

For Information

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DATE: April 13, 2011

REPORT TITLE: **PEEL'S PARTICIPATION IN THE ONTARIO MUNICIPAL BENCHMARKING INITIATIVE (OMBI)**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

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## OBJECTIVE

To advise Council that staff have analyzed the costs and benefits of participation in the Ontario Municipal Benchmarking Initiative (OMBI) and decided to suspend participation.

### REPORT HIGHLIGHTS

- The estimated annual cost to the Region of Peel for participation in OMBI related activities is \$328,000.
- Although staff benefit from participation, there are few examples of Peel using the data to improve processes at Peel.
- Staff will redirect these resources to develop a performance management system to enhance accountability, transparency and inform decision-making at the Region.

## DISCUSSION

### 1. OMBI – Where we are today

OMBI is a collaboration of 15 member municipalities who on a voluntary basis collect performance measures and report out details to their CAO's and respective councils. Some members have shared this information with the general public as well. The Region of Peel has been an active partner in OMBI for the last 11 years.

The OMBI process at the Region of Peel has reached a state of maturity with a well documented annual data collection process. Further, there is a well established Expert Panel network within the Region, the Peel Regional Police (PRP) and the OPP, supported in part by a Municipal Champion and an Analyst in Corporate Services.

On February 24, 2011 the 2009 OMBI Report was presented to Council for receipt. Following discussion regarding the numbers reported in the document and the presentation method, Council directed staff to evaluate the costs and benefits associated with Peel's participation in OMBI.

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**2. Findings**

**(a) Approach**

Surveys to internal staff, the Peel Regional Police and the OPP were employed to gather data necessary to allow evaluation of the Region's participation in OMBI. This included identifying:

- Who is tasked with collecting benchmarking data;
- How much time they spend collecting data and meeting to discuss collection methodologies;
- Efforts to support the provincially mandated Municipal Performance Measurement Program (MPMP) ; and
- Benefits realized by Regional staff and Council in utilizing the published results, the identification and implementation of best practices, membership in a network of program experts and support provided by the OMBI Program Office.

**(b) Identified Benefits of Participating in OMBI**

1. Regional staff benefit from the sharing of service information and best practices through networking within the different expert panels across the 25 areas in which the Region participates. Peel will continue to welcome discussions with our municipal colleagues on comparing practices on an ongoing basis.
2. The public reporting of performance data is intended to demonstrate transparency and accountability to our Council and citizens and help build trust and confidence in municipal government. The OMBI Performance Benchmarking Report is reported to Council annually, and OMBI Public Reports are posted on the Region's internet site as a means of being open and transparent. The data provided in the report is for the previous year. However, as Council has pointed out, comparing data across organizations that have different policy objectives, geography and political leadership requires so many detailed explanations that all intended transparency for the average person is lost, and the benefit to Council is not achieved.
3. The use of OMBI data was intended to allow Peel to identify and undertake initiatives to implement better practices. However due to differences in service levels, policy objectives and accounting methodologies between participating municipalities there are limited examples where the data has been used to improve processes at Peel. Identified example include:
  - The Accounts Payable Better Practice Study in 2008 where staff sought to learn from other OMBI partners whose costs and processing of invoices was reported better than Peel's performance, the implemented recommendations resulting in a reduction of 2 FTE employees;

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In addition, through its participation in OMBI Peel has been identified as a best practice in:

- Waster/Wastewater – Operator Cross Training a Multi-Skilled/Multi-Licensed Work Force; and
  - Energy Management Strategy – Energy Management with Metering and Billing Control/Verification;
  - A recent OMBI supported Waste Management study was completed. The study identified changes to programs and policies to increase diversion from landfill.
4. OMBI did provide leadership with respect to the implementation of Tangible Capital Asset (TCA) accounting in the municipal sector. Research, guiding documents and lessons learned from pilot municipalities provided a foundation for Peel's TCA implementation guide.

Despite the benefits outlined above, there are few substantive examples of the Region of Peel, PRP and OPP either adopting best practices or using the data to highlight process improvement opportunities, over the last 11 years.

**(c) Identified Costs of Participating in OMBI**

Peel has 45 staff, PRP has 2 staff and OPP has 1 staff member who are considered regular participants in OMBI meetings, acting as expert panel members representing their program areas. Additionally, Peel has assigned staff to act as a municipal champion and a data analyst. While none of these are full time positions, participation in OMBI for both Peel and PRP staff requires approximately 2,900 staff hours per year at an estimated cost of \$285,000. It should be noted that approximately 25 per cent of the measures collected for OMBI are still required to be collected for the provincially mandated Municipal Performance Measurement Program (MPMP). This means that after Peel has suspended its participation in OMBI some staff time will still be required for providing data for the MPMP program.

Peel pays an annual corporate membership fee to the OMBI Project Office in the amount of \$26,000. Membership provides coordination of data collection and production of annual performance benchmarking report; maintenance of the OMBI Data Warehouse; development of tools (e.g. performance zones, surveys); and seeking partnerships with other networks and associations engaged in performance measurement and service quality.

Peel is also involved with a cost sharing agreement with the Regions of York and Durham to cover the costs of an external facilitator for the Water/Wastewater OMBI Expert Panel Meetings. Peel's share of this contracted-out service is \$16,965.

The total cost of OMBI participation is estimated at \$328,000 per year.

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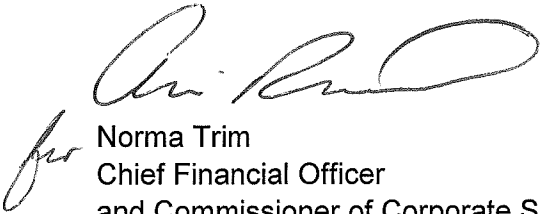
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**3. Direction**

The Region of Peel is at a stage where it can leverage the experience gained from benchmarking and performance measurement learned through its involvement in OMBI (e.g. strategies, tools and methodologies) to enhance the internal performance measurement framework to inform decision-making and report to Council on its achievement of financial and Term of Council objectives. The Regional staff time and resources currently involved in OMBI will be redirected to drive results at the Region that are of specific interest to the Corporation and not dependent on inputs from other municipalities.

**CONCLUSION**

Although staff benefit from OMBI participation, the benefits do not justify the annual cost and the Region will therefore suspend its participation in this initiative. Peel Regional Police and Ontario Provincial Police will suspend their participation as well.



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**Approved for Submission:**



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