



Staff Report to Council - for Information

Title: Annual Report on Investment in Local Services

From: Aaron Stauch, Director Government Relations

Date: June 20, 2024

Report Purpose:

This report is for information.

Report Summary:

Bruce County provides upper-tier services to the eight local municipalities in the County. Each of those municipalities contribute a portion of their tax levy to Bruce County to provide these services, this portion is based on the weighted assessment of each lower tier. This report is the first annual report on the value provided by Bruce County's investment in local services. The report also benchmarks the efficiency of Bruce County against a comparator group of municipalities. The eight local municipalities provided \$56.5 Million in levy contributions to the Bruce County in 2022, while the County generated over \$65 Million in additional value.

Background:

To conduct this analysis Bruce County collected the 2022 [Financial Information Returns](#) (FIRs) for us, and six other comparator municipalities. The comparator municipalities were other upper-tier counties, consolidated municipal services managers (CMSMs) in the Western Ontario Wardens Caucus (WOWC). The FIRs provided a standard reporting format on municipal revenues and expenditures across the various services that municipalities provide. In addition to the information presented in the FIRs, the County compiled 2022 service volume data that can be tied to each local municipalities (i.e., paramedic calls for service). This data allowed us to answer two key questions:

- How does Bruce County compare in terms of efficiency to other like municipalities?
- What level of investment does Bruce County make in each local municipality?

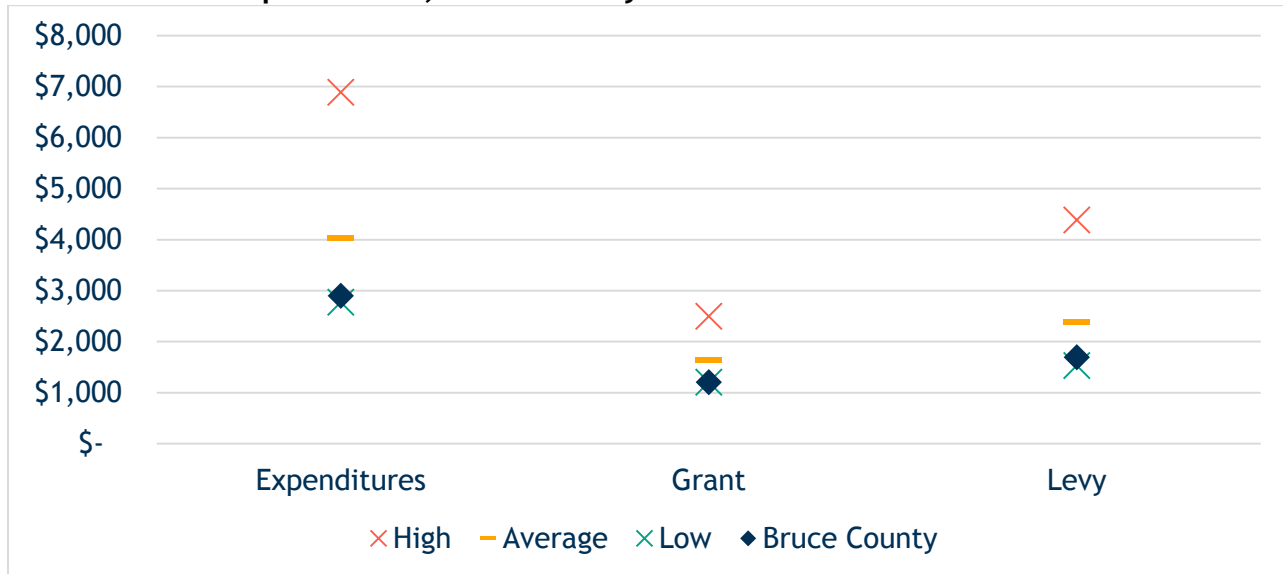
The full methodology for this analysis is provided throughout this report. This will allow replication of the finding of this report.

Efficiency of Bruce County

To benchmark Bruce County against the comparator group of municipalities we looked at four key metrics to get a macro view of efficiency. These included: total municipal

expenditures per household; total levy per household; provincial & federal grants per household; and the cost of government administration per household.

Chart 1: Total Expenditures, Grant & Levy Per Household



As shown in Chart 1, the comparator County group had:

- total expenditures per household ranged from \$2,772.54 to \$6,887.35, with an average of \$4,042.45. Bruce County’s was \$2,899.80, the comparator group's second-lowest expenditure per household;
- total provincial or federal grants per household ranged from \$1,205.66 to \$2,500.67, with an average of \$1,650.40. Bruce County’s was the lowest grant per household of the comparator group; and
- total levy contributions per household ranged from \$1,535.29 to \$4,386.69 with an average of \$2,395.05. Bruce County’s was \$1,694.15, the comparator group's second-lowest expenditure per household.

As can be seen from the data, Bruce County keeps a low levy assessment, despite having the lowest provincial and federal grant. It also suggests that Bruce County has a high degree of efficiency in delivering services, keeping overall delivery costs low. In addition to the above, the cost of Government Administration across the comparator group ranged from \$84.03 to \$239.45 per household with an average of \$168.05. Bruce County was the second lowest at \$119.04 per household. This demonstrates that Bruce County ensures expenditures are focused on direct service delivery.

Investment in Local Services

To demonstrate the value invested in each of our local municipalities, Bruce County established cost drivers for each of its major service areas. This allowed us to determine a cost per unit of services, and then assign total investment in each local municipal. Table 1,

below, outlines each of those cost drivers by department. The chart outlined the total service volume for 2022 across the County, the cost per unit of services, and the rationale for the cost driver selected.

Table 1: Departmental Cost Drivers

| Department | Cost Driver | Cost Per Unit | Service Volume | Rationale |
|--|------------------------|---------------|----------------|---|
| Government Administration <small>(FIR Schedule 40 - Line 0299)</small> | Cost Per Household | \$119.04 | 42,030 | Apportioned by numbers of households by community, as there is no other cost driver. |
| Long-Term Care <small>(FIR Schedule 40 - Line 1220)</small> | Cost Per Household | \$861.49 | 42,030 | Apportioned by numbers of households by community, as each municipality has an obligation to provide long-term care services. |
| Planning <small>(FIR Schedule 40 - Line 1810)</small> | Number of Inquiries | \$5,202.44 | 436 | Used to create a proxy for the demand on the Planning Department, as applications come with their own fees. |
| Transportation <small>(FIR Schedule 40 - Line 0699)</small> | KMs of Road Maintained | \$24,019.43 | 675 | Roads and associated infrastructure maintenance is the largest proportion of the TES budget and was used to allocate out costs. |
| Paramedics <small>(FIR Schedule 40 - Line 1030)</small> | Calls for Service | \$1,974.14 | 7,671 | Driver of how paramedic time is spent. It should be noted there can be a much different level of work effort for certain communities due to transit time. |
| Library <small>(FIR Schedule 40 - Line 1640)</small> | Active Users | \$206.88 | 19,880 | A metric of the demand for service by community. |
| Museum <small>(FIR Schedule 40 - Line 1645)</small> | Members | \$8,186.75 | 419 | Membership are the only driver tracked by local municipality. However, it should be noted that visits would likely be a better metric of actual work. |
| Ontario Works <small>(FIR Schedule 40 - Line 1210)</small> | Caseload | \$23,076.59 | 504 | Tracks work assigned to local municipalities. |
| Housing <small>(FIR Schedule 40 - Line 1499)</small> | Units | \$19,875.03 | 666 | Provides a view of the housing units provided in each municipality. |

| | | | | |
|---|--------------------|------------|--------|---|
| Childcare (FIR Schedule 40 - Line 1230-) | Space | \$5,710.09 | 1788 | Provides a view of the childcare spaces provided in each municipality. |
| Public Health (FIR Schedule 40 - Line 1010) | Cost Per Household | \$31.28 | 42,030 | Each municipality in Ontario is required to provide Public Health services so each local would be expected to provide this service if not provided collectively through the County. |
| Other (FIR Schedule 40 - Line 0499, 0899, 1610, 1820, 1840) | Cost Per Household | \$27.90 | 42,030 | These were small costs on the FIR (Economic Development, Forestry, etc.) that were difficult to develop cost drivers for. |

Table 2, below, outlines what the total levy contribution was from each local municipality, what the value was of the services provided to each municipality in 2022, and their share of the investment. While there is difference in levy contribution and share of the investment in local services, each municipality received an investment more than their levy contribution. This additional investment is created by the County through efficient operations, leveraging provincial and federal grants, and user fees. A detailed breakdown of service levels and investment by department is provided in Appendix A, attached.

Table 2: Departmental Cost Drivers

| Municipality | Households | | Levy | | County Investment | |
|--------------------------|---------------|-------------|-----------------|-------------|-------------------|-------------|
| | Count | % | \$ (000,000) | % | \$ (000,000) | % |
| South Bruce Peninsula | 7,427 | 18% | \$8.584 | 15% | \$18.362 | 15% |
| Arran-Elderslie | 3,089 | 7% | \$3.227 | 6% | \$12.642 | 10% |
| Brockton | 4,468 | 11% | \$5.153 | 9% | \$15.509 | 13% |
| South Bruce | 2,533 | 6% | \$3.077 | 5% | \$7.839 | 6% |
| Huron-Kinloss | 4,107 | 10% | \$6.240 | 11% | \$10.665 | 9% |
| Kincardine | 6,322 | 15% | \$10.178 | 18% | \$18.677 | 15% |
| Northern Bruce Peninsula | 5,101 | 12% | \$7.150 | 13% | \$9.178 | 8% |
| Saugeen Shores | 8,983 | 21% | \$12.881 | 23% | \$29.002 | 24% |
| Total | 42,030 | 100% | \$56.494 | 100% | \$121.88 | 100% |

Maximizing Local Investments

When looking at the results of this report it is important to consider key factors in how the County generates value for our local municipalities, including:

- **Investment in Addition to Levy Contributions:** by coming together as a County we can leverage funding from the provincial and federal governments that are generally targeted towards upper-tier municipalities, or consolidated municipal service managers. This includes housing, social assistance, childcare, paramedic services, and long-term care. Together we are greater than the sum of our parts.
- **Provincially Required Services:** the province requires municipalities to deliver services such as long-term Care, and libraries. By offering these at the County level we can achieve economies of scale and an increased range of services.
- **Service that Creates Regional Benefit:** many services provided by the County benefit all local municipalities, and by coming together we can accelerate their impact. Examples include:
 - **Economic Development:** the Bruce County brands supported by Economic Development bring business, people, and tourists to Bruce County. This often cannot be attributed to a single community. This service creates increases in revenue for local businesses, new residents that pay taxes, and increases in assessment value.
 - **Museum:** our museum may be physically located in one community, and it has programming accessible by all. Importantly, the museum plays a pivotal role in documenting and archiving Bruce County's rich history.
 - **One Voice:** Bruce County can bring together our collective voice to advocate for needed investment. This includes the recent work of the Community Development Office in developing a housing action tool kit.

Limitations of the Analysis

This report is the first annual report on investment in local services that the County has produced, as such there are important considerations to keep in mind when looking at the results of the report, including:

- **Operationally Focused:** the report considers the operational expenditure of the County and does not include capital expenditure. Capital expenditures were difficult to tie to a local municipality. The Government Relations and Corporate Service Departments will work together to account for capital expenditures in a future version of this report. While Asset Management Plans, and reports like the annual BMA Management Consulting report on municipal taxation and expenditures were considered, they presented challenges when benchmarking at the County level. We will explore how to address this challenge in future reports.

- **Simplification of Complex Service Delivery Model:** the cost driver metrics were selected based on data already tracked by Bruce County. However, they are also oversimplified views of each department and their operations. For example, paramedic calls do not factor in the work of the community paramedic program. As we continue to evolve the approach to this report, we will look to a more refined set of key performance indicators that demonstrate various aspects of the County's work.
- **Snapshot in Time:** given this is the first iteration of this report it should be viewed as a snapshot in time, as it presents one year of data. As we evolve the report and approach, we will begin to present trend analysis.
- **Financial Information Return Data:** although the FIRs do provide good data on the financials of municipalities there can be issues with how different municipalities enter this information. There can be consistency problems with how different counties track and enter their financial data and therefore can skew the data.

Findings & Next Steps

This report has several key findings that will support the work of the County. The following are key finding and recommendations:

- The County benchmarks well compared to upper tier consolidated municipal service manager counties in western Ontario. This includes a relatively low total expenditure and levy assessment, against the lowest over grant from the province and federal governments. This will be important to continue to monitor as we annualize this report. It can also be used to court additional investment in the County through advocacy work.
- As the report demonstrates, each local municipality receives investment in services that exceeds their levy contribution. However, there is variation in the share of the value that is not aligned to the contribution. This can inform our work as the County continues to manage services and looks to maximize investment across our communities.

In addition to the findings above, the County will be taking the following next steps:

- An infographic one-pager for each local municipality has been prepared outlining their service levels, and investment in each community. These will be sent as an official communication, with this report, to each local Council.
- Through that communication, the County will also offer to delegate to each local Council to present the report's findings and take questions from local elected officials.

- The County will create a process to generate this report annually and will send that information annually as outlined above.
- As noted throughout this report, the County will work to mature the analysis behind this report to factor in additional areas of service, and capital investments.

Financial/Staffing/Legal/IT Considerations:

There are no financial, staffing, legal or IT considerations associated with this report.

Interdepartmental Consultation:

Government Relations prepared this report with Corporate Services. Service volume data was provided by each operational department.

Link to Strategic Goals and Objectives:

Community and Partnerships - Enhance and grow partnerships

Link to Departmental Plan Goals and Objectives, if any:

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