



TO: GENERAL COMMITTEE

SUBJECT: STAFFING COMPLIMENT AND AGREEMENT WITH THE PROVINCE OF ONTARIO FOR SMALL BUSINESS CENTRE SERVICES

WARD: N/A

PREPARED BY AND KEY CONTACT: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT EXT. 5036

SUBMITTED BY: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

GENERAL MANAGER APPROVAL: Z.LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That authority be granted for the conversion of the temporary full-time positions required to deliver entrepreneurial support services through the Small Business Centre to permanent full-time positions under the City's staff complement.
2. That The Corporation of the City of Barrie extend their Transfer Payment Agreement with Her Majesty the Queen in Right of Ontario as represented by the Minister of Research and Innovation (MRI) for the provision of grant funds to deliver entrepreneurial support services through the Small Business Centre for the period ending March 31st, 2019.
3. That the City Clerk be authorized to execute all documents necessary to give effect to such agreement.
4. That should the Small Business Centre services be extended under the same general conditions, the City Clerk be authorized to execute extensions to such an agreement in order to facilitate the transfer of grant funds in future years.

PURPOSE & BACKGROUND

Report Overview

5. The first purpose of this Staff Report is to obtain authority to convert temporary full-time positions required to fulfill the obligations under the Transfer Payment Agreement with the Province of Ontario for the provision of small business support services through the Small Business Centre.
6. The second purpose is to facilitate the receipt of grant funding for the Small Business Centre to deliver its core entrepreneurial support services via extension of the current Transfer Payment Agreement.

Background

7. In December 2001, Council Motion 01-G-526 approved the establishment of a Business Enterprise Centre in the City of Barrie and entered into a Letter of Agreement setting out the obligations of both the Ministry of Economic Development & Trade (now MEDEI) and the City of Barrie for the delivery of services for an Enterprise Centre.
8. The Small Business Centre has been operating since 2002 and receives annual funding for its core business service delivery that includes business consultation, information and resources for small business at the pre-launch, launch and growth stages. In addition, the Centre also receives program specific funding including Summer Company and Starter Company.
9. The annual funding predominantly supports the salaries of staff required to deliver client support services, in addition to some operational/program support. The City, as partner with the Province, provides space, technology equipment for staff (computer workstation, cell phone) to the Centre as their contribution to the program.
10. In 2014, the Small Business Centre became integrated with Invest Barrie as a Municipal department to deliver upon the economic development vision crafted through Ideas in Motion to align business support services for Barrie. Through Ideas in Motion, the continued growth and stability of the small and medium-sized enterprises was identified as a key driver of current and future economic growth in the City. Aligning Barrie's business support services was the first step toward establishing the City as a centre for excellence in innovation and entrepreneurship.
11. As a result of the integration of the Small Business Centre into the City, the two full-time staff became temporary, non-compliment full-time positions that aligned with the term of the contract with the Province. Both positions are currently considered CUPE positions and, as such, are limited to the terms of the contract between the City and CUPE 2380, which permit the use of temporary, non-compliment full-time positions for a maximum period of 18-months. Due to turnover of staff since 2014, the current temporary, non-compliment full-time positions have now reached this threshold.
12. The Small Business Centre is a key component of the local entrepreneurial eco-system and is one of 57 Small Business Enterprise Centres across Ontario. The Centre is an entrepreneurial resource for information, consultation and education serving the Cities of Barrie and Orillia and the County of Simcoe, with the exception of the Towns of Collingwood and Wasaga Beach, and Clearview Township. From business launch to expansion, a consultant is available to meet with clients on a no fee basis to provide professional business advice, referrals to professionals within the community, assistance with business plans, mentoring and networking opportunities, as well as facilitate seminars, and workshops for new and existing entrepreneurs. Staff of the Small Business Centre also administer the Summer Company and Starter Company programs.
13. The Small Business Centre is also positioned to be a key service delivery agent through the Sandbox Entrepreneurship Centre model. Small Business Centre Staff will be delivering their business support services from the Sandbox Centre and will act as the first point of contact with those entering the centre to guide and track clients through the local eco-system of supports.

ANALYSIS

14. Due to the temporary nature of the positions and the limited service time a full-time temporary position can hold (18-months), attracting and retaining qualified staff is more challenging and turnover is more frequent, disrupting service to the public.

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15. Converting the two full-time temporary positions to permanent compliment will address operational staffing issues to ensure the timely and quality delivery of business support services by reducing turnover and retaining quality talent to ensure service standards under the agreement with the Province are met. In addition, retaining top talent further supports the City's positioning as a centre of excellence for innovation for entrepreneurship.
 16. The Small Business Enterprise Centre program has been offered in partnership with the Province since 2002. The current term of the Agreement will commence on the Effective Date (April 1, 2017) and will expire on March 31st, 2019, unless terminated earlier pursuant to the Terms of the Agreement. MRI will be providing funding of approximately \$211,870 over a two-year period for the Small business Centre to deliver entrepreneurial support services programming.
 17. While it is anticipated that the Small Business Centre program will continue to remain a supported function of the Province through similar agreements in the future, should programming and funding cease to continue, the permanent positions would be assessed and if required, removed from the staff compliment in-line with the City's corporate policies, CUPE 2380 agreement, and Ministry of Labour regulations.
 18. Staff in the Legal Department have reviewed the Agreement and have no concerns over its content. Highlights of the Agreement Require that the City of Barrie, as funding recipient, through the Small Business Centre to:
 - (a) Carry out the Annual Business Plan and Budget:
 - i. in accordance with the terms and conditions of the Agreement; and
 - ii. in compliance with all federal and provincial laws and regulations, all municipal by-laws, and any other orders, rules and by-laws related to any aspect of the Program;
 - (b) Use the Funds only for the purpose of paying for Eligible Expenditures;
 - (c) Spend the Funds only in accordance with the Annual Business Plan and Budget
 - (d) Submit to the Province all Reports in accordance with the timelines and content requirements set out in the Agreement, or in a form as specified by the Province from time to time;
 - (e) All financial records (including invoices) relating to the Funds or otherwise to the Annual Business Plan and Budget in a manner consistent with generally accepted accounting principles; and
 - (f) All non-financial documents and records relating to the Funds or otherwise to the Annual Business Plan and Budget;
 - (g) If the recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Annual Business Plan and Budget, the Province may demand the return of the unspent Funds or adjust the amount of any further instalment of funds accordingly;
 - (h) The Recipient shall, upon expiry of the Agreement, return to the Province any Funds remaining in its possession or under its control.

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

20. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could choose not to convert the two positions to full-time compliment positions.

This is not recommended as converting the two full-time temporary positions to permanent compliment will address operational staffing issues to ensure the timely and quality delivery of business support services by reducing turnover and retaining quality talent to ensure service standards under the agreement with the Province are met.

Requiring the turnover of Staff every 18-months under the terms of the CUPE 2380 contract, will disrupt service to the public during the recruitment and training periods and also make attracting and retaining qualified staff more challenging.

Further, should the funding cease from the Province, the positions could be deemed redundant and removed from the compliment per the City's, CUPE 2380 and Ministry of Labour policies and requirements.

Alternative #2

General Committee could choose not to enter into an Agreement with the Province of Ontario for the provision of the Small Business Centre service. This is not recommended as the provision of small business support service is an integral component to a community entrepreneurial eco-system.

Entering into the Agreement with the Province of Ontario ensures the funding support required to deliver business support services and supports the execution of the Ideas in Motion strategy as approved by City Council.

The partnership between the City and Province for the Small Business Centre has been operating for 15 years and continues to deliver programming and economic benefit to the community through fostering new business start-up and support of growing businesses.

FINANCIAL

21. Over the two-year term of the Agreement, the Province will be providing \$105,935 per annum to a maximum of \$211,870 contribution to the City of Barrie to deliver the small business enterprise centre programming through the Small Business Centre. In addition to these funds, the Province will provide youth program specific funding including Summer Company (approximately \$17,000 per fiscal annum) and the separate Agreement as approved by Council for Starter Company (\$95,000 over 2017/2019 fiscal years).

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22. As temporary, full-time positions, the current staffing compliment are compensated within the approved wage rates under City policy. Additional financial impacts to the City would relate to incremental costs associated within the collective agreement, re-evaluation of positions and benefit program provided for permanent, full-time staff.
 23. In 2017 and 2018, any funding beyond the Province's allocated program funding will be allocated within the existing Business Development budget. Future allocations will be considered within the annual budgeting process with Business Development and Invest Barrie and will be subject to Council approval.
 24. The Small Business Centre and Invest Barrie will continue to explore additional opportunities through sponsorship and new program development to generate additional revenue in support of operating expenditures of the Centre.
 25. Program audit costs have been factored into the program budget and are funded by the Province of Ontario.

LINKAGE TO 2014-2018 STRATEGIC PLAN

23. Continuing the partnership with the Province of Ontario to deliver small business support services, contributes to the goal of establishing Barrie as a centre for excellence in innovation and entrepreneurship by supporting and encouraging residents to start, grow or purchase an existing business. Entering into the Transfer Agreement with the Province of Ontario, will allow the GBEC to obtain the provided funds necessary to deliver the program.
24. To ensure stability and consistency of service by Small Business Centre staff, converting them to permanent staff compliment ensures the potential for long-term, quality staff retention.
25. The recommendations included in this Staff Report support the following goal identified in the 2014-2018 Strategic Plan:

 Vibrant Business Environment