

AGENDA
CORE SERVICES REVIEW STEERING COMMITTEE MEETING
CITY OF NANAIMO BOARD ROOM, 411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2015-JUN-10, AT 8:30A.M.

1. **CALL THE CORE SERVICES REVIEW STEERING COMMITTEE MEETING TO ORDER:**

2. **ADOPTION OF MINUTES:**

- (a) Minutes of the Core Services Review Steering Committee Meeting held Wednesday, 2015-MAY-13 at 9:05 a.m. *Pg. 1*

3. **REPORTS:**

- (a) Memorandum - Draft Mandate *Pg. 2-14*

Dr. Roshan Danesh will facilitate a discussion with the Committee regarding:

- Purpose and Vision of the Review
- Scope of the Review
- Roles and Responsibilities in the Review
- Process for the Review

4. **ADJOURNMENT:**

MINUTES
SPECIAL OPEN CORE SERVICES REVIEW STEERING COMMITTEE MEETING
BOARD ROOM, CITY OF NANAIMO SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2015-MAY-13, AT 9:05 A.M.

PRESENT: His Worship Mayor W. B. McKay, Chair

Members: Councillor W. L. Bestwick
Councillor M. D. Brennan
Councillor G. W. Fuller
Councillor J. Hong
Councillor J. A. Kipp
Councillor W. L. Pratt
Councillor I. W. Thorpe
Councillor W. M. Yoachim

Staff: E. C. Swabey, City Manager
T. Hartley, Director of Human Resources and Organizational Planning
J. Kemp, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Special Open Meeting was called to order at 9:05 a.m.

2. PRESENTATION:

(a) Dr. Roshan Danesh facilitated a discussion with the Committee as follows:

1. Purpose and Goals of Session
2. Dynamics of Collaborative Decision-Making
3. Preliminary Perspectives and Visions of Core Review
4. Defining Scope
5. Defining Roles and Responsibilities
6. Defining Process
7. Summary

3. ADJOURNMENT:

It was moved and seconded at 3:20 p.m. that the meeting terminate. The motion carried unanimously.

MAYOR

CERTIFIED CORRECT:

CORPORATE OFFICER

MEMORANDUM

To: Core Services Review Committee – City of Nanaimo

From: Dr. Roshan Danesh

Re: Draft Mandate

Date: June 3, 2015

Background

On May 13 the Core Services Review Committee – City of Nanaimo held a full day workshop to brainstorm and develop key elements of the core services review process (the “Review”). The workshop focused on the following topic areas:

- Purpose and Vision of the Review
- Scope of the Review
- Roles and Responsibilities in the Review
- Process for the Review

The workshop was attended by all members of the Committee, as well as a few members of the public and media.

Through the workshop significant consensus was achieved by the Committee on a number of elements of the Review. Where consensus was not achieved it was agreed the facilitator would identify options that might be considered for that element.

This memo outlines:

- Points of consensus reached by the Committee;
- Options to address outstanding issues; and
- Draft mandate language that might frame and explain in general terms of the purpose, scope, and process of the review.

☐ Council
☒ Committee *Core Svcs. Review Steering*
☒ Open Meeting
☐ Closed Meeting
Meeting Date: *2015 Jun 10*

Purpose and Vision of the Review

Brief Summary of Committee Discussion

The Committee shared their visions and understandings of *why* a core services review was taking place, and the way the purpose of the Review should be described to ensure it reflects the goals and objectives of Council.

As part of defining the *why* of the Review the Committee examined a number of examples of statements of the purpose of core service reviews from other municipalities.

Key Consensus Points Identified by Committee

The following themes reflect the consensus of the Committee:

- The Review should be driven by the specific context, opportunities, needs, and interests of Nanaimo. While the Core Review might look to other jurisdictions as points of comparison, the main goal of the review is to focus on the particular context, challenges and opportunities facing the City of Nanaimo.
- The Review is an opportunity to compile a clear foundation of information about the current state of the City's services and programs, how they have changed over time, and what projections may be into the future. The Review will also generate options for consideration by Council of how challenges may be met and opportunities maximized.
- Based on the information provided through the Review, options and directions for changes in the City's services will be contemplated and considered.
- The Review is concerned with the financial and social future well-being of the City of Nanaimo, as well as continuing to build good governance.
- The Review is being undertaken for "proactive" purposes. It is not driven as a response to a specific crisis or challenge that has emerged.

Outstanding Items and Options

There were not significant items of disagreement regarding how the purpose of the Review should be described. However, greater clarity will need to be provided for the process going forward about whether there are specific challenges that the City of Nanaimo is facing that the core review should address – or if the purpose of the

review is primarily to provide a foundation of information and potential ideas for the future to ensure the City is in the strongest possible position as emerging contexts and responsibilities increase on the City. As well, the notion that the Core Review will examine changes over time will need clear definition of the scope and extent to which looking at changes will take place.

Scope of the Review

Brief Summary of Committee Discussion

The Committee shared their answers to seven questions that touch on aspects of what the subject-matter of the Review should be. The following questions were answered to define the parameters of the scope of the Review:

- Issue #1: Should the review be comprehensive in evaluating service delivery (e.g. looking at all operations/service delivery) or be targeted (e.g. looking at some operations/service delivery)?
- Issue #2: Should the review include an assessment of budget and spending patterns over time and preparedness for future demands and needs (e.g. for the purposes of evaluating service delivery and/or to evaluate the overall strength and preparedness of financial management)?
- Issue #3: Should the review include looking at the organizational structure and governance of the City (e.g. for the purposes of evaluation and preparedness to implement recommendations and/or to evaluate the overall strengths and opportunities of the organization and governance)?
- Issue #4: Should the review include looking at comparable municipalities?
- Issue #5: Should the review be conducted globally (e.g. everything reviewed at once) or staged (e.g. move through stages based on priorities)?
- Issue #6: What role should recent completed City of Nanaimo reviews/assessments play in the core review?
- Issue #7: What are the cost/budget implications of various options and approaches to defining the scope of the core review?

Key Consensus Points Identified by Committee

The following themes represent the consensus of the Committee:

- The Review will be **comprehensive** – it will review all services and programs.
- The Review will include an **assessment of budget and spending over time and preparedness for future demands and needs**. This will include looking at capital spending, revenue generation, and infrastructure costs.
- The review will include looking at the **organizational structure and governance of the City**, and continued efforts to strengthen good governance.
- The review will include looking at **comparable municipalities**. The purpose of looking at comparable municipalities is not to copy or duplicate what may be occurring elsewhere, but rather to provide lenses for understanding and analyzing the current conditions in Nanaimo with the understanding that Nanaimo, like every other municipality, is unique. “Comparable” municipalities should not be limited to a few factors (e.g. size, location etc.) but should include comparisons based on general factors, as well as comparisons to a few specifically identified municipalities chosen for specific reasons. Similarly, ‘best practices’ may be used to provide a lens for analyzing services and programs as well as organizational structure. However, an appropriate definition of best practices needs to be developed.
- The review will **include assessing recently completed City of Nanaimo reviews, and using/incorporating the information as is relevant**.

Outstanding Items and Options

1. Global or staged review? There was significant discussion about whether the Review should be conducted globally or staged. A global review would involve the full review taking place at once by an External Consultant. A staged review could take in either of two forms: (1) Different subject-matter areas of review (e.g. different services or departments) might be reviewed in a sequence with reports coming back to Council at interim points as each stage is complete; or (2) The report of the External Consultant be provided in a few steps – step 1 being the presentation of the analysis of the state of the City based on the scope of the review, and step 2 being the presentation of analysis and options which will be provided after some broader engagement and dialogue about the report on the state of the City.

A number of members of Council expressed support for a global review. Other members expressed support for the second form of staged review where the report would be provided in a few steps, but all subject matter would still be reviewed at the same time. There was little discussion of a staged review where different

reports would come back on different subject-matter in a sequential way, and no discussion of what the sequence of subject-matter might be.

The benefits of a global review is that it provides Council with the full range of information and options at once. It allows the External Consultant to complete their work, and then Council can move forward with the political and public processes around that complete body of information. A potential challenge of the global approach is that it may increase the risk, unless the process is managed appropriately, of a report containing set of information and options that don't have sufficient political and public will behind them, or miss the mark to some degree. The benefits of a staged review where the report comes in stages is that it may provide Council, as well as stakeholders and the public, to consider the information and analysis of the state of the City and to input more directly into the generation of options for moving forward. This may create more sense of momentum and ownership of the options. The potential challenges of the staged approach is that there is a risk it will cost more, take longer, and get stuck at the stage of generating options, thus ending up as an expenditure without little positive outcome.

One option is to pursue a global approach, but ensure sufficient check-in opportunities for Council as well as City Management, as well as input processes by stakeholders and public to the External Consulting, along the way to ensure the end product is meeting the needs and goals set by Council, and will be useful product for moving forward.

A second option is to pursue the staged process – but with a predetermined and structured process between the delivery of the report analyzing the state of the City and the delivery of the report on options. For example, it could be set out in the terms of reference, RFP and other guiding documents (including messaging to the public) that there would be a 60 day process for review and comment on the state of the City report once delivered, including opportunities to input into options and recommendations by Council and others, with the report on options being delivered 30 days after the close of the 60 day process.

2. Best Practices: There are a range of approaches to defining 'best practices' in municipal governance, financial management, and service and program delivery. While various approaches to defining best practices will often have significant overlap, there can be differences that may be based on the specific focus of municipal work that the best practices were developed in relation to, different lens or values informing the identification of best practices, or differences in size, location, or other factors that the best practices may have been developed in consideration of. An option might be to give guidance to the consultant in the RFP to consider a range of "best practice" lenses (as opposed to just one fixed definition of best practices) so as to provide the most comprehensive analysis of services and programs.

3. Governance: While there was general consensus that governance would be a topic of the Core Review, there is greater clarity on what is meant by the review of governance in the context of the Core Review. Does this refer to elements Council decision-making processes and practices? Elements of corporate governance of the City of Nanaimo? A review of governance policies and procedures? As well, as there have been recent reviews of aspects of City of Nanaimo governance, and it may be useful to have further discussion about what role those reviews may play in the Core Review.

Roles and Responsibilities in the Review

Brief Summary of Committee Discussion

The Committee shared their understandings of what the roles and responsibilities of various individuals and groups within the Review process should be. Collectively the definition of these roles of responsibilities provide a level of clarity on who will do what within the Review. Specifically, the roles and responsibilities of the following actors were discussed:

- Council
- City Management
- External Consultants
- City Staff
- Unions
- Stakeholders
- Special Interest Groups
- Public

Key Consensus Points Identified by Committee

The following themes represent the consensus of the Committee:

- Council, based on the recommendations of the Committee, will make all final decisions regarding the process, structure and outcomes of the Review. Council will provide direction to, and monitor the progress of the Review ,through updates by the External Consultant.
- City Management will complete the drafting of the RFP for the External Consultant for the Review, receive updates from the External Consultant, be interviewed and give information as part of the Review, and provide advice to Council on the progress of the Review based on consultation with the External Consultant.

- The Review will be conducted by an External Consultant who will be hired through an RFP process. The External Consultant will be responsible for completing all of the work outlined in the RFP, taking direction from Council, and updating Council and City Management on the progress of the Review.
- City Staff will participate in the Review by providing information requested by the External Consultant as part of completing the work under the RFP, including meeting with/being interviewed by the External Consultant when requested.
- Union representatives will be invited to provide information and input to the External Consultant during the Review, including having the opportunity to directly meet with the External Consultant.
- Stakeholder groups will be invited to provide information and input to the External Consultant during the Review, including having the opportunity to directly meet with the External Consultant.
- Special Interest groups will not be provided specific or distinct opportunities to provide information and input to the External Consultant during the Review or meet with the External Consultant. They will be able to participate in the same ways that the public is invited to participate.

Outstanding Items and Options

1. Public Role: There was significant discussion about the role of the public during the period of time that the External Consultant was doing the work under the RFP. Views expressed included: (1) the public should not be engaged at this stage as the robust engagement will occur after the Report is received; (2) the public should be robustly engaged at this stage including facilitated meetings etc.; and (3) there should be multiple avenues for public input while the External Consultant is doing their work (but not formal facilitated public meetings), followed by robust engagement after the Report is received. Such avenues for input may include: a core review website/email address where members of the public can send in general comments, or comments on specific questions; questionnaires on specific topics which the public could be invited to fill out; a core review open house where information on the review might be gathered and disseminated.

The rationale for not having public engagement while the External Consultant is doing their work is that there is little meaningful dialogue and engagement that can occur before the information is gathered and disseminated. The rationale of having public engagement from the very beginning of the process is that it can help build some momentum, understanding and goodwill about the process, that inclusion and transparency are important to ensuring the success of the process, and that it will

lay a foundation for better robust dialogue and public engagement once the report is received.

Regardless of which approach to public engagement is adopted, it is recommended that Council lay out with clarity a statement of their vision and approach to public engagement in the Review and disseminate that to the public.

If Council cannot settle on a particular approach to public engagement, an option is to provide direction to the External Consultant to determine at their own discretion avenues for public engagement that they think is necessary to the successful completion of the work outlined in the RFP.

2. Stakeholders/Special Interest Groups: There remains a need to define clearly a definition or list of stakeholders as distinct from special interest groups. For example, in which category falls community groups, user groups, ratepayers etc. In some respects, this is a subset of the issue above regarding how the public will be involved. Presuming the External Consultant will be directed to do research and consultation necessary to inform the Review, should the External Consultant be directed to be open to meet with all of these groups, receive their feedback in ways similar to the public, or should the form of it be left to the consultant's discretion with the general direction that research and consultation with groups is expected to take place. The External Consultant would then identify their engagement plan as part of the response to the RFP.

Process for the Review

Brief Summary of Committee Discussion

The Committee shared their understandings of *how* the Review should unfold including the steps to be followed in the "pre-Review", "Review", and "post-Review" stages.

Key Points of Consensus Identified by Committee

- The External Consultant should deliver a report that is specifically organized into two parts to provide (1) a clear foundation of information about the current state of the City's services how they have changed over time, and what projections may be into the future, including challenges and opportunities; and (2) A range of options for Council to consider about meeting challenges or achieving opportunities into the future.

- The purpose of the Report is to inform decisions and directions Council may take in the future regarding the services, governance, and operations of the City.
- The receipt by Council of the report of the External Consultant is not the end-point of the Review. Upon receipt there will be a substantial process of dialogue, consultation, and engagement about the Review and options moving forward.
- The public will be heavily involved in the post-report process, including through public meetings.
- The post-report process may include roles for the External Consultant – to speak the findings in the report or engage in dialogue about options.

Outstanding Items and Options

There were not significant items of disagreement regarding the process. However, it was acknowledged that more dialogue and consideration needs to be given to the process to be followed after the Report and this will be done in upcoming sessions.

Draft Mandate Language

Based on the points of consensus achieved by the Committee the following general draft mandate language describing the Review has been prepared for the Committee's consideration. The language is not the formal legal language that would be included in the RFP – which would be more specific and detailed in a number of respects. However, it is intended to provide sufficient direction for the development of that language. As well, it has been drafted in a form that might be considered suitable for informing the public about the purpose and focus of the Review.

Please note that some areas in the draft language are **highlighted in yellow** which in the view of the facilitator reflect points on which (as outlined above) full consensus may not yet have been reached.

Draft Language

The City of Nanaimo Core Services Review Committee has developed the following mandate statement for the Core Services Review directed by Council by motion on February 2, 2015.

Purpose of Core Services Review

Nanaimo is unique. We have a particular demographic mix, location on central Vancouver Island, diversified economy, and cultural, social and recreational makeup. At the same time, Nanaimo exists in a dynamic context where the demands and responsibilities of municipalities are changing and growing, and there are an on-going challenges to find the right balance between a wide range of goals, interests, and needs. An assessment is required of the full range of options for change to meet the particular challenges and opportunities Nanaimo faces, from increasing revenues to reducing spending, and from improving efficiencies to introducing different ways of delivering services.

Periodic Core Services Reviews are an opportunity to assess the status quo of how we are doing, confirm our strengths, and re-focus service ranges and methods of delivery as appropriate. Core Service Reviews provide a foundation of information from which the appropriate balance between Nanaimo's long-term financial health, protection of natural beauty, and social and cultural fabric can be advanced through effective City governance and decision-making.

The Core Services Review will be implemented in a collaborative and transparent manner, with participation from the community, the management and staff of the municipal corporation, and union representatives and other stakeholders. Through the Review process creative approaches and effective and efficient mechanisms for ensuring a sustainable and resilient future for Nanaimo will be identified, understood and implemented.

Scope of Core Services Review

The Core Services Review will be a comprehensive review and assessment of the services and programs of the City. The Review will look at where we have been, where we currently are, and what challenges and opportunities may arise in the future in regards to services and programs. Through this "360 degree" analysis, options will be generated for creative adjustments and shifts into the future.

Specifically, the Core Services Review will include:

- A review of all City services and programs, and related resources. This will include assessing:
 - the main services or functions being performed by each department and division
 - the costs, revenues and net financial impact of all services and programs

- the current methods of delivery (e.g. in-house or contracted) and staffing levels
- the current benefits of the services and programs
- the changes that have occurred to services and programs in recent years, and potential changes in demand or need for services and programs into the future
- A review of the City's organizational and governance structure for delivering services and programs. This will include assessing:
 - the current organizational structure, reporting relationships, spheres of authority, and accountability mechanisms
 - the overall governance structure of the City, including roles of various committees and boards
 - changes that have occurred in organizational and governance structure in recent years
- A comparative review of the City's services, programs, and organizational structure with those in comparable municipalities as well as various models of best practices. The purposes of looking at comparable municipalities is to provide information and lenses for further understanding the current state of our City. Similarly, a range of models of "best practices" in service delivery and municipal governance will be employed so multiple perspectives on the state of our City can be developed.
- A review of budget and spending patterns over time and preparedness for future demands and needs for the purposes of evaluating service delivery and the overall strength and preparedness of the City to meet future needs. This will include an assessment of capital spending practices, infrastructure, and revenue streams.
- The development of options for consideration by the City for adjustments, re-orienting, or additional planning for City services, programs, and organizational structure. This will include assessing:

- the financial and social costs and benefits of different adjustments or shifts in services and programs and their delivery, and of changes to the organizational and governance structure of the City;
- the legal, regulatory and policy opportunities and constraints for different adjustments or shifts;
- strategic planning needs and opportunities that the City may wish to undertake to ensure future sustainability and resilience of services and programs, and organizational and governance strength, effectiveness, and cohesion

Process for Core Services Review

The Core Services Review will be made up of three stages:

- Preparation
- Completion of Assessment and Development of Options
- Consideration of Options and Decision-making

The Preparation stage has the following elements:

- Development of the mandate of the Core Services Review by City Council
- Development and Issuance of an RFP by the City for a consultant to conduct an assessment and prepare options
- Hiring of the consultant

Throughout the preparation stage the community and stakeholders will be updated on the work being done, including the consultant who is hired. The target date for the completion of preparation stage is _____.

The Completion of Assessment and Development of Options stage has the following elements:

- The completion of an assessment of the state of the City's services and programs by the consultant consistent with the scope of the Core Services Review and the specific requirements in the RFP

- The completion of the development of options for adjustments, re-orienting, or additional planning for City services, programs, and organizational structure by the consultant consistent with the scope of the Core Services Review and the specific requirements in the RFP
- Opportunities for City Council to receive updates on the work of the consultant as the assessment and development of options is being completed
- Opportunities for City management, City staff, union representatives, stakeholders, and the broader community to provide information to the consultant as part of completing the assessment and the development of options.

The target date for the completion of the assessment and development of options stage is _____.

The Consideration of Options and Decision-Making stage has the following elements:

- The presentation of the assessment and options by the consultant to the Council
- The public distribution of the assessment and options
- Public processes for engagement, consideration, and dialogue about the assessment and options
- Decision-making by Council about what adjustments, shifts, or re-orienting of services and programs may take place based on the assessment, options, and public processes
- Implementation of decisions made by Council

The target date for the completion of the consideration of options and decision-making stage is _____.