



STAFF REPORT

TO: Council

FROM: Erin Hartley, Director of Corporate Services

APPROVED BY: Trudy Payne, Chief Administrative Officer

DATE: March 22, 2021

SUBJECT: Inter-Municipal Service Agreement Renewal

ORIGIN

The Inter-Municipal Service Agreement between the Municipality of the District of Shelburne, Town of Shelburne and Town of Lockeport is up for renewal on March 31, 2021.

RECOMMENDATION

That the attached Inter-Municipal Service Agreement between the Municipality and the Towns of Shelburne and Lockeport be approved.

That the Warden and Chief Administrative Officer be authorized to sign the attached Agreement.

BACKGROUND

Municipality of the District of Shelburne delivers the following services to the Towns of Lockeport and Shelburne based on this agreement:

- Building Inspection
- Fire Inspection
- Waste Diversion
- C&D Operations
- Solid Waste
- Administration

These services are offered to the Towns on a fee for service basis, based on an annual estimated cost recovery budget.

The attached updated agreement has been discussed with the Town's staff at our Shared Services Administration meetings and reviewed by the municipal solicitor. The proposed updates for the Agreement are included in red.

DISCUSSION

Most updates to the Agreement are for clarity and reflect our current practices; however, there are a few new additions:

1. Section 3 – Tipping Fee invoicing has been specified within the Agreement to reflect the recent agreement to have the service provider bill each unit separately.
2. Section 18 – The Municipality will bill the Towns quarterly instead of monthly to cut down on processing and administrative work.
3. Section 21 – Vehicles: Maintenance and other minor vehicle related costs for the Shared Services Vehicle will be incorporated into the operating budget. This has not been done in the past.
4. Section 21 – Capital Purchases: A process around capital purchases has not been identified in this Agreement in the past. For clarity and procedure, it has been included to be followed going forward.
5. Section 24 – The creation of a shared services reserve is being recommended to allocate any surplus or deficit separately from municipal funds to ensure the contributions of the Towns are reflected accordingly.

This same draft Agreement has been sent to the Towns for their Council review and approval. The current Agreement ends March 31, 2021.

ATTACHMENTS

- Draft Inter-Municipal Agreement

Inter-Municipal Service Agreement

This Agreement made the ____ day of _____, 2021.

BETWEEN:

MUNICIPALITY OF THE DISTRICT OF SHELBURNE, a body corporate incorporated under the laws of the Province of Nova Scotia, with head office and chief place of business at Shelburne, Shelburne, Nova Scotia;

-and-

TOWN OF LOCKEPORT, a body corporate incorporated under the laws of the Province of Nova Scotia, with head office and chief place of business at Lockeport, Shelburne County, Nova Scotia;

-and-

TOWN OF SHELBURNE, a body corporate incorporated under the laws of the Province of Nova Scotia, with head office and chief place of business at Shelburne, Shelburne County, Nova Scotia;

BACKGROUND

1. This agreement outlines a service delivery arrangement between the parties in this agreement on an **annual estimated** cost recovery basis.
2. The Municipality of the District of Shelburne will offer waste management services and building and fire inspection services to the Town of Shelburne and the Town of Lockeport.
3. Waste management services include household hazardous waste facility, waste diversion programs, management and operation of the Regional Materials Recovery Facility, solid waste collection, transportation and disposal.

In relation to Tipping Fees, the disposal service provider will invoice each of the parties their respective appropriate sums directly pursuant to the percentage breakdown outlined in this agreement; percentages will be provided to the service provider by the Municipality of the District of Shelburne.

4. Building and fire inspection services include all activities performed by the Building/Fire inspection office.

TERMS

5. This agreement comes into force after the Councils of each of the parties have approved by resolution entering this agreement, and on the last date the agreement has been signed by a party.
6. The Chief Administrative Officers for the Municipality of the District of Shelburne and the Town of Shelburne and the Clerk for the Town of Lockeport or designate will meet quarterly to address any concerns regarding service delivery and to get updated by staff on the budget and any other issues of concern along with the Administrator for Shared Services.
7. The operating budgets for the services in this agreement will be forward to the Town of Shelburne and the Town of Lockeport by the Municipality of the District of Shelburne on or before March 31st each year.
8. Service levels for all services contained in this agreement will meet the standards currently provided.
9. This agreement will be in effect for a term of five (5) years and requires six months written notice of exit. This written notice must be six months prior to any fiscal year end of March 31st. (i.e. any party may withdraw upon six months written notice on or before October 1st of any year.)

FUNDING FORMULAS

10. All services related to waste management, including HHW, Waste Diversion programs, Regional Materials Recovery Facility, and solid waste transportation and collection, will be calculated according to ~~the current contract between municipalities and FE's All Trucking~~ an existing fixed formula based on past research including combination of number of households and kilometers driven in each service area as follows:

Town of Lockeport	12.38%
Town of Shelburne	23.69%
Municipality of Shelburne	63.93%
11. Building Inspection services will be calculated according to a historical five (5) year rolling average and a weighted formula, fifty percent (50%) permit value and fifty percent (50%) permit revenue.
12. Fire Inspection Services will be calculated according to a historical two (2) year rolling average based on a two (2) year historical average of inspections performed.
13. Services Administration will be calculated according to the percentage of a Municipality's total contribution to all services.

GENERAL

14. All employees will be employees of the Municipality of the District of Shelburne.
15. Town employees can contact Municipality of the District of Shelburne employees regarding these services for the purposes of seeking information.
16. The accounting period for these services will be April 1st to March 31st annually.
17. All current assets of the previous Joint Services Board will continue to be owned by the Municipality of the District of Shelburne.
18. Municipalities will be billed ~~based on an initial invoice~~ the **annual estimated budget** and ~~payment of 1/12 is due the first day of every month~~ **billed in four equal payments, with such payment to be due quarterly within thirty (30) days of the billing date. Interest will be applicable at the rate charged by policy set by the Municipality of the District of Shelburne for all overdue accounts receivable.**
19. Staff for these services will be available to provide regular updates to the Councils on a regular basis provided that a request is made through the Administrator or CAO.
20. Parties are in agreement that they share the same insurer at this time and that a copy of this agreement will be provided to the insurer in order to maintain adequate coverage for all parties concerned.

21. SERVICE DESCRIPTIONS

Building Inspection, Fire Inspection, Civic Numbering: Services include building inspection and related administrative obligations pursuant to the Nova Scotia Building Code. Fire inspection services include all inspections and administrative responsibilities pursuant to the Provincial Fire Marshall's Office. Inspections will be carried out by qualified building and fire inspectors. The office will issue new civic numbers and will perform related activities.

Waste Management:

Waste Collection: Service levels and funding allocations will be in accordance with the current contract **in place at the time with GE's All Trucking Ltd the waste collection service provider.** Collection calendars will be issued from the Municipal office for each unit being distributed to the residents of the Municipality of the District of Shelburne, Town of Lockeport and Town of Shelburne, after the approval of each municipality. Collection is bi-weekly and will continue to the end of the contract with GE's All Trucking until March 31, 2020 **follow the schedule outlined in the waste collection service provider's contract.** All waste collection issues and inquiries will be dealt with by Administrator ~~or the Waste Diversion Coordinator~~ of the Municipality of Shelburne **or designate.**

Waste Diversion: The ~~Administrator and/or the Waste Diversion Coordinator~~ **Officer** will be responsible for the creation, execution and maintenance of all waste diversion programs and the investigation and application of all related funding opportunities. All education and public outreach regarding commercial and residential participation in our mandatory waste programs will be provided including but not limited to school visits, event greening, business waste audits and educational presentations. ~~The Waste Diversion Coordinator~~ **Municipality of Shelburne's By-Law Enforcement Officer** ~~may~~ **will** be able to provide enforcement of the Solid Waste Management By-law for each unit if requested. **This would be an extra service and is not included in the fees outlined in this Agreement.** The ~~Administrator and/or the Waste Diversion Coordinator~~ **Officer** will be responsible for all program related staff reports, annually mandatory report to NSE and all other office related duties regarding the waste department. ~~The WDC~~ **Waste Diversion Officer** will also provide curbside inspections of waste for each unit quarterly or when problem areas of concern occur.

Household Hazardous Waste: This service is **currently** offered at the Public Works building at 243 Sandy Point Road on the first and third Mondays of every month; **the schedule may change upon the agreement of all parties.** This service offers the public the option of bringing hazardous waste to this depot to be properly disposed of. It is also being proposed that a mobile unit be set up to collect materials at specified locations in the units involved with the service at certain times of the year being advertised. The ~~Waste Diversion Coordinator~~ **Officer or trained designate** is responsible for operating this depot on the advertised hours of service. The fee schedule will be under the Waste department formula which is the percentage used for the waste collection contract.

Regional Materials Recovery Facility: This service is located at 4571 Highway #3 West Green Harbour and is **currently** open to the public from Tuesday to Saturday from 9:30 **am** to 4:00 **pm** ~~o'clock~~; **the schedule may change upon the agreement of all parties.** This service is open to the public to deliver construction and demolition materials to this facility for diversion from landfill at a per tonnage rate payable by the resident. Waste is then delivered to Queen's landfill facility for disposal. This service also offers a white metals collection program, yard waste, as well as a lobster trap collection program. Service also includes invoicing, account maintenance and administration of the facility. The facility is leased from the Town of Lockport pursuant to existing lease agreement.

Administration: Administration includes financial services, audit services, legal services, training, employee supervision, budget development, and IT. Costs related to audit services and all financial services will be the responsibility of the Municipality of Shelburne and will not be passed on to other parties in this agreement.

Vehicles: **General maintenance as well as minor vehicle repairs and upgrades will be incorporated into the annual estimated operating budget. Vehicle purchases will be considered capital.**

Capital Purchases: **Capital purchases will be discussed with the administrative team as soon as reasonably possible to ensure transparency and adequate timing for budget preparations. Method of payment for capital purchases will be determined by the Municipality of the District of Shelburne taking into consideration input from the Towns (i.e. loan, direct payment by one**

unit and/or repayment scenarios). Capital purchases may include vehicles, large equipment, construction projects, etc.

In cases of capital purchases and/or major unbudgeted expenses a detailed outline of the project and payments will be prepared for the Towns by the Municipality, to form part of this agreement as an addendum.

22. Time shall be of the essence of this agreement.

This agreement shall endure for the benefit of and be binding upon the parties hereto, their heirs, executors and administrators.

23. The headings in this agreement are for convenience of reference only, and under no circumstances should they be construed as being a substantive part of this agreement nor shall they limit or otherwise affect the meaning hereof.

24. In the case of a surplus or deficit it shall be maintained ~~within the Shared Service department~~ in a Shared Services Reserve for future incidentals that may be incurred. In the case of a deficit where the reserve cannot support the deficit, the deficit shall be incorporated into the next annual estimated budget and be shared among the units based on the administration services formula for that year. The Municipality will advise the Towns of the status of the reserve annually after the Municipal Audit is complete.

IN WITNESS WHEREOF the parties hereto have executed this agreement on the day and year first above written.

**SIGNED, SEALED AND DELIVERED in
the presence of:**

**THE MUNICIPALITY OF THE
DISTRICT OF SHELBURNE:**

Witness

Per: Warden

Per: Chief Administrative Officer

**SIGNED, SEALED AND DELIVERED in
the presence of:**

THE TOWN OF SHELBURNE:

Witness

Per: Mayor

Per: Chief Administrative Officer

**SIGNED, SEALED AND DELIVERED in
the presence of:**

THE TOWN OF LOCKEPORT:

Witness

Per: Mayor

Per: Town Clerk