



An Opportunity to Balance Financial Affordability While Addressing the Emerging Needs of Niagara

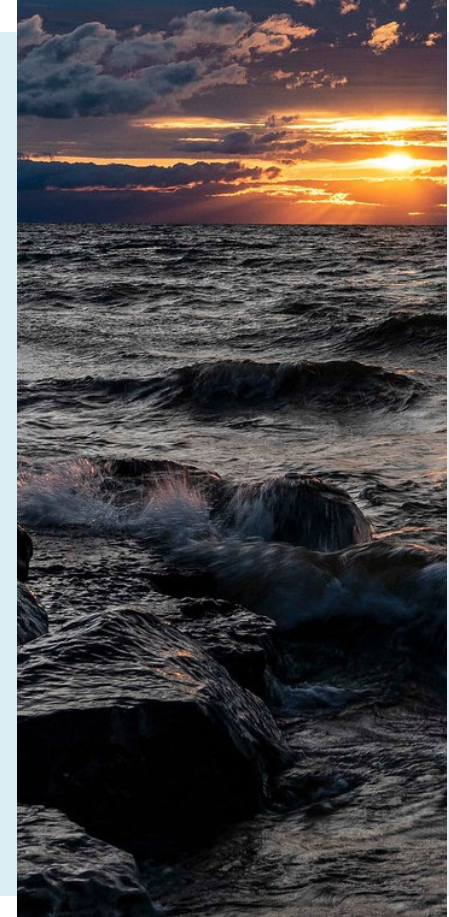
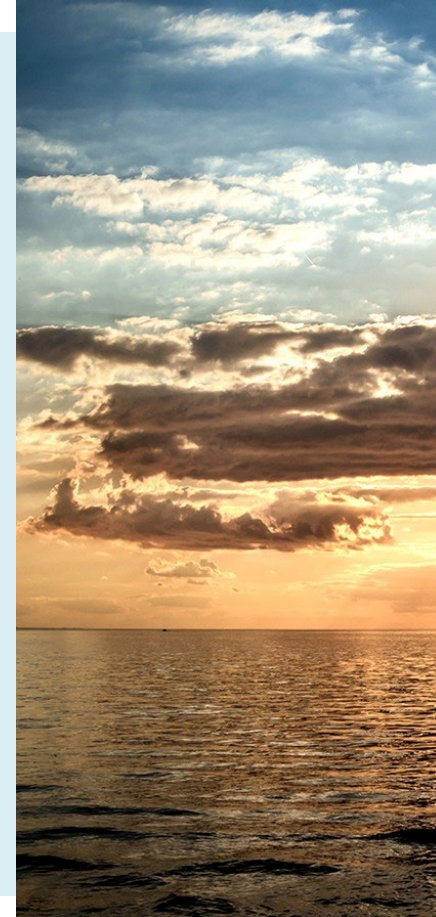
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Introduction: Why Am I Here?



Please see *Appendix D* for more details of relevant experience.

- Opportunity to share my experience to build a strong future for Niagara
- 20+ years of public service
 - 17 years as a CAO of single/lower/upper tier
 - CAO in Niagara (Fort Erie, Region, Grimsby)
 - Experience with full and part-time Councillors
- Led shared service initiatives in the public sector
 - Manager of partnership development at Niagara Region (2002)
 - Set-up several shared services, most recent received national award Lincoln/Grimsby fire services
 - Operated a shared public health, social shared service for neighbouring municipality
- Led successful organizational consolidations and amalgamations
- Extensive knowledge of Niagara

Background: Niagara at a Glance

Municipality Name	Gross Expenditures (in \$000s)*	Tax Levy (in \$000s)*	Full-Time Employees*	Population	Area (km ²)	Politicians
Niagara Falls	181,628	64,574	612	94,415	210	8
Port Colborne	39,539	20,579	118	20,033	122	8
St. Catharines	212,723	97,774	771	136,803	96	12
Welland	110,468	47,864	333	55,750	81	12
Thorold	33,558	17,332	113	23,816	83	8
Fort Erie	50,582	29,149	161	32,901	166	6
Grimsby	32,691	14,731	121	28,883	69	8
Lincoln	33,535	18,933	125	25,719	163	8
Niagara-on-the-Lake	35,756	13,141	98	19,088	131	8
Pelham	28,104	16,578	77	18,192	126	6
Wainfleet	8,135	7,046	38	6,887	218	4
West Lincoln	16,784	8,054	60	15,454	387	6
Sub-Total	783,593	358,564	2,608	-	-	94
Niagara Region	1,109,773	422,759	4,163	-	-	32
Total	1,893,366	778,514	6,790	477,941	1,854	126

\$20 Billion
of replacement assets
(infrastructure, facilities,
fleet)

Sources:

* 2022 FIR: Niagara Region, Welland,
Pelham, 2021 FIR: All others

A Potential Solution: One City One Council



Niagara needs bold action and significant governance reform.

The time is now for...

**One City One Council
for Niagara**

- **Total of 17 politicians (1 Mayor and 16 Councillors) would be optimal for Niagara**
- The full-time Mayor and Councillors are:
 - Supported by office staff
 - Based on area and population compared to comparators

A Potential Solution: Peers with Single Tiers

City	Population	Land Area (km ²)	Rural / Urban Mix	Mayor / Councillors	Councillor / Residents	Councillor / Land Area (km ²)
Ottawa	1,000,000	2,800	80/20	1 Mayor / 24 Councillors	1 / 42,000	1 / 116
Hamilton	578,000	1,118	79/21	1 Mayor / 15 Councillors	1 / 39,000	1 / 74
Niagara (Proposed)	480,000	1,854	85/15	1 Mayor / 16 Councillors	1 / 30,000	1 / 115

*Of Note: Niagara West MPP is responsible for 90,000 residents, covering 5 cities and a land area of 1,000 km².

**Based on peers, the 'sweet spot' for Niagara is 17 full-time member Council
(with supporting office staff)**

Why Now? What Happened in 2023: Transit Upload to Commission

Municipality Name	Transit 2020 (in \$ millions)*	Transit 2023 (in \$ millions)**
Niagara Region	16.4	-
Niagara Falls	8.6	14.6
Port Colborne	0.3	0.9
St. Catharines	13.1	20.6
Welland	3.1	6.8
Thorold	0.6	1.8
Fort Erie	1.1	2.9
Grimsby	0.3	1.7
Lincoln	0.2	1.4
Niagara-on-the-Lake	0.4	2.6
Pelham	0.2	1.1
Wainfleet	0.0	0.2
West Lincoln	0.0	0.5
Total	44.3	55.1



Source:

* LNTC-C 3-2021 Niagara Transit Governance

** CSD 10-2023 Niagara Transit Commission 2023 Operating Budget
Additional Information

Why Now? What Happened in 2023:

Estimated Impact if Transit Was Not Uploaded

Municipality Name	2023 Tax Levy % Increase	2020 Transit as a % of Tax Levy	2023 Increment if Transit Remained
Niagara Falls	7.40%	13.31%	20.71%
Port Colborne	2.94%	1.46%	4.40%
St. Catharines	1.12%	13.39%	14.51%
Welland	-3.05%	6.48%	3.43%
Thorold	-0.19%	3.47%	3.28%
Fort Erie	0.88%	3.77%	4.65%
Grimsby	5.97%	2.04%	8.01%
Lincoln	7.58%	1.06%	8.64%
Niagara-on-the-Lake	8.39%	3.05%	11.44%
Pelham	5.90%	1.21%	7.11%
Wainfleet	5.45%	0.00%	5.45%
West Lincoln	6.50%	0.00%	6.50%
Niagara Region	7.58%		

Forecasted Consumer Price Index
(CPI) for 2023 is

4.4%

9 or 13 municipalities
would be above forecasted 2023 CPI

Sources:

*This is an estimate using the 2020 transit numbers as a percentage of the 2021 levy from the FIR. Then adding to the 2023 percentage...it is a directional indicator.

*. 2022 FIR: Niagara Region, Welland, & Pelham

• 2021 FIR: All others

Why Now? What Happened in 2023: Financial Outlook (2024 & Beyond)



Some 2023 increases are artificially lower utilizing reserves/revenues to lessen the increase



Transit forecast for
2024 and 2025
(6.0%* & 7.7%**)



Region Levy forecast for
2024 and 2025
(9.0%* & 5.2%**)

Higher increases are on the horizon

Source:

* CSD 38-2023, 2024 Budget Planning and Timetable

** 2023 Budget Summary – Multiyear forecast

Why Now? What Happened in 2023: Tsunami of Emerging Services

Social Crisis

- High poverty (14% of population)
- Mental health
- Addictions (opioid and fentanyl)
- Homelessness
- Housing (rental, retain, and affordable)
- Long waiting list, up to 10,000 for social housing
- Lack of supportive housing
- Human capital (“War for Talent”)
- Community safety (people feel unsafe in urban areas)

Health Crisis

- Aging population (long term care and hospice)
- Food insecurity
- Hospital investments
- Physician shortages (91 short)
- Ambulance off-load times

Climate Change Crisis

- External: flooding, shoreline protection, emergency preparedness, and disaster recovery
- Internal: GHG reduction (facilities; fleet; etc.)
- One of two regions in Ontario surrounded by three (3) bodies of water
- Combined sewer overflows into our ditches, rivers, and lakes due to aging infrastructure

Immigration

- Support for 1.5 million more people in the next 3 years
- New programs/services needed
- Diversity, inclusion, and equity

On top of **Financial Challenges**

- Existing high tax burden
- NRT, NPCA, NRP, overall cost creep
- Higher interest rates on debt
- Bill 23 (and negative impact on development charges)

Why Now? What Happened in 2023:

2023 Budget Positions



- The 2023 tax increases and the majority of costs focused on traditional services delivered the same way since 1970 (not the emerging services)
- The incremental staff added in lower tiers/municipal governments in 2023 budgets focused on traditional services:
 - Economic development
 - Finance & asset management
 - Special event coordinators
 - Clerk/legislative roles
 - Communications
 - Public works
 - Parks and recreation
 - Culture, heritage, & library services
 - Planning services
 - Building services
 - By-law services
 - Information Technology
 - Legal services
 - Customer Service
- Reviewed over 40 incremental positions, and only **four (4)** positions focused on the emerging services that need to be addressed

Why Now? What Happened in 2023: Summary of 2023 Tax Increases



- 9 or 13 municipalities would have been above 2023 CPI forecast (if transit was not uploaded)
- Some of the rates are artificially lower, subsidized by borrowing from reserves or utilizing revenue-targeted for other services
- Majority of cost increases and incremental staff added are focused on traditional services not emerging needs
- Financial forecasts suggest higher tax rates on the horizon
- 2022 BMA Data (based on 2021 FIR) has Niagara mid to high on tax burdens of 10 of the 12 municipalities (see Appendix B)

**Niagara is at a cross roads
...incrementalism is not sufficient**

How? Bold Governance Transformation: Opportunity for Efficiency

Action		Gross Expenditures (in \$000's)	Full-Time Employees
All Municipalities (Including the Niagara Region)		1,880,098	6,771
<u>Deduct</u> Region-Only Services:		-	-
Courts	5,156		-
NRH/Social Housing	70,220		-
NPCA	6,383		-
NRPS	202,509		-
Public Health	141,693		-
Community Services	351,763		-
Transit	16,124		-
Waste Management	66,587		-
Total Region-Only Services		860,435	2,989
What Can be More Efficient: The Opportunity		1,019,663	3,782

Sources:

- 2020 FIR: Niagara Falls
- 2022 FIR: Niagara Region, Welland, & Pelham
- 2021 FIR: All others

Source: 2022 FIR

More Effective Government: Benefits of One City One Council

Attraction and Retention of Staff (“War for Talent”)

- Ability to retain the ‘best of the best’ and high performance team
- Aligned, fair compensation strategy – eliminate have, and have nots
- Address all current key vacancies

More Informed and Faster Decision Making

- Full-time Councillors would be supported by office staff
- Aligned Committee governance across the Region
- Improve time to market
- Speeds up shovels in ground for housing / employment opportunities

Streamlined and Standardized Processed Across the Region

- Permits, building, planning
- Economic development alignment

Clarity of Roles

- No more MOUs – eliminate confusion that occurs with 2-tier model, regarding who is responsible

Accountability & Transparency

- Single tier most accountable
- Eliminates finger pointing

Integration Across All Services

- No silos
- Total alignment
- Bring transit commission in as a department

Simplicity

- Residents know exactly who they are paying and for what ...ONE municipality
- Eliminate confusion

Significant Cost Improvements

- Eliminate multiple layers of Management positions and levels, and direct more funding to more ‘boots on the ground’/front line staff to address the emerging needs

More Effective Government: Support Growth and Prosperity

- Full-time Councillors will be informed to improve, and speed-up decision making
- Standardized committee governance will be established to reduce time in decision making on planning files
 - Currently, there is a mix of standing committees (with non-elected officials making planning decisions) and committees of the whole
 - This is an opportunity to streamline the process by weeks, if not months, in many municipalities
- Holistic growth strategy and implementation across Niagara
 - Prioritize infrastructure investments in targeted areas to support housing and business investments
- Standardized planning, building, and permit process across all of Niagara
 - Speed-up processes to get 'shovels in the ground' to build housing
 - Increase customer service and responsiveness significantly
- One economic development team
 - All hands on deck for attraction, business retention and expansion
 - One common concierge service to expedite business investments
 - Improve the industrial and commercial tax base



More Effective Government: Protecting Local Interests/Identity



- **Maintain Local Identity of the Neighbourhoods**
 - Examples include: Port Dalhousie in St. Catharines; Ridgeway in Fort Erie; Jordan in Lincoln; Dain city in Welland; Fonthill in Pelham; Ancaster in Hamilton; Port Dover in Norfolk
 - Mindset if we build great neighbourhoods, we will have a great City
 - Branding of the 33 hamlets will be enhanced
- **Full-Time Councillors and Office Staff Support Wards**
 - Very responsive and consistent level of service
 - Look at maintaining small offices in Ward (much like MPP model)

More Efficient Government: Significant Cost Improvements

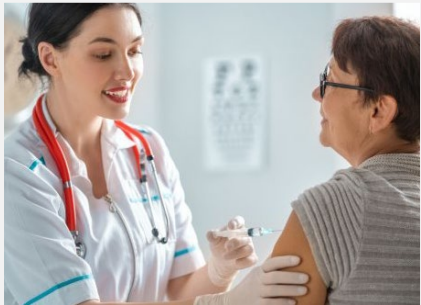


- No savings in redundancy politicians payroll for 126 to 17 full-time Councillors with staff
 - Current payroll of 126 Councillors approximately \$3.5 million to \$4 million
 - 17 Mayor and Councillors and office support staff based on benchmarks will be approximately \$3.5 million to \$4 million
- 0\$\$\$** payroll savings on actual politicians compensation.

More Efficient Government: Allocating Front Line Workers to Emerging Needs

Management and management layers significantly reduced in the consolidation, specifically targeting all traditional services that can be more efficient

All frontline/union positions will increase, to address emerging services



Improvements can be achieved by:

Action	Financial Savings/Costs
Reduction in management payroll	\$33 million
Increase procurement scale and innovation	\$7 million
Reduce external contract costs (legal; headhunter; consulting)	\$5 million
<u>Deduct</u> harmonizing collective agreement	(\$20 million)
Conservative operational improvements	\$25 million annually

\$250 million over 10 years

*One time transformation costs ~\$40-\$50 million (severance, system costs) that can be offset by current budgeted capital programs, provincial funding, and disposing of surplus assets (facilities)

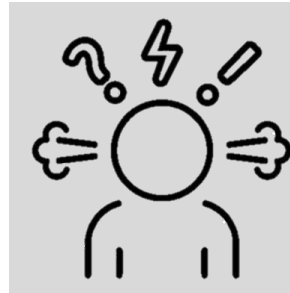
More Efficient Government: Addressing the Emerging Needs of Niagara

**1/4 of a
\$Billion**

Freed up over 10 years

which can be reallocated to address the emerging needs in Niagara:

Social Crisis



Health Crisis



Climate Change
Crisis



Immigration



Financial
Challenges



Be the Champion: Regional Governance Transformation



- Region of Peel to be dissolved
 - Making way for independent Mississauga, Brampton, and Caledon by 2025
- The Province has stated that they are looking for bold local champions to promote governance reform to build a better future for their Region:

*Hazel McCallion was the **champion** of this change. We need other champions to make some bold improvements.*

**Be that champion ...Good enough is not enough.
Be the best to move Niagara forward.**

Summary: One City One Council

- Build a high performance team (hire and retain the best talent)
- Reduce management layers, and focus on progress
- Address critical vacancies across the Region
- Address emerging needs of Niagara, keeping annual the tax increases at a level below inflation
- The Province has stepped up, providing increases to funding in Niagara for homelessness. ...This is an opportunity within your control
 - Be the leader; other municipalities will follow
- More comprehensive/standardized plan on asset management to manage the financials in maintaining \$20 billion of existing assets
- Economic development scale to increase industrial/commercial revenues

Be the champion for a more efficient, effective, and accountable Niagara

Proactive approach with the Province



Contact Information

**You can be that
champion!**

One City One Council
Time is Now

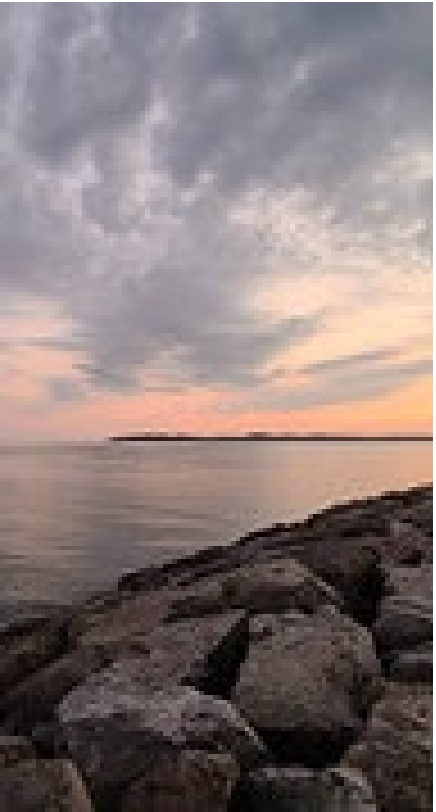
Please contact me if you
want more information:

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Questions?

Thank-You



Appendix A: War for Talent

War For Talent



Current Issues:

- For years, municipalities have been competing with one another
 - No compensation standards
 - No equal pay for equal work
- Did you know? Recently on a scarce skilled position, an individual changed jobs 5 times within 18 months in Niagara's municipalities for a similar role?
 - The on-boarding/off-boarding costs would be substantial

One City One Council:

- Would provide fair compensation ranges
- Would eliminate the churn
- Provides an opportunity to recruit and retain the best talent

Appendix B: BMA Tax Burden

Total Municipal and Property Tax Burden as a Percentage of Income by Location

Municipality	2022 Est. Average Household Income	2022 Average Residential Taxes	2022 Residential Water / WW Costs 200 m ³	2022 Total Municipal Tax Burden	2022 Total Municipal Burden as a % of Household Income	2022 Total Municipal Burden as a % of Household Income Ranking
Grimsby	\$ 124,998	\$ 4,961	\$ 610	\$ 5,570	4.5%	Low
Pelham	\$ 138,099	\$ 5,251	\$ 1,026	\$ 6,277	4.5%	Low
Lincoln	\$ 123,124	\$ 4,753	\$ 1,107	\$ 5,860	4.8%	Mid
Wainfleet	\$ 110,902	\$ 5,298	\$ N/A	\$ 5,298	4.8%	Mid
West Lincoln	\$ 113,730	\$ 4,407	\$ 1,263	\$ 5,671	5.0%	Mid
Niagara-on-the-Lake	\$ 126,186	\$ 5,138	\$ 1,219	\$ 6,357	5.0%	Mid
Thorold	\$ 92,043	\$ 3,702	\$ 1,221	\$ 4,922	5.3%	Mid
Niagara Falls	\$ 84,756	\$ 3,591	\$ 1,039	\$ 4,631	5.5%	High
St. Catharines	\$ 85,025	\$ 3,815	\$ 1,050	\$ 4,866	5.7%	High
Fort Erie	\$ 86,980	\$ 3,770	\$ 1,556	\$ 5,326	6.1%	High
Welland	\$ 79,678	\$ 3,634	\$ 1,383	\$ 5,017	6.3%	High
Port Colborne	\$ 86,315	\$ 3,891	\$ 1,644	\$ 5,535	6.4%	High
Niagara Average	\$ 104,320	\$ 4,351	\$ 1,193	\$ 5,444	5.3%	-
Median	\$ 101,473	\$ 4,149	\$ 1,219	\$ 5,430	5.2%	-
BMA Study Average						
Average	\$ 110,000	\$ 4,190	\$ 1,223	\$ 5,392	5.0%	-
Median	\$ 103,889	\$ 4,031	\$ 1,150	\$ 5,315	5.0%	-

10 of 12 Niagara Municipalities are ranked mid or high

Appendix C: One City Versus 3-4 Municipalities

One City Versus 3-4 Municipalities

- 3 or 4 municipalities would not free up to \$250 million over 10 years
 - The financial improvements would be minimal
- There will be a similar amount of disruption across Niagara to re-align services
- You would have to develop separate utility and service agencies, boards, and commissions to provide water/wastewater; social services; and public health
 - Each agency, board, and commission would also include their own support of office staff, which would generate cost creep.
 - Similar to: Niagara Regional Police; Niagara Transit Commission; and the Niagara Peninsula Conservation Authority
- It does not resolve accountability and simplicity for the taxpayer on who is responsible for the services/tax increases
- It does not eliminate the finger pointing



One City One Council is the more effective and efficient choice

Appendix D: Proven Experience

Proven Experience: Private Sector



- Integrated over 20 companies into one organization
- Resulting in faster, better, and less expensive outcomes

Proven Experience: Public Sector



- Chief Administrative Officer
- 2002: Shared Services Office



- Chief Administrative Officer



- VP of Operations Healthcare (Ottawa)



- Chief Administrative Officer



- Chief Administrative Officer



- Chief Administrative Officer

- **20 years of public service experience**
 - (17 years as a CAO)
- In-depth knowledge of economic, social, health aspects of all 33 hamlets in Niagara
- CAO for single, upper, and lower-tier governments
- CAO for full-time, and part-time Councillors

Proven Experience: Health Care Consolidation

Ottawa Citizen
29 Mar 2012

CITY

'Megalab' expected to improve patient care

Regional operation would reduce costs, standardize services

Health · Medicine · Canada News · Pharmaceutical Industry · Industries
PAULINE TAM

Starting Monday, Eastern Ontario's 800 pathologists, lab technologists and support staff will work under one "megalab," which officials say will give hospital patients a more convenient route to sophisticated and reliable diagnostic tests.

The Eastern Ontario Regional Laboratory Association, a not-for-profit corporation owned by the region's 19 hospitals, oversees all hospital-based diagnostic labs.

The regional lab, which will perform 12 million diagnostic tests yearly and operate on a \$92-million annual budget, is the largest voluntary merger of lab services in Ontario.

It's also an example of health service amalgamation that provincial austerity czar Don Drummond has touted as a prescription for Ontario

as it tries to stretch scarce health care dollars.

Traditionally, hospital labs have operated independently, leading to few commonly agreed standards for quality control, said Randy Penney, board chairman of the regional lab.

Even simple medical tests, such as blood-sugar levels to determine whether a patient has diabetes, can be done differently at different hospitals. And because hospitals don't yet have fully integrated electronic health systems in place to share results, too many tests are duplicated unnecessarily as patients move from one facility to another. The lack of a streamlined system causes inevitable delays and inconvenience for patients, officials say.

All that is expected to change as the

regional lab sets out common policies, standards and technologies for analysing biopsies, blood samples and other diagnostic tests.

A regional lab also allows hospitals to pool together their expenses and purchasing power, which would slow the pace of rising costs in a segment of the health sector that's driven by technological advances, Penney told a meeting Wednesday of the Champlain Local Health Integration Network, Eastern Ontario's health authority.

Rural hospitals, in particular, which don't always have access to highly trained lab specialists or the latest diagnostic technologies, will benefit from the shared knowledge and equipment available at the larger hospitals, said Penney, who's also chief executive of the Renfrew Vic-

toria Hospital. That would give rural residents access to better quality care.

Penney said the regional lab has already saved Eastern Ontario's health care system \$3 million.

The effort to create a regional lab began in 2007, driven by a steady rise in the number of diagnostic tests ordered by doctors and a limited number of pathologists who could analyse them.

Volunteer Amalgamation

16 Hospital Employers to
1 Organization

"Improved patient care and
saved money"

Proven Experience: Public Sector Consolidation



It's much the same in Toronto itself, where city manager Peter Wallace has read the riot act to city councillors over and over, telling them that the city has billions in pressing needs and no firm plan to cover the cost.

What is refreshing about Brampton is that, under Ms. Jeffrey and Mr. Schlange, it seems to have leadership that sees the challenge clearly and is willing to face it without blinking.

Reduced costs of base services by \$3-5 million annually, while improving service levels

Proven Experience: Facilitated, Initiated, & Operated Shared Services



- Initiated several back office shared services
 - Legal, IT, HR, GIS, Finance
- Operated Ontario Works, Public Health, Social Housing, and Child Services as a shared service for neighbouring municipality
- Grimsby and Lincoln's volunteer fire services; 2-year pilot program, initiated in 2021
 - Received national award