

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
Submitted by:	Tracey Vaughan, Chief Administrative Officer tvaughan@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	October 4, 2021		
Report No.:	Office of the CAO-005-21		
Submit comments to Council			

Subject/Title: Municipal Modernization Program Intake 3, Town of Cobourg Projects

RECOMMENDATION:

THAT Council receive the report for information purposes; and

FURTHER THAT Council endorse the projects that are listed within the Staff Report to be submitted to the Province under the Municipal Modernization Intake Three (3) submission, due on October 15th, as follows:

1. Customer Service Strategy and Implementation Plan
2. E-Permitting
3. Human Resources Information System (HRIS) System
4. Asset Management Plan, Software Procurement, and Implementation

1. STRATEGIC PLAN

SUPPORTS all five Strategic Pillars of People, Places, Programs, Partnerships and Prosperity.

2. PUBLIC ENGAGEMENT

Not Applicable.

3. PURPOSE

To provide information on the Town's applications for the Municipal Modernization Program Intake 3.

4. ORIGIN AND LEGISLATION

In November of 2019, the Provincial Government announced the Municipal Modernization Funding Program, offering funding opportunities to small and rural municipalities across Ontario in the amount of \$125 million through 2022 – 2023.

This new program allowed municipalities the ability to apply for funding to “undertake expenditure reviews with the goal of finding service delivery efficiencies and lowering costs in the longer term.”

The Town of Cobourg received funding in the amount of \$619,005 (non-restricted grant money) for Intake 1 with the spend itemized in attachment.

5. BACKGROUND

Through the Municipal Modernization Program, Ontario is helping municipalities become more efficient and modernize service delivery. Cobourg, along with Ontario’s 405 small and rural municipalities can now apply to Intake 3 of the Program for funding under two streams: **The Implementation and Review Stream.**

The Implementation Stream will provide provincial cost-sharing for municipalities to undertake projects that increase municipal efficiency and effectiveness. Municipalities can apply under this stream for projects that implement the findings of previous reviews or other evidence-based reports.

The Review Stream will provide funding for municipalities to undertake expenditure reviews with the goal of finding efficiencies and lowering costs in the longer term. Under both streams, municipalities can apply individually or jointly with other eligible municipalities.

Implementation Stream – Eligibility Criteria

To be eligible under Intake 3, an implementation project proposal must:

1. Be based on demonstrated evidence of savings or efficiencies the municipality intends to realize through the project;
2. Begin no earlier than August 16, 2021 and be completed by February 28, 2023;
3. Include a high level workplan with project milestones;
4. Include a commitment to providing a final report that forecasts annual savings and other efficiency and effectiveness outcomes for at least three years as a result of project completion;

5. Include a commitment to reporting back one-year post project completion with actual savings over the course of the year, and a forecast for the following two years of annual savings and other efficiency and effectiveness outcomes.

To be eligible for funding, the municipality must confirm that it has fully spent or allocated the unconditional modernization funding provided by the province in March 2019.

Priority may be given to projects that address one or more of the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals
- Shared services/alternative service delivery models

The program will not cover projects where:

- the expected outcome is a reduction in front line services; or
- the expected outcome would not result in efficiencies or cost savings; or
- the municipality would not be prepared to support any ongoing maintenance costs resulting from the project.

Review Stream – Eligibility Criteria

To be eligible under Intake 3, a review stream project must:

1. Be a review of municipal service delivery or administrative expenditures by an independent third-party reviewer for the purpose of finding savings and efficiencies. The review project could take several 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 August 16, 2021, with a final report completed and posted publicly on the municipal website by October 31, 2022.

To be eligible for funding, the municipality must confirm that it has fully spent or allocated the unconditional modernization funding provided by the province in March 2019.

It is anticipated that most review projects will cost between \$20,000 and \$150,000. Higher funding amounts may be available for joint projects. Proposals will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation.

Priority may be given to projects that address one or more of the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals
- Shared services/alternative service delivery models

Municipalities will be eligible to receive funding up to the full amount of the third-party service provider's fees for the review. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- the object of the review project 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 that the municipality is prepared to make publicly available online; or
- the object of the review extends beyond municipal accountability; or
- the review is related to requirements under the asset management regulation.

6. ANALYSIS

The following application for funding will be made to support the following projects:

REVIEW STREAM

1. Customer Service Strategy and Implementation Plan:

Project:

To review and develop the Town's first Customer Service Strategy and to focus on external service delivery and identifying how the Town can fulfill objectives of the Town's Strategic Plan Objective #4 – to Improve Customer Service, and the Town of Cobourg Service Delivery Review and Organizational Review recommendations on Customer Service.

Municipal Staff is proposing to pursue the development of a Customer Service Strategy to address evolving customer demands and changing demographics, and to ensure a consistent, optimized, and positive customer service experience. The focus of the strategy and its development is about quality and how to deliver the best possible service to meet (or exceed) citizen expectations in consideration of available resources.

Benefits/Efficiencies

Town Divisions do not currently measure key customer measures including performance indicators and quality insurance results. The purpose of the strategy and its development is to identify performance metrics and quality assurance measures to help guide a customer service culture, while motivating continuous improvement of efficiencies and customer experience. Best practice suggests that there are a number of key performance indicators (KPI's) that should be utilized to ensure efficient and cost-effective operations. Identifying these KPIs and recommended targets will help drive people, process and technology decisions for service channel performance, customer experience and process efficiency.

Costs:

The projected cost for this review and strategy would be \$80,000. The total cost can be fully received by the modernization funding as unlike the implementation Stream it does not require the Town to match a percentage of funds to the project.

IMPLEMENTATION STREAM:

1. E-Permitting

Project

To implement a cloud-based e-permitting software to provide a convenient platform for permits and inspections to benefit applicants, builders, contractors, developers and staff.

Benefits/Efficiencies

- Paperless intake, online applications and inspection booking with access 24/7, 365 days per year
- Automatic reporting to MPAC and StatsCan
- On site mobile inspections in 'real time' with complete access to files including drawings
- Recommended by KPMG in the Service Delivery Review and the Organizational Review
- Part of the Towns Strategic Plan
- Up to 50% more efficient than paper permitting

Costs:

- \$39,000 5-Year Annual Fee with no additional license costs for any user
- \$5,000 Startup/Installation Fee
- \$12,800 Hardware Upgrade Costs

2. Human Resources Information System (HRIS) System:

Project:

Human Resources software that combines several systems and processes to ensure the ease of management of employee information, resources, business processes and data. Both the KPMG Service Delivery Review and the Organization review highlighted the inefficiencies of the paper-based system currently used by the Town of Cobourg's HR Department.

Benefits/Efficiencies:

- An HRIS system collects/stores data on Town of Cobourg staff including contact information, benefits/pension, training completion/requirements, on-boarding documentation, sign off on policies and procedures and professional development information.
- An HRIS system can assist with recruitment through Applicant Tracking System (ATS) which includes job posting creation, financial approvals, management of applications, interview screening and question templates
- Staff can manage own profiles and portfolio, data and employee information with easy & accuracy, update training information and manage professional development

Costs:

Systems vary in price based on modules required, for a full service module to address the needs outlined above costs are in the \$20,000 to \$30,000 range.

Cost Savings (3 years): Staff are completing the analysis to determine the efficiencies that would be realized through the implementation of the program.

3. Asset Management Plan, Software Procurement, and Implementation

Benefits/Efficiencies:

- Reduce GIS resources to manually prepare reports based off spreadsheets, reduces risk of errors
- Increase efficiencies of senior management for long term infrastructure and budget planning
- Eliminates risk of the loss of historical information (digital history)
- Reduces need for long term succession planning and transfer of knowledge
- Significantly reduces resource time required to annually prioritize assets
- Increases ability to prepare reports to Council on asset management strategies and status
- Increases ability to obtain funding
- Increases ability to internally update asset management plan every 5 years as required (no consultants required in future).

Scope: expenses may include temporary staff resources, consulting services to conduct remaining building condition assessments, consulting services to assist with procuring software and implementation, software purchase, production of comprehensive asset management plan that is internally maintained moving forward.

Project Cost:
\$250,000

Cost Savings (3 years): Staff are completing the analysis to determine the efficiencies that would be realized through the implementation of the program.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

There are no immediate financial implications with this staff report. If any of the applications for funding are successful, the Town would need to contribute to the cost of the project at 35% of the total cost. These projects have been identified as key areas for improvements and efficiencies and will be listed for consideration within the various divisional budgets during the annual budget process.

8. CONCLUSION

THAT Council endorse the projects that are listed within the Staff Report to be submitted to the Province under the Municipal Modernization Intake Three (3).

Report Approval Details

Document Title:	Municipal Modernization Program Intake 3, Town of Cobourg Projects - Office of the CAO-005-21.docx
Attachments:	
Final Approval Date:	Sep 30, 2021

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Sep 30, 2021 - 5:29 PM