

REAL SOLUTIONS



Owen Sound Taxes are \$10.5 million higher than the average of the three primary comparator municipalities and \$6.5 million higher than Cobourg which is nearly identical to Owen Sound in population, population-density and the number of occupied dwellings.

Owen Sound spends \$11 million more on delivering services, not including Protective Services, than the average of primary comparator municipalities in the study group and \$3.8 million more than the municipality of Cobourg which delivers nearly identical services. Table 10, below shows the magnitude of the challenge in bringing Owen Sound Expenses in line with similar municipalities.

	A Owen Sound	B Average of Comparators	C Cobourg	B - A Adjustment Required	C - A Adjustment Required
Workforce	132	101	108	(31)	(24)
Sunshine List	20	12	12	(8)	(8)
Total Expenses	\$37,947,445	\$26,942,683	\$34,164,139	(\$11,004,762)	(\$3,783,306)
Total Taxes	\$31,702,602	\$21,217,069	\$25,199,140	(\$10,485,533)	(\$6,503,462)

Table 10; Changes Required to Restore Municipal Administrative Competiveness

Owen Sound’s total expenses, including protective services, have been growing at a rate of \$1.3 million per year since 2011⁴². In 2011 Owen Sound’s total expenses were \$40.1 million and in 2022 they were at \$55.3 million. During this time Owen Sound’s population reduced by 76 residents. Therefore population was not the driving force behind this astronomical expense growth.

There are four areas that Council should focus on:

- A. Increase Non-Taxation or Ancillary Revenue,**
- B. Share Costs with Others,**
- C. Reduce and Tighten Up Support Services**
- D. Re-Align, Re-Organize and Re-Think**

A. Increasing Ancillary Revenues

Owen Sound generates only 49.5% of revenue from ancillary resources while Cobourg generates 56.1% of its revenue from non-taxation sources. Owen Sound can increase its non-taxation revenue by doing the following:

1) Ancillary Business Department

Create an Ancillary Business Department and hire a Director, with business development experience, on a five (5) year renewable contract. The initial mandate should be to increase ancillary revenues by 10% or \$3.1 million over the initial contract period. This person should report directly to the City Manager and their portfolio should include the Recreation Center, the Art Gallery and the Bayshore given their potential for generating revenue.

- **Effective immediately Council should direct the establishment of an Ancillary Business Department with an initial mandate to increase ancillary revenues by 10% over the next 5 years.**

2) Develop Profit Centers

Municipal operations are traditionally composed of a number of cost-centers that provide needed services to taxpayers. As a result the culture within city hall has traditionally been focused on providing the best services money can buy. Well-meaning city staff routinely focuses on improving services to the community and searching for opportunities to enhance the quality of services. Typically reducing the cost of service delivery is not a priority.

A surprising discovery, when examining municipal expenses, was that two of the municipalities in the study group had established Profit Centers. Surprisingly, municipal Profit Centers are not all that uncommon in Ontario. Not too far from Owen Sound, just down highway 21, is Bruce Telecom which is a public utility that is wholly owned by the Corporation of the Municipality of Kincardine. Kincardine just recently sold this Profit Center and by doing so added \$32 million to its municipal coffers.

The most interesting Profit Center in the study group is Cobourg's Industrial Complex. A number of years ago Cobourg's Council approved an investment in Cobourg's vacant industrial property. The annual amortization expense for this investment in 2021 was \$721,875. This turned out to be a good investment given that the annual net revenue from Cobourg's Industrial Property is \$2.1 million.

Cobourg's second Profit Center is its Marina business which is generating \$53,959 in annual net revenue. Tillsonburg found an innovative way of leveraging its surplus assets by leasing them instead of selling them. For Example the Elliott Fairbairn Centre is a facility located on Earle Street in Tillsonburg. It is owned by the town and is leased to the Province of Ontario for the training needs of the Ontario Provincial Police.

Owen Sound can emulate Cobourg's success by creating similar non tax-based revenue streams. Instead of disposing of city assets the city should invest in these assets and turn them into new revenue sources. Like Cobourg had a few years ago, Owen Sound has surplus industrial land that could be developed by the city and provide the city with a steady flow of revenue in perpetuity. Serious consideration should be given to following Cobourg's success with its industrial park initiative by investing in city owned industrial property.

There are similar opportunities for developing profit centers in Owen Sound. For example, all surplus assets, such as an unused building, should be offered for a long term lease, instead of offering it for sale. Such action eliminates the potential business' need for capital to purchase the building and frees up resources for investing in leasehold improvements. Leases for 15 to 25 year periods should be offered, with options to renew. This would potential leaseholders the opportunity to make sizable

investments in leasehold improvements that could be amortized over the lease period. This strategy will give the city steady revenue for the life of the building in question.

3) Engage Staff and Encourage a Business Approach

In order to recognize revenue generation and cost saving opportunities staff needs to adopt a 'business approach' as opposed to a, 'municipal administration approach' when interfacing with city assets. This will require a combination of education and incentives to change the culture.

One method of encouraging an 'entrepreneurial spirit' in a municipal environment is to establish a business-focused, Suggestion Awards Program. The program should be open to both city staff and the general public and reward successful ideas with the first two years net profits of the new business venture. In the event of cost-saving suggestions the employee or resident who made the suggestion should be awarded the net cost savings, up to a maximum amount for each successful suggestion.

If implemented such a suggestion award program will encourage staff to think differently and gradually change the culture at city hall. An example of the type of thinking that should be encouraged is the idea I put forward last year to reduce the cost of Transit. The idea involved improving ridership by increasing peak-time service and reducing costs by partnering with local school boards to reduce their student bussing costs⁵⁴ [How to Fix Our Broken Transit System](#)

I'm sure that front line staff routinely sees inefficiencies in some areas of service and have ideas on how to improve things. They just need to be encouraged to put their ideas forward and providing a monetary reward for successful ideas may be all it takes to begin the process of 'Thinking Differently'.

- **Effective immediately Council should direct the development of an effective communication plan aimed at encouraging a business approach at all levels and roll out a Suggestion Awards Program aimed at encourage staff participation.**

B. Share Costs with Others

1) Cost Sharing Agreements for Recreation Facilities

Owen Sound residents have by far the lowest ability to pay high taxes yet they are burdened with the full cost of providing services that many residents living adjacent municipalities use on a regular basis. Neither Georgian Bluffs nor Meaford residents contribute anything, beyond their user fees, toward the maintenance of these regional recreation facilities such as the Bayshore and the Rec Centre.

Owen Sound has a population of 21,612 residents and occupies only 24 km² but is surrounded by Georgian Bluffs and Meaford which have a combined population of about 22,585 and cover an area of 1,187 km². Therefore it's understandable that residents of both Meaford and Georgian Bluffs would take full advantage of Owen Sound's attractions and recreation venues. The number of Owen Sound residents filing income taxes on between 2018 and 2019 reduced by 2.2% according to Statistics Canada⁴¹. In all likelihood, wage earners are just moving across municipal boundaries to reduce one of the growing strains on their family finances – high Taxes and the high rents that result from high taxes. After all, they can continue to enjoy everything that Owen Sound has to offer, while living in Georgian Bluffs or just East of 28th avenue in Meaford.

Given their relative populations, Owen Sound should only be paying for 48.9% of the total cost of regional services, Georgian Bluffs and Meaford should cover 25.2% and 25.9% of the cost respectively, including amortization expense.

It was recently brought to my attention that Owen Sound attempted to negotiate a cost sharing agreement with Georgian Bluffs 10 years ago and failed. Given this I would recommend a different approach. My approach would be to start this budget season by publicly giving them notice that effective January 2025 neither the Rec Center nor the Bayshore will be providing subsidized services to non-residents due to current economic conditions. This will either prompt them to open negotiations or not. Either way it will be a win for Owen Sound. If they come to the table our position should be that Georgian Bluffs and Meaford cover 25.2% and 25.9% of net costs respectively. If they don't open negotiations it will open new opportunities for these facilities.

As well as preserving existing commercial contracts, this approach would allow for expanding commercial services and ancillary uses at competitive rates, e.g. the Rec Center could contract with a 3rd party for the bulk purchase of ice time etc. at market value. If it comes to losing non-residents participation in programs, it should not hurt the business. It could actually help the business by opening new opportunities. This is where the Director of Ancillary Services comes in to grow the business while protecting the original intent of the recreation facilities to provide services to Owen Sound residents at a fair ticket price.

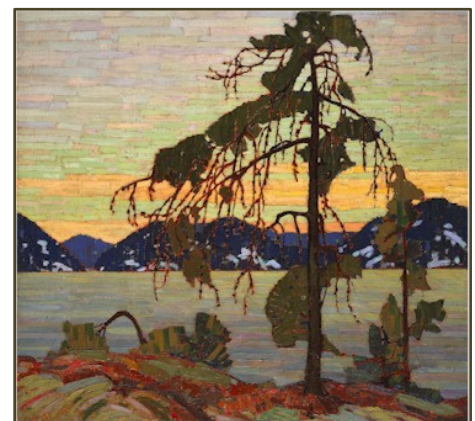
One thing to keep in mind is that these facilities do not exist to provide services to non-residents and the status quo of Owen Sound taxpayers subsidizing recreation for non-residents must end. Either way the potential reduction in expenses is $\$1,981,452 \times 0.511$ or $\$1,012,521$.

- Council should direct that effective January 2025 neither the Rec Center nor the Bayshore will be providing subsidized services to non-residents due to current economic conditions and that a communication plan be developed to inform users of these facilities
- Council should open negotiations with Meaford and Georgian Bluffs aimed at reaching a cost-sharing agreement prior to January 2025.

2) Donate the Art Gallery Collection to the County

The Art Collection that is currently under the control of Owen Sound was acquired from regional artists and donors. It is therefore only fitting that the regional government take possession of the collection and manage it on behalf of all County residents.

The results of the last community survey show that less than 8% of Owen Sound residents regularly visit the Art Gallery. Hence, there will likely be little or no support among Meaford or Georgian Bluffs taxpayers to share the cost of this regional service. Therefore the only solution available to share the cost of this service is to donate the collection to the County for control and maintenance. This would better reflect the regional nature of the Collection and would actually be more appropriate than it being exclusively under Owen Sound's control.



The Jack Pine by Tom Thomson

The same arguments used to justify uploading the Disability Committee to the County apply in the case. The County already provides the region with a cultural attraction in the Grey Roots Museum and Archives. So, adding the Tom Thompson Art Gallery would centralize the Region's cultural assets in a single location.

The current building housing the Tom Thompson Art Gallery could be offered for lease to a new or existing business and thereby establishing Owen Sound's first Profit Center. I believe that this compromise solution is a better option than what many are advocating which is to close the Art Gallery and sell the collection so the proceeds could be used to reduce taxes. From an Owen Sound taxpayer perspective it would reduce net expenses by as much as **\$500,000** once the building lease revenue is considered. This would represent a **1.6%** reduction in taxes.

- Council should direct staff to open negotiations with the County aimed at gaining their support to accepting the care and custody of Owen Sound's Art Collection.
- In the event that the County refuses this gift Council should direct the closure of the Art Gallery and the disposition of the Art Collection.

3) Expand Administrative Shared Services



Owen Sound is not maximizing the use of shared services with adjacent municipalities to reduce the cost of administrative support. Almost all Ontario municipalities share some services to some degree. There is an excellent paper on this subject that I highly recommend. It is authored by Zachary Spicer Institute on Municipal Finance & Governance and published by the University of Toronto,

[Linking Regions, Linking Functions: Inter-Municipal Agreements in Ontario](#)⁵³

Inter-municipal agreements are a growing part of the governance landscape in Ontario's municipal sector. Past research – mainly American – has shown that inter-local agreements can overcome institutional deficiencies in metropolitan governance and better provide for policy and service continuity. Zachary Spicer

In this regard Owen Sound has a number of administrative services that can be easily shared with the other Ontario municipalities either using a portion of the existing employees from each of the municipalities or contracting to the third party provider. Some good candidates for shared services are Information Technology, Accounting and Payroll but there are several others. High Speed Internet makes it possible for Owen Sound to share services with any Ontario municipality. Therefore Owen Sound should look beyond the Region to identify potential municipal partners.

C. Reduce – Tighten the Support Services Group

1) Examine the Organization for Redundant Services

Before reaching out to other municipalities to share services, Owen Sound needs to first examine its workforce to identify and eliminate the duplication of services. For example, Owen Sound has two IT Managers and two Corporate Services Managers. One IT Manager (Mark Giberson) and one Corporate Services Manager (Bradey Carbert) report to the Director of Corporate Services; while, one IT Manager (Christopher Hill) and one Corporate Services Manager (Suzanne Bell-Matheson) report

to the Chief of Police. It just doesn't make sense to have two separate Information Technology Departments. All of Owen Sound's Information Technology services should be centrally managed. It may be convenient for Police Services to have their own IT department but Owen Sound Taxpayers cannot afford to fund the luxury of such redundant services. The fact that Police Services reports to the Police Services Board and not the City Manager makes no difference when it comes to administrative support services since all positions are funded by the same global city budget. Council needs to direct that all administrative support services, such as IT are centrally provided. We cannot afford individual departments, including Police and Fire Services, operating in silos and providing their own administrative support services such as IT, HR and Corporate Services.

- ➡ **Council should direct the centralization of all support services and forbid any department from duplicating support services already being centrally provided.**

2) Investigate the Outsourcing of Some Support Services

An alternative solution to sharing selective support services with other municipalities is contracting out services. For example, just as some municipalities have chosen to outsource their Police Services, selective support services such as Information Technology, Human Resources and Payroll can also be outsourced. Council should explore the possibilities

3) Right-Size the Workforce

Owen Sound city hall is grossly overstaffed, which contributes to a large part of this problem. When we compared senior management salaries, using the Sunshine List, we concluded that Owen Sound is overstaffed by as many as 9 managers. In regard to Salaries & Benefits expense Owen Sound spends \$3.9 million more than the average of the three primary comparators and \$1.5 million more than Cobourg.

The positions involved can be readily identified by comparing Owen Sound's staffing to that of Cobourg's and involve a unnecessary level of middle management positions. In attempting to rebut the MNP report stating that a few management positions should be deleted, the city manager gave us some insight into the root of the problem. He stated that some managers were "**Managers of Process**" which was why they had no direct reports. In the real world if you have a process in your organization that requires a person with a six-figure salary to babysit it, then you need to reorganize to change or eliminate the process.

One example of redundant middle management is Corporate Services. There is a Director of Corporate Services and Treasurer, a Manager of Corporate Services and a Deputy Treasurer. The City Clerk's Office, IT and HR are all overstaffed by at least one manager in the comparison with Cobourg and the City Manager's office is over staffed by two managers, Senior Manager Strategic Initiatives and Manager Community Development & Marketing. That's a total 6 additional management positions in these two departments alone as compared to Cobourg.

Overstaffing developed incrementally over a long period of time. It nearly always involved what appeared to be reasonable requests supported by persuasive arguments of the need. For example, we are conscious about climate change, so, of course we need to create a new climate change position. We create a new Short Term Rental (STR) program, so, of course we need to create a new position to manage the program. Owen Sound is the only municipality that does this. Other, 'cost-conscious', municipalities build in climate change initiatives into the coalface by educating front line

staff and add new requirements, such as the STR program, to existing staff by prioritizing their activities. The total overstaffing, including these management positions is in the order of 25 to 31 positions in comparison with the other municipalities in the study group.

We saw the city disband Accessibility Advisory Committee, which reduced staff workload to some degree, yet there was no staff proposal to delete a position. A high performing business would have simply transferred the person hours saved by no longer needing to support the Accessibility Advisory Committee to cover the new workload created by the Short-Term Rental bylaw.

We saw a similar example some time ago as well when the Human Resources manager became swamped by a large volume of firefighter grievances. This temporary workload challenge was addressed by creating a second Human Resources manager position. This was certainly not the most cost-effective way of dealing with this problem. This decision by senior management to solve this problem by hiring a second HR Manager gives us some insight into management's priorities.

Overstaffing at city hall is almost entirely the result of a part-time council's inability to effectively challenge municipal staff's natural propensity to grow their numbers. No Owen Sound business could survive if they grew their workforce at a similar rate without first expanding their sales.

If Owen Sound were to match the average of the three primary comparators we would need to reduce the workforce by 31 employees which would result in a reduction of \$3.9 million in Salaries & Benefits expense. If we were to just match Cobourg's workforce we would have to reduce Owen Sound's workforce by 25 employees; which would result in a reduction in Salaries & Benefits expense of **\$1.5 million**. This translates into a reduction in taxes of approximately **4.7%**.

- A policy directing a workforce reduction of 25 employees include 9 managers should be implemented by Council without delay. The policy should include the requirement that changes cannot negatively impact service delivery.
- Effective immediately Council should adopt a policy stating that all requests for new positions must be accompanied with an equal offset in another area and that any changes cannot adversely impact service delivery. The effect of this policy will be to reduce administrative overhead in favour of growing the workforce delivering services to the community.

D. Re-Organize, Re-Align and RE-Think

1) Realign the Organizational Structure

Municipal governments exist largely for one reason – to provide services to its residents at a cost the population can afford. Those involved in the direct delivery of those services, such as the road maintainers, the Parks and Recreation workers, etc., are part of the municipality's core business of delivering services to residents. Those supporting the core business, such as Finance, HR, IT and Admin, perform an important supporting role. If these roles get intertwined or confused, inefficiencies can develop. The MNP Consultant observed organizational problems that created functional inefficiencies and recommended changes.

This study identified similar inefficiencies and redundancies that need to be addressed through changes and adjustments to the organizational structure. For example in all other municipalities the Clerk and HR both report to the CAO (city manager) and are both staffed at 60% of Owen Sound's

current level of staffing. We also saw in figure 27, that there was a migration of positions from the core business to administration. We saw that the Administration grew from 26 positions in 2006 to 83 positions in 2021. The impact of this migration is that there are fewer core business positions dedicated to delivering services and more positions in Administration supporting those delivering the services. This creates serious inefficiencies in that it shifts resources away from the core business and gives them to the administrative support environment, i.e. fewer people doing the work and more people performing a supporting role. We were also able to identify two duplicate support services in the Police Services Department; an Information Technology Manager and a Corporate Services Manager. This workload needs to be assigned to the Director of Corporate Services and these positions deleted.

2) Introduce Zero Based Budgeting

In management accounting, when a budget is prepared from scratch with its base as zero, it is called Zero-Based Budgeting (ZBB). It promises to move organizations away from incremental budgeting, where last year's budget is the starting point for the next. Instead, the starting point becomes zero, with the implication that past patterns of spending are no longer taken as a given. Essentially it is a method of budgeting in which all expenses must be justified for each new period.

During the traditional budgeting process, managers often view it as a bit of a contest to ensure their department has the largest budget possible, as this is often seen as a sign of the importance of their area. Zero-based budgeting forces managers to understand the cash flows and expenditures of their department and to be able to articulate why their department should be funded to a particular level in the context of the organization's goals and objectives.

Zero-based budgeting is a concept where the budget for the next budgeting cycle for an organization, starts from a zero base as opposed to an increase of the current spending levels. Under this process, the budget amount for a department must be justified both in terms of the purpose of the budget and the amount to be included in the budget. . Roger Wohlner

- A policy directing a transition to Zero Based Budgeting should be immediately implemented
- A policy directing that any budget increase from the previous year be accompanied with an offset from another area. Any changes made cannot have any adverse impact on the delivery or quality of services.

3) Rethink the Size of Economic Development Spend

Owen Sound continues to waste valuable resources on development in spite the fact that these resources have not produced any measurable results in 20 years. All municipalities invest in Economic Development in hopes of increasing their tax base and increasing their population. Table 11, below provides some insight into the annual cost of Owen Sound's investment in Economic Development. As you can see Owen Sound has spent almost \$12 million over the past ten years aimed at stimulating economic development. This was NOT the best use of these tax dollars given that the city population and tax base did not change during this period.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Salaries	\$579,103	\$611,740	\$659,670	\$685,801	\$557,149	\$624,329	\$671,489	\$516,816	\$650,972	\$635,952	\$6,193,021
Expenses	\$650,282	\$796,735	\$553,877	\$547,727	\$368,737	\$650,586	\$703,910	\$505,999	\$384,588	\$461,275	\$5,623,716
Total	\$1,229,385	\$1,408,475	\$1,213,547	\$1,233,528	\$925,886	\$1,274,915	\$1,375,399	\$1,022,815	\$1,035,560	\$1,097,227	\$11,816,737

Table 11; Historical Spending on Economic Development

Source: Owen Sound Audited Financial Statements

Owen Sound hasn't grown in 30 years and in spite of the Mayor's efforts over the last 12 years it hasn't happened yet. Hence there is a built up thirst for Owen Sound to grow; which in turn encourages continued investment in economic development. This has created a false optimism that growth is just around the corner. I recall the Mayor saying many times over the last ten years or so that: *"we just need to grow the tax base"* He's right! We would all like new industry to relocate to Owen Sound and bring with it a host of new residents to support our local business. However, based on the past 30 years, it is just unrealistic to continue to believe each budget year this is the year that growth is going to happen. The reality is that Owen Sound is not on the threshold of growth. It's time to face reality – it's not going to happen. So stop Investing in Growth! We wasted \$12 million that could have been used to address other worthy causes. We need to reallocate these resources toward more realizable goals.

Based on past results I predict the only growth we are going to see when the next census is published in 2026 is a modest increase in population in the range of 1 to 2 percent which will bring Owen Sound's population to about 22,000. This growth will be independent of Owen Sound's spending on economic development efforts. A preponderance of this growth will be due to seniors relocating here from the GTA to take advantage of the relatively lower property values and the quieter, safer, environment that Owen Sound has to offer retirees. We only need to look at the price of new homes in Owen Sound which are priced at over a million dollars. With a median after tax household income in Owen Sound of only \$57,600, very few locals can afford these homes yet there is a steady sale of these million dollar homes.

It's important to note that although all municipalities invest in Economic Development, Owen Sound is the only municipality in the study group spending over a million dollars annually on economic development. Owen Sound is also the only municipality in the study group whose population has not grown in over 30 years. Perhaps it's time to rethink this expenditure.

➡ Council should direct a significant reduction in Economic Development Spending.

4) Change the Council-Staff Dyanmic



I believe That the City Manager's action in withholding the consultant's report from Council so it could be massaged and *"interpreted"* by staff was outside the role of a Chief Administrator that is outline in the Municipal Act and summarized in an Ontario Government Paper titled; *"Role of council, councilor and staff"*.²³ The fact the city manager felt so confident in his relationship with Council that he would tell members of council that he was holding back a report on a study that was identified as being *"independent"*, so staff could *"interpret"* it, gives us some insight to his perception of the relationship. This caused some to question, who was really in charge at city hall. This exemplifies one of the pitfalls of a part time council. That is there can be an unhealthy dependence on staff for guidance to the extent that the level of trust becomes so strong that it causes members of council to routinely accept staff

proposals as direction as opposed to suggestions. This is a recipe for disaster, or in our case it's a recipe for wildly growing expenses that are not in line with similar municipalities

I have over 30 years of experience managing public service administrations in both federal and provincial environments. What I've learned over the years is that in traditional public service administrations, public sector managers sometimes have their own informal organizational goals that are often in conflict with the organization's formal leadership. Therefore it is essential for each member of council to understand the potential for conflicting goals and challenge staff when necessary. It's also important to maintain an arms-length approach to their relationships with senior staff and apply a good measure of independent, critical thinking when considering staff proposals.

I believe that a major contributing factor in the gross disparities between Owen Sound and both the municipalities in the study group and Grey/Bruce County municipalities is the interface between members of council and the senior staff. It is highly probable that there are conflicting goals at play and senior staff have been the victors over the years as evidenced by the growth in Administration and the growth expenses.

Here is just one small example of how I believe that staff inappropriately influences Committees and Council to achieve their desired outcome. This occurred at the Corporate Services Committee Meeting on November 09, 2023. BDO Canada, the city's auditor, briefed the Committee on new rules issued by the Public Sector Audit Board regarding Asset Retirement Obligations (ARO's). The staff proposal involved hiring a consultant to assist staff in identifying any potential obligations for every asset and hiring a part time finance person to assist with the workload. Staff claimed that they *"didn't have the expertise or the time"* to perform, what appears to be well within the scope of any professional working in the Corporate Services Department. Members of the Committee suggested that the city should put this off until next year to give time to better assess what others were doing since there really wasn't any downside to delaying it. One member of the Committee made a motion to that effect. This sparked an immediate reaction from staff. I invite you to watch the video of this meeting to see what I mean. Watch the expression on the Clerk's face in response to the motion as the Director argues against the motion – in spite of not being a member of the Committee. ([Committee - Corporate Services - November 09, 2023 \(escribemeetings.com\)](https://www.escribemeetings.com)).

Both the Director and the City Manager spoke strongly against postponing the action largely arguing that the situation wouldn't change next year so we should just do it this year. It was obvious that staff were counting on their proposal being approved and were taken back by this motion to postpone. They had even done research on how BDO could provide the consultant services by saying that the BDO consultant doing the ARO work would come from a different BDO office. In fact the Director even stated that there might be advantage to engaging BDO services since their auditors would be familiar with the other office's work style. This seems to me to be an obvious conflict of interest since BDO auditors would be auditing work done by BDO consultants and for this reason BDO should be ineligible to bid on the RFP for this work. In the end the arguments made by the City Manager and the Director of Corporate Services persuaded enough members against postponing the work and the motion was defeated. As a result the city will hire a Part Time person in Finance and the city will spend money on a consultant to perform work that I believe is within the scope of city staff.

So what prompted these senior managers to argue against a motion in spite of not having a vote? Could it be that without this new work they wouldn't have an argument for a new Part Time employee? Who Knows? What we do know is that Corporate Services is overstaffed and has at least

two managers more than other similar municipalities. Given this, it seems incredulous that Corporate Services lacks the capacity to absorb this additional workload.

I believe that this is a small example of just how staff can inappropriately influence a Committee and/or Council to achieve their objective by leveraging the practice of “*Staff Recommendations*”. This behavior is quite likely, at least partially, responsible why Owen Sound Expenses and workforce have grown well in excess of similar municipalities. To avoid this staff should not be allowed to present argument in favour of their proposal once a motion has been tabled. Prior to this staff should only speak in response to a question directed specifically to them. In the example you will see, if you watch the video, that the City Manager inserts himself into the discussion without being asked to respond to a specific question.

5) Replace “*Staff Recommendations*” with “*Staff Option Analysis*”



The current practice is for staff to develop their preferred way ahead to solve issues facing the city in the form of Staff Recommendations. The City Manager allocates an enormous level of staff time to produce powerful presentations aimed at persuading Committee members and/or Council on their solution of choice. These are often seen by the public as “sales pitches” and have been very effective in influencing the way ahead on the issues. Historically staff recommendations are adopted 90% of the time with no or only minor modification. I believe that it is this practice that has resulted in the gross disparities with other municipalities that have development over the years. At the very least this practice gives the perception that it is the staff at city hall, that are the actual decision makers and not our elected officials.

As outlined above public sector managers sometimes have their own informal organizational goals that are often in conflict with the organization’s formal leadership. Whether or not this is the case at our city hall, this needs to be changed to avoid the perception that city staff are inappropriately influencing Council decisions. Therefore the practice of staff presenting “*Staff Recommendations*” should end. Instead, staff should identify all realizable options and complete a comprehensive option analysis. Then staff should objectively present their findings to the Committee and/or Council without identifying or hinting at their preferred option.

The fact that staff has had the time to produce these sales documents in the past, supports the finding that Owen Sound city hall is overstaffed. For example, it was clear that hundreds of person hours went into producing the MNP rebuttal presentation aimed at countering MNP’s recommendation to reduce the size of the management team. This would only be possible if there was sufficient surplus capacity in the Administration to work on this presentation.

- ➡ Council should direct the City Manager to end the practice of presenting Staff Recommendations and instead develop realizable options to solve the issue at hand, analyze the options and objectively present their option analysis without indicating their preferred option so our elected officials can state their preferences without inappropriately influenced by staff.