



The Corporation of the Town of Cobourg

Resolution

Honourable Doug Ford, Premier of Ontario
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

Town of Cobourg
55 King Street West,
Cobourg, ON, K9A 2M2
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Delivered via email

Doug.fordco@pc.ola.org
premier@ontario.ca

January 31, 2025

RE: Correspondence received from Northumberland County regarding the Municipal Restructuring Study

Please be advised that the Town of Cobourg Council, at its meeting held on January 29, 2025, passed the following resolution:

WHEREAS Cobourg Council understands that the Northumberland tax base is having difficulties with the constant increase in municipal taxes from both the upper and lower tier municipalities; and

WHEREAS the Council acknowledges the need to explore service rationalization, restructuring, and potential amalgamation within Northumberland County to enhance efficiency and service delivery; and

WHEREAS any study undertaken must provide a comprehensive and balanced approach to ensure that all viable options are fairly considered in determining the best governance and financial structure for all of our communities; and

WHEREAS the town of Cobourg tax base makes up 23% of the Northumberland County tax levy and the town of Cramahe contributes just 6% while both having a single vote at the County of Northumberland Council table unless it is a recorded vote; and

WHEREAS in addition to the options of restructuring and amalgamation, a third alternative must be evaluated, namely the potential dilution of the upper-tier government that could allow for the direct allocation of provincial funding to lower-tier municipalities enhancing the local decision-making process and allowing for fiscal autonomy of the various communities.

NOW THEREFORE BE IT RESOLVED THAT the Cobourg Council expresses its support and significant interest in the pursuing a study on service rationalization, restructuring, and amalgamation of Northumberland County; and that a third option, be included in the study and that the third option look at the possible dissolution of the



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upper tier government; and

FURTHER THAT this letter be forwarded to Honourable Doug Ford, Premier of Ontario, Honourable, David Piccini, Minister of Labour, Immigration, Training and Skills Development and Northumberland - Peterborough South MPP, and Honourable, Paul Calandra, Minister of Municipal Affairs and Housing and Markham-Stouffville MPP along with all other lower tier municipalities asking for their support in ensuring this much needed study explores all potential options that may better serve the resident of Cobourg and Northumberland County.

Sincerely,

Kristina Lepik
Deputy Clerk/Manager, Legislative Services

Enclosure.

cc. Honourable David Piccini, Minister of Labour, Immigration, Training and Skills Development, Northumberland – Peterborough South MPP;
Honourable Paul Calandra, Minister of Municipal Affairs and Housing; and
All lower tier Ontario Municipalities

January 22, 2025

Delivered via email

Dear Northumberland County Clerks,

Re: Municipal Restructuring Study

I am writing to share a report and accompanying Council Resolution approved by Northumberland County Council on December 18, 2024. The report entitled 'Budget 2025 – Municipal Restructuring Study', was requested by County Council on November 20, 2024 for the purposes of investigating the cost of a restructuring study as part of 2025 budget deliberations.

As per Council's request, this letter is being sent to Member Municipalities to determine interest in pursuing a study of service rationalization, restructuring and/or amalgamation. The support required would include staff time to gather and share information, as well as meetings with the consultant. The study would be informative, and participation would not be seen as an agreement to move forward with any recommendations resulting from the study. If a majority of Member Municipalities wish to participate in the study, we will take the results back to County Council for next steps on moving forward.

Please note the response deadline of March 3, 2025.

Thank you for your consideration and we look forward to hearing from you.

Sincerely,



Jennifer Moore
CAO, Northumberland County

c.c. Northumberland County CAOs
Maddison Mather, Clerk, Northumberland County

Council Resolution

Moved By: J. Logel

Seconded By: R. Crate

Agenda
Item 17.c
(2.i)

Resolution Number
2024-12-18- 926

“That County Council direct staff to send a letter to each of Northumberland County’s 7 Member Municipalities to determine interest in pursuing a municipal restructuring study, with a response deadline of March 3, 2025.”

Recorded Vote
Requested by _____
Councillor’s Name

Deferred _____
Warden’s Signature

Carried  _____
Warden’s Signature

Defeated _____
Warden’s Signature

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Report 2024-167

Report Title: Budget 2025 – Municipal Restructuring Study

Prepared by: Jennifer Moore
Chief Administrative Officer
Office of the CAO

Approved by: Jennifer Moore, CAO

Council Meeting Date: December 18, 2024

Report Not Considered by

Standing Committee Because:

- Time-sensitive Issue (information received too late for Committee consideration)
- Urgent Matter (issue arose after this month’s Committee meeting)
- Other

Strategic Plan Priorities: Innovate for Service Excellence
 Ignite Economic Opportunity
 Foster a Thriving Community
 Propel Sustainable Growth
 Champion a Vibrant Future

Recommendation

“That County Council, having considered Report 2024-167 ‘Budget 2025 - Municipal Restructuring Study’, direct staff to request input from member municipalities to determine interest in pursuing a municipal restructuring study.”

Purpose

At their November 20, 2024 meeting, County Council discussed budget considerations for 2025. As a result of the discussions, staff were directed to report back on the cost of an amalgamation study in the draft budget.

Background

The idea of restructuring is not new to Northumberland County. Northumberland has been restructured several times in its 232-year history. Northumberland was initially formed in 1792. It joined with Durham County to form the Newcastle District in 1802, as part of Upper Canada. In 1850 it became the United Counties of Northumberland and Durham. It remained as the United Counties until 1973. On January 1, 1974, the majority of Durham County joined Ontario County to form Durham Region, except for the Town of Port Hope and Hope Township. Hope and Port Hope joined Northumberland County to form a standalone County named Northumberland. Over the years there have been various changes to the boundaries and names of lower tiers, as those organizations have been restructured, as well with population growth and Provincial direction.

In the late 1990's there was significant restructuring across the province and the number of municipalities was reduced by almost half. Northumberland's boundaries were changed once again when Murray Township left Northumberland and joined the newly formed City of Quinte West. Northumberland's boundaries have otherwise remained unchanged, but there were several amalgamations of lower-tiers. By 2001, Northumberland was comprised of seven lower-tiers and looks as it does today.

Current	Formerly
Town of Cobourg	Town of Cobourg
Municipality of Port Hope	Town of Port Hope Hope Township
Municipality of Trent Hills	Town of Campbellford Village of Hastings Seymour Township Percy Township
Municipality of Brighton	Town of Brighton Brighton Township
Hamilton Township	Hamilton Township
Township of Alnwick/Haldimand	Alnwick Township Haldimand Township
Township of Cramahe	Village of Colborne Cramahe Township

Around the time of the municipal restructuring in 2001, there were also significant changes in the responsibilities of each level of government. While services such as road and bridges had been the County's responsibility since the days of horse and buggy, the County assumed responsibility for many additional services from the province, including Housing and Paramedics.

The table below summarizes key municipal services, and which level of municipal government delivers the service within Northumberland County. It should be noted that the responsibilities of each level of government have changed over time. The manner in which services are delivered varies dramatically across the province. Every municipality has a unique combination of service responsibilities and service levels. The range of services seems to be most diverse in the two-tier municipal structures where a County is the upper tier. Regional governments tend to have more similarities in the distribution of services between the upper and lower tiers.

Service		Upper Tier	Lower Tier
Infrastructure			
	Roads	*	*
	Bridges	*	*
	Water		*
	Wastewater/Sewage		*
	Solid Waste	*	
Community Services			
	Social Services/Service Manager	*	
	Housing	*	
	Parks & Recreation		*
	Forest	*	
	Libraries		*
	Transit		*
	Cemeteries		*
Protection Services			
	Police		*
	Fire		*
	Fire – Communications tower/Dispatch shared service	*	
	Provincial Offences	*	
	Court Security		*
	By Law Enforcement	*	*
	Emergency Planning	*	*
Health Care			
	Paramedics	*	
	Community Paramedicine	*	
	Long Term Care	*	
	Health Unit (funding only)	*	
	Walk-in Clinic	*	

Service		Upper Tier	Lower Tier
Community Development			
	Economic Development	*	*
	Tourism	*	*
	Land Use Planning	*	*
	Conservation Authority (funding only)		*
	Inspections		*
	Inspections – Shared Service	*	
Legislative Services			
	Clerk/Governance	*	*
	Licensing		*
	Archives (existing shared service)	*	*
	MPAC (funding only)	*	
Corporate Services			
	HR/Payroll	*	*
	Finance/Treasury	*	*
	Legal	*	
	IT/GIS (existing shared service)	*	*
	Health & Safety	*	*
	Facilities/Property Management	*	*
	Communications	*	*

Notes

*Some services may be a lower tier responsibility, but are not necessarily delivered by every member municipality.

** Some services may be delivered by another entity, while remaining the responsibility of the municipality.

There are several services where there are existing formal, or informal, shared services arrangements. Selected services have been consolidated, or partially consolidated, at the upper tier to achieve efficiencies and economies of scale such as IT, road surface treatment, GIS, etc. There have been other shared services agreements on an ad hoc basis in recent years such as HR. In addition to the more formal arrangements, municipalities across the County frequently collaborate on service delivery and projects. For example, joint training exercises, road construction with underground works, and purchasing.

Consultations

The County and member municipalities have explored opportunities for shared services over the past couple of decades, with some new opportunities advancing and others being abandoned after hitting barriers. Staff have consistently approached this work with the intention of maintaining (or improving) service levels for the same or less cost. However, it is inherently difficult to voluntarily merge the work of eight separate legal entities with independent governance structures. Every organization has their own identified priorities, in addition to busy day-to-day operating demands.

Anecdotally, there are mixed opinions about the success of previous amalgamations. The key difference is that most previous amalgamations were initiated through a Provincial directive, or a very strong suggestion from the Province that municipalities look to merge with one or more neighbouring municipalities. Small municipalities speak to the potential benefits of economies of scale across their operations, although many municipal services cannot achieve significant savings even at their present size and scale due to labour intensive services, large geographic areas, and other limitations. Municipalities that underwent large amalgamations, such as moving to a single tier, often acknowledge long-term benefits but reference many challenges, including governance structure and service rationalization, that need to be overcome in the early days. In many cases, there were increased costs during the initial years of an amalgamation, as common service levels and expectations were settled. For many communities, particularly in rural Ontario, there are strong ties to existing features of the community; there is a reluctance to accept the changes that could lead to more significant savings.

Legislative Authority / Risk Considerations

The Municipal Act 2001 Part V, Municipal Reorganization specifically permits restructuring of municipalities. This section of the Act outlines the process and authorities for various aspects of restructuring the governance of a municipality or municipalities. The purpose of this section is as follows:

171 (1) The purposes of section 172 to 179 are,

- (a) To provide for a process which allows municipal Restructuring to proceed in a timely and efficient manner;*
- (b) To facilitate municipal restructuring over large geographic areas; and*
- (c) To facilitate municipal restructuring of a significant nature which may include elimination of a level of municipal government, transfer of municipal powers and responsibilities and responsibilities and changes to municipal representation systems. 2001, c.25 s. 171(a)*

Discussion / Options

Any study on municipal restructuring will require participation from all seven member municipalities, and most likely the County, depending on the services being considered. It is critical that there is an interest in the study, and a commitment of support from the participants. The support required would include staff time to gather and share information, as well as meetings with the consultant. The study would be informative, and participation would not be seen as an agreement to move forward with any recommendations resulting from the study.

Staff propose an initial step by County Council to request input from member municipalities to determine interest in pursuing a study of service rationalization, restructuring and/or amalgamation. Further, a resolution should be requested from each member municipality to express their level of interest in the information learned through such as study. This resolution would only be a commitment to participate and receive the final report, but would NOT obligate any municipality to proceed with implementation of the report recommendations.

Further, if a majority of member municipalities wish to participate in the study, then the County should proceed with the procurement of a consultant to conduct the necessary research and analysis, and make recommendations for consideration. Given the anticipated size and scope of the study, it would be a competitive RFP process.

Staff propose two options should there be sufficient interest from member municipalities:

- a) Study the benefits and challenges of a full amalgamation to a single government across Northumberland County for all services. This would include costs and resourcing required through a transition period, projected ongoing savings or increases, high level review of staffing implications, proposed governance model, etc.
- b) Select 1-2 services to evaluate and develop an assessment of options for restructuring. Restructuring could result in an upload to the County, or consolidation with one of the seven member municipalities for all or part of a service, based on the analysis. The review would include transitional and ongoing operational impacts to governance, staffing, service levels, and financial implications, as well as an initial plan for implementation.

Staff recommend option B, and recommend that it be referred to the CAOs' Committee to determine the services to be reviewed. The CAOs should provide input into developing common goals for a study, including financial objectives, service level equalization, staffing and asset impacts, as well as qualitative impacts of service restructuring.

Financial Impact

The cost would be dependent on the scope of the review. Given the complexity of the assessment and number of municipalities, consulting costs would likely be \$150,000 - \$250,000 for the initial reviews, depending on number and complexity of departments included in the study, and the number of municipalities currently offering the service. The work required would be unique to Northumberland County, and could require extensive planning if the direction is to conduct a review of a full amalgamation, with costs likely exceeding the top end of the estimate for a full implementation plan. Given the time required for member municipal consideration as well as the RFP process, it is expected that only a portion of costs would be incurred in 2025 with the balance incurred in 2026.

Member Municipality Impacts

Depending on the extent of the review, there could be a significant impact to member municipal operations and governance.

Conclusion / Outcomes

Staff recommend this report be received for information, and considered as part of the 2025 budget deliberations.

Attachments

N/A