

Public Report

Report No. 2

Proposed Pilot Project

‘Cost Analysis Report’

**To the MEMBERS OF THE SHARED SERVICE
COMMITTEE**



for the

Municipality of Morris-Turnberry



and the Township of North Huron

**Approved by the Joint ‘Sharing Services’ Committee on the
29th day of January, 2016**

Approved by the Council of the Township of North Huron on the 1st day of February, 2016

**Approved by the Council of the Municipality of Morris-Turnberry on the 2nd day of February,
2016.**

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1. Preamble:

The Councils of the Municipality of Morris-Turnberry and the Township of North Huron have approved a Concept Report for the Pilot Project for the 'Sharing of Services' for the Township of North Huron and the Municipality of Morris-Turnberry.

The committee decision was unanimous on December 17, 2015:

'That the draft report be presented to each council for direction;

and that the committee recommends that the municipalities proceed with an Implementation Plan and Cost Analysis for the project;

and that Sharon Chambers and Nancy Michie be authorized to work with Ward and Uptigrove and the Municipal auditors as part of the Implementation Plan and the Cost Analysis process for the project;

and that a delegation be set up at the 2016 OGRA /ROMA conference for a presentation to the MMAH and the OMAFRA to present the pilot project and request funding, if available;

The Councils of the Township of North Huron and the Municipality of Morris-Turnberry adopted the Concept report, by a unanimous vote, on January 5th and 7th, 2016, respectively.

2. Requested Information:

2.1 Cost Analysis- Sharon Chambers and Nancy Michie have worked with Ben Cornell from Ward & Uptigrove on the Cost analysis and have reviewed the project with the auditors from Vodden, Bender and Seebach Chartered Accountants.

2.2 Delegation to the 2016 OGRA/ROMA Conference - has been submitted, for the committee to meet with the MMAH to present the 'Pilot proposal 'and ask if there is any funding projects to assist with the implementation / transition costs.

The MMAH have contacted Nancy Michie for further details and are recommending the presentation at the conference and pending approval from the committee and councils, wish to set the project up as a "Leading Practice" project for the Province.

2.3 Implementation Plan- It is the recommendation that pending approval of this Cost Analysis report, that a committee of staff be established, as an "Implementation Committee" to work towards the Implementation of this proposal.

3. Proposal:

The proposal is a 2 year pilot Shared Services project with - The Goal of this project to provide 'Excellence' in Service Delivery to the residents and ratepayers in the Municipality of Morris-Turnberry and the Township of North Huron.

Definition of Efficiency is:

"The state or quality of being efficient, or able to accomplish something with the least waste of time and effort; competency in performance, and accomplishment of or ability to accomplish a job with a minimum expenditure of time and effort:

We propose to provide 'Excellence' by:

1. Efficiency - doing it right
2. Effectiveness - doing the right thing
3. Excellence- doing the right thing right.

4. Implementation Date:

May 1, 2016 is the target date, (as used in the cost analysis) however this is dependent on the Implementation process. Some aspects of the proposal may be in place before others. The plan is to have the project as a whole be set in place for July 1, 2016.

5. Cost Analysis:

5.1 Auditor:

Sharon Chambers and Nancy Michie met with the auditors- Paul Seebach and Nancy Bridge on January 8th, 2016.

They reviewed the proposal and did not feel that there would be a significant impact on the auditing costs for the pilot project.

They are willing to assist us as required.

Recommendation: Following our meeting, it would appear to be advantageous to use the same auditor in the firm for both municipalities.

5.2 **Cost Sharing:**

The proposed percentage of costs to be shared - The formula used for the percentage, incorporates the statistic information that has been taken from the Concept Report, which was approved by both Councils.

It is recommended that the share be:

45% Morris –Turnberry

55% North Huron

5.3 **Mini Market Check:**

Ben Cornell from Ward & Uptigrove prepared a mini Market Check for the following positions:

1. Director of Public Works
2. Manager of Operations
3. Foreman
4. Lead Hand
5. Chief Building Official
6. Building Inspector

The criteria for the comparators used, was the population range of 4,000- 12,000

5.4 **Review of the Current Staff /Comparison-
For 2016, 2017 and 2018.**

We included the following positions that will be effected by the merger in the cost analysis.

1. Director of Public Works	8. NH Public Works Adm. Assistant
2. Manager of Operations	9. MT Deputy Clerk
3. Foreman	10. MT Drainage Clerk
4. Lead Hand	11. MT Accounting Clerks
5. Chief Building Official	12. NH Deputy Treasurer
6. Building Inspector	13. NH Deputy Clerk/IT
7. Operators	14. NH Accounting Clerk

5.5 Director of Public Works:

The proposal is that we will proceed, pending approval of this report, as soon as possible to recruit a New Director of Public Works.

5.6 Implementation/ Transitional Costs:

The following are the one-time costs that we anticipate for 2016, for the implementation of the project. **Total \$220,399**

6. Savings to be achieved:

The following are the savings to be achieved based on the proposed project:

Total reduction by 2018 \$ 383,836

7. Annual Savings:

The following are the proposed savings to be generated for the years 2016, 2017 and 2018.

2016 (May-Dec)	2017	2018	Total
\$61,920	\$187,227	\$383,836	\$642,983

Over a 10 year period the savings generated by this proposal are estimated at:

2016	\$61,920
2017	\$187,727
2018	\$383,836
2019	\$383,836
2020	\$383,836
2021	\$383,836
2022	\$383,836
2023	\$383,836
2024	\$383,836
2025	<u>\$383,836</u>
Total	\$3,320,335

8. Meeting with the staff :

Pending approval of this Cost Analysis Report by the Shared Services Committee and the Councils of Morris-Turnberry and North Huron, it is anticipated we will meet with the staff on **Tuesday February 9th, 2016 at 11:30 am** and release the project to the staff.

A 'Media Release' is planned immediately after the meeting.

9. Implementation Committee

An implementation Committee will be selected from the staff and the committee will be headed by Nancy Michie and Sharon Chambers.

The Committee will then identify tasks that are required for implementation and set up completion dates for the noted tasks.

10. Next Steps to Proceed:

To enable this project to proceed, we require the following:

1. Approval of this report by the Shared Services Committee
2. Approval of this report by the Morris-Turnberry Council
3. Approval of this report by the North Huron Council.

11. Report submitted by:

Presented by:

Nancy Michie-Administrator Clerk-Treasurer Municipality of Morris-Turnberry and
Sharon Chambers –CAO- Township of North Huron