

Oxford County CAOs and Treasurers Meeting
Regional Government Review

AGENDA

April 4, 2019

1:30 p.m.

Suite 203, 200 Broadway, 2nd Floor

- 1. Welcome**
- 2. Ministry of Municipal Affairs and Housing – Grant Funding, Oxford County Council Motions March 27, 2019 ([Attached](#))**
- 3. Regional Government Review – Oxford County CAO Report, City of Woodstock CAO Report, Zorra Township CAO Report ([Attached](#))**
 - a) What about the County of Oxford municipalities is important to protect?
 - b) Evaluation criteria to assess the relative merit of alternatives and the status quo.
 - c) What are the critical success factors and key desired outcomes?
 - d) Evaluation of the current two-tier, a modified two-tier and single-tier options.
- 4. Service Delivery Items**
 - a) Policing
 - b) County Roads
 - c) Emergency Management
 - d) Integrated Phone System
 - e) Consent and Subdivision Approval
 - f) Shared Services /Service Delivery
 - g) Water Distribution and Wastewater Collection Services
 - h) Others
- 5. Elected Officials – Numbers**
- 6. County of Oxford Municipal Council Positions**
- 7. County and Area Municipalities Public Engagement Opportunities for Regional Government Review**
- 8. Other Items**

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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March 20, 2019

Your Worship
Mayor Stephen Molnar
Town of Tillsonburg
smolnar@tillsonburg.ca

Dear Mayor Molnar:

Our government for the people was elected to restore trust, transparency and accountability in Ontario's finances. As you know, the province has undertaken a line-by-line review of our own expenditures, and we have been clear that we expect our partners, including municipalities, to take steps to become more efficient as well.

Municipalities play a key role in delivering many provincial services that people across Ontario rely on. Taxpayers deserve modern, efficient service delivery that puts people at the centre and respects hard-earned dollars.

Transforming service delivery and identifying more modern, efficient ways of operating is critical and complex work. As Minister of Municipal Affairs and Housing, I recognize that many of Ontario's small and rural municipalities may have limited capacity to plan and manage transformation, depending on the resources they have available and how far they have moved on their own modernization agendas.

That is why we are providing a one-time payment in the 2018-19 fiscal year to support small and rural municipalities' efforts to become more efficient and reduce expenditure growth in the longer term.

To ensure that this investment is targeted to where it is needed most, municipal allocations are based on a formula, which takes into consideration the number of households in a municipality and whether it is urban or rural.

While this investment is unconditional, it is intended to help modernize service delivery and reduce future costs through investments in projects such as: service delivery reviews, development of shared services agreements, and capital investments. Our government believes that municipalities are best positioned to understand the unique circumstances and determine where and how this money is best spent.

I am pleased to share that Town of Tillsonburg receive a one-time payment of \$622,976 which will flow in this fiscal year.

Staff from our regional Municipal Services Offices will be in touch in the coming days for your acknowledgement of this letter and to discuss any questions that you might have. I encourage you to work with ministry staff as you begin to think about the best way to proceed for your community. The Municipal Services Offices can offer advice and point to examples that may be helpful as you contemplate local solutions. In the future, we would be interested to hear about your modernization success stories.

Thank you once again for your commitment to demonstrating value for money. I look forward to continuing to work together to help the people and businesses in communities across our province thrive.

Sincerely,

A handwritten signature in blue ink that reads "Steve Clark". The signature is written in a cursive, flowing style.

Steve Clark
Minister of Municipal Affairs and Housing

Municipal Council of the County of Oxford

Date: Wednesday, March 27, 2019

Moved By: David Mayberry
Seconded By: Sandra Talbot

That the correspondence from the Ministry of Municipal Affairs and Housing dated March 20, 2019 regarding a one-time funding grant for modernizing municipal services for small and rural municipalities be received;

AND WHEREAS the Honourable Steve Clark, Minister of Municipal Affairs and Housing through email correspondence to the Heads of Council of Ontario's small and rural municipalities, dated March 20, 2019, informing that the Ministry is providing a one-time payment in 2018-19 fiscal year to support those municipalities in efforts to become more efficient and reduce expenditure growth in the longer term;

AND WHEREAS Warden Larry Martin received the aforementioned correspondence informing that the County of Oxford's one-time payment as determined on the basis of a formula that considers the number of households in the municipality is \$725,000;

AND WHEREAS the one-time unconditional payment is intended to help modernize service delivery and reduce future costs through investments in projects such as: service delivery reviews, development of shared services agreements, and capital investments, and is best determined by the recipient municipality;

AND WHEREAS on January 15, 2019, the Honourable Steve Clark, Minister of Municipal Affairs and Housing announced that the Province of Ontario has initiated a review of the governance, service delivery, and decision-making functionality of eight regional municipalities (Durham Region, Halton Region, Muskoka District, Niagara Region, Oxford County, Peel Region, York Region, Waterloo Region) and Simcoe County;

AND WHEREAS on February 27, 2019 Oxford County Council agenda adopted a resolution providing direction for the Chief Administrative Officer to provide a report in response to a resolution adopted by the Council of the City of Woodstock, dated February 26, 2019, regarding the aforementioned Regional Review;

AND WHEREAS the theme of the one-time payment initiative is similar in nature and intent to that of the ongoing Regional Review to which Oxford County is a party to, and that Report No. CAO 2019-03, entitled "Regional Governance Review", prepared in response to Council's request, is being presented to County Council for consideration at their March 27, 2019 Council meeting.

NOW THEREFORE BE IT RESOLVED that consideration for the use of the unconditional one-time payment of \$725,000 allocated to Oxford County for determining the most appropriate means of investing in initiatives to improve service delivery as it relates to Oxford County be referred to the Chief Administrative Officer for a report, subject to direction from Council regarding the disposition of Report No. CAO 2019-03, entitled "Regional Governance Review";

AND FURTHER that the Chief Administrative Officer engage in discussions with the Area Municipal Chief Administrative Officers to identify potential opportunities that will leverage the overall investment designed to maximize future cost savings through improved service delivery for all of Oxford County residents and businesses.

Motion CARRIED

Municipal Council of the County of Oxford

Date: Wednesday, March 27, 2019

Moved By: David Mayberry
Seconded By: Sandra Talbot

Resolved that the recommendations contained in Report No. CAO 2019-03, titled "Regional Governance Review", be received as information

And further, that County Council request a meeting with Minister Clark and the Heads of Council of all Oxford Municipalities to discuss:

- a. the expected outcomes and expectations of the regional review and;
- b. to discuss the necessary timelines for completion of a Made in Oxford solution to achieve the desired outcomes of the provincial review.

And further, that County Council review and evaluate the governance options in developing a position on the regional governance review;

And further, that the Warden convene a special meeting of council for the purpose of conducting a public session forum where members of County Council and lower tier councils will participate in a professional formulated and facilitated workshop to draw consensus and conclusions on:

1. what about our municipalities is important to protect;
2. an evaluation criteria to assess the relative merit of alternatives and the status quo;
3. critical success factors and key desired outcomes;
4. the evaluation of the current two-tier, a modified two-tier and single-tier options;
5. concluding recommendations.

Motion CARRIED

To: Warden and Members of County Council
From: Chief Administrative Officer

Regional Governance Review

RECOMMENDATIONS

1. That, Oxford County Council wishes to consider and evaluate all governance options (Single Tier, Existing Two-Tier and Refined Two-Tier) in developing a position on the Regional Governance Review;
2. And further, that the Warden convene a Special Meeting of County Council for the purpose of conducting a public session forum where Members of Council will participate in a professionally formulated and facilitated workshop to sequentially draw consensus and conclusion on:
 - a. What about Oxford is important to protect;
 - b. An evaluation criteria to assess the relative merits of all alternatives to the status quo;
 - c. Critical Success Factors and key desired outcomes;
 - d. The evaluation of a Two-Tier Status Quo, Modified Two-Tier and Single Tier;
 - e. Concluding recommendations;
3. And further, that the Warden share Report No. CAO 2019-03 with the Honourable Steve Clark, Minister of Municipal Affairs and Housing and Oxford's M.P.P., the Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs.

REPORT HIGHLIGHTS

- This report presents County Council with a recommended approach designed to best articulate, quantify and present an Oxford County governance position that will allow recommendations to flow logically and translate into desired outcomes.

Implementation Points

Upon adoption of Report No. CAO 2019-03, the Warden and Deputy Warden, with the support of staff, will retain independent professional facilitation resources qualified to develop, facilitate and report outcomes as noted herein. Additionally, the Warden will work with the Clerk to convene a Special Council Meeting (Public Session) as outlined herein.

Financial Impact

The adoption of this report has no financial impact beyond that which is approved within the approved 2019 Budget and Business Plan. The Treasurer has reviewed this report and agrees with the financial impact information.

Risks/Implications

There is no risk associated with the adoption of this report. Nonetheless, considering the Ministry of Municipal Affairs and Housing's mandate to review regional governance and their invitation to affected municipalities to suggest ways in which they can meet that mandate, failure to present a locally designed plan leaves the County and Area Municipalities potentially subject to change that may not respect the unique qualities and opportunities inherent in our community.

Strategic Plan (2015-2018)

County Council adopted the County of Oxford Strategic Plan (2015-2018) at its regular meeting held May 27, 2015. The initiative contained within this report supports the Values and Strategic Directions as set out in the Strategic Plan as it pertains to the following Strategic Directions:

3. *i. A County that Thinks Ahead and Wisely Shapes the Future* – Influence federal and provincial policy with implications for the County by:
 - *Advocating for fairness for rural and small urban communities*
 - *Advocating for human and health care services, facilities and resources, support for local industry, etc.*
 - *Advocating for federal and provincial initiatives that are appropriate to our county*
4. *i. A County that Informs and Engages* - Harness the power of the community through conversation and dialogue by:
 - *Providing multiple opportunities for public participation and a meaningful voice in civic affairs*
5. *i. A County that Performs and Delivers Results* – Enhance our customer service focus and responsiveness to our municipal partners and the public by:
 - *Implementing clearly defined customer service standards and expectations*
5. *ii. A County that Performs and Delivers Results* - Deliver exceptional services by:
 - *Regularly reviewing service level standards to assess potential for improved access to services / amenities*

DISCUSSION

Background

On January 15, 2019, the Honourable Steve Clark, Minister of Municipal Affairs and Housing announced that the Province of Ontario has initiated a review of the **governance, service**

delivery, and **decision-making** functionality of eight regional municipalities (Durham Region, Halton Region, Muskoka District, Niagara Region, Oxford County, Peel Region, York Region, Waterloo Region) and Simcoe County ([Regional Government Review](#)).

On Sunday January 27, 2019, a delegation of Oxford County Council met Minister Clark (ROMA Conference delegation) in part seeking clarity on the expectations of the Regional Governance Review. On February 6, 2019 and March 8, 2019, each of the nine Oxford Heads of Council met individually with the Minister's Special Advisors. On March 13, 2019, Minister Clark announced the launch of an Online Consultation for Residents, Businesses and Stakeholders accessible at [Consultation: Regional Government Review](#).

At the local level, the City of Woodstock and the Township of Zorra staff have both reported to their respective Area Municipal Councils. Correspondence from the City of Woodstock was included as correspondence in the February 27, 2019 County Council agenda at which time Council adopted a resolution of receipt and requested a report from the Chief Administrative Officer.

Zorra Township correspondence on the matter is included in the March 27, 2019 County Council agenda.

Comments

Internal Coordination and Information Sharing

The Oxford CAOs met once to discuss the Regional Governance Review, reviewed the Oxford County Chart of Services prepared by the County at the request of the Ministry of Municipal Affairs and Housing (MMAH) and have shared some correspondence, including prior governance review information that was also shared with Council.

As requested by MMAH, on February 4, 2019, the Oxford County Chart of Services was submitted to the Ministry following discussion and review with the Area CAOs. Notwithstanding the above, there has not been substantive dialogue or coordination to this point.

There was no consultation or dialogue regarding the Woodstock or Zorra reports prior to public release, nor was this report shared prior to agenda release. In preparation for this report, input from the Area Municipal CAOs was sought regarding a breakdown of some of the 2017 Financial Information Return (FIR) data presented in this report as well as perspective on an evaluation criteria for each of the Minister's stated review pillars, namely Governance, Decision-making and Service Delivery. Limited input was received with respect to how any governance options being considered should be evaluated relative the three pillars of the provincial review.

Oxford County Governance Compilation

The aforementioned Oxford County Chart of Services, as reviewed and agreed by the Area Municipal CAOs and submitted to MMAH, was used as the basis for the Oxford County Governance compilation (Attachment 1). This summary provides a Community Overview along with a Governance, Service Delivery and Decision-making overview. The compilation is intended to illustrate some key parameters relevant to Oxford County's current two-tier

governance model as well as an illustration of a comparable jurisdiction operated within a single tier governance model. All data presented was compiled from public webpages, 2017 Financial Information Reporting (FIR) and 2017 Salary Disclosure data.

This compilation was not provided for any reason other than to illustrate the magnitude and complexity of municipal governance, service delivery and decision-making in the municipal context in Ontario. The breadth and complexity of municipal services is often misunderstood or overlooked. At the same time, our economic, community and environmental wellbeing are often critically influenced by the manner and structure in which we are governed.

For the purposes of this report, the Municipality of Chatham-Kent was used as a comparable single tier community. As illustrated in Attachment 1, while Chatham-Kent comprises approximately 20% greater geography, it represents only 3% more households, almost 8% less population. Chatham-Kent also comprises a less diversified total tax base (land assessment value) that is approximately 25% lower than that of Oxford County,

Governance

The functionality of a governance structure is often assessed by the perception of bureaucracy or its complexity, though with complexity may come other desired benefits. Notwithstanding, Attachment 1 illustrates some key comparable data relating a typical single tier to Oxford's existing two-tier governance structure.

Staffing

While the combined Oxford budgets are within 5% of Chatham-Kent's budget, the senior staff to manage the operations effectively are substantively different. Oxford's existing governance structure requires dramatically more senior staff at overall substantially higher costs:

- Chief Administrative Officers - Oxford has ~900% more at ~525% greater cost
- Senior Management Teams - Oxford has ~380% more at ~275% greater cost

Total salary expenditures as a percentage of overall expenditures is comparable in Chatham-Kent to the combined total in Oxford. While the overall % cost of management staff in the Oxford's two-tier governance model is not known at this point, the Oxford County organization is comparable to Chatham-Kent though supervisor span of control is broader in Chatham-Kent, as is typical of opportunities presented in larger organizations.

Elected Officials

Assessing elected representation in Chatham-Kent to the existing Oxford two-tier model is worthy of consideration.

Lower levels of government are often seen as closer to the population they represent. An important clarification however is that it is not the service delivery that is seen as closer to the population. Rather the relative closeness is viewed more from the visibility of the elected officials in the community.

Clearly population densities are much lower in small urban/rural communities when compared to the much denser medium and large urban centres across the province. As such, living in a smaller community typically includes a greater expectation of knowing, and regularly seeing, your broader community neighbours in a way that is not even contemplated in larger urban centres. The same expectation is true in regard to the visibility of political representatives in small communities. Notably the represented population of an elected official in a dense urban area is not comparable to that in a small/urban area. The challenge is, where does the reasonable balance lie?

Chatham-Kent Council comprises 17 Councillors representing 6,000 residents/elected official (2,300 households over 144 km²) on average across the area it represents. Across Oxford County's existing two-tier model, 42 Councillors represent approximately 2,600 residents/elected official (1,100 households and 48 km²) on average across the area. In Chatham-Kent one Mayor is elected at large by the eligible voters in a 102,000 geographic area, while the Oxford two-tier system requires eight Heads of Council (Mayors) elected at large by electors of communities ranging from less than 6,000 to just over 40,000 residents.

While the Oxford two-tier system requires no additional elected officials, an additional 10 elected official positions, comprising the Mayors of each of the eight Area Municipalities and two additional elected representatives from Woodstock comprise County Council. From within, Council elects a Head of Council (Warden), bringing the total Heads of Council to nine as compared to the Chatham-Kent single Head of Council. None of the nine Heads of Council in the Oxford model are elected at large by electors across the entire area representing the 110,000 residents.

Service Delivery

It is reasonable to assume that in the end, residents and businesses care about the affordability, effectiveness, access to and standards (levels) of service delivered to the community. The delivery agent is not the issue, the cost, quality, access, and reliability are the critical factors, not who is delivering the service.

As mentioned previously, the breadth and complexity of municipal services is often misunderstood or overlooked. The services delivered are effectively the same in Chatham-Kent as they are in total across Oxford County. There will be differences in service levels and methodologies of course. Service levels typically directly correlate to cost. Methodologies can impact cost and in some cases the very nature of the service provided. Delivery methodology examples might include Rural (often referenced as Volunteer) Fire Service versus Urban (Full-time) Fire Services or the use of community volunteers to operate and maintain recreation and community facilities. The existing two-tier governance model in Oxford allows each of the eight Area Municipalities the flexibility to choose the operation methodology and service level which best suits its community needs, in terms of practicality and affordability. General conversation with Chatham-Kent staff suggests they vary their service levels and methodologies by community based on need, practicality and affordability, utilizing the legislative authority that all municipalities have to apply an area rated tax levy and users fees/charges based on varying service levels. The area rating and fee for service systems available to municipalities is generally underutilized. Nonetheless, its intended goal is cost (tax and/or user fees) fairness in recognition of municipal service levels available to the ratepayer/user.

There are two key service level differences between the Chatham-Kent and Oxford governance model in its complexity. Staff at both the Area Municipal and County level in Oxford work to great ends to simplify that complexity. Notwithstanding, often enough residents are being directed either to the County or to an Area Municipality for the service they are seeking or need assistance with. This complexity is clearly illustrated in Attachment 1 by simply following the “Ys” that represent a service delivered in an Area Municipality or at the County. The number of services that are delivered by all is staggering, both resident facing services and administrative or organizational support services. In comparison, within the Chatham-Kent single tier model, there are no duplicate “Ys”.

The second key service issue is the fact that the vast majority of administrative or organizational support services are essentially undertaken by all nine government entities in Oxford. These services are not luxuries, rather they are essential to any effective organization. While there are a number of partnerships and synergies leveraged (tax collection, leveraged procurements etc.) the critical reality is they all need to exist in the current two-tier structure almost always nine times over. That is not to say they are duplicated, they are not. Each of the nine organizations in Oxford have their specific needs and many opportunities to partner with one or more municipalities is often explored. The single tier model in Chatham-Kent does not need to search those opportunities, rather they have a built in ability to optimize their delivery.

The other service level issue is the allocation of costs. Within the municipal framework today exists the ability to allocate property taxes by service area and access user fees and charges. The appropriate application of these two tools will be essential to ensure cost fairness relative to services received regardless of any proposed governance refinement or change options.

Decision-making

The primary issue surrounding governance related decision-making is likely to be complexity. Both single tier and two-tier models have equal ability to adjust service levels and apply area rated tax levies, apply user fees/rates, make long-term decisions, seek input from and engage the public.

Decision-making in a two-tier model is inherently more complex if the decision at hand spans more than one Area Municipality. As example in the Oxford context, if a community group wishes to broadly introduce or profile an issue and seek political support it may need to address up to nine municipal Councils. Similarly, a municipal Council wishing to influence decisions/action across all of the member municipalities must bring the matter to the remaining eight municipal Councils for collective action/decision. Often before setting a strategy at County Council for example, appropriately the input of all eight municipalities or municipal Councils is sought. While it is fair to say that complexity can increase in a two-tier system, it does not necessarily mean better decision making can only exist in a single tier. Consultation with local councils/staff on various planning policy matters is useful in understanding localized issues and garner perspective that may not be captured as readily in a single-tier approach. Larger single tier municipalities have used Community Councils/Advisory Councils to re-gain the potential advantage of the two-tier structure in this regard.

Most typically within the development industry, multiple Council approvals and/or staff input/approvals from upper and lower tier municipalities are required for a particular project to

move forward. For instance, water/wastewater servicing and/or connection approvals and agreements, roadway access approvals, site plan, zoning, building permit, fire safety approvals, plan of subdivision or official plan related, virtually all development activity requires at least some level of engagement with both levels of government in a two-tier structure. The specific municipalities will differ by application, notwithstanding developers and builders must deal with different zoning by-laws and building permit approval processes in each of the eight Area Municipalities they wish to do business in. Yes, the inherent complexity in a two-tier governance structure can always be streamlined, though it will never be eliminated.

An Oxford Approach

While the Province's specific intent or overall goals have not been clearly articulated, what is evident is that change in **governance, service delivery, and decision-making** functionality will be paramount to long-term success. Regardless of the outcomes of the governance review, the potential for added financial and service delivery pressures on municipal governments as the Province moves towards its own vision of financial, community and environmental vitality is real. The inevitable pressures that will be created, highlight the need to ensure an effective governance, service delivery and decision-making model is in place to respond.

Area Municipal Councils are beginning to take specific positions, as evident from the Woodstock and Zorra reports. County Council has not taken a formal position at this point. Notwithstanding local positions, County Council is urged to take a methodical approach prior to doing so.

Respectfully, the local municipal positions taken thus far appear to disregard any significant consideration of alternatives beyond minor tweaking of the existing two-tier governance model. Nor do they provide any indication of how the specific two-tier proposals made can be evaluated against either the existing two-tier structure, other alternatives or what the Province may propose at the conclusion of its review process.

Protecting what is Important

Council is urged to determine what is important to protect regardless of the governance structure. For example, often referenced as vital to the success of County Council is the rural/urban balance. It exists at County Council today, as evident with the Chatham-Kent model it can be protected going forward if Oxford so defines it. There are other elements of our community that must be protected regardless of the governance structure we operate within. Only Council can identify and emphasize those critical views to the Minister of Municipal Affairs and Housing, the Premier of Ontario and our local MPP.

Define a Criteria for Comparative Evaluation

An evaluation criteria need not involve extensive analysis, nor should it all be about savings. Notwithstanding, any alternative governance proposals should be about ensuring the most functional governance, service delivery and decision-making model. To do so requires the ability to easily assess alternatives relatively against a pre-set assessment criteria. Without such an assessment, any position lacks objectivity and credibility. Some of those criteria may be presented in Attachment 1. Others may need to be developed along with the inclusion of a methodology to ensure an assessment of "What is important". Care should be taken not to over complicate or over analyze.

Determine what is needed for Success

Any governance model will comprise critical success factors necessary to ensure promised and successful outcomes through implementation.

Discussions with Provincial officials has indicated legislative reform is possible through the regional governance review process. Does Oxford wish to pursue broader change, as part of the legislative reform necessary to implement any significant regional governance changes?

Examples of such broader change might be:

- Oxford may wish to pursue legislative reform to currently mandated services or legislated board requirements so it can “decide for itself”;
- Legislatively protecting what Oxford defines as important regardless of governance (e.g. urban/rural balance at Council);
- What of the proposed governance model must be enshrined in legislation/regulation to ensure successful delivery of promised outcomes?

Council may also wish to define the specific outcome targets and implementation actions necessary to ensure what is promised is delivered.

Process

As outline in this report, Council’s position and input to the Regional Governance Review should be established through a thoughtful methodical process culminating in a clear understanding and articulation of the desired outcomes and specific relative merits to the **governance, service delivery** and **decision-making** functionality of any proposed governance model. It is staff’s position that this determination should be entirely political and formulated in public.

As such, staff suggest that the Warden convene a Special Meeting of County Council. The purpose of the meeting being a public session forum where Members of Council participate in a professionally formulated and facilitated workshop to sequentially draw consensus and conclusion on:

- a) What about Oxford is important to protect;
- b) An evaluation criteria to assess the relative merits of all alternatives to the status quo;
- c) Critical Success Factors and key desired outcomes;
- d) The evaluation of a Two-Tier Status Quo, Modified Two-Tier and Single Tier;
- e) Concluding recommendations.

Critical to the success of the proposed process is the selection of an independent professional facilitator to develop and facilitate the session and finalize a report summarizing the outcomes.

Conclusions

Staff recommend Council take specific action to develop its formal position and input to the Regional Governance Review through a thoughtful methodical process culminating in a clear understanding and articulation of the desired outcomes and specific relative merits to the **governance, service delivery** and **decision-making** functionality of any proposed governance model.

SIGNATURES

Approved for submission:

Original signed by _____

Peter M. Crockett, P.Eng.
Chief Administrative Officer

ATTACHMENT

Attachment 1 Oxford County - Regional Governance Review

Oxford County - Regional Governance Review

ATTACHMENT 1 – Report CAO 2019-03

(Based on filed 2017 Financial Information Reports, for comparison purposes only)

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
Community Overview				
Population Served	102,000	109,979		
Households	47,938	46,352		
Land Area (km ²)	2,458	2,040		
Property Assessment Value (Total)	~ \$ 11.7 Billion	~\$ 15.6 Billion		
% Farm	36.2%	26.7%		
% Industrial, Commercial, Institutional	9.6%	11.7%		
% Residential (all classes)	54.2%	61.6%		
Governance				
Number of Councils	1	9		
Number of Elected Officials	18	50		
Number of Elected positions	18	60		
Rural – Urban split (@ single or upper tier)	50-55% Rural	50%		
Total Budget (Gross)	~\$366.6 M	~\$189.9M	~\$149.9M	
		~\$348.8 M		
% Staff Expenditures (salary & wages)	37%	32%	43%	
		36%		
Staff (FTE)	1355* (excl. Volunteer Fire)	631.5	n/a	
		n/a		
FT	1270	509	590	
PT	633	298	556	
Seasonal	188	9	284	
CAO	1	1	8	
Estimated CAO Salary and Benefits	~\$315,000	~\$275,000	~\$1,380,000	Estimated based on 2017 Salary Disclosure plus estimated 30% benefits cost
~ Executive Team	9	7	~24	
~ Total Executive Team Salary and Benefits	~\$1,750,000	~\$806,000	~\$4,050,000	
% Management Staff	~11.3%	~11 %	n/a	
~ Mgt. Span of Control (Avg.)	~1:8.6	~1:8	n/a	
Strategic Planning and Long-term Commitments	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	Oxford County - Long Term Strategies (Initiated & Supported) <ul style="list-style-type: none"> Corporate Strategic Plan, Future Oxford Community Sustainability Plan, Community Wellbeing (Supporting FOCSP), 100% Renewable Energy, Zero Waste, Zero Poverty

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes

Service Delivery				
Administration	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	<ul style="list-style-type: none"> • Administrative oversight and management • Municipal Budgets and Business Planning • Financial Planning • Asset Management • Risk Management • Freedom of Information • Human Resources • Communications • Clerk and Council support • County provides IT support to five area municipalities • GIS mapping services • Web services provided to area municipalities on an as need basis • Enterprise VoIP system – in process • Enterprise electronic document management system • Enterprise property management system – in process • Collaborate procurement for multi-function photocopiers (County, Tillsonburg, Ingersoll, Woodstock)
Airports	Y	N	Y	Tillsonburg owns/operates small municipal airport
Ambulance	Y	Y	N	Tiered response agreements with all Area Municipalities
Animal Control	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	
Building Services and Chief Building Officials and property standards	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	Shared CBO services between two rural municipalities
Cemeteries	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	Municipal and private operators
Childcare (Early Years)	Y	Y	N	<p>Fully integrated social housing, Ontario Works and Childcare (Early Years) programs</p> <p>Subsidy managed through Oxford Service Manager, private (non-profit and for-profit) operators</p>

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
Court Security (Police Function)	N	Y	N	Woodstock Police provide Court security, receives partial subsidy from County, and provincial grant under the Court Security and Prisoner Transportation Program. All Area Municipalities fund prisoner transportation. County pays full POA Court security costs provided through Woodstock Police Services
Court Services	Y (POA)	Y (POA)		Province provides Court Services, facility under lease from the County County pays full POA Court costs
Cultural Services (museums, arts galleries and performing arts centres)	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	Area municipal with exception of County Archive service/operations County Archives accommodates archival collections of three area municipalities.
Development Charges	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	Woodstock administers independent by-law update cycle/process Remaining municipalities participate in a coordinated by-law update process with County (Zorra and SWOX considering first DC By-law in 2019)
Debt Financing	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	Area Municipality debt approved and issued through County

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
Economic Development	Y	Y (limited)	Y Y,Y,Y,Y	<p>Rural Oxford Rural Economic Development Corp (Non-profit) jointly controlled (through ROEDC Board) and funded by 5 Rural municipalities</p> <p>Woodstock, Ingersoll and Tillsonburg deliver Ec. Dev. within their respective municipal operations</p> <p>Woodstock, Ec. Dev includes Woodstock and Area Small Business Enterprise Centre (Provincial business program supported) – County partially funds this program.</p> <p>County funding for Oxford Connections, a coordination partnership of all Area Municipal Ec. Dev (urban and rural) operations</p> <p>County financially supports Oxford Workforce Development Partnership. Local Employment Planning Council and Oxford Immigration Partnership Council</p> <p>Community Futures Oxford (Federally and Sand Plains funded)</p> <p>County provides subsidies to various municipal Ec. Dev programs and member of South Central Ontario Regional Ec. Dev. Corp</p> <p>County contracts Legacy Fund administration through Community Futures Oxford</p> <p>County funds and internally operates Tourism program/services</p>
Electric Utilities (Local Delivery Corp)	Y (Fibre as well)	N	Y,Y,Y,Y,Y,Y	<p>3 Local Delivery Operators in Oxford</p> <ul style="list-style-type: none"> • Tillsonburg Hydro Inc. (sole municipal ownership) • ERTH – operates within and outside Oxford (urban and settlement areas) within Ingersoll, Norwich, SWOX, Zorra and EZT all have share of ownership and Board seat) • Hydro One

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
Emergency Management	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	9 Emergency Plans, ECG and CEMC etc.
Fire	Y (blended service)	N	Y,Y,Y,Y,Y,Y,Y,Y	Delivery by Area Municipalities, services varies from full time service to volunteer based services
Forestry, and Woodlands Conservation	N	Y	Y,Y,Y,Y,Y,Y,Y,Y	County administered Woodlands Conservation By-law County Managed Forests and forested lands operated and managed by County, and trees within County road ROW Area municipalities manage woodlots and street trees within their ownership
Land-Use Planning	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	County provides full range of municipal planning services (including GIS-based planning information) for the County and Area Municipalities (AM) via a single harmonized service. There are no AM planning departments/staff The County Official Plan serves as the OP for the County and Area Municipalities (AMs), providing County-wide and AM specific policy direction in a single, integrated document. Each AM has their own Zoning By-laws, developed and maintained by County planning County is the approval authority for Official Plan/Amendments, Subdivisions & Condominiums and consents; AMs approve zoning, site plan and minor variances; County provides professional planning services (e.g. review, reports & recommendations for all County and AM applications) County is an executing party to all Municipal Servicing agreements and Subdivision agreements administered through AMs and supported by County Planning services; County Land Division Committee severance agreements administered by AMs

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
				Policy development, growth management and related studies and special projects (natural heritage studies, source protection planning, etc.) are undertaken at the County level; County also provides planning support for AM planning-related studies/projects (Community Improvement Plans, Urban Design Guidelines, etc.)
Libraries	Y	Y	Y	Oxford County Library serves 7 of 8 Area Municipalities Woodstock Library Service
Long-term care homes (senior services)	Y	Y	N	County operates 228 LTC beds in 3 facilities (Woodstock, Tillsonburg and Ingersoll) Private LTC operations in EZT, Ingersoll, Woodstock and Tillsonburg
Municipal Elections	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	ERO administered through each Area Municipal Clerk Woodstock Clerk administers County School Trustee election, coordinated with area municipal ERO
Municipal licensing	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	Administered through each area municipality
Parks and Recreation	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	Rural municipal operations extensively supported through community volunteers Includes Community Centres
Police	Y	N	Y,Y,Y,Y,Y,Y,Y,Y	Woodstock Police Service OPP (contract and non-contract based) across remaining area municipalities
Public Health	Y (internal)	Y	N	Southwestern Public Health Board (Est. in 2018) municipal funding through Oxford, Elgin County and City of St. Thomas Norwich operates Medical Centre

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
Roads, Bridges, Culverts, Active Transportation and structures	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	<p>County and Area Municipal operations and capital, coordinated as appropriate</p> <p>Roads operating agreement with Woodstock, Tillsonburg and Ingersoll within urban centres (County cost)</p> <p>County has boundary road maintenance agreements with neighbouring municipalities bordering Oxford County</p> <p>Street lighting and sidewalks at Area Municipal level</p>
Social and Supported Housing	Y	Y	N	<p>Fully integrated social housing, Ontario Works and Childcare (Early Years) programs</p> <p>Full Social housing continuum through County owned and operated facilities as well County supported non-profit and charitable operations</p>
Social Assistance (Ontario Works)	Y	Y	N	<p>Fully integrated social housing, Ontario Works and Childcare (Early Years) programs</p>
Solid Waste Management	Y	Y	Y	<p>All solid waste management costs incurred by County</p> <p>County contracts private operator for delivery of curbside co-collections (all but SWOX and Woodstock), bulk collections, recyclables transfer to processor along with contract operations of septic drop-off & haulage (including leachate) to WWTP, C&D, L&Y processing</p> <p>County internally operates landfill, (waste disposal, biosolids storage, public drop-off and HHW programs (at landfill site)</p> <p>County contracts SWOX in-house delivery of curbside co-collections (at County approved 6 day cycle) service level (6 day cycle) through contract with County</p> <p>Oxford contracts Woodstock to establish waste management programs, includes internal operation of curbside collections</p>

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
				and contract operations of public drop-off, recyclables transfer to processor All area municipalities operate leaf and yard waste depot and transfer at County cost
Storm water	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	County responsible for County road storm drainage only Multiple conservation authorities (Upper Thames, Grand River, Long Point and Catfish Creek) proportionate municipal funding through County
Tax Collections	Y	N	Y Y,Y,Y,Y,Y,Y,Y,Y	Tax billing and collections (including County levy) administered through each area municipality
Tax Policy	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y (consulted)	Established annually at County in consultation with all Area Municipal Treasurers
Trails	Y	Y (Limited)	Y,Y,Y,Y,Y,Y,Y,Y	County/Tillsonburg partnership for TCT trail development <ul style="list-style-type: none"> County responsible for capital improvements to trail specific infrastructure Tillsonburg responsible for operation & maintenance of TCT with municipal limits Not-for Profit trail development partners
Transit	Y	N	Y,Y	Tillsonburg operates TGo service Woodstock Transit Oxford administers social service transportation cost program
Wastewater (Municipal)	Y (Public Utilities Corp)	Y	Y,Y (Limited)	Oxford responsible for wastewater programs County-wide (all treatment, collection, pumping, sewer use control and over strength agreements, source water protection etc.)

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes
				<p>Woodstock and Tillsonburg contracted to provide wastewater collection operations and capital delivery services within municipal limits</p> <p>Ingersoll contracted to provide wastewater capital delivery services within municipal limits</p>
Water (Municipal)	Y (Public Utilities Corp)	Y	Y, Y(Limited)	<p>Oxford responsible for municipal water programs County-wide (all treatment, distribution, pumping, storage, wells, DWQMS source water protection)</p> <p>Woodstock and Tillsonburg contracted to provide water distribution operations services and capital delivery within municipal limits</p> <p>Ingersoll contracted to provide water capital delivery services within municipal limits</p> <p>County has water agreements with neighbouring municipalities bordering Oxford County (i.e. Perth East, Norfolk)</p>
Water/Wastewater Asset Management, Capital Programming, Financing and Billing	Y (Public Utilities Corp)	Y	N	<p>County establishes all water/wastewater rates, financing, asset management, capital programs and billing services</p> <p>Tillsonburg Hydro Inc. contracted to provide Tillsonburg area water and wastewater billing</p> <p>County contracts private utility to provide water/wastewater billing to all other customers in the County</p> <p>Woodstock, Ingersoll and Tillsonburg contracted delivery of water/wastewater engineering and coordinated capital works delivery</p>

	Comparable Single Tier (Chatham-Kent)	Oxford County Existing Two-Tier Structure		
		County	8 Area Municipalities	Explanatory notes

Decision Making				
Localized Service Levels	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	<ul style="list-style-type: none"> Ability to set area service levels and delivery methodologies exists regardless of governance structure
Localized Cost Allocations (Area Rating)	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	<ul style="list-style-type: none"> Enhanced Area Rating framework could provide broader application regardless of governance structure
Strategic Policy Applications	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	<ul style="list-style-type: none"> Approached differently by each governance body
Decisions Required by Multiple Councils	N	Y		<ul style="list-style-type: none"> Most common with development related approvals
Statutory Public Meetings	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	
Ability to Seek Public Input	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	
Ability for Public to Delegate	Y	Y	Y,Y,Y,Y,Y,Y,Y,Y	

To: Members of Council

Re: Regional Reform

AIM

To discuss the Regional Reform initiative, potential options and implications of Regional Reform and to provide City Council with an opportunity to submit comments on this initiative.

BACKGROUND

On January 15, 2019 the Ontario Government announced that it is moving ahead with a review of Regional Government. Two special advisors have been appointed to consult broadly over the coming months and provide recommendations to improve governance, decision-making and service delivery. Recommendations to the Ontario Government in these areas are expected by early summer of this year.

The last review of municipal governance occurred approximately 20 years ago pursuant to the *Savings and Restructuring Act, 1996*. There was significant municipal restructuring across Ontario at this time. In Oxford the County retained KPMG to undertake a restructuring and rationalization of services study. The number of County, City and Township Councillors was reduced as a result of the governance recommendations from this study. There were 11 municipal services studied as part of the rationalization of services portion of the study. These 11 services were subjected to the triple majority process and generally resulted in the migration of tourism and waste collection to the upper tier (subject to contracting for service to Woodstock and South West Oxford). The County did not properly assume the authority for waste collection which is the reason why the Municipal Act does not assign exclusive authority to the County for this service. The review also identified significant cost savings in rationalizing the dual road authority system (ie County Road Authority for County Roads and Municipal Road Authority for Local Roads). Devolution of the road program to area municipalities was estimated to generate the highest savings followed by the County contracting road maintenance for County roads to the lower tiers. Rather than implement one of these recommendations the decision was to pursue a "Cooperative and Innovative Services Model" which provides for joint purchasing, route optimizations and co-operative capital planning.

Province wide the stated objective of finding savings and efficiencies through this last municipal government restructuring was not achieved. The appended article, "*Amalgamations brought fewer Ontario cities, but more city workers*" by Wendy Gillis, January 13, 2014 provides observations and analysis of municipal government ten years after the amalgamations. "*The conclusion is very strong: amalgamation didn't reduce the size of municipal government*" and "*The results show that municipal public sector grew, both in employment and cost, and expanded at a faster rate than it had in the decade before amalgamations*".

What can be learned from this experience is that there are certain services which are best delivered at a local scale and there are other services which can be better delivered on a wider geographical scale.

COMMENTS

The current Regional Reform initiative is two pronged with the first area focusing on governance and structure and the second area on service efficiencies and service quality improvements.

Governance and Structure

Oxford County is first and foremost a rural County. The most significant force of change is the rapid growth of the City of Woodstock. The demand for growth opportunities should be expected to strengthen in the future; the difference will be that these opportunities will emerge and/or strengthen in other serviced communities in the County. This Regional Reform initiative should look ahead to the Oxford 20 years from now and what structural changes will best serve the taxpayer over these years.

Oxford County has a two tier government structure. Oxford County is a Regional Government but is essentially a servicing sharing organization that delivers services that are best managed on a larger geographical basis. One landfill for the entire County is a good example of a service that is best shared on a wider geographical basis.

Several alternative governance structures can be considered and are summarized below.

One Tier

The services delivered by the three urban municipalities and five townships are devolved to one level of government; presumably the County of Oxford under this option.

Based on the experience of amalgamations from twenty years ago, there should be no savings anticipated over the long term and any cost efficiencies related to one tier government will be eroded. This erosion will stem from the fact that some lower tier municipalities are unionized and others are not. There will be pressure to unionize with the County as one employer. Woodstock is the only municipality in the County with exclusively career firefighters and all other lower tier municipalities use volunteer firefighters. There will be similar pressure to migrate to the more costly career firefighter model.

The rural/urban service needs differ and there will be pressure to standardize services resulting in increasing cost. There is also concern that there will be pressure to standardize levels of service at a lower level than currently established in urban areas.

Decisions regarding matters such as zoning are best made at a local level where each Councillor voting on an application is elected to the community in which the application is made. Economic development is also best managed at a local level where competition drives decisions.

The Oxford Community Police Service (OCPS) can be considered a pilot project of one tier government. OCPS provided police services to the City of Woodstock, the Township of Blandford Blenheim, the Township of East-Zorra Tavistock and the Township of Norwich. This partnership disbanded in 2009 due to concerns over service levels and service costs.

Staff do not believe that a one tier system of government is appropriate for Oxford County.

Two Tier with Possible Lower Tier Boundary Realignment

A service rationalization review with consideration for lower tier boundary realignments is an option for consideration.

Staff suggest that this option be supported for further consideration.

Separated City(s) & County Amalgamation

This option considers creating a separated City status for some or all of the urban municipalities in the County and amalgamation of the County of Oxford with the County of Elgin, County of Middlesex and/or the County of Perth. Stratford and St Marys in Perth County are separated cities as is the City of St Thomas in Elgin County and London in Middlesex County. Service sharing agreements exist in Elgin, Middlesex and Perth Counties with their urban counterparts for various services.

The County of Oxford recently devolved Public Health to a new organization that serves both Oxford and Elgin Counties. Clearly, Public Health has emerged as a local service that is better delivered on a broader geographical basis than the current County boundaries. This option takes this example one step further to consider whether there are more services offered by the County that could be better delivered if moved to a larger geographical area.

This option has merit but brings greater difficulties to implement given that Elgin, Middlesex and Perth are not currently part of the Regional Reform initiative.

Service Efficiencies and Service Quality Improvements

There has always been a practice of resource sharing, working cooperatively and partnerships in the delivery of municipal services in the County. This sharing occurs both informally and contractually. The Regional Reform Initiative is an opportunity to consider "who does what" in the context of what is best for the taxpayer having regard for what we think the needs of Oxford residents and businesses will be 20 years from now. This is a challenging, yet intriguing question and there will be different perspectives. From the perspective of the City of Woodstock Staff suggest the following as services to be considered for changes.

Consent and Subdivision Approval

Land division responsibility currently resides with the County of Oxford. Consent applications are approved by a Land Division Committee which is appointed by County Council. Subdivision planning applications are approved by County Council. Public

meetings for both consent and subdivision applications occur at the City and then duplicated at either Land Division Committee or during Committee of the Whole at County Council. The public perceives that the public meeting held at the City is the statutory public meeting, but it is not. A local municipality is the decision making authority for zoning bylaw changes and Staff see no reason that Land Division decisions (consent or subdivision) should be different.

Staff suggest that these authorities should be transferred to the lower tier municipalities.

Water Distribution and Wastewater Collection Services

The City recommends consideration be given to affecting a shared authority to the City for water distribution and wastewater collection services within the City. The City currently provides maintenance services and capital replacement under contract to the County. The intent is to affect the following functions by granting shared authority to the City of Woodstock to:

- Independently approve wastewater collection and water distribution infrastructure to support economic development opportunities.
- Independently fund the cost of extensions to these systems.
- Independently approve operating and capital budget for this infrastructure.
- Pass a development charge bylaw for such infrastructure.
- Implement a one window approach to development approvals.
- Have the same status as other lower tier municipalities.

Successful economic development often hinges on the ability to provide information, servicing and upgrades in a guaranteed timely fashion. It is one of the most important development tools available.

Staff suggest that wastewater collection and water distribution be considered for non-exclusive status in the Municipal Act.

County Roads

The KPMG study undertaken by the County during the last governance and service review in July of 2000 estimated savings of approximately \$1.2 million if the County contracts road maintenance to area municipalities. Intuitively this estimate seems conservative considering the savings from eliminating the duplication of road patrol yards and equipment. This operational model exists in Elgin County and in the urban municipalities of Oxford County. Capital road reconstruction remains a county responsibility under this model.

The additional responsibility of County roads for a Township will result in more staff for the Township and less staff for the County. Township staff deliver services beyond roads and these additional staff will help support Township services when needed unlike a County roads employee.

Staff suggest that a devolution of County roads maintenance to all area municipalities be considered and that Lower Tier Municipal Councils request reports from their staff exploring the pros and cons of providing maintenance services on County roads under contract to the County.

RECOMMENDATION

That Woodstock City Council support the transfer of Consent and Subdivision approval authority to the City of Woodstock and that water distribution and waste water collection become a non-exclusive sphere of jurisdiction in Oxford County;

AND FURTHER that the following resolution be adopted by Woodstock City Council:

WHEREAS the Ontario Government has begun a Regional Reform Initiative that includes Oxford County;

AND WHEREAS the City of Woodstock opposes a one tier governance structure in Oxford County as it will not result in better decision making, will not result in improved services and will not provide cost efficiencies;

AND WHEREAS the City of Woodstock supports the continuation of a two tier governance structure and prefers to develop a "Made in Oxford" solution by looking at service rationalization and realignment;

NOW THEREFORE BE IT RESOLVED that Woodstock City Council requests County Council to facilitate and coordinate a process for developing a two tier "Made in Oxford" solution and that this report be circulated to all Oxford County Municipalities for consideration of endorsement;

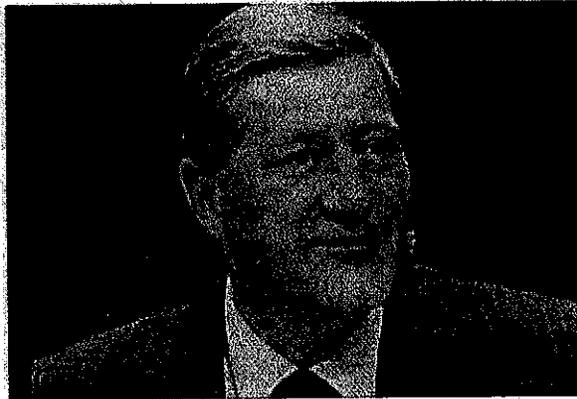
AND FURTHER that this report be forwarded to the Ministry of Municipal Affairs, the Oxford Member of Provincial Parliament and the Regional Reform Special Advisors.

David Creery, M.B.A., P. Eng., Chief Administrative Officer

News / GTA

Amalgamation brought fewer Ontario cities, but more city workers, report finds

New analysis finds local governments actually grew bigger, faster, after Mike Harris's so-called Common Sense Revolution, which massively restructured Toronto and other cities with the aim of reducing costs.



JOHN MAHLER FILE PHOTO

New research by a professor at Western University shows that the Common Sense Revolution espoused by former Ontario premier Mike Harris, seen here in a portrait from 1994, was unsuccessful in reducing the size of municipal government.

By: Wendy Gillis News reporter, Published on Mon Jan 13 2014

It was dubbed the Common Sense Revolution — Progressive Conservative premier Mike Harris's 1995 campaign to slash the province's bloated public sector through massive municipal government restructuring, to the tune of \$250 million in taxpayer savings.

But new analysis has found that while amalgamation technically decreased the number of municipalities in Ontario — down from 850 to 445 — and 23 per cent of elected official positions were axed, more people than ever are working in Ontario's municipal governments.

"The conclusion is very strong: amalgamation didn't reduce the size of municipal government," said Timothy Cobban, political science professor at Western University and lead researcher.

Cobban and his team crunched government data, including Statistics Canada numbers for 15 years before and after the provincial amalgamation, to determine just how much sense Harris's plan made in the long run.

The results show the municipal public sector grew, both in employment and cost, and expanded at a faster rate than it had in the decade before amalgamation.

From 1981 to 1996, Ontario's municipal governments grew by 23.9 per cent overall, adding 39,191 jobs. During the 15 years post-amalgamation, from 1996 to 2011, they grew by 38.8 per cent, adding 104,200 jobs. In total, about 270,000 people work in the municipal public sector in Ontario today, compared with 160,000 people in 1995.

That has translated into a sizeable spending spike: in 1981, Ontario spent just under \$200 million on local government salaries and wages. By 2011, that number had increased to \$750 million.

The rising number of government workers is not explained by population growth, Cobban says: The statistics show that in 1990, there were 15.8 municipal workers per thousand residents, while in 2010 there were 20.9 workers per thousand.

Cobban attributes this expansion to several other factors.

First, when municipalities merge, there will inevitably be jobs created in some fields. For instance, if suburban and urban areas merge, new firefighters will probably need to be hired, because the suburb may have previously had a part-time or volunteer department.

"Typically, as they get merged into a city, you end up with a full-time fire department and various other services," said Cobban. "There's upward pressure on services as people in one area of a city will understandably demand comparable services as people on other sides of the city."

Amalgamation also tends to hike wages for public-sector employees, since merging of collective bargaining units usually means compensation is harmonized upwards, Cobban said.

Growth can also be partly explained by the so-called "downloading" of provincial responsibilities onto municipalities that occurred under the Harris government, including social assistance, public housing and public health.

For instance, in 1991, just 3.4 per cent of Ontario's municipal government workers were employed in social services. By 2011, that number had more than doubled, to 7.8 per cent.

But numbers also increased in areas unaffected by downloading, including administrative roles such as clerks and treasurers, Cobban found.

"This is a significant finding because the (Common Sense Revolution) platform sought to reduce the number of administration roles . . . by reducing the number of municipalities, but this did not occur," Cobban wrote in a preliminary report on the research, prepared for a recent presentation to Hamilton's city council.

The findings don't necessarily mean amalgamation as a whole was a failure, Cobban said. Though it's clear it didn't achieve its stated goal, it may have produced municipalities that are stronger and better run, he said.

"We're agnostic about the conclusion, about whether it's good or bad on its own," he said.

Andrew Sancton, Western University professor and author of *Merger Mania: The Assault on Local Government*, said he was not surprised by the findings.

Sancton was hired by the pre-amalgamation city of Toronto to prepare a rebuttal to the province's report, prepared by KPMG, which said the changes suggested in the Common Sense Revolution would save money.

Based on academic research and real-world examples of other amalgamated cities, Sancton's report found that there wasn't a strong argument to be made for economies of scale — that is, that costs decrease when operations grow. Sancton found that there weren't many economies of scale in services that were not already amalgamated in Toronto and other cities.

It also foreshadowed Cobban's findings, saying wage and service levels were likely to increase.

"All the evidence was that there was little or no prospect of saving money," he said.

Chris Stockwell, a member of the Harris government during amalgamation, said he was opposed to it from the beginning. He claims there was little discussion about its implications before the idea was launched into the public realm during the 1995 election.

"Listen, I'm a big fan of the Harris government; we made some good decisions, but this one . . . it just came out of the air," Stockwell said.

A politician who worked in local, regional and then provincial government, Stockwell felt government grew less connected to constituents the bigger it got, and that small governments are the most efficient.

Doug Holyday, former Toronto deputy mayor and now the MPP for Etobicoke-Lakeshore, was Etobicoke's mayor during the push for amalgamation, and was in the minority among GTA mayors when he did not oppose it.

At the time, it seemed there was logic in fusing the numerous clerical offices, fire departments and more, and he was seeing similar moves in the corporate world.

"There were companies amalgamating throughout the world that were doing it, for good reason, and I thought those good reasons should apply here," he said. But he's not surprised to learn the size and cost of municipal governments in Ontario is larger than ever. "I watched it happen," he said.

A major problem was the lack of political will on the part of municipal leaders, who did not strongly enforce cuts in the number of jobs in their offices by getting rid of redundant positions, he said.

"Bureaucracy just by its nature grows, unless it's fought with," Holyday said.

Cobban's team also found that Ontario has more municipal government workers than any other province. Forty-three per cent of all municipal employees in Canada work in Ontario — a disproportionately large share, says Cobban, since Ontario has only 38 per cent of the country's population.

Submitted by: Don MacLeod, Chief Administrative Officer

Report No: 2019-046

Council Meeting Date: March 6, 2019

Agenda Item: 7.6(e)

Subject: Regional Government Review

File: D17 Annexation/Amalgamation

RECOMMENDATION:

For Council's consideration.

BACKGROUND & COMMENTS:

Minister of Municipal Affairs and Housing, Steve Clark, announced on January 15, 2019, the government was commencing a review of regional governments in Ontario. This review includes the regions of Durham, Halton, Niagara, Peel, Waterloo and York, counties of Oxford and Simcoe (not including cities of Barrie and Orillia) and the District of Muskoka.

The Minister of Municipal Affairs and Housing has appointed two special advisors as an advisory body to help with this review, Ken Seiling and Michael Fenn. The mandate of the advisory body is to provide expert advice to the Minister and to make recommendations to the government on opportunities to improve regional governance and service delivery.

Recommendations from the advisory body will focus on the following questions:

Questions on municipal governance and decision-making;

- a. Is the decision-making (mechanisms and priorities) of upper- and lower-tier municipalities efficiently aligned?
- b. Does the existing model support the capacity of the municipalities to make decisions efficiently?
- c. Are two-tier structures appropriate for all of these municipalities?
- d. Does the distribution of councillors represent the residents well?
- e. Do the ways that regional councillors/heads of council get elected/appointed to serve on regional council help to align lower- and upper-tier priorities?

Questions on municipal service delivery;

- f. Is there opportunity for more efficient allocation of various service responsibilities?
- g. Is there duplication of activities?
- h. Are there opportunities for cost savings?
- i. Are there barriers to making effective and responsive infrastructure and service delivery decisions?

To set the context for this current review, it is important to understand why and how Oxford County has been included in a regional government review. The present municipal structure in

Oxford was created through the **County of Oxford Act** which restructured Oxford County in 1975. This restructuring saw the 15 villages and townships amalgamated into the existing five rural townships as well as the inclusion of Woodstock in the County structure. Ingersoll and Tillsonburg were already in the County structure. Oxford was the last major restructuring from an initiative started by the Progressive Conservative government in 1969 and saw the creation of 10 regions and one district. Listed below are the dates of creation:

- Ottawa Carleton 1969
- Niagara 1970
- Muskoka 1971
- York 1971
- Sudbury 1973
- Waterloo 1973
- Durham 1974
- Halton 1974
- Haldimand-Norfolk 1974
- Hamilton-Wentworth 1974
- Peel 1974
- Oxford 1975

Regional municipalities (or regions) are upper-tier municipalities created by the province to generally provide area wide services such as:

- maintenance and construction of arterial roads in both rural and urban areas
- transit
- policing
- sewer and water systems
- waste disposal
- region-wide land use planning and development
- health and social services

Each region had specific legislation that set out which level of government was responsible for provision of services. Hence the variations in each of the regions and Oxford County.

The next round of municipal restructuring took place under the Mike Harris government in the late 1990's and saw the number of municipalities in Ontario reduced from 815 to 445. In this round of restructuring there were forced amalgamations through the provincial appointment of commissioners and resulted in the creation of single-tier municipalities including:

- Hamilton
- Ottawa
- Prince Edward County
- Chatham-Kent
- Kawartha Lakes
- Haldimand
- Norfolk

In addition, there were many amalgamations that took place to avoid having the province appoint a commissioner.

In Oxford, the County retained KPMG to undertake a restructuring and rationalization of services study. The number of County, City and Township Councillors was reduced as a result of the governance recommendations from this study. There were 11 municipal services studied as part of the rationalization of services portion of the study. These 11 services were subjected to the triple majority process and generally resulted in the migration of tourism and waste collection to the upper tier (subject to contracting for service to Woodstock and South West Oxford). The County did not properly assume the authority for waste collection which is the reason why the **Municipal Act** does not assign exclusive authority to the County for this service. The review also identified significant cost savings in rationalizing the dual road authority system (i.e. County vs. lower-tier). Devolution of the road program to area municipalities was estimated to generate the highest savings followed by the County contracting road maintenance for County roads to the lower tiers. Rather than implement one of these recommendations the decision was to pursue a "Cooperative and Innovative Services Model" which provides for joint purchasing, route optimizations and co-operative capital planning.

This now leads to the current review and the questions that Ken Seiling and Michael Fenn have been tasked to provide recommendations on. The questions listed on page one deal with two distinct streams; governance and service delivery.

Governance and Decision Making

This report does not review the questions surrounding governance and decision making other than to address the primary concern is whether the province will impose a single-tier structure.

There is an overwhelming body of evidence over the past 20 years that anticipated savings from creation of single-tier municipalities does not come to fruition. Given the short duration the two special advisors have to review nine upper-tier governments and 73 lower-tier governments there is no possible way the required in-depth financial analysis can be carried out to determine whether creation of single-tier municipalities can be a financial success.

Municipal Service Delivery

There has always been a practice of resource sharing, working cooperatively and partnerships in the delivery of municipal services in the County. This sharing occurs both informally and contractually. Zorra has shared various staff positions such as By-law Enforcement Officer, Building Inspector and Fire Chief with both Ingersoll and South-West Oxford. There is backfilling of absences from these key positions as well. Arrangements like this are present across all municipalities and is part of the overall commitment to continuous review of providing services at an affordable cost.

However, there are several service improvements that could, and should be considered as part of this review. The following list is by no means exhaustive and are those services that have previously been discussed.

Policing

At present, Zorra and South-West Oxford are the only two municipalities served by the OPP without a police services board. Consideration should be given to creating an OPP police services board for the seven OPP serviced municipalities. There would be relatively minor cost-savings, but efficiencies would be gained by eliminating five boards and reporting of the Detachment Commander to each. It is recommended that further study be given to this option.

County Roads

The KPMG study undertaken by the County during the last governance and service review in July of 2000 estimated savings of approximately \$1.2 million if the County contracted road maintenance to area municipalities. This operational model exists in Elgin County and in the urban municipalities of Oxford County. It is recommended that further study be given to this option.

Emergency Management

Discussion took place several years ago regarding whether the Emergency Management function should be migrated to the upper-tier. At the time, there was thorough discussion regarding this option and unfortunately no consensus was reached primarily due to lower-tier municipalities not wanting to cede control to the County. There was and continues to be a legislative impediment by not permitting an upper-tier to assume this responsibility. The duplication of work with respect to emergency management is considerable as is the lack of specialization at the local-tier level. Each lower-tier has an individual appointed as a CEMC but is not dedicated fully to this function. In addition, the administrative support required to meet the requirements of the *Emergency Management and Civil Protection Act*, is extremely onerous and duplicated nine times. It is recommended that further study be given to this option.

Integrated Phone Service

The County, Zorra, South-West Oxford, Ingersoll, Tillsonburg and Blandford-Blenheim are in the process of having an integrated phone service installed through Bell Total Connect. It is anticipated each municipality will achieve savings of approximately 50% off present costs. This system will be seamless, and calls answered in one municipality can be transferred to another without having the ratepayer hang up and call again. From a customer service point of view, this enhancement will provide a much higher level of service at a lower cost. There would be considerable benefit from having all municipalities participate in this project. It is recommended that further study be given to this option.

Should Council concur with the recommendations for further study, a resolution should be passed and circulated to Oxford municipalities.

FINANCIAL IMPLICATIONS

N/A.

LINK TO STRATEGIC PLAN

N/A

ATTACHMENTS

Submitted by:



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