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# HALDIMAND COUNTY

## Report FDS-01-2021 Municipal Modernization Program – Intake 2 For Consideration by Council in Committee on March 2, 2021

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### OBJECTIVE:

To provide information regarding staff's intent to apply for funding through the Municipal Modernization Program – Intake 2 for the purpose of modernizing service delivery in order to finding operational savings and business process efficiencies.

### RECOMMENDATIONS:

1. THAT Report FDS-01-2021 Municipal Modernization Program – Intake 2 be received;
2. AND THAT the submission of an Expression of Interest for the Municipal Modernization Program – Intake 2, be supported.

**Respectfully submitted:** Mark Merritt, CPA, CA, General Manager of Financial & Data Services

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

Staff are in receipt of the program guidelines related to Ontario's second intake for the *Municipal Modernization Program*. To be eligible for funding, the County must submit a completed application including an Expression of Interest (EOI) by March 15, 2021. The Ministry expects to advise municipalities of the outcome of their application in May 2021. Further details of the intended project will be provided to Council if the grant funding is approved.

### BACKGROUND:

In November 2019, staff received notification from the Ministry of Municipal Affairs and Housing (MMAH) regarding the Province's *Municipal Modernization Program*. At the November 25, 2019 Council meeting, report [FDS-03-2019 Municipal Modernization Fund Expression of Interest](#) was presented to seek support under the first intake as a requirement of the application.

Haldimand County's application under the first intake was successful and resulted in a third-party review of the Information Systems Division organizational structure and 15 business processes by Perry Group Consulting and a final report ([FDS-04-2020 Municipal Modernization Final Report](#)) which was presented at the December 8, 2020 Council in Committee meeting.

The second intake, announced January 26, 2021 (Attachment 1), is intended for municipalities to benefit from provincial funding to conduct additional third party reviews or alternatively, implement projects identified under the previous intake, to increase efficiency and effectiveness and lower costs in the longer term supporting the following priorities:

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

## ANALYSIS:

Intake 2 of the program allows for 2 separate application streams:

1. The **review** stream provides funding for municipalities to undertake expenditure reviews with the goal of finding efficiencies and lowering costs in the longer term.
2. The **implementation** stream provides provincial cost-sharing (65% Province/ 35% Municipality) 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 County has previously completed the review stream under the first intake, resulting in the identification of a number of process improvement opportunities that would benefit the end users of the services as well as significantly projected cost avoidance in the management of these services. Of the 15 processes reviewed, the total annual potential cost avoidance from top 7 processes equates to \$880,000. Staff are reviewing the list of processes in conjunction with the grant criteria in order to select which processes to review that would best meet the purpose of the program.

To apply for the funding, an Expression of Interest (EOI) must be submitted to the Ministry by March 15, 2021, which will include project scope and anticipated costs. Haldimand County will be advised in May 2021 whether the application is approved. If approved, a further report will be presented to Council to accept the funding and enter into an agreement. Under the program, the implementation stream project must be completed by September 30, 2022.

## FINANCIAL/LEGAL IMPLICATIONS:

As this is an application based grant opportunity, funding can only be received if the County submits the required EOI. As these types of reviews typically require financial resources and independent expert knowledge not currently included in the County's operating budgets, the access to these funds will provide an opportunity to the County that it may not otherwise have had the resources to undertake.

The implementation stream anticipates that the provincial share of most projects will be between \$20,000 and \$250,000. For municipalities with more than 5,000 households the municipalities share of the project cost is 35% resulting in the municipality's share ranging from approximately \$10,769 to \$134,615. Proposed costs will depend on the overall value of the project, if approved.

If grant funding is approved, staff will report back to Council outlining the project details and seek approval for the municipal share of the costs. The County will also be required to enter into a transfer payment agreement.

## STAKEHOLDER IMPACTS:

The proposed scope of the project to be included in the Expression of Interest will be vetted by senior staff. Stakeholder impacts of the proposed project will be included in a subsequent report to Council, if required.

## **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

## **ATTACHMENTS:**

1. Correspondence from the Ministry of Municipal Affairs and Housing dated January 25, 2021 re: second intake under the Municipal Modernization Program.