COBOURG	THE CORPORATION OF THE TOWN OF COBOURG
	STAFF REPORT
TO:	Mayor and Council Members
FROM: TITLE:	Brent Larmer Municipal Clerk/Manager of Legislative Services
DATE OF MEETING:	November 25, 2019
TITLE / SUBJECT:	Municipal Modernization Program – Intake One (1) - Municipal Service Delivery Review
REPORT DATE:	November 19, 2019

1.0 STRATEGIC PLAN

Programs – The Town provides efficient and effective corporate, community, business, and recreational services for its residents, businesses and visitors.

2.0 PUBLIC ENGAGEMENT

Not Applicable.

3.0 RECOMMENDATION

THAT Council receive the report for information purposes; and

FURTHER THAT Council endorse the Expression of Interest Application Form under the Municipal Modernization Program to support a proposed Services Delivery Review Project called the 'Town of Cobourg Municipal Services Delivery Review' to be submitted to the Ontario Provincial Government by the December 6, 2019 deadline in order to receive Provincial Modernization Program funding.

4.0 ORIGIN AND LEGISLATION

In 2019, the Ontario government provided funding to municipalities to help them become more efficient and effective through the Audit and Accountability/Building Efficiencies Fund and the Municipal Modernization Program. These funds were designed to support municipal transformation efforts and lower costs in the longer term.

On November 1, 2019 the Minister of Municipal Affairs and Housing, Steve Clark announced information on Ontario's new Municipal Modernization Program and to advise municipalities that Intake 1 has been opened an applications may now be submitted to the Province under this program.

5.0 BACKGROUND

Under the Municipal Modernization Program, the province is making up to $125 million available through 2020-23 to help 405 small and rural municipalities conduct new service delivery reviews, implement recommendations from previous reviews and undertake a range of projects, such as IT solutions or process improvements, to achieve cost savings and efficiencies. Eligible projects under Intake 1 are reviews of municipal service delivery expenditures by independent third-party reviewers.

Under future intakes of the program, municipalities will have the opportunity to apply for projects aimed at implementing service delivery efficiencies to achieve cost savings, in addition to service delivery reviews. Intake 2 under the program is planned for Spring/Summer 2020, with additional intakes expected through 2022-23. Participation in Intake 1 is not a requirement for participation in future intakes.

Attached to the Staff Report is a copy of the Ontario Government Municipal Modernization Program Intake 1 Guidelines for Council's information.

6.0 ANALYSIS

Municipal Staff have reviewed the Municipal Modernization Program and are recommending that Council direct Staff to submit an Expression of Interest for the Municipal Modernization Program Intake One (1) in order to undertake the hiring of a Third-Party Consultant to conduct a comprehensive review of its services and service levels in the Town of Cobourg, labelled –'Municipal Services Delivery Review'.

The intent of the Municipal Services Delivery Review is to improve the understanding of the services currently provided by the Town of Cobourg and provide better information that will allow Council and Staff to make informed strategic choices regarding those services and look at opportunities to reduce costs of delivery while maintain or improving these services and service levels.

The Municipal Service Delivery Review will accomplish this by investigating current services and their delivery approach, identifying potential changes to service delivery methods and/or service levels and recommending changes that will improve efficiency or effectiveness across the Corporation.

The Town of Cobourg over the next month will formulate a Request for Proposal (RFP) Document that will lay out the requirements for an experienced consulting firm

The Town of Cobourg Objectives of the Municipal Service Delivery Project Should include:

- Inventory of services
- Gather community views
- Cost of services
- Determine service level needs (legislative, strategic directions, community expectations)
- Identify alternative service provisions
- Provide a game plan to achieve desired results.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

The Provincial Government has provided financial information outlined in the program guidelines and speaking with the Ministry of Municipal Affairs, the government has indicated that most review projects will be between $20,000 and $200,000. Proposals will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation. **Only third-party service provider fees will be eligible**. Municipal administrative costs, such as staff time, are not eligible.

As part of the preliminary review and research on similar sized municipalities and speaking with Third-Party Service Delivery Review Consultants, the cost for a services delivery review would range between $50,000 to $100,000 for a community our size.

In the scenario that the Town is not successful in receiving the funding, the cost of the Municipal Service Delivery Review would need to be funded by an alternative funding source. If this is a project that Municipal Council believes will be a benefit to the Corporation moving forward during the Council Term, then any remaining funds from the $619,005.00 Building Efficiencies funding would be a good alternative funding source for this project.

8.0 CONCLUSION

THAT Council receive the report for information purposes; and

FURTHER THAT Council endorse the Town of Cobourg to submit the required Expression of Interest Application Form to the Ontario Provincial Government by the December 6, 2019 deadline to receive provincial funding and support proposed Services Delivery Review Project 'Town of Cobourg Municipal Services Delivery Review'

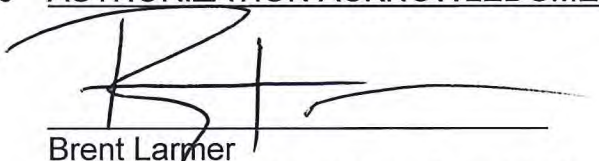
9.0 POLICIES AFFECTING THE PROPOSAL

Not Applicable.

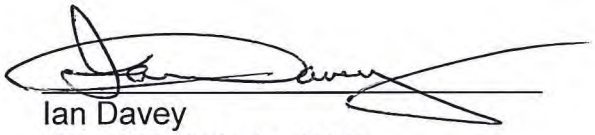
10.0 COMMUNICATION RESULTS

Not Applicable

11.0 AUTHORIZATION ACKNOWLEDGMENT



Brent Larmer
Municipal Clerk/Manager of Legislative Services



Ian Davey
Treasurer/Interim CAO

Ontario

Municipal Modernization Program

Intake 1 Program Guidelines

WHAT YOU NEED TO KNOW

Ontario is helping municipalities become more efficient and modernize service delivery while protecting front line jobs.

The 405 small and rural municipalities that received a *Municipal Modernization Payment* in March 2019 can now apply to the *Municipal Modernization Program* for funding to undertake expenditure reviews with the goal of finding service delivery efficiencies and lowering costs in the longer term.

Eligible municipalities can apply individually, or collectively with other eligible municipalities, to undertake independent third-party reviews similar to the *Managing Transformation: A Modernization Action Plan for Ontario* review of Ontario government expenditures.

ELIGIBILITY CRITERIA

To be eligible under Intake 1, a project must:

1. Be a review of municipal service delivery expenditures by an independent third-party reviewer for the purpose of finding savings and efficiencies. The review project could take a number of forms including:
    - a line-by-line review of the municipality's entire budget; or
    - a review of service delivery and modernization opportunities; or
    - a review of administrative processes to reduce costs.
2. Result in a report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies.
3. Begin field work no earlier than November 1, 2019, with a draft report completed by June 15, 2020 and the final report posted publicly by June 30, 2020.

It is anticipated that most review projects will be between $20,000 and $200,000. Proposals will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation. Only third-party service provider fees will be eligible. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- the goal is to identify opportunities for revenue generation or reductions in front line services; or
- the review does not result in a formal report prepared by a third party; or
- the object of the review extends beyond municipal accountability.

HOW TO APPLY

1. Advise your Municipal Services Office contact of your intention to apply by **November 22, 2019.**
2. Submit your completed Municipal Modernization Program: Expression of Interest form and applicable supporting documentation to Municipal.Programs@ontario.ca by **December 6, 2019.**

HOW IT WORKS

The ministry will advise municipalities of the outcomes of their applications by mid-January. If your application is approved, a proposed transfer payment agreement with the ministry will be sent to confirm the funding amount and set out the terms, including reporting requirements and a payment schedule. Municipalities will receive an initial payment following full execution of a transfer payment agreement and a final payment after submission of a final report.

PROGRAM TIMELINE

November 22, 2019	• Advise your Municipal Services Office of your municipality's **intention to apply**.
December 6, 2019	• Submit your **Expression of Interest** and any supporting documentation to Municipal.Programs@ontario.ca.
January-February, 2020	• Learn whether your application is approved. If it is approved, enter into a **transfer payment agreement** for project funding, and receive an **initial payment** once the agreement is executed.
June 15, 2020	• Submit your **third-party reviewer's draft report** to the ministry.
June 30, 2020	• Post the **third-party reviewer's final report** online and submit your **final report** to the ministry. The final report will include: a hyperlink to the publicly posted third-party reviewer's report; the amount paid to the third-party reviewer and a copy of the invoice; a statement of the total amount of expenditures reviewed and the total amount identified as potential savings; and a 250-word abstract of the project and its findings.

FOR MORE INFORMATION

Municipalities can direct program questions to Municipal.Programs@ontario.ca or contact their regional Municipal Services Office for further information.

Central Region – Toronto
Tel: 416-585-6226 or
1-800-668-0230

Eastern Region – Kingston
Tel: 613-545-2100 or
1-800-267-9438

Northern Region – Thunder Bay
Tel: 807-475-1651 or
1-800-465-5027

Western Region – London
Tel: 519-873-4020 or
1-800-265-4736

Northern Region - Sudbury
Tel: 705-564-0120 or
1-800-461-1193