



Morris Turnberry/North Huron Shared Services Project

2016 AMO - AGM and Annual Conference

**Tuesday August 16th , 2016
Caesars, Windsor**

Presenters



Paul Gowing

Mayor for the Municipality of Morris-Turnberry and Warden for Huron County.



Neil Vincent

for the Township of North Huron and a former Warden of Huron County.

Welcome

Thank you for the opportunity to be here today and present our Shared Services project for two small, rural municipalities in Huron County

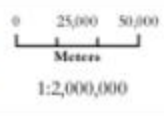


Huron County

Huron County



Produced by the County of Huron Planning and Development Department GIS Services with data supplied under License by Members of the Geotitles Geospatial Data Exchange: SPICA, APCA and MVA&M
This map is illustrative only. Do not rely on it as a precise indicator of assets, feature locations, or as a guide to navigation.
Copyright © Queen's Printer 2015.
February, 2015
Date: 2/18/2015



Legend
Huron County

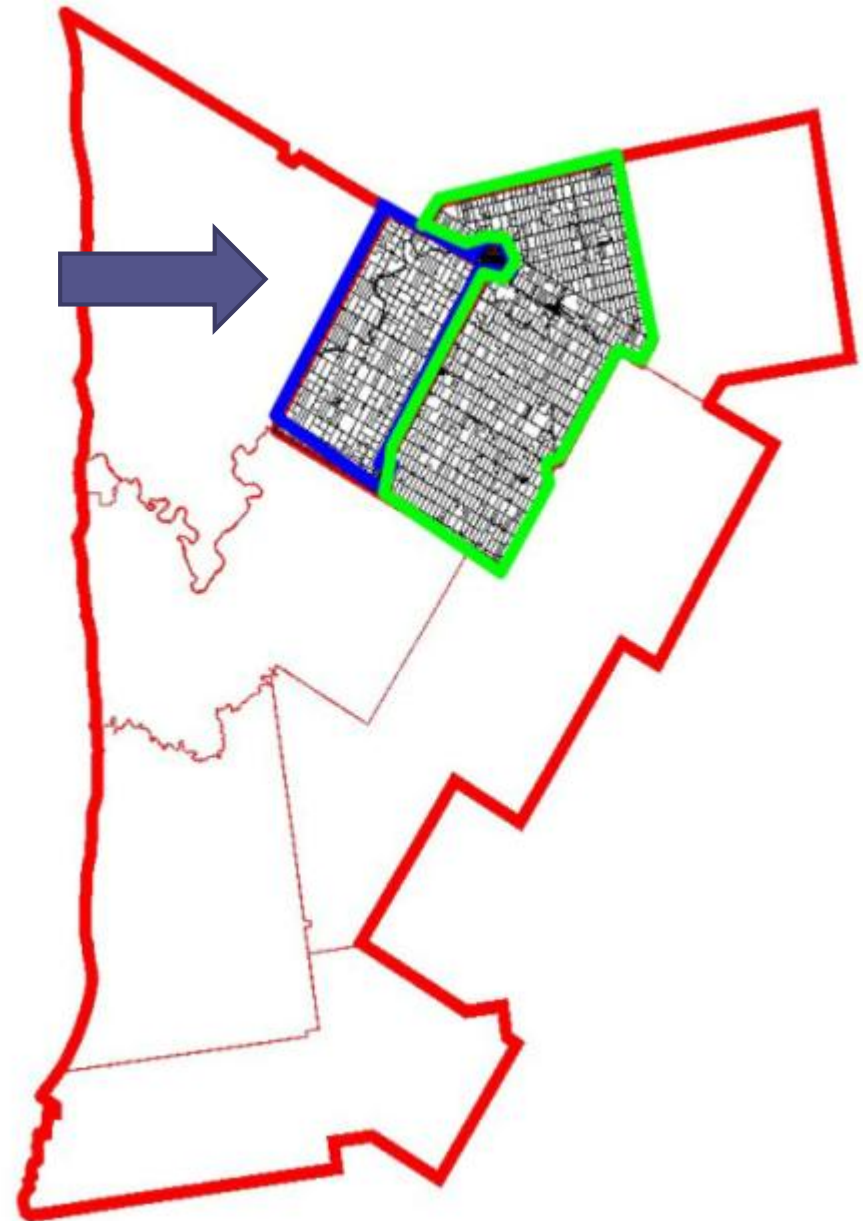
Location:

***North Huron and
Morris-Turnberry
shown in the Northern
part of Huron County***

North Huron **Blue**

Morris-Turnberry **GREEN**

Huron County **RED**



Background Prior to Amalgamation 2001

Five municipalities were in discussions to amalgamate.

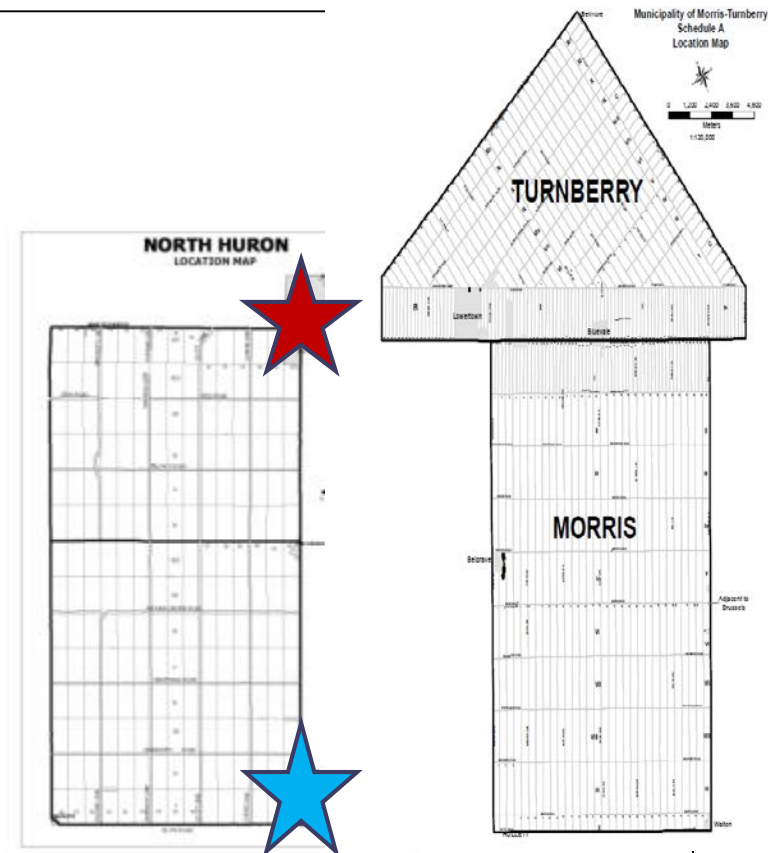
Discussions broke down and the result was two amalgamated entities, being Morris-Turnberry and North Huron.



Background

Composition of Amalgamated Municipalities

- **North Huron:**
 - Town of Wingham 
 - Village of Blyth 
 - Township of East Wawanosh
- **Morris-Turnberry:**
 - Morris Township
 - Turnberry Township



Background

Current Situation

- Provincial funding is decreasing.
 - OMPF grants- Ontario Municipal Partnership Fund has decreased close to \$ 1M since 2013 for the two municipalities.
- Costs are increasing;
 - OPP costs have increased approx. \$300,000 in 2014 and 2015
- Both municipalities have a high tax rate and struggle to build reserves for future capital
- Future retirements expected, difficulty recruiting senior staff

History of MT/NH Shared Services:

- **Morris-Turnberry and North Huron have shared services for many years.**
 - 1. Fire Protection**
 - 2. Fire Prevention Services**
 - 3. Municipal Water Services**
 - 4. Municipal Sewage Services**

Exploring Opportunities for Shared Services

- In September of 2015, the County of Huron sponsored a Shared Services workshop
- Council and Senior Staff from the County and nine lower tier municipalities brainstormed opportunities to share services
- During the workshop, it was mentioned by the facilitator that significant savings could be achieved by sharing Public Works functions

First Steps

- Both councils expressed an interest to explore the possibility of sharing core services
- A Steering Committee was established
 - Mayor/Reeve
 - Deputy Mayor/Reeve
 - One member of each council
- CAO's attend as a staff resource
- Mandate
 - Receive reports and give direction to staff
 - Liaison with councils
 - Discuss additional opportunities for collaboration

Direction to Proceed with Investigation

- The Shared Services Steering Committee gave direction to the CAO's, which was ratified by the two (2) councils to proceed and prepare a *Concept Report and Cost Analysis Report*.
- The reports would explore possible shared services models and determine if there were opportunities to:
 - Improve efficiency
 - Save \$\$\$\$

The Concept Report



Confidentiality

- Confidentiality was important in the preparation of the reports.
- Discussions included a revised organizational structure and potential changes to staff positions as a result of the merger.

Factors considered

- In addition to potential cost savings and efficiencies, consideration was given to other important factors when developing the concept
- **GAP ANALYSIS**
 - Are there tasks or important job functions that we are currently struggling to complete due to workload/poorly organized job descriptions?
 - Succession planning for future vacancies

Gaps in current structure

- **Management (Public Works & Administration)**
 - Lack of dedicated administrative support to Management
 - Management spending too much time on customer service and day to day operations
 - Lack of focus on long term planning, policy and program development – important for Council decision-making
 - Two department heads for Public Works (Roads and Utilities)

Gaps in current structure

- **Administration**
 - **Important tasks not being completed due to workload**
 - Records management
 - Asset Management Planning
 - Front line customer service and dedicated administrative support for each department
 - Proactive communication with public via website, newsletters, etc.
 - Business continuity planning/succession planning for each position

Concept Report - Project Goals

- To provide efficient services to the ratepayers with reduction in costs that would not be possible on our own.
- To provide a more streamlined organizational structure and new job descriptions. Staff able to focus on specialized areas.
- Achieve efficiencies by combining geographical areas for public works operations

Concept Report - Project Goals

- Provide greater expertise for construction projects and working with developers.
- Achieve savings through joint purchasing and joint tenders.
- Possible reduction of staff complement through attrition.
- Reduction in contracted services by sharing manpower and equipment.

Concept Report - Project Goals

- Improve customer service by establishing processes to deal with and track complaints and service requests.
- Asset Management to improve long term planning
- Ability to hire staff with higher level of qualification and specific expertise

Concept Report Conclusion

- **New organizational charts were created**
 - **For the pilot project term (Transitional)**
 - **Beyond 2018 (Possible total merger of Administration)**
- **Steering Committee and Council approved concept and gave direction to proceed with Costing Report**

Cost Analysis Report:



A consultant was engaged to determine the costs to implement the new streamlined organizational structure

Potential Savings were calculated for the term of the Project to be in excess of \$600,000 to the end of 2018

It was estimated that a reduction in the tax levy of 5% could be achieved, however these funds could be reinvested in infrastructure

The Decision:

- The two Municipalities made a decision to enter into a **‘2 year Pilot Project’** to share Public Works, Chief Building Official and By-law Enforcement Services.
- The joint project includes the original 5 municipalities ‘to work together for the betterment of the community’.

The Proposed Project 2016 to 2018



Overview of Pilot Project



Project Scope

Total merger of;

- **Public Works**
 - Roads - capital and maintenance projects
 - Landfill Sites
 - Administrative functions
- **Building Department**
 - Chief Building Official/Building Inspection services
 - By-law Enforcement
- **Drainage Superintendent**
 - Capital and Maintenance projects
- **Water and Sewer Services**
 - possible joint third party contract for operation and maintenance

Project Scope

Administration:

A partial merger of the administration, for the Public Works, Drainage and Building services:

- Payroll
- Asset Management
- Accounts Receivable and Accounts Payable
- Preparation of the Annual FIR
- Administrative Support
- IT support
- Health and Safety Committees

Agreement

- An agreement was prepared
- Reviewed by legal and Steering Committee
- Approved by Councils
 - General terms, cost sharing
 - Organizational charts
 - Transitional and proposed for 2018
- Dispute mechanism
- Terms of Reference for the Steering Committee

Implementation

- **A staff team was established to implement the project.**
 - To establish financial processes and procedures
 - To determine staffing required
 - To investigate and make recommendations for cost savings and improve service
 - To facilitate communication to the staff

Implementation

Staffing the new SS Departments

- A new Director of Public Works (P.Eng) was hired
- New employment contracts for existing staff
- Reassignment of some staff
- A new Chief Building Official was hired
 - Existing CBO's became inspectors
 - Contracted service to one additional municipality (Howick Township)
- Currently in discussion with several municipalities for a joint Drainage Superintendent
- Water and Sewer in North Huron was outsourced with potential to merge contract with MT provider

Implementation

Partial Administration merger to administer shared departments

- **Accounts Payable and Receivable**
- **Asset Management**
- **IT**
- **Health and Safety**

The Governance (the 2 Councils) remains status quo and municipalities retain their identity.

Lessons Learned

- Start small - one department
- Administration is the most complex aspect
- Plan all aspects in advance BEFORE you begin operational implementation
- Staff unrest will be likely during the planning stage is probable due to job uncertainty – communicate what you can as early as possible
- Be honest with staff – don't make promises you can't keep – Strong management is key

Lessons Learned

- The time requirement and workload for your staff is **extensive**
- Staff buy-in is critical for success because the responsibility for making it work is on their shoulders
- Must consider how to manage daily work priorities and project workload while building out the shared service

Next Steps - Phase 2

- **The Steering Committee and Councils have given the CAO's direction to prepare a report on potentially merging the entire administration**
- **Report is expected to be completed in early September**
- **Phase 2 implementation was included in the cost savings stated in the Cost Analysis Report**

Question Period

- At this time we will accept questions in regard to the project

