



County Council

Meeting Date: June 24, 2025

Submitted by: Paul Shipway, General Manager of Strategic Initiatives & Innovation

Subject: Consolidated Municipal Service Manager (CMSM) Cost Apportionment Amending Agreements

BACKGROUND:

In 1997, the Province of Ontario undertook the Local Services Realignment process that resulted in the transfer of responsibility for various services, including social housing, social assistance, child care and land ambulance services, from the province to municipalities. The City of London is designated as the service manager by legislation for Ontario Works (under the Ontario Works Act, 1997), Child Care (under the Child Care and Early Years Act, 2014) and Housing Services (under the Housing Services Act, 2011) and is responsible for the delivery of these services within the geographic area of the City of London and the County of Middlesex. The County of Middlesex is designated as the service manager for Land Ambulance under the Ambulance Act and is responsible for the delivery of these services within the geographic area of the City and the County.

The applicable legislation does not prescribe the formula by which the costs of delivering these services are to be apportioned between the municipalities within a geographic service delivery area. The City of London and County of Middlesex have traditionally entered into cost apportionment agreements prescribing the formulae under which the cost of service delivery is apportioned between the two municipalities. There are four (4) separate cost apportionment agreements between the City and County pertaining to Land Ambulance, Ontario Works, Housing Services and CHPI, and Child Care.

The current agreements cover the period from January 1, 2018, to December 31, 2025, noting that the agreements include prescribed timelines in 2025 for renewal of the agreements.

The following excerpt is from the Land Ambulance agreement, noting that each of the agreements contain similar provisions:

- a. *Between January 1, 2025 and March 31, 2025 the County Administrator and the City Administrator shall report to the City-County Liaison Committee (CCLC) for*

its consideration of any issues related to the renewal of this Agreement or the apportionment of the Costs of Land Ambulance Services and the CCLC shall forthwith report to the County Council and Municipal Council accordingly;

- b. In the event a renewed Land Ambulance Services Cost Sharing Agreement is not approved by the respective Councils of both Parties prior to April 1, 2025, the Parties shall attempt to negotiate a Land Ambulance Services Cost Apportionment Agreement through without prejudice negotiations conducted by the respective Administrations of the Parties, subject to approval of a renewed Land Ambulance Services Cost Apportionment Agreement by each of the respective Councils of the County and the City;*
- c. In the event that the aforementioned negotiations do not lead to Council resolutions from each of the County and the City approving a Land Ambulance Cost Apportionment Agreement by June 1, 2025, the Parties shall agree to a mediation, the mediator to be appointed by the Parties by July 1, 2025 and the entire mediation to be completed by November 1, 2025;*
- d. In the event that the above-noted mediation is conducted but does not lead to Council resolutions from the County and the City approving a Land Ambulance Services Cost Apportionment Agreement by December 31, 2025, the Parties shall thereafter continue with the arbitration process.*

ANALYSIS:

Both the City and the County initiated their respective reviews of the current cost apportionment agreements in late 2024. An update on the agreements was provided to the City-County Liaison Committee on April 4, 2025 (rescheduled from February 13, 2025, due to inclement weather). Discussions and good faith negotiations between the parties are ongoing with the objective of reaching negotiated agreements without the need for, and expense of, mediation or subsequent arbitration.

As it has been 8 years since the last update to the agreements, there have been considerable changes to legislation as well as the introduction of new provincial programs (particularly in child care). This has necessitated a thorough review to ensure these changes and new requirements are reflected in the agreements.

With the requirement to initiate the mediation process by appointing a mediator by July 1st fast approaching, amending agreements have been drafted to provide additional time to conclude the negotiations between the parties. The amending agreements (attached as Appendix 'A' – 'D') propose a "pause" of 90 days in the prescribed timelines outlined

in the agreements, at which point the processes and timelines outlined in the agreements will resume in the event that Council-approved agreements have not been finalized¹.

Subject to successful completion of the ongoing discussions between the parties, updated cost apportionment agreements will be brought forward to the respective councils of the City and County for approval.

FINANCIAL IMPLICATIONS:


The proposed 90-day pause in the prescribed timelines does not introduce any new financial commitments. By extending the negotiation period, the amending agreements defer potential costs associated with mediation or arbitration, such as mediator fees, legal expenses, and staff time, and support the continued pursuit of a negotiated resolution.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

| Strategic Priority | Goal | Objectives |
|---|--|---|
| Collaboration & Partnerships  | Strengthen collaboration with local municipalities and regional partners to improve economic efficiency, enhance service delivery, and support regional development in alignment with community priorities | <ul style="list-style-type: none">• Optimize service delivery through inter-municipal collaboration and shared services to improve efficiency and seamless operations.• Build and enhance relationships with municipal, regional, First Nations, community, and private sector partners to align priorities, share resources, and implement joint initiatives that improve community well-being and economic growth.• Improve communication and transparency through open engagement, accessible information, and informed decision-making. |

¹ For informational purposes, 2018 CSM cost apportionment agreements are attached hereto as Appendix 'E' - 'H'.

| Strategic Priority | Goal | Objectives |
|---|---|---|
| Adaptability and Agility  | Modernize the County's administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes | <ul style="list-style-type: none"> • Transform, modernize and continuously improve administrative systems and processes to increase efficiency and enhance the experience of residents and partners. • Strengthen internal administrative capabilities to ensure key support services have the necessary resources to meet community needs and support organizational growth. |

RECOMMENDATION:

THAT the Consolidated Municipal Service Manager (CMSM) Cost Apportionment Amending Agreements Report be received for information;

AND THAT by-laws be introduced at the June 24, 2025 Council Meeting to:

- a. Authorize the Consolidated Municipal Service Manager (CMSM) Cost Apportionment Amending Agreements (*Appendices 'A'-'D'*); and
- b. Authorize the Warden and the County Clerk to execute the Agreements.