



# COUNCIL INFORMATION PACKAGE

## SUMMARY

August 20, 2021

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1. **C-263-2021**  
Correspondence dated August 16, 2021 from the Ministry of Municipal Affairs and Housing respecting the announcement of the third intake under the Municipal Modernization Program.
  
2. **C-264-2021**  
Correspondence dated August 17, 2021 from the municipality of Leamington respecting a resolution of support for recommendations proposed by The Association of Municipalities of Ontario (AMO) to address joint and several liability reform and rising insurance costs.
  
3. **C-265-2021**  
Correspondence dated August 18, 2021 from the Ministry of Agriculture, Food and Rural Affairs respecting the announcement of the next application intake for the Rural Economic Development (RED) program.

**Ministry of  
Municipal Affairs  
and Housing**

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Tel.: 416 585-7000

**Ministère des  
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Received August 16, 2021  
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234-2021-3561

August 16, 2021

Dear Head of Council:

Our government is committed to modernizing local service delivery and respecting taxpayers' dollars. That is why we launched the Municipal Modernization Program in 2019. Through this program, the Ontario government is providing funding to help small and rural municipalities modernize service delivery and identify new ways to be more efficient and effective.

At the Association of Municipalities of Ontario 2021 conference, I announced the launch of the third intake under the Municipal Modernization Program. The impacts of the COVID-19 pandemic have highlighted the importance of efficient municipal services that are financially sustainable. Even as municipalities continue to face challenges, there are also opportunities to transform services and stimulate new ways of doing business.

The third intake will allow municipalities to benefit from provincial funding to conduct third party reviews as well as to implement projects to increase efficiency and effectiveness and lower costs in the longer term. As with previous intakes, I encourage you to work with your neighbouring municipalities to find innovative joint projects that can benefit each of you. The government is excited to learn about your project applications that support the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals
- Shared services/alternative delivery models

To apply, you must submit a completed Expression of Interest form with attached supporting documents via the Transfer Payment Ontario system by **October 19, 2021**. To get started, visit [www.Ontario.ca/getfunding](http://www.Ontario.ca/getfunding) to access program guidelines and the Expression of Interest form.

My ministry will also be hosting upcoming webinars to provide you with information that will help you complete your applications and ensure that they meet program guidelines and criteria. More information on when these information sessions will take place will be available to you shortly.

If you have questions on the program, or want to attend an information webinar, or would like to discuss a proposal, I encourage you to contact your [Municipal Services Office](#) or e-mail [municipal.programs@ontario.ca](mailto:municipal.programs@ontario.ca).

I look forward to continuing to work together to support your municipality in delivering efficient, effective and modern services for your residents and businesses.

Sincerely,



Steve Clark  
Minister

c. Chief Administrative Officers and Treasurers

# Municipal Modernization Program

## Intake 3 Program Guidelines

### WHAT YOU NEED TO KNOW

Ontario is helping municipalities become more efficient and modernize service delivery.

Ontario's 405 small and rural municipalities can now apply to Intake 3 of the *Municipal Modernization Program* for funding under two streams. The **implementation stream** will provide provincial cost-sharing for municipalities to undertake projects that increase municipal efficiency and effectiveness. Municipalities can apply under this stream for projects that implement the findings of previous reviews or other evidence-based reports. The **review stream** will provide funding for municipalities to undertake expenditure reviews with the goal of finding efficiencies and lowering costs in the longer term.

Under both streams, municipalities can apply individually or jointly with other eligible municipalities.

### ELIGIBILITY CRITERIA – IMPLEMENTATION STREAM

To be eligible under Intake 3, an implementation project proposal must:

1. Be based on demonstrated evidence of savings or efficiencies the municipality intends to realize through the project;
2. Begin no earlier than August 16, 2021 and be completed by February 28, 2023;
3. Include a high level workplan with project milestones;
4. Include a commitment to providing a final report that forecasts annual savings and other efficiency and effectiveness outcomes for at least three years as a result of project completion
5. Include a commitment to reporting back one-year post project completion with actual savings over the course of the year, and a forecast for the following two years of annual savings and other efficiency and effectiveness outcomes.

To be eligible for funding, the municipality must confirm that it has fully spent or allocated the unconditional modernization funding provided by the province in March 2019.

Priority may be given to projects that address one or more of the following priorities:

- Digital modernization

- Service integration
- Streamlined development approvals
- Shared services/alternative service delivery models

The program will not cover projects where:

- the expected outcome is a reduction in front line services; or
- the expected outcome would not result in efficiencies or cost savings; or
- the municipality would not be prepared to support any ongoing maintenance costs resulting from the project.

### **COST SHARING AND ELIGIBLE COSTS – IMPLEMENTATION STREAM**

The cost of implementation projects will be shared between the province and the municipality. The province will contribute a greater portion for projects within municipalities with fewer households according to the following thresholds.

<b>Number of households in the municipality (2020 MPAC data)</b>	<b>Maximum provincial share of project costs</b>	<b>Minimum municipal share of project costs</b>
0 - 5,000	75%	25%
>5,000	65%	35%

It is anticipated that the provincial share of most projects will be between \$20,000 and \$250,000. Higher funding amounts may be available for joint projects. Proposals will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation.

Major capital expenditures are not eligible project costs. For example, maintenance or capital expenditures related to buildings, vehicles, public works or forestry/parks functionality or upkeep are not eligible under the program.

Minor capital expenditures that are necessary to achieve the outcomes of the operating project could be approved, subject to review on a case-by-case basis. Examples of minor capital expenditures that could be considered are software and IT hardware.

Regular municipal staff costs that are part of the municipality’s annual budget are not eligible project costs. However, additional temporary hiring (including internships) for an implementation project could be considered as an eligible cost.

Other eligible costs could include amounts paid to fee-for-service providers, software licenses, systems development and training.

## ELIGIBILITY CRITERIA – REVIEW STREAM

To be eligible under Intake 3, a review stream project must:

1. Be a review of municipal service delivery or administrative expenditures by an independent third-party reviewer for the purpose of finding savings and efficiencies. The review project could take a number of forms including:
  - a line-by-line review of the municipality's entire budget; or
  - a review of service delivery and modernization opportunities; or
  - a review of administrative processes to reduce costs.
2. Result in a report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies.
3. Begin field work no earlier than August 16, 2021, with a final report completed and posted publicly on the municipal website by October 31, 2022.

To be eligible for funding, the municipality must confirm that it has fully spent or allocated the unconditional modernization funding provided by the province in March 2019.

It is anticipated that most review projects will cost between \$20,000 and \$150,000. Higher funding amounts may be available for joint projects. Proposals will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation.

Priority may be given to projects that address one or more of the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals
- Shared services/alternative service delivery models

Municipalities will be eligible to receive funding up to the full amount of the third-party service provider's fees for the review. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- the object of the review project is to identify opportunities for revenue generation or reductions in front line services; or

- the review does not result in a formal report prepared by a third party that the municipality is prepared to make publicly available online; or
- the object of the review extends beyond municipal accountability; or
- the review is related to requirements under the asset management regulation.

## HOW TO APPLY

1. Log onto the Transfer Payment Ontario (TPON) system ([Ontario.ca/getfunding](https://ontario.ca/getfunding)) and select the program stream you wish to apply for (review stream, implementation stream);
2. Complete an Expression of Interest form for the appropriate stream of the program.
  - a. To apply to the IMPLEMENTATION PROJECT STREAM:**
    - i. Complete all required fields of the Expression of Interest including:
      - A brief description of the project that clearly outlines the project purpose, objectives, and implementation activities.
      - Estimated cost savings and efficiencies supported by evidence. Projects with good evidence to support that savings and efficiencies will be realized are more likely to be approved.
    - ii. Provide a project workplan with milestones and dates (**required**: a work plan template is available for download on TPON).
    - iii. Confirm your commitment to providing a final report that forecasts annual savings and other efficiency and effectiveness outcomes for at least three years as a result of project completion
    - iv. Confirm your commitment to reporting back one-year post project completion with actual savings over the course of the year, and a forecast for the following two years of annual savings and other efficiency and effectiveness outcomes.
    - v. Ensure that the completed Expression of Interest has been attested to by the appropriate municipal staff.
    - vi. Attach any relevant supporting documents, e.g. third party or staff report to support estimated annual savings or efficiencies, procurement documents, project charters, etc).
  - b. To apply to the REVIEW STREAM:**
    - i. Complete all required fields of the Expression of Interest.
    - ii. Ensure that the completed Expression of Interest includes an attestation made by the appropriate municipal staff.

- iii. Include an outline of your project timeline and costs (procurement documents, a project charter, a project work plan, or any other document as appropriate).
3. If the municipal council passed a resolution in support of the project, attach a copy to your TPON submission along with your form and other documents. (Note: a resolution of council is not a requirement for the program.)
  4. Submit your completed application(s) through TPON **by October 19, 2021**

## HOW IT WORKS

The ministry expects to advise municipalities of the outcomes of their applications in January 2022. If your application is approved, a proposed transfer payment agreement with the ministry will be sent to confirm the funding amount and set out the terms, including reporting requirements and a payment schedule. Municipalities can expect to receive an initial payment following execution of a transfer payment agreement.

## PROGRAM TIMELINE

October 19, 2021	<ul style="list-style-type: none"> <li>Submit your Expression of Interest and any supporting documentation through Transfer Payment Ontario (TPON) at <a href="http://www.ontario.ca/getfunding">www.ontario.ca/getfunding</a></li> </ul>
January 2022	<ul style="list-style-type: none"> <li>Learn whether your application is approved. If it is approved, enter into a <b>transfer payment agreement</b> for project funding, and receive an <b>initial payment</b> once the agreement is executed.</li> </ul>
April 2022	<ul style="list-style-type: none"> <li><b>Review Stream:</b> Submit an interim project status report</li> </ul>
Quarterly starting May 2022	<ul style="list-style-type: none"> <li><b>Implementation Stream:</b> Submit quarterly project status and expenditure reports</li> </ul>
October 2022	<ul style="list-style-type: none"> <li><b>Review Stream:</b> Post the <b>third-party reviewer's final report</b> online and submit your <b>final project status report</b>. The final report will include: a hyperlink to the publicly posted third-party reviewer's report; the amount paid to the third-party reviewer and a copy of the invoice; a statement of the total amount of expenditures reviewed and the total amount identified as potential savings; and a 250-word abstract of the project and its findings.</li> </ul>
By February 2023	<ul style="list-style-type: none"> <li><b>Implementation Stream:</b> All implementation stream projects are completed. Submit final reports including copies of invoices.</li> </ul>



## FOR MORE INFORMATION

Please direct program questions to your [Municipal Services Office Municipal Advisor](#) or [Municipal.Programs@ontario.ca](mailto:Municipal.Programs@ontario.ca).

For support with the Transfer Payment Ontario (TPON) system contact the Transfer Payment Ontario Client Care from Monday to Friday 8:30 a.m. to 5:00 pm, except for statutory holidays:

- [Tel: 416-325-6691](tel:416-325-6691)
- [Toll-free: 1-855-216-3090](tel:1-855-216-3090)
- [TTY: 416-325-3408](tel:416-325-3408)
- [Toll-free TTY: 1-800-268-7095](tel:1-800-268-7095)
- Email: [TPONCC@ontario.ca](mailto:TPONCC@ontario.ca)

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Legislative Services  
111 Erie Street North  
Leamington, ON N8H 2Z9  
519-326-5761  
[clerks@leamington.ca](mailto:clerks@leamington.ca)

August 17, 2021

To Whom it May Concern:

Please be advised that the Council of The Corporation of the Municipality of Leamington, at its meeting held Tuesday, July 13, 2021 enacted the following resolution:

**No. C-208-21**

Whereas the current joint and several liability regime as set out in the Negligence Act financially impacts all municipalities across the province whether or not a claim occurred within a municipality's borders.

Whereas municipalities are often added to claims as they are seen as having significant resources with the backing of taxpayers.

Whereas insurance companies ultimately recover their losses by way of, among other things, increased annual premiums from their insureds.

Whereas the Municipality's total annual cost of all insurance premiums has grown by \$148,869.28 over the last 5 years which equals a percentage increase of approximately 23%. Liability insurance premiums account for \$64,638.68 of this amount, an approximate 16% increase when comparing premiums from 2017 to 2021.

Whereas higher insurance costs diverts property tax dollars from delivering public services to the Municipality's residents.

Be it resolved that Council supports the recommendations proposed by the Association of Municipalities of Ontario ("AMO") to address joint and several liability reform and rising insurance costs more generally, which recommendations include:

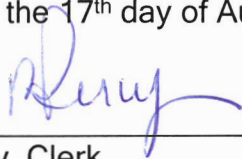
1. The provincial government adopt a model of full proportionate liability to replace joint and several liability.
2. Implement enhancements to the existing limitations period including the continued applicability of the existing 10-day rule on slip and fall cases given recent judicial interpretations, and whether a 1-year limitation period may be beneficial.
3. Implement a cap for economic loss awards.

4. Increase the catastrophic impairment default benefit limit to \$2 million and increase the third-party liability coverage to \$2 million in government regulated automobile insurance plans.
5. Assess and implement additional measures which would support lower premiums or alternatives to the provision of insurance services by other entities such as non-profit insurance reciprocals.
6. Compel the insurance industry to supply all necessary financial evidence including premiums, claims, and deductible limit changes which support its, and municipal arguments as to the fiscal impact of joint and several liability.
7. Establish a provincial and municipal working group to consider the above and put forward recommendations to the Attorney General.

Be it further resolved that Council direct Administration to forward a copy of this resolution to the Premier of the Province of Ontario and AMO

**Carried**

Dated today, the 17<sup>th</sup> day of August, 2021.



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Brenda Percy, Clerk  
The Corporation of the Municipality of Leamington

cc: Hon. Doug Ford, Premier of Ontario  
Association of Municipalities of Ontario

**Ministry of Agriculture,  
Food and Rural Affairs**

Office of the Minister

77 Grenville Street, 11th Floor  
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August 18, 2021

Received August 18, 2021  
C-265-2021

Mr. William Kolasa  
CAO/Clerk  
Township of Wainfleet  
wkolasa@wainfleet.ca

Dear Mr. Kolasa

I am pleased to announce the next application intake for the Rural Economic Development (RED) program will be from August 30, 2021 to October 1, 2021. You can find all program information, including how to apply, on my ministry's website at [ontario.ca/REDprogram](http://ontario.ca/REDprogram) on August 30, 2021.

In July 2019, we announced the revitalized RED program. Our updates put the focus on outcome-based projects that will have tangible benefits for Ontario's rural and Indigenous communities. The updates to the RED program better align with our government's priorities to remove barriers to investment, open doors to rural economic development and create good jobs across the province.

The program has two project categories:

- The **Strategic Economic Infrastructure** stream provides up to 30 per cent in cost-shared funding for minor capital projects that advance economic development and investment opportunities.
- The **Economic Diversification and Competitiveness** stream provides up to 50 per cent in cost-shared funding for projects that remove barriers to business and job growth, attract investment, attract or retain a skilled workforce, strengthen sector and regional partnerships and diversify regional economies.

Our government is committed to supporting economic growth in rural communities and ensuring Ontario is open for business.

I encourage you to take advantage of this funding opportunity and submit an application for your economic development project. Together, we can ensure Ontario's communities thrive.

Please accept my best wishes.

Sincerely,

A handwritten signature in blue ink that reads "Lisa M. Thompson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lisa M. Thompson  
Minister of Agriculture, Food and Rural Affairs

**COVID-19 Reminders**

- For vaccination booking details visit: <https://covid-19.ontario.ca/book-vaccine/>
- Follow your local public health/safety measures: <https://covid-19.ontario.ca/zones-and-restrictions>
- Practice physical distancing – stay 2 metres away from others in public
- Get the facts - [www.ontario.ca/page/covid-19-stop-spread](http://www.ontario.ca/page/covid-19-stop-spread)