



PORT COLBORNE

Subject: Municipal Modernization Program – Funding Update and Transfer Agreements

To: Council

From: Chief Administrative Office

Report Number: 2022-31

Meeting Date: February 22, 2022

Recommendation:

That Chief Administrative Office Report 2022-31 be received;

That Council approve the Transfer Payment Agreements between the City of Port Colborne and the provincial government for funding from the Municipal Modernization Program, attached as Appendices B to G to Chief Administrative Office Report 2022-31;

That a by-law to enter into the Transfer Payment Agreements with the provincial government be brought forward; and

That the 2022 Capital and Related Project Budget be adjusted to fund the projects by repurposing the funds previously budgeted for the Departmental Organization Review and Route Patrol Software which total \$47,000 and \$31,258 from the capital contingency fund.

Purpose:

The purpose of this report is to update Council on the Municipal Modernization Program applications submitted by the City and to have Council authorize the Mayor and City Clerk to sign the Transfer Payment Agreements.

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 budgets. The province has committed \$125 million in funding over four years. The City of Port Colborne was successful in securing funding

from intakes one and two. Intake three, which was announced in August 2021, included two streams:

1. The “implementation stream” provides provincial cost-sharing for municipalities to undertake projects that increase municipal efficiency and effectiveness.
2. The “review stream” provides funding for municipalities to undertake expenditure reviews with the goal of finding efficiencies and lowering costs in the longer term.

According to the MMP program guidelines, priority was 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 the City in August 2020. 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 opportunities to grow revenues. KPMG partnered with the University of Toronto to create a new public service delivery framework based on leading best practices and insights from around the world. The framework proposed five different methods to improve service delivery efficiency and effectiveness:

- Modernizing bureaucratic processes
- Reassignment of roles between levels of government
- Digitization
- Devolution
- Alternative financing and procurement

The overall goal of the City’s review was to better understand current service levels and processes, identify opportunities for efficiencies and improvement, and make recommendations for implementation based on best practices from other jurisdictions and emerging trends in service delivery.

Discussion:

In the fall of 2021, staff submitted eight applications to the third intake of the MMP for both the implementation and review streams. The province approved six applications. These applications are for capital projects and corporate priorities planned for 2022, and they address the MMP priorities of digital modernization and service integration.

As per the attached letter from Municipal Affairs Minister Steve Clark, the Province is to provide funding for the following projects:

Project	Provincial Contribution	City Contribution	Total Project
Telecommunications System Modernization	\$59,530	\$32,055	\$91,585
Fire/Emergency Services Digitization and Records Management	\$59,530	\$32,055	\$91,585
Digitizing Public Works Permit Process	\$16,536	\$8,905	\$25,440
Route Patrol Software	\$9,922	\$5,343	\$15,265
Departmental Organization Review	\$45,792	\$ -	\$45,792
Human Resources Management and Information Systems Review	\$76,320	\$ -	\$76,320
Total	\$267,630	\$78,358	\$345,987

Internal Consultations:

Potential MMP intake three projects were discussed by the City's Corporate Leadership Team. The applications were a collaborative effort between Economic Development and Tourism Services, Information Technology, Corporate Services, Human Resources, Fire and Community Safety, and Planning and Development.

Financial Implications:

In order to receive the grants identified in this report, the City will need to contribute \$78,358 as identified above.

Financial Services recommends this balance be funded as follows:

- Repurpose the funds previously budgeted in the 2022 capital and related project budget for the Departmental Organization Review and Route Patrol Software which total \$47,000.
- Transfer the remaining \$31,358 from the previously budgeted 2021 capital contingency fund. This would leave the remaining balance of this contingency fund at approximately \$74,000.

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
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

The City of Port Colborne was successful in securing funding for six projects from intake three of the Municipal Modernization Program (MMP). Through the City's Service Delivery Review and new strategic plan, which includes a key pillar focused on "Service and Simplicity: Quality and Innovative Delivery of Customer Service", City staff are committed to improving service delivery and modernizing processes. As part of a culture of innovation, exploring and implementing different service delivery models remain a strategic focus.

Appendices:

- a. Letter from Municipal Affairs Minister Steve Clark
- b. Transfer Payment Agreement - Telecommunications System Modernization
- c. Transfer Payment Agreement - Fire and Emergency Services Digitization and Records Management Implementation
- d. Transfer Payment Agreement - Digitizing Public Works Permit Process
- e. Transfer Payment Agreement - Route Patrol Software
- f. Transfer Payment Agreement - Departmental Organization Review
- g. Transfer Payment Agreement - Human Resources Management and Information Systems Review
- h. Draft By-law

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.