
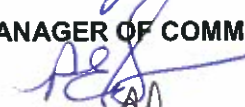

TO: GENERAL COMMITTEE


SUBJECT: 2014 BUDGET AND BUSINESS PLAN YEAR END REPORT

WARD: ALL

PREPARED BY AND KEY CONTACT: M. JERMEY, DEPUTY TREASURER, EXTENSION #4407
T. TURNER, SUPERVISOR BUDGET & TREASURY, EXTENSION #5095

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE 

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

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the 2014 Budget and Business Plan Year End Report be received.
2. That the 2014 year-end tax rate supported surplus of \$1,217,518, comprised of \$2.7M in net surplus from Service Partners and a \$1,473,289 deficit from services provided by the City of Barrie, be distributed as follows:
 - a) \$498,274 carried forward to 2015 to fund items that were committed in 2014 by purchase order or contract, but remained incomplete or undelivered at December 31, 2014;
 - b) \$631,478 carried forward to 2015 to fund Provider Loans committed in 2014 for the County of Simcoe Non-Profit Housing operating program, but remain undelivered at December 31, 2014;
 - c) \$53,487 to the County of Simcoe Capital Reserve (13-04-0446);
 - d) \$192,225 to the Early Retirement Reserve (13-04-0462);
 - e) \$273,202 be funded from the Assessment Appeal Reserve (13-04-0464);
 - f) \$2,354 be carried forward and distributed to the Barrie Historical Society for the Gowan Portrait Restoration Project as a donation from the Heritage Barrie Committee as per motion 15-G-056;
 - g) \$79,031 to the Tax Capital Reserve (13-04-0440); and,
 - h) \$33,871 to the Tax Rate Stabilization Reserve (13-04-0461).
3. That the 2014 wastewater rate deficit of \$375,281 be funded from the Wastewater Rate Stabilization Reserve (12-05-0577).
4. That the 2014 water rate deficit of \$529,360 be funded from the Water Rate Stabilization Reserve (12-05-0582).

5. That the 2014 parking rate deficit of \$645,093 be funded from the Parking Capital Reserve (12-05-0570), leaving a deficit of \$443,709.
6. That \$21,000 of the Barrie Public Library's 2014 operating deficit of \$191,000 be funded from the Tax Rate Stabilization Reserve (13-04-0461), in addition to the \$170,000 approved to be funded from the Tax Rate Stabilization Reserve in motion 15-G-049 of the 2015 Business Plan staff report.

PURPOSE & BACKGROUND

7. The purpose of this report is to present the Corporation's year-end financial and performance results, and obtain approval to make transfers to/from reserves in accordance with the Financial Policies Framework.
8. 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 actual results to budget and the previous year. This report reflects activity for the 12 months ended December 31, 2014.
9. The recommendations in this report are reflective of the policies and principles documented in the current Financial Policies Framework. As directed by Council, the City's Long Range Financial Plan will be updated later this year and will include a review of existing Financial Policies.
10. The report also provides updates on key objectives, Council strategic priorities, and the implementation of portfolio governance.

ANALYSIS

SUMMARY OF OPERATING RESULTS - TAX

11. The 2014 year-end tax rate supported surplus of \$1,217,518 represents 0.6% of the City's 2014 net budget. The surplus was driven by City service partners' positive year end variance of \$2,690,807, offset by an unfavourable variance totaling \$1,473,289, for services provided by the City.
12. The following table summarizes the financial variances to December 31, 2014 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.

	2013 Actual	2014		
		Budget	Actual	Variance
Council & Mayor's Office	775,736	817,533	788,100	29,433
Office of the CAO	628,416	765,108	574,107	191,001
Community and Corporate Services	37,341,487	35,088,723	35,183,460	(94,737)
Infrastructure and Growth Management	43,459,041	42,061,411	44,388,466	(2,327,055)
Invest Barrie	2,434,095	2,617,870	2,555,506	62,364
Access Barrie	1,285,087	1,325,584	1,297,720	27,864

	2013 Actual	2014		
		Budget	Actual	Variance
Innovate Barrie	6,721,297	7,239,554	7,324,610	(85,056)
Financial Expenses & Other General Government	22,103,917	31,911,211	32,573,431	(662,220)
Service Partners & Grants	75,946,395	77,562,426	74,871,619	2,690,807
Total Net Expenditures	\$190,695,471	\$199,389,420	\$199,557,019	\$(167,599)
Corporate Revenues	(192,292,671)	(199,389,420)	(200,774,537)	1,385,117
Total Variance	\$(1,597,200)	\$0	\$(1,217,518)	\$1,217,518

13. Key contributors to the Corporation's general tax rate surplus include the following:
- County of Simcoe Operating Surplus \$2.7M - (Detail below)
 - Supplementary Property Tax Revenue \$1.3M - (Detail below)
 - Deferral of Debt Servicing Costs \$715K - (Detail below)
 - Corporate Litigation Savings \$350K - (See Appendix C)
14. Key offsetting contributors to the Corporation's tax rate general surplus include the following:
- Winter Control (\$1.5M) - (See Appendix C)
 - Transit Revenue (\$760K) - (See Appendix C)
 - Vehicle Repairs (\$685K) - (See Appendix C)
 - Recreation Revenue (\$683K) - (See Appendix C)
 - Salary Gapping Shortfall (\$585K) - (Detail below)
 - Facility Costs (\$584K) - (See Appendix C)
 - Utilities (\$166K) - (See Appendix C)
15. Additional details have been provided in Appendix C that identifies the reasons for the negative variances, the continuing impact going forward, and actions taken to mitigate future anticipated variances.

Service Partners

16. The \$2.7M operating surplus relates almost entirely to the County of Simcoe and can be attributed to the following:
- a) An over accrual of approximately \$504K for the 2013 fiscal year-end. The accrued amounts were provided by the County. The reversal of these accruals in 2014 had the effect of increasing the 2014 year-end surplus;
 - b) An updated Development Charges By-law in August 2014 resulted in an additional \$1.4M of the County of Simcoe Social Housing capital program to be eligible for development charges. This amount was collected from property taxes and therefore should be included in the City's general surplus, as opposed to being transferred to the County of Simcoe Capital reserve as these costs will be funded from the Development Charge reserves in the future;

- c) \$53K of unspent County of Simcoe capital costs which is recommended to be transferred to the County of Simcoe Capital Reserve in Recommended Motion 2 c);
- d) \$631K is a result of committed but unspent funds for Provider Loans in the County's Non-Profit housing program and is recommended to be carried forward into 2015 in Recommended Motion 2 b), as these loans will be provided in 2015; and,
- e) The remaining \$70K is a general operating surplus from the County of Simcoe from various programs.

Supplementary Property Tax Revenue

- 17. The \$1.3M favourable variance is largely due to the City receiving three supplementary Tax Additions from the Municipal Property Assessment Corporation (MPAC) when two had been anticipated in the 2014 budget. MPAC continues to catch up on supplemental files, in concert with the City's tax revenue group being more proactive on older files.

Debt Servicing

- 18. Debt Servicing charges have been centralized starting in 2014. The use of debt as a funding source is a corporate financing decision that is not controlled by an individual department. The centralization of debt allows departments to manage and focus only on operating costs directly under their control. It also provides the ability to better manage and report on debt charges corporately.
- 19. Variances between budgeted and actual costs are generally driven by the timing of debenture issuance, and any variation between planned and actual terms (e.g. interest rate). In 2014, due to delays in project completion, the Corporation did not issue planned debt for the WPCC Phase II project (\$10.9M planned – wastewater) or the Police Accommodation Property (\$4.2M planned – tax). In addition, a lower than anticipated interest rate (planned for 3.00%, actual is 2.75%), and the opportunity to delay issuing the debt (planned for June 30th, actual was December 1st) resulted with in-year savings.
- 20. The following table summarizes the \$1.5M in deferred debt servicing costs for the Corporation in 2014 and is presented by fund. Only funds with variances related to deferred debt are shown:

	Budget	Actual	Variance
Tax	8,321,735	7,607,153	714,582
Wastewater	8,699,476	7,941,022	758,454
Total	\$17,021,211	\$15,548,175	\$1,473,036

Salary Gapping

- 21. The salary gapping provision approved by Council in the 2014 Business Plan, as amended, was \$1.17M. This amount includes both permanent staff and casual/part-time salary costs. The City continues to implement a variety of techniques to achieve salary gapping targets. These include four month or longer hiring delays when viable, and managing overtime costs.
- 22. The actual net salary gapping result for 2014 was \$582K, compared to the budget of \$1.17M. The \$585K negative variance was the result of multiple factors. The main drivers for the variance are outlined below:

- a) Less than budgeted capital salary recoveries were realized in Facilities and Transit as a result of a shift in priorities to unrecoverable projects (including ERP, corporate facility reallocations and business planning), and as a result, capital projects were delayed; and,
- b) In the Roads, Parks, and Fleet department a number of modified work and short term disability situations resulted in a need for backfill by casual staff. The Parks variances have been addressed in the 2015 budget development and will be in line with budget forecasts.

SUMMARY OF OPERATING RESULTS – WATER

	Year-To-Date December 31, 2014			
	Budget	Actual Results	Variance	%
Salaries and Benefits	6,623,326	6,031,020	592,306	91.1%
Operating Expenses	6,826,736	7,205,336	(378,600)	105.5%
Corporate Overhead	3,925,778	3,908,613	17,165	99.6%
Debt Charges	7,895,900	7,892,022	3,878	100.0%
Revenues	(28,025,127)	(27,261,018)	(764,109)	97.3%
Transfer to Reserve	(2,753,388)	(2,224,028)	(529,360)	80.8%

- 23. The Water Operations Branch completed the year with an operating deficit of \$529K. This variance is primarily due to lower than planned water rate revenues offset by lower than anticipated employee costs.
- 24. Water rate revenues were \$992K below plan. The reason for the variance was the long winter with significant amounts of snow that greatly impacted the start of the spring lawn, garden and property maintenance work. The summer of 2014 was also wetter and cooler than normal, therefore there was substantially less watering of lawns, gardens and washing of cars. Residents are also learning to conserve water better, fixing their leaking equipment more quickly and monitoring their consumption usage via the AMI dashboard. Taking all these into consideration, the development of the 2015 water rate revenues was based conservatively on an average trend of the prior 24 months. The water rate revenue variance was offset slightly by other non-rate water revenues that were \$227K over plan. Most notable non-rate revenues were hydrant meter gate valves and backflow revenue.
- 25. Employee costs were below plan due to vacancies that were not filled while staff completed a Water Branch restructuring and completed the job evaluation processes. These processes resulted in workload reallocations, some position title and reporting changes, set up the Branch to deliver programs more efficiently and prepared the Branch for growth of the City. Once this work was complete the Branch worked diligently to fill the remaining position vacancies. The level of underspending in salaries and benefits is not anticipated to continue in 2015.

SUMMARY OF OPERATING RESULTS – WASTEWATER

	Year-To-Date December 31, 2014			
	Budget	Actual Results	Variance	%
Salaries and Benefits	3,855,167	3,775,894	79,273	97.9%
Operating Expenses	10,074,247	9,934,516	139,731	98.6%
Corporate Overhead	3,345,009	3,296,358	48,651	98.5%
Debt Charges	8,699,476	7,941,022	758,455	91.3%
Revenues	(33,747,312)	(32,345,922)	(1,401,390)	95.8%
Transfer to Reserve	(7,773,413)	(7,398,132)	(375,281)	95.2%

26. The Wastewater Operations Branch completed the year with an operating deficit of \$375K. This variance is primarily due to lower than planned sewer rate revenues offset by lower than planned debt costs.
27. Sewer rate revenues were \$1.4M below plan. The reasons for the variance were the same as those listed above for water, as sewer rate revenue is a direct correlation to water consumption usage. Sewer rates are higher than water rates resulting in a larger revenue variance. Sewer rate revenue for 2015 was calculated on an average trend of the prior 24 months.
28. The wastewater treatment flows were in line with plan and the plant operated with no major issues in 2014. Management worked proactively to source parts and equipment early in the year to complete preventative maintenance work.

SUMMARY OF OPERATING RESULTS - PARKING

	Year-To-Date December 31, 2014			
	Budget	Actual Results	Variance	%
Salaries and Benefits	370,267	362,759	7,508	98.0%
Operating Expenses	720,014	852,078	(132,063)	118.3%
Corporate Overhead	300,853	300,853	0	100.0%
Debt Charges	956,683	962,758	(6,075)	100.6%
Revenues	(2,083,400)	(1,568,937)	(514,463)	75.3%
Transfer from Reserve	264,417	909,510	(645,093)	344.0%

29. Parking Operations completed 2014 with a draw on reserves of \$645K more than planned. This variance is primarily due to revenues under plan and winter control and parkade security costs significantly higher than planned. As a result of this draw, the parking reserve has a deficit balance of \$444K at December 31, 2014.

30. Parking revenues were \$514K below plan for 2014:
- \$100K for the sale of a parking lot that did not occur in the year;
 - \$500K under budget for waterfront parking meter revenue and lot rentals; and,
 - \$71K over budget for parking permit sales.
31. Winter snow conditions were severe from January to April 2014 with a larger accumulation of snow than an average winter. Contracted snow removal is budgeted based on a five year average trend. During the first four months of 2014, a significant increase in snow plowing and removal operations were required to keep paid surface and structure parking lots and equipment clear of snow, and safe for customers use.
32. During 2014 the security had to be increased at the Collier Street Parkade to address health and safety concerns for customers and the facility; homeless people sleeping in the stairwells; and patrol hours that did not extend past 2:00 a.m. when most of the bar patrons were returning to their parked vehicles. With the increase in security service, the expense totaled \$84K while the budget was \$46K. The service levels and cost will continue to be reviewed in 2015 to assess the appropriate level of security coverage and associated expense. Future budgets will be adjusted based on the outcome of this review by staff.

CAPITAL PLAN STATUS AT DECEMBER 31, 2014

33. The Capital Plan presented in Appendix B is a high level summary of activity as at December 31, 2014. The total capital budget for 2014 was \$160M, including carryover from prior years and new projects, and the projected year-end spending plan was \$94M due to the multi-year nature of many of the projects. The actual spending at year end was \$52.2M, which is 56% of the projected spending plan. The capital projects that contribute to the key variances between planned and actual spending have been identified in Appendix D.

RATE STABILIZATION RESERVES

34. Prior to directions provided by Council regarding the 2014 Business Plan, the December 31, 2014 rate stabilization reserve balances affected by the recommendations in this report are:

Stabilization Reserves	Current Balance at Dec 31, 2014	Committed to specific projects at Dec 31, 2014	Recommended Motion	Non-Committed Balance at Dec 31, 2014	2014 Minimum Expected Balance*
Tax Rate Stabilization Reserve	\$1,131,194	(\$610,933)	\$12,871	\$533,132	\$12,126,763
Wastewater Rate Stabilization Reserve	\$2,253,872	\$0	(\$375,281)	\$1,878,591	\$3,234,592
Water Rate Stabilization Reserve	\$2,804,011	\$0	(\$529,360)	\$2,274,651	\$2,726,102
Parking Reserve	\$201,384	\$0	(\$645,093)	(\$443,709)	N/A

*Minimum 2014 expected balance as per the Financial Policies Framework

35. The \$12,871 Recommended Motion for the Tax Rate Stabilization Reserve consists of \$33,871 (30%) of the unallocated remaining year end surplus less \$(21,000) to fund the additional library year-end deficit as per Motion #15-17 from the Library Board identified in Appendix G. The Financial Policies Framework allocates year end surpluses on a 70/30 split between the Tax Capital and Tax Rate Stabilization Reserves.

36. The \$(375,281) and \$(529,360) for the Wastewater Rate Stabilization and Water Rate Stabilization Reserves are a result of the year-end deficits in the respective rates, and is being funded according to the Financial Policies Framework.
37. Stabilization reserves are maintained in order to fund unexpected one-time, non-recurring expenditures, and to address any potential deficits. The committed expenditures from the Tax Rate Stabilization Reserve include expenses related to CUPE Job Evaluations, Innisfil Annexation/Growth, and Library deficit funding.
38. As per the Financial Policies Framework, the minimum expected balance is 5% of gross operating revenues (excluding transfers to capital, specific reserves, and debt principal repayments) for the Tax Rate Stabilization Reserve and 10% for the Water and Wastewater Rate Stabilization Reserves. The non-committed balance at December 31, 2014 shows that all stabilization reserves currently fall short of their minimum expected level.

CAPITAL RESERVES

39. Prior to the directions provided by Council regarding the 2015 Business Plan, the December 31, 2014 capital reserve balances affected by the recommendations in this report are:

Capital Reserves	Current Balance at Dec 31, 2014	Committed to specific projects at Dec 31, 2014	Recommended Motion	Non-Committed Balance at Dec 31, 2014
Tax Capital Reserves	\$33,470,159	(\$33,075,176)	\$79,031	\$474,014
Wastewater Capital Reserve	(\$2,621,950)	(\$15,670,059)	\$0	(\$18,292,009)
Water Capital Reserve	\$12,486,326	(\$6,555,894)	\$0	\$5,930,432
County of Simcoe Capital	\$1,064,000	\$(1,117,487)	\$53,487	\$0

40. The budget carry forward amounts in Recommended Motion 2 will ensure specific expenditures committed to in 2014 (generally through contractual obligation) will be funded from amounts collected in 2014. If the recommendations are approved as presented in the report, \$500,628 for the City and \$631,478 for the County of Simcoe, will be funded from the tax surplus.
41. The County of Simcoe's 2014 year end surplus of \$2,772,652 includes \$53,487 of deferred capital spending.

OTHER RESERVES

42. Prior to the directions provided by Council regarding the 2015 Business Plan, the December 31, 2014 other reserve balances affected by the recommendations in this report are:

Other Reserves	Current Balance at Dec 31, 2014	Committed to specific projects at Dec 31, 2014	Recommended Motion	Non-Committed Balance at Dec 31, 2014
Early Retirement Reserve	\$173,442	\$0	\$192,225	\$365,667
Assessment Appeal Reserve	\$542,833	\$0	\$(273,202)	\$269,631

43. A provision for early retirements and succession planning was included in the 2014 Operating Budget. \$192,225 was unspent at December 31, 2014 and is recommended to be transferred to the Early Retirement Reserve (13-04-0462), to fund future unplanned early retirements and terminations that cannot be funded within the associated departmental Operating Budget. The 2015 Business Plan has reduced this provision as a result of the surplus realized in 2014.
44. Assessment appeals are uncertain in nature and difficult to anticipate. For 2014, ARB decisions resulted in a deficit of \$273,202, and are recommended to be funded from the Assessment Appeal Reserve (13-04-0464). The 2015 Business Plan has increased the provision for ARB decisions.

2010-2014 Council Strategic Priorities Summary of Accomplishments:

The 2014 year-end concludes the 2010-2014 Council Strategic Priorities set by the previous Council. During this period of time, many accomplishments were made towards Council's five strategic priorities: manage growth & protect the environment; create a healthy and vibrant city centre; direct and manage economic development; strengthen Barrie's financial condition, and community involvement & city interactions. Below is a summary of the accomplishments:

45. Direct and Manage Economic Development

- a) This term of Council introduced the City's first 'Ideas in Motion' business and industry forum which resulted in the creation of five main actions for the City: Open for Business; Alignment; University Ready; Business Ambassadors; and, our Identity.
- b) Invest Barrie was created to strategically align Business Development, Culture, Greater Barrie Business Enterprise Centre (GBBEC), employment hub opportunities at Lake Simcoe Regional Airport, and Downtown functions.
- c) In collaboration with Georgian College, the Barrie Entrepreneurs Connect (BEC) Portal created a transitional strategy to align entrepreneurship support services throughout the City. Led by an engaged group of business leaders and supported by the City, a revitalized Business Ambassadors Steering Committee was created and new Business Ambassadors for our City have been recruited.
- d) The City's first 'Train in Trades' event was organized to generate awareness and showcase opportunities in Barrie and area for skilled trades, and an Open for Business staff team is working to change the business culture at City Hall. Business Attraction was successful this term of Council with expansions for R&M Plastics & PPG, development facilitation for Little Lake and Northwest Developments, the attraction of the TD Data Centre, IBM and Cogeco to Barrie. Trade missions to China and Calgary were completed.
- e) Significant advocacy work to pursue a University campus for Barrie continued throughout the term and an expanded partnership for Lake Simcoe Regional Airport by including County of Simcoe as a partner.

46. Manage Growth and Protect the Environment

- a) The expansion of the City's boundary provided opportunities for Barrie to plan and manage growth to support a strong and competitive economy, build a compact, vibrant, and complete community and create a sustainable future while addressing Provincial growth management initiatives in a transformational way; by ensuring growth pays for growth.

- b) Six infrastructure master plans were approved by Council including water supply, water storage and distribution, wastewater treatment, wastewater collection, drainage (stormwater) management and multi-modal active transportation trails which will help set the framework for our growth. Council also endorsed a plan for investment of \$1.8 Billion to service growth as well as \$1.3 Billion in asset renewal plan designed to address aging infrastructure such as existing City roads, buildings and pipes.
- c) A new plan for transit was successfully implemented and a Sustainable Waste Management Strategy developed with an action plan for effective, efficient and responsible change to our waste collection, diversion and disposal systems over a 20 year period. It is a community-based plan, with goals, policies and a vision focusing on issues related to Barrie as a whole.

47. Strengthen Barrie's Financial Condition

- a) Over the 2010 to 2014 Council term, the budget process was enhanced to provide for a more collaborative process with Council, achieve lower tax increases, identify new sources of revenue and operational efficiencies. Average property taxes for a single family home in Barrie are 9% lower than the average paid by owners in comparable Ontario cities (BMA Municipal Study 2013).
- b) Under Council's leadership, six service reviews were completed resulting in net cost reductions in operating budgets as well as a number of process improvements to achieve efficiencies. Additionally, the introduction of the strategic portfolio Innovate Barrie, created a formal function to improve business processes, enhance and standardize change management and project management processes such as the implementation of portfolio governance to improve financial accountability for business planning and operating and capital projects.
- c) Standard and Poor's affirmed the City's AA rating for the fourth consecutive year, confirming that Barrie remains on a financially stable path. In 2011 Council further updated the City's Financial Policies Framework to include the establishment of Water and Wastewater Rate Stabilization Reserves to which 30% of any year-end surpluses will be allocated. In August 2014, the City completed a Development Charges Background Study and passed an updated Development Charges By-law. In addition, the City negotiated a Memorandum of Understanding with the development community to facilitate the funding of growth related infrastructure.
- d) Tremendous work was done to approve the Enterprise Resource Planning (EPR) project and selection of the application that will improve the Corporation's core information systems and processes, including the creation of a centralized data warehouse. The City also introduced and successfully implemented a new water meter reading technology and billing system.

48. Creating a Vibrant and Healthy City Centre

- a) This term of Council saw the development and successful implementation of the downtown outdoor patio program, which saw 15 patios open in the summer of 2014 (up from 13 in 2013). Commencement of the Collier Centre construction began this term, there were multiple storefront façade improvements and 540 square metres of upgraded commercial retail floor space was installed and total construction of all forms of development in the downtown was valued at \$15.4M.

- b) The redesign of Memorial Square in partnership with the Downtown BIA was initiated, including a Memorial Square Agreement incorporating sponsorship naming rights and the inclusion of an outdoor performance stage.
- c) The intensification by-law updates addressing height and parking for the downtown were completed to guide future development. A waterfront and downtown ambassador program was piloted with great success to increase customer service and help ensure residents and visitors had easy access to the information they need to enjoy our downtown and waterfront.
- d) Additionally, food trucks, as well as paddleboard and bike rentals at the waterfront were introduced, and there was increased attendance at festivals, events, and the Mady Theatre, all serving to animate and promote the downtown.

49. Improve and Expand Community Involvement and City Interactions

- a) A variety of new ways to improve citizen engagement, from town halls and public meetings to social media were implemented. There have never been more ways for residents to engage with the City over the past four years. To oversee these improvements, a new strategic portfolio, Access Barrie, was created to champion customer service and foster civic engagement by combining communications, marketing and customer service.
- b) The City's first mobile app, 'Ping Street', was launched and continues to gain usage throughout the community, with approximately 2,700 downloads since June 2014 and 440 service requests (ranging from graffiti, parks, roads, snow removal to traffic) were reported through the app.
- c) There has been significant growth in our social media followers this term of Council and a new online interactive suggestion forum, 'UserVoice', was launched to allow residents to submit ideas for the City and vote on other ideas. Once a suggestion hits 500 votes, City staff will review the idea for possible implementation.
- d) The City's inaugural Customer Service Strategy was endorsed in principle by City Council, and a detailed business case is being developed for Council's consideration. Various citizen surveys were conducted to solicit feedback from residents on such topics as the waterfront, a potential casino, customer service, and overall citizen satisfaction.
- e) City Council also initiated ward town hall meetings and changes to the planning process to hold neighbourhood meetings, both designed to encourage residents to meet with Council and staff face-to-face, to discuss issues and concerns and providing an excellent opportunity for City interactions.

Portfolio Governance

- 50. Portfolio Governance is the centralized management of processes, methods, and technologies used by project managers to collectively manage current or proposed projects. The objectives of Portfolio Governance are to determine the best use of staff resources to successfully achieve an organization's operational and financial goals, as included in the 2015 Business Planning process.
- 51. Given the City of Barrie, not unlike other organizations, has limited financial and human resources to continuously improve business processes and services, Portfolio Governance is a business model designed to ensure strategic initiatives will return the most value to the City. The Portfolio Governance model is the decision making process for all corporate projects, whether they are operational and/or capital funded.

52. In 2014 City staff managed 176 capital and corporate projects across 60 lines of business along with managing delivery of core services. Seventeen strategic projects directly related to Council's Strategic Plan were identified as high priority on the basis of three criteria: they were visible by and significant to the Community; they would have an enterprise impact on the organization; or, they were identified as high priority by Council through resolution.
53. The Portfolio Governance Committee and Working Groups developed a comprehensive project ranking framework that considered human resourcing requirements in addition to financial requirements. Project leaders provided detailed work effort estimates for each project by resource, which was used to create an organizational level view of the overall project work effort. This holistic view was used with the financial information to balance resourcing and improve service delivery by ranking and scheduling projects across the City.
54. A sample of the 2014 Strategic Project Dashboard can be found in Appendix G

Key Division Service Delivery Initiatives/Key Performance Indicators

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

ENVIRONMENTAL MATTERS

56. There are no environmental matters related to the recommendation.

ALTERNATIVES

57. The following alternatives are available for consideration by General Committee:

Alternative #1 General Committee could alter the proposed recommendation by directing staff to fund the rate deficits in some other manner.

Although this alternative is at the discretion of Council, it is not consistent with the current Financial Policies Framework which specifies that 100% of any year-end deficit be funded from the stabilization reserve, so as to work toward achieving the City's sustainability and financial flexibility objectives.

Alternative #2 General Committee could decide not to carry forward the County of Simcoe provider loans and social housing surpluses into 2015.

This alternative is not recommended as it could result in operating deficits in 2015 and would impact budget to actual variance reporting throughout 2015.

Alternative #3 General Committee could decide not to allocate the surplus in the Early Retirement operating account to the corresponding reserve or fund the deficit for ARB decisions from the Assessment Appeal reserve.

This alternative is not recommended as through the review of legacy reserves, it was concluded that reserves for these specific purposes are still required due to the potential liabilities to the City.

FINANCIAL

58. The information in the analysis section adequately explains the impact of the recommendations in this report as they relate to the tax, water, wastewater, and parking reserves, as well as the compliance of those recommendations with the financial policies set out in the current Financial Policies Framework. No additional financial analysis is required.

LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN

59. The recommendations in this report are operational, and are not specifically related to the goals identified in the 2014-2018 Strategic Plan.

APPENDIX A

Tax-Supported Operating Budget Variance by Department as at December 31, 2014

	Budget	Actual	Variance
Council & Mayor's Office	817,533	788,100	29,433
Office of Chief Administrative Officer	765,108	574,107	191,001
Community and Corporate Services	35,088,723	35,183,460	(94,737)
GM of Community and Corporate Services	315,169	319,745	(4,576)
Fire	22,490,086	22,293,645	196,441
Finance	3,470,021	3,440,483	29,538
Legislative and Court Services	552,707	633,170	(80,463)
Legal Services	1,483,587	1,133,300	350,287
Building & By-law Enforcement	681,618	313,374	368,244
Recreation	6,095,535	7,049,743	(954,208)
Infrastructure & Growth Management	42,061,411	44,388,466	(2,327,055)
GM of Infrastructure and Growth Management	321,403	324,075	(2,672)
Facilities	1,199,727	1,510,609	(310,882)
Transit	8,984,712	9,687,061	(702,349)
Engineering	1,447,824	1,098,348	349,476
Planning	1,208,408	1,348,822	(140,414)
Environmental Services	5,273,103	4,865,674	407,429
Roads	15,582,659	16,689,795	(1,107,136)
Parks	3,555,252	3,754,468	(199,216)
Fleet	3,709,605	4,404,675	(695,069)
Corporate Asset Management	778,717	704,940	73,777
Invest Barrie	2,617,870	2,555,506	62,364
Invest Barrie – Administration	230,444	252,498	(22,054)
Business Development	790,397	678,350	112,047
Culture	1,597,029	1,624,658	(27,629)
Access Barrie	1,325,584	1,297,720	27,864
Access Barrie - Administration	454,480	462,173	(7,693)
Customer Service	253,642	249,738	3,904
Communications and Strategic Initiatives	617,462	585,809	31,653

Innovate Barrie	7,239,554	7,324,610	(85,056)
Innovate Barrie - Admin	303,172	318,577	(15,405)
Human Resources	1,635,207	1,658,965	(23,758)
Information Technology	5,301,175	5,347,068	(45,893)
Other Expenses			
Financial Expenses & Other General Government	31,911,211	32,573,431	(662,220)
Total Net City Services	121,826,994	124,685,400	(2,858,406)
Service Partners and Grants	77,562,426	74,871,619	2,690,807
Total Net Expenditures	199,389,420	199,557,019	(167,599)
Net Taxation for own purposes	(189,099,041)	(190,459,546)	1,360,505
Payments in Lieu of Taxes	(1,645,895)	(1,707,646)	61,751
Interest Income	(4,157,280)	(4,111,251)	(46,029)
Corporate Overheads	(3,187,204)	(3,187,204)	0
Sundry Revenue	(1,300,000)	(1,308,890)	8,890
Total Revenue	(199,389,420)	(200,774,537)	1,385,117
Total Operating Variance	0	(1,217,518)	1,217,518

APPENDIX B

Capital Plan Progress Update by Division as at December 31, 2014

	2014 Capital Budget					Performance Reporting				
	Carryover from Prior Year Budgets	New Projects Approved in 2014 Budget	In Year 2014 Transfers / Additions	2014 Total Budget with transfers	Projected YE Spending Plan	Actual 2014 Spending	Variance to 2014 Projected	% of 2014 Projected Spending Plan Achieved	% of 2014 Total Budget	Spending Deferred
Summary of Capital Plan & Forecast										
Community and Corporate Services	22,489	490,000	(400,000)	112,489	114,400	223,554	(109,154)	195%	199%	(111,065)
Infrastructure & Growth Management	88,817,786	55,214,200	5,004,298	149,036,284	84,541,399	47,271,049	37,270,350	56%	32%	101,765,235
Innovate Barrie	5,179,451	4,561,100	799,127	10,539,678	9,272,558	4,684,457	4,588,101	51%	44%	5,855,221
Total	94,019,725	60,265,300	5,403,425	159,688,450	93,928,357	52,179,060	41,749,297	56%	33%	107,509,390

APPENDIX C

Detailed Tax Supported Operating Variance Explanations

Service/Driver: Legal Services			
Budget: \$1.48M	Actual: \$1.33M	Variance \$: \$350,000	Variance %: 23.61%
<u>Reason for Variance</u>			
<p>The favourable variance is mainly attributable to the following:</p> <ol style="list-style-type: none"> 1. Receipt of substantial cost awards resulting from successful litigation; 2. Salary gapping of a Lawyer position and vacancy of a Real Estate Officer position resulted in less than anticipated salary and benefit costs; and, 3. Several legal matters resolved prior to court proceedings which resulted in less spending on consultants/experts. 			
<u>Impact Going Forward</u>			
<p>The Real Estate Officer position remains unfilled which will likely result in underspending of the 2015 budgeted salary and benefits.</p> <p>Should litigation matters proceed as expected, it is anticipated the 2015 Corporate Legal Expenses, Legal Costs – Disbursements and Legal Costs – Other Lawyer accounts will be entirely depleted resulting in a 2015 variance far less than 2014's.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<p>No significant variances anticipated.</p>			

Service/Driver: Roads Operations – Winter Control

Budget: \$4.9M

Actual: \$6.4M

Variance \$: (\$1.48M)

Variance %: (-30%)

Reason for Variance

The Roads Operations budget was impacted by severe winter conditions from January to April 2014. The 2013-2014 winter season was one of the coldest winter seasons in 20 years. The cold weather with frequent snow fall events, resulted in larger accumulations of snow lasting almost the entire winter season requiring more snow plowing and removal. A typical year has 100 winter events and 8 feet of snowfall but the City experienced 81 winter events and 6.5 feet of snow fall in the first 4 months of 2014.

The prolonged cold temperatures also impacted the depth of snow banks along roads and sidewalks as there was very little melting of plowed snow. Snow removal operations had to be initiated on several occasions across the City to improve access for emergency vehicles, address safety concerns (e. g. sightlines), and provide room for future snow events.

Extended periods of extremely cold temperatures reduce the effectiveness of de-icing materials, resulting in higher salt usage to achieve desired road and sidewalk conditions.

Notable account variances:

- Contracted services (Roads \$424K, Sidewalks \$298K, Snow lifts \$131K);
- Employee costs \$64K;
- Salt \$533K;
- Winter sand and cold mix \$6K;
- Anti-icing materials \$28K; and,
- Increase in fuel usage and maintenance on plow equipment (expenses captured under fleet operations).

Impact Going Forward

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 price changes.

Actions to Mitigate Future Anticipated Variances

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.

Salt, sand and de-icing materials represent 27% of the winter control budget. The City is part of a larger buying group which has resulted in significant unit rate savings. Staff is also performing review of the mix of materials and application efficiencies for cost savings and protection of the environment.

Review of other winter service performance by staff occurs during and post winter season to look for ways to improve service operations and control spending. For example, route mapping reviews to accommodate changes (e.g. bus routes and future growth) and reduce travelling and waiting time for sand.

Service/Driver: Transit Revenue

Budget: \$8.6M

Actual: \$7.8M

Variance \$: (\$760K)

Variance %: (8.87%)

Reason for Variance

- Reduction in ridership as a result of a cold winter;
- Lack of adequate information system to provide accurate data for forecasting & planning; unrealistic forecasting; and,
- Greater than anticipated shift from one time passes to monthly passes (decreasing revenue per ride).

Impact Going Forward

With the adjustments to transit routes in July of 2014, ridership levels have since surpassed 2013 levels approaching 2012 ridership.

Actions to Mitigate Future Anticipated Variances

No future variances anticipated. Revenue projections in the 2015 budget have been updated to reflect current trends and forecasts. New transit contract starting in Q3 2015 will provide increased service through added bus routes and on time delivery. Enhanced metrics will provide critical information to analyze and assess areas of opportunity.

Service/Driver: Fleet Operations – Vehicle Repairs

Budget: \$1.2M	Actual: \$1.9M	Variance \$: (\$685K)	Variance %: (-56%)
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Reason for Variance

Several heavy vehicles are tracking high for maintenance and repair costs. Most notable are fire trucks, sanders, and sweepers. These vehicle groups were 62% of the total repair cost in 2014.

- There are three fire trucks (pumper 1, pumper 3, and tower 1) that are old and very costly to repair. One vendor is no longer in business so parts are difficult to source to repair the truck. Two major components were replaced on pumper 2 this year. 2014 repair cost for fire trucks was \$633K.
- The sander trucks required extra maintenance in 2014 due to the extreme winter conditions from November 2013 to April 2014. 2014 repair cost for sander trucks was \$332K.
- The sweepers are now 12 years old and are requiring more maintenance work to keep them operational. 2014 repair cost for sweepers was \$213K.

The shut-down of the wash bay had an impact on all vehicles and equipment as drivers were not able to wash off the salt, sand and brine build up. The impact of these corrosive materials and the extra mileage during the winter season resulted in more maintenance work than expected in a typical year.

The two new fleet technicians approved in 2014 did not start until September.

Impact Going Forward

Fleet staff is proactive with regular maintenance work in an attempt to avoid costly repair work. The wash bay is operational again and more repair work can be completed onsite with the full fleet compliment for 2015.

Fire pumper 1 and 3 trucks are in the capital plan for replacement in 2015-2016. The fire tower 1 truck is in the budget for replacement in 2016-2017.

Salter/sander truck replacements and sweeper replacements are in the capital budget at an average of one per year for the next five years.

Actions to Mitigate Future Anticipated Variances

The City has a detailed 5 year and 10 year capital replacement plan for fleet assets to ensure vehicles and equipment are replaced within an appropriate timeframe and avoid expensive maintenance costs to keep them on the road past their useful life.

Service/Driver: Recreation Revenue			
Budget: \$9.1M	Actual: \$8.4M	Variance \$: (\$683K)	Variance %: (7.51%)
<p><u>Reason for Variance</u></p> <p>Budgeted increase in revenue over 2013 not achieved; participation in 2014 was in line with 2013 levels.</p> <p>The 2014 budget was developed using 2013 forecasted revenue amount as the foundation. In the summer of 2013, the realignment of Recreation Services general ledger accounts led to a misunderstanding of the timing of revenue amounts, resulting in both 2013 forecast and 2014 budget amounts which were higher than historical averages and overstated. To help offset the variance, spending on contracted instructors was reduced.</p>			
<p><u>Impact Going Forward</u></p> <p>While in the summer of 2014 revenue forecasts for Q3 and Q4 were adjusted to better reflect year-to-date actuals and historical averages, a variance between the forecast and actual amounts remained at year-end. Since these forecast amounts for Q3 and Q4-2014 formed a part of the foundation for the 2015 budget, some variance may persist through the second half of 2015. However, revenue is thus far in line with projections for 2015, and the anticipated variance may be mitigated by year-over-year growth in facility rental and memberships revenues.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Further work will be undertaken during the development of the 2016 budget to improve the accuracy of in-year and future-year revenue forecasting.</p>			

Service/Driver: Facility Costs (excluding Salaries and Utilities) – Tax Rate			
Budget: \$2.1M	Actual: \$2.6M	Variance \$: (\$583K)	Variance %: (28.44%)
<u>Reason for Variance</u>			
<p>Mainly Contracted Services</p> <ul style="list-style-type: none"> - Aging infrastructure resulting in unplanned repairs, replacements and facility systems components; - Increase in snow clearing service standards to reduce liability and ensure the fire departments ability to deliver services in line with industry standards. 			
<u>Impact Going Forward</u>			
<ul style="list-style-type: none"> - Minimized pressures in 2015 by zero based budgeting; right sizing contracted services budgets. - Aging infrastructure still presents potential for unplanned expenditures. 			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<ul style="list-style-type: none"> - Regularly scheduled FCA's going forward for the next 1, 3, 5 and 10 years out. This will assist with forecasting replacement needs increasing our planning capabilities and overall asset knowledge to help reduce emergency repairs and maintenance. - In the process of hiring an electrician (per approved 2015 SLC form) which is expected to result in savings from internalizing this service and improved service. 			

Service/Driver: Tax Rate - Utilities			
Budget: \$ 5.66M	Actual: \$ 5.73M	Variance \$: (\$166K)	Variance %: (2.98%)
<u>Reason for Variance</u>			
Natural gas had a very substantial (40%) in year rate increase that was not anticipated as well as unbudgeted water use at the heritage splash pad. Offset by conservation measures in various facilities reducing electrical use.			
<u>Impact Going Forward</u>			
Potential for price risk.			
<u>Actions to Mitigate Future Anticipated Variances</u>			
2015 projected rate increases are based on vendor estimates. Increased efforts to control/reduce consumption by monitoring and undergoing energy savings projects as well as maintaining accurate and detailed energy management database.			
The LED street light conversion project (Staff Report FACTR002-15, Motion 15-G-021) is forecasted to be complete by November 2015. This project is projected to yield a decrease in energy consumption by 67% and maintenance costs by 80%.			

APPENDIX D

Capital Plan Status Variances at December 31, 2014

Duckworth Street at Highway 400 and Cundles Road:

2014 Total Budget with transfers	\$33.3M
Projected Spending Plan to end Q4	\$13.4M
Actual Spending to end Q4	\$13.8M
Variance to Projected to end Q4	\$0.4M

This is a multi-year project with planned spending through the construction period and into the warranty period ending in 2017. Spending is essentially as forecasted, and the project is proceeding on schedule.

Bayview Drive – Burton Avenue to Glenridge Road

2014 Total Budget with transfers	\$1.1M
Projected Spending Plan to end Q4	\$0.88M
Actual Spending to end Q4	\$0.54M
Variance to Projected to end Q4	(\$0.34M)

The scope of this project was expanded to include further road works in addition to the watermain replacement, leading to extended timelines for design and construction. Watermain installations were completed in 2014, thereby addressing the emergency element of this project, and road works occur in Spring 2015..

Lakeshore Drive – Toronto Street to Tiffin Street:

2014 Total Budget with transfers	\$13.0M
Projected Spending Plan to end Q4	\$11.2M
Actual Spending to end Q4	\$5.2M
Variance to Projected to end Q4	(\$6.0M)

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. Work on the Lakeshore Drive bridges at Dymont's and Bunker's creeks was completed on schedule in the second quarter of 2014. Tendering of the second contract for the realignment of Lakeshore Drive was delayed in order to remove the Centennial Park components of the work for rebudgeting in a future year. The contractor undertook a protracted testing process for the helical pile supports for the underground infrastructure which resulted in delayed spending. Work continued through the winter of 2015 and a revised schedule has been implemented to ensure completion in Fall 2015 as originally intended.

Essa Road – Ferndale Drive to Coughlin Road:

2014 Total Budget with transfers	\$0.6M
Projected Spending Plan to end Q4	\$0.6M
Actual Spending to end Q4	\$0.4M
Variance to Projected to end Q4	(\$0.2M)

Property negotiations were concluded in the spring of 2014. Design will be complete early in 2015, with tendering to follow and construction starting after winter conditions subside..

Wastewater Treatment Facility Expansion:

2014 Total Budget with transfers	\$2.8M
Projected Spending Plan to end Q4	\$3.8M
Actual Spending to end Q4	\$1.5M
Variance to Projected to end Q4	(\$2.3M)

Under spending was due to delays in contractor re-mobilization. This issue has been resolved and work is underway, with substantial performance expected in February 2015.

Surface Water Treatment Plant:

2014 Total Budget with transfers	\$1.0M
Projected Spending Plan to end Q4	\$0.6M
Actual Spending to end Q4	(\$0.1M)
Variance to Projected to end Q4	(\$0.5M)

Under spending was due to contractor delays in re-mobilizing to complete final deficiencies and warranty work. Project is complete and surplus funding to be returned via Capital Status Report.

County Road 27 – Harvie Road to Hubbard Watermain:

2014 Total Budget with transfers	\$0.9M
Projected Spending Plan to end Q4	\$0.9M
Actual Spending to end Q4	\$0.5M
Variance to Projected to end Q4	(\$0.4M)

Tendering of this project was delayed to coordinate with the County of Simcoe County Road 27/Mapleview Drive intersection realignment and watermain installation. The construction contract was awarded in early September 2014. Watermain has been installed and commissioned, and road works to be completed in Spring 2015.

ERP System:

2014 Total Budget with transfers	\$5M
Projected Spending Plan	\$4.4M
Actual Spending	\$1.0M
Variance to Projected	(\$3.4M)

Project RFP has completed. An award has been awarded to SAP for software and IBM for integrator services. Work is on track to start on 07 April 2015.

Landfill Reengineering:

2014 Total Budget with transfers	\$13.3M
Projected Spending Plan	\$7.9M
Actual Spending	\$5.3M
Variance to Projected	(\$2.6M)

Project proceeded on plan even with the impact of extreme winter conditions in January to April 2014. The variance to forecasted spending is primarily due to the deferral of equipment purchases. The operation of the landfill waste pile will run differently than before the project began so different equipment will be required. The decision on what equipment will be required and the timeline to order the equipment is under review but included in the project budget.

Police Service Accommodation:

2014 Total Budget with transfers	\$4.2M
Projected Spending Plan	\$4.2M
Actual Spending	\$0
Variance to Projected	(\$4.2M)

In 2014 the previous land being considered had its environmental conditions cleared by the property owner and as a result a comparative study is being undertaken.

APPENDIX E

Key Division Service Delivery Initiatives (KSDSI's)

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 new strategic planning framework has been developed which links strategic planning, municipal budgets and performance measurement. The strategic plan, when completed, will include Council's strategic priorities and strategic organizational priorities that advance city building, community development and a robust management framework to support core service delivery. A new 'Made in Barrie' performance measurement system has also been developed that specifically supports the City's strategic priorities and core services.

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.

- A number of initiatives are underway, at different stages of development, to foster a customer focussed and innovative staff culture. These include the completion of a comprehensive Customer Service Strategy which was presented to Council in the fall of 2014; an inclusive staff process to build a Staff Strategic Plan; the introduction of a new leadership model through a variety of training forums for management; and a program to foster change through experiential training sessions and innovation through innovation labs and six sigma training.

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

- A new management framework was developed to support project and core service prioritization to ensure alignment with and delivery against Council's priorities by optimizing resourcing and funding.
- A Fiscal Impact Analysis was completed and received by Council to support growth (including new financial tools to implement growth) and asset renewal and will be used as the basis to update the City's Long Range Financial Plan.
- A Scenario Based approach to the 2015 Business Plan was developed to support preparation the 2015 budget that integrates operational efficiencies, revenue opportunities and service levels.

Develop an integrated economic development strategy for Invest Barrie that also includes strategies and actions from Ideas in Motion.

- An 'Integrated Plan' for Invest Barrie was completed as a precursor to the development of a broader economic development strategy and presented to Council.

Implement Growth Management Strategy, including financing tools for the expanded area of the municipality.

- The Growth Management planning program reached its conclusion in 2014. City Council adopted the Salem and Hewitt's Secondary Plans and based on an agreement reached with the landowners in the annexed lands for financing and infrastructure, Council approved the associated Memorandum of Understanding and Infrastructure Implementation Plans.

Continue program development and advocacy to secure a University campus.

- Advocacy efforts to support a University Campus in Barrie were significant throughout the year and in an effort to support the submissions for the Provincial Major Capacity Expansion program, Council passed a motion supporting a satellite campus of Laurentian University and degree program growth for Georgian College.

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

- In response to an RFP issued in 2013, no submissions were successful and the process was concluded. A second RFP was issued from which several responses were received and one submission was selected to proceed to the blueprinting (test fit) stage. An award was expected early in 2015.

Community & Corporate Services

Implement process improvements and any related policy changes in Bylaw services to ensure service improvements anticipated in the 2013 corporate reorganization are realized

- The decision to acquire new database software from Accella will provide opportunities to implement process improvements for permits and licenses as well as by-law enforcement investigations. However, implementation will not be completed until 2016.

Work with MPAC and other City departments to develop a process accelerating the timing for capturing assessment growth and to improve the ability to forecast assessment growth

- Revenue Branch staff have developed a process whereby the building permit information is relayed to MPAC on a regularly monthly basis, which has improved the turnaround time for receiving assessment information in order to bill taxes. Lands have been identified as farmland or undeveloped, ready to be monitored as they are scraped and developed, to ensure they are added quickly to the assessment roll.

Implement financing strategies for growth management, including an update to the City's Development Charges By-law

- The update to the City's Development Charges By-law was approved by Council on August 25. The new by-law provides the necessary growth funding for the annexed lands, and growth within former Barrie, ensuring growth pays for growth. Three appeals have been received from developers within former Barrie; no appeals have been received from developers in the annexed lands.

Lead the City's participation in the Ontario Municipal Benchmarking Initiative

- After careful consideration, EMT decided to withdraw from the Ontario Municipal Benchmarking Initiative (OMBI). Measuring performance is extremely important to the City and staff will continue to use performance measures to monitor progress on services and initiatives through a made in Barrie solution.

Implement modernized subdivision documentation in consultation with the development community to reflect best practices.

- A modernized subdivision document has been finalized and is now in use. The document has been well received by the development community. Staff continue to gather feedback on the document and make further improvements as necessary.

Planning and delivery of the 2014 Municipal election including promotion of revised ward boundaries, Inaugural Ceremony, Councillor Orientation and Committee appointments

- The 2014 Municipal Election was conducted in accordance with the legislation and on budget, with a 31% turnout over the 10 days of voting offered, including an earlier Saturday voting opportunity that was very well received. The City Clerk prepared staff reports in consultation with the Mayor related to the structure of Committees of Council and appointments of members of Council to the Committees. The appointment of citizen members to various committees was completed in January 2015.

Prepare a business case for consideration by Council supporting the future investment in an electronic registration/information system for Recreation Services to replace/improve the existing legacy system

- After a joint evaluation of available options by Recreation Services and Information Technology, it was concluded that the best course of action for the City was to upgrade from existing legacy registration management system to next generation technology from the same software vendor Active Networks. Corporate Intake Form was initiated in 2014 to upgrade the system to Active Net. The project will be initiated in January 2015.

Increase drop in program participation and remain current with the latest in program trending

- Total drop-in visits increased by 2% from approximately 389,000 visits in 2013 to just under 397,000 visits in 2014. At the same time, program participation remained stable increasing by just under 1% after a new program schedule was introduced which saw previous 11-week Winter and Fall program sessions split into three 8-week sessions.

Invest Barrie

Complete and Commence Implementation of the Disposition of City Owned Lands in Accordance with the Strategic Real Estate Strategy

- The Business Development Department was recently tasked with developing a strategic disposition plan for City Centre owned lands. The goal was to start with the analysis and recommendations provided in the Deloitte report (which identified the highest and best use for each parcel, and disposition timeline), and then make adjustments to those recommendations based on the strategies identified in the various City Centre and Waterfront master plans. The analysis is underway. Integration and recommendation staff report being prepared for Council's consideration in June.

Implement Process Improvements and Other Actions to Become Open for Business

- As a result of the Ideas In Motion exercise with the business community, a working committee has been formed, made up of multiple departmental heads and key EMT members. A series of activities and projects have been identified that will result in easing and facilitating the process of welcoming new business investment. The projects range from short-term, easy to implement documents that provide relevant and timely information to an investor, through to complex projects that map and automate processes. The working committee will continue to track

progress of these initiatives, while also finding channels to engage with the business and investment community on an ongoing basis to ensure that new barriers to business are being identified.

Encourage Culture as an Economic Driver and the Creation of Related Economic Opportunities to Serve the Entire Barrie Community

- Culture hosted the Barrie Arts Awards and celebrated excellence and contribution to the arts for artists and businesses having significant impact on our culture sector. This event continues to receive support from our private sector partner.
- Culture Days were celebrated with a launch in the City Hall Rotunda that profiled many local artists, dance companies and theatre groups as well as a host of local culinary businesses that provided delectable edibles for all to sample. The next two days were a wide variety of performances and art installations, including folk singers on the City Transit buses, break dancers on the waterfront combined with 'Cardboardia' a life size interactive visual art installation and the Huronia Symphony encouraging mall visitors to try their hand at conducting the orchestra.
- These celebrations, along with the theatres, events, and cultural activities will be leveraged by Invest Barrie as part of a broader effort to attract a diversified talent base into the City, which will support efforts to diversify the economy.

Nurture Culture as an Opportunity to Advance Council's Priority for Revitalization of the City Centre

- The Mady Centre continues to contribute significantly to the GDP of the City Centre and was occupied by community programmers 182 days to the end of Q4. The Georgian Theatre was occupied 116 days in the same period.
- Talk Is Free Theatre and Theatre By the Bay continue to be successful at the Mady Centre and Children's shows presented by the Kempenfelt Community Players and Paquin Entertainment were very well attended. A new Barrie theatre company was born; "Yours in Theatre" rented the Georgian Theatre for the first time.
- Staff began working with Ontario Presents to develop a children's show series to be presented at the Georgian Theatre for the fall of 2015 and winter 2016.
- These cultural activities, along with programs such as the street performers, will be integrated into a plan to enhance and promote the downtown "independent vibe" and the growth of a creative hub.

Strengthen GBBEC within new Invest Barrie Portfolio and under new Management Model including Regionalizing Service in Collaboration with Simcoe County

- The Greater Barrie Business Enterprise Centre continues to progress in its Pilot Project with the County of Simcoe to provide in-market service to the County municipalities it serves. Recruitment has been completed for the Small Business Consultant who will be providing in-market service. Simcoe County has struck an Advisory Group to oversee the Pilot Project. GBBEC is collaborating with the County and Advisory Group to deliver the project.
- The GBBEC continues to move progress on its mandate to support young entrepreneurs through the provincial Starter Company Program and is actively recruiting program participants.

Implement and 'Go Live' with Business Ambassador Program

- Business Ambassador Program launched in November. Ambassador selection and interviews underway and training of new ambassadors will be completed in Q1 of 2015.

Access Barrie

Leading Innovative Marketing Campaigns

- A variety of innovative campaigns were developed in 2014 and successfully executed to increase the City's profile. Most notably, the Rethinking Waste campaign was launched in advance of the collection changes that were implemented City-wide in January 2015. The campaign targeted all residents to inform them of the changes and to encourage them to begin "rethinking waste". Internally, Access Barrie was a partner in improving communications between staff with the development and launch of the Staff Strategic Plan – One team. One goal. Everyone matters.

Develop and Implement a Corporate Customer Service Strategy

- In September of 2014, Council endorsed the Customer Service Plan in principle, which was developed by the corporate wide Customer Service Team. The plan would move the City from a decentralized model to a consolidated model for Customer Service. This includes the consolidation of phone numbers, the development of a contact centre, enhancing service on Barrie.ca, enhancing services at Community Centres and the development of technology to support these services. Further direction was given to Access Barrie to develop a Business and Implementation Plan to be presented back to Council for consideration. Ongoing research and analysis of services, resources and technology continues with a report expected to Council in 2015 in advance of the 2016 Business Plan development.

Innovate Barrie

Complete the Evaluation of all CUPE Jobs by June 2014

- This project is delayed in its completion as the anticipated volume of work was grossly underestimated. All of the CUPE jobs were documented by end of year 2014. The project is anticipated to be complete by June 2015.

Develop and Deploy a Human Resources Strategy

- The Staff Strategic Plan draft was completed and presented to the Executive Management Team and Senior Leadership Team December 2014. A steering committee and implementation will be commenced in 2015.

Enhance Network, Computing and Mobility Environments to Meet Existing and New Business Requirements of the City

- Architectural designs for changes to the Corporation's technology application and infrastructure environments were completed to support continued growth, redundancy and high availability for staff and members of the public to access City services electronically.

Identify, Implement and Manage New and Upgraded Business Application and Technology Infrastructure Solutions to Meet Service Delivery Needs

- Upgrades were completed to the software and hardware environments for the City's maintenance management system, improving performance and staffs' ability to manage the municipality's physical operational assets.

Provision and Support Technology (Communications and Computing Equipment) for 2014 Municipal Elections and 2015-2019 Council Members

- Successfully delivered and supported the computing technology associated with the 2014 municipal elections. Equipment configured and deployed in support of the entire elections operations included:
 - 85 laptops
 - 45 cell phones
 - 20 air cards
 - 40 scanners
 - 20 modems
 - 20 landline phones

Support and Manage Technology Systems (Hardware, Software) for Fire Dispatch Services

- Upgrades were completed to the software and hardware for various components of the technology infrastructure associated with fire dispatch services. Improvements resulted in improved system performance and increased technology redundancy, which minimized downtimes associated with potential hardware and software failure.

APPENDIX F

Key Performance Indicators (KPI's)

	Target	Actual
Community and Corporate Services		
Fire		
Emergency Response Call Volumes ¹	7,400	7,963
Less than a 6 minute road response - 90% of the time ²	95%	94.4%
Finance		
Minimum Savings from Assessment Maximization	\$70,000	\$75,000
Percentage of Accounts Enrolled in a Pre-authorized Payment Plan	25%	25.2%
Total Tax Receivables as a Percentage of Current Year Levy	7%	6.3%
Percentage of Goods/Services Purchased through a Procurement Process ³	75%	82.9%
Average Number of Bids per Bid Call ⁴	5	4.75
Benefits of Tendering Process ⁵	10%	7.7%
Legislative and Court Services		
Cost hours per session ⁶	\$1,250	\$1,558
Number of Motions/Resolutions/By-laws Recorded	500	551
Number of Matters before the Courts ⁷	53,500	49,934
Number of Charges per FTE	8,090	5,726
Cost per Charges to Administer ⁸	\$56	\$65.50
Time to Trial Part I matters (months)	6	5.5
Annual Volume of Outgoing Mail ⁹	325,000	323,171
Number of Internal Print Copies Processed	1,600,000	1,594,337
Number of Marriage Licenses Issued	800	871
Number of Deaths Registered	900	1,433
Percentage of MFIPPA Responded to within 30 Days ¹⁰	95%	85%
Legal Services		
External Legal Costs ¹¹	\$425,000	\$349,697
Number of Insurance Claims/Incidents Received ¹²	290	259
Percentage of Insurance Claims/Incidents Handled In-house ¹³	80%	85%
Building & By-law Enforcement		
Permits Issued - Residential	1,050	1,053
Permits Issued - Commercial and Industrial	350	193
Permits Issued - Institutional	30	36
ICI Permits Reviewed within Prescribed Time	95%	95%
Recreation		
Number of Registered Program Participants per Capita	1.57	1.44
Number of Drop-In Participants per Capita	2.63	2.58
Total Participant Utilization Rate for Directly Provided Registered Programs	77%	78.7%

	Target	Actual
Infrastructure and Growth Management		
Environmental Services		
Residential Waste Diversion Rate ¹⁴	47.7%	47.5%
Cost per Mega Litre (ML) of Treated Sewage ¹⁵	\$919	\$921
Percentage Time Compliance Limits Met (Wastewater) ¹⁶	100%	100%
Cost per Mega Litre (ML) of Treated Water ¹⁷	\$1,000	\$1,283
Number of Customer Complaints per 1,000 Customers (Water) ¹⁸	5	1.8
Fleet		
Vehicle Utilization (based on 8,000km/yr) ¹⁹	92%	98%
Invest Barrie		
Business Development		
Engage Local Businesses that have a Global Reach	12	30
Culture		
Number of Attendees of Corporate Events	125,000	115,000
Number of Days Occupancy at Georgian Theatre	130	116
Number of Days Occupancy at Mady Centre	250	182
Arts Grants per Capita	\$2.30	\$2.30
Access Barrie		
Customer Service		
Number of Service Requests Received through PingStreet Mobile App ²⁰	250	500
Communications and Strategic Initiatives		
Number of Communication Strategies	25	31
Innovate Barrie		
Human Resources		
Turnover Rate ²¹	4.5%	3.8%
Average Number of Absences per Employee (days)	9	9.44
Number of Lost Time Accidents ²²	8	6
Total Cost of Lost Time	\$40,000	\$47,900
Grievance Rate - CUPE	3%	5.2%
Grievance Rate - BPPFA	1%	1.2%
Information Technology		
Number of IT Devices per Total Municipal Staff ²³	1.6	1.55
Percentage of Staff with Blackberries ²⁴	38%	48%
Percentage of Staff with Cell Phones ²⁵	28%	20%
Number of visits to Municipal Website per Capita (140K) ²⁶	17.55	19.87

¹ Response call volumes have increased overall in 2014 compared to 2013. In 2013 we reported 7,291 incidents in the City of Barrie and that has increased to 7,963 incidents in 2014. This is a 9.21% increase over 2013. The call volume increase can be attributed in part to the implementation of simultaneous dispatch with the MOHLTC in September 2013.

- ² We continue to exceed the council mandated road response of 6 minutes or less at the 90 percentile. In 2013 our success rate in achieving the 6 minute time was 93.1% of the time. In 2014 we bettered that by posting a 94.4% of the time we had our first vehicle on scene within 6 minutes, despite the 9.21% increase in call volume.
- ³ The implementation of the Purchasing System and better reporting capabilities has provided the ability to achieve more accurate reporting.
- ⁴ The reduced average number of bids per bid call may be, in part, attributed to a number of factors. A number of the requirements requiring a procurement process in 2014 were highly specialized requirements having a small vendor market, such as sidewalk sweeper, bio solids haulage, and playground equipment. Another factor was the timing of some of the construction related requirements. Some were offered to the market later in the tendering season resulting in fewer bids being received. As well, the length of time in the market and the compressed work scheduled may have dissuaded bidders from responding.
- ⁵ Pricing competition was reduced in part by the reduction in the average number of bids received, the timing the requirements went to market, and the highly specialized requirements.
- ⁶ The higher costs stem from fewer meetings held with less total hours in session due to the 2014 Municipal Election.
- ⁷ The decrease in matters before the courts is due to the significant drop in charge volumes.
- ⁸ The reduced charge volume (approximately 20% in the Barrie Court Service Area) resulted in increased costs per charge.
- ⁹ Corporate mail was less than anticipated due to the reduction/elimination of mailings including mass mailing of tax related notices, courtesy notices of trials and City-wide ad-mail, and the increased use of other tools such as social media.
- ¹⁰ All 4 requests that were over the 30 day deadline related to ongoing litigation involving the municipality. In the case of 3 of the 4 requests, the requests received were for a wide scope of information and were received at the same time. Limited resources are available to address multiple requests with complex and wide scopes at the same time. Due to the complexity of the requests received, consultation with multiple departments was necessary and this in turn delayed the processing.
- ¹¹ This is a result of substantial cost awards resulting from successful litigation and several legal matters being resolved prior to the commencement of court proceedings which resulted in reduced spending on consultants / experts.
- ¹² The majority of claims received were pothole related, which is weather dependent but favourable weather in Q4 resulted in fewer claims than anticipated.
- ¹³ A greater number of claims were received that fit the criteria for handling in-house than is typical.
- ¹⁴ This is up from 45% in 2012 and 47.01% in 2013. A few drivers of the increase in the diversion rate were the addition of new materials to the recycling program (ex. empty paint and aerosol cans, plastic retail bags) in April and the City ran a significant ad campaign for "Rethinking Waste" to promote the new collection contract. Mattress recycling was available all year resulting in a big increase in tonnage over the prior year and yard waste was higher due to a longer fall season.
- ¹⁵ The wastewater treatment flows were close to plan (18,466 actual vs 18,807 plan) and the plant operated with no major issues in 2014. Staff were proactive in ensuring parts were on-site prior to planned maintenance work and there were no capital projects impacting access to complete maintenance work.
- ¹⁶ The business was compliant 100% of the time due to the efforts of a highly skilled and dedicated staff as well as timely completion of preventative plant and equipment maintenance.
- ¹⁷ Operating expenses were below budget while water production levels were in line with plan. Production levels are based on maintaining system pressures and flows and as the consumption the water in the system does not move, becomes un-potable, and has to be manually flushed to the storm system.

- ¹⁸ First three months of 2014 were the months with the highest number of calls received primarily a result of "no water" calls due to frozen services and meters.
- ¹⁹ The rate is higher than plan due to increased fleet requirements for Water, Wastewater, Traffic and Facilities staff increasing the reliance on rental vehicles. A review of the use of rental vehicles and alternative options to address fleet capacity issues is planned for 2015. A few emergency spill response vehicles are tracking lower than 8000km threshold as they need to be available when needed but are not utilized regularly outside these types of emergency calls.
- ²⁰ The number of service requests received through PingStreet totalled 316 from June to December (made available from analytics through the App that are only available from June) with the estimated total of 500 between January and December.
- ²¹ The difference was largely driven by those eligible to retire choosing to continue working.
- ²² This result is primarily from a continued emphasis on worker training, supervisor training, and improved return to work mechanisms in place.
- ²³ A refresh of the corporation's computing fleet (e.g. laptops, desktops) resulted in a removal of aged, unnecessary equipment, thus reducing the City's overall inventory.
- ²⁴ The trend continues in the growing use of smartphones to facilitate and automate work activities for staff.
- ²⁵ The trend continues in the decline of cell phone usage, as staff transition to smartphone usage for improved productivity in the field and mobility.
- ²⁶ Constant improvements to the content and functionality of online information and services, coupled with the 2014 municipal election activity has resulted in increased usage of the City's external website.

APPENDIX G

2014 Strategic Project Dashboard

Project Name	Project Type	Department Lead	Project Lead	Status	Schedule	Budget	Scope	Resources	Risks	Actions Required
Affordable Housing Strategy and Implementation	Run the Business	Planning	Janet Foster	In progress	✓	✓	✓	✓	✓	
Barrie Central	Run the Business	Access Barrie	Rebecca James-Reid	Completed	✓	✓	✓	✓	✓	The Simcoe County District School Board made the decision in the Fall of 2014 to close Barrie Central and the City's involvement in keeping Barrie Central open is complete.
Bonusing	Grow the Business	Planning	Mervan Kalyaniwalla	In progress	✓	✓	✓	✓	✓	
Customer Service Strategy	Run the Business, Grow the Business	Access Barrie	Monique Kovacs	In progress	✓	✓	✓	✓	✓	The Customer Service Strategy was presented to Council in 2014, and the direction for staff to develop a detailed business plan without impact to staff resources. The business case is anticipated in 2015.
ERP	Grow the Business, Transform the Business	Innovate Barrie	Angelina Seguin	In progress	✓	✓	✓	✓	✓	On track for "go live" April 2016.
Growth Management Plan Tracking	Run the Business	Finance	Enc Hodgins	In progress	✓	✓	✓	✓	✓	
Hwy 400 / Duckworth Interchange	Run the Business	Engineering	Brian McCormack	Started	✓	✓	✓	✓	✓	
Ideas in Motion	Run the Business, Grow the Business	Invest Barrie	Zvi Lifshiz	In progress	✓	✓	✓	✓	✓	
Invest Barrie Branding Strategy	Run the Business	Invest Barrie	Rebecca James-Reid	In progress	✓	✓	✓	✓	✓	An external resource was acquired to facilitate the research and development. Business and community engagement occurred in late 2014 and work is expected to continue throughout 2015.
Lakeshore Dr / Toronto St	Run the Business	Engineering	Brian McCormack	In progress	✓	✓	✓	✓	✓	

Memorial Square	Run the Business	Engineering	Russ Madore	Started	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	A ground breaking ceremony is being scheduled for the first of June 11, 2015.
Official Plan 5 Year Review	Run the Business	Planning	Kathy Brislin	In progress	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Staff Strategic plan	Run the Business	Human Resources	Kathy Troy	Completed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Transit - Maintenance & Operations Facility P3 Project	Transform the Business, Run the Business	Facilities and Transit	Dan Burton	In progress	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	On track Service Commencement 01- July- 2015.
University Ready	Run the Business	Access Barrie	Rebecca James-Reid	In progress	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Advocacy continued throughout 2014 and a Provincial decision is expected in 2015
Waste Management Master Plan	Run the Business	Environmental Services		In progress	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Waterfront & Marina Master Plan	Run the Business	Engineering	Walter Fischer	In progress	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Modified start date based on Access Barrie SR Motion. Next IIDC mtg being scheduled for late May 2015.