

COMMUNICATION 131001

Received from: Trisa McConkey, CPA, CGA, Treasurer
Addressed to: Committee of the Whole
Date: December 3, 2019
Topic: Municipal Modernization Program Application

SUMMARY:

The Municipal Modernization Program intake was recently announced by the Province of Ontario. The program provides up to \$125 million in funding through 2022-23 to help 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. The deadline for applications under the program is December 6, 2019.

BACKGROUND:

On November 12, 2019, the Province of Ontario announced the opening of Intake 1 for the newly issued Municipal Modernization Program. This program is designed to help 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.

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.

The Provincial Government anticipates 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. Staff have worked with a consultant from PSD-Research, Consulting, Software a company which provide services including the delivery of asset management and financial plans, the development of asset management programs and strategic frameworks, and grant writing services. The projects recommended are:

A) Asset Management Strategy

PSD's Asset Management Strategy (AMS) seeks to find efficiencies across seven (7) key areas of an organization's infrastructure, asset management and financial planning. Those seven (7) areas include:

- 1) Organization and People
- 2) Asset Data
- 3) Strategy and Planning
- 4) Asset Management Decision Making
- 5) Risk Management
- 6) Levels of Service
- 7) Financial Strategy

The AMS implementation will consist of an assessment of current processes, procedures, systems, data and practices, review existing strategic documents and develop high impact recommendations that lead to more efficient infrastructure service delivery. Because infrastructure is one of the main components of a municipal budget, it is important to identify the areas of highest potential, where making investments would produce the highest benefits and rate of return for the taxpayer, a key element of the AMS.

B) Asset Management Information Systems Assessment

Through the Asset Management Information System Assessment, PSD will identify and review all relevant asset management software and engage with stakeholders within the client's organization to identify any gaps and provide recommendations and best practices as to how to achieve greater efficiencies. PSD's analysis will include recommendations of additional software components that would enhance the current technology platform with emphasis on maintaining an integrated, enterprise approach to software implementation, and how the current asset management technology platform can leverage other data and systems.

Staff recommend applying for \$48,000 under this program to fund the development of the above reports. This would then position the Town to apply for funding to implement some of the recommendations from these studies under Intake #2 of this program and/or through Asset Management funding anticipated to be released in early 2020 through the Federation of Canadian Municipalities (FCM) program.

Staff has discussed the above studies with Peter Sizov from the Ministry of Municipal Affairs & Housing (MMAH) and are confident that the above projects meet the requirements for funding.

FINANCIAL IMPLICATIONS

If successful, this grant would fund the entire cost of both studies.

STAFF RECOMMENDATION

THAT Council authorizes the application for Intake #1 of the Municipal Modernization Program for funding to undertake the development of an Asset Management Implementation Strategy and an Asset Management Systems Review.