



Subject: Municipal Modernization Program – Funding Application

To: Council

From: Chief Administrative Office

Report Number: 2021-255

Meeting Date: October 12, 2021

Recommendation:

That Chief Administrative Office Report 2021-255 be received;

That Council direct the Manager of Strategic Initiatives to submit funding applications to the Municipal Modernization Program, Intake Three (3); and

That Council commits to fund the City's share of the projects from the 2022 Capital Budget.

Purpose:

The purpose of this report is to inform Council of the Municipal Modernization Program (MMP) Intake Three (3), staff's intention of submitting applications by the deadline of October 19th, and to seek Council's support.

Background:

The Province created the Municipal Modernization Program (MMP) in 2019 to provide municipalities with funding to modernize services and processes and find cost savings and efficiencies in their operating budget. The province committed \$125 million in funding over four years.

The City of Port Colborne was successful in securing MMP funding from Intake One and Intake Two, and staff intend to submit applications to Intake Three as municipalities are permitted to submit more than one application. There are two streams for Intake 3:

- 1) 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 maximum funding available is \$250,000. This includes a cost sharing component, so total project cost could be over \$250,000.

- 2) 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. The maximum funding available is \$150,000.

According to MMP program guidelines, priority may be given to projects that address digital modernization; service integration; streamlined development approvals, and shared services/alternative service delivery.

KPMG completed a Service Delivery Review for Port Colborne in August 2020. This was funded by Intake One of the MMP. The overall goal of the service delivery review was to better understand the current service levels and processes, identify opportunities for improvement and efficiencies, and make recommendations for implementation based on best practices from other jurisdictions and emerging trends in service delivery.

The context for the review is that Port Colborne, along with other municipalities, is dealing with rapid change, growth and development, increased responsibilities, competing priorities, budget constraints and limited opportunity to grow revenues. KPMG partnered with the University of Toronto in creating a new public service delivery framework based on leading best practices and insights from around the world. This framework proposed five different methods to improve efficiency and effectiveness of service delivery: modernizing bureaucratic processes; reassignment of roles between levels of government; digitization; devolution; and alternative financing and procurement.

The City's application to Intake Two focused on digitization and modernizing bureaucratic processes by utilizing enhancements in new technologies to improve service delivery, enhance communication and information sharing between and within departments and with the public, and modernizing the City's financial system and improving online transparency of capital and operating budget.

Discussion:

Staff will be submitting applications to the implementation and review streams. MMP officials have confirmed that municipalities can submit more than one application.

The applications to the implementation and review streams are for City capital projects and corporate priorities planned for 2022 and align with the "digital modernization" and "service integration" and "streamlined development approvals" namely:

GIS Online Data	\$20,000
Route Patrol Software	\$12,000
Public Works Online Permit Applications	\$20,000
Lotus Notes Database Migration and Transition	\$100,000
Organization Reviews	\$35,000
HR Management Systems – External Review	\$50,000
Planning & Building Rates/Fees and Process Review	\$35,000
Cloud Based Telephone System with NRBN	<u>\$80,000</u>
Total	\$352,000

City staff will collaborate on MMP applications between now and October 19th.

In addition to the KPMG report, the City's new strategic plan includes a key pillar focused on "Service and Simplicity: Quality and Innovative Delivery of Customer Service" and these projects align with this pillar. The goal is to make interacting with our City simple through clear communication, efficient and effective processes, and making the best use of appropriate technologies.

Internal Consultations:

The MMP and potential projects were discussed by the City's Corporate Leadership Team. There was also follow up discussions with the Manager of IT, Director of Corporate Services, and City Clerk/Acting Director of Planning and Development.

Financial Implications:

Several of the proposed projects are included in the 2022 Capital Budget. The following projects are not included in the Capital Budget: (1) Planning and Building Fee Review, if successful, will be funded 100% from the MMP; (2) Cloud Based Telephone System fits under the implementation review stream and the province will fund up to 65% of the project; (3) HR Management Systems Review, if successful, will be 100% funded from the MMP; and (4) Lotus Notes Migration and Database Transition, if successful, will be funded 65% from the MMP.

The City's portion (35%) of the projects under the implementation stream can be funded from the MMP contribution to the projects previously budgeted in the 2020 Capital Budget. In the event the other projects are not approved, funding is recommended from the capital contingency fund.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Value: Financial Management to Achieve Financial Sustainability
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

The City of Port Colborne was successful in securing Municipal Modernization Program (MMP) funding from Intake One and Intake Two. Staff intend to submit applications to the MMP's implementation and review streams that are part of Intake 3 by the deadline of October 19th. City staff are committed to exploring and implementing different service delivery models as part of a culture of innovation. This is a strategic focus on how the City wants to improve service delivery and modernize our processes.

Appendices:

- a. Letter from Municipal Affairs Minister Steve Clark re: MMP – Intake 3

Respectfully submitted,

Gary Long
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.