

Committee Report

To:	Warden McQueen and Members of Grey County Council
Committee Date:	August 13, 2020
Subject / Report No:	CAOR-CW-13-20
Title:	Blue Mountain Ratepayers Association Correspondence re: County Operations
Prepared by:	Kim Wingrove, CAO
Reviewed by:	Senior Management
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee August 13, 2020 per Resolution CW150-20; Endorsed by County Council September 10, 2020;

Recommendation

1. That Report CAOR-CW-13-20 Blue Mountain Ratepayers Association Correspondence re: County Operations be received for information; and
2. That Council provide direction to staff to include the review of any processes or potential changes or enhancements to County operations as a discussion topic at the upcoming strategic planning session in October 2020.

Executive Summary

This report provides recent comments related to Grey County policy and strategic direction received from the Blue Mountain Ratepayers Association which they wished to have brought to Council's attention. Examples of work underway or planned related to the Association's concerns are provided. Council direction regarding changes or enhancements to County operations to be brought forward during the strategic planning session is requested.

Background and Discussion

Representatives from the Blue Mountain Ratepayers Association (BMRA) appeared as delegation regarding the County's 2020 budget meeting on February 7th. In their

presentation, BMRA posed several questions and staff agreed to meet and discuss these. In preparation for that meeting BMRA posed written questions. Due to the pandemic staff sent a written response (attached).

A follow up response from BMRA was received July 9th. They raise the following concerns:

1. "... future cutbacks in provincial grants for Counties must surely be coming, given the dire financial situation the province finds itself in. When this occurs, the County would be faced with the options of finding greater efficiencies in operation, and/or increasing municipal levies to make up for that shortfall. We get no sense that the urgency of our financial situation is acknowledged by the County."
2. "We have to assume that while many of the services provided by the County mandated by the province, with specified service standards and targets, this should not preclude efforts by the County to pursue opportunities to meet those standards in a more cost effective manner. There is no indication that this is a priority for Grey."
3. "The total cost of the fire communications infrastructure upgrade is we believe \$1.7M, including \$1M to be drawn from reserves. We also understand that TBM will in fact not benefit from this investment, as our fire communication system does not require enhancements, and operates outside of the County system. If that is the case, then our share of the investment in the fire communications program would be approximately \$460,000, purely to assist the other Grey municipalities."
4. "We recognize County services are mandated, but our concern is that situation seems to be inhibiting staff efforts to find "new and better" ways to deliver services."
5. "We would also expect to see thorough investigation of opportunities to eliminate redundant services delivered at both the County and Municipality levels. This could include HR, Accounting/Finance and Planning. These would all be measured against an objective of lowering the total cost currently invested at the county and municipalities, thereby providing relief to our taxpayers."
6. "Our data show that TBM has received less than 50% of the capital investment that should have been earmarked for our municipality...taking into account the

proportion of DC charges raised from 2014-2019 that were used to fund projects across Grey.

County Policies and Strategies Related to Concerns Expressed

One of the goals in the Grey County Strategic Plan is *Excellence in Governance and Administration*. Improving the quality of services for residents and doing so in a cost-effective manner is embedded into the annual budget process and assessed by the senior management team in each of the projects and policies that Council is asked to consider.

This year, service delivery reviews of the Human Resource and Finance departments are being completed, with recommendations coming to Council in September.

The County's financial health is supported by financial policies such as asset management, procurement, cash and investment management, debt management, etc. The County completes salary reviews among its comparator group and targets to have compensation levels at about the 50th percentile. Before negotiating a new collective agreement with any of our seven unions, we seek expert advice and receive a negotiating mandate from Council.

Numerous service delivery improvements have been made or are planned. The County has an excellent in-house application development team who have delivered innovative software applications like the online planning application tool, the 10-year capital forecast module and the POA court management software for a fraction of what it would have cost to have this done externally.

Recently Social Services converted to electronic document management and remote service delivery. Paramedic Services has updated to the latest CAD Link application in our ambulances which reduces response time and provides detailed management data that can be used to further improve services. The Housing department has brought a carpenter and painter in-house in order to reduce costs and enable tighter scheduling of work. Transportation has made early completion of project designs a priority for the engineering team, enabling more competitive procurement and ensuring we are able to compete for grants when they become available.

The suggestion of moving to a single back office service model assumes efficiencies that may not exist. When earlier municipal amalgamation projects were reviewed, the results showed a significant investment in process redesign and technical capacity that extended the timeline for a positive return on investment. While difficult to quantify, the

loss of responsiveness to individual circumstances and timelines in each municipality would be a cost.

Legislated Responsibility for Planning Matters

Many planning services that the County provides are mandated in provincial legislation:

- having a County Official Plan that is regularly reviewed and provides overall policy direction for the County and ensuring that local official plans conform to it,
- Municipal plan review (i.e. reviewing local planning applications to ensure consistency with the Provincial Policy Statement and conformity to the County Official Plan,
- Approval of local official plans and local official plan amendments

Some planning responsibilities can be delegated. The County has already delegated consent (severance) granting authority.

Plan of subdivisions/condominiums can also be delegated to local municipalities, however even if delegated the County would still need to review and comment on these re: consistency with PPS and conformity with the OP, internal review by other departments potentially impacted by the proposed development (e.g. County roads).

Planning staff work closely with municipalities to ensure efficient operations by:

- jointly issuing notice of complete applications and coordinating the circulation of notices,
- preparing one development sign with both County and local municipal application information contained on the sign,
- delegating public meetings to local municipalities to avoid the need for both Council's to participate in the public meeting process, etc.

There are other models for the delivery of planning services that could be considered. Bruce County does all of the planning work for their member municipalities. Wellington County uses a hybrid model where some municipalities have delegated planning authority versus some municipalities have the County provide all the planning services.

Fire Communications Project

The purpose of the fire communications project was to make strategic investments in communications infrastructure like towers, antennas, radios and vehicle repeaters and secure additional communications channels. This will significantly improve the ability of

first responders from multiple departments to communicate on-scene in a mutual aid situation, provide communication channels for both on scene command to the fire fighters and to dispatch, eliminating the potential of lost communications e.g. mayday and allow fire fighters to be paged from anywhere in the County. Should there be a significant event in the Town of the Blue Mountains, their first responders will be able to work seamlessly with other services, supporting a safer and more effective response.

County Development Charges

County Council, as part of the County's 2016 Development Charges Background Study had chosen to calculate and levy development charges on a County-wide basis for all services. This reflects the way services are provided and used in Grey County and is appropriate for the County-wide road network.

Prior to the approval of the Background Study and by-law a thorough review process was undertaken. The growth forecasts and growth-related capital programs contained in the Development Charges Background Study 2016 were presented as a draft to the Development Charges Steering Committee and then provided to County Council for their review. The draft Development Charges Background Study and draft Development Charges By-law were then made available to stakeholders and the public for review.

As stated in Report FR-CW-14-20 2019 Development Charges Reserve Fund Statement, significant work is identified in the Background Study for roads and related work in The Blue Mountains. While some of these projects have been undertaken, a number of these projects which have been forecasted in the ten-year capital forecast, have yet to be undertaken at this time. This has resulted in the Roads and Related Works Reserve fund having a 2019 year-end balance of approximately \$9.3 million in funding to assist in the funding of these projects when they move forward in the future.

Legal and Legislated Requirements

Other than those noted, none with this report.

Financial and Resource Implications

A strategic planning day for Grey County Council is being planned for October 15th. Should Council wish to discuss any changes to policies or programs as a result of this report, including the annual budget process or documentation, staff can begin the assessment of financial and resource implications and these to the agenda for the meeting.

Relevant Consultation

☒ Internal – Senior Management Team

Appendices and Attachments

[Grey County Correspondence with BMRA May 2020](#)

In the 2020 County budget, the spending is projected to increase by close to 5%. This is supported through significant revenue increases, in particular by TBM assessment growth. Is this spending level driven by identified needs for growing service provision, or more so taking advantage of the funding bump that is currently available through the introduction of discrete rather than ongoing spending commitments?

The 2020 budgeted gross operating expenditures of 124,912,100 is an increase of \$5,205,035 over the 2019 budgeted amount of \$119,707,065. This would equate to a 4.3% increase. The most significant change in these operating expenditures is \$4,715,300 under the Housing budget for the Canada-Ontario Community Housing Initiative (COCHI) program. This initiative is a 100% provincially funded program that provides funding to regenerate and expand community housing, preserve community housing and protect tenants through the process of expiring operating agreements.

In 2020, this funding that has been received has been budgeted to be provided to community to build 54 unit of affordable and attainable housing and \$30,955 to be provided to community for capital updates to family housing units.

The COCHI expenditures are new to the 2020 budget. If the COCHI program expenditures were to be excluded from the 2020 gross operating expenditures, the increase in 2020 gross expenditures as compared to 2019 would equal an increase in gross spending of 0.4%

The 2020 net levy requirements of \$59,809,900 have increased by \$2,588,940 or 4.5% as compared to \$57,220,960. 2020 budget impacts included Provincial funding reductions budgeted for 2020 totaling \$932,300, with the majority of the funding reductions occurring in Long Term Care and Paramedic Services.

As well, an additional \$572,200 in capital funding was included in the 2020 budget to address the County's capital infrastructure deficit. This increase was based on the County's 2016 Asset Management Plan that had recommended to increase tax revenues by 1% each year for the next 15 years solely for the purpose of phasing in full funding to the tax-funded asset classes covered in the Asset Management Plan.

Does the County employ productivity metrics or fee generation targets in evaluating departmental performance, and are programs evaluated to determine whether they continue to provide value, or otherwise be wound down?

Many of the services Grey County provides are mandated by the province and highly regulated. Long term care and paramedic services are two examples of this. As a consolidated municipal services manager, we are responsible to deliver Ontario Works,

licensed childcare and social housing services. Those programs come with very prescriptive funding agreements and we are required to report extensively on service targets and results achieved. Other examples are the minimum maintenance standards, engineering standards, etc. that Transportation Services must uphold and the Provincial Offenses Court that must process fines and prosecute infractions in a timely manner with no margin for error.

We do set goals and objectives within programs and report on these such as the housing and homelessness plan, 10-year capital plan, tourism visitation etc.

The County does not deliver services on a fee for service basis and most of the services we provide are required not discretionary.

How is the Provincial efficiency funding being put to use, and what initiatives and efficiency targets have been established?

The County has received \$90,000 in modernization funding to undertake operational reviews of the HR and Finance functions. The results of these assessments are to be available in September. We are looking for recommendations to streamline processes, enhance efficiency and provide more timely and strategic information to support decision-making. Ultimately this will save money and enhance staff productivity.

An additional \$700,000 in provincial modernization funding is being held in reserve for the upgrading of fire communications infrastructure across the county. This project will address life safety issues related to communication between fire departments and between fire departments and dispatch. It will also enhance paging capabilities county-wide to get the necessary fire personnel to the hall or on-scene more effectively.

The TBM is piloting Zero Based Budgeting. At its core, it is attempting to identify areas where service delivery can be made more efficient, and resources applied where they can be most effective. Does the County engage in evaluating productivity of current shared service delivery models, and determining whether they are optimal?

My understanding of the zero-based budgeting process is that you are starting fresh each year and have discretion with regard to whether to undertake an activity and at what quality level. As noted above, these circumstances don't apply to much of the work that the county is responsible for.

Grey County does offer GIS services to our member municipalities and the bridge maintenance team has done work for member municipalities. We try to coordinate initiatives and collaborate towards achieving mutual goals whenever possible. Our

economic development and tourism staff work closely with each of our member municipalities to support their goals and projects.

There have been intermittent discussions at the council table about moving services to the upper tier i.e. libraries, waste management, policing but the chase for change has not been strong enough to be successful.

"Reinvestment" of TBM levies paid to the County, County DC charges, was the key issue raised in our deputation. In the Budget approval session, we observed online, numbers were stated regarding spending on TBM roads that were significantly different from data we had sourced. Could you please confirm what capital investment has been made in TBM by the County from 2014 - 2019, and how we can ensure we are working off the same data in the future?

The 2016 Development Charges Background Study included several road and related infrastructure projects required to service the demand of new development in the County over a 25-year planning horizon, from 2017 to 2041. These road projects were identified and presented to County Council for their review as part of the Development Charges Background Study update.

Significant work is identified in the Background Study for roads and related work in the Town of The Blue Mountains. While some development charges projects have been undertaken, a few projects which have been forecasted in the ten-year capital forecast, are pending. The Road and Related Works Reserve fund has a 2019 year-end balance of approximately \$9.3 million in funding to assist in the funding of these projects when they move forward in the future.

[Hemson - Grey County Development Charges Background Study Consolidation Report November 2016](#)

Inadequate infrastructure rendering TBM growth unsustainable is our greatest concern. What are the County's plans to invest in TBM infrastructure in the near and midterm - i.e. up to 5 years - and how are those spending priorities established in conjunction with the Town? Will the transportation capacity issues in the 19 and 21 roads area begin to be addressed as soon as possible? Can the County assist TBM in some fashion with our requirement to add more Attainable Housing?

Grey County's plans for investment in infrastructure are outlined in the 10 year capital plan at <https://www.grey.ca/departments/finance>. A search for The Blue Mountains will highlight the projects in your municipality.

We are working jointly on projects including a drainage master plan (along with Grey Sauble Conservation Authority), designing and planning a new 19/21 intersection (with both the Town and Simcoe County). The county is supporting the Town's attainable housing project by providing \$1,139,845 to the Town. This amount is equivalent to the net estimated amount of the Town's supplemental taxes and taxation write-offs in excess of what was in the county's 2019 budget.