

# District Social Service Administration Board Governance and Accountability Review:

## Summary of Observations – Manitoulin-Sudbury

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This document captures key themes and discussion points gathered from the staff, board and municipal sessions held in the District Social Services Administration Board (DSSAB) region of Manitoulin-Sudbury.

### 1. Meeting Logistics

<b>DSSAB Name:</b>	Manitoulin-Sudbury District Services Board
<b>Location of Sessions:</b>	Manitoulin-Sudbury DSSAB office in Espanola for staff and board sessions Royal Canadian Legion Branch 39 for municipal sessions
<b>Session Dates:</b>	September 6 <sup>th</sup> and 7 <sup>th</sup> 2017
<b>Attendance:</b>	9 staff 10 of 14 board members 24 municipal representatives across 14 of the 18 municipalities

### 2. What we heard

#### 2.1 Summary of Key Takeaways

The following is a list of key themes/considerations heard at DSSAB sessions (this includes separate sessions with staff and board members respectively, referred to here collectively as DSSAB participants), and municipal sessions. Please note that these are not in priority order.

#### Accountability and Transparency

- **Knowledge and Communication about DSSAB** – Participants noted that there is a gap in understanding of the DSSAB’s role in the district and it would be helpful to better communicate this role to the general public, municipalities and some board members (in particular those who are new to the role) . To this end, it was suggested there should be some focus on developing an array of tools/approaches for better communication and education.
- **Transparency on Amount of Levy** – Participants noted that one of the specific communication challenges is the complexity of the weighted assessment formula which makes it difficult to articulate the rationale behind fluctuations in municipal contributions to the DSSAB to the public, and for board members to understand and communicate back to municipalities the impact of changes in service delivery to municipal budgets. Participants noted that this is a specific area of communication that could be improved.
- **Performance Reporting and Data Collection** – Participants noted that DSSABs currently report to multiple ministries and data collection/reporting requests are not standardized. It was noted that working towards standardization of performance reporting and data collection has potential to foster better comparison between programs and increase accountability across DSSAB’s.

**Consolidation of DSSAB Legislation** – Participants noted that it is confusing to have DSSAB governance requirements across multiple pieces of legislation and that efforts should be made to improve the cohesiveness of the legislative framework, such as consolidation into one Act similar to other accountability frameworks e.g., Municipal Act under the Ministry of Municipal Affairs.

### **Board Composition**

- **Representation on the Board** – There were mixed perspectives on the most effective approach to board representation:
  - Some participants indicated the current approach is fair and allows for efficient decision-making.
  - Some felt consideration should be given to each municipality being represented on the board.
  - Others indicated that composition should consider population and proportion of overall costs.
- **Turnover on the Board** – It was observed that board member turnover can be high as municipalities that share a board seat rotate representation throughout the 4 year term of office. One of the challenges in this approach is that onboarding of new board members takes time to understand the operations and issues of the DSSAB, which can impact board-decision making.
- **Selection of Board Members** – Participants noted that it could be helpful to have consistent guidelines for municipalities on how to select an elected municipal representative to the DSSAB board, in particular for those municipalities that share a representative. Some recommended that the overall process for selecting DSSAB board members should be transitioned away from elected officials to having individuals directly elected to the board, similar to the approach for electing school board trustees.
- **Qualification of Board Members** – Participants noted that it could be helpful to have guidelines for the skills and qualifications required of DSSAB board members, beyond the requirement of being an elected official. It was suggested at the municipal sessions that one consideration could be including municipal staff on the board given their knowledge of DSSABs and municipal processes. It was noted that this approach could be problematic from an accountability to municipal constituents perspective.

### **Term Start Dates**

- **Misalignment of Term Start Dates (“Lame Duck” Issue)** – There were mixed perspectives on whether municipal council and DSSAB board term start dates should be more closely aligned:
  - Some participants indicated alignment would at a minimum reduce confusion and may also reduce the time period over which the DSSAB board is not fully functional.
  - Others felt that it may create challenges for municipalities that share representation to choose a board member.
  - While others felt it would have no substantive advantage or disadvantage.

### **Access to Financing**

- **Understanding Regarding Accessing Financing** – Borrowing was not identified as specific issue for Manitoulin-Sudbury as the DSSAB has never had to borrow. However, participants noted that one gap to address is a lack of clarity in the framework regarding what the DSSAB is allowed to borrow for (operating versus capital expenditures) and where they are allowed to borrow from (e.g., Infrastructure

Ontario). It was also noted that it could be helpful to clarify the nature of the relationship between municipalities and DSSAB's regarding borrowing decisions.

- **Ability for DSSAB to borrow** – While the potential need for the DSSAB to access financing to support its mandate and programs was understood, some municipalities indicated that one caution to allowing the DSSAB to access financing programs, such as Infrastructure Ontario, is that it may limit individual municipalities' access to the same funding by increasing competition for limited pots of money. Other municipal representatives indicated that if the DSSAB has access to additional financing, a cap on the amount of funding should be considered, similar to up to 25% of operational expenditures currently in regulation.

### Apportionment

- **Apportionment Formula** – There were mixed perspectives on the apportionment formula among all participants:
  - Some felt that the current apportionment formula is fair as it is based on the ability of a municipality to pay.
  - Others felt that it is not fair as municipalities are paying for services they do not use.
  - Most participants did not agree with implementing a standard provincial formula, indicating that it would not allow for local flexibility/adjustments based on population needs.
  - Some participants felt that an alternate method of revenue generation for the DSSAB should be considered, for example using the school board approach under which the province sets a standard education tax each year through which boards are funded.
- **Apportionment Formula's Assessment** – There were mixed perspectives among participants on the 'fairness' of the current approach to assessment:
  - Some municipal participants felt that a fair assessment needs to consider "non-residents" that buy vacation properties, and include PILS.
  - Timing of assessment was also noted as a concern, specifically that apportionments are based on the previous year's assessment and if there has been a reassessment that impacts the current year, municipal revenue may be lower. In addition, in the case of a retroactive reassessment, the municipality must attempt to recoup "overpayments" from the DSSAB. A suggestion to help address these concerns was the development of a reserve fund to support large fluctuations in assessment, which would improve support for municipalities and DSSABs experiencing hardships.
- **Mechanism for Changing the Apportionment Formula** – There were mixed perspectives among participants on whether the double majority process should be maintained or changed:
  - Some felt that it creates a safety net, while others felt it hinders change.
  - Many participants felt that it could be helpful to have a formal appeals process (e.g., tribunal or arbitration) and/or authority for the government to "step in" and mediate when changes have potential to adversely affect a municipality.
- **Other** – Some municipalities were concerned with the funding of territories without municipal organization (TWOMOs), specifically with respect to a perception that municipalities are effectively paying for services provided to TWOMO residents, first through the direct provision of services by their municipalities to TWOMO residents and second through their provincial taxes that ultimately contribute to the provincial funding of TWOMO costs (as TWOMO land taxes are considered lower).

## 2.2 Potential Opportunities to Change/Enhance Governance and Accountability Framework

The following potential areas for change/enhancement were identified by participants. These are a reflection of what was heard at the consultation sessions and will be considered in the analysis, but they do not necessarily reflect the views or recommendations that will be prepared by Optimus SBR:

- Consolidate all legislative matters related to DSSABs into one Act (e.g., Municipal Act provisions regarding accountability and conflict resolution) and consider moving oversight to the Ministry of Municipal Affairs.
- Consider a different approach to the selection of board members, for example directly elect community members to the DSSAB board rather than the appointment of elected municipal officials. It is noted that this approach could not be considered in isolation of an alternate approach to funding DSSABs as it is recognized that board decisions directly impact municipal taxpayers who hold municipal officials accountable.
- Explore potential for an alternate funding mechanism for DSSABs, for example through a “social services” tax set by the province (similar to a school boards educational tax).
- Consider implementing an appeals process for board decisions (this does not necessarily preclude maintaining the double majority approach).
- The province should develop, in partnership with stakeholders, guidelines on effective DSSAB board governance and decision-making, touching on topics such as board members’ roles and responsibilities, effective mechanisms for ensuring municipalities are well informed of the impact of DSSAB decisions and opportunities to leverage municipal staff expertise to support decision-making.
- Consider a provincially funded “reserve fund” to address the impact of a reassessment on a municipalities’ ability to pay prior to a tax adjustment.

## 2.3 Additional Identified Challenges

The following additional challenges were identified during the discussions and recorded, yet considered out-of-scope for this review. The scope was articulated in the Review’s parameters outlined in the Discussion Guides released to DSSAB staff, DSSAB board members, and municipalities in advance of consultations.

- **Distribution of daycare and land ambulance services:** Some municipalities felt that a significant investment had been made in childcare delivery for Espanola and that it would be more equitable to distribute these services more broadly. The best location for the land ambulance station(s) was also discussed.
- **Uploading cost of services:** It was noted that that 60% of Manitoulin-Sudbury’s net costs are for paramedics/land ambulance. There was some discussion towards the reasonableness of uploading these costs to the province.