

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for: Courier Position Changes****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CD	Library	12712.21011. GEN	Wages – FT UNION (eliminate FT position upon incumbent's retirement)	B	(\$37,600)	(1.00)
CD	Library	12712.23011. GEN	Wages – PT UNION (eliminate 2 casual courier positions)	B	(\$4,905)	(0.12)
CD	Library	12712.23011. GEN	Wages – PT UNION (hire 2 part-time couriers at 0.50 FTE each)	B	\$41,270	1.00
CD	Library	12712.26016. GEN	Labour Burden on changes	B	(\$7,647)	
Net Savings					(\$8,882)	

BACKGROUND:

-BRIEFLY provide why this is a request

CKPL is taking advantage of an upcoming retirement to change the full-time position into two part-time positions. This will allow for greater flexibility with scheduling the courier around holidays and will also eliminate the need for two casual courier positions. Being able to change the schedule during weeks of high demand for material delivery (such as rotations and summer reading) will enable CKPL to meet patron demands as well as staff needs in a timely manner.

COMMENT:

Please provide any further details if required, impact to user fees, etc.
(e.g. Gross expenses, any revenues, subsidies, etc.)

There will be no impact as far as additional costs.

This, in fact, will be a cost savings as we will not have to train casual couriers on an annual basis.

*This cost savings will not go forward unless agreed upon by CUPE 12.2 and Labour Relations Manager

Item #: BR103 &
BR104

Supplementary Budget – Briefing Note

2016 Budget

One page brief per request

Briefing Note required for:

-items >\$50,000

-changes in FTE

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	Accounting & ITS		Previously approved Finance and ITS reorganizatons	B	(\$12,171)	0.40
FBIS	Accounting & ITS		One time cost in 2016	S	\$7,782	0.13

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Previously approved Finance and ITS reorganizations funded from within existing base.

This is reconciling the FTE Count to the actual approved base budget. Net base savings of \$12,171.

	<u>\$'s</u>	<u>FTE's</u>	<u>Description</u>
Base	(31,127)	-0.50	Remove AA position. CAO approved - FS reorg 2015July16.
Base	78,847	1.00	Add FAI position. CAO approved - FS reorg 2015July16.
Base	(59,891)	-1.00	Remove FA3 position. CAO approved - FS reorg 2015July16
Base	21,739	0.50	Proj Delta DBA. Council approved staffing. (RTC Sept/2012) Fund from existing base
Base	34,410	0.40	Support Corporate systems. Council approved staffing- Fund from existing base
Base	(56,149)		Council approved Funding from existing base for ITS reorg (Proj Delta DBA & Corp Support)
	<u>(12,171.00)</u>	<u>0.40</u>	
Supp	<u>7,782</u>		One time costs for 2016 - AA position for 3 months

Attached: ITS RTC #201 and RTC re Customer Service SSRP

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

MUNICIPALITY OF CHATHAM-KENT

CORPORATE SERVICES

INFORMATION TECHNOLOGY SERVICES

TO: Mayor and Members of Council

FROM: Steve Wilson
Project Manager, Information Technology Services

DATE: October 17, 2012

SUBJECT: RTC 201 - RFP Award: R12-136 - Integrated Enterprise Resource Planning (ERP) and eGovernment Solution

RECOMMENDATIONS

It is recommended that:

1. The ERP and eGovernment solution and the implementation of this solution be separated into 2 phases.
 - Phase 1: ERP and core eGovernment modules as presented in this report to Council for review and approval.
 - Phase 2: Property Tax and Document Management modules, requiring further due diligence in the form of functionality reviews, reference checks and site visits be presented for approval at a later Council meeting.
2. Investment into the project in the amount of **\$7,833,343** be approved as follows:
 - a) ***Mid-Range Solutions Limited*** be awarded the contract to provide the latest version of the JD Edwards EnterpriseOne Enterprise Resource Planning software and implementation services in the amount of **\$2,991,379**. Software features will include Human Capital Management, Financial Management, Supply Chain Management, Asset Management and Business Intelligence functionality.
 - b) **RAC Software Inc.** be awarded the contract to provide the latest version of the FMW Web Operating and Capital Budgeting software and implementation services in the amount of **\$34,853**. Software features will include Budgeting functionality and will be integrated to the JD Edwards EnterpriseOne ERP solution.

- c) **CityView** be awarded the contract to provide the latest version of CityView eGovernment software and implementation services in the amount of **\$869,455**. Software features will include Planning Services, Building, Licensing and Enforcement, Cemetery Management, ePlan, Parking Permits and Customer Service Request functionality and will be integrated to the JD Edwards EnterpriseOne ERP solution.
- d) The amount of **\$2,238,867** be available for:

Hardware (Servers & Software)	\$196,626
Staff Backfill	\$2,011,713
Project Office Operating Costs	\$30,528
	\$2,238,867

- e) A contingency of 15% of Phase 1 project costs in the amount of **\$920,183** be provided for.
- f) Funding for Phase 2, Property Tax and Document Management functionality in the amount of **\$778,606** be placed in reserve and that the Municipality continue to fulfill its due-diligence requirements by conducting further review, reference checks and site visits for recommendation to Council at a later date. The amount contains a contingency of 15% of Phase 2 project costs in the amount of \$101,557.

3. That funding from the Capital Budget and existing reserves be approved as follows:

B: Existing Funds	
Capital Budget (split over the years 2012 to 2014)	5,000,000
Existing Reserves	2,833,343
Total Existing Funds	\$7,833,343

BACKGROUND

On March 3, 2008, the Information Technology Strategic Plan (ITSP) was received by Council. Attached as Appendix A, is RTC 196 and as Appendix B, a PowerPoint presentation by MGCG outlining the requirements for replacing legacy systems which supports the ERP and eGovernment project.

The projects identified in the ITSP are based on emerging technologies, IT trends and best practices. This plan identifies the need to implement core business and government solutions that will meet current and future business needs.

At the October 6, 2011, Council meeting, Council approved the recommendations of RTC 196 in that the initiative to source an integrated ERP and eGovernment solution be moved to the RFP stage.

On June 25, 2012, R12-165 was approved, awarding the amount of \$147,555 for the project office required at Riverview Gardens to support the ERP and eGovern Project team.

COMMENTS

The majority of the current software solutions have been in place since amalgamation. These systems served the needs of the Municipality 15 years ago but have reached their end of life and are in need of replacement. The typical life of software is about 7 years. The systems are built of aged technology and can only run on hardware that is difficult to support and no longer available. Software vendors have adopted newer technologies and have moved support resources to cover technologies that will take them into the future, leaving the remaining few clients using this aged software with the bare minimum of support. As these systems continue to age, the cost of annual maintenance to the vendor and the effort to support them internally will escalate exponentially.

Currently a number of systems are not sustainable. If the systems fail, we may not be able to recover the functionality lost.

Although these systems are usable today, it is impossible to determine if they will continue to function in the near future. This presents an immediate risk to the Municipality in that as these systems fail functionality will be lost, turning many automated processes in to manual processes impeding our ability to function efficiently and provide quality service to the citizens of Chatham-Kent.

Replacement of these systems will take 18 – 24 months, by that time all of the current systems will be non-sustainable. Appendix C outlines the Impacted Business Functions.

In June 2011, a Request For Information (RFI) was developed identifying the core functionality required by the Municipality. The RFI was written at a high level and did not outline the detailed requirements of each function. The vendors prefer not to respond to detailed RFIs due to the cost and time required to complete them if there is no guarantee that an RFP will be provided. Each of the 17 responses that were returned for the RFI were analyzed in detail and by taking into account the lowest, highest, and average cost as well as a 50th percentile cost, an estimate was derived.

	<u>Low</u>	<u>High</u>	<u>Average</u>	<u>50th Percentile (median)</u>	<u>Estimate</u>
Software & Implementation Costs	1,469,306	4,757,540	2,763,835	2,470,649	2,850,000
Staff Backfill, Computer Hardware, Project Office	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	2,969,306	6,257,540	4,263,835	3,970,649	4,350,000
Contingency (15%)	445,396	938,631	639,575	595,597	652,000
Total	3,414,702	7,196,171	4,903,410	4,566,246	5,002,500

As outlined above, the initial estimate provided to Council was \$5 million based on the average value of the responses that were returned.

With Council's approval to move to the RFP stage, a team of subject matter experts reviewed the current needs of the organization and produced an extensive list of software and process requirements (a 439 page document) which formed the basis of the RFP. This RFP outlined the current business needs as well as the flexibility required to adapt to future business requirements. These requirements became the foundation of an RFP that was made available to vendors on February 8, 2012.

The RFP stipulated that preference would be given to a solution that encompassed both the ERP and eGovern functions whether it is a single integrated solution or separate components that have been proven to coexist and integrate together. If the Municipality felt that no one response met all of the requirements identified within the RFP, the Municipality reserved the right to select the best solution mix from the vendor responses.

Responses were received by March 28, 2012. A review of the submitted responses showed that *no* software vendor could address all of the functionality in a single integrated software solution to the extent outlined in the RFP. Each of the vendor solutions submitted addressed only portions of the requirements.

The final solution would need to be a selection of components or modules from numerous vendor responses that would be integrated together.

The RFP submissions were made by:

CityView
EnerGov
ERSI / Diamond Municipal Solutions
Mid-Range Solutions
RAC Software Inc.
Syntax Solutions Limited

Due to the small number of submissions, all vendors were invited to make a presentation to the project team members and other subject matter experts from throughout the Municipality. When the evaluation team felt that a presentation was incomplete or did not fully cover the material, vendors were asked to respond to or present specific components of the proposed solution.

Submittals that did not meet the requirements were eliminated from the process while the remaining responses were scored for qualifications and performance based upon the following matrix:

Qualifications and Performance Scoring	% Score
Specifications & Requirements	60
Vendor Capability	10
Cost	30
Total:	100

The evaluation team scored remaining submissions and gave a 1 through 10 rating on each item. Each ranking was then multiplied by a weight given to each of the requirements to reflect the criticality of that requirement in comparison to others. Upon completion of the scoring of each of the proposal submissions, an overall total score was obtained.

To complete the due diligence process, reference checks were performed on the vendors and site visits to local government agencies that were using these software solutions were done.

Responses to the RFP differed from the costs provided in the RFI. The responses revealed that the cost of a full implementation was more than initially anticipated. The RFP provided the vendors with a much clearer picture of what the Municipality's requirements were and as a result, higher than expected software and implementation service costs were quoted.

In an attempt to mitigate some of the cost difference, the vendors who responded to the RFP were asked to reconsider their proposals and to identify savings, where possible, by reviewing software modules, implementation process and costs proposed. The revised RFP responses were reviewed by the evaluation team and the best solution

was identified. Attached, as Appendix D, is a summary of projected costs to implement the selected ERP, Budget and eGovernment solutions. The summary takes into account: software licensing, implementation services, travel and accommodations, project office space, staff backfill costs and a 15% contingency.

The results of the selection process are as follows:

ERP Solution:

The ERP solution that best meets the Municipality of Chatham-Kent's ERP requirements and meets the criteria defined above is:

Vendor	Solution
Mid-Range Solutions	JD Edwards EnterpriseOne

Budgeting Solution:

The Budgeting solution that best meets the Municipality of Chatham-Kent's ERP requirements and meets the criteria defined above is:

Vendor	Solution
RAC Software Inc.	FMW Web

eGovernment Solution:

The eGovernment solution that best meets the Municipality of Chatham-Kent's eGovernment requirements and meets the criteria defined above is:

Vendor	Solution
MSGovern	CityView Suite

The cost summary provides three options that are available to the Municipality. These options vary from the implementation of the core ERP and eGovernment requirements to the implementation of a fully integrated ERP and eGovern solution. Options are shown in the following table:

Phase	Option	Functionality
Phase 1	Option 1	ERP plus Core eGovernment Modules <i>(Option 1 plus Planning Services, Building, Licensing & Enforcement, Cemetery Mgt)</i>
	Option 2	ERP plus Extended eGovernment <i>(Option 1 plus ePlan, Parking Permits, Customer Service Requests)</i>
Phase 2		Property Tax, Document Management

This report recommends the project be split into 2 phases, and that phase 1, option 2, be implemented followed by phase 2, the selection and implementation of the Property Tax and Document Management solution.

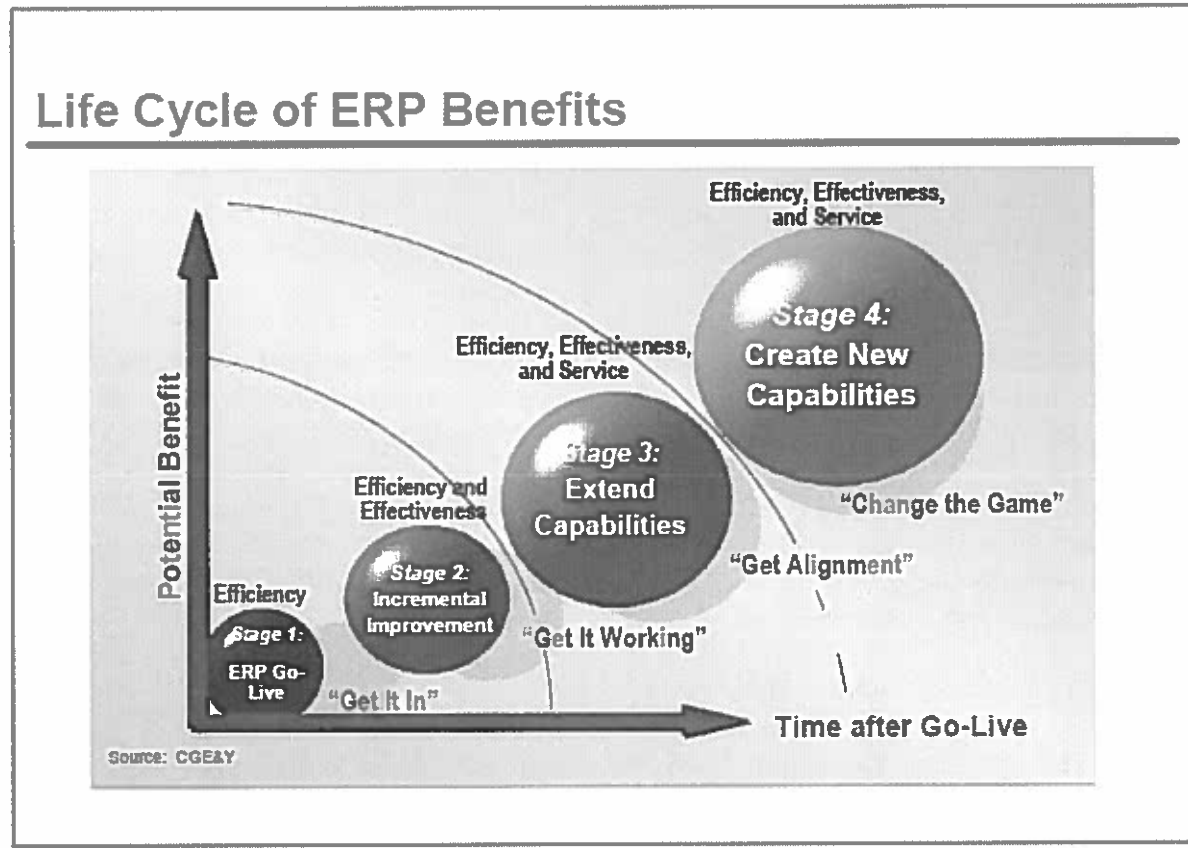
This recommendation will provide the Municipality with the greatest amount of benefit in the form of process changes and standardization directly impacting the Municipality's ability to provide quality service to citizens and internal system users.

In an effort to reduce the project costs, the Customer Relationship Management (CRM) module as defined in the RFP will no longer be considered part of this project, as the additional benefits over the current Microsoft CRM are relatively small. There would be little to no return on the investment as a result of implementing the functionality.

The following are required for sustainability purposes:

- a) Additional base budget funding of \$246,266 (from existing \$228,500 to \$474,766) for software maintenance agreements. It is proposed that this amount become part of the 2013 and 2014 budget deliberations.
- b) Annual lifecycle funding of \$160,000 for costs that are not covered by the annual maintenance associated with major future upgrades (based on a 5 year plan). It is proposed that this amount become part of the overall infrastructure deficit phase-in.
- c) Although the support requirements for a fully functioning ERP and eGovernment solution won't be known until full implementation, it is estimated that up to \$230,000 will be required for staff resources that are required to provide ongoing end user and system support. It is proposed that the ultimate requirement will be reallocated from existing budgets through the Service Sustainability Review Process in order to ensure the cost of new resources will be funded by savings identified by the SSRP.

The benefits of a large scale software implementation are outlined below in a diagram developed by Cap Gemini Ernst & Young (CGE&Y):



Stage 1 - ERP Go-Live:

User learning curves and business processes are severely challenged at this stage. Most of the "out-of-the-box" benefits are tactical and accrue to institutions with severely broken or limited legacy systems.

Stage 2 - Incremental Improvement:

As users learn to perform their jobs using the new system and any deficiencies in functionality vis-à-vis the organizations legacy environment are corrected, the organization often is able to capture a number of incremental improvements through increased efficiencies or improved effectiveness.

Many organizations state that they need to get through one full business cycle using the new system in order to reach this stage.

Stage 3 – Extended Capabilities:

As users and organizations become more familiar with the capabilities of their new ERP system and as additional functionality not included in the initial go-live is rolled out, organizations often are able to achieve benefits by better aligning the capabilities of the ERP software with their business processes and goals.

Stage 4 – Create New Capabilities:

The largest benefits derived from implementing ERP systems often come from utilizing the clean, integrated data it provides to create new capabilities and services for the organization's customers, staff and management.

By using ERP systems in such ways, organizations are able to make significant changes to the way they do business, removing many traditional constraints. This usually takes two years or more following full ERP implementation.

Return on Investment: Benefits

Due to the size and scope of the ERP / eGovern solutions, it is difficult to apply a ROI in the terms of cost savings. In a similar instance, in a Report to Council requesting approval for a Corporate Integrated Financial System, the City of Kitchener provided the following statement:

"It is difficult at this time to quantify the annual cost savings/cost avoidance. Previous implementations by Oracle/SAP have typically resulted in a 10-20% return on investment realized 80% by year 5 after the implementation. The savings come from more productive and efficient business processes; avoiding costs associated with creating legislatively compliant cost accounting systems and retiring old mainframe systems."

Benefits of an ERP/eGovern implementation have been identified as:

<p><u>Financial:</u></p> <ul style="list-style-type: none"> • Reduced cost per service call • Improved decision making capability • Improved visibility of progress and spend for activities or projects • More easily measure against Key Performance Indicators (KPIs) • Cost avoidance: Litigation, quality of data, grievance costs, meeting timelines for legislated requirements, fines from Ministries 	<p><u>Customer:</u></p> <ul style="list-style-type: none"> • Shorter response/wait times • Online access to needed information/services – reduced call/visits for standard processes • Improved customer satisfaction rate • Improved first call resolution rate
<p><u>Internal Business Process:</u></p> <ul style="list-style-type: none"> • Elimination of duplicate data and manual integration • Improved access to accurate information/reporting • Labour productivity growth • Increased use of workflow automation • Reduced operational problems • Improved system reliability/ recovery • Improved ITS functional support • Improved communication between Divisions 	<p><u>Learning and Growth:</u></p> <ul style="list-style-type: none"> • Improved access to personal information using Employee self-service • Improved report writing capabilities by Divisions • Training in industry standard business technology processes and tools • Capitalize on sharing of information and networking with other Municipalities using best practices

COUNCIL STRATEGIC DIRECTIONS

The recommendations in this report support the following Council Directions:

- Healthy, Active Citizens
- Growth Through Variety of Post-Secondary Institutions
- High Quality Environment Through Innovation
- Destination Chatham-Kent!
- Magnet for Sustainable Growth
- Prosperous and Thriving Community
- Has the potential to support **all** Council Directions
- Neutral issues (does not support negatively or positively)

CONSULTATION

Throughout the Request for Proposal and evaluation process, consultation has taken place with: Purchasing, Legal Services, Human Resources and Organizational Development, Corporate Services, Infrastructure and Engineering Services, Public Utilities, Health and Family Services and Community Development. EMT and SMT have been consulted throughout this process and support the recommendations in this report.

Members of the evaluation team met with municipalities who are currently using the recommended solutions. The City of London and Town of Oakville were visited and the City of Brantford was contacted regarding their use of JD Edwards EnterpriseOne and experiences with responding software implementers. The City of Kingston was visited to review its use of the CityView solution and quality of implementation services. Each of the municipalities validated the recommendations provided within this report.

Each of the municipalities visited advocated working in partnership to openly share system related processes and practices with the SMEs of the Municipality of Chatham-Kent.

FINANCIAL IMPLICATIONS

Design and build costs of the project office, in the amount of \$147,555, were approved at the Council meeting of June 25, 2012. The cost of the leasehold renovations was covered 50% by Health and Family Services through its Riverview Gardens reserve and 50% by Corporate Services from the overall project budget.

Information Technology Services Service Level Agreements with PUC will be adjusted to reflect the solution implemented.

The financial implications of this project are summarized in the following table:

ERP & eGovern Implementation					
	Phase 1 ERP & Core eGovern	Phase 2 Property Tax & Document Mgt	Total	Annual	Original Estimate
A: Project Costs					
Software & Implementation	\$3,895,687	\$542,095	\$4,437,782	\$341,753	\$2,850,000
Project Office, Hardware, DB Licenses & Staff Backfill	2,238,867	134,954	2,373,821	71,087	1,500,000
Contingency (15%)	<u>920,183</u>	<u>101,557</u>	<u>1,021,740</u>	<u>61,926</u>	<u>652,500</u>
Total Project Costs:	\$7,054,737	\$778,606	\$7,833,343	\$474,766	\$5,002,500
B: Proposed Funding					
Capital Budget			5,000,000		
Existing Reserves			<u>2,833,343</u>		
Total Existing Funds			\$7,833,343		

** Note: a) Customer Relationship Management (CRM), in the order of \$300,446, was eliminated from this report, b) JDE unlimited licensing reduced to 170 licenses and ReportsNow unlimited licensing reduced to 10 concurrent licenses, c) software licenses were bundled, and database licenses added saving approximately \$181,239, d) potential savings of \$174,096 by negotiating accommodation rates

Prepared by:

Reviewed by:

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Reviewed by:

Reviewed by:

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Attachments:

- Appendix A – RTC 196 – ITSP – Tactical Cycle 2
- Appendix B – MGCG Ltd Information Technology Strategic Plan Presentation
- Appendix C – Impacted Business Functions
- Appendix D – Project Implementation Cost Summary
- Appendix E – ERP/eGovern Integrated Solution Presentation

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MUNICIPALITY OF CHATHAM-KENT

CORPORATE SERVICES

CUSTOMER SERVICES

TO: Mayor and Members of Council
FROM: Leanne Segeren-Swayze, Director, Customer Services
DATE: January 6, 2014
SUBJECT: Customer Service Sustainability Review Process (SSRP)

RECOMMENDATIONS

It is recommended that:

1. An automated voice system be implemented to effectively manage inbound calls for Customer Service.
2. A virtual call centre be implemented to distribute calls to all Municipal Centres and Municipal Information Desks decentralizing the Municipal Call Centre.
3. The Bothwell and Wheatley Municipal Information Desks (Customer Service) decrease operational hours by one half day per week due to declining statistics.

BACKGROUND

At the December 10, 2012 Council meeting, Council directed administration to proceed with Phases III and IV of the SSRP. SSRP Phase III is the stage in the process where cross-departmental review committees, including public members, study, appraise and make recommendations on:

1. Items for review identified by the business unit and EMT
2. Other items for review identified by review committee members
3. Other items for review identified by business unit staff and stakeholders

Phase IV is the review of user fees and revenue opportunities.

The Customer Service Review Committee was comprised of business unit staff, cross-functional staff, and a public volunteer who reviewed and analyzed the issues identified, and arrived at the recommendations in this report.

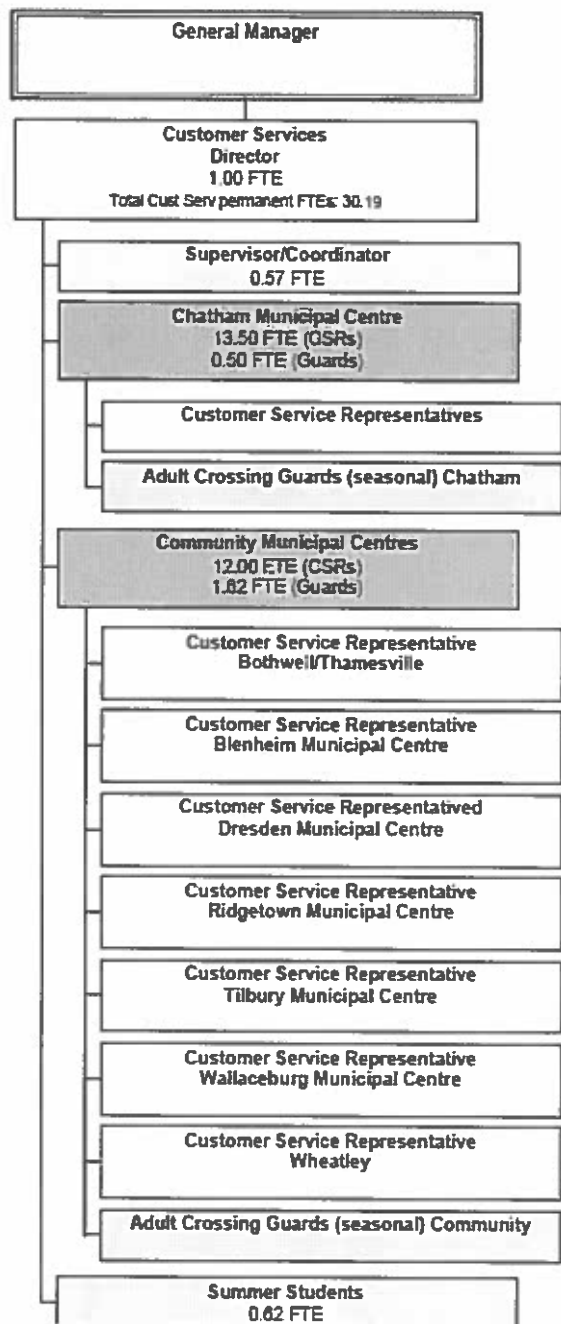
In 1998 a basic municipal call centre (360-1998) was formed to act as a “switchboard” to direct and assist customers to the appropriate departments, services, etc. In 2001, Council approved the Call Centre Business Plan and the recommended enhancement of services to be provided by customer service representatives (CSRs). The full implementation of the enhanced call centre required extensive training with departments to ensure accuracy and consistency in providing municipal services on behalf of departments. The average daily call centre customer incoming call volume stood at 500 until 2012 and has reduced to an average of 400 calls/day. This call volume reduction is due to enhancements of our on-line services and other services such as Facebook, email, etc.

Similar to the private sector, we must regularly review our customers’ needs along with oncoming trends and improvements for accessing municipal information and services. We know these developing solutions will continue to change to meet the needs and expectations of customers. Voice and data requests along with counter service requests will continue to decline in coming years, so we must continue to anticipate and prepare for our customers’ future. Our customers will always require municipal information and services; however they will choose to access us differently. The SSRP for Customer Service is very timely, in that we anticipate significant attrition opportunities within the next 2-3 years as well as affordable technology to once again improve (and update) the existing enhanced call centre operation. This would result in operating cost savings as well as enhancing efficiencies of the Customer Services Division.

The 2013 budget for Customer Services totals \$2,075,069 employing 26.12 customer service representatives and 1.57 administrative staff is shown in the chart below broken out into its three primary service areas: Administration, Call Centre and Municipal Centres.

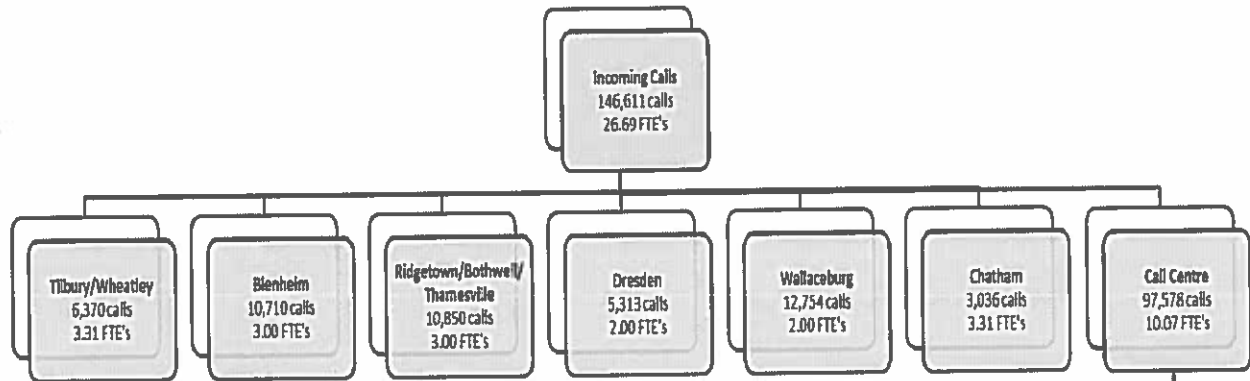
	Admin	Call Centre	Municipal Centres	TOTAL
Wages	\$94,013	\$634,322	\$762,555	\$1,490,890
Labour burden	\$25,033	\$164,864	\$204,797	\$394,694
Travel/training	\$1,070	\$0	\$9,879	\$10,949
Operating expenses	-\$11,096	\$5,917	\$16,172	\$10,993
Bank charges	\$26,404	\$0	\$25,180	\$51,584
Facilities	\$0	\$0	\$113,459	\$113,459
Other	\$0	\$2,500	\$0	\$2,500
	\$135,424	\$807,603	\$1,132,042	\$2,075,069

The Customer Service Division organization chart including 26.12 Customer Service Representatives are shown in the chart below:

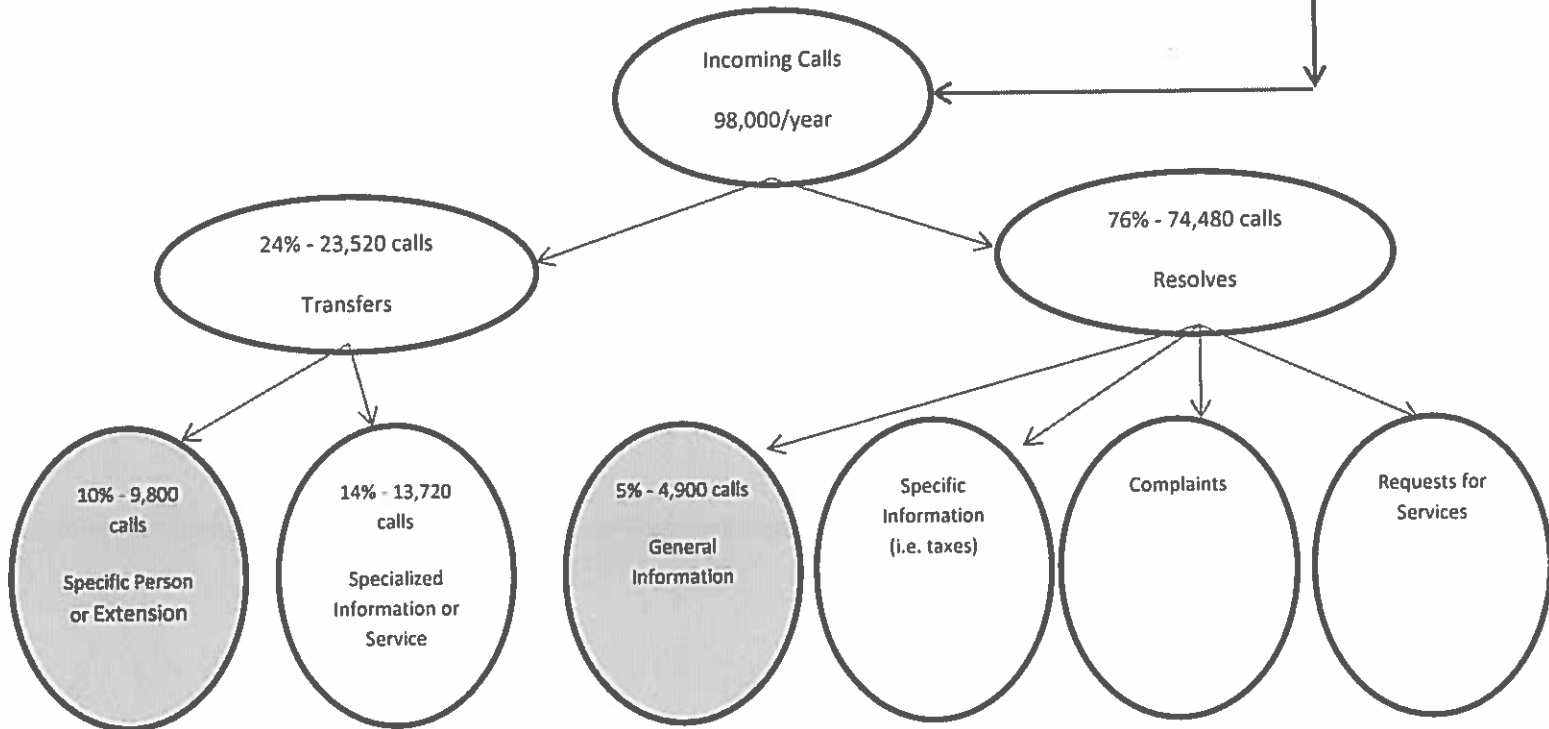


Statistical Breakdown of Current Call Volume – All Municipal Centres

In total, Customer Services receive 146,000 incoming request for service calls per year. The following illustrates the distribution of these calls broken out by customer service location as well as the staffing in place to respond:



Statistical Breakdown of Current Call Volume – Call Centre

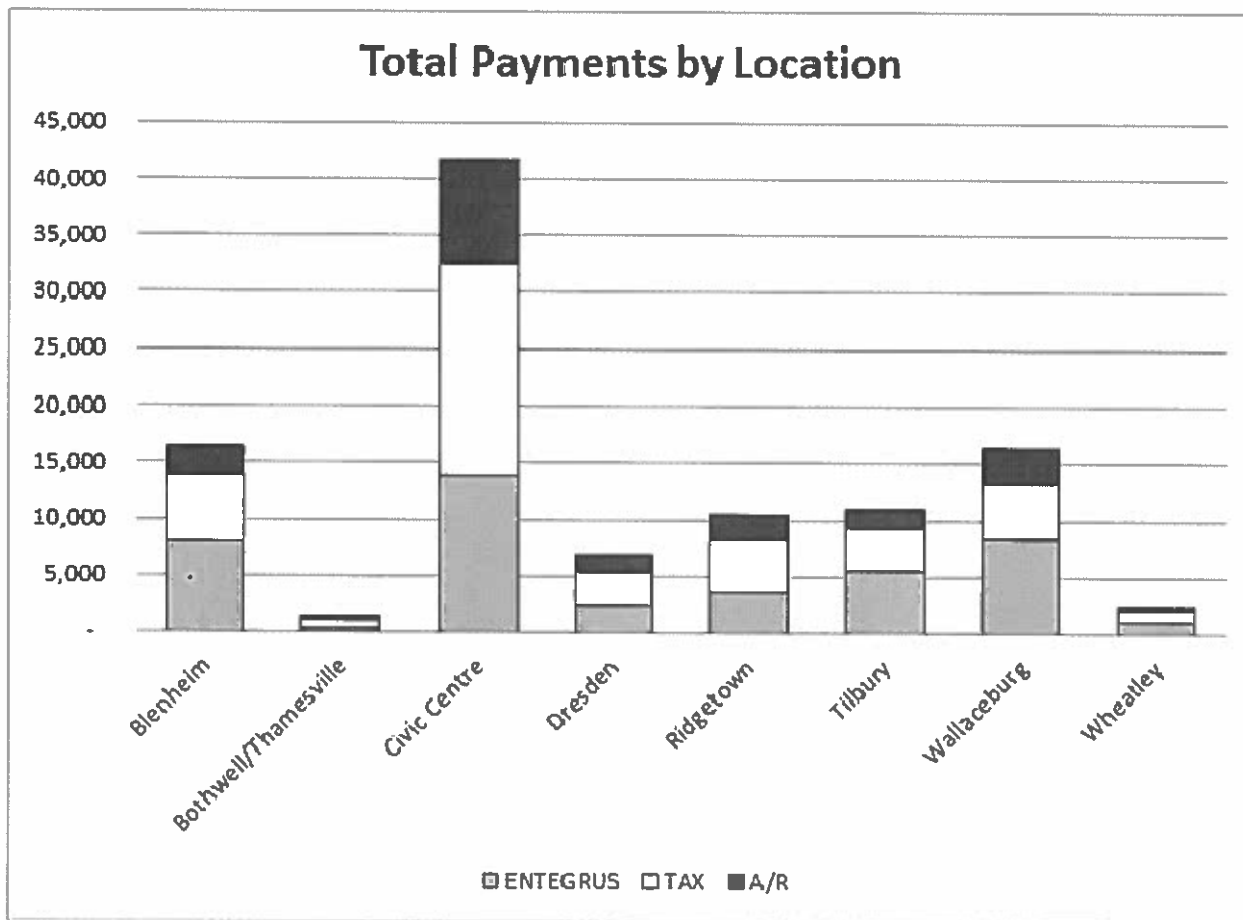


The shaded call types are those identified as best suited for automated call attendant requiring the least amount of human interface.

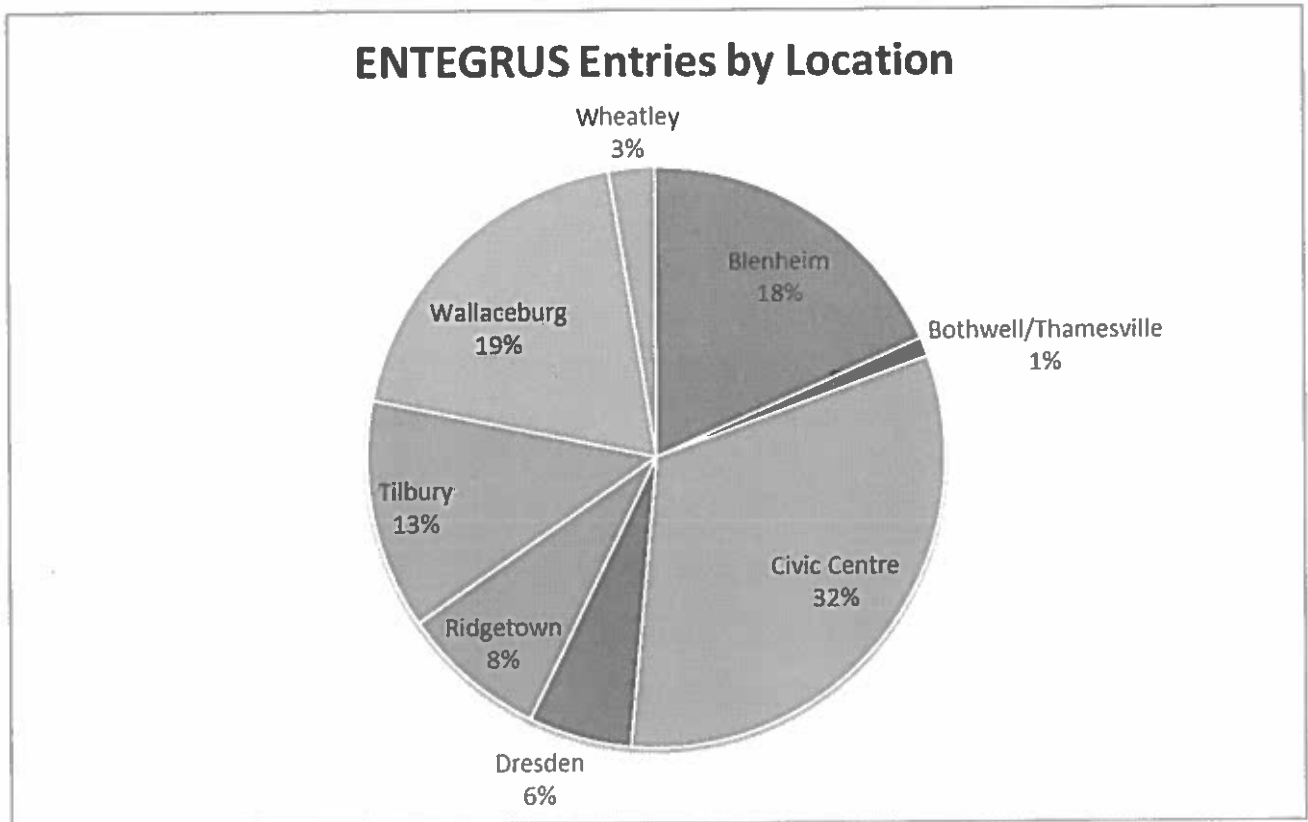
The Committee also reviewed various customer service statistics broken down by location. These details were important in determining the most efficient opportunities to maximize options and resources. Please note that the available statistics only include service requests and transactions; not customer inquiries at municipal centres.

The following chart and graphs provide the breakdown of payments for the following services:

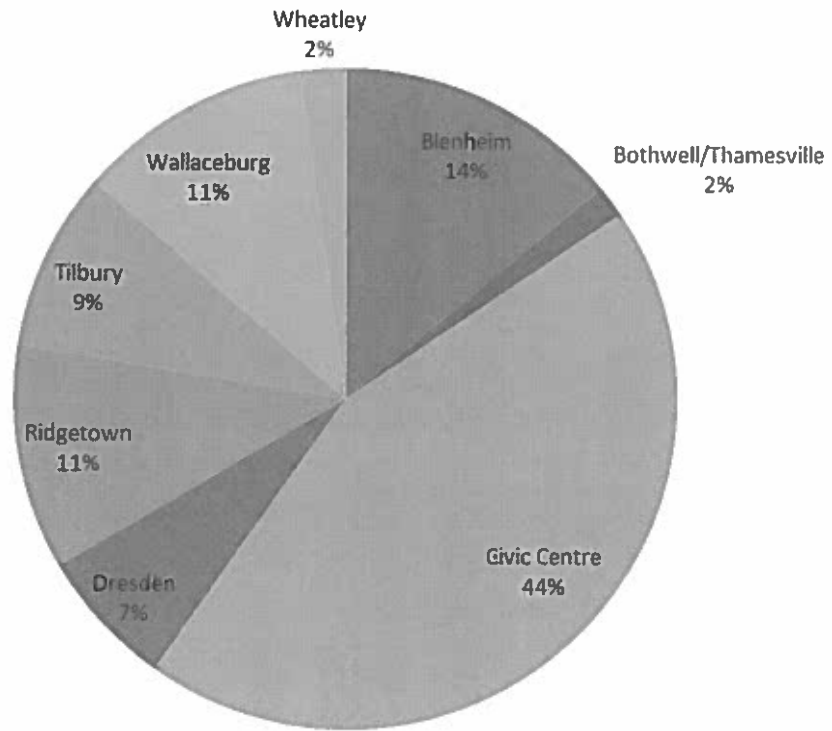
- Entegrus
- Tax
- Accounts Receivable (program registrations, arena/facility contract payments, licences, dog tags, parking infractions/POA, invoices, death regs, etc.)



2012 PAYMENT STATISTICS - ALL MUNICIPAL CENTRES							
Location	ENTEGRUS		TAX		A/R		
	Entries	Percentage	Entries	Percentage	Entries	Percentage	
Blenheim	7,891	18%	5,912	14%	2,558	12%	
Bothwell/Thamesville	450	1%	652	2%	320	2%	
Civic Centre	13,763	32%	18,724	44%	9,200	43%	
Dresden	2,464	6%	2,865	7%	1,656	8%	
Ridgetown	3,501	8%	4,652	11%	2,210	10%	
Tilbury	5,490	13%	3,722	9%	1,713	8%	
Wallaceburg	8,237	19%	4,821	11%	3,193	15%	
Wheatley	1,112	3%	953	2%	451	2%	
Totals	42,908	100%	42,301	100%	21,301	100%	

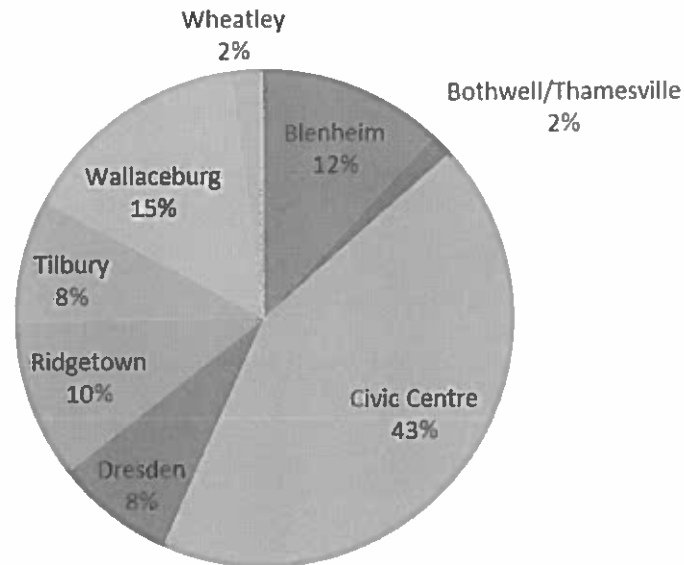


TAX Entries by Location



A/R Entries by Location

ie. payments other than Taxes and Entegrus: dog tags, licences, registrations, permits, etc.



COMMENTS

Two Customer Services level of service items were identified and analyzed during this service review:

1. Live-Voice Call Centre vs Automated :

In order to maintain our enhanced level of customer service while optimizing the taxpayers' dollar, we have considered the following options with respect to the call centre levels of service:

- a. Continue operations as they currently are – status quo
- b. Implement an Automated Attendant System
- c. Transition to a Virtual Call Centre
- d. Adopt a Switch Board Option
- e. Direct dial to division

2. Municipal Centres and Municipal Information Desk (Customer Service) Hours:

In evaluating the current Municipal Centre statistics as well as the expectation of face-to-face services in all communities, we have considered the following options:

- a. Enhance – increase hours of operation
- b. Maintain current hours of operation
- c. Reduce hours of operation
- d. Reduce hours of operation/eliminate Municipal Information Desks

Summary of Options Considered:

OPTION 1 – Continue operations as they currently are – status quo

The option of maintaining the existing call centre structure and service levels is not recommended by the committee due to the financial and service level inefficiencies identified in Options 2 & 3. Due to current attrition opportunities, as well as existing technical options to evenly distribute calls to other municipal centres, the committee unanimously agreed that Option 1 is no longer feasible.

Current Call Centre Service Level Details:

- Full live-voice answer
- Consists of 9.76 full-time-equivalent staff (FTE's) based on the 2013 budget
- 1 summer student is hired from May to September to compensate for vacation time (0.31 FTE) based on the 2013 budget
- The call centre averages 400 incoming calls per day (enhanced and basic services) – $98,000 \text{ calls} / 253 \text{ days} = 388 \text{ calls/day}$
- Budget for the call centre is \$807,603 annually
- There are currently several numbers available for customers to call – callers can phone the call centre, or any one of the municipal centres directly
- Current time spent on calls (call centre only) is 9,758 hours – $(98,000 \text{ calls} * 6 \text{ minutes per call}) / 60 \text{ minutes in an hour} = 9,800 \text{ hours spent}$
- The average talk-time per call is 6 minutes – $(9,758 \text{ hours spent on calls} * 6 \text{ minutes in an hour}) / 98,000 \text{ calls} = 5.97 \text{ minutes/call}$

OPTIONS 2 AND 3 – BASIC AUTOMATED ATTENDANT SYSTEM AND VIRTUAL CALL CENTRE (IN TANDEM)

With the incremental cost savings of the virtual call centre compared to the basic automated voice attendant, it makes it financially prudent to consider operating the two systems in tandem.

An automated voice attendant would provide basic recorded prompts to assist with customer questions and allow the customer access to specialized information without speaking to an attendant (self-serve for information). The automation could be customized to include information on snow storms, garbage pickup delays, etc. should there be a widespread disruption/alteration to municipal services. The customer would have the option of speaking to an attendant (including a "0" out option) should their needs not be met through the automated service (demonstrated in 'Appendix A'). Further to that, basic automation of the most popular requests has the potential to reduce the remaining call volume by 2,200 hours of these calls however the option to speak to a live attendant would be available with the use of the "0". Option A - virtual call centre would allow all calls for the municipal centres and the Call Centre to come in on one line and be distributed to customer service representatives in various locations (Call Centre or Municipal Centres) based on their availability. There would not be a reduction in time spent on providing customer service – the same number of calls would be handled by dispersing the calls, better utilizing the time of the existing CSR's (refer to 'Appendix B'). This would introduce the option of CSR's receiving calls from any external location (including emergency situations, i.e. snowstorms, etc.).

Staff coverage and utilization within each of the Municipal Centres is often a challenge and this opportunity to de-centralize the call centre would provide the required staff coverage to avoid such challenges.

The customer service representatives are currently utilizing one knowledgebase for municipal information (SharePoint), so all staff access the same information for the entire Municipality. Specific details of services, information and area particulars (i.e. fairs, tourism, lagoon permits, etc.) are all in one shared database. Customer service representatives would also undertake further training concerning geographical area specialties. In cases (for example) where a customer has called 519-360-1998 and speaking to a customer service representative in Wallaceburg and requiring specific information about an issue in Blenheim, the option would still be available to transfer the caller to Blenheim.

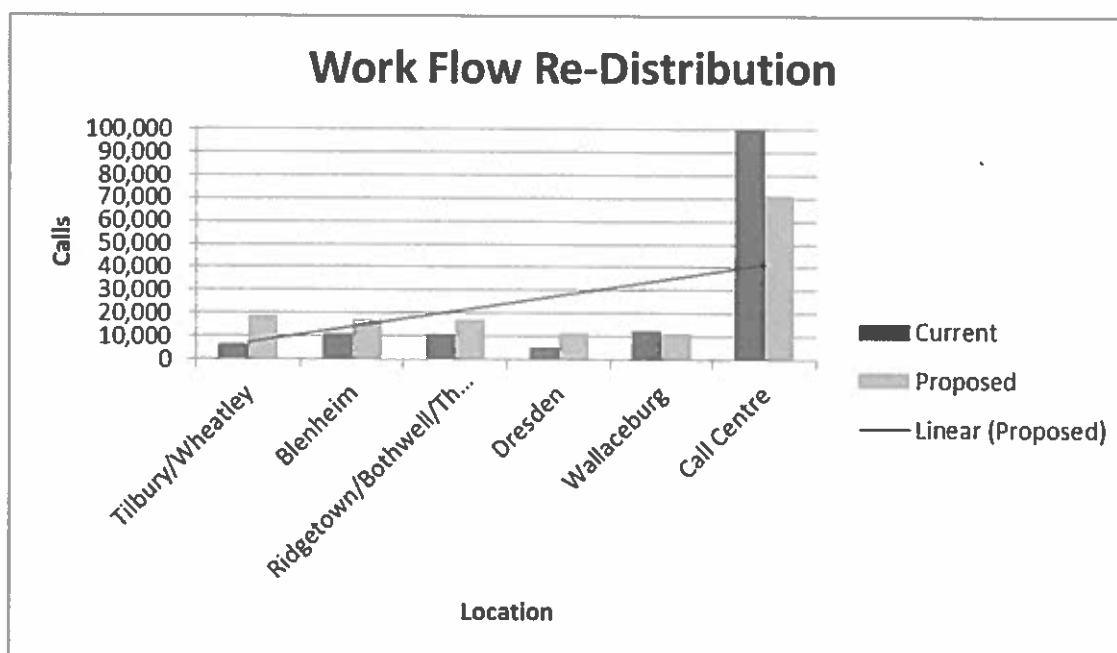
Based on the "Statistical Breakdown of Current Call Centre Incoming Calls", from above, it is estimated that calls pertaining to 'Specific Person Transfers' and 'General Information' would be satisfied with the adoption of an automated attendant system –

representing 15% of the total incoming calls, or, 1.25 FTEs. The re-distribution of calls through the virtual call centre would allow a further reduction of 2.84 FTE's which would be attained through attrition and take 4 years to be fully realized. Detailing the project costs and savings below, it is apparent that the project will have a payback period of 3.30 years and generate savings of \$156,719 each year thereafter.

Re-Allocation of Work through a Virtual Call Centre

	FTE's		CALLS	
	Current	Proposed	Current	Proposed
Tilbury/Wheatley	3.31	3.31	6,370	21,473
Blenheim	3	3	10,710	19,462
Ridgetown/Bothwell/Thamesville	3	3	10,850	19,462
Dresden	2	2	5,313	12,974
Chatham	3.31	3.31	3,036	21,473
Wallaceburg	2	2	12,754	12,974
Call Centre	10.07	5.98	97,578	38,794
	26.69	22.60	146,611	146,611

Since the existing workload will be re-distributed amongst the teammates in all locations, the proposed staffing reduction will be realized in the call centre through attrition opportunities within the Division (over a 4 year period). For demonstration purposes, the proposed calls were re-allocated based on FTE counts:



The breakdown of the actual call volume may vary daily based on the availability of the customer service representatives; the above graph depicts a much more even distribution of call volume.

The existing Service Level Agreement between the Customer Services Division and Entegrus will not change.

OPTION 4 – ELIMINATION OF THE CALL CENTRE – CALLS GO DIRECTLY TO DIVISIONS

This option would completely eliminate the call centre operation and all incoming calls would go through a 1-2 person operated switchboard before going directly to departments. Calls would no longer be resolved by a trained customer service representative. Each department would require additional staff to answer and resolve their own calls. The downgrading of the call centre to a switchboard would result in an FTE reduction from 10.07 to 8.07; however an estimated increase of 14 FTEs (estimated with a higher pay rate) would be required in various departments to handle their own call volume. This option is not financially feasible and not recommended by the Committee.

OPTION 5 - MUNICIPAL INFORMATION DESKS (Service Provided by Customer Services)

The Municipal Information Desks (MIDs) located within the Bothwell, Thamesville and Wheatley Libraries are currently operated in partnership by a Service Level Agreement with the Chatham-Kent Public Library. The MIDs are divided into two areas:

- Libraries – library staff also provide basic municipal services/information to customers during times when the customer service desk is closed (off hours). The basic services are significantly less than those offered by Customer Services for the reasons of training, customer focus, and required time to provide services and information (in greater detail).
- Customer Services – customer service representatives who provide the same levels of customer service information and municipal services to that of municipal centres/call centre. They are 100% focused on assisting customers with any municipal requirements other than library services (due to existing contractual restrictions).

Significant consideration was given to the consolidation of services within the Municipal Information Desks; however the services differ significantly due to the needs of customers. Many day-to-day services provided by the customer service representatives can range from one minute to one hour, depending on the complexity of the issue/request. By eliminating the customer service representative position in an MID,

and continuing with only a basic service offered by the Library staff (for services other than Library), it would reduce the overall level of service to the community. When these facts are also considered with Options 2 and 3 (to continue existing services while adding the role of virtual call centre) this justifies such on-going existence for the customer service representatives in these 3 communities. The MIDs located in Wheatley and Thamesville/Bothwell are currently open 2-2.5 days per week, and should furthermore be reduced by one half day as a result of the current customer volume (**average of 8 customers per week in total**). The Bothwell MID hours of operation have temporarily been reduced by a half day per week since June, 2013. This 3.5 hour reduction has not negatively impacted the level of service to the community, and therefore a public meeting is not required at this time. Service statistics will continue to be monitored for all MID locations.

Based on the facts and conclusions of the Customer Service – Service Review Committee, we recommend Options 2, 3 and 5 above. The recommendations are:

1. An automated voice system be implemented to effectively manage inbound calls for Customer Service.
2. A virtual call centre be implemented to distribute calls to all Municipal Centres and Municipal Information Desks decentralizing the Municipal Call Centre.
3. That the Bothwell and Wheatley Municipal Information Desks (Customer Service) decrease operational hours by one half day per week due to declining statistics.

COUNCIL STRATEGIC DIRECTIONS

The recommendations in this report support the following Council Directions:

- ✓ Healthy, Active Citizens
Growth Through Variety of Post-Secondary Institutions
- ✓ High Quality Environment Through Innovation
- ✓ Destination Chatham-Kent!
Magnet for Sustainable Growth
- ✓ Prosperous and Thriving Community
Has the potential to support **all** Council Directions
Neutral issues (does not support negatively or positively)

CONSULTATION

The Service Review Committee consisted of:

- Customer Service Representative
- Director, Customer Services Division
- Executive Co-ordinator to the CAO
- Community volunteer

- ITS – Network and Systems Administrator
- 2 Budget & Performance Analysts

Customer Service staff provided input on Customer Services operations.

CEO/Chief Librarian was consulted regarding the Bothwell, Thamesville, and Wheatley Municipal Information Desks (MIDs).

Public meetings were also held in the areas of Bothwell and Merlin pertaining to the Municipal Information Desks – as partnered with the Library (June 6 and 11, 2013).

The following municipalities were consulted regarding customer service, and call distribution processes for comparison: Sarnia, London, Windsor, Leamington, Hamilton, Brantford, Kingston, Stratford, Haldimand, Norfolk and Ajax.

FINANCIAL IMPLICATIONS

Recommendations #1 and #2

The following table illustrates the financial implications of the Automated Attendant and Virtual Call Centre, in tandem:

1. One-time cost of software, hardware and implementation: \$257,503
2. Annual cost of operations, facilities and support: \$38,045 + \$71,437 = \$109,483/yr
3. Phased-in annual cost reduction (fully achieved in 2017): \$266,202
4. Phased-in net annual savings: \$266,202 - \$109,483 = \$156,719
5. Payback of one-time investment: 3.30 years

	ONE-TIME	ANNUAL				
	2014	YR1-2014	YR2-2015	YR3-2016	YR4-2017	YR5-2018
Implementation of Automation System						
Call Centre Software and Annual Maintenance						
Call Centre Software Lifecycle (5 Year)						
Virtual Server to Host Application						
ITS Voip FTE (.5) (Year 2+ Only Requires 20% FTE)						
Virtual Server to Host Application-Lifecycle						
ITS Voip Equipment and Computer						
Contingency						
Automated Attendant	\$160,412	\$26,576	\$38,045	\$38,045	\$38,045	\$38,045
Implementation of Virtual Call Centre						
Virtual Call Centre Migration Fee (Bell Migrations)						
Virtual Call Centre Hardware (Phones and Headset Hardware)						
Network Equipment (Switches)						
Required Network Capacity (Bandwidth) Increase (Cogeco)						
Network Equipment (Switches) - Lifecycle						
ITS Voip FTE (.5) (Year 2+ Only Requires 20% FTE)						
Contingency						
Virtual Call Centre	\$97,091	\$59,768	\$71,437	\$71,437	\$71,437	\$71,437
TOTAL ONE-TIME COST (Auto Attendant & Virtual Call Centre)	\$257,503	\$86,344	\$109,483	\$109,483	\$109,483	\$109,483
CSR @ Project Delta						
Retirement #1		-\$62,339				
Retirement #2			-\$62,339	-\$62,339	-\$62,339	-\$62,339
Retirement #3		-\$62,339	-\$62,339	-\$62,339	-\$62,339	-\$62,339
Retirement #4		\$0	-\$34,481	-\$68,963	-\$68,963	-\$68,963
Computer Lifecycle savings		\$0	\$0	-\$34,481	-\$68,963	-\$68,963
		-\$450	-\$1,350	-\$2,700	-\$3,600	-\$3,600
TOTAL COST SAVINGS	\$0	-\$125,127	-\$160,508	-\$230,821	-\$266,202	-\$266,202
TOTAL ANNUAL COSTS (Auto Attendant & Virtual Call Centre)	\$257,503	-\$38,783	-\$51,026	-\$121,338	-\$156,720	-\$156,720
ACCUMULATED SAVINGS		-\$38,783	-\$89,809	-\$211,147	-\$367,866	-\$524,586
PAYBACK PERIOD (YEARS)					3.30	

*Retirements Assumed Mid-Year - One retiree at salary of \$48,626, and the other two at \$53,793

*This system will require 20% of an IT support person on an ongoing basis - the other 80% will be available for other work/projects.

Recommendation #3: There are no financial implications resulting from this recommendation.

Prepared by:

Reviewed by:

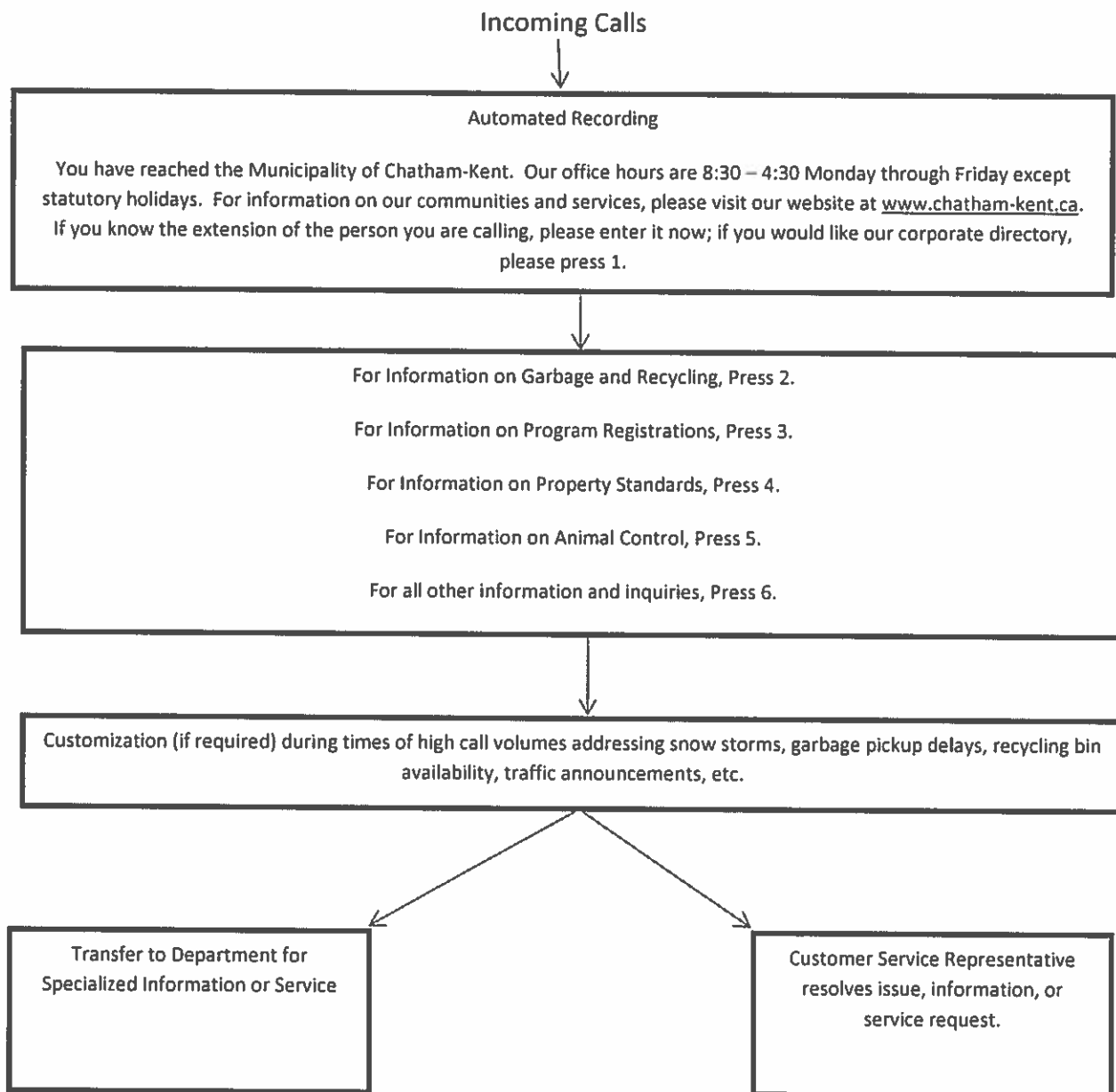
Leanne Segeren-Swayze
Director, Customer Services Division

Gerry Wolting, B.Math, CPA, CA
General Manager
Corporate Services

Attachments: Appendix A - Example of Automated Voice Attendant Structure
Appendix B - FTE Calculations and Financial Calculations

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Appendix 'A' – Example of Automated Voice Attendant Structure



Appendix 'B' – FTE Calculations and Financial Calculations**Elimination of Call Transfers and Requests for Basic Information**

Elimination of 15% of Calls per year (98,000 * 15%)	14,700.00
Average Talk-Time per Call	<u>6.00</u>
Total Minutes Reduced	88,200.00
Minutes in an Hour	<u>60.00</u>
Total Hours Reduced	1,470.00
Annual Hours Worked Per Person Per Year	<u>1,434.50</u>
FTE Reduction	1.02

Reduction of Calls by Automating Information for Top 4 Requests

Garbage and Recycling (5,800 calls @ 7 minutes)	40,600.00	minutes
Program Registrations (3,787 calls @ 7 minutes)	26,509.00	minutes
Property Standards (5,000 calls @ 6 minutes)	30,000.00	minutes
Animal Control (5,825 calls @ 6 minutes)	<u>34,950.00</u>	minutes
Total Minutes Reduced	132,059.00	
Minutes in an Hour	<u>60.00</u>	
Total Hours Reduced	2,200.98	
15% of callers will not self-serve	330.15	
Annual Hours Worked Per Person Per Year	<u>1,434.50</u>	
FTE Reduction	0.23	

Combined FTE Reduction

Elimination of Call Transfers and Requests for Basic Information	1.02
Reduction of Calls by Automating Information for Top 4 Requests	<u>0.23</u>
Total FTE Reduction Due to Call Centre Automation	1.25

Reduction in Work Through Re-Distribution of Volume

Total Productive Hours Per Person Per Year	1,434.50
Total FTE's in Customer Service - Call Centre and Service Centres	<u>26.69</u>
Total Available Hours	38,286.81
Less: Man Hours to Provide Services (Appendix D)	<u>34,218.07</u>
Difference	4,068.74
Total Productive Hours Per Person Per Year	<u>1,434.50</u>
FTE Reduction Potential	2.84
Total FTE Reduction Due to Call Centre Automation	<u>1.25</u>
Total FTE Reduction with Automation and Virtual Call Centre	4.09

Cost of Average Customer Service Rep Cost with Labour Burden	63,678.62
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NOTE: the LOWEST Customer Service Rep salary was used in order to facilitate the most conservative savings amounts.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
HFS	Seniors Services	Other Accommodations	One evening shift per week in Maintenance Department	B	\$12,303	0.20
HFS	Seniors Services	Other Accommodations	Decrease allocated expenses in OBRVIEW 34036 to fund 1 shift/week	B	-\$12,303	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Riverview Gardens is required under the Long-Term Care Homes Act (2007) and Regulations 79/10 Section 90 (1) a. "As part of the organized program of maintenance services under clause 15 (1) (c) of the Act, every licensee of a long-term care home shall ensure that,

(a) maintenance services in the home are available seven days per week to ensure that the building, including both interior and exterior areas, and its operational systems are maintained in good repair."

Until now, Riverview Gardens has employed outside contractors for much of the patching and painting required when resident areas needs repair. We are requesting that one evening shift (7 1/2 paid hours) per week be added to the maintenance shift rotation so that these repairs can be brought in-house and completed in a more timely matter. This shift will assist in meeting ministry standards relating to keeping the home in good repair with regularly scheduled painting.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

This request is covered by the following reductions to the OBRVIEW budget:
16165.30027.MUNOTH -\$2,303 and 16165.35087.MUNOTH -\$10,000

Municipality Of Chatham-Kent**Legislative Services****Legal Services**

TO: Mayor and Members of Council
FROM: Daniel Byskal
Legal Officer, Legal Services
DATE: November 18th, 2015
SUBJECT: Municipal Insurance Renewal 2016

Recommendations:

It is recommended that:

1. Corporate insurance be renewed with the Frank Cowan Company for the quoted rate of \$945,885 (+HST) resulting in a savings of \$418,060 from 2015 premium rates.
2. The resultant savings be allocated as follows:
 - a. \$209,030 (50%) be apportioned to the general budget to meet 2016 budget targets;
 - b. \$11,511 (3%) be used to increase insurance coverage to cover flooding events for building and contents;
 - c. \$39,017 (9%) be used to increase the Claims Investigator from 0.4 FTE to 1.0 FTE. It is recommended that this position be deferred to the 2016 budget process.
 - d. \$158, 502 (38%) be transferred to the Municipal Insurance Reserve.
3. The Chief Legal Officer, or delegate, be authorized to negotiate with the Frank Cowan Company to obtain the best price for years 2017, 2018, and 2019. If the price negotiated is not satisfactory based on the opinion of the Chief Legal Officer, or delegate, it is recommended that Council authorizes the Chief Legal Officer, or delegate, to conduct a formal RFP for corporate insurance. In any event, the final price will be brought to Council for consideration and approval.

Background**1. Insurance Renewal Background**

Insurance is the transfer of risk from one entity to another. The Municipality transfers the risk of future unknown losses to its insurance company. By way of example, losses include the costs of litigation or property damage due to fire.

The cost of purchasing this transfer of risk is the insurance premium that is paid annually to the insurance company. The Municipality pays a premium which transfers this risk to the insurance company for a period of time, normally for one year. The Municipality insures several areas of coverages including Commercial General Liability (“CGL”), Property, Fleet/Automobile, Errors and Omissions Liability, etc.

Not all risk is covered by insurance. Some claims against the Municipality are not covered by the insurance policy. For example, some environmental contamination claims, sexual assault claims, claims for punitive damages, fines and human rights complaints are not insured under the Municipal insurance policies. Insurance for these types of claims cannot normally be purchased in the marketplace. These types of claims remain the risk of the Municipality.

The Legal Services division manages the municipal insurance and claims program for the Municipality and all boards and committees of Council.

The Municipality’s insurer is the Frank Cowan Company (“Cowan”), since amalgamation (April 28, 1997), and continues to be our insurance provider. Mr. Dave Rikley, with his office in Chatham, is the Municipality’s insurance broker through the company Programmed Insurance Brokers Inc. (“PIB”).

In 2014 insurance premiums totaled \$1,681,404 (+HST). The majority of the 2014 premium consisted of CGL premium of \$923,389. For 2015 Council approved an increase to the CGL deductible which resulted in a total premium decrease to \$1,363,945 (+HST). For 2015 the CGL premium decreased to \$600,000. Our deductible is calculated based on the “developed historical losses” from our reported claims. Since 2011, our active approach to claims management has significantly reduced reported claims to our insurer.

2. Current Premium

The insurance premium for 2016 is based on the Municipality’s loss history for the past 10 years. The largest liability problem area, in terms of the overall cost, arises out of trip and falls or slip and falls on sidewalks and walkways. Most trip and falls occur on uneven municipal sidewalks or walkway entrances. Most slip and falls occur on icy or snowy sidewalks or walkways during winter.

The second largest type of liability claim, in terms of overall cost, arises out of motor vehicle accidents in which it is alleged that the municipal highway was in disrepair, improperly designed or controlled. Both types of liability claims are categorized as CGL policy coverages.

i. Steps Already Undertaken to Reduce Insurance Premiums and Claims Costs

The Legal Services division has already taken steps between 2011 and 2015 to reduce claim costs and general legal costs. Steps already taken include the following:

- a) Internalizing the investigation and legal defence costs of claims management.

- b) Continuation of a comprehensive Claims Database to internally track all insured and uninsured claims.
- c) Enforcement of the Municipal policy to only pay claims where required by law.
- d) Instituting staff training to minimize risk exposure.
- e) Debriefing staff on claim files after they are completed for the purpose of preventing future similar claims from arising.
- f) Holding accountable external legal counsel, claims handlers and our insurance company to ensure that claims are handled in the Municipality's best interests.
- g) An increase of our CGL deductible to reduce the number of claims reporting to our insurer. We are not required to report as many claims to our insurer and therefore have further improved our "developed historical losses."

3. Insurance Reserve

Legal Services estimates the legal liability of the municipality based on known open claims against the municipality. To account for these claims Legal Services maintains a database to track files and to estimate potential costs. The current estimated total exposure is approximately \$2.65 Million. Once these open files have closed the actual costs are then taken from the Municipal Insurance Reserve. The current Municipal Insurance Reserve balance is approximately \$2 Million.

Comments

1. Insurance Renewal for 2016

In 2015 Legal Services issued a Request for Proposal ("RFP") for corporate insurance. Three companies submitted proposals for review, namely: 1) Frank Cowan Company Limited, 2) Jardine Lloyd Thompson Canada Inc. ("JLT"), and 3) AON Risk Solutions.

Proposals were weighted on Product (45pts), Price (40pts), Qualifications (10pts), and Services (5pts) for a total of 100pts. Upon assessments and weighing, the total scores are: Frank Cowan Company 96/100pts, JLT 88/100pts, AON 28/100pts. Frank Cowan Company is the second lowest tender price and 2% higher than the lowest submitted tender.

The proposal by the Frank Cowan Company for 2016, which mirrors existing coverages and premiums of 2015, was \$945,885 (+HST). The CGL portion of premium is \$287,400. This netted a premium savings of \$418,060 when compared to 2015. It is anticipated that future premiums will be maintained at this cost. It is recommended that corporate insurance be renewed with the Frank Cowan Company for the quoted rate of \$945,885 (+HST).

2. Recommended Steps to Fund with \$418,060 Savings

It is recommended that the following be considered:

- a) Allocate half of savings to the general budget (Recommended) – It is recommended that \$209,030 (50%) be returned to the general budget to meet 2016 budget targets. This is essentially giving base funding back to the taxpayers resulting from the efforts of the past several years to reduce insurance premiums, claims payments, and legal costs.
- b) Additional Flood Insurance (Recommended) – Our current property insurance covers losses to building contents only due to flooding. Our current property insurance does not include building damage due to flood. The cost to include building flood coverage is \$11,511 of additional premium. Chatham-Kent has numerous properties located near waterways and flood-planes that are at risk.

It is recommended that the corporate insurance coverage be increased to cover flooding events for building and contents for the additional premium cost of \$11,511.

- c) Additional 3rd Party Environmental Insurance (Not Recommended) – Our current environmental insurance consists of coverage of \$3 Million per occurrence, with an annual aggregate of \$4 Million per calendar year. Chatham-Kent has properties that are known brownfields, and may acquire other properties, through vesting or otherwise, in the future. Since amalgamation, there has not been a 3rd party claim for cleanup of environmental contamination within the Municipality of Chatham-Kent. The cost to increase environmental coverage to \$5 Million per occurrence, with annual aggregate of \$5 Million per calendar year is \$11,944.

It is not recommended that the corporate insurance coverage be increased to cover environmental 3rd party claims to \$5 Million per occurrence with a \$5 Million annual aggregate for the additional premium cost of \$11,944

- d) Additional Earthquake Insurance (Not Recommended) – Our current property insurance does not include coverage from earthquake occurrences. To include earthquake coverage is an additional premium of \$42,092 (which also includes flood coverage). This information is provided as an option for Council, but it is not recommended to purchase earthquake coverage at this time as there has been no known earthquake damage over the deductible since amalgamation.
- e) Increase Claims Investigator Usage (Recommended) – Our current Claims Investigator is a 0.4 FTE. It is recommended that this role be increased to a 1.0 FTE for which additional tasks of recoverable debts/collection and property assessments will be assigned.

Recoverable debt/collections include damages that Chatham-Kent receives from 3rd parties. The Legal Services division recovered \$46,813.62 in 2014, and \$69,753 in 2015. It is anticipated that increased investigation and enforcement will increase funds recovered.

Property risk assessments have not been conducted on municipal assets since amalgamation. These inspections require an appraisal of property for Construction, Occupancy, Protection, and Exposure (COPE) which are used by insurers in assessing risk. The RFP has yielded an average property premium of \$392,803 with a standard deviation of \$132,146 (34%). In comparison the CGL premium average is \$264,966 with a standard deviation of \$43,347 (16%). Proper COPE assessments will give the insurer a more accurate assessment of property risks and will lead to smaller variances of property premiums. Total quantum of premium however will depend on the resultant accuracy of the property schedule. It is anticipated that the COPE inspection, jointly undertaken with the insurer, will take two years.

The cost to increase the Claims Investigator from 0.4 FTE to 1.0 FTE is \$39,017. It is recommended that the investigator position be increased to 1.0 FTE and that this be deferred to the 2016 budget process. This cost is significantly cheaper than outsourcing the work at a typical market rate of \$92.85/hr.

- f) Transfer Excess to Insurance Reserve (Recommended) - The municipality's projected risk is approximately \$2.65 Million and currently maintains the Municipal Insurance Reserve fund at approximately \$2 Million. It is recommended that the resultant savings of \$158, 502 (38%) be transferred to the Municipal Insurance Reserve.

3. Negotiation for Insurance for Future Years

The RFP for insurance was issued for 2016 with optional rights for renewal for 4 years. It is recommended that the Chief Legal Officer, or delegate, be authorized to negotiate with the Frank Cowan Company to obtain the best price for years 2017, 2018, and 2019. If the price negotiated is not satisfactory based on the opinion of the Chief Legal Officer, or delegate, it is recommended that Council authorizes the Chief Legal Officer of delegate to conduct a formal RFP for corporate insurance. In any event, the final price will be brought to council for consideration and approval.

4. Internal Litigation and Insurance Service Review

i. Claims Summary

There were 78 open claim files as at January 1, 2015. These files date back as far as 2006. As of November 2, 2015, 164 files have been opened in 2015 for total of 242 files opened. These files include civil defence claims, civil plaintiff claims, subrogated claims,

and general litigation. As of November 2, 2015 there are 68 open claims files. 174 files have been closed this year.

	Open	Closed
Roadways/Sidewalks/Traffic/Winter Control	29	89
Cemetery/Grass/Parks/Rec. Facilities/Trees	11	28
Water/Wastewater	4	18
Fleet	2	15
Building	7	3
Police	7	2
Fire	2	3
General	4	12
Subrogated	2	4
	68	174

ii. Internal vs. External Cost of Claims Management and Litigation

In the December 11, 2013 report to Council, the internal rates per hour, based on years 2010-2013, were broken down on an hourly and actual cost basis. This summary is included in “Schedule “A” – Report of December 11, 2013 – General Insurance & Risk Management Services – Services Sustainability Review Process (SSRP) Phase 3”.

Using this summary, a financial model was created to determine how much of these costs would have been recoverable if claims management services had been provided internally. The comparison costs per billable hour for the claims management staff are as follows:

	External Cost	Internal Cost	Savings
Legal Officer	\$250/hr*	\$97.08/hr	258%
Claims Investigator	\$92.85/hr	\$25.91/hr	358%
Clerical Support	\$100/hr	\$23.86/hr	419%

As of November 10, 2015, the Legal Officer billing was 679 hours and Claims Investigator billing was 412 hours. This shows a savings of \$131,345.02, in wages, by internalizing staff costs. It is anticipated that staff will exceed Service Review targets which will result in even greater savings by year end.

iii. Reserve Balances

“Schedule “B” - 10 Year Claims and Premium History” summarizes the total insurance costs (premium plus claims costs) over a 12 year period. It should be noted that the net Municipal expenditures out of the claims reserves for 2015 is \$358,495 as of October

31, 2015. This is a 56% savings compared to 2013, but does not take into account unforeseen expenditures until the end of the 2015 calendar year.

iv. Recoverable Costs

Another function of the internal Litigation & Insurance section is to recover costs incurred by the Municipality of Chatham-Kent. These costs are defined as Subrogated Claims and include: 1) costs that have been paid out of the Municipal Insurance Reserve Fund to internal departments, and 2) costs of claims incurred by other internal departments for losses they incurred from 3rd parties. These costs we recover from at-fault 3rd parties. To date we have recovered \$116,566.62 since 2014.

Council Directions

The recommendations in this report support the following Council Directions:

- Jobs:**
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
- People:**
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play
- Health:**
Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment
- Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Has the potential to support **all** Council Directions
- Neutral issues (does not support negatively or positively)

Consultation

The RFP selection team consisted of members of Financial Services and Legislative Services.

Financial Implications

The financial implication resulting from a renewal with Frank Cowan Company is a reduction in premium of \$418,060 from 2015 premium rates. Proposed savings are to be utilized for the enhancement of insurance products and funding the Municipal Insurance Reserve.

Prepared by:

Reviewed by:

Daniel Byskal
Legal Officer

John Norton
Chief Legal Officer

Attachment(s): Schedule "A" Report of December 11, 2013 – General
 Insurance & Risk Management Services – Services
 Sustainability Review Process (SSRP) Phase 3

 Schedule "B" - 10 Year Claims and Premium History

c. Gord Quinton, Acting Director, Financial Services/Treasurer

Schedule “B” - 10 Year Claims and Premium History

Review of History of Insurance Risk Reserve													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Balance Forward	782,686	324,050	241,460	409,529	900,735	1,611,225	1,489,837	1,584,887	1,320,569	1,237,995	1,502,979	2,009,113	
Revenue (Sources of Funds)													
Former Entity Reserve Transfers													
Budget Allocations	400,000	400,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	931,000	931,000	
One Time Funding		135,000	325,000	600,000	600,000				62,986	53,224		158,502	
Other (*)	130,319	111,383	309,896	90,616	204,100	105,691	99,457	61,885	21,652	46,178	-66,371	486	(**)
Total Revenues	530,319	646,383	1,284,896	1,340,616	1,454,100	755,691	749,457	711,885	734,638	749,402	864,629	1,089,988	
Expenses (Use of Funds)													
Municipal/PUC/Police	-1,073,134	-775,795	-1,246,135	-916,430	-921,607	-1,058,534	-845,444	-976,203	-817,211	-541,941	-436,323	-598,492	(**)
Net PUC/Police transfers	84,179	46,822	129,308	67,020	177,997	181,455	191,037	0	0	57,523	77,828	143,082	(***)
Net Municipal (i)	-988,955	-728,974	-1,116,827	-849,410	-743,610	-877,079	-654,407	-976,203	-817,211	-484,418	-358,495	-455,410	(**)
Ending Balance	324,050	241,460	409,529	900,735	1,611,225	1,489,837	1,584,887	1,320,569	1,237,995	1,502,979	2,009,113	2,500,610	
Review of Liability Premiums													
Liability Insurance	158,050	223,474	224,048	208,255	208,255	359,240	404,144	565,802	905,283	923,389	600,000	287,400	
Property, Auto and Other types Insurance	475,558	501,503	526,102	556,482	542,584	568,759	604,244	617,466	656,256	759,895	763,945	658,485	
Sub-Total - Premiums (ii)	633,608	724,977	750,150	764,737	750,839	927,999	1,008,388	1,183,268	1,561,539	1,683,284	1,363,945	945,885	
Total Costs of Claims [Net Municipal (i) plus Premiums (ii)]	1,622,563	1,453,951	1,866,977	1,614,147	1,494,449	1,805,078	1,662,795	2,159,471	2,378,750	2,167,702	1,722,440	1,401,295	
(*) Special Events Funding, Recoveries, Interest Earned on Reserve, Surplus Funds from Legal Dept, Allocation Risk Management Dept													
(**) 3 year moving average													
(*** Anticipated \$143,082 unreconciled police/puc transfers													

**Schedule "A" – Report of December 11, 2013 – General Insurance & Risk
Management Services – Services Sustainability Review Process (SSRP) Phase 3**

MUNICIPALITY OF CHATHAM-KENT

LEGAL SERVICES

CHIEF ADMINISTRATIVE OFFICE

TO: Mayor and Members of Council

FROM: John Norton
Chief Legal Officer

DATE: December 11, 2013

SUBJECT: General Insurance & Risk Management Services – Service
Sustainability Review Process (SSRP) Phase 3

RECOMMENDATIONS

It is recommended that:

1. Administration be authorized to renew the insurance program with Frank Cowan Company for one year at a premium of \$1,684,872, based on the selection of the following options:
 - a. Municipal Insurance Deductible to remain at \$100,000.
 - b. Municipal Insurance Limits to be raised from \$25 million to \$50 million.
2. An internal claims management section be established within Legal Services, comprised of the following staff:
 - a. 1.0 Full Time Equivalent "Legal Officer, Litigation & Claims" (new position)
 - b. 0.5 Part Time Equivalent "Claims Investigator" (existing contract position, internal transfer)
 - c. 0.5 Part Time Equivalent clerical support (new position)

Funding of the internal claims management section from the Municipal Insurance and Litigation Risk Reserve base budget allocation, for a net projected cost savings to the Municipal Corporation of \$153,900 (\$293,537 projected costs saved, plus \$20,000 subrogation recovery, less internal risk management salaries and all associated overhead \$159,638).

3. The projected savings from recommendation 2 above will be transferred automatically to the Municipal Insurance Risk Reserve until the \$2.2 million

2014 Municipal Insurance & SSRP

balance is achieved. Thereafter, Budget & Performance Services and Legal Services will make a recommendation to Council on use of the surplus.

BACKGROUND

In 2012 Council directed the Chief Legal Officer to comprehensively review the municipal insurance program to seek (i) cost saving measures, (ii) competent claims handling administration and (iii) appropriate and cost effective insurance coverage.

In addition, on December 10, 2012, Council directed administration to proceed with PHASE III and IV of the SSRP. The Risk Management & Insurance business unit was identified to participate in the SSRP.

SSRP PHASE III is the stage in the process where cross departmental review committees, including public members, study, appraise and make recommendations on:

1. Items for review identified by the business unit and EMT
2. Other items for review identified by review committee members
3. Other items for review identified by business unit staff

SSRP PHASE IV is the review of user fees and revenue opportunities.

The SSRP Committee for Risk Management & Insurance is comprised of:

- Chair, Jim McNamara, Budget & Performance Analyst
- John Norton, Chief Legal Officer
- Brian DeRooy, Manager Insurance Services, Union Gas
- Dave Rikley, Municipal Insurance Broker, Programmed Insurance Brokers
- Peter Mullins, Budget Analyst
- Cathy Hoffman, Director, HROD
- Stephen Jahns, Manager, Infrastructure & Transportation
- Gord Quinton, Director Financial Services & Treasurer
- Jenn Wiseman, AA, Legal Services

COMMENTS

1. Overview of Chatham-Kent Claims Managements Services

The Claims Management Section within Legal Services manages all litigation, insurance and claims for the Municipality, including all boards and committees of Council. This includes the Public Utilities Commission and Chatham-Kent Police Board. It does not include Entegrus, which is separately insured and claims managed.

Legal Services manages the relationships with external legal counsel assigned to defend the Municipality and local boards in litigation.

2014 Municipal Insurance & SSRP

Steps taken in 2012 and 2013 to address the cost and management of claims:

- In 2012, Legal Services entered into a written Claims Handling Agreement with our current insurance provider to permit internal claims management and litigation of insured claims without reporting them to the insurance company. Generally these are claims below the insurance deductible which will be the financial responsibility of the Municipality anyway. This gives the Municipality greater control over its own claims and reduces the adverse claims history.
- In some instances, in order to provide better service and at no additional cost to the Municipality and local boards, Legal Services has defended claims on behalf of the Municipality and local boards rather than send claims out to external legal counsel. In the last six months this has become impractical due to other demands on the two lawyers in Legal Services.
- In January 2013 Legal Services eliminated use of a "Claims Form" to be handed out to members of the public. This has significantly reduced the number of claims being submitted.
- In 2012 Council approved a general approach to claims management by which claims will only be paid if there is a legal obligation to do so. This has resulted in significant savings to the Municipality.
- In January 2013 a part-time (0.4 FTE) position was transferred from the Provincial Offences Court staff to the Claims Management Section in Legal Services. This position was created using existing funding within the Provincial Offences Court base budget. This created a part-time position of Claims Investigator. This has improved both the quality of claims handling and reduced the external use of claims adjusters. This has saved the Municipality approximately net \$75,000 per year in adjusting fees.
- In 2012, Legal Services developed for the first time a Current Claims Database which tracks all insured and uninsured claims and litigation. This has significantly aided Legal Services in tracking and identifying outstanding litigation and risks. For the first time in 2012, Legal Services was able to give Council an estimate current outstanding claim liabilities including both insured and uninsured claims.

2. Insurance Coverage

The Municipality's insurer is the Frank Cowan Company.

Insurance is the transfer of risk from one entity to another. The Municipality and local boards transfer the risk of future unknown claims to its insurance company. The cost of

2014 Municipal Insurance & SSRP

purchasing this transfer of risk is the insurance premium that is paid annually to the insurance company.

Not all municipal risk is covered by insurance. Some claims against the Municipality, such as punitive damages or Human Rights complaints, are not covered by the insurance policy. Insurance for these types of claims cannot be purchased in the marketplace. These types of claims remain the risk of the Municipality.

The cost of litigation has increased in recent years for several reasons. A large portion of the cost of litigation is the cost of hiring lawyers to defend claims. Our society is becoming more litigious.

The main claims areas for the Municipality are (i) slip and falls on winter sidewalks, (ii) trip and falls on sidewalks and (iii) motor vehicle accidents on Municipal roads. These areas of risk are protected through the purchase of insurance, within limits.

The Municipality and local boards transfer the liability risk for claims above \$100,000 and below \$25 million to the insurance company, through the payment of the insurance premium. The risk for the first \$100,000 and above \$25 million remains with the Municipality.

The first source for paying claims is the insurance company, which pays all claims covered under the insurance policy for liability between \$100,000 and \$25 million. The second source for paying claims is the insurance reserve, which pays all liability claims as follows: (a) below \$100,000 or the first \$100,000 on claims above that amount and (b) all claims which are not covered by the insurance policy.

Property / building insurance is provided through the Municipal building maintenance insurance program. The Municipality has almost \$800,000,000 in insured properties.

The Municipality and boards purchase auto insurance for their fleet of vehicles. The Municipality has a fleet deductible of \$100,000, which makes the cost of repairs and write-offs for most vehicles a self-insured expense.

The comprehensive types of insurance coverage in place in 2013 include:

- a) Municipal Liability
- b) Errors & Omissions Liability
- c) Non-Owned Automobile
- d) Environmental Liability Comprehensive Crime
- e) Municipal and Board Members
- f) Firefighters' Accident
- g) Conflict of Interest
- h) Legal Expense
- i) Recreational Affiliates
- j) Automobile

2014 Municipal Insurance & SSRP

k) Property / Building

3. Insurance Reserve

Based on the following analysis, the Committee has concluded that the Municipal Insurance and Litigation Risk Reserve should be funded up to about \$2.2 million. Based on the balance of the Reserve as of December 31, 2012, the Reserve is therefore underfunded by about \$900,000.

The Reserve must not only pay insurance claims but also pays uninsured claims. It pays all claims as follows:

1. The deductible of up to \$100,000 on all insured claims; and
2. The full amount payable on all uninsured claims.

These amounts include court judgments, settlements, legal fees, investigation costs, professional expert costs and administrative fees (court filing fees).

The Municipal Insurance and Litigation Risk Reserve ten year history was reviewed. A copy is attached as Appendix "A" to this report. At December 31, 2012 the Reserve balance was \$1,320,000. At December 11, 2013 the Reserve current balance was \$1,203,948 (cash balance only and will be adjusted at year end). Each year the Municipality allocates \$650,000 into the Reserve.

The SSRP Committee used two methods to evaluate whether the current Reserve is sufficiently funded to offset expected liabilities arising from claims, as follows:

Method A: Insurance Industry Method

Average annual claims cost for 2010 to 2013 (four years)	\$ 943,692
Claims development factor based on actuarial industry method	<u>2.34</u>
Potential claims liability based on actuarial industry method	<u>\$2,208,239</u>

The insurance industry uses a claims development factor for Municipal claims to determine current total claims liability. Therefore, using the average annual claims cost for the past four years, it is estimated that the Municipality has a current total claims liability of \$2,208,239.

Method B: Legal Analysis of Actual Claims

The Legal Services division tracks all *known* claims against the Municipality of Chatham-Kent. Through review of the specifics of each claim file, the Chief Legal Officer estimates potential settlements and legal adjusting and defence costs. As of today's date the estimated potential claims liability of the Municipality of Chatham-Kent is as follows:

2014 Municipal Insurance & SSRP

Amount Claimed	Estimated Settlement Value (inclusive of costs, disbursements)	Estimated Defence & Adjuster Costs	Estimated Total Cost of all Claims (Settlement Value + Defence & Adjuster Costs)	Estimated Total Liability to CK (after current insurance deductible per claim, only where applicable)
\$29,875,522.89	\$3,355,100.00	\$1,013,202.00	\$4,388,302.00	\$2,188,302.00

4. Insurance for 2014 – Renewal

The Municipality issued a Request for Proposal for its insurance program for 2014. The Municipality received several responses. These responses were analyzed and reviewed.

The Chief Legal Officer has recommended, for reasons explained to Council in a meeting closed to the public, that the Request for Proposal had to be cancelled and that it is recommended that renewal with the current insurance provider be approved for the year 2014.

5. Internal vs. External Cost of Claims Management and Litigation

The SSRP committee has reviewed and analyzed all available data with respect to the municipal insurance program. This includes historical premium costs, municipal reserve balances, and claims costs. Through the review of recovery assumptions, as outlined below, the committee has been able to estimate the level of savings which would have been achievable had an internal claims management model been in place versus the use of external claims management and litigation lawyers.

The internal claims management model being recommended by the committee requires a position to manage all open claims against the Municipality of Chatham-Kent, a position to investigate claims and a lawyer to litigate on behalf of Chatham-Kent. The committee believes that the role of Claims Manager can be combined with a lawyer/litigator position for efficiency and cost savings. Furthermore, this position would also be responsible for proactive risk management functions such as staff training, debriefing of claims files, liaising with the insurance company and would also handle non-insured litigation files.

The committee also believes that this litigator will be able to provide subrogated claim income by pursuing amounts owing to Chatham-Kent which are not now being fully pursued through litigation due to the cost of hiring external litigators. It is estimated that a litigator should be able to provide subrogated claims income of about \$20,000 per year.

2014 Municipal Insurance & SSRP

Costing has been evaluated based on the proposed internal model being recommended to Council and is summarized as follows:

Position	Grade	Annual Direct Cost	Total Cost per Billable Hour	Funding Source
Legal Officer –Claims Manager (1FTE)	11	123,337	97.08	Recovery through internalizing
Claims Investigator – PT (0.5 FTE)	5	32,920	25.91	Existing budget
Clerical Support – PT (0.5 FTE)	4	30,319	23.86	Recovery through internalizing

The annual direct cost includes all overhead, labour burden and represents the top of the salary band in each grade level represented.

The lawyer's salary will be paid commensurable with experience. It is believed that a new lawyer could be hired into this role at a significant reduction from the maximum amount listed in the table above.

6. Recoverable Costs

In 2012, Legal Services implemented a database to track all claims against the Municipality and all associated costs. This data, along with the claims history data provided by the current municipal insurer and municipal financial data, was analyzed in great detail by the committee.

The cost associated with claims was broken down as follow:

- Legal Defence Costs (lawyer and law office staff fees)
- Legal Disbursements (court fees, photocopies, etc.)
- Adjusting/Investigation Costs
- Other Professional Costs (medical reports, forensic investigations etc.)
- Settlements

A summary of claims costs for the years 2010-2013 was broken down on an hourly and actual cost basis. This summary is included in the chart below. Using this summary, a financial model was created to determine how much of these costs would have been recoverable if claims management services had been provided internally.

2014 Municipal Insurance & SSRP

2010-2013 - All Claims								
Claims History	Adjusting Costs	Adj. Hours	Legal Costs	Legal Hours	Legal Disbursement Costs	Professional Services	Settlement Costs	TOTAL
CK Paid	\$238,788	2,577	\$151,098	895	\$15,308	\$12,774	\$1,106,057	\$1,524,025
Insurer Paid	\$90,452	987	\$502,738	2,977	\$46,827	\$165,592	\$2,410,431	\$3,216,040
TOTAL	\$329,240	3,564	\$653,836	3872	\$62,135	\$178,366	\$3,516,488	\$4,740,065
Annual Average	\$86,642	938	\$172,062	1019	\$16,351	\$46,938	\$925,392	\$1,247,386

The committee believes that, based on the financial data above, that internalizing the Claims Management, Adjusting and Litigation functions which were previously outsourced will result in significant savings for the Municipality of Chatham-Kent. In addition to the recovery model, which quantifies the direct savings of internalizing these functions, there is a direct qualitative improvement associated with internalizing the claims management function.

COUNCIL STRATEGIC DIRECTIONS

The recommendation(s) in this report support the following Council Directions:

- Healthy, Active Citizens
- Growth Through Variety of Post-Secondary Institutions
- High Quality Environment Through Innovation
- Destination Chatham-Kent!
- Magnet for Sustainable Growth
- Prosperous and Thriving Community
- Has the potential to support all Council Directions
- Neutral issues (does not support negatively or positively)

CONSULTATION

The SSRP Committee came to consensus on all of the recommendations contained within this report.

The Executive Management Team (EMT) was presented with the recommendations within this report.

Broker served as an important resource to the SSRP committee

Other municipalities were consulted with respect to their internal claims staffing models, deductibles and insurance limits.

2014 Municipal Insurance & SSRP

FINANCIAL IMPLICATIONS

Financial implications for the recommendations made in the report are as follows:

1. Insurance Renewal for 2014

The renewal of Insurance for 2014 with the Frank Cowan Company is for one year at a premium of \$1,684,872. This includes a \$100,000 deductible and \$50 million limit.

In 2013 the premium was \$1,561,833, with a \$100,000 deductible and \$25 million limit.

The increase from 2013 to 2014 is approximately \$123,000. This includes inflation of \$33,000 and an increase of the insurance limits to \$50 million of \$90,000.

2. Establish internal claims management within Legal Services:

	Allocation
Senior Utigator	0%
Junior Utigator	100%
Adjusting	0%
Clerical	50%

Recoveries Assumption Avg 2010-2012													
	Adjusting Recovery			Legal Recovery			Legal Other Recovery		Prof Services Recovery		Settlements Recovery		TOTAL
		\$	Hrs		\$	Hrs		\$		\$		\$	
Chatham-Kent	100%	\$78,796	852	100%	\$50,366	298	60%	\$3,062	0%	\$0	15%	\$55,092	\$187,316
Cowan	100%	\$17,581	186	100%	\$66,612	450	60%	\$3,779	0%	\$0	10%	\$18,250	\$106,222
		\$96,376	1,038		\$116,978	748		\$6,841		\$0		\$73,342	\$293,537

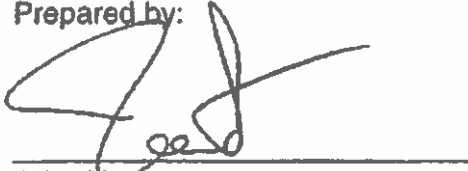
Summary

Recoveries	\$293,537
Subrogation Recovery	\$20,000
Internal Risk Management	<u>-\$159,638</u>
Net Gain/(Loss)	\$153,899

The savings that are anticipated to be realized through the internalization of claims management, approximate average of \$153,899 will be transferred automatically to the municipal insurance risk reserve until the \$2.2 million balance is achieved.

2014 Municipal Insurance & SSRP

Prepared by:

A handwritten signature in black ink, appearing to be 'John Norton', written over a horizontal line.

**John Norton
Chief Legal Officer**

**Attachments: Appendix "A" - Municipal Insurance Risk Reserve ten year history
 Appendix "B" – Internal Claims Recovery Model**

Cc: SSRP Committee members

Schedule "B" - 10 Year Claims and Premium History

Review of History of Insurance Risk Reserve

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Balance Forward	782,686	324,050	241,460	409,529	900,735	1,611,225	1,489,837	1,584,887	1,320,569	1,237,995	1,502,979	2,009,113
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Budget Allocations	400,000	400,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	931,000	931,000
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Net Municipal (i)	-988,955	-728,974	-1,116,827	-849,410	-743,610	-877,079	-654,407	-976,203	-817,211	-484,418	-358,495	-455,410 (***)
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Property, Auto and Other types Insurance	475,558	501,503	526,102	556,482	542,584	568,759	604,244	617,466	656,256	759,895	763,945	658,485
Sub-Total - Premiums (ii)	633,608	724,977	750,150	764,737	750,839	927,999	1,008,388	1,183,268	1,561,539	1,683,284	1,363,945	945,885
Total Costs of Claims [Net Municipal (i) plus Premiums (ii)]	1,622,563	1,453,951	1,866,977	1,614,147	1,494,449	1,805,078	1,662,795	2,159,471	2,378,750	2,167,702	1,722,440	1,401,295

(*) Special Events Funding, Recoveries, Interest Earned on Reserve, Surplus funds from Legal Dept, Allocation Risk Management Dept

(**) 3 year moving average

(***) Anticipated \$143,082 unreconciled police/puc transfers



Chatham-Kent

THE CORPORATION OF THE MUNICIPALITY
OF CHATHAM-KENT

COUNCIL BRIEF

At the Chatham-Kent Council meeting held on December 7, 2015 Council:

- Received a presentation by Daniel Byskal, Legal Officer regarding Municipal Insurance Renewal 2016 and approved the following recommendations:
 1. Corporate insurance be renewed with the Frank Cowan Company for the quoted rate of \$945,885 (+tax) resulting in a savings of \$418,060 from 2015 premium rates.
 2. The resultant savings be allocated as follows:
 - a. \$197,512 be apportioned to the general budget to meet 2016 budget targets;
 - b. \$12,432 incl tax be used to increase insurance coverage to cover flooding events for building and contents;
 - c. \$40,552 be used to increase the Claims Investigator from 0.4 FTE to 1.0 FTE. It is recommended that this position be deferred to the 2016 budget process.
 - d. \$144,527 be transferred to the Municipal Insurance Reserve.
 3. The Chief Legal Officer, or delegate, be authorized to negotiate with the Frank Cowan Company to obtain the best price for years 2017, 2018, and 2019. If the price negotiated is not satisfactory based on the opinion of the Chief Legal Officer, or delegate, it is recommended that Council authorizes the Chief Legal Officer, or delegate, to conduct a formal RFP for corporate insurance. In any event, the final price will be brought to Council for consideration and approval.

**Electronic Voting Record
Chatham-Kent Council Meeting
December 7, 2015**

Absent from the Meeting: Councillors Myers, Robertson, and Sulman

No Conflicts of Interest were declared:

8(a) Municipal Insurance Renewal 2016

Councillor Thompson moved the following Amendment:

"That the 3% to purchase additional flood insurance not be used for the purpose, but instead be added to the 50% returned to the general budget to meet 2016 budget targets."

Councillor	Vote	Councillor	Vote
Authier	Yes	Myers	Absent
Bondy	Yes	Pinsonneault	Yes
Canniff	No	Robertson	Absent
Faas	No	Sulman	Absent
Fluker	No	Thompson	Yes
Herman	Yes	VanDamme	No
Leclair	No	Vercouteren	Yes
B. McGregor	No	Wesley	No
C. McGregor	Yes	Mayor Hope	No

Yes Votes: 7
No Votes: 8

Amendment Defeated

Main Motion:

"That

- 1. Corporate insurance be renewed with the Frank Cowan Company for the quoted rate of \$945,885 (+tax) resulting in a savings of \$418,060 from 2015 premium rates.**
- 2. The resultant savings be allocated as follows:**

- a. \$197,512 be apportioned to the general budget to meet 2016 budget targets;
 - b. \$12,432 incl tax be used to increase insurance coverage to cover flooding events for building and contents;
 - c. \$40,552 be used to increase the Claims Investigator from 0.4 FTE to 1.0 FTE. It is recommended that this position be deferred to the 2016 budget process.
 - d. \$144,527 be transferred to the Municipal Insurance Reserve.
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Councillor	Vote	Councillor	Vote
Authier	Yes	Myers	Absent
Bondy	Yes	Pinsonneault	Yes
Canniff	Yes	Robertson	Absent
Faas	Yes	Sulman	Absent
Fluker	Yes	Thompson	Yes
Herman	Yes	VanDamme	Yes
Leclair	Yes	Vercouteren	No
B. McGregor	Yes	Wesley	Yes
C. McGregor	Yes	Mayor Hope	Yes

Yes Votes: 14
 No Votes: 1

Motion Carried

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:**

-items >\$50,000

-changes in FTE

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
LEG	Municipal Governance	Licensing	PT AIII - 1/2 day /week	B	\$5,154	.10
			Subsidy	B	(\$5,154)	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Licensing Services requires administrative assistance.
.10 staff (PT AIII - 1/2 day /week = \$5,154.)

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Employment and Social Services utilize the McGeorge Building for records storage and retention. Provincial funding is available for 50% of their costs.

10. PRESENTATIONS

- a) Presentation by Bruce McAllister, Director, Planning Services re Planning Services Delivery Model

Municipality of Chatham-Kent

Legislative Services

Planning Services

To: Mayor and Members of Council
From: Bruce McAllister, Director, Planning Services
Date: June 9, 2015
Subject: Planning Services Delivery Model

Recommendation

It is recommended that:

1. All of the Development Application Services and related functions be provided internally by municipal staff resulting in a savings of \$178,000 in the first year with a sustainable annual savings of \$141,000 by the fourth year.

Background

At the March 23, 2015 Council Meeting, Council passed the following Motion:

“In accordance with the report delivered to Council dated May 14, 2013 Council request a report from administration complete with recommendation to provide Planning Services in a delivery model consistent with best practice and in the most cost effective manner.”

The May 14, 2013 Report to Council entitled “Development Application Service Sustainability Review Process” is attached as **Appendix A** (hereafter referred to as the “2013 Report”).

Specifically, the 2013 Report provided background on the following:

- Evolution of Planning Services in Chatham-Kent
- Agreement with Storey Samways Planning Ltd
- Cost per capita of the whole planning service on Chatham-Kent
- Development Application activity
- Development Application fee comparison with other similar Ontario jurisdictions
- Qualitative review of the various operating models, which included an internal model, external model and hybrid model (the current service level)

The 2013 Report recommended the following:

1. *Effective January 31, 2014 all of the Development Application Services and related functions be provided internally by municipal staff.*

2. *Steps be taken to hire one additional Planner in the Planning Services Division and that 2013 wages for this position be funded from the current Planning Services budget.*
3. *As required by Section 40 of the agreement between Storey Samways Planning Ltd. and the Corporation of the Municipality of Chatham-Kent, dated January 12, 2009, that the Municipality provide immediate notice to the Contractor that the Municipality does not intend to renew the existing contract.*

Despite the above-noted recommendations, Council approved the following motion in June 2013:

“That the status quo be maintained within the Planning Department. Further that the Planning Department investigate, with the current provider, cost savings within the planning process.”

Based on this decision, the Municipality entered into a new agreement with Storey Samways Planning Ltd. (SSPL) on May 1, 2014. The terms of the agreement are similar to those in the previous agreement and the current contract is for a two year period. At the end of the agreement, it can either be renewed for additional one year terms or either party can terminate the agreement by providing the other party with six months' notice.

Given the direction of the March 23, 2015 Council Motion, this report once again examines the Development Application Services and other planning related functions, building off of the 2013 Report.

Analysis

To begin, it is important to reflect on the core services of the Planning Services Division. The Planning Services Division is within the Legislative Services Department and contributes to the quality of life of Chatham-Kent residents by ensuring that sound land use planning is undertaken in the Municipality. Land use planning affects almost every aspect of life in Chatham-Kent. It helps us decide where homes and industries should be built; where parks and public services should be located; and where roads, sewers and other essential services should be provided in a financially sustainable manner. Essentially, land use planning is about managing our land and resources. It assists the Municipality in setting long-range goals about how it will grow and develop and to work out ways of reaching those goals while keeping important social, economic, cultural and environmental concerns in mind. It balances the interests of individual property owners with the wider interests and objectives of the whole Municipality.

Specifically, Planning Services serves elected officials, decision-makers, and the community at large with sound planning advice and recommended action strategies that stress the importance of maintaining a strong link between provincial interests/objectives and Chatham-Kent's planning goals as set out in the Chatham-Kent Official Plan for effective land use decisions. The core services provided by Planning Services can be categorized as follows, which are inherently interrelated:

- Long-Range Planning
- Development Review
- Administration

Long-Range Planning

Long-range planning services are provided to allow for continued sustainable growth and development, while protecting the Chatham-Kent's most valuable resources;

shaping the Municipality's image; providing for healthy communities and attracting investment. To summarize, this involves the following:

- Official Plan and Secondary Plan Policy Development
- Official Plan - Monitoring, Reviewing and Updating
- Zoning By-law – Monitoring, Reviewing and Updating
- Community Improvement Plan Development
- Other Special Planning Studies

Development Review

"Development" under the Provincial Policy Statement (PPS) means "The creation of a new lot, a change in land use, or the construction of buildings or structures, requiring approval under the *Planning Act*. Individuals wanting to develop or change the use of land in Chatham-Kent must obtain approvals from the Municipality. The *Planning Act*, the *Heritage Act* and the *Municipal Act* all contain provisions governing the development review process, how land uses are to be controlled and who controls land development and uses. The PPS requires all land use planning decisions to be consistent with provincial policy.

Core Development Review services currently provided by Planning Services include:

- Development Applications Processing - Planning Services manages the overall development application process in coordination with the SSPL. SSPL is responsible for the pre-consultation, application processing, planning analysis/reporting and to present formal recommendation to Council and/or Committee of Adjustment on all planning applications such as: Official Plan Amendments, Zoning By-law Amendments, Plans of Subdivision, Consents, Minor Variances, Site Plan Control, etc. Planning Services is responsible for implementing Council and Committee of Adjustment decisions such as clearing of conditions of approval, executions of agreements, stamping of deeds, etc.
- Administration of the Technical Advisory Committee (TAC)
- Community Improvement Plan(s) Implementation
- Heritage Planning - Heritage Designations, Heritage Registry, Heritage Tax Relief Program and Heritage Committee

Administration

Planning Services also provides the following core Administration functions:

- General Inquires - responding to both external and internal general inquiries on planning related matters
- Participate in and/or provide support to various committees and/or other business divisions
- Business Planning
- Budgeting
- Training and employee development

Figure 1 indicates how these core services are interrelated, which highlights the importance of internal staff having the opportunities to participate and gain experience in all aspects of the core services provided.

Figure 1 – Planning Services (Core Services)



Comments

In the 2013 Report, the Executive Management Team, Service Sustainability Review Committee, stakeholders and staff identified the following tasks to conduct the service review for the Development Application Process:

- a) Review current budget and Full Time Equivalents (FTE)
- b) Review the current hybrid business model for development applications
- c) Identify alternative delivery models for the current service:
 - 1. No Request for Proposals, extend contract with current Contractor
 - 2. Request for Proposals, existing external work, external bids only
 - 3. Request for Proposals, existing external work, external and internal bids
 - 4. Allow contract to expire and insource service
 - 5. Request for Information for all development application work currently performed, within the hybrid model
 - 6. Request for Information for all Planning Services internal and external bids
- d) Select a preferred delivery model
- e) Identify operational impacts

The 2013 Report recommended Option 4 (allow contract to expire and insource service), which projected an annual net cost savings of \$98,000 with the inclusion of one additional full-time Professional Planner for a total eight FTEs in Planning Services.

At the direction of Council, the Director of Planning Services and Chief Legal Official met with SPPL on several occasions to review and discuss possible options going forward. SSPL subsequently provided the following proposal back to Administration in an email dated May 22, 2015:

“SSPL Proposal Moving Forward

In the attachment I refer to one service delivery model as Hybrid B, where in addition to our present contractual responsibilities regarding development review, we would also be retained to assist the Planning Department on matters not directly related to development review. The retainer would be in an amount similar to that expended for an additional planner on staff. As noted in the attachment, this proposal was made in 2012, repeated in 2013, and I have never received a reply. Nor was it placed before Council in 2013. There are many advantages to this approach:

- *You would receive the level of service necessary depending on the nature of the matter to be addressed (i.e., principal planner, senior planner, or planning tech).*
- *We can provide enhanced mentoring on development review, including a larger role for the Planning Department planners in the development review process.*
- *The Municipality could take advantage of our extensive network within the consulting and development review industry, as well our considerable experience in non-development review planning issues.*
- *There would be a number of projects previously contracted out to consultants which could now be done in-house, at significant savings.*
- *There would be a number of projects not undertaken due to limited staff and budget resources, but which could now go forward.*

If you believe this approach has merit, we would need to negotiate a revision to our present contract. We could try a three year period to see if this service delivery model would produce the desired results, and also make allowance for tweaking in the meantime.

In my opinion this proposal, Hybrid B, would best meet the goals of service sustainability and the intent of Councilor Robertson's motion."

The complete May 22, 2015 email from SSPL, including the referenced attachment, is included in **Appendix B**.

While respecting and taking SPPL's comments into consideration, based on the updated review and analysis building off of the 2013 Report, it is still recommended that all of the Development Application Services and related functions be provided internally by municipal staff.

While the existing Hybrid model has served the Municipality well, especially in the early years after amalgamation, there are significant cost-savings that can now be realized with an internal model. While SSPL does handle a good majority of the development application process, internal staff does still spend a significant amount of time on development application process in the following ways:

- While SSPL does handle the pre-consultation aspects, there are often times when internal staff are also asked to be involved in the pre-consultation process; especially, on larger development proposals
- Administration of the TAC and attend all TAC meetings
- Liaison between SSPL and other municipal departments, when necessary
- Review all Planning Reports and supporting documents for accuracy and completeness (i.e. Official Plan and Zoning By-law Amendments)
- Administration of the Committee of Adjustment and attend all meetings

- Attendance at all Council Planning Meetings
- Managing of the SSPL contract
- Post Approvals – there is a significant amount of work that is required post planning approval, such as the preparation and administration of agreements (site plan and/or subdivision), clearing of conditions of approval, the review and stamping of deeds and dealing with inquiries from applicants and developers regarding terms of agreements, etc.

As noted, the 2013 Report projected an annual net cost savings of \$98,000 with the inclusion of one additional full-time Professional Planner for a total eight FTEs in Planning Services. However, it is now proposed that the one additional full-time Professional Planner not be added at this time and that the current budgeted FTE of 7.00 employees be maintained, rather than expanding to 8.00. This is based on a detailed review of the development applications received over the past couple of years, which have continued to decline. Also, based on this decline, the budgeted user fees for development applications have also been adjusted to be more reflective of the current reality.

With the user fee adjustments, the proposed internal service delivery model would represent a savings of \$178,000 in the first year and a sustainable annual savings of \$141,000 by the fourth year (the sustainable annual savings are further explained in the Financial Implications section). The following table provides a detailed breakdown of what was proposed in 2013 vs what is now proposed based on 2015 budget dollars:

	2013 Plan		2015 Plan	
	Budget	FTEs	Budget	FTEs
2015 Approved final budget	\$736,278	7	\$736,278	7
Less:				
Outside Planning Costs	\$224,891	0	\$224,891	0
Plus:				
Additional Professional Planner	\$126,990	1	\$0	0
Application volume adjustment (140)	\$0	0	\$57,722	0
Minor staff adjustments	\$0	0	-\$10,790	0
Adjusted 2015 final budget	\$638,377	8	\$558,319	7
CHANGE to 2015 BUDGET	-\$97,901	1	-\$177,959	0

Most importantly, in addition to the significant savings, we believe Planning Services is very competent and now well positioned to provide the entire development application service internally, based on the significant experience of staff. The current Planning Services team has a sound understanding of the long range planning policy environment and a natural synergy working with other internal departmental staff when their input is required into a particular development proposal. Specifically, there are currently four full time staff and one Registered Professional Planner under a temporary contract position for a total of five staff. In respecting this process, Planning Services has not yet permanently filled the Planner position on a full-time basis or the two vacant Planning Technician positions, which would bring the staff complement up to the seven budgeted FTEs. The following is personal bio of each staff member, highlighting their significant experience.

***Bruce McAllister, MCIP, RPP, LEED AP
Director, Planning Services***

Bruce is a Registered Professional Planner, a Member of the Canadian Institute of Planners and a LEED Accredited Professional. Specifically, Bruce is a multi-disciplinary planner who has over 20 years of planning experience working with both public and private sector clients across Canada. He has an extensive background in land use planning and policy, development review and approvals, master planning, environmental assessment, renewable energy and sustainability initiatives. He is a seasoned project manager who has an established track record of team leadership and on-time/on budget delivery of every size of project. He has managed small development application files representing a few thousand dollars of fees, to multi-year studies with budgets over \$1,000,000. As the Director of Planning Services, Bruce would oversee the entire Development Review process for the Municipality to ensure the service is cost-effective, timely, sustainable and transparent.

***Marsha Coyne, MCIP, RPP
Senior Planner, Planning Services***

Marsha is a Registered Professional Planner and a Member of the Canadian Institute of Planners. Marsha is a multi-disciplinary planner and has 28 years of local planning experience. She started her career with the City of Chatham in 1987 and subsequently became part of the Chatham-Kent planning team after amalgamation. She has a wide range of land use planning experience including policy planning, development approvals, master planning and community improvement planning. Since 2007 Marsha has been responsible for supervising and managing all aspects of the Planning Services, including the development review process and implementation. She is also a seasoned project manager and has a proven track record to deliver projects on-time and on budget. Examples of the projects that she managed include the Downtown Community Improvement Plan and Urban Design Guidelines, Brownfield and Bluefield Community Improvement Plan, North Chatham St. Clair Street Secondary Plan, and the Chatham-Kent Shoreline Areas Community Sustainability Plan and Secondary Plan. As the Senior Planner, Marsha will continue to support the Director of Planning Services and will provide professional planning advice, guidance and leadership to the community, the municipal organization and Council on planning policy and development matters.

***Ryan Jacques, CPT
Planner, Planning Services***

Ryan is a candidate member of the Canadian Institute of Planners and the Ontario Professional Planners Institute. He is also a full member of the Canadian Association of Certified Planning Technicians. Ryan has nearly 8 years of progressively responsible planning experience in the public sector, all with Chatham-Kent. His strengths include strategic plan implementation and regulation management. Ryan's focus on delivering high quality customer service and his leadership in employing modern civic engagement techniques has helped him establish strong relationships throughout the community. Ryan's is an experienced municipal planner with a solid background across the planning field. His role has grown to include managing approved residential subdivision and commercial development files. Since 2010, Ryan has implemented Community Improvement Plans and financial incentive programs across Chatham-Kent with operating budgets over \$200,000. Ryan currently manages all Heritage Planning initiatives. He has also begun to manage studies with budgets up to \$75,000. Ryan has made many successful contributions to long-range planning initiatives, including playing a key role in the Comprehensive Official Plan Review.

Wendy McFadden-Beckett
Planning Assistant, Planning Services (also currently performing Administrative Assistant role)

Wendy graduated from St. Clair College from the Office Administration program. Wendy gained her planning experience by working for Planning Services for the last 14 years in the position of Planning Assistant and she continues to take various courses/training. Wendy has recently added Administrative Assistant to her job title. Her attention to detail, and as a result of the many years working in Planning Services, Wendy has gained extensive experience with the reviewing of reference plans, stamping of deeds, processing of development applications, reviewing of planning reports as well as minute taking for the Committee of Adjustment, Technical Advisory Committee and the Municipal Heritage Committee. She has recently acquired new skills such as InfoHR, JD Edwards from the Administrative Assistant role which she applies to her daily routine.

Sally McMullen, MCIP, RPP
Planner, Planning Services (Temporary Contract Position)

Sally and her family recently moved to Chatham-Kent from Huron County and she started with Planning Services in April 2015 under a temporary contract position. Sally is a Registered Professional Planner and Member of the Canadian Institute of Planners with six years of experience in municipal land use planning with the County of Huron. She has provided comprehensive review on numerous planning applications of all types, notably zoning, variance, consent and subdivisions which included professional opinions and recommendations to upper and lower tier municipalities. Her experience includes facilitation of various steering and advisory Committees as was a key driver and coordinator of an Industrial Land Strategy partnership between two municipalities. She has also provided policy development in Huron County including Official Plan review, By-law review, Comprehensive Review and land use components of a Natural Heritage Strategy. Her background in provincial policy development under the Nutrient Management Act and experience in primary agriculture are particular assets for Chatham-Kent.

As noted, the second Planner position is currently a temporary contract and in order to round out the Planning Services team to the **currently budgeted** seven FTEs, it is proposed to add two Jr. Planners/Planning Technicians that would support the senior level planners in both the long-range planning initiatives and the development application process. The future candidates for these positions would also have a sound GIS background, since all mapping related aspects are now in GIS format. However, even more importantly, there are new innovative GIS planning technologies that could be potentially be leveraged in the future. For instance, ESRI's CityEngine is a GIS planning tool which uses 3D power to visualize the spatial relationships and potential built form impacts that a proposed project could have, along with the ability to better assess its feasibility and properly plan appropriate implementation techniques. Therefore, a tool like this has the potential to greatly assist in the development review process in the future. The Municipality currently uses ESRI's ArcGIS platform and has one user license for CityEngine.

Given the recent trends of development application volumes, the entire complement of the Planning Services team would split their time between development review and long range planning initiatives. This would also provide enhanced customer service and flexibility to stakeholders as there would be access to four Registered Planners. In addition, Planning Services is also now well positioned to undertake most policy-related work internally, such as the upcoming comprehensive update to the Zoning By-law as an example; whereas, this type of work may have been contracted out in the past. There will still be the occasional need to acquire external assistance in areas which require specialized expertise related to policy work.

In terms of the Planning Application Fees, it is proposed that the current rates be maintained as is for one year from the date that Planning Services would begin the development application process. The development application process will be managed as one large program and a Project Management system will be developed and implemented to ensure that the service remains cost-effective, timely and sustainable. The further implementation of the Municipality's CityView program will also greatly assist in managing the development application process. Within the first year, the process will be monitored and reviewed closely to determine if there are opportunities to gain further efficiencies through process adjustments and innovation. Planning Services will then take a closer look at the existing application fee structure and bring recommendations forward for possible future fee adjustments.

Council Directions

The recommendation(s) in this report support the following Council Directions:

- Jobs:**
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
- People:**
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play
- Health:**
Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment
- Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Has the potential to support **all** Council Directions
- Neutral issues (does not support negatively or positively)

Consultation

As noted, Administration met with the current contractor, SSPL, on several occasions to review and discuss possible options.

Budget and Performance Services were consulted and Legislative Services provided legal advice on various matters. The Executive Management Team supports the recommendations in this report.

Financial Implications

Applying the recommendations from the May 14, 2013 Report to the 2015 approved final budget would have resulted in an annual net savings of \$98,000 resulting from:

1. Elimination of outside planning costs
2. Addition of one (1) Senior Professional Planner

Based on further review, it is now recommended that additional savings can be realized resulting from:

1. Elimination of outside planning costs
2. Minor staffing adjustments within the current budgeted complement of seven FTEs.
3. Adjusting the annual planning applications volume down to 140 accompanied by the corresponding revenue reductions.

There are short term additional savings related to staffing salary progression for positions in Planning Services over the first four years of this plan. The first year savings of \$178,000 will be reduced to its sustainable annual savings of **\$141,000** by the fourth year:

YEAR	ANNUAL SAVINGS
1	\$177,959
2	\$164,487
3	\$150,476
4	\$140,916

Prepared by:

Reviewed by:

Bruce McAllister, MCIP, RPP
Director, Planning Services

John Norton
Chief Legal Officer, Legislative Services

The Director of Planning Services provided Council with an overview of the recommended Planning Services Delivery Model.

Councillor Robertson moved, Councillor B. McGregor seconded:

“That

- All of the Development Application Services and related functions be provided internally by municipal staff resulting in a savings of \$178,000 in the first year with a sustainable annual savings of \$141,000 by the fourth year.”**

The Mayor put the Motion

Councillor	Vote	Councillor	Vote
Authier	Yes	Myers	Yes
Bondy	No	Pinsonneault	No
Canniff	Yes	Robertson	Yes
Faas	Yes	Sulman	No
Fluker	Yes	Thompson	Yes
Herman	Yes	VanDamme	No
Leclair	Yes	Vercouteren	No
B. McGregor	Yes	Wesley	Conflict
C. McGregor	Conflict	Mayor Hope	Yes

Yes Votes: 11
No Votes: 5

Motion Carried

- Presentation by Dave Benson, Vice Chair, Municipal Heritage Committee re

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CAO/Mayor/Coun	EcoDev	11081.22001. GEN	Year 2 of 2 Youth Entrepreneurship Starter Company Program	S	\$31,605	.50
CAO/Mayor/Coun	EcoDev	11081.92401/ 70249	Provincial Subsidy 50%/Ontario Works 50%	S	(\$31,605)	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Starter Company is a key part of the Ontario Government's comprehensive Youth Jobs Strategy which aims to help young people find jobs or start their own business. Starter Company is a youth entrepreneurship development program designed to assist enterprising young people between the ages of 18-29, who are not students in school, launch a new business or expand an existing one. There is no cost to applicants.

Starter Company was launched in June, 2014 through the Chatham-Kent Small Business Centre and is a two-year program funded through the Province of Ontario (50%) and Employment & Social Services (50%). As of September 2015, 54 applicants have gone through the program with 12 businesses being started. 7 of the applicants have received funding to start or expand their businesses totaling \$35,000 in grants. We currently have 4 additional applications being reviewed for grant funding, but at the time of preparing this briefing note unsure if they will be approved.

This program's two-year current contract expires in June, 2016.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Starter Company includes the development of a business plan through a 12-session seminar series, one-on-one consultations, and mentorship with an expert panel. Entrepreneurs who successfully complete the program have the opportunity to apply for up to \$5,000 in provincial grant funding. The Chatham-Kent Small Business Centre encourages and contributes to the enterprising spirit and economic vitality of our community by assisting entrepreneurs with the development of new or existing businesses. The centre provides a variety of services to individuals preparing to start

and grow their businesses.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CAO/Mayor/Coun	HROD	Organizational Development	New base funding for OD program sustainment, including the position of Manager of Organizational Development	B	\$138,449	1.00
CAO/Mayor/Coun	Customer Service	Chatham Municipal Centre	SSRP report Virtual Call Centre – base staff reduction	B	(\$104,393)	(1.50)
			NET BASE	B	\$34,056	(0.50)
CAO/Mayor/Coun	HROD	Organizational Development	Part-time AA III support for the Manager of Organizational Development	S	\$29,188	0.50

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

In 2009, Council approved a contract for the position of Manager, Learning & Organizational Development and also \$625,000 in reserve funding to support the succession planning, leadership development, performance management and People Plan initiatives. Initial program objectives have been reached and funding to sustain the programs will run out in 2015.

The 2013/2014 Virtual Call Centre Service Review recommended a 5-year plan for savings through attrition within the Customer Service Division (which includes Call Centre and all Municipal Centres) Once this reduction is approved, the SSRP recommendations of a reduction of 4.0 FTEs will be fulfilled.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The recommendation is to provide base funding to sustain these programs starting in 2016 and a provision to move the contract position of Manager of Organizational Development to 1 FTE permanent full time. This OD position netted against the Virtual Call Centre Service Review reduction of (1.50 FTE) amounts to a net base reduction of (.50 FTE)

Supplemental request for administrative support will be reviewed during the 2017 budget process for sustainability.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CD	Community Services		Project Manager - Recreation & POS - one year contract	S	\$105,600	1.00
			Recommended funding from ITS Software reserve			

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Project Manager (1 year - Temporary Full Time) to lead the procurement and implementation of a system for the management of Parks and Recreation Programs and Facilities as well as corporate cashier transactions (Point of Sale). As part of the procurement effort the Project Manager will participate in the Municipal Information Systems Association Recreation Registration Software Working Group (RRSWG) as well as Parks and Recreation Ontario (PRO). The Project Manager will return to Council in 2016 with a full project costing for implementation including project team resources, sustainability considerations, technology and transaction costs.
ITS, Computer Software Reserve E-funded 100.17691

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The existing recreation software system, know as Computerized Leisure Activity Software System (CLASS) will no longer be supported by the vendor effective December 2017. Support for the Point of Sale module of CLASS will continue beyond December 2017. The new software offered by the vendor is significantly different and includes a change from a software based licensing model to a transaction based model, with the potential for a significant change in annual cost to the Municipality. The existing Recreation Registration and Facilities Management system managed over 25,000 rental bookings and over 7,000 program registrations in 2014. The Point of Sale component of this software managed over \$87 million in transactions 2015 YTD including all Corporate cashier transactions at all Municipal Parks and Recreation Facilities, Service Centres, online and by mail. This Project Manager will be responsible for managing the assessment of Municipal requirements, procurement of a replacement system and implementation of the chosen solution with a project team in 2016/2017.

Supplementary Budget – Briefing Note

2016 Budget

One page brief per request

Briefing Note required for:
 -items >\$50,000
 -changes in FTE

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CD	Community Services	Parks, Cemeteries & Horticulture	Natural Heritage Implementation Strategy	S	\$132,796	

BACKGROUND:
 The Natural Heritage Project is a 3-year project and annual costs would be requested during budget process.

COMMENT:
 The Strategy requires two positions; a Land Stewardship Technician to directly assist landowners in stewardship activities including afforestation, soil conservation, establishing other land uses such as Tall Grass Prairie; and a GIS Technician to provide assistance in the monitoring of activities, creating a data base of existing conditions that would be utilized as a baseline to track and report the Strategy’s progress.

These positions work directly under the LTCVA and provide the necessary support to successfully implement the Natural Heritage Implementation Strategy through the researching of grant opportunities, development of outreach and educational programs as well as working within the timelines for implementation as defined in the Conservation Action Plan deliverables needs to be realized.

The total 2016 supplementary budget request is \$132,796 for two positions for one year.

\$66,398 (Land Stewardship Technician)
 \$66,398 (GIS Technician)

The recommendation is for e-funding through the Emerald Ash Borer Reserve.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CD	Fire and EMS	Fire	1FTE - Fire Inspector with uniform, PPE, LB, Laptop, Software, Vehicles (added as supp items)	B	\$121,554	1.00

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

On January 1, 2014, the Ontario Fire Code was amended requiring mandatory enhanced fire safety provisions for residents of vulnerable occupancies including a number of mandatory requirements for municipalities. There are approximately 19,000 residents over the age of 65 in CK. On October 15, 2014, the new CO Alarm regulations came into force. The last increase in Fire Prevention (FP) personnel was for the City of Chatham in 1991. Per-capita FP staffing is 1:34,666; third lowest of the comparable municipalities surveyed. CK may not currently be meeting its legislated requirements under the FPPA and new regulations will exacerbate an already poor situation. CKFES does not have the staffing to conduct the inspections required, enforce the Fire Code and to conduct business licensing inspections.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The estimated annual staff time commitment per vulnerable occupancy is 10 to 12 hours. There are between 56 and 60 vulnerable occupancies in CK. CKFES is now also required to enforce the new CO Alarm regulations and Audibility Guidelines from the OFM. In addition, based on current staffing levels, CKFES is unable to provide the following services at acceptable levels: recommended best practice inspection frequencies for occupancies covered under the Ontario Fire Code, POA prosecutions, business licensing inspections and by-law obligations, plans examinations, and fire investigations. The result may be reduced public safety and unnecessarily high insurance premiums for residents and businesses. Insurance underwriters consider fire prevention to be 20% of a fire services rating score which directly impacts fire insurance premiums. See Appendix A for more details.

**Budget 2016
Briefing Note
Appendix A**

1) Chatham-Kent Building Stock Profile

a) Fire Inspection Priorities

- i. **Group B – High-risk occupants, non-ambulatory, that sleep**
- ii. **Group C – High density, some high risk occupants, that sleep**
- iii. **Group A (Schools, Churches, high density assembly)**
- iv. **Group F1, and some Group A that includes restaurants**
- v. **Groups D, E, F2 and F3**
- vi. **Business Licensing**

b) Building Stock profile

Table 1 – Chatham-Kent Building Stock Profile

Occupancy Classification	Type	# of Occupancies
Group A	Assembly	553
Group B	Institutional	58
Group C	Single Family	33,405
	Multi-unit residential	1,777
	Motel / Hotel	40
	Mobile Homes & Trailers	685
	Other	774
Group D & E	Commercial	1,450
Group F	Industrial	1,137
Total # of Mixed Occupancy Buildings		305
TOTAL		40,154

- Responsibilities for Single Family Residential – Smoke Detector/Alarms and CO Detector/Alarms
- Migrant Worker Housing = 165
- Schools = 54 plus St. Clair College and the University of Guelph
- Vulnerable Occupancies = 59, 7 Long Term Care Facilities, Approximately 2000 + residents

2) Best Practices - Recommended Inspection Frequencies

Table 2 – Best Practice Inspection Frequency – Fire Underwriters

Building Group	Description	Inspection Frequency
Group A	Public Assembly: Schools, Restaurants, Halls, Arenas	Annual
Group B	Institutional: Hospitals, Nursing/Retirement Homes, Detention Centers	Semi-annual
Group C	Residential: Multi-Unit Residential, Hotels, Motels	Annual
Group D	Business and Personal Services: Banks and Offices	Bi-annual
Group E	Mercantile: Stores and Malls	Bi-annual
Group F	Industrial: Warehouses, Manufacturing and Processing	Bi-annual, Semi-annual for high hazard F1 Occupancies

Table 3 – Best Practice Inspection Frequency – NFPA 1730

Building Group	Description	Inspection Frequency
Group A	Public Assembly: Schools, Restaurants, Halls, Arenas	Tri-annual
Group B	Institutional: Hospitals, Nursing/Retirement Homes, Detention Centers	Annual
Group C	Residential: Multi-Unit Residential, Hotels, Motels	Bi-annual
Group D	Business and Personal Services: Banks and Offices	Tri-annual
Group E	Mercantile: Stores and Malls	Tri-annual
Group F	Industrial: Warehouses, Manufacturing and Processing	Tri-annual

3) Inspection Time on Task

- Times will vary based on the type and size of the occupancy. Example - CK Health Alliance may take 2 full days.

Table 3 – Best Practice Inspection Frequency

Activity	Time In Minutes
Travel Time (inspection/ re-inspection/subsequent re-inspections)	30-90
Follow Up Inspections/ Meetings	60-90
Inspection-Telephone Contacts	30
Report/ Research/ Emails	30-90
Fire Safety Plan Review	60
Other Reports	30
File Search	15
Court/Fire Safety Commission	15 (5% or less to Court or Commission but add 4 to 6 hours if required)
Total Time in Minutes	270 to 420

Table 4 - NFPA 1730 – Annual Inspection Times (Copied from Standard)

Table C.2.2(b) Fire Prevention Inspection and Code Enforcement Worksheet

Task N	Previous	Average Task Time (hours)	Average Administration Time (hours)	Average Commute Time (hours)	Other, Average (hours)	Average Total Task Time (hours)
Assembly		1.5	1	0.5	0.25	3.25
Business		1	0.5	0.5	0.25	2.25
Institutional		12	3	0.5	1.5	17
Mercantile		0.75	0.25	0.25	0.25	1.5
Water treatment plant (CI)		4	1	0.5	0.25	5.75
Apartment (high rise)		4	1.5	0.5	8	14

4) Fire Inspection Staffing Required

Table 5 – Required Inspectors (Assume staff only do inspections) – Fire Underwriters

Building Type	Best Practice Inspection Frequencies	Average Service (Hours)	No. of Buildings	Total Time (Hours)	Time Per Year (Hours)
Assembly	Annual	4	553	2,212	2,212
Care/Detention	Semi-Annual	6	59	354	708
Multi-unit Residential & Other	Annual	4	2591	10364	10364
Business & Mercantile	Bi-annual	2	1450	2900	1450
Industry	Bi-annual	4	1137	4548	2274
Mixed Occupancy	Bi-annual	4	305	1220	610
Total Annual Hours Required to Complete Fire Prevention Inspections					17618
Total Annual Hours Worked by a Full-time Fire Prevention Officer					1,760
Total Number of Fire Prevention Officers Required = 17,618/1,760 =					10
Chatham-Kent has one Supervisor and two inspectors					Inspectors

- a) Based on an average forty (40) hour work week, one (1) FTE fire prevention officer will work 2,080 hours annually. Allowing eight (8) weeks for: other duties, training, vacation, statutory holidays, and illness, the annual hours of work for inspections would be reduced to 1,760 hours. Dividing the number of hours worked by one fire inspector, into the number of inspection hours required to meet the suggested best practice inspection frequency requirements, provides an estimate of the required number of inspectors. This calculation assumes that Fire Inspectors only do fire inspections.

Table 6 – Required Inspectors (Assume staff only do inspections) – NFPA - 1730

Building Type	Best Practice Inspection Frequencies	Average Service (Hours)	No. of Buildings	Total Time (Hours)	Time Per Year (Hours)
Assembly	Tri-annual	3.25	553	1797	599
Care/Detention	Annual	17	59	1003	1003
Multi-unit Residential & Other	Tri-annual	14	2591	36274	12091
Business & Mercantile	Tri-annual	2.25	1450	3262	1087
Industry	Tri-annual	5.75	1137	4548	1516
Mixed Occupancy	Bi-annual	4	305	1220	610
Total Annual Hours Required to Complete Fire Prevention Inspections					16906
Total Annual Hours Worked by a Full-time Fire Prevention Officer					1,760
Total Number of Fire Prevention Officers Required = 16906/1,760 =					9.6
Chatham-Kent has one Supervisor and two inspectors					Inspectors

b) Other Potential Duties for Fire Inspectors (Not included above)

- Assist and participate in Public Safety Education Events
- Fire Investigations
- Coordinate the Fire Company Home Education Program
- Data entry and statistical analysis
- Respond to emergency to assist with support duties
- TAPP C – Youth fire setter program, police, mental health partnership
- Hoarding – Partnership with police, social services and mental health professional's
- Plans examinations – Fire Safety Plans, new construction, industry, plans for subdivision
- Prosecutions and By-law enforcement
- Fire permit inspections
- Fire safety counselling
- Train fire operations in fire protection systems
- Chief Fire Official duties under Division C of the fire code
- Assist with fire operations pre-planning

Table 7 - Fire Prevention Staffing Comparisons

Municipality	Population	Square km	Per Sq. Km Ratio	Prevention Staff (FT)	Per Capita	Comment (Response Profile)
Orillia	30,259	26.5	1:9	3	1:10,086	Composite
Kingsville	20,908	247	1:124	2	1:10,454	VT
Owen Sound	21,753	24.2	1:12	2	1:10,876	FT
Niagara Falls	82,184	210	1:30	7	1:11,741	FT
Sarnia	70,876	165	1:28	6	1:11,813	FT
North Bay	56,000	312	1:78	4	1:14,000	FT
Brant County	34,415	843	1:351	2	1:14,340	VT
Kawartha Lakes	73,000	3059	1:612	5	1:14,600	Composite
Cornwall	45,965	62	1:21	3	1:15,321	FT
Whitchurch/Stouffville	33,000	206.74	1:104	2	1:16,500	Composite
Peterborough	71,446	59	1:15	4	1:17,861	FT
Caledon	58,000	700	1:233	3	1:19,333	Composite
Orangeville	40,230	161	1:81	2	1:20,115	Composite
Clarington	84,800	611	1:153	4	1:21,200	Composite
Norfolk County	63,000	1606	1:803	2	1:31,500	VT
Windsor (Urban)	276,165	176	1:22	8	1:34,522	FT
Chatham-Kent	104,500	2495	1:831	3	1:34,833	Composite
Haldimand County	45,122	1252	1:1252	1	1:45,122	VT

c) All inspection orders are can be appealed and may require staff to participate or to travel to appear before the Fire Marshal's Fire Safety Commission.

d) What if a prosecution is required?

A typical Provincial Offences Act, Part # 3 prosecution requires the following:

- Write an information on the charge or charges, one per charge - 1 to 2 hours

- Title and/or Corporate Title Search – .5 hour
- Find a Justice of the Peace to sign the information (only available one or two days per week in the Municipality) – 1 to 2 hours
- Serve the Summons or meet with the Police or By-law departments to serve the Summons- 1 to 4 hours
- Prepare a Crown Brief – 2 to 3 hours
- Benchmark with other municipalities - .5 hour
- Meet with the prosecutor to discuss – .5 to 1 hour
- 1st Appearance, “To be spoken to”, set a date, trial time – up to 4 hours
- If the case is not heard, double the original trial time – up to 4 hours

5) Municipal Fire Department Rating System

This translates to the fire-related portion of premiums for home and business insurance.

Sources: Fire Underwriters Survey and Fire Protection Survey Services

Each department starts with **5000 points**, and then demerit points are assigned

- Water Supply and Fire-flow Calculations = **30% or 1700 points**
- Fire Operations – **40 % – 2000 points** (Includes-Administration, Operations, Apparatus, Station Locations, Response Times, Fire-flow calculations etc.)
- Training - **6% - 300 points**
- Fire Prevention/Education – **20% or 1000 points**

6) MUNICIPAL FIRE LOSS PROFILE

a) Loss Fire Property Class: Structures Only

- Fires in residential occupancies account for 72% of structure loss fires. Almost all fire fatalities happen in residential occupancies.
- Industrial occupancies – 8% of loss fires. Assembly occupancies – 5%
- Properties not classed by the Ontario Building code – 7
- Mercantile – 4%
- Business and Personal Services – 3%
- Care and Detention Occupancies – 1%

Note - This distribution of fire incidents across property types has been consistent over many years.

b) Five Leading Fire Causes (excluding undetermined, the largest category)

Table -8 – Fire Cause: Cooking

Frequency (%)	17% of structure fire losses in 2012 were caused by cooking, or 1379 fires (Ontario wide). In Chatham-Kent it was 12% or 14 fires.
Morbidity/Mortality	247 injuries, 13 fatalities (Ontario wide). The number of injuries from cooking fires between the periods from 2008 to 2012 in Ontario increased from 148 to 247.
Rate of Rise	From 2008 to 2012 – The number of fires caused by cooking decreased from 1485 to 1379, a decrease of 7% (Ontario wide statistics). In Chatham-Kent the number of fires involving cooking ranged from a high of 21 in 2010 to a low of 14 in 2012, with no discernable trend.
Geographic Distribution	91% of these fires occurred in residential occupancies. There is not data to indicate the actual geographic distribution of these fires
Cost in \$	There were 14 fires in Chatham-Kent that involved cooking in 2012, with a dollar loss of \$396,020. Between 2009 and 2012 there were 72 fires in Chatham-Kent involving cooking, with a total dollar loss of \$1,818,550.
Population Experiencing this Cause of Fire	Largest demographic experiencing this type of fire are adults 20 to 29, followed by adults 30 to 39, then adults 40 to 49, then adults aged 60 to 69.

Table 9 - Fire Cause: Electrical Distribution (Wiring)

Frequency (%)	9% of structure fire losses in Ontario in 2012 were caused by electrical distribution/wiring equipment, or 706 fires (Ontario wide). In Chatham-Kent, 7% of structure fire losses were caused by electrical distribution equipment in 2012 or 8 fires.
Morbidity/Mortality	34 injuries, 4 fatalities (Ontario wide). The number of injuries created by fires caused by electrical distribution/wiring equipment between the periods from 2008 to 2012 in Ontario ranged from a high of 52 in 2009 to a low of 34 in 2012. There were no discernable trends.
Rate of Rise	From 2008 to 2012 – The number of fires caused by electrical distribution/wiring equipment in Ontario decreased from 824 to 706, a decrease of 14%. In Chatham-Kent the number of fires caused by electrical distribution/wiring equipment from 2009 to 2012 ranged from a high of ten (10) fires in 2009, 2010, 2011 and a low of eight (8) fires or 7% in 2012.
Geographic Distribution	69% of these fires occurred in residential occupancies. There is not data to indicate the actual geographic distribution of these fires
Cost in \$	There were 8 fires in Chatham-Kent that involved electrical distribution/wiring equipment in 2012, with a dollar loss of \$300,000. Between 2009 and 2012 there were 38 fires in Chatham-Kent involving electrical distribution/wiring equipment, with a total dollar loss of \$1,197,050.
Population Experiencing this Cause of Fire	This fire cause is distributed equally across all adult populations starting at age 25

Table 10 - Fire Cause: Heating/Cooling Equipment

Frequency (%)	9% of structure fire losses were caused by heating/cooling equipment, or 686 fires (Ontario wide). In Chatham-Kent, 5% of structure fire losses were caused by heating/cooling equipment in 2012 or 6 fires.
Morbidity/Mortality	29 injuries, 1 fatality (Ontario wide). There is no trend regarding the number of injuries and fatalities from heating/cooling equipment fires.
Rate of Rise	From 2008 to 2012 – The number of fires caused by heating/cooling equipment decreased from 883 to 686, a decrease of 22% (Ontario wide statistics). In Chatham-Kent between 2009 and 2012 the number of fires involving heating/cooling equipment ranged from a high of 20 in 2009 to a low of 5 in 2011, with a significant downward trend.
Geographic Distribution	82% of these fires occurred in residential occupancies. There is not data to indicate the actual geographic distribution of these fires
Cost in \$	There were 6 fires in Chatham-Kent that involved heating/cooling equipment in 2012, with a dollar loss of \$314,500. Between 2009 and 2012 there were 40 fires in Chatham-Kent involving heating/cooling equipment, with a total dollar loss of \$991,777.
Population Experiencing this Cause of Fire	This fire cause is distributed equally across all adult populations starting at age 25

Table 11 - Fire Cause: Cigarettes and Smoking Material

Frequency (%)	In 2012 - 7% of structure fire losses were caused by cigarettes and smoking material, or 539 fires (Ontario wide). In Chatham-Kent in 2012 - the percentage of fire losses involving cigarettes and smoking was 12% or 14 fires.
Morbidity/Mortality	63 injuries, 19 fatalities (Ontario wide). The number of fatalities from cigarettes and smoking material between the periods from 2008 to 2012 in Ontario ranged from a high of 22 to a low of 12, with 19 occurring in 2012. This is the number one cause of fire fatalities in Ontario.
Rate of Rise	From 2008 to 2012 – The number of fires caused by cigarettes and smoking material decreased from 565 to 539, a decrease of 5% (Ontario wide statistics). In Chatham-Kent between 2009 and 2012 the number of fires involving cigarettes and smoking material ranged from a high of 25 in 2009 to a low of 11 in 2011, with a significant downward trend.
Geographic Distribution	88% of these fires occurred in residential occupancies. There is not data to indicate the actual geographic distribution of these fires
Cost in \$	There were 14 fires in Chatham-Kent that involved cigarettes and smoking material in 2012, with a dollar loss of \$734,600. Between 2009 and 2012 there were 68 fires in Chatham-Kent involving cigarettes and smoking material, with a total dollar loss of \$3,681,750.
Population Experiencing this Cause of Fire	Largest demographic experiencing this type of fire are single adults aged 65 and older.

Table 12 - Fire Cause: Appliances

Frequency (%)	4% of structure fire losses in 2012 in Ontario were caused by faulty appliances, or 346 fires.). In Chatham-Kent in 2012 - the percentage of fire losses involving appliances was 4% or 4 fires.
Morbidity/Mortality	18 injuries, 0 fatalities (Ontario wide). The number of injuries from fires caused by faulty appliances between the periods from 2008 to 2012 in Ontario varied from 30 to 15, but there were no identifiable trends.
Rate of Rise	From 2008 to 2012 – The number of fires caused by faulty appliances decreased from 396 to 346, a decrease of 13% (Ontario wide statistics).). In Chatham-Kent between 2009 and 2012 the number of fires involving appliances ranged from a high of 6 in 2010 to a low of 4 in 2011 and 2012, with a static trend.
Geographic Distribution	79% of these fires occurred in residential occupancies. There is not data to indicate the actual geographic distribution of these fires across the province or within the municipality.
Cost in \$	There were 4 fires in Chatham-Kent that involved faulty appliances in 2012, with a dollar loss of \$265,500. Between 2009 and 2012 there were 19 fires in Chatham-Kent involving faulty appliances with a total dollar loss of \$1,190,770.
Population Experiencing this Cause of Fire	This fire cause is distributed equally across all adult populations starting at age 25

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CD	FES	EMS	Purchase of Paramedic Mannequin	S	\$100,000	0

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

One-time costs for the purchase of the “Sim Man” paramedic mannequin. The MOCK owns all EMS equipment, bases and vehicles in the provision of Land Ambulance Services. To ensure that the paramedics receive the most cost effective training and maintenance of their qualifications various models of training must be used. During a recent requirement for communicable disease training a “tailgate” style training was used thereby saving approximately \$26,000 of training costs. To continue with style of training the purchase of a medical grade mannequin will be used. This mannequin has the ability to simulate multiple medical situations and is controllable by the training facilitator. This standardized training can be used throughout the service and individual training can be developed should a paramedic need this concentrated training.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The EMS reserve will be used to purchase the “sim man” paramedic mannequin, comprised of equal contributions from the municipal and ministry reserves.

The paramedic mannequin will be owned by the MOCK FES and provided to Medavie EMS on a as needed basis.

The paramedic mannequin will be used to complement the base hospital paramedic training program.

If approved this item would be funded by the Ambulance Reserve.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Information Services	System Optimization - E-Funded staffing, consulting to expand features, functionality of Project Delta modules implemented from reserves (2 year contract period)	S	\$1,500,614	8.00
			Recommended funding from ITS Software reserve			

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Project Update identifying additional deliverables was presented to Council on December 7, 2015 in the report RTC 15-12 - Integrated Enterprise Resource Planning (ERP) and eGovernment Solution Implementation Project Update – Project Delta <http://www.chatham-kent.ca/Council/CouncilMeetings/2015/Documents/December/Dec-7-10ai.pdf>

Project Delta implemented Stage 1 of the Lifecycle of an ERP System (November 26, 2012 Presentation: Enterprise Resource Planning (ERP) / eGovernment Integration Solution Presentation, page 18 - note: slide attached for quick reference): 'Go Live' with systems such as JD Edwards, CityView and Point of Sale. In order to achieve the full potential benefit of the system, incremental improvement and extension of capabilities is required. Funding is available from Council approved Reserves.

Business Solutions Analysts (4 FTE) with technical specialization and business knowledge will implement the following deliverables:

Business Solutions Analyst - Capital Asset Management (CAM)

Subject Matter Expert and Technical Implementation Specialist for Capital Asset Management Module with Finance and Asset Management Expertise: Initial focus work with IES supporting optimization and streamlining of IES Capital Asset Management followed by CAM implementation for new business assets: Cemetery, PUC, Housing Services, Fire, ITS, etc. Implement Tangible Capital Asset Reporting Review.

Business Solutions Analyst - Finance/Point of Sale

Subject Matter Expert and Technical Implementation Specialist for Finance: work with Finance department to optimize reports and business processes such as automated Invoice processing. Ensure technical integration of Point of Sale system with general ledger, including support for new DEVNET and CityView integrations.

Business Solutions Analyst - Human Capital Management

Subject Matter Expert and Technical Implementation Specialist for implementation of Sick & Vacation Accruals, Health & Safety, Manager Self Service and Performance Management, Job Applicant tracking.

Business Solutions Analyst - eGovernment

Subject Matter Expert and Technical Implementation Specialist for CityView (Building, Planning, Licensing, Customer Service, PUC, PW, Fire, etc.) Implement changes to CityView based on new business requirements such as changes to Business Licensing By-Law, Planning Services workflows, integration with Fire and Emergency Services Inspection workflows. Implementation of online self-service for dog tag registration, building permit applications, etc.

ITS Service Technician (1 FTE)

Implementation of Capital Asset Management for ITS (per IT Strategic Plan). Management of ITS software, computer, server/network, printer, mobile devices such as phones, pagers, etc. Implementation, integration with JD Edwards, Software Inventory Management.

Application Administrator (1 FTE)

The Municipality currently has a total of 2 Applications Administrators who are supporting JD Edwards, CityView, DEVNET and Point of Sale (POS) systems as well as all ongoing changes to these systems. This has impacted support for over 22 other applications supported by the Application Administrator team. This role will focus on systems other than JDE, CityView, DEVNET, POS to ensure systems support for all other applications: Class & RecConnect, CAMS, Hedgehog & CheckIt CK, All4Kids, ClinicsDB, AVL, Springboard, CAMS, TES, Flu Clinics, HIFIS, Road Analytics & Replacement, etc.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

...Background continued:

Administrative Assistant and UPK Setup (1 FTE)

Configure the User Productivity Kit (UPK): an end user training tool available in all JD Edwards modules to improve effectiveness and efficiency using the system. Administrative Support for Manager, Information Services.

GIS Technician (1 FTE)

Conversion and Data Maintenance of additional Asset Classifications for both CAM and CityView. Property, Address and Customer information maintenance to support development workflows.

//end Background

COMMENT:

E-funded from ITS, Computer Software Reserve 100.17691

Business Solutions Analyst- Capital Asset Management, Business Solutions Analyst-Finance/Point of Sale, Business Solution Analyst-e-Government, IT Service Technician, consulting and related equipment:

Year 1 \$564,791 Year 2 \$461,823

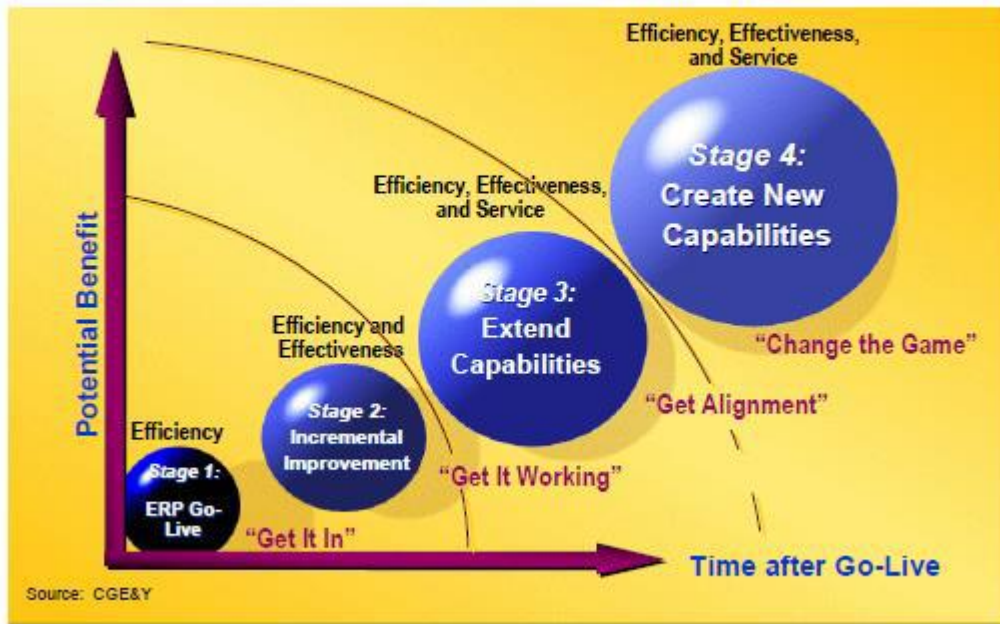
E-funded from ITS, Applications Reserve 100.17681

Application Administrator , Administrative Assistant and UPK setup, training and related equipment:
Year 1 \$160,994 Year 2 \$157,586

E-funded from ITS, GIS System Reserve 100.17716

GIS Technician, training and related equipment:
Year 1 \$78,562 Year 2 \$76,858

Life Cycle of ERP Benefits



Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Information Services	Project Delta - deliverables - E-Funded staffing to continue implementation of Cityview e-government and DevNet Tax system	S	\$150,000	n/a

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Completion of Project Delta Deliverables within project scope and original project budget approved by Council on November 26, 2012. Funds available from Council approved Reserves.

Project Update identifying outstanding deliverables was presented to Council on December 7, 2015 in the report RTC 15-12 - Integrated Enterprise Resource Planning (ERP) and eGovernment Solution Implementation Project Update – Project Delta <http://www.chatham-kent.ca/Council/CouncilMeetings/2015/Documents/December/Dec-7-10ai.pdf>

The currently seconded Customer Service CityView Support staff will focus on completing implementation of Service Request within the CityView application. Service Request manages all citizen requests to the Municipality and impacts most business units within the organization. Service Request will be integrated with the JD Edwards work order management system. The CityView Service Request system tracks all requests from initial contact to completion and customer follow-up. The Customer Service CityView Support staff will also assist with the implementation of the CityView Portal implementation, providing citizens with online self-service access to all services available through CityView. Citizens will be able to submit Service Requests online and through mobile devices.

The Customer Service CityView Support staff will also assist other business units implementing the following modules in CityView: Animal Licensing, Taxi Licensing, PUC Meter Requests, PUC Backflow Prevention, Public Works Permits and Cemetery Management.

DEVNET Implementation Support - staffing overtime and backfill from the part-time pool will provide for two members of the Chatham-Kent Revenue Services group to continue working full time on the DEVNET implementation until go live with the complete tax system, including online tax certificate subscriptions and purchases. The complete system will be implemented in 2016.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

E-funded from existing dedicated Project Delta Reserve: 100.17236

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
HFS	E&SS	E&SS - Other	Chatham-Kent Shelter Solutions/Home Renovations	S	\$300,000	0
			The funding will come from the Ontario Works Corporate Initiatives Reserve			

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

This funding is being requested to establish a new component of the Chatham-Kent Shelter Solutions Program, that would assist low income households to make required repairs to their homes, to allow them to remain living in their homes and reduce homelessness in Chatham-Kent.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

This Program would be jointly delivered by Housing Services and Employment & Social Services, with assistance from the Building Division and the Legal Services Division. The funding will come from the Ontario Works Corporate Initiatives Reserve, which was established to support initiatives to assist low-income individuals and families in Chatham-Kent.

Municipality of Chatham-Kent

Health and Family Services

Housing Services

**Item#: BR138
attachment**

To: Mayor and Members of Council

From: Shelley Wilkins, Director, Housing Services and
Valerie Colasanti, Director, Employment and Social Services

Date: February 20, 2015

Subject: Chatham-Kent Renovates Pilot Program 2015 - 2016

Recommendations

It is recommended that:

1. The Directors of Housing Services and Employment and Social Services be authorized to establish and implement a Chatham-Kent Renovates Pilot Program, for two fiscal years, 2015 – 2016, at a maximum of \$300,000 per year, to be funded from the Ontario Works Corporate Initiatives Reserve fund.
2. The Chatham-Kent Renovates Program be administered similar to the Ontario Renovates Program administered by Chatham-Kent Housing Services, for individual homeowners. Further, grants to eligible individual homeowners may be increased from up to \$5,000 to up to \$10,000, at the discretion of the Employment and Social Services Director, or her designate.

Background

In January 2014, Council approved the 10 Year Chatham-Kent Homelessness Plan, which is based on a *Housing First* philosophy. *Housing First* is an approach to the delivery of homelessness services that emphasizes ending homelessness is possible by supporting individuals' return to permanent housing rather than directing resources primarily toward the provision of emergency shelter and basic needs.

On January 5, 2015, Council received an information report regarding the Community Homelessness Prevention Initiative. Council will recall that this program provides funding for housing and homelessness services and supports. The intent of the program is to provide a better coordinated and integrated service delivery system that is people-centred, outcome-focused and reflects a *Housing First* approach to prevent, reduce and address homelessness. The Chatham-Kent Shelter Solutions Program, approved by Council in April 2013, uses this approach whenever possible to assist citizens in remaining in their homes and preventing evictions and utility shut-offs. In the past three

months, the Shelter Solutions program provided assistance to 370 individuals and families in Chatham-Kent and ensured that they remained housed. The program approved the following:

Month	Total Funds Issued	# People/Families Assisted
Nov 2014	\$60,600.25	110
Dec 2014	\$60,901.95	123
Jan 2015	\$58,317.28	137

It is important to note that under the Community Homelessness Prevention Initiative, capital expenditures such as home repairs and renovations cannot be covered.

At the September 8, 2014 regular meeting, Council received and approved the recommendations of the Housing Services Director's August 28, 2014 report "Investment in Affordable Housing for Ontario (2014 Extension) Service Manager Administration Agreement and Program Delivery and Fiscal Plan (PDFP)". Under the new Investment in Affordable Housing (IAH) Program, Chatham-Kent's Year 1 of a six year program (2014-2020) notional allocation was \$635,400.

The Housing Services Director submitted her PDFP to the Ministry of Municipal Affairs and Housing (MMAH) on October 14, 2014, targeting the full Year 1 funding allocation to the Ontario Renovates program. On October 30, 2014 MMAH approved the PDFP, confirming that all funds are required to be committed by January 30, 2015; any non-committed funding could be re-allocated to other Service Managers.

For a summary of affordable housing programs to date – both the initial Affordable Housing Program (AHP) from 2006 to 2011 and the subsequent Investment in Affordable Housing (IAH) Program from 2011 to March 31, 2015, refer to Appendix 1.

Comments

IAH Extension 2014, Year 1

The Housing Claims Analyst and Building Maintenance Supervisor North were able to conditionally commit the entire funding allocation of \$635,400 to eligible applicants of the Ontario Renovates program by November 14, 2014. And, as of the date of this report, another 37 applications are in the queue, requesting over \$637,000 in funding for private home repairs.

It should be noted that aside from having a booth at the March 2013 Chatham-Kent Home & Garden Show and some radio advertising when the program first started, Housing Services has not had to continue to advertise the Ontario Renovates Program. Information about the program is available on our municipal website, and updates to Council are made from time to time. The need for financial assistance with home repairs has not diminished overtime as of yet.

IAH Extension 2014, Years 2 to 6

MMAH has recently released its allocation figures for the IAH Extension 2014, Years 2 through to 6 (April, 2015 to March, 2020). The Director of Housing Services will be presenting a report on the Program Delivery and Fiscal Plan (PDFP) shortly. Of note in the draft plan it is estimated that a maximum of \$577,300 is available for Ontario Renovates for Year 2, down to \$278,600 for the final year. While the Director of Housing Services is certain of the on-going need for the Ontario Renovates program, a determination will have to be made on how best to allocate the funding across the affordable housing initiatives needed in Chatham-Kent.

The emphasis for the Chatham-Kent Renovates and the Ontario Renovates Program will be to continue to assist low-income home owners by providing financial assistance for necessary repairs, energy and/or accessibility improvements. Maintaining and upgrading older, but affordable housing stock in Chatham-Kent was identified as a priority in the 2012 Housing Study and Housing Plan. (See: [2012 Housing Study Update](#))

Given that over 10% of the population of Chatham-Kent is in receipt of Social Assistance (either Ontario Works or Ontario Disability Support Program) the dollars committed through Shelter Solutions and the Ontario Renovates are just not enough to keep people housed in Chatham-Kent. Therefore the additional dollars that would be available through the Chatham-Kent Renovates would further meet the need demonstrated in the community. With the recent record breaking cold weather, even further strain will be put on those in need in our communities. For those on a fixed income, the additional costs in heating often will use up any savings, leaving people vulnerable if they require home or car repairs or are faced with other “emergency” expenses. If individuals or families are not able to make the necessary repairs to their heating systems, they may be forced to move and lose their homes to foreclosure. Chatham-Kent Renovates would provide the necessary proactive intervention that the *Housing First* model supports.

Consultation

The Directors of Housing Services and Employment and Social Services consulted with the Housing Services Building Maintenance Supervisor, North, the Housing Claims Analyst and a Program Manager, Employment and Social Services (ESS). The Housing staff are directly involved in the delivery of both the Investment in Affordable Housing (IAH) and the IAH Extension (2014) Ontario Renovates Program. The ESS Program Manager is directly involved in the delivery of the Community Homelessness Prevention Initiative, locally administered through the Chatham-Kent Shelter Solutions program.

The Directors reported on this draft proposal at their November 18, 2014 Housing and Homelessness Plan Implementation Committee meeting, where it was generally endorsed as a positive response to the needs of the community.

The Director, Chief Building Official of Building Services has confirmed that Building

Inspectors will provide inspection services for the purposes of the Chatham-Kent Renovates Program, as well as continue to do so for the Ontario Renovates Program.¹

Budget and Performance Services has reviewed the financial implications.

Council Directions

The recommendations in this report support the following Council Directions:

- Jobs:**
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
- People:**
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play
- Health:**
Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment
- Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Has the potential to support **all** Council Directions
- Neutral issues (does not support negatively or positively)

Municipal Council adopted the 10 Year Community Housing and Homelessness Plan in January 2014.² Specific Council approved strategies related to this report are:

- #5. Continue to participate in housing renovation funding programs
- #13. Continue to participate in affordable housing programs and other funding programs that may become available in order to achieve affordable housing targets.

Financial Implications

Funds for the new program will be taken from the Ontario Works Corporate Initiatives Reserve. This reserve was established in 2011 from one-time monies allocated from departments for service delivery of Ontario Works, due to significant changes to the way Ontario Works was funded. The program delivery funding allocation has been aligned with the two-year Ontario Works business cycle and is updated at the start of each new cycle.

¹ With IAH Extension 2014 administrative funding limited to 5% of program funding, Housing Services will not be making an internal allocation of funding to Building Services for this support under the Ontario Renovates Program. Nor is it planned to do so under the Chatham-Kent Renovates Program.

² The 10 Year Community Housing Plan was initially adopted in December 2012. In January 2014, Council approved some minor amendments to the Housing Plan and adopted the Homelessness Plan, which are to be treated as a single Plan going forward.

Current Status of Reserve	\$2,912,166
Projected status at December 31, 2014:	\$3,644,516
Chatham-Kent Renovates Program	
2015 draw	(\$300,000)
2016 draw	(\$300,000)
Projected future balance	\$3,044,516 ³

Prepared by:

_____	and	_____
Shelley Wilkins, (Hon) BPA, CMM III Director, Housing Services		Valerie Colasanti, (Hon) BA, CMM III Director, Employment and Social Services

Reviewed by:

April Rietdyk, RN, BScN, MHS, PhD PUBH
General Manager
Health and Family Services

Attachment - Appendix 1: Summary Table 1: Affordable Housing Program (AHP) and
Table 2: Investment in Affordable Housing Program (IAH)

- c: Brandon Bechard, Building Maintenance Supervisor, North, Housing Services
Lyn Leitans, Housing Claims Analyst, Housing Services
Chantal Perry, Program Manager, Employment and Social Services
Chatham-Kent Housing and Homelessness Committee members from:
Canadian Mental Health Association, Lambton/Kent Branch
Chatham-Kent Children's Services
Chatham-Kent Community Health Centre
Chatham-Kent Employment and Social Services
Chatham-Kent Fire Services
Chatham-Kent Housing Services
Chatham-Kent Landlord's Association
Chatham-Kent Police Services
Chatham-Kent Women's Centre

³ Fund balance does not include 2015 municipal budgets requests from other Divisions; pending Ministry of Community and Social Services Ontario Works Program Delivery funding allocation.

Co-operative Housing Federation of Canada
Erie St. Clair Local Health Integration Network
Legal Assistance Ontario (Chatham-Kent Branch)
Ministry of Municipal Affairs and Housing (Western Ontario Division)
Ontario Non-Profit Housing Association
Salvation Army
Walpole Island First Nation
Paul Lacina, Director/Chief Building Official, Building Services
Mary Lou McLeod, Director, Budget and Performance Services

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
HFS	HS		One summer student (May - Aug)	S	\$6,775	0.29

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

In October 2015, the Director advised the GM of increased level of stress that Housing Services staff were under due to the unusual number of staff turnover, high volumes of workload and the number of special projects being undertaken. The GM convened a meeting with the Housing Services (office/admin) staff and the Director. One suggestion from staff on how to tackle some of the special projects on our list was to add one summer student (for 2016) to assist with special projects and/or to provide clerical support to enable full-time clerical staff to work on the special projects.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

This is a one-time (i.e. supplementary) request for an additional summer student. This extra position would enable staff time to tackle some of the special projects in our queue. We would apply for federal and/or provincial funding for the position but are unable to predict whether this would be successful.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	DAWM	Asset Management	Administrative Staff	S	\$53,755	1.00
			Federal Subsidies	S	(\$13,439)	
			Lifecycle Building - funding Balance \$13,439 - Recommended funding from Green Energy Reserve	S	(\$26,877)	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

This business unit does not have any Administrative support staff

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

This Administrative support staff is required to assist the Asset Management business unit in the preparation of the documentation for the Municipal Energy Plan and with the data tracking and inputting for compliance with the Green Energy Act, Ontario Regulation 397/11. 50% of the wages for this position is being subsidized through the Ministry of Energy (gross \$50,266). Additional funding from existing Lifecycle.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	DAWM	Asset Management	Building Compliance Coordinator	B	\$63,612	1.00
			Recommend funding from existing lifecycle building base budget			

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

This business unit is requesting Building Compliance Coordinator

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The Technical Support staff is being requested to assess the Municipally owned facilities for divestment/investment strategy. In addition this position will be coordinating building compliance and legislated facility upgrades.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Drainage, Ass et and Waste managemen t	Fleet	Decrease annual average fuel cost \$0.05 per litre	B	(\$100,000)	
		Fleet	Allocate Savings to Fleet Lifecycle	B	\$100,000	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

This item recommends a decrease in the average fuel cost of \$0.05 per litre based on current pricing trends. It is recommended that the projected savings of \$100,000 be allocated to the Fleet Lifecycle Budget.

In the event the average fuel cost exceeds \$0.98 per litre, a RTC will recommend this transfer be reversed.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Fleet has recognized a positive variance in fuel in 2015. Barring a dramatic change, it is projected this trend will continue for 2016.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Drainage, Asset and Waste Management	Waste and Recycling Services	Increase in Ridge Landfill Host Community Fee	S	(\$600,000)	
IES	Public Works	Public Works	Roadside Drainage Assessment	S	\$500,000	
	Public Works	Public Works	Winter Control	S	\$100,000	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

A budget request is being made based on the projected increase to the 2015 Host Community Fee from the Ridge Landfill estimated at \$2.1 Million. The current base budget is \$1,366,311 and we are recommending that the revenue amount noted above be used one time to offset municipal roadside drainage assessment and winter control costs.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

According to the Host Community Agreement (HCA), we receive an annual royalty payment (host community fee) on a per metric tonne basis for all non-municipal refuse delivered to the Ridge Landfill. The increase in 2015 is based on the landfill's performance and volume of private sector waste received.

The one time increase of \$600,000 will be used to offset municipal roadside drainage assessment \$500,000, and winter control costs of \$100,000.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Public Works		LED Conversion Streetlights	S	\$2,500,000	0

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

The LED conversion payback has been reduced to less than 5 years. This conversion can mean substantial savings to rate payers. The savings are generated through reduction in maintenance and power consumption. Many Ontario municipalities have completed the conversion or are in the process of doing them. This conversion will help meet green energy reduction targets. This project scope is to replace the 13,000 + "Cobra Head" streetlights and not the \$4,000+ ornamental streetlights. Entegrus will be providing the project management expertise.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

This is a low risk initiative as there are many other similar projects to draw from and the industry is well developed. We are limiting the project to Cobra Head lights as they have the shorter payback period and the public will not be as concerned with the esthetic look of the fixture. Once we succeed with the Cobra Heads, we could proceed with an ornamental conversion project but it will have a longer pay back period and some communities are likely to resist change in the look of the fixtures.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Drainage, Asset and Waste Mgt.	Drainage	Support staff for downloaded Endangered Species Act (ESA) legislated requirements	S	\$122,455	1.00

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

The Provincial ESA (2007) has undergone changes in the last year. Previously approved agreements to facilitate works on municipal drains constructed under the Drainage Act were cancelled by the Ministry of Natural Resources (MNR). The new requirements are extremely punitive and labour intensive for Drainage staff. They also require a skill set not presently required or possessed within our municipal staff.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Chatham-Kent continues to meet with MNR officials to work toward a more logical solution. Municipal drains have been constructed and maintained by the agricultural community for over 100 years. Without their contribution, much of the habitat present would not exist. The effects of this legislation should reflect this rather than be punitive in nature.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
LEG	LEGAL SERVICES	Claims & Litigation	Increase Claims adjuster from 0.4 to full time 1.0 Full Time Equivalent position	S	\$40,552	0.60

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

In 2014, Council approved the creation of an in-house litigation and claims unit within Legal Services Division. This resulted in the claims being handled internally by staff as a cost reduction measure, in contrast with the use of external handling by contract investigators and lawyers.

Based on the past two years history, the municipality has averaged approximately 200 new claims per year. The in-house claims investigator is a part-time position, being a 0.4 Full Time Equivalent or a maximum of approximately 700 hours per year. The municipality has 625 active files (including HR, subrogated, police) with a total amount claimed of approximately \$46.3 million.

The workload required for a claims investigator cannot be performed in a part-time position of 0.4 FTE. The workload required is equal to that of a full-time position.

A claims investigator assists the supervising lawyer by performing basic legal work, including fact finding and evidence gathering. A claims investigator costs less than a lawyer and therefore is cost efficient for work that a non-lawyer can do.

With regard to availability, as our claims investigator is a 0.4FTE, he is only available on Thursdays and Fridays. Frequently there are potentially serious claims that occur when our claims investigator is not present. An example is the recent train fatality in Bothwell which occurred on a Monday. The most valuable evidence that needs to be preserved is the evidence that is acquired as close to the accident time when memories are fresh and potential witnesses present. Currently a lawyer must attend when the claims investigator is unavailable, but this makes the lawyer a witness in the lawsuit and precludes him from acting as corporate counsel (can't be the lawyer and a witness in the same lawsuit).

The alternative is to contract out the additional work at a typical hourly rate of \$100 to \$125 per hour. This is cost prohibitive and far exceeds the cost per hour of the claims investigator. If the work is contracted out, \$40,000 will only buy approximately 400 hours of work (at a typical minimum contract cost of \$100 per hour). If the work is done in-

house, this additional \$40,000 salary will buy approximately an additional 1,000 hours of work.

Finally the municipality has over \$800 Million dollars worth of property being insured. To date there has been no comprehensive audit of the property schedules since amalgamation. The claim investigator will also assume this task in 2016 if time permits.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Set off from insurance premium savings and potential subrogation efforts.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
LEG	Municipal Governance	Licensing	contract service for new animal shelter fundraising campaign	S	\$50,000	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

New Animal Shelter – There is a need to aid the volunteer "Friends of the New Animal Shelter" committee with coordinating fundraising activities. A fundraising campaign requires professional organization and implementation. The committee is requesting this financial assistance and this is supported by Administration. This is a one time request for funds.

An option is to use the first \$50,000 raised during Animal Shelter fundraising campaign to offset cost of outsourcing a fundraising company.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Council approved at the May 25, 2015 Council meeting the following recommendation: The Animal Shelter Fundraising Committee ("Committee") be authorized to launch a "Friends of the New Animal Shelter" fundraising campaign in the community to raise approximately \$2 million required to construct the facility. Donations will be managed and charitable receipts issued by the Municipality. Volunteers will be recruited for a campaign cabinet by the Committee.

As of December 2015, the Committee has raised \$103,000.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:**

-items >\$50,000

-changes in FTE

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
LEG	Municipal Governance	Licensing	Animal Shelter	S	\$150,000	nil

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

One time costs for engineering, plan and design of new Animal Shelter building

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
Non Departmental	Grants & Requisitions	Community Partnership Funding Annual	University of Guelph research grant	S	\$1,500,000	N/A

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

The University of Guelph, Ridgetown Campus is proposing to build a research lab facility. Administration was advised that a notice of motion to refer to budget and a detailed presentation of the proposal will be presented at either the Jan 11 or Jan 18, 2016 Council meeting, so this item has been included in the budget preparation.

The construction cost of the facility is estimated to be \$15 Million. The Municipality will be asked to fund 10% of this cost or \$1.5 Million. Payments may be spread over time.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

A state of the art research lab and facility will continue to attract leading edge researchers and research grant opportunities to the Ridgetown Campus. This will further attract students to the campus and maintain and increase economic activity in Chatham-Kent. This supports Council Directions of Jobs, People and Financial Sustainability.

Council has demonstrated its support to post secondary institutions in the past. The University of Guelph, Ridgetown Campus received \$600,000 in the 2001 budget for support for the Rudy H. Brown Rural Development Centre and St. Clair College received \$1,200,000 in the 2009 budget for support for the HealthPlex building. Both items were paid over a period of years funded by a Community Initiative Levy.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
CAO/Mayor/Coun	EcoDev	Business retention & expansion	Hiring of an additional Economic Development Officer for further support of existing businesses in Chatham-Kent	S	\$91,276	1.00

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

The Economic Development Department has endeavoured to increase visitation and services to local companies and the community over the past 24 months. This is a key growth area for the local economy. The Business Retention & Expansion (BR&E) function has supported the creation of 571 new jobs in the past 18 months. While investment attraction takes a considerable amount of time to come to fruition, the expansion in local employers' operations tends to move much faster when supported by BR&E visitations. Helping businesses access government funding has proven to be an overwhelming success, with local clients committing to investing over \$150 million in their companies in the last 18 months (as of Q3 2015). While the return to the community has been significant, so has the draw on EcDev resources to support the creation and review of the applications. Normally, we expect two BR&E calls per larger employer per year, with medium companies scheduled once per year. If a company determines they would like to expand and take advantage of government supported expansion capital, that allocation of 2 calls per year easily climbs to 6 to 8+ calls per company. The extra time required to steward the companies through the application/submission process has caused our corporate visitation program to decline in terms of reach, and it is expected that our goal to visit 180 visitations with CK companies on an annual basis will not be sustainable. The payback in company capital expansion, satisfaction with EcDev services, and new job creation warrants the additional resource in this area.

The Small Business Centre (SBC) has seen a considerable increase in walk-in traffic and requests for consultations in 2015. In 2014, our total walk-in inquires numbered 412. As of Q3 2015, there has been 561 walk-in inquires. In 2014, the SBC held 143 one on one client consultations (meeting over 30 minutes) and as of Q3 2015, we had seen 213 clients. The public demand for SBC services has increased, and we need to be staffed accordingly. SBC staff have also recognized the need to provide the community with various workshops and seminars to increase entrepreneurship, awareness and training. In 2014, the SBC held 8 seminars and events throughout the community and as of Q3 2015, we have held 10. We recognize the need to provide the small business community with learning/training opportunities and see the need to expand our capacity in this area to include greater emphasis on secondary/post secondary school students. By getting to the youth in our community early and explaining the opportunities available, we believe we can help CK retain our youth and inspire an entrepreneurial spirit throughout the community.

The request for an additional Economic Development Officer would support both the existing businesses in Chatham-Kent through maintaining a robust Business Retention and Expansion Program (BR&E) and also to support current staff in the SBC to maintain the increased volumes of clients and expectations. This position (1 FTE) would work in both areas (BR&E and SBC) with time being shared equally.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

With this position, it is expected that we will be able to improve local business investment, job creation and satisfy increased community need for training and information.

Supplementary Budget – Briefing Note

2016 Budget

One page brief per request

Briefing Note required for:

-items >\$50,000

-changes in FTE

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Technology Services	Wireless- ongoing costs to setup a wireless network to mitigate IT security risk for access using non municipal equipment	B	\$61,435	
FBIS	ITS	ITS Corporate Programs	One time setup for base infrastructure requirements (purchase of 50 wireless access points)	S	\$73,504	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

A wireless network is a computer network that uses radio frequency to communicate with endpoints (devices). Wireless networks in the enterprise are centrally controlled, distributed access points (radio devices) deployed based upon coverage requirements and the number of simultaneous connecting clients. Enterprise security separate corporate internal users from vendors and from members of the public in a least-privilege access model. Different authentication methods would secure the zones ranging from a captive portal sign up form to Certificates and username password combinations. (FBIS020 grouping)

Recommendations

- 1.) Provide the monies to allow for purchase of network services to ensure security, operation, support and maintenance for sustainment of wireless network infrastructure build
- 2.) Drive cost saving measures in deploying, implementing, and sharing infrastructure of a larger wireless network deployment corporately rather than individual business unit requests.
- 3.) Implement the base infrastructure and resource requirements to support a corporate wireless network
- 4.) Implement new 50 access points in critical areas as identified below Figure B.
- 5.) Set up a standard cost model for additional access points as business units provide funding

Background - Figure A: Budget Request (Item Details Prioritized)

Network Services Support Agreement Support and Sustainment of:

50 new access points as per Figure B.

97 newly deployed access points in 2014/2015 (RVG, Culture Center, Civic Center)

30 Mobile Wi-Fi Point for Public Works, Fleet and PUC AVL

(In progress)

17 Existing Wi-Fi Access Points at the Library

Central Wireless Controller Hardware

Central Wireless Management Software

Risks of not moving forward on this initiative:

This project requires a corporate perspective in implementation. It is more efficient and less costly to implement and deploy systems based on corporate business requirements versus individual business unit requirements.

Allowing non-municipal devices on the wireless network would increase the security risks, potential business service degradation, and increase support requirements for monitoring of the network due to potential increased risks of hacking, malicious automatic attacks and illegal operations.

With the 50 access points, an estimate of 100-200 additional wireless network endpoints (devices) will be connecting and has been considered as part of this request. (Overall internet bandwidth).

Figure B: Table of Wi-Fi Requests Prioritized

Sites with Wireless Requirements :New AP: Business Case

Public and Internal : Civic Centre 7 AP, Economic Development 2 AP, Cultural Centre 3 AP , PABC 5 AP, HFS 13 AP, ESS 3 AP, Public Works garages 10 AP, Service Centres 5 AP and PUC 2 AP Business reasons: Business Productivity, Vendor Access, Council Access, Public Access, training, disaster recovery/backup call centre, HVAC Control

COMMENT:

- provide any further details if required, impact to user fees, etc (eg. Gross expenses, any revenues, subsidies, etc.)

Wireless Networks lets its user's access servers, printers, and other network resources regardless of their location, within the wireless reach. This flexibility means that, for example, a user's laptop stays connected working from a colleague's cubicle to a meeting room. Many business units also have requirements for wireless access for public presentations and for vendors or partners. Business units have not been able to tackle this project, especially in cases where it is needed to share infrastructure across departments. Almost all business area would benefit from wireless access in common or shared areas like meeting rooms and facilities. Many informal and formal inquiries from almost all business areas have been received, but many areas have been turned away due to the costs involved in infrastructure. Although it is against our Acceptable Use Policy, many times non-municipal people, members of public, vendors and partners have connected to our network in our meeting rooms, not understanding that in fact, they have access to our corporate network. A wireless network would prepare us to meet expectations of the public, vendors, partners and our staff where Wi-Fi has been deployed. Reduced security risks on our network would result as access for public and internal access would be segregated. This is a business need and expectation of today's technology as more and more wireless devices are available for use.

A significant benefit of Wireless LANs is their low-cost deployment in locations where the costs of running LAN wire would be prohibitive. Meeting rooms requiring eight physical network connections in the table could cost upwards of \$5000.00 and extends no further than the table.

The budget request as detailed in Figure A: Budget Request will service two main drivers:

- 1.) Establish the foundation for shared infrastructure required for business units to fund expanded wireless access in their areas. Each Access Point beyond 50 initial access points should result in reduced costs for future requests.
- 2.) ITS projected that the new 50 access points would service the majority of the meeting rooms, Service Centers, and training rooms as well as most of the requests listed below as prioritized in Figure B: Table of Wi-Fi Requests Prioritized. Riverview Gardens has already implemented an upgrade and replacement of the Wireless Equipment for their building (\$60-\$80k) but has no funds for sustainment of this equipment/service. Locations that do not have sufficient connectivity will not be targeted until the buildings connectivity is upgraded to acceptable requirements. As an example, arenas have additional costs associated with connectivity to the building that will require additional funding. As part of the IT Strategic Plan, all locations which require connectivity would be reviewed in the Network Revitalization project.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Public Works	Kent Centre Garage	Drainage Study Community of Shrewsbury	S	\$100,000	0

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

There have been longstanding issues with shortcomings in drainage for this community. In order to plan a solution to address the shortcomings, a comprehensive engineering study of the drainage is needed. It is likely to be done by consultant. Concurrently, Public Works will address small repairs to the drainage under its operations budget. The Shrewsbury residents would have to petition for an improved drainage system for their community.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

It appears that the developers of the community never built a proper drainage scheme for the community and the municipal government at the time did not insist that it be done. Normally, the developers pass on this cost to the home buyers. It would be reasonable for Council to consider having the home owner pay for a portion of the cost of this study to define the scope of work to put in place a proper drainage scheme for the community as it was not done correctly at the development stage. The suggest cost split would be 25% municipal, 75% residents.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
Non Departmental	Grants & Requisitions	Community Partnership Funding Annual	High School sportsfield grants	S	\$321,251	N/A

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Sportsfield grants for Blenheim, Ridgetown, Tilbury and Wallaceburg.

Approved at October 26, 2015 Council meeting to be referred to the 2016 budget.

Ridgetown - \$75,000

Wallaceburg - \$133,750

Tilbury - \$112,500

Blenheim - \$1 (amount to be determined - in early planning stages)

Attached: Minutes from Council meeting of October 26, 2015.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Subsequent to the passing of the motion at the October 26, 2015 Council meeting, the Lambton-Kent District School Board announced a pupil accomodation review at its November 24, 2015 meeting. It is unknown when any decisions will be made.

Council previously supported high school sportsfields at Chatham-Kent Secondary School in Chatham in 2002 for \$400,000 and Lambton Kent Composite School in Dresden in 2014 for \$135,000. Both these amounts represented 25% of the cost.

14. NOTICES OF MOTION

- a) Presentation of new Notices of Motion

Councillor Myers presented a notice of motion regarding traffic flow at McNaughton Avenue West and Keil Drive North. The matter will be added to the November 9, 2015 Council Meeting for discussion and voting.

15. CHIEF ADMINISTRATIVE OFFICE

- a) Ridgetown District High School Sports Field Project

Municipality Of Chatham-Kent

Chief Administrative Office

Corporate Initiatives

To: Mayor and Members of Council
From: Amy Wilcox, CPA, CMA, PMP
Manager, Corporate Initiatives
Date: September 30, 2015
Subject: Ridgetown District High School Sports Field Project

Recommendation

It is recommended that:

1. A municipal contribution of \$75,000.00 (25%) of the cost of the Ridgetown District High School Sports Field Project be considered under the following terms:

- a) The funds be paid through existing budgets as follows:

	<u>2016</u>	<u>2017</u>	<u>Total</u>
Community Partnership Fund	\$10,000	\$10,000	\$20,000

Where the group must apply for funding each year through the Community Partnership Fund process and the application will be ranked and prioritized for funding by the CPF Review Committee.

b) The balance of the funds (\$55,000) be deferred to the 2016 Budget Process and this financial request be discussed during budget deliberations and ranked among other community projects and requests for funding.

- c) That any approved funds be conditional on the following:
- matching donations being received from the community to a maximum of \$75,000
 - overall funding of the project (both capital and operating) being in place
 - construction of the project proceeding
 - no other requests for funding being received (e.g. waiving of permits, fees, property taxes, support for operations, etc.)
 - a repayment mechanism being in place for the municipal contribution based on

a 10 year, straight line, sliding scale in the event the Lambton-Kent District School Board decides to close the school and the community no longer has access to the facilities

d) Upon approval of funding, a legal agreement be entered into between the Municipality and the relevant parties, based on the Municipality's Standard Grant Agreement approved by Council, including the additional terms outlined in this report. The final terms of the Agreement shall be to the satisfaction of the Chief Legal Officer.

Background

At the Council meeting of September 28, 2015, Councillor VanDamme tabled the following notice of motion:

Whereas the Ridgetown Rotary Club is proposing the formation of a school-community partnership to invest \$300,000.00 in one-time costs at Ridgetown District High School (RDHS) for the creation of a sports track and sports field within the community of Ridgetown.

Whereas this project would benefit the students of RDHS (Ridgetown District High School) as well as the South East Kent community at large on several different fronts. Whereas the following community organizations have endorsed this project and have committed themselves as partners to the proposal:

- South Kent Wind
- Enbridge
- Libro
- Optimists of Ridgetown
- Ridgetown Rotary
- Independent Order of Oddfellows
- IODE
- Howard Mutual Foundation
- RDHS, combined with the Lambton Kent District School Board

Whereas the Lambton Kent District School Board has committed long term financial support for the ongoing and future operational maintenance of the sports field required once the capital investment has been made.

Whereas the Ridgetown Rotary is approaching the following as potential funding partners: Jays Care Field of Dreams, MLSE Team up Grant, Ministry of Physical Education in Secondary Schools Grant, Ontario Trillium Foundation Grant, Farm Credit Canada Agri-Spirit Fund, SWEB / IFC wind development.

Whereas Chatham Kent partnered with the Chatham-Kent Secondary School Athletic Complex in 2002 and contributed \$400,000.00 to the \$1.6 million dollar project (or 25%) of project costs.

Whereas Chatham-Kent partnered with the Dresden Community Development Association for the Lambton Kent Composite School Community Partnership in 2014 and contributed \$135,000 to the \$540,000 project or 25% of project costs.

Be it resolved that Chatham-Kent Council endorse a community capital leadership grant in the amount of \$75,000.00 (25%) as a one - time request.

Be it further resolved that Chatham-Kent administration prepare a report before council in the month of October 2015 for consideration of funds for this project which utilize

minimal budget impacts fair and consistent with the funding approved for previous community investments as they relate to sports fields.

Comments

The Ridgetown District High School athletic field is currently in need of repairs and improvements. The Ridgetown Rotary Club is proposing the formation of a school-community partnership to invest \$300,000.00 in one-time costs at Ridgetown District High School (RDHS) for the creation of a sports track and sports field within the community of Ridgetown. Please refer to the attached Ridgetown District High School Project Proposal for more detail. (Appendix 1)

Factors that should be addressed when considering this request:

Other school / community facilities supported by Council:

Chatham-Kent partnered with the Chatham-Kent Secondary School Athletic Complex to build an athletic facility and contributed \$400,000 to the \$1.6 m project (or 25%). A payment of \$25,000 was given in 2003 and an additional five payments of \$75,000 was distributed for this project for the years 2004 through 2008.

The Lambton-Kent Composite School Community Project received municipal contribution of \$134,500 (25%) in 2014 towards the cost of their project, with restrictions placed on the funding as outlined in 1(b), 1(c) and 1(d) in the recommendations section of this report.

Reviewing project documents for both has confirmed that these projects are similar in scope and that the Ridgetown District High School Project contains similar project components as the Chatham-Kent Secondary School Athletic Complex and the Lambton-Kent Composite School Community Project.

Overview of Chatham-Kent's Community Initiative Fund (CIF):

The CIF was implemented in 2001 by way of a 1.34% tax increase that raised approximately \$920,000 annually. That levy was reduced in 2009 as outlined in the following table:

CIF Revenue	
Year(s)	Amount Raised
2001 – 2008	\$920,000
2009 – 2015	\$675,000

CIF funds for 2015 are fully committed. Spending of \$1.5 M over four years for the Hospice project was approved with payments to begin in 2016 and continue through 2019.

Other possible requests for funding:

Requests for project funding often come (either simultaneously or in the future) with other asks. Examples include: the waiving of municipal permits, fees and revenues such as building permits, development charges or infrastructure services exemption from municipal taxes contributions toward operating expenses.

If Council approves the request for funding, we recommend that the grant be limited to distribution of funds as outlined in the CPF process and the balance of the funds given as a one-time capital contribution paid over time.

A commitment to long term service delivery:

A municipal contribution such as the one being requested is significant. Since the facility will be built on the property of a community partner, there should be a mechanism put in place to ensure public funds are used as proposed or, failing that, those public funds are reimbursed in a fair manner.

As such, we recommend that if the project is successfully approved by Council during 2016 Budget deliberations, that a ten year, straight line, sliding scale repayment requirement be put into an agreement with the facility owner. This agreement would see that either the facility operate as agreed upon for the next 10 years or the pro-rated amount of any grant be reimbursed to CK. For example, should the facility cease to be available to the public after 5 years, 50% would be reimbursed, after 6 years, 40% would be reimbursed, etc.

What is the optimal time for Council to consider such a request:

Ideally, requests that materially affect a budget should be discussed during that budget's deliberations. As outlined above, funding from the CIF is not available until 2016.

We have also reviewed applicable legislation and are not aware of anything that restricts Council's ability to make long-term commitments as requested in the notice of motion.

Other:

Other conditions that should be taken into account before a municipal grant is advanced include:

- a) overall funding of the project should be in place (both capital and operating)
- b) construction of the project is proceeding

Council Directions

The recommendation(s) in this report support the following Council Directions:

- Jobs:
Everyone in Chatham-Kent who wants to work is able to work in meaningful employment
- People:
Chatham-Kent is a welcoming community where people choose to live, learn, work, and play
- Health:
Chatham-Kent is a healthy, active, safe, accessible community within a healthy natural and built environment
- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Has the potential to support all Council Directions
- Neutral issues (does not support negatively or positively)

Consultation

The following were consulted on the proposed motion:

- Chief Administrative Officer
- Chief Financial Officer
- Director, Financial Services

- Legal Officer

Financial Implications

As noted in this report, should Council wish to implement Councillor VanDamme's notice of motion as stated, funding of \$20,000 could be approved from the Community Partnership Fund over two years (2016, 2017) with the balance of 25% of the project costs being deferred to the 2016 Budget Process.

Prepared by:

 Amy Wilcox, CPA, CMA, PMP
 Manager, Corporate Initiatives

Reviewed by:

 Mike Turner, CPA, CMA
 Chief Financial Officer

Reviewed by:

 Don Shropshire, MBA
 Chief Administrative Officer

Councillor VanDamme noted that he would be moving a motion slightly different than the recommendations in the report.

Councillor VanDamme moved, Councillor seconded:

“That

1. **A municipal contribution of \$75,000.00 (25%) of the cost of the Ridgetown District High School Sports Field Project be considered under the following terms:**

- a) **The funds be paid through existing budgets as follows:**

	<u>2016</u>	<u>Total</u>
Community Partnership Fund	\$10,000	\$10,000

Where the group must apply for funding each year through the Community Partnership Fund process and the application will be ranked and prioritized for funding by the CPF Review Committee.

- c) **That any approved funds be conditional on the following:**
 - **matching donations being received from the community to a maximum of \$75,000**

- overall funding of the project (both capital and operating) being in place
 - construction of the project proceeding
 - no other requests for funding being received (e.g. waiving of permits, fees, property taxes, support for operations, etc.)
 - a repayment mechanism being in place for the municipal contribution based on a 10 year, straight line, sliding scale in the event the Lambton-Kent District School Board decides to close the school and the community no longer has access to the facilities
- d) Upon approval of funding, a legal agreement be entered into between the Municipality and the relevant parties, based on the Municipality's Standard Grant Agreement approved by Council, including the additional terms outlined in this report. The final terms of the Agreement shall be to the satisfaction of the Chief Legal Officer.
2. Council direct administration to move from an appropriate reserve at budget time, enough money into the Community Improvement Fund to support this project and other similar sportsfield projects which qualify under CIF that will allow projects to meet their own individual deadlines for completion and success, with recommendations coming back to Council to facilitate the funding in the 2016 budget."

Councillor Myers sought clarification on who would be responsible for the repayment if the Lambton District School Board decides to close the school. Mayor Hope felt that an option for the sport field to be transferred to the municipality should be included in the agreement. The Chief Legal Officer noted that if the Lambton Kent District School Board does not agree to the repayment clause it could hold up the grant funding for the project.

The Mayor put the Motion

Councillor	Vote	Councillor	Vote
Authier	Yes	Myers	Yes
Bondy	Yes	Pinsonneault	Yes
Canniff	Yes	Robertson	Yes
Faas	Yes	Sulman	Yes
Fluker	Yes	Thompson	Yes
Herman	Yes	VanDamme	Yes
Leclair	Absent	Vercouteren	Yes
B. McGregor	Yes	Wesley	Yes
C. McGregor	Yes	Mayor Hope	Yes

Yes Votes: 17
No Votes: 0

Motion Carried

- b) Motion by Councillor Wesley re Wallaceburg District Secondary School and Tilbury District High School - Community and Lambton Kent District School Board, Track and Field Improvements

Councillor Herman requested that the Blenheim District High School be included in the motion for future discussion for a similar project. Councillor Wesley agreed to include Blenheim District High School in his motion.

Councillor Wesley moved, Councillor Fluker seconded:

“Whereas the Lambton Kent District School Board is undertaking school and community use projects at both W.D.S.S. and T.D.H.S. which will result in one-time costs as W.D.S.S. of \$535,000 and T.D.H.S. of \$450,000 for the creation and improvement of school and community use sports tracks and sports fields within the communities of Wallaceburg, North Kent, Tilbury, and West Kent;

Whereas these projects will support and benefit local students, sports teams (both school and non-school), charities, seniors, and residents;

Whereas the Lambton Kent District School Board has committed long term financial support for the ongoing and future operation and maintenance of the sports field required once the capital investment has been made;

Whereas Chatham-Kent partnered with the Chatham-Kent Secondary School Athletic Complex in 2002 and contributed \$400,000 to the \$1.6 million dollar project (or 25%) of project costs;

Whereas Chatham-Kent partnered with the Dresden Community Development Association for the Lambton Kent Composite School Community Partnership in 2014 and contributed \$135,000 to the \$540,000 project, or 25% of project costs; and,

Whereas Chatham-Kent recently passed a motion to support a similar partnership with the Ridgetown District High School and is looking to contribute \$75,000, or 25% of the total project costs of \$300,000.

Therefore be it resolved that the Chatham-Kent Council endorse a community capital leadership grant in the amount of \$133,750 (25%) for W.D.S.S., \$112,500 (25%) for T.D.H.S. as a one-time request and consider a future request from Blenheim District High School.

Be it further resolved that Chatham-Kent administration prepare a report for council in 2015 for consideration in the funding for these two projects that is consistent with the previous funding approvals for the other school and community projects noted above.”

Councillor Sulman requested that the report coming back to Council on these projects include the population of the high school and the feeder schools and if the school board has plans to close any schools in those areas.

Councillor Sulman felt that the repayment clause should include the provision for immediate repayment should the school board sell the property to a third party.

The Mayor put the Motion

Councillor	Vote	Councillor	Vote
Authier	Yes	Myers	Yes
Bondy	Yes	Pinsonneault	Yes
Canniff	Yes	Robertson	Yes
Faas	Yes	Sulman	Yes
Fluker	Yes	Thompson	Yes
Herman	Yes	VanDamme	Yes
Leclair	Absent	Vercouteren	Yes
B. McGregor	Yes	Wesley	Yes

C. McGregor	Yes	Mayor Hope	Yes
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Yes Votes: 17
No Votes: 0

Motion Carried

c) Strategic Priority Advisory Committee Appointment

Municipality of Chatham-Kent

Chief Administrative Office

Corporate Initiatives

To: Mayor and Members of Council
From: Deborah Furlan
Coordinator, Strategic Planning
Date: October 15, 2015
Subject: Strategic Priority Advisory Committee Appointment

Recommendation

It is recommended that:

1. Cliff Quinlan be appointed to the Strategic Priority Advisory Committee.

Background

On October 19, 2015, Council received, and was supportive of, a report from the interviewing sub-committee of the Strategic Priority Advisory Committee recommending applicant Cliff Quinlan, be appointed to the Strategic Priority Advisory Committee beginning in November 2015.

Comments

The Strategic Priority Advisory Committee is a skills-based board. The skills-based gap analysis illustrates the current citizen representation and respective areas of expertise. Cliff Quinlan is the General Manager of the Holiday Inn and Suites in Chatham. Cliff Quinlan would fill the Hospitality gap on the committee.

Recruitment efforts began in late March and continue today as there are two remaining vacancies on the committee.

Recruitment efforts have included conventional advertising in local papers, email blasts, Facebook, and word of mouth and will continue to be refreshed as time passes.

Skills-based Gap Analysis

#	Sector	Name
1	Advanced Manufacturing	gap
2	Agri-business	gap
3	Business Communications	Charlene Wranich
4	Demographics and Data	James Snyder
5	Education	Cliff Quinlan * C. Carmel McGregor *
6	Finance and Economics	Bob Dye
7	Healthcare	Zoja Holman
8	Hospitality	Cliff Quinlan
9	Power and Energy	gap
10	Public Administration	Zoja Holman
11	Retail	Gary Edwards Cliff Quinlan *
12	Systems Integration	James Snyder
13	Technology and Innovation	gap

* non-voting member

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Technology Services	One Time requirement for Technical Trainer to provide technical training to staff - 1 year contract	S	\$91,310	1.00

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

Why invest in technical training?

There have been many different and newer technologies implemented across the organization within all business units. This technology has been implemented to create efficiencies and increase effectiveness with respect to customer service, Citizen Service, and overall communications. An increase in overall technical training for corporate staff would ensure that the investments made in the technology result in the internal effectiveness and efficiency return on investments that these new technology tools bring to our organization.

Without the investment in a corporate technical trainer for our corporate staff, the additional, newer, and improved technology tools will never be utilized to their full capacity or fully understood. Staff may therefore never know or realize the most effective ways to utilize these tools that may result in reduced overall time and effort to complete daily tasks.

A technical training program will allow the Municipality to further strengthen and improve upon existing employee skill sets. A development program relating to how technology can be used within current business processes, brings employees to a higher level of capacity and operation in performing their tasks. Workplace improvements in using technology and technology tools also helps to increase consistency in business processes, more knowledgeable and competent staff, increased productivity, and improved workplace culture and morale.

Overall, the corporate investments in technology can be maximized by increasing the employee level of skillset and knowledge of the technical resources we have deployed today.

As an example, training staff to become 1-2% more effective in the use of Outlook email would provide overall efficiencies within positions by increasing the ability to respond to requests quicker, sort and prioritize the requests, and provide follow-up, resulting in better overall customer service and effectiveness of general email management.

Questions?

What percentage of your employee's time is spent using a computer to complete tasks?

How much time are employees spending manipulating data in excel or generating reports?

How much time is spent on basic data entry?

Our employee's may have been using these tools in their current job role, but do they know the most effective ways to utilize these tools?

Recommendations:

- 1.) Secure a 1 year contract FTE resource as an IT technical trainer to train organizational staff in the use of current technical tools.
- 2.) Promote and communicate ways that employees can be more efficient and effective through the use of the technical tools at hand today.
- 3.) Focus on functional technical training (areas with specialized activities) for specific roles.
- 4.) Measure the effectiveness of the training through skills testing prior to and after training.
- 5.) Approve staff time for increased internal training and support this direction.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Technology Services	Deskless Users (approx. 1200 new computer users) who currently don't have access to standard Microsoft technology	B	\$312,126	2.00
FBIS	ITS	ITS Corporate Programs	One time licensing and laptop	S	\$41,704	

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

This budget submission allows for the approximately 1200 deskless employee's to access our current standard Microsoft technology. Microsoft technology is our base foundational platform that all other technology we use is built upon. This is a Business driven request - Request/Need of the Corporation, not a request from ITS. This will support the improved communications strategy, People Plan support and for those business units who have requested technology access for their deskless employee's. (FBIS025 grouping)

As our corporate and departmental business processes mature, Information technology is playing an increasingly integral part to Chatham-Kent maintaining and increasing operational efficiency. The hurdle brought forth through this budget submission, is the cost of the licensing and the increase in ITS FTE to support an additional 1200 users with access to this technology. These users are generally the employee who does not have a desk and a computer assigned to them. They are the field workers, mobile workers, labourers and/or the volunteers. This would provide the foundation to being able to utilize such technology. This request also recommends that the contract 1 year position as a "technical trainer" be approved to assist with training of the new 1200 deskless workers and also train our current staff using technology. This combined request provides an opportunity to the organization to maximize collaboration between all employees.

This budget submission excludes providing physical computer technology (eg. mobile device such as tablet or smartphones). This would provide the foundation for the mobile devices or computers/tablets to being able to utilize such technology.

In today's Information economy business that connect its people to information, technology, and knowledge are the business's that operate efficiently and effectively.

Use Cases

Corporate two-way Communication - SharePoint, Email, Instant Message - All Employee's

Departmental two-way Communication - Department SharePoint Sites, Department Emails, Instant Message, Training accessing through Sharepoint
Information and business process - real-time information or status updates, accessing files, forms, collaboration

Access to:

Microsoft SharePoint

Microsoft Email

Microsoft Office (web application)

Access from:

Any Kiosk Machine at Chatham-Kent (~40)

Public access Computers (Library)

Home Computers (Any home computer or any other computer with internet)

Cellular Device

Bring your Own Device (Requires Wi-Fi)

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Deskless Access Requested by business units: (approx. 1135)

People Plan

Corporate Communication

HFS (Senior Services approx. 343, Housing 24, Children's Services 39)

Fire (approx 331)

Community Services (approx 242)

Library (approx. 67)

PUC

IES (Public Works approx. 145, Drainage/Envir. 19)

Parks and Recreations

Customer Service (approx 6)

Students (approx. 171 - note: Students are not included in counts)

etc.

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
FBIS	ITS	Technology Services	Bring Your Own Device (BYOD) - purchase of service and 1 FTE -ongoing costs to support 200 staff with non standard personal access to municipal network (ie. computers, tablets)	B	\$145,614	1.00

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

BYOD Computer and Tablets (Non Standard Personal Devices)

Bring your Own Device - BYOD refers to the policy of permitting employees to bring personally owned mobile devices (laptops, tablets, and smart phones) to their workplace, and to use those devices to access privileged company information and applications. (FBIS030 grouping)

ITS receives frequent requests for BYOD, and have found many personal devices on our network (in violation of the acceptable use policy). Business units and employees have repeatedly requested to be able to bring in their own devices and utilized them for business and personal.

To be effective with a BYOD policy we need to be able to have the technology and the software licensing to enable this type of functionality. Commonly the standard for connecting BYOD devices to the networks through Wi-Fi. Therefore, we need Wi-Fi deployed where BYOD is to be used. A separate budget submission has included the support and technology request for Wi-Fi. This request is to deploy the infrastructure and software required to connect Personal Computers to Municipal Resources and applications securely. This Infrastructure and budget requested would support 200 BYOD Devices. Also, BYOD will have limits to what applications can be accessed in this fashion – legacy applications not built to meet the form factor of personal devices will not operate smoothly. This infrastructure would be net new infrastructure to run this feature set. Most companies that deploy BYOD have significant portions of the required infrastructure already in place (along with the FTE support) that would minimize the infrastructure costs. Policies would need to be developed and adhered to. Many concerns would need to be addressed; Legal advice, health and safety, ergonomics, risk mitigation and priority of determining which municipal employee meets the first eligible 200 users. We would maximize on other companies and municipalities that have proceeded with BYOD to efficiently re-use BYOD policies and procedures.

Recommendations

- 1.) Approve Wi-Fi Network Budget Submission.
- 2.) Defer this request until it become more cost effective with Infrastructure already in place.
- 3.) Determine priority/business case to be approved for the 200 user group.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

Supplementary Budget – Briefing Note**2016 Budget***One page brief per request***Briefing Note required for:****-items >\$50,000****-changes in FTE**

Dept	Division	Business Unit	Item	Base Supp	Amount	FTE Impact
IES	Public Works		Phase In Winter Control Budget Shortfall year 1 of 3	B	\$300,000	0

BACKGROUND:

-BRIEFLY provide why this is a request
(eg. Based on 3 year history)

A trend analysis for winter control since 2001 shows that the cost for an average winter for 2016 is estimated at \$5.38M. The base winter control budget was set at \$4.36 M in 2015, which is a shortcoming of \$1.02M. Recent shortcoming from two heavy winters were covered with reserve funds and funds from other underspent areas. The Ontario Minimum Maintenance Standards are legislated under the Municipal Act and cover some aspects for winter control service level on roads. This service is currently funded from the entire tax base.

COMMENT:

- provide any further details if required, impact to user fees, etc
(eg. Gross expenses, any revenues, subsidies, etc.)

The principle of having sustainable winter control spending is to budget funds for an average winter. When there is a mild winter, reserves will be built up and when there is a heavy winter the reserves will be used to cover shortcomings. It is assumed that the service level is expected to remain the same. The Municipality cannot go below the Minimum Maintenance Standards without being in contravention of the Municipal Act. However, the areas of service level that are not regulated could be reduced with Council approval.

There is no need to adjust the permanent FTE complement to meet the needs of an average winter. Fluctuation for mild and heavy winters is adjusted through increase or reduction of temporary, short term staff, contractors, and overtime.