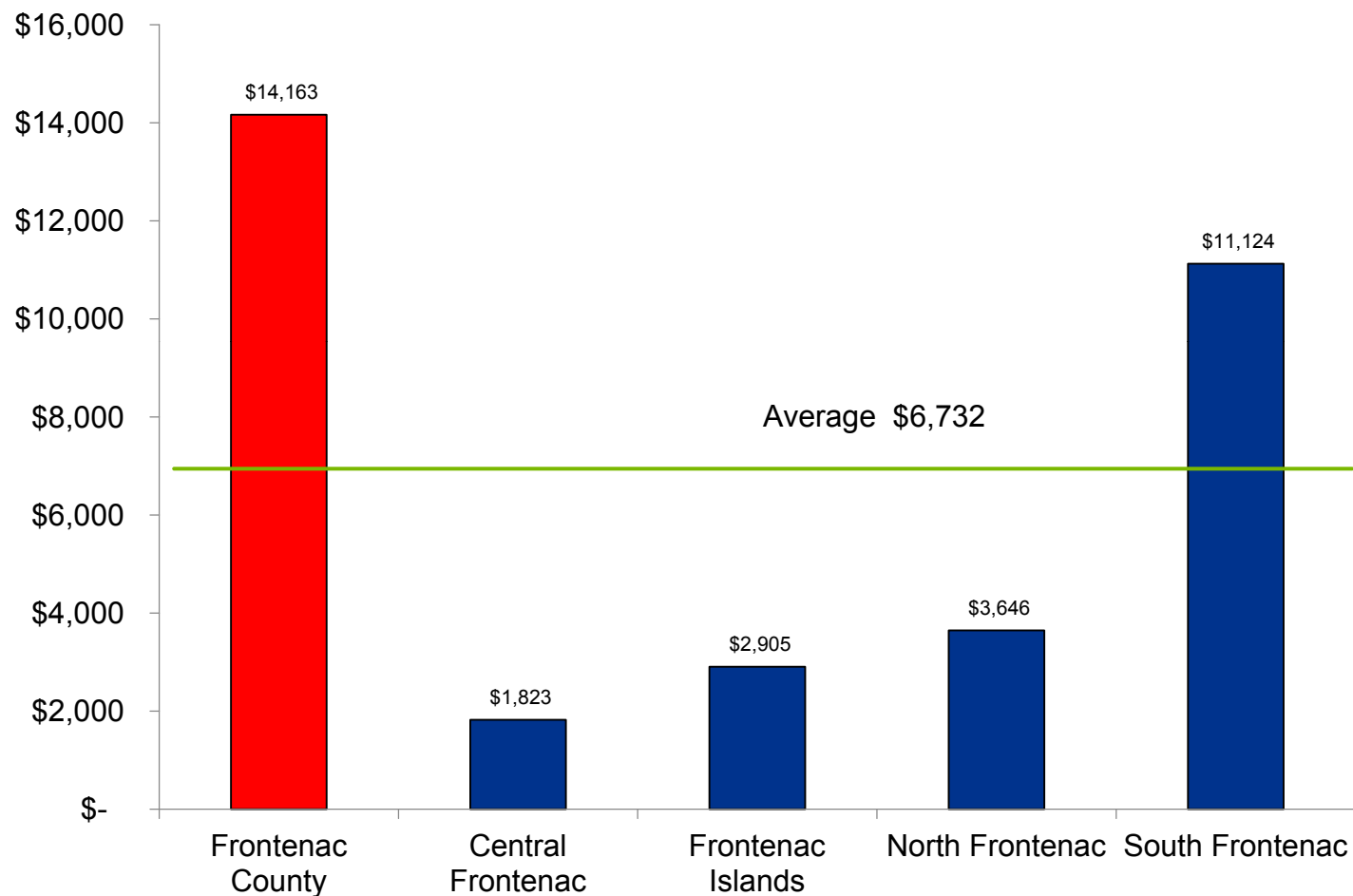
Financial and Staffing Perspectives on the County

Total Reserves 2012 (1,000s)

If we consider the reserve position of Frontenac County, the County has the highest reserve position among the member municipalities.

The reserve position of Frontenac Islands, Central Frontenac and North Frontenac is concerning given the road and ferry networks for which they are responsible.

The reserves do not include gas tax revenue which is considered Obligatory Deferred Revenue under Schedule 60 of the Financial Information Return.



Source – KPMG analysis of annual financial information returns



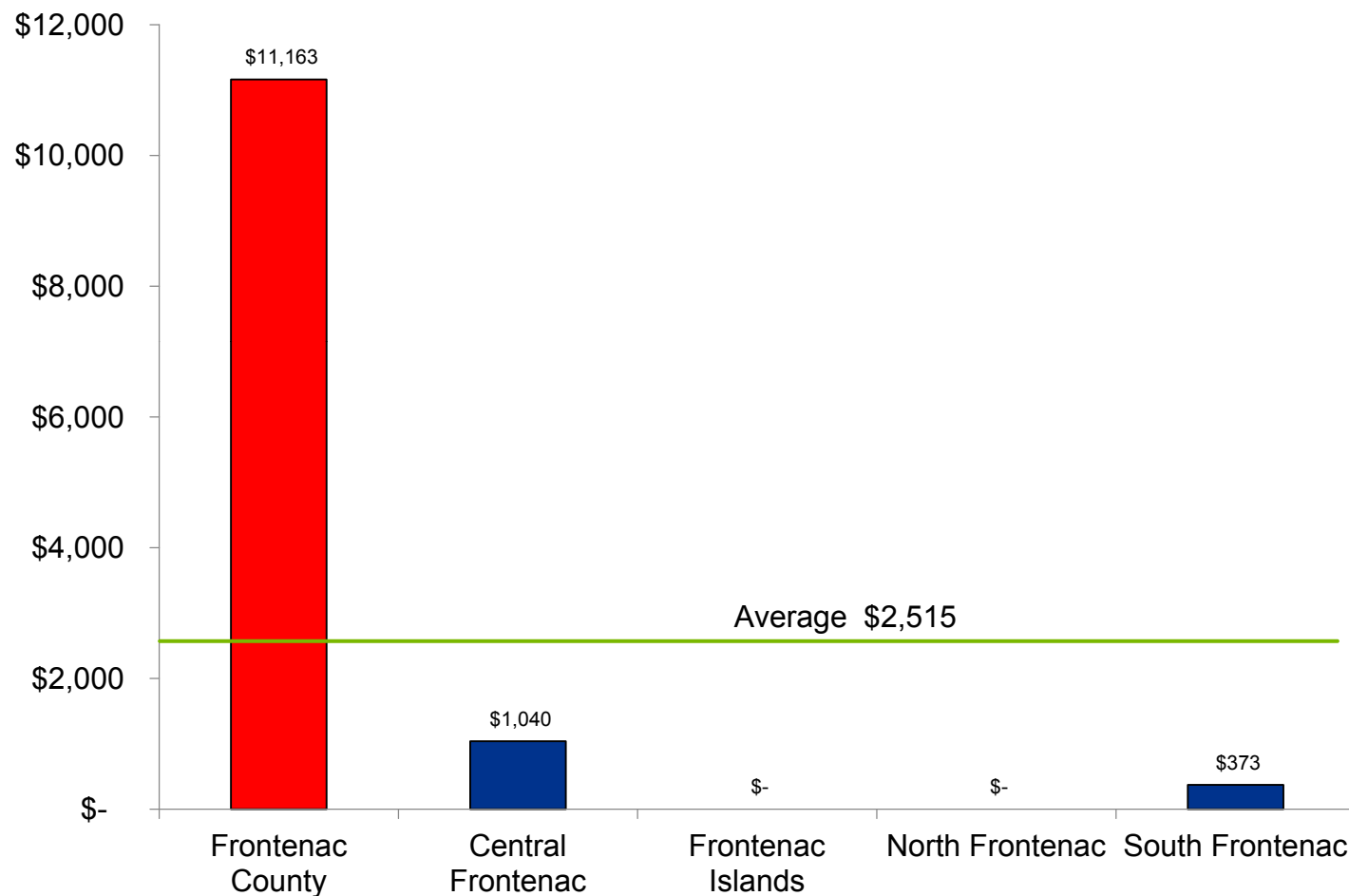
Financial and Staffing Perspectives on the County

Total Debt 2012 (1,000s)

If we consider the debt position of Frontenac County, the County has the highest debt position among the member municipalities. The debt held by the County is primarily for the expansion/renovation of Fairmount Home and is partially supported by the City of Kingston.

Frontenac Islands and North Frontenac have no debt and South Frontenac only a marginal amount.

Central Frontenac holds slightly more than \$1 million in debt used to finance the medical centre in Sharbot Lake.



Source – KPMG analysis of annual financial information returns



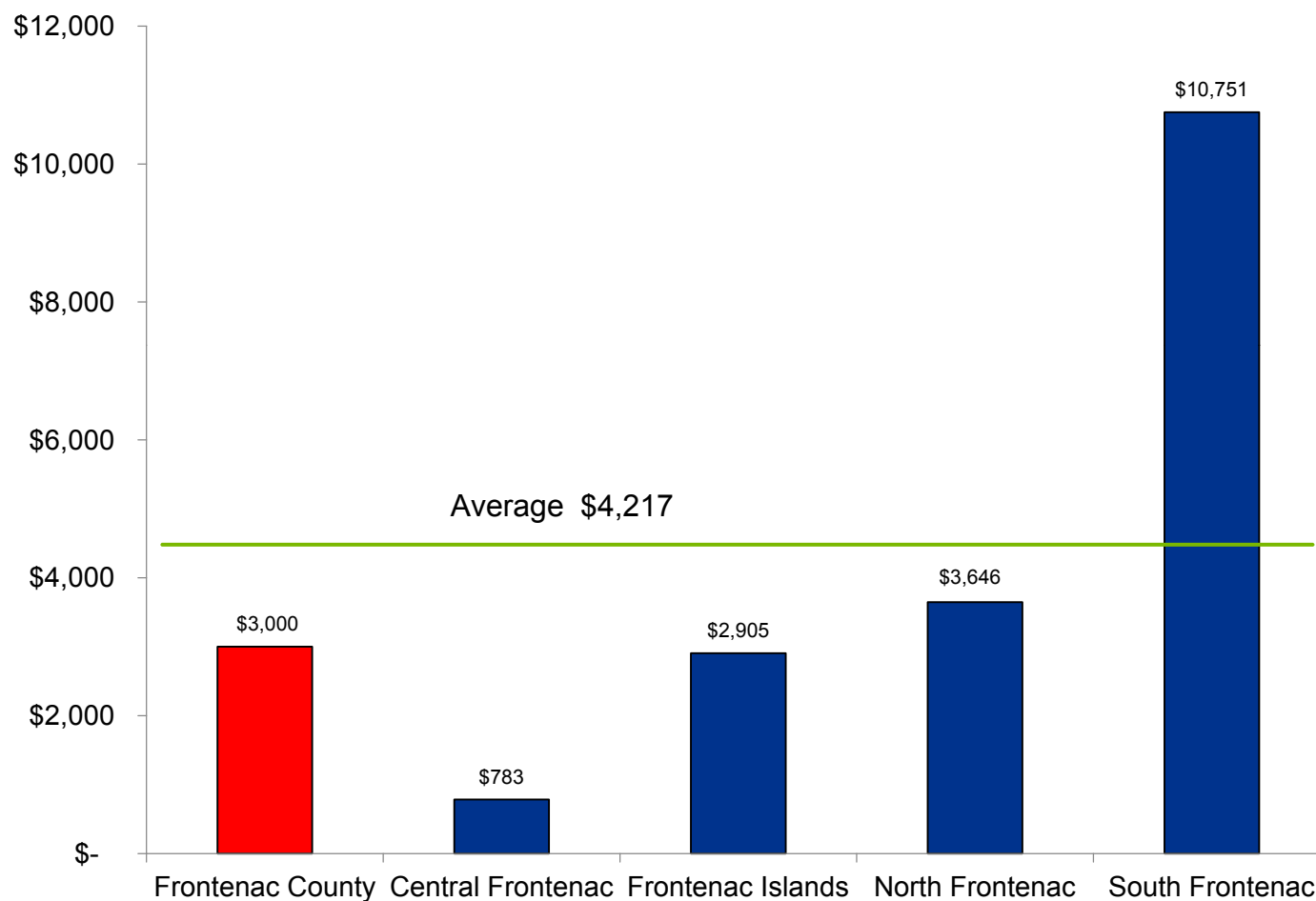
Financial and Staffing Perspectives on the County *Net Equity (2012) (1,000's)*

Net equity is the reserve position of the municipality less any debt obligations.

A comparison of net equity positions shows that South Frontenac has the strongest net equity position of \$10.8 million.

Encouragingly, all the member municipalities of the County are in a positive net equity position which speaks to the long term sustainability of the County.

This analysis excludes any consideration of liabilities arising from the state of the municipality's infrastructure.



Source – KPMG analysis of annual financial information returns

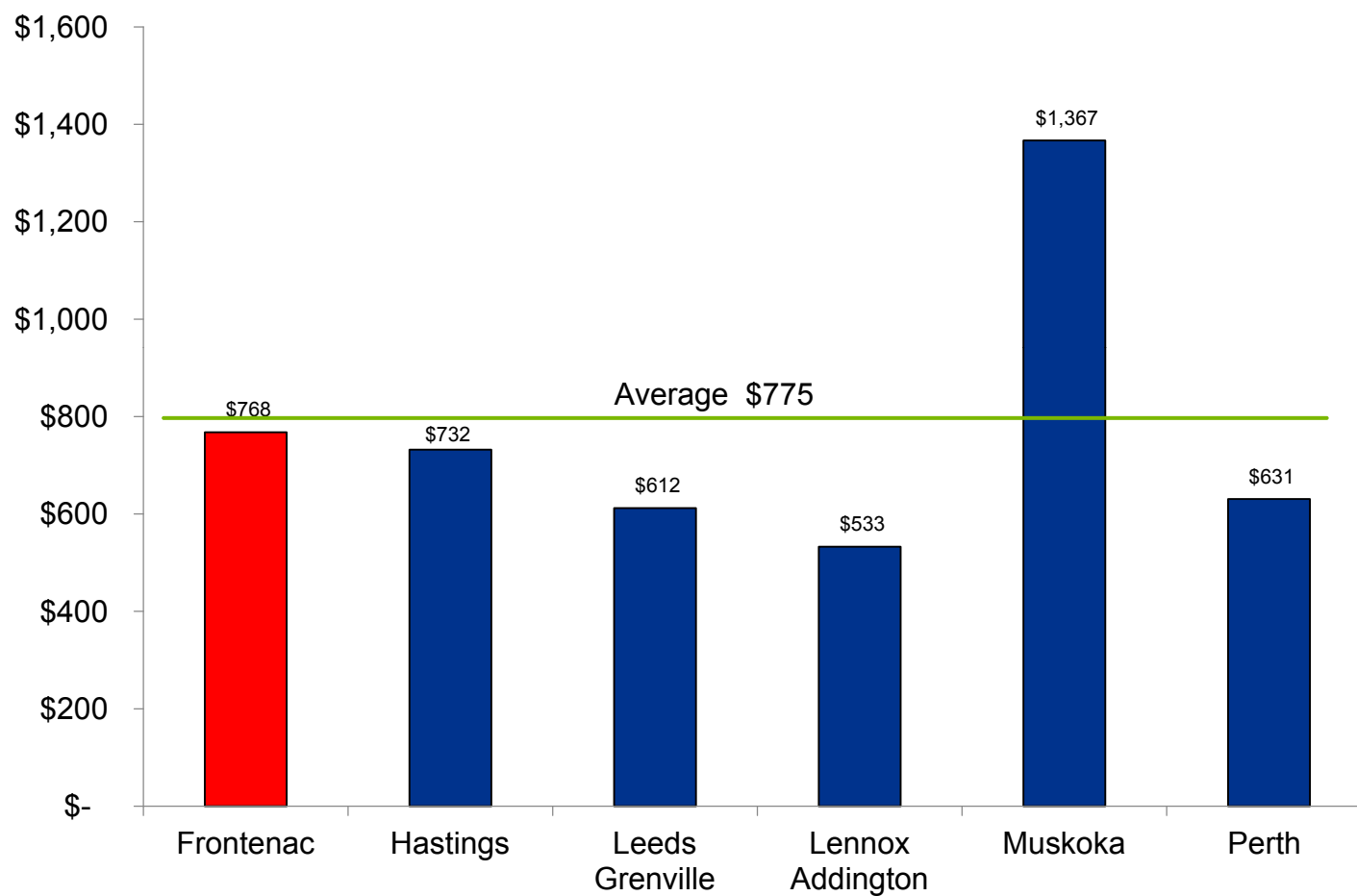


Financial and Staffing Perspectives on the County *Reserves per Household (2012)*

An analysis of the amount of reserves per household shows that Frontenac County is consistent with the average of the comparator group. It does, however, hold the second highest reserve position per household among the comparators.

This is a positive financial indicator.

The reserves do not include gas tax revenue which is considered Obligatory Deferred Revenue under Schedule 60 of the Financial Information Return.



Source – KPMG analysis of annual financial information returns

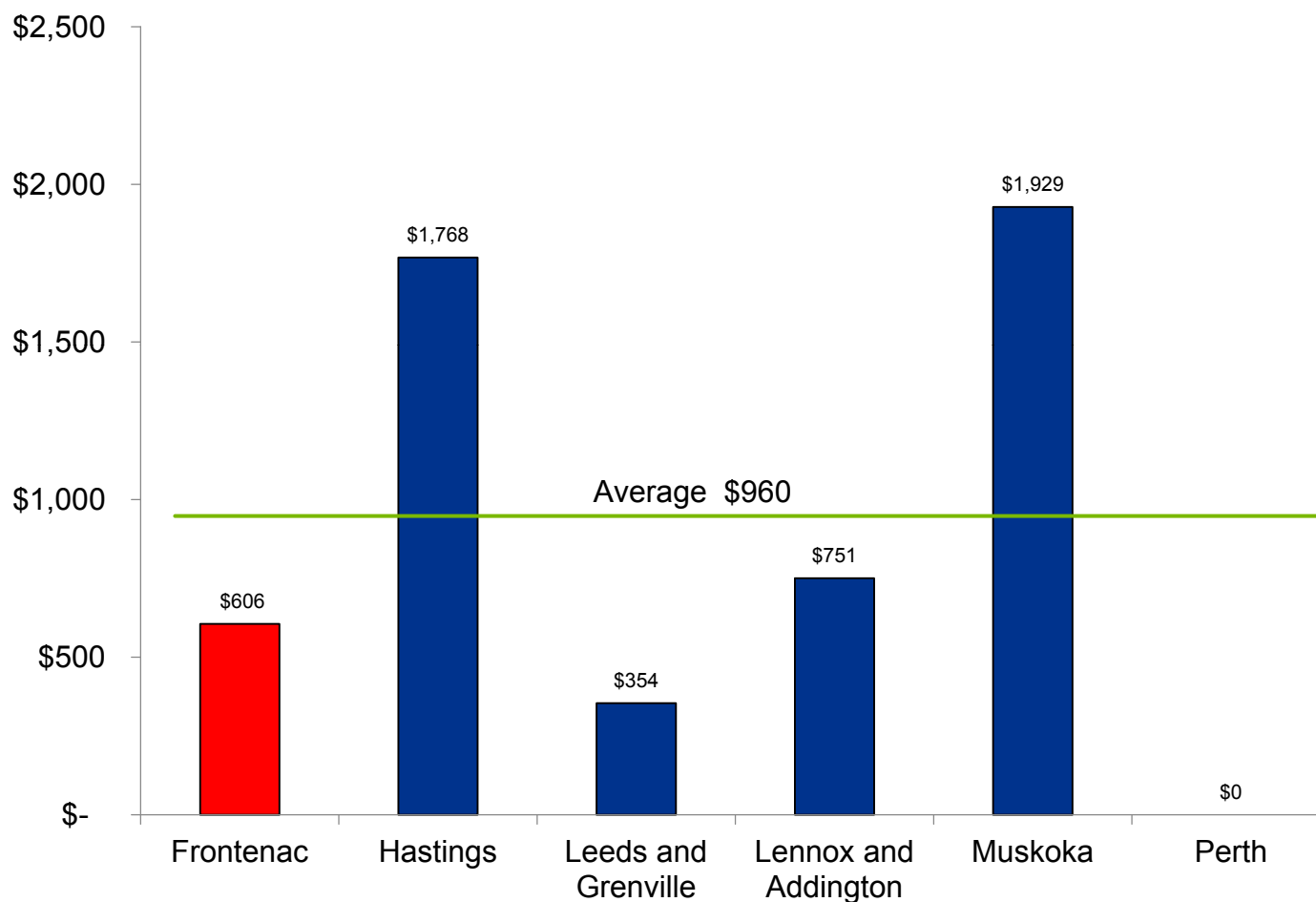


Financial and Staffing Perspectives on the County *Debt per Household (2012)*

Frontenac County's debt per household is favourable when compared against the County comparators.

Frontenac County's debt per household of \$606 is below the comparator average of \$960.

Perth County had \$0 debt in 2012.



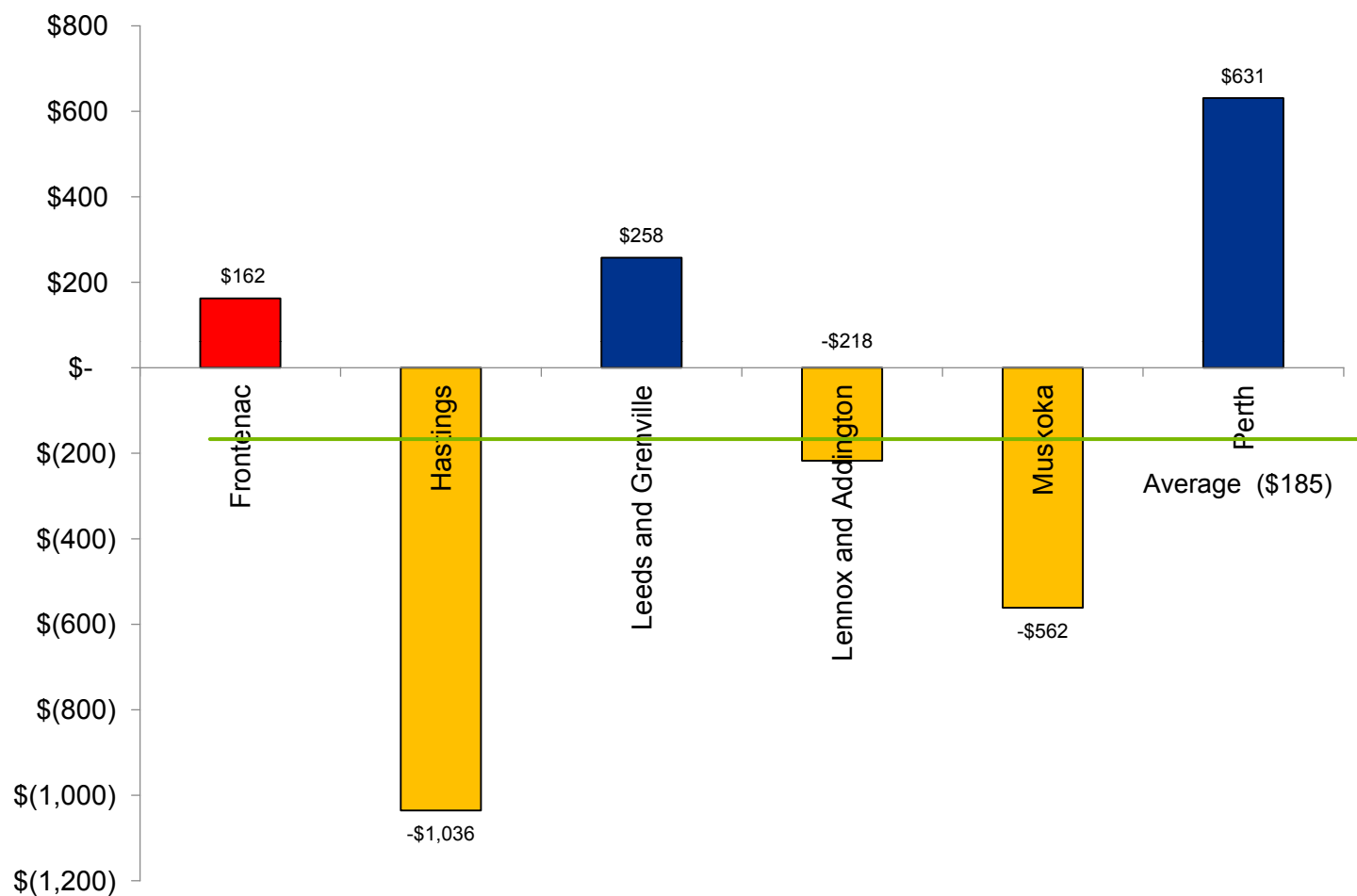


Financial and Staffing Perspectives on the County *Net Equity per Household (2012)*

Net equity is the reserve position of the municipality less any debt obligations.

A comparison of net equity positions shows that Frontenac County has a positive net equity position of \$162 per household.

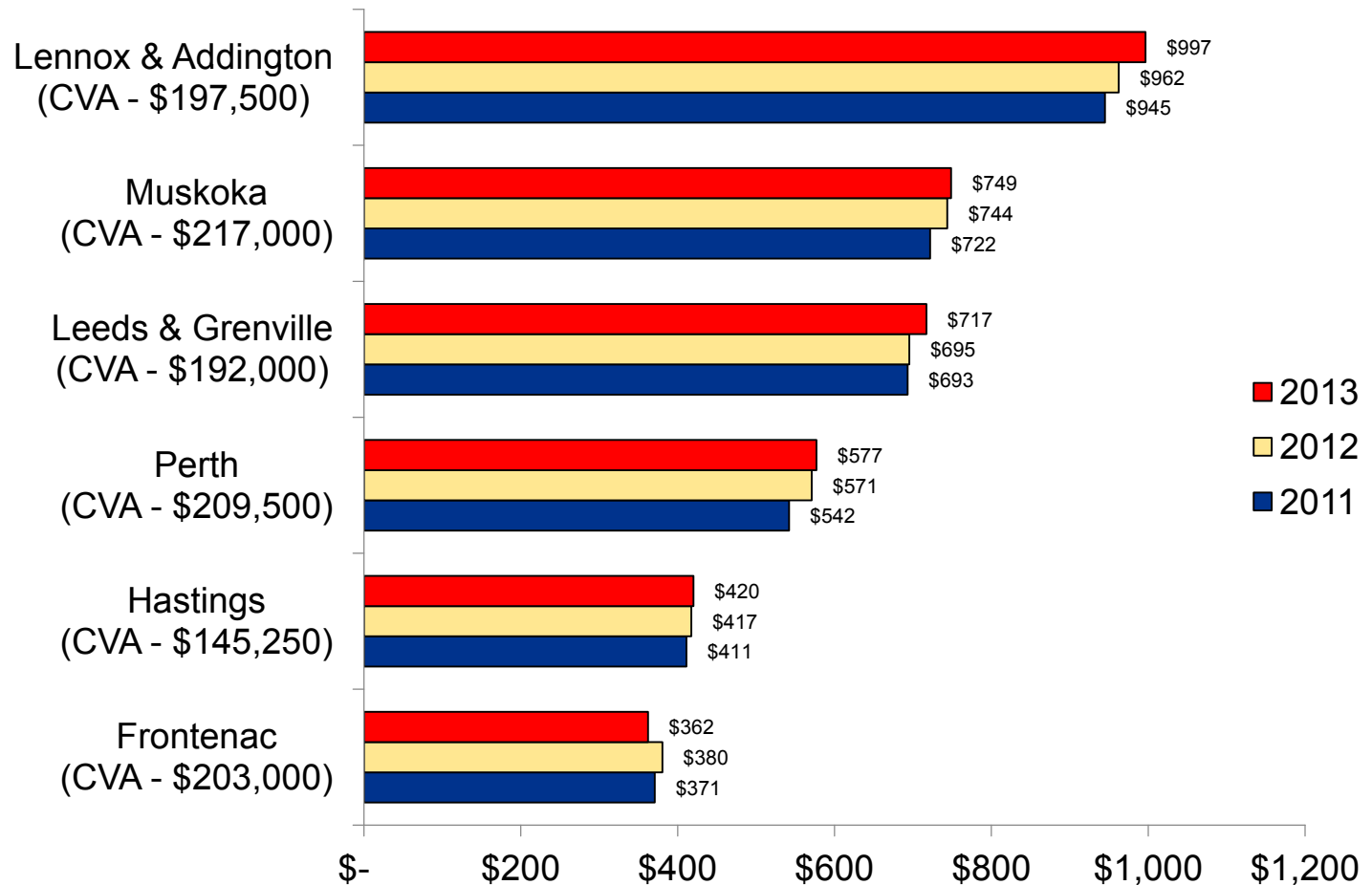
This analysis excludes any consideration of liabilities arising from the state of the municipality's infrastructure.



Source – KPMG analysis of annual financial information returns

An analysis of assessment and taxation data from the Ministry of Finance's Online Property Taxation Analysis shows that Frontenac County has the lowest average taxation among the comparator group. Frontenac County is the only municipality of the comparator group that showed a decline. The average current value assessment for Frontenac County is \$203,000; second highest of the comparator group.

Average/Typical Taxation – Single Family Home



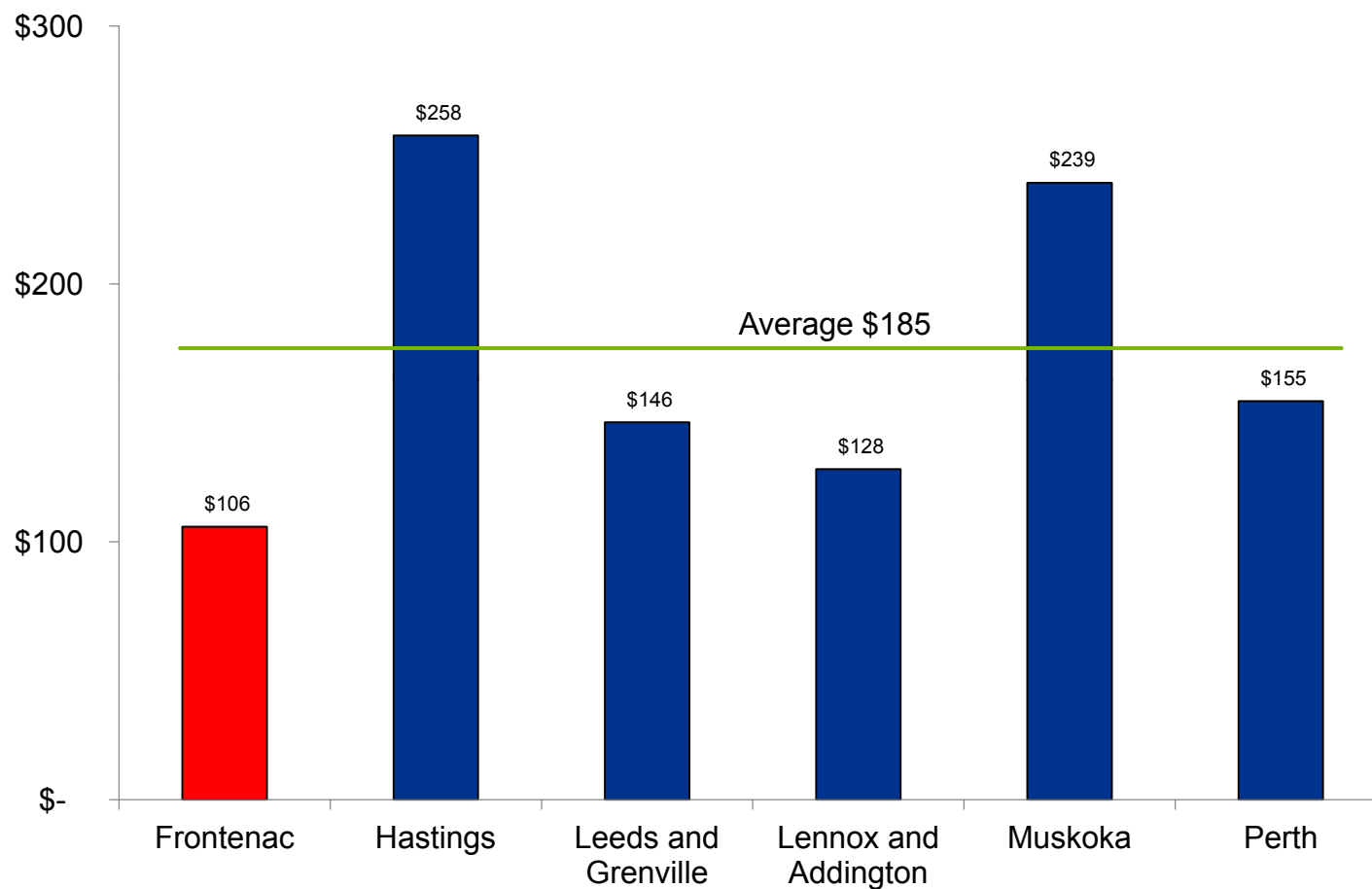
Financial and Staffing Perspectives on the County

2012 General Government Costs per Municipal Household (Net of Related Revenues)

General government costs can be considered the overhead cost of supplying municipal services.

Typically these costs include all costs associated with Council and Corporate Services (finance, information technology, Clerk functions, executive leadership).

Frontenac County has the lowest general government costs per household a reflection of its limited service area responsibilities that do not include a road network.



Source – KPMG analysis of annual financial information returns



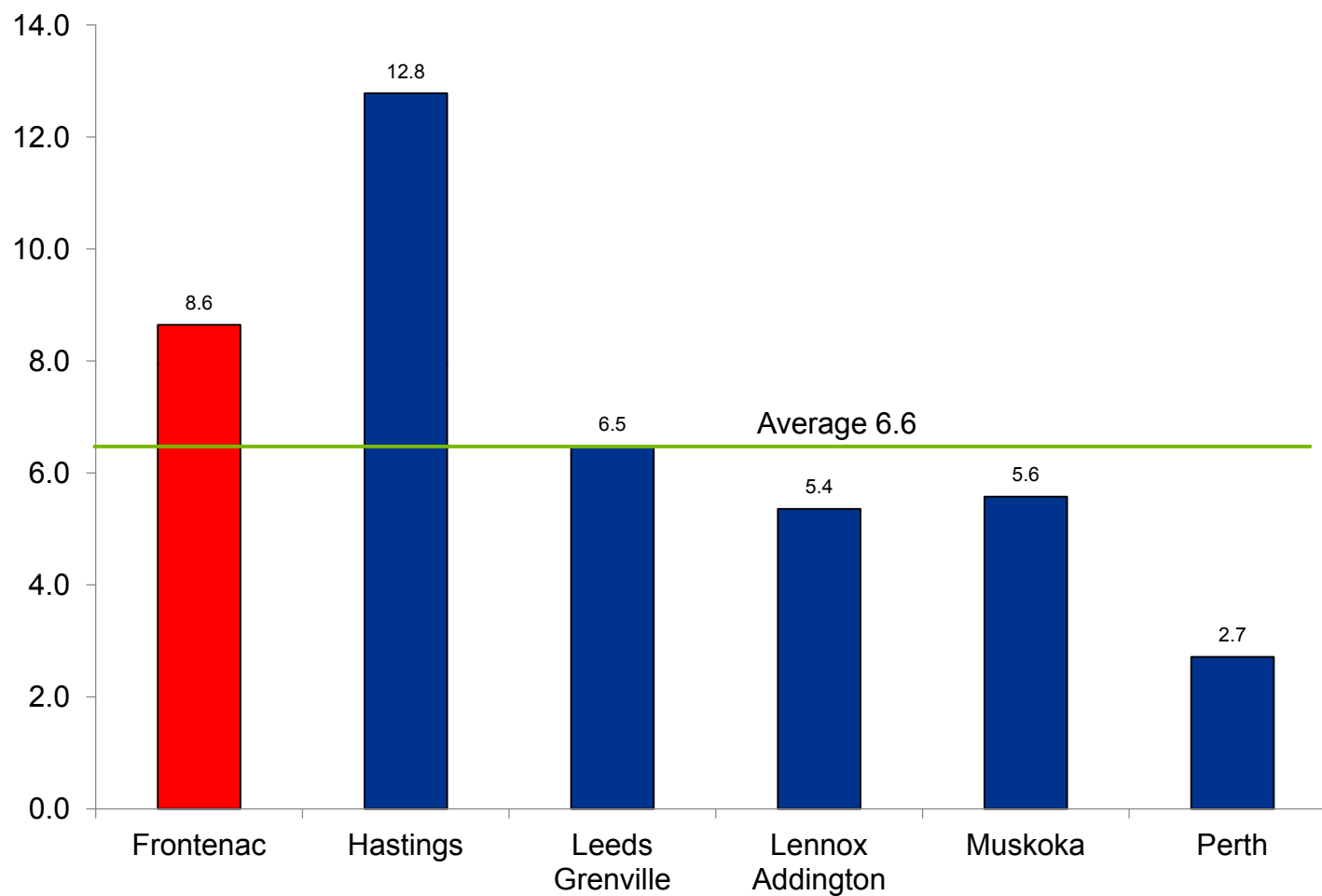
Financial and Staffing Perspectives on the County

Staffing Complement – Per 1,000 Municipal Population (2012)

Frontenac County has the second highest staffing complement per 1,000 population.

This reflects the larger comparative service area for the County's two primary services: land ambulance and homes for the aged.

The County of Perth for example shares a long term care home with the City of Stratford and Town of St. Mary's. The employees for the home are not employees of the County.

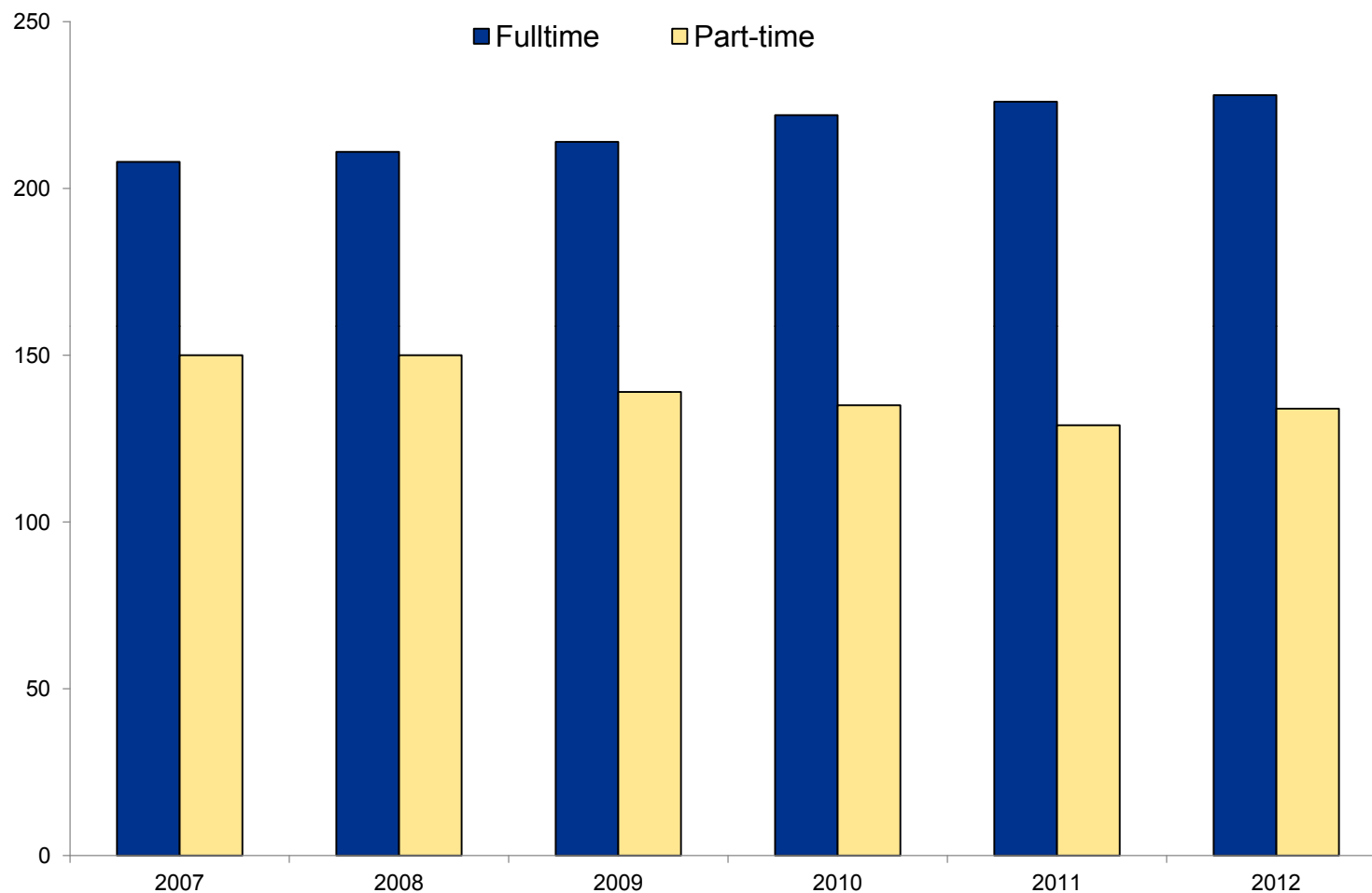


Source – KPMG analysis of annual financial information returns

Over the past six years, staffing levels with the County of Frontenac have increased.

20 more fulltime positions existed in 2012 when compared to 2007.

Part-time positions have decreased over the same five year period shifting from 150 positions in 2007 to 134 in 2012.



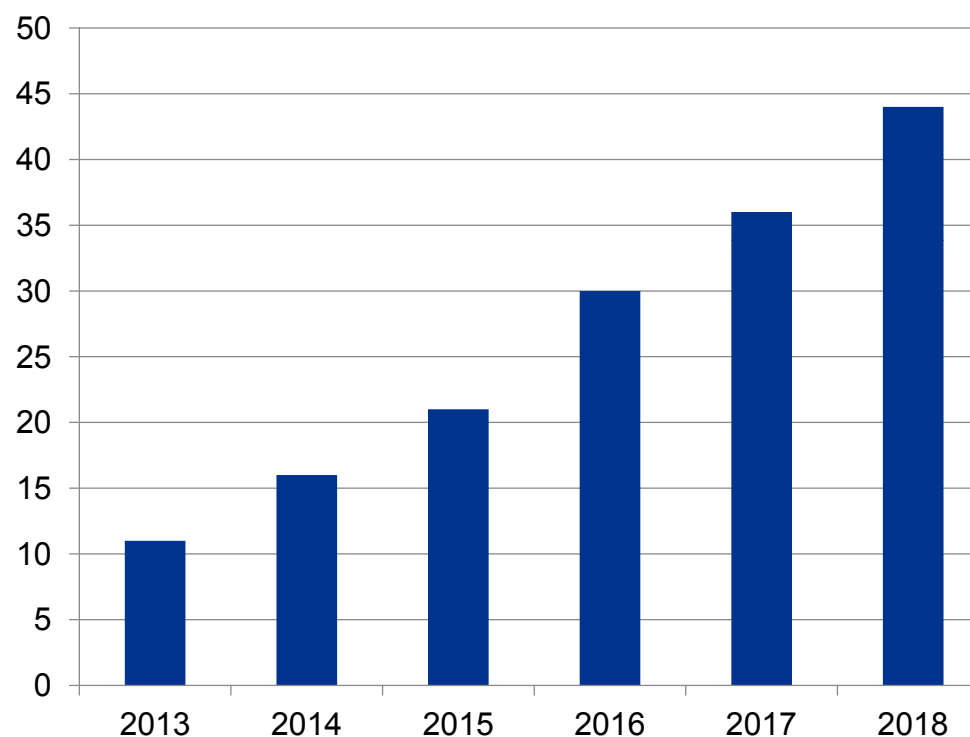
Source – KPMG analysis of annual financial information returns



Financial and Staffing Perspectives on the County Retirement Profile of Current County Employees

Within the next five years, 44 municipal employees will be entitled to retire with unreduced pensions, representing 19% of all full-time employees.¹ While certain of these positions will need to be replaced the upcoming attrition provides the County with the opportunity to realign its organizational structure and reconsider its method of service delivery.

Cumulative number of County employees reaching full pension ²



¹ 2012 Financial Information Return

² Based on personnel information provided by management.



cutting through complexity

Comparative Analysis - Emergency Medical Services

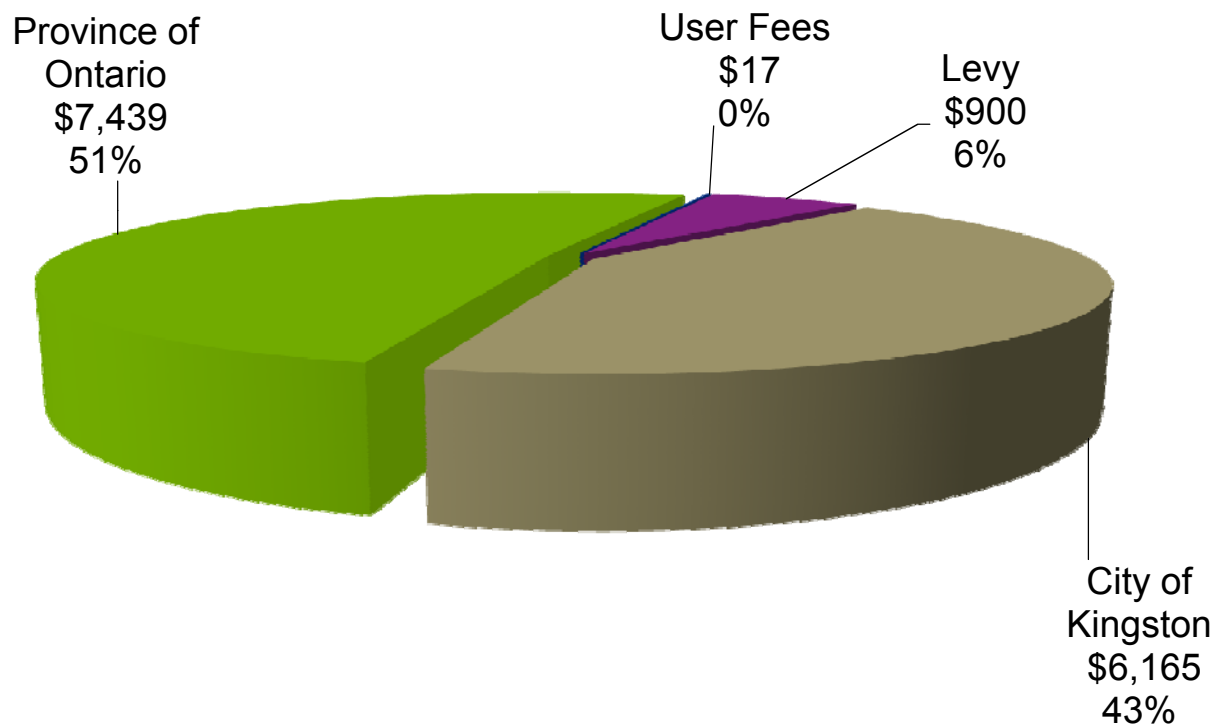


EMS Comparator Profiles

EMS	Service Areas	Staffing	Stations	Fleet
Frontenac County	Kingston & Frontenac County Population 151,020	60 FT PCP 28 FT ACP 41 PT PCP 8 PT ACP 13 Volunteer Medical Attendants (8 PCPs)	9 Stations	15 Ambulances 5 Supervisor & Paramedic ERU 1 Emergency Support Unit 1 Logistics Vehicle
Guelph-Wellington	City of Guelph & Wellington County Population 216,316	45 FT PCP 29 FT ACP 44 PT PCP 12 PT ACP	9 Stations	15 Ambulances 2 Supervisor ERU
Greater Sudbury	Greater Sudbury Population 161,900	47 FT PCP 49 FT ACP 27 PT PCP 8 PT ACP 6 Temp FT PCP	10 Stations	22 Ambulances 5 Supervisor Response Unit 12 Paramedic Response Unit 1 Emergency Support Unit 1 Emergency Support Trailer 1 Logistics Vehicle & Trailer
Hastings County	Belleville, Quinte West, Prince Edward County, Hastings County Population 153,327	54 FT PCP 30 FT ACP 60 PT PCP 10 PT ACP	7 Stations	17 Ambulances 4 Supervisor ERU 1 Emergency Support Unit 1 Emergency Support Trailer 1 Logistics Vehicle
Leeds & Grenville County	Brockville, Kempville, Prescott, Gananoque Population 88,355	53 FT PCP 42 PT PCP	7 Stations	13 Ambulances 4 Supervisor ERU 1 Paramedic ERU 1 Logistics Vehicle 1 Emergency Support Trailer
Lennox & Addington County	Napanee, Northbrook, Denbigh Population 41,824	28 FT PCP 37 PT PCP	3 Stations	7 Ambulances 4 Supervisor ERU 1 Emergency Support Unit Trailer
Muskoka District	Muskoka District Population 59,721	46 FT PCP 42 PT PCP	5 Stations	13 Ambulances 2 Supervisor ERU 1 Emergency Support Unit 1 Emergency Support Trailer
Perth County	Stratford, St. Marys, Perth County Population 75,074	50 FT PCP 40 PT PCP	5 Stations	10 Ambulances 2 Supervisor ERU 1 Emergency Support Trailer

- The provision of ambulance service across Ontario is a joint responsibility of approximately 50 Upper Tier Municipalities and the Ministry of Health.
- Ministry funding for Land Ambulance is based on 50% of the PRIOR YEAR approved budget. Expenditures are therefore not current – so funding lags and is not really 50%.
- The City of Kingston (under a cost sharing agreement) funds land ambulance according to the proportionate share of its weighed assessment with the County. In 2012 this was \$6.2 million.

Revenue Source¹

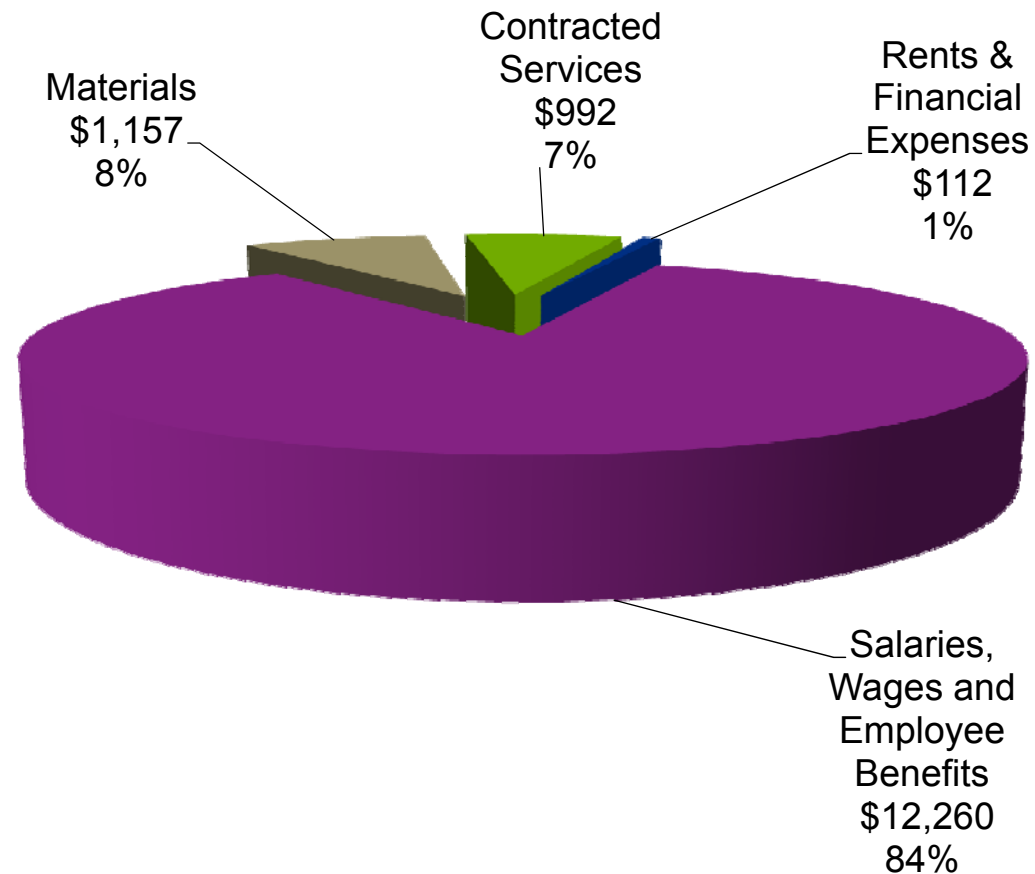


¹ KPMG analysis of 2012 FIR; excludes capital and reserve transactions.

The most significant cost driver for land ambulance is salaries, wages, and benefits.

In 2012 this represented 84% of total land ambulance costs for the County.

EMS costs by type ¹

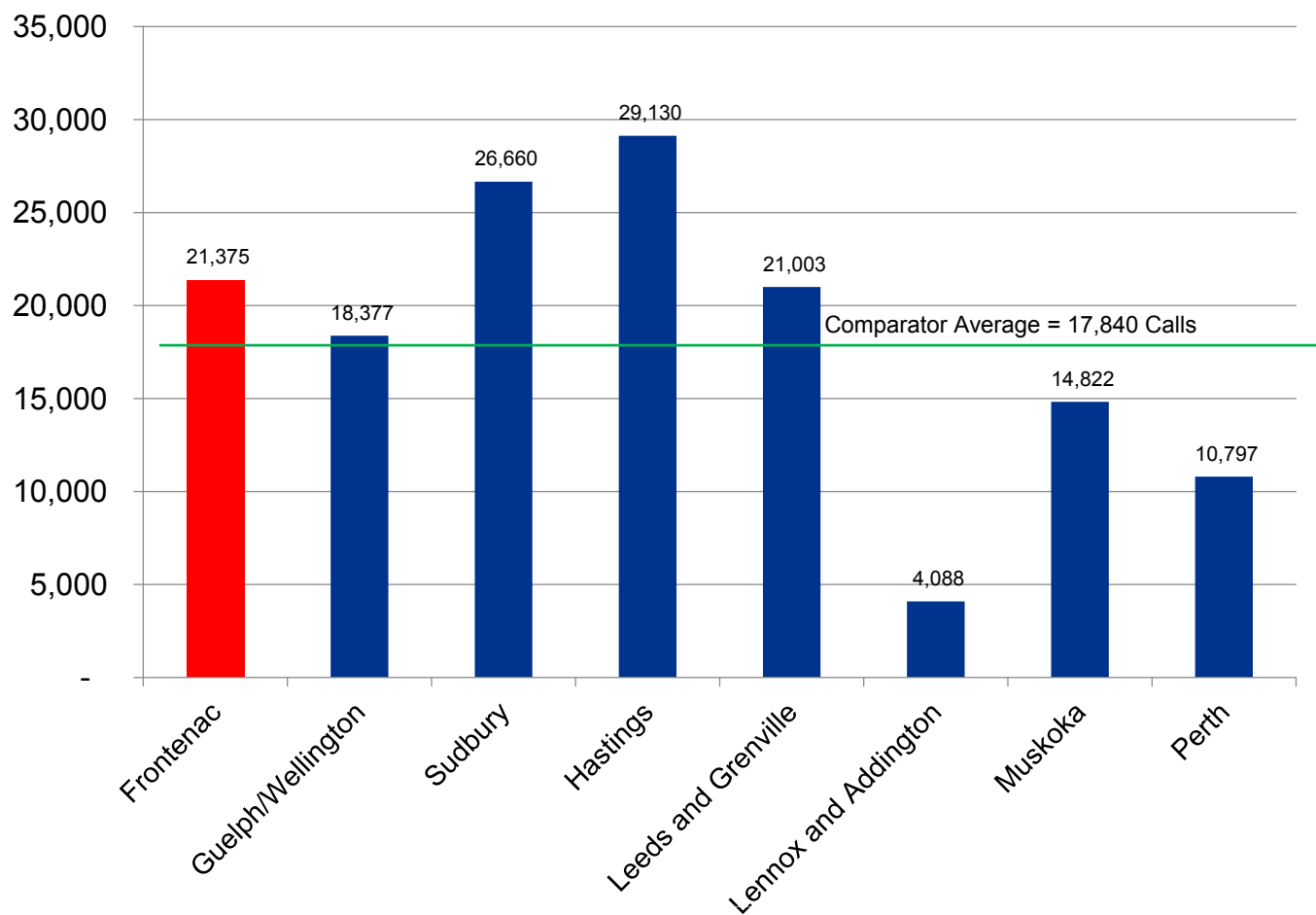


¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers

EMS Total EMS Responses (2012) ¹

This chart illustrates how many calls were responded to by EMS providers.

The number of responses for the Frontenac Paramedic Service (21,375) was above the comparative average.



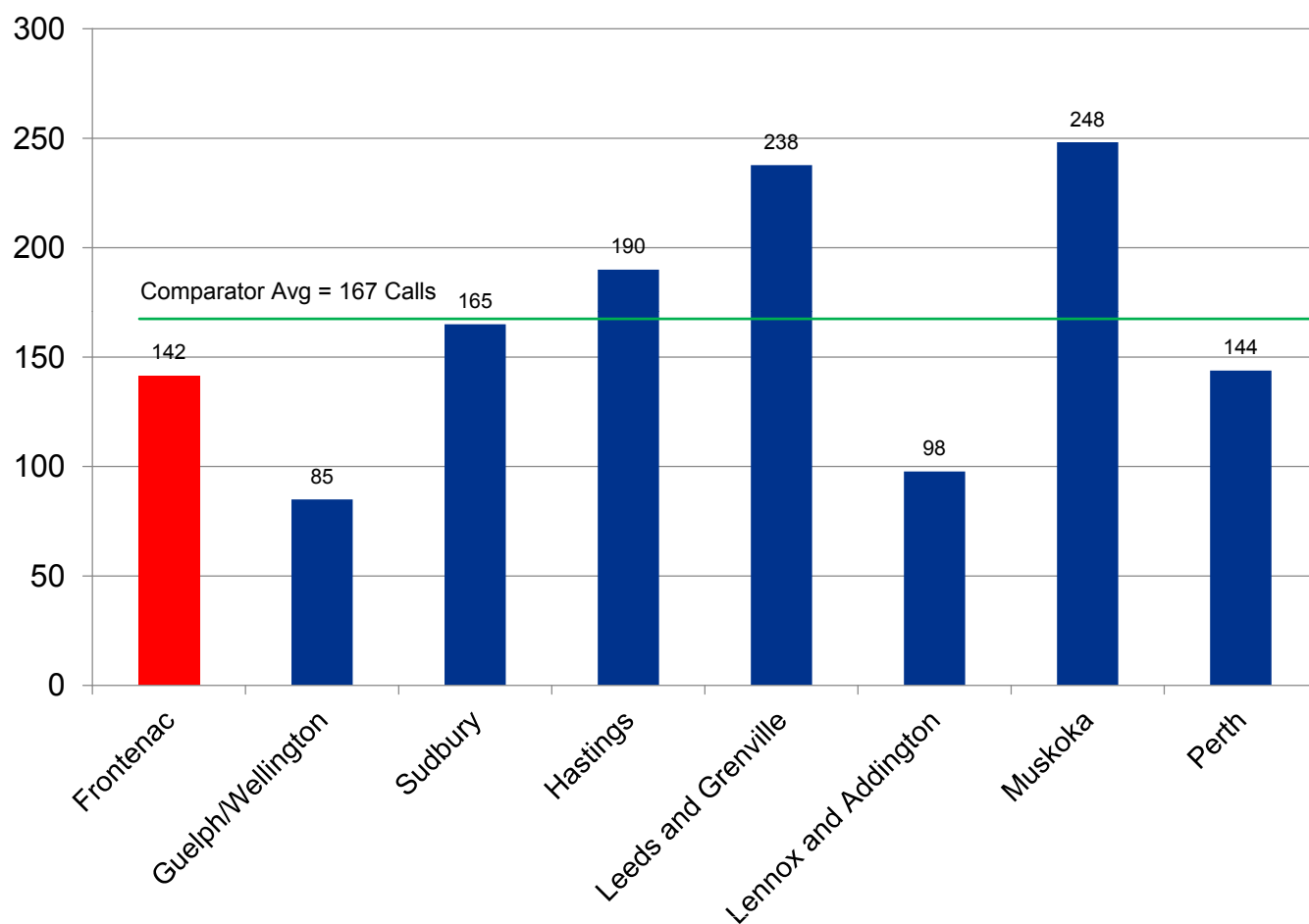
¹ KPMG survey of comparator municipalities

EMS Total EMS Responses Per 1,000 Population (2012) ¹

This chart standardizes how many calls were responded to by EMS providers per thousand people.

The number of responses per thousand people for the Frontenac Paramedic Service (142) is below the comparative average of 167 calls.

Hastings County with approximately the same service area population as Frontenac County has 34% more calls.



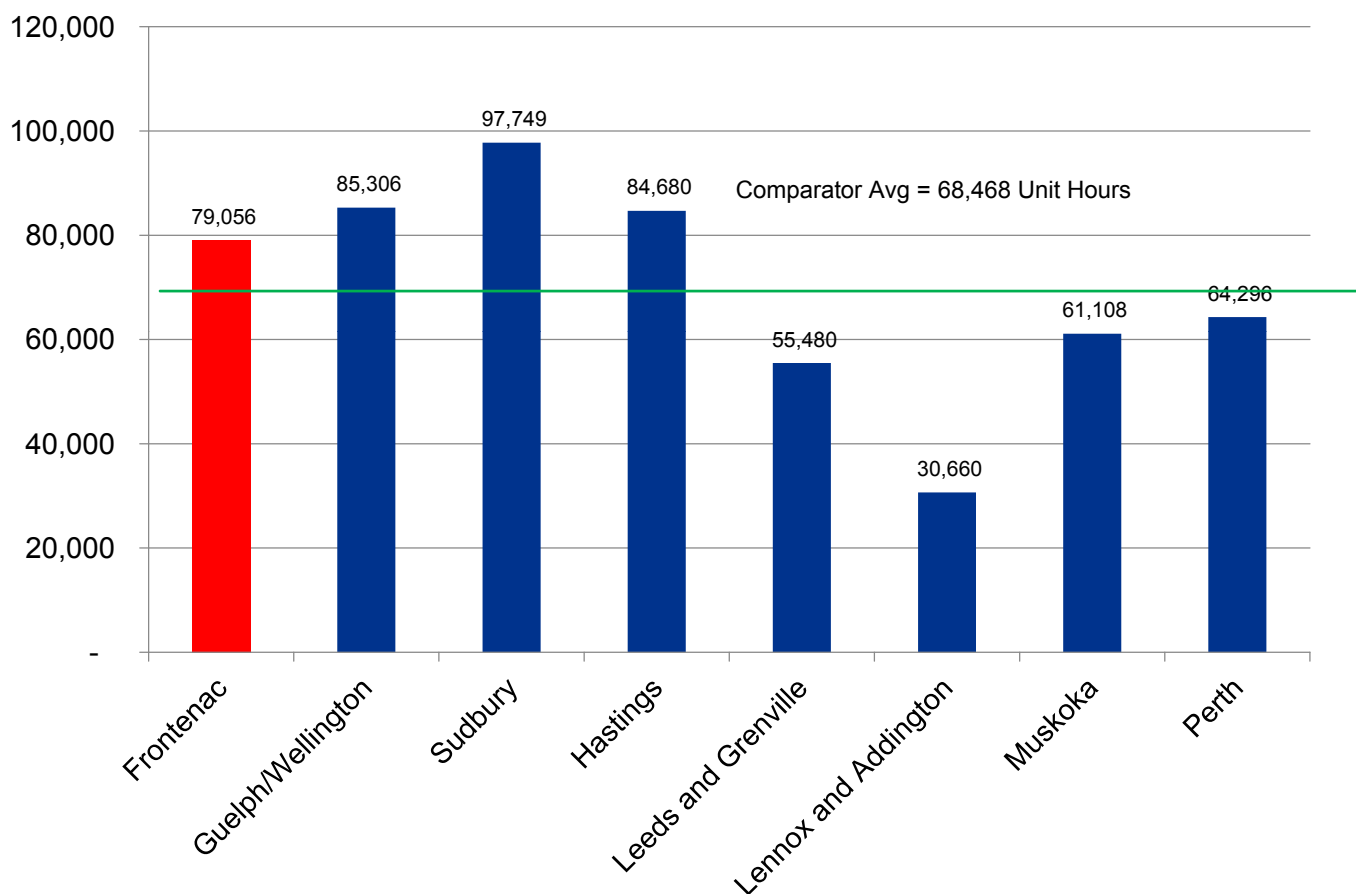
¹ KPMG survey of comparator municipalities

EMS Total Unit Hours (2012) ¹

A unit hour is equal to one hour of service by a fully equipped and staffed ambulance available for dispatch or assigned to a call.

FPS had 79,056 unit hours in 2012 above the comparator average of 68,468 unit hours.

Unit hours are important because they illustrate the quantum of ambulance service available in a year.



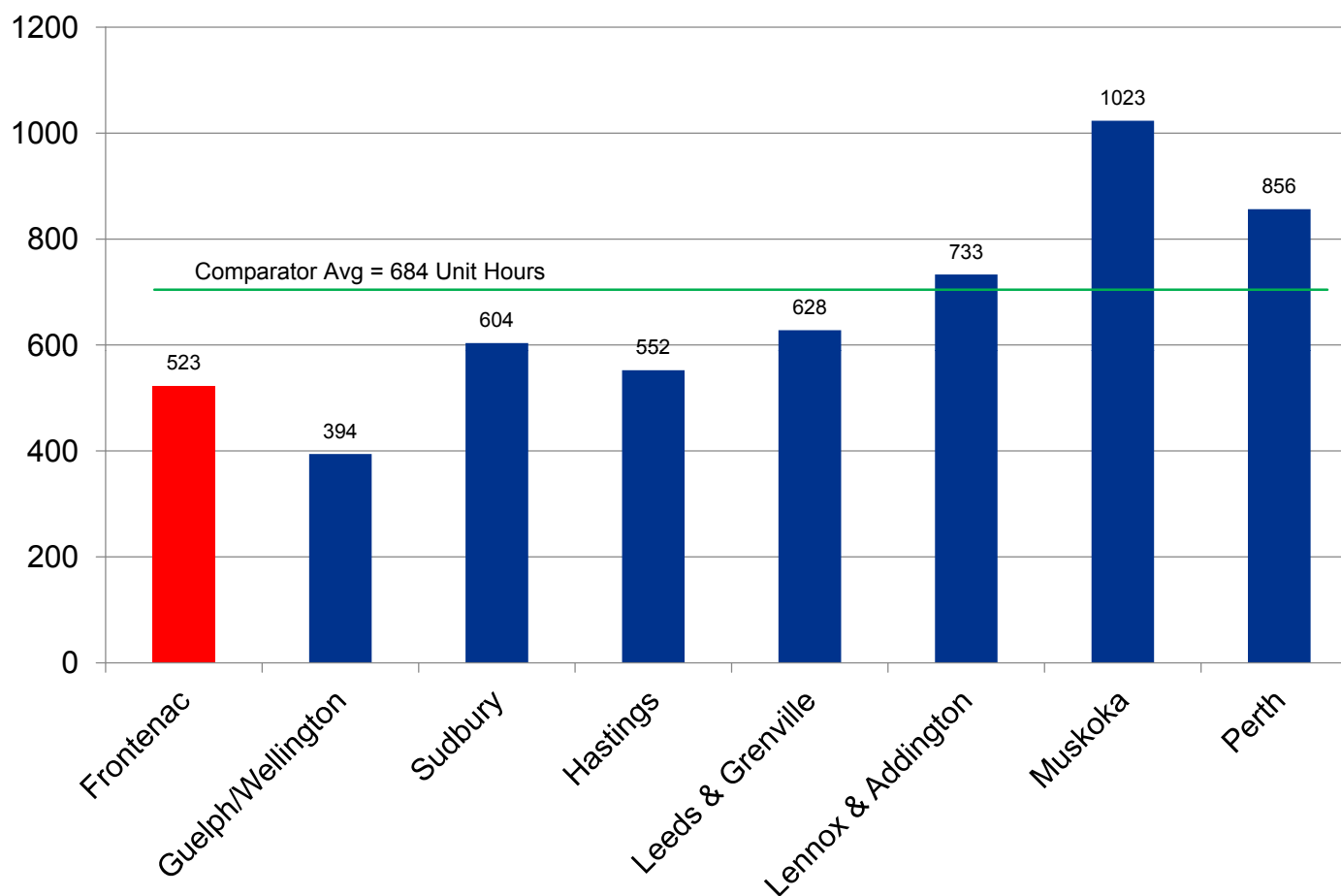
¹ KPMG survey of comparator municipalities

EMS Total Unit Hours Per 1,000 Population (2012) ¹

This chart standardizes the total unit hours per 1,000 people.

A unit hour is equal to one hour of service by a fully equipped and staffed ambulance available for dispatch or assigned to a call.

FPS had 523 unit hours per 1,000 people significantly below the comparator average of 684 unit hours per 1,000 people.



¹ KPMG survey of comparator municipalities, based upon service area population.

EMS Unit Hour Utilization (2012) ¹

UHU, or unit hour utilization, is calculated by dividing the number of responses by the number of "unit hours," with one unit hour defined as a fully equipped and staffed vehicle.

The higher the ratio, the more productive the system, in the sense that the service is getting more transports out of fewer ambulances.

General scale for evaluating UHU:

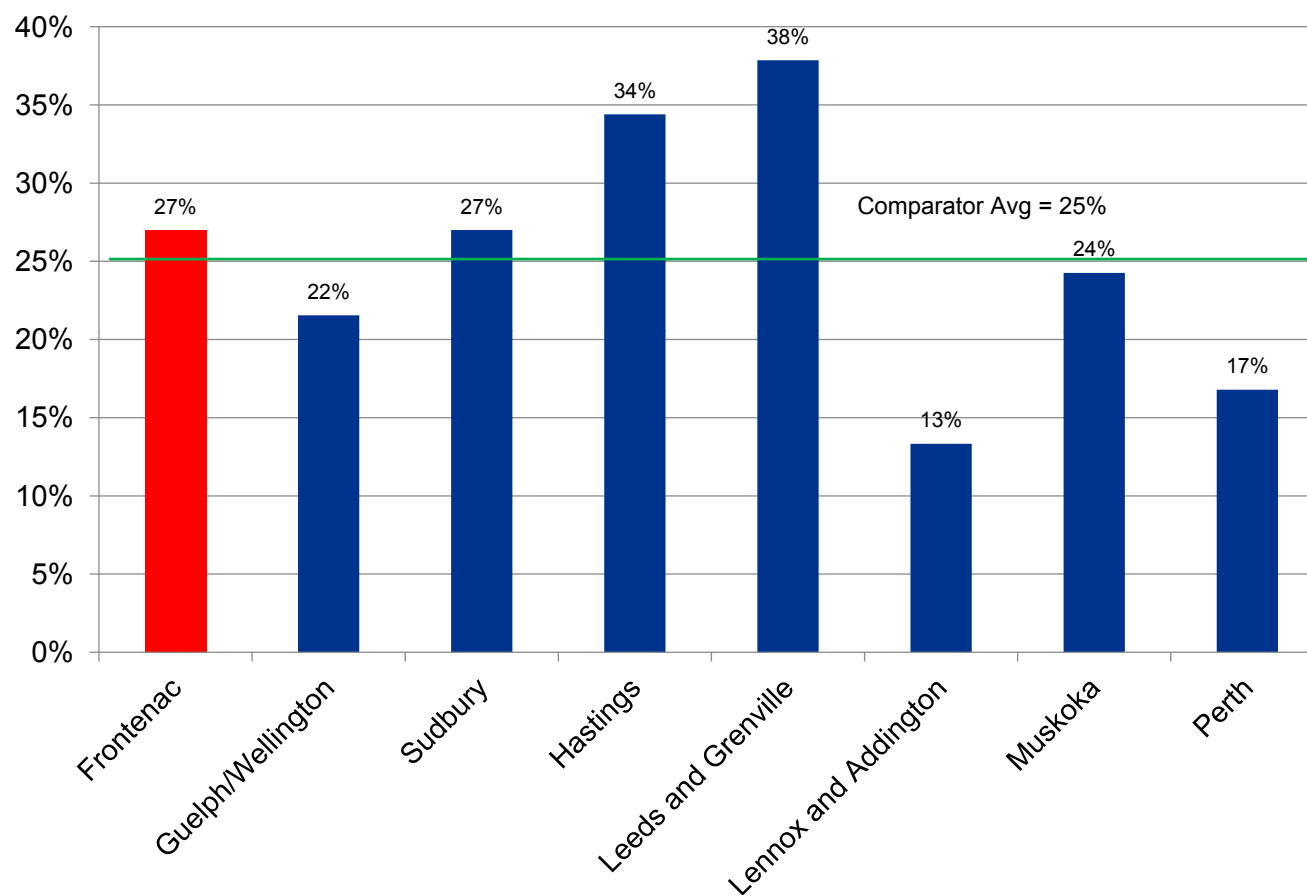
55% - 45% – Optimal Utilization

45% - 35% – Above Average Utilization

35% - 25% – Average Utilization

25% - 15% – Below Average Utilization

15% - 10% – Poor Utilization



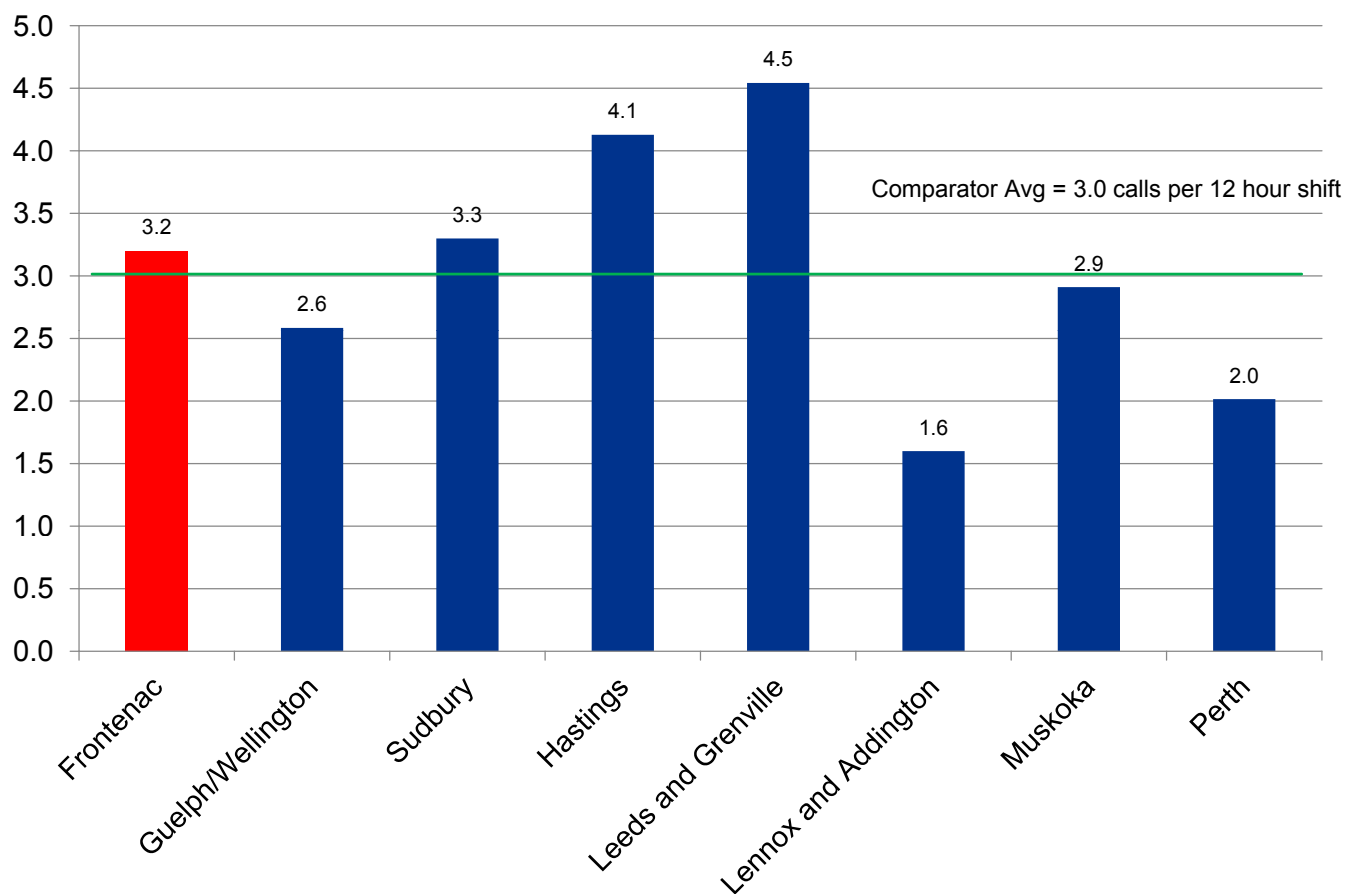
¹ KPMG survey of comparator municipalities

EMS Shift Utilization – 12 Hour Shift (2012) ¹

Shift utilization is the number of calls per 12 hour shift.

Frontenac Paramedic Service (3.2 calls) is above the comparator average of 3.0 calls per 12 hour shift.

It is important to note that an urban community with short transport distances will have a significantly different UHU (higher) with more calls per shift than rural services (lower).



¹ KPMG survey of comparator municipalities

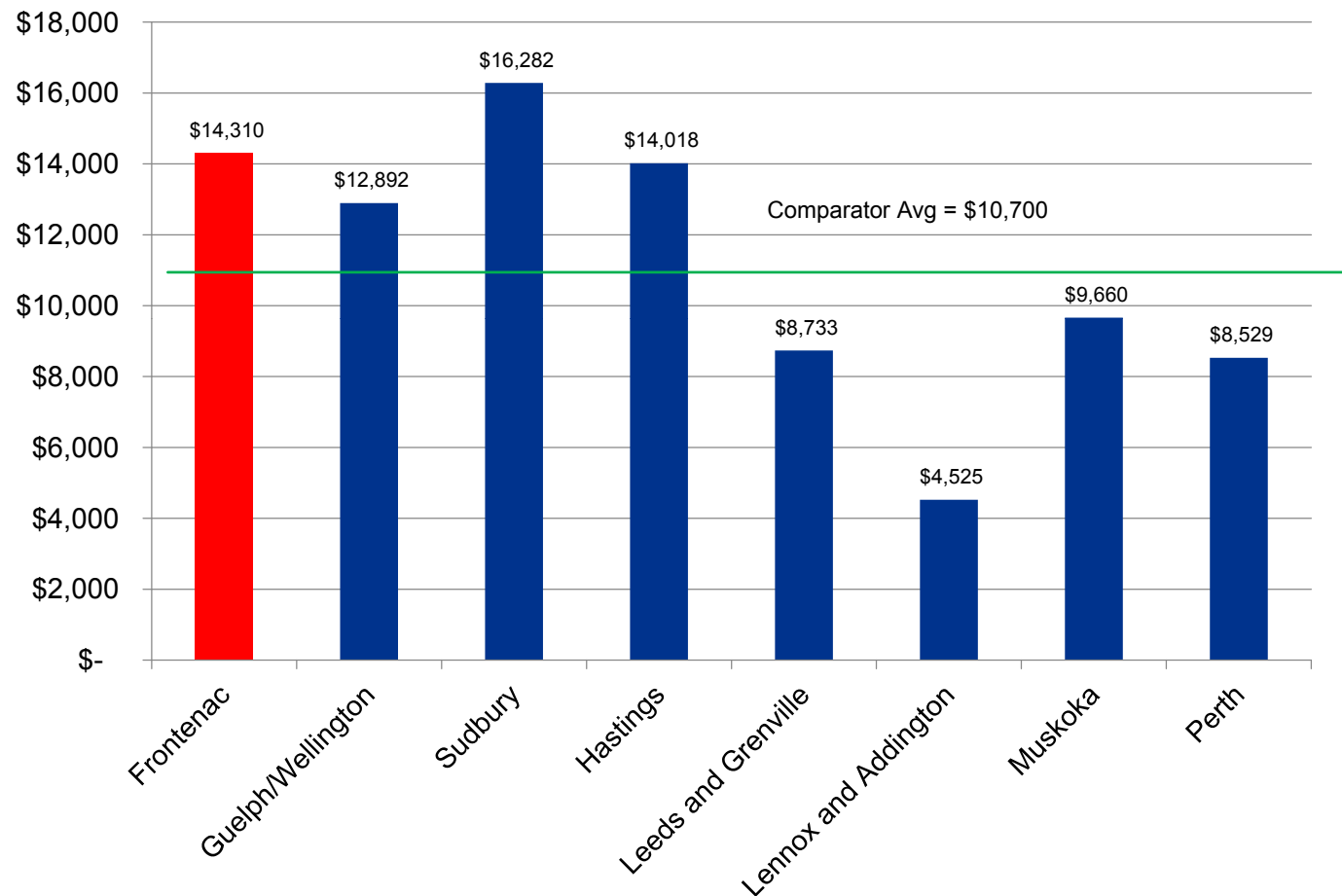


EMS 2012 Gross Operating Cost (1,000's) ¹

Frontenac Paramedic Service has the second highest operating cost among the comparator group.

The 2012 Operating cost for Frontenac Paramedic Service \$14.3 million significantly higher than the comparator average of \$10.7 million.

However, if considered against it's nearest comparators (Guelph, Sudbury, Hastings County) Frontenac Paramedic service gross operating costs are similar.



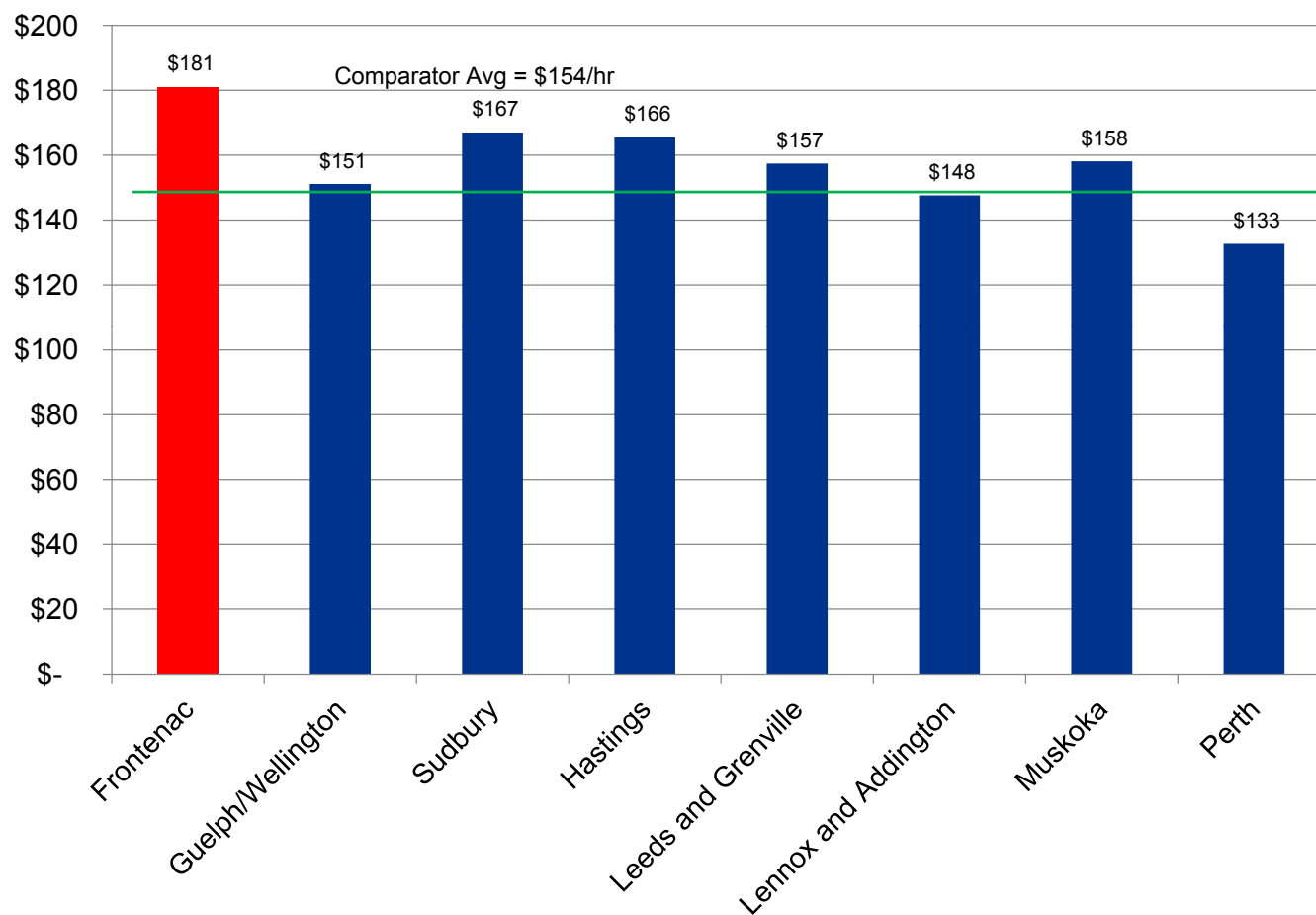
¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers

EMS Operating Cost Per Unit Hour (2012) ¹

The operating cost per unit hour is the gross operating cost of the paramedic service divided by the unit hours.

This measure indicates the efficiency of the paramedic service in delivering land ambulance services.

The operating cost per unit hour for FPS is the highest of the comparator group because of the low number of unit hours relative to the other paramedic services.



¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers



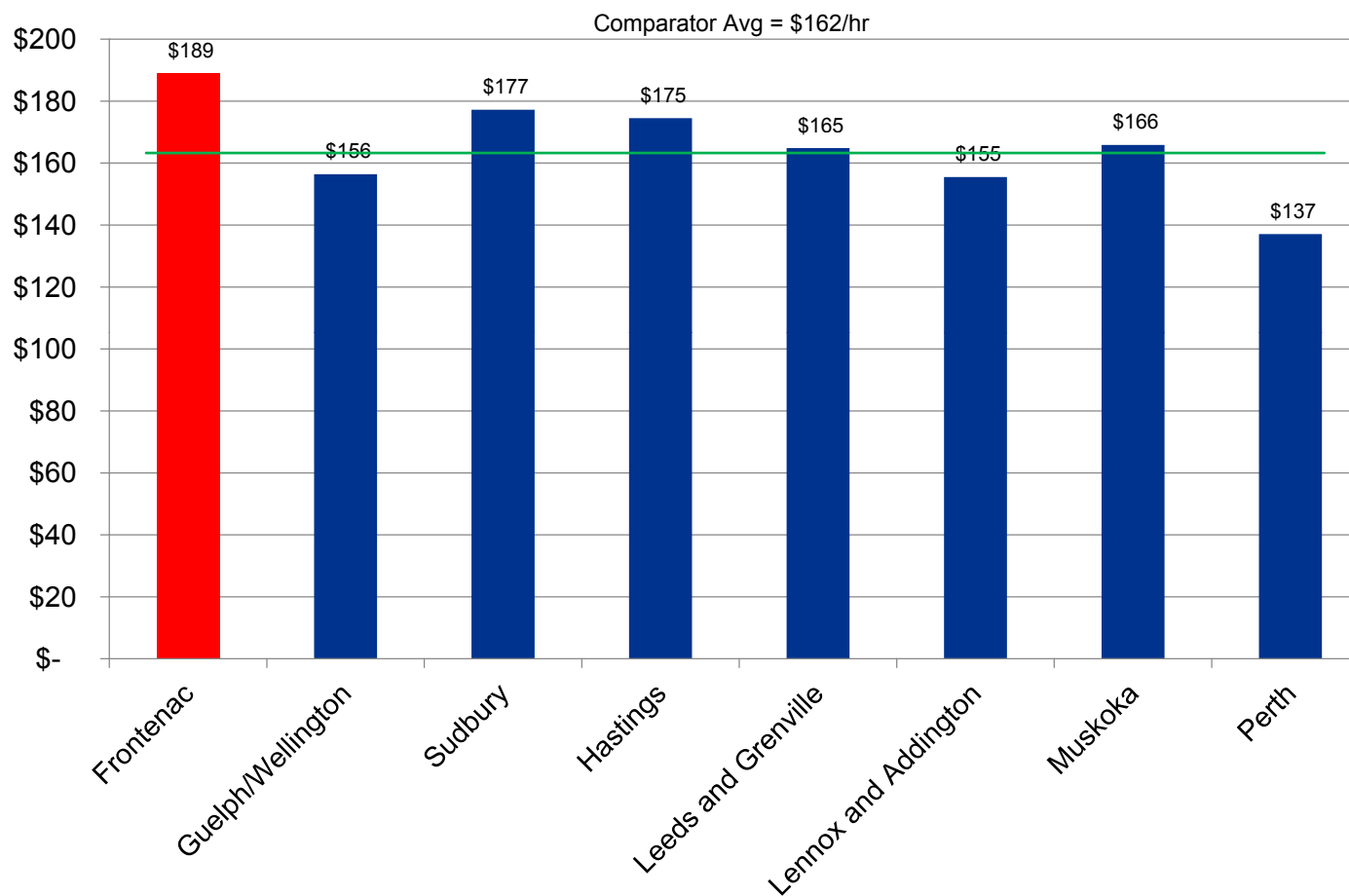
EMS

Total Cost Per Unit Hour (Including Amortization) (2012) ¹

The total cost per unit hour is the gross operating cost plus the amortization cost of the paramedic service assets divided by the unit hours.

The amortization cost of the assets are included to represent the replacement expense of ambulances and equipment.

Again, the total cost per unit hour for FPS is the highest of the comparator group because of the low number of unit hours relative to the other paramedic services.



¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers

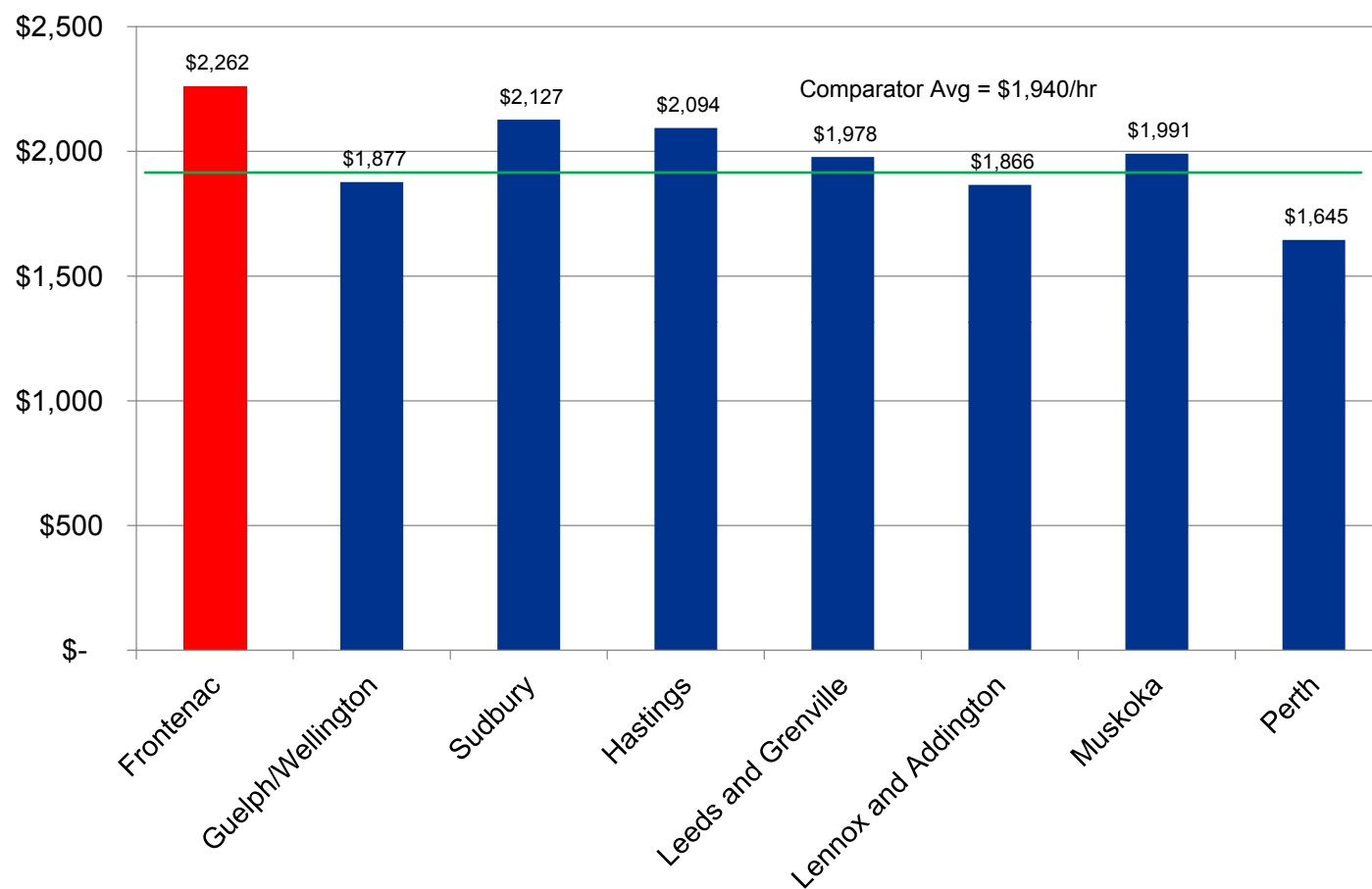


EMS

Total Cost Per 12 Hour Shift (Including Amortization) (2012) ¹

The total cost per 12 hour shift represents the total cost per unit hour applied against a 12 hour shift.

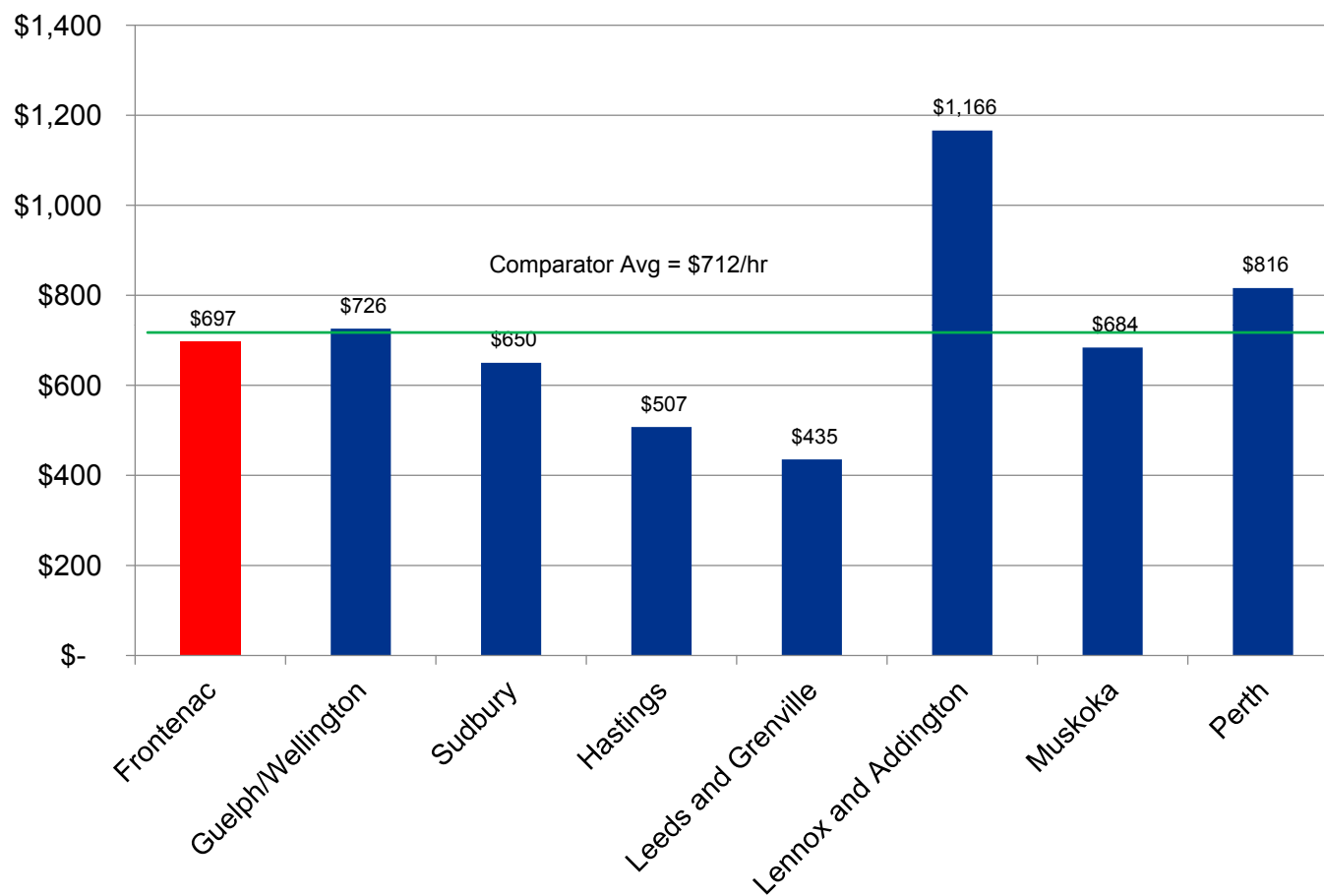
Again, the total cost per 12 hour shift for FPS is the highest of the comparator group because of the lower number of unit hours relative to the other paramedic services.



¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers

The total cost per call is calculated by dividing the total cost per 12 hour shift by the shift utilization.

For the FPS, the total cost per call (\$697) is slightly above the comparator average of \$672/hr.



¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers



Benchmarking Methodology ¹

1. TOTAL UNIT HOURS PER WEEK = (A) _____ Manned Ambulance Hours (Number of hours staffed per week)
2. AVERAGE CALL VOLUME PER WEEK = (B) _____ Calls Per Week (Number of responses divided by 52.1775 weeks in a year)
3. UNIT HOUR UTILIZATION = (B/A) _____ Calls Per Unit Hour
4. SHIFT UTILIZATION = (B/A) x 12 hrs. _____ Calls Per Unit Shift
5. TOTAL EXPENSES PER WEEK = (C) \$ _____ Expense Per Week (Total expenses per year divided by 52.1775 weeks)
6. TOTAL EXPENSES PER DAY = (C)/7 Days \$ _____ Expenses Per Day
7. OPERATING COST PER UNIT HOUR: (Line C divided by Line A) \$ _____ Cost Per Unit Hour
8. AMORTIZATION COST FOR AMBULANCE SERVICE \$ _____
 - A. Amortization Cost Per Unit Hour = (Line #8/ (A) \$ _____
 - B. Add Lines #7 and #8A = (E) \$ _____ Adjusted Cost Per Unit Hour
9. COST PER UNIT SHIFT = (E) x 12 hours \$ _____ Cost Per Unit Shift (shift length can be adjusted but we have standardized to 8 hrs)
10. COST PER CALL = (Line 9 divided by Line 4) \$ _____ Cost Per Call

¹ Adapted from *Calculating Your EMS Service's Average Cost of Service and Unity Hour Analysis*, J.R. Henry Consulting Inc.



cutting through complexity

Comparative Analysis - Long Term Care Services



Profile of Comparator Nursing Homes

In Ontario, long term care home services are funded and regulated by the provincial government and delivered in municipal homes, charitable homes and nursing homes (not-for profit and for-profit). All long term care homes are regulated under the same legislation, the Long-Term Care Homes Act (LTCHA).

There are currently 628 long term care homes that operate 77,605 beds. Of those, municipalities operate 103 homes representing 16,388 beds, non-profits and charities operate 166 homes representing 19,659 beds and for-profits operate 359 homes representing 41,558 beds. ¹

¹ Long Term Care Provincial Snapshot, OANHSS, August 2013



Non Profit Home

- 85 Bed Home
- Non Profit Home
- Southern Ontario



Pioneer Manor

- 433 Bed Home
- Municipal Home for the Aged
- Greater Sudbury Ontario



Hastings Manor

- 253 Bed Home
- Municipal Home for the Aged
- Hastings County, Belleville Ontario



Hastings Centennial Manor

- 110 Bed Home
- Municipal Home for the Aged
- Hastings County, Bancroft Ontario



Maple View Lodge

- 60 Bed Home
- Municipal Home for the Aged
- Leeds & Grenville County, Athens Ontario

Profile of Comparator Nursing Homes

Quick Facts ¹

- LTC Homes in Ontario – 628
- LTC Beds in Ontario – 77,605
- Percentage of Private Sector Homes – 57% /Beds – 54%
- Percentage of Public Sector Homes – 16% /Beds – 21%
- Percentage of NFP/Charitable Homes – 30% /Beds – 25%
- Provincial Budget Allocation for LTC - \$3.83B
- Current Average Provincial Funding Per Diem - \$158.85
- Current Basic Co-Payment Fee :
Private: \$74.14 to \$77.64
Semi: \$64.14 to \$66.14
Basic: \$56.14

¹ Long Term Care Provincial Snapshot, OANHSS, August 2013



John M. Parrott Centre

- 154 Bed Home
- Municipal Home for the Aged
- Lennox & Addington County, Napanee Ontario



The Pines

- 433 Bed Home
- Municipal Home for the Aged
- Greater Sudbury Ontario



Spruce Lodge

- 253 Bed Home
- Municipal Home for the Aged
- Hastings County, Belleville Ontario



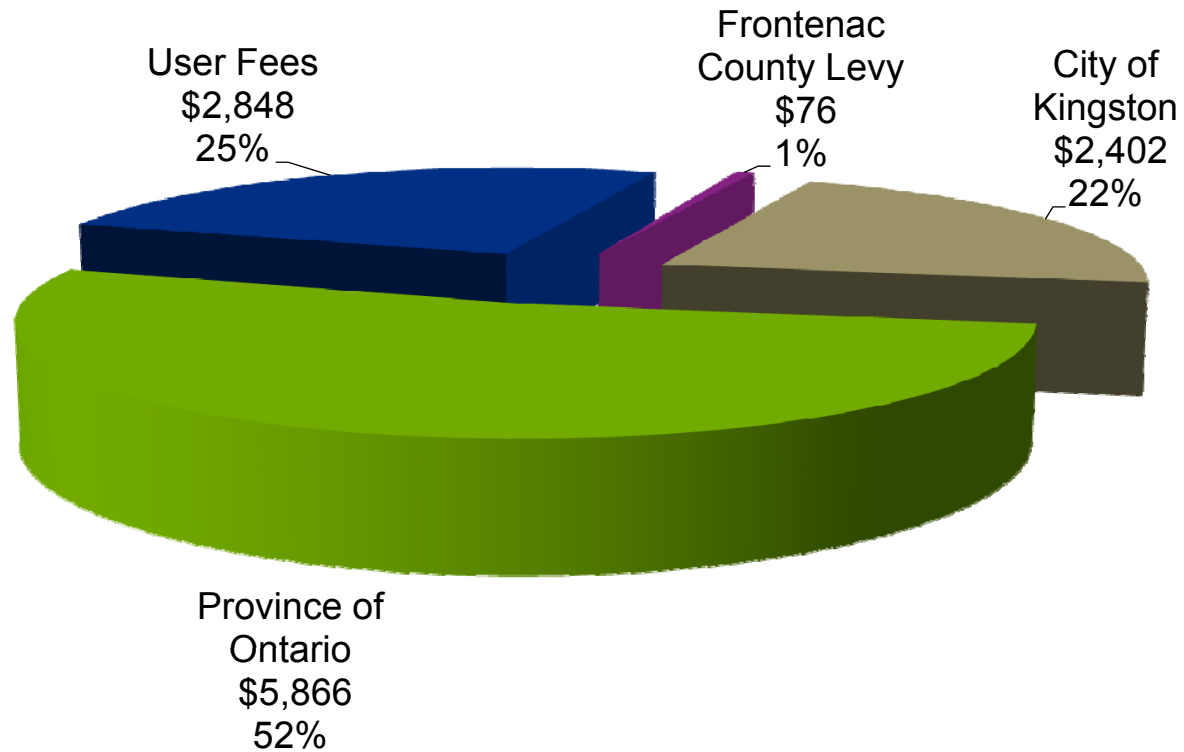
Private Sector Home

- 128 Bed Home
- Private Sector Home
- Southwestern Ontario

While all long term care homes receive the same operating funding from the province and are required to charge residents the same fees, the cost of providing the "same" level of service to residents will vary between municipal homes and other providers due to the additional costs imposed on homes that are outside of their control.

Most municipalities cannot rely solely on provincial funding and are forced to contribute municipal funds over and above what the province provides in order to operate without a deficit. In the case of Fairmount Home, it receives approximately \$2.5 million from municipal levy to support its operations.

Revenue Source¹

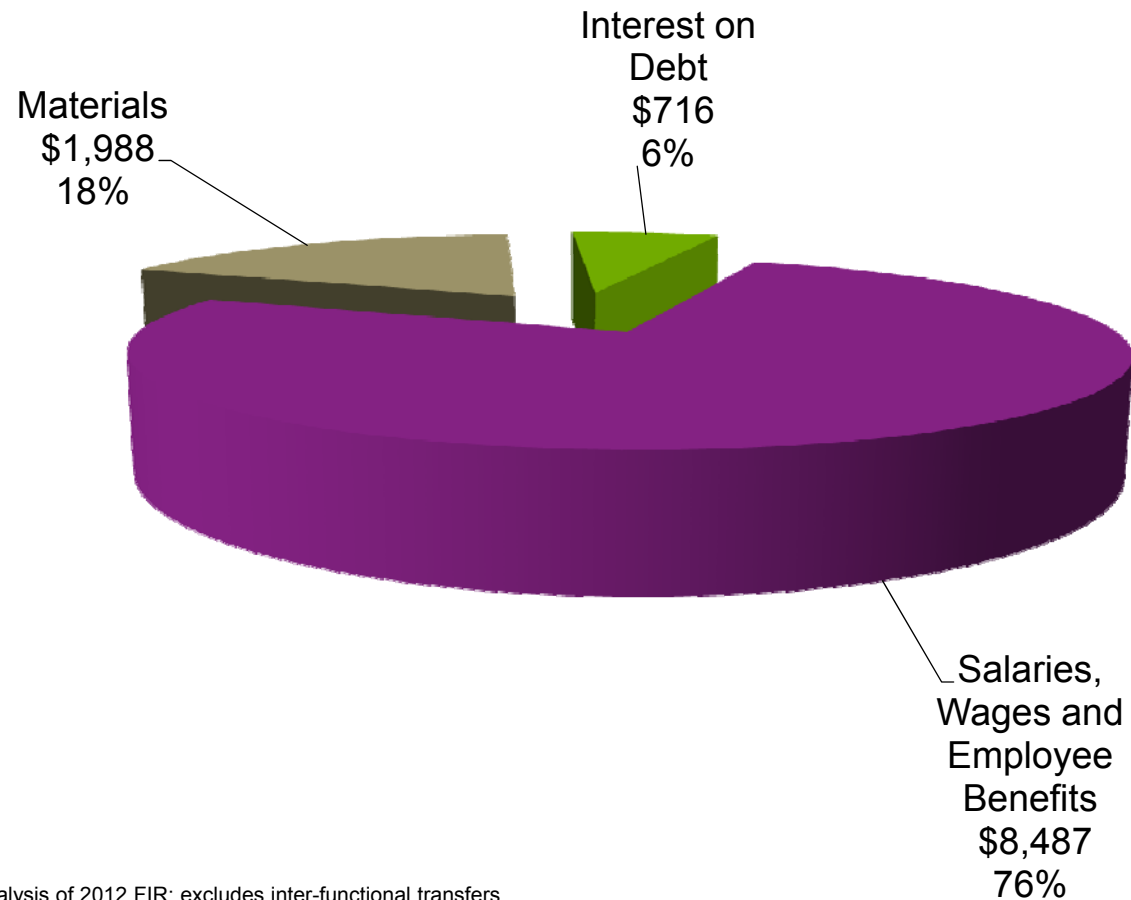


¹ KPMG analysis of 2012 FIR; excludes capital and reserve transactions.

Long term care is a labour intensive business and accordingly, salaries, wages and employee benefits are the most significant cost drivers.

Municipal salary and benefit costs tend to be at the higher end of the scale because of arbitration awards and pay equity requirements. This places municipal homes at a disadvantage when comparing their costs to non profit and private sector homes.

Long Term Care costs by type ¹



¹ KPMG analysis of 2012 FIR; excludes inter-functional transfers



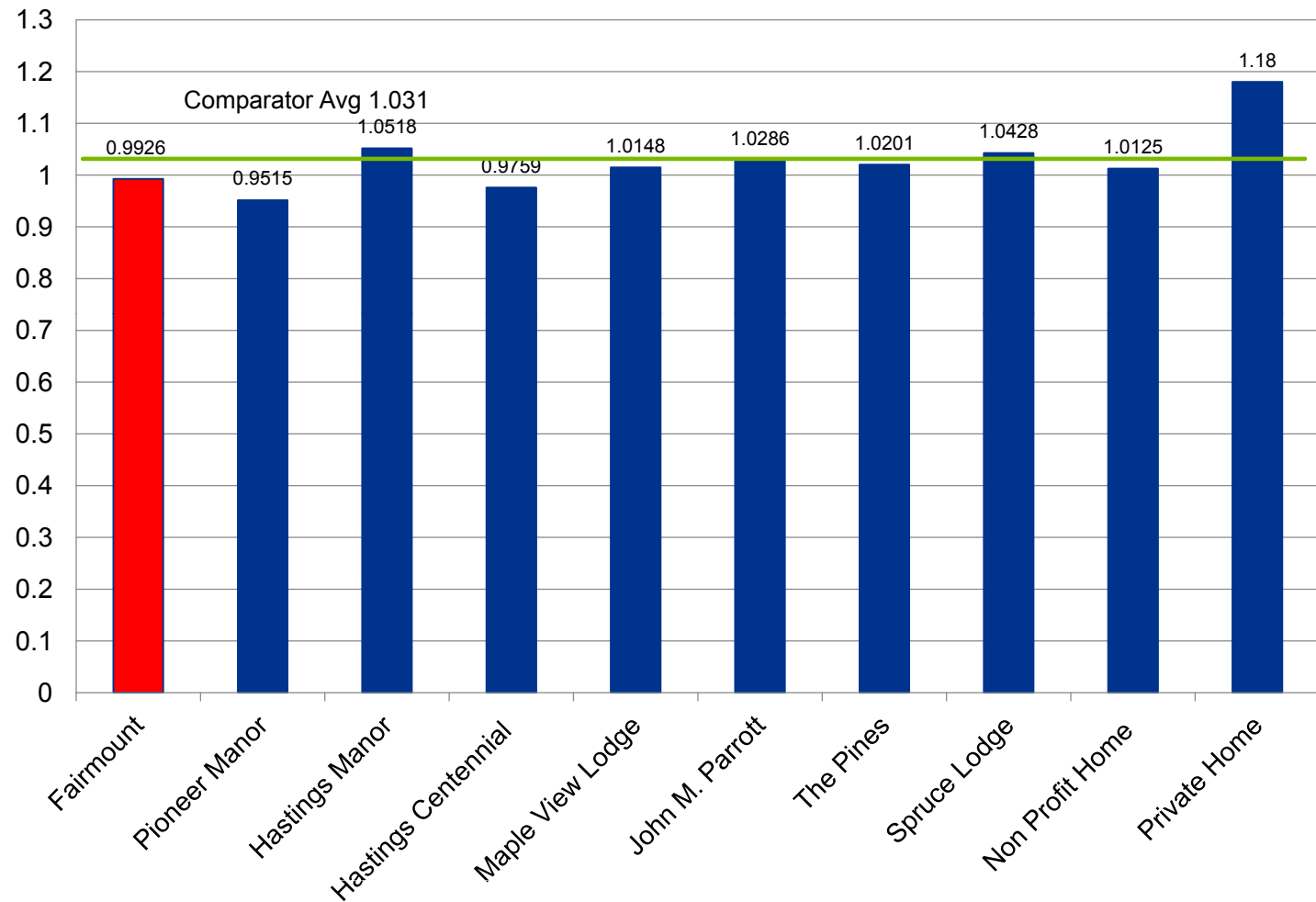
Long Term Care CMI Comparison

Case Mix Index (CMI) – is a numeric value assigned to a long-term care home and is used as a measure of the average care requirements of residents in the long-term care home.

The Case Mix Index is multiplied by the Base Level of Care Per Diem for the Nursing envelope only, and is applied to a home's Classified Beds.

Classified Beds are long-stay beds that are licensed or approved under the Long-Term Care Homes Act, 2007. ¹

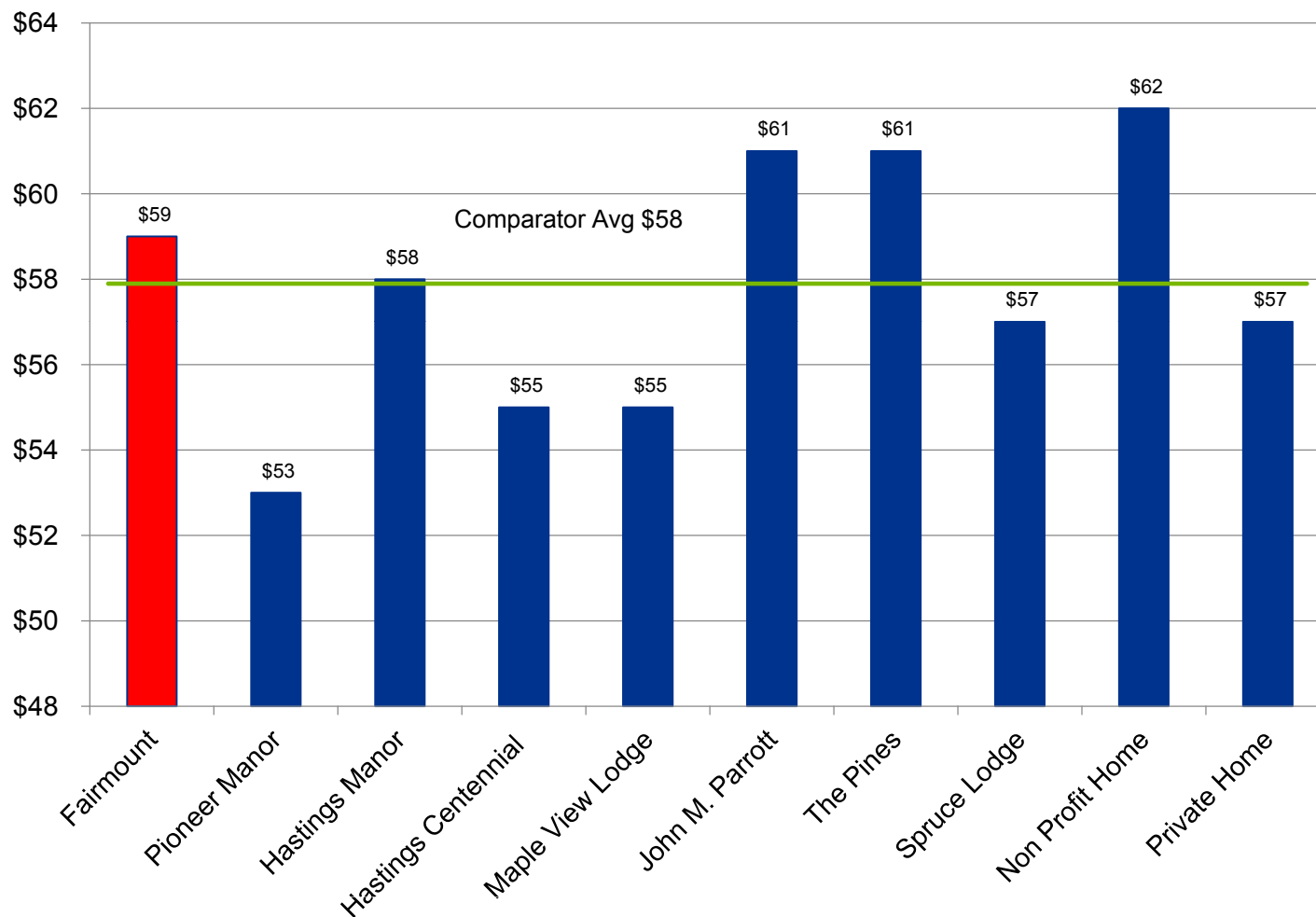
¹ Long Term Care Financial Policy, Ministry of Health and Long Term Care, April 1, 2011.





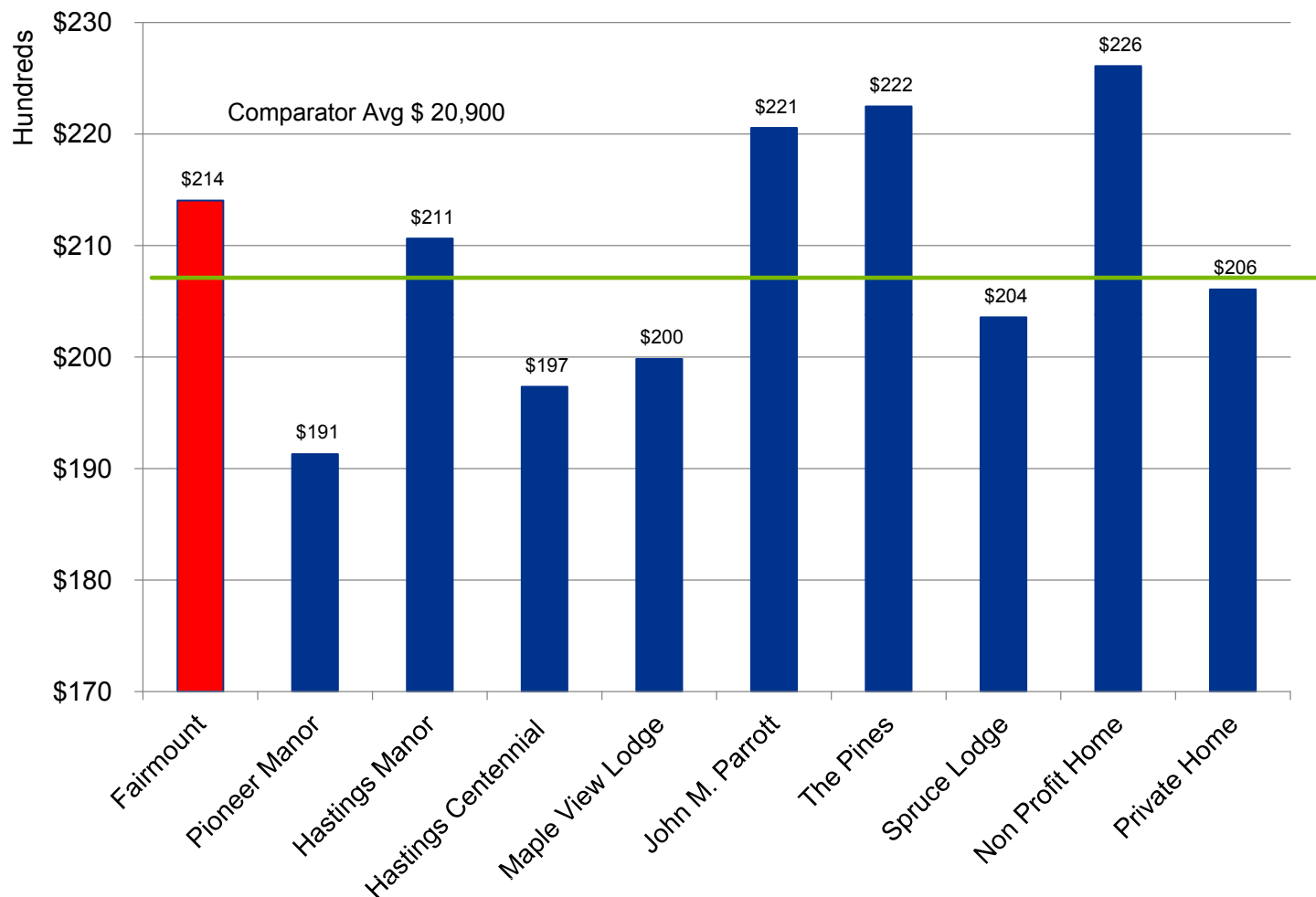
Long Term Care Resident Revenue/Day

Costs to be paid by residents are set by the province and are subject to change. The province expects that charges are affordable to any applicant. The basic fee (2012) paid by residents in homes is \$55.04 per day or \$1,674.13 per month for standard accommodation (may be less for residents who are unable to pay).



Fairmount's revenue per bed is above the comparator average of \$21,400.

Residents may choose to pay for semi or private rooms dependent upon availability. Homes that have a larger capacity of semi or private rooms therefore show a higher resident revenue fee per bed.





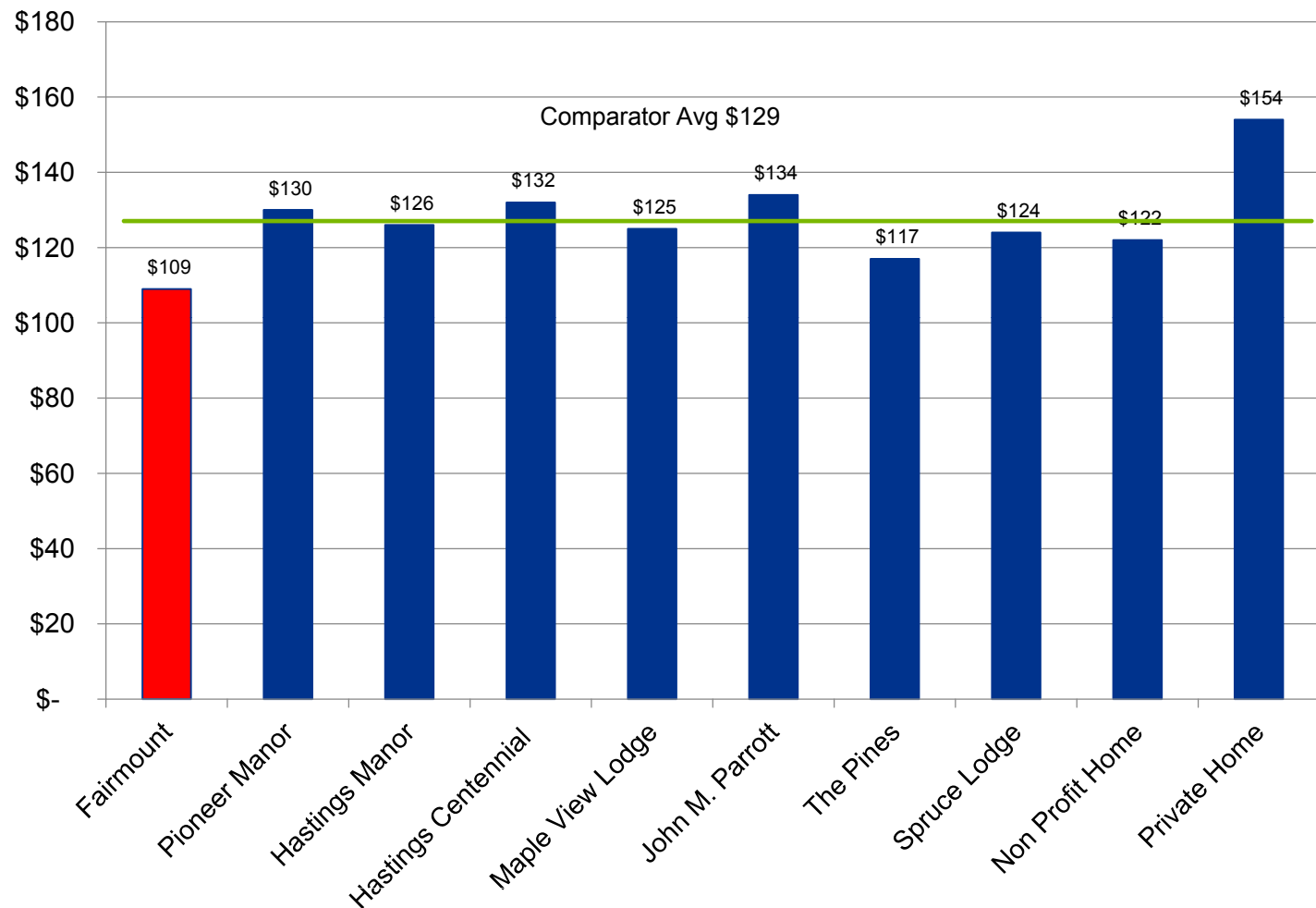
Long Term Care Provincial Assistance/Day

Ontario long term care is funded through the municipal levy, resident co-payments, which may include preferred accommodation premiums for private and semi-private rooms, and through provincial funding.

All homes receive the same amount of provincial level of care funding on a per diem basis. This funding is categorized into four separate envelopes: food, programs and services, and nursing and personal care.

On a per resident day basis all long term care homes receive \$158.85 which is adjusted based on a home's case mix index.¹

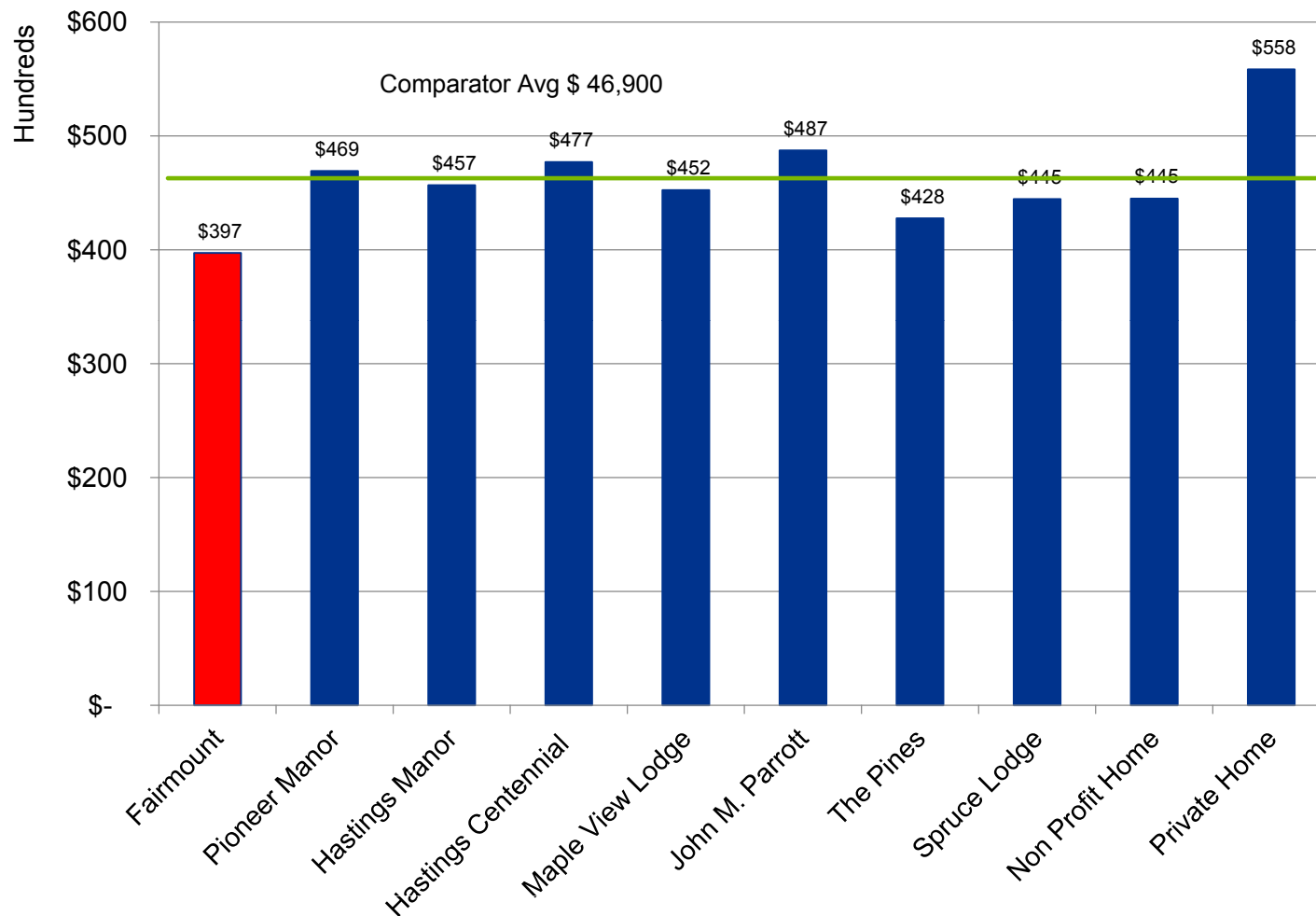
¹ Long Term Care Provincial Snapshot, OANHSS, August 2013



The Ministry pays directly for the costs of nursing and personal care as well as for activation through a funding formula determined by the province. Residents pay for their room and food. Governing bodies of not-for-profit homes (including municipalities) augment funding to enhance services.

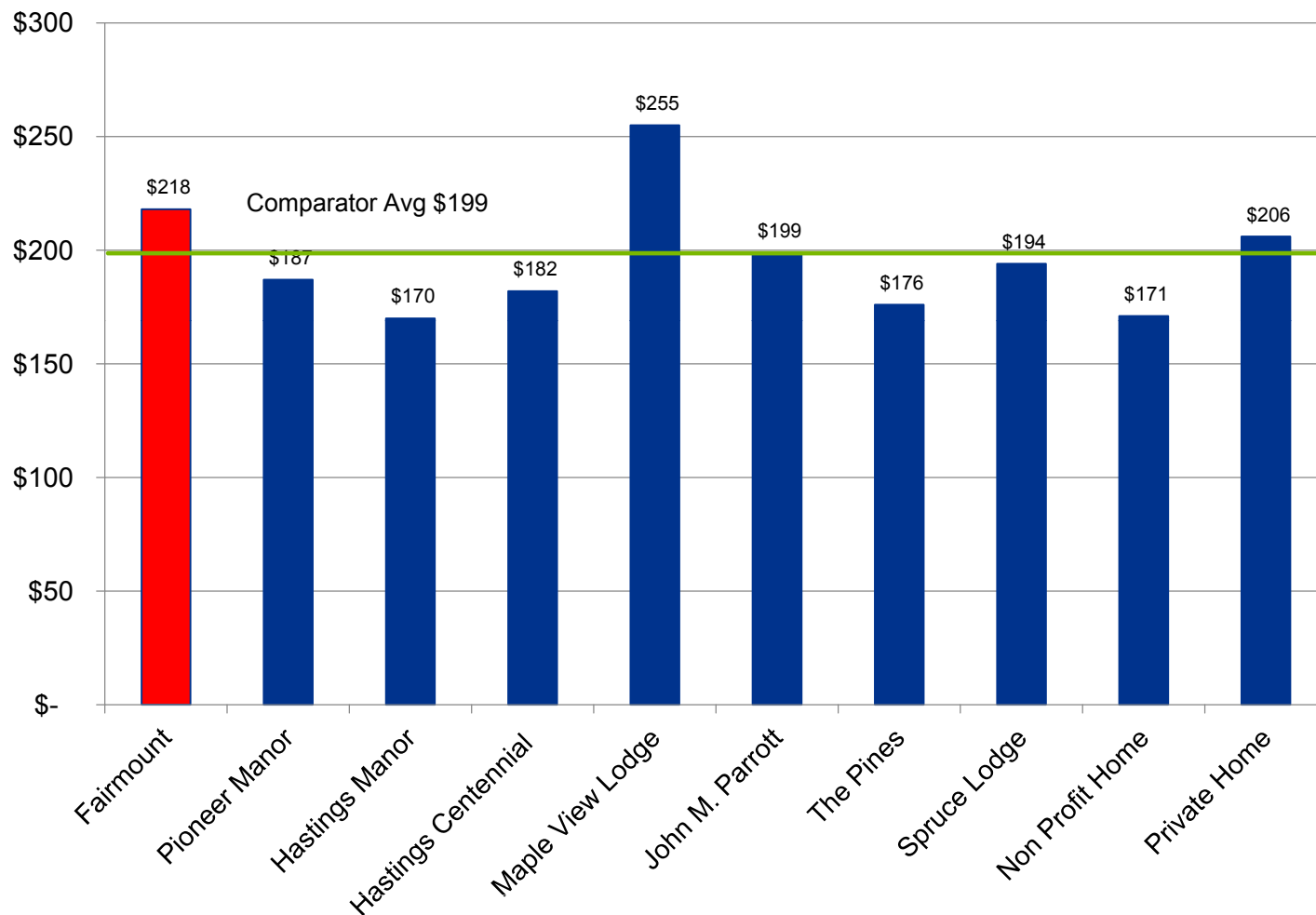
The Ministry of Health and Long-Term Care also funds homes based on a number of supplementary funds. These supplementary funds (or "pots") vary from home to home and across the types of long term care provider. ¹

¹ Municipal Delivery of Long Term Care Services: Understanding the Context and the Challenges, OANHSS, 2012.



Municipalities tend to experience higher arbitration settlement decisions due to their perceived ability to pay. To illustrate, an analysis among care staff in municipal homes versus other provider type homes shows that in 2009, on average, municipal homes paid between 7.5 and 9% more per hour in salary for registered nurses (RNs), registered practical nurses (RPNs), and personal support workers (PSWs) ¹

¹ 2009 OANHSS Benchmarking Report – Municipal and Charitable/Not-for-Profit Nursing Homes, 2012.



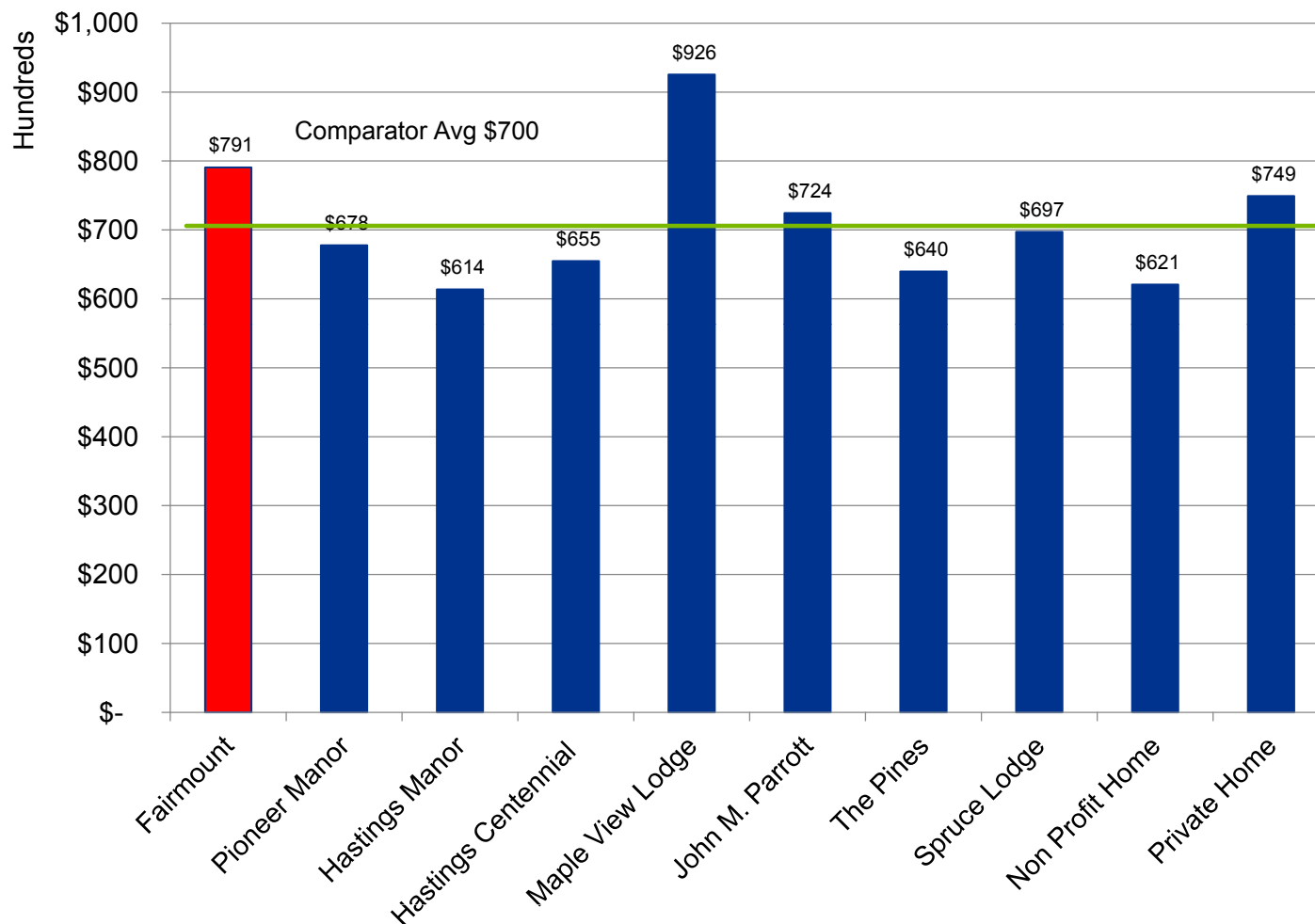


Long Term Care Expense/Bed

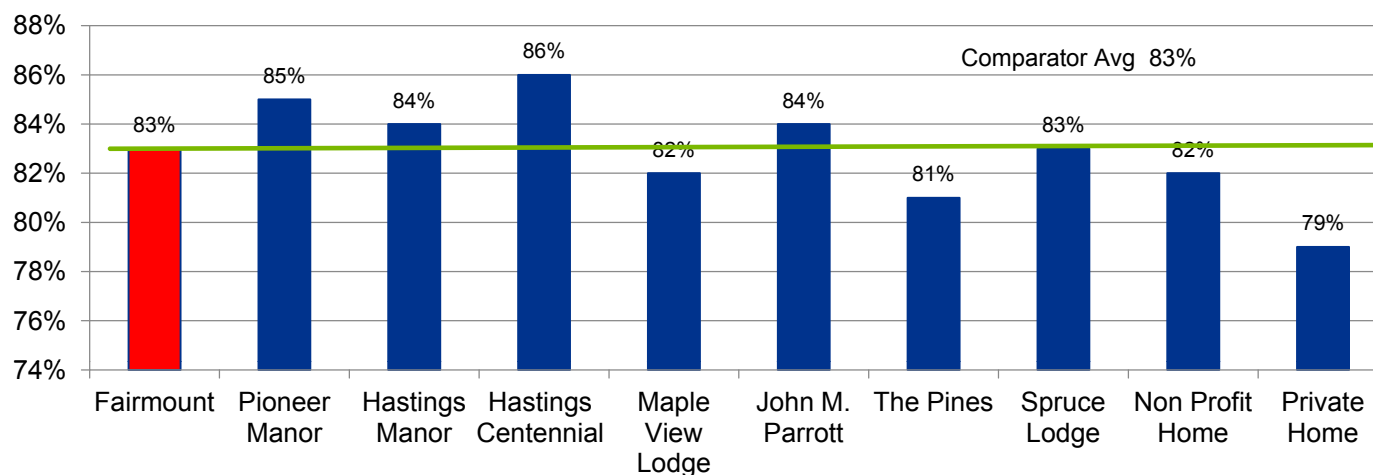
The Ministry of Municipal Affairs and Housing keeps a record of municipalities' assistance to aged persons as part of the Financial Information Return (FIR) data.

In 2000, Ontario's municipal governments spent \$846,388,193 on assistance to the aged. By 2008, this figure had increased to \$1,433,109,628. Accounting for inflation, municipal governments spent approximately 40% more for assistance to the aged over eight years.¹

¹ Coming of Age: The Municipal Role in Caring for Ontario's Seniors, An AMO Paper on Long Term Care and Senior Services, June, 2011.



Long Term Care Salaries & Benefits as a % of Total Expenses



In 1990, the provincial government passed the Pay Equity Act. It was intended to eliminate gender discrimination in compensation for employees employed in female job classes in Ontario. However, the methods of comparison contained within the Act resulted in an imbalance in the salary levels between job-to-job and proxy employers. Although the Act applies to all long term care providers, its provisions affected homes differently.

Nursing homes were generally able to use the proxy method of comparison because they typically had an insufficient number of male comparators in their workplace. The proxy method allowed employers to select another organization of their choosing to compare wages and benefits. Also, under the Act, proxy employers have no enforceable obligation to maintain their pay equity plans, resulting in a smaller, one-time increase in salary and benefit costs for nursing homes.

Municipal homes, on the other hand, typically had a sufficient number of male comparators within the municipality to complete the job-to-job method. Invariably, the internal job-to-job method resulted in higher salary levels than those faced by proxy employers.

The Act not only resulted in wage or cost difference between long term care homes but the province's funding provisions affected municipal homes differently as well. Proxy employers received 100% of their proxy obligations up to 1998 and additional funding has been provided in recent years following litigation, whereas job-to-job employers receive funding only for a fraction of their pay equity obligations. The proxy method has tended to result in lower salary costs and offered those operators higher subsidy levels than provided to municipalities. Municipalities pay the difference in pay equity related cost increases.¹

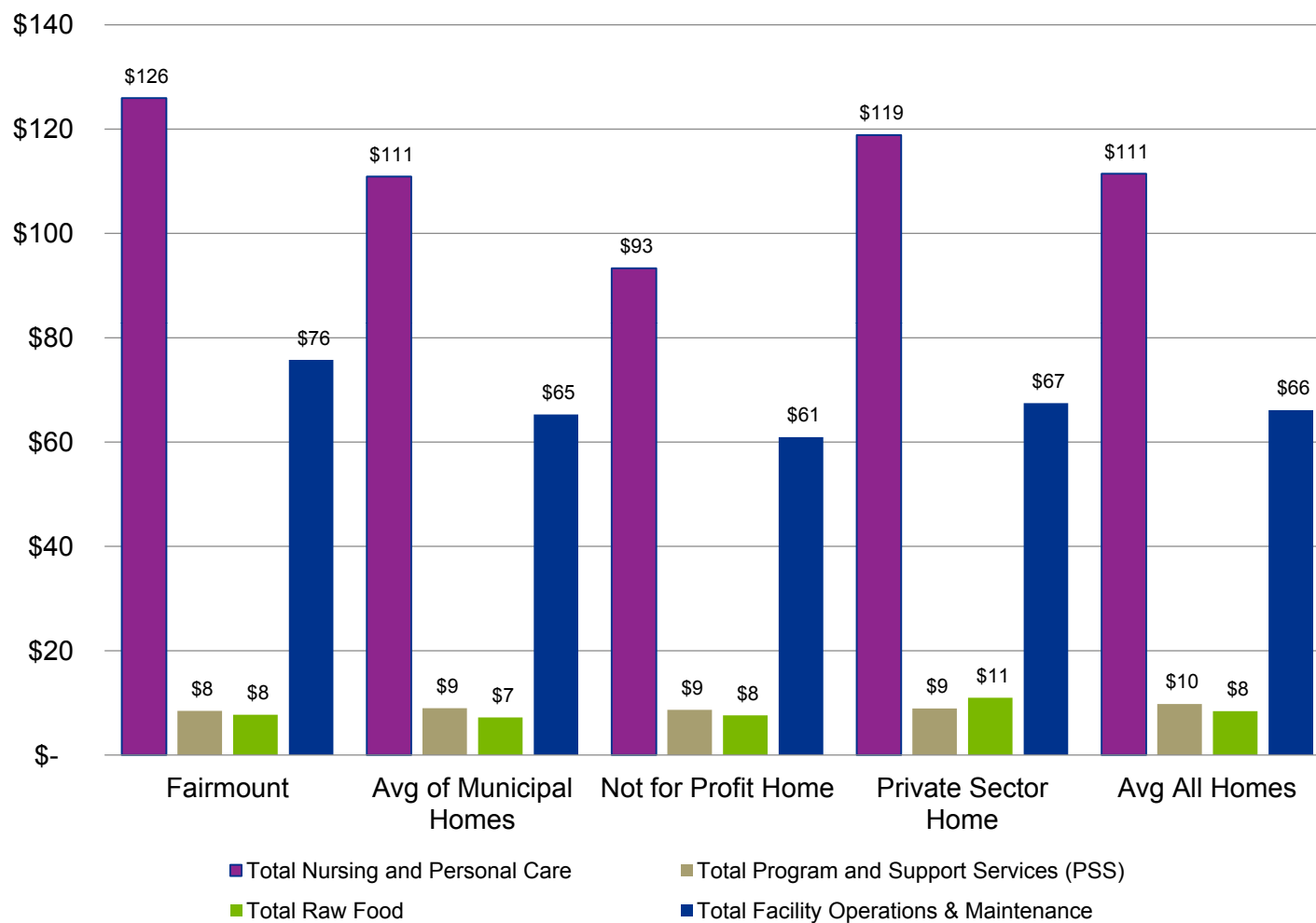
¹ *Municipal Delivery of Long Term Care Services: Understanding the Context and the Challenges*, OANHSS, 2012.



Long Term Care Cost Centre Comparison Per Day

Facility Operations & Maintenance includes:

- Housekeeping Services
- Building and Property
- Operations and Maintenance
- Dietary Services
- Laundry and Linen Services
- General and Administration
- Facility Costs

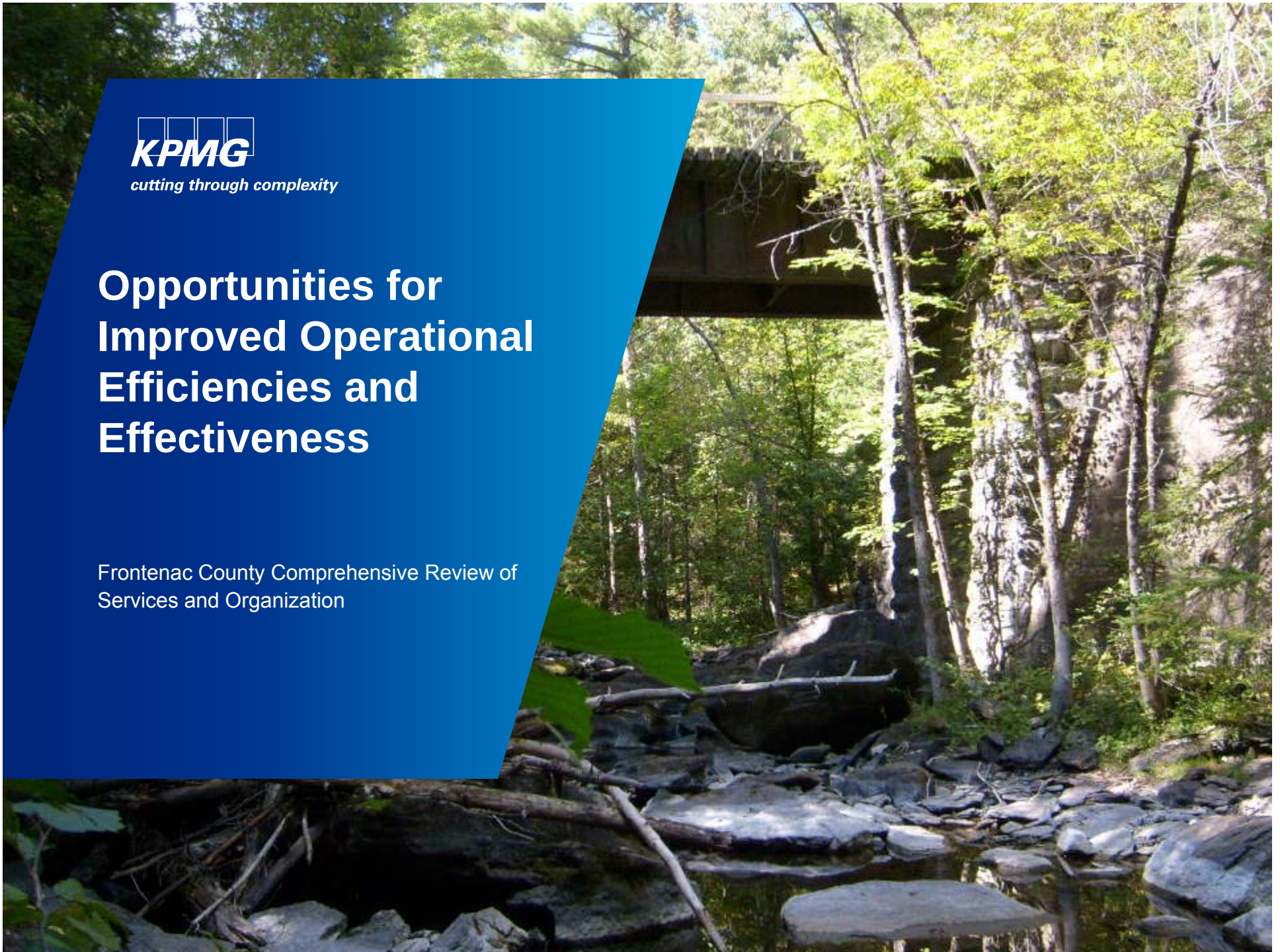




cutting through complexity

Opportunities for Improved Operational Efficiencies and Effectiveness

Frontenac County Comprehensive Review of
Services and Organization



Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
1	- The County operates a fleet of four vehicles for the use of staff in the Corporate Services department. - Ford Expedition - Ford Explorer - Toyota Prius (2) Because of the County's geographic size, corporate vehicles are required for transporting staff, however, it is always a question of how much fleet capacity a municipality requires. Additionally, the Ford Expedition is a surplus vehicle at the end of its life-cycle and is incurring higher maintenance costs.	- Business case is prepared prior to any vehicle purchase that documents mileage in the past year and calculates cost of mileage per diems. - Vehicles are retired from the fleet at the end of life cycle to reduce maintenance costs	- Reduced capital costs for fleet - Reduced operational costs for fleet maintenance
2	Work place absenteeism is a growing problem in the public sector, particularly in emergency services and health care. This is a reflection of a lack of management around the issue and the increasing age of employees. The County has begun to rollout an absenteeism program for the organization in order to manage sick leave. There has been recent success with the management of absenteeism at Fairmount Home.	- Corporate wide absenteeism program administered as a wellness program in partnership with the unions. - The tracking and reporting of sick leave trends ensures any issues are dealt with based on evidence and not supposition.	Reduced absenteeism reduces the cost of operations particularly in part-time wages that are used to cover sick leave.
3	The receptionist desk is separated from the Corporate Services area. Because the position is unionized, it requires a union employee to fill the position when the receptionist is on her break or lunch. This can cause significant disruption in the work of other unionized employees and reduces the efficiency of the overall department.	Leave the reception desk vacant for breaks and lunch with a sign indicating where a visitor can go for assistance.	Employees are more effective in their work when they are not regularly pulled away to fill tasks unassociated with their work.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
4	It is common in organizations to see employees become established in positions that effectively control key processes through administrative gates. Often these gates can be recognized by the continued use of manual processes or by sole approval or knowledge source for administrative processes. As a result, key work flows in the organization are inefficient and undependable thereby frustrating the remainder of the organization. For these reasons, it is essential for the County to have cross trained employees who understand and have authority over more than one business process (within the limits established by internal control) and who are clearly accountable for cross functional processes.	- Private sector organizations have been using cross training as a way to manage increasing client demands and limited resourcing. - However, cross training can cause greater inefficiency and upset to your organization if not properly thought out and formally structured.	Cross training is a way of increasing the capacity of the County to deliver services thereby becoming more effective without increasing the organization's complement of staff.
5	The disbursement of Gas Tax revenue has been a contentious issue for the County and its member municipalities. There is approximately \$2.4 million of gas tax revenue held by the County. While the County has two services with significant capital assets (EMS & Fairmount Home), there is not a direct link to the source of gas tax funding. Accordingly, the more appropriate allocation of gas tax revenue would be with Townships who own the road network in the County and typically underfund its maintenance.	Other counties (ex: Hastings) annually distribute gas tax revenue to the member municipalities to assist in the funding of their road networks, keeping a small balance for appropriate corporate spending.	The disbursement of gas tax funding to member municipalities would improve the overall state of infrastructure for the County and improve the level of service to County residents.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
6	The work week within the Corporate Services department varies between a 35 hour week and a 37.5 hour week. The lack of a standard work week within promotes the sense of unfair privilege within the department and increases the operational cost of Corporate services.	While organizations will modify their work week to meet the operational requirements of a specific business unit or department, it is leading practice to standardize a work week within the unit so that everyone works the same amount of time.	The standardization of the work week to 35 hours will reduce the operational cost of Corporate Services.
7	The County has not held a Christmas party for its employees for the past two years. In the public sector, these events are often subject to criticism as they are seen as a poor use of tax dollars. Nevertheless, the sponsorship of a dinner for employees (alcohol excluded) is an important way of reminding Council and staff that they are part of a common endeavour.	Most of Canada's "Top 100 Companies To Work For" survey, carried out by the Globe and Mail invest heavily in staff communication and reward programs of which a holiday party is an important part.	Many private and public sector companies have found that the value in entertaining staff far outweighs the cost in terms of loyalty, networking, motivation, team spirit and enjoy a halo effect of higher productivity after a Christmas celebration.
8	The delivery of mail within the organization is overly complicated and delayed. At present all mail within the organization is first delivered to the CAO's officer where it is sorted and delivered to individual departments. Mail delivery should be the responsibility of the receptionist and completed by day's end.	Administrative tasks such as mail delivery are pushed to the appropriate level in the organization	The capacity of the CAO's office can be increased and made more efficient if administrative tasks are assigned to administrative staff.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
9	Currently, decision making within the organization is based upon approved policy. This has led to decision making paralysis while policy is developed and approved. There is a need to inventory current policy and determine what decisions require a Council approved policy and what decisions are expected as part of the responsibilities of the position.	- A key role of Council is the setting of policy. A good governance practice is for Council to regularly consider one new policy at each Committee of the Whole meeting. - All personnel policies should be compiled and approved by Council.	Allowing staff to make decisions based on their knowledge and experience will increase the efficiency of the County ex: pre-authorized utility payments.
10	- It is apparent that the greatest need for organizational restructuring within the Corporation is within the areas of Corporate and Administrative Services. This view was validated and confirmed with the project committee at the October 16th project management meeting. - Accordingly, three working sessions were scheduled with a project team representing the different areas of the corporation. The goal of these working sessions was to develop structural options for the organization and employ design principles to assist in the evaluation of the options and, ultimately, the selection of the optimal structural model. - The resulting structural model for Corporate Services standardizes the reporting structure across the department with an appropriate span of control and groups work according to the type of functional activity.	Standardizing the reporting structure and ensuring appropriate span of control for the type of work is a leading practice for both the public and private sector.	The proposed changes will improve both accountabilities within Corporate Services and the decision making processes.
11	The preparation of Council reports consumes both the organization's administrative and leadership capacity. A new method of preparing Council reports needs to be developed with specific decision points and timelines. The majority of reports are not so complex that they require multiple re-writes.	Weekly Senior Management Team meetings should ensure that the team is fully briefed on issues emerging on Council's agenda. Agenda reports should be perfunctory and require minimal supervision.	Removing the bi-weekly corporate angst over the preparation of Council reports will improve the capacity of both administrative and leadership staff.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
12	GIS is a key tool in the delivery of municipal services. At present, it is a service that is delivered in house through one dedicated full time specialist. This is work that can be delivered as a contracted service by an external GIS service provider. Our understanding, however, is that this is work covered under the County's collective agreement with CUPE which limits the County's ability to contract the service. Nevertheless, should the member municipalities of the County contract with the County for GIS there would be an opportunity to fill the increased demand through an external service provider.	GIS is a service that can be effectively provided through <i>Cloud Computing</i>. Smaller municipalities are using the technology to contract for GIS services thereby reducing their operational cost.	Should the member municipalities demand for GIS services increase, contracting the service is an opportunity to control costs.
13	There are two software systems (Info HR & Document Manager) that took 2 – 3 years to implement. It is our understanding that the slow implementation is a result of approval bottlenecks and capacity issues within the Information Services department. Given the investment the County has made in these software products, the contracting of information technology support to assist in implementation appears sensible.	Overcapacity issues are resolved through the temporary purchase of contracted services to assist in implementation.	Many of the inefficiencies contained within the County's document management & human resources processes could be resolved through the full implementation of Info HR and Document Manager.
14	Dispatch for land ambulance service is provided by the Kingston Central Ambulance Communications Centre operated by Hotel Dieu hospital. Concern has been expressed about the ability of CACC to dispatch according to the acuity of the call.	EMS services in Ontario (such as Niagara) are beginning to bring dispatch services within their organization so that there is a quicker and more cohesive response to 911 calls.	Improved service levels through re-investment in technology and greater integration.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
15	- Single tier and upper tier municipalities are mandated to provide long term care services under the authority of ministerial approval, which never expires. In contrast, private long term care providers must obtain a license to operate and maintain a home. - It is our understanding that municipalities cannot sell or transfer a home or its beds, unlike charitable, not-for-profit homes, and for-profit nursing homes which can, but with certain conditions. As such, there is no monetary value associated with a municipal home and/or its beds.	- Eliminating the legislated requirement to operate a home would allow for the greatest flexibility to customize services to better suit the individuality of communities. - This change would allow municipal governments to fund customized services better suited to their communities which vary across the province.	Active support for AMO's position of eliminating the legislative requirement of home ownership detailed in its 2009 White Paper might provide future opportunity for change.
16	Communications staff are becoming an increasingly common member of the municipal organization in order to proactively manage internal and external corporate communications and provide strategic communication advice.	It is a leading practice to employ a communications specialist on staff to advise the management team and Council on difficult and sensitive community issues.	- The communications position is not a statutory position and can be filled through a contract position. - A contracted service will not provide the same level of service as an in-house resource.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
17	- Like all municipalities, Frontenac County would benefit from a systematic review of its business processes in order to remove the following waste from its operations: ❖ Transport – Moving people, products & information ❖ Inventory – Storing parts, pieces, documentation ahead of requirements ❖ Motion – Bending, turning, reaching, lifting ❖ Waiting – For parts, information, instructions, equipment ❖ Over production – Making more than is immediately required ❖ Over processing – Tighter tolerances or higher grade materials than are necessary ❖ Defects – Rework, scrap, incorrect documentation ❖ Skills – Under utilizing capabilities, delegating tasks with inadequate training	- Leading practice is to apply lean six sigma using a blitz kaizen approach. - A Blitz Kaizen consists of: ❖ A 3 to 5 day event ❖ Identification of the current state and gaps in performance against stated goals ❖ Identification of improvement opportunities ❖ Implementation is piloted/simulated within 20 days following the Kaizen ❖ Implementation happens day 3 to 30 (depending on scope of improvements) ❖ Outstanding items are cleared within 40 days	- Possible processes to implement lean 6 sigma include: ❖ Purchasing processes ❖ Payables processes ❖ Planning approvals ❖ Logistic processes for EMS ❖ Hospital intake processes ❖ Scheduling of nursing resources ❖ Client intake processes ❖ Ferry servicing - These blitz kaizens can be scheduled one per year.
18	An alternative method of providing land ambulance services is to contract the service to Medavie EMS (a Blue Cross Company). Three Ontario municipalities have contracted with Medavie to provide paramedic staffing and operate the service. The municipalities retain ownership of all physical assets. The County's experience with contracting land ambulance service has not been positive and resulted in large court order settlement in 2004.	Contracting with Medavie is a viable practice for municipalities without the infrastructure and resources in place to develop their own land ambulance service.	At this point, the opportunity is limited for Frontenac County since it has made a significant investment in staffing and infrastructure and the cost per call is approximately the same.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
19	It was apparent during the project that the strategic direction for the County is undetermined. There is a need for Council to agree on a common future for the County so that it can effectively and efficiently deliver its mandated services.	Municipalities typically adopt some type of corporate or strategic plan that lays out the goals, objective and key initiatives for the Council term. A leading practice is to extend the planning out to a longer time horizon than Council's initial term of office.	Agreement on a common direction for the County through a strategic plan would improve the efficiency and effectiveness of the County's service delivery.
20	- The amount of reserves and reserve funds held by the County has been questioned by some members of Council. Any discussion around the amount of reserves held by the County can not occur until the County's asset management plan is completed. Once the amount of unfunded liability is determined then an informed discussion can occur around reserve levels. - Reserves funded according to the asset's life cycle is a means of ensuring that the municipality's reserves are correctly funded.	- Complete an asset management plan and develop a life cycle funding model to fund the infrastructure gap. - The leading practice is for each municipality to have a comprehensive financial plan for the long term maintenance and replacement of specifically identified tangible capital assets. - Debt financing is considered the last available financing option for approved capital projects.	Life cycle funding is the most effective way of capital planning. It removes wild fluctuations in the levy caused by large unforeseen capital projects.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
21	The County holds a variety of reserves and reserve funds for capital asset replacement , working capital and strategic requirements. There is a need for the County to adopt a policy framework for its reserve and reserve funds. In particular, stabilization reserves should be established for Fairmount Home and Frontenac Paramedic Service to provide the municipality with the flexibility and protection from unforeseen budget variances. Annually any net operational results would be transferred to/from the operating rate stabilization reserve at the completion of year end.	Targeted operating rate stabilization reserve balance of 10% of annual operating expenditures for the department.	The use of stabilization reserves supports the adoption of the budget by December 31st each year and improves the overall financial operations of the County.
22	- Shared services is the key for the long term sustainability of Frontenac County and its member municipalities. No longer can municipalities at either the upper or lower tier operate in isolation of one another. Municipal service delivery is becoming more complex with the growing regulatory requirements of the province. Municipalities regardless of size are expected to equally conform to any regulatory change. This places an increasing burden on smaller municipalities that do not have the capacity to meet these requirements. - The long term sustainability of small municipalities like the member municipalities of Frontenac County depends on shared service delivery particularly in areas such as back office support. - Holding to the traditional characterization of upper tiers as out of touch or the lower tiers as not up to the task only guarantees a limited future for the County.	- Shared services among member municipalities involving procurement, specialty consulting services (engineering), high demand positions (CBO), AODA, information technology, GIS, human resources, financial services, taxation and communications. - Any shared service arrangements are detailed in an agreement between the involved municipalities.	Thinking of the County as a holistic community allows the municipalities to leverage the efficiencies of shared service delivery and reduce costs and ensure the long term financial sustainability of the County.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
23	The uploading of social services to the Province has created tax room in the County's municipal levy. For the 2014 budget, the County will have \$3.3 million in vacated tax room. The Province's expectation is that upper tier municipalities will recognize that there is only one property taxpayer and reach agreement with the lower tier municipalities on assuming the vacated tax room.	Counties are expected to share the vacated tax room created by the uploading of social service costs to the Province.	If the County is considered as one community, then the uploading of social services is a tremendous opportunity to improve the financial sustainability of the member municipalities.
24	The establishment of a budget schedule setting out the dates and the timing of Council's review and approval of the annual budget has not been a standard practice of the County.	Budget schedule approved annually by Council ensuring the passage of the operating and capital budgets by December 31st of each year.	Passage of the County budget by December 31st allows the County to tender large capital purchases at the beginning of the year when pricing is favourable.
25	- Administrative resources in the organization are isolated in the departments they support. As a result, work capacity is uneven across the organization. - Administrative support is becoming an increasingly expensive resource. To fully exploit the value of administrative positions, they should be integrated across the organization.	- Organizations are gradually moving administrative staff into new departments to develop new skill sets and improve the cross trained capacity of the organization. - Additionally, administrative resources are trending towards being pooled to ensure that there is equal capacity across the organization.	Pooling administrative resources will improve the efficiency and effectiveness of the organization's administrative backbone.

Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
26	There are numerous staff meetings at the beginning of the week that involve the senior management team, corporate management team, and front line staff both at a corporate and a departmental level. We understand through the consultation process that these meetings often exceed their budgeted time and duplicate both the attendees and the agenda items so that the same people are hearing the same information at multiple meetings.	- Private sector organizations have similarly struggled with staff meeting protocol. - The common experience in both the private and public sector is that meetings should have a defined start and close time, agenda and involve the right people. - Conference calls/video meetings so individuals can remain in the office are becoming increasingly common place.	The County can experience a significant improvement in productivity if the number of staff meetings were reduced to one - 1 hour Senior Management Team meeting per week & one 45 minute Corporate Services meeting per month.
27	At each of the staff meetings there are minutes taken that require processing and approval. Because of the numerous amount of staff meetings, the number of minutes requiring attention is significant and impacts on the capacity of administrative staff to deliver administrative support for other work.	It is now commonly expected that organizations will record minutes of their staff meetings.	- Reductions in staff meetings will in turn reduce the minute requirements for administrative staff and thereby increase their capacity for additional work. - Change the minutes format to a series of actions and items for follow up.

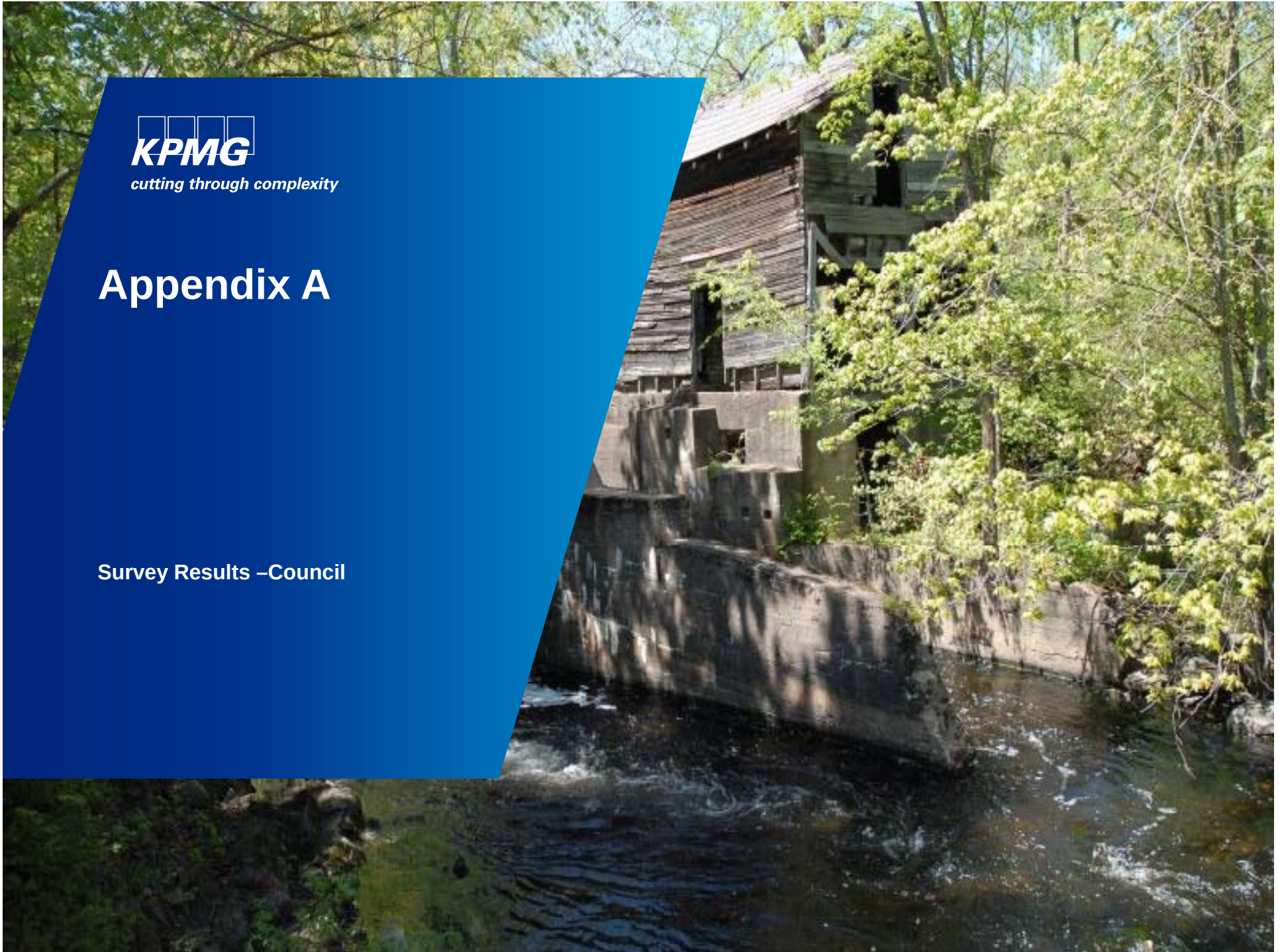
Ref No.	Observation and Implication	Leading Practices	Opportunity for Improvement
28	Like many municipalities, there are a number of staff who attend Council and Committee meetings to either provide support for Council or to ensure that they correctly understand Council's position on an issue. There is a significant cost to the County for the attendance of staff at Council meetings if the hourly rates are compiled in the aggregate. Senior leadership should be able to answer any questions from Council. In the event they are unable to address a technical question, an email memorandum can be issued following the meeting.	Private sector firms are always focused on ensuring that their employees are working on projects that are of highest and best use for the business.	Efforts should be made to control the number of staff in attendance at Council meetings thereby reducing the cost of Council meetings and ensuring that staff are focused on work that is of highest and best use to the County.
29	It has become apparent that the cost of service delivery is a priority for Council. In order to ensure that Council is adequately informed about the operating costs of the County there should be quarterly reports that reflect the position similar to what were provided in the benchmarking section of this report.	In the words of Peter Drucker, "what gets measured, gets managed." The private sector and increasingly the public sector is focusing on measuring results so that they understand their operations and can manage its performance.	Quarterly reports to Council's Committee of the Whole on the financial performance of the Frontenac Paramedic Service and Fairmount Home.
30	Annual increases in the County's municipal levy have fluctuated significantly from year to year, with several large annual increases experienced during 2004 (11%) and a significant decrease in 2011 (-5%). This makes it difficult for businesses to predict their property tax obligations and complicates their annual budgeting.	The leading practice for tax policy is levy increases that are steady and predictable over a five to ten year period.	Develop a policy of gradual adjustments to the tax levy to avoid unforeseen spikes or drops.



cutting through complexity

Appendix A

Survey Results –Council

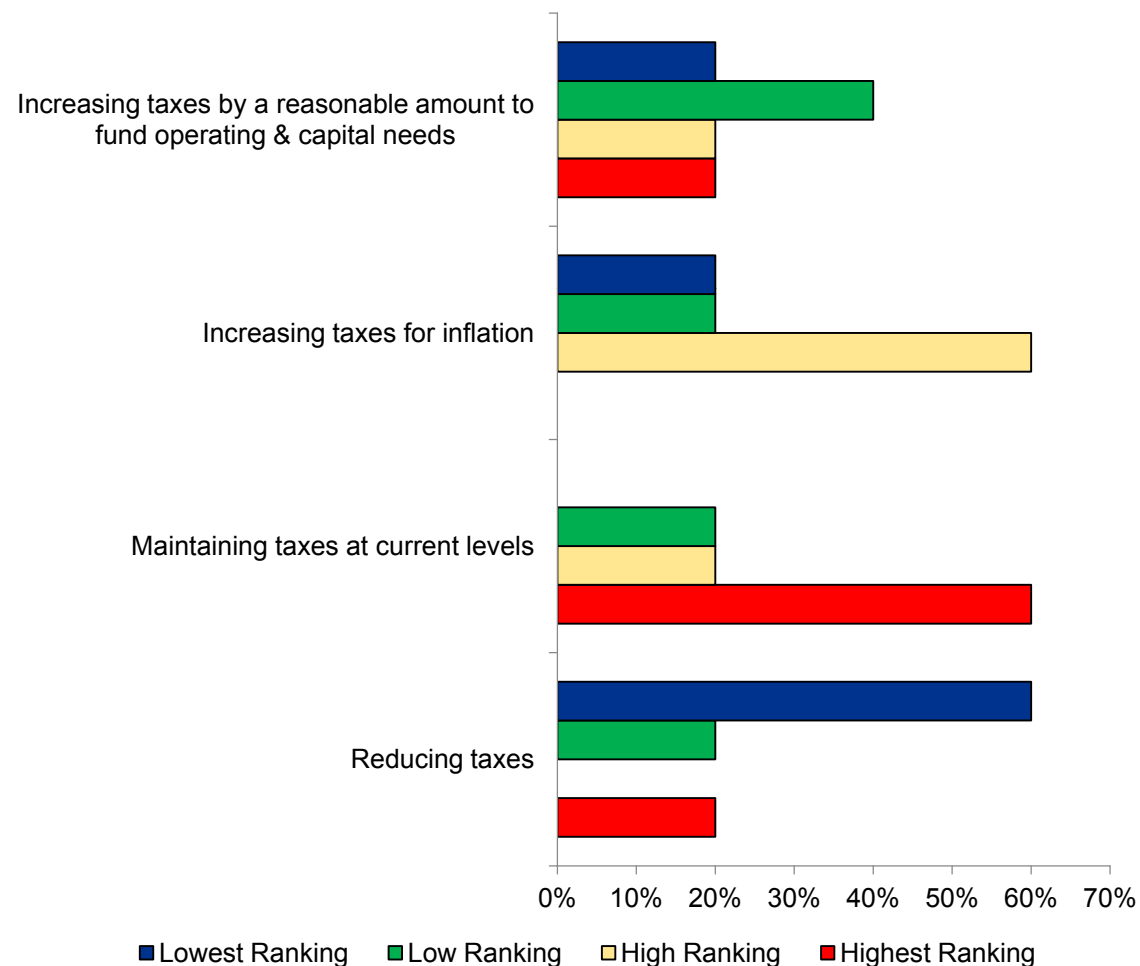




Survey Results

Survey Results – Council

Question 1 – Often times, priorities will conflict. From Council's perspective, please rank the following tax priorities in order of preference (1 – being highest and 4 – being lowest)



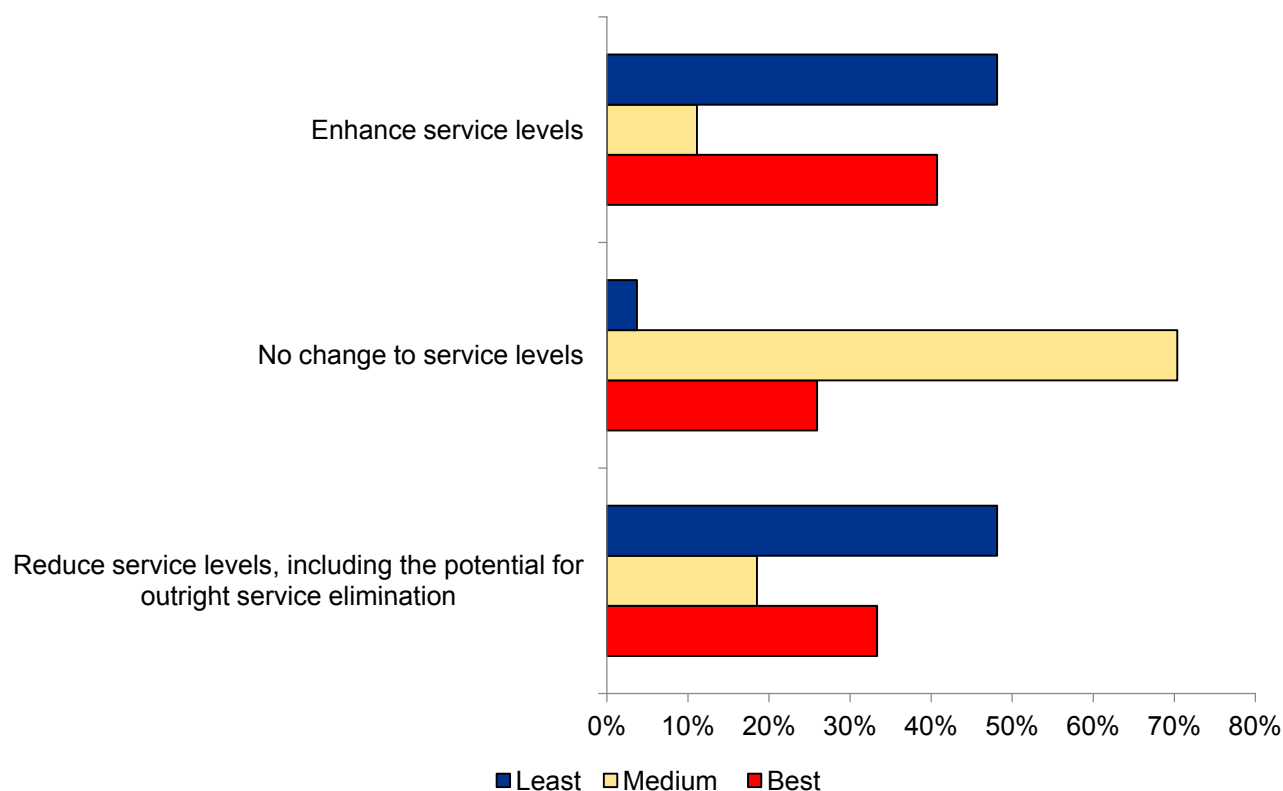
Options	Average Ranking
Maintaining taxes at current levels	3.4
Increasing taxes by a reasonable amount to fund operating & capital needs	2.4
Increasing taxes for inflation	2.4
Reducing taxes	1.80



Survey Results

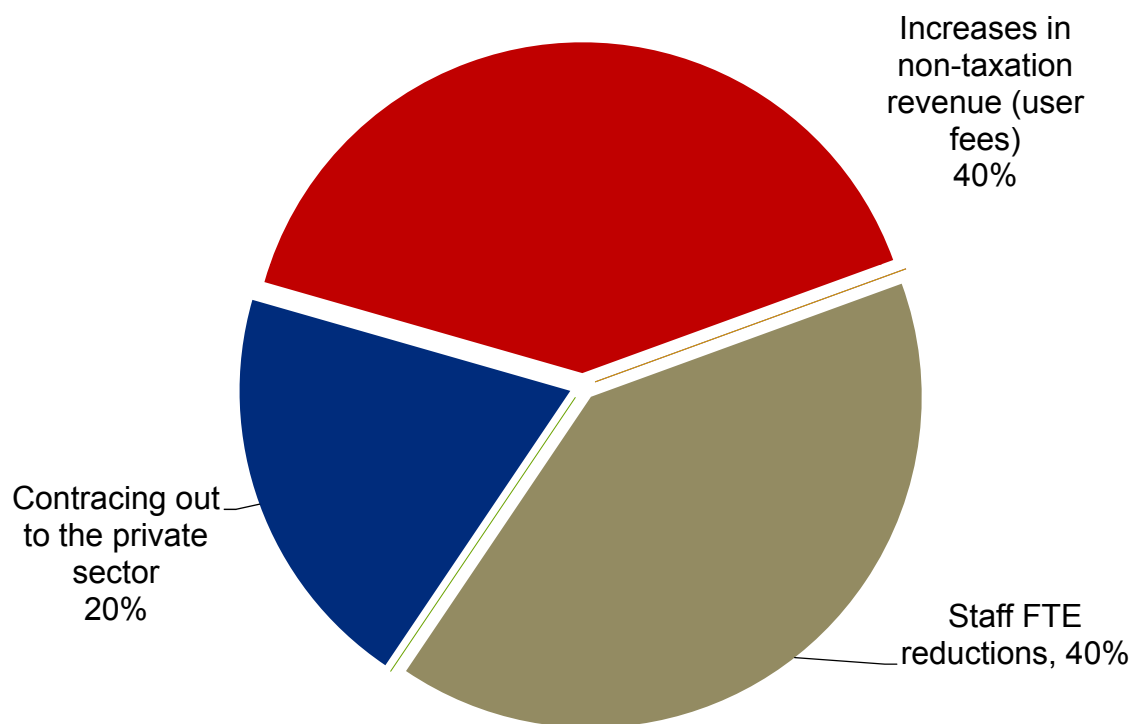
Survey Results – Council

Question 2 – Municipal services can typically be grouped into two categories – “must haves” and “nice to haves,” the difference being the legislative requirement to deliver the service in question. From Council’s perspective, please identify your preference of the “nice to haves” based on the following choices (1 – being best and 3 being least)



Option	Average Ranking
No change to service levels	2.60
Reduce service levels	1.80
Enhance service levels	1.60

Question 3 – Various strategies are available to municipalities in order to reduce operating costs. From Council's perspective, please identify which strategies are acceptable.



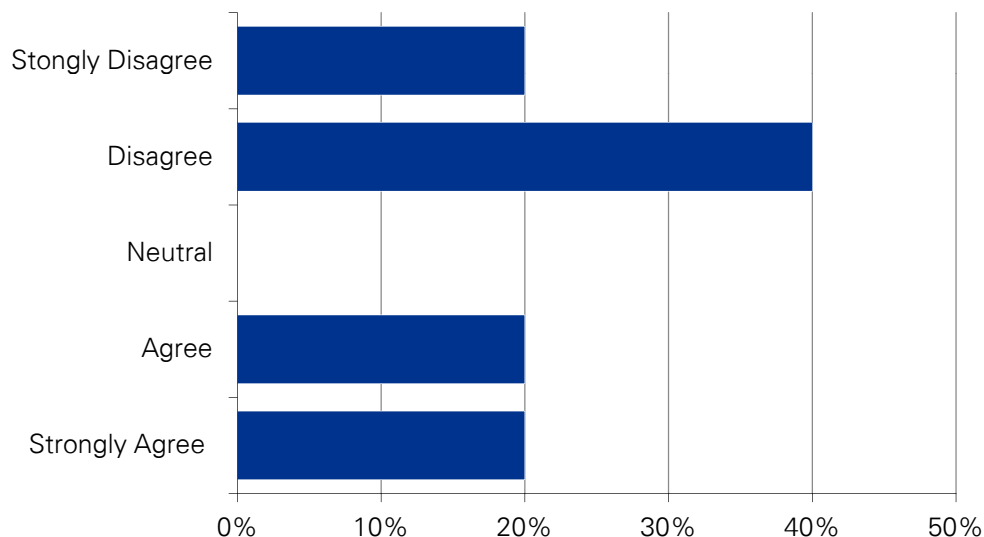
Options	Average Ranking
Governance restructuring	0%
Contracting out to another public sector org	0%
Staff FTE reductions	40%
Regional or Shared Delivery Model	0%
Increases in non taxation revenue	40%
Contracting out to the private sector	20%



Survey Results

Survey Results – Council

Question 4 – There are many demands upon elected officials for decisions regarding service levels and how a service is delivered. Do you believe the leadership team for the County provides the necessary information and support for effective decision making?



Option	Percentage Ranking
Strongly Agree	20%
Agree	20%
Neutral	0
Disagree	40%
Strongly Disagree	20%



Council Survey Results

Implications for the Comprehensive Review of Services & Organization

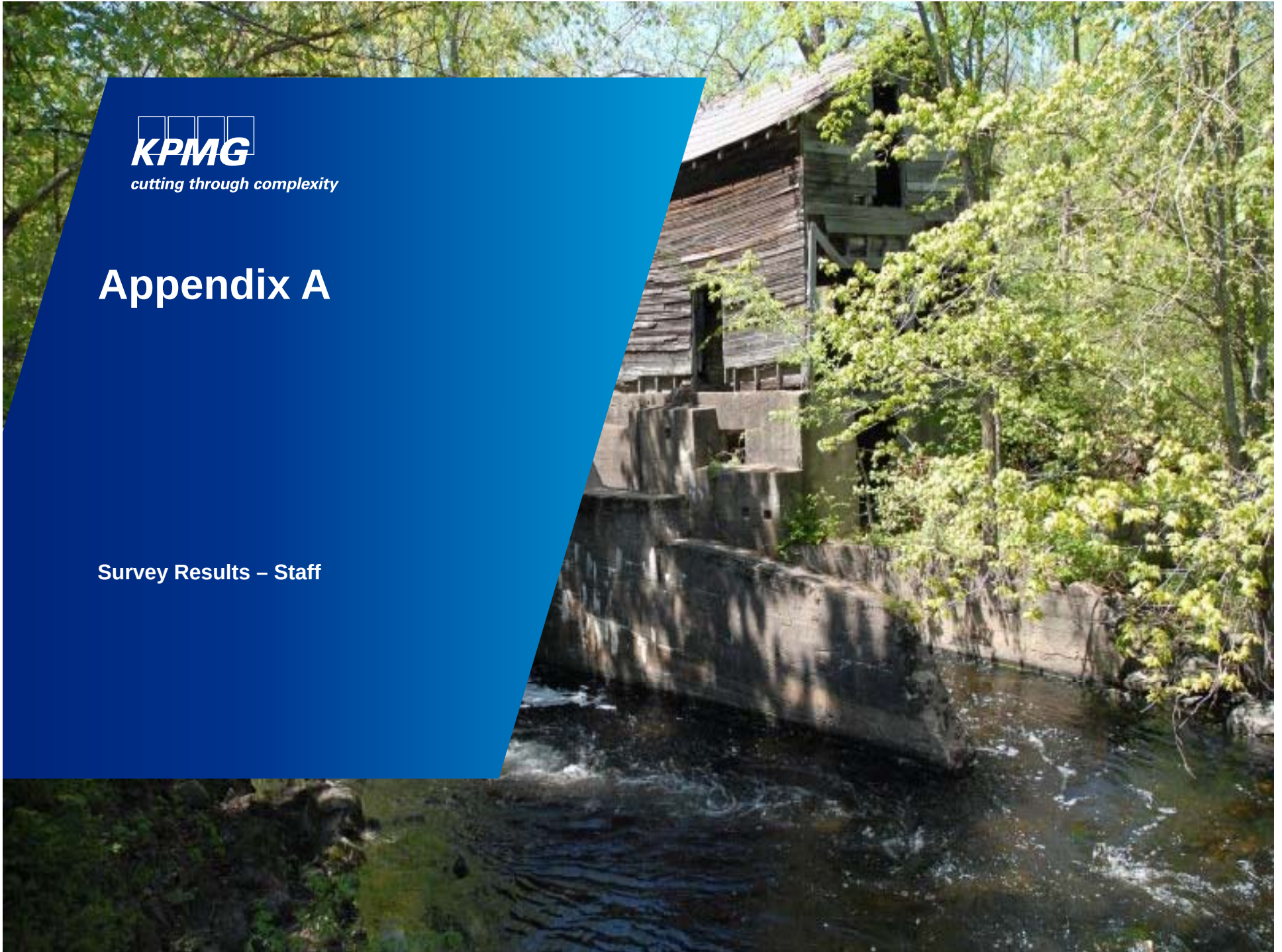
1. Taxation policy is clear
 - Surveyed Councillors appear to support maintaining taxes at the current level.
 - Ultimate level of taxation will be determined by the choices made as to service levels and other strategies
2. Limited appetite for outright service level reductions
 - Opportunities that have the highest potential for implementation will likely involve efficiencies and improved business processes
 - Efficiencies can also involve shared service arrangements as well as potential staffing reductions
 - Any service level reductions will be identified as part of the Service Delivery Review process
3. Council appears to support potential staffing reductions and possible increases to non taxation revenue (user fees) and no support for a regional shared service delivery model or contracting to another public sector organization.
4. Council appears to be undecided about the level of information and support provided by staff to assist Council in its decision making.



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Appendix A

Survey Results – Staff

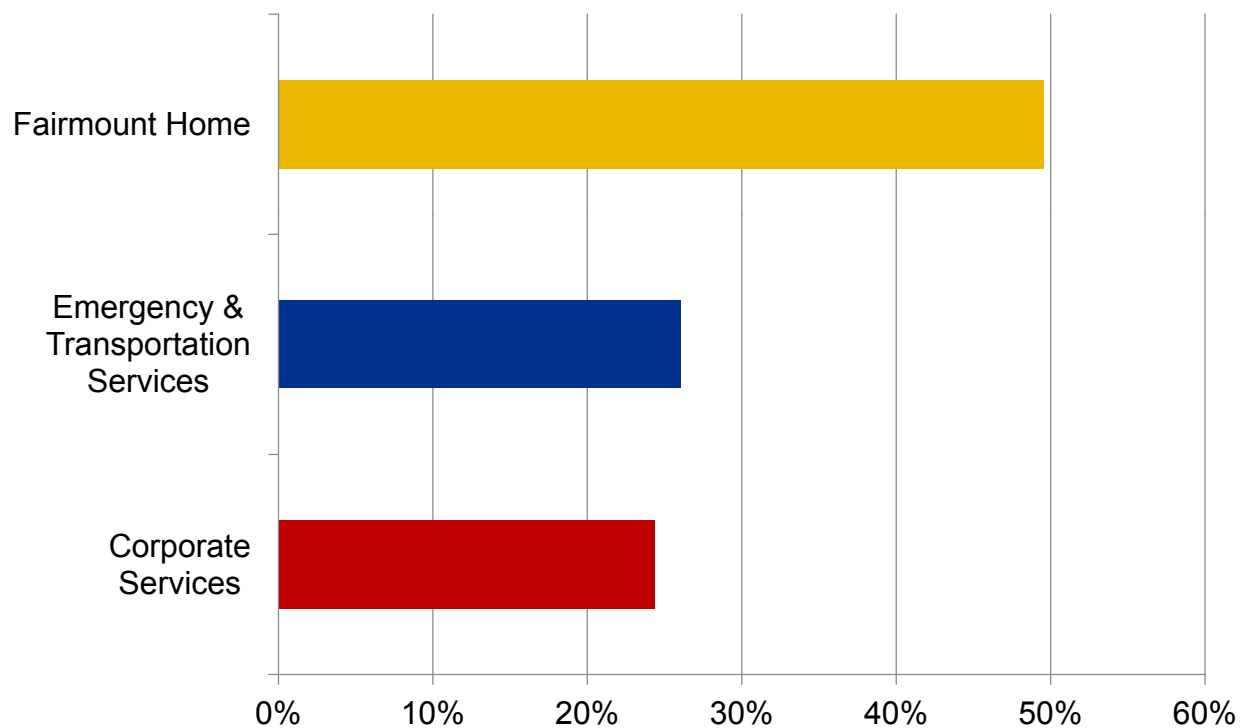




Survey Results

Survey Results – Staff

Question 1 – Please Identify Your Department



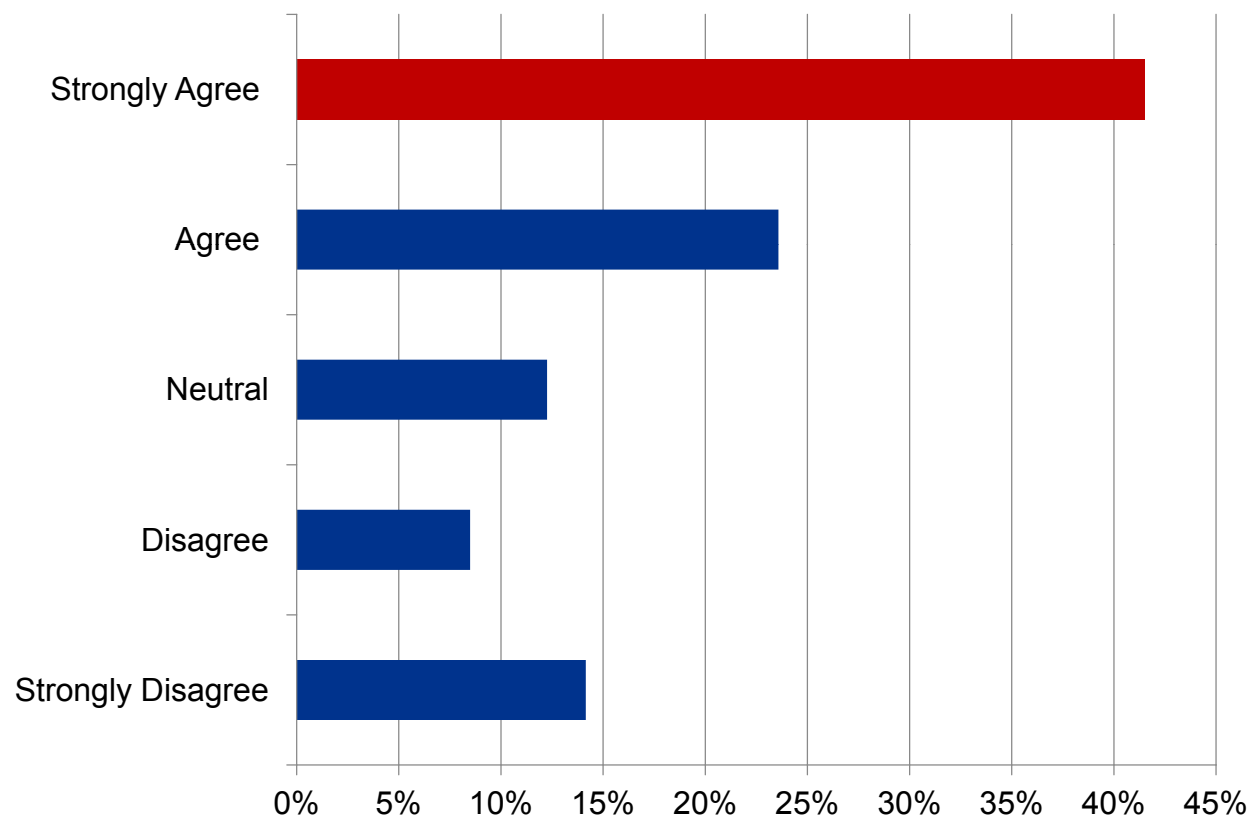
Department	Response Count
Fairmount Home	57
Emergency & Transportation Services	30
Corporate Services	28
Total Respondents	115



Survey Results

Survey Results – Staff

Question 2 – There are opportunities within my department and/or municipality to improve its operating efficiency and/or effectiveness



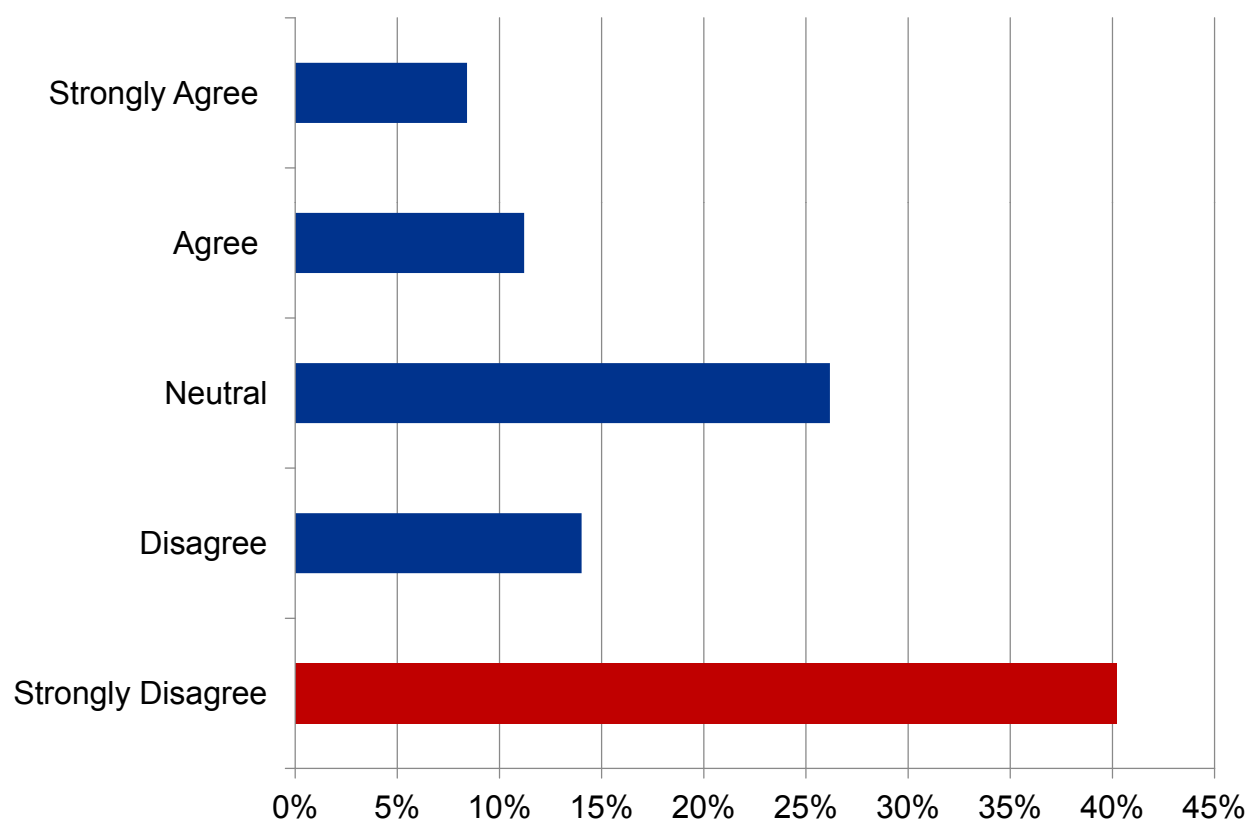
Option	Response Count
Strongly Agree	44
Agree	25
Neutral	13
Disagree	9
Strongly Disagree	15
Total Respondents	106



Survey Results

Survey Results – Staff

Question 3 – The efficiency and/or effectiveness of my department and/or municipality could be increased if its services were delivered as a shared service in partnership with all member municipalities in the County and/or neighbouring municipalities.



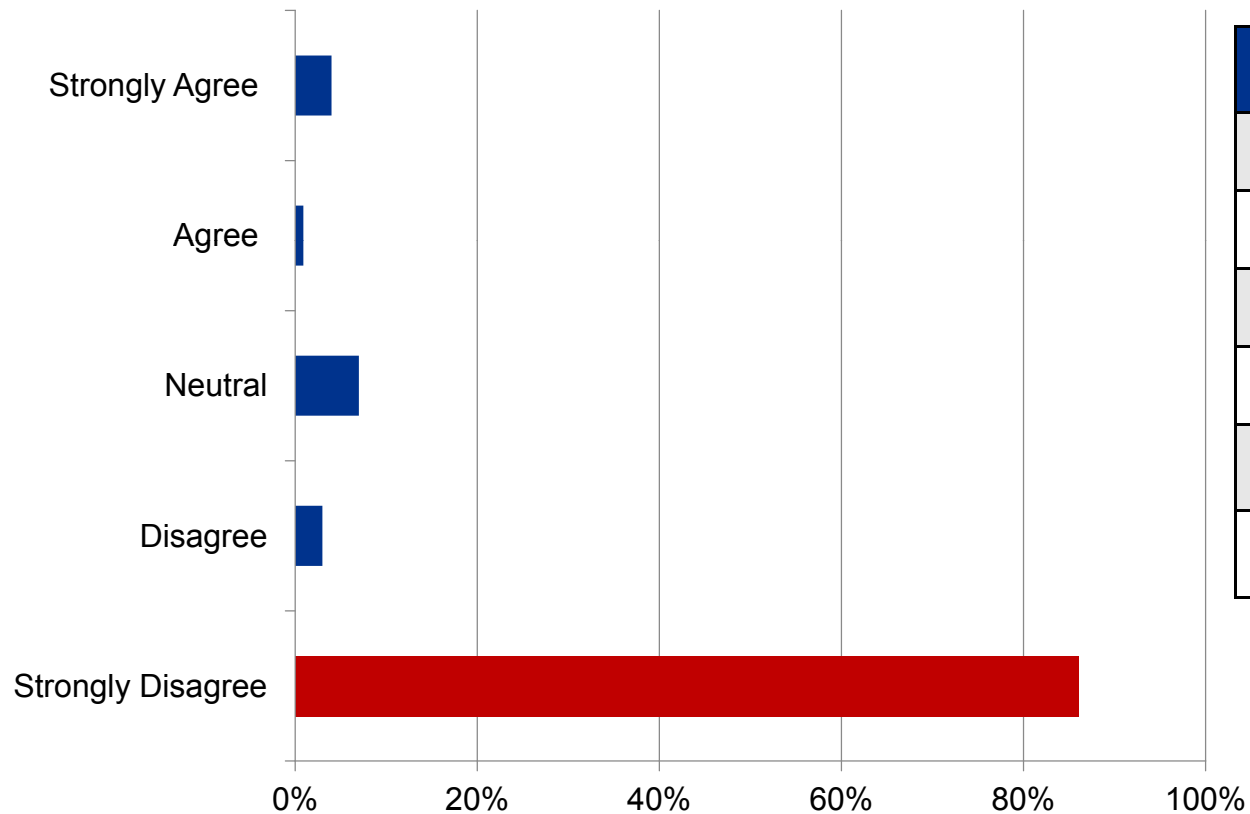
Option	Response Count
Strongly Agree	9
Agree	12
Neutral	28
Disagree	15
Strongly Disagree	43
Total Respondents	107



Survey Results

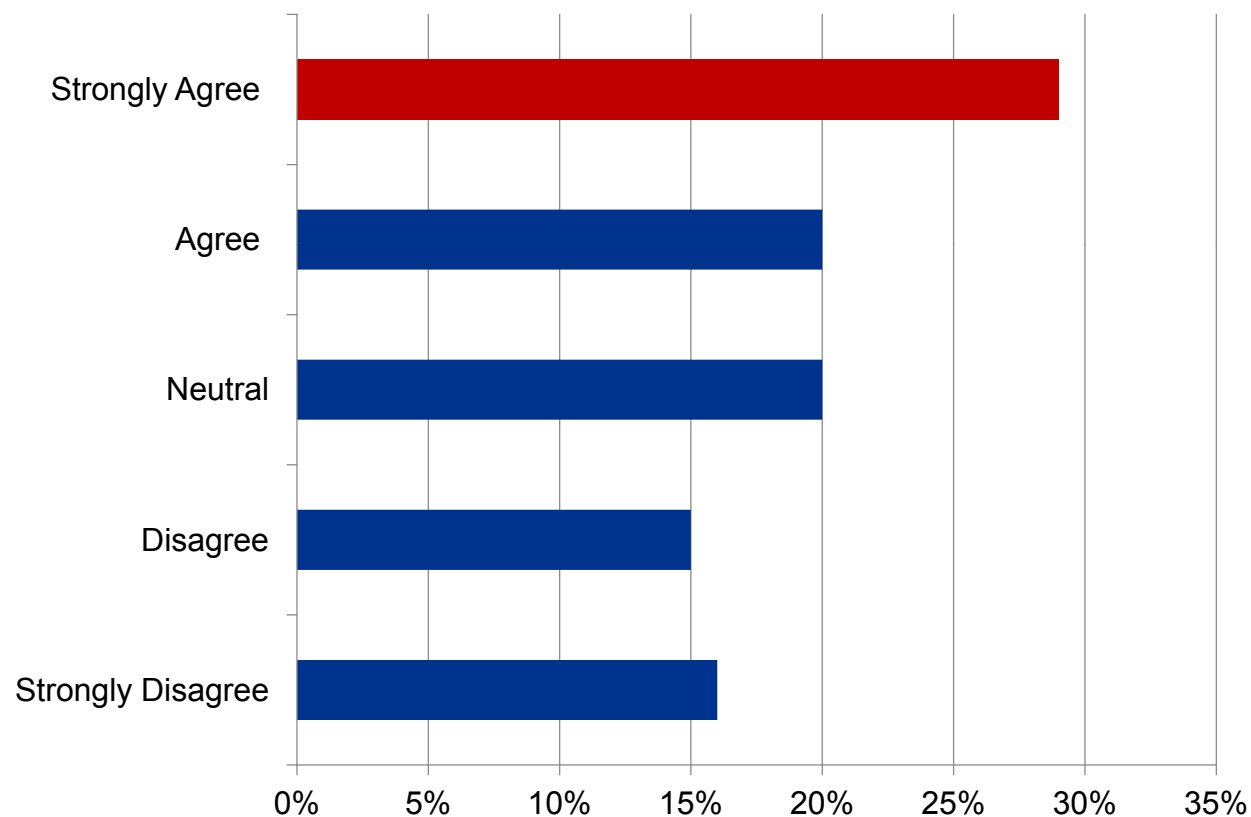
Survey Results – Staff

Question 4 – The efficiency and/or effectiveness of my department and/or municipality could be increased if its services were contracted out to a private sector operator.



Option	Response Count
Strongly Agree	4
Agree	1
Neutral	8
Disagree	3
Strongly Disagree	95
Total Respondents	111

Question 5 – The efficiency and/or effectiveness of my department and/or municipality could be increased if its services were solely delivered by the County of Frontenac.



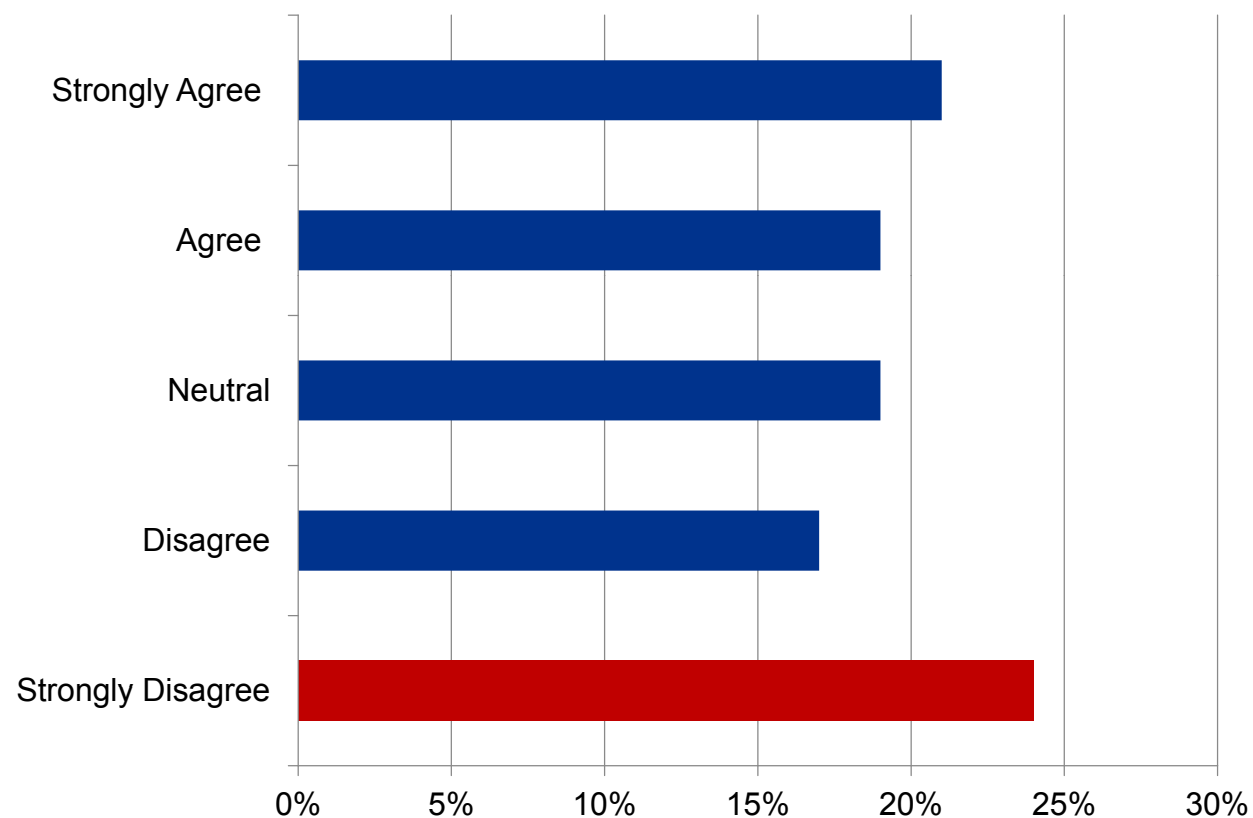
Option	Response Count
Strongly Agree	30
Agree	21
Neutral	21
Disagree	15
Strongly Disagree	16
Total Respondents	103



Survey Results

Survey Results – Staff

Question 6 – There are opportunities within my department and/or organization to reduce costs



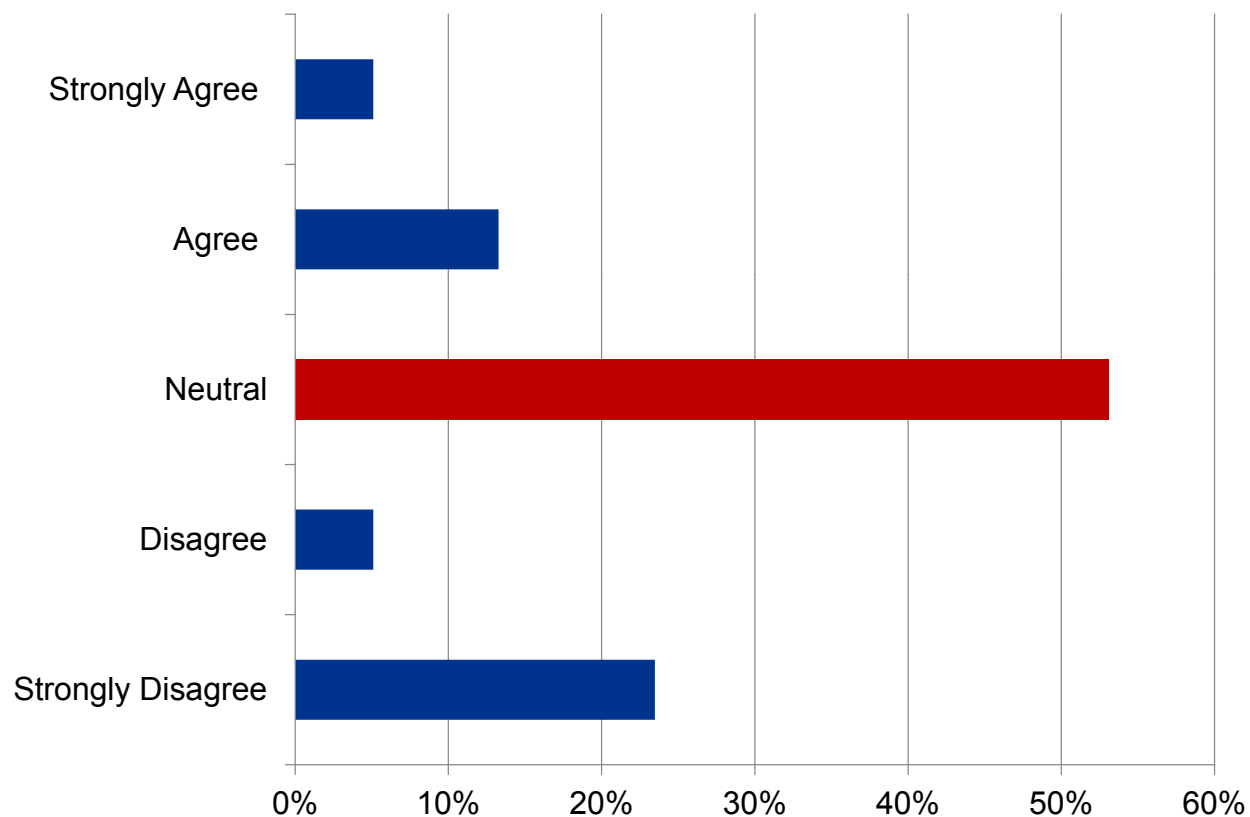
Option	Response Count
Strongly Agree	21
Agree	19
Neutral	19
Disagree	17
Strongly Disagree	24
Total Respondents	100



Survey Results

Survey Results – Staff

Question 7 – There are opportunities within my department and/or organization to increase revenue from non-taxation sources.



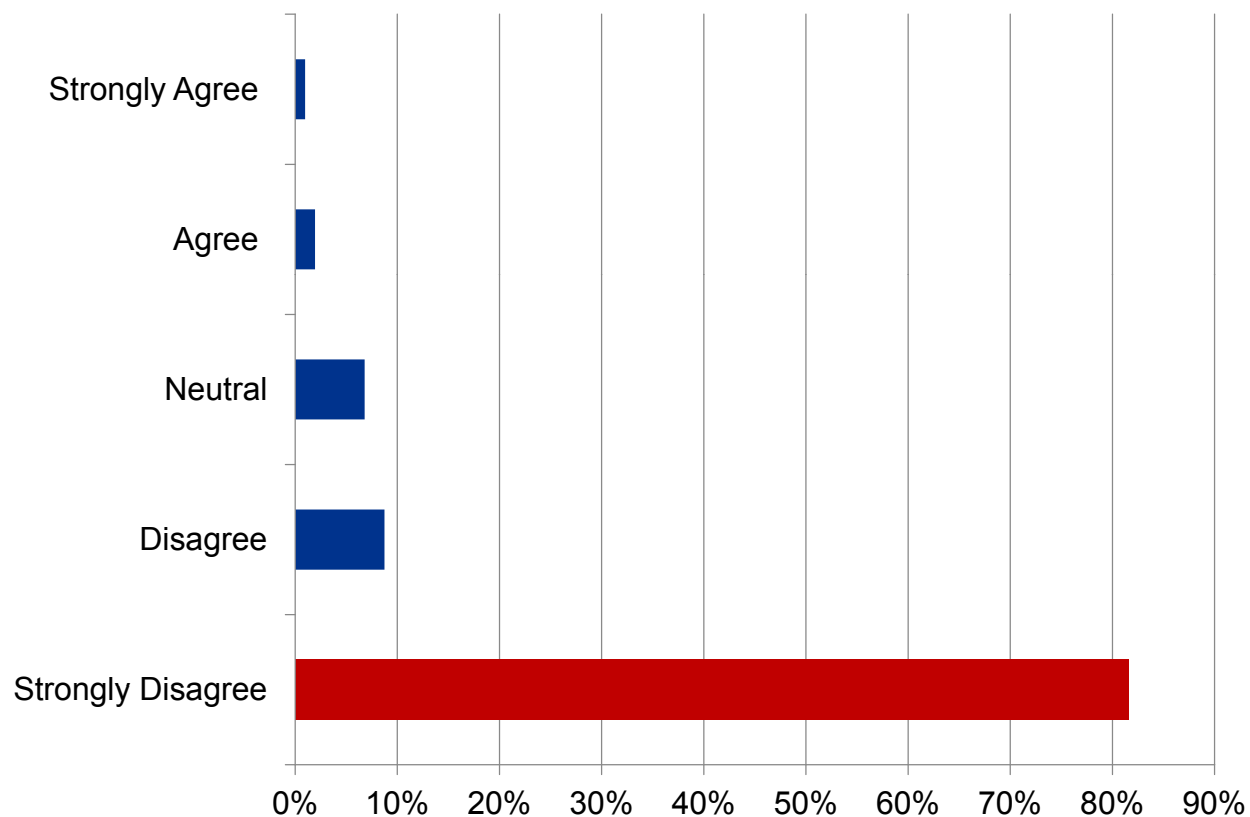
Option	Response Count
Strongly Agree	5
Agree	13
Neutral	52
Disagree	5
Strongly Disagree	23
Total Respondents	98



Survey Results

Survey Results – Staff

Question 8 – There are opportunities within my department and/or organization to reduce the service level with minimal impact on the community.



Option	Response Count
Strongly Agree	1
Agree	2
Neutral	7
Disagree	9
Strongly Disagree	84
Total Respondents	103



Staff Survey Results

Implications for the Comprehensive Review of Services & Organization

1. Staff strongly believe that there are opportunities to improve the operating efficiencies of the organization and/or department.
2. Staff do not believe the efficiency and/or effectiveness of the organization or department could be increased if its services were delivered as a shared service in partnership with all member municipalities in the County and/or neighbouring municipalities.
3. Staff do not believe the efficiency and/or effectiveness of the organization or department could be increased if its services were contracted out to a private sector operator.
4. Staff believe the efficiency and/or effectiveness of the organization or department could be increased if its services were solely delivered by the County of Frontenac.
5. Staff do not believe there are opportunities within the organization or department to reduce costs.
6. Staff have no opinion on whether there are opportunities within the organization or department to increase revenue from non-taxation sources.
7. Staff do not believe there are opportunities within the organization or department to reduce service levels with minimal impact on the community.



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Appendix B

Comparative Salary Analysis





Compensation Analysis Chief Administrative Officer¹

	Low	High
Frontenac County	\$116,359	\$148,914

Comparator Group:		
• Lennox & Addington County	\$134,480	\$157,284
• United Counties of Leeds and Grenville	\$115,096	\$115,096
• Hastings County	\$188,386	\$188,386
• Regional Municipality of Sudbury	\$218,178	\$218,178
• District Municipality of Muskoka	\$162,322	\$191,114

Frontenac County as a percentage of:		
• Comparator group minimum	101%	129%
• Comparator group maximum	53%	68%
• Comparator group average	71%	85%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Treasurer¹

	Low	High
Frontenac County	\$106,947	\$127,015

Comparator Group:		
• Lennox & Addington County	\$110,146	\$128,819
• United Counties of Leeds and Grenville	\$104,007	\$130,076
• Hastings County	\$111,341	\$130,223
• Regional Municipality of Sudbury	\$165,220	\$165,220
• District Municipality of Muskoka	\$135,512	\$159,549

Frontenac County as a percentage of:		
• Comparator group minimum	103%	98%
• Comparator group maximum	65%	77%
• Comparator group average	85%	89%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Chief of Paramedic Services¹

	Low	High
Frontenac County	\$106,947	\$127,015

Comparator Group:		
• Lennox & Addington County	\$97,115	\$113,586
• United Counties of Leeds and Grenville	\$94,417	\$117,974
• Hastings County	\$116,741	\$136,539
• Regional Municipality of Sudbury	\$117,567	\$138,413
• District Municipality of Muskoka	\$92,801	\$109,261

Frontenac County as a percentage of:		
• Comparator group minimum	115%	116%
• Comparator group maximum	91%	92%
• Comparator group average	103%	103%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Administrator of Long Term Care¹

	Low	High
Frontenac County	\$106,947	\$127,015

Comparator Group:		
• Lennox & Addington County	\$110,146	\$128,820
• United Counties of Leeds and Grenville	\$78,214	\$97,767
• Hastings County	\$111,341	\$130,223
• Regional Municipality of Sudbury	\$109,711	\$129,187
• District Municipality of Muskoka	\$100,271	\$118,056
• Long Term Care BMI Report ²	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	137%	130%
• Comparator group maximum	96%	98%
• Comparator group average	105%	105%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis Director of Resident Care¹

	Low	High
Frontenac County	\$83,995	\$96,407

Comparator Group:		
• Lennox & Addington County	\$89,508	\$104,686
• United Counties of Leeds and Grenville	\$78,214	\$97,767
• Hastings County	\$88,828	\$103,891
• Regional Municipality of Sudbury	\$99,754	\$117,421
• District Municipality of Muskoka	\$92,801	\$109,261
• Long Term Care BMI Report ²	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	107%	99%
• Comparator group maximum	84%	82%
• Comparator group average	94%	90%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis Deputy Chief - Operations¹

	Low	High
Frontenac County	\$89,595	\$102,834

Comparator Group:		
• Lennox & Addington County	\$82,482	\$96,478
• United Counties of Leeds and Grenville	\$78,214	\$97,767
• Hastings County	\$94,750	\$110,818
• Regional Municipality of Sudbury	\$99,754	\$117,421
• District Municipality of Muskoka	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	115%	107%
• Comparator group maximum	90%	88%
• Comparator group average	101%	97%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Deputy Chief – Performance Standards¹

	Low	High
Frontenac County	\$89,595	\$102,834

Comparator Group:		
• Lennox & Addington County	N/A	N/A
• United Counties of Leeds and Grenville	N/A	N/A
• Hastings County	\$94,750	\$110,818
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	95%	93%
• Comparator group maximum	95%	93%
• Comparator group average	95%	93%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Assistant Director of Care¹

	Low	High
Frontenac County	\$82,504	\$90,718

Comparator Group:		
• Lennox & Addington County	\$82,482	\$96,478
• United Counties of Leeds and Grenville	\$60,993	\$72,611
• Hastings County	\$74,765	\$87,444
• Regional Municipality of Sudbury	\$90,710	\$106,770
• District Municipality of Muskoka	\$79,135	\$93,172
• Long Term Care BMI Report ²	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	135%	120%
• Comparator group maximum	91%	85%
• Comparator group average	106%	99%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis Manager of Sustainability Planning¹

	Low	High
Frontenac County	\$74,767	\$85,805

Comparator Group:		
• Lennox & Addington County	N/A	N/A
• United Counties of Leeds and Grenville	N/A	N/A
• Hastings County	N/A	N/A
• Regional Municipality of Sudbury	\$104,145	\$104,145
• District Municipality of Muskoka	\$73,171	\$86,149

Frontenac County as a percentage of:		
• Comparator group minimum	102%	100%
• Comparator group maximum	72%	82%
• Comparator group average	84%	91%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Manager of Economic Sustainability¹

	Low	High
Frontenac County	\$74,767	\$85,805

Comparator Group:		
• Lennox & Addington County	\$73,346	\$85,776
• United Counties of Leeds and Grenville	\$60,993	\$72,611
• Hastings County	\$64,018	\$74,875
• Regional Municipality of Sudbury	\$115,457	\$115,457
• District Municipality of Muskoka	\$160,188	\$160,188

Frontenac County as a percentage of:		
• Comparator group minimum	123%	118%
• Comparator group maximum	47%	54%
• Comparator group average	79%	84%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Operations Supervisor – Paramedic Services¹

	Low	High
Frontenac County	\$83,738	\$96,102

Comparator Group:		
• Lennox & Addington County	\$73,346	\$85,776
• United Counties of Leeds and Grenville	\$60,993	\$72,611
• Hastings County	\$76,822	\$89,851
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	137%	132%
• Comparator group maximum	109%	107%
• Comparator group average	117%	116%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Manager of Information Systems¹

	Low	High
Frontenac County	\$69,575	\$79,819

Comparator Group:		
• Lennox & Addington County	\$111,008	\$111,008
• United Counties of Leeds and Grenville	\$78,214	\$97,767
• Hastings County	\$76,060	\$88,959
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	\$73,171	\$86,149

Frontenac County as a percentage of:		
• Comparator group minimum	95%	93%
• Comparator group maximum	63%	72%
• Comparator group average	820%	83%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis Human Resource Specialist¹

	Low	High
Frontenac County	\$64,937	\$74,497

Comparator Group:		
• Lennox & Addington County	N/A	N/A
• United Counties of Leeds and Grenville	\$114,922	\$114,922
• Hastings County	\$127,477	\$127,477
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	\$107,359	\$107,359

Frontenac County as a percentage of:		
• Comparator group minimum	60%	69%
• Comparator group maximum	51%	58%
• Comparator group average	58%	64%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Deputy Treasurer¹

	Low	High
Frontenac County	\$64,937	\$74,497

Comparator Group:		
• Lennox & Addington County	N/A	N/A
• United Counties of Leeds and Grenville	\$78,214	\$97,767
• Hastings County	\$82,906	\$96,966
• Regional Municipality of Sudbury	\$106,147	\$106,147
• District Municipality of Muskoka	\$73,171	\$86,149

Frontenac County as a percentage of:		
• Comparator group minimum	89%	86%
• Comparator group maximum	61%	70%
• Comparator group average	76%	77%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Deputy Clerk¹

	Low	High
Frontenac County	\$58,774	\$65,160

Comparator Group:		
• Lennox & Addington County	\$65,192	76,240
• United Counties of Leeds and Grenville	N/A	N/A
• Hastings County	\$82,906	\$96,966
• Regional Municipality of Sudbury	\$74,943	\$88,226
• District Municipality of Muskoka	\$55,033	\$64,794

Frontenac County as a percentage of:		
• Comparator group minimum	107%	101%
• Comparator group maximum	71%	67%
• Comparator group average	85%	80%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Systems Technician¹

	Low	High
Frontenac County	\$55,811	\$61,878

Comparator Group:		
• Lennox & Addington County	\$57,948	\$67,776
• United Counties of Leeds and Grenville	\$43,570	\$57,038
• Hastings County	N/A	N/A
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	128%	108%
• Comparator group maximum	96%	91%
• Comparator group average	110%	99%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis HR Generalist¹

	Low	High
Frontenac County	\$52,091	\$57,753

Comparator Group:		
• Lennox & Addington County	N/A	N/A
• United Counties of Leeds and Grenville	\$50,068	\$65,884
• Hastings County	N/A	N/A
• Regional Municipality of Sudbury	\$101,900	\$101,900
• District Municipality of Muskoka	N/A	N/A

Frontenac County as a percentage of:		
• Comparator group minimum	104%	88%
• Comparator group maximum	51%	57%
• Comparator group average	69%	69%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Administrative Executive Assistant¹

	Low	High
Frontenac County	\$49,343	\$54,708

Comparator Group:		
• Lennox & Addington County	\$51,506	\$60,242
• United Counties of Leeds and Grenville	\$50,068	\$65,884
• Hastings County	\$58,732	\$68,693
• Regional Municipality of Sudbury	\$66,448	\$78,232
• District Municipality of Muskoka	\$55,033	\$64,794

Frontenac County as a percentage of:		
• Comparator group minimum	99%	91%
• Comparator group maximum	74%	70%
• Comparator group average	88%	81%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Administrative Assistant¹

	Low	High
Frontenac County	\$36,850	\$39,467

Comparator Group:		
• Lennox & Addington County	\$40,695	\$47,593
• United Counties of Leeds and Grenville	\$36,582	\$46,665
• Hastings County	\$60,471	\$70,726
• Regional Municipality of Sudbury	N/A	N/A
• District Municipality of Muskoka	\$48,688	\$57,324

Frontenac County as a percentage of:		
• Comparator group minimum	101%	85%
• Comparator group maximum	61%	56%
• Comparator group average	79%	71%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Primary Care Paramedic¹

	Low	High
Frontenac County (based on 2184 hours/year)	\$73,339	\$77,816

Comparator Group:		
• Lennox & Addington County	\$50,705	\$54,782
• United Counties of Leeds and Grenville	\$56,766	\$61,698
• Hastings County	\$63,463	\$63,463
• Regional Municipality of Sudbury	\$61,406	\$61,406
• District Municipality of Muskoka	\$61,880	\$61,880
• Guelph	\$65,338	\$65,338

Frontenac County as a percentage of:		
• Comparator group minimum	144%	142%
• Comparator group maximum	112%	119%
• Comparator group average	122%	126%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis Advanced Care Paramedic¹

	Low	High
Frontenac County (based on 2184 hours per year)	\$81,420	\$86,377

Comparator Group:		
• Lennox & Addington County	\$50,705	\$54,782
• United Counties of Leeds and Grenville	\$56,766	\$61,698
• Hastings County	\$70,106	\$70,106
• Regional Municipality of Sudbury	\$69,778	\$69,778
• District Municipality of Muskoka	N/A	N/A
• Guelph	\$73,164	\$73,164

Frontenac County as a percentage of:		
• Comparator group minimum	161%	157%
• Comparator group maximum	111%	118%
• Comparator group average	127%	131%

¹ KPMG analysis based on available 2013 pay grids.



Compensation Analysis

Lead Hand ¹	Low	High
Frontenac County (2012 Rate – based on 1950 hours/year)	\$48,185	\$52,670
Comparator LTC BMI Report ²	\$81,997	\$106,333
Frontenac County as a percentage of Comparator	59%	50%

Registered Nurse ¹	Low	High
Frontenac County(2012 Rate – based on 1950 hours/year)	\$77,454	\$83,070
Comparator LTC BMI Report ²	\$62,146	\$105,144
Frontenac County as a percentage of Comparator	125%	79%

Registered Practical Nurse ¹	Low	High
Frontenac County(2012 Rate – based on 1950 hours/year)	\$49,589	\$54,229
Comparator LTC BMI Report ²	\$35,509	\$78,975
Frontenac County as a percentage of Comparator	140%	69%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis

Health Nurse/Infection Control ¹	Low	High
Frontenac County (2013 rate for Occupational Health Nurse)	\$74,767	\$85,805
Comparator LTC BMI Report ²	\$52,054	\$140,731
Frontenac County as a percentage of Comparator	143%	61%

Nurse Practitioner ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$99,801	\$99,801
Comparator LTC BMI Report ²	\$89,212	\$109,473
Frontenac County as a percentage of Comparator	112%	91%

Occupational Therapist ¹	Low	High
Frontenac County (PT-6 position (1170 hours per year 2012 rates)	\$43,863	\$47,045
Comparator LTC BMI Report ²	\$58,285	\$58,285
Frontenac County as a percentage of Comparator	75%	80%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis

Rehabilitation Assistant ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$48,185	\$52,670
Comparator LTC BMI Report ²	\$50,037	\$50,037
Frontenac County as a percentage of Comparator	96%	105%

Volunteer Coordinator ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$40,677	\$43,855
Comparator LTC BMI Report ²	\$41,398	\$106,684
Frontenac County as a percentage of Comparator	98%	41%

Rehabilitation and Recreation ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$48,185	\$52,670
Comparator LTC BMI Report ²	\$39,936	\$58,363
Frontenac County as a percentage of Comparator	121%	90%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis

Laundry and Housekeeping Aide¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$37,557	\$41,243
Comparator LTC BMI Report ²	\$31,785	\$53,683
Frontenac County as a percentage of Comparator	118%	77%

Dietary Aide/Food Handler¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$37,811	\$41,983
Comparator LTC BMI Report ²	\$32,116	\$58,753
Frontenac County as a percentage of Comparator	118%	71%

Accounts Receivable/Payable/Payroll¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$38,240	\$43,193
Comparator LTC BMI Report ²	\$40,540	\$40,950
Frontenac County as a percentage of Comparator	94%	105%

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.



Compensation Analysis Clerical/Secretary Support

IT Technician ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year)	\$55,458	\$59,339
Comparator LTC BMI Report ²	\$45,918	\$68,122
Frontenac County as a percentage of Comparator	121%	87%

Clerical/Secretary Support ¹	Low	High
Frontenac County (2012 Rate based on 1950 hours/year) – used Receptionist position rate	\$37,557	\$41,243
Comparator LTC BMI Report ²	\$34,252	\$53,508
Frontenac County as a percentage of Comparator	109%	77%

Positions where no comparators were identified	Low	High
GIS Specialist (2012 Rate based on 1950 hours/year)	\$55,458	\$59,339
Communication Officer (2012 Rate based on 1820 hours/year)	\$52,091	\$57,753

¹ KPMG analysis based on available 2013 pay grids.

² KPMG analysis based on 2011 OANHSS Benchmarking.