



STAFF REPORT **Municipality of Wawa**



Maury O'Neill, CAO-Treasurer

For: Mayor and Council	Report No.: CAO 2021-09
Date: October 18, 2021	Council Meeting Date: Oct. 19, 2021

MUNICIPAL WAYFINDER'S – EDC RECOMMENDATION

Recommendation

THAT Council receive Report No. CAO 2021-09 dated October 18, 2021 and accept the Municipal Government Wayfinders recommendation to implement changes to the existing corporate organizational design and cease funding to the Economic Development Corporation of Wawa effective April 30, 2022 and begin to deliver economic development and tourism marketing services through a new internal organizational structure.

AND FURTHER that By-Law No. 2283-09 entering into a Protocol Agreement with the Economic Development Corporation of Wawa be repealed effective April 30, 2022.

Report Purpose and Summary

To present the recommendations of the Municipal Government Wayfinders Transformation and Service Delivery Review Report affecting the future delivery of economic development and tourism services. The Report recommended that the Municipality cease funding the EDC in 2022 and provide the services through an internal model which would include hiring new staff and creating a new Council Economic Development and Tourism Advisory Committee.

Background

The Municipal Government Wayfinders Service Delivery Report included several recommendations to improve the effectiveness of municipal operations. The company undertook a critical analysis of municipal operations and obtain feedback from several residents to identify best practices and areas for continuous improvement. One area outlined for specific improvements was the delivery of economic development and tourism services (pages 118 to 136).

The following issues were noted by the Consultants;

- 1) There is a lack of communication between the EDC and Municipality impacting the effectiveness of current operations and lack of focus spent on Council identified priorities.
- 2) Financial savings would be realized by discontinuing the annual funding of \$160,000 to the EDC including the provision of free rent valued at \$12,000 and providing a new combined Tourism and EDC office within the Municipality.

- 3) Based on feedback across the community, the Municipality should focus more on developing, growing and supporting tourism. This includes reallocating funds from the EDC in 2022 to tourism projects and hiring new staff in a combined Economic Development -Tourism Officer position internally within the Municipality. Tourism and economic development should be under one position.
- 4) The newly created internal position would support other organizational changes recommended by Wayfinders and result in several other organizational benefits.
- 5) The EDC Board could transition to an EDC-Tourism Committee of Council.

Since the start of COVID-19 and resignation of the Tourism Manager in early 2021, the Municipality has not hired any new tourism staff to implement new programs and marketing initiatives. To assist the tourism sector recover from the negative impacts of the pandemic, new staff resources should be dedicated to improving tourism services.

It would save the Municipality money to combine tourism and economic development services and provide both services through a new internal department, rather than hiring new staff and continuing to fund an outside agency. Other benefits include:

- a) Annual savings of \$40,000 to \$20,000. Reduces duplicated costs like insurance and support services (Wayfinders estimated \$80,000 savings).
- b) Less demand on volunteers. Improved accountability and communications between new EDC/Tourism Officer and CAO and Council.
- c) Development of a comprehensive strategy including Tourism to ensure an alignment of economic goals and priorities set by Council and CAO, supported by Committee of Council.
- d) Reduces potential overlapping of efforts (e.g. funding). There is a confusing "boundary" between Municipal and EDC expected areas of economic development responsibility.
- e) Improves accountability – Council is responsible to set goals and vision to direct or channel decisions made about economic development issues. This contributes will improve fragmentation and ad hoc decision making.
- f) Economic development is very complex. Alleviates the demands on volunteers to deal with admirative and personnel issues that require knowledge and experience.
- g) Internal alignment with council and closer communication, collaboration and coordination with other municipal departments; integration of administration with municipality; potential for more sustainable wages and benefits; and less expectation for sourcing additional funding. The municipal role in economic development also includes the important and undervalued contribution of core service delivery such as infrastructure and community planning, which can be facilitated by an internal economic development department.

- h) Supports other municipal internal reorganization recommendations – benefiting the municipality and taxpayers overall.

Transition Process – EDC Corporation to Internal Model

The following are considerations for both the Municipality and the EDC Board during the proposed transition process:

1. The decision to close the EDC Corporation rests with the EDC Board.
2. The decision to cease funding rests with Council. A Resolution to cease EDC funding has been placed on the October 19, 2021, Council Meeting with six (6) months notice (as per the Protocol Agreement). If approved, the Municipality would cease funding the EDC on April 30, 2022, unless the EDC agrees otherwise to close or self-fund.
3. The EDC Board may decide to continue operations with its own funds, however, Council should request that the EDC vacate 96 Broadway by December 31, 2022.
4. Time is of the essence; however, Council understands that legal contracts and funding commitments may require the EDC Board to close operations at the end of 2022.
5. A decision to cease the Corporation fully should be reviewed by both the EDC Board and Municipality.

Once Municipal Council decides on the future funding of the EDC, it should seek to meet with the EDC Board or appoint a transition team to discuss a process to ensure that existing programs and services are seamlessly transferred to the Municipality by May 2022.

Conclusion

It is recommended as per the Municipal Transformation Report completed by Municipal Government Wayfinders that Council cease funding the EDC Corporation effective April 30, 2022 and begin a process to deliver economic development and tourism services internally.

Submitted By:



Maury O'Neill
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