

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

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DATE 15 October 1997

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Chief Administrative Officer

SUBJECT/OBJET **MEGA WEEK 2 - CHANGE MANAGEMENT**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council receive this report for information.

PURPOSE

In keeping with Regional Council's commitment to provide quality service to the residents of Ottawa-Carleton, this report sets out the administrative activities already underway to position the corporation for the unprecedented transition of municipal service delivery.

BACKGROUND

In September of this year Corporate Services and Economic Development Committee and Council considered the first of several reports addressing the transition in responsibility, services and financing resulting from the Provincial Government's Who Does What and Mega Week announcements. As the first report indicated, legislation such as Bill 152, has provided some of the detail required to plan for these changes.

Management Committee, working within their respective fields of expertise, is developing a course of action that ensures a comprehensive and consolidated focus is given to program, funding, organizational and policy issues. Notwithstanding the fact

that many legislative and information gaps still remain, your management team is well positioned to proceed in a timely and orderly fashion as further legislation, regulation and direction are received from the Province. Your management team is also looking at the most efficient and effective way to establish administrative control over the services and programs we must fund in 1998 and beyond. A great deal of information has already been provided to you regarding the budget implications of these changes.

DISCUSSION

From the outset, the Region has always maintained that services delivered locally will better serve the residents of Ottawa-Carleton. The Region has also said that efficiencies could be realized by eliminating possible duplication. This guiding principle will prevail throughout the implementation process for all the new services being transferred to the Regional Municipality. Furthermore, special emphasis will be placed on making the transition as transparent as possible for the recipients/clients of these new regional services. It goes without saying that part of the challenge at hand is to ensure that the level of service is maintained at the same time as efficiencies are realized.

Ottawa-Carleton has a track record of dealing with significant changes, and that record will serve us well as we assume even more responsibilities.

Progress reports will be forwarded to Committee and Council to ensure that Regional Council is both kept informed and able to provide the necessary direction.

Land Ambulance

The Region's emergency response network consists of four key elements, namely police, 911, ambulance and fire. As one of these key components, land ambulance services are critical to the success of the Region's emergency response network. The co-operation and commitment of each group supports our ability to provide a tiered response to emergency situations. With the provincial downloading of land ambulance services to the Region, three of these key elements of the tiered response system will be under Regional control with only the Municipal Fire Departments working with us as independent partners.

At this time, based on the information contained in Bill 152, only the transfer of financial and management responsibility are known with any certainty. However, we are also getting information from the Provincial government that indicates that the Ministry of Health will maintain the key policy setting roles, including setting the strategic directions province wide, as well as setting the operational and business standards and performance expectations for ambulance operations.

The Region will be responsible for the full cost of land ambulance services including ensuring the availability of vehicles and equipment and adequate training of staff . Within the standards set by the Province, the Region will be expected to plan for the needs of the community, ensure the integrity of emergency health services and assist the province in defining and meeting trends in client needs.

The Region will be able to make decisions with regard to taxation necessary to support the operations dictated by the Province.

The time frame for the transfer of these responsibilities is two fold:

1. the Region is expected to pay all costs associated with the provision of land ambulance services effective January 1, 1998, and
2. no later than January 1, 2000 the Region will be responsible for the full administration of the land ambulance system in this area.

The Chief Administrative Officer organized and attended a meeting with representatives of Ottawa-Carleton's private sector land ambulance operators to establish communications links and the exchange of information. These operators have pledged their assistance during this transition period. Staff of the Environment and Transportation Department is also working with representatives from the provincial land ambulance operator on the development of a request for proposals for their service.

Meetings between the Chief Administrative Officer and key senior staff over the next few weeks will result in the development of a transition plan and lead department for the corporation's review of land ambulance. We will address many issues over the coming months, including the funding transfer to municipalities, the administration of the service contracts after January 1, 1998, or as soon thereafter as Council decides, the identification of a preferred service model, the awarding of a new contract or municipal assumption of the responsibility, and such other matters that will ensure the seamless transfer of land ambulance services from the Province.

Public Health

Public health services will be 100% municipally funded effective Jan. 1, 1998. This change will affect programs previously cost-shared as well as those funded 100% by the province in the past. While the new funding arrangement is anticipated to cover all programs, except the purchase of vaccines and TB drugs, Regional staff is participating in ongoing dialogue to clarify a number of programs including HIV prevention and heart health, which may still be funded by the Province.

The Province has also announced a new 100% provincially funded transfer program for postpartum services funded through the Ministry of Community and Social Services. Staff is still awaiting the release of program requirements and will provide Committee and Council with this information as well as our proposed delivery model once these details are available. At this time, no release date has been provided by the Province.

Despite this shift in funding, a provincial mandate to deliver public health services will be maintained and will be more specific and enforceable than in the past. The services that the Health Department provides will continue to be directed by a revised version of the “Mandatory Health Programs and Services Guidelines”, which set out minimum standards for public health services.

The guidelines although still under review, are expected to mandate public health programs and services in the following general areas: prevention of injuries and chronic diseases (for example cancer and heart disease); family health including pre and post natal services, parenting programs and sexual health services; and the prevention of infectious diseases such as rabies, tuberculosis, HIV and food-borne illnesses.

The department now knows that the role of the Ministry of Health will change from funding and program support to monitoring and enforcement. The Health Protection and Promotion Act will be amended to support these changes. No date is available at this time for the release of proposed provisions.

As part of the amendment of the Health Protection and Promotion Act, the Ministry of Health is making significant changes to the content of the Mandatory Programs to achieve three overall goals. First, the Ministry wants to update the programs and link them more directly to measurable health and the reduction of health care costs. Secondly, it wants to make the requirements more concrete, measurable and enforceable. And finally, it wants to reduce the core requirements and provide the Region with more flexibility. While the fundamental content of the departments core health programs will remain the same, the impact in reducing health care costs is highlighted by focusing on disease prevention and health protection.

At this time, Health Department staff has reviewed drafts of the mandatory programs. The Chief Medical Officer of Health for the Province of Ontario has recommended draft mandatory guidelines to the Minister of Health for his consideration and approval. The Minister will be consulting with related partners in the municipal sector on this issue. No schedule or format for this consultation is available at this time. Senior staff of the Health Department continue to work with Provincial staff and through these ongoing meetings, expect to determine the scope of the proposed changes and address their impacts on the design and delivery of local health programs.

Social Assistance

The Provincial Government has announced plans to replace the existing two tier welfare system with an integrated Social Assistance System for employable persons to be called Ontario Works. A new benefit program, the Ontario Disability Support Program, will be developed for the disabled. These programs replace the General Welfare Program and the Family Benefits Plan (FBA) that are currently administered by the Municipal and Provincial governments respectively.

This new direction requires a 20% financial contribution from the municipalities for the benefits to be paid under both new programs and a 50% contribution to the administrative costs for both programs. Approximately 50 consolidated municipal delivery sites across the Province will be responsible for the direct delivery of Ontario Works.

Bill 142 (Social Assistance Reform Act) has received second reading in the Legislature and is proceeding to Legislative Committee Review. The Standing Committee on Social Development will meet to consider Bill 142 between October 20, 1997 and October 23, 1997. The Social Services Department does not plan to appear before this committee, however, a detailed analysis on Bill 142 was prepared by Dick Stewart, Commissioner, Social Services and circulated to all members of Regional Council. This document will be forwarded to the Province.

Assuming passage of the Bill as currently drafted, the cost sharing measures prescribed will be in effect January 1, 1998. Staff also anticipates that effective the same date, no further referral to FBA will be permitted of Sole Support Parents and those aged 60 to 64 currently receiving General Welfare Assistance. Implementation of other key elements of the Bill will likely be sequenced according to the Provincial and/or Municipal delivery sites' readiness.

The Regional Municipality of Ottawa-Carleton has been confirmed as an Ontario Works and Child Care delivery site by correspondence dated Sept. 2, 1997 from the Honourable Janet Ecker, the Minister of Community and Social Services.

To achieve the integrated Social Assistance System for employable persons, the Legislation calls for a transfer of Sole Support Parents currently receiving Family Benefits to the Ontario Work delivery agents. No precise date for this transfer has yet been established. In Ottawa-Carleton, this represents between 6500 and 7000 Sole Support Parent cases. Provincial officials have stated that they will commence this transfer as early as April 1, 1998. Staff expects that the transfer will most likely start in those Regional Municipalities and Counties that currently provide Social Assistance but do not include separated cities.

The Social Services Department is in the final stages (completion March 1998) of the design and implementation of a service delivery model integrating Income Support, Employment Supports and the determination of eligibility for Child Care subsidy. This new service model will be supported by information technology specifically developed to complement this model and the provincially developed Case Worker Technology system.

The Departmental objectives for this new service delivery model are :

- 1) to assist clients to become employed;
- 2) to assist clients to reduce their reliance on the social service system; and
- 3) to assist clients to meet their basic needs.

These objectives are consistent with those of the Ontario Works Act.

The Social Services Department, through Council direction, commenced implementation of the Ontario Works Program (through regulation amendment of the General Welfare Assistance Act until the Ontario Works Act is proclaimed) on September 29, 1997. The Business Plan for Ontario Works calls for a monthly average enrolment of 10,000 clients during the last quarter of 1997.

The Social Services Department will continue its current emphasis on transferring disabled persons from general welfare assistance to family benefits. Since the initial tabling of Bill 142, the Department has also commenced a concentrated effort to ensure that all persons between the ages of 60 and 64 receiving general welfare assistance are transferred to FBA before the January 1, 1998 cut-off date.

The key priority for our ongoing meetings with Ministry of Community and Social Services staff is the compilation of a comprehensive profile of the existing sole support parents on FBA, so that plans can be developed for the effective integration of these clients into Ontario Works. Social Services Department staff expect this process will commence as soon as the area office of the Ministry of Community and Social Services receives permission to proceed. No date is available at this time.

Bill 142 relies on a regulatory framework for the implementation details, therefore, a great deal will not be known until those regulations are written and made available. We do not have a precise date for their availability but this is not likely to happen before January 1, 1998.

Child Care

The Services Improvement Act (Bill 152) includes provisions relating to child care. Specifically, these are the extension of the 80% Provincial and 20% Municipal cost sharing to 4 areas previously funded 100% by the Province. These are:

- 1) Family Resource Centres;
- 2) Licensing of day nurseries;
- 3) Wage subsidies;
- 4) Resources for Special Needs Children.

This Bill also requires the designated Child Care delivery sites to administer the licensing. In addition, this Bill changes the discretionary nature of Child Care to mandatory and confirms the 1997 service levels as the minimum service levels.

Outside of Bill 152, the Province has indicated its intention to amend the Day Nurseries Act to reflect the policy framework and program standards for the future child care system. Fundamental work to facilitate the transfer of child care system management is yet to be completed by the Province. A Provincial consultation paper, published in 1996, outlined a variety of options and directions. The scope of system management responsibilities to be transferred has not been defined, nor have the licensing and compliance monitoring standards been announced. Although no precise date is available for an amended Day Nurseries Act, staff anticipates that the proposed amendments may be released in late 1997 or early 1998.

In collaboration with the Child Care community, the Social Services Department developed and implemented a long term strategy to increase efficiency in the Child Care Program. These measures enabled this region to maintain the Jobs Ontario Child Care spaces formerly funded 100% by the Province which, effective October 1, 1995, required a 20% contribution from the Municipality. The implementation process for these strategies is continuing through 1998.

A number of other activities are underway within the Department to respond to the various transition issues facing this region. Recently, we commenced the development and partial implementation of a revised Child Care Capital Policy reflecting the decision of the Provincial Government to no longer provide capital grants outside of those required for health and safety related issues. In addition, as approved by the Community Services Committee and Council, the department is also developing a frame work for a strategic plan for Child Care in collaboration with the Child Care Council and the Regroupement des services de garde de langue française. Finally, the Social Services Department recently held a first meeting with representatives from the Family Resource Centres in order to facilitate the transfer of the management and funding responsibility for these programs.

Roads Transfer

The Environment and Transportation Department is taking a pro-active approach with respect to the operational implications of the increase to our road network. This provincial transfer has resulted in Regional responsibility for an additional 254 lane kilometers. The overriding criteria in developing the departmental action plan has been to ensure that there is no compromise in safety to the public and a seamless transition of service.

The impact of these additional roads has been addressed in several areas. Winter maintenance capacity of the Department has been increased with the recently awarded contract to the private sector for 5 salt spreaders. This contract gives the Department the capability to provide a continued level of service for these additional roads. Also, the

Department has negotiated and completed service agreements with adjacent municipalities and local municipalities to establish field agreements for winter maintenance where they interface with regional roads.

Where necessary, operational by-laws have been enacted to ensure continuous regulatory controls over the new additions to the regional road network. Further, the Regional Police Service has adjusted its operational plan to accommodate the increased patrol work associated with the new roads. Discussions are also underway with Provincial authorities to deal with the issue of route signing, tourism signing, disposing of MTO patrol yards and assets and data transfer.

With respect to protecting the infrastructure that has been transferred, overlays are underway on Regional Road 174 (formerly Highway 17) from the split to Montreal Road and on Regional Road 85 (formerly Highway 31) from Regional Road 8 to Regional Road 14, a distance of 6 kms. These repairs have been carried out immediately because of the badly deteriorated road surface on these major roads and in an attempt to prevent further degeneration.

In addition to the operational plans that the Department has in place, staff is working directly with other Ontario Regional Governments to present a unified position to the Provincial Government on the need for policy change to the current funding program for road infrastructure. The Environment and Transportation Department will continue to press the Provincial Government for change to reflect our position that a portion of the Provincial Government's tax be dedicated to the ongoing operation and preservation of our transportation networks.

Public Transit

The provision of public transit services in the Province of Ontario has been historically funded from three sources: the farebox (direct user fees), municipal taxes and provincial taxes. With Mega Week announcements, the Province of Ontario will no longer be a funding partner except for the four year, 245 bus purchase agreement signed by Orion Bus, OC Transpo and the Minister of Transportation. OC Transpo will report to the Transit Commission with a proposed strategy to best meet the challenges created by this in this time of monumental change.

Operational improvements, rehabilitation and new service extensions to the Transitway system has been an integral part of the Capital Works Programme for many years.

In the past, these projects have received varying levels of Provincial Government funding assistance, however, the latest directive has been elimination of all Provincial subsidy to these types of programmes.

The consequence of this action could be to decrease the rate of which these improvements are carried out. However, the change in Provincial policy does not defer the needs that have been identified to protect our assets i.e. rehabilitation needs, or for new service additions. New service additions and operational improvements have been identified in the

Master Transportation Study recently adopted by Council in which the fundamental principle embodied in the study was even more reliance on public transit. The Province has recognized that its change in funding support to rapid transit will require transitional funding and thus a \$200M fund called the Municipal Capital Operating Restructuring Fund has been established partially to support transit capital facilities outside of the Metro Toronto area.

Regional staff are pursuing funding support to the overall transit programme through this new Capital fund.

Social Housing

In social housing, Province is transferring the entire provincial financial obligation to the municipal level. This transfer is incorporated in Bill 152 and will take effect January 1998. The Province also intends to transfer administrative responsibility to municipalities but the details and timing of this element of the transfer are as yet unknown although a time frame of 2 to 3 years has been indicated. To complicate the scenario, federal/provincial negotiations are underway to devolve federal administrative responsibilities to the province and reform of the existing funding and program structures within Ontario is being contemplated prior to the downloading of the administrative responsibility to municipalities.

In Ottawa-Carleton, a total of about 24,000 social housing units are owned by approximately 80 organizations, ranging in size from Ottawa-Carleton Housing with over 8000 units to very small one-project organizations. These units have been developed under a variety of housing programs over the past 40 years, some of which were unilateral federal programs, some cost-shared and some unilateral provincial programs. The units affected by the Provincial decision at this point are those that receive provincial financing.

In order to respond to the new responsibilities, the Planning and Development Approvals Department established a Social Housing Transition Team.

The main objectives of the work program are:

- To undertake all necessary data collection and research including establishing which programs, what units, what providers are being transferred to the Region and at what cost to the Region.
- To investigate and make recommendations on a Regional position towards Ontario Housing Corporation (OHC) units now run by Ottawa-Carleton Housing .

- To investigate and make recommendations on Regional involvement in Social Housing, e.g., should Regional Council be just a funder allowing others to deliver the service or should Council have a more active role, e.g., by using Social Services to assess applications for subsidy.
- Based on the above to make recommendations on budget resources and organizational structure to deliver this new responsibility.

Issues which are affecting progress are:

- The complexity of the existing programs and the lack of specifics from the Province.
- The uncertain outcome of the negotiations underway for federal devolution of social housing in Ontario, which could constrain the Province's ability to effect the full downloading intended.
- The uncertainty of the Provincial Government's response to The Advisory Council on Social Housing report. This report includes recommendations on a new financial model, new roles and responsibilities for the Province, municipalities and housing providers and structure and ownership of OHC. The Provincial response to the report is expected before the end of October.

It is anticipated that staff will keep Council informed and will eventually produce a report recommending how the new responsibility should be delivered in the RMOC. At this time, only the funding responsibility has been identified in draft legislation for transfer on January 1, 1998. Additional expanded regional responsibility for social housing remains to be defined. With the Departmental and Transition Team workplan identified above, staff is confident that they will be able to respond in a timely fashion to Provincial proposals and offer Regional Council a workable plan to accommodate the transition in social housing responsibilities.

Property Assessment

Since 1970, property assessment in Ontario has been a function that has been carried out by the Provincial Government through the Property Assessment Division of the Ministry of Finance. In 1992, Ottawa-Carleton underwent the last market value assessment, which brought assessed values up to 1988 market rates. Property taxation has always been based on mill rates that were applied to assessed property values. In addition, businesses were charged a business occupancy tax, an amount which ranged significantly depending on the type of business operation.

This method of assessment has been confusing and inconsistently applied across Ontario

municipalities. While Ottawa-Carleton's assessed value is based on reasonably current values, assessed values in other municipalities across Ontario vary significantly. In addition, references to mill rates and how they are calculated has often been misunderstood by those not directly involved with the assessment and taxation function.

Earlier this year the province introduced sweeping reforms to municipal taxation and assessment through the *Fair Municipal Finance Act* (Parts I and II). Under the changes introduced in these Acts, assessed values will reflect the current sale value of properties, which will now be applied in a consistent manner province-wide. Under the revised assessment, tax rates will replace the current mill rate system. In addition, the province has eliminated the outdated business occupancy tax.

A sub-committee reporting to the Provincial-Municipal Implementation Team has been formed to make recommendations that address assessment delivery, including options for structure, cost recovery mechanisms, and governance issues. The substantive recommendations stemming from this committee include:

- Endorsement of a single municipal corporation, established by statute, as the service provider for the function,
- If opting out of the single municipal corporation by individual municipalities is to be permitted, that it not take place prior to January 1, 2001, and
- Costs for assessment services be recovered from each upper tier and single-tier municipality, (although consensus has not yet been reached on an appropriate cost recovery formula).

With the changes introduced in the *Acts*, Regional Council has been given a substantive role in policy making with respect to taxation issues. The Act empowers Regional Council in four major areas:

- i) The setting of tax ratios (or the delegation of authority to the lower tier municipalities) for each of six property classes, within ranges imposed by the province,
- ii) The determination of a phase-in period, if determined to be appropriate, for assessment-related tax increases/decreases,
- iii) The ability to defer assessment-related tax increases for low-income seniors or low-income persons with disabilities, as well as defining the criteria to be used in determining eligibility, and
- iv) The determination of two or three "assessment bands" for graduated taxes for the commercial property class.

Based on the property assessment changes being implemented by the Provincial Government, staff at the Region is working within the action plan outlined in Annex "A" to this report.

Provincial Offences Act Administration

The Provincial Who Does What announcements provided for the transfer to municipalities of administration and corresponding net revenue for certain sections of the Provincial Offences Act. The enabling legislation, Bill 108, has not yet passed through the legislature, nor has the Ministry of the Attorney General identified the delivery agent for Ottawa-Carleton.

Currently, some portions of the Provincial Offences Act are administered at the municipal level. These offences include parking enforcement, animal control, building code and licensing. The proposed transfer includes Highway Traffic Act offences such as speeding and various Ministry of Labour and Ministry of the Environment and Energy offences. As noted in an earlier report to Committee and Council, the Province will continue to play a direct role in the prosecution of certain more serious offences.

Under the direction of the Regional Solicitor, the Regional Municipality of Ottawa-Carleton has already formally expressed its interest in being selected for this new transfer of responsibilities. Once the Ministry of the Attorney General has selected the provider, it will be necessary to examine the existing administration, including facilities, court support, adjudication and prosecution. When and if appropriate, the Regional Solicitor will produce a report with recommendations to determine the most effective Provincial Offences Act administration transfer plan for Ottawa-Carleton, ensuring that the plan provides for an efficient and seamless transfer that will not negatively impact on our citizens or our municipal partners.

CONCLUSION

As the transition in responsibilities from the Province to the RMOC proceeds, it is anticipated that many other issues will be identified. Your Management Committee is committed to working in a co-ordinated and integrated fashion to address these changes. Staff is assuming additional work loads to accommodate the implementation of these changes and resources are being directed to the critical tasks that are identified.

While many uncertainties remain relating to the Provincial Government's realignment of Provincial-Municipal responsibilities, the planning process underway in individual departments will enable the Regional organization to cope with these unprecedented changes. I trust that this report reflects staff's efforts to implement a proactive, structured and comprehensive approach to the realignment of services in Ottawa-Carleton.

*Approved by
C. M. Beckstead*

ANNEX A

Action Plan	Responsibility	Timing
Consultations with Area Municipalities regarding tax policy issues such as phase-in, ratios, etc.	Finance	Aug 97 - Mar 98
Briefing sessions for Members of Council on assessment changes	Finance	Nov 97 - Apr 98
Preliminary impact analysis by new property class	Province	Sept 97
Municipal Advisory Committee recommendations provided to the Provincial-Municipal Implementation Team for consideration	Advisory Committee	Sept 97
Coordination of initial briefing to Regional Council by the Regional Assessment Commissioner	Finance	Sept 97
Property Classification by Province	Province	Oct 97
Updated Preliminary impact analysis	Province	Nov 97
Interim tax data (pre-assessment values)	Province	Nov 97
Report to Council on preliminary impact of assessment changes	Council	Dec 97
Recommendation to Regional Council regarding phase-in strategy	Council	Jan 97
Recommendation to Council concerning the delegation of authority to lower tier municipalities regarding the setting of tax ratios	Council	Dec 97
By-law approval for setting tax ratios	Council	Jan 98
Interim tax data (after assessment)	Province	Jan 98
Phase-in data	Province	Jan 98
Notices of property assessment changes sent out by Province	Province	Jan - Mar 98
Open house's for ratepayers	Province	Feb - Apr 98
Approval of by-law setting tax ratios	Council	Feb 98
Approval of assessment bands for commercial properties	Council	Mar 98
Recommendation to Council on policy concerning assessment-related deferrals for low-income and seniors and disabled	Council	Apr 98
Amended notices mailed out	Province	Apr 98
Final tax tape from the Province and assessment roll	Province	Apr 98
Final property impacts data	Province	Apr 98