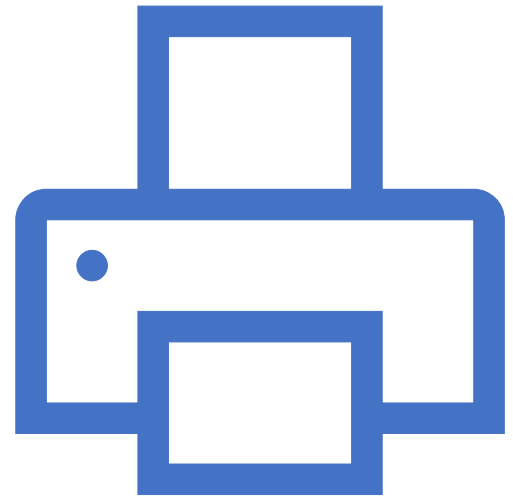


November 2021

Township of Armstrong Service Delivery Review



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Disclaimer

This management consulting report summarizes complex matters pertaining to legislation, policies, practices and estimates that are subject to constant change. This report relies largely on information provided by the municipality and other sources. While we endeavour to verify information received, we make no guarantees as to the accuracy of information provided by others. This report identifies matters that may require professional advice from other practitioners. As such, this report should not be relied on as a substitute for specialized advice including but not limited to legal, municipal audit or other experts. Estimates are subject to variability and volatility due to COVID-19, market trends and other factors and should be confirmed through competitive procurement.

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Executive Summary

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

Executive Summary: Background

In 2019, a newly elected Council undertook a visioning exercise to assist in setting strategic priorities for the Township over the term of Council. Human resources matters were identified as one of the Township's top priorities during the visioning exercise. To respond to many of the human resources issues raised, Council authorized preparation of a third-party Organizational Review. The project scope included a review of the Township's current organizational structure, staffing resources, general operations, as well as other related topics.

In September 2020, Municipal Government Wayfinders Ltd. (MGW) was retained to undertake an Organizational Review. Typically, organizational reviews follow service delivery reviews. As such, it was necessary to become familiar with the Township's services in order to propose a recommended optimal organizational design. During our consultations and analysis, we noted a few service delivery concerns, which if left unaddressed could contribute to inefficiencies, lower quality outputs, potential risks, and/or statutory non-compliance issues.

Executive Summary: Background

Our final Organizational Review report identified the more prominent service delivery concerns, noted during our scoped review, and provided recommendations to address them. We understand that the Township has already taken steps to address many of the issues noted and we commend these actions. The work completed in support of the Organizational Review offers several collateral benefits related to the current service delivery review. These benefits include data collection synergies and cost efficiencies.

Executive Summary: About the Township

The Township of Armstrong is a single tier municipality situated in the District of Timiskaming. Armstrong is located approximately 250kms from the City of Sudbury, 183kms from the City of North Bay and 60kms from the Town of Kirkland Lake. Located in the Township of Armstrong is the community Earleton, which is situated on Highway 11 approximately 30kms from Lake Timiskaming.

2016 census data places the Township's population at 1,166, down 4.2% from 2011 when the population was 1,216. According to 2021 OMPF data, there are 543 households, of which census data indicates almost 400 are detached homes. Two person households make up the largest household type at 185 and one person households are a close second at 140. First official language data from the 2016 census for the total population of the Township, excluding institutional residents, indicates that English speaking residents make up 41.2% (480 residents) whereas French speaking residents have a slight majority at 57.9% (675 residents). This split is an important consideration for the Township.

Executive Summary: About the Township

The 2021 Ontario Municipal Partnership Fund (OMPF) grant for the Township was \$392,900, down from \$411,100 in 2020. The Township received \$259,600 in service modernization funding from the province in 2019, which has been fully allocated to various initiatives.

During the organizational review, we noted that the Township has an Asset Management Plan (AMP) and a Tangible Capital Asset Policy (TCAP). However, Armstrong does not yet have many comprehensive long-range financial strategies, such as a long-range capital forecast (LRCF), or a vehicles and equipment replacement policy (VERP). We noted that these documents are the essential building blocks of a sustainable pay-as-you-go (PAYG) financial model. These additional plans and policies are critically important for the annual budget process. We have delved deeper into these topics through this review.

Executive Summary: About the Township

The Township provides municipal water and wastewater servicing within urban service areas. Staff indicates there is ample residual water and wastewater capacity to accommodate additional growth. However, we note that there is currently no master servicing plan in place to verify capacities or to plan for future needs.

The Township provides library services through a Library Board appointed by Council pursuant to the *Public Libraries Act*. The Township provides annual funding to the Library Board. Information provided for 2020 and 2021 indicates funding amounted to \$57,231 and \$45,492, respectively. In the past, the Township has experienced challenges maintaining Library Board membership; however, a new Board is now in place. During our review, the Library's CEO announced her retirement and the Board was seeking a replacement.

Executive Summary: About the Township

The Township is governed by a five-member Council, including a Mayor and four Councillors. Two members recently resigned before completing their terms; one has since been replaced. Council generally meets twice per month on the second and fourth Wednesday of the month, except for the months of July, August, and December when Council convenes once per month.

By-law 2019-01 appoints members to ten (10) committees of which one is a local board (Library), and one is a committee of adjustment. In addition, Council members are appointed to six (6) external committees and one (1) member is appointed to a local board. This amounts to involvement in seventeen (17) committees or boards, which is high.

There does not always appear to be clear governance oversight of committee decision making. We were informed that committees do not have terms of reference. It would be helpful to address this going forward.

Executive Summary: Review Process

During the Organizational Review we conducted targeted interviews with Council and staff. The focus of those interviews was workforce, organizational structure(s), organizational efficiencies and other human resources matters. Interviews helped inform such things as a new organizational design, job description content and pay grid discussions. The information collected was helpful to inform portions of this review; however, it was necessary to broaden our inquiries to fully inform recommendations.

Our team commenced its research by reviewing a list of background documents including plans, policies, by-laws, census data, FIRs, OMPF data, reports, studies and other pertinent information.

In May 2021, due to physical distancing requirements caused by COVID-19, our team video-conferenced additional interviews with members of Council, staff and local stakeholders. During these interviews, over 270 service delivery items and process topics were reviewed.

Executive Summary: Review Process

Several follow up interviews or inquiries were conducted with staff on an as need basis. Our team also conducted interviews with the Township's Auditor and the Water Financial Plan consultant.

In June 2021, with proper COVID-19 distancing and PPE practices, a member of our team visited municipal facilities and toured the Township to further help ground-truth the environs.

Document and data review, comprehensive interviews, and physical ground-truthing have all helped to inform our findings and recommendations.

Executive Summary: Financial Realities

As part of the Organizational Review, we conducted a high-level review of the Township's financial position. For this Service Delivery Review, we have completed additional financial reviews to supplement our preliminary reviews. The financial discussions in this report are best-practice based and are supported by extensive consultations, research and analysis. Evidence based financial data for both the Township of Armstrong and its municipal comparators is included in [Appendices 2, 3 and 4](#).

Our financial reviews included a review of the Township's Financial Information Returns (FIR's), Ontario Municipal Partnership Fund (OMPF) data, Census data, Audited Financial Statements, Municipal Budgets, Tangible Capital Asset (TCA) data and Asset Management Plans (AMP).

Overall, the Township's finances are in reasonable shape. However, we continue to have some concerns with reserves, related capital investment and historically large annual financial deficits. These should be discussed with the Township's Auditor.

Executive Summary: Financial Realities

The Township's residential tax base represents only 56% of the Township's overall tax base and the weighted residential assessment is approximately \$265,000 per household. Both are strong financial indicators for a Township of Armstrong's size. The municipality runs quite lean, both in human and financial resources, while still providing reasonable core services at good value to its ratepayers. This will provide a strong foundation on which to address financial concerns.

Armstrong's 2019 residential taxes were approximately \$1,369 per household, as compared to a higher average of approximately \$1,999 per household for the comparators. It is important to note that the comparator average differs from our Organizational Review, as that review was focused on local employment comparisons only. This review considers a broader range of service delivery comparisons. While the relatively low residential tax rates provide an opportunity to fund new or enhanced service levels and/or increased infrastructure investments, our interviews indicate that low taxes remain important to the municipality. Navigating these competing priorities, will require some challenging decisions moving forward.

Executive Summary: Financial Realities

Like other municipalities, the Township of Armstrong is facing challenges maintaining its aging infrastructure. According to the Association of Municipalities of Ontario (AMO): *“Municipal governments own more of Ontario’s infrastructure than any other order of government. These facilities are essential to our economic prosperity, health and quality of life. It was estimated in 2008 that Ontario faces a municipal infrastructure gap of \$60 billion that will take 10 years to close, leaving municipal governments with a bill of \$6 billion each year.”*

Capital investment over the past 10 years has been approximately \$2M less than the related amortization of the TCA’s. This deficit also does not account for inflation. Over the same 10-year period, the average annual deficit has been over \$400,000.

Referring to the Financial Indicators in [Appendix 4](#), debt servicing remains marginally high, but is scheduled to be fully paid out in 2021. Once debt servicing payments are complete, these funds should be redirected to asset management investments annually. This will be a way of increasing investment in capital assets, without impacting the current tax levy.

Executive Summary: Financial Realities

To assist in responding to the ever-widening infrastructure gap, Armstrong has adopted asset management policies and procedures. However, we did note gaps in the asset management policies and practices. Of particular concern, was the historical valuations of the municipalities tangible capital assets (TCA's). We noted several large discrepancies in the TCA valuations, between the municipality's financial statements and their asset management plans. We are also concerned that many of the TCA's historical valuations are significantly understated.

Accurate valuations of the TCA's are critical for asset management, financial planning and for achieving success in capital grant applications. TCA valuations should be addressed as soon as possible, in conjunction with our recommended update to the AMP ([Topic AM-01](#)). We also noted that there is currently no Long-Range Capital Forecast (LRCF) to provide linkages from the asset management plan to financial strategies to support actioning life cycling requirements.

Executive Summary: Financial Realities

While reserve levels appear to be generally adequate, we feel that capital reserves and/or investments are substantially underfunded. Of note is the landfill reserve, which has not been funded over the past several years and does not appear to address the financial needs of closure and post closure care of the landfill site. This should be reviewed as soon as possible. In addition, while reserves exist, we were advised that Reserve and Reserve Fund Policies (RRFP) do not exist. We recommend that a RRFP be developed to guide use of reserves and reserve funds ([Topic AF-07](#)).

It is not fully understood yet how the pandemic and resulting financial instability may impact Canada's municipal sector over the mid to longer terms. In July 2020, the Federal and Provincial governments introduced a COVID-19 funding assistance program for Ontario municipalities. We expect COVID funding assistance to be short-lived given steep increases to government debt. Careful monitoring and planning will be essential, as we believe there will be significant long-term implications for municipalities who rely on the provincial and federal governments for financial assistance.

Executive Summary: Service Delivery Review

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

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

Executive Summary: Service Delivery Review

Armstrong's administration is transitioning to a new organizational structure using a senior management team (SMT) with a CAO who reports to Council. We believe this model will serve the municipality well and so far, it appears to be evolving well. With a new structure in place, the time is ripe to continue with the positive momentum and implement outcomes of the service delivery review. The CAO has discussed a desire to implement several best practices to enhance services and is already working on some of those changes. This is laudable.

A SDR is a “critical analysis” of municipal operations, meaning it is a form of observation and evaluation culminating in opinions to help identify opportunities for continuous improvement. Although a critical analysis approach is taken, the feedback provided should not be construed as a criticism of past staff performance or Council decisions. On the contrary, our feedback should be viewed as best practice and professional advice in the form of “Opportunities for Improvement”. Although financial topics are discussed, **a SDR is not an accounting, financial or forensic audit.**

Executive Summary: Observations

Council is supportive of this review and wants the Township to achieve great things. The decision by Council to undertake this review is pro-active and demonstrates their commitment to continuous improvement for their community. Feedback acquired during interviews with Council, staff and several local stakeholders was very consistent and helped establish many commonalities. This is helpful in developing recommendations.

The Township's workforce is small, yet nimble and efficient at delivering many core services. For example, plow operators can complete a first pass during winter control within a four-hour window. Another example is the use of a labourer-operator "pool of employees" who toggle as needed between public works and waterworks departments. While there may be a few minor risks with this model, the Township has been effective at mitigating against any major issues. This may be due to the relatively new age of underground infrastructure. As such, it may require a shift in approach as the underground infrastructure ages. This should be monitored over time.

Executive Summary: A Fork in the Road

The Township is not dissimilar to many small rural Ontario municipalities. For the most part, Armstrong has chosen to focus on delivering basic core services at affordable rates for its rate payers and users. This is likely due to limited resources. There is nothing wrong with this approach. In our opinion, Armstrong is quite effective at delivering basic core services. We have rated many core services such as winter control, water and sewer operations as **very good**.

There may be opportunities to consider expanded service offerings that present a “fork in the road” of sorts for the Township. Does the Township wish to continue its current path of affordable basic service delivery? Or does it wish to pursue other ventures that may deliver enhanced local service offerings, as well as other collaterally beneficial services at a cost? For example, economic growth can generate increased tax revenues, community revitalization and enhanced local services. Is the Township interested in pursuing economic development opportunities that come with added Township investment?

Executive Summary: A Fork in the Road

Another important question is, are the ongoing operational costs and significant future capital costs of the Recreation Center sustainable?

These are big decisions that Council should make with input from the community. A Strategic Planning process is planned for 2022. This is best venue to ask these questions. We discuss the opportunities further in this report.

To gain a sense of the Township's preferred direction we interviewed members of Council. Most members of Council participated. Generally, Council was unified in its desire to continue its current path of delivering basic core services rather than expanding services at added costs. Council's feedback helped inform our recommendations. As such, we focused most of our recommendations on core services, ancillary matters and regulatory requirements. We do recommend that the Township consult with the community on this topic during its 2022 strategic planning process.

Executive Summary: Local Internet Service

As we have seen with the impacts of the COVID-19 pandemic, internet service can play a critical role for business continuity solutions. In addition, many residents and businesses find it challenging to attend municipal offices during regular business hours. To respond, municipalities across the country are looking at improvements to help stakeholders conduct business with their municipality due to COVID-19 and work-life challenges. From an economic development perspective reliable internet is essential for business attraction and retention. Poor internet service can result in loss of existing businesses as well as lost business attraction opportunities.

Like many rural Ontario municipalities, internet service in Armstrong is generally poor. The CAO is wisely investigating short to medium term solutions; however, these may not respond to all challenges. Recent satellite internet service offerings are improving service. Unfortunately, this option is costly for many users, and it only improves services on a per home or per business basis.

Executive Summary: Local Internet Service

In August 2021, the province of Ontario [announced projects to enhance internet services in the northeast](#) through a partnership with the federal government. Earlton was specifically mentioned along with approximately 30 other jurisdictions to receive \$10.3M to improve internet services to 10,349 residences and businesses. Unfortunately, there is little additional details about how this might unfold and what the actual solution(s) would be for Earlton and the broader Armstrong community. Seeking clarity will be essential to inform Armstrong's long-term service delivery strategies.

Executive Summary: COVID-19

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. COVID-19 has since impacted business continuity across virtually all sectors worldwide, including Ontario municipalities.

The spread of COVID-19 and its multiple waves has been unprecedented. The pandemic has resulted in high volatility and the necessity for rapid changes to health care, social and workplace practices and the economy. Armstrong, like all municipalities, has experienced the impacts of COVID-19. Staff advise that data regarding cases within the Township boundaries is not readily available. However, we are advised that there was one workplace event. This suggests spread within the Township is relatively low.

The opportunities for improvement outlined in this SDR will help to respond to several of the impacts of COVID-19, as well as prepare Armstrong for other challenges.

Executive Summary: Opportunities for Improvement

We heard from Council, staff, and stakeholders that there are always opportunities for continuous improvement that will contribute to service delivery efficiencies or enhancements, and we concur.

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

- Priority setting through strategic planning and annual departmental work plans
- Development and implementation of long-range financial plans and strategies
- Fees paid and/or collected (garbage, water/wastewater, fire agreements, etc.)
- Standardization of reports
- Accelerated approval of the annual budget
- Increases to capital asset life cycling funding

Executive Summary: Opportunities for Improvement

- Health and safety, security and related topics

As noted, our recommendations should not be perceived negatively, but viewed as “opportunities for improvement”. Our report contains **67** recommendations. If implemented, they should help increase efficiencies, improve client experiences, enhance service delivery, mitigate risks, save money and/or protect the long-term interests of the Township and its rate payers.

Many recommendations come with **little to no new costs**. In fact, there are **47** recommendations that come with no, or less than \$1000 in new costs. Others come with costs or may be more complex to implement. It will be important to recognize that everything cannot be done at once. Actions should be prioritized with highest yield items rising to the top of the list.

The categories of recommendations are as follows:

- Administration: General, Clerks, Finance and Technology

Executive Summary: Opportunities for Improvement

- Asset Management
- By-law Enforcement
- Council
- Fire
- Health and Safety
- Human Resources
- Public Works
- Recreation
- Risk Management
- Strategic, Master and Long-Range Planning

Executive Summary: Opportunities for Improvement

Each category has been given a code and title for ease of reference. Also included is commentary regarding Issues, Concerns and Risks; Recommendations and Options; Benefits; and Estimated Possible Costs. **NOTE:** All costs are high-level estimates and exclude HST and travel. Estimates are subject to variability and should be confirmed through tendering or requests for quotation. This is particularly important due to the impact of COVID-19 on the economy and labour markets. In some cases, experts in specified fields should be consulted.

Our comments have been outlined in a concise slide format. Opportunities for improvement have been itemized in a matrix and included in [Appendix 1](#) for ease of reference.

As noted, each topic within the matrix has been given a recommended “Priority Ranking”, ranging from important to critical. A “Recommended Implementation” timeframe has also been suggested.

Executive Summary: Opportunities for Improvement

The estimated range of possible costs are as follows:

- **\$145,500** for the 1st year,
- **\$40,583** (average) years 2, 3 and 4 (**\$121,750** total),
- **\$145,500** future priorities, or if/when successful grants are acquired and,
- **\$61,250** in total additional annual costs **if all recommendations are fully implemented** including longer horizon items. Many should be offset by anticipated cost benefits and savings. **Known potential savings, revenues or equivalent efficiencies are estimated at up to \$182,300/yr.** There are also other opportunities for offsetting savings or revenues that will depend on Council decisions, timing and scope before they can be quantified.

Executive Summary: Opportunities for Improvement

NOTE: Staff time and unknown future costs are not included in the listing of possible estimated costs. All costs shown in the matrix ([Appendix 1](#)) are based on the higher range of estimated costs and could be less. See comment regarding COVID-19 on slide 30.

SDR goals and objectives should be achievable and affordable. In 2019, Armstrong received a Provincial Modernization Service Delivery Grant of \$259,600. Council has approved the allocation of those funds to several modernization and efficiency initiatives. The Township received additional funds through the Modernization Grant Intake for the completion of this review as well as an IT review. With future modernization intake opportunities, cost savings generated by our recommendations, other potential future grant opportunities and a strong commitment by Council and staff to prioritize and stick to the recommendations, we believe that our recommendations are both achievable and financially viable.

Administration

“Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning and focused effort.” Paul J. Meyer, pioneer of the self-improvement industry

Administration - General

Topic: AG-01 Work Orders

Issue/Concerns/Risks: The Township has some informal steps for handling the front-end of requests for service. However, without formal processes and procedures it can be difficult to action requests in a fair, consistent, timely or strategic manner *based on priority*. Currently, there is no formal tracking mechanism to monitor resolution progress or to report annual statistics to Council (back-end). There is an opportunity to leverage the new website to better manage and track work orders and service requests.

Recommendations/Options: Members of the senior management team (SMT) should develop formal processes and procedures for the handling, tracking and closing of requests for service. Processes and procedures should be clear and concise to ensure that requests are prioritized using a Work Order system. The website should (and can) offer a portal for submitting resident and business requests for service. Written or telephone requests could also be submitted for residents or businesses without computer access.

Administration - General

Topic: AG-01 Work Orders

All requests should be routed consistently through the work order processes. Front desk staff should triage work orders to ensure speedy action and tracking. Should a member of Council be contacted with a resident concern the resident should be directed to the website portal and the CAO should be made aware. The CAO should prepare an annual work order statistical report in conjunction with the annual Strategic Plan and budget presentations.

Benefits: Accelerates issue resolution. Ensures resources are applied consistently. Frees up significant staff time to direct to other service delivery priorities. Allows for tracking and collection of statistics for annual reporting to help inform Council budget discussions. This would equate to an estimated efficiency savings of \$16,800 per year.

Estimated Possible Costs: Cost of web portal is estimated at about \$16,000 to implement with data reporting and account roles added. Lost staff opportunity time will be improved. May be eligible for grant funding.

Administration - General

Topic: AG-02 Senior Management Team Meetings (SMT)

Issue/Concerns/Risks: With a new and transitioning organizational structure combined with the unplanned pressures caused by the COVID-19, senior management has not yet instituted regular meetings. The good news is that SMT already communicates quite well amongst themselves. By instituting regular SMT meetings it would allow SMT to “up their game” by leveraging the team’s collective wisdom, sharing information together, or discussing corporate issues and resolving problems as a team.

Recommendations/Options: Implement regular SMT meetings following council meetings to discuss non-time sensitive corporate and strategic issues. Stick to the meeting schedule. Use a standardized agenda format that encourages departmental participation and ownership in problem resolution.

Administration - General

Topic: AG-02 Senior Management Team Meetings (SMT)

Benefits: Team building. Employee growth and increased corporate knowledge. Satisfaction in resolving issues collectively. Leveraging the full wisdom of the team. More efficient use of time. Early problem resolution. Promotes decision making at the department level in a timely manner. Avoids conflict between departments. Promotes succession.

Estimated Possible Costs: None.

Administration - General

Topic: AG-03 Notice of Service Disruption

Issue/Concerns/Risks: Under the Customer Service Standard of the *Accessibility of Ontarians with Disabilities Act* (AODA), “service providers” must notify customers about temporary service disruptions. Temporary service disruptions happen when services that customers with disabilities might rely on are temporarily unavailable. While the Township *may be* exempt from this requirement due to its size, it does issue notices using common communications methods. However, it does not necessarily follow all AODA guidelines or requirements that should be treated as best practices regardless of applicability.

Recommendations/Options: Develop and implement an AODA compliant service disruption notice policy with protocols for all types of service disruptions. Utilize the newly developed website as a key communication tool.

Benefits: Compliance with AODA requirements/best practices. A better-informed public through a standard process. Client satisfaction. Inclusive community.

Estimated Possible Costs: None.

Administration - Clerks

Topic: AC-01 Delegation of Authority By-law

Issue/Concerns/Risks: Section 270 (1) of the *Municipal Act* requires that municipalities “adopt and maintain policies” with respect to the “delegation of its powers and duties”. The Township does not currently have a Delegation of Authority By-law. This leaves uncertainty about what staff can do to ensure uninterrupted service delivery and maintain business continuity. It further creates potential additional unnecessary tasks that can result in lost staff opportunity that could be redirected to other service delivery priorities.

Recommendations/Options: Complete a best practice review in order to develop a clear set of authorities allocated by Council to staff. Update the by-law regularly as conditions warrant.

Benefits: Compliance with *Municipal Act*. Clear lines of accountabilities. More efficient service delivery. Streamlining of processes and Council meetings.

Estimated Possible Costs: None. High rate of return related to staff efficiencies. Approximately one to two weeks of the CAO’s and Deputy Clerk’s time to prepare.

Administration - Clerks

Topic: AC-02 Terms of Reference - Committees

Issue/Concerns/Risks: The Procedural By-law references committees and establishes that the by-law applies to committees. We requested copies of the Terms of Reference (TORs) for committees established by Council. We were advised that they are not available. While the Procedural By-law sets out how meetings will occur from a procedural standpoint, it does not set mandates for committees. This poses questions regarding the role of committees, their mandates, and even authority of the committees to operate. There is also a very high number of committees and boards, seventeen (17) in total. Interviewees noted the number of committees is excessive and a probable impediment to getting work done due to the resourcing limitations.

As noted in our Operational Review, the Ontario Ombudsman defines a committee on the following page:

Administration - Clerks

Topic: AC-02 Terms of Reference - Committees

*“For the purposes of the open meeting provisions, a committee is defined as **any advisory or other committee, subcommittee or similar entity** of which at least 50% of the members are also members of one or more councils or local boards. A procedure by-law can also designate certain bodies to be committees.*

Committees must follow the open meeting rules, including providing public meeting notice, recording minutes, passing a resolution before closing a meeting, and restricting the discussion during the closed meeting to matters that fit within the exceptions.”

As noted, we were unable to acquire terms of reference for the committees. At least one of the committees is/was operating with a “quorum of council” and involved in making decisions that could be described as materially advancing the business of the Township. We understand that committees are not consistently reporting to Council. Therefore, Council may not be adequately informed of committee activities.

Administration - Clerks

Topic: AC-02 Terms of Reference - Committees

As a general practice, municipal activities must be properly documented and with a few exceptions, should be available for public review. In order to accomplish this, notice of meetings should be provided, the public should be able to attend the meetings and records of the meetings should be kept and made available upon request. Doing these required steps absorbs a lot of the Township's limited resources that could otherwise be directed to other Township service delivery priorities.

Recommendations/Options: Complete a comprehensive governance review with the view of moving towards a Committee of the Whole format supported by a limited number of other committees. Committees should cluster mandates together to derive synergies from related topics.

Administration - Clerks

Topic: AC-02 Terms of Reference - Committees

Benefits: By moving to a Committee of the Whole format, most of the Township's committee business could go through a single committee of the whole of Council. This would eliminate allocation of resources dedicated to multiple meeting preparation, attendance and postmortem functions. Synergies between related topics at a single committee will yield collateral coordination benefits. Clear TORs will allow for focused discussions regarding clear mandates. The committee of the whole format is by far the most common format for several best practice reasons. It has a proven track record of effectiveness, efficiencies, accountabilities and transparencies.

Estimated Possible Costs: None. High rate of return related to staff and council efficiencies. Approximately two to four weeks of the CAO's and Deputy Clerk's time to prepare research and prepare a best fit model for Council consideration.

Administration - Clerks

Topic: AC-03 Staff Reports and Reporting to Council

Issue/Concerns/Risks: The new administration has been transitioning to a more informative approach of reporting. Council is supportive of this approach and wishes to continue in this direction. Some reporting to Council tends to focus on micro or day-to-day functions (FYI reporting) with limited value. Some agenda content has arrived late (after release of a Council agenda).

Recommendations/Options: We recommend that a standardized report format be developed for reporting to Council. Day-to-day micro activities should not be included as Council agenda topics; however, annual statistical reports and data should be presented to Council as part of an annual Strategic Plan report during budget deliberations. This will help Council to be aware of resourcing capacity pressures when budget funding is discussed. Reporting to Council should be reserved for major decision making such as Strategic, Finance, Community Plans, Master Plans, etc. Council agendas should be provided to Council one week prior to the Council meeting, with all required content included. Late items should be deferred except under very rare or exceptional time sensitive circumstances.

Administration - Clerks

Topic: AC-03 Staff Reports and Reporting to Council

Benefits: Standardized reporting and timelines will make reporting expectations clear for staff and will be more efficient for Council to review. Removal of micro topics from Council agendas will make Council meetings more efficient and allow staff to redirect time saved to other service delivery priorities. Annual reporting will help inform Council's budget decision making. Early release of a complete Council agenda will set expectations and allow sufficient time for Council to review and consider pertinent content before discussing it.

Estimated Possible Costs: None to develop a standardized Council reporting format. Approximately one to two weeks of research by the Deputy Clerk to prepare an Armstrong centric format.

Administration - Clerks

Topic: AC-04 Records Retention By-law

Issue/Concerns/Risks: We were informed the Records Retention By-law requires an update. All operational by-laws should be reviewed and updated at least once every five (5) years to ensure they comply with applicable law and best practices.

Recommendations/Options: Establish a rotating list of critical by-law reviews to ensure by-laws are updated at least every five (5) years or sooner as legislation is amended. In the case of records retention, some electronic records management software suppliers provide a standard by-law in compliance with applicable law with annual updates at no extra cost. Review the by-law for legislative compliance or acquire as part of an Electronic Records Management system.

Benefits: Ensures that the Township is compliant with applicable law and best practices. Easy reference tool for speedy file disposition.

Estimated Possible Costs: None if completed in house; or as part of the annual fee for electronic records management software.

Administration - Clerks

Topic: AC-05 Routine Disclosure/Active Dissemination (RD/AD)

Issue/Concerns/Risks: Access to information pursuant to the *Municipal Freedom of Information and Protection of Privacy Act* requests can be draining on municipal resources. The Information and Privacy Commissioner (IPC) recommends development of a routine disclosure policy, as well as active dissemination. The Township does not have one.

The IPC states, and we agree: *“When general records are classified for RD/AD, and front-line staff are aware of the RD/AD classification, the result should be less work for institutions when responding to requests for information, and better customer service.”* https://www.ipc.on.ca/wp-content/uploads/resources/up-num_22.pdf

Recommendations/Options: Develop an RD/AD Policy. There are many best practice examples available to rely upon to develop one that fits for Armstrong.

Administration - Clerks

Topic: AC-05 Routine Disclosure/Active Dissemination (RD/AD)

Benefits: Accelerates release of information. More efficient use of staff time. Client satisfaction.

Estimated Possible Costs: None. Approximately one to two weeks of Deputy Clerk time to research.

Administration - Clerks

Topic: AC-06 MFIPPA Head

Issue/Concerns/Risks: Council is the head for *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) purposes, meaning that every decision regarding the release of information must flow through Council. This can be both time consuming and more burdensome on limited staff resources. Best practice is to appoint a staff member with extensive training and experience managing MFIPPA matters as the head. This accelerates the release of information by removing the added steps of bringing decisions to Council before being able to dispose of the requests. This also helps to keep confidential information in a tighter circle by limiting the number of people who would be exposed to it, thereby embracing the “need to know” principle.

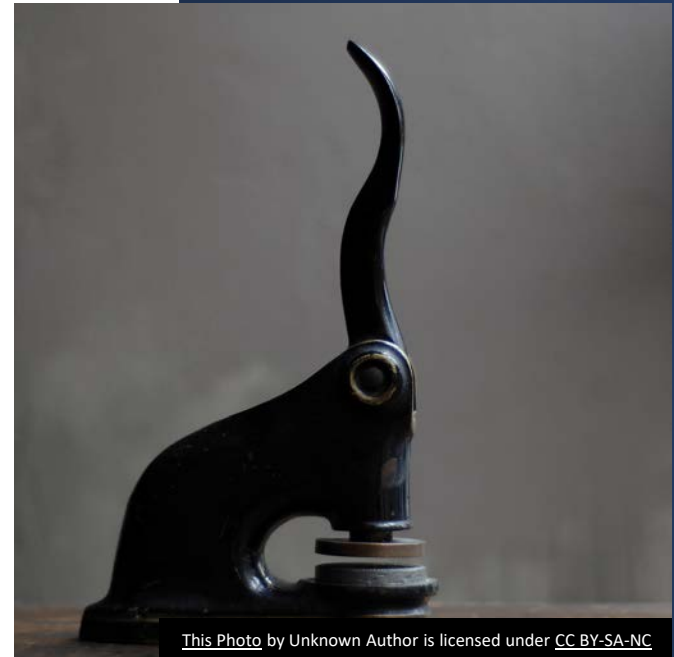
Recommendations/Options: Appoint the Clerk as the head for MFIPPA purposes and the Deputy Clerk as the fallback head in the absence of the Clerk. Include authority in the updated Delegation of Authority By-law ([Topic AC-01](#)).

Administration - Clerks

Topic: AC-06 MFIPPA Head

Benefits: Accelerates decision making. Reduces level of effort needed to dispose of requests, allowing for resources to be redeployed to other service delivery priorities. Keeps confidential matters to a smaller group of personnel who “need to know” about the information.

Estimated Possible Costs: None.



Administration - Clerks

Topic: AC-07 Council Agenda Forecasts (Advance Radar)

Issue/Concerns/Risks: We are advised that there is no mechanism in place to provide advance warning or plan for future legislative agenda items. Therefore, Council may not be aware of upcoming legislative agenda items and staff is not able to plan to ensure balanced agendas, or to keep all staff aware of upcoming agenda topics that may impact their mandates.

Recommendations/Options: Develop a standard “Advance Radar” list of all planned or known upcoming Council and committee agenda items for approximately three (3) to four (4) months into the future. Discuss and plan the list at regular Senior Management Team meetings to strategize as a team and share critical information. The Deputy Clerk should produce updates to the Advance Radar list every two weeks after each Senior Management Team meeting.

Administration - Clerks

Topic: AC-07 Council Agenda Forecasts (Advance Radar)

Benefits: Avoids last minute surprises. Ensures Council is aware of upcoming issues. Ensures coordination amongst internal stakeholders. Helps contribute to balanced, complete and on-time release of agendas. Useful for annual statistical reporting.

Estimated Possible Costs: None. Our firm can provide an example.

Administration - Clerks

Topic: AC-08 Tree Canopy and Natural Vegetation By-law

Issue/Concerns/Risks: Section 270 (1) of the *Municipal Act* requires that municipalities “adopt and maintain policies” with respect to the “manner in which the municipality will protect and enhance the tree canopy and natural vegetation in the municipality”. The Township has not yet adopted one.

Recommendations/Options: Adopt a By-law that satisfies the statutory requirements of the *Municipal Act*. While the *Municipal Act* requires that Council adopt a by-law it does not prescribe content. Therefore, Council has total discretion to adopt content in the by-law that suits the needs of the Township of Armstrong.

Benefits: Ensures that the Township is compliant with applicable law and best practices.

Estimated Possible Costs: None.

Administration - Clerks

Topic: AC-09 Appointment of Integrity Commissioner

Issue/Concerns/Risks: Section 223.3 of the *Municipal Act*, requires that a municipality either appoint its own Integrity Commissioner, or “make arrangements for all of the responsibilities set out in that subsection to be provided by a Commissioner of another municipality.” The Township did have an Integrity Commissioner; however, the appointment has expired.

Recommendations/Options: Adopt a by-law to appoint an Integrity Commissioner as soon as possible. There are three options. 1) Independently procure the services, 2) Procure the services from another municipality, or 3) Approach the TMSA to procure one Integrity Commissioner for as many TMSA partner municipalities that require the services today or as appointments expire. Our preference is option 3.

Benefits: Compliance with the *Municipal Act*. Timely handling of complaints. Partnering with another municipality or TMSA should result in reduced costs.

Administration - Clerks

Topic: AC-09 Appointment of Integrity Commissioner

Estimated Possible Costs: Integrity Commissioners typically only charge based on an hourly fee plus costs when acting on a matter within their contractual arrangement. If the Integrity Commissioner receives no complaints, there are typically no fees.

Administration - Finance

“Municipal governments face a balancing act in maintaining and potentially expanding services and facilities in a way that is fiscally sustainable. Pressures may come from maintaining and replacing aging infrastructure as well as from the need to service growth areas. To meet or balance these demands, your municipality must manage its finances effectively.”

Ontario Municipal Councillor’s Guide 2018

Administration - Finance

Topic: AF-01 Procurement Policies and Procedures By-law

Issue/Concerns/Risks: The Procurement Policies and Procedures By-law was updated in 2017. However, the by-law does not address obligatory International and Interprovincial Trade Agreements requirements. In addition, the by-law does not speak to “Total Acquisition Cost” for larger procurements. Cheaper up-front purchases frequently cost more to maintain over the life of the asset, adding significant additional financial burden on rate payers over the longer term. As such, the procurement process should be updated to address Total Acquisition Cost for larger acquisitions or expenditures.

The by-law is also in need of other amendments and edits. Our opinion is that the by-law requires several best practice procedures to execute procurement efficiently. Some examples include updates to reflect the new organizational structure, spending authorities, addition of requests for quotations for smaller purchases, changes to financial triggers for the formal tender process, etc.

Administration - Finance

Topic: AF-01 Procurement Policies and Procedures By-law

Recommendations/Options: Update the Procurement Policies and Procedures By-law to address trade requirements and other best practices. Attend AMCTO's "Contract Tendering and Legal Requirements for Municipalities". Clarify the By-law in terms of how bidders will provide information on Total Acquisition Costs over the life of larger assets so that Council can consider the upfront costs versus Total Acquisition Costs over the life of the asset. Update the By-law when conditions warrant and complete a comprehensive review at least every five years.

Benefits: Compliance with International and Interprovincial Trade laws and agreements. Ensures opportunities for best practiced based updates. Better long-term use of funds for major purchases.

Estimated Possible Costs: About two weeks of time for Deputy Treasurer. Training is nominal and would be funded through existing training budget.

Administration - Finance

Topic: AF-02 Intermunicipal and TMSA Partnerships

Issue/Concerns/Risks: Small and/or more remote municipalities experience challenges acquiring quality services at competitive prices due to their relatively low buying power and their distant locales. It is also challenging for municipalities to staff up for tasks that albeit may be very important, but do not amount to a full-time, or even part-time position. The result is that delivery of the task is not optimal or may not even be possible. Attempting to offer the tasks may place strain on small already near capacity municipal workforces. The result is ineffective service delivery.

There are opportunities to partner with other municipalities to deliver services in a mutually beneficial way. We have identified at least six (6) potential nearby municipalities to partner with (see [Appendix 5](#)). The Township is also already a member of the TMSA, which may be an excellent venue for soliciting partnerships on a range of services for such things as joint tendering, planning services, IT support, GIS services, by-law enforcement, audit, legal, waste collection and management, etc.

Administration - Finance

Topic: AF-02 Intermunicipal and TMSA Partnerships

Recommendations/Options: Consult with TMSA about expanding mutually beneficial services. Where TMSA is not a viable service provider, consult with nearby municipalities listed in [Appendix 5](#) as a practice for such things as joint tenders for construction, major acquisitions such as equipment, waste collection, by-law services etc.

Benefits: Significant potential for cost savings and efficiencies that could be redirected to other financial priorities. Increased capacity realized by staff can be redirected to other service delivery priorities. Increased or enhanced service offerings should result in increased client satisfaction. Enhanced expertise for various professional services (i.e. planner, IT, GIS, etc.).

Estimated Possible Costs: No cost to implement, but significant opportunity for cost and time savings potential depending on scope of service or projects.

Administration - Finance

Topic: AF-03 Bundle Capital Projects

Issue/Concerns/Risks: As discussed in [Topic AF-02](#), Armstrong is a relatively remote community, with limited local contractors or consultants to draw on for capital projects. This results in higher capital costs related to travel, accommodation, mobilization and lack of competition.

Recommendations/Options: Consider bundling smaller annual capital projects into a larger project done on a two-year cycle. For example, rather than two smaller road infrastructure projects done in successive years, combine two (2) projects into a single larger project done every other year.

Benefits: The same work priorities are still completed, with several cost benefits related to increased interest, competition, reduced travel, accommodation and mobilization costs. Can also significantly reduce both the administrative and supervising time requirements of municipal staff to oversee these projects.

Estimated Possible Costs: No cost to implement, but with significant but variable cost and time savings depending on scope of projects. May increase grant eligibility.

Administration - Finance

Topic: AF-04 Budget Approval Timelines

Issue/Concerns/Risks: Adoption of an annual budget establishes work plans and Council priorities for a given year. Without an approved budget, Council direction on expenditures is not established. An approved budget also establishes authority to spend. Township budgets have historically been approved later in the year. Later budget approval can impact service delivery, may give rise to expenditures that Council no longer feels are priorities, could result in budget exceedances, and usually contributes to **increased costs** as well as **delays** commencing capital work projects due to late tendering.

Recommendations/Options: Staff should commence budget preparations in June/July of the preceding year. A comprehensive budget document with a detailed budget presentation should be tabled with Council at the first meeting of January. Council should review the budget document and approve the budget within no more than one month. Budget recommendations should be based on strategic priorities, which have been approved by Council such as an AMP or other master plans.

Administration - Finance

Topic: AF-04 Budget Approval Timelines

Benefits: Establishes clear Council priorities for the year, *at the beginning of the year*. Ensures expenditures match Council priorities and that workplans will be developed based on Council budget priorities. Easier to monitor monthly variance reports. Avoids last minute less strategic decision making. Allows for comprehensive thought and decision making. Allows staff to prepare for seasonal capital works tenders during less busy winter months. Promotes better tender pricing due to early award of tenders. Avoids delays in tendered works.

Estimated Possible Costs: None.

Administration - Finance

Topic: AF-05 Long Range Capital Forecasts (LRCF)

Issue/Concerns/Risks: The Township references the Asset Management Plan (AMP) to help plan for its future capital expenditures. This is a good practice. Currently, the Township does not produce a long-range affordability analysis to bring its AMP priorities into the annual budgets. A 10-year Long Range Capital Forecast would assist the Township to financially plan for its AMP priorities in order that they can be properly funded over time.

Recommendations/Options: Prepare a Long-Range Capital Forecast (LRCF) of at least ten (10) years into the future. Integrate the LRCF with the AMP, other future master plans (i.e. Water and Wastewater Master Plan, Fire Master Plan), and ultimately the annual budget. Prepare an affordability analysis and strategy to ensure AMP priorities can be funded over the LRCF horizon.

Administration - Finance

Topic: AF-05 Long Range Capital Forecasts

Benefits: Helps mitigate against the need for sharp tax or rate increases, allowing for manageable incremental increases instead. Allows for balanced prioritization of capital expenditures. Informs the annual budget process. Helps avoid last minute crisis' due to failure of aged assets.

Estimated Possible Costs: Additional time for the SMT to prepare LRCF format. Our firm can provide examples.

Administration - Finance

Topic: AF-06 80% Discretionary Spending Rule

Issue/Concerns/Risks: An internal policy to guide staff to help mitigate against overages for discretionary expenditures would be helpful. This should help realize greater surpluses at the end of a budget year in order that they can be returned to source or applied to other critical reserves.

Recommendations/Options: Ensure that all management personnel receive monthly variance report training. Adopt an 80% spending cap for all discretionary spending. Once an account has reached 80% expenditure levels, all *discretionary spending* requires approval of the CAO (Treasurer). The intent is to ensure that only critical discretionary expenditures are incurred, thereby allowing for the probability of greater surpluses to be returned to source or reallocated by Council at year end. This does not apply to mission critical expenditures such as Fire or Winter Control.

Administration - Finance

Topic: AF-06 80% Discretionary Spending Rule

Benefits: Ensures enhanced accountability for discretionary expenses and the greater probability of year end surpluses to be allocated to reserves. Mitigates against budget overages.

Estimated Possible Costs: None but a high rate of return if followed.



This Photo by Unknown Author is licensed under [CC BY](#)

Administration - Finance

Topic: AF-07 Comprehensive Reserve and Reserve Fund Policy (RRFP)

Issue/Concerns/Risks: The Township has made significant progress over the past 10 years increasing reserves by over \$900,000. Over the same 10-year period the Township paid down debt by over \$550,000. This is commendable.

The Township does not yet have a comprehensive Reserve and Reserve Fund Policy (RRFP) to guide the use and contributions to reserves and reserve funds. The CAO did note an intent to develop an RRFP, and we concur this is required. Given that investment levels in TCA's are significantly underfunded, a RRFP would help ensure adequate reserves are in place to fund TCA investment and other financial liabilities. This should include the unfunded liability of the landfill closure and post closure care.

Administration - Finance

Topic: AF-07 Comprehensive Reserve and Reserve Fund Policy (RRFP)

Recommendations/Options: Develop a comprehensive best practice-based Reserve and Reserve Fund Policy that outlines minimum and maximum balances, allocation of funds and spending requirements. It should be integrated with the Long-Range Capital Forecast and master plans. Ensure that the annual budget plans for regular direct contributions into reserves as well as surpluses. Contributions should increase by no less than the rate of the previous year's inflation. Follow the new RRFP policy upon adoption. This is an essential step of the pay-as-you-go financial model.

Benefits: Mitigates against impacts of unplanned expenditures. Funds expenses from savings rather than having to exclusively rely on increased taxes and fees, debt or grants. Ensures “like funding” and “like expenses” are properly segregated. Helps to set up for manageable incremental budget increases.

Estimated Possible Costs: None. Two to four weeks for the CAO or Deputy Treasurer to prepare.

Administration - Finance

Topic: AF-08 Levy Stabilization Reserve

Issue/Concerns/Risks: The Township does not have a Levy Stabilization Reserve to be used in the event of an unplanned expenditure that could require sudden or sharp tax or fee increases.

Recommendations/Options: Research and develop a best practice-based Reserve and Reserve Fund Policy per [Topic AF-07](#). Include a Levy Stabilization Reserve. Fund the reserve from unplanned surpluses up to acceptable minimum and maximum balances.

Benefits: Mitigates against sudden or sharp tax or fee increases.

Estimated Possible Costs: None.

Administration - Finance

Topic: AF-09 Electronic Payment of Vendors (Accounts Payable)

Issue/Concerns/Risks: Paper administration of accounts payable is time consuming and more costly than electronic payment due to processing time, postage and office supplies. The Township pays a few vendors electronically.

Recommendations/Options: Consult with the Township's financial institution to arrange for electronic payment for all eligible vendors. Ensure that proper controls are in place to guard against misuse by ensuring adequate segregation of duties. Consult with the Township's Auditor for administrative controls.

Benefits: Will save lost staff opportunity time that can be reallocated to other service delivery priorities. Save on administrative costs.

Estimated Possible Costs: Will result in some administrative cost savings as noted.

Administration - Finance

Topic: AF-10 Comprehensive User Fee Study (Cost Recovery)

Issue/Concerns/Risks: It is considered best practice to rely on user fees to help offset the costs of a variety of municipal services. This transfers some or all the financial burden from the ratepayers to the actual users of services. Fees have not been recently studied to maximize cost recovery. We identified deficits in fee collection (i.e. Fire [Topic FD-07](#)) User fee studies should include an analysis of the operational and capital costs, hours of operation or number of events, user information, municipal comparators and Council policy. Council should adopt a policy that will determine the amount of cost recovery for various services between user fees and the tax levy. The goal is to transfer as much cost as possible to the users of the services, while still encouraging participation and affordability.

Recommendations/Options: Undertake a comprehensive user fee study of municipal services and update it annually as a by-law as part of the budget process.

Administration - Finance

Topic: AF-10 Comprehensive User Fee Study (Cost Recovery)

Best practice would usually see full cost recovery for most services except recreation, with the tax levy subsidizing some recreation user fees, particularly for youth and seniors.

Benefits: Better accountability and transparency of the actual cost of providing services. Depending on the service, shifts some or all the cost recovery from the tax levy to the users of the services. Potential to generate new offsetting revenues.

Estimated Possible Costs: If done internally would require some staff time, across all departments.

Administration - Finance

Topic: AF-11 Monthly Variance Reports

Issue/Concerns/Risks: Issuance of monthly variance reports to management staff is a necessity and a municipal financial best practice. We were advised that monthly variance reports are not consistent. Without monthly reports it can be very difficult to monitor accounts to ensure budget overages can be mitigated. This poses unnecessary and avoidable financial challenges or risks.

Recommendations/Options: Ensure that all management consistently receive up to date monthly variance reports throughout the year. Ensure managers are trained on variance report interpretation.

Benefits: Makes management's roles and responsibilities easier to fulfill. Ensures greater accountability. Mitigates against unnecessary budget overages. Potential for greater year end surpluses to be re-allocated to reserves.

Estimated Possible Costs: None but a high rate of return.

Administration - Finance

Topic: AF-12 Bi-annual Financial Reports

Issue/Concerns/Risks: One of the most important roles of Council is to make major financial decisions and oversee the Township's financial position on behalf of its constituents. Currently Council receives monthly status reports that consume staff time preparing and offer limited value. Monthly variance cost controls should be delegated to senior staff per [Topic AF-11](#). During our interviews, Council indicated a desire to receive comprehensive financial updates at key points of the year.

Recommendations/Options: Prepare a standardized Bi-annual Financial Report and presentation for Council in June and October. The report should include rolled up financial data at the departmental or cost center level (not account level). Also included should be unplanned budget pressures, staff awarded capital expenditures over \$10,000, reserve positions, and grant information. Remove routine monthly variance reporting from Council meetings.

Administration - Finance

Topic: AF-12 Bi-annual Financial Reports

Benefits: Greater clarity for decision makers. More accountability. Ability to adapt to unplanned financial pressures before they overtake the Township. Efficient use of staff time that could be redirected to other service delivery priorities.

Estimated Possible Costs: None. About one week of staff time to prepare report and presentation.



Administration - Finance

Topic: AF-13 Water and Wastewater Financial Plan (WWWFP)

Issue/Concerns/Risks: The Township recently completed a Water Financial Plan (WFP) in January 2021, pursuant to the *Safe Drinking Water Act* 2002, in accordance with O. Reg. 453/07. Our research has indicated several concerns related to the TCA historical valuations, including the water treatment and distribution assets, from which the WFP was based. The WFP also did not include financial planning for wastewater collection and treatment. This raises concerns that the current Water and Wastewater Rates and future capital planning decisions are based upon potentially inaccurate financial data.

Recommendations/Options: Following updating of the AMP ([Topic AM-01](#)), including updating and correcting the TCA historical valuations and amortization schedules, update the WFP. Also include financial planning for wastewater collection and treatment. Ensure the updated financial plan is for a period of 10 years, to align with a 10-year LRCF ([Topic AF-05](#)).

Administration - Finance

Topic: AF-13 Water and Wastewater Financial Plan

Benefits: Ensures that the updated Water and Wastewater Financial Plan (WWWFP) is based upon accurate replacement cost data. The updated WWWFP will ensure that rates are fully funding the operational and capital costs of this service. The 10-year WWWFP will accurately inform the LRCF, from which future capital planning will be based.

Estimated Possible Costs: Approximate cost in the range of \$15,000. The cost can be amortized into the future water and wastewater rates.

Administration - Finance

Topic: AF-14 Pipeline Tax Ratios

Issue/Concerns/Risks: With reference to [Appendix 2F](#), the taxation revenue from pipeline assessment in the Township is considerably less than similar taxation revenue collected by a sampling of four other northern Ontario municipalities. In 2019 Armstrong's pipeline taxation was approximately \$11.60 per \$1,000 of pipeline taxable assessment, compared to an average of \$16.42 and a weighted average of \$15.37 for the other municipalities.

Recommendations/Options: In consultation with the municipal auditor raise the pipeline taxation ratio from 1.194038 to the Township's equivalent commercial tax ratio of 1.568181. This would raise the level of taxation to \$15.24 per \$1,000 of pipeline taxable assessment, which is still lower than the comparable municipalities. This would be fair and defensible. Allocate new revenues realized by the change to gaps in infrastructure funding.

Administration - Finance

Topic: AF-14 Pipeline Tax Ratios

Benefits: Increases the taxation revenue from pipeline assessment to be more in line with other municipalities, while not increasing the taxes of other residents and businesses. Generates new revenue to be applied to the infrastructure funding deficit.

Estimated Possible Costs: No cost to implement. Estimated increased taxation from pipelines of approximately \$65,000 annually.

Administration - Technology

“ . . .it’s imperative for enterprises to build in the necessary operational resiliency to survive this new reality. The COVID-19 pandemic has showcased the value of IT and digital transformation and organizations should use this time to accelerate the transition.” Forbes: Dean Nicolls, VP Global Marketing, Jumio

Administration - Technology

Topic: AT-01 IT Infrastructure Upgrades

Issue/Concerns/Risks: The Township retained the services of a qualified independent IT consultant to assess the Township's aged IT infrastructure and make recommendations to bring the Township's IT infrastructure up to an acceptable standard. The IT review occurred concurrent to the SDR. We were requested to review the IT proposal from a service delivery standpoint, not a technical one. In general, the IT proposal is reasonable and logical, however, it requires additional details and clarifications before it should be accepted by the Township.

Recommendations/Options: 1) As the IT proposal speaks largely to IT security vulnerabilities and security measures, it should be dealt with as a confidential matter pursuant to section 239 (2) a) of the *Municipal Act*, 2) Ensure that separate and fully redundant server back-ups occur regularly, 3) Ensure that Topics [AT-06](#) and [RM-05](#) are fully addressed by the IT consultant, and 4) Ensure that Topics [AT-05](#) and [RM-06](#) are fully addressed by the Township.

Administration - Technology

Topic: AT-01 IT Infrastructure Upgrades

Benefits: Enhanced business continuity. Ability to work remotely during emergencies, travel or after hours. Enhanced IT security. Redundant back-ups of critical data protect the integrity of sensitive information and critical software. Improved client experiences.

Estimated Possible Costs: The IT consultant has estimated \$67,060 in hard costs. We believe that estimate may be somewhat understated due to annual licensing or other annual fees, as well as costs associated with the provision of a true redundant back-up server. HST does not appear to be included in the estimate. This should be clarified. We estimate a potential for \$5,000 in additional fees excluding HST. Redundant backup server solutions vary significantly and therefore, the cost could be much less. The IT consultant offers a back-up solution through cloud options as well that are very affordable; however, cloud storage does come with potential disadvantages.

Administration - Technology

Topic: AT-02 Electronic Records Management

Issue/Concerns/Risks: The Township does not have a true Electronic Records Management System. It could take hours or even days or weeks to locate paper records. Lost staff time is significant. Every record held by the Township is a potential liability; therefore, it is critical that files are disposed of when retention periods have expired. Paper records are difficult to track for retention and disposal purposes and often get forgotten.

Recommendations/Options: Issue a request for proposal for a municipal electronic records management system with automated retention and disposal capabilities. Update the Township's [Records Retention By-law](#) as required. Hire a records management intern to assist in disposing of any expired hard copy records under the supervision of the Deputy Clerk. Develop a strategy to scan critical records by priority until fully caught up. Leverage paperless workflow capabilities of a municipal electronic records management system to increase efficiencies.

Administration - Technology

Topic: AT-02 Electronic Records Management

Benefits: Compliance with privacy laws. Speedy access to records. Electronic records could increase productivity by potentially **freeing up to 60 person days per year** for other service delivery priorities. This would equate to an estimated efficiency savings of between \$12,000 and \$18,000 per year. Optical character recognition ensures records are AODA compliant.

Estimated Possible Costs: About \$20,000 to purchase and \$1,800/yr. license/maintenance (includes training, set up - excludes HST, cloud storage and travel). Intern \$25,000. An annual professional scanning services budget is recommended for the first 3 years at \$10,000/yr. May be eligible for grant funding.

Administration - Technology

Topic: AT-03 Ontario 211

Issue/Concerns/Risks: During a declared or non-declared emergency small municipalities with limited resources quickly become stressed and overwhelmed causing gaps in service levels and employee exhaustion. Small municipalities are often the face of general community inquiries about other services, which also places additional burdens on administrative staff.

[Ontario 211 is a not-for-profit award-winning information service \(telephone and web\) gateway](#) that connects people to community, social, non-clinical health and related government services. Ontario 211 also offers emergency service support during an emergency to lessen the burden on municipalities and enhance service levels during these crises. The Township has not yet availed itself of this service.

Administration - Technology

Topic: AT-03 Ontario 211

Recommendations/Options: Engage Ontario 211 in discussions to promote their service offerings. Post information about 211 on the Township's website to redirect general inquiries. Enter into an agreement with Ontario 211 for emergency support services.

Benefits: Enhanced community access to critical services. Enhanced communication and support during emergencies or other critical times such as COVID-19. Allows for gained staff time to be redirected to other service delivery priorities.

Estimated Possible Costs: None. High rate of return particularly in critical times.

Administration - Technology

Topic: AT-04 Inspection Software and Hardware

Issue/Concerns/Risks: Paper inspection processes are cumbersome, time consuming and difficult to search. There are cost effective IT solutions that can accelerate the permitting and inspection processes for Fire (and Building) Inspectors. These solutions ensure that Code changes are updated automatically. Records are stored accurately and in a defensible easy to search format. Inspection software solutions include production of reports to convey statistical data to Council.

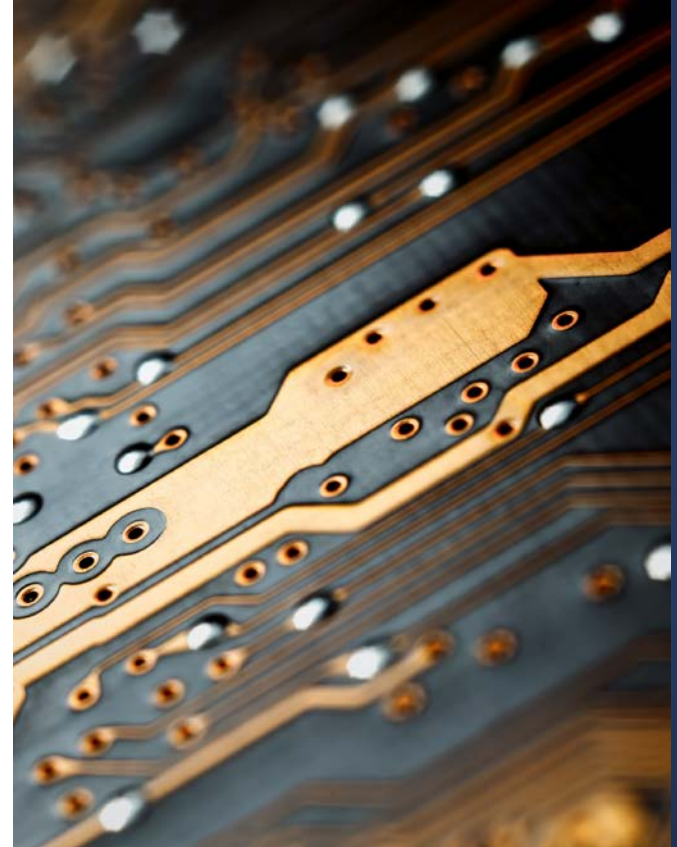
Recommendations/Options: Issue a request for quotation for a digital software solution for Fire Inspections.

Benefits: Avoids missing critical inspection steps. Speedy and remote access to file status. Accurate records and reports. Schedule inspections and sync in Outlook. Digital inspection reports can be emailed to proponents and filed immediately. Immediate access to historical records. Accelerated service to clients. Frees up time for Fire personnel to allocate to other service delivery priorities. Potential efficiency savings of \$1,500/yr.

Administration - Technology

Topic: AT-04 Inspection Software and Hardware

Estimated Possible Costs: Approximately \$2800/yr. licensing fee. One-time hard cost of \$500 each. May be eligible for grant funding.



Administration - Technology

Topic: AT-05 Community Consultation/Engagement Software

Issue/Concerns/Risks: The Township plans to undertake Strategic Plan and Zoning By-law exercises in 2022. Community consultation is the cornerstone of good governance and informed decision making. COVID-19, work and family-life schedules make it challenging to engage residents in critical decisions such as plans, policies, budgets, etc. There are technology solutions available to solicit input.

Recommendations/Options: Procure an engagement software platform to extend community consultation initiatives further into the community.

Benefits: Clear mandates for decision makers. More community involvement in decisions that impact their way of life. Increased resident satisfaction.

Estimated Possible Costs: Engagement software ranges significantly from affordable to very expensive. However, we do not recommend an elaborate platform. An effective platform would cost about \$650 per year.

Administration - Technology

Topic: AT-06 Internet Improvements – Investing in Canada plan funding stream: Rural and Northern Communities infrastructure

Issue/Concerns/Risks: Internet service in Armstrong is generally below an acceptable level. Poor internet service not only effects quality of life but is also problematic for business attraction and retention, as well as local economic prosperity. COVID-19 has accelerated reliance on the internet. Technology has changed rapidly since the pandemic, requiring strong stable internet service. Our team experienced internet connectivity issues when we conducted some of our interviews. The CAO is wisely investigating short to medium term bridge solutions. However, bridge solutions may not respond to all challenges. Recent satellite internet service offerings are improving service. Unfortunately, the satellite option is costly for many users, and only improves services on a per home or per business basis.

Administration - Technology

Topic: AT-06 Internet Improvements – Investing in Canada plan funding stream: Rural and Northern Communities infrastructure

In August 2021, the province of Ontario [announced projects to enhance internet services in the northeast](#) through a partnership with the federal government. Earlton was specifically mentioned along with approximately 30 other jurisdictions to receive \$10.3M to improve internet services to 10,349 residences and businesses. Unfortunately, there is little additional detail about how this might unfold and what the actual investment would be for Earlton and the broader Armstrong community.

Recommendations/Options: The Township should contact the local area MPP, MP, and the Ministers responsible for the program to request their assistance in clarifying the proposed plan for Armstrong as well as planned timing. This will assist in informing the CAO's interim measures.

Administration - Technology

Topic: AT-06 Internet Improvements – Investing in Canada plan funding stream: Rural and Northern Communities infrastructure

Benefits: Greater clarity regarding the scope and timing of the proposed upgrades for Armstrong will allow for better planning of interim measures. Knowledge of the scope and timing of the proposed upgrades can be an effective marketing tool for business investors and in-migration efforts.

Estimated Possible Costs: None to seek clarification. Potential costs for interim measures; however, they are difficult to quantify without greater clarity from senior levels of government.

Administration - Technology

Topic: AT-07 IT Consultant

Issue/Concerns/Risks: COVID-19 has placed a spotlight on the criticality of having robust and secure IT services. The Township has recently established a relationship with a qualified consultant to coordinate its IT needs. This is common with smaller municipalities who cannot afford to hire the necessary skillsets internally. The heightened reliance on IT as a result of COVID-19 and increases in cyber threats requires that all risks and threats are mitigated to the highest extent possible. Without of a clear set of on-going deliverables, the Township could be exposed to weaknesses, threats or other gaps in service delivery. We believe a clear set of daily, weekly and monthly tasks and deliverables are needed to protect the interests of the Township. Costs for ad-hoc tasks and standard deliverables are also essential for budgeting and cost control.

Administration - Technology

Topic: AT-07 IT Consultant

Recommendations/Options: Develop engagement documents with the IT consultant to ensure they specify critical daily, weekly and monthly deliverables. Sample key deliverables should include, but not be limited to reports confirming daily back-ups, patches, hardware and software updates including security, firewalls, SPAM filters, and general software. In addition, costs for services provided should be clearly identified and agreed upon. Security training for staff should also be offered. Seek independent expert IT advice on what should be included as deliverables in the engagement documents.

Benefits: Ensures contractual deliverables are met. Decreases risk of interruptions in IT services or business continuity. Decreases risk of cyber threats and/or losses of data. Better cost control and financial planning.

Estimated Possible Costs: Dependent on deliverables selected. Approximately \$500 (excluding HST) for independent expert IT advice on deliverables. Assumed within existing budget.

Administration - Technology

Topic: AT-08 Website Functionality

Issue/Concerns/Risks: The Township's website is new. There are solutions to enhance user options. Our research across our client base indicates that residents want greater user options for things such as submitting service requests, paying bills, applying for permits, etc. The long-term impacts of COVID-19 are not well understood. However, COVID-19 is expected to require special mitigation measures to varying degrees for some time into the future. While presently reasonably stable, the Province of Ontario was forecasting a potentially challenging COVID-19 fourth wave. Managing COVID-19 will require new adaptations. Other situations warrant greater functionality (i.e. 24/7 access).

Recommendations/Options: Engage the Township's Website Designer to provide enhanced user options so that users can conduct business 24/7 and without having to attend the Township's Offices.

Administration - Technology

Topic: AT-08 Website Functionality

Benefits: Responds to the public desire for enhanced access to bill payments and other services. Makes services accessible 24/7. Allows business to be conducted in a manner that mitigates risks of COVID-19. Frees up staff time by reducing counter time. Gained staff time can be redirected to new or other service delivery priorities. Will accelerate and better document services offered through the website. Enhanced client access to information. Potential estimated efficiency savings of \$10,000/yr.

Estimated Possible Costs: Web content development is estimated at \$29,750. Online payment providers vary considerably in costs and should be tendered for best value for price. May be eligible for grant funding.

Administration - Technology

Topic: AT-09 Road Patrol Software

Issue/Concerns/Risks: Detailed road patrol logs are an essential component of risk mitigation and effective maintenance monitoring practices. The Township maintains paper patrol logs that are time consuming to produce, maintain and search. They are also not in an industry format, which could expose the Township to issues as time passes and corporate memory begins to fade. The existing records while commendable, are not particularly helpful for populating Asset Management data.

Recommendations/Options: Issue requests for quotations for a technology-based patrol log solution that integrates with vehicle GPS and AMP reporting.

Benefits: Mitigates risks. Assists in ensuring essential maintenance activities or inspections are occurring. Highly accurate data to assist in annual statistical reporting to Council and populating Asset Management databases. Provides reliable data for annual budgeting. Potential efficiency savings of \$5000/yr.

Administration - Technology

Topic: AT-09 Road Patrol Software

Estimated Possible Costs: Hardware and software licensing is variable for proprietary software and hardware solutions. A rough estimate, subject to tendering is \$2000 for hardware and \$3000/yr. for software and cloud storage. Annual licensing fees may apply depending on platform selected. May be eligible for grant funding.



Asset Management

“Municipal governments own more of Ontario’s core infrastructure than any other order of government. These facilities are essential to our economic prosperity, health and quality of life.”
Association of Municipalities of Ontario (AMO)

Asset Management

Topic: AM-01 Asset Management Plan (AMP)

Issue/Concerns/Risks: The most recent AMP was completed in 2013 and is now outdated. At that time, the Township received a cumulative GPA of 'F', with an annual cumulative infrastructure deficit of \$1.2 million. Since that time, investment in TCA's has continued to fall significantly short of the AMP recommendations. Also of concern, was that the AMP and other financial plans have relied on historical cost valuations of the municipalities TCA's that we feel in some cases are significantly under valued. The Asset Management Maturity Report (AMMR) and new AMP Policy, both updated in 2019 recognize many of these concerns and set out recommended steps to address future asset management. This was an important first step undertaken by Council and Staff.

Asset Management

Topic: AM-01 Asset Management Plan

Recommendations/Options: 1) Working from the recommendations of the AMMR, update the AMP with urgency. 2) As part of the AMP update, review the historical TCA cost valuations. Where historical costs are unknown or uncertain, use a “Deflated Replacement Cost Valuation” to ensure that the historical costs are accurately related to current replacement cost values of the asset. 3) As part of the AMP update, review the TCA amortization schedules to ensure that all TCA’s match the actual life cycle expectancy of the asset. 4) Ensure that the updated AMP is fully linked with other financial planning reports, audited financial statements and the recommended implementation of a LRCF. 5) Ensure that the AMP is continuously updated with rolling annual investments in road, building, sewer and water infrastructure monitoring. 6) Ensure that the AMP is approved by Council and followed when making future capital investment decisions.

Asset Management

Topic: AM-01 Asset Management Plan

Benefits: Future capital financial decisions will be based on an updated AMP, that references the best financial data inputs possible. Linkages of the AMP with other financial documents and reports will ensure consistency and accuracy in future financial planning decisions. Grant applications will be better positioned for success. Staff time will be reduced, and Council budget decisions will be easier knowing they are based on reliable and accurate financial information.

Estimated Possible Costs: The cost of an updated AMP, together with a review of the historical TCA cost valuations and amortization schedules will be approximately \$50,000, dependent upon the amount of staff effort included. The cost of a rolling AMP monitoring program would be approximately \$10,000 annually. Programs associated with water and wastewater will be eligible to be allocated to water and wastewater rates. We anticipate some financial benefits related both to increase capital grant application success and some saved staff time.

Asset Management

Topic: AM-02 Vehicles and Equipment Replacement Policy (VERP)

Issue/Concerns/Risks: The Township maintains its fleet in relatively good repair; although, there are several older vehicles and equipment. Some have outlived their useful life and are likely more costly and less efficient to operate, potentially having to be repaired more frequently and interrupting business continuity. One example is the 1964 snow blower. The Township does not have a Council approved vehicle and equipment replacement policy (VERP) or a long-term financial strategy to fund vehicle and equipment replacement.

Recommendations/Options: Adopt a Vehicles and Equipment Replacement Policy (VERP). Integrate the VERP with the Asset Management Policy. Ensure vehicles and equipment are matched with operational needs. Plan to keep but downgrade older vehicles as they age by passing to other uses. Develop a long-term financial strategy to fund vehicle and equipment replacement by implementing a 10-year Long Range Capital Forecast (LRCF). Use the LRCF to inform the annual budget.

Asset Management

Topic: AM-02 Vehicles and Equipment Replacement Policy (VERP)

Benefits: Longer term capital and operational cost savings. Less downtime resulting in interruptions to business continuity. More efficient service delivery. Acquisitions matched to the operational requirements of the vehicle.

Estimated Possible Costs: Variable, but significant potential savings, depending on the number, type and life-cycle strategies approved by Council.



By-law Enforcement

Keeping communities clean and safe

By-law Enforcement

Topic: BL-01 Parking Enforcement Winter Control

Issue/Concerns/Risks: Interviewees advised that illegal on-street parking during winter control operations is a concern. Plows are unable to plow the street properly and may be forced to return for a second or third pass at another time, absorbing human, physical and financial resources. Education and enforcement is not occurring.

Recommendations/Options: Review and update parking by-laws using best practice examples. Train the Public Works staff in Parking Enforcement. Pass a by-law to appoint them as by-law enforcement officers. Send them out just before crews commence plowing operations to first distribute educational materials, followed by warnings, then tow and ticket.

Benefits: Increased compliance. More efficient and timely plowing operations. Personnel, equipment and materials cost savings due to reduced need to complete second or third passes.

By-law Enforcement

Topic: BL-01 Parking Enforcement Winter Control

Estimated Possible Costs: \$300 (excluding HST) per employee for MLEO – Parking Enforcement Officer Online Course. Funding assumed from existing training budgets. Some additional revenue due to fines. Cost savings expected with compliance.



Council

“The key responsibilities as a councillor are to support the municipality and its operations while ensuring that the public and municipality’s well-being and interests are maintained.” Province of Ontario

Council

Topic: C-01 Council Training

Issue/Concerns/Risks: Local government is ever-changing with new legislation, regulations and provincial downloading. Rapidly changing programs and statutes resulting from COVID-19 have highlighted this. It is important that staff are well trained; however, it is equally essential that Council, as the ultimate decision makers, are also fully informed and trained to address the complexities of local governance. Armed with up-to-date information through training opportunities, Council will be prepared to meet these challenges. Members who work full-time, part-time or on contract may find attending training a challenge.

Recommendations/Options: AMO offers several excellent On Demand eLearning Courses and Webinars that would be beneficial. These courses are affordable, about 2 to 3 hours long and can be taken from home. In addition, it is recommended that Council visit municipal facilities at least annually, particularly as part of budget preparations, to help fully appreciate each department's operational and budget priorities.

Council

Topic: C-01 Council Training

Benefits: Helps develop a strong understanding of the local government context, the importance of long-term planning, governance versus management responsibilities, what to look for in staff reports and much more. Informs annual budget discussions.

Estimated Possible Costs: Courses range in price from \$100 to \$200 each. No new costs. Should be covered by existing budget.



Fire



*“When people are running out,
firefighters are running in.”*

Fire

Topic: FD-01 Fire Underwriters Survey (FUS)

Issue/Concerns/Risks: There does not appear to be a Fire Underwriters Survey (FUS) completed for the Township. The FUS is a valuable tool that will analyze and grade the Township's fire related risks. The FUS will focus on Risk Assessment, Water Supply, Fire Department and Fire Safety Control. Without a strategic analysis of these factors, there is limited guidance on areas requiring improvements to mitigate against fire related risks to the community. There is also no opportunity to improve insurance ratings.

Recommendations/Options: Consult with Fire Underwriters to develop a strategy to have an FUS completed.

Fire

Topic: FD-01 Fire Underwriters Survey (FUS)

Benefits: The FUS will identify areas of risk and areas for improvement that will help guide critical decision making for the Township's Fire Department. The findings will also help inform the preparation of a Fire Master Plan that can be completed when needed in the future. A Fire Master Plan would help set Council's strategic and financial priorities for the Fire Department into the future. This will in turn inform the annual budget process. Improved credit points will assist in grading (underwriting) insurance more accurately within the Township and may result in improved rates.

Estimated Possible Costs: No immediate costs. Outcome of the survey may dictate future costs.

Fire

Topic: FD-02 Recovery of Insured Fire Call Costs

Issue/Concerns/Risks: Fire calls place an added financial burden on municipalities, particularly small municipalities and their rate payers. There are opportunities through specialized insurance collection agencies to recover some of the costs of fire calls to help offset the burden on rate payers.

Recommendations/Options: Retain a qualified fire insurance collection agent to recover fire call costs for those residents and businesses who carry insurance to pay for these costs. Many municipalities choose not to recover costs where residents or businesses do not carry fire insurance. Council can choose to only recover where insurance is in place.

Benefits: Recover costs of responding to fire calls and offset the costs of running the Fire Department.

Estimated Possible Costs: None, however a portion of what is recovered (about 30%) will go the fire insurance collection agents with the balance to the Township. Variable added revenue per year, estimate \$0 to \$10,000/yr.

Fire

Topic: FD-03 Fire documentation and specialize records (software and support)

Issue/Concerns/Risks: Documenting all aspects of a Fire Department are considered essential for many reasons. This includes training, inspections, incident reports, etc. The Township is manually documenting its activities. This is considered less efficient and more labour intensive than utilizing industry accepted Fire management software.

Recommendations/Options: Acquire specialized Fire Department software such as Fire Pro 2 or Crysis. This will help accelerate proper record keeping in accordance with statutory requirements.

Benefits: Augments proper record keeping practices. Mitigates against liabilities. Ensures documents meet the Ontario Fire Marshall's requirements. Ensures critical records are backed up. More efficient use of time and frees up valuable volunteer time for other critical departmental requirements. Can be integrated with NFPA dispatch services.

Fire

Topic: FD-03 Fire Documentation and Specialize records (software and support)

Estimated Possible Costs: Variable based on software options selected. Estimate \$10,000 for software purchase and setup. \$2,000 for annual license and maintenance. May be eligible for various grants.



Fire

Topic: FD-04 Fire Risk Assessments

Issue/Concerns/Risks: Risk assessment of high risk or vulnerable facilities is an essential task of any Fire Department to help inform firefighters plan for risks and to better protect the community. The Chief indicates that Risk Assessments require some catch-up.

Recommendations/Options: Consult with the Ontario Fire Marshall's office as needed to develop, plan and finalize the Township's Risk Assessments. Ensure that risk assessments are kept current through regular annual or more frequent updates.

Benefits: Allows the department and its members to assess and train for high-risk facilities. Helps mitigate against high-risk losses.

Estimated Possible Costs: None. Several months of effort and on-going commitment by Fire Chief, Deputy Chief and FPO.

Fire

Topic: FD-05 Fire Department Radio Communications

Issue/Concerns/Risks: Radio communications for the Fire Department is provided by dispatch services without specific expertise in providing Fire Communications to NFPA standards. The existing system offers substandard communications to first responders as it is an analogue system that is not in line with Industry Canada's Spectrum Redeployment Plan. Fire calls have experienced miscommunications and lost time. There are also areas in which there is no radio service. Fire calls are not recorded, and time stamped. Calls are not linked to and documented using standardized Fire management software. This places the Township's fire fighters at disadvantage and unnecessary risk while on emergency calls when they may need a communication lifeline the most. The contract for Fire dispatch was up for renewal during this review. We cautioned staff to ensure that the 30-day termination clause is maintained in the contract.

Recommendations/Options: Tender digital fire communications to a service provider intended for Fire Departments and who can offer full coverage to NFPA standards. Terminate the existing contract when appropriate.

Fire

Topic: FD-05 Fire Department Radio Communications

Benefits: Skilled NFPA trained fire communications specialists serving the Township's fire fighters. Calls are consistently monitored 24/7. No dropped calls during a fire related emergency. Access to critical fire fighting data through NFPA trained fire dispatchers. Enhanced safety for the Township's first responders. Documented reports and time stamped recordings of all calls linked to industry Fire management software. Alignment with Industry Canada's Spectrum Redeployment Plan.

Estimated Possible Costs: Digital hardware approximately \$40,000; one time set up approximately \$10,000 and annual service provider fees approximately \$30,000 including a credit for fees currently paid for dispatch services. Should be eligible for modernization or other grant funding.

Fire

Topic: FD-06 Inspection Program

Issue/Concerns/Risks: Fire inspections are essential in order to assist in mitigating fire related risks within the community. The Fire Chief is afforded inspection powers pursuant to the *Fire Prevention and Protection Act*. While inspections do occur, the Fire Department is somewhat behind and does not have a pro-active inspection program. This is a common challenge for volunteer departments that can increase risks.

Recommendations/Options: Consult with the Ontario Fire Marshall's Office and local Fire Chiefs to develop a best practice-based inspection program.

Benefits: Inspections mitigate against risks to life, property and liabilities.

Estimated Possible Costs: No initial costs to research inspection programs. Resources will need to be applied to inspection and enforcement on an as required basis. Members who participate in the inspection program should be awarded points from the remuneration program.

Fire

Topic: FD-06 Fire Hydrant Demarcation

Issue/Concerns/Risks: Fire hydrants play a critical role in fire suppression and public works maintenance activities. The Fire Chief advises that to his knowledge fire flow has not been an issue; however, the Chief acknowledges that the Fire Department has limited information of available flows at hydrants when firefighters connect. Plant operators indicate the pressure is generally consistent throughout the service area, but there is no flow monitoring program in place. National Fire Prevention Association (NFPA) standard 291 instructs operating authorities to colour code hydrants based on available flows, ownership and other critical information. With this knowledge, the Fire Department can arrive on a scene and select the best hydrant for the event it is facing. Without this knowledge, the department would be guessing. Colour coded fire hydrants also aid in critical public works maintenance activities.

Fire

Topic: FD-06 Fire Hydrant Demarcation

Recommendations/Options: Undertake a hydrant flow analysis as part of the next round of hydrant flushing. Paint or colour code hydrants in accordance with NFPA 291. Leverage the flow data for other master planning purposes, such as the recommended WWWMP.

Benefits: Critical fire fighting knowledge upon arrival at a scene may speed fire suppression activities. Will assist in public works operating knowledge and maintenance activities. Valuable data for master planning purposes.

Estimated Possible Costs: Integrated with annual flushing activities, costs should be very low. Paint could be done by properly supervised summer students. Approximately \$5000 from water operating existing budgets.

Fire

Topic: FD-07 Neighbouring Fire Agreement Fees

Issue/Concerns/Risks: The Township currently provides fire protection services to the Twps. of Hilliard, Thornloe and Beauchamp, as well as some households within the neighboring unincorporated territories. The agreements with Hilliard and Thornloe have been in place since 2009. The current agreements only cover a portion of the actual operational expenses of the Fire Department and do not include any capital expenses. The estimated annual deficit in charges to Hilliard and Thornloe is approximately \$30,000. Refer to [Appendix 2E](#). NOTE: We have recommended that both the TCA replacement cost valuations and amortization schedules be re-visited ([Topic AM-01](#)). The Township also provides a tiered response to area 911 calls for the DTSSAB. It is our understanding that there is no compensation for this service, although not all municipalities within the DTSSAB participate. Therefore, Armstrong is incurring costs of providing services without offsetting fees being collected.

Fire

Topic: FD-07 Neighbouring Fire Agreement Fees

Recommendations/Options: Update all fire protection agreements with neighboring municipalities. Ensure all new agreements provide compensation for all reasonable operating *and* capital expenses. This should include a new agreement with the DTSSAB for continued tiered response to area 911 calls.

Benefits: Armstrong would be compensated for all reasonable operating and capital expenses. Armstrong rate payers would no longer be subsidizing costs for other jurisdictions. Ensures all agreements are updated based on best practices.

Estimated Possible Costs: Some staff time to draft new agreements. Subject to agreement of the participating municipalities and the DTSSAB, additional offsetting revenue for Armstrong should be in the range of \$30,000 to \$40,000 annually.

Health and Safety

“More than 250,000 people are injured in Ontario workplaces each year. The direct cost (WSIB premiums) of a new lost time injury (LTI) (in 2007) was, on average, \$21,300, and the indirect cost of each LTI (in 2007), including re-hiring, re-training, lost productivity, etc., was \$85,200.” Ontario Ministry of Labour

Health and Safety

Topic: HS-01 Health and Safety

Issue/Concerns/Risks: Our interviews yielded some concerns related to various aspects of workplace Health and Safety. A few samples of areas of concerns, include irregular inspections; risk assessments are not performed; inconsistent reporting; some examples of expired Health and Safety training; and hazardous materials may not be well understood by all employees or well documented. When health and safety practices are not up to date and prominent in the workplace there is an elevated risk of workplace injury. Should an injury occur the Township is exposed to liabilities and potentially workplace fines.

Recommendations/Options: Several steps are recommended.

1. One employee should be responsible for tracking all Health and Safety requirements. A report should be sent to the department head and the CAO in the case of non-compliance. We recommend that the Deputy Treasurer assume this role.

Health and Safety

Topic: HS-01 Health and Safety

2. The Health and Safety Policy should be updated into a comprehensive and succinct document.
3. Inspections should occur regularly and be fully documented. Employees will require training on how to conduct inspections.
4. Standardized Incident Reporting Forms should be developed and used corporate wide.
5. Written safe workplace procedures should be developed, to include modules for hazardous materials, COVID-19 and other topics.
6. Health and Safety Training is required for management and supervisory staff as well as employees.
7. First Aid Training should be offered to all staff regularly.
8. Undertake a Safety Audit on an annual basis.

Health and Safety

Topic: HS-01 Health and Safety

9. Develop accurate and consistent record keeping.

10. Develop and update an annual Health and Safety Emergency Plan with a module for COVID-19.

11. Develop an internal COVID-19 communication plan to ensure all employees, including those without email receive up-to-date communications and can provide feedback to the employer.

Benefits: Mitigates against workplace injuries or deaths. Mitigates against downtime and interruptions in service delivery. Mitigates against liabilities and fines. Improved morale.

Estimated Possible Costs: Training \$4,500 (excluding HST and travel). Development of Audit \$2,500 (excluding HST and travel). Recommend an annual Health and Safety budget of \$5,000 for training and other needs.

Human Resources

*“Train people well enough so they can leave.
Treat them well enough so they don’t have to.”*

Sir Richard Branson

Human Resources

Topic: HR-01 Succession Plan

Issue/Concerns/Risks: In accordance with our Organizational Review, the Township does not yet have a Succession Plan policy or strategy. The Township has experienced recent turnover of management and non-management personnel. This resulted in service delivery and business continuity deficits. Without a Succession Plan it also triggers a collateral effect of preventing staff from growing into more skilled employees. With a new organizational design in place, it is an opportune time to implement and reap the benefits of a succession plan.

Recommendations/Options: Adopt and follow a municipal Succession Plan Policy. Leverage the policy to develop a pool of highly skilled and talented employees. Invest in cross training employees. Monitor the plan regularly for effectiveness.

Human Resources

Topic: HR-01 Succession Plan

Benefits: Mitigates against service delivery deficits created by temporary or permanent vacancies. Contributes to better operational readiness, business continuity, and broader corporate knowledge base. Contributes to good staff morale who observe the Township's investment into their employees.

Estimated Possible Costs: None. We can provide an example of a municipal Succession Plan. Developing a policy to fit Armstrong will be a minimal investment with a high rate of return if it is followed.

Human Resources

Topic: HR-02 Cross Training and Professional Development (PD)

Issue/Concerns/Risks: Staff interviewed reported that cross training is present to a degree but could be better. Consistent with Succession Plan best practices, there should be an employee for virtually every position who can assist or cover off in the event of an increase in workload or absence of staff. While some of this exists, with a new organizational structure, there are opportunities to implement more robust cross training. Highly trained and skilled employees increase quality and quantity of services delivered. Professional development is one way to develop a highly skilled workforce.

Recommendations/Options: Develop a corporate cross training and professional development strategy for all staff per Succession Planning best practices. This should also include a mentoring program for all management personnel, as well as other high potential staff. We identified a need for “PSD Citywide” training for all administrative staff and management.

Human Resources

Topic: HR-02 Cross Training and Professional Development (PD)

Benefits: Increases overall readiness. Mitigates against disruptions in service delivery or business continuity, staff burnout, as well as improves staff morale. Ensures better cover off during absences. Allows for resources to be redeployed to assist with spikes in workload. Ensures transfer of critical corporate memory. Enhanced service delivery.

Estimated Possible Costs: None for policy development. PD costs should be covered within existing budgets.

Human Resources

Topic: HR-03 Annual and Regular Employee Reviews

Issue/Concerns/Risks: Annual employee reviews combined with informal employee coaching play a critical role in employee growth and development. These are a best practice for all employers. They help employees to stay on track with deliverables and help deal with performance issues in a positive and reinforcing way. They also help prepare and position the Township for employee succession. As noted in our Organizational Review, we were informed that regular formal written employee reviews do not occur. This is considered a deficit in managing human resources and should be rectified as soon as possible, especially considering the new organizational structure and new job descriptions.

Recommendations/Options: Conduct a best practice review and develop a proactive Employee Review Policy and Process. Ensure that all employees are reviewed annually by their supervisor including the CAO by Council. Develop Key Performance Indicators (KPI) using the SP, this review and Work Plans. Make annual reviews of all personnel a key deliverable for all managers in their own employee reviews.

Human Resources

Topic: HR-03 Annual and Regular Employee Reviews

Benefits: Helps with employee growth. Keeps employees focused on key deliverables. Helps inform staff when corrections may be needed. Helps prepare for employee succession. Promotes good morale and relationships.

Estimated Possible Costs: None.



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Public Works

“Ontario Good Roads Association (OGRA) has calculated the harsh reality the Provinces’ municipalities are facing when it comes to infrastructure management, and the desperate need for funding to keep the roads and bridges we use and rely on everyday, to a tune of 34.7 billion dollars.” OGRA, January 2020

Public Works

Topic: PW-01 Maintenance Standards for Gravel Roads

Issue/Concerns/Risks: It was noted during our stakeholder interviews that dust control on gravel roads was of concern. This concern was confirmed during our visit to the Township, while travelling on Church Road. The dust created from the vehicles and farm equipment on the gravel roads is annoying to travelers on the road, as well as nearby residents. It also makes driving potentially unsafe. Gravel is lost and the driving surface deteriorates quickly, since the gravel surface is not stabilized. It also can potentially impact the health of humans and livestock, when exposed to dust over extended periods of time.

Recommendations/Options: Revisit the maintenance standards for the Township's gravel roads, including the more frequent application of calcium chloride for dust control and road stabilization. The 2015 Gravel Roads Construction & Maintenance Guide by the US Department of Transportation is an excellent resource.

Public Works

Topic: PW-01 Maintenance Standards for Gravel Roads

Benefits: Regular application of calcium chloride, will provide a safer, more pleasant road to drive on. It will reduce the amount of dust that accumulates on vehicles and nearby buildings. It will help stabilize the road surface, reducing the amount of gravel and blading required to maintain the road. It will potentially reduce the health impacts of nearby neighbors and livestock.

Estimated Possible Costs: The additional cost of more frequent calcium chloride applications should be offset by savings in frequent additional gravel road maintenance.

Public Works

Topic: PW-02 Strip Footings for Headstones Rolling Maintenance Program

Issue/Concerns/Risks: Section 44 of the *Cemeteries Act* states: “*Every cemetery owner shall maintain, without charge to interment rights holders, the grounds of the cemetery, including all lots, structures and markers, to ensure the safety of the public and to preserve the dignity of the cemetery.*” During the Organizational Review and again during this review, interviewees noted that cemetery headstones were in a state of disrepair and leaning over. Public Works staff indicate that poor soils conditions are the cause. The frequent relevening of the headstones is not resolving the underlying issue of the soil conditions.

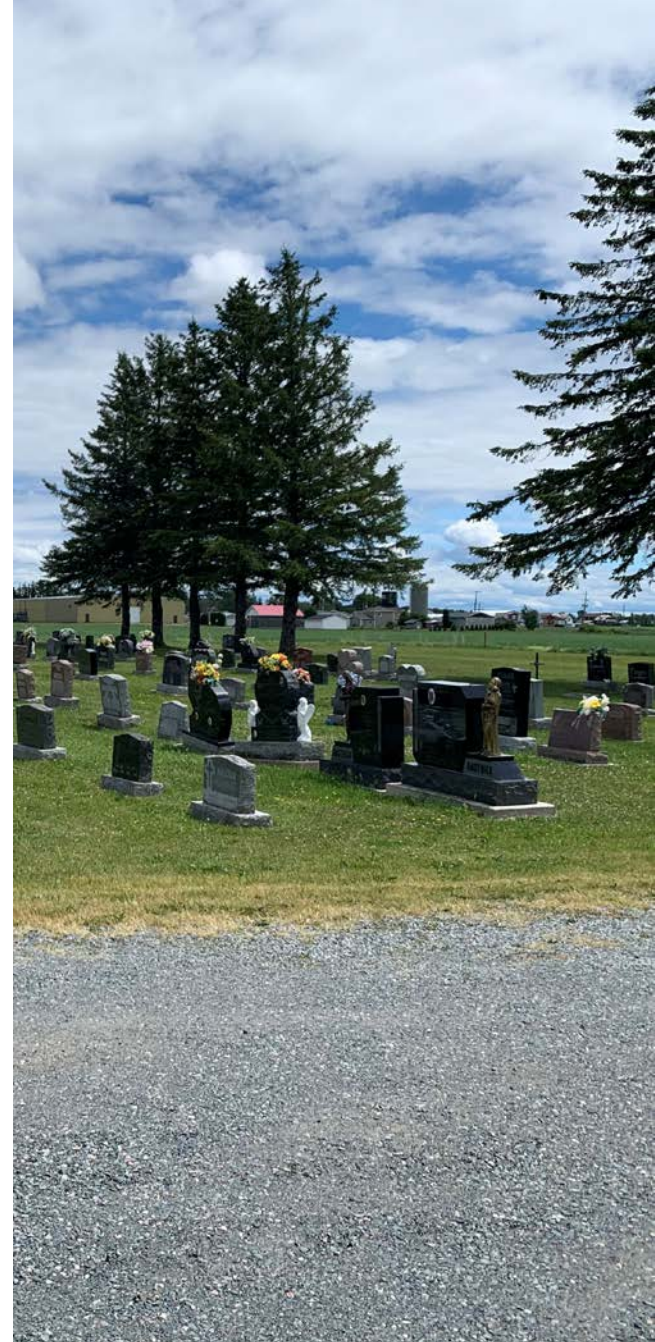
Recommendations/Options: Introduce a rolling headstone maintenance program. The program should include the removal of problematic soils underneath the tipping headstones. The problematic soils should be replaced with a compacted granular material on a poured in place concrete strip footing. The footing should extend beyond the base of the headstone on all sides. Examples of this design are readily available. Alternatively, a professional structural or geotechnical engineer could be consulted to develop a universal specification.

Public Works

Topic: PW-02 Strip Footings for Headstones
Rolling Maintenance Program

Benefits: Compliance with regulatory requirements. Will save costs over the long-term. Customer satisfaction.

Estimated Possible Costs: Estimate \$1500 for an engineered universal specification. An annual program of \$5000/yr. should be sufficient to introduce a program in which public works staff can affect repairs. May be covered by existing budgets. A review of fees would allow for new costs to be recovered.



Public Works

Topic: PW-03 Work UTV for Recreation & Cemetery Maintenance Activities

Issue/Concerns/Risks: During our site visit we observed a new public works employee (recreation) who was working alone. The employee had no vehicle and minimal tools to complete the task at hand. We were informed that the employee is required to contact the Public Works Superintendent when tools or equipment were needed or when the employee needed to move to another work assignment. This is highly inefficient especially when a department head is frequently pulled away from other priorities. It also could potentially impact the employee's safety and morale. Consultation with the PW Superintendent, confirmed the potential benefit of a Work UTV (Kubota or similar) to be used for recreation, cemetery or other maintenance.

Recommendations/Options: Consider the purchase of a Work UTV for use in recreation, cemetery or other maintenance activities. Alternatively, a used work truck would be a second less versatile option.

Public Works

Topic: PW-03 Work UTV for Recreation & Cemetery Maintenance Activities

Benefits: The work environment for this employee would be safer, more efficient and pleasant. Employee retention should improve. Work assignments could be carried about more efficiently, without the need to interrupt the PW Superintendent. Potential estimated efficiency savings of \$5,000/yr.

Estimated Possible Costs: A new Work UTV costs approximately \$40,000, with a trailer and attachments. We believe that the cost of this vehicle should be recouped in work efficiencies over its expected life cycle. Annual fees operating costs are estimated at \$500. May be eligible for grant funding.

Recreation

*“If bread is the necessity of life,
recreation is a close second”*
Edward Bellamy, Author



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Recreation

Topic: RD-01 Recreation Center (RC)

Issue/Concerns/Risks: The RC was relocated to Armstrong from another community in the mid 1970's. The annual operating deficit of the RC is approximately \$75,000. It is almost entirely run by volunteers. This presents some concerns related to the sustainability of operations, as well as potential liabilities of not having trained employees present while the facility is open. While in reasonable condition for its age, the RC is nearing the end of its useful life cycle and will require increasing capital investments in the future. The potential future cost to replace this facility with artificial ice will be in the range of \$8M-\$10M. Without artificial ice, it is very difficult to schedule organized winter sports. The use of the facility, including use for agricultural events, continues to deteriorate over time. The new Coeur du Village Community Hall and the current pandemic will also impact viability of future use at the RC.

Recreation

Topic: RD-01 Recreation Center (RC)

Recommendations/Options: The future of the RC should ultimately be a community decision. This will be a difficult conversation to have. Engage in a public consultation with residents as part of the upcoming Strategic Planning Session to determine the community's wishes for the future of the RC. Discuss a comparison of annual operating and long-term replacement costs of the RC versus providing year-round uses at an outdoor rink. If selected, re-use the existing boards for the outdoor rink (potential savings of up to \$100,000). Include the sale of the RC as a potential revenue source to fund the new outdoor rink.

Recreation

Topic: RD-01 Recreation Center (RC)

Benefits: Significant annual operating cost savings. Removal of a significant replacement cost liability of \$8M to \$10M for rate payers. Decommissioning of the current tennis and basketball courts, which are also at the end of their useful life. Potential for expanded all year use for such things as pickle ball, tennis, skate boarding, basketball, broom ball, etc.

Estimated Possible Costs: Annual operating costs would be considerably less depending on the level of assistance from volunteers. In consultation with other similar municipalities, we estimate annual operating costs for a 4-season outdoor rink at \$7,000 to \$15,000/yr. or 9% to 20% of current operating costs of the RC. Capital costs of the outdoor rink would be dependent on several factors, such as ice surface material, revenue from the sale of the RC, grant funding, etc.

Risk Management

“It’s in crises that leaders, teams and organizations are tested. This is when the big questions get asked. Does a practiced disaster recovery plan exist? What about a resilience strategy to respond and bounce back? Are all the systems in place to support work after a disaster?”

Jonathan Reichental, former CIO, Palo Alto

Risk Management

Topic: RM-01 Minimum Maintenance Standards [O. Reg 239-02](#) and [O. Reg 366-18](#)

Issue/Concerns/Risks: Pursuant to regulations under the *Municipal Act*, municipalities are required to demonstrate through comprehensive documentation and record keeping that it has met maintenance standards. Municipalities would be exposed to significant risks and liabilities if it did not adhere to Minimum Maintenance Standards (MMS). To guard against these risks, municipalities must adopt policies and procedures, as well as maintain accurate records. While maintenance appears to be good for winter control and record keeping appears adequate, we were not able to acquire a clear set of approved Maintenance Standards. Staff were not aware of their existence.

Risk Management

Topic: RM-01 Minimum Maintenance Standards [O. Reg 239-02](#) and [O. Reg 366-18](#)

Recommendations/Options: Prepare MMS policies, procedures and documentation to be in accordance with the Regulations. Consult the Township's insurer and OGRA documentation for advice. Send the Public Works Superintendent on [OGRA's 2021 T.J. Mahony Eastern Road School - Maintenance Section](#).

Benefits: Compliance with provincial regulations. Mitigates risk and liabilities. Clarity and transparency for the community, Council and staff. Consistency.

Estimated Possible Costs: Training including travel is estimated at \$2500. Approximately two to three weeks time to prepare the policy.

Risk Management

Topic: RM-02 Risk Management Training

Issue/Concerns/Risks: Joint and Several Liability claims can result in a municipality paying a full claim even if the municipality is found only 1% liable. Risk management practices do not appear to be prominent, and staff advise that regular risk management training is not provided.

Recommendations/Options: Most reputable municipal insurance providers offer free risk management training complete with specialized contract wording and best practice examples. **Request annual risk management training asap.**

Benefits: Mitigates against risks and liabilities. Safer work environments. Safer environment for residents, businesses and facility users.

Estimated Possible Costs: None.

Risk Management

Topic: RM-03 Driver's Abstracts

Issue/Concerns/Risks: It is best practice to review drivers abstracts on an annual basis or for new hires to ensure that there are no active suspensions, or serious charges against drivers of municipal vehicles and equipment. Some driver's abstract checks may have occurred at hire. However, the Township does not conduct regular driver's abstract reviews after hire.

Recommendations/Options: Conduct a best practice review and adopt a Driver's Abstract Policy. Ensure reviews are conducted upon first hire and every year thereafter for all employees and volunteer firefighters who drive municipal vehicles.

Benefits: Helps ensure that drivers are properly licensed, not under suspension or have other serious driving concerns. Mitigates against risk. Provides assurances to the public.

Estimated Possible Costs: \$18/driver.

Risk Management

Topic: RM-04 GPS for Vehicles

Issue/Concerns/Risks: Claims related to maintenance standards are on the rise in Ontario. Joint and Several Liability claims pose significant financial risks on municipalities. Operator safety is also an important consideration.

Recommendations/Options: Implement GPS tracking for PWD maintenance vehicles to help mitigate against insurance claims regarding poor maintenance standards.

Benefits: Effective method of defending against insurance claims. Enhanced Operator safety.

Estimated Possible Costs: Variable based on the type, functionality and number of vehicles selected. Approximately \$1700 per vehicle (excluding HST and travel). May be eligible for grant funding.

Risk Management

Topic: RM-05 IT Disaster Recovery Plan

Issue/Concerns/Risks: Municipalities rely on IT for virtually all facets of service delivery. This has increased with the onset of COVID-19 and is not expected to revert backwards. IT infrastructure are susceptible to unplanned or catastrophic shutdowns and/or loses of critical data due to power outages or surges, a fire, a natural disaster, vandalism or cyber-terrorism.

“In recent years, we’ve seen a huge spike in small towns and municipalities being targets of cyber-criminals.” Kevvie Fowler, Cyber-response leader, Deloitte (Municipal Monitor Magazine Q3 2021)

The losses and impact to the community during a prolonged IT outage could be significant if not disastrous. Imagine a municipality without ability to pay bills or collect funds. Knowing how to restore critical IT hard and soft services and in what priority is essential. An IT Disaster Recovery is the best tool to respond to IT disasters. The Township does not currently have a plan.

Risk Management

Topic: RM-05 IT Disaster Recovery Plan

Recommendations/Options: Develop an IT Disaster Recovery Plan **with a sense of urgency**. Given the number of recommended IT upgrades preparing the recovery plan as new hardware and software are put in place will be the most effective way to produce the first version. Regular updates will be needed at least annually.

Benefits: Will help restore service delivery as fast as possible in order of highest priority in the event of a partial or full IT shutdown, crisis or an emergency.

Estimated Possible Costs: Approximately \$7500 (excluding HST and travel). Could be rolled into the IT Support Services contract for annual updates as well for a nominal fee.

Risk Management

Topic: RM-06 Enhanced Ransomware Cyber Insurance

Issue/Concerns/Risks: Reports of cyber theft and malicious software attacks are on the rise, including in the municipal sector. Mounting reports of several Ontario municipalities falling prey to complete shutdowns due to ransomware attacks have underscored the importance of protecting and insuring municipal hardware, software and data. Some of our clients have been attacked. We were advised that the Township is considering upgrading its insurance to cover against broader cyber threats and risks.

Recommendations/Options: Consult with the Township's insurer, and possibly other specialized insurance providers to acquire ransomware cyber insurance **as a high priority** especially with major IT upgrades planned.

Benefits: Mitigates risks and associated costs from temporary or even permanent loss of the Township's IT infrastructure and data.

Estimated Possible Costs: Variable based on levels and types of coverages. Estimate at least \$5000 per year for enhanced coverage.

Risk Management

Topic: RM-07 Commercial Vehicle Operators Registration (CVOR) Records

Issue/Concerns/Risks: The *Highway Traffic Act* establishes requirements for Commercial Vehicle Operators Registration (CVOR) record keeping. Commercial vehicles are subject to inspections and record-keeping requirements. CVOR Module 8 provides direction towards compliance. The Town does keep vehicle records; however, they appear to have evolved as a good practice over time as opposed to compliance with CVOR requirements.

Recommendations/Options: Ensure all Town commercial vehicle operators receive training on CVOR requirements to ensure compliance. We recommend basic training for all operators and comprehensive training for the PW Superintendent, as well as annual refreshers.

Risk Management

Topic: RM-07 Commercial Vehicle Operators Registration (CVOR) Records

Benefits: Compliance with provincial regulations. Mitigates against claims and other liabilities. Helpful for on-going fleet maintenance .

Estimated Possible Costs: Variable depending on level of study. As low as \$200/employee for a few hours of training to as high as \$1,500/employee for 3 days of training, or (\$2,500 total) excluding HST and travel for the first round of training. It is expected that non-travel options will be available if needed due to COVID-19.

Risk Management

Topic: RM-08 Emergency Management

Issue/Concerns/Risks: Municipal emergency response plans are mandated by the *Emergency Management and Civil Protection Act* (EMCPA) and O.Reg. 380/04. Section 5 of O. Reg. 380/04 states the municipal emergency control “group shall develop procedures to govern its responsibilities in an emergency.” The Township’s emergency plan is reportedly out of date. Section 6 of O. Reg. 380/04 states “The group shall conduct an annual practice exercise for a simulated emergency incident in order to evaluate the municipality’s emergency response plan and its own procedures.” The Township reportedly is not in compliance with Section 6. Hazard Identification and Risk Assessment (HIRA) is a best practice standard methodology for assessing and preparing for high-risk emergencies. The purpose is to identify which hazards should be the focus of emergency management programs at a particular point in time. The Township reportedly does not complete HIRA reviews. All the above places the Township in a state of non-compliance and elevated risk.

Risk Management

Topic: RM-08 Emergency Management

Recommendations/Options: Consult with Emergency Management Ontario and take immediate steps to bring the Township into regulatory compliance and best practice adherence. Update the Township’s emergency plan including provisions for pandemic related emergencies. Conduct regular annual emergency management exercises. Complete annual HIRA reviews. Consider approaching nearby municipalities (or TMSA) to conduct joint annual exercises and to develop a standard “front-end” emergency plan that can then be tailored to fit each individual municipalities needs.

Benefits: Compliance with the *Emergency Management and Civil Protection Act* (EMCPA) and O.Reg. 380/04. Better preparedness in the event of a community emergency including pandemic or endemic related emergencies. Safer community and workplace.

Risk Management

Topic: RM-08 Emergency Management

Estimated Possible Costs: None if conducted exclusively by Township staff. Consultant fees for the preparation of a new emergency plan with a HIRA could be expected to be in the order of \$10,000. (Request for quotations are recommended to confirm costs.) **Fees could be shared amongst participating municipalities or TMSA.** We have estimated \$2,500 for sharing purposes, which could be considerably less if shared amongst most or all TMSA members.

Risk Management

Topic: RM-09 Security Review

Issue/Concerns/Risks: The municipality owns and operates several facilities that depend on security (water plants, equipment facilities, recreational facilities, etc.). Our interviews noted security deficits, including unaccounted for access keys, antiquated alarm key systems, lack of security cameras, etc. The Occupational Health and Safety Act (OHSA) requires employers to assess and control risks of workplace violence. The Township updated its workplace violence and harassment policies in 2018 and there are no reported incidents. The Township is completing renovations to its workplace(s). A Workplace Violence Risk Assessment (WPVRA) should be completed at least annually and specifically whenever conditions changes such as workplace renovations.

Risk Management

Topic: RM-09 Security Review

Recommendations/Options: Retain the services of a security consultant to assess the Township's security risks and make recommendations to ensure facilities are protected, and patrons or employees are safe. Coordinate the security review with a Workplace Violence Risk Assessment. Undertake annual Workplace Violence Risk Assessments.

Benefits: Mitigate risks of fire, vandalism, theft or terrorism. Safer workplace for patrons and employees. Enhanced protection of Township assets. More rapid response to threats. Compliance with the OHSA.

Estimated Possible Costs: Security consultant fees will be variable; however, an estimated fee of \$20,000 to complete a review of municipal facilities is reasonable. Upgrades to Township security would be estimated by the consultant. Upgrades could be staged for affordability purposes. Consultant fees and capital upgrades may be eligible for modernization or other grant funding opportunities.

Strategic, Master and Long-Range Planning

“If you don’t know where you are going, every road will get you nowhere.” Henry Kissinger, Former United States Secretary of State

Master Planning Hierarchy Leading to Success



Strategic, Master and Long-Range Planning

Topic: SP-01 Term of Council Strategic Plan (SP)

Issue/Concerns/Risks: Like many small Ontario municipalities, Armstrong is facing ongoing challenges as it seeks to deliver high caliber services to its ratepayers. One of the best approaches to managing multiple challenges is the adoption and adherence to a term of Council Strategic Plan. It is important to develop and leverage the clarity that comes from an up-to-date Strategic Plan. The Township is planning to undertake a Strategic Plan review in 2022, which is commendable. The timing is perfect to ensure that this SDR and the SP documents are coordinated.

Our Executive Summary discussed the “fork in the road” with respect to determining the best approach for continuation of basic core services or expanded services as well as decisions related to the future of the Township’s RC. The SP review is an opportune time and vehicle to consult with the community about these topics.

Strategic, Master and Long-Range Planning

OUR ADAPTIVE MUNICIPAL STRATEGIC PLANNING PROCESS



EXPERT CONSULTANTS FOR LOCAL GOVERNMENT



Strategic, Master and Long-Range Planning

Topic: SP-01 Term of Council Strategic Plan (SP)

Recommendations/Options: Prepare a SP following the completion of this review and ensure it is coordinated with this review's outcomes. Ensure that key deliverables are prioritized and coordinated to ensure overlapping project coordination. Address "fork in the road" topics by consulting the community. Monitor and report at least annually on SP deliverables to ensure follow up. It is best to do so during budget deliberations in order to ensure SP budget needs are considered. Adjust the SP as required to deal with new or emerging issues annually.

Benefits: Clear priorities for budgetary and financial decisions. Helps inform staff reports. Helps identify and prioritize what the Township *will do* and what it *will not do*.

Estimated Possible Costs: SP costs are already allocated.

Strategic, Master and Long-Range Planning

Topic: SP-02 Master Plan Approach

Issue/Concerns/Risks: Master Plans take direction from the Strategic and Official Plans. Master Plans inform the annual budget process, long-range financial plans and annual departmental work plans. When followed, they are a critical tool in keeping municipal priorities on track and top of mind. Master Plans help Councils make difficult decisions based on expert analysis and study. Master Plans also help provide corporate memory and assist with change over of Council members. Without master plans there is no planned future to focus on. The Township plans to complete an SP soon. The Township also produces an Asset Management Plan, though it requires adjustments.

Recommendations/Options: Update the Asset Management Plan and TCA data. Produce annual departmental work plans that align with the Strategic Plan, approved budgets and Long-Range Capital Forecasts ([Topic AF-04](#)). Consider other master plans in the longer term (water and wastewater, fire, recreation).

Strategic, Master and Long-Range Planning

Topic: SP-02 Master Plan Approach

Benefits: Leads to a strategic long-term planned approach to meeting the Township's challenges in a sustainable manner. More clarity about priorities. Informs budgets and LRCF. Efficient use of funds.

Estimated Possible Costs: Variable depending on terms of reference. May be eligible for grants.

Strategic, Master and Long-Range Planning

Topic: SP-03 Annual Department Work Plans

Issue/Concerns/Risks: Master Plans inform annual budgets and annual budgets set priorities for the year. Departmental Work Plans are developed and utilized by the administration to operationalize Council's budget priorities and set measurable deliverables. Building on Strategic and other plans or policies, the Township should develop Annual Department Work Plans to help operationalize Council's priorities and ensure they are fully coordinated for optimal efficiencies.

Recommendations/Options: Undertake critical master plans noted herein. Refer to [Topic AF-04](#) Long-Range Capital Forecasts. Adopt the annual budget early in the year to leverage the clarity related to Council priorities that an approved budget offers. The CAO should oversee the development of Annual Departmental Work Plans and make their deliverables part of each department head's annual performance review key deliverables. The CAO should monitor and report on Work Plans annually during an annual SP update.

Strategic, Master and Long-Range Planning

Topic: SP-03 Annual Department Work Plans

Benefits: Leads to a strategic long-term planned approach at the staff level to meeting the Township's challenges in a sustainable manner. Provides clarity on annual priorities and deliverables. Assist in monitoring progress, allocating resources and reporting. Can be used for annual staff performance reviews and goal setting.

Estimated Possible Costs: No cost to prepare annual work plans.



A Mayor's Perspective

By David Reid, Retired Two-term Mayor

A Mayor's Perspective

The Armstrong service delivery review has been an interesting contrast to many of the service delivery reviews we have completed. The Township has focused on providing good basic core services at reasonable cost to its ratepayers. While there are not many enhanced service offerings, most core services are well managed. This contributes to keeping residential and commercial taxes quite low related to comparable municipalities. This is commendable and I believe the right approach, given the feedback and research we have undertaken. For this reason, this service delivery review has focused on maintaining current service levels, based on best practises and legislative requirements. However, maintaining the status quo will not be without challenges and some difficult decisions will need to be made.

While taxes have remained quite low, it has come at significant impacts to capital investments. These impacts will need to be addressed soon, if the Township is to sustain its current financial position in the long term. I believe that this is possible, if action is taken soon to implement many of the strategies outlined in this review.

A Mayor's Perspective

To be clear, current taxation levels will be under significant pressure and I believe will need to be increased more in line with municipal comparators to make much needed capital investments.

Armstrong's capital investments over the past 10 years has covered only 64% of the TCA amortization. This means that the past decade's contributions fall well short of minimum capital investments of full amortization, plus intermediate renewal project costs, plus inflation. To illustrate, full funding of TCA amortization is approximately \$500,000 annually and 1.5% inflation on an estimated \$50 million dollars of TCA's is \$750,000 annually. That alone would require an annual capital investment of \$1,250,000, or almost equal to the current total tax levy of the municipality. This funding gap is consistent with the 2013 AMP findings. Closing this gap will be challenging. To respond, a well-planned long-range capital funding strategy is urgently needed. In addition, all opportunities to reduce costs and/or increase revenue must be explored.

A Mayor's Perspective

We have recommended that the Township carefully assess the long-term viability of the Armstrong Community Center. It is clear, the Armstrong Community Center does not generate the number of users and income to be sustainable and the tax base of \$1.4 million dollars is not sufficient to respond to the shortfall. Taking the Armstrong Community Center out of service would immediately eliminate approximately \$75,000 of ongoing annual operational costs and close a future infrastructure gap of \$8-10 million dollars. If sold the Armstrong Community Center would generate revenue to be used in other infrastructure rehabilitation priorities. An outdoor ice slab adjacent to existing outdoor recreation facilities, with 4 season, multi-function options may be a more reasonable option for the community. Annual operating costs would be considerably less depending on the level assistance from volunteers (estimated at \$7,000 to \$15,000/yr. or 9% to 20% of current costs).

This is certainly a difficult decision and one that ratepayers should be part of.

A Mayor's Perspective

You may be thinking, how do we get started? How do we address the lengthy list of recommendations and goals highlighted in this report, with limited financial and human resources? My best advice is to break the recommendations out into manageable portions. Prioritize and focus on what needs to be done first. Acknowledge that it may take several years to accomplish everything.

When it comes to the implementation of the recommendations, remember that Armstrong as a community, is in charge. Decide what is most important to you and how each of these recommendations fits into your strategic goals, service delivery expectations and long-term capital budgets.

I know you have a team that is committed and capable of accomplishing great things for the residents of Armstrong.

Good luck,

David Reid

Appendices

Appendix 1

Recommendations Matrix

Topic	Topic	Reference	Estimated Probable Cost		Savings /	Expected	Priority	Recommended
No.	Description	Page	Initial	Annual	Revenues*	Benefits	Ranking	Implementation
Administration - General								
AG-01	Work Orders	34	\$16,000	0	\$16,800	(1) (2) (3)	(2)	(1)
AG-02	Senior Management Team Meetings	36	0	0		(1) (2) (3)	(2)	(1)
AG-03	Notice of Service Disruption	38	0	0		(1)	(2)	(1)
Administration - Clerks								
AC-01	Delegation of Authority By-Law	39	ST	0		(1) (2) (3)	(2)	(1)
AC-02	Terms of Reference - Committees	40	ST	0		(2) (3)	(2)	(1)
AC-03	Staff Reports and Reporting to Council	44	ST	0		(2) (3)	(2)	(1)
AC-04	Records Retention By-Law	46	ST	0		(2) (3)	(2)	(1)
AC-05	Routine Disclosure/Active Dissemination	47	ST	0		(1) (2) (3)	(3)	(1)
AC-06	MFIPPA Head	49	0	ST		(1) (2)	(2)	(1)
AC-07	Council Agenda Forecasts (Advance Radar)	51	0	ST		(2)	(3)	(1)
AC-08	Tree Canopy & Natural Vegetation By-Law	53	ST	0		(1)	(3)	(2)
AC-09	Appointment of Integrity Commissioner	54	0	0		(1)	(2)	(1)
Administration - Finance								
AF-01	Procurement Policies & Procedures By-Law	57	Exist. Budget	0		(2) (3)	(2)	(1)
AF-02	Intermunicipal & TMSA Partnerships	59	ST	0		(1) (2) (3)	(2)	(2)
AF-03	Bundle Capital Projects	61	0	0		(2) (3)	(2)	(1)
AF-04	Budget Approval Timelines	62	ST	0		(2) (3)	(1)	(1)
AF-05	Long Range Capital Forecasts	64	ST	0		(2) (3)	(1)	(2)
AF-06	80% Discretionary Spending Rule	66	0	0		(2) (3)	(2)	(1)
AF-07	Comprehensive Reserve & Reserve Fund Policy	68	ST	0		(2) (3)	(2)	(1)

Expected Benefit

(1) Enhanced Services

(2) Improved Efficiency

(3) Anticipated Cost Benefit

Priority Ranking

(1) Considered Critical

(2) Considered Very Important

(3) Considered Important

Recommended Implementation

(1) Within First Year

(2) Within Years 2-4

(3) Future Priority or Subject to Grant

ST = Staff Time

* Includes Estimated Efficiency Savings

Topic	Topic	Reference	Estimated Probable Cost		Savings /	Expected	Priority	Recommended
No.	Description	Page	Initial	Annual	Revenues*	Benefits	Ranking	Implementation
Administration - Finance								
AF-08	Levy Stabilization Reserve	70	0	0		(3)	(2)	(1)
AF-09	Electronic Payment of Vendors	71	0	0		(2)	(3)	(1)
AF-10	Comprehensive User Fee Study	72	ST	0		(3)	(2)	(2)
AF-11	Monthly Variance Reports	74	0	0		(2) (3)	(2)	(1)
AF-12	Bi-Annual Financial Reports	75	ST	ST		(2) (3)	(2)	(1)
AF-13	Water & Wastewater Financial Plan	77	ST/\$15,000	0		(1) (3)	(1)	(2)
AF-14	Pipelines Tax Ratio	79	0	0	\$65,000	(3)	(2)	(1)
Administration - Technology								
AT-01	IT Infrastructure Upgrades	82	ST/\$72,000	TBD		(1) (2)	(1)	(1)
AT-02	Electronic Records Management	84	ST/\$55,000	(\$10K/yr x 2)+\$1.8K/yr	\$15,000	(1) (2) (3)	(2)	(3)
AT-03	Ontario 211	86	0			(1) (2) (3)	(2)	(2)
AT-04	Inspection Software and Hardware	88	ST/\$500	ST/\$2,800	\$1,500	(1) (2) (3)	(2)	(2)
AT-05	Community Consultation/Engagement Software	90	0	\$650		(1) (2)	(2)	(2)
AT-06	Internet Improvements	91	ST	TBD		(1)	(2)	(1)
AT-07	IT Consultant	94	ST	0		(1) (2) (3)	(1)	(2)
AT-08	Website Functionality	96	ST/\$29,750	0	\$10,000	(1) (2) (3)	(2)	(2)
AT-09	Road Patrol Software	98	ST/\$2,000	ST/\$3,000	\$5,000	(1) (2) (3)	(2)	(3)
Asset Management								
AM-01	Asset Management Plan	101	ST/\$50,000	ST/\$10,000		(2) (3)	(1)	(1)
AM-02	Vehicles and Equipment Replacement Policy	104	ST	0		(1) (2) (3)	(1)	(1)

Expected Benefit

- (1) Enhanced Services
- (2) Improved Efficiency
- (3) Anticipated Cost Benefit

Priority Ranking

- (1) Considered Critical
- (2) Considered Very Important
- (3) Considered Important

Recommended Implementation

- (1) Within First Year
- (2) Within Years 2-4
- (3) Future Priority or Subject to Grant

ST = Staff Time

* Includes Estimated Efficiency Savings

Topic	Topic	Reference	Estimated Probable Cost		Savings /	Expected	Priority	Recommended
No.	Description	Page	Initial	Annual	Revenues*	Benefits	Ranking	Implementation
	By-law Enforcement							
BL-01	Parking Enforcement Winter Control	107	ST/Ex. Bdgt	0		(1) (2) (3)	(3)	(1)
	Council							
C-01	Council Training	110	Exist. Budget	0		(2) (3)	(2)	(1)
	Fire Department							
FD-01	Fire Underwriters Survey	113	ST	0		(1) (2) (3)	(2)	(2)
FD-02	Recovery of Insured Fire Call Costs	115	0	0	~ \$5,000	(3)	(3)	(2)
FD-03	Fire Documentation & Specialized Records	116	\$10,000	\$2,000		(2) (3)	(2)	(3)
FD-04	Fire Risk Assessments	118	ST	ST		(1) (2)	(2)	(2)
FD-05	Fire Department Radio Communications	119	\$50,000	\$30,000		(1) (2)	(3)	(3)
FD-06	Inspection Program	121	ST	ST		(1) (3)	(2)	(2)
FD-07	Fire Hydrant Demarcation	122	ST/Ex. Bdgt	0		(2) (3)	(2)	(2)
FD-08	Neighboring Fire Agreements	124	ST	0	\$35,000	(1) (2) (3)	(2)	(2)
	Health and Safety							
HS-01	Health and Safety	127	ST/\$7,000	ST/\$5,000		(1) (2)	(1)	(1)
	Human Resources							
HR-01	Succession Plan	131	ST	0		(1) (2) (3)	(1)	(2)
HR-02	Cross Training & Professional Development	133	ST	ST		(1) (2) (3)	(1)	(2)
HR-03	Annual & Regular Employee Reviews	135	ST	ST		(1) (2)	(2)	(1)

Expected Benefit

(1) Enhanced Services

(2) Improved Efficiency

(3) Anticipated Cost Benefit

Priority Ranking

(1) Considered Critical

(2) Considered Very Important

(3) Considered Important

Recommended Implementation

(1) Within First Year

(2) Within Years 2-4

(3) Future Priority or Subject to Grant

ST = Staff Time

* Includes Estimated Efficiency Savings

Topic	Topic	Reference	Estimated Probable Cost		Savings /	Expected	Priority	Recommended
No.	Description	Page	Initial	Annual	Revenues*	Benefits	Ranking	Implementation
Public Works								
PW-01	Maintenance Standards for Gravel Roads	138	0	Offsetting		(1) (3)	(3)	(1)
PW-02	Strip Footings for Headstones	140	ST/\$1,500	ST/\$5,000		(1) (2)	(3)	(2)
PW-03	Work UTV for Recreation & Cemetery Maintenance	142	\$40,000	\$500	~ \$5,000	(1) (2) (3)	(2)	(2)
Recreation								
R-01	Recreation Center	145	ST	0	TBD/\$60,000	(2) (3)	(2)	(2)
Risk Management								
RM-01	Minimum Maintenance Standards	149	ST/\$2,500	0		(2) (3)	(2)	(2)
RM-02	Risk Management Training	151	ST	0		(1) (3)	(2)	(1)
RM-03	Driver's Abstracts	152	ST/\$500	0		(1)	(2)	(1)
RM-04	GPS for Vehicles	153	\$8,500	0		(1) (2)	(2)	(3)
RM-05	IT Disaster Recovery Plan	154	ST/\$7,500	0		(1)	(1)	(1)
RM-06	Enhanced Ransomware Cyber Insurance	156	0	\$5,000		(1) (3)	(1)	(1)
RM-07	Commercial Vehicles Operations Registration	157	ST/\$2,500	0		(2) (3)	(2)	(2)
RM-08	Emergency Management	159	ST/\$2,500	ST		(1) (2)	(1)	(1)
RM-09	Security Review	162	ST/\$20,000	0		(1) (2)	(2)	(2)
Strategic, Master and Long Term Planning								
SP-01	Term of Council Strategic Plan	166	Allocated	0		(1) (2) (3)	(1)	(2)
SP-02	Master Plan Approach	169	ST	TBD		(1) (2) (3)	(1)	(2)
SP-03	Annual Department Work Plans	171	ST	ST		(1) (2) (3)	(1)	(1)

Expected Benefit

(1) Enhanced Services

(2) Improved Efficiency

(3) Anticipated Cost Benefit

Priority Ranking

(1) Considered Critical

(2) Considered Very Important

(3) Considered Important

Recommended Implementation

(1) Within First Year

(2) Within Years 2-4

(3) Future Priority or Subject to Grant

ST = Staff Time

* Includes Estimated Efficiency Savings

Appendix 2A

Municipal Comparators

Local Services	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average (excl Armstrong)
District	Algoma	Temiskaming	Temiskaming	Cochrane	Sudbury	Algoma	
Population	980	1128	1166	1231	1269	1333	1,188
Households	543	638	543	976	998	580	747
Full Services (Urban Centre)	Yes	Yes	Yes	Yes	No	Yes	
Roads Lane kms (paved/unpaved)	20/18	11/0	?	?	1/91	19/304	
Arena	Yes	No	Yes	Outdoor	Yes	Yes	
Pool	Closed	No	Outdoor	No	No	No	
Library	Yes	Yes	Yes	Yes	Yes	Yes	
Golf Club	No	No	No	No	No	No	
Curling Club	Yes	No	No	No	Yes	Yes	
Marina	No	No	No	No	No	No	
Airport	Yes	No	No Longer	No	No	No	
Garbage Pickup	Curbside	Curbside	Curbside	Curbside	Curbside	Curbside	
Recycling Pickup	No	Curbside	Curbside	Curbside	Curbside	Transfer Stn	
2016 Canada Census	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average
							(excl Armstrong)
2016 Population	980	1128	1166	1231	1269	1333	1,188
% Change in Population 2011	-6.7	-0.4	-4.1	11.8	-1.0	6.5	2.0
Total Private Dwellings	514	624	521	768	818	554	656
Land Area (sq. kms.)	204.3	2.1	90.2	235.6	321.7	303.1	213.4
Population Density (per sq. kms.)	4.8	542.0	12.9	5.2	3.9	6.6	112.5
Median Household Income	\$99,584	\$42,880	\$65,579	\$73,830	\$57,280	\$75,593	\$69,833
% Low Income	6.7	30.8	14.6	11.6	18.3	12.1	15.9
2021 OMPF	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average
							(excl Armstrong)
Total Grant	\$589,500	\$899,300	\$392,900	\$945,100	\$860,900	\$414,700	\$741,900
Households	543	638	543	976	998	580	747
Grant/Household	\$1,086	\$1,410	\$724	\$968	\$863	\$715	\$1,008
Weighted Assess/Household	\$78,467	\$70,522	\$263,669	\$138,817	\$194,707	\$209,583	\$138,419
Fiscal Circumstances Index	4.4	10.0	5.7	6.5	8.0	5.4	6.9

2019 FIR's	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average (excl Armstrong)
Population	980	1128	1166	1231	1269	1333	1,188
Households	543	638	543	976	998	580	747
Residential Taxation	\$1,530,013	\$513,500	\$743,265	\$1,876,709	\$2,097,649	\$1,362,677	\$1,476,110
Farmland/Forest	\$0	\$0	\$106,080	\$2,488	\$24,147	\$23,338	\$9,995
Commercial Taxation	\$175,102	\$44,525	\$188,211	\$56,445	\$132,775	\$190,180	\$119,805
Industrial Taxation	\$6,040	\$0	\$64,420	\$15,309	\$0	\$20,033	\$8,276
Other/PIL's	\$140,116	\$11,759	\$222,757	\$371,890	\$72,344	\$180,845	\$155,391
% Residential per Total Taxation	82.6%	90.1%	56.1%	80.8%	90.1%	76.7%	84.1%
Residential Taxes/Household	\$2,818	\$805	\$1,369	\$1,923	\$2,102	\$2,349	\$1,999
Total Revenue (excl Conditional Grants)	\$4,047,200	\$2,933,797	\$3,140,599	\$3,746,947	\$3,605,517	\$4,478,542	\$3,762,401
Total Expenses	\$5,167,282	\$3,209,794	\$3,161,182	\$3,300,829	\$3,533,150	\$3,482,256	\$3,738,662
Wages & Benefits	\$1,218,421	\$857,478	\$1,050,113	\$1,035,839	\$1,159,612	\$939,346	\$1,042,139
Annual Surplus(Deficit)	\$64,311	\$1,168,649	\$276,694	\$2,196,739	\$376,064	\$1,268,335	\$1,014,820
Accumulated Surplus	\$15,920,974	\$16,638,131	\$8,298,044	\$12,009,454	\$3,614,926	\$17,230,125	\$13,082,722
TCA - Cost	\$38,970,448	\$29,773,911	\$18,810,053	\$16,977,913	\$9,380,918	\$22,896,770	\$23,599,992
TCA - Net Book Value	\$15,311,456	\$15,968,011	\$8,286,563	\$7,794,687	\$3,096,910	\$14,694,468	\$11,373,106
% TCA-Net Book to Cost	39.3%	53.6%	44.1%	45.9%	33.0%	64.2%	47.2%
Reserves/Reserve Funds	\$1,240,478	\$330,280	\$1,293,324	\$1,422,993	\$716,323	\$3,911,490	\$1,524,313
Long Term Debt	\$1,486,877	\$61,294	\$297,851	\$51,974	\$435,775	\$1,730,940	\$753,372
Total Unfunded Liabilities	\$442,788	\$37,783	\$244,255	\$116,965	\$309,595	-\$66,352	\$168,156
Delta - Reserves less LTD	-\$246,399	\$268,986	\$995,473	\$1,371,019	\$280,548	\$2,180,550	\$770,941
Delta - Acc. Surplus less TCA NBV	\$609,518	\$670,120	\$11,481	\$4,214,767	\$518,016	\$2,535,657	\$1,709,616
% (TCA NBV + Res - LTD - Unf Lia) to TCA Cost	37.5%	54.4%	48.0%	53.3%	32.7%	74.0%	50.4%
Recommended Ratio	65.0%						

Appendix 2B

2019 Expenses - Municipal Comparators

2019 FIR's Expenses (excluding amortization)	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average (excl Armstrong)
Population	980	1128	1166	1231	1269	1333	1,188
Households	543	638	543	976	998	580	747
General Government	\$821,876	\$564,486	\$547,881	\$509,010	\$1,036,093	\$498,032	\$685,899
Protection Services	\$303,675	\$490,253	\$285,643	\$340,871	\$469,809	\$336,294	\$388,180
Transportation Services	\$790,054	\$546,091	\$648,999	\$793,050	\$651,629	\$573,392	\$670,843
Environmental Services	\$1,152,408	\$576,287	\$476,018	\$344,743	\$320,612	\$620,489	\$602,908
Health & Social Services	\$193,136	\$223,150	\$334,811	\$419,085	\$456,682	\$404,712	\$339,353
Recreation & Culture	\$719,473	\$170,774	\$336,845	\$339,056	\$339,056	\$472,429	\$408,158
Planning & Development	\$40,900	\$2,039	\$21,765	\$27,260	\$27,260	\$24,605	\$24,413
Total Expenses	\$4,021,522	\$2,573,080	\$2,651,962	\$2,773,075	\$3,301,141	\$2,929,953	\$3,119,754
General Government	\$1,514	\$885	\$1,009	\$522	\$1,038	\$859	\$963
Protection Services	\$559	\$768	\$526	\$349	\$471	\$580	\$545
Transportation Services	\$1,455	\$856	\$1,195	\$813	\$653	\$989	\$953
Environmental Services	\$2,122	\$903	\$877	\$353	\$321	\$1,070	\$954
Health & Social Services	\$356	\$350	\$617	\$429	\$458	\$698	\$458
Recreation & Culture	\$1,325	\$268	\$620	\$347	\$340	\$815	\$619
Planning & Development	\$75	\$3	\$40	\$28	\$27	\$42	\$35
Total Expenses per Household	\$7,406	\$4,033	\$4,884	\$2,841	\$3,308	\$5,052	\$4,528

Notes:

1. Expenses exclude amortization

Appendix 2C

2019 Unfunded Liabilities

2019 FIR's Unfunded Liabilities	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average (excl Armstrong)
Landfill Closure Costs	\$432,238	\$0	\$434,425	\$0	\$323,000	\$181,737	\$187,395
Less Dedicated Reserve	\$0	\$0	\$190,170	\$0	\$13,405	\$292,165	\$61,114
Unfunded Landfill Closure Costs	\$432,238	\$0	\$244,255	\$0	\$309,595	-\$110,428	\$126,281
Future Employee Benefits	\$10,550	\$37,783	\$0	\$116,965	\$0	\$58,867	\$44,833
Less Dedicated Reserve	\$0	\$0	\$0	\$0	\$0	\$14,791	\$2,958
Unfunded Future Employee Benefits	\$10,550	\$37,783	\$0	\$116,965	\$0	\$44,076	\$41,875
Total Unfunded Liabilities	\$442,788	\$37,783	\$244,255	\$116,965	\$309,595	-\$66,352	\$168,156

Appendix 2D

2019 Solid Waste Comparators

2019 FIR's	Hornepayne	Cobalt	Armstrong	Moonbeam	St. Charles	Emo	Average (excl Armstrong)
Solid Waste Disposal							
Population	980	1128	1166	1231	1269	1333	1188
Households	543	638	543	976	998	580	747
Recycle Program	No	Curbside	Curbside	Curbside	Curbside	Transfer Stn	
Garbage Program	Curbside	Curbside	Curbside	Curbside	Curbside	Curbside	
Weekly Residential Allowance (lbs)	200	50 Bi-Weekly	50 Bi-Weekly	100 Bi-Weekly	80	100	\$91
Weekly Commercial Allowance (lbs)	0	0	0	100 Bi-Weekly	240	100	
Collection Revenue	\$0	\$5,727	\$0	\$0	\$0	\$47,780	\$10,701
Landfill Revenue	\$1,135	\$0	\$128,390	\$0	\$0	\$1,000	\$427
Diversion Revenue	\$0	\$31,674	\$0	\$0	\$28,072	\$7,542	\$13,458
Total Revenue	\$1,135	\$37,401	\$128,390	\$0	\$28,072	\$56,322	\$24,586
Collection Expenses	\$0	\$89,757	\$125	\$144,101	\$0	\$47,845	\$56,341
Landfill Expenses	\$176,426	\$47,325	\$103,366	\$61,196	\$286,613	\$35,613	\$121,435
Diversion Expenses	\$0	\$27,839	\$0	\$0	\$0	\$10,611	\$7,690
Total Expenses (less Diversion Revenue)	\$176,426	\$133,247	\$103,491	\$205,297	\$258,541	\$86,527	\$172,008
Total Expenses per Household	\$325	\$209	\$191	\$210	\$259	\$149	\$230
Collection Expenses per Household	\$0	\$141	\$0	\$148	\$0	\$82	\$74

1) Landfill expenses may in some cases include post closure expenses

Appendix 2E

2021 Estimated Fire Costs Per Household

2021 Capital Costs							
	2013 AMP	2021 Estimated	Amortization	Amortization	Total		
	Replacement Cost	Replacement Cost	Schedule	Expense	Expenses		
Fire Hall	\$441,067	\$600,000	40	\$15,000			
Fire Equipment	\$271,937	\$350,000	10	\$35,000			
Fire Vehicles	\$623,179	\$800,000	20	\$40,000			
				\$90,000	\$90,000		
2021 Operating Budget							
Operating Expenses					\$150,000		
				Total	\$240,000		
Per Household Costs							
		Twp	Households	Per HH Cost		2021 Charge	Difference
		Armstrong	491	\$384	\$188,544		
		Hilliard	90	\$384	\$34,560	\$15,061	\$19,499
		Thornloe	44	\$384	\$16,896	\$7,363	\$9,533
			625	\$384	\$240,000	\$22,424	\$29,032

Appendix 2F

2019 Pipeline Ratio Comparators

Municipality	Tier	Taxable Assessment	Tax Ratio	Res Tax	Municipal Taxes (includes ST, LT & UT)	Municipal Taxes per \$1000
Mattice-Val Cote	ST	\$44,915,000	0.922000	1.354007	\$560,716	\$12.48
Smooth Rock Falls	ST	\$28,535,707	1.180419	1.994181	\$671,722	\$23.54
Black River-Matheson	ST	\$90,772,250	1.240698	1.131721	\$1,274,555	\$14.04
North Bay	ST	\$72,088,168	1.165600	1.340246	\$1,126,155	\$15.62
		\$236,311,125			\$3,633,148	
Average			1.127179			\$16.42
Weighted Average			1.149936			\$15.37
Armstrong (Current Tax Ratio)	ST	\$17,952,939	1.194038	0.971612	\$208,280	\$11.60
Armstrong (Commercial Tax Ratio)	ST	\$17,952,939	1.568181	0.971612	\$273,543	\$15.24

Appendix 3

TCA Investment

Armstrong - FIR	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Total	Annual Avg	Delta
Conditional Grants (excludes OMPF)	\$297,277	\$11,524	\$28,904	\$180,707	\$200,260	\$118,775	\$120,058	\$110,700	\$169,312	\$492,927		\$1,730,444	\$173,044	
Annual Surplus (Deficit)	\$276,694	-\$107,939	-\$962,627	-\$1,047,700	-\$797,660	-\$179,124	-\$548,286	-\$486,803	-\$275,530	\$26,744		-\$4,102,231	-\$410,223	
TCA Additions	\$382,374	\$196,610	\$272,435	\$184,303	\$700,035	\$85,497	\$559,387	\$101,373	\$532,667	\$537,022		\$3,551,703	\$355,170	
TCA Annual Amortization	\$495,214	\$568,296	\$622,058	\$598,019	\$585,961	\$553,478	\$547,641	\$528,340	\$539,479	\$493,795		\$5,532,281	\$553,228	
Reserve/Reserve Funds	\$1,293,324	\$1,035,727	\$877,267	\$736,902	\$828,343	\$801,137	\$801,873	\$789,659	\$648,429	\$407,064	\$388,702			\$904,622
Long Term Liabilities	\$297,851	\$510,537	\$722,472	\$876,722	\$1,119,746	\$837,770	\$990,794	\$974,228	\$1,167,018	\$781,816	\$855,928			\$558,077

Notes:

- 1) TCA Amortization is less Airport Amortization
- 2) Very poor success on Conditional Grants.
- 3) Average annual deficit over past 10 years is \$410,223
- 4) TCA Additions is \$198,058 per year less than TCA Amortization TCA Additions (indicator that asset management is falling significantly behind)
- 5) \$7,711,415 Disposal of Airport in 2017 resulted in a \$526,458 loss.

Appendix 4

2019 Financial Indicators

Financial Indicator			Armstrong	Fiscal Risk		
				Low	Moderate	High
Net Debt as a % of Own Purpose Taxation & User Fees	Net Financial Assets	-\$34,752	-1.8%	> -50%	-50% to -100%	< -100%
	Taxation & User Fees	\$1,886,091				
Total Reserves/Reserve Funds as a % of Operating Expenses	Reserves/Reserve Funds	\$1,102,421	34.9%	> 20%	10% to 20%	< 10%
	Operating Expenses	\$3,161,182				
Debt Servicing Cost as a % of total Operating Revenue	Debt Servicing Costs	\$272,060	8.8%	< 5%	5% to 10%	> 10%
	Operating Revenues	\$3,101,940				
Total Taxes Receivable as a % of total Taxes Levied	Taxes Receivable	\$55,950	4.2%	< 10%	10% to 15%	> 15%
	Net Municipal Taxation	\$1,317,750				
Total Cash & Cash Equivalents as a % of Operating Expenses	Cash & Cash Equivalents	\$708,156	22.4%	> 10%	5% to 10%	< 5%
	Operating Expenses	\$3,161,182				
Net Book Value of Capital Assets as a % of Cost of Capital Assets	TCA Net Book Value	\$8,286,563	44.1%	> 50%	35% to 50%	< 35%
	TCA Cost Value	\$18,806,744				

Source of Financial Indicators: Municipal Finance Officers Association of Ontario (MFOA)

Appendix 5

Potential Neighbouring Municipality Partners
for Shared Services

Municipality	Urban Center	Population	Size (sq kms)	Distance (kms)
Twp of Armstrong	Earlton	1166	90.2	0
Town of Englehart	Englehart	1479	3.0	15
Twp of Ewanturel		449	89.0	10
Twp of Charlton & Dack	Charlton	686	92.4	25
Twp of Hilliard		223	91.4	12
Twp of Thornloe		112	6.6	10
		4115	372.6	
City of Temiskaming Shores	New Liskeard / Haileybury	9920		30 / 40
Town of Cobalt	Cobalt	1133		50
Twp of James	Elk Lake	420		50
City of Kirkland Lake	Kirkland Lake	7981		60

Appendix 6

Acronyms and Abbreviations

Acronyms and Abbreviations

AMCTO	Association of Municipal Managers, Clerks and Treasurers of Ontario
AMMR	Asset Management Maturity Report
AMP	Asset Management Plan
AODA	Accessibility for Ontarians with Disabilities Act
CVOR	Commercial Vehicles Operators Registration
DTSSAB	District of Temiskaming Social Services Administration Board
FIR	Financial Information Return
FUS	Fire Underwriters Survey
GIS	Geographic Information System
GPS	Global Positioning System

Acronyms and Abbreviations

IPC	Information and Privacy Commissioner
LRCF	Long-Range Capital Forecast
MFIPPA	Municipal Freedom of Information and Protection of Privacy Act
MLEO	Municipal Law Enforcement Officer
MMS	Minimum Maintenance Standards
OMPF	Ontario Municipal Partnership Fund
PAYG	Pay-as-you-go (Financial Model)
RD/AD	Routine Disclosure/Active Dissemination (Policy)
RRFP	Reserve and Reserve Fund Policy
SDR	Service Delivery Review

Acronyms and Abbreviations

SMT	Senior Management Team
TCA	Tangible Capital Assets
TMSA	Temiskaming Municipal Services Association
VERP	Vehicles and Equipment Replacement Policy



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