



# Township of Madawaska Valley Operational Service Delivery Review

**Council January 27, 2022**

**Wayfinding is** *“the process or activity of ascertaining one’s position and planning and following a route.”*

# Executive Summary

## Data Collection and Analysis

- ▶ Q4, 2021, Municipal Government Wayfinders Ltd., was retained to complete an Operational Service Delivery Review (SDR) for the Township of Madawaska Valley
- ▶ We follow an evidence-based approach. **Evidence informs our recommendations**
- ▶ We reviewed background documents including plans, reports, policies, by-laws, census data and other pertinent information
- ▶ Interviews were conducted with Council, the CAO, department heads, staff, and others
- ▶ High-level online survey was posted from November 19 to December 17 to gauge public sentiment
- ▶ In October, two members of our team visited the Township (COVID-19 safety practices)

# Executive Summary

## Data Collection and Analysis

- ▶ While visiting, our team toured several municipal facilities and the municipality in general to ground truth the environment
- ▶ Several follow up interviews and inquiries were conducted with staff, Council and others
- ▶ Our team also interviewed or sought clarifications from the IT, GIS, Environmental Landfill and Asset Management consultants as well as local stakeholders
- ▶ The comprehensive document review, interviews, online survey and physical ground truthing have all helped to inform our recommendations – a.k.a. “the evidence”

# Executive Summary

## Data Collection and Analysis

- ▶ 2016 census population 4,123, with 2,619 households (2021 OMPF)
- ▶ 913 seasonal homes (Stats Canada) – “The Muskoka Effect”
- ▶ Mix of urban and rural lands with many service offerings
- ▶ Abundant tourist, seasonal and outdoor opportunities
- ▶ Municipal water and sanitary sewer provided in Barry’s Bay - reportedly ample capacity to accommodate growth (No Master Plan in place)
- ▶ Township provides curbside waste and recycling collection for approximately 700 users in Barry’s Bay at a **full cost recovery fee to those users**

# Executive Summary

## Data Collection and Analysis

- ▶ Township operates transfer stations for other areas who do not pay for or receive curbside collection
- ▶ Township operates a Landfill Site, reportedly with about **45 years** of remaining life expectancy; however, this estimate is based on limited information
- ▶ Recent concerns communicated in January 2022, supported by an aerial topographic survey, suggest the life expectancy may be considerably less (**11 years – less than 25% remaining**)
- ▶ If the latest estimate is correct, this presents a significant concern
- ▶ Intermunicipal agreements exist for boundary road maintenance, as well as Fire Services

# Executive Summary

## Financial Realities

- ▶ The Township has adopted Asset Management policies, plans and procedures to assist in responding to the widening infrastructure gap
- ▶ The policies and plan are in reasonably good shape
- ▶ We did note some gaps and other concerns regarding Asset Management
- ▶ Some interviewees felt that road rehabilitation was going well, but other assets may be falling behind
- ▶ The arena, Township offices, and the water and wastewater system that is nearing 50 years old, were raised as examples
- ▶ We concur that these assets should figure prominently in upcoming life cycling strategies
- ▶ Roads Preservative Management programs are also lagging

# Executive Summary

## Financial Realities

- ▶ The CAO recently commissioned building condition assessments
- ▶ These proactive assessments are essential for “just-in-time” financial investment into asset life cycling strategies
- ▶ Additional asset condition assessment programs including such things as rolling CCTV of sewers, flow monitoring, pavement condition assessments, should be added
- ▶ Currently there is no Long-Range Capital Forecast (LRCF) to provide linkages from the asset management plan to financial and budget strategies, so that life cycling requirements occur on a just-in-time basis
- ▶ We understand that the Treasurer plans to develop a LRCF in 2022. We recommend that this occur as soon as possible and it be updated annually to support financial strategies

# Executive Summary

## Financial Realities

- ▶ Township has commenced work on a Development Charges (DC) Background Study and By-law pursuant to the *Development Charges Act*
- ▶ DCs help ensure that local taxpayers are not paying for services needed to support new development – Growth pays for growth
- ▶ To avoid lost opportunities to collect the funds needed to support development and protect local rate payers from having to carry the burden of costs attributable to new development, the DC project should be completed as soon as possible
- ▶ Madawaska Valley's taxes are competitive and slightly lower than the average tax levels of comparator municipalities (\$1,125 vs. \$1,362)



# Executive Summary

## Financial Realities

- ▶ May be some room to utilize taxation as a funding source for new or enhanced services or facilities
- ▶ The online survey indicates a divide on this topic
- ▶ Alternate sources should be explored before considering significant tax increases
- ▶ A review of user fees has potential to increase revenue by \$60,000 without impacting taxes
- ▶ The good news is, except for high tax receivables, **Madawaska Valley's Financial Indicators are in good shape**
- ▶ Reserve levels are reasonable, although with recent news about the Landfill site life expectancy, closure costs and timing will need to be reviewed **with urgency**
- ▶ We do believe the capital reserve envelopes are complex and could be improved

# Executive Summary

## Financial Realities

- ▶ The Township's TCA additions **exceed its conditional grants** by almost **\$750,000 annually**
- ▶ The Township's TCA additions **exceed TCA amortization** by almost **\$870,000 annually**
- ▶ Reserve and debt repayment has **improved by \$4,170,000** over the past ten years
- ▶ These are **excellent financial positions** (Refer to Appendix 4 Tangible Capital Asset Investment 2010 – 2019)
- ▶ MFOA Financial Indicators place fiscal risk as **low in all categories except Total Taxes Receivable as a percentage of Total Taxes Levied which is high** (Refer to Appendix 5 – 2019 Financial Indicators)

# Executive Summary

## The Muskoka Effect

- ▶ The “Muskoka Effect” has been described as both a benefit and challenge
- ▶ Rising property values in Muskoka are reportedly putting upward pressure on property values in Madawaska Valley as cottagers and other seasonal users push into the Township
- ▶ Work from home trends (COVID-19) have driven more homeowners out of the big cities
- ▶ This has resulted in growth management pressures on Township resources
- ▶ Many new residents from larger jurisdictions expect the enhanced service levels of a large municipal tax base
- ▶ Differences in total assessment and other factors are very important considerations when discussing service delivery expectations

# Executive Summary

## The Muskoka Effect

- ▶ Muskoka Lakes' number of households is more than three times that of Madawaska Valley (10,202 vs. 3205)
- ▶ Muskoka Lakes' weighted assessment of **\$1,004,902** is more than four times that of Madawaska Valley's weighted assessment of **\$247,929**
- ▶ Median household income in Muskoka Lakes is nearly **\$20,000** more than in Madawaska Valley
- ▶ Evidence suggests that Muskoka Lakes, as with other larger municipalities, has a great deal more taxation revenue to help offer more enhanced services than Madawaska Valley
- ▶ Local demographics play a key role in "ability to pay" for enhanced services through taxation as well

# Executive Summary

## The Muskoka Effect

- ▶ With this as a backdrop, we find that Madawaska Valley offers **good value** to its rate payers
- ▶ Newcomers to Madawaska Valley with higher expectations should be provided with some of these facts to help them better appreciate the **good value for taxes paid** available to residents of Madawaska Valley
- ▶ Refer to Table 1 (Page 14 or Appendix 6)

# Executive Summary

## Operational Service Delivery Review (SDR)

An Operational Service Delivery Review (SDR) examines many aspects of municipal operations. A SDR is not just about cutting costs, although there may be opportunities to do so. In the context of this report, the SDR includes discussions related to:

1. Services (or processes) and how they are delivered
2. Effectiveness and efficiencies related to municipal practices, policies and operations
3. General statutory and regulatory compliance
4. Risk identification and risk management
5. Potential for cost savings and/or estimates of costs to fund service delivery enhancements
6. Comparison of local practices to best practices

# Executive Summary

## Operational Service Delivery Review (SDR)

7. Comparative analyses (where applicable)
8. Recommendations towards “opportunities for improvement”
  - ▶ Although a “critical analysis” approach is taken, the feedback provided should not be construed as a criticism of past staff performance or Council decisions
  - ▶ On the contrary, our feedback should be viewed as best practice and professional advice in the form of “Opportunities for Improvement”
  - ▶ Although financial topics are discussed, an SDR is not an accounting, financial or forensic audit

# Executive Summary

## Observations

- ▶ Council is supportive of this review and wants the Township to deliver excellent service
- ▶ Feedback during interviews was very similar and at times nearly identical
- ▶ Township has experienced pressures from “The Muskoka Effect” and increased work-from-home practices
- ▶ Township responded by adding an experienced building code official, and it appears to be helping
- ▶ Large geographic size of the Township presents challenges due to travel time needed to complete timely building permit inspections. Not yet at a tipping point, but should be monitored



# Executive Summary

## Observations

- ▶ Planner is very experienced and skilled, and as such is carrying out “clerk-like” duties unrelated to the planning function
- ▶ These extra duties are competing with critical planning duties and causing delays in the planning approval process
- ▶ These duties should be allocated to the Deputy Clerk immediately
- ▶ There are a number of key personnel who can retire now or very soon
- ▶ Succession strategies (Topic HR-01) will need to be implemented **with urgency** to mitigate against interruptions in business continuity and ensure critical corporate memory is transferred

# Executive Summary

## Observations

- ▶ Public Works garages were exceptionally well organized and the superintendent is very knowledgeable
- ▶ Majority of roads we toured were in good shape overall
- ▶ Transfer stations were also organized and tidy
- ▶ Contracted water and wastewater operators are well credentialed and the senior operator is knowledgeable
- ▶ Attendance at fire calls and training was reportedly achieved at better than typical levels when considering the membership is made up of volunteers

# Executive Summary

## Observations

- ▶ Treasurer was very aware of budget and financial pressures as well as local challenges
- ▶ CAO is experienced and very knowledgeable
- ▶ Based on our findings, we have assessed the Township to be in **good overall shape**

# Executive Summary

## Online Survey Highlights

- ▶ Community Survey was posted online from November 19 to December 17 (Refer to Appendix 1 for full details)
- ▶ **60%** of respondents indicated that they agreed, it is easy to access Township staff, while **14%** strongly agreed. These are favourable responses
- ▶ **More people go to the Township's website a little, or not at all** when looking for information than those that go a great deal or a lot
- ▶ Suggests room for improvement when bringing awareness to the website as a primary information and service delivery tool, as well as for expanded customer service offerings

# Executive Summary

## Online Survey Highlights

- ▶ **40.5%** of respondents said they found it difficult or have not used the website recently
- ▶ Suggests there is opportunity for improvement and aligns with the findings of frequency of website use
- ▶ **60.5%** of respondents were not aware that they can submit comments or complaints about the Township through the Township's website
- ▶ May be due to difficulty finding the form on the website as it is not located on the landing page
- ▶ **Very high percentage** of respondents (**73.5%**) say they will likely use the Township's website if it offered more user options such as a portal to view accounts, pay bills, submit service requests or apply for permits or licenses

# Executive Summary

## Online Survey Highlights

- ▶ When asked if the Township communicates enough information to residents and businesses about their activities, **29.7%** of respondents agreed. **38.3%** neither agreed or disagreed. Whereas **31.85%** of respondents disagreed, suggesting some potential room for improvement
- ▶ When asked if respondents were aware that they can view Council meetings online **43.2%** indicated they were not aware
- ▶ **14.5%** of respondents rated the condition of roads as above average and over **64.3%** rated the condition as average
- ▶ The quality of the Township's winter plowing operations was rated favourably, with **29.1%** rating above average and **54%** rating average

# Executive Summary

## Online Survey Highlights

- ▶ Investment towards infrastructure rehabilitation projects such as roads, parks and facilities and strengthening the local economy through attracting new businesses and new homes both ranked as the highest of priorities over the next five years at **3.89** and **3.64** respectively
- ▶ When asked to describe levels of satisfaction with the Township's services, **7.5%** were very satisfied and **48.6%** were satisfied, while **24.8%** were neither satisfied nor dissatisfied. **13.5%** were dissatisfied and **5.4%** were very dissatisfied. The lower levels of dissatisfaction recorded are viewed as a positive
- ▶ When asked if they would support a moderate increase in taxes or user fees above the rate of inflation if it resulted in noticeable improvements to municipal services, such as improved roads, parks, fire services or enhanced waste collection or recycling opportunities, responses were close with **44.8%** responding yes, and **55.1%** responding no. In our experience, this is common with this type of question

# Executive Summary

## Online Survey Highlights

- ▶ Though not a scientific survey, the results provide valuable insight to assist in informing our recommendations for “opportunities for improvement” and will also assist Council in prioritizing options today, and into the future



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# Executive Summary

## Opportunities for Improvement

- ▶ Most of our **66** recommended “opportunities for improvement” are best practices to help improve service delivery, save costs, increase revenue and/or mitigate risks

Some recommended opportunities for improvement include, but are not limited to:

- ▶ Priority setting through expanded Master Plans and annual departmental work plans
- ▶ Development and implementation of long-range financial plans and strategies
- ▶ Fees collected (landfill, water/wastewater, planning, building, etc.)
- ▶ Asset Management (Township Offices, Buildings, Road Preservative Management, Water and Wastewater, etc.)
- ▶ Accelerated approval of the annual budget

# Executive Summary

## Opportunities for Improvement

- ▶ Regular senior management team meetings
- ▶ Financial policy adjustments
- ▶ Procedural changes to streamline Council/Committee meetings
- ▶ A Succession Plan to mitigate the impacts of temporary and permanent vacancies
- ▶ Feasibility review for cost effective modernization of facilities and potential consolidation
- ▶ If implemented, our recommendations should help increase efficiencies, improve client experiences, enhance service delivery, mitigate risks, save money and/or protect the long-term interests of the Township and its rate payers
- ▶ Many recommendations (43) come with **little to no new costs**

# Executive Summary

## Opportunities for Improvement

- ▶ Others come with costs or may be more complex to implement
- ▶ It will be important to recognize that everything cannot be done at once
- ▶ Actions should be prioritized with highest yield items rising to the top of the list

The categories of recommendations are as follows:

- ▶ Administration: General, Clerks, Finance and Technology
- ▶ Asset Management
- ▶ Council

# Executive Summary

## Opportunities for Improvement

- ▶ Economic Development
- ▶ Fire
- ▶ Health and Safety
- ▶ Human Resources
- ▶ Public Works
- ▶ Recreation
- ▶ Risk Management
- ▶ Strategic, Master and Long-Range Planning

# Executive Summary

## Opportunities for Improvement

- ▶ Topics have been given a code and title for ease of reference and include commentary regarding Issues, Concerns and Risks; Recommendations and Options; Benefits; and Estimated Possible Costs
- ▶ Opportunities for Improvement (Recommendations) have been itemized in a matrix in Appendix 2 of the report for quick reference
- ▶ “Priority Ranking”, ranging from important to critical is suggested. A “Recommended Implementation” timeframe has also been suggested for Council consideration

# Executive Summary

## Opportunities for Improvement

- ▶ The estimated range of possible costs are as follows:
- ▶ **\$51,500** for the 1st year,
- ▶ **\$93,266** (average) years 2, 3 and 4 (**\$279,800** total),
- ▶ **\$80,000** future priorities, or if/when successful grants are acquired and,
- ▶ **\$95,450** in total additional annual costs **if all recommendations are fully implemented** including longer horizon items. Many should be offset by anticipated cost benefits and savings. **Known potential savings, revenues or equivalent efficiencies are estimated at up to an annual amount estimated at \$183,744/yr. plus an additional \$600,000 in one time funds.** There are also other opportunities for offsetting savings or revenues that will depend on Council decisions, timing and scope before they can be quantified. These are noted as TBD in Appendix 2.

# Executive Summary

## Opportunities for Improvement

- ▶ NOTE: Staff time and unknown future costs are not included in the list of possible estimated costs. **All known costs shown in the matrix (Appendix 2) are based on the higher range of estimated costs and could be less**
- ▶ A strong commitment by Council and staff will help contribute to successful implementation of our recommendations, which we feel are achievable
- ▶ We recommend that the management team be directed to develop a list of recommendations for Council consideration to be implemented each year. Ideally, this should occur as part of the budget process to ensure funding is made available as needed

# Executive Summary

## Opportunities for Improvement

- ▶ Management should be required to report semi-annually on progress until all recommendations have all been completed
- ▶ Annual performance reviews for management should include implementation of service delivery recommendations as key deliverables





# How does Madawaska Valley Compare?

Evidence Based Comparative Analysis

# Table 1 – Comparators: 2016 Census

Local Services	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>District</b>	Halliburton	Renfrew	Hastings	Peterborough	Renfrew	Peterborough	Hastings	Elgin	
<b>Population</b>	3343	3674	3953	4109	4123	4530	4774	4995	4,197
<b>Households</b>	4666	2475	2736	1971	3205	4380	2375	2978	3,083
<b>Full Services (Urban Centre)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
<b>Roads Lane kms (paved/unpaved)</b>	106/348	264/226	220/200	114/184	260/248	n/a	282/110	326/378	219/241
<b>Arena</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
<b>Pool</b>	Outdoor	No	No	No	No	No	No	No	
<b>Library</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
<b>Marina</b>	No	No	No	No	No	No	No	Yes	
<b>Airport</b>	No	No	No	No	No	No	No	No	
2016 Canada Census	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>2016 Population</b>	3343	3674	3953	4109	4123	4530	4774	4995	4,197
<b>% Change in Population 2011</b>	2.9	-2.4	-3.0	1.7	-3.7	0.2	4.4	-3.1	0.1
<b>Total Private Dwellings</b>	4485	2317	2521	1758	2619	3936	2161	2221	2,771
<b>Private Dwellings by Usual Residents</b>	1611	1619	1726	1632	1706	2015	1904	2102	1,801
<b>Land Area (sq. kms.)</b>	705	594	557	161	673	543	223	322	444
<b>Population Density (per sq. kms.)</b>	4.7	6.2	7.1	25.5	6.1	8.3	21.4	15.5	12.7
<b>Median Household Income</b>	\$61,547	\$70,963	\$61,589	\$74,496	\$67,968	\$67,783	\$74,898	\$72,512	\$69,113
<b>% Low Income</b>	22.4	18.5	23.5	14.1	17.4	17.9	16.6	16.4	18.5

## Table 2 – Comparators: 2021 OMPF & 2019 FIR's

2021 OMPF	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>Total Grant</b>	\$1,980,400	\$1,531,000	\$1,653,800	\$709,700	\$1,624,200	\$1,340,300	\$1,410,000	\$1,920,000	\$1,506,457
<b>Households</b>	4666	2475	2736	1971	3205	4380	2375	2978	3,083
<b>Grant/Household</b>	\$424	\$619	\$604	\$360	\$507	\$306	\$594	\$645	\$507
<b>Weighted Assess/Household</b>	\$278,932	\$210,802	\$227,781	\$248,667	\$247,929	\$315,458	\$210,945	\$204,093	\$242,383
<b>Fiscal Circumstances Index</b>	9.0	8.8	9.4	5.2	8.8	8.0	7.1	7.3	7.8
2019 FIR's	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>Population</b>	3343	3674	3953	4109	4123	4530	4774	4995	4,197
<b>Households</b>	4666	2475	2736	1971	3205	4380	2375	2978	3,083
<b>Residential Taxation</b>	\$5,887,874	\$3,101,508	\$3,817,382	\$2,962,555	\$3,607,004	\$5,971,448	\$4,189,466	\$2,963,569	\$4,127,686
<b>Commercial Taxation</b>	\$66,983	\$145,768	\$149,804	\$136,841	\$258,923	\$136,563	\$245,399	\$198,952	\$154,330
<b>Industrial Taxation</b>	\$19,307	\$23,092	\$20,485	\$17,333	\$25,345	\$223,007	\$24,908	\$150,182	\$68,331
<b>Other/PIL's</b>	\$81,080	\$146,127	\$94,697	\$151,919	\$419,421	\$71,620	\$89,102	\$273,864	\$129,773
<b>% Residential per Total Taxation</b>	97.2%	90.8%	93.5%	90.6%	83.7%	93.3%	92.1%	82.6%	91.5%
<b>Residential Taxes/Household</b>	\$1,262	\$1,253	\$1,395	\$1,503	\$1,125	\$1,363	\$1,764	\$995	\$1,362
<b>Total Revenue</b>	\$10,389,871	\$9,596,668	\$10,549,318	\$7,029,373	\$8,842,344	\$11,945,962	\$10,454,130	\$12,922,381	\$10,412,529
<b>Conditional Grants</b>	\$904,445	\$2,317,595	\$2,945,208	\$979,264	\$694,097	\$2,511,992	\$2,322,136	\$1,909,448	\$1,984,298
<b>Total Revenue less Conditional Grants</b>	\$9,485,426	\$7,279,073	\$7,604,110	\$6,050,109	\$8,148,247	\$9,433,970	\$8,131,994	\$11,012,933	\$8,428,231
<b>Total Expenses</b>	\$8,850,039	\$7,676,793	\$7,847,847	\$6,298,333	\$8,528,645	\$8,535,743	\$8,411,938	\$10,585,897	\$8,315,227

# Table 3 – Comparators: 2019 FIR's

2019 FIR's	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>Ammortization</b>	\$1,118,191	\$1,809,505	\$1,085,550	\$1,471,023	\$1,690,719	\$1,621,439	\$1,655,224	\$1,937,682	\$1,528,373
<b>Total Expenses less Amortization</b>	\$7,731,848	\$5,867,288	\$6,762,297	\$4,827,310	\$6,837,926	\$6,914,304	\$6,756,714	\$8,648,215	\$6,786,854
<b>Wages &amp; Benefits</b>	\$2,450,921	\$2,567,327	\$2,760,723	\$1,967,927	\$2,422,548	\$2,476,272	\$2,942,811	\$2,273,895	\$2,491,411
<b>Annual Surplus(Deficit)</b>	\$1,539,832	\$1,919,875	\$2,701,471	\$731,040	\$313,699	\$3,410,219	\$2,042,192	\$2,336,484	\$2,097,302
<b>Accumulated Surplus</b>	\$17,581,998	\$34,678,449	\$24,506,036	\$33,127,281	\$36,476,224	\$41,900,924	\$29,687,689	\$56,720,197	\$34,028,939
<b>TCA - Cost</b>	\$25,391,266	\$72,949,680	\$43,988,743	\$53,321,750	\$56,563,210	\$47,916,087	\$64,287,997	\$69,299,279	\$53,879,257
<b>TCA - Net Book Value</b>	\$14,359,518	\$35,768,161	\$24,725,214	\$31,700,306	\$30,442,825	\$29,981,633	\$24,393,281	\$42,979,835	\$29,129,707
<b>% TCA-Net Book to Cost</b>	56.6%	49.0%	56.2%	59.5%	53.8%	62.6%	37.9%	62.0%	54.8%
<b>Reserves/Reserve Funds</b>	\$5,026,132	\$2,941,658	\$2,584,277	\$5,419,282	\$7,850,717	\$12,539,842	\$6,038,047	\$12,158,784	\$6,672,575
<b>Long Term Debt</b>	\$0	\$2,821,263	\$1,912,027	\$1,457,143	\$1,540,281	\$0	\$804,294	\$214,865	\$1,029,942
<b>Unfunded Liabilities</b>	\$1,547,184	\$2,247,111	\$171,264	\$642,739	-\$339,505	\$453,000	-\$267,179	-\$805,763	\$569,765
<b>Delta - Reserves less LTD</b>	\$5,026,132	\$120,395	\$672,250	\$3,962,139	\$6,310,436	\$12,539,842	\$5,233,753	\$11,943,919	\$5,642,633
<b>Delta - Acc. Surplus less TCA NBV</b>	\$3,222,480	-\$1,089,712	-\$219,178	\$1,426,975	\$6,033,399	\$11,919,291	\$5,294,408	\$13,740,362	\$4,899,232
<b>% (TCA NBV + Res - LTD-UL) to TCA Cost</b>	70.3%	46.1%	57.3%	65.7%	65.6%	87.8%	46.5%	80.4%	64.9%

# Table 4 – Comparators: 2019 Unfunded Liabilities

2019 FIR's Unfunded Liabilities	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
Landfill Closure Costs	\$1,670,000	\$2,159,505	\$244,000	\$974,683	\$560,759	\$453,000	\$164,000	\$0	\$809,313
Less Dedicated Reserve	\$235,216	\$0	\$72,736	\$331,944	\$1,026,243	\$0	\$431,179	\$805,763	\$268,120
Unfunded Landfill Closure Costs	\$1,434,784	\$2,159,505	\$171,264	\$642,739	-\$465,484	\$453,000	-\$267,179	-\$805,763	\$541,193
Future Employee Benefits	\$112,400	\$87,606	\$0	\$0	\$125,979	\$0	\$0	\$0	\$28,572
Less Dedicated Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unfunded Future Employee Benefits	\$112,400	\$87,606	\$0	\$0	\$125,979	\$0	\$0	\$0	\$28,572
<b>Total Unfunded Liabilities</b>	<b>\$1,547,184</b>	<b>\$2,247,111</b>	<b>\$171,264</b>	<b>\$642,739</b>	<b>-\$339,505</b>	<b>\$453,000</b>	<b>-\$267,179</b>	<b>-\$805,763</b>	<b>\$569,765</b>

May be impacted by recent Landfill Life Expectancy Estimates

# Table 5 – Comparators: 2019 Winter Control Costs

2019 FIR's Winter Control	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
Population	3343	3674	3953	4109	4123	4530	4774	4995	4,197
Households	4666	2475	2736	1971	3205	4380	2375	2978	3,083
2019 Snow Days	123	112	79	81	112	81	79	87	92
2019 Snow Accumulation (cms)	126.6	105.4	32.8	42.8	105.4	42.8	32.8	28.9	58.9
Lane kms maintained	454	490	420	285	508	No data	392	368	402
Expenses	\$444,831	\$444,588	\$196,745	\$89,549	\$403,124	\$392,632	\$409,868	\$278,781	\$310,727
Expenses/Lane kms/snow acc.	\$7.74	\$8.61	\$14.28	\$7.34	\$7.53		\$31.88	\$26.21	\$16.01

- 1) Snow Accumulation Data from World Weather Online
- 2) Expenses are less amortization

# Table 6A – 2020 User Fees

2020 User Fees	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>Landfill Fees</b>									
Tandem Truck (regular)	\$1,048	\$788	\$490	\$459	\$350	\$438	\$508	\$1,048	\$683
Tandem Truck (clean construction)	\$524	\$315	\$490	\$459	\$88	\$438	\$508	\$1,048	\$540
<b>Building &amp; Planning</b>									
Res. Building Permit	\$1,879	\$1,420	\$2,974	\$4,755	\$2,474	\$2,291	\$3,393	\$1,582	\$2,613
Minor Variance	\$1,200	\$300	\$400	\$600	\$400	\$725	\$600	\$1,000	\$689
Zoning Amendment	\$1,200	\$150	\$900	\$1,000	\$750	\$3,000	\$800	\$1,200	\$1,179
<b>Recreation</b>									
Adult Ice Rental	\$107	\$170	\$161	\$179	\$158	\$124	\$160	\$170	\$153
Minor Ice Rental	\$68	\$130	\$120	\$140	\$113	\$124	\$117	\$130	\$118
<b>Water</b>									
Annual Cost	\$729	\$689	\$739	\$475	\$973	\$708	\$518	\$558	\$631
Mega Litres Treated	63,000	168,000	190,000	231,000	117,000	195,000	158,000	1,530,000	362,143
OCWA					\$273,097	\$181,506	\$123,358	\$572,899	

## Table 6B – 2020 User Fees

2020 User Fees	Highlands East	Bonnechere Valley	Marmora & Lake	Asphodel Norwood	Madawaska Valley	Havelock Belmont-Methuen	Centre Hastings	West Elgin	Average (excl MV)
<b>Wastewater</b>									
Annual Cost	\$461	\$689	\$739	\$611	\$1,042	\$720	\$518	\$915	\$665
Mega Litres Treated	249,000	206,000	269,000	198,000	146,000	295,000	258,000	318,000	256,143
OCWA					\$323,366	\$165,545	\$80,108	\$321,101	
<b>Development Charges</b>									
Single Family (Rural)	\$0	\$0	\$0	\$5,250	\$0	N/A	\$5,803	\$4,006	\$2,510
Single Family (Urban)	\$0	\$0	\$0	\$6,573	\$0	\$8,388	\$11,938	\$6,150	\$4,721
Commercial (Urban)	\$0	\$0	\$0	\$8.07	\$0	\$12.95	\$69.31	N/A	\$30.11
<b>Cemetery</b>									
Plot, Internment, Care	\$1,469	N/A	N/A	N/A	\$500	N/A	\$1,469	N/A	\$1,469





## 3 Priority Topics



# 3 Priority Topics

## Priorities that impact many services or programs

- ▶ While all opportunities for improvement are considered important, there are a 3 topics that are considered “priority issues or decisions” because the impact many services and programs
- ▶ Asset Management
- ▶ Fees Collected
- ▶ Procedural Efficiencies

# 3 Priority Topics

## Asset Management – Municipal Offices and Facilities

- ▶ *“Municipal governments own more of Ontario’s infrastructure than any other order of government. These facilities are essential to our economic prosperity, health and quality of life. It was estimated in 2008 that Ontario faces a municipal infrastructure gap of \$60 billion that will take 10 years to close, leaving municipal governments with a bill of \$6 billion each year.”: Association of Municipalities of Ontario (AMO)*
- ▶ The Township has taken several good steps to help respond to the infrastructure gap, including adopting Asset Management Plans and Policies, completing Building Condition Assessments and a Road Needs Study
- ▶ The Township has outgrown the current Municipal Office
- ▶ Some concerns include, Council chambers are undersized and include a kitchen, some offices are oversized, office and floor layouts are ineffective, lack of effective meeting spaces for staff or the public, HVAC is insufficient for the building, environmental concerns, accessibility deficiencies, IT server room is not properly ventilated, limited space for paper records

# 3 Priority Topics

## Asset Management – Municipal Offices and Facilities

- ▶ Cheaper upfront cost often cost considerably more to own over the life of an asset, costing rate payers more
- ▶ A Municipal Office Feasibility Review would consider short- and long-term costs to the rate payers by analyzing up-front capital costs, total cost of ownership over 25 years including operations and maintenance costs, energy costs, cyclical renewal costs, and salvage credit costs
- ▶ This will help ensure that the total investment over 25 years is considered *before* selecting a preferred option
- ▶ Similar reviews have identified \$100's of thousands to millions in long-term savings
- ▶ Consolidation of facilities has been shown to reduce overall costs and should be considered as one potential option

# 3 Priority Topics

## Asset Management – Water and Wastewater

- ▶ Water and wastewater TCA's (including plants) were built in the early 1970's
- ▶ All are approaching 50 years in service
- ▶ Current replacement costs are valued at approximately **\$40,000,000**
- ▶ It is conceivable that shortly after the AMP's 20-year planning horizon the majority of these assets will reach end of expected service life at about the same time. **This is a significant financial risk**
- ▶ Planning for major capital replacement should begin immediately, including monitoring asset condition as they continue to age
- ▶ Leveraging DC charges where possible to offset W&WW costs related to development is an important consideration
- ▶ Increasing capital investments and contributions to reserves now to avoid the long-term impact of the water and wastewater system replacement costs should be a priority

# 3 Priority Topics

## Asset Management – Road Needs / Preservation Management

- ▶ Township undertook a Road Needs Study (RNS) in 2019
- ▶ The RNS also identified the need for “Preservative Management” in addition to capital reconstruction to “keep good roads good”. In addition, the RNS states: *“the goal of preservation management is to extend the useful life of a road and road network, maximizing the Township’s investment over the road life-cycle.”*
- ▶ We concur that Preservative Management is essential and should figure prominently in the Township’s asset management strategies
- ▶ Our analysis has concluded that many of the critical preservative management programs are either unfunded or underfunded
- ▶ We have recommended a 10-year Rolling Road Preservative Management Program (RRPMP)
- ▶ The Operations Manager should make recommendations to Council as soon as possible on how the Township should phase-in a robust preservative management program

# 3 Priority Topics

## Asset Management – New Information – Landfill Life Expectancy

- ▶ The Township’s Landfill site reportedly had about **45 to 47 years** of life expectancy
- ▶ This allowed plenty of time to set aside funds towards future closure costs
- ▶ In early January, staff advised that as a result of aerial reconnaissance, the life expectancy had dropped by over **75%** of the former expected life to only **11 years**
- ▶ This is an enormous reduction in life expectancy, and if accurate would have a significant financial impact on the Township
- ▶ While recent increases in population and seasonal residents may have had some impact on the change, it is unlikely that it had a major impact
- ▶ One probable contributing factor is the **very low** construction dumping fees (Table 6A)
- ▶ Other factors such as diversion rates and compaction should be investigated
- ▶ The Township should have the findings of the latest analysis peer reviewed to ensure its accuracy, determine the cause and develop courses of action to mitigate impacts

# 3 Priority Topics

## Fees Collected

- ▶ Most Madawaska Valley’s fees are below its comparators (Table 6A and 6B)
- ▶ As noted, Landfill fees are very low and may be contributing to high volumes of capacity absorption
- ▶ The Township’s Water and Wastewater fees and costs are considerably higher than comparators (Table 6A and 6B)
- ▶ While user fees have been updated, they have not been studied to ensure cost recovery and comparable fees needed for a level playing field (i.e. dumping fees)
- ▶ When fees are not based on cost recovery, tax payers must fund the delta
- ▶ Users should pay for services they avail themselves of – youth and senior programs are often partially subsidized. This is particularly important when service levels differ across the Township



# 3 Priority Topics

## Fees Collected

- ▶ We have recommended a User Fee Study that should include and consider an analysis of the operational and capital costs, hours of operation or number of events, user information, municipal comparators, and Council policy
- ▶ The goal is to transfer as much cost as possible to the users of the services, while still encouraging participation and affordability (where applicable)
- ▶ We expect this will contribute to less burden on rate payers who are helping to offset the costs of fees that are not near or at full cost recovery
- ▶ Increased dumping fees and out of Township surcharges will help mitigate against consumption of landfill capacity in addition to helping offset costs
- ▶ A separate review should be conducted to ascertain why water and wastewater fees and costs differ so significantly from comparators

# 3 Priority Topics

## Procedural Efficiencies

- ▶ A sampling of committee in council meetings sets the average length of meetings at almost 6 hours each
- ▶ This is considerably longer than what we observe elsewhere by three to four hours per meeting
- ▶ During meetings up to 9 or 10 staff attend or are on standby, consuming their service delivery capacity
- ▶ Meetings should average about 2 hours in length and should not exceed 3 hours
- ▶ Conservatively, achieving a 3 hour meeting is estimated to generate an efficiency savings of in the order of **\$5934/year**, but would be higher if meetings were closer to 2 hours
- ▶ Lost staff and Council opportunity time could be reallocated to other service delivery priorities

# 3 Priority Topics

## Procedural Efficiencies

- ▶ We have recommend a series of procedural changes to increase efficiencies, enhance outputs and still ensure business is accomplished (Excerpt from Appendix 7 below)
- ▶ Limit Delegation Presentation Time
- ▶ Include a Recommendation or Action for each item to be voted on by Council
- ▶ Deputy Clerk introduces items by reading the Recommendation or Action only
- ▶ Implement Consent Bulk Agendas for Reports, By-laws, Resolutions and other actions (Topic AC-04)
- ▶ Eliminate regular variance reports in favour of comprehensive Bi-annual Financial Reports (Topic AF-11)
- ▶ Standardized Staff Reports with Background, Analysis, Consultations, Options, Policy Considerations, Recommendation(s)

# 3 Priority Topics

## Procedural Efficiencies

- ▶ Eliminate items that do not require a Council decision from agendas
- ▶ Utilize memos instead of Council meetings to update Council on “information items”
- ▶ Remove Other Business and utilize of Notices of Motion as required
- ▶ Set a 3 hour curfew
- ▶ Utilize Advance Radar to plan for balanced agendas (Topic AC-07)



# Questions



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