
Appendix 5

Discussion Summary of Shared Service Opportunities

1. Consolidation of Responsibility of Water Services

Niagara Region currently services Grimsby, West Lincoln, Lincoln, St. Catharines, Thorold, Welland, Pelham, Port Colborne, Niagara-on-the Lake, Niagara Falls, and Fort Erie. Water and wastewater servicing are operated under a two-tier system. Niagara Region is responsible for water treatment, main transmission corridors, storage facilities, wastewater treatment, trunk sewers and sewage pumping stations. Area municipalities are responsible for local water distribution networks and local sewer collection systems.

A 2013 report by Stantec and BMA confirmed the significant capital costs and operational pressures of water and wastewater systems. This report identified opportunities to maximize economies of scale, enhance strategic management and decision-making, enhance quality, and realize lifecycle savings.

It should also be noted that, along with only York and Waterloo, Niagara Region is the last of the current and former regional municipalities with two-tier water and wastewater infrastructure and service-delivery. Some reviews suggest that the cost of two-tier water services is consistently higher than in regional municipalities with single-tier water and wastewater services. Others suggest that two-tier service delivery creates confusion in the minds of the public, particularly when systems fail or when there is a flood event or sewer back-ups. The emerging importance of stormwater management and drainage in response to climate change events adds weight to the argument for a comprehensive approach to all aspects of this essential public service.

While advantages are claimed for split jurisdiction in relation to local responsiveness, local billing and local oversight - these should be weighed against the actual experience of those who have placed the responsibility in a "single set of hands".

A similar process to the one Niagara undertook on transit could result in efficiencies and lifecycle savings on the water file.

2. Full or Partial Service Delivery Responsibility of Roads

Since their inception – and in the county structure that preceded them – regional municipalities and their constituent lower-tier municipalities have had split jurisdiction over the network of roads and bridges serving their communities and connecting them with the rest of Ontario. While local transportation, traffic and parking issues understandably receive much attention, especially at lower-tier municipality councils, today's patterns of road and transit use in Niagara are increasingly 'regional' in nature. In this respect, Niagara is no different than other parts of Ontario.

With increased traffic volumes and rapidly emerging trends in areas like automated and shared vehicles, inter-city rail transit and business-related and on-line consumer logistics, it is essential that the shared responsibility for Niagara's road and transit services and infrastructure be allocated in a way that best meets the demands of the travelling public and business operators.

Other regional municipalities and counties apply mutually negotiated standards to identify, on the basis of periodic technical review, which roads, bridges and related drainage works should be part of the regional road network and which roads should be the responsibility of lower-tier municipalities. Niagara should work to ensure that similar objective engineering criteria, rather than simply narrow fiscal considerations, materially influence transportation planning, service delivery and infrastructure investment.

Once those fundamental jurisdictional decisions are made, a second-round of review should focus on the right municipality to maintain roadways, drainage, sidewalks and bikeways, whether by inter-municipal agreement or through contract with a third party.

There is an opportunity for the Region to take on a greater coordinating role with respect to transit and transportation master planning on behalf of the local municipalities. This role would go beyond road maintenance and could include policy support (e.g. complete streets, active transportation policies). This reconfiguration could reduce some of the existing duplication of road policy mechanisms, while maintaining a holistic outlook on connecting links caused by gaps in transportation infrastructure networks between the local municipalities.

In addition, the Region could enter into road maintenance agreements with each of the local municipalities on a case by case basis. These agreements can build on existing maintenance agreements to ensure that all roads are maintained on an "end-to-end" basis, while providing for operational efficiencies.

3. Sharing Emergency Management (EMOs and Dispatch)

One important element of this service realignment would be the amalgamation of local emergency dispatch services in order to improve emergency responder time. One central dispatch with linkages to police, fire and EMS could save valuable time and improve coordination between first responders.

At a sub-regional level, there could be opportunities for two or more Niagara municipalities to share a single emergency management officer (EMO), who would be responsible for coordinating inter-municipal emergency management plans. This role could improve coordination of this important service and make emergency responses more effective. Given that certain emergencies span across two or more municipalities (e.g. power outages), increased coordination can enable quicker resolutions.

These shared EMOs could operate within Niagara's existing sub-regional emergency processes, such as the Joint Niagara West Emergency Management Program.

Another approach that could be considered would be to move the responsibility for emergency planning, emergency management, cyber-security and business continuity and recovery to the regional level in some fashion. Most major emergencies at the local level require the rapid involvement of some regional staff and functions, even where the regional emergency plan is not invoked. More significant emergency events typically follow the established protocol of activating the regional emergency plan, which supplants local plans.

For a function that is (fortunately) rarely called into play, but urgently needed when it is, there would be obvious merit in avoiding jurisdictional overlaps and disagreements in situations where coordination and concerted action is essential. On a region-wide basis, appropriate focus, expertise and dedicated resources could be marshalled, whereas those responsible at the local level currently do emergency planning and preparation as an adjunct to their other responsibilities.

4. Sharing an Internal Audit Process

A joint audit service shared between Niagara municipalities could expand this resource at a reduced cost and enhance the effectiveness of audits. This would improve the municipalities' ability to anticipate issues and confirm spending best practices.

This initiative mirrors the audit approaches of comparable bodies. For example, the northern six municipalities of York Region (the "N6") arranged for joint internal audit

services in 2005. In this process, York Region retained a joint auditor and developed a cost-sharing formula that allocated a designated amount of time per municipality. A risk universe was prepared for the individual municipalities and this data was used to identify areas of individual or joint interest. This auditor is frequently assigned to conduct preliminary analysis on potential N6 initiatives, and this approach allows for a consistent and efficient use of resources.

Similarly, in 2013, the Provincial government authorized the Ministry of Finance to perform compliance audits with respect to government-funded programs on behalf of other ministries and broader public-sector entities. Consolidation of the government's regulatory audit functions generates savings for the Province and eliminates the need for multiple ministries to inspect and audit the same companies throughout the year. In addition, municipalities with access to internal audit functions find them useful as an in-house consulting service. Internal audit can be a useful vehicle to improve the management and accountability of municipal functions, or to examine areas of risk exposure, with the City of Vaughan's recent internal audit of the shortcomings of its local water service as an illuminating example.

5. Coordination of Procurement

A review of procurement services could look to further enhance existing joint purchasing and procurement in order to take advantage of bulk pricing opportunities. This could lend municipalities the ability to explore joint Requests for Proposal for a variety of contracts such as road reconstruction, sidewalk repairs, office supplies, etc.

6. Coordination of Economic Development

There is an opportunity for Niagara's municipalities to coordinate their economic development resources to attract and retain quality local jobs in a planned and efficient manner. It is also essential for economic development and tourism to play its full potential role in supporting the on-going transformation of the Niagara economy.

The Region currently leads its own initiatives at a Region-wide level through the Niagara Economic Development Corporation. However, there are opportunities for improvement given that business attraction primarily occurs at a regional level while business retention primarily occurs at a local level.

Niagara hopes to realize some of the economic benefits of other regions, such as Waterloo, where the Waterloo Economic Development Corporation ("WEDC") is jointly "owned" by the Region as well as each of the local municipalities. This aligned

economic policy framework has enabled the WEDC to close 12 investment deals in 2019 with a total value of over \$1.8 billion. The WEDC effectively leverages the incalculable global “brand” of the region by allowing decision-making that supersedes local municipal boundaries.

7. Aligning Human Resources Practices

A review of Human Resources services could identify potential improvements in recruitment capacities, secondment opportunities for staff and back-office management. Creating a system and culture that allows Niagara municipalities to work together to find, maintain and grow talent will ensure a future-ready workforce that is ready to support residents and businesses.

A coordinated approach can also support Niagara municipalities currently encountering difficulties maintaining certain staffing in particular specialized positions. For individual, smaller municipalities, the day-to-day work of specialized positions, such as chief building officials and drainage engineers, may not total a full-time equivalent position. As a result, there may be an opportunity for these personnel to be shared across two or more municipalities. This approach can alleviate existing recruitment challenges, resulting from local municipalities competing against each other for the same qualified, accredited applicants. This can also support improved human resource management and more efficient and coordinated delivery of services.

8. Integrating IT Services

There is an opportunity for a planned, phased integration of IT services, supported by a central delivery agent, that could allow all municipalities to move to a modern, agile and cost-effective IT system. Several of Niagara’s local municipalities have had success with the Esri software through a chargeback and joint services agreement that was facilitated by the Region. Similarly, several municipalities have pursued an integrated enterprise system that can manage coordinated processes such as payroll. Initiating a shared procurement process could be the first step.

As municipalities and other public entities are increasingly beset with hacking and cybersecurity threats like ransomware attacks, a more robust, shared IT function would enable the Niagara municipalities to leverage their IT investments and to access much-in-demand IT staff resources. These benefits could cover the horizon of digital opportunities, from digital engagement of citizens through social media platforms and digital service delivery and asset management, to cybersecurity and major software

system procurement.

9. Integrating Transit Services

Since January 2016, an Inter-municipal Transit Working Group has been working together to develop options for integrated and seamless transit service in Niagara by 2021.

This plan will provide: local and inter-municipal transit service to the municipalities of St. Catharine's, Niagara Falls and Welland; feeder transit systems in Niagara's smaller communities; and inter-municipal transportation connections to all of Niagara's municipalities and future GO Train stations. This integrated transit plan will consist of a connected region where residents, visitors and travelers can easily access public transportation to get to employment, recreation and travel opportunities.

The process developed by Niagara's municipalities for improving transit in Niagara Region is an example that can be used to move forward in other service delivery areas.