



HALDIMAND COUNTY

**Report CAO-01-2016
of the Chief Administrative Officer
For Consideration by Council in Committee**

RE: Administration Accommodation Review – Final Report

OBJECTIVE: To recommend a preferred approach for the delivery of County administrative services in the future.

RECOMMENDATIONS:

1. THAT Report CAO-01-2016 Re: Administration Accommodation Review – Final Report dated January 21, 2016 be received;
2. AND THAT Memorandum CS-SS-M03-2016 Re: Addendum to Report CAO-01-2016 Administration Accommodation Review – Staffing Assignment be received as information;
3. AND THAT Option 3 – Full Consolidation service delivery model for administration be approved;
4. AND THAT Cayuga be selected as the location for a new administration building;
5. AND THAT the Customer Service vision, as outlined in Report CAO-01-2016 be adopted and implemented using enhanced technology and community service hubs in County Libraries, with customer service improvements to be in place no later than upon the opening of the new administration building;
6. AND THAT staff be directed to prepare a report outlining:
 - a. A detailed functional building program, property location options and refined cost estimates; and
 - b. An Implementation strategy outlining the sequencing and timing to initiate construction by late 2017, the disposition and use of surplus administrative property and the staff resources required to implement the consolidated administration building project;
7. AND THAT staff be authorized to procure consulting services to undertake the functional building program for the consolidated administration building at an estimated cost of \$50,000, to be funded by the Capital Replacement Reserve-General;
8. AND THAT staff be directed to incorporate the impact of the full consolidation service delivery model into the Draft Tax Supported 2016 Capital Budget and Forecast ; and

9. THAT Staff be directed to negotiate a short term lease extension for the Caledonia Satellite Office and report back to Council with the results.

Prepared by:

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Date: January 21, 2016

Cathy Case
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Respectfully Submitted:

Donald G. Boyle
Chief Administrative Officer

Date: January 21, 2016

BACKGROUND:

This report and the recommendations contained herein are derived from the following background materials:

1. Report PED-GM-06-2015 – Administrative Buildings Accommodation Review Process, dated August 25th, 2015;
2. Administration Accommodation Review – Option Evaluation Results, dated November 2015;
3. Administration Accommodation Review – Addendum Report, dated January 2016; and
4. Administration Accommodation Review – Public Consultation Results, dated February 2016, which is provided separately.

This work was undertaken to respond to the following Council Priority:

To evaluate and obtain a Council decision on consolidating administrative functions in fewer locations through a more centralized service delivery model.

In this regard the *Existing Service Delivery Model* that has been in place since 2001 and four *Alternative Options* – two *Dispersed Service Delivery* and two *Consolidated Options* were developed and comprehensively evaluated. This included the creation of a vision for customer service going forward that would incorporate enhanced technology and community service hubs in County Libraries as key measures for citizens to be able to access municipal services.

The following criteria were used to evaluate the different service delivery models:

1. A set of Evaluation Metrics were used to evaluate the relative strengths and weaknesses of the accommodation options to allow comparison under the following headings:
 - Efficiencies Achieved
 - Impact on Customer Service
 - Impact on Corporate Image
 - Work Environment Quality
2. A high level financial analysis to provide ‘order of magnitude’ cost comparisons using an amortization timeframe of 20 years calculated using a Net Present Value methodology, allowing net costs (capital and operating) for future years to be shown at current day value. A Net Book Value calculation was also undertaken for the various administrative buildings under the different scenarios to help contextualize the ‘remaining lifespan’ of the buildings after the 20 year amortization period.

Subsequently, Council passed the following resolution:

THAT staff be directed to initiate a community input process until January 22, 2016 and report back at the February 2, 2016 Council in Committee meeting.

From December 2015 to January 2016, a stakeholder engagement process was implemented to obtain community feedback relative to the accommodation options and the customer service proposals. This included:

Early Awareness – communication about the initiative including proactive outreach to the Chambers of Commerce, BIA's and Board of Trade organizations (December 2015).

Stakeholder Consultation:

- During the consultation period a communication program to build awareness for the community including advertisements, social media, radio and web information;
- The provision of copies of the reports and paper surveys at County Libraries and administrative buildings and on the County web site (643 web visits);
- Community Open Houses in Hagersville, Dunnville, Caledonia and Cayuga;
- A focus group of community and business leaders; and
- An on-line survey / feedback form.

Cumulatively via these various mechanisms, approximately 243 people engaged in the consultation with 215 providing input. The results and evaluation of the Community Consultation are attached separately in the Public Consultation Results Report.

ANALYSIS:

While each of the 4 alternative service delivery options developed and evaluated are feasible ways of providing administrative services over the next 20 year timeframe, ***based on all the information collected, the analysis undertaken and the input received, Staff feel that the best long term direction for the County is to adopt and implement Option 3 – Full Consolidation in Cayuga outlined below as the model going forward:***

Description:

1. Closure and sale of the Dunnville Satellite Office (DSO) and Cayuga Administration Building (CAB) with staff relocated to a new purpose built consolidated administration facility of approximately 44,150 square feet.
2. Closure of the Caledonia Satellite Office (CSO) and elimination of the lease for County use.
3. Hagersville Satellite Office (HSO) used for expanded OPP community policing office (700 sq. ft.) and 2000 sq. ft. rental.
4. HCCC used for expanded OPP (800 sq. ft.) and 1,000 sq. ft. rental.
5. DMPB used for expanded Health and Social Services, OPP, Ambulance Services and Dunnville area Water and Wastewater staff, plus some non-administrative uses.

Decision Principles:

At the outset of this initiative, Council adopted a set of decision principles to help guide its decision relative to whether or not to consolidate administrative functions and determine the best model in terms of providing administrative services for the County going forward. The balance of this report shows how the recommended direction aligns with the decision principles adopted by Council.

1. Improved overall customer service for residents and businesses will be the result (access to service, minimization of number of visits, comprehensive service);

Alignment:

- The customer service vision of enhanced technology for greater at home access and using the County Libraries to provide the ability to access the majority of municipal services locally was strongly endorsed by the community – The focus group, representative of the entire County indicated a level of 77% support for the vision;
 - It provides clarity of location in terms of where services are available;
 - It will allow more comprehensive customer service for clients who need information or service from several functions as opposed to having to visit several locations;
 - It will allow greater flexibility in terms of how staff are deployed by providing greater availability, coverage for vacancies and opportunities for cross-training, coaching and mentoring; and
 - It reduces the risk of error resulting from multiple data bases and records.
2. The decision should provide fair and equitable access to County services for residents, businesses and investors – (the ability to get service);

Alignment:

- The vast majority of County services can be provided either on-line or via third parties locally (i.e. payments at financial institutions);
 - The ability to obtain service will be extended to communities such as Selkirk and Jarvis that have Library branches, internet services and flexible hours of operation;
 - The ability to obtain service on a 24/7 basis through the use of e-technology will allow easier access for clients; and
 - Business organizations have indicated that comprehensive service is more important than physical location.
3. The physical location of County services where face to face interaction is provided will generally be available within a reasonable and similar driving distance from the majority of the County population;

Alignment:

- A Cayuga location is central to the majority of the County for clients that desire or require municipal services in person – within 15 to 20 minutes of the majority of County residents. It is also familiar and consistent with the historical context of Cayuga as the County seat; and
 - Of those people favouring a centralized administrative model a Cayuga location was the strongest preference indicated by community stakeholders – 67%.
4. Increased functionality and administrative operational efficiencies in terms of service delivery will be achieved;

Alignment:

- It allows key adjacencies by co-locating key work groups together that benefit from working in close proximity – this allows better collaboration and coordination and problem-solving between work groups, increased efficiency and provides a one-stop shop for clients. The Addendum Report outlines a sample of the types of efficiencies that can easily be achieved through a consolidated service delivery approach;
 - It reduces lost time associated with staff traveling between administrative offices for business, Council meetings, and customer meetings – approximately 0.75 FTE/year;
 - It reduces the current duplication that exists in IT infrastructure;
 - Where there are multiple incumbents it will allow some minor duplication in service associated with multiple offices to be reduced thus allowing resources to be reallocated for other needs;
 - It will add increased capacity that can be used to undertake more work and reduce staff demands to address new work requirements going forward; and
 - Operational costs such as utilities will be positively impacted through the incorporation of energy efficient construction.
5. Long term cost effectiveness will be demonstrated (i.e. rationalization of operational and capital investments);

Alignment:

- The costs associated with the Full Consolidation model will be off-set through the anticipated increase in efficiencies and reduction in travel time. The Addendum Report outlines a sample of the types of efficiencies that can easily be achieved through a consolidated service delivery approach;
 - The investment made under this option results in substantial residual building value remaining after 20 years as noted in the Addendum Report. With routine maintenance the investment will be useful for at least another 30 years beyond that timeframe. The continued use of existing buildings given their age and condition would require significant investments and would be at the end of their useful life at the end of 20 years; and
 - Option 3 is the most cost efficient consolidation model.
6. The decision will promote 'open local government' and should meet the needs of clients in terms of spaces that allow privacy and confidentiality, dignity, accessibility, and which reduces potential conflicts between uses and users (i.e. noise, safety);

Alignment:

- A new build option allows the most potential to address this principle. New space can be constructed for noise efficiency, private spaces can be incorporated, adequate parking provided and safety features built in including those desired for the POA function articulated in the Options Report;
- The option provides the ability of the Health and Social Services area to expand their operations in Caledonia and Dunnville to meet their client needs as articulated in the Options Report;

- A new build option will address accessibility (AODA) needs of the population, it can include design features that are welcoming for citizens– including the public interface areas and the design of the Council Chambers; and
 - It can include technology such as video conferencing and other technology that can improve efficiencies and communication.
7. The decision should result in an accommodation option that is flexible to respond to change over time (changes in services provided, growth and demographic changes, new organizational structures, evolving technology and business continuity during emergencies);

Alignment:

- A new build and use of modular furniture is more space efficient and it allows internal reconfiguration to meet future needs; and
 - It maintains the DMPB as the technology back-up location for business continuity during emergencies.
8. The decision will provide a professional work environment for staff that contributes to high performance, good morale, employee wellness and retention/recruitment;

Alignment:

- It will allow a contemporary work environment to be created that has adequate work space, meeting space, support space and amenities to support operations;
 - The physical functional layout based on achieving key adjacencies will contribute to high performance through better communication and collaboration; and
 - Health and safety measures such as temperature control, air quality, storage areas will improve.
9. The decision must further the County's Strategic Principles:

Economic Development:

Alignment:

- When considering the economic impact in terms of construction activities and on-going staff personal spending relative to a communities overall economy, a Cayuga location decision has the highest overall positive impact; and
- The approach allows a number of properties currently used by the County which are strategically located to be reused/redeveloped for private sector functions thus contributing to the overall economic development of the County.

Community Vibrancy:

Alignment:

- Any new construction or substantive renovation initiative represents an opportunity to facilitate community building through high quality design, location decisions and alignment to any other vibrancy investments made by the County.

Efficient Local Government:

Alignment:

- As noted above the recommended approach provides significant opportunities to improve the efficiency of how local municipal services are provided.

10. The decision will support and facilitate the implementation of the County's adopted 'Way of Work' standards:

- i. *Customer Service* – Making the relationship with our citizens our priority and emphasis.

Alignment:

- Customer Service will improve as noted above.

- ii. *Proactive Communication* – Anticipating the needs of our customers and providing timely and accurate information.

Alignment:

- Customers will be able to obtain more comprehensive and accurate information; and
- Availability of staff to assist customers will be higher.

- iii. *Trust, Respect, Integrity and Humanity* – Treating people fairly and equally and celebrating achievement.

Alignment:

- It ensures that work space, meeting space and quality of the work environment is consistent and addresses current inequities in this regard; and
- It allows for a better understanding of who does what within the organization and more personal interaction amongst staff.

- iv. *Teamwork / Collaboration Across Service Areas* – Internal interactions that are oriented toward common goals, shared interests and helping each other.

Alignment:

- It will significantly improve internal communication across the Corporation;
- Adjacencies will reduce work silo's, promote collaboration and cross functional learning;
- It allows informal and unplanned interactions, discussion and problem-solving amongst staff; and
- It ensures the necessary support information, tools and resources are available for teams in one building. It reduces the risk of error when there are incomplete or inconsistent records at different locations.

- v. *Community Engagement / Partnerships* – Engaging staff and stakeholders with real opportunities to be involved in shaping the decisions that affect them.

Alignment:

- Overall input was received by 215 participants from throughout the County and across all age groups. The use of various input mechanisms and the response levels indicate the results are reflective of the wider community perceptions.
- Overall the community consultation process resulted in two-thirds of respondents, 64%, supporting a consolidation service delivery model. Of these, 67% supported a Cayuga location.
- The following chart shows the level of support for consolidation is strongest in Caledonia, Cayuga and amongst the small hamlets and is evenly split in Hagersville and Dunnville with decentralization:

I prefer the following model for County administrative accommodations:												
Answer Options	Which Haldimand County community do you live in?										Response Percent	Response Count
	Caledonia	Cayuga	Dunnville	Fisherville	Hagersville	Jarvis	Lowbanks	Se Kirk	South Cayuga	Townsend		
Central office(s) in Cayuga, with online services available 24/7 (Options 2 & 3)	5	13	19	2	4	6	0	10	2	0	43.6%	61
Central office in Caledonia, with online services available 24/7 (Option 3)	25	1	0	0	3	0	0	0	0	0	20.7%	29
Decentralized offices throughout the County, with online services available 24/7 (Option 1A & 1B)	4	2	21	1	6	3	4	1	2	0	31.4%	44
I do not have a preference	2	0	3	0	0	0	1	1	0	1	5.7%	8
											<i>answered question</i>	140
											<i>skipped question</i>	0

- Support for consolidation is highest amongst younger age cohorts, and amongst a majority of seniors (age 61+) as shown below:

I prefer the following model for County administrative accommodations:									
Answer Options	Please select your age bracket.						Response Percent	Response Count	
	Under 18	18-30	31-45	46-60	61-75	75+			
Central office(s) in Cayuga, with online services available 24/7 (Options 2 & 3)	1	5	20	21	20	3	44.6%	70	
Central office in Caledonia, with online services available 24/7 (Option 3)	0	3	12	12	7	0	21.7%	34	
Decentralized offices throughout the County, with online services available 24/7 (Option 1A & 1B)	0	2	5	21	16	3	29.9%	47	
I do not have a preference	0	2	1	3	0	2	5.1%	8	
								<i>answered question</i>	157
								<i>skipped question</i>	0

Overall, the full consolidation model in Cayuga is supported by the decision-making principles adopted by Council.

Next Steps:

Should Council approve the Staff recommendation the following would represent the next steps in the process:

- a. Undertake and obtain approval of a functional building program and location
- b. Acquire land (if necessary)
- c. Approval of Final Design for Tender

Staff are recommending a subsequent report be prepared that will address the following matters:

- a. A detailed functional building program, property location options and refined cost estimates;
- b. An Implementation strategy outlining:
 - i. the sequencing and timing to initiate construction by late 2017,
 - ii. the disposition and use of surplus administrative property and
 - iii. the staff resources required to implement the consolidated administration building project.

BUDGET/LEGAL IMPLICATIONS:

If Council adopts the Staff recommendation, it will be necessary to: incorporate the full consolidation administration building project into the Draft 2016 Tax Supported Capital Budget and Forecast; to remove the redundant capital expenditures currently anticipated for the existing building inventory; and to reflect anticipated timing and sequencing of implementation.

In order to undertake the proposed functional building program analysis to implement the recommended approach, external consulting services estimated at \$50,000 would be required. The first phase of the consultant process includes establishing the functional program, tender, design review and project management. In order for a consultant to be hired to perform these duties, a "Request For Proposal" will be issued that will highlight the functional program as phase 1, and the balance of the consulting work as described above as conditional on the project being confirmed by Council to continue. It is estimated that the functional program will cost \$50,000 recommended to be funded by the Capital Replacement Reserve – General. Additional consulting work can be expected at an estimated cost of an additional \$350,000 for a project of this size based on 3.5% of construction value as has been the case in previous projects.

INTERDEPARTMENTAL IMPACTS:

Given the scope of the project and the need to implement enhanced technological processes and community hubs in Libraries to support the customer service vision, it is expected that a sustained focus for construction and customer service implementation will be required. Private and Confidential Memorandum CS-SS-M03-2016 provides further information on the immediate staffing need in this regard.

LINKS TO STRATEGIC PLANS:

The recommendations align with the County's Strategic Principles.

CONCLUSION:

Staff was requested to evaluate and consult on a number of options relative to consolidating administrative functions in fewer locations through a more centralized service delivery model. Based on all the information collected, the analysis undertaken and the community input received, Staff have recommended that the best long term direction for the County is to adopt and implement Option 3 – Full Consolidation in Cayuga. This recommendation fully aligns with the decision-making principles adopted by Council in 2015.

ATTACHMENTS:

1. Administration Accommodation Review - Public Consultation Results, dated February 2016. – under separate cover.
2. Confidential Memorandum CS-SS-M03-2016 RE: Addendum to Report CAO-01-2016 Administration Accommodation Review – Staffing Assignment.

REQUIRED AND RECEIVED COMMENTS FROM: Yes or Not applicable	
Clerk's	Not applicable
Community Services Department	Not applicable
Finance	Not applicable
Health & Social Services Department	Not applicable
Human Resources	Not applicable
Information Systems	Not applicable
Legal	Not applicable
Public Works Department	Not applicable
Planning & Economic Development Department	Not applicable
Support Services	Not applicable
Other	Not applicable

CLERK'S DIVISION REVIEW
Report: CAO-01-2016 - Administration Accommodation Review – Final Report

COUNCIL IN COMMITTEE:
RECOMMENDATION NO

- Approved
- Approved with Amendments
- Defeated
- Deferred
- Other

COUNCIL:
RESOLUTION NO:

- Approved
- Approved with Amendments (Noted below)
- Defeated
- Deferred
- Other

Amended Recommendation(s):

Council Direction:

Clerk's Division Action Taken: