

# Public Report

Report No. 1

**Proposed Pilot Project**

**‘Concept 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  
17<sup>th</sup> day of December, 2015

Approved by the Council of the Township of North Huron on the 5<sup>th</sup> day of January, 2016

Approved by the Council of the Municipality of Morris-Turnberry on the 7<sup>th</sup> day of January,  
2016.

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# Section A:

## 1. Executive Summary:

The Councils of the Municipality of Morris-Turnberry and the Township of North Huron have requested that a report be prepared to review options on the potential of 'sharing services' for the Township of North Huron and the Municipality of Morris-Turnberry.

The objective of the Concept report is:

1. To share the results of the initial investigation with the Morris Turnberry and North Cross Border Working Group to determine if a merger will;
  - a. Provide more effective and efficient services to the ratepayers of the Municipality of Morris-Turnberry and the Township of North Huron; and
  - b. To determine if there is an opportunity for cost savings due to the sharing of services.
2. To obtain approval in principle of the Merger Concept receive direction from the Working Group to;
  - a. continue the investigation and hire Ward and Uptigrove to complete the staffing cost analysis; or
  - b. investigate other options as determined by the Working Group.

## 2. Preamble:

The County of Huron held a 'Shared Services' workshop on September 17<sup>th</sup> and 18<sup>th</sup>, 2015. For the County structure and the lower tier municipalities.

The facilitator Gordon McIntosh mentioned that there is more potential for savings and success by the 'sharing of services' than amalgamation.

At the October 8<sup>th</sup>, 2015 meeting of Morris-Turnberry, direction was given by the Council to attend a Joint Services meeting with North Huron.

At the October 5<sup>th</sup>, 2015 meeting of North Huron, direction was given by the Council to attend a Joint Services meeting with Morris-Turnberry.

On October 14, 2015, a committee from the Township of North Huron and the Municipality of Morris-Turnberry held a meeting to discuss the possibility of expanding the current 'sharing services' to include Public Works.

The Committee gave direction to Sharon Chambers, CAO for North Huron and Nancy Michie, Administrator Clerk-Treasurer for Morris-Turnberry to prepare a report .

The committee would review the report in December, 2015, prior to the presentation to the individual Councils.

### **3. Enabling Legislation:**

*The Municipal Act, S. O. 2001, c. 25*

**The Municipal Act gives the authority to the Municipalities to provide for a Joint Service, as shown below-**

**Section 8 (1) states - Scope of Powers:**

The powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues.

**Section 11 (3) states - By-laws re: matters within spheres of jurisdiction:**

A lower tier municipality and an upper tier municipality may pass by-laws subject to the rules set out in subsection (4) respecting matters within the spheres of jurisdiction:

1. Highways, including parking and traffic on highways
2. Transportation systems, other than highways
3. Waste Management
4. Public Utilities
5. Culture, parks, recreation and heritage
6. Drainage and flood control, except storm sewers
7. Structures, including fences and signs.
8. Parking, except on highways
9. Animals
10. Economic Development services
11. Business Licensing

**Section 19 (2) Jurisdiction – exception –services-conditions:**

A municipality may exercise its powers, other than its power to impose taxes, to provide a municipal system to provide a service or thing in an area in another municipality, if one of the purposes for so acting is for its own purpose and if the following condition applies:  
Subsection 3- The other municipality is a lower tier municipality and the service or thing is provided with the consent of, the lower-tier, if it has jurisdiction to provide the service or thing in the area.

**Section 20 (1) Joint undertakings- by agreement:**

A municipality may enter into an agreement with one or more municipalities or local bodies, as defined in section 19, for their joint benefit, any matter which all of them have the power to provide within their own boundaries.

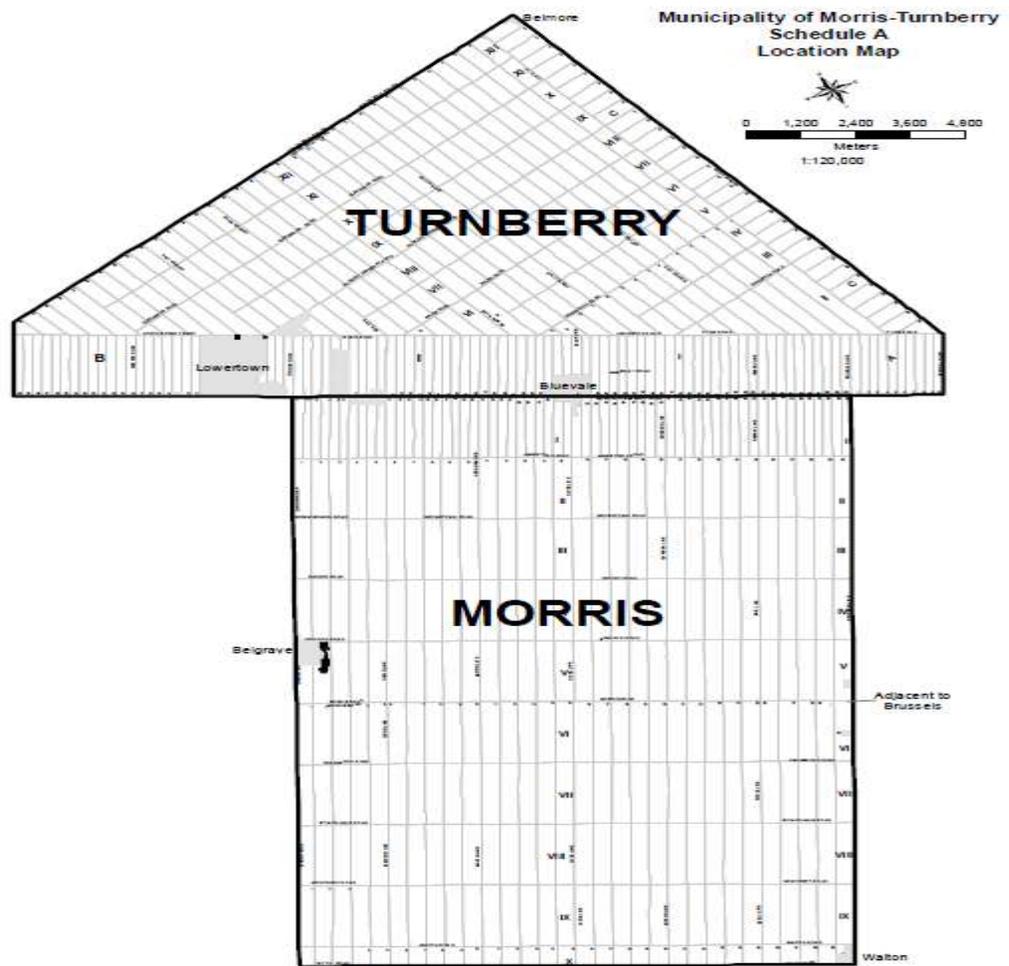
## 4. Background of Municipalities:

### 1. Municipality of Morris-Turnberry:

1. Population 3413
2. Area 380.04 sq km

### 2. Map includes the following:

- a. Municipality of Morris-Turnberry
- b. Lower Town Wingham
- c. North Wingham
- d. East of Wingham and Junctionville
- e. Village of Bluevale,
- f. Hamlet of Belgrave
- g. Hamlet of Walton
- h. Hamlet of Belmore
- i. Area adjacent to Brussels





## 5. Services under review for Joint Service Delivery:

At this time, this report only reviews the following five (5) services, to be noted as Phase 1. There is potential for ‘**Other Services**’ to be reviewed at a later date, as noted in the report under ‘Other Services’.

1. Public Works , which will include :
  - a. Roads - operation and maintenance and capital projects
  - b. Water and Sewer Services
  - c. Landfill Sites
  - d. Record Management of Capital Assets
2. Building Department function - Includes the statutory responsibilities of the Chief Building Official, by-law enforcement function, property standards enforcement, animal control
3. Drainage, Capital and Maintenance
4. Fire Services, including Fire Suppression and Fire Prevention Services- **agreements in place**
5. Administration – includes a partial merger of administration as it relates to the merged services, specifically, payroll, asset management, accounts receivable, accounts payable, Financial Information Return, administrative support for Building and Public Works Departments, Information Technology and Health and Safety.

### Justification for Selection of Services:

The Public Works and the Building Department appear to be services that could merge together more easily, even though the Municipalities are not joined as one (1) entity. The justification for review of these five services for Phase 1, is that there is the potential of reducing operating costs and creating efficiencies that will improve service delivery. The specifics of these costs savings and efficiencies are discussed in the Rationale Section at the end of this report.

The merger of general administration would be more difficult, with 2 separate entities, councils and administrative office locations.

## 6. Current Services:

### 6.1 Municipality of Morris-Turnberry:

Municipality of Morris-Turnberry Statistics	
Population	3413
Area	380.04 sq. km
Road System	Unpaved: 223.5km Paved: 36 km Tar and Chip 37 km
Bridges	39 Structures plus 1 joint structure with North Huron (located on Victoria Street, Wingham)
Water System	1 Water System Class 3 – located in Belgrave at 30 McCrea Street.
Contract Water and Sewer Service	from the Township of North Huron for 21 properties, from the Municipality of Huron East for 15 properties
Municipal Drains	113 in Morris and 76 in Turnberry, totaling 189
Number of Permits Issued in 2014	106 Construction Value: \$9,684,115.13
Number of Permits Issued 2015 to October 30, 2015	87 Construction Value: \$5,059,734.00

#### 1. *Public Works*

Two work garages for Public Works – 65 B-Line Road and 41342 Morris Road with one Director of Public Works, one Foreman, four Full time Labourer/Operators and two Seasonal Snow Plow Operators

#### 2. *Water System*

1 Water System Class 3 – located in Belgrave at 30 McCrea Street. A new system was operational in 2008. The System serves 115 users and is fully user pay. The Municipality has a contract with Veolia for the Operation of the System and they are the Water Authority for the system.

#### 3. *Building*

1 Chief Building Inspector – who performs the following:

- Duties of the CBO
- Building Plans review
- Inspections
- Plumbing
- Septic

By-law enforcement for Zoning

#### 4. *Drainage Maintenance*

The Director of Public Works currently performs the drainage maintenance. In 2014, he worked on 22 projects, with 20 capital projects in the process

#### 5. *Landfill*

1 active and 1 closed Landfill site

**Closed site:** Turnberry is located at Part of Lot 10 Concession 10, Turnberry – 90598 Jeffray Line.

**Active Site:** Is located North Part of Lot 15 Concession 5, Morris - 85047 Clyde Line, the site is 100 acres in size. Approved landfilling area- Stage 1/11 .73 ha. and is 27,000 (m3) 6 + years remaining. The remaining capacity 1,176,707 (m3) represents well over 100 years left at current fill rates. There are 2 part time employees and the site is open Wednesday 10 am to 3 pm and Saturdays 9am to 5 pm.

Morris-Turnberry has a Co-collection contract with Bluewater Recycling. They pick up the household waste and recycling in the rural and urban areas.

Morris-Turnberry also has a contract with Huron East to accept the waste from the Village of Brussels.

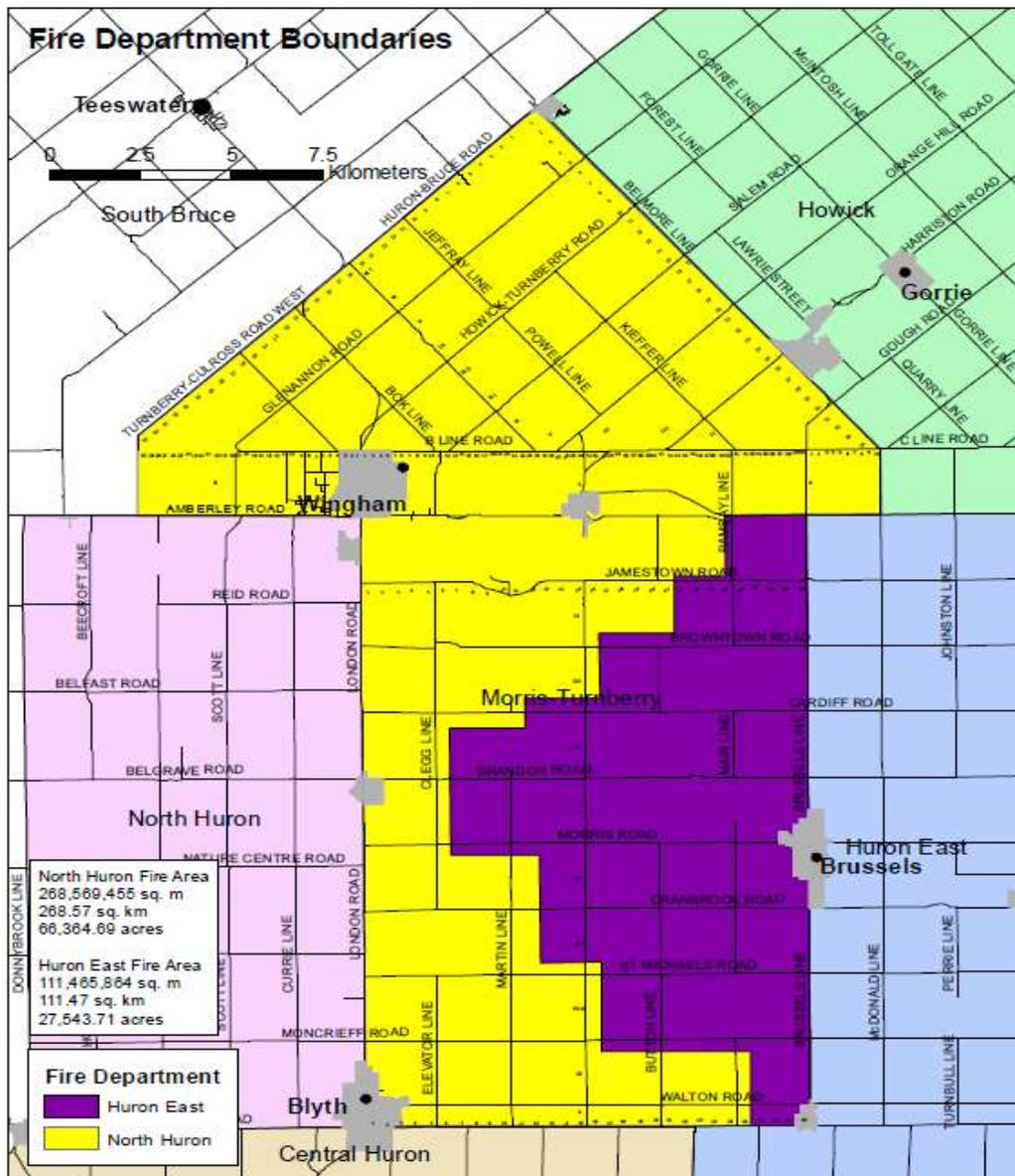
#### 6. *Fire Service*

Currently purchases fire suppression service from:

North Huron	71 %	of the area
Huron East	29%	of the area

The agreements are in place until 2019.

To comply with the Fire Protection and Prevention Act, 1997, Morris-Turnberry employs a Community Fire Safety Officer. He is a full time employee and Morris-Turnberry has a contract with North Huron for 2.5 days per week of his time. The Fire Prevention merger has no term in it. The Fire Prevention officer is a full time employee for Morris-Turnberry; and the merger appears to be working well and hopefully the agreement will remain in place. ACW has now requested an agreement to share the Fire Prevention Services.



## 6.2 Current Services- Township of North Huron:

Township of North Huron Statistics	
Population	4884
Area	178.98 sq. km
Road System	Unpaved: 115 km Paved HCB: 50 km(hot mix) Paved LCB: 4km(tar and chip)
Bridges	8 Structures plus 1 joint structure with Morris-Turnberry (located on Victoria Street, Wingham) 3 Pedestrian Bridges
Water System	Water System Class - located in North Huron has 2 municipal water systems.
Sewer System	
Municipal Drains	90 Municipal Drains
Number of Permits Issued in 2014	59 Construction Value: \$3,089,300.00
Number of Permits Issued in 2015 to October 30, 2015	95 Construction Value: \$4,396,200.00

### 1. *Public Works*

Three work garages for Public Works – located in Wingham, Blyth and EW with one Director of Public Works, one Foreman – Wingham. Two Lead Hands -Blyth, East Wawanosh, three FT Labourer/Operators – Wingham one FT Labourer/Operator – Blyth, one FT Labourer/Cemetery Operator – Wingham, three PT Seasonal Snow Plow Operators, two PT Landfill staff

## 2. *Water System*

**Public Utilities Shed (office) 435 Minnie Street Wingham Ontario**

### **Wingham Water- works # 220001502**

Large residential municipal system, both wells supply consistent quality water with low chlorine demand adequate chlorination being the only current critical process to ensure safe potable water. SCADA system located at well 4 high lift building and generates alarms to auto dialer for chlorine residuals, turbidity, pump failures, pressure and standpipe level, SCADA and auto dialer system are equipped with uninterrupted power supply (UPS).

**Well 3 Class III Facility** - 209 Water Street Wingham Ontario- This facility pumps directly through the pressurized contact tank to the distribution system, emergency power is supplied by a portable emergency generator

**Well 4 Class III Facility** - 23 Albert Street Wingham Ontario- At this well Treated water is pumped from the contact tank/reservoir to the distribution system by three electrically driven high lift pumps and the reservoir/contact tank water level is maintained by a level controller. Emergency power is supplied by an automatic standby diesel generator

**Standpipe** 199 John Street Wingham Ontario

### **Blyth Water works # 220001496**

Well 1 is 203mm diameter, 73.15m deep drilled groundwater production well equipped with submersible well pump, treated chemicals are added for iron sequestering and disinfection before water discharges to reservoir. Well 2 is 203mm diameter, 79.25m deep in-ground reservoir provides onsite storage. Has operating capacity of 379m<sup>3</sup> and is equipped with 8 polypropylene baffles to permit adequate contact time before treated water discharges to distribution system via high lift building

**Well 1 Class II Facility** - 201 Thuell Street Blyth Ontario

**Well 2 Class II Facility** - 201 Thuell Street Blyth Ontario

**Well 5 (new well being constructed)** - 377 Gypsy lane Blyth Ontario

**Highlift pump house** - Located at 201 Thuell Street Blyth Ontario, SCADA system monitors various performance measures including, flow, pressure and disinfectant residual in the discharge to distribution system

**Wingham Richard Levan Airport, Small drinking water system operated by North Huron Operating Authority Works # 260071617, 40647 Amberly Road Wingham Ontario.**

### 3. Sewer Systems

#### **Wingham Sewage- works #11000828**

Two aeration Tanks with approximate volume 1327m<sup>3</sup> equipped with two mechanical surface aerators, method of disinfection UV, secondary treatment 2 rectangular clarifiers equipped with chain and flight sludge collectors and cross collectors, phosphorous removal with one 27000liter tank for storage of phosphorous removal, two chemical metering pumps, two effluent equalization lagoons, 10 kW standby diesel Generator to provide power to UV disinfection system, discharge to the Maitland River.

Sewage pumping Station Class II facility - 120 Josephine Street Wingham Ontario

Sewage treatment plant Class II facility - 60 Lloyd Street Wingham Ontario

#### **Blyth Sewage works # 110002247**

Sewage treatment plant- class II Facility - 117 North Street Blyth Ontario

Collection system, pumping station at the intersection of Gypsy lane at Thuell Street and mechanical sewage treatment plant located approx. 300m northwest of pumping station. Plant is rated for average daily flows of 730m<sup>3</sup>/day, and peak flows of 2,730m<sup>3</sup>/day. Treatment equipment includes a bar screen, grit removal channels, an aeration tank, a clarifier, a coagulant feed system, an effluent filtration system, and a disinfection system. Solids diverted during the previous processes pass through an aerated sludge digester before being transferred for disposal.

### 4. Building

Chief Building Inspector – who performs the following:

- Duties of the CBO
- Building Plans review
- Inspections
- Plumbing
- Septic

### 5. Drainage

The Director of Public Works currently performs the drainage maintenance. In 2014, he worked on seven projects, with two capital projects in the process.

### 6. Landfill

Two active Landfill and one shared Landfill with Central Huron that is closed.

East Wawanosh landfill is located at 39246 Moncrieff Road Parts 1&2 of PT LT 35 Con. #3  
Approved waste- Solid non-hazardous municipal. Approved capacity-29,300 (m<sup>3</sup>).

Estimated remaining capacity-24,000 (m3). 65+ years remaining when the site was closed to landfill. This site is closed to the public for landfilling, however is still considered an active landfill.

North Huron landfill is located on the north half of lot 39, Con. 12 at the corner of Reid Road and Currie Line. Approved landfilling area-6.1 ha. The remaining capacity 418,680 (m3) represents 119 years left at current fill rates.

Blyth-Hullet Landfill is located at PT Lt 26, Con. 14 (Township of Hullet) Central Huron. Site is shared by North Huron and Central Huron. The site is closed and there is an agreement between North Huron and Central Huron for monitoring reports and reporting and engineering, with costs being shared by both municipalities as per their budget proposal.

## **7. Fire Service:**

The Township of North Huron owns and operates the 'Fire Department North Huron' and has a fire suppression agreement with Morris-Turnberry to provide fire suppression services.

North Huron contracts Fire Prevention Services from Morris-Turnberry.

## **8. Reserve Status**

### ***Morris-Turnberry***

Reserves for Roads - Capital and Equipment \$503,970

### ***North Huron***

Reserve for Roads - Capital and Equipment \$311,275

Reserves for Water/Sewer- \$4,993,008.29

## 9. Current Budgets in Public Works

### *Morris-Turnberry*

Budgets for Public Works for 2015:

Roads: Maintenance	\$ 2,448,500
Roads: Capital	\$ 972,500
Landfill- Operation	\$ 311,550
Capital	\$ 84,020
Drain Maintenance	\$ 35,000
Belgrave Water System	\$ 121,634

### *North Huron*

Budgets for Public Works for 2015:

Roads: Maintenance	\$ 1,292,880
Roads: Capital	\$ 319,000
Landfill- Operation Net	\$ 236,629
Capital	\$ 20,000
Drain Maintenance Net	\$ 4,200
Water System	\$ 1,064,231
Capital	\$ 160,000
Sewer System	\$ 889,000
Capital	\$175,000

## 10. Grant Status

### *Morris-Turnberry*

2015 OMPF	\$1,048,200.00
Down \$239,500 in 2015 from 2014	
2016 OMPF	\$ 895,700.00
Down \$152,500 for 2016	
Infrastructure capital	\$ 0.00
Infrastructure – assets	\$ 30,723.00
2015 Gas Tax	\$ 98,825.00

### *North Huron*

2015 OMPF	\$ 1,284,200.00
Down \$ 99,600 in 2015 from 2014	
2016 OMPF	\$ 1,231,100.00
Down \$53,100 for 2016	
Infrastructure capital (2015 OCIF)	\$ 92,375.00
2015 GAS TAX	\$ 141,418.00

## **11. Proposed Project Steps**

### **1. Proposal:**

The proposal is for a 2 year pilot project. The reason for the pilot project is that we cannot find any previous examples to review.

In the 2 years, we could monitor the merger to determine:

1. Is it more efficient;
2. Is there a costs benefit; and,
3. Will the general public buy into a pilot project quicker than a project that cannot be reversed.

We are trusting that the benefit of this proposal will be realized and that everyone involved in the Municipal operations will work towards achieving optimum potential savings and efficiencies.

### **2. Public Works:**

#### ***Merging of the areas:***

There could be potential savings with the utilization of equipment and manpower. We feel this would be a more efficient and effective structure.

### **3. Building Department:**

Our recommendation is to merge the Building Department, for a more effective and efficient service. There would be one CBO and one inspector shared between both municipalities. We would eliminate the costs for office space and for some training.

### **4. Public Works and Building Office Location:**

Our proposal is that:

Director of Public Works and the Manager of Operations - will work out of the North Huron Office.

Chief Building Official and the Inspector – will work out of the Morris-Turnberry Office.

The main office for the Drainage will be the Morris-Turnberry office.

**5. *General Administration:***

The following will be joint for the Public Works and Building-

1. Payroll for the Joint Services
2. Accounts Payable and Asset Management for the Joint Services
3. Preparation of the FIR for Morris-Turnberry and North Huron
4. IT services for both Morris-Turnberry and North Huron – provided by North Huron staff.

**6. *Timing:***

We are proposing that this merger be put in place for **May 1, 2016**, following the snow clearing and prior to construction.

**7. *Communication with the Staff:***

Pending the acceptance of this Concept Plan by the Committee, the Plan will be finalized in respect to the financial portion of the Plan, which we will plan to have finalized in early January, 2016.

**8. *Application for Grants:***

In conversation with Steve Hamblin, from the Ontario Ministry of Agriculture and Food, the Ministry that is responsible for capital grants, I have been advised that they – the Ministry like to see joint proposals. They like to see collaboration.

If the Municipalities have entered into an agreement to work together, the joint Municipality would be eligible for \$4 Million each for capital projects, in lieu of the current \$2 Million. The criteria for funding will be the criteria for the most penurious municipality. Morris-Turnberry has an index of 3.7 for grant funding and North Huron 7.2, which may be a factor in a better opportunity for grant funding.

**9. *Operating Costs: If Concept approved by Working Group, will follow***

**10. *Share of Costs of Public Works: If Concept approved by Working Group will follow***

## **11. Rationale:**

The rationale for Morris-Turnberry and North Huron to give consideration to this proposal is that there is potential for cost savings and efficiencies that will improve service delivery.

### **Cost savings;**

1. Revenues could increase because there is a greater opportunity to qualify for grants, if the municipality is merged with North Huron.
2. Possible reduction of staff through attrition.
3. Ability to add strong management at the department head level to address important activities such as long term capital planning, policy and program development will enable Council to make more informed decisions and make better use of limited resources. Hiring of a C.E.T. may reduce some engineering fees for advice on routine matters.
4. Joint purchasing and tendering for goods and services. - Joint RFP's should create a savings- eg: insurance, gravel, culverts, construction projects, etc.
5. Veolia Water has stated that if there is a merger, in 2016 they are willing to issue a new pricing for North Huron and Morris-Turnberry in one contract, which should create a cost savings. Veolia is unable to do that for 2016, as there is no North Huron Water operator that is qualified for treatment and requires that training in 2016.

### **Efficiencies and Improved Service Delivery;**

1. A more streamlined organizational structure. Staff is currently pulled in so many directions, this merger will allow the staff to focus on more specialized areas. In future, will allow hiring of staff with specific skill sets, building a more highly skilled workforce.
2. The Building department should show efficiencies with the CBO able to review project drawings, without being interrupted by inspections.
3. There should be efficiencies and improved service delivery for the Public Works by;
  - 4.1.1 combining the areas based on urban centres- eg: Morris and East Wawanosh and Turnberry and Wingham.
  - 4.1.2 Greater expertise for construction projects and working with developers.
  - 4.1.3 Establishment of front line customer service to deal with and track complaints and service requests. This will be important as of January 1<sup>st</sup>, 2016 with the implementation of Bill 8 that expands the role of the Ontario Ombudsman to investigate complaints about municipalities.

4.1.4 Morris Turnberry and North Huron viewed as one service area by staff and public.  
Breaks down barriers and eliminates time and effort spent on cross border issues.

5. There should be greater efficiencies and potential cost savings by working with the same auditor for both Municipalities, Accounts Payable and Payroll handled by the same person that is maintaining the Asset Management Plan and reporting on the FIR's.

### ***12. Next Steps to Proceed***

1. Prepare a Cost Analysis
2. Prepare an Implementation Plan.
4. Follow up meeting with the Shared Services Committee

### **13. Report Submitted by:**

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