

March 27, 2014

**CHIEF ADMINISTRATIVE OFFICER REPORT – CAO 2014-06**

TO: Committee of the Whole

SUBJECT: Update on Collaborative Municipal Initiatives of the Six Northern Municipalities of York Region

ORIGIN: CAO

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**RECOMMENDATIONS**

**THAT Chief Administrative Officer Report – 2014-06 dated March 27, 2014, regarding Update on Collaborative Municipal Initiatives of the Six Northern Municipalities of York Region be received for information purposes.**

**PURPOSE**

This report is intended to provide Council with a status report with respect to various collaborative initiatives among the Northern Six ("N6") Municipalities of York Region. A similar report will be provided to the Council of each respective municipality.

**BACKGROUND**

As has been our practice, each N6 municipality takes on the leadership of one or more initiatives so that the effort is distributed and shared between and among the N6 municipalities. While some of the results of our efforts have already been reflected in various reports to Council, what follows below are some of the highlights of our more recent activities.

**Current and Ongoing Initiatives**

**Northern York Region Economic Development Activities**

A strategic focus for the Northern York Region Economic Development Officers has been on communications and marketing. Since launching the Northern York Region brand in 2011, building awareness and brand recognition has been of importance. Marketing pieces were created to assist in communicating the Northern York Region investment value proposition. These marketing pieces, that utilize the marketing brand created for us, are highlighted below and include:

- A pair of banners with Northern York Region messaging and images, consistently used at events.
- A tri-fold brochure providing an overview of Northern York Region and insight into each of the

communities, which has been an effective tool when networking.

- A PowerPoint slide deck with the Northern York Region brand, providing a professional look and feel when communicating with target audiences.



This year the group has been working to expand the suite of marketing tools that within the next year will include a Northern York Region e-newsletter to connect with contacts made during networking events and a Northern York Region micro-site to increase the group's web-presence.

Realtors have been targeted as the main audience for marketing efforts as they are considered the pipeline to potential investment opportunities and business contacts. The ongoing sponsorship of the Society of Industrial and Office Realtors (SIOR) entitles the group to:

- A continued web presence on the SIOR Canada website.
- Presence on all banners, electronic signage and print collateral.
- A quarter page spread and multi directory listing of names and contact information in the Member Directory and Sponsor Directory.
- Attendance at three events, including the Fall Seminar.

Based on the early success of the N6 brand and initial marketing tools, the group has created a list of additional realtor and industry associations to network with. The organization of an ICI Realtors Breakfast has begun, with the assistance of York Region Staff, and is planned for 2014.

### **N6 Internal Audit Projects**

The N6 CAOs continue to utilize the Region's Audit services. This approach, based on the purchase of audit services on a cost recovery basis has proven to be a cost effective way to undertake independent reviews and obtain advice on various issues.

#### *Waste Collection Annual Compliance Review:*

The Region's Audit Services completed a compliance review of the "Services Contract for Collectible Waste" for the 2011 calendar year, and a follow-up review to the 2009 and 2010 "Turtle Island Contract" Audit Reports. The waste contract was entered into on June 15, 2007. The focus of the review was to determine whether the recommendations identified in the 2009 and 2010 Audit Reports have been addressed as per management's responses, and to ensure on-going contract compliance and proper management for the 2011 calendar year. The scope of the engagement included a detailed review on the current status of the 2009 and 2010 audit observations along with a detailed review and testing of key documents and reports that support annual contract compliance.

### Employee Benefits Review:

The focus of this engagement was to provide the N6 Senior Management with a detailed summary of the N6 current benefit coverage. While individual municipal employee benefit plans were not expected to change, the intent was to see if cost saving could be realized through pooling or joining a larger group.

The scope of this engagement included a detailed review of the benefit provider contract terms and conditions, administrative services only (ASO) coverage's and total costs incurred for the period under review, and involved detailed discussions and interview with appropriate personnel at each of the N6.

The results of this review informed the RFP process for benefits described below.

### Specific Audit Projects for Individual N6 Municipalities

In addition to these joint projects, each individual N6 municipality continues to engage the Region's Internal Auditor for specific reviews/audits, which are scheduled through the year. These projects are based on comprehensive risk assessments and provide each municipality with access to a highly qualified auditor for a limited (as needed) time. For example, specific audit projects have been done on the following topics/themes: Public Works/Parks Operations; Purchasing/Procurement; Insurance Claims; Health and Safety; and Capital Projects Management.

## **Fire and Emergency Services**

The Fire and Emergency Services portfolio is one that has been closely monitored by the CAO's group and many areas of opportunity are ripe for pursuing. These opportunities range from being policy related, to administrative, to tactical.

### Fire Master Planning

Currently the 6 municipalities have Master Fire Plans adopted in various years. The potential exists to coordinate any future updating of the plans. This coordination would ensure that efficiencies in resource allocation would be identified and maximized (ie: investment in infrastructure such as station location, equipment purchasing, human resource allocation etc.). The CYFS Master Plan is underway and is scheduled for completion mid-2014.

### Emergency Management

A shared Emergency Management Coordinator could well serve the municipalities to meet our responsibilities under the *Emergency Management and Civil Protection Act, R.S.O. 1990* that require due diligence that could be addressed via a collective approach to training, exercises and actual emergency response.

### Existing Agreements/Future Agreements

Mutual Aid, Automatic Aid and other service agreements already exist between various N6 municipalities. The potential for additional agreements exists although variation in the types of departments (full time, composite, volunteer) may restrict our ability to aggressively pursue synergies.

### Joint Purchasing

Opportunities exist to pursue common equipment purchases which will potentially reduce pricing due to volume buying. Shared equipment purchases also present potential to acquire specialized equipment that could be shared. Purchasing by-laws need to align to support such initiatives.

### Recruitment

Recruitment drives for both full time and volunteer fire fighters could be synchronized so that resources dedicated to written testing, fitness testing and other recruitment procedures could be shared as could training of recruits. This would provide cost savings and operational savings for mutual aid responses as personnel would have trained together.

### Shared Senior Management for Emergency Response

Agreements could be considered to put in place a shared resource to provide additional senior management support when required. This is currently addressed via some mutual aid agreements. Formal agreements would make the administrative response more seamless.

### **Training, Learning and Development**

The N6 Partnership continues to provide a unique and beneficial opportunity to bring training, learning and development to all staff throughout the N6 municipalities, while leveraging and strengthening connections, networks and relationships further enabling us to deliver on our respective strategic priorities.

Since 2010, the N6 Leadership Calendar has continued to provide opportunities for substantial savings and efficiencies for N6 Leaders. By pooling resources, higher caliber programs and speakers (e.g. World renowned Covey programs, Linda Duxbury, Jim Clemmer, and Jamie Broughton among others) can be offered that might not otherwise be affordable on an individual basis.

Partnering has helped to reduce costs associated with program fees as the program costs shared across the N6 are significantly less than individual public enrollment or those to bring an entire program onsite. By partnering, the N6 has been able to increase accessibility to programs by enabling municipalities to send several people to a variety of programs, enabling more to participate and providing greater breadth of program content.

In 2013, the HR group began to coordinate the delivery of some technical and employee level training programs in order to meet operational requirements, while helping to reduce the number of staff 'off the job' on any particular day, increasing scheduling flexibility and controlling costs.

Additionally, the shared knowledge and skills of the group have been leveraged and have created template 'Learning Burst' programs on a number of pressing management topics to continue to increase the knowledge and skills of our management and leaders.

Feedback from all levels of employees across the N6 about our collaborative programming has been that they are impressed by the quality of programs and significantly benefit from the networking opportunities that it affords. Creating relationships between peers across the municipalities has facilitated best practice and knowledge sharing, further partnering and has created an informal support and problem solving network. Being able to partner, learn from and share with colleagues from other municipalities has been very motivating for all levels of staff from leaders through front line. Additionally, these programs have had a positive impact on internal and external customer service levels, and have strengthened our ability to attract and retain the best talent in order to deliver on the strategic priorities.

In 2014 the HR group will expand its focus from a calendar of courses to include a broader spectrum of training and development mechanisms for the municipalities and targeted outcomes for 2014 and going forward.

### **Broadband**

Following the Business and Bandwidth conference held in the spring of 2012, the availability of broadband connectivity was identified by N6 municipalities as one of our most significant economic development issues. Collaborating with the Region's Economic Development Department, the N6 municipalities were instrumental in the establishment of terms of reference for a Broadband Assessment and Business Model Feasibility Study that has recently been completed and presented to Regional Council and many local municipal councils. It remains critical that in order to ensure the interests of the N6 municipalities remain in the forefront that we continue to work together as the strategy moves to its implementation phase.

Newmarket continues to move forward by reviewing the feasibility of a "gigabit mile" project. Dedicated staff resources have been allocated to this initiative by way of a partial secondment of the Director of IT. A specific report on this initiative will be placed on the future COW agenda.

### **Insurance/Risk Management**

As a result of concerns about the rising cost of insurance in general and some of the risks associated with being part of an insurance reciprocal (OMEX), the N6 municipalities collectively went to the marketplace. The RFP permitted insurance providers to provide a quote for each municipality independently as well as collectively. The resulting quotes demonstrated the value of approaching the market collectively as an additional discount was provided based on awarding the contract being awarded by to at least 5 municipalities. As a result, the combined savings to premiums for participating municipalities is \$440,010. In addition, premiums are guaranteed during the year provided coverage isn't changed and were are not liable for supplementary assessments except those incurred before January 1, 2012 as would be the case with remaining in an insurance reciprocal.

### **Benefits Review**

The N6 Human Resources partners were tasked with investigating opportunities to combine efforts among the municipalities for cost savings in the provision of Benefits plans. Lead by Aurora an RFP was prepared and awarded to a Benefits Broker. The result was a recommendation to join the York Region Umbrella Group and realize significant cost savings. Municipalities can join the group individually when timing permits. This will result in significant cost savings through streamlining of administrative processes and capitalizing on the buying power of the larger group.

Looking ahead, the HR group will be exploring opportunities with regard to EAP providers and meeting due diligence requirements of Health and Safety legislation.

### **Solid Waste Collection and Recycling**

The N6 solid waste collection contract has had great success since its start in June 2007. This initiative received national recognition from the Federation of Canadian Municipalities (FCM).

In December 2011 Turtle Island Recycling was acquired by Green for Life Environmental Corporation. The new company has generally performed well through 2012 but did experience challenges in 2013 and early 2014. GFL has affirmed its commitment to deliver the high level of service that our communities expect. Customer service is a priority for the N6 and is monitored closely to ensure resident needs are recognized. The recent performance issues with GFL have been the subject of separate Council reports.

Operationally, for the two year period ending Dec 2012 there has been a 1.5 percent decrease in organics collection and a 0.6 percent increase in waste generated. The overall collection tonnage has dropped 0.5

percent in the same period. With the introduction of the source separated organics program in 2007, solid waste tonnage has dropped from 52,500 in 2005 to 26,750 in 2012.

The N6 Partners have also been working closely with York Region and the other municipal members in developing the Integrated Waste Management Master Plan to be presented to Regional and local Councils in November 2013. This plan provides a long term road map on new initiatives aimed at increased recycling, recover, reuse and reduction. As part of the delivery of future projects identified in the master plan, the N6 partners have again taken a collaborative approach to jointly setting priorities and strategically piloting various aspects of the master plan program in select municipalities. This will allow for better use of limited resources while taking advantage of any benefits these pilot projects may have for the N6 as a whole.

### **N6 Website Re-Design**

In spring 2012, the N6 CAOs discussed moving forward with a joint Request for Proposals (RFP) to re-design each Town's website and procure a common content management system, in an effort to cut costs and share expertise. Aurora, Newmarket and Whitchurch-Stouffville decided to move forward together and formed a working group to discuss each community's website requirements, including scope, hosting, bandwidth, user needs and technical specifications.

The three municipalities agreed to specifications for a joint RFP that included a "piggyback" clause for the benefit of any other N6 municipality that wished to join the effort. The inclusion of "piggyback" clauses is now becoming more routine for significant procurements undertaken by individual N6 municipalities and are proving to create valuable opportunities to other municipalities.

As the project moves through the implementation phase, the needs of the various partners and the abilities of the service providers continue to evolve. While the ultimate relationship with the vendors may vary from municipality to municipality, each has benefited from coming together to discuss requirements and problem solve through the implementation process.

Aurora and Newmarket intend to carry out a detailed review in the IT area to look for potential synergies in 2014.

### **Future Trends/Opportunities**

Some of the future initiatives have been outlined above and we expect more to be identified through the year. Larger initiatives could include taking a collaborative approach to the Region's university and post-secondary institution project as well as the upcoming Greenbelt and Oak Ridges Moraine legislation review. We might also consider a comprehensive look at additional shared service opportunities through full time secondment or consultant study.

In addition, the CAO's held a special meeting in the Spring of 2013 to look at what might be required to take the N6 group to the next level of success. There was a general consensus that opportunities for significant savings on current expenditures, the so called 'low hanging fruit', may be declining and future tangible results may derive more from cost avoidance and in some areas require more upfront effort.

With some initial investment such as through creating coordination plans for Master Planning in areas such as Fire Service and Capital Facility Planning, other significant opportunities may be available.

To address this matter we are proposing that each municipality create an N6 Initiatives Reserve from a portion of savings from our general initiatives. This could be set up based on a percentage of the savings with appropriate controls and caps placed on the reserve.

Our special meeting resulted in the following actions/considerations:

1. Administrative Assistance – one EA to serve N6 CAO group for 1 year term for continuity
2. Reports to identify Cost Avoidance information where available in addition to other benefits
3. Consider establishing an N6 fund from a portion of the savings
4. Sharing results more broadly to demonstrate value
5. Using some external assistance to drive initiatives where necessary
6. Outcome based Goal setting for initiatives
7. Ingrain Master Plan coordination as much as possible across the N6
8. Early Budget discussions to synchronize potential initiatives and communication and idea sharing
9. Need to assess new delivery models, depending on future initiatives

### **ADDITIONAL COMMENTS**

There is no question that the N6 partnership has been successful and continues to mature. Our staff groups benefit from collaboration and networking and now actively seek opportunities to work collaboratively to improve service levels and service delivery to our respective communities. Whether or not every municipality participates in every activity, we all share in the conversation and benefit from the discussion.

We have also noted that the Province is now promoting the sharing of services having recently conducted a survey asking about sharing services that identified benefits of collaboration, such as access to more qualified staff, better relationships between partners, improved service delivery, lower service or administrator costs and cost sharing. We believe we have been very successful and our model may in fact be an example of a best practice that if promoted may result in an even higher profile with the Ministry of Municipal Affairs and Housing, AMCTO, AMO and other similar organizations and leveraged to our mutual benefit.

### **CONCLUSION**

In terms of our influence in the broader context of the Region and the GTA, and indeed the Province, we believe it is safe to say that we have developed a positive brand that recognizes the benefit of collaboration and partnership without compromising our individual community identities. Our residents and businesses, and indeed the Region and the Province have recognized and accepted our collaboration. We believe that speaking together on issues of common concern strengthens our individual messages.

As CAOs, we continue to find the benefits and opportunities associated with our collaborative approach with respect to service delivery, co-ordination of effort, joint review of emerging issues, sharing of information, policies, procedures and resources.

### **BUSINESS PLAN AND STRATEGIC PLAN LINKAGES**

The N6 partnerships' primary linkage is to our strategic areas of focus of being Well Equipped & Managed and Well Planned & Connected.

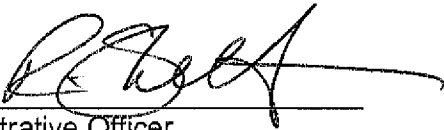
### **BUDGET IMPACT**

The Town accommodates its share of N6 costs through its existing staff time and budget provisions, with any new projects considered as part of Council's annual budget process.

There is a general consensus among the N6 CAOs that opportunities for significant savings on current expenditures, the so called 'low hanging fruit', may be declining and future tangible results may derive more from cost avoidance and in some areas require more upfront effort. To address this matter staff is proposing that each municipality create an N6 Initiatives Reserve from a portion of savings from our general initiatives. This will be addressed as specific reports come forward.

### **CONTACT**

For more information on this report, contact Bob Shelton, CAO.



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Chief Administrative Officer

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