



cutting through complexity

Perth Area Municipalities Joint Service
Delivery Review

Appendix A Perth South Summary



Representing the smallest of the Perth Area Municipalities (in terms of population), the Township of Perth South (“Perth South”) is also seen as the most active of the municipalities in terms of delivering municipal programs through shared service or external contracting arrangements as opposed to the use of internal resources.

While the joint service delivery review has identified opportunities for increased collaboration between the Perth Area Municipalities, the potential benefits to Perth South are likely lower than the other municipalities due to two factors:

1. **Perth South has already established shared service arrangements for the delivery of a number of municipal services**, thereby limiting the potential for additional arrangements. As noted below, approximately one-third of municipal expenditures relate to programs delivered through shared service or external contracting arrangements.

Municipal Service	Total Expenditures		Percentage of Total	
	Internal Delivery	Shared or Contracted Service	Internal Delivery	Shared or Contracted Service
Administration	\$744,080		15.4%	
Fire		\$435,480		9.0%
Police		\$469,115		9.7%
Building inspection and bylaw enforcement	\$99,674		2.1%	
Roads	\$2,383,253		49.4%	
Water and wastewater		\$98,962		2.1%
Solid waste		\$360,706		7.5%
Parks and recreation		\$141,817		2.9%
Library services		\$88,000		1.9%
Total	\$3,227,007	\$1,594,080	66.9%	33.1%

2. Perth South has very low levels of staffing, with employees having a wide range of assigned responsibilities, the combination of these factors limits the potential for significant cost savings as Perth South has little to no opportunity to reduce staffing levels through the use of shared service arrangements. Based on a comparison to other municipalities, we consider Perth South’s staffing levels to be at or near the minimum required to administer a municipality of its size.

Municipal Department	Number of Staff		
	Full-time	Part-time	Total
Chief Administrative Officer	1		1
Clerk/administration	2		2
Finance	2	1	3
Building inspection and bylaw enforcement	1		1
Public works	6	4	10
Total	12	5	17

Notwithstanding these limitations, certain of the opportunities identified through the joint service delivery review are applicable to Perth South and should be considered, including:

- **Increased collaboration with respect to roads maintenance.** At the present time, Perth South uses internal resources to perform roads maintenance activities, which are restricted to the lower tier road network within its municipal boundaries and represent the largest single expenditure category for the municipality. Through collaboration with other municipalities, efficiencies may be achieved through the sharing of public works equipment, personnel and facilities, better scheduling and utilization of staff (which could result in reduced overtime costs) and the redesign of maintenance routes across municipal boundaries, achieving greater economies of scale and operating efficiencies.

As noted below, Perth South's roads maintenance costs are lower than or consistent with the other Perth Area Municipalities as well as comparative communities. While this is reflective in large part of the maintenance standards for Perth South's road network, it also indicates that potential cost savings will likely materialize in the form of incremental efficiencies as well as a reduction in longer term capital costs.

	Road Costs (in thousands)	Lane Kilometres	Cost per Lane Kilometre
Perth South	\$803	590	\$1,360.34
Perth Area Municipalities:			
• Lower tier (excluding Perth South)	\$6,534	3,093	\$2,112.51
• County	\$3,953	882	\$4,481.86
Total Perth County (upper and lower tier)	\$11,290	4,565	\$2,473.17
Stratford	\$5,386	386	\$13,953.37
St. Marys	\$1,422	110	\$12,927.27
Perth Region	\$18,098	5,061	\$3,575.97
Amaranth	\$1,192	450	\$2,649.78
Central Frontenac	\$3,499	1,122	\$3,119.02
Dutton-Dunwich	\$1,501	528	\$2,842.78
Mulmur	\$1,373	536	\$2,562.18

- **Participation in a county-wide approach to landfill operations and drainage superintendent.** As with roads maintenance activities, Perth South currently delivers these services independent of other municipalities and as such, could benefit from potential efficiencies that may arise from an expanded scope (e.g. better pricing for contracted drainage superintended services if all municipalities combine the service into one contract).
- **Sharing of specialized administrative support functions.** Presently, Perth South does not have dedicated resources for human resources and information technology support and the size of the municipality would not justify the establishment of these resources. These requirements are currently met by management staff and, depending on the issue, external service providers. As human resources and information technology are complex and specialized areas that could expose the municipality to risk if not appropriately managed, Perth South may wish to consider entering into a shared service arrangement for these services. For example, the County, North Perth and Perth East all currently employ human resource professionals (CHRP) and Perth South may wish to consider the sharing of these resources.