

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT Regular Council	
TO:	Mayor and Council Members	
FROM: TITLE:	Tracey Vaughan Chief Administration Officer	
DATE OF MEETING:	December 14, 2020	
TITLE / SUBJECT:	Services Agreement with Northumberland County and the Town of Cobourg regarding the Manufacturing Attraction Specialist.	
REPORT DATE:	December 11, 2020	File #:

1.0 STRATEGIC PLAN
Not Applicable

2.0 PUBLIC ENGAGEMENT
Not Applicable

3.0 RECOMMENDATION
THAT Council receive the memo for information purposes; and

FURTHER THAT Council provide direction to the Chief Administrative Officer regarding Section 3 of the Service Agreement relating to the twelve (12) Month Notice Termination of the shared Services Agreement with the County of Northumberland.

4.0 ORIGIN AND LEGISLATION
On December 12, 2018, the Town of Cobourg entered into a shared Services Agreement Contract for the position of Manufacturing and Attraction Specialist position which is shared with the County of Northumberland. The Services that are to be provided by the Manufacturing Attraction Specialist are listed within Appendix "A" of the Agreement attached to this report as Schedule "A".

The current Agreement Term is from February 26, 2018 to December 31, 2023.

5.0 BACKGROUND

On November 6, 2020, Municipal Council received the Town of Cobourg Service Delivery Review as presented and completed by KPMG, and on November 23, 2020, Council passed Resolution 441-20, and approved the corporate wide Service Delivery Review for the Town of Cobourg including direction to the Chief Administrative Officer to prepare an implementation report to be presented to Council on January 25, 2020 based on the opportunities as outlined within the Service Delivery Report.

As part of the Service Delivery Review, KPMG provided the Town with several opportunities for consideration that the Town could potentially implement that would provide the Town with potential cost savings or increased operating efficiencies. Opportunity four (4) of the Service Delivery Review was the Manufacturing Attraction Specialist Agreement and Contract that is found within the Economic Development Operating Budget.

KPMG notes within the Service Delivery Review (page 31 of KPMG Report):

<p>4. The Town currently provides \$45,000 in funding to the County for economic development activities, specifically business attraction for inbound investment. Based on discussions with Town staff, we understand that the value of this investment is limited, with no meaningful outcomes that have benefited the Town. Accordingly, the Town may wish to consider discontinuing the payment of economic development funds to the County and either (i) reinvesting the funds in economic development activities undertaken directly by the Town; (ii) realizing the associated cost savings; or (iii) some combination of the above.</p>	<p>Depending on the course of action adopted by the Town, the potential cost savings could be as much as \$45,000 per year.</p>
---	---

At the December 8, 2020, Divisional 2021 Operating and Capital Budget Meeting, Municipal Council inquired as to the current status of the existing Agreement and what the terms of the Agreement are related to the Notice Period for the termination of the Agreement with the County of Northumberland for this service. As a result of that discussion, Staff have brought forward this report for Council consideration and approval with the appropriate information and agreement attached.

6.0 ANALYSIS

As outlined in the attached copy of the Services Agreement Section 3, the Town of Cobourg has the authority to direct the CAO to 'At any time, without cause, on the giving by the Town of Twelve (12) months' notice in writing to the County to such effect' termination of the Service Agreement. Upon the notice of termination being provided to the County, the Town will be responsible as outlined in provision c) of the Agreement that the Town will be paid the total amount owed during that year for the remaining services.

If Municipal Council were to provide direction for the Notice of termination to be enacted, the final date for the Services Agreement Contract with would be December 14, 2021, which would be in line with the 2022 Budget Process.

7.0 FINANCIAL IMPLICATIONS/STAFFING/BUDGET IMPACT

As part of the existing Services Agreement that has been attached to the Staff Report, the Town had to provide remuneration of \$45,000 annually for the duration of the Agreement and is adjusted based on the CPI annual increase and is adjusted during the agreements anniversary date.

If the direction is provided by Municipal Council to the CAO to provide Notice of Termination of the Services Agreement, the Town of Cobourg would be responsible for a Notice period of twelve (12) months, with the financial contribution of the \$45,000 for the last remaining year of the Agreement.

8.0 CONCLUSION

THAT Council receive the memo for information purposes; and

FURTHER THAT Council provide direction to the Chief Administrative Officer regarding the Section 3 of the Service Agreement relating to the twelve (12) Month Notice Termination of the shared Services Agreement.

9.0 AUTHORIZATION ACKNOWLEDGMENT



Tracey Vaughan,
Chief Administrative Officer