



CITY OF ELLIOT LAKE

North Shore Municipal Modernization Partnership (MMP) Project

Service Sharing Opportunities – Final Report

March 1, 2022

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1.0 Introduction

1.1 Nature of the Engagement

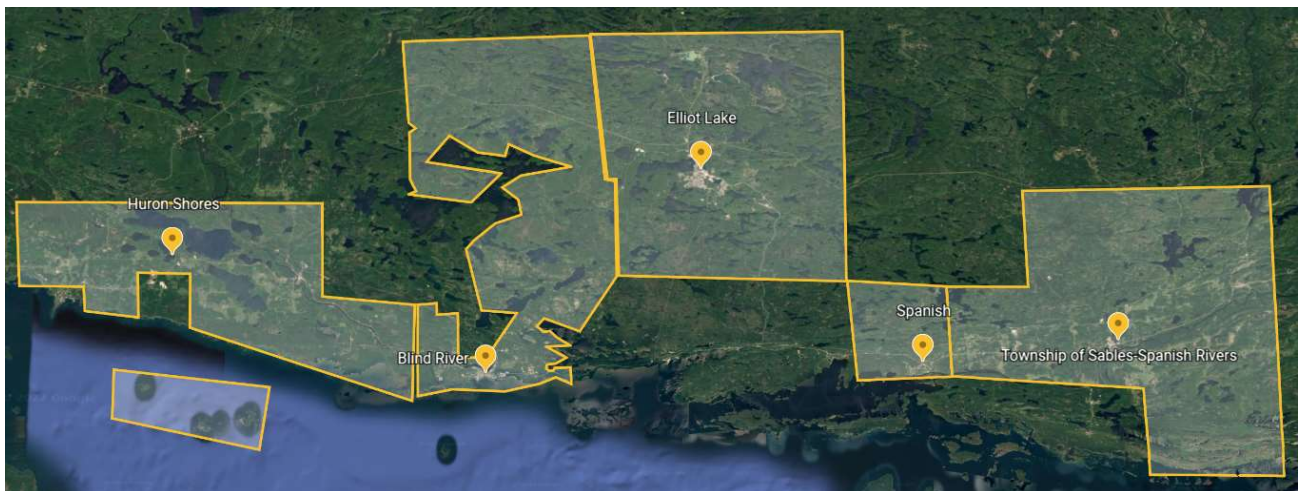
Performance Concepts Consulting Inc. was retained by the City of Elliot Lake, on behalf of the North Shore Municipal Modernization Partnership (MMP group) of municipalities, to execute a Service Sharing Review under the auspices of the Province's Municipal Modernization Fund.

This independent 3rd party Interim Report positions the North Shore MMP municipal partners to fully comply with the terms of their Modernization Fund contract with the Province. The 2021-2022 North Shore MMP Service Sharing Review *Final Report* has been delivered on time and on budget by the Performance Concepts team.

1.2 Background Re. North Shore Joint MMP

The North Shore MMP project is an ongoing collaboration of municipal partners consisting of five municipalities located along Highway 17 between Sudbury and Sault Ste Marie. The North Shore MMP municipalities are as follows:

- City of Elliot Lake (pop. 11,372)
- Township of Sables-Spanish Rivers (pop. 3,237)
- Municipality of Huron Shores (pop. 1,860)
- Town of Blind River (pop. 3,422)
- Town of Spanish (pop. 670)



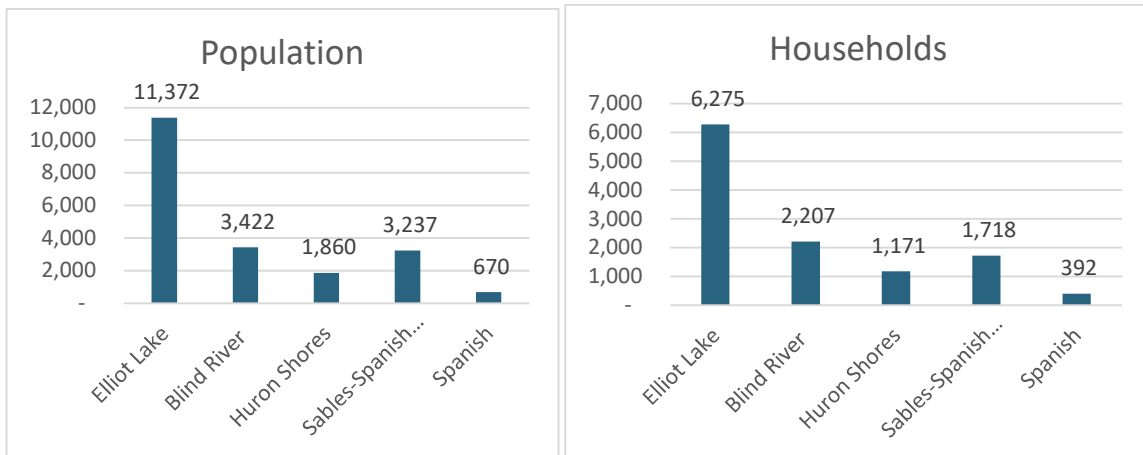
** In the absence of a definitive map, Performance Concepts prepared the above figure based on best available fit with Google data.*

The North Shore MMP partners share a common geography/service delivery catchment area. To date, they have engaged an informal collaboration focused on sharing information, innovation ideas, and delivering mutual assistance across a range of issues. In 2021, the MMP partners developed a focused objective/intent to work together to secure service delivery efficiencies yielding cost and workflow benefits to taxpayers/residents of each community. Internal dialogue generated a consensus around service sharing areas of focus; specifically, By-law/Animal Control, Landfill/Solid Waste Management, Information Technology, and Building Code Act services.

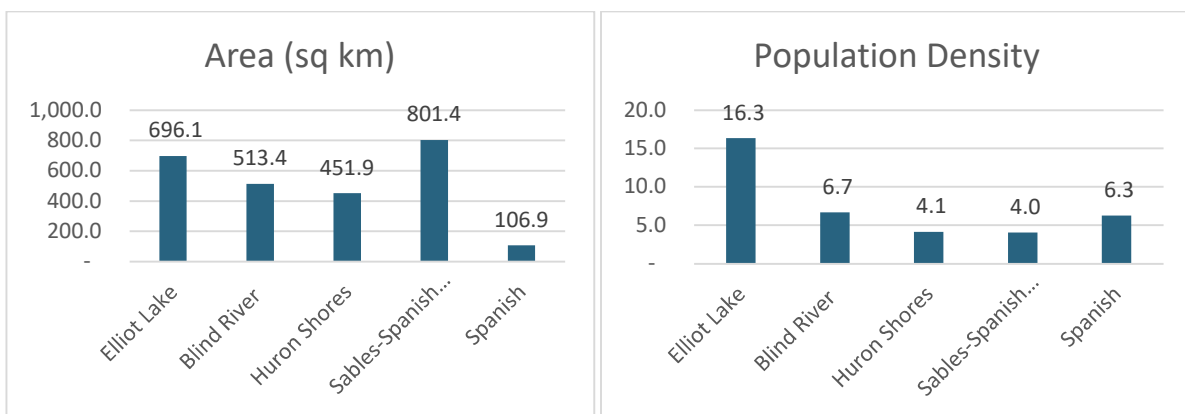
1.3 North Shore Joint MMP Partners

Profiles of the North Shore MMP municipal partners provide useful context for the Service Sharing Review. The diversity of service delivery capacity/scale among the North Shore MMP partners is both noteworthy and positive from a service sharing perspective - lending itself to the buy/sell dynamic at the middle of any service sharing arrangements (deals).

1.3.1 Population and Households



1.3.2 Area and Population Density



Taken together, the partners have a population/household count similar to a mid-sized Southern Ontario municipality. Geography/population density is a challenge for borderless service sharing arrangements, but technology-based sharing solutions can overcome this obstacle moving forward.

1.3.3 Fiscal Capacity

Spending patterns across the North Shore MMP partners are consistent with the diversity of community populations/households. Elliot Lake's resourcing/spending commitment positions it primarily as a seller of service sharing capacity. Blind River is positioned as both a potential seller and buyer of service sharing capacity. The remaining North Shore partners have limited operational depth/capacity and are best positioned as buyers of service sharing capacity. Elliot Lake has sufficient debt capacity to act as a seller of facility/specialized equipment capacity for any potential "capital" deals.

	Elliot Lake	Blind River	Huron Shores	Sables-Spanish Rivers	Spanish
Annual Operating Expenditures	26,372,923	13,729,016	4,980,942	6,679,054	2,491,081
Annual Capital Expenditures	5,275,158	2,711,165	1,186,546	656,092	127,539
Annual Levy	12,569,334	6,134,971	3,476,159	4,274,892	647,460
Total Revenues	30,233,990	13,850,103	5,772,495	7,727,007	2,653,732
Current Debt	1,828,865	29,883,076	575,239	638,989	-
Current Debt Charges	344,194	1,329,750	105,198	362,874	-
Debt Capacity Calculation (ARL)	4,306,507	1,559,636	869,884	895,706	333,032

*Source: 2020 FIRs

1.3.4 Taxable Assessment Mix

The residential/non-residential taxable assessment mix is similar across the North Shore MMP partners in terms of the residential share being orders of magnitude larger than the non-residential share. Elliot Lake's non-residential assessment base provides additional fiscal capacity, buffering residential taxpayers from a portion of capital or operating cost increases. Any service sharing \$ efficiencies/benefits will be enjoyed by residential taxpayers for the most part due to the mix of assessment.

	Elliot Lake		Blind River		Huron Shores		Sables-Spanish Rivers		Spanish	
Residential	502,018,033	89.1%	290,049,400	88.0%	220,741,324	88.6%	303,840,600	88.6%	43,757,900	93.0%
Non-Residential	61,184,176	10.9%	39,683,500	12.0%	28,392,776	11.4%	39,220,900	11.4%	3,285,700	7.0%
Total	563,202,209		329,732,900		249,134,100		343,061,500		47,043,600	

1.4 Methodology Overview

The Performance Concepts team has executed this Service Sharing Review (to date) according to the staged workplan set out in the figure below. During the course of the Review, as potential sharing opportunities/deals were identified and evolved, the Performance Concepts team did not hesitate to adjust the work plan mechanics/deliverables as required.



1.4.1 Kick-Off

- Held a Project Kick-Off Meeting with Interactive Working Session to gauge “Appetite for Transformation” among the North Shore partners
- Confirmed the critical path, identified municipal contacts, and initiated rapid data transfer protocols
- Arranged/planned for municipality-by-municipality facilitated working sessions required during the next Stage

1.4.2 Stage 1: “As Is” Documentation & Assessment

- Developed Service Delivery Templates/Logic Models for the four Service Areas of focus
- Developed a Capital Asset/Equipment Template (for use if/as required)
- Built a Current Workforce Profile for each North Shore partner (to scan for future staff sharing opportunities)
- Identified/documented current Service Sharing Arrangements among North Shore partners
- Developed Performance Metrics/Criteria to assess each Service Area of focus
- Identified and provided rationale for municipal services (beyond the four Areas of focus) that do not lend themselves to Service Sharing (at this time)

1.4.3

Stage 2: Service Sharing Opportunities

- Explored/identified potential new Shared Service opportunities (with individual municipal partners and collectively with all partners)
- Developed criteria to rank/triage potential new Shared Service opportunities, including:
 - Willing buyer/seller?
 - Willing additional partners?
 - Operational Feasibility
 - Return on Investment (nature of ROI)
 - Initial Level of Interest among municipal partners
- Identified Costing/Apportionment models that could support various categories of sharing opportunities/deals

1.4.4

Stage 3: “As Should Be” Findings/Recommendations

- Developed “Execution” models/mechanisms for different types of sharing deals:
 - Municipal buy/sell
 - Contractor Consolidations
 - Shared staffing model
 - Multi-lateral service sharing agreements
 - Joint partnerships
- Identified/Designed Governance models with associated staffing options

1.4.5

Interim Report & Sharing Deals Selection

- Prepared a portfolio of potential Service Sharing deals suitable for “deeper dive” business case development
- Reviewed portfolio of potential Service Sharing deals with North Shore partners and selected deals to move forward for business case preparation (Implementation cycle)

1.4.6

Business Case Development and Initiation of Shared Services Framework

- Initiated business case preparation for the “deeper dive” Sharing deals
- Confirmed and validated “How to Do It” Shared Services framework with North Shore partners
- Rolled out a plan/supporting agenda for initial meeting of North Shore Shared Services Working Group (NS-SSWG)
- Rolled out go-forward Implementation Roadmap to integrate Service Sharing framework with the traditional municipal service delivery cycle
- Developed templates for Shared Service Agreements

1.4.7

Final Report

- Consolidated Interim Report + Business Cases and prepare Final Report

2.0 Why Municipal Service Sharing?

2.1 Provincial Financial Realities – The Municipal Self-Reliance Imperative

The Province's Municipal Modernization Fund program pre-dates the COVID pandemic. The stated intent of the Modernization Fund is to support smaller/medium-sized Ontario municipalities that are committed to identifying and implementing service delivery efficiencies.

Pre-COVID, public statements by the Premier indicated that Modernization Fund municipal efficiency dividends of 4% to 5% of targeted spending were achievable. In other words, the Province's original goal was to secure *incremental \$ efficiencies* across the municipal sector. Pre-COVID, the Province's incremental improvement vision for the municipal sector seemed reasonably scaled. But now in 2022, the context and stakes around Modernization Fund reviews have changed dramatically. The figures below are instructive in this regard. The already heavily indebted Provincial government (pre-COVID) will be more than \$70B further in debt by the end of fiscal year 2021-22. A new provincial-municipal financial reality is now at hand.

An optimized Service Sharing model will be critically important as North Shore municipal staff and Councils grapple with these new fiscal realities and try to secure a fiscally sustainable recovery from COVID generated economic impacts. Cost avoidance and service delivery stability secured via a robust ongoing Service Sharing model will help generate financial self-reliance for the North Shore MMP partners in a challenging Federal/Provincial/Municipal financial environment.

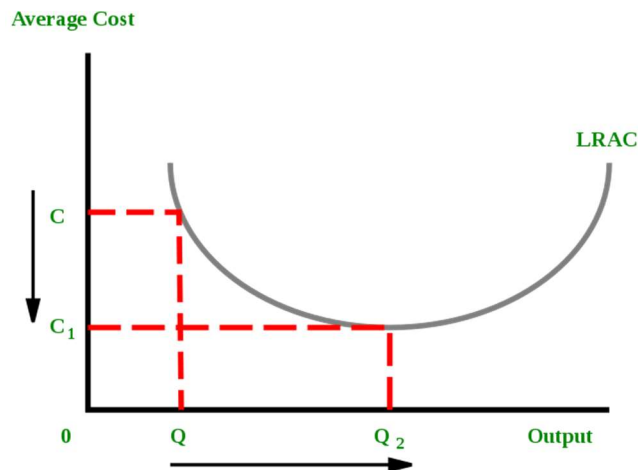
The COVID-19 New Abnormal: Crushing Senior Government DEBT Loads

- The Province reported a deficit of \$38.5 BILLION for 2020-21
- The Province forecasts a 2021-22 deficit of \$33.1 BILLION in March
- Deficits for the following 2 years total \$47.9 BILLION
- Province is looking at the Municipal Modernization Program to source significant \$ savings.
- Are North Shore MMP municipalities ready to embrace significant Service Sharing to buffer upcoming fiscal turbulence and generate post-Covid economic recovery?

2.2

Service Sharing Primer 101

Economies of scale permit a municipality to secure lower average unit costs for a given service by increasing the total output of that service being delivered. Increases in total output allow for fixed costs (e.g., staff FTEs or materials) to be distributed over more units of service. The result is a drop in average cost over successive budget cycles. The figure below sets out the classic economic explanation of scale economies.



The Ontario municipal sector has attempted to secure “the holy grail of scale” using a number of different approaches over the decades. Regional governments were created to pool taxpayer resources beyond local municipal boundaries to create scale economies. Municipal amalgamations were undertaken to expand/consolidate service delivery catchment areas and reduce/control costs by sharing overheads.

Amalgamation has proven to be ineffective at securing scale economies (based on the \$ evidence). There are no municipal case studies documenting reduced unit costs or long-run cost management benefits from amalgamation. While municipal overhead costs can be consolidated and distributed over a larger pool of direct service delivery outputs, the upwards averaging of the service levels/costs of direct service delivery outputs swamps any overhead savings.

Service sharing arrangements among municipalities can bypass the risks of formal amalgamation (i.e., upward averaging) while securing scale economies by distributing shared fixed costs over more units of service. Bypassing the negative politics and economics of amalgamation has led to increased interest/utilization of service sharing across the Ontario municipal community. To the Province’s credit, Municipal Modernization projects featuring service sharing investigation have been moved to the front of the line when it comes to funding approvals. The Province finally understands that municipal service delivery efficiencies generated by scale economies can be achieved without the political disruption associated with forced amalgamations.

2.2.1

Recent Successful Service Sharing Examples

Municipal service sharing arrangements are spreading across Ontario; encompassing a variety of services and diverse combinations of upper tier and/or lower tier municipalities (see figure below).

Service Sharing 101

A focus of numerous Municipal Modernization reviews executed by Performance Concepts

- EMS - Peterborough/Kawartha Lakes (2020) & Oxford/Elgin/Perth (2021-22)
- LEG – Renfrew County (2019-2020)
- East Elgin (2020)
- Sudbury East (2020)
- Lennox and Addington (2020)

Key is working together to build economies of scale re. operations/ facilities/assets

- Addressing Provincial Asset Management Requirements (O Reg 588/17) with facility consolidations to avoid unaffordable "status quo" replacement scenarios

Payoff = Cost reduction/cost avoidance/improved performance

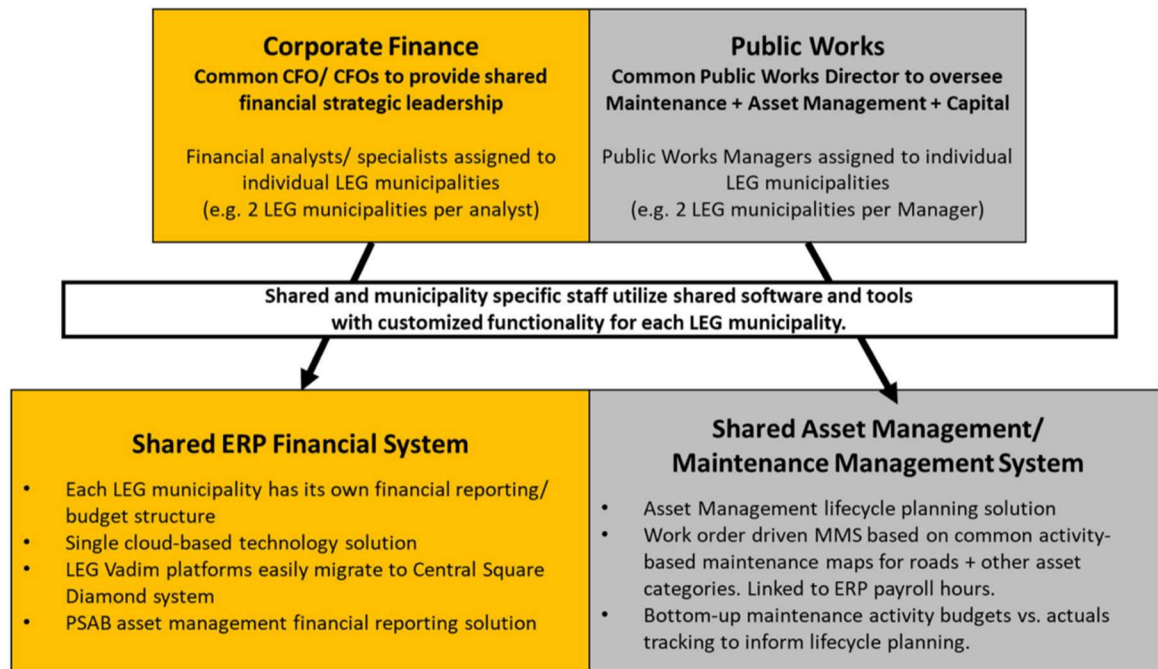
Counties delivering EMS (land ambulance) services have been working together to share the costs of staff training, scheduling, specialized staff units, medical supplies, fleet, etc.

EMS services have also made strides in implementing coordinated borderless deployment where they cover sections of each other's territory/communities from a single station; avoiding the inefficiency of 2 stations with overlapping coverage zones at a border. Peterborough County and Kawartha Lakes have imbedded this win/win borderless deployment in their EMS master planning, avoiding millions of dollars in future capital/operating costs.

The Renfrew County Local Efficiencies Group (LEG) consists of seven local municipalities that have executed an exhaustive service sharing project across Corporate, Public Works, Fire and Recreation service bundles. The LEG group are working their way through an implementation roadmap that includes 30+ action items.

Of particular relevance to the North Shore MMP review is a proposed Renfrew LEG recommendation around a shared ERP software solution (see Figure & LEG Report Extract below)

LEG Shared Back-Office Transactions Model + Shared Staffing Model



Renfrew LEG - Report Extract

Overhead consolidation can and should start with duplicative back-office financial systems and staffing models (see figure). A number of LEG municipalities make use of dated versions of the Vadim accounting/ERP platform. These platforms can easily migrate to the updated Diamond ERP offered by Central Square (who bought out Vadim). A single cloud-based version of Diamond can be configured with customized account/reporting/budget structures for individual LEG municipalities. Central Square's Diamond offers a proven PSAB accounting/reporting solution required for asset management reporting.

Private sector firms are actively consolidating cloud-based back-office financial systems using new "multi-entity ERP" solutions. These solutions provide a single accounting/ERP platform for multiple distinct legal entities - all with their own customized accounting/reporting/budgeting structures. Microsoft Dynamics 365 with Multiple Entity Management is an appropriate example. This type of cloud based ERP solution will allow a group of municipalities (i.e. the LEG) to function like a private sector "holding company" that uses a single/common ERP platform to manage financial transactions/data for each separate LEG municipality that is positioned within the ERP solution as a "legal entity".

Groups of local municipalities in Elgin County and East Sudbury district have embarked on a series service sharing deals involving Building/Planning, Fire, and Arena/Recreation services. Scale economies have been achieved around sharing specialized/qualified staff, facilities, and technologies.

In the County of Lennox and Addington, the County and the four local municipalities have designed a consolidated/standardized Development Approvals Process (DAP) service delivery model supported by a single IT workflow/GIS solution. The consolidated/streamlined upper/lower tier DAP model is being positioned as a major economic development advantage attracting new development projects across L&A municipalities during the COVID 19 “flight from density” outflow of knowledge workers from Greater Toronto.

Shared Fire departments/Chiefs are also becoming increasingly common across Ontario. A prime example in the Central York Fire Department serving both Aurora and Newmarket. This Fire department has implemented a borderless station location/response model that extends across the now artificial north/south Aurora/Newmarket boundary. Shared service efficiencies around 1st Line of Defence staffing, fleet maintenance, and firefighter training have also been secured.

2.2.2 Service Sharing Types/Categories

The figure below sets out the Service Sharing approaches/categories being used across the Ontario municipal community.



A range of approaches/sharing categories are being investigated and implemented; including shared IT platforms/software solutions, consolidated contracted service providers, position sharing, specialized equipment sharing, borderless service arrangements, and cross-municipal special purpose bodies such as Planning Boards.

Traditional sharing arrangements around bulk purchasing continue to be refined/expanded in Public Works (e.g., salt/winter material) and EMS (e.g., medical supplies) settings.

Municipalities are making use of a variety of execution instruments to bring service sharing opportunities to fruition:

- *Memorandum of Understanding* - Municipalities can enter into a non-legally binding agreement to share services that describes mutually accepted expectations of all the parties involved.
- *Intergovernmental Service Contracts* - Intergovernmental contracts exist when one organization pays another for an extension of service. Agreements can specify an ongoing, defined level of service or services can be provided on an ‘as needed’ basis. Service providers may want to take advantage of economies of scale, while service recipients may want access to expertise. This option is used when smaller communities need to expand operations, which could involve new staff, goods, or internal functions or services. They are used to defray high costs of emplacing a new service or responding to increasing service demands. They are primarily used when there is a sporadic demand for service or a combination of a large area and a small rural population to service. Special attention to fair apportionment is addressed in the agreement, including processes to ensure workload is fairly apportioned.
- *Automatic Aid Agreement* - Can be used in the event of equipment breakdown, for contingencies or if services are needed on loan. They are more typical to emergency services but may also apply to unplanned service requirements.
- *Joint Services Committee* - Committees can be developed to facilitate cooperation and coordination among organizations. They are generally non-binding discussion forums and can be a precursor to more formal shared service arrangements.
- *Municipal Services Corporation* - Municipalities can create MSCs to delegate their powers or duties to a corporation with respect to oversight and service programming.

2.2.3 Service Sharing Insights for North Shore MMP Municipalities to Ponder

The process of negotiating/implementing municipal service sharing frameworks is rife with political/strategic challenges (see figure on next page).

The politics of *Control versus Results* cannot be avoided by potential sharing partners. Balancing benefits received with fair cost burden allocation is key. Measurement tools to verify *planned* win/win arrangements are actually generating win/win results are critical. Trust among partners is important, but so is verification. *Trust but verify* is a fitting approach to success.

“Say for Pay” control anxiety among service buyers/receivers and their Councils can be mitigated by formal agreements and accountability mechanisms that ensure poorly performing sharing deals can be fixed or terminated.

Strategic/Implementation Challenges to Ponder

Balancing benefits received with cost allocation burden across sharing partners

- A technical measurement challenge
- Creating **clear win/wins**

The politics of **Control vs Results**

- Who calls the shots? A documented process is critical!
- Say for Pay – mitigating control anxiety with formal agreements/accountability mechanisms

2.2.4 Existing Shared Service Arrangements Among MMP Municipalities

North Shore MMP municipalities are already engaged in a limited series of service sharing activities/arrangements. These existing shared service arrangements include both formalized service contract solutions as well as informal service provision.

- **Fire Mutual Aid/Automatic Aid**

All of the North Shore MMP partners participate in the Algoma District Mutual Aid Program. Mutual aid is an agreement between Fire Departments to lend assistance across jurisdictional boundaries. This may occur due to an emergency call response that exceeds local Fire department resources, such as a disaster or a multiple-alarm fire. Mutual Aid is typically ad hoc, requested only when such an emergency occurs.

In addition to Mutual aid, some North Shore partners also have Automatic Aid agreements. Automatic Aid is based on a formal agreement to dispatch Fire Department resources automatically to another jurisdiction based on the nature of a call. Automatic Aid is triggered at call dispatch and has several advantages: quicker response from the closest station; avoiding duplication of specialty apparatus (e.g., aerial truck); and sharing specialty services (e.g., marine response).

Huron Shores provides Automatic Aid to various facilities in the Town of Thessalon, while Sables-Spanish Rivers receives Automatic Aid from both the Town of Spanish and the Town of Espanola. These North Shore Automatic Aid Agreements provide certainty around the availability of manpower/apparatus to secure a timely/robust response to areas of a given municipality that may be located further away from their own Fire station or a municipality with limited response capacity for significant emergency calls.

- ***Bulk Purchasing (Road Salt, etc.)***

Several of the North Shore MMP municipalities participate in joint tendering/bulk purchasing of road maintenance materials such as asphalt, surface treatment, gravel, and winter road materials.

Joint purchasing is a common arrangement to procure goods and services with other municipalities to secure overall best value and is deemed to be in the best interest of all participants. These types of arrangements reduce administrative burdens on participating municipalities as only one tender is published on behalf of all participating municipalities. Combining purchasing activities generates economies of scale on pricing from suppliers. Particularly for smaller municipalities these advantages can be quite significant. Finally, coordinating the procurement actions of several municipalities enables the pooling of different skills/expertise between them. Procurement expertise in a given municipality may be limited in the absence of dedicated staff. However, if expertise from different municipalities is combined, workload can be reduced to the benefit of all.

Several of the MMP municipalities participate in the Manitoulin and North Shore Roads Supervisors Group and/or the East Algoma Road Superintendents Association in order to save time/money purchasing Road maintenance products/services that they use regularly.

- ***Purchased Services from non-MMP municipalities***

As is the case across the province, North Shore MMP municipalities have experienced challenges in recruiting highly coveted technical staff (i.e., Chief Building Officials/Inspectors). A number of the North Shore partners do not have sufficient annual workload to justify the hiring of full-time technical experts like Building or Planning officials. In an effort to gain access to technical expertise when needed and take advantage of economies of scale, some of the MMP municipalities have sought opportunities to purchase contracted services from other area municipalities.

Currently, the level of building activity in Sables-Spanish Rivers does not necessitate/justify the hiring a full-time CBO/Building Inspector. Sables-Spanish Rivers has entered into a formal agreement with the Town of Espanola to purchase Building services. This contract enables Sables-Spanish Rivers to purchase a portion the Espanola Chief Building Official's time on an 'as required' basis; as well as purchasing 3 days per week from the Espanola Building Inspector. This purchase of service contract ensures that Sables-Spanish Rivers continues to have access to qualified Building staff on a regular/predictable basis and at a reasonable cost.

- ***Household Hazardous Waste Annual Depot/Collection***

Household Hazardous Waste (HHW) is found in every home and includes items like batteries, cleaning products, paints, motor oil, chemicals, grease, CFLs, and fluorescent tubes. To divert HHW from entering landfills, North Shore municipalities operate scheduled Household Hazardous Waste collection

events/depots. These scheduled events/depots give residents an opportunity to properly dispose of potentially dangerous waste from their homes and protect the environment.

Several of the North Shore MMP municipalities participate in annual HHW drop-off depots that are hosted by Elliot Lake or bi-annual depots that are hosted by Blind River. These HHW collection days enable residents of the participating “guest” municipalities to drop off HHW materials free of charge at a designated depot.

In addition to the HHW depots hosted by the Elliot Lake and Blind River, Huron Shores residents have access to the City of Sault Ste Marie landfill site to drop off their HHW throughout the year.

3.0 Exploring Potential Service Sharing Opportunities

The North Shore MMP partners have engaged in a facilitated process to explore service sharing approaches and opportunities across the four priority service areas of focus: IT, Landfill/Solid Waste Management, Building and Planning, Animal Control & By-law.

3.1 IT Support Services/Hardware Platforms & Software Solutions

3.1.1 IT Staff Sharing (Help Desk)

Elliot Lake does not currently have the service hours (capacity) to provide traditional “help desk” style IT support to North Shore MMP partners. However, Elliot Lake is willing to consider an expansion in its current IT staffing capacity to offer support to the North Shore MMP partners. Services could include a virtual Help Desk, hardware supply & maintenance, technical assistance on platform upgrades (data backup/security/standardized servers). A potential Elliot Lake shared IT staffing “ask” could be included as early as the 2023 budget cycle.

There are two potential cost recovery options for Elliot Lake and the potential sharing partners to consider:

- A flat annual fee for a pre-determined bundle of IT support services + mileage expense recovery per kilometer at Revenue Canada rate
- A pre-arranged “buy” of IT support billable hours (recovered on an hourly rate + mileage expense recovery). The billable hour rate could also be extended to negotiated hours consumed beyond the pre-determined bundle and/or services requested beyond the bundle.

Service delivery stability/continuity for North Shore municipalities that are currently buying private sector IT support would be improved by in-sourcing IT support capacity from Elliot Lake. It is reasonable to assume that Elliot Lake’s cost recovery hourly billing rate would be lower than the hourly rates currently charged by small private sector contractors. Elliot Lake would benefit from having access to a portion of the shared FTE’s billable hours without having to fund/buy all the billable hours. A shared FTE would be able to deliver an estimated total of 1,700 hours annually.

3.1.2 Consolidated External IT Contractor

A number of North Shore MMP municipalities currently purchase IT support services from private sector contractors. The bundle of services provided, and the associated billable hour rates, vary across these contractors. Beyond Elliot Lake, no North Shore MMP municipality has its own in-sourced IT support staff.

The current distributed support model is not ideal to create scale economies. A consolidated contractor charging standardized rates for a bundle of standardized services could yield improved scale economies. Longer term contracts would add stability to the contractor-based business model and incentivize the

contractor to make the necessary personnel investments to ensure continuity of service provision. It should be noted that unlike Elliot Lake's IT staff team, private contractors may not be familiar with any unique aspects of municipal sector information management/data security/privacy requirements. In some respects, this service sharing deal is in competition with the Elliot Lake in-sourcing option discussed above.

3.1.3 IT Platform Strengthening

North Shore MMP partners' appetite for future service sharing deals will be impacted by the existence of a strong IT platform featuring reliable/robust connectivity, the availability of cloud-based data management, the availability of VPN connectivity across sites, and a standardized firewall/security package. Ambitious service sharing deals based on common software solutions will require stable/strong IT platforms as a pre-requisite (a 1st step in a multi-stage project execution business plan).

The City of Elliot Lake is the preferred delivery agent for strengthening/standardizing the IT platforms of the North Shore sharing partners. There is potential for Elliot Lake to on-ramp North Shore partners as the City secures its own capital upgrades for its IT platform (including Firewall/Security).

IT platform strengthening will employ 2 potential cost recovery components moving forward:

- An annual flat fee to deliver a pre-determined standard bundle of IT platform support services/capital upgrades
- Billable hour fees for IT staff hours consumed by North Shore partners beyond the pre-determined annual services/capital upgrades bundle

IT platform strengthening deals will need Elliot Lake to secure the necessary staff resources in advance of the deals being executed. A potential Elliot Lake shared IT staffing/hardware acquisition "ask" could be included as early as the 2023 budget cycle.

3.1.4 Cyber-Security Coverage/Cost Sharing

Cyber attacks on municipalities are occurring worldwide and the pandemic has exacerbated the threat. The North Shore MMP municipalities possess and maintain large amounts of sensitive data connected to both personal information of their residents (property tax information) and the infrastructure that they operate (water systems, etc.). This data is considered valuable to cyber criminals.

Cyber security is how individual staff, and the municipal organizations work collaboratively to reduce the risk of a cyber attack. The core function of cyber security is to protect devices and technology that are used (smartphones, laptops, tablets, computers, complex IT systems, etc.), and the services that are accessed online from theft or damage. It is also about preventing unauthorized access to the vast amounts of personal information and data that are stored on these devices, and online. With cyber criminals becoming savvier with their methods, it is not a matter of if a municipality will experience a cyber attack, it is a matter of when.

Cyber criminals do not distinguish their targets and no municipality – whether urban or rural – is immune from a potential attack. Small, rural, and northern municipalities face the same cyber security threats as their larger urban counterparts but with fewer resources and capacity to confidently address a potential attack. Smaller municipalities are targeted as low hanging fruit because they are often underfunded, underprepared, and do not have the capacity internally to implement effective cyber security measures.

With the constant threat of exposure, it is vital that the North Shore MMP municipalities take action to mitigate cyber risks. Imposing strict password management with multi-factor authentication is a key step to prevent a data breach. As well, ensuring that security software is installed and up to date on all municipal computers and devices and performing regular back-ups of data, both on-site and off-site, are crucial to avoiding data loss.

As cyber attacks become more sophisticated, despite preparation, municipal computers and networks can still be compromised. The North Shore MMP municipalities can offset some of the risks and limit their exposure through cyber liability or cyber security insurance. While cyber insurance will not remove the threat of a cyber attack, it can help cover the costs arising from a cyber attack, including breach notification, regulatory fines, forensics, legal fees, and other expenses.

Insurance companies that offer cyber insurance often perform evaluations of an organization's security practices and policies to determine whether adequate procedures are in place to mitigate potential cyber attacks. Municipal governments that do not meet certain standards will pay higher premiums for a cyber insurance policy – premiums are higher for municipalities that have not implemented safeguards to protect themselves from a cyber attack. By moving forward with IT platform strengthening jointly and implementing cyber security policies and protocols, the North Shore partners will be able to minimize risk and obtain better insurance pricing.

3.1.5 Consolidated Internet Service Provider (ISP)

Each of the North Shore municipalities receives its internet connections and services from an outside ISP. The cost of which can vary significantly depending on the provider. In an uncompetitive marketplace, those ISP costs can escalate over time.

Typically, individual MMP partners have limited leverage with large ISPs (e.g., Bell, Eastlink) and are forced to be passive "price takers". The large ISPs tend to provide better service and pricing to large internet accounts and the North Shore partners individually don't meet this test.

However, when the internet usage of all MMP partners is combined, the scope is significantly greater and may motivate the ISPs to provide better service and pricing to each of the MMP partners. Particularly for smaller municipalities these scale economies around pricing can be quite significant.

Arrangements to secure a consolidated ISP for all MMP partners will allow participants to efficiently acquire the services that they need, improve leverage when dealing with a large ISP, and secure improved contract pricing.

3.1.6 Implement Remote/Shared Data Back-up Arrangements

As noted above, the North Shore MMP municipalities possess and maintain large amounts of sensitive data connected to both personal information of their residents (property tax information) and the infrastructure that they operate (water systems, etc.). It is critical that this data is safeguarded in the event of security breaches or service disruptions.

A backup of municipal networks and systems is the best way to avoid data loss and can be invaluable if a catastrophic event such as a ransomware attack, fire, theft, natural disaster, server crash, or user error occurs. The MMP municipalities can protect their networks by keeping regular backups of their systems offsite.

Regular backups are one of the easiest and least expensive cyber security precautions that a municipality can take to mitigate the risks of an incident involving data loss. The MMP partners should ensure that all important data and systems are routinely backed up. This includes maintaining a backup at a secure off-site location. Mutual data back-up arrangements (bilateral) will reduce/eliminate the risk of catastrophic data loss and ensure continuity of operations in the event of security breaches or service disruptions.

3.1.7 Bulk Purchasing for Common Hardware/Lap Top Computers

Similar to contract consolidation for an ISP provider, a consolidated bulk purchasing model for the acquisition of common hardware and lap top computers is worthy of consideration by North Shore municipalities.

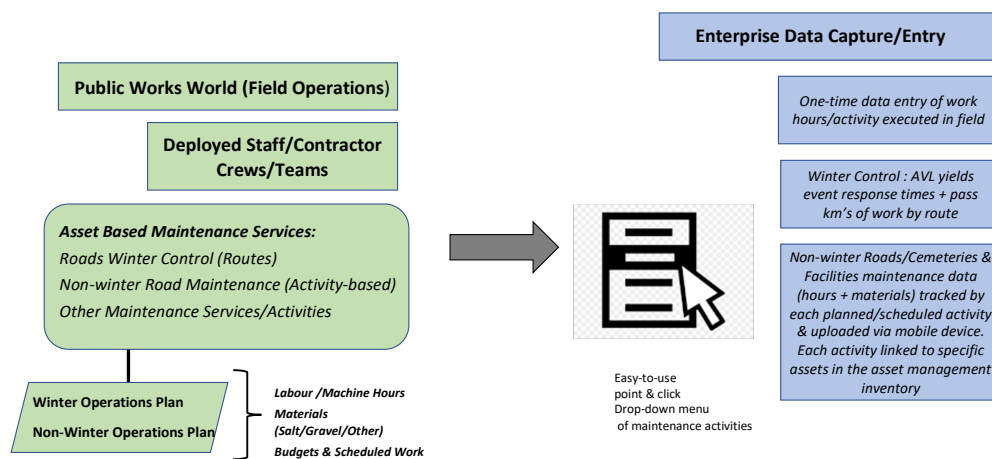
As with other joint procurement initiatives, the administrative burden on each participating municipality is reduced since only one tender process is required. Combining the volume/amount of IT equipment purchased in a single tender will generative positive scale economies via more attractive pricing offers from competing suppliers. Particularly for smaller municipalities, these scale economies around tendering effort and pricing can be quite significant. It allows participants to efficiently acquire the equipment that they need, leverage stable/improved terms, and secure improved unit pricing.

In addition, the acquisition of standardized hardware and other IT equipment by the North Shore MMP partners will support shared IT staffing and a strengthened platform.

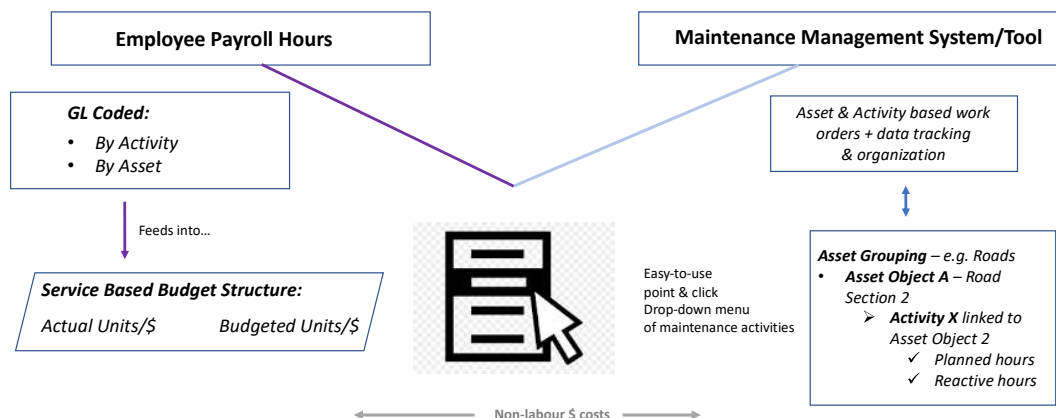
3.1.8 Common Enterprise Software Solution(s)

A modernized municipal “head office” needs to adopt productivity enhancing Enterprise software solutions to integrate operational data from the field for decision-making by staff/Council at head office. Integrated Enterprise systems marshal data to inform decision making (budgeting/deploying scarce resources) and promote effective service delivery results. The downstream productivity/accountability return on investment (ROI) for Council, staff and taxpayers should significantly exceed the upstream implementation costs. Small municipal staff teams can use Enterprise systems as a productivity and accountability “force multiplier”.

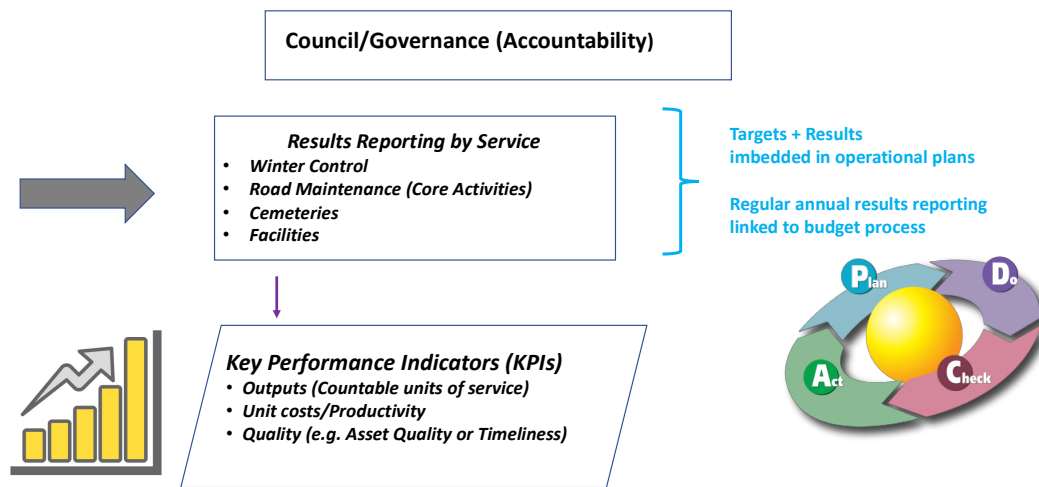
Enterprise data management starts in the field (see figure below). One time data entry is accomplished via GPS/AVL for winter control or by handheld devices for other assets/planned maintenance activities.



Once the Work Order driven maintenance work in the field is recorded in an Enterprise *Maintenance Management System (MMS)* it can be integrated with an Enterprise *Accounting System*. Payroll hours in the Accounting System can be reconciled with Work Order hours from the MMS. The General Ledger (GL) can be configured by Activities/Assets to mirror the same Activities/Assets in the MMS.



Enterprise data streams can then be used to support accountable, results-based management/governance (see below).



There is a consensus among the North Shore MMP municipalities that their current financial accounting solutions are not functionally robust nor are they properly supported by their vendor (Vadim/Great Plains/Central Square). The Enterprise based management model/vision set out above is not achievable with the current toolkit. An Enterprise technology modernization plan is required.

An Enterprise modernization plan could be executed using a shared cloud-based software solution featuring individual reporting/GL structures for each MMP partner. The modernization plan could also be executed with standalone versions of the same Enterprise software solution (same Vendor/Software) supported with VPN remote capabilities. Common to both Enterprise modernization options is the potential capability for Finance staff in a given North Shore partner municipality to support/oversee financial transactions and deliver comptrollership for multiple North Shore partners. This shared access/oversight can be critical if a future decision is made to share a common Treasurer or common Operations Manager/Director-level positions or provide support during a period of a Treasurer/Manager/Director vacancy.

The Performance Concepts team has identified a proven integrated Enterprise solution ("Keystone") designed specifically for small/mid-sized Ontario municipalities. Keystone has strong plug-and-play integration for Work Order modules, Bookings/Cemetery modules & potentially an asset management solution. Keystone is not the only option. A due diligence business case will examine other viable/competing Enterprise solutions.

IT platform strengthening is a necessary prerequisite to implementing a modernized Enterprise solution. It needs to be integrated into a multi-year Enterprise modernization work plan.

Provincial O Reg 239 establishes minimum maintenance standards for roadway winter control. Each Class of road has its own specific winter and non-winter maintenance standards. The O Reg 239 standards set minimum response timeframes for municipalities re. specific types of winter events (see figure below). From both a public safety and a municipal liability perspective, the O Reg 239 winter control standards are of critical importance to North Shore municipalities. Class 3 to 5 roads are the likely focus of the North Shore partners (also Class 6 roads not covered in O Reg 239).

Understanding Roads Winter Control Liability O Reg 239

Snow Accumulation

Class of Highway	Event Response Snow Trigger Depth (cm)	Post-Event Clean-up Time (Hours)
1	2.5	4
2	5	6
3	8	12
4	8	16
5	10	24

Ice Prevention/Treatment

Class of Highway	Anti-Icing Prevention (Hours)	De-Icing Treatment (Hours)
1	6	3
2	8	4
3	16	8
4	24	12
5	24	16

Demonstrating compliance with the Province's winter control Minimum Maintenance Standards (MMS) can dramatically reduce accident liability exposure (i.e., fewer claims/fewer deductible payments) as well as reducing annual insurance premiums.

Municipalities across Ontario are adopting GPS technology solutions to manage winter event storm responses. GPS tools are being imbedded across winter control fleets to deliver Automatic Vehicle Location (AVL) capabilities. GPS/AVL can be employed in combination with electronic groundspeed spreaders to monitor and optimize the use of salting materials across a road network. Salt management plans that are informed by this technology can secure consistent spread rates, generate significant \$ savings, and improve public safety on higher risk road sections. A common/shared technology toolkit would position North Shore partners to benchmark their route productivity/sand/salt usage. Route optimization within each North Shore municipality could improve actual performance relative to O Reg 239 targets.

The final piece of a modernized/shared winter control technology toolkit is storm reporting software. Reporting software on-boards the GPS/AVL/ data stream and generates standardized reports. These reports can/should be generated after each winter event and at the conclusion of each winter season. Documented performance records are critical to managing liability, reducing deductible payments, and cutting premiums. Many GIS/AVL winter control solutions feature robust storm reporting functionality and specifically reference Ontario Minimum Maintenance Standards.

Elliot Lake, Huron Shores, and Blind River have purchased GPS/AVL software solutions but are not yet maximizing the toolkit to its full extent. All MMP partners will require a Storm Management software solution. Other North Shore partners have not yet transitioned to a GPS/AVL equipped winter fleet.

3.1.10 Shared Service Opportunities – Evaluation Matrix

Information Technology				
Service Sharing Opportunity	# of Willing Participants	Level of Interest (1-5)	Implementation Rating	
			ROI	# of CYCLES
IT Staff Sharing	* * * *	3.8	Mod-High	Multi
Consolidated External IT Contractor	* * * *	3.8	Low-Mod	One
IT Platform Strengthening / Cyber Security	* * *	4.3	High	Multi
Consolidated Internet Service Provider (ISP)	* * *	3.0	Mod	Multi
Implement remote/shared data back-up arrangements across MMP Partners	* *	4.0	Mod	One
Bulk Purchasing for common Hardware/Lap Top Computers	* * * * *	3.5	Mod	One
Common Enterprise Software Solution(s)	* * * * *	4.0	High	Multi
GPS - Winter Control	* * * *	3.3	High	One

3.2 Animal Control + By-law Enforcement/Harmonization

North Shore MMP municipalities participated in facilitated brainstorming/working sessions to identify a range of potential service sharing opportunities around Animal Control and By-law Enforcement/Harmonization.

These service sharing opportunities/deals address a diversity of needs/operational realities across North Shore partners. Some opportunities may be bilateral in nature and some multi-lateral, depending on the geographic positioning of participants and their positioning to buy/sell service delivery capacity.

3.2.1 Bi-Lateral or Multi-lateral Animal Control / By-law Enforcement Sharing Opportunities/Deals

- *Blind River/Huron Shores MOU*

Upon review of existing Animal Control service delivery across North Shore partners, the Performance Concepts team became aware of an existing operational risk factor affecting Blind River and Huron Shores that needed to be directly addressed.

Blind River employs a full-time Animal Control/By-law Enforcement Officer (BLEO) to provide animal control and by-law enforcement services to its own residents. Blind River taxpayers fund the position, and the Town ensures the Enforcement Officer has the required training/certifications and is appropriately outfitted with the necessary vehicle and equipment to provide Animal Control and By-law enforcement services. The annual cost for these services was \$57,055 in 2020. Blind River also maintains a licensed animal shelter/kennel to accommodate animals that are abandoned by their owners or impounded by the BLEO. The net operating cost of the Blind River kennel was \$4,954 in 2020.

In recent years, Huron Shores has contracted the individual that serves as Blind River's BLEO as an independent contractor operating outside of the scope full-time employment with Blind River. The Huron Shores independent contract with this individual has been focused on the provision of Animal Control. The contract cost to Huron Shores in 2021 was \$2,500. The term of the contract has been based on a calendar year and renewed annually. The most recent contract expired at the end of 2021. In order to deliver Animal Control services to Huron Shores, this individual has utilized his own personal vehicle and equipment, however he did have access to the Blind River animal shelter/kennel if necessary.

During discussions with the Performance Concepts team, Blind River and Huron Shores recognized that this municipal employee vs. independent contractor situation creates an operational conflict; particularly in the event both municipalities were to require services from the Blind River BLEO at the same time. Both municipalities supported a solution that would capitalize on the BLEO's past working relationship with Huron Shores while at the same time eliminating future risk/conflict. It was agreed that the Blind River employer, having assumed ongoing costs of training/outfitting the BLEO and maintaining a licensed animal shelter, should be compensated for the use of its BLEO by Huron Shores.

In assessing the existing situation further, the Performance Concepts team has confirmed the Blind River BLEO has the necessary training, equipment, and billable hour capacity to also serve as the BLEO for Huron Shores. A formal contract/agreement between Blind River and Huron Shores is required. The contract will clearly articulate the specific terms/conditions for the provision of Animal Control services by the Blind River BLEO. Confirming terms and drafting a formal legal contract/agreement may take some time to prepare and execute.

As an interim measure, the Performance Concepts team worked with the staff of Blind River and Huron Shores to prepare a draft Memorandum of Understanding (MOU) that could be used as a short-term solution to the existing staff/contractor issue until a formal longer-term contract/agreement can be negotiated/executed.

While the MOU is not a legally binding agreement to share services, it does consider the situation identified above and documents the mutually accepted expectations of both Blind River and Huron Shores. The MOU has already been circulated to Blind River and Huron Shores for consideration by their respective Councils.

- ***Blind River/Huron Shores/Elliot Lake Purchased Service Opportunity/Deal:***

As noted above, Blind River and Huron Shores are poised to enter into a short-term MOU to share Animal Control service hours provided by the Blind River By-law Enforcement Officer (BLEO).

During discussions Blind River Staff, it was revealed that while the direct delivery model with a full-time BLEO is satisfactory, the ongoing annual cost for Animal Control services is considerable. Blind River has indicated that it would be amendable to a service sharing “buy” from another North Shore partner municipality if the annual cost could be reduced/capped without jeopardizing the current level/quality of service.

Elliot Lake is considering hiring additional By-law enforcement staff as well as investigating construction a new Animal shelter facility. A detailed cost benefit analysis is provided in the Business Case Addendum accompanying this Report. Blind River and Elliot Lake are able to secure economies of scale via a purchase of service agreement for Animal Control services. Since the Blind River BLEO is currently providing service to Huron Shores via the interim MOU, there could be additional scale economies/cost savings by including Huron Shores in a potential service sharing arrangement featuring Elliot Lake as the Animal Control service provider/seller. Preparation of a “deeper dive” business case will document the cost/ benefits ROI of a tri-lateral buy/sell sharing deal for By-law enforcement/Animal Control services.

3.2.2

Elliot Lake Common Kennel

Elliot Lake owns/operates a licensed kennel to house stray/lost/abandoned dogs and cats impounded by the City. The animal shelter is at the end of its useful lifecycle and needs to be replaced. Timely

replacement of exhausted municipal assets is required under the provincial asset management Regulation 588/17.

In contemplating the imminent need to replace the kennel, consideration has been given to finding a potential Animal Control partner(s) that could assist in funding the capital construction of a new facility and/or assist in staffing the new facility to provide routine lower cost care/feeding/monitoring of animals in custody.

Performance Concepts notes that a 5,000 to 6,000 square foot modern Animal Control facility in Sudbury was recently budgeted at \$1.5M for design/construction. Operating a licensed Animal shelter (including routine care/feeding of animals) can be costly and time-consuming for Elliot Lake's busy/highly trained BLEO staff preoccupied with other high value-added work priorities.

During discussions with Elliot Lake staff, Performance Concepts was advised the City currently has a partnership with the local chapter of Society for Animals in Distress (SAD), a not-for-profit organization dedicated to animal adoption. Elliot Lake currently contracts SAD to sell pet tags on its behalf.

SAD also owns/operates an animal shelter approaching the end of its asset life cycle. According to Elliot Lake staff, SAD is also wishing to construct a new larger kennel facility but does not have a functional site. The Business Case Addendum sets out an evolving opportunity for Elliot Lake to partner with SAD to design/construct a new joint kennel facility.

Co-funding the design/construction of a new animal shelter facility would generate capital cost savings for both Elliot Lake and SAD. Such a partnership could extend to operations (animal feeding/care/monitoring) by both the City and SAD, or the City could contract the operation of the new pound facility to SAD. Either shared operating option would result in better animal welfare and the potential for ongoing operational cost savings for the City if a suitable partnership can be negotiated. An example from a Performance Concepts assignment in Whitehorse (Yukon) is noteworthy, where a proposed City/SPCA partnership was designed to utilize dedicated low/no cost SPCA volunteers for routine feeding/care/monitoring of both City animals in custody and animals slated for adoption by the SPCA.

Other MMP municipalities have expressed an interest in being able to access/share in the proposed new Elliot Lake shelter/kennel facility. For instance, Blind River would be able to re-purpose its existing kennel facility/site for other community priorities. While a new shelter/kennel facility in Elliot Lake may not initially seem practical due to its distance from some of the North Shore MMP municipalities, the actual usage of the shelter facility by these municipalities is expected to be sporadic (only a few times per year). The workload burden of infrequent long trips to deliver animals to the Elliot Lake shelter would be outweighed by the benefits of avoided capital costs/staffing. The sharing of this facility with other North Shore MMP municipalities + SAD will strengthen the proposed joint facility model by securing broader distribution of fixed costs and improved economies of scale.

Formal dialogue between Elliot Lake and SAD should be initiated by the City without delay to determine their interest in negotiating a future partnership for joint design/construction/operation of a new shelter/kennel facility that would the needs of all participants/users.

3.2.3 By-law Enforcement Contract Consolidation

In municipalities that receive a limited number of annual By-law enforcement complaints, is it common to utilize outside contractors for Animal Control and By-law enforcement services.

Both Spanish and Sables-Spanish Rivers currently outsource By-law enforcement and Animal Control services to Rainbow District Animal Services/Wenrick Kennels. Rainbow/Wenrick Kennels provides an “a la carte” menu of services to meet each municipality’s needs. As a part of an all-inclusive annual fee, Rainbow/Wenrick Kennels provides trained staff, marked vehicles and equipment, and \$2M in liability insurance.

In 2020, Spanish paid an annual fee of \$6,740 (plus HST) for By-law enforcement services and approximately \$9,052 (plus HST) for Animal Control services. In 2021, Sables-Spanish Rivers paid annual fees of \$25,712 (plus HST) for By-law enforcement services and \$20,506 (plus HST) for Animal Control services. These annual “flat” contract fees differ significantly between the two municipalities. It is not clear what the explanation/rationale is for differences in contract prices – possible explanations are differences in service levels or differentials in populations served.

Spanish and Sables-Spanish Rivers have both indicated that they are pleased with the service provided by Rainbow/Wenrick Kennels and the economies currently provided through their individual contracts. They have indicated that their respective volume of By-law enforcement activity does not warrant insourcing and they both wish to maintain the current contractual relationship with Rainbow/Wenrick Kennels.

Going forward, the service sharing goal is being able to guarantee this high-value outsourced service model while ensuring cost stability for the municipalities. By-law enforcement and Animal Control services could become more sustainable/cost effective with a multi-year, multi-municipality consolidated agreement. The current municipal contract terms are 3 years and 5 years with an annual inflation clause, although one of the contracts reviewed does have a 90-day cancellation clause by either party. This contract “bail out” clause potentially challenges security/stability of service delivery moving forward.

To provide both municipalities and the contractor with contract stability, it would be appropriate to negotiate a firm 5-year consolidated contract (with annual CPI inflation clause) featuring a standardized fee calculation methodology. The resulting contract would stabilize service delivery continuity while providing predictable pricing for the purchasing municipalities.

3.2.4 Harmonized By-law Design

North Shore MMP municipalities acknowledge a common By-law design reality: with limited staffing resources and other competing priorities, keeping abreast of current legislation and finding the time to review and update municipal By-laws is a challenge. North Shore MMP partners report that outsourcing By-law re-design/modernization can be a lengthy and costly process.

Several of the North Shore MMP municipalities have received public complaints noting By-law regulations in neighbour municipalities often differed, causing confusion and misunderstandings when a particular By-law regulation/requirement would be different for a property just down the road. To address the reality of inconsistent By-law design and the resulting confusion/public frustration, North Shore MMP municipalities can take steps to standardize/harmonize By-laws where appropriate.

There are significant benefits to harmonizing By-laws across North Shore MMP municipalities. A common By-law modernization work plan will save staff time/effort both by eliminating multiple streams of research, preparation, and implementation. Harmonized design would eliminate the need to have each municipality undertake its own legal review of draft By-laws and accordingly would reduce legal costs.

Educating/obtaining support from the public for modified or more restrictive By-law regulations can be a challenge for staff teams and Councils. Harmonizing By-laws with neighbouring municipalities creates an opportunity for consistent messaging to a broader public which in turn helps to secure compliance and acceptance around regulated activities.

Harmonization also makes municipal By-laws easier to implement and enforce, particularly if the enforcement personnel act on behalf of multiple North Shore MMP municipalities. By-law harmonization makes cost-efficient borderless enforcement possible moving forward.

Some municipal By-laws are not as conducive to harmonization as others (e.g., Zoning By-laws). However, the majority of more common nuisance type By-laws (i.e., Noise, Property Standards, Animal Control, Illegal Dumping) are suitable for harmonization.

3.2.5 Animal Control/By-law Shared Service Opportunities – Evaluation Matrix

By-law / Animal Control				
Service Sharing Opportunity	# of Willing Participants	Level of Interest (1-5)	Implementation Rating	
			ROI	# of CYCLES
Bi-Lateral or Multi-Lateral Animal Control / By-law Enforcement Sharing Opportunities/Deals	* * *	4.3	Mod	One
Elliot Lake Common Kennel	* * *	4.3	High	Multi
By-law Enforcement Contract Consolidation	* * * *	3.7	Mod	One
Harmonized By-law Design	* * * *	4.3	Mod	Multi

3.3

Landfill Operations & Solid Waste Management

Solid waste management services are fundamental to the quality of life across North Shore communities. How North Shore MMP municipalities collect, process, and dispose of waste streams is essential to public health, environmental sustainability, and the aesthetics of communities.

North Shore MMP municipalities operate an extensive number of waste management assets relative to the overall population served. Scale economies have not yet been achieved.

Each North Shore MPP municipality has reported issues/concerns related to their landfills. These issues/concerns can be quite different depending on the municipality and the state/configuration of its waste management assets. Different types of service sharing deals will be required to address the differing mix of challenges/circumstances across the partners. Some potential sharing deals contemplate bilateral partner involvement, while others are crafted for multiple participants. In addition to service sharing deals, the Performance Concepts has also documented opportunities to increase stand alone efficiency at some landfill sites.

3.3.1

Curbside Contract Consolidation

Currently, four North Shore MMP municipalities outsource their garbage/blue box curbside collection service to GFL Environmental (GFL). Huron Shores does not currently provide a curbside collection service. Each of the four municipalities offering curbside collection has its own independent contract with GFL. These contracts were awarded on different dates, with varying contract terms and service levels (e.g., collection frequency).

Solid waste collection/processing/disposal are core municipal services that require careful planning and risk management forethought to ensure service continuity, regulatory compliance and value-for money. Prudent and rigorous contract design/management is essential to ensure taxpayers/communities receive consistent/appropriate results from private sector providers.

Performance Concepts has determined there is not a competitive “marketplace” of contractors providing curbside collection services across the North Shore service area. Each of the four “curbside” municipalities has a long-standing business relationship with GFL. The four “curbside” municipalities indicated that they are satisfied with the service delivery results provided by GFL and are willing to continue to do business with this provider. That being said, Performance Concepts notes there are always value-for-money risks associated with any monopolistic service provider/contractor relationship.

Going forward, the main goal of contract consolidation is being able to guarantee service continuity as well as timely/customer focused service delivery results that comply with a consistent/measurable service level. It is important to note that municipal contracts with solid waste contractors should not only cover basic curbside collection service deliverables, but should also carefully address issues of community concern, and the municipality’s financial commitments in the event of sub-par delivery. To provide North Shore MMP municipalities with contract stability, standardized contract management,

and uniform pricing methodologies, it is appropriate to negotiate a consolidated multi-year, multi-municipality contracted delivery model with GFL.

It should be noted that each municipality's curbside collection model features a differing number of collection points per route-km, which may well result in different pricing by GFL. A positive feature of contract consolidation is the opportunity for route optimization/scheduling across municipal borders. GFL has an opportunity to design routing solutions that may require fewer trucks IN TOTAL to execute an integrated shared contract model. These optimized collection routes could generate pass-through savings via reduced labour, fuel, and vehicle maintenance/depreciation costs. Accordingly, significant operating cost avoidance could translate to improved pricing for all municipalities despite differences in the number of collection points per route km. It should also be recognized these efficiencies could translate into improved profit margins for the monopolistic GFL provider. Negotiations will require a transparent review/understanding of the \$ savings associated with route optimization.

Municipal/industry best practices across Ontario suggest a consolidated 7-year contract with an annual inflation clause would be beneficial/appropriate for the client municipalities and the current contractor GFL Environmental. A longer-term contracting model will provide the desired contract stability for the "curbside" municipalities while guaranteeing service, establishing desired performance expectations, and maintaining reasonable pricing. GFL will be able to depreciate its collection fleet over the length of the 7-year contract; thereby minimizing financial risk to the contractor.

3.3.1.1 Consolidated Blue Box Recycling Contract

Currently, Ontario municipalities are mandated to deliver recycling programs. In most municipalities, this is achieved through a curbside blue box collection program. For municipalities opting not to offer curbside collection, opportunities for the public to recycle blue box materials are made available at local landfill sites.

As already noted, four North Shore MMP municipalities outsource their curbside garbage and recycling collection programs to GFL Environmental (GFL). Huron Shores does not deliver a curbside collection program. Opportunities for Huron Shores residents to recycle blue box materials are available at all four landfill sites located within the municipality.

The Province has now committed to transitioning Ontario's municipal blue box curbside delivery model to a *producer responsibility model*. Waste stream producers (the companies that design/create/market products and packaging) will be responsible for managing and paying for the full life cycle of their products. The producer-responsibility model seeks to make recycling easier/more accessible across the Ontario.

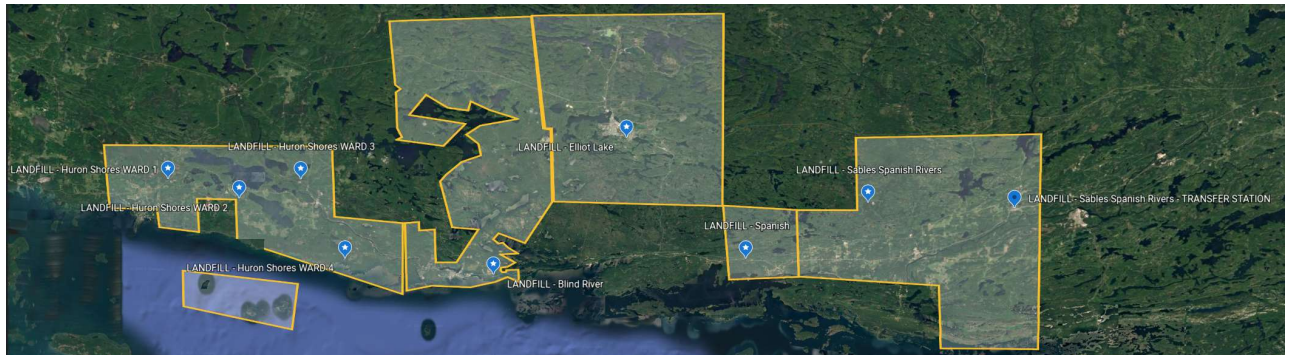
The enacting Regulation was announced by the Province on June 3, 2021, and implementation for the North Shore MMP municipalities will be in 2025. The enacting Regulation includes the following provisions:

- A province-wide common collection system that transitions all current municipal Blue Box programs
- An enhanced/standardized list of materials that will need to be collected and recycled
- High, progressive, and enforceable diversion targets
- Certainty for planning to ensure a seamless transition.

Specific financial and customer service impacts to the North Shore MMP municipalities resulting from the shift to producer responsibility for Blue Box collection are unknown at this time. While the effective date is not until 2025, it is prudent that all North Shore MMP municipalities coordinate efforts to adopt a common 'exit' position. The exit/transition process should focus on development of a common Blue Box collection contract with the desired service provider prior to the transition. Contract consolidation will benefit North Shore partners/taxpayers and facilitate a smoother transition to producer responsibility by the 2025 target date.

3.3.2 Landfill Operations

As noted, the North Shore MMP municipalities operate an extensive number of waste management assets relative to the overall population served. There are currently eight active landfill sites and one transfer station (see figure below). Recognizing the significant cost/regulatory burden of operating multiple landfill sites, the North Shore MMP municipalities should consider opportunities to optimize landfill operations.



Seven Active Landfill Sites and One Transfer Station for the North Shore MMP Partners

3.3.2.1 Landfill Contract Consolidation

Landfill operations carry a high operations/environmental compliance cost of service. Some North Shore MMP municipalities have turned to outsourcing landfill site operations to a private operator in order to address strict environmental regulations and deliver service at a reasonable cost.

Blind River and Sable-Spanish Rivers all contract with GFL Environmental for the operation of landfill sites. Huron Shores contracts GFL to operate their recycling program and maintain the drying beds at their landfill sites. Each municipality has its own independent contract with GFL. These contracts were awarded on different timelines with varying contract terms/service levels. Some of the contracts utilize GFL staff/equipment to fully operate the municipal landfill sites, while others utilize a combination of municipal/GFL staff and equipment for various landfill operations.

Like curbside collection, landfill site operation is a core municipal service that requires careful planning and forethought to secure service delivery continuity and environmental compliance. Prudent/focused contract management is essential to ensure North Shore municipal partners receive solid value-for-money from private sector service contractors.

Performance Concepts has determined there is not a “marketplace” of contractors providing landfill operations services across the North Shore service area. A number of North Shore partners have a long-standing business relationship with GFL. These municipalities have indicated that they are satisfied with the service delivery results provided by GFL and are willing to continue to do business with this provider. That being said, Performance Concepts notes there are always value-for-money risks associated with any monopolistic service provider/contractor relationship.

Going forward, the goal of North Shore MMP landfill contract consolidation should be focused on service delivery continuity/stability plus stable/affordable multi-year cost structures. Municipal contracts with solid waste contractors should standardize core services that will be provided, but they should also carefully address issues that will affect service, the community, and the municipality’s financials. To provide all municipalities more contract stability, the Performance Concepts team recommends negotiating a consolidated multi-year, multi-municipality agreement with an annual inflation clause that would be beneficial to both the municipalities and the current contractor, GFL Environmental. This type of long-term contracting model will provide desired contractor stability for all the municipalities while consolidating compliance, standardizing customer service standards, and securing stable/equitable multi-year pricing.

3.3.2.2 Maximizing Efficiency of Landfill Operating Hours

Each North Shore MMP municipality has made a significant \$ investment in their landfill assets. Some landfills are approaching the end of their lifespan/capacity. These assets generate a relatively high financial and environmental carrying cost.

Ongoing operational costs and the burden of environmental compliance “due diligence” creates a significant burden for small and mid-sized municipalities with limited staffing capacity. This cost/compliance is particularly challenging for North Shore municipalities that operate more than one landfill site and those that operate with expansive operating hours.

In order to maximize efficiency and secure stable/affordable operating cost streams, it is useful to consider cost drivers such as hours of operation, staffing, frequency of landfill cover application, and specialized equipment (e.g., scales, compactors). It is noteworthy that Provincial Certificate of Approval requirements around landfill cover application vary significantly, with cover requirements ranging from daily to biweekly.

	Elliot Lake	Blind River	Huron Shores	Sables-Spanish Rivers	Spanish
Site 1	M,T,W,T, F 10 -5 Sat 10 - 5 Sun Closed	Summer: W,T,F 10-6 Winter: W,T,F 9-5 Sat 9-5	Sat 9 -5 Summer: M,W 4-8 Winter: M, W 2-6	Sat 10-2	F 8-2:30 3rd Sat 9-1
Site 2			Sat 9 -5 Summer: M,W 4-8 Winter: M, W 2-6	Sun 10-12 (Transfer Station)	
Site 3			Sat 9 -5 Summer: M,W 4-8 Winter: M, W 2-6	CLOSED	
Site 4			Sat 9 -5 Summer: M,W 4-8 Winter: M, W 2-6		
Operating Hours	2,184	1,664	3,328	312	273

North Shore municipal landfill sites operate/offer public access on multiple/varied days of the week, often for extended hours on those days. Scheduled operating hours are coordinated with scheduled curbside pick-up. The greater the frequency of operating time slots, the more costly the landfill site will be to operate. In most instances, every operating time slot requires an application of cover fill at the conclusion of that time slot.

For several of the North Shore landfill sites, historical business practices and resident expectations are factors determining the current hours of operation. As well, seasonal factors play a role in creating demand for extended hours; warmer weather results in biodegradable waste decomposing more quickly with predictable unpleasant smells/attracting flies and other disease carrying vermin. Despite seasonal factors, there are opportunities to adjust/reduce current hours of operation at some landfill sites to only peak public demand periods.

A standalone thorough review of current landfill site usage (volumes of generated waste), public access periods (driving cover fill frequency), and relative hours of operation be executed across the portfolio of North Shore landfill sites. The detailed review should result in a portfolio-wide coordination/reduction of operating hours to manage cost drivers while securing core operating results. Such optimization would result in labour, equipment, and material cost savings at respective landfill sites and across the portfolio.

Changes to operating hours/restricted access may prompt public concern when initially introduced. However, a comprehensive communications strategy that emphasizes taxpayer financial benefits can play an integral part in gaining public acceptance.

3.3.2.3

Sharing Landfill Capacity

Some North Shore MMP municipalities have landfill sites with minimal capacity remaining in their lifecycle. Some have landfills with significant capacity remaining still available. Some with limited capacity are currently undertaking time-consuming environmental reviews to develop expansion plans

to increase capacity at existing sites. There is ample opportunity to position/consider these assets as a North Shore portfolio to managed/rationally consumed jointly.

Recognizing the significant cost/regulatory effort required to expand and operating multiple landfill sites simultaneously, there may be an opportunity for North Shore MMP municipalities with sufficient landfill capacity to sell that capacity to other MMP municipalities, either on a temporary or permanent basis. Buy/sell sharing arrangements regarding landfill capacity could defer or eliminate the need for some North Shore MMP municipalities to undertake an expensive/laborious site expansion review process. The net result could be significant cost avoidance. Landfill Environmental Assessments can run into the hundreds of thousands of dollars.

Geography (haulage distances) is always an important variable shaping landfill capacity buy/sell ROI calculations. Bi-lateral capacity sharing deals featuring limited haulage distances may be more viable than complex multiple-municipality deals at this point in time. While haulage distance is a factor, the costs of trucking solid waste to a neighbouring landfill site can still be less costly than the regulatory/operating costs of securing own source expanded landfill capacity. The devil is in the details of each specific capacity sharing deal.

A North Shore MMP Integrated Solid Waste Management Master Plan could include a thorough analysis of current landfill site capacity and haulage costs for potential bi-lateral landfill sharing deals (temporary or permanent). Deals could be sequenced/prioritized for potential execution in a coordinated fashion.

3.3.2.4 Landfill Seasonal Adjustments & Capacity Exchange

As already noted, North Shore MMP municipalities have landfill sites with diverse remaining capacity. Recognizing the significant cost/regulatory burden of expanding/operating multiple landfill sites, there are opportunities for North Shore partners to optimize landfill operations and stretch available capacity over time via negotiated seasonal sharing/exchanging of landfill capacity/usage.

The Environmental Protection Act allows a municipality to increase its catchment area with respect to landfill operations provided the additional catchment area is from a separate municipality that abuts the municipality that owns/operates that landfill site. Municipalities across Ontario have entered into *Municipal Waste Exchange Agreements* with neighbour municipalities to optimize landfill operations by re-routing/diverting curbside waste streams from one landfill site to another.

Re-routing requires solid waste collected via the curbside collection program from Municipality A to be deposited into a landfill owned/operated by Municipality B. This diversion of curbside solid waste is executed for a defined period of time and/or for a defined tonnage of waste. Then the process of re-routing is reversed, whereby a landfill owned/operated by Municipality A would accept curbside collected solid waste from Municipality B. The net result is a reciprocal benefit. The exchange of landfill tonnages is equitable/reciprocal. Tonnages of waste deposited at both landfill sites are monitored closely to ensure usage is comparable and falls within agreed parameters.

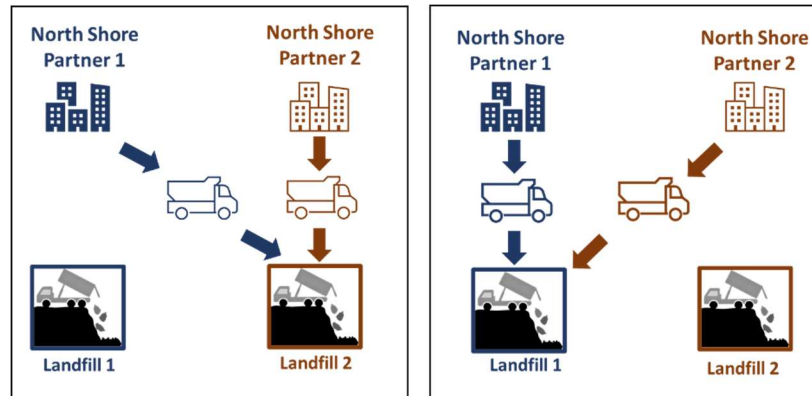


Illustration of landfill capacity tonnage exchange between North Shore MMP partners

The benefits to each of the exchange municipalities are identical. There is an opportunity to reduce landfill operating hours/costs significantly during the exchange period when curbside waste is being diverted to the partner municipality's landfill site. This barter-based optimization strategy has no impact on the level of curbside service to residents. However, this type of landfill capacity exchange deal should result in substantial labour, equipment, and cover material cost savings achieved via the periodic suspension of landfill operations.

A North Shore MMP Integrated Solid Waste Management Master Planning project is the ideal forum to explore and construct bi-lateral landfill capacity exchange deals.

3.3.2.5 Landfill Seasonal Adjustments – Staff Sharing

As already stated, the ongoing operational/compliance costs of landfill sites create a significant burden for municipal taxpayers. This is particularly true for North Shore partners, like Huron Shores, which operate multiple landfill sites and other North Shore partners that offer expansive public access hours throughout the year regardless of seasonal demand fluctuations. More hours of landfill operation /operating time slots per week translate into increased labour, equipment, and cover material costs.

Adjusting/reducing the number of North Shore landfill sites operating during non-peak periods of the year could significantly reduce operational costs. Minimizing the number of weekly operating time slots by limiting public access can also significantly reduce operating costs. There are dis-economies of scale associated with frequent operating time slots where minimal waste is being deposited in the landfill, but fixed labour and cover material costs are still incurred.

Seasonal operating hour/public access adjustments could also allow municipalities to potentially share or redeploy landfill staff across other service delivery activities since currently deployed staff hours would become available if landfills were not operating during non-peak periods.

A North Shore Integrated Solid Waste Master Planning process would provide an ideal forum to standardize approaches/service levels around operating hours and public access timeslots across the week and year.

3.3.2.6

Transfer Station Options

North Shore MMP municipalities currently face significant financial challenges as they independently manage landfill operations outside of a portfolio based/scale economies model. For instance, Huron Shores operates four landfill sites that operate throughout the year. In 2020, Huron Shores spent more than \$250,000 to manage/operate its landfill sites.

In order to maximize efficiency and reduce ongoing operational costs, municipalities across Ontario have opted to convert one or more of their landfill sites into transfer stations during non-peak demand periods of the year.

A transfer station is a facility/location used as an intermediate collection point where the solid waste stream is consolidated and temporarily staged before being transferred to a final landfill disposal site. Transfer stations are a convenient drop-off option for local residents; citizens do not have to drive long distances to dispose of their solid waste and recyclables.

Historical business practices and resident expectations were key factors informing the current Huron Shores business model that maintains year-round operations at all four landfill sites. Utilizing one or more of the current landfill sites as transfer stations during non-peak periods of the year could significantly reduce operational costs and rationalize the consumption of landfill capacity. There are diseconomies of scale generated by a model where minimal waste being deposited in a landfill during non-peak periods, but fixed costs of labour and cover fill are still being incurred.

A coordinated transfer station implementation strategy would be an integral component of a North Shore MMP Integrated Solid Waste Management Master Plan.

3.3.3

Towards a North Shore MMP Solid Waste Master Plan

Regional approaches to solid waste management planning and operations are common across Ontario. Regional and County governments create waste management scale economies by virtue of their expansive catchment areas. Local municipal partnerships outside of 2-tier governance/delivery structures can also create scale economies and promote coordinated planning.

Some North Shore MMP municipalities have landfill sites with minimal capacity remaining in their lifecycle. Some have landfills with significant capacity still available. Some of those with limited capacity are currently undertaking time-consuming environmental reviews to develop expansion plans to increase capacity at existing sites. Currently, the North Shore MMP municipalities are not generating any significant scale economies or common efficiencies from engaging in coordinated planning across the portfolio of landfill assets.

A North Shore coordinated approach to Waste Management could include cooperative management of multiple landfill sites. It could also consider/plan for a consolidated larger-scale future waste management site to serve all of the North Shore communities. To inform the transition to portfolio-based planning and operations, it is prudent to develop a comprehensive/joint Solid Waste

Management strategy to support sound/sustainable decision-making to manage garbage, recycling, and other waste streams over an extended timeframe (i.e., 25 years).

An Integrated Solid Waste Management Master Plan/Service Review could ensure North Shore municipalities are aligned with Provincial waste management policies; provide a rational/sustainable framework to manage the current portfolio of waste management assets; and recommend future waste management initiatives that will be scaled/designed to increase the amount of waste diverted from landfill. A joint Solid Waste Management Master Plan/Service Review could build a shared North Shore multi-community commitment to achieving environmental sustainability.

The North Shore MMP municipalities would be well advised to jointly engage an expert consultant to work with them in the development of an Integrated Solid Waste Management Master Plan/Service Review. That Master Plan/Service Review would act as the clearing house to execute the following assortment of potential Service Sharing opportunities/deals.

3.3.4 Shared Service Opportunities – Evaluation Matrix

Solid Waste				
Service Sharing Opportunity	# of Willing Participants	Level of Interest (1-5)	Implementation Rating	
			ROI	# of CYCLES
Curbside Contract Consolidation	* * *	3.7	Mod-High	Multi
Consolidated Blue Box Recycling Contract	* * * *	3.8	Low	One
Landfill Contract Consolidation	* *	3.5	Mod	Multi
Maximizing Efficiency of Landfill Operating Hours	* *	2.5	High	One
Sharing Landfill Capacity	* * *	1.7	High	Multi
Landfill Seasonal Adjustments & Capacity Exchange	* * *	3.0	Mod-High	One
Landfill Seasonal Adjustments - Staff Sharing	* *	2.0	Mod-High	One
Transfer Station Options	* *	3.5	Mod-High	One
A North Shore MMP Solid Waste Master Plan	* * * * *	-	High*	One

3.4

Building & Planning Services

Building and Planning services (i.e., Development Approvals Process) require expert/credentialed professionals who can execute detailed technical reviews of applications and deliver approval decisions that comply with the Province's legal/regulatory requirements.

Building Code Act mandated services are typically delivered by municipal staff who have obtained the necessary training/credentials from the Province to undertake plans examination, grant permits, execute inspections, and approve occupancy. There are also provisions in the Building Code Act for Registered Code Agencies (private sector corporations) to deliver the same bundle of services using staff that possess the same required training/credentials.

Planning Act mandated services are application driven and also require multi-disciplinary skill sets and qualifications. These services are typically delivered by municipal staff or expert consulting firms employing a mix of Registered Planners or Planning Technicians. Development approvals under the Planning Act can also involve engineering expertise/advice delivered by a Registered Engineers (P. Eng.) or by an Engineering Technician.

Credentialed Building and Planning experts are in short supply across Ontario. Municipalities and consulting firms are competing for these coveted professionals as Ontario emerges from the pandemic with strong development/growth pressures across numerous areas/communities.

Sharing these scarce/coveted technical expertise is becoming an increasingly common practice in the Ontario municipal sector. A 2016 survey conducted by KPMG identified Building Services among the most commonly shared services among Ontario Municipalities. AMCTO reports that 52% of municipalities in Western Ontario already share municipal Planning & Building staff.

Planning Boards that serve multiple municipalities are relatively common across rural/remote Ontario; there are 17 such Boards currently functioning across the Province. These Boards deliver improved scale economies by sharing an accredited Planner across a higher total number of development applications.

North Shore MMP municipalities face challenges securing the necessary credentialed staff to execute Building Code Act and Planning Act mandated services. Application volumes/workload are too low to justify an investment in full-time staff for these functions; with Elliot Lake being the only exception.

Service sharing arrangements are the go-to solution for North Shore MMP municipalities trying to deliver an affordable/appropriately scaled solution.

3.4.1

Building Services Contract Consolidation

Currently, all of the North Shore MMP partners contract for Building Plans Examination/Building Permit Issuance/Inspections/Occupancy Permit Issuance with Tulloch Engineering. Elliot Lake is using Tulloch on an interim/gapping basis until they can fill Building staffing vacancies. Tulloch's service delivery

capacity in Elliot Lake is time sensitive. The firm has indicated that the workload in Elliot Lake is stretching their available capacity and they may need to discontinue service at some point in 2022.

North Shore MMP partners report that they are satisfied with the timeliness/quality of Building services being delivered by Tulloch. Services from Tulloch are priced on a billable hour basis. Tulloch's billing rates for a given application may not be consistently applied across the North Shore partners since different Tulloch staff bill anywhere from \$70/hour to \$150/hour.

Service level measurement/reporting is an important component of delivering Building services across Ontario. Building Permit Yes/No decisions for applications deemed complete must be executed within a mandated number of business days. For instance, for a deck or renovation or addition, Building Permit decisions must be made by a municipality within 10 days of a complete application submission. Tulloch is not currently providing all North Shore partners with permit issuance timeframe compliance reporting. Building inspection scheduling is also subject to mandatory timeframes. When a permit holder provides a request for inspection, the municipality is required to execute the inspection within two working days. It is not clear whether Tulloch is currently meeting this timeframe given their current approach of scheduling/juggling work for respective municipal clients in advance.

Tulloch contract structure/duration for delivering Building Code Act services also varies across the North Shore partners. One partner reports a stable/standard multi-year contract with billing rates imbedded for the contract period. Another North Shore partner reported a single applicable \$80/hour billing rate + mileage, but no defined contract term/duration. A third North Shore partner also indicated no fixed contract term, an \$80/hour rate + mileage and a 90 Day Termination Notice clause applicable to both parties. Service continuity/stability has not been a priority in drafting diverse contract terms/rates/duration timeframes across the North Shore MMP partners.

A consolidated approach to contract design, applicable rates, measurable/reportable results, duration of service period, etc. are required to ensure continuity for these difficult-to-replace Building services staff. The expected result of contract consolidation is not cost reduction, but rather a stable/predictable long-term contracting model/contractor relationship with Tulloch. Predictability around access to Tulloch contracted services is critical since it is unclear how many of their current employees are credentialed to provide Part 3 and Part 9 Building Code review services. A direct dialogue with Tulloch management will be required to coordinate off-ramping and on-ramping of existing contracts with North Shore MMP municipalities in pursuit of a consolidated service provision contract.

3.4.1.1

Elliot Lake: In-sourced Shared Building Inspector

Elliot Lake has successfully retained a new CBO. Development/building activity in the City may well merit additional Building Inspector(s). It is unlikely that Elliot Lake's staffing need beyond the new CBO will correspond exactly to the number of service hours provided by subsequent staffed Building Inspector(s). A sharing opportunity with North Shore MMP municipalities could emerge if Elliot Lakes opts to staff-up beyond the CBO (a likely decision). A shared Elliot Lake Building Inspector will cost significantly less per hour than service hours currently supplied by Tulloch. A shared service contract

with the Elliot Lake Building Services team would provide a high level of service delivery continuity and redundancy of coverage during the peak building season. Plans examination and permit decision workload would not require “boots on the ground” across North Shore sharing partners. However, inspection services would require an Elliot Lake Building Inspector to plan/execute inspection field work across North Shore service sharing partners. Mileage expense recovery at Revenue Canada’s permitted per kilometre rates would address vehicle depreciation and fuel costs etc. associated with inspection work for North Shore sharing partners. Elliot Lake would benefit from the reduced staffing cost for securing a portion of a Building Inspector FTE without having to pay for the entire FTE - the surplus capacity/hours from that FTE will instead generate an off-setting revenue from sharing partners.

Performance Concepts estimates an “annual buy” of 1,000 hours for an Elliot Lake Inspector by a group of North Shore partners could generate annual savings of \$20,000 or more compared to the same 1,000 hour buy from Tulloch.

3.4.2 Planning Services

3.4.2.1 Planning Consulting Contract Consolidation

Multiple Planning Consulting contractor arrangements exist across North Shore MMP partners. The payment model for Planning Consultant contractors is diverse; they include a straight cost per billable hour approach for one North Shore partner versus a fixed annual retainer fee + \$145/hour billing rate for another partner. Flat annual fees (low \$ amounts) are also used to retain Planner capacity to respond to general planning enquiries by the public/landowners throughout the year. Planning application user fees (to recover processing costs) across North Shore MMP partners are remarkably low compared to application fees levied in other regions of Ontario. Planning application volumes outside of Elliot Lake are typically low, rarely extending into double digits across a typical year.

There is an opportunity to standardize billable hour rates & stabilize long-term contractor supply/arrangements via consolidation. It is unclear whether the financial impacts/scale economies are worth the effort given the low number of annual application volumes.

3.4.2.2 Elliot Lake: In-sourced Shared Planner Resource

A full-time municipal Planner could provide a practical alternative to the current contracting out model found across North Shore municipal partners. As the primary consumer of in-sourced municipal planning billable hours, Elliot Lake could assume the role of employer to a Registered Professional Planner or a Planning Technician. An estimated 1,800 billable hours (1 FTE) could be shared among the North Shore MMP partners. The ideal capacity sharing approach would be a multi-year commitment from North Shore partners to an annual committed “buy” of a fixed number of billable hours. The estimated \$80-\$90 billable hour rates for an in-sourced Planner/Planning Technician “buy” from Elliot Lake would be significantly lower than current Planning consultant rates currently being absorbed by North Shore partners. If North Shore municipal buyers pre-purchased an annual 250 hours, Elliot Lake would secure a 14% discount on the cost of a full-time 1,800 hour Registered Planner.

3.4.2.3

Local Planning Board Option

North Shore MMP municipal Councils could opt to create a Local Planning Board to undertake all required land use Planning activities. A Planning Board would staff or secure the necessary Planning/Engineering expertise required to execute an Official Plan, or Zoning By-law or specific application reviews/approvals. Scale economies would be achieved via one consolidated delivery model. User fees + member municipality annual contributions fund the Board. The Board itself is composed of representatives appointed by the participating Councils. There are multiple Planning Boards functioning across Northern Ontario.

The following screen capture from the Ministry of Municipal Affairs website is noteworthy in explaining the functioning of Planning Boards.

The role of a planning board

A planning board is authorized to prepare an official plan for its planning area. In Northern Ontario, planning areas are generally made up of various combinations of municipalities and areas without municipal organization but may also include an area consisting of all municipalities or all areas without municipal organization.

Members of planning boards representing municipalities are appointed by the local municipal councils, and members from the areas without municipal organization by the Minister of Municipal Affairs and Housing. The minister decides the number of members to be appointed. In addition to preparing [official plans](#) and [zoning bylaws](#), planning boards also provide advice and assistance to municipal councils and the minister in matters of local land use planning.

Planning boards assume a planning role similar to a local council. They develop policies on land use planning that reflect the interests of the entire planning area and coordinate over-all future growth. They also have the power to pass zoning bylaws for areas without municipal organization within the planning area.

Where the authority is delegated, planning boards also carry out planning functions on behalf of the minister, with the exception of the approval of official plans and official plan amendments. The delegated functions may include the power to approve [subdivisions](#), grant [consents](#) and administer zoning orders. A delegated planning board may charge a fee for processing applications.

3.4.3

Shared Service Opportunities – Evaluation Matrix

Building & Planning Services				
Service Sharing Opportunity	# of Willing Participants	Level of Interest (1-5)	Implementation Rating	
			ROI	# of CYCLES
Building Services Contract Consolidation	* * *	3.3	High	One
Elliot Lake: In-sourced Shared Building Inspector	* * * *	4.0	Mod	One
Planning Consulting Contract Consolidation	* * * * *	3.6	Low	One
Elliot Lake: In-sourced Shared Planner Resource	* * * * *	3.6	Mod-High	One
Local Planning Board Option	-	-	Mod-High	Multi

3.5 Additional Service Sharing Opportunities to Consider

3.5.1 Bulk Purchasing: Road Materials + Other Municipal Commodities

Some North Shore MMP municipalities already participate in joint tendering and bulk purchasing of Road materials such as asphalt, surface treatment, gravel, and winter road materials via the Manitoulin and North Shore Roads Supervisors Group and East Algoma Road Superintendents Association. This type of joint procurement is a common practice across the Ontario municipal sector.

Expanding the consolidated purchasing model for Road materials to include other commonly purchased municipal commodities is worthy of consideration by North Shore partners. The administrative burden on each participating municipality is reduced since only one tender process is required. Combining the volume/amount of material purchased in a single tender will generative positive scale economies via more attractive pricing offers from competing suppliers. Particularly for smaller municipalities these scale economies around tendering effort and pricing can be quite significant. It allows participants to efficiently acquire the materials that they need, leverage stable/improved contract terms, and secure improved unit pricing.

3.5.2 Sharing Specialized Equipment

Specialty equipment provides operational benefits to municipalities, but the fixed cost burden of acquiring/operating specialty equipment creates a barrier to usage. This is particularly true if the utilization pattern of the equipment is intermittent or limited to a narrow purpose during a single season. By sharing the cost of acquisition and distributing/scheduling the use of specialized equipment across a number of North Shore partners, each municipal partner can absorb a fraction of the total cost in exchange for a fraction of the total availability/potential usage. The business case economics for sharing specialized machinery are identical to the business case economics for sharing hard-to-find highly credentialed specialized staff.

Municipalities often contract specialized equipment or contractors grading, line painting, catch basin cleaning, sweeping, crack sealing, etc. These maintenance activities require intermittently used specialized equipment. North Shore MMP municipalities that own specialized machinery have an opportunity to share access/usage with other North Shore partners to defray costs and improve value-for-money. Partners without this equipment gain access/usage at a fraction of the fixed costs of acquisition. Setting win/win machine charge-out rates is the key. These charge-out rates could be based on billable hour rates with/without a trained operator. Deals are especially attractive for equipment that is not seasonally sensitive (i.e., equipment does not need to be used by multiple municipalities “simultaneously” across an unduly narrow timeframe).

3.5.3 Support Service Contract Consolidation

Similar to contract consolidation for direct delivery public services, a consolidated purchasing model for contracted indirect support functions is worthy of consideration by North Shore municipalities. Contracted services such as legal, insurance, banking, and audit are prime examples of consolidation targets. Support function contract consolidation can provide cost certainty/stability as well as continuity of access to important sources of expertise. The Administrative burden on each participating municipality is reduced since only one tender process is required. Combining the volume/amount of service purchased in a single tender will generative positive scale economies via more attractive pricing offers from competing suppliers. Particularly for smaller municipalities these scale economies around tendering effort and pricing can be quite significant. It allows participants to efficiently acquire the services that they need, leverage stable/improved contract terms, and secure improved billable hour pricing.

While North Shore MMP municipalities already participate in some joint procurement focused on direct service delivery goods/equipment/materials, there is an opportunity to expand the consolidated purchasing model for indirect support activities such as legal, insurance, banking, and audit.

3.5.4 Shared Service Opportunities Evaluation Matrix

Other Services/Programs				
Service Sharing Opportunity	# of Willing Participants	Level of Interest (1-5)	Implementation Rating	
			ROI	# of CYCLES
Bulk Purchasing Road Materials + Other Municipal Commodities	* * * * *	3.8	Mod-High	Multi
Sharing Specialized Equipment	* * * * *	3.8	Mod-High	Multi
Support Service Contract Consolidation	* * * * *	4.0	Mod-High	One

4.0 Towards a Go-Forward Service Sharing Framework

4.1 How to Do It - Towards a Service Sharing Planning Cycle

Designing/executing Service Sharing deals (across 4 Service Areas of Focus) will be logistically challenging for the North Shore MMP municipalities. Success will require a continuing focus by all the North Shore partners on the fundamentals of executing positive structural change in how services are planned and delivered. Success will require dedicated resources; it will not be secured off the side of the desk. Finally, success will require a strong/ongoing linkage of a new service sharing planning cycle to the traditional North Shore municipalities' service delivery cycles.

4.1.1 Traditional Municipal Service Delivery Cycle

A well-executed municipal service delivery model is built around a Plan-Do-Check cycle of managing for results (see figure on next page). This sort of traditional municipal service delivery cycle integrates target setting, budgeting, service delivery execution, accountability reporting, and continuous improvement.

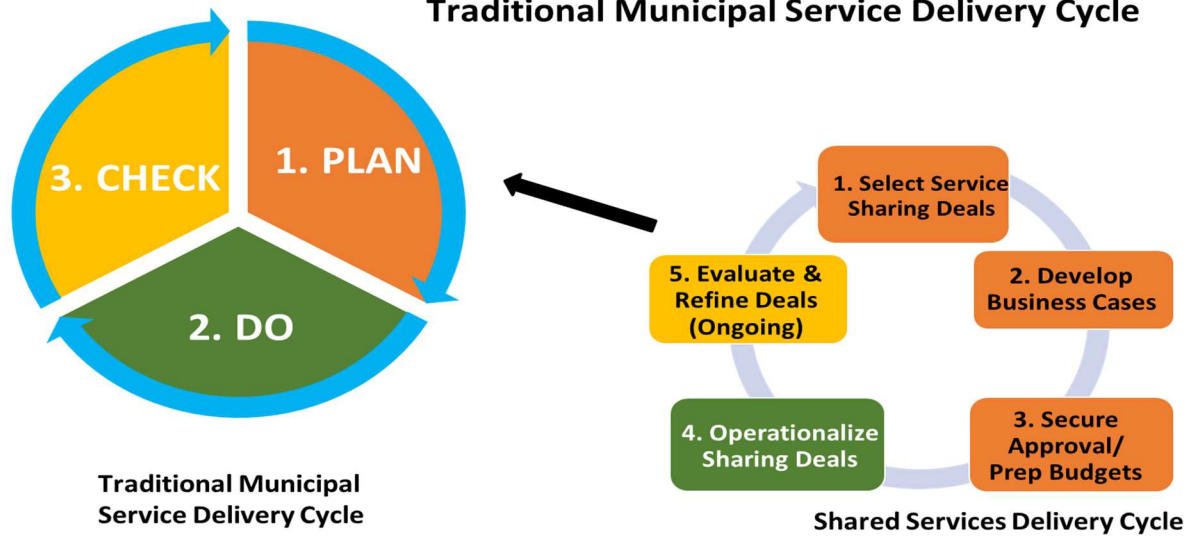
Setting measurable service delivery output/quality targets + supporting budgets is the backbone of the "Plan" component.

The "Do" component of the cycle is all about execution. Planned service delivery results must be translated into actual results in an often-chaotic world. Units of service have to get out the door regardless of uncertainty and shifting conditions.

The "Check" component of the cycle is where actual year-end results are compared to planned/targeted results. Were the cost/quality targets actually achieved? Were the outcomes as we expected? The "Check" component is all about tracking variances and the underlying causes of those variances.

The "Act" component of the cycle is focused on adjusting municipal execution (Do) or targets (Plan) or resourcing (Budget) in order to secure continuous improvement in the upcoming/next cycle.

Service Sharing Framework Aligns With Traditional Municipal Service Delivery Cycle



4.1.2 Towards a Service Sharing Planning Cycle

In an effort to provide a go-forward service sharing framework, the Performance Concepts team has developed a proposed 5-step delivery cycle (see figure above). The 5-step Shared Service Delivery Cycle proposes to manage service sharing initiatives through a continuous loop of Select Deals-Business Cases-Approvals & Budgets-Optimize-Evaluate & Refine. This framework balances a brisk/timely pace of implementation with a recognition that the North Shore partners face capacity limitations across many competing priorities that need to be acknowledged/respected.

The “Select Deals” initial component of the cycle involves prioritizing and selecting service sharing deals to evaluate and bring forward for serious consideration. These would be deals from the 4 Service Areas of Focus identified in this Report or potential new deals associated with municipal services beyond the scope of this Report.

The “Develop Business Cases” component of the cycle refers to the due diligence review/production of specific business cases to confirm an acceptable win/win ROI to endorse execution of the service sharing deal by all confirmed participants.

The “Approvals & Budgets” component of the cycle involves securing approval-in-principle from the involved Councils for each service sharing deal, confirming/fine tuning deal configurations, and finalizing costs/revenues to feed into each participant’s upcoming budget process for the next fiscal year.

The “Operationalize Deals” component of the cycle is focussed on executing each service sharing deal. Once the deals have been endorsed and funds allocated, staff across participating municipalities can begin executing each deal. Ongoing coordination/collaboration among participating municipal staff teams is critical during this phase of the cycle.

The “Evaluate & Refine Deals” final component of the cycle is where the measurable results of the executed service sharing deals are considered. The review of measurable results determines whether adjustments/refinements should be made to ensure planned outcomes are being delivered and whether continuous improvement refinements can be put in place for upcoming cycles.

4.2 Who Will Manage the Service Sharing Model - Staffing Support/Decision-making Team

A portfolio of active/ongoing service sharing deals will involve multiple business units within each North Shore partner and deals can sometimes take more than one annual cycle to fully ramp-up. Each service sharing deal may require different North Shore staff teams to address different processes, IT systems, and groups of stakeholders. Rigorous project management and Council/senior staff leadership will be key to the success of each executed service sharing opportunity.

Detailed planning/monitoring/fine tuning will be required to execute any/all of the service sharing opportunities documented in this Report. To ensure that deal execution is properly resourced and supported (not side of the desk) an ongoing Service Sharing Working Group should be established to manage the proposed 5-step Service Sharing Cycle.

4.2.1 North Shore Service Sharing Working Group (NS-SSWG)

The NS-SSWG would be responsible for executing the 5-step Service Sharing Planning Cycle as outlined in the figure above. The NS-SSWG would provide ongoing project leadership, take responsibility for key decision making, allocate resources, resolve operational issues, set achievable timeframes, communicate with stakeholders, and track results over time.

It must be emphasized that implementing any new service delivery model is complex and demanding in terms of municipal staff resources and time. It requires focus and perseverance to drive a successful implementation. Cross-jurisdictional imbedded/permanent Working Groups at the local level will drive ongoing collaboration, ensure win/win outcomes for all partners, and develop a sharing culture in order to advance complex/multi-year service sharing opportunities.

4.2.2 Composition of NS-SSWG

The Performance Concepts team has identified two different options regarding the composition of the NSSSWG. Both are viable options with their own pros and cons.

- **Option A - CAOs Sit on NS-SSWG**

The NSSSWG could be comprised of all five of the Chief Administrative Officers of the MMP municipalities. While this is a relatively small number of members, those members are arguably the most knowledgeable in terms of existing municipal programs and services and would be in the best position to be able to identify priorities and make quicker decisions regarding service sharing

opportunities. One potential drawback may be that this type of group composition may focus more on municipal management and may lack some knowledge of local political perspectives and community views.

- **Option B - Heads of Council + CAOs Sit on NS-SSWG**

Alternatively, the NS-SSWG could be comprised of the Heads of Council and the Chief Administrative Officers of all five of the MMP municipalities. Including both the political and administrative leaders would yield contributions from more diverse perspectives. The Heads of Council can also act as a liaison between the other members of Council and the community at large, while the CAOs would ensure that administrative and management matters are brought forward. However, including both Heads of Council and CAOs would result in a larger number of members on the NS-SSWG. The Performance Concepts team's experience has shown that more members yield more discussion, which means that it can take longer to arrive at consensus in order to decide. Plus, it can be more difficult to align the schedules of multiple people for a meeting. This may result in potentially delayed implementation of some service sharing opportunities.

- **NS-SSWG Dedicated Staffing**

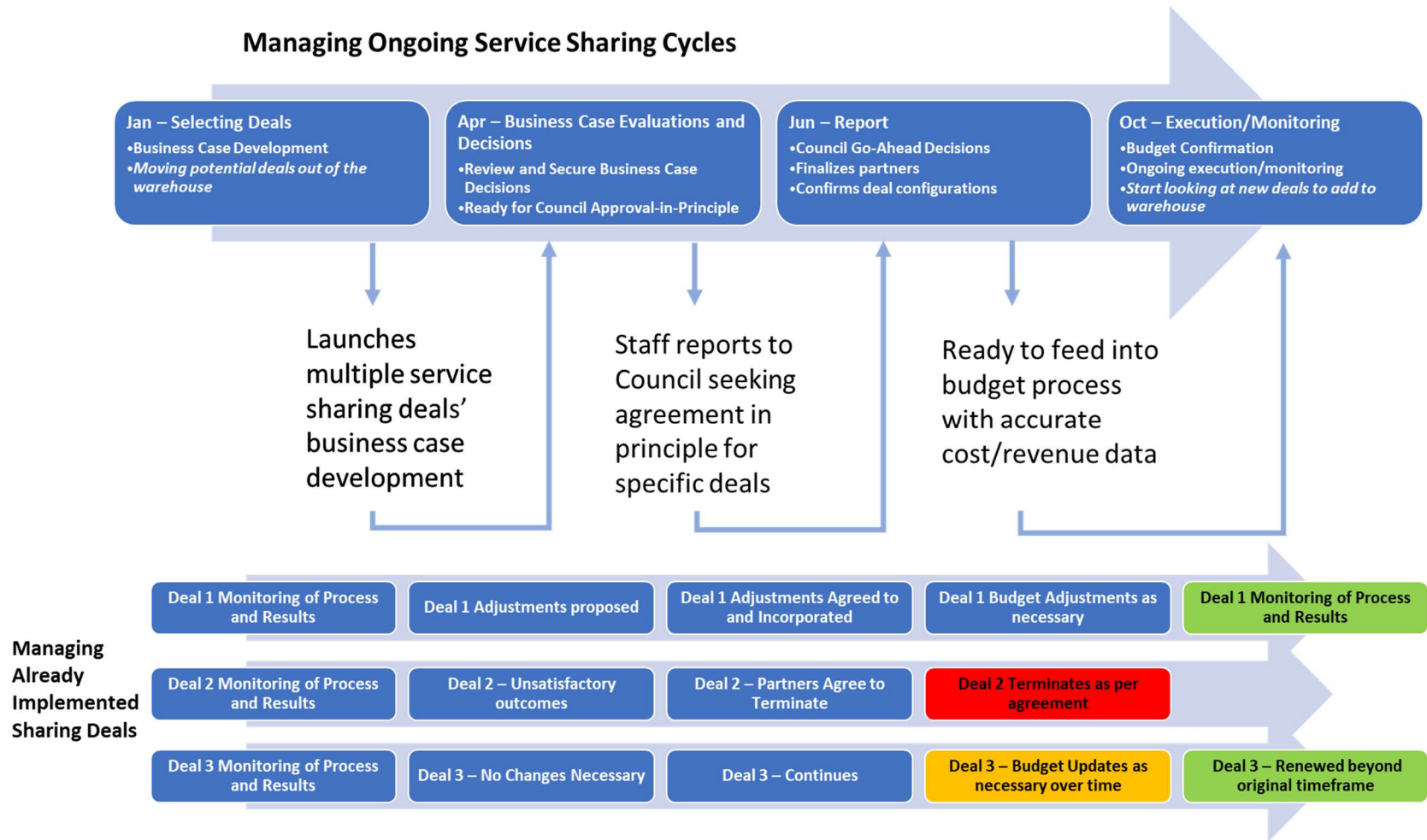
The NS-SSWG should be supported by dedicated municipal support staff. This support role is a pivotal one and demands a variety of skills and abilities. They will essentially act as a project leader to make sure that the work of the NS-SSWG is carried through. They should possess excellent interpersonal skills, strong communication skills, good judgement and strong leadership skills, a big picture perspective but also ability to handle detail, political adeptness, and determination.

Further, the NS-SSWG should be supported, as necessary, by third-party municipal "change management" consulting expertise; potentially funded by modernization funding received by the MMP municipalities.

The Performance Concepts team believes that strong governance in advancing shared service opportunities is essential. The NS-SSWG will assist with developing a common vision about shared services among all stakeholders. It is only through such effective governance that the continued success of the shared services can be secured.

4.2.3 Managing the Ongoing/Mature Service Sharing Cycle

As already noted, the Service Sharing Planning Cycle manages service sharing initiatives through a continuous loop of *Select Deals-Business Cases-Approvals & Budgets-Operationalize-Evaluate & Refine*. The Performance Concepts team has developed a cyclical annual/multi-year planning model that includes quarterly sharing deal reviews/due diligence points. (See figure below.)



During the 1st Quarter Review (January), the planning model proposes that priority service sharing deals would be selected based on the North Shore MMP Project Plan (moving potential deals out of the warehouse). This priority deal selection would then prompt the development of multiple deal business cases.

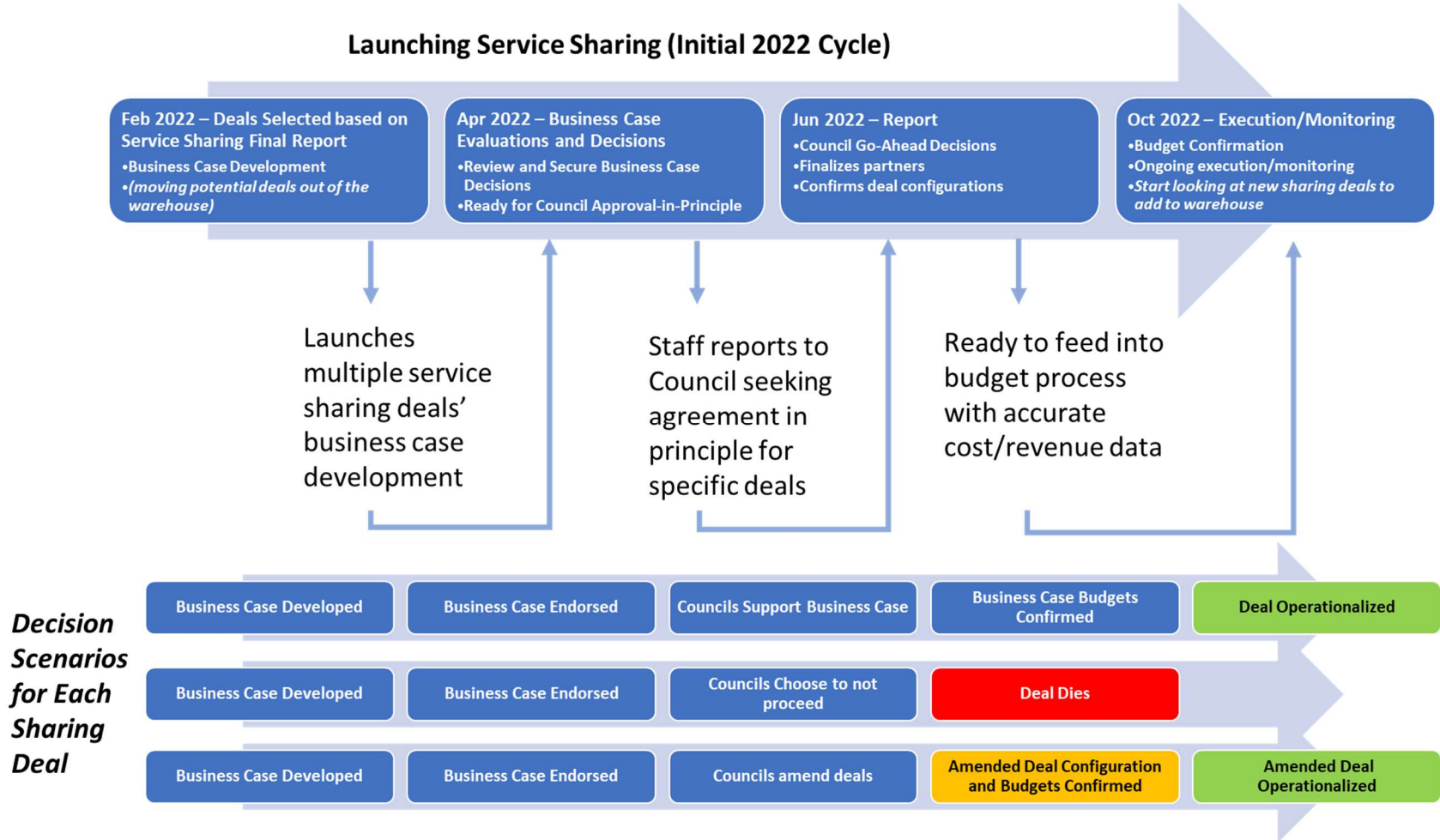
The detailed business cases would be reviewed and evaluated during the 2nd Quarter Review (April) to secure go-forward deal decisions. For those business cases that are endorsed, staff reports would be prepared and submitted to the respective Councils seeking agreement-in-principle for the proposed shared service opportunity.

Once the Councils gave their go-ahead to proceed, the 3rd Quarter Review (June) would see the development of an updated business case that would outline granular deal specifics, including confirmation of final participants and adjustments to deal configurations if necessary. This updated business case would also provide the necessary financial detail to feed into the municipal budget process.

During the 4th Quarter Review (October), with deals endorsed and budgets confirmed, participating staff teams would move to operationalize each deal. This stage also involves monitoring already-operationalized deals to determine whether any adjustments/refinements should be made to secure continuous improvement in the upcoming/next cycle. Outcomes of the monitoring process could likewise result in a specific service sharing deal being renewed or cancelled. It is also at this stage that consideration would be given to adding any potential new deals to the “warehouse” for future review.

4.3 **Launching the Initial Service Sharing Cycle (2022)**

In order to launch the initial Service Sharing Planning Cycle in 2022, it is prudent to modify the already-reviewed mature/ongoing planning model to recognize a shortened timeline and provide additional background to the NS-SSWG. (See figure below.)



4.3.1

“Launch” Workshop April 2022

In order to ensure a solid operating framework for the NS-SSWG, the Performance Concepts team will facilitate a “launch” Workshop for the NS-SSWG in April 2022.

This inaugural meeting of the NS-SSWG would include a review of the service sharing deals ‘warehouse’ as outlined in this Report, as well as a review of the detailed business cases prepared by the Performance Concepts team (Feb/March 2022) for the following priority service sharing opportunities:

- Contract Consolidation by External Provider - Planning & Building
- Contract Consolidation by External Provider - Curbside Collection
- Animal Control Purchased Services from an MMP Municipality
- Initiating a Solid Waste Master Plan Project - Joint MMP
- Winter Control GPS/Storm Management Reporting Tool
- Multi-year Work Plan - Transition to Common ERP Solution.

The “launch” Workshop will incorporate a detailed “how to” implementation framework/roadmap for considering service sharing business cases developed in February/March. (See figure below.)

- Bring deals out of the warehouse for business case development
- Review of Business Cases to endorse specific deals
- Secure Council Approval-in-Principle for specific deals
- Adjust specific Deals as required by Council directions
- Prepare Budget cost/revenue packages for specific deals and Secure Budget Approval
- Operationalize specific deals
- Monitor specific operationalized deals
- Propose changes/modifications to specific operationalized deals based on monitoring process/results
- Renew or cancel specific deals based on monitoring process/results
- Add potential new deals to the warehouse for future consideration

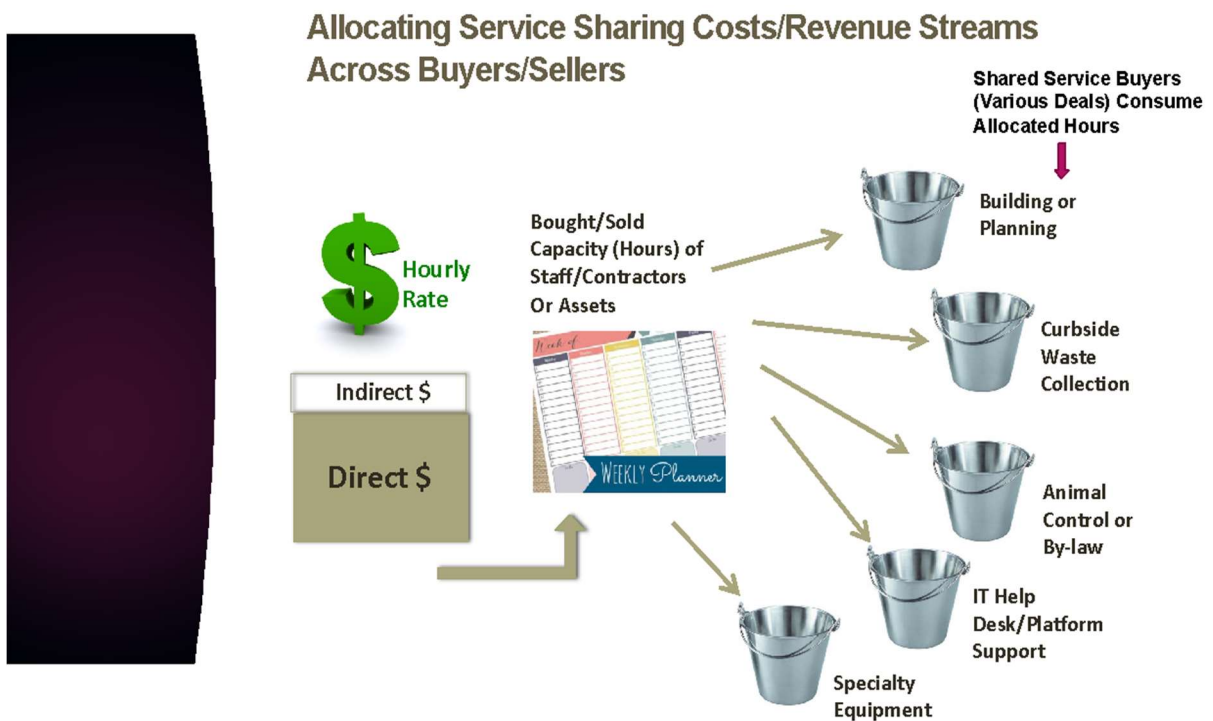
5.0 Decision Support & Evaluation Tools

Designing and implementing service sharing opportunities (deals) requires a suite of technical tools that can be applied to each specific sharing deal. Taken together these tools can empower North Shore partners in the development of detailed business cases to design and operationalize win/win opportunities.

5.1 Costing & Revenue Allocation Framework

Establishing agreed-upon shared service delivery cost and revenue streams is a prerequisite for sustainable win/win deals. The figure below provides a useful “technical prop” for designing a technically appropriate cost/revenue framework for each specific deal.

Eligible costs for service sharing can include both operating costs and/or capital costs. Operating costs can be broken down into i) Direct and ii) Indirect Support categories. Direct costs include forward-facing municipal staff members’ salary/wage/benefits plus non-SWB costs such as materials/small equipment central to the delivery of the shared service. Indirect support function costs (IT/HR/Finance/Facilities) are allocated to the forward-facing delivering the shared service. Indirect support function costs are carried in the “back-pack” of the direct delivery forward-facing staff. An indirect cost charge of 25% to each forward-facing shared service provider is accurate/appropriate based on the extensive service costing/user fee design work executed by Performance Concepts over the past 20-years.

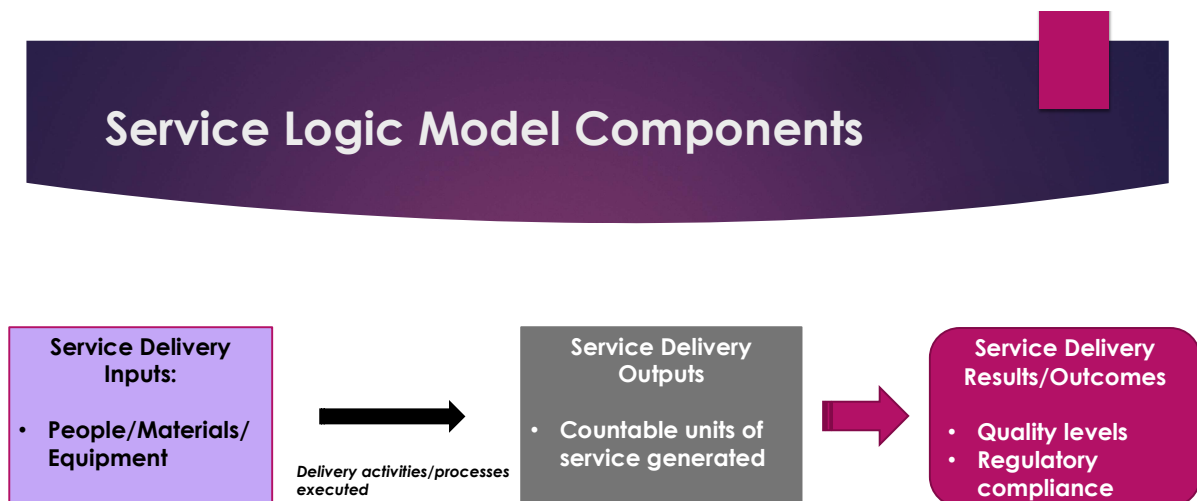


Direct and indirect costs for an FTE can be easily converted into a “full cost” hourly rate for any shared municipal staff (FTE). Hourly rates for contracted 3rd party service providers will need to capture direct costs + indirect costs + profit). The total available “full costed” FTE hours can then be sold among the consumer/buyer municipal partners at a standard “fully costed” acceptable price. There is no profit margin built into win/win service sharing pricing among North Shore MMP partners.

The same approach to cost allocation across North Shore MMP partners can be applied to potential Solid Waste deals by substituting collection points, route kilometres, or tonnages in the place of Staff/Contractor service hours in the above figure.

5.2 Service Delivery Logic Models

As service sharing moves forward and gains momentum it will be useful to compile service logic models across the North Shore MMP partners. A service logic model serves as a reference profile documenting how a particular service is delivered by a given municipality (e.g., direct delivery, contractor, purchased from a municipal partner). Logic models also include KPI data summarizing the amount/cost of service delivered and the service quality level that is being achieved. Service logic models are useful to track/monitor and fine-tune ongoing sharing deals. They can also be incorporated into the business case to evaluate new sharing proposals.



5.3 Workforce Profiles

A Workforce Profile is a useful support tool for any ongoing shared service initiative. These Profiles required each municipal sharing partner to identify key staff and forecast their potential retirement/departure dates, as well as any internal succession planning being considered.

The reason for this exercise (and the need to continually update the information) is that staff departures and workforce reorganizations may trigger a Shared Service opportunity/deal and indicate the potential timing of the deal.

Specific roles/key positions across the North Shore MMP municipalities that lend themselves to potential sharing deals within the identified service areas may include:

- CAO
- Chief Building Officer/Inspectors
- Treasurers
- IT Staff
- By-law Enforcement Officers
- Public Works Managers

Additionally, opportunities may present themselves for multi-jurisdictional role/position sharing for functions such as Clerks, Legal, or Accounting in the future.

It will be up to the North Shore MMP partners to continually update their Workforce Profiles and share the information during NS-SSWG meetings to identify potential timing triggers for further Shared Service opportunities.

5.4 IT Platform Strengthening Checklist and Assessment

Several Shared Service Opportunities/Deals referenced in this Report (e.g., GPS, ERP Solution) relate to Information Technology, and the ability to leverage technology improvements with scale economies to realize cost savings/avoidance. In addition, the opportunity to share staff resources/provide staffing coverage during absences will rely on connectivity and access to appropriate servers and data.

Before embarking on any IT-related Service Sharing deal, it will be necessary for each potential partner to undertake an in-depth “As Is” current state assessment to ascertain IT infrastructure capabilities. This “As Is” assessment will provide the baseline to evaluate feasibility of IT-related Service Sharing deals, as well as inform the ROI of the individual Business Cases.

The IT Platform Strengthening Checklist and Assessment tool is provided to allow each Joint MMP partner to individually perform a comprehensive assessment of their current IT infrastructure, using a model that will allow the results to be compared directly with potential Joint MMP partners.

The Checklist is broken down into five components: Hardware, Software, Services, Specialized Devices and Personnel. Both the Checklist and the assessments should be updated regularly as part of the annual Shared Service Framework cycle.

Information Technology Checklist and Assessment

Hardware

Computers

In the table below, list the type of computers your municipality owns. In the identifier, indicate location (if fixed) or custody (if portable):

Computer type (desktop/laptop)	Identifier (e.g., CAO laptop)	Make	Age	Processor	Operating System

Servers

In the table below, list any servers that the municipality maintains. For “Maintenance Protocol” indicate if there is a documented maintenance protocol, and if so, who is responsible (internal staff, external contract, etc.) In the “Backup and Security” column, indicate if there is a scheduled/documentated backup procedure(s) and if there is dedicated security protocols in place.

Server	Location	Make	Age	Maintenance Protocol	Backup and Security

Software

Which software (or suite – e.g., Office, Google Docs, etc.) and version do you use as your:	
Word Processor	
Spreadsheet	
Database	
Other	

Enterprise Software Solutions			
Does your Municipality have:	Y / N	Provider	Version
Financial Management Software			
Asset Management Software			
Work Order			
Development Approval Process Workflow Tool			
Corporate Records Management			
Service Delivery Software (e.g., Recreation/Facility scheduling, Cemetery, etc.)			

Connectivity & Security

Internet Provider and Bandwidth

Please provide the name of your Internet Service Provider and the type of service you have (DSL, Fibre, Cellular, etc.) (repeat for each location):

Provider	Type	Speed promised: Download/Upload

For the purposes of this assessment, please access "Google Speed Test" or similar tool (e.g., Ookla) and, with no one else accessing the net (if possible) run a speed test and record the results here (repeat for each location):

DOWNLOAD speed		Mbps
UPLOAD speed		Mbps

Cellular Connectivity

For each cellular device managed by the municipality, please provide the cellular provider and band type (4G,LTE, etc.):

Provider	Device type	Band

Cloud Back-up Services

Does your Municipality have any cloud-based or offsite back up services (e.g., Dropbox, Google Docs, etc.)?

Provider	Description of Service	Backup Protocol	How Often

VPN Connectivity

Does your Municipality have VPN Connectivity? Please describe your current VPN process. Who administers it, who verifies protocols are working?

Cyber-Security

Please describe your current cyber-security protocols (in generic terms) (e.g., do you have firewall software, antivirus, anti-phishing protocols, two-step verification?): Who administers it, who verifies protocols are working?

Specialized Devices/Assets/Software

Assets/Devices/Software

Does your municipality have any Specialized Devices, Assets or Software (e.g., GPS/AVL devices and software, tablets for workflow tools/onsite inspections)

Device/Software	Description	Version/Type

Website

Please indicate who hosts your website and who is responsible for managing it?

Personnel and Third-Party Support

Staff

Current Staff involved in IT Infrastructure			
Position	Description of Current/Future IT Responsibilities	Estimated Workload Capacity	Training (Provided or required)

Third Party Support

Please indicate any third-party support you currently utilize and what service they provide?

5.5 KPIs 101 – Performance Metrics to Measure Success

North Shore MMP service sharing opportunities/deals that are not supported by Key Performance Indicators are unlikely to survive and flourish over time. Service level targets need to be quantified and imbedded in deals. Actual service delivery results/actuals need to be measured/quantified so that they can be compared against targets imbedded in a service sharing deal.

The following figure sets out Key Performance Indicators that can/should be imbedded in a number of the North Shore MMP service sharing opportunities/deals referenced in this Report.

Service Area	Service Description	KPI to Consider	KPI Description
Roads Winter Control	Road network lane kilometres (by Ontario Minimum Maintenance Standard category) receiving winter patrol, plowing, anti-icing or de-icing treatments before/during/after a winter weather event.	<ol style="list-style-type: none"> 1. % Winter Event responses launched by municipality that meet the MMS “trigger” for accumulated centimetres of precipitation 2. Average Post-Event clean-up time for each system-wide event response 3. % Post-Event clean-ups meeting MMS timeframe requirements 	<p>These KPIs measure the following:</p> <ul style="list-style-type: none"> • Timeliness of initiating a Winter Event response against MMS-defined accumulated precipitation level triggers. Answers the liability question “were we quick enough off the mark when snow was accumulating during the Winter event?” • Timeliness of returning roadways to navigable condition after the winter event ends. Answers the liability question “were we quick enough in generating a clean-up pass across the system once the Winter event was over and the snow stopped falling?” <p>Answers to these questions are mission critical from a liability perspective. A GPS on the plows + Winter Storm reporting software solution is a key requirement to track the KPI data needed to manage/reduce liability and reduce insurance \$ payouts and premiums.</p>

Service Area	Service Description	KPI to Consider	KPI Description
Solid Waste Curbside Collection & Landfill Disposal	Landfill Operations + Green Bag and Blue Box Curbside Collection	<ol style="list-style-type: none"> 1. # Collection points serviced 2. # Collection route km travelled 3. Cost per collection point 4. Cost per collection route km 5. % Collection points serviced on-time 6. Landfill operating cost per tonne 7. Landfill operating cost per hour of operation 8. Estimated # years/tonnes of available landfill disposal capacity 	<p>These KPIs measure the following:</p> <ul style="list-style-type: none"> • Units of service (output) and unit costs for curbside collection • Units of service (output) and unit costs for landfill operations • Landfill disposal capacity that could be applied to capacity sharing deals or inform landfill capacity exchange deals
Animal Control	Animal Control By-law Enforcement & Kennel Operations	<ol style="list-style-type: none"> 1. # Animal Control Enforcement hours deployed annually 2. # Annual Animal Control Enforcement calls/actions 3. Cost per deployed Enforcement hour 4. Cost per Enforcement call/action 5. Per Diem Cost Kennel Operations 	<p>These KPIs measure the following:</p> <ul style="list-style-type: none"> • Units of service (output) and unit costs for Animal Control operations/enforcement • Unit costs for Kennel Operations

Service Area	Service Description	KPI to Consider	KPI Description
By-law Enforcement	Parking/Property Standards/Noise/Illegal Dumping etc.	<ol style="list-style-type: none"> 6. # Enforcement hours deployed annually 7. # Annual Enforcement calls/actions 8. Operating cost per deployed Enforcement hour 9. Operating cost per Enforcement call/action 	<p>These KPIs measure the following:</p> <ul style="list-style-type: none"> • Units of service (outputs) and unit costs for By-law Enforcement
Building Services	Building Permit Decisions/Issuance + Inspections + Occupancy + Code Enforcement	<ol style="list-style-type: none"> 1. # Building Service deployed hours 2. Operating cost per deployed Building Services hour (gross/net) 3. % Permit issuance decisions meeting mandated Provincial timeframes (Part 3 & Part 9) 4. % Inspections executed on-time after readiness notification (2 business days) 	<p>These KPIs measure the following:</p> <ul style="list-style-type: none"> • Units of service (outputs) and unit costs for Building Services • Permit decision mandated timeframe compliance • Inspection delivery mandated timeframe compliance

6.0 Next Steps and Business Case Overviews

6.1 Next Steps

As referenced in the project methodology outlined in Section 1.4, upon acceptance of the Interim Report, the North Shore MMP partners confirmed their intent to pursue the proposed Shared Services Framework and selected the recommended Sharing Deals requiring a “deeper-dive”.

Performance Concepts has prepared a series of Business Cases for the identified “deep-dive” deals and have included them as addenda to this Report.

The Joint MMP municipalities have agreed to the Shared Services Framework and will be hosting their inaugural meeting in April/May 2022. In anticipation of this meeting, Performance Concepts has provided the Shared Services Framework found in this Final Report, as well as a draft agenda and briefing packages for each Business Case.

6.2 Business Case Overviews

Overviews are provided below for each service sharing Business Case addendum to this Report.

6.2.1 Building: Contract Consolidation, Municipal Purchase of Service, Building Workflow Tools

Qualified/certified Building staff are difficult to find across Ontario. In recent years, all five North Shore MMP municipalities have relied on the same private contractor (Tulloch Engineering) to deliver Building Code Act mandated plans examination, permit decision, inspection, and occupancy services. These contractor arrangements are not standardized in terms of services offered, pricing or length of contract time period. Consolidated contract design will standardize contract timeframes, stabilize pricing, and reduce the risk of service interruption.

Elliot Lake is currently in-sourcing its Building Services model. The new Chief Building Official is expanding the City’s staffing model to address upcoming development driven workload, reduce non-regulated construction activity, and improve the City’s technical capacity to safeguard the public via rigorous Code compliance. Elliot Lake is willing to share a portion of Building Inspection staff capacity (2023 and beyond) with North Shore MMP partners. A billable hours “buy” from Elliot Lake Building Services should be directly compared to the hourly price offered by Tulloch to determine its cost/benefit ROI. A billable hours “buy” sourcing Elliot Lake’s full-time staff team will offer superior reliability/redundancy compared to the current private sector contractor model.

A Development Services online application portal + workflow management software solution will equip Elliot Lake to offer a full range of Building services to residents of the City and North Shore MMP partner municipalities. An evaluation of the technical options for a development services portal/workflow solution will be included in this business case.

6.2.2 **By-law: Animal Control and By-law Enforcement**

Animal Control and By-law Enforcement Services are delivered across North Shore MMP municipalities using a blend of private contractors and municipal staff. A two-phase sharing deal for Animal Control services has been recommended for Elliot Lake, Blind River, and Huron Shores. Phase 1 of this sharing deal is focussed on Elliot Lake providing Animal Control staffing capacity (pre-purchased hours) to Blind River and Huron Shores. The Phase 1 sharing deal would see the Elliot Lake By-law Enforcement Officers (BLEOs) respond as required to Blind River and Huron Shores Animal Control service requests. The existing Elliot Lake animal shelter would house impounded animals for Blind River and Huron Shores on a cost recovery basis.

A Phase 2 sharing deal would focus on the replacement of the existing Elliot Lake and Blind River kennels (at the end of their existing lifecycles) with a new animal control facility located at the existing Elliot Lake site. Blind River would re-purpose its current kennel/land parcel for more appropriate usage. Elliot Lake would enter into a shared facility project (design/construction/operations) with animal protection non-profit SAD. Capital and operational savings/cost avoidance for Elliot Lake, Blind River and Huron Shores would be secured by the Phase 2 deal.

A key deliverable of this business case would be an Animal Control service sharing MOU for Phase 1.

6.2.3 **IT: Enterprise Resource Planning (ERP) Common Solution**

North Shore MMP municipalities all recognize a shared approach to Enterprise software provides a significant modernization opportunity. A common software solution around Financial, Work Order, and Asset Management modules will generate economies of scale around pricing, support, and improved functionality. This common solution could be configured in the cloud or via a VPN supported network of identical software solutions for each municipality. A multi-year change management work plan is required - featuring an upfront strengthening of a common/standardized IT platform by Elliot Lake to ensure the envisioned ERP software solution is viable.

6.2.4 **IT: Winter Control GPS/Storm Reporting**

Municipalities across Ontario are securing significant risk management benefits, reduced claims, and reduced insurance premiums by implementing GPS/AVL + automated spreaders on their winter control fleets. The five North Shore MMP municipalities can secure improved economies of scale by implementing a shared adoption of a common winter control GPS/AVL and automated spreader solution. The marketplace for this technology is complex and diverse. The business case will evaluate the functional requirements of North Shore MMP partners and recommend an appropriate solution that balances functionality and cost. Significant benefits around reduced material use, reduced \$ claims, and reduced \$ insurance premiums will significantly offset up-front solution acquisition costs.

6.2.5 Solid Waste: Curbside Contract Consolidation

Four of the North Shore MMP partners rely on a single contractor (GFL Environmental) to provide curbside collection of green bag garbage + blue box recyclables. These contractor arrangements are not standardized in terms of service levels offered, pricing, non-compliance penalties, or length of contract time period. Consolidated contract design will standardize contract timeframes, stabilize pricing, and reduce the risk of service interruption. Routing efficiencies across municipal borders may also be possible.

A key deliverable of this business case would be the consolidated contract template.

6.2.6 Solid Waste: Common Service Review/Master Plan

North Shore MMP partners are currently challenged by significant dis-economies of scale when it comes to Solid Waste Management. The North Shore partners have a population less than 20,000 residents but they operate 8 landfills. Inefficient one-off landfill capacity expansions (lengthy environmental approvals) and expensive future landfill remediation exceed the fiscal capacity of individual municipalities and their tax bases. Improved economies of scale are required moving forward.

A range of service sharing deals around landfill capacity and operations have been set out in the Final Report. These deals need to be sequenced and fleshed out at a granular level. A common Service Review/Master Plan is required. The operationally focused Solid Waste Services Review conducted by an expert consultancy would come first. Service Review recommendations would be the shared services implementation priority across the first five years of a 10-year planning horizon.

The second five-years of the 10-year planning horizon could focus on system-wide restructuring around a joint service delivery framework that would generate scale economies around assets, operations, and staffing.

A key deliverable of this business case would be the required RFP content for the 3rd party Service Review/Master Plan.

