



Report to: General Committee

Meeting Date: September 3, 2019

SUBJECT: Transfer Payment Agreement for the Provincial Audit and Accountability Fund

PREPARED BY: John Yeh, MCIP, RPP, Manager, Strategy and Innovation – ext.7922

RECOMMENDATION:

1. That the report dated September 3, 2019 entitled “Transfer Payment Agreement for Provincial Audit and Accountability Fund” be received; and,
2. That the Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Municipal Affairs and Housing (the “Province”) for funding an assessment of the development review process, provided the agreement is in a form satisfactory to the Commissioner of Development Services and the City Solicitor; and,
3. That a new capital project named, “Development Review Process” be created in the amount of \$150,000 to be funded from the Provincial Audit and Accountability Fund; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of the report is to obtain Council’s authority for:

- a) The Mayor and Clerk to execute the Ontario Transfer Payment Agreement with the Province for the City to receive Provincial funding up to \$150,000 towards the assessment of the City’s development review process; and
- b) The creation of a new capital project for the development review process.

BACKGROUND:

On May 21, 2019 the Province announced the provision of a \$7.35 million Provincial Audit and Accountability Fund to help large municipalities and district school boards to review municipal service delivery expenditures to find efficiencies and modernize service delivery, while protecting jobs.

Eligible municipalities could apply individually or collectively, with other municipalities, to undertake independent third-party reviews. The Province would provide funding for the City to retain a third party consultant to complete the following:

- 1) A review of service delivery expenditures and modernization opportunities and administrative processes to reduce costs;
- 2) Preparation of a final report with specific actionable recommendations for cost savings and improved efficiencies; and
- 3) Completion by November 30, 2019 with a publicly posted independent third-party report outlining the analysis, findings, and actionable recommendations.

Only third-party service provider fees are eligible for funding. Municipal administrative costs, such as staff time, are not eligible.

At the June 12, 2019 Markham Council meeting, Council passed a resolution directing staff to apply to the Province for funding a third party review of the City's processes in the following areas in priority order:

- 1) Development review process related to the Building, Engineering, and Planning departments
- 2) New parks delivery and parks maintenance processes
- 3) Recreation services process review

On June 28, 2019 City staff submitted an application to the Province for funding reviews of the above three areas. Due to the short time frame for preparing the application, pricing quotes were requested from consulting firms that have experience in reviewing those particular services.

On August 8, 2019, the Ministry of Municipal Affairs and Housing informed the City that it will receive funding of up to \$150,000 towards an independent third party assessment of the City's development review process related to the Building, Engineering, and Planning departments, including the preparation of a report which will include actionable recommendations for cost savings (see **Appendix "A"**). The other two areas proposed by the City for review related to new parks delivery and parks maintenance processes and recreation process review were not approved for funding.

OPTIONS/ DISCUSSION:

The Province has provided City staff the Ontario Transfer Payment Agreement form setting out the terms of funding. The following is a high level description of the terms:

- The Province will providing funding to the City of up to \$150,000.
- The funding is for the City to retain an independent third party consultant to provide a comprehensive assessment of the City's development review process roles and responsibilities. "Based on the current application process mapping and documentation for official plan amendments, zoning by-law amendments, and plans of subdivision, the reviewer will provide a report identifying opportunities for improvement and make recommendations that would facilitate improved review

and approval processes, and clarity in roles and responsibilities, while ensuring thorough and meaningful plan review and excellence in the built environment.”

- By November 30, 2019, the report of the findings and recommendations of the third party consultant must be completed and posted on the City’s publically assessable website.
- By December 13, 2019, a final report must be submitted to the Province, which will provide financial information on the project (including financial information on what the municipality paid to the third party consultant with back up documentation).
- Funding from the Province will only be available for reimbursing the City for the cost of paying the third party reviewer.
- Funding is subject to the Ontario Legislature allocating the necessary funds to make the payments under the agreement.

Staff recommend that the Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement with the Province for funding an assessment of the development review process.

Staff also recommend that a new capital project named, “Development Review Process” be created in the amount of \$150,000 to be funded from the Provincial Audit and Accountability Fund.

NEXT STEPS:

Staff are in the process of retaining a consultant to undertake an assessment of the development review process. The assessment will be charged to the new capital project and then reimbursed by the Province upon successful approval of the final report with supporting documentation as required (e.g., paid invoices).

FINANCIAL CONSIDERATIONS

Staff recommend that a new capital project named, “Development Review Process” in the amount of \$150,000 to be funded from the Provincial Audit and Accountability Fund be created.

The assessment of the City’s development review process will be charged to the new capital project and subsequently reimbursed by the Province.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

The assessment of the City’s development review process supports efforts to manage growth and provide efficient and high quality municipal services which are key elements

of the Exceptional Services by Exceptional People; Safe and Sustainable Community; and Stewardship of Money and Resources strategic priorities.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal Services, Financial Services, and the Development Services Commission were consulted in the preparation of this report and their comments have been included.

RECOMMENDED BY:

Arvin Prasad, MCIP, RPP
Commissioner Development Services

Trinela Cane
Commissioner Corporate Services

Claudia Storto
City Solicitor and
Director of Human Services

Joel Lustig
Treasurer

ATTACHMENT:

Appendix “A”: Letter from Minister of Municipal Affairs and Housing Steve Clark Regarding Provision of Funding for the Assessment of the Development Review Process