

TO: MAYOR LEHMAN AND MEMBERS OF GENERAL COMMITTEE

FROM: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

NOTED: P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES

C. LADD, CHIEF ADMINISTRATIVE OFFICER

RE: BUSINESS PLAN STATUS AS AT JUNE 30, 2016

DATE: SEPTEMBER 12, 2016

PURPOSE & BACKGROUND

The purpose of this memo is to provide members of Council with a status update on the 2016 Business Plan and summarize the Corporation's financial and non-financial performance up to June 30, 2016.

The City's Financial Policies Framework requires the Director of Finance to issue quarterly memos and a year-end staff report on finances that compare year-to-date (YTD) actual results to budget.

ANALYSIS

SUMMARY OF OPERATING RESULTS - TAX

The following table summarizes the financial variances to June 30, 2016 between planned net operating expenditures and actual results by Division for tax rate based operations. Appendix A includes a breakdown of the tax rate based variances by department.

	YTD June 30, 2016		
	Budget	Actual	Variance
Council & Mayor's Office	417,858	347,845	70,013
Office of the CAO	1,188,168	1,087,200	100,968
Community and Corporate Services	18,617,992	17,299,080	1,388,912
Infrastructure and Growth Management	18,022,619	15,485,854	2,536,765
Invest Barrie	1,787,885	1,594,685	193,200
Access Barrie	6,260,492	5,882,609	377,883
Innovate Barrie	4,821,578	4,353,259	468,319
Financial Expenses & Other General Government	29,371,633	30,152,700	(781,067)
Service Partners & Grants	67,503,687	66,998,200	505,487
Total Net Expenditures	\$147,991,912	\$143,131,432	\$4,860,480

	YTD June 30, 2016		
	Budget	Actual	Variance
Corporate Revenues	(208,262,826)	(208,255,776)	(7,050)
Total Variance	(\$60,270,914)	(\$65,124,344)	\$4,853,430

Key contributors to the Corporation's general tax rate surplus include the following:

- Employee Related Costs \$2.3M - (detail below);
- Energy Management Sundry Revenue \$969K – (detail below);
- Fuel (Transit and Fleet) \$536K – (see Appendix B);
- Forestry Programs Minor Capital \$109K;
- Waste Management Curbside Collections \$160K;
- Waste Diversion Collection Bins \$122K;
- Corporate and Recreation Facilities Maintenance and Equipment Repairs \$499K;
- Traffic Pavement Markings \$163K;
- By-Law Enforcement Revenue \$173K;
- Corporate Insurance \$65K
- Service Partners & Grants \$505K – (detail below)

Key offsetting contributors to the Corporation's tax rate general surplus include the following:

- Municipal Property Assessment Corporation Fees (\$422K);
- Winter Control (\$770K) – (see Appendix B);
- Recreation Registered Program Fee Revenue (\$490K) - (see Appendix B);
- Legal Expenses (\$158K) – (see Appendix B);
- Engineering Revenue (\$277K)

Additional details have been provided in Appendix B that identifies the reasons for the negative and positive variances, the continuing impact going forward, and actions taken to mitigate future anticipated variances.

While Staff have specifically reported on individually significant variances, divisions such as Infrastructure and Growth Management (IGM) and Community and Corporate Services (CCS) are made up of many individual sub-departments and accounts with variances that, when taken together, may drive larger variances. Common themes behind the generally favourable variance include the impact of salary gapping at the department level and the timing of various operating activities. These variances are primarily the result of minor differences in timing between budget and actual and are not indicative of a trend that will carry forward to year-end.

Employee Related Costs

The salary gapping provision approved by Council in the 2016 Business Plan is \$800K. This amount includes both permanent staff and casual/part-time salary costs. The target for June 30th YTD was \$400K. The overall employee cost savings as of June 30th was \$2.7M. This variance is not expected to carry through to year-end; however, EMT is taking measures to achieve the gapping target.

Energy Management Sundry Revenue

The incentive payment received from PowerStream for the streetlighting LED conversion is currently posted to the Energy Management Sundry Revenue account. As noted in Staff Report FCT002-15, this

revenue will be transferred to the LED Streetlight capital project to offset the debenture required to finance the project. The variance noted in the table above will be eliminated as a result of this transfer.

Service Partners

The year-to-date positive variance for service partners is driven primarily by Nottawasaga Valley Conservation Authority - \$169K and the County of Simcoe – \$346K. These variances are not operational and will be eliminated as requests for payment of grants are received and/or funded by corresponding reserves.

SUMMARY OF OPERATING RESULTS – WATER

	Year-to-Date June 30, 2016			
	Budget	Actual Results	Variance	%
Salaries and Benefits	3,575,981	3,313,529	262,452	92.7%
Operating Expenses	3,857,493	2,780,710	1,076,784	72.1%
Corporate Overhead	3,087,183	3,025,415	61,767	98.0%
Debt Charges	2,578,930	2,567,235	11,695	99.5%
Revenues	(14,551,458)	(15,158,832)	(607,374)	104.2%
Transfer to Reserve	(1,451,871)	(3,471,944)	(2,020,073)	239.1%

The Water Operations Branch finished the second quarter with an operating surplus of \$2.020M. Expenditures completed the quarter at 89.2% of budget and revenue at 104.2%.

Employee costs were below plan due to approved leaves and timing in filling vacancies.

The positive operating expense variance is mainly due to contracted services as work is currently in the early stages but is expected to be complete late in the third quarter. In addition, the warmer winter has created savings related to frozen water service work and water main repairs.

Corporate overhead recoveries are based on actual work and staff time in support of Water from various departments. This work is tracking slightly behind plan in the second quarter.

Water rate revenue is \$550K above plan. The reason for this variance is moderately higher actual consumption than budgeted throughout the second quarter due the warm dry summer and early summer temperatures that result in more lawn watering. Water rates for 2016 were based conservatively on the average trend of the previous 24 months.

SUMMARY OF OPERATING RESULTS – WASTEWATER

	Year-To-Date June 30, 2016			
	Budget	Actual Results	Variance	%
Salaries and Benefits	2,255,506	1,916,457	339,049	85.0%
Operating Expenses	5,239,845	4,135,597	1,104,248	78.9%
Corporate Overhead	1,858,702	1,762,979	95,723	94.8%
Debt Charges	3,208,213	3,203,014	5,199	99.8%
Revenues	(18,400,455)	(18,757,322)	(356,868)	101.9%
Transfer to Reserve	(5,838,189)	(7,739,275)	(1,901,086)	132.6%

The Wastewater Branch finished the quarter with an operating surplus of \$1.901M. Expenditures completed the quarter at 87.7% and revenues at 101.9%.

Employee costs were below plan due to restructuring of positions after retirements and approved leaves; recruitment is actively ongoing to backfill these highly technical positions.

The main driver of the positive operating expenditure variance is timing, mainly associated with larger Wastewater Treatment Facility maintenance projects, sourcing Quality Management System (QMS) Consultants and savings resulting from chemical optimization.

Corporate overhead recoveries are based on actual work and staff time in support of Wastewater from various departments. This work is tracking slightly behind plan in the second quarter.

Sewer rate revenue is \$335K ahead of plan. Sewer rate revenue is directly correlated with water consumption, which was ahead of plan for the second quarter.

SUMMARY OF OPERATING RESULTS – PARKING

	Year-to-Date June 30, 2016			
	Budget	Actual Results	Variance	%
Salaries and Benefits	200,637	189,128	11,509	94.3%
Operating Expenses	530,869	283,888	246,981	53.5%
Corporate Overhead	108,102	98,477	9,625	91.1%
Debt Charges	317,673	330,733	(13,060)	104.1%
Revenues	(820,325)	(1,101,779)	(281,454)	134.3%
Transfer from Reserve	336,955	(199,552)	(536,507)	(59.2%)

Parking Operations have an operating surplus of \$536K as of the end of Q2. Expenditures are at 78% of budget and revenue at 134.3%.

The positive operating expense variance is driven \$245K by Collier St. Parkade resurfacing. Resurfacing specification is in the works followed by contractor procurement, Staff expects the work to commence in September.

Revenues were \$281K over budget; due to higher than budgeted Parking Permit revenue \$101K, and Parking Meter & Special Event revenue \$177K which includes Waterfront passes. The higher than anticipated permit revenue is mainly the result of construction at the Courthouse necessitating increased use of City lots (the Province has purchased passes for their staff). The increased revenue associated with this construction is not expected to continue indefinitely.

CAPITAL PLAN STATUS AT JUNE 30, 2016

The Capital Plan presented in Appendix C is a high level summary of activity as at June 30, 2016. The total capital budget for 2016 is \$158M, including carryover from prior years and new projects. The projected year-end spending plan is \$94.4M due to the multi-year nature of many of the projects. The actual YTD spending at June 30 was \$9.5M, which is 133% of the YTD projected spending plan of \$7M. The capital projects that contribute to the key variances between planned and actual spending have been identified in Appendix D.

KEY DIVISION SERVICE DELIVERY INITIATIVES & KEY PERFORMANCE INDICATORS

Updates on Key Division Service Delivery Initiatives (KDSDI's) and Key Performance Indicators (KPI's) can be found in Appendix E and Appendix F, respectively.

APPENDIX A

Tax-Supported Operating Budget Variance by Department as at June 30, 2016

	Budget	Actual	Variance
Mayor & CAO	1,606,026	1,435,045	170,981
Council & Mayor's Office	417,858	347,845	70,013
Office of Chief Administrative Officer	379,001	234,136	144,865
Legal Services	809,167	853,064	(43,897)
Community and Corporate Services	18,617,992	17,229,080	1,388,912
GM of Community and Corporate Services	172,072	169,475	2,597
Fire	12,514,051	11,647,989	866,062
Finance	1,867,325	1,549,383	317,942
Legislative and Court Services	473,288	352,051	121,237
Building & By-law Enforcement	461,266	224,450	236,816
Recreation	3,129,989	3,285,732	(155,743)
Infrastructure & Growth Management	18,022,619	15,485,854	2,536,765
GM of Infrastructure and Growth Management	176,532	204,176	(27,644)
Facilities	895,419	(246,339)	1,141,758
Engineering	816,233	1,037,108	(220,876)
Planning	702,529	513,263	189,266
Environmental Services	2,862,679	2,293,871	568,808
Roads Operations	6,691,071	7,018,973	(327,902)
Traffic Operations	1,312,770	1,020,369	292,401
Parks and Forestry	2,311,839	1,829,768	482,072
Fleet	2,253,547	1,814,663	438,884
Invest Barrie	1,787,885	1,594,685	193,200
Invest Barrie – Administration	233,420	164,789	68,631
Business Development	461,856	416,053	45,803
Culture	1,092,609	1,013,843	78,766
Access Barrie	6,260,492	5,882,609	377,883
Access Barrie - Administration	159,053	145,520	13,533
Customer Service	170,783	126,673	44,110
Communications and Strategic Initiatives	443,116	390,999	52,117
Transit Operations	5,487,540	5,219,417	268,123

Innovate Barrie	4,821,578	4,353,259	468,319
Innovate Barrie - Admin	170,162	116,288	53,874
Human Resources	1,144,193	1,138,815	5,379
Information Technology	3,507,222	3,098,157	409,065
Other Expenses	32,721,775	33,405,237	(683,462)
Financial Expenses & Other General Government	32,721,775	33,405,237	(683,462)
Total Net City Services	83,838,367	79,385,769	4,452,598
Service Partners and Grants	67,503,687	66,998,200	505,487
Total Net Expenditures	151,342,054	146,383,969	4,958,085
Net Taxation for own purposes	(207,265,326)	(207,416,713)	151,387
Payments in Lieu of Taxes	(584,175)	(725,320)	141,145
Interest Income	(1,723,625)	(1,468,384)	(255,241)
Corporate Overheads	(1,743,828)	(1,743,828)	0
Sundry Revenue	(296,013)	(154,069)	(141,944)
Total Revenue	(211,612,968)	(211,508,313)	(104,654)
Total Operating Variance	(60,270,914)	(65,124,344)	4,853,430

APPENDIX B

Detailed Tax Supported Operating Variance Explanations

Service/Driver: Fuel (Transit and Fleet)			
Budget: \$1.64M	Actual: \$1.11M	Variance \$: 536K	Variance %: 33%
<u>Reason for Variance</u>			
<p>The favorable variance can be attributed to better pricing as a result of market conditions. When preparing the 2016 business plan the anticipated fuel cost was \$1.00/liter, however, based on the trends year-to-date, the actual cost is averaging out to \$0.74/liter.</p>			
<u>Impact Going Forward</u>			
<p>Staff members are anticipating stability in the price of fuel, and anticipate the savings to continue throughout the remainder of the year.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<p>The positive variance is based on market conditions with no further action required at this time. However, staff will review/refine their budget predictions as part of the 2017 business plan.</p>			

Service/Driver: Roads Operations – Winter Control			
Budget: \$3.59M	Actual: \$4.36M	Variance \$: (770K)	Variance %: (21%)
<p><u>Reason for Variance</u></p> <p>In the first quarter, winter conditions were significantly warmer resulting in a corresponding increase in the number of freeze-thaw incidents requiring resources to maintain roads and sidewalks. There were 100 winter events since the first quarter of 2016 which is equal to the average number of events that are typically encountered in an entire winter season.</p> <p>Notable account variances:</p> <ul style="list-style-type: none"> • Sidewalk contracted services (\$379K); • Winter Roads contracted services (\$164K); • Winter Road Salt (\$359K), inventory adjustments at year end will reduce this variance; and; • Increase in fuel usage and maintenance on plow equipment (expenses captured under Fleet Operations). 			
<p><u>Impact Going Forward</u></p> <p>Annual Winter Control budgets are not adjusted year over year in response to previous year's weather rather they are based on a five year historical trend average and known commodity and contract price changes. The trend over the last five years has been an increase in the intensity of storms and the cost of providing winter control services. This budget pressure was identified in the 2017 budget directions report and the 2017 budget will reflect increases for winter sand, road salt and contracted services.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Contractor equipment hourly standby charges represent the largest portion (50%) of contracted winter control costs. The City controls contractor costs by signing multi-year contracts with extension options to obtain the lowest hourly rates.</p> <p>Salt, sand and de-icing materials represent 27% of the winter control budget. Salt reduction initiatives were put in place for the 2015/2016 season resulting in significant cost savings. An analysis of the amount of salt used per km and per event over the past winters indicate a 27% reduction in salt usage (4,688 Tonnes) for the 2015/2016 winter over the previous season and a reduction of 43% (7,566 Tonnes) when compared to the amount of salt used per km per event on the average of the past 10 winter seasons. The reduction is a very positive outcome environmentally and translates into a large cost avoidance of \$297,800 (27% below 2014/2015 levels) and \$480,700 (43% below 10 year average levels) based on the average annual amount of salt used. The City is part of a larger buying group of salt which has resulted in significant unit rate savings as well. Staff are continuing to review the mix of materials and application efficiencies and other salt reduction initiatives for cost savings and protection of the environment.</p> <p>Review of other winter operations performance indicators by staff occurs during and post winter season to look for ways to improve customer service, operations and control spending. For example, route mapping reviews to accommodate changes (e.g. bus routes and future growth) and reductions in travelling and waiting time for materials as well as additional training to improve operator proficiency.</p>			

Service/Driver: Recreation Registered Program Fees

Budget: \$ 1,370,754	Actual: \$ 881,008	Variance \$: (\$489,746)	Variance %: (35.73%)
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Reason for Variance

In the previous registration system (CLASS), registered program fee revenue was recognized and posted to the financial system at the time of registration. For example, if a resident registered their child for a July camp in March, the entire revenue would be realized in March.

In the new registration system (ActiveNet), registered program fee revenue is recognized and posted to the financial system on the day of the activity. In the example above the entire revenue would be posted in July. The 2016 budget is a reflection of the actuals from the previous registration system and therefore is causing a timing difference between budget and actuals. This will be primarily corrected for Q3, and fully corrected for year end.

The following summary from the registration systems demonstrate that the registration revenue is slightly lower in performance from the previous session (\$13k), however confirms that the significant variance as of Q2 is caused by the revenue recognition timing difference.

Season	Previous Session (CLASS)		Current Session (ActiveNet)		Difference	
	Enroll YTD	Revenue YTD	Enroll YTD	Revenue YTD	Enroll	Revenue
Spring	5,776	\$ 381,857	5,631	\$ 380,989	(145)	\$ (868)
Summer	6,033	\$ 737,741	6,369	\$ 725,337	336	\$ (12,403)
Total	11,809	\$ 1,119,598	12,000	\$ 1,106,327	191	\$ (13,271)

Impact Going Forward

The timing difference will extend into Q3 to a lesser degree, and be fully adjusted for year end to reflect the correct registration revenue for 2016.

Actions to Mitigate Future Anticipated Variances

The calendarization of the 2017 budget will be adjusted to reflect the correct posting of registration revenue to the financial system.

Service/Driver: Corporate Legal Services – Legal Expenses			
Budget: \$205K	Actual: \$363K	Variance \$: (158K)	Variance %: (77%)
<p><u>Reason for Variance</u></p> <p>The unfavourable variance is mainly attributable to the following:</p> <ul style="list-style-type: none"> • Unforeseen requirements relating to issues at the Allandale Train Station resulted in an expense of \$79,000 to date on external Counsel. • Extensive negotiations regarding settlements of specific appeals against OPAs 38, 39 and 40 which resulted in the coming OPAs coming in force. 			
<p><u>Impact Going Forward</u></p> <p>Civil litigation files involving the Allandale Train Station lands continue to be very active. Budget will be exceeded at year end. Quantum depends upon factors not known at this time.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Any ongoing variance for 2016 will recommended to be funded from stabilization reserves or any year-end surplus. For 2017, the budget will contain a recommendation to contribute to a legal stabilization reserve. This reserve will provide an identified funding source for unforeseen legal costs.</p>			

APPENDIX C

Capital Plan Progress Update by Division as at June 30, 2016

Summary of Capital Plan & Forecast	2016 Capital Budget				Performance Reporting					
	Carryover from Prior Year Budgets	New Projects Approved in 2016 Budget	In Year 2016 Transfers / Additions	2016 Total Budget with transfers	Projected YTD Spending Plan	Actual 2016 YTD Spending	Variance to 2016 YTD Projected	% of 2016 YTD Projected Spending Plan Achieved	% of 2016 Total Budget	Planned Spending (Deferred)
Community and Corporate Services	1,224,486	1,936,000	130,000	3,290,486	180,000	703,421	(523,421)	391%	22%	(170,008)
Infrastructure & Growth Management	68,555,272	65,288,797	4,183,197	138,027,266	4,931,405	6,138,628	(1,207,223)	124%	4%	(58,663,877)
Innovate Barrie	4,821,538	6,369,530		11,191,068	1,312,401	2,504,079	1,191,678	191%	23%	(4,631,777)
Access Barrie	2,247,703	3,285,000		5,532,703	716,332	181,577	534,755	25%	3%	(135,622)
Total	76,848,999	76,879,327	4,313,197	158,041,523	7,140,138	9,527,705	(2,387,567)	133%	6%	(63,601,284)

APPENDIX D

Capital Plan Status Variances at June 30, 2016

Duckworth Street at Highway 400 and Cundles Road:

2016 Total Budget with transfers	\$8.2M
Projected Spending Plan to end Q2	(\$1.2M)
Actual Spending to end Q2	\$0.1M
Variance to Projected to end Q2	(\$1.3M)

This is a multi-year project with planned spending through the construction period and into the warranty period ending in 2017. The project is proceeding on schedule and construction is expected to be completed by the end of 2016.

The new bridge structure for northbound traffic is in operation and the old bridge structure has been demolished. The project has seen some unexpected costs that resulted in higher than expected spending of the contract contingency. High intensity rainfall events resulted in spills of sediment laden stormwater into Little Lake. City staff actively managed this situation in close consultation with the Contractor, Ministry of Transportation, Ministry of Environment and Climate Change, Nottawasaga Valley Conservation Authority and Environment Canada. Additional funds were requested through the May 2016 Capital Status Report. The control measures are working effectively and continue to be closely monitored. No new environmental concerns have arisen since these control measures have been implemented.

Lakeshore Drive – Toronto Street to Tiffin Street:

2016 Total Budget with transfers	\$5.4M
Projected Spending Plan to end Q2	\$0.4M
Actual Spending to end Q2	\$1.4M
Variance to Projected to end Q2	\$1.0M

This is a multi-year project for the design and construction of the Lakeshore Drive bridges at Dymont's and Bunker's creeks, and the realigned Lakeshore Drive. The new Lakeshore Drive roadway was opened to the public in October 2015. The next phase is underway and the work focuses on Centennial Park from the Marina Boat Launch Parking lot south to Hotchkiss Creek. This project is on schedule and within budget and is expected to be completed by 2017.

Wastewater Treatment Facility – Advanced Nutrient Removal:

2016 Total Budget with transfers	\$4.6M
Projected Spending Plan to end of Q2	\$0.4M
Actual Spending to end of Q2	\$0.5M
Variance to Projected at end of Q2	\$0.1M

The City is actively working to address requirements under the Lake Simcoe Protection Plan to achieve the regulations for the Total Phosphorus loading limit for the Barrie Wastewater Treatment Facility (WwTF). The scope of work for the project includes plant retrofits with membrane treatment to achieve a blended effluent solution meeting those requirements. The overall multi-year project has projected spending through the construction period into 2020 as anticipated in the 5-year capital plan. The project design work was initiated in the summer of 2015 and is expected to continue to the end of 2017. The project is currently in the pre-design phase and has progressed well including: meetings with the Ministry of the Environment and Climate Change; and preparation of technical memos.

Landfill Reengineering:

2016 Total Budget with transfers	\$6.0M
Projected Spending Plan to end of Q2	\$1.6M
Actual Spending to end of Q2	\$515K
Variance to Projected at end of Q2	(\$1.09M)

The Project has proceeded on time and on budget. The Landfill Reclamation component of the project has been completed with the remaining tasks representing the work associated with the remainder of the facility upgrades, much of which is to re-establish efficient and safe public access and transfer of waste, efficient site operations, site security as well as requirements under the Environmental Compliance Approval (ECA). The Project Plan identifies that the remainder of the funds will be spent by year end 2016. Given factors such as procurement of fleet requirements for operating the new waste disposal site, the timing of the MOECC approval and issuance of 3 ECA's for the work scheduled to be completed in 2016, monies may need to be carried into 2017. The \$1.09 M variance is due to May and June invoices that have not been processed yet (approx.. \$800,000) and the rescheduling of storm water system maintenance work.

APPENDIX E

Key Division Service Delivery Initiatives (KDSDI's) at June 30, 2016

Office of the Chief Administrative Officer

Develop a comprehensive strategic plan for the corporation which includes Council priorities, organization goals, and strategies for people and tools

- A draft of the comprehensive strategic plan was presented to Council at a special General Committee meeting in May. Staff are in the process of finalizing the plan.

Provide oversight of a process leading to Cultural Change across the corporation with a focus on leadership, customer service, accountability, collaboration, innovation, communications and continuous improvement

- The second Management Forum branded as 'Leading Together' was held in June 2016. The forum had the management team working through a simulation that dealt with communication and relationship building. Another meeting is scheduled for November 2016 and will focus on an overview of management responsibilities for the Corporation as it relates to a number of programs at the City.
- Staff are currently working through the implementation plan for the start-up of the Customer Contact Centre.

Strengthen Financial Management through the continued implementation of long-term financial plan and exploration of operating efficiencies and new sources of revenue

- The RFP for the Budget System was awarded to Questica in March 2016. The City will be using the system to develop the 2017 Business Plan and Budget. The operating module was available for use in early July, with the Capital module being available in August. The Budget System will streamline the process through automation and will be fundamental to maintaining the Long-Term Financial Plan.

Implement an Internal Audit Program

- The position of Internal Auditor was advertised in June 2016 and interviews are now underway to select a Director of Internal Audit. The new Director's first responsibilities will be to develop an audit plan which will be presented to Council in Q4, 2016.

Implement a Performance Measurement Framework that enhances accountability and transparency

- The Strategic Plan success outcomes were developed in consultation with EMT and staff. Performance metrics were mapped to the success outcomes, and performance measurement will be a component of the comprehensive strategic framework.
- A framework for a Performance Measurement dashboard is being developed in the Business Intelligence module of SAP.

Oversee the implementation of the City's Growth Plan in a manner consistent with the approved financial framework for growth

- In May, the OMB provided partial approval of Secondary Plans allowing for a majority of the land owners to move forward with development plans. EAs are underway in accordance with the MOU – public information sessions are to be scheduled in the Fall. A growth management monitoring framework is under development to report on housing units starts, density targets, infrastructure implementation, and cash flows.

Ensure the development and implementation of an ERP solution that strengthens processes and provides effective reporting and intelligence

- The ERP system build continues. The planning (blueprinting) phase has been completed, the system build is near completion, and testing the system is nearly complete for the financial module. As this work progresses, systematic knowledge transfer and training is being developed.

Continue program development and advocacy to secure a University campus

- Laurentian University has made the decision to withdraw all programs in Barrie. Georgian College and Lakehead University announced expanded degree programs. The City of Barrie supported a funding application by Georgian College for a new building to house new engineering degree programs and an Advanced Technology, Innovation and Research Centre.

Community & Corporate Services

Implement the process recommendations from the Purchasing Services Review

- During this year, the service review was completed and some of the recommendations were implemented in this quarter, update Procurement By-Law, Procurement Manual and new broader suite of Templates. In addition 60% of City staff who have a procurement role attended either the 5-hour or 2-day training sessions as delivered by The Procurement Office. Work continues on the development of a made in Barrie training program for procurement and contract management. Other items, tools, guidelines and supporting documentation have also been identified for future implementation.

Provide strategic financial and legal advice on the city's investment in Barrie Hydro Holdings and PowerStream

- Advice was presented to the Board of Barrie Hydro Holdings (made up of the City of Barrie Council) regarding the merger of PowerStream, Enersource, and Horizon Inc. and the associated acquisition of Hydro One Brampton. Financial analysis was performed regarding financing options and a legal review of the terms of the related agreements was conducted. The regulatory approval of the transaction was started in April and is expected take approximately six months. Expected benefits include lower rates to PowerStream customers and an increase in the cash flows to the City of Barrie.

Invest Barrie

Conduct comprehensive business architecture review of the City to guide decision-making related to Business Retention & Expansion, development of cluster-based strategies, planning of supply chain based attraction strategies, and more.

- Invest Barrie, in partnership with Georgian College's Centre for Applied Research and Innovation, have launched a program called CAMI (Comprehensive Assessment of the Manufacturing Industry). Phase 1 of the CAMI program involved detailed one-on-one interviews with 40 industrial employers, and covered topics ranging from supply chain gaps to growth opportunities to future innovation opportunities. The large amount of information that has been collected through this process is currently being analyzed, and the resulting insights will be used to create lead generation lists, identify specific business expansion initiatives, develop cluster-based strategies and pursue other key opportunities that will be possible. Invest Barrie will be sending a separate memo to Council, and will also be hosting an event with Georgian College for the participating business, in order to describe the broad outcomes of the CAMI phase 1.

In conjunction with ecosystem partners, scale the number of initiatives aimed at growing the startup ecosystem and startup culture in Barrie. These include: offering acceleration support services in Barrie, providing industry-targeted entrepreneurship training (food industry, creative industry including creative technology), hosting startup events, and growing the startup ecosystem.

- Invest Barrie, having developed and started implementing an internal plan for growing the startup community in Barrie, is now focused on aligning efforts of the broader ecosystem players by leading the development of a coordinated startup ecosystem growth plan. This plan includes alignment and agreements with partners such as Henry Bernick Entrepreneurship Centre and ventureLAB, and will be a strong addition to the monthly ecosystem partner meetings that were launched in Q4 2015. The plan focuses on concrete targets for growing the startup ecosystem, and is centred around collaborative initiatives such as co-mentoring, joint programming, etc for specific sectors of growth for startups. While the plan is in development, Invest Barrie and its partners have been engaged in a number of exciting programs aimed at growing the entrepreneurial ecosystem. These include:
 - BUILD – A structured business startup acceleration program called "BUILD" was piloted in in June/July. The success of the program will lead to ongoing 12-week BUILD programs being offered for entrepreneurs in the City.
 - Artrepreneur 2 – The ecosystem partners are currently accepting applications for the 2nd cohort of Artrepreneur. In April, the ecosystem hosted an "Artrepreneur Expo" to celebrate the first cohort of the program.
 - Entrepreneur Bootcamp – In May the ecosystem partners brought together 100 high school students from across Barrie to learn about entrepreneurship.
 - Startup Weekend – Held in April, startup weekend this year resulted in 2 new local companies.
 - Funding – The City hosted the BOOST funding announcement where 3 local startups received a \$5000 grant through ventureLAB and BDO.
 - Startup Barrie – Celebrated Barrie officially becoming a startup City under the Startup Canada program.
 - Sample upcoming activities include:
 - The first "Business Development Program for Food Entrepreneurs" program is currently under development.
 - The Barrie Entrepreneurs Connect (BEC) Portal will have increased functionality this year that will allow for interactivity between entrepreneurs on this digital platform.
 - An innovative mentorship platform is being reviewed, which will provide entrepreneurs with access to a broader set of mentors with domain expertise.
 - A calendar of startup events for the remainder of the year.

Implementation of disposition plan for Downtown Parking Lots

- RFP for Environmental Site Assessment (ESA Phase 1) has been issued and is expected to be awarded in September for downtown properties. Priority will be placed on 60 Worsley St. and the Owen St/McDonald St. parking lots.
- Status of the various in-process lots are as follows:
 - Assembly Parcels:
 - 10-14 Collier Street - Discussions continue with owners of 4-8 Collier Street (adjacent lot) to determine a viable development for the property before proceeding with any offer to purchase.
 - Critical Mass Parcels:
 - 60 Worsley Street and Owen St./McDonald St. lots - Appraisals have been completed and have been reviewed by both Business Development and Real Estate Services Staff. Awaiting final report from appraisal firm to go to market for last week of August or early September.
 - Affordable Housing Parcels:
 - Those parcels identified for affordable housing projects have been submitted to the County of Simcoe in response to their Call for Proposals regarding affordable housing opportunities. Specifically, details were provided for the two parking lots on 58 Maple Avenue and 26 Mary Street which were identified as suitable for affordable housing projects in the staff report surplusng downtown parking lots approved by Council on February 29th, 2016.
 - Strategic Parcels:
 - 1-15 Bayfield St/9 Simcoe Street – Given the importance of this site, Business Development has initiated a Committee consisting of Engineering and Planning services to review next steps for bringing the property to market. A report will be forthcoming to Council in September with recommended steps for disposition.

Access Barrie

Enhance Customer Service access options by planning for the implementation of the Corporate Customer Service Plan as approved by Council.

Implementation plans for the Customer Contact Centre are in progress. Human Resources planning for job descriptions, ranking and organization structure have been completed. Recruitment activities are in progress with the supervisory team in place. Development of the knowledge base continues along with planning for the transition of services from departments to the contact centre. Facility accommodations and equipment needs are being finalized in concert with other major priorities. Timelines for implementation, dependencies between other corporate priorities and communication strategies are being confirmed.

Develop innovative and effective marketing campaigns to increase the city's profile and exposure.

Developed & executed marketing campaigns for Base Borden Centennial Celebrations, License 2 Ride, Barrie Transit Route Revisions, June is Recreation & Parks Month (including video promoting the City's waterfront fitness equipment that garnered over 550,000 views on Facebook), Order of the Spirit Catcher Award, Hot Summer Nights, Communities In Bloom, 2016/17 Fall & Winter Rec Guide, Recreation summer camps & programs, Ossie Rowe Bridge Naming, Sea Serpent Unveiling, Spring into Clean, Emergency Preparedness Week, Waterfront Parking Passes, Battle of the Bands, Celebrate Barrie, Free Goods Exchange Day and Source Water Protection.

Continue proactive communications externally with the community on City initiatives and improve internal communications within the corporation.

Issued 20 media releases promoting a variety of City events, initiatives and programs.

Ongoing proactive communications through corporate channels including *This Week in Barrie*, weekly radio ads on Rock 95 & KOOL FM, social media, digital screens etc.

Created Tax Inserts to educate public on 2016 Budget, distributed to approx. 50,000 residents in May tax bills & available at all City facilities.

Provided internal communications support for projects including United Way, Team Barrie Playbook Committee, Project Connect, Questica, Financial Authority Framework and Purchasing. Continued to work with Departments to promote corporate news on InSite through web banners, newsfeed, content updates etc.

Innovate Barrie

Implement Staff Strategic Plan (SSP) that includes strategic workforce planning and development

- The SSP action items for 2016 are being implemented as planned and are overseen by a cross functional group of employees from across the Corporation. Action items of significance for 2016 that have been implemented are as follows:
 - Development and implementation of an Education Equivalency Procedure;
 - Development and implementation of a Development Status Procedure;
 - Full review of the Corporation's Recruitment policies and procedures;
 - Introduction of an Education Committee comprised of a cross functional group of employees; and
 - Strategic Workforce Planning completed for four (4) Departments/Groups and three (3) more underway on track to completion of all Departments by the end of 2016.

Develop a comprehensive compensation strategy that is competitive, cost effective and aligned with Corporate strategic objectives

- The review of our current state and comparison to market is underway with the following key activities:
 - Market survey for Non-Union Group
 - Full review of all Part-time job descriptions and subsequent review/assessment of pay scale.

Enhance employee wellness by introducing new initiatives focused on employee mental and physical health including the development of a Corporate –wide peer support group and fitness initiatives

- The employee wellness activities thus far have largely been focused on putting the pieces in place that will lay the foundation for the peer support network. The Human Resources Department coordinated three training sessions for management staff to ensure that they understand mental health and know what their responsibilities are as it relates to their employees. Budget limitations this year will not allow us to roll out any further training and thus this piece of the KDSI will have to be contemplated and deferred to 2017. Work has begun on a Corporate wide walking challenge to be rolled out this fall with the assistance of the GIS Team in the IT Department. A staff report to Council is forthcoming related to a proposal associated with wellness/fitness of our employees to commence in 2017.

Implement remaining Corporate Technology Strategy recommendations, including:

- **New WiFi Deployments:**
 - WiFi technology has been deployed and is currently available at all three City recreation centres; Holly Community Centre, East Bayfield Community Centre and Allandale Recreation Centre, as well as the City's Operations Centre, BFES Station #1, and City Hall including the Council Chamber. WiFi technology is ready to launch in September at the Southshore Community Centre and in the office areas at the Barrie Environmental Centre and Surface Water Treatment Plant.
- **Completion of Distributed Data Centre Environments include deployments of new server, network and storage technology:**
 - A new City data centre is nearing completion that will support growth, redundancy and high availability for staff and City services. The new data centre will support our new email environment, providing seamless access to City mail services from either data centre, while ongoing optimization will provide automated failover functionality for other City systems.

Implement the GIS Strategy, including development of a data management plan

- Continuing the implementation of the GIS strategy, the corporate GIS and Asset Data Management Plan was delivered in Q3 and the operational work of developing a new GIS database was successfully implemented in Q2. The design was a collaborate process with business units storing master data in GIS, the design delved into the internal business processes behind the data which provided a better understanding of information flow throughout the corporation. It outlined the relationship between departments and their interest in data at various stages of the business lifecycle, highlighted areas for collaboration on data initiatives and has provided the ability to integrate corporate-wide GIS data into enterprise systems.

Implement the Mobility Enablement Plan:

- The Mobility Enablement Steering Committee has met on a regular basis continuously updating Mobility deployment schedule with respect of other enterprise project deployments sensitive to the effort expected on staff. A revised Mobility Workplan has been developed by the steering committee and is anticipated to be presented to EMT in Q3 for their endorsement.

Implement new Building Permit Application Solution (Accela)

- The implementation of the new Building Permit Application Solution (which includes the Accela software as part of the APLI Program) continues to be a key enterprise initiative. The original target go-live date has moved out due to bugs in the Accela version 8 software release. This caused a 4 month delay which moved key project activities into the building permit busy season, which in turn forced a change to the project plan to refocus on Planning and the development of the City's new lands. Overall the project team has recovered well from these setbacks and looks to have the "Plan a Subdivision" process ready for this fall. The final go-live date (still to be determined) will focus on the original Phase 1 plan which includes decommissioning the legacy application Amanda, consolidated with the new land development processes to go-live together.

Implement new Energy Management System

- The launch utility bill management software is on track to go live September 1st supporting the management of the City's energy and utility bills.

Ensure the development and implementation of an ERP solution that strengthens processes and provides effective reporting and intelligence

- The ERP system build continues. The planning (blueprinting) phase has been completed, the system build is near completion, and testing the system is nearly complete for the financial module. As this work progresses, systematic knowledge transfer and training is being developed.

Infrastructure and Growth Management

Manage the implementation of the Secondary Plan for the Annexed Lands

- The Ontario Municipal Board has issued approval (of the majority) of the Secondary Plans. Four appeals remain outstanding but efforts to attempt to resolve these are on-going. The Board will be apprised of the settlement possibilities on August 12th. The landowners and City Staff are negotiating a Parkland Dedication Agreement as well as the Hewitt's Creek Sanitary Trunk Project Agreement. Conformity Plans are being reviewed by Staff and it is anticipated that Development Applications will begin to be submitted in early September. Staff are reviewing the Urban Design Guidelines in conjunction with the Zoning By-law standards proposed by the landowners, and a report on both is targeted for later this year. The Growth Management Committee continues to meet every two weeks to discuss implementation matters such as the above noted agreements, GIS standards, progress of infrastructure projects and growth management models. City Staff also meets with landowners and their representatives once a month.

Continue with the implementation of the Affordable Housing Strategy

- The Affordable Housing Strategy has been approved and several action items have been completed or are currently completed including the finalization of recommendations from the Built Form Task Force (BFTF) in 2015. The report from the Built Form Task Force along with a status update on the other 13 action items from the Affordable Housing Strategy was considered by General Committee on November 30th, 2015. There has also been extensive work completed by a sub-committee of the BFTF completed in the first quarter of the 2016 and a public meeting was held in June of 2016 to consider potential amendments to the City's Zoning By-law to reduce or eliminate specific standards for identified affordable housing projects. An Affordable Housing monitoring report was received by Council on June 27th, 2016.

Continue with the preparation of a new Official Plan

- A public meeting was held on the new Official Plan in June of 2015. As indicated in the outline of 'next steps' staff has begun a stakeholder engagement process by reaching out to local school boards, the Health Unit, the Seniors Advisory Committee and others. Work will continue through 2015-2017. Staff have met and discussed next steps on this project in light of ongoing litigation regarding the Salem and Hewitt's Secondary Plans. The Province has introduced new amendments to the Planning Act and is proposing amendments to the 4 Provincial Plans as well as amendment to the Provincial Long Term Affordable Housing strategy which will likely impact the Official Plan update. Staff are monitoring and will be reporting to Council on these matters as appropriate.

Work Towards implementation of the Sustainable Waste Management Strategy

- Began collection of organics at the Public Drop off – Barrie Landfill;
- Council approved the elimination of the annual 100 free kgs to be eliminated in Q4 2016;
- Update of the Waste By-Law is underway; and;
- Shingle recycling approved in the 2016 Budget in the development stage to be fully implemented in Q3 2016.
- Multi-Unit Residential Organics Pilot Program began with an allocated budget of \$96,000. The cost of implementation to date (January 2016 – June 2016) is approximately \$28,000 including promotion and education materials and organics collection carts. The pilot results indicate that residents are diverting an average of 0.5 kg of food per unit per week (equating to roughly 1 pound of butter per unit), representing approximately 36 tonnes of organic waste diverted from January until the end of June this year. This would be equivalent to 48 m³ of landfill space.

APPENDIX F

Key Performance Indicators (KPI's)

	Annual Target	Q2 YTD Actual
Community and Corporate Services		
Fire		
Emergency Response Call Volumes – Barrie only ¹	8,450	4,382
Emergency call handling time for NFPA 1221 – Barrie only	95%	96%
Less than a 6 minute road response - 90% of the time ²	94%	91%
Total fire code inspections – All ³	1,650	771
Finance		
Percentage of Tax, Water and Wastewater bills paid electronically	92%	90.09%
Tax Arrears as a Percentage of Current Year Levy	6.5%	7.45%
Percentage of Invoices Paid in 30 days ⁴	75%	59%
Water Wastewater Arrears as a percent of last 12 months of billing	10%	20.1%
Days to Complete a Procurement Process ⁵	77.0	92.0
Corporate Procurement Training for Staff with Spending Authority ⁶	100%	60%
Average Number of Bids Received per Bid Process	5.0	5.0
Benefits of Tendering Process	10%	9.4%
Legislative and Court Services		
Number of Customers Served at Counter	40,000	19,836
Average Customer Processing Time	3:50	3:56
Number of Meetings Supported ⁷	140	68
Percentage of Minutes Published within 4 Days after the Meeting ⁸	100%	95%
Number of Trial Requests Processed (Barrie)	20,000	10,527
Average Time to Trial - Part I Charges (months)	5	5
Number of Marriage Licences Issued	810	331
Number of Deaths Registered	840	584
Number of Formal MFIPPA Requests Received ⁹	40	28
Percentage of MFIPPA Requests Responded to within Legislative Framework	95%	100%
Legal Services		
Percentage of Insurance Claims/Incidents Handled In-House	80	82
Ratio of Closed to Open Files ¹⁰	.95:1	1.07:1
Property Transactions Completed (acquisition, disposition, expropriation, easement, lease, and encroachment) ¹¹	21	9
Percentage of Properties Acquired by Negotiation vs. Expropriation ¹²	90	50
Building & By-law Enforcement		
Average Number of Inspections to Approve Occupancy for New Dwelling Units	1.7%	2.0%
Percentage of Business Licenses Renewed by Due Date	85%	83%
Volume of By-law Administration Files	9,300	7,289

	Annual Target	Q2 YTD Actual
Volume of By-law Enforcement Files	52,000	32,366
Operating Cost for Building Permits per \$1000 of Construction Activity	\$11.80	\$15.23
Percentage of Building Permit Applications Reviewed within Legislated Timeframes	96%	81%
Recreation		
Total RecACCESS Participation	N/A	1,238
Recreation Services Operating Cost Recovery Rate	55.0%	56.6%
Infrastructure and Growth Management		
Engineering		
Capital Expenditures as a percentage of forecasted expenditures	100%	13%
Environmental Services		
Number of Customer Complaints – Curbside Collections/1,000 serviced units ¹³	10	3.58
Monthly Average Total Phosphorus Effluent Concentration mg/L (Wastewater)	0.10	0.02
Number of Customer Complaints per 1,000 Customers (Water) ¹⁴	1.3	0.53
Planning		
Number of Open Houses/Ward Meetings Held for Policy Planning Projects	10	3
Number of Ward Meetings held for Development Applications	15	6
Number of Land Owners and/or Residents in attendance at Ward Meetings	450	250
Number of Second Suite Zoning Certificates Issued by the Planning Services Department	100	127
Invest Barrie		
Business Development		
Proportion of new businesses participating in Invest Barrie events/initiatives (new is defined as businesses not previously engaged with Invest Barrie)	10%	38%
% of clientele that use/participate in 2 or more entrepreneurial program/services from SBEC	30%	37%
Culture		
Number of events in the City Centre where business and culture intersect	4	8
Rental revenue – Mady Centre for the Performing Arts	\$100,000	\$26,461
Rental revenue – Georgian Theatre	\$165,000	\$80,286
Access Barrie		
Customer Service		
Number of PingStreet “Report a Problem” Submitted	800	345
Communications		
Number of Communication Strategies Written and Implemented	45	20
Marketing		
Percentage Increase in the Number of Visitors to Barrie.ca	10%	11.3%
Total Number of Impressions of Twitter and Facebook	18,000,000	5,800,000
Transit		
Revenue to cost ratio ¹⁵	33.8%	34.47%

	Annual Target	Q2 YTD Actual
Innovate Barrie		
Human Resources		
Number of Lost Time Accidents ¹⁶	5	10
Total Cost of Lost Time ¹⁷	\$40,000	\$36,121
Average Number of Absences per Employee (days) ¹⁸	9	5.4
Corporate Training Dollars Spent per Permanent Employee ¹⁹	\$100.00	\$10.31
Grievance Rate – CUPE ²⁰	5%	1%
Grievance Rate – BPFPA ²¹	2%	0%
Information Technology		
Ratio of Virtual to Physical Servers ²²	85:15	88:12
Annual Number of Visits to the City of Barrie Website ²³	3.0 million	1.7 million
Corporate Network Availability ²⁴	99.99%	98.79%
City of Barrie Website Availability ²⁵	99.9%	99.66%

¹ General increase noticed across all response types. There have been a number of larger fires this year. Current fire dollar loss statistics reveal a \$3.2 million loss. In 2015, the total loss was \$3.9 million.

² Above the Council directed goal of 90%. Currently, statistics indicate 94% achievement requires a 6:20 response overall.

³ Slightly below projection. Many inspections require multiple visits and more resources to complete when orders and tickets are issued, or charges are laid.

⁴ As of Q2, we have been unable to achieve an average of invoices paid within 30 days as a result of higher than normal staff turnover rate.

⁵ Average days to complete a procurement process have been affected by higher than anticipated number of procurement projects. In addition staff are still in a learning curve regarding the new templates and processes created by the procurement service review.

⁶ Significant progress has been made in training staff on the new procurement process.

⁷ Slightly lower than anticipated due to fewer Advisory/Reference Committee meetings resulting from the cancellation of several meetings and some Committees meeting less frequently.

⁸ Additional follow up was required for several sets of minutes/reports to ensure proper names were recorded related to Planning Act public meetings as individuals providing comments did not provide contact information prior to speaking.

⁹ FOI requests are increasing, specifically requests related to litigation, investigations related to fires, complaints/service requests submitted and bid submissions. .

¹⁰ Anticipating the 2016 actual will exceed the plan

¹¹ Anticipating the 2016 actual will meet the plan

¹² Two of the four acquisition were complex which resulted in expropriation being necessary to achieve project timelines

- ¹³ It was expected that there would be a higher number of complaints when the curbside collection frequency was changed to every other week as the weather got warmer but our promotion, education and outreach campaigns had a lot of helpful information for residents. Fewer complaints can be attributed to the successful promotion and education tactics.
- ¹⁴ Complaints are slightly higher in Q2 due to the completion of a water main swabbing project that took place in the spring. During swabbing we generally experience an influx of complaints related to low flow and/or no water as result of pieces of swab getting stuck in services and meters.
- ¹⁵ The Transit Revenue to Cost ratio is slightly above target and is forecasting to remain on target to the end of the year.
- ¹⁶ One significant lost time injury where an employee was hit by a vehicle; four of the lost time injuries were not appropriately managed by line management resulting in the lost opportunity of offering modified work to these injured employees. Steps are being taken to ensure this does not occur again.
- ¹⁷ This KPI includes all lost time. While a variance exists for Q2 it is likely the results will end on or near target.
- ¹⁸ The results suggest that the corporation will come in at or below target for the year.
- ¹⁹ A large focus has been placed corporately on major projects that have changed resource availability, possibly impacting the use of these funds for the balance of the year.
- ²⁰ Q2 ended with the lowest grievance rate experienced in quite some time. This is due in large part to the relationships established with the Union Executive as well as some administrative changes with CUPE Local 2380.
- ²¹ The grievance rate for BPFPA continues to track well. There is some anticipation of some minor increases to this KPI as a result in changes with the BPFPA Executive. This is fairly typical with any change in leadership.
- ²² We are trending to be totally virtualized by 2017 end.
- ²³ Heading to 3 million by year end.
- ²⁴ Several unplanned outages during the first half of 2016.
- ²⁵ This is still a positive availability – the second data centre should improve it further.