

To: Warden and Members of County Council

From: Director of Corporate Services

Municipal Modernization Program Funding Proposals – Intake 3

RECOMMENDATIONS

1. That County Council authorize staff to apply for funding under the Municipal Modernization Program for up to \$425,230 in costs related to various review and implementation projects that focus on digital modernization; and shared services/alternative service delivery models, as described in Report No. CS 2021-38 titled “Municipal Modernization Program Funding Proposals – Intake 3”;
2. And further, that Council authorizes up to \$158,970 from the County General Reserve to fund the County’s required contribution under this shared funding program, subject to funding approval;
3. And further, that County Council authorize the Chief Administrative Officer and/or Director of Corporate Services to sign all documents related thereto.

REPORT HIGHLIGHTS

- Eight modernization project proposals submitted
- \$584,200 one-time investment in proposed projects to modernize service delivery and reduce future costs
 - County’s contribution to the one-time project costs up to \$158,970

Implementation Points

Upon Council’s approval of the recommendations contained in this report, staff will proceed with submitting applications for the projects as proposed and, subject to Provincial funding approval, incorporate applicable budgetary impacts in future budgets accordingly.

Financial Impact

There were eight modernization project proposals submitted by staff that were vetted by the Senior Management Team to ensure they met the intent of the Ministry of Municipal Affairs and

Housing (MMAH) Municipal Modernization Program. The projects proposed represent best practices and are intended to achieve efficiencies and future cost savings.

Table 1 provides a summary of the proposed projects and their associated costs. This is Intake 3 of the Municipal Modernization Program and, similar to Intakes 1 and 2, has two streams of projects – Review Stream and an Implementation Stream. The Implementation Stream is cost shared with 35% being the municipal portion for populations over 5,000 and 25% for municipalities where the population is less than 5,000. If approved, the County's one-time implementation project costs will be funded up to 65% by the Province while the review projects will be 100% funded. Any ongoing annual costs were also carefully considered to ensure the enhancements outweigh ongoing costs and are sustainable as part of the County's base budget in years to come.

The Province anticipates that the provincial share of projects will be between \$20,000 and \$250,000 with higher funding amounts being available for joint projects. Proposals will be reviewed on a case-by-case basis and funding amounts will depend on available appropriation.

According to the funding guidelines, priority may be given to projects that address one or more of the following priorities:

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

Funding applications must be submitted by October 19, 2021 with review related projects to be completed by October 21, 2022 and implementation projects completed by February 28, 2023. Funding approvals will be announced in January 2022.

Approval of projects under Intake 3 is subject to the municipality confirming that it has fully spent or allocated the unconditional modernization funding provided by the Province in March 2019. Through Report No. CS 2020-46 titled "Modernization Funding Project Proposals" all except \$14,000 of the original \$725,000 in unconditional modernization funding from the Province was committed to projects that are now underway. The remaining \$14,000 in funding has since been committed, approved by the CAO in accordance with the authorities given by Council under Report No. CS 2020-46. Regular updates regarding progress of these projects are provided to Council as part of the quarterly Business Plan and Budget update reports.

The following table sets out each of the proposed projects including: total one-time project costs; the County's share of one-time project costs; ongoing base budget costs; and the overall modernization funding request.

Table 1 Summary of the Modernization Project Proposals – Intake 3

No.	Modernization Project Proposals	One-Time Costs	County Funding Requirement	Ongoing Base Budget Costs¹
08	Digitizing Disability Management	\$41,000	\$14,350	\$6,100
09	Accounts Payable Digitization Implementation	285,000 ²	33,250	20,000
10	Automated Scheduling Solution for Long Term Care	38,000	13,300	(78,150)
11	Modernizing Access to Archival Records	22,700	7,945	-
12	Emergency Notification and Communication Software	19,500	6,825	17,250
13	Woodingford Lodge Nutritional Services Review	95,000	-	-
14	Subsidized Housing Operations Optimization Review	35,000	-	-
15	Digital Risk Management and Information System	48,000	16,800	33,000
		\$584,200	\$158,970	\$105,205
	Modernization Funding		\$425,230	

Note:

1. Ongoing base budget costs are incremental only if project replaces legacy systems
2. One-time costs include costs for Ingersoll and Tillsonburg, subject to their respective Council approvals - \$95,000/per municipality (estimates to be updated in November 2021 upon receipt of third party review report)

Communications







The proposed projects that involve, or could be easily replicated by our area municipalities have been discussed with them and, in the event that those projects are approved to proceed, the respective municipalities will be invited to either be involved or kept informed, depending on the nature of the project and their desire to do so. There is no commitment or obligation on their part to apply for funding or commit to the County's funding requirement, if applicable.

There are no communication requirements specified in the Municipal Modernization Program application guide. Strategic Communications and Engagement will be engaged as appropriate for any communication requirements that may be identified in a funding agreement.

The reporting requirements of this program are as follows:

- Implementation Stream
 - project completion by February 28, 2023;
 - final report that forecasts annual savings and other efficiency and effectiveness outcomes for at least three years as a result of project completion; and
 - reporting back one-year post project completion with actual savings over the course of the year, and a forecast for the following two years of annual savings and other efficiency and effectiveness outcomes.
- Review Stream
 - third-party reviewer's final report is to be posted publicly on the municipal website online by October 31, 2022

Strategic Plan (2015-2018)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
		3.iii.		5.ii.	

DISCUSSION

Background

In March 2019, the MMAH funded a one-time unconditional grant for small and rural municipalities intended to help modernize service delivery and reduce future costs by investing in projects such as: service delivery reviews, development of shared services agreements, and capital. The investment is to support small and rural municipalities' efforts to be more efficient and reduce expenditure growth in the long term.

The allocations were formula based, taking into consideration the number of households in the municipality, including urban and rural. As such, the County and all of the area municipalities received allocations. The County's allocation was \$725,000 – refer to Table 2 for a detailed listing.

Table 2 Summary of the Modernization Projects – Initial Allocation of \$725,000

Modernization Project Proposals	One-Time Costs	Ongoing Base Budget Costs
Joint Service Delivery Review	\$30,000	\$-
Tourism – In Market Visitor Information Signage	70,000	-
Roads – GPS/AVL and Road Patrol Compliance Software Evaluation	10,000	-
Waste Management - Weigh Scale Software Optimization	200,000	4,600
Information Services – Mobile Solution for AMANDA (Building Inspections)	164,000	46,700
Information Services – Requirements for AMANDA – Community Planning	75,000	-
Woodingford Lodge – Visual Enhancement for Resident Dining & Meal Choices	58,660	8,520
Paramedic Services – Real-Time Data CAD Integration	33,000	26,360 ¹
Human Resources – HRIS Configuration and Implementation	60,300	-
Drone technology	6,000	-
WFL Automated Scheduling Software Support	18,040	-
	\$725,000	\$88,180

In November 2019, the Province announced the Municipal Modernization Program, an application based funding opportunity, an extension to the unconditional modernization funding provided in March 2019, and in response to their commitment made upon conclusion of the Regional Government Review. In anticipation of a final Joint Service Delivery Review consultation process report, the County did not submit a funding application at that time.

In the meantime, County Council received Report No. CS 2020-46 titled “Modernization Funding Project Proposals” at their meeting held October 28, 2020 and approved investment of the \$725,000 unconditional Modernization funds to specific projects to modernize service delivery to gain efficiencies and achieve future savings.

Subsequently, in early 2021 the Provincial Government announced a second intake of the Municipal Modernization Program. In response, the Senior Management Team initiated a second challenge seeking proposals for innovative initiatives that would improve efficiency of services delivery and reduce expenditure growth as identified in the service review that would be eligible for funding under this program.

In light of the foregoing, proposals were received in the form of a Modernization Funding Request, designed for establishing a business case for proposed initiatives. In response there were seven proposed initiatives received.

The proposed initiatives represent a diverse cross-section of municipal services including our area municipalities that may not otherwise be possible due to the one-time implementation costs. Table 3 below provides a summary of the projects that were approved for submissions under the Funding program.

Table 3 Summary of the Modernization Projects Approved – Intake 2

No.	Modernization Project Proposals	One-Time Costs	County Funding Requirement	Ongoing Base Budget Costs¹
01	Finance - Review Feasibility of Digital Accounts Payable Process	\$25,000	\$-	\$-
02	Information Services – Public Websites Modernization	180,240	63,084	19,850
03	Information Services – Road and Address GIS Data Transformation	167,800	58,730	8,580
04	Water and Wastewater Service Delivery Review	100,000	-	-
06	Road - Operations and Maintenance Service Delivery Review	125,000	-	-
07	Paramedic Services – Deployment Review	150,000	-	-
		\$748,040	\$121,814	\$28,430
	Modernization Funding		\$626,226	

Notes:

1. ongoing base budget costs are incremental only if project replaces legacy systems
2. 05 RFID Technology Project – Self Serve Locker System for \$54,000 was not approved as it was deemed to be major capital and not eligible under the funding criteria

Comments

On August 16, 2021, the Provincial Government announced a third intake of the Municipal Modernization Program at which time Senior Management initiated a third challenge seeking proposals for innovative initiatives that would increase efficiency and effectiveness and lower costs in the longer term. As with previous intakes, the Province is encouraging municipalities to work with neighbouring municipalities to find innovative joint projects.

In light of the foregoing, proposals were received in the form of a Modernization Funding Request, designed for establishing a business case for proposed initiatives. In response there were eight proposed initiatives received, consisting of two projects under the review stream and six projects under the implementation stream.

The proposed initiatives represent a diverse cross-section of municipal services with one being a continuation of an Intake 2 review project, a joint project with two of our area municipalities – “Review Feasibility of Digital Accounts Payable Process”. The proposal for submission under Intake 3 is for implementation of the recommendations anticipated in the third party reviewer’s final report. Estimates contained in the proposal are subject to revision upon receipt of the third party reviewer’s report in mid-November of 2021. Further updates will be provided to Council when that report becomes available. Details of each of the proposed initiatives are attached to this report.

Access to this third intake of the Municipal Modernization Program is an excellent opportunity for the County to advance some projects which may not otherwise be considered financially feasible.

Conclusions

Investment of the County’s Modernization Funding allocation for the project proposals presented under this report are in-keeping with the Provincial Government’s intent to assist in modernizing service delivery and reduce future costs for Oxford County taxpayers.

SIGNATURES

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Michael Duben, B.A., LL.B.
Chief Administrative Officer

ATTACHMENTS

- Attachment 1 – Digitization Disability Management
- Attachment 2 – Accounts Payable Digitization Implementation
- Attachment 3 – Automated Scheduling Solution for Long Term Care
- Attachment 4 – Modernizing Access to Archival Records
- Attachment 5 – Emergency Notification and Communication Software
- Attachment 6 – Woodingford Lodge Nutritional Services Review
- Attachment 7 – Subsidized Housing Operations Optimization Review
- Attachment 8 – Digital Risk Management and Information System