



City of Barrie

70 Collier Street (Box 400)
Barrie, ON L4M 4T5

Minutes - Final Finance and Corporate Services Committee

Wednesday, May 23, 2012

6:00 PM

Council Chamber

For consideration by General Committee on May 28, 2012.

The meeting was called to order by Councillor, M. Prowse at 6:00 p.m. The following were in attendance for the meeting:

PRESENT:

Councillor, M. Prowse, Chair
Mayor, J. Lehman
Councillor, B. Ainsworth
Councillor, L. Strachan
Councillor, D. Shipley
Councillor, B. Ward
Councillor, P. Silveira
Councillor, J. Brassard
Councillor, J. Robinson
Councillor, B. Jackson
Councillor, A. Nuttall.

STAFF:

Chief Administrative Officer, C. Ladd
City Clerk, D. McAlpine
Deputy City Clerk, C. deGorter
Director of Corporate Asset Management, B. Parkin
Director of Finance (Acting), C. Millar
Director of Information and Communications Technology, C. Glaser
Director of Leisure, Transit and Facilities, B. Roth
Director of Roads, Parks and Fleet, D. Friary
Executive Assistant to the General Manager of Corporate Services, J. Taylor
Fire Chief, J. Lynn
General Manager of Community Operations, J. Sales
General Manager of Corporate Services, E. Archer
General Manager of Infrastructure, Development and Culture, R. Forward.

The Finance and Corporate Services Committee met and reports as follows:

SECTION "A"

STATUS OF 2011 FINANCIAL STATEMENTS

Craig Millar, Director of Finance (Acting) for the City of Barrie provided the Committee with an update concerning the status of the 2011 Financial Statements. Mr Millar explained that the report will be submitted for final review and provided to the Finance and Corporate Services Committee at a future meeting.

WATER AND WASTEWATER FINANCIAL PLAN UPDATE

Craig Millar, Director of Finance (Acting) for the City of Barrie provided a presentation concerning the Water and Wastewater Financial Plan update. He reviewed the purpose of the presentation and indicated that the Safe Drinking Water Act requires the City to be financially sustainable for water and wastewater services. Mr. Millar outlined the key assumptions and inputs for the Financial Plan and compared the 2010 Capital Plan to the 2012 Capital Plan for water and wastewater. He reviewed the historical costs versus the replacement values for the existing assets related to water and wastewater. Mr. Millar provided details relating to the estimated current replacement costs for water and wastewater assets by remaining useful life. He identified a number of reserve balance scenarios for the water reserve and the wastewater reserve. Mr. Millar explained when the original 2010 Financial Plan annual contributions to water and wastewater reserves would equal amortization expenses. He reviewed the affordability measures and how they relate to Council's affordability threshold. He concluded the presentation by providing a summary of the recommended rate increases from the 2012 Financial Plan Update.

Members of Committee asked a number of questions related to the information provided and received responses from City staff.

REPORT OF THE ACCESSIBILITY ADVISORY COMMITTEE DATED APRIL 26, 2012.

The report of the Accessibility Advisory Committee dated April 26, 2012 was received. (File: C05)

REPORT OF THE INTERNATIONAL RELATIONS COMMITTEE DATED MAY 14, 2012

The report of the International Relations Committee dated May 14, 2012 was received. (File: C05)

Councillor, P. Silveira joined the meeting at 6:45 p.m.
Councillor, B. Ward joined the meeting at 6:50 p.m.
Councillor, L. Strachan joined the meeting at 6:54 p.m.
Councillor, J. Robinson joined the meeting at 6:56 p.m.

The Finance and Corporate Services Committee met and recommends adoption of the following recommendation(s):

SECTION "B"

2013 BUDGET DIRECTIONS

1. That staff prepare a Business Plan for 2013 for all tax supported services on the basis of:
 - a) The cost of maintaining current programs at current service levels, based on anticipated 2013 workloads;
 - b) The cost of providing provincially mandated and cost-shared programs;
 - c) The costs associated with growth in population or infrastructure that is operated and maintained by the City;
 - d) Recommendations for changes to user fees that reflect:
 - i) the full cost of providing the program or service, including fixed assets, net of any subsidy approved by Council.
 - ii) increased reliance on non-tax revenue.
 - e) A reasonable estimate of assessment growth;
 - f) A maximum 3% increase in year over year costs, net of new debt service costs;
 - g) That adjustments to financing plans to incorporate \$1 Million dollars for a 2013 Road Revitalization Program to improve service levels on roads that will not receive the full construction for a minimum of six years, be considered as part of the 2013 Business Plan; and
 - h) The use of the Tax Rate Stabilization Reserve to mitigate the impact of cost pressures in 2013, if deemed appropriate.

2. That staff develop adjustments to financing plans, service levels and/or service delivery methods that reduce anticipated cost increases and include:
 - a) Reviewing capital projects in the Capital Plan to reduce the requirements for building reserve balances;
 - b) Reviewing service levels to reduce operating cost pressures, including reviewing enforcement;
 - c) Introducing new or higher fees for existing services;
 - d) Working with Service Partners to reduce their funding request; and
 - e) Reviewing operating costs across the corporation.
3. That any new fee proposals for municipal services, or fee changes of more than 5% of the current fee, be reported to Council no later than December 1, 2012;
4. That any service enhancements, changes in service or new service proposals be presented as Program Changes to allow Council to consider each Program Change on a case-by-case basis;
5. That the 2013 capital budget include projects that consider the following:
 - a) The probability and consequences of asset failure as identified by the application of the Business Risk Exposure model presented to Council in the 2011 Corporate Asset Status Report;
 - b) The degree of impact on service delivery and operating costs if the project is excluded from the capital budget;
 - c) Renewal activities and works required to support existing development projects:
 - i) First priority - projects that support Public Safety, Environment and Transportation programs.
 - ii) Second priority - projects - that support Land Use Planning, Economic Development and Corporate Support programs.
 - iii) Third priority - projects that support Enforcement, Arts and Culture and Recreation programs.

- d) Financial affordability; and
 - e) Subsequent years of multi-year projects.
6. That in recognition of the pending completion of Master Plans during the fourth quarter of 2012, that the capital forecast developed in 2011 be the basis for developing the 2013 capital budget.
7. That staff prepare a 2013 Business Plan for Parking Operations that includes:
- a) The cost of maintaining parking services at the service levels established in the Parking Strategy approved in the second quarter of 2012;
 - b) The costs associated with growth in population or infrastructure that is operated and maintained by the City;
 - c) Recommendations for parking revenues that reflect the approved Parking Strategy; and
 - d) A reasonable estimate of expected usage.
8. That staff advise the County and all Agencies, Boards and Commissions that the budget directions established in paragraphs #1-4 should be used when preparing their 2013 budget.
9. That a 2013 Budget Development Schedule that anticipates Council's review and approval no later than January, 2013, be prepared and circulated to the County and all Boards and Agencies.
10. That the following paragraphs be referred to staff in the Finance Department for further review of a potential slower growth scenario for the reserve balances and associated change to the Financial Plan to achieve such balances and report back to Finance and Corporate Services Committee:
- "a) That staff prepare a 2013 Business Plan for Water and Wastewater services that includes:
 - i) The cost of maintaining current approved programs at current service levels, based on anticipated 2013 workloads;
 - ii) The costs associated with legislated changes and requirements that must be incorporated into business plans;
 - iii) The costs associated with growth in population or infrastructure that is operated and maintained by the City;

- iv) Rate increases that reflect revisions to the long range financial plan as directed per Motion 12-G-010, show that rates for water would increase by up to 10% and rates for wastewater would increase by up to 15%;
 - v) Opportunities to reduce rate increases, based on analysis undertaken by staff during the business plan development process; and
 - vi) A reasonable estimate of water consumption.
- b) That staff develop adjustments to water and wastewater financing plans, service levels and/or service delivery methods that reduce anticipated cost increases and generally include:
- i) Reviewing water and wastewater capital projects in the Capital Plan to reduce the requirements for building reserve balances.” (EMT002-12) (File: F00)

This matter was recommended to General Committee for consideration of adoption at its meeting to be held on 28/05/2012.

The meeting adjourned at 7:40 p.m.

CHAIRMAN