



CITY OF KINGSTON
INFORMATION REPORT TO COUNCIL

Report No.: 12-128

TO: Mayor and Members of Council
FROM: Gerard Hunt, Chief Administrative Officer
RESOURCE STAFF: Judy Reichstein, Research & Policy Analyst
DATE OF MEETING: April 17, 2012
SUBJECT: Joint Services – County of Frontenac/City of Kingston

EXECUTIVE SUMMARY:

The new City of Kingston came into existence on January 1, 1998. The City was created by virtue of a Minister's Order under the Municipal Act, as published in the Ontario Gazette on February 17, 1997. Subsequent to the amalgamation order, agreements have been established with the County of Frontenac that provide for service delivery descriptions and cost sharing for joint services.

In a report from the City Treasurer at the April 17, 2012 council meeting, budgets approved by the County of Frontenac are submitted. City budgets approving recoveries from the County of Frontenac were approved as part of the 2012 budget by-laws in December 2011. 2012 budget allocations for arterial roads were part of the City's 2012 capital budget approval.

This report provides information on the terms and conditions found in the amalgamation order and the subsequent agreements between the City and the County that continue to have implications for the City and the County. Included is a summary of each service, the relevant section of the amalgamation order (in italics), and other information from the updated agreements. If no additional agreement details have been provided, this indicates that information in the original amalgamation order is still valid. The most recent agreement August 24, 2005, remains in effect.

RECOMMENDATION:

There is no recommendation as this report is provided for information only.

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AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER Gerard Hunt, Chief Administrative Officer
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CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Lanie Hurdle, <i>Community Services</i>	N/R
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	N/R
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:

The new City of Kingston came into existence on January 1, 1998 and was an amalgamation of the former municipalities of City of Kingston, Kingston Township and Pittsburgh Township. Prior to amalgamation both former Townships were also part of the county level of government, the County of Frontenac, while the former City of Kingston was a separated single tier city as is the present City of Kingston.

The new City of Kingston and the County of Frontenac (originally called the Frontenac Management Board) were created by virtue of a Minister's Order under the Municipal Act, as published in the Ontario Gazette on February 17, 1997. The order was based on a proposal for the Reform of Local Governance Kingston/Frontenac dated July 10, 1996, and a supplementary proposal dated September 5, 1996, although the Minister's Order did not reflect all of the recommendations set out in the proposals. The supplementary proposal dealt with the creation of the County and the four Frontenac Townships.

Subsequent to the amalgamation order, agreements have been established with the County of Frontenac that provided for service delivery descriptions and cost sharing for those services in July 1998 and updated in October 2000. In August 2002 a new sharing agreement was established for Fairmount Home for the Aged due to the construction of additional beds at the facility, which was not contemplated at the time of the amalgamation order. Also in 2000, land ambulance services were transferred by the Province and the County was established as the service delivery agent. In 2004 the County began direct delivery of land ambulance services. As a result of these various changes, an update to the agreements was completed in October 2003 and further updated in August 2005 to address further changes to services responsibilities and cost sharing formulas. The 2005 agreement continues to be in effect.

This report will focus on the terms and conditions found in the order relevant to shared services or funding of services by the City and the County. Included below are the sections of the amalgamation order, dated February 15, 1997.

Structure of Governance – County of Frontenac

The board of governance established in this restructuring order has been constituted as the County of Frontenac. The County operates at the upper tier level and has representation from the lower tier municipalities including the townships of:

- North Frontenac
- Central Frontenac
- South Frontenac
- Frontenac Islands

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The following excerpt is taken from the amalgamation order (section 5):

5.6 Frontenac Management Board

- (a) The Frontenac Management Board (the "Board") [name changed to County of Frontenac in 2003] which is established on January 1, 1998 as a body corporate*
- (b) The Board shall have four members composed of the Mayors from each of the Corporations of the Townships of North Frontenac, United Municipality of Central Frontenac, South Frontenac and Frontenac Islands. (now 8 members, 2 from each township)*
- (c) A chair shall be elected from among the members of the Board at its first meeting following each regular election*
- (d) Each member shall have one vote (Mayor of South Frontenac has 2 votes, so 8 members and 9 votes)*
- (e) The Board shall provide in its procedural bylaw for the selection of a deputy chair who will act in place of the chair when the chair is absent through illness or absent from the geographical area in which the Board operates or when the office is vacant*

Services Administered by the County of Frontenac

Upper Tier level governments have powers and responsibilities provided in the Municipal Act and as such have authority to deliver services in accordance with the responsibilities and service level standards set at the Province or by the council representing the upper tier. The County is responsible for delivering two services for which the City of Kingston shares in the cost; Fairmount Home for the Aged and Land Ambulance. Cost sharing for Fairmount Home is based on a mediated agreement in 2003, and is based on a ratio of costs at 68% Kingston; 32% County. Cost sharing for Land Ambulance is defined in the 2005 agreement and is based on weighted assessment (percentage to total assessment of Kingston and Frontenac), resulting in a ratio of approximately 80% Kingston; 20% County.

6.3 Fairmount Home for the Aged

- (a) i) The Board shall be responsible for the management of the Fairmount Home for the Aged and the Board shall be deemed to constitute the committee of management for purposes of the Homes for the Aged and Rest Homes Act.*
- ii) The annual cost of operating the Home shall be apportioned as follows:*
 - 1. The new City shall be responsible for seventy four percent of the cost; and*
 - 2. The new Townships and the Board shall be responsible for twenty six percent of the cost.*
- iii) The percentage apportionment of costs set out in clause (ii) may be changed to reflect a proportionate change in household growth in the new City and in the new Townships.*
- iv) Subject to the requirements of the Homes for the Aged and Rest Homes Act, if the Frontenac Management Board and new City agree to the sale of privatization of the Home, any resulting profit or proceeds from such action will be apportioned*

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among the new City and the new Townships in accordance with the cost sharing formula set out in clauses (ii) and (iii)

Section 6.3 (a) of the order provides that the County owns and operates the facility. Kingston shares in the annual operating costs which were originally set and shared at 74% Kingston and 26% County. Kingston also shares in the facility's capital costs including those from an expansion in early 2000's. As a result of a mediated settlement, the City and the County continue to share on the basis of 74/26% for the original number of beds (96), which reflects the sharing formula at amalgamation. The 32 additional beds, resulting from the post-amalgamation capital expansion/rebuild, are to be shared on a 50/50% basis. The capital expansion/rebuild does not assign capital or operating costs to specific beds. Accordingly, the effective rate of cost allocation for both the capital program (including debenturing costs of the expansion/rebuild) and ongoing operating costs for Fairmount Home is shared on a 68/32% blended proportional basis (96 beds @ 74/26%, 32 beds at 50/50%). The amalgamation order provides that should the County and the City agree to sell or privatize the facility, any resulting proceeds or profits realized would be apportioned between the City and the Townships based on the foregoing cost sharing formula.

Comment:

The foregoing provides a summary of the relationship and agreements related to Fairmount Home. In 2011 the net budgeted operating costs for Fairmount Home was \$3.38M of which the City contributed \$2.30M including \$713K for debt payments.

Land Ambulance

The land ambulance service was not part of the amalgamation order. The Province (Ministry of Health and Long Term Care) handed down service delivery responsibilities to the County of Frontenac in 2002. Responsibility and cost sharing was incorporated into the 2003 agreement between the County and City and was subsequently updated in the most recent 2005 agreement. Cost sharing for Land Ambulance is based on weighted assessment (percentage to total assessment of Kingston and Frontenac), with a ratio of approximately 80% Kingston; 20% County.

Comment:

The foregoing provides a summary of the relationship and agreements related to Land Ambulance Services. In 2011 the net budgeted operating costs for Land Ambulance was \$7.74M of which the City contributed \$6.2M. The current agreement (August 24, 2005) states:

27. Kingston and Frontenac agree that the net cost of land ambulance services and administration shall be apportioned between them in the same proportions as their respective shares of Weighted Assessment.

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Services administered by the City of Kingston**Social Services**

As part of provincial transfer of service delivery the City of Kingston is the Service Manager for social service related services and the County shares the costs based on the aforementioned agreements in place between the City and County. As a result of provincial regulatory and service policy changes to Ontario Works, Childcare, Ontario Disabilities Supports Programs and Drug Benefits, service impacts and costs have been lessened in the past number of years. Housing continues to be an area of service challenge and demand and continues to be a focal point for the service manager. Recently the City established a new committee and approach for Housing and Homelessness and the County has been provided with a representative on that Committee.

The protocols and cost sharing agreement have been updated based on the service delivery models and protocol established for service managers since 2000. These are described in the 2005 agreement. The amalgamation order simply provided the following information.

(b) General Welfare Administration

- i) The Board shall be responsible for the running and operation of the general welfare administration within the new Townships*
- ii) The Board shall contract with the new City for the computer technology required to run the general welfare system.*

The current agreement states:

- 14. Kingston and Frontenac agree that the net cost of Ontario Works Program Costs shall be apportioned between them according to the net cost of the caseload for those clients located within the geographic area of each party's jurisdiction.*
- 15. Despite paragraph 14, Kingston and Frontenac agree that they cannot determine the residency of the recipients of Emergency Hostel Services and therefore, the net cost of Emergency Hostel Services shall be shared between them in the same proportion that the remaining Ontario Works Program Costs are shared.*
- 16. Kingston and Frontenac agree that the net costs of Ontario Works Administration Costs shall be apportioned between them in the same proportions as their respective shares of Weighted Assessment.*

Social Housing

- 28. Kingston and Frontenac agree that the net Social Housing Program Costs shall be apportioned between them based on the actual net cost of each social housing facility located within their respective geographic areas.*
- 29. Kingston and Frontenac agree that the net Social Housing Administrative Costs shall be apportioned between them in the same proportions as their respective shares of Weighted Assessment.*

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Comments:

The net costs for taxpayers for social service related costs are budgeted at \$20.5M in 2012, of which \$2.0M is provided from the County.

Library

The Kingston Frontenac Public Library is a separate legal entity governed by the Public Libraries Act. Section 6.3 (c) of the amalgamation order provides that the annual operating cost of the library shall be apportioned 87% to Kingston and 13% to the County and Townships. That percentage apportionment may be changed to reflect a proportionate change in household growth. Capital costs and ownership of library buildings are the responsibility of the municipality within which they are located.

(a) Library

- i) The County library board referred to in paragraph (c) of section 3.3 is on January 1, 1998 renamed the Kingston-Frontenac Library Board*
- ii) The composition of the library board shall be in accordance with subsection 9(5) of the Public Libraries Act but is fixed at no less than 9 members and no more than eleven members who shall be appointed as follows:
 - 1. Six to eight members appointed by the new City; and*
 - 2. Three members appointed by the Board**
- iii) The annual cost of operating the library shall be apportioned as follows:
 - 1. The new City shall be responsible for eighty seven percent of the cost; and*
 - 2. The new Townships and the Board shall be responsible for thirteen percent of the cost**
- iv) The percentage apportionment of costs set out in clause iii) may be changed to reflect a proportionate change in household growth in the new City and in the new Townships.*

Comments:

The net costs for taxpayers for library related costs are budgeted at \$6.4M in 2012, of which \$0.7 is provided from the County. The costs reported above include operating costs, as under the agreement capital costs of library accommodations in County locations are borne by the respective townships. It should also be noted that the County has representation on the Kingston Frontenac Public Library Board which composed of 11 members; three members are appointed by the County and eight members are appointed by City.

Other Matters addressed in amalgamation order**County Arterial Roads**

Section 7.2 of the order provides that Kingston shall pay to the County (flow through to South Frontenac and Frontenac Islands) \$575,000 per year for the County's use in re-construction, resurfacing and other capital expenditures of defined County arterial roads for roads reflected in

Table 2 of the order and copied below. The order provides that Kingston and the County shall reconsider the annual payment on or after January 1, 2013.

7.2 Compensation

- (a) Subject to paragraph 7.2 (b) the new City shall pay to the Frontenac Management Board \$575,000 each year in two instalments, one payment of \$300,000 payable on March 1, and a second payment of \$275,000 payable on September 1, in each year, commencing on March 1, 1998. The funds are for use in reconstruction, resurfacing and other capital expenditures related to the arterial roads set out in Schedule “2” of this Order.*
- (b) The payments referred to in paragraph (a) shall be increased annually by the percentage change in household growth*
- (c) The Frontenac Management Board shall allocate the funds referred to in paragraph (a) to the appropriate Township in the current year*
- (d) Where the boundary of the new City is adjusted, if such an adjustment affects the kilometers of arterial roads listed in Schedule “2” located in the new Townships, the annual contribution referred to in paragraph (a) shall be adjusted on a pro rata basis.*
- (e) The council of the new City and the new Frontenac Management Board shall, on or after January 1, 2013, reconsider the annual contribution in paragraph (a)*

Table 2: Arterial Road Needs

Road	Total Length (km)	KT/PT Length (km)	Net Length (km)
Perth	41.6	7.8	33.8
Battersea	33.3	8.0	25.3
Sydenham	18.6	10.0	8.6
Bellrock	10.0	-	10.0
Harrowsmith	15.7	-	15.7
Howe Island Drive*	15.7	-	15.7
Total			109.1

**includes associated costs*

Comment:

In 2011 the City paid through the County a total of \$668K. Over the 14 years since amalgamation the City has paid over \$8.8M to the County. Details provided by the County in regards to where the funds were spent are as follows. No information has been received since.

	2003	2004	2005	2006
Funds Received	605,854	613,330	623,699	632,219
Funds Spent				
Howe Island Ferry*				
County Rd 10	460,957	670,553	52,966	
County Rd 11			683,856	23,382
County Rd 9				2,822
County Rd 7		15,290		592,410
County Rd 5				
Total	460,957	685,843	736,822	618,614
Frontenac Islands	100,000		65,000	
	560,957	685,843	801,822	618,614
Difference unspent/ (overspent)	44,896	(72,513)	(178,123)	13,604

The difference between the initial \$575,000 and the current level cost is based on the percentage change in household growth.

Provincial Offences

On March 27, 2000 the City of Kingston assumed the responsibility for the administration of the Provincial Offences Court and the proceedings under the Provincial Assessment Act. The current agreement states:

30. Kingston and Frontenac shall apportion the net revenue from Provincial Offences in the same proportions as their respective shares of Weighted Assessment.

In 2011 the total POA budgeted revenues were \$1.71M, of which \$308K were distributed to the County. Costs associated with administering POA amounted to \$790K of which \$142K was recovered from the County.

Rural Urban Liaison Advisory Committee (RULAC)

The amalgamation order provides that a Rural Urban Liaison Committee shall be established, as follows.

11.1 Rural/Urban Liaison Committee

(1) A rural/urban liaison advisory committee shall be established prior to February 1, 1998 and shall be comprised of:

- i. The head of council and two members of the Board of Control of the new City; and*
- ii. The Chair and two members of Frontenac Management Board*

(2) The Committee shall meet at least quarterly with the Chief Administrative Officer of the new City and the Frontenac Management Board for the purposes of:

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- i. Discussing issues arising from joint agreements; and*
 - ii. Recommending solutions to matters of common concern*

(3) The location of the Committee's meetings shall alternate between municipal offices and the chair of the meeting shall be the head of council or Chair of the Frontenac Management Board hosting the meeting

In March 2000, Report No. C053 established a protocol and framework as a guide for a working relationship between the County and the City. The protocol included a draft structure of governance and process for the above noted advisory committee of elected officials and a protocol for staff for each respective organization. Attached as Exhibit A is the Kingston Frontenac LSR/CMSM Service Protocol Detail and draft reporting structure, which was proposed and agreed to in 2000.

EXISTING POLICY/BY LAW:

The Order to Implement the Proposal for the Restructuring of the County of Frontenac, its Constituent Municipalities and the City of Kingston, dated February 15, 1997
Agreement between the Corporation of the City of Kingston and the Corporation of the County of Frontenac, dated 24th, August, 2005.

NOTICE PROVISIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

Not applicable

FINANCIAL CONSIDERATIONS:

Financial information is provided in the body of the report.

CONTACTS:

Gerard Hunt, Chief Administrative Officer
Hal Linscott, Director of Legal Services and City Solicitor

OTHER CITY OF KINGSTON STAFF CONSULTED:

Lanie Hurdle, Commissioner, Community Services
Denis Leger, Commissioner, Transportation, Properties and Emergency Services
Jim Keech, President & CEO, Utilities Kingston
Mark VanBuren, Director, Engineering
Desiree Kennedy, City Treasurer
John Bolognone, City Clerk

EXHIBITS ATTACHED:

Exhibit A - Kingston Frontenac LSR/CMSM Service Protocol Detail and draft reporting structure

Frontenac-Kingston LSR/CMSM Service Protocol Detail

Ongoing consultation, respect and understanding will ensure that the delivery of regional services to Frontenac and Kingston as mandated by the Province is provided efficiently and in the most timely and mutually beneficial fashion.

This protocol detail document is an appendix to the Protocol adopted by the Rural-Urban Liaison Committee on March 6, 2000 and subsequently approved by the City of Kingston on March 21, 2000 and the Frontenac Management Board on March 22, 2000.

Managers of Frontenac & Kingston/Line Staff of SDA

Managers and staff involved will include those directly responsible and/or accountable for each service.

Broad Policy Setting, Operations Planning, Priority Setting

- In all areas, staff from the Client municipality will be invited to provide input to the SDA prior to the preparation of any documentation that will also reflect provincial policies and guidelines.
- The Client must be given the opportunity to provide input at this stage on all issues.
- Relevant information must be forwarded to the Client providing adequate time (at least 2 days notice) for review and comment.
- Client staff must be made aware of any meetings about a joint service in which they are involved such that arrangements can be made to attend.
- Job descriptions for staffing which emanate from a joint service will be circulated internally by the SDA. Subsequently the job description will be circulated within the Client office, prior to opening the job competition publicly.

Budget Preparation

- Budget Preparation is ultimately the responsibility of the SDA, however input from the Client will ensure that concerns are acknowledged. The SDA will initiate discussions with the Client prior to budget preparation providing an opportunity to discuss level of service issues. The Client will be kept apprised of any significant budget issues on an ongoing basis. Acknowledgement of the Client's participation in the process is required on budget documentation.

Delivery, Quality Assurance, Performance Assessment, Cost Monitoring

- Service Delivery is the responsibility of the SDA staff
- Quality Assurance, Performance Assessment and Cost Monitoring are all functions performed by the SDA.
- Quarterly financial reports will be provided to the Client

Reports and Communications

- Report Preparation will be undertaken by the SDA. In all cases however, sign off is required by both parties to ensure that both have been informed of the contents of the documentation prior to proceeding to the Joint Management Group. SDA documents will include a section for formal RU sign off.
- Reports will be addressed to the approving body. Letterhead used will be that of the SDA.
- Depending on the nature of the issue, joint sign off can be in the form of written correspondence, including e-mail to acknowledge receipt and review of the material. This documentation should be appended to the report.
- Media releases on issues of joint service must be circulated for comment and sign off prior to release.
- Any documents to be released publicly should be reviewed by the Client prior to release. This includes job descriptions for positions of joint interest.

Dispute Resolution

- Dispute resolution will commence at this level of discussion.

Joint Management Group

Comprised of the CAOs and the appropriate managers of the service areas being dealt with, this body will provide support to the RU by jointly reviewing and making recommendations on issues of joint concern. Issues of individual concern will be recommended to the individual councils.

- Meetings will be held regularly, prior to each meeting of RU (scheduled for the second Monday of each calendar month) on the first Wednesday of each month. JM will also meet, as needed, prior to any ad hoc meetings of the RU.
- The relevant JM participants, the CAOs and Senior Staff by service delivery responsibility, will be given at least 2 days notification of meetings.
- Formal recognition that both parties have been notified about issues of mutual interest will be required through joint sign off on formal documents/reports being submitted to the RU.
- All reports prepared by the SDA must be flow to the JM for review, joint sign-off and, as needed, recommendation to the RU.
- Dispute resolution will proceed to this level considering all the information forwarded from the staff level. Recommendations will be forwarded via the CAOs to the RU.

CAOs

- As participants in the JM, the role of the CAO is to carry issues of mutual interest to the RU and issues of individual interest to their respective councils.

Rural/Urban Liaison Committee

- Recommendations and reports from the JM on all issues of joint concern in the areas of Broad Policy and Budget will be reviewed.
- Issues affecting each individual entity will be considered and incorporated. Recommendations from this committee will be forwarded to the SDA Council for approval and to the Client Council for their information. Reports reviewed by the Rural/Urban Liaison Committee will include at standard phrase to indicate that it has been reviewed and either endorsed or returned for further review.
- This committee is the final mechanism for dispute resolution prior to arbitration.

Councils

- The SDA Council will review and approve recommendations from the Rural/ Urban Liaison Committee.
- Recommendations not approved will be sent back to the committee for further consideration and refinement.
- Strictly local service issues will be dealt with by the individual councils and recommendations will be forwarded to managers and line staff of the SDA through the CAOs.

LSR/CMSM Protocol

This protocol applies to all services being delivered by one municipality on behalf of another municipality under the authority of provincial realignment of services.

At this time, it affects Social Services (including Ontario Works and Child Care and any matters that arise with respect of provincially delivered programs), Social Housing, Provincial Offences, and Land Ambulance and all related programs coming under these services.

Councils

- Client Municipality (CM)
- Service Delivery Agent (SDA)

Rural Urban Liaison Committee (RU)

- defined by the Restructuring Order (RO)
- identified in the LSR Cost-Sharing Agreement (CSA)

CAOs

- City and FMB

Joint Management Group (JM)

- CAOs
- Senior Staff by service responsibility

Managers and Line Staff

- Client Municipality
- Service Delivery Agent

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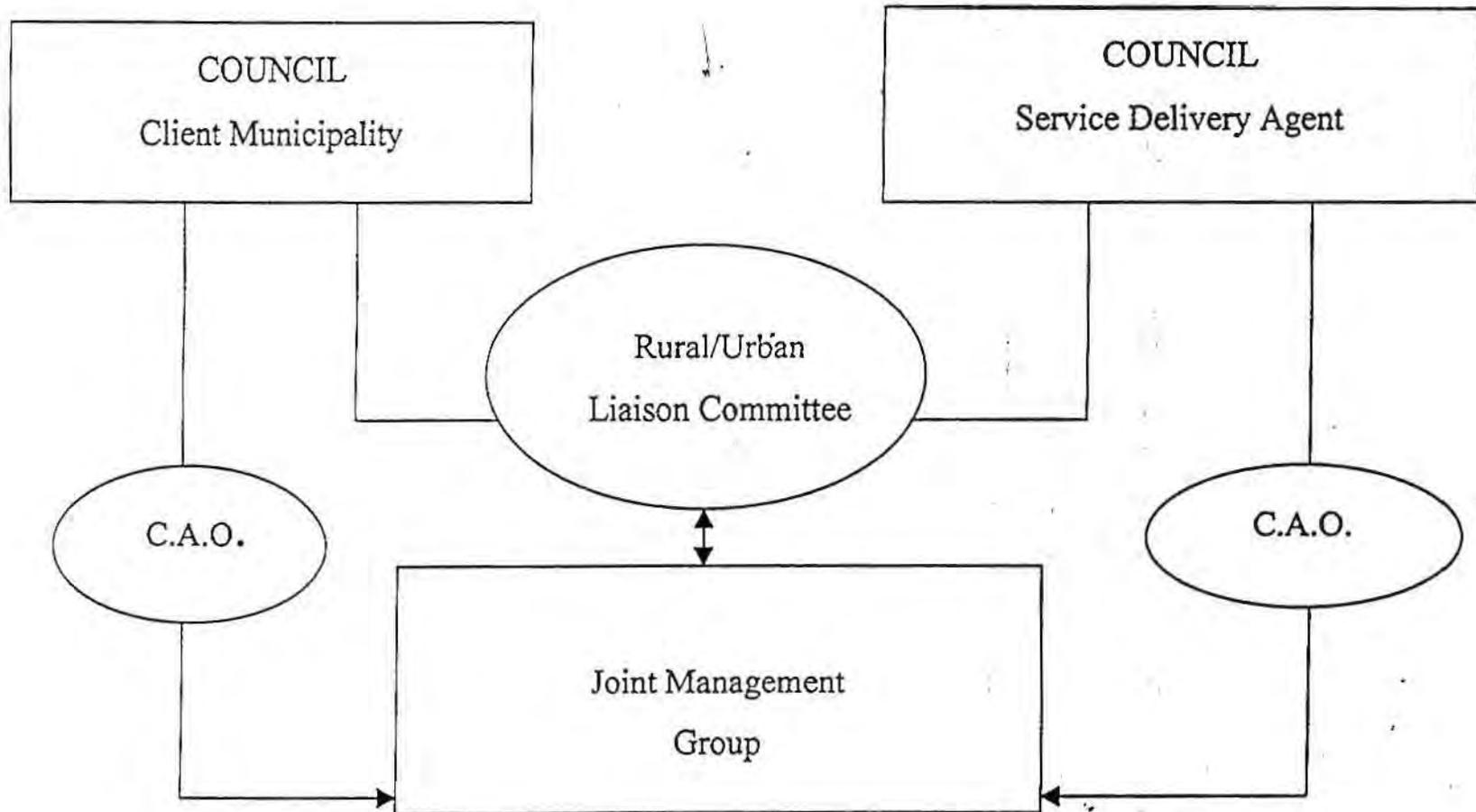
FRONTENAC-KINGSTON LSR/CMSM PROTOCOL

	Councils (Local Decision-making Process)	Rural-Urban Liaison Committee	CAOs	Joint Management Group	Managers of Frontenac & Kingston / Line Staff of SDA
Broad Policy Setting	-local issues discussed -approved by SDA	-common issues discussed -local issues incorporated -recommend to SDA	-support to own council	-support to RU -recommend to RU (common issues) -recommend to Councils (local issues) -joint sign-off required before progressing to RU	-provide input and prepare documentation reflecting provincial policies and guidelines and F-K priorities -joint sign-off required before progressing to JM
Operations Planning, Priority Setting				-joint sign-off required	-provide input and prepare documentation reflecting provincial policies and guidelines and F-K priorities -joint sign-off required before progressing to JM
Delivery				-oversee	-responsibility of SDA
Quality Assurance and Performance Assessment				-joint sign-off required	-provide input and prepare documentation reflecting provincial policies and guidelines and F-K priorities -joint sign-off required before progressing to JM -monitoring by SDA
Budget Preparation	-local elements discussed -approved by SDA	-common elements reviewed -local elements incorporated -recommend to SDA	-support to own council	-joint sign-off required	-initial draft prepared by SDA -joint sign-off required before progressing to JM
Cost Monitoring				-oversee	-prepared by SDA staff -joint sign-off required before progressing to JM
Reports and Communications		-review all reports		-review of all standing reports including delivery, QA & PA, cost monitoring, etc quarterly -review of all emerging issues etc. reports on a timely basis -joint sign-off required	-standing reports prepared by SDA staff on a quarterly basis -emerging issues etc reports prepared by SDA staff as required -joint sign-off required before progressing to JM
Dispute Resolution (defined by CSA)		-final level of review and resolution before arbitration		-2 nd level of review and resolution	-initial review and resolution

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STRUCTURE



- Two C.A.O.s
- Senior Staff

