
TO: GENERAL COMMITTEE

SUBJECT: 2016 BUDGET AND BUSINESS PLAN YEAR-END REPORT

WARD: ALL

PREPARED BY AND KEY CONTACT: M. JERMEY, DEPUTY TREASURER, EXTENSION #4407
C. MILLAR, DIRECTOR OF FINANCE AND TREASURER, EXTENSION #5130

SUBMITTED BY: C. LADD, CHIEF ADMINISTRATIVE OFFICER
P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
R. FORWARD, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT
R. BUNN, EXECUTIVE DIRECTOR OF INNOVATE BARRIE
R. JAMES-REID, EXECUTIVE DIRECTOR OF ACCESS BARRIE
Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE
I. PETERS, DIRECTOR OF LEGAL SERVICES

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

RECOMMENDED MOTION

1. That the 2016 Budget and Business Plan Year-End Report be received.
2. That the 2016 year-end Tax rate supported result, be adjusted by \$618,740, as set out below:
 - a) \$563,935 be transferred to the Tax Rate Stabilization Reserve (13-04-0461) and carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract, but remained incomplete or undelivered at December 31, 2016;
 - b) \$1,110,269 be drawn from Tax Capital Reserve (13-04-0440) to fund development charge discounts given during the year;
 - c) \$72,440 of additional Innisfil Annexation costs be funded from the Tax Rate Stabilization Reserve (13-04-0461);
 - d) \$24,750 be transferred to the Council Strategic Priorities Reserve (13-03-0410);
 - e) \$24,717 be drawn from the Early Retirement Reserve (13-04-0462).

3. That the revised surplus of \$1,289,396, after the adjustments in recommendation 2, be distributed as follows:
 - a) \$902,577 to the Tax Capital Reserve (13-04-0440) representing 70% of the adjusted 2016 tax rate surplus; and,
 - b) \$386,819 to the Tax Rate Stabilization Reserve (13-04-0461) representing 30% of the adjusted 2016 tax rate surplus.
4. That \$494,002 (of \$678,344) in development charge discounts given during the year attributable to wastewater services be funded through in-year Wastewater rate supported operating results.
5. That the 2016 year-end Wastewater rate supported result, be adjusted by \$179,807, as set out below:
 - a) \$184,342 (of \$678,344) be drawn from Wastewater Rate Capital Reserve (12-05-0575) to fund development charge discounts given during the year; and,
 - b) \$4,535 be transferred to the Wastewater Rate Stabilization Reserve (12-05-0577) and carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract, but remained incomplete or undelivered at December 31, 2016.
6. That the revised 2016 Wastewater rate deficit of \$314,195 be funded from the Wastewater Rate Stabilization Reserve (12-05-0577).
7. That \$980,138 in development charge discounts given during the year attributable to water services be funded through in-year Water rate supported operating results.
8. That the 2016 year-end Water rate supported result, be adjusted by transferring \$4,535 to the Water Rate Stabilization Reserve (12-05-0582). With this amount to be carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract but remained incomplete or undelivered at December 31, 2016.
9. That the revised 2016 Water rate surplus of \$1,337,494 be distributed as follows:
 - a) \$936,246 to the Water Rate Capital Reserve (12-05-0580) representing 70% of the 2016 water rate surplus; and,
 - b) \$401,248 to the Water Rate Stabilization Reserve (12-05-0582) representing 30% of the 2016 water rate surplus.
10. That the 2016 Parking rate surplus of \$199,699 be distributed as follows:
 - a) \$180,267 be transferred to the Parking Rate Capital Reserve (12-05-0570) and carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract but remained incomplete or undelivered at December 31, 2016; and,
 - b) \$19,432 to the Parking Rate Capital Reserve (12-05-0570).
11. That \$1,040,132 in operating expenditures eligible for Federal Gas Tax funding be carried forward to fund items that were committed in 2016 by purchase order or contract, but remain incomplete or undelivered at December 31, 2016, and be funded from the Federal Gas Tax Reserve (11-05-0596).

12. That \$4,579 carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract, but remained incomplete or undelivered at December 31, 2016, be funded from the Industrial Land Reserve (13-04-0430).
13. That \$66,876 carried forward to 2017 to fund items that were committed in 2016 by purchase order or contract, but remained incomplete or undelivered at December 31, 2016, be funded from the Development Charges Administration Reserve Fund (11-05-0565).
14. That staff be authorized to proceed with existing projects with an expanded scope as identified in Appendix H – Capital Projects Requiring Additional Funding and add funding in the amount of \$169,000 be committed in the Tax Capital Reserve (13-04-0440).
15. That staff be authorized to change the funding source from *Developer Front Ending (Annex)– Developer Build* to the funding source *Contribution from DC Reserves Water (Annex)* for the project entitled “County Road 27 New Transmission Watermain-South of Mapleview”, approved in the 2017 Capital Plan in the amount of \$445,000.

PURPOSE & BACKGROUND

16. 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.
17. 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, 2016.
18. The recommendations in this report are reflective of the policies and principles documented in the current Financial Policies Framework.
19. The report also provides updates on key objectives, Council Strategic Priorities, and the implementation of Portfolio Governance.

ANALYSIS

SUMMARY OF OPERATING RESULTS - TAX

20. This report contains several recommended year-end adjustments requiring Council approval that will bring the unadjusted 2016 year-end tax rate supported surplus of \$670,656 to a surplus of \$1,289,396 which represents 0.63% of the City’s 2016 net budget. The surplus is the result of the City service partners’ positive year-end variance of \$1,045,348, a negative year-end balance of \$374,692 for services provided by the City, and adjustments of \$618,740.
21. The following table summarizes the financial variances to December 31, 2016 between planned net operating expenditures and actual results by Division for tax rate based operations. Appendix A includes a breakdown of the tax rate based variances by department.

	2015 Actual (\$)	2016		
		Budget (\$)	Actual (\$)	Variance (\$)
Council & Mayor’s Office	732,162	819,941	757,866	62,075

	2015 Actual (\$)	2016		
		Budget (\$)	Actual (\$)	Variance (\$)
Office of the CAO	2,531,839	2,405,594	2,338,042	67,552
Community and Corporate Services	38,516,768	40,198,787	38,884,312	1,314,475
Infrastructure and Growth Management	32,459,961	33,310,949	32,071,322	1,239,627
Invest Barrie	2,797,805	3,250,173	3,230,401	19,772
Access Barrie	11,718,241	12,687,000	12,722,235	(35,235)
Innovate Barrie	8,708,046	9,015,190	9,197,659	(182,469)
Financial Expenses & Other General Government	35,565,940	38,928,811	40,689,894	(1,761,082)
Service Partners & Grants	75,323,334	77,701,045	76,655,697	1,045,348
Total Net Expenditures	208,354,096	218,317,490	216,547,428	1,770,062
Corporate Revenues	208,713,264	218,317,490	217,218,084	(1,099,406)
Unadjusted Tax Rate Surplus	359,168	\$0	670,656	670,656
Recommended Adjustments (Recommendation 2)				618,740
Remaining Balance to Allocate to Reserves (Recommendation 3)				1,289,396

22. Key contributors (positive variances) to the Corporation's year-end tax rate results include the following:

- Service Partners \$1.05M – (detail below);
- Debt Servicing \$413K – (detail below);
- Barrie POA Fines Accounts Receivable Accrual \$463K – (detail below);
- Sale of Fixed Assets (Fleet) \$128K – (detail below)
- Salary Gapping \$39K – (detail below);
- Supplementary Property Tax Revenue \$570K – (see Appendix B);
- Recreation Passes Revenue \$480K – (see Appendix B);
- Recreation Registration Fees Revenue \$155K – (see Appendix B);
- Fuel (Transit and Corporate Fleet) \$636K – (see Appendix B);
- Rail Operations – Contracted Services \$710K – (see Appendix B);
- Watercourse and Detention Pond Maintenance \$795K – (see Appendix B);
- Environmental Operations – Contracted Services \$430K – (see Appendix B); and

23. Key offsetting contributors to the Corporation's tax rate year-end result include the following:

- Development Charge Discounts (\$1.1M) – (detail below);
- Corporate – Sponsorship Revenue (\$200K) – (see Appendix B);
- Assessment Review Board Decision (\$2.04M) - (see Appendix B);
- IT – Telephone/Contracted Services/Licenses (\$214K) – (see Appendix B);
- Corporate Legal Services (\$411K) – (see Appendix B);
- Transit Pass and Fare Revenue (\$296K) – (see Appendix B);
- Road Operations – Street Lighting (\$216K) – (see Appendix B);
- Winter Control (\$1.2M) – (see Appendix B); and
- Vehicle Repairs (\$442K) – (see Appendix B).

Service Partners

24. The overall year-to-date positive variance for service partners is driven primarily by the County of Simcoe (\$1.1M). Making up this amount are positive variances in Ontario Works (\$788K), Paramedics (\$458K), and Social Housing (\$248K) services. These were offset by negative variances in Children & Community Services (\$240K), and Long Term Care & Seniors Services (\$147K). Ontario Works realized a significant reduction in caseloads year-over-year contributing to the positive variance in this area. The Paramedics variance is driven by savings attributable to fuel rates and salary gapping. The Long Term Care & Seniors Services variance is driven by higher than anticipated costs attributable to utilities and labour.

25. Barrie Police Services reported an operating surplus of \$76,611 for 2016. At the direction of the Police Services Board, the City has been requested to transfer this surplus to a reserve for use toward the First Responders' Campus. This transfer will be recorded in 2017.

Debt Servicing

26. Debt servicing cost is underspent by approximately \$413K for the year. The primary reason for the variance is the deferral of the planned June 2016 debenture. The planned debenture was estimated at \$16.0M and consisted of: Transit Garage (\$3.9M); Streetlight LED Upgrade (\$5.5); Police Accommodation – Property (\$2.6M); Waste Pollution Control Centre Expansion (\$3M); and the Little Lake Sewage Pumping Station Upgrade (\$1M). The debt for the Transit Garage (\$3.9M) and Streetlight LED Upgrade (\$3.9M) projects was issued in December 2016, reducing the 2016 debt issuance to \$7.8M. The debenture issuance for the remainder of the projects has been deferred to future years.

27. The 2016 Business Plan anticipated a weighted average interest rate of 2.95% and a weighted average life of 16 years for the debentures. Debentures were issued at a weighted average interest rate of 2.84% and a weighted average life of 15 years. This resulted in savings of 0.11% in interest rate and 1 year in tenure.

Barrie Provincial Offenses Act (POA) Standing Receivable

28. The \$463,000 favourable variance for Barrie POA relates to an increase in the estimate of accounts receivable at year-end. The increase or decrease in accruals is not budgeted as this is a non-cash item. This account should be reviewed with the POA Fines account, which is budgeted on a cash basis and is comparable to budget.

Sale of Fixed Assets - Fleet

29. Revenue from the sale of fleet fixed assets was \$127,881 higher than budgeted in 2016. This was a result of having a number of larger trucks and heavy equipment to sell and better than expected results at the auction.

Development Charge (DC) Discounts

30. In 2016 DC discounts in the amount of \$2,768,751 were granted. DC discounts are periodically used as a mechanism to encourage development of a particular type, or in particular areas within the City. The current City-Wide DC By-law 2014-108 includes two discretionary discounts, one within the City Centre Planning Area and one which provides a reduced DC rate for the first 1.2 million square feet of non-residential, non-retail development within the City.
31. Section 5(6)3. of the DC Act states: "If the development charge by-law will exempt a type of development, phase in a development charge, or otherwise provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up through higher development charges for other development." This means that in the case of discretionary discounts, the DC reserves must be replenished by an alternate funding source. Funding for these discounts was budgeted in the amount of \$200,000 for 2016, which has already been used; therefore it is recommend that the remaining \$1,110,269, in discounts for tax rate related services be funded from the Tax Capital Reserve.
32. In addition, \$980,138 and \$678,344 in discounts were given for Water and Wastewater related services respectively. It is recommended these discounts be funded as follows:
- a) \$980,138 for Water Rate through in-year operating results;
 - b) \$678,344 for Wastewater Rate split \$184,342 from Wastewater Capital Reserve and \$494,002 through in-year operating results.
33. The allocation between the Tax, Water, and Wastewater rates is based on their respective proportion of the total discounted DC rate.

Salary Gapping

34. As of December 31st, total net costs for salaries and benefits, including overtime, short-term disability and vacation/severance payments, recoveries from capital and WSIB were \$479K less than budget.
35. The salary gapping provision approved by Council in the 2016 Business Plan is \$800K. This amount includes both permanent staff and casual/part-time salary costs. The annual target for Salary Gapping is intended to reflect, in financial terms, the impact of natural labour force turnover, in 2016 several departments achieved positive salary gapping results, totalling \$1.6M. Offsetting this amount were overtime expenditures of \$561K and reduced recoveries from capital of \$201K, for net gapping savings of \$839K. The gapping savings do not take in to account the unbudgeted pay out of vacation bank balances and severances, totalling \$360K which reduces the total compensation variance to \$479K

36. Additionally some of the overtime costs and increased part time labour are required to meet service demands. The additional service provision also generates revenue, particularly in Recreation, where part-time labour exceeded budget by \$266K, but additional revenue of \$276K was received. This additional revenue has not been used to offset increased labour costs in determining the gapping savings.
37. The positive employee compensation variances totalling \$1.46M were largely achieved through active management techniques such as delaying rehires for a minimum of 12 weeks for most full time positions and the requirement for summer students to take at least 1 week of unpaid vacation during their term. In addition, positive variances were achieved in several departments while departments were being reorganized, job descriptions were being developed/redefined, and recruitment plans developed.

SUMMARY OF OPERATING RESULTS - WATER

	Year-to-Date December 31, 2016			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	7,131,453	6,843,387	288,066	96.0%
Operating Expenses	7,296,382	6,023,613	1,272,768	82.6%
Corporate Overhead	5,324,079	5,148,212	175,867	96.7%
Debt Charges	7,951,431	7,951,309	122	100.0%
DC Discounts	0	980,138	(980,138)	(100.0%)
Total Net Expenditures	27,703,345	26,946,659	756,686	97.3%
Revenues	33,495,711	34,081,055	585,344	101.7%
Transfer to Reserve	5,792,367	7,134,396	1,342,029	123.2%
Recommended Adjustments (Recommendation 7)			(4,535)	
Remaining Balance to Allocate to Reserves (Recommendation 8)			1,337,494	

38. The 2016 year ended with a surplus of 1,342,029 for the Water Operations Branch before adjustments. This is a result of expenditures tracking at 97.3% of budget and revenue at 101.7% of budget. It is recommended that DC discounts of \$980,138 be absorbed in the year-end result. Details supporting the operating expenditure variances are provided in Appendix C.

SUMMARY OF OPERATING RESULTS – WASTEWATER

	Year-To-Date December 31, 2016			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	4,409,769	4,084,938	324,831	92.6%
Operating Expenses	10,611,092	10,297,704	313,388	97.0%
Corporate Overhead	3,798,108	3,791,795	6,313	99.8%
Debt Charges	8,748,178	8,568,655	179,523	97.9%
DC Discounts	0	678,344	(678,344)	(100.0%)
Total Net Expenditures	27,567,147	27,421,436	145,711	99.5%
Revenues	40,989,079	40,349,366	(639,713)	98.4%
Transfer to Reserve	13,421,932	12,927,930	(494,002)	96.3%
Recommended Adjustments (Recommendation 4)			179,807	
Remaining Balance to Fund from Rate Stabilization (Recommendation 5)			(314,195)	

39. The 2016 year ended with a deficit of \$494,002 for the Wastewater Operations Branch before adjustments. This is a result of expenditures tracking at 99.5% of budget and revenue at 98.4% of budget. It is recommended that DC discounts of \$678,344 be funded in part from the Wastewater Capital Reserve (\$184K) with the remaining \$494K absorbed in the year-end result.

SUMMARY OF OPERATING RESULTS – PARKING

	Year-to-Date December 31, 2016			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	393,615	391,149	2,466	99.4%
Operating Expenses	802,488	528,577	273,911	65.9%
Corporate Overhead	221,729	205,652	16,076	92.7%
Debt Charges	949,393	962,454	(13,061)	101.4%
Total Net Expenditures	2,367,225	2,087,832	279,393	88.2%
Revenues	1,655,650	2,287,531	631,881	138.2%
Transfer (from)/to Reserve	(711,575)	199,699	911,274	128.1%

40. The 2016 year ended with a surplus of \$199,699 for the Parking Services Branch. This is a result of expenditures tracking at 88.2% of budget and revenue at 138.2% of budget. Details of the operating expenditure and revenue variances are provided in Appendix C.

CAPITAL PLAN STATUS AT DECEMBER 31, 2016

41. The Capital Plan presented in Appendix D is a high level summary of activity as at December 31, 2016. The total capital budget for 2016 was \$172.6M, including carryover from prior years and new projects, and the projected year-end spending plan was \$91.9M due to the multi-year nature of many of the projects. The actual spending at year-end was \$63.9M, which is 69% of the projected spending plan. The capital projects that contribute to the key variances between planned and actual spending have been identified in Appendix E.

RATE STABILIZATION RESERVES

42. Prior to directions provided by Council regarding the 2017 Business Plan, the December 31, 2016 Rate Stabilization Reserve balances affected by the recommendations in this report are as follows:

	Balance at Dec. 31, 2016	Commitments	Recommended Motion	Non-Committed Balance at Dec. 31, 2016	2016 Minimum Expected Balance
Tax Rate Stabilization Reserve	\$ 5,925,364	\$ (5,633)	\$ 314,379	\$ 6,234,110	\$ 11,237,152
Wastewater Rate Stabilization Reserve	\$ 1,858,689	\$ (42,249)	\$ (314,195)	\$ 1,502,246	\$ 1,947,538
Water Rate Stabilization Reserve	\$ 1,869,618	\$ -	\$ 401,248	\$ 2,270,866	\$ 1,963,896
Parking Reserve	\$ 186,880	\$ (387,681)	\$ 19,432	\$ (181,369)	N/A

* 2016 Minimum Expected Balance as per the Financial Policies Framework

43. Stabilization reserves are maintained in order to fund unexpected one-time, non-recurring expenditures, and to address any potential deficits. 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, 2016 shows that, with the exception of Water, stabilization reserve balances currently fall short of their minimum expected level.

CAPITAL RESERVES

44. Prior to the directions provided by Council regarding the 2017 Business Plan, the December 31, 2016 capital reserve balances affected by the recommendations in this report are:

	Balance at Dec. 31, 2016	Commitments	Recommended Motion	Non-Committed Balance at Dec. 31, 2016
Tax Capital Reserve	\$ 36,925,986	\$ (38,470,144)	\$ (376,692)	\$ (1,920,849)
Wastewater Rate Capital Reserve	\$ 15,001,446	\$ (9,351,210)	\$ (184,342)	\$ 5,465,894
Water Rate Capital Reserve	\$ 20,568,825	\$ (8,772,498)	\$ 936,246	\$ 12,732,573
County of Simcoe Capital Reserve	\$ 562,839	\$ (659,832)	\$ -	\$ (96,994)

* Capital Commitments are based on approved capital spending for all prior and future years as at year-end. The reserve balance does not include potential future contributions to the reserve.

45. As noted above, future contributions to reserves are not reflected in the non-committed balances. In the 2017, Council approved contributions to reserves as follows: Tax Capital Reserve - \$28.7M, Wastewater Rate Capital Reserve - \$14M, Water Rate Capital Reserve - \$5.7M, County of Simcoe Capital Reserve - \$1.3M.

OTHER RESERVES

46. Prior to the directions provided by Council regarding the 2017 Business Plan, the December 31, 2016 other reserve balances affected by the recommendations in this report are:

	Balance at Dec. 31, 2016	Commitments	Recommended Motion	Non-Committed Balance at Dec. 31, 2016
Federal Gas Tax	\$ 10,187,061	\$ (10,091,696)	\$ (1,040,132)	\$ (944,768)
Industrial Land Reserve	\$ 3,767,034	\$ (4,579)	\$ -	\$ 3,762,455
Development Charges				
Administration Reserve Fund	\$ 2,740,997	\$ (770,679)	\$ -	\$ 1,970,318
Early Retirement Reserve	\$ 550,565	\$ -	\$ (24,717)	\$ 525,848
Strategic Priorities Reserve	\$ 711,341	\$ -	\$ 24,750	\$ 736,091
Assessment Appeal Reserve	\$ 97,400	\$ -	\$ -	\$ 97,400

* Capital Commitments are based on approved capital spending for all prior and future years as at year-end. The reserve balance does not include potential future contributions to the reserve.

47. As noted above, future contributions to reserves are not reflected in the non-committed balances. For 2017, estimated Federal Gas Tax contributions are \$8.3M.

KEY DIVISION SERVICE DELIVERY INITIATIVES/KEY PERFORMANCE INDICATORS

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

HOUSEKEEPING – INNISFIL ANNEXATION COSTS

49. Payment of outstanding invoices for consulting work that were not accounted for in the 2016 budget.

HOUSEKEEPING - CAPITAL PROJECTS REQUIRING ADDITIONAL FUNDING

50. Staff are requesting additional capital project funding for the two projects included in Appendix H.
51. A budget increase is required for the Parkview Retaining Wall project as the bids received for the work exceeds the current approved budget. Staff are requesting the budget increase now in order to permit the project to be completed as scheduled in 2017.
52. The Sunnidale (Letitia to Wellington) project was closed on the November Capital Status Report and \$202K in excess funds were returned. Staff would like to advance the demolition of a vacant building on the property at 79 Sunnidale Road in order to eliminate the cost of daily inspections of the property. It is unknown when work on the next phase of the watermain project that impacts this property will be able to proceed.

HOUSEKEEPING – CHANGE OF FUNDING SOURCE FOR CAPITAL PROJECT

53. Project EN1144 entitled “County Road 27 New Transmission Watermain-South of Maplevue” was included in the Infrastructure Implementation Plan (IIP) as a Developer-build project, meaning that the developers in the Salem secondary plan area would construct the watermain in exchange for DC credits. In discussions between the City’s Engineering department and the Salem landowners, it was determined that the City would tender this project in conjunction with the force main expansion on Maplevue Drive. As a result of the change, the project would be funded directly from the Water DC Reserve.

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

55. The following alternative is available for consideration by General Committee:

Alternative #1 General Committee could alter the proposed recommendation by directing staff to allocate the adjusted surplus 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 year-end surpluses will be split 70/30 between capital reserves and rate stabilization reserves.

FINANCIAL

56. The information in the analysis section 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.

LINKAGE TO 2014-2018 COUNCIL STRATEGIC PLAN

57. 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, 2016

	Budget (\$)	Actual (\$)	Variance (\$)
Office of the Mayor and CAO	3,225,535	3,095,908	129,627
Council & Mayor's Office	819,941	757,866	62,075
Office of Chief Administrative Officer	824,241	622,921	201,320
Legal Services	1,581,353	1,715,121	(133,768)
Community and Corporate Services	40,198,787	38,884,312	1,314,475
GM of Community and Corporate Services	343,041	339,305	3,736
Facilities	2,091,387	1,830,595	260,792
Barrie Fire and Emergency Services	24,463,706	24,500,404	(36,698)
Finance	3,822,515	3,660,825	161,690
Legislative and Court Services	2,318,709	1,663,958	654,751
Recreation Services	7,159,429	6,889,225	270,204
Infrastructure & Growth Management	33,310,949	32,071,322	1,239,627
GM of Infrastructure and Growth Management	343,683	419,628	(75,945)
Engineering	1,757,072	1,833,941	(76,869)
Planning & Building Services	159,932	(380,062)	539,994
Environmental Services	5,601,230	4,954,325	646,905
Roads, Stormwater and Rail Operations	13,985,294	13,804,847	180,447
Parks and Forestry Operations	5,026,913	4,819,535	207,378
Traffic and Parking Services	2,547,283	2,648,833	(101,550)
Fleet Services	3,889,542	3,970,275	(80,733)
Invest Barrie	3,250,173	3,230,401	19,772
Invest Barrie – Administration	521,057	498,617	22,440
Business Development	864,231	838,288	25,943
Department of Creative Economy	1,864,885	1,893,496	(28,611)
Access Barrie	12,687,000	12,722,235	(35,235)
Access Barrie - Administration	308,318	305,294	3,024
Customer Service	342,695	398,745	(56,050)
Communications and Marketing	869,052	882,721	(13,669)
Transit & Parking Strategy	11,166,935	11,135,475	31,460

Innovate Barrie	9,015,190	9,197,659	(182,469)
Innovate Barrie - Admin	334,020	384,413	(50,393)
Human Resources	2,225,818	2,448,742	(222,924)
Information Technology	6,455,352	6,364,504	90,848
Other Expenses	38,928,811	40,689,894	(1,761,082)
Financial Expenses & Other General Government	38,928,811	40,689,894	(1,761,082)
Total Net City Services	140,616,445	139,891,731	(724,714)
Service Partners and Grants	77,701,045	76,655,697	1,045,348
Total Net Expenditures	218,317,490	216,547,428	1,770,062
Net Taxation for own purposes	208,427,814	207,168,134	(1,259,680)
Payments in Lieu of Taxes	1,695,600	1,807,647	112,047
Interest Income	4,101,000	3,847,021	(253,979)
Corporate Overheads	3,487,656	3,487,657	1
Sundry Revenue	605,420	907,625	302,205
Total Revenue	218,317,490	217,218,084	(1,099,406)
Total Operating Variance	0	670,656	670,656

APPENDIX B

Detailed Tax Supported Operating Variance Explanations

Service/Driver: Corporate Revenues – Tax Additions (Supplementary/Omitted Tax Billings)			
Budget: \$1.50M	Actual: \$2.07M	Variance \$: \$570K	Variance %: (38%)
<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> • Recently added Assessment Analyst position has improved internal process for preparation and submission of building permit notifications to MPAC • Improved communication and coordination with MPAC • MPAC improved their timeliness for processing of building permit notifications 			
<p><u>Impact Going Forward</u></p> <ul style="list-style-type: none"> • Exceptionally strong demand for all types of housing is expected to continue to have a positive impact on Tax Additions • Development on the Annexed lands will have an even greater impact on the Tax Additions budget in future years. 			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <ul style="list-style-type: none"> • Monthly updates with Planning and Building Services staff will ensure building permit information is updated in a timely manner • Timely submission to MPAC of building permit information for new construction, alterations or additions will ensure quarterly assessment forecasts incorporate the most current information • Combine City and MPAC assessment growth forecasts, review and adjust future budgets as required 			

Service/Driver: Recreation - Passes Revenue			
Budget: (\$1.3M)	Actual: (\$1.8M)	Variance \$: \$480K	Variance %: (37%)
<p><u>Reason for Variance</u></p> <p>The City of Barrie RecPASS membership has experienced significant growth with total memberships increasing from 8,313 in 2015 to 10,392 in 2016 (2,079 additional memberships).</p> <p>The growth in membership revenue may stem from the following efforts:</p> <ul style="list-style-type: none"> • Branding of the RecPASS membership • Focus on great value for families, youth, and seniors • Packaging of multiple facilities and activities • Targeted marketing campaigns • Pricing strategies • The elimination of initiation and cancelation fees • Providing exceptional customer service • Focus on flexibility, ease of use, and process efficiencies for our customers 			
<p><u>Impact Going Forward</u></p> <p>The department will continue to implement strategies to protect and enhance the increased membership revenue.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Revenue growth will continue to be used to offset significant increases in utilities, benefits, and insurance to minimize the impact to the tax base, and multi-year trending will be used in the development of the 2018 business plan.</p>			

Service/Driver: Recreation - Registration Fees Revenue			
Budget: (\$2.1M)	Actual: (\$2.3M)	Variance \$: \$155K	Variance %: (7%)
<p><u>Reason for Variance</u></p> <p>Recreation Services achieved an 80.9% utilization rate for registered programs in 2016 led by strong results in aquatics and summer camps. The increased revenue can be attributed to refinement in programming within each neighborhood community, and new programming opportunities identified throughout the year, resulting in increased participation.</p>			
<p><u>Impact Going Forward</u></p> <p>With utilization for registered programs plateauing at approximately 80.0% over the past 2 years it is anticipated that the department will experience minimal growth in revenue for 2017 stemming from inflationary pricing increases only.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Recreation Services will adjust the 2018 business plan to reflect the increased revenue opportunities and the corresponding part-time salary costs to run these programs.</p>			

Service/Driver: Transit and Fleet – Fuel			
Budget: \$3.2M	Actual: \$2.6M	Variance \$: 636K	Variance %: 20%
<p><u>Reason for Variance</u></p> <p>The favorable variance can be attributed to better pricing as a result of market conditions, and a favourable fuel contract put in place in 2016. When preparing the 2016 business plan, the anticipated fuel cost was \$1.00/liter, however, the actual cost for the year averaged out to approximately \$0.74/liter.</p>			
<p><u>Impact Going Forward</u></p> <p>Staff members are anticipating stability in the price of fuel, and have anticipated \$0.85/liter as part of the 2017 Business Plan.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>The positive variance is based on market conditions with no further action required at this time. Staff members reviewed/refined their budget predictions as part of the 2017 business plan, lowering the overall fuel budgets requested for 2017 in order to mitigate this variance moving forward.</p>			

Service/Driver: Rail Operations – Contracted Services			
Budget: \$850K	Actual: \$140K	Variance \$: 710K	Variance %: 84%
<u>Reason for Variance</u>			
<p>The reduction in spending for 2016 was a direct result of increased revenue from car storage which helped offset the Quarterly Threshold payments to the City's Rail Contractor, saving the corporation close to \$500,000.</p>			
<u>Impact Going Forward</u>			
<p>Car storage opportunities will continue to be pursued in 2017 along with other potential customers.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<p>Car storage opportunities are being investigated in 2017. Approximately 25% of the cars stored last year were delivered for storage in February 2017. The availability of cars to be stored is related to the economy and the quantity of goods movement in North America, and subsequently is difficult to predict. Trends for car storage opportunities will be monitored along with other potential business opportunities, and the budget will be adjusted accordingly for 2018.</p> <p>The 2017 budget was based on the 2015 minimum threshold and maintenance costs.</p>			

Service/Driver: Roads Operations – Watercourse and Detention Pond Maintenance			
Budget: \$859K	Actual: \$64K	Variance \$: 795K	Variance %: 93%
<p><u>Reason for Variance</u></p> <p>Detention pond sediment removal is typically performed in December, January and February to comply with regulations related to wildlife and for ease of construction. Sediment removal was carried out for three ponds as planned under a purchase order carried over from 2016.</p> <p>Invoicing is currently being received and processed with an estimated total of \$410k to be allocated to this cost center. The sediment material removed did not contain the level of contaminants anticipated resulting in reduced costs for disposal.</p>			
<p><u>Impact Going Forward</u></p> <p>Stormwater Operations are commencing an extensive water quality monitoring program in 2017 as a requirement of the System Wide Environmental Compliance Approval Pilot. This data will provide more precise information on contaminant levels in detention ponds to enable improved accuracy of costs to be budgeted to carry out sediment removal.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>No future anticipated variances at this time.</p>			

Service/Driver: Environmental Operations – Contracted Services General			
Budget: \$5.34M	Actual: \$4.91M	Variance \$: \$430K	Variance %: 8%
<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> • Collection contract garbage tonnages were estimated; the result being an overestimation • Recycling tonnages were down from 2015 • Yard waste tonnages were down from 2015 • CPI is estimated when budgeting • The renegotiation of the Household Hazardous Waste contract yielded a less expensive contract 			
<p><u>Impact Going Forward</u></p> <p>The majority of the variance is due to the process of estimating tonnages with respect to the Collection Contract. A 1.5% increase is used when estimating this expense given the variability of consumer behavior, program uptake and growth. In addition, the CPI is not available until well into the first quarter of the following year making it difficult to predict increases based on this parameter. This type of variance will continue moving forward.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>The City is currently within the 3rd year of an 8 year collection contract and the second year into the ‘Every Other Week (EOW) Garbage Collection’ initiative. The impacts resulting from these changes include:</p> <ol style="list-style-type: none"> 1. The change from the ‘cost per service’ to ‘cost per tonne’ model in the new collection contract has changed the type of data to be tracked and monitored. With only 2 years of tonnage data available, reliable trending is limited. 2. The EOW Garbage Collection model has increased tonnages in some areas and decreased in other areas. This ‘trend’ is being used when calculating estimates. However, given only 1 year of data, this also limits forecasting abilities. 3. Moving forward, changing legislation will also impact our ability to conduct future forecasting. <p>To mitigate future anticipated variances, the following actions will be undertaken:</p> <ol style="list-style-type: none"> 1. Waste audits are being conducted in 2017 to assist with better understanding waste generation patterns in an EOW Garbage system. This may assist in better forecasting. 2. Until sufficient data is established to allow for trending, future tonnage estimates will be assessed based on actuals from the last full year budget, as has always been done. However, the percent estimation will be reduced to a 1.25% until such time as the impacts of annexation are realized. 			

Service/Driver: Corporate – Sponsorship Revenue

Budget: \$200K	Actual: \$0	Variance \$: (\$200K)	Variance %: (100%)
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Reason for Variance

- The 2016 city-wide sponsorship revenue budget was \$200,000. While no revenue was recognized for this program at the corporate level, there was sponsorship revenue recognized at the departmental level. Sponsorship and naming rights of City facilities required review and approval of alternative implementation models of the sponsorship strategy as described below.
- The sponsorship strategy was approved in January 2016. Council had asked staff to consider alternative implementation options that did not rely on internal resources as part of the 2016 budget deliberations.
- As part of this alternative implementation of the sponsorship strategy, an option for the Mady Theatre was brought to Council in June 2016. The option included a plan to proceed with a “Request for Proposal” for securing a new sponsor for the naming rights of the theatre. Council requested that all corporate sponsorship assets, including the Mady Theatre, be combined together as part of a comprehensive plan rather than standalone assets.
- In November 2016, staff presented a pilot program to the Finance and Corporate Services Committee recommending that a pilot program be put in place to outsource several assets for sponsorship. The purpose of the pilot was to assess the viability and effectiveness of outsourcing sponsorship efforts over the short and long term. Staff also recommended that the Mady Theatre sponsorship be implemented via Request for Proposal in an effort to evaluate additional alternatives for sponsorship of highly visible assets.
- In December 2016, Council approved a staff report that included an implementation plan for the sponsorship pilot and provided direction to proceed with a Request for Proposal for the Mady Theatre. The implementation of the pilot program is underway in 2017.

Impact Going Forward

- Revenue generated by the pilot program will be recognized against the corporate target as will future revenue generated by broader program after rollout.

Actions to Mitigate Future Anticipated Variances

- There are no future anticipated variances.

Service/Driver: Corporate Revenues – ARB Decisions			
Budget: \$500K	Actual: \$2.54M	Variance \$: (\$2.04M)	Variance %: (409%)
<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> The Assessment Review Board (ARB) settled several large appeals in 2016, some dating back to 2009, and also made a concerted effort to clear up the appeals backlog. 			
<p><u>Impact Going Forward</u></p> <ul style="list-style-type: none"> There are several additional province wide centralized appeals that will be settled in 2017 and will negatively impact the City's assessment base and tax revenues Assessment appeals are also expected to increase over the next two years due to 2017 being the first year in the next 4 year assessment cycle Partially offsetting these pressures will be a decline in the appeals backlog as a result of MPAC's recent efforts to clear it up. 			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <ul style="list-style-type: none"> Continue to work closely with MPAC staff to: identify and review priority assessment appeals; undertake future appeals forecasting; and determine City's level of involvement. Utilize MPAC's Appeals and Request for Reconsideration Dashboard, to better understand assessment at risk. Meet quarterly with MPAC to update progress. Attend ARB hearings and mediations to represent the City's position Engage external consultants to assist staff with proactive management of property assessment base and selected appeals 			

Service/Driver: Technology Services - Telephone Technology Services - Contracted Services - General Technology Services – Licenses				
Budget: \$1,156K	Actual: \$1,370K	Variance \$: (\$214K)	Variance %: (19%)	Forecasted Year End Variance: (\$214)
<u>Reason for Variance</u>				
This variance is mainly attributable to the following:				
<ul style="list-style-type: none"> • The cost of mobile phones and maintenance has increased as a result of the new Bell contract • Added internet redundancy to sites like SWTP, Transit, HRC, ARC and EBC. • Additional backup software licenses were purchased. • A phone management system was purchased 				
<u>Impact Going Forward</u>				
<ul style="list-style-type: none"> • There will be an increase to the Telephone base budget account 				
<u>Actions to Mitigate Future Anticipated Variances</u>				
<ul style="list-style-type: none"> • Adjust base budget accordingly for new telephone system • Review processes that will reduce maintenance costs 				

Service/Driver: Corporate Legal Services – Legal Expenses Corporate Legal Services – Consultants - General				
Budget: \$450K	Actual: \$861K	Variance \$: (\$411K)	Variance %: (91%)	Year End Variance: (\$411)
<u>Reason for Variance</u>				
<p>The unfavourable variance is mainly attributable to the following:</p> <ul style="list-style-type: none"> • Unforeseen requirements relating to issues at the Allandale Train Station resulted in an expense of \$86,110. • Extensive negotiations regarding settlements of specific appeals against OPAs 38, 39 and 40 which resulted in the coming into force of the OPAs. Total expense of \$414,449. 				
<u>Impact Going Forward</u>				
<p>The 2017 approved budget includes a contribution to a legal stabilization reserve. This reserve will provide an identified funding source for unforeseen legal costs.</p>				
<u>Actions to Mitigate Future Anticipated Variances</u>				
<p>As a result of the legal stabilization reserve being created, no future variances, resulting from unforeseen legal costs are anticipated.</p>				

Service/Driver: Transit Pass and Fare Revenue			
Budget: (\$5.8M)	Actual: (\$5.5M)	Variance \$: (\$296K)	Variance %: 5%
<p><u>Reason for Variance</u></p> <p>The unfavorable variance in Transit is a result of lower than anticipated ridership growth, where planned growth was more than actual growth. In addition, there continues to be a shift in the revenue mix where more riders are moving away from paying full cash fares in favour of the discounted passes.</p>			
<p><u>Impact Going Forward</u></p> <p>The unfavourable year end variance of \$296K was offset by the positive variance being realized in fuel costs.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Staff members reviewed/refined their budget predictions as part of the 2017 business plan, slightly lowering the combined budgets overall for passes and cash fares for 2017 in order to mitigate this variance moving forward.</p>			

Service/Driver: Roads Operations – Street Lighting			
Budget: \$950K	Actual: \$1.2KM	Variance \$: (\$216K)	Variance %: (23%)
<p><u>Reason for Variance</u></p> <p>In 2016, the illumination budget was lowered as a result of the LED retrofit program that was completed; however the overage costs realized were a result of equipment in the field that were unrelated to the LED install. Costs for major emergency works were incurred as follows:</p> <ul style="list-style-type: none"> • Damaged streetlight replacements, including restoration, averaged \$2K-\$5K per replacement, with approximately 2-3 replacements per month (approximately \$105K annual cost). • Cable burn offs resulting in re-pulling of temporary and new cable feeds (due to old infrastructure) averaged \$6K-\$10K each, with approximately 4-5 occurrences per year (approximately \$36K annual cost). • Pole replacements due to failing poles (poles falling down on Heather Street due to old infrastructure) required investigation and repair, resulting in \$20K of unexpected costs. • Damages during construction at Lakeshore over several months were incurred, resulting in \$20K of unexpected costs. • Unplanned projects brought forward by Powerstream, requiring significant underground work, coordination with other contractors, short timelines, rocket ship replacements (at Daphne/Collette), and hydro pole relocations were incurred, resulting in \$30K-\$40K of unexpected costs. 			
<p><u>Impact Going Forward</u></p> <p>Staff members have worked with Finance on reviewing five-year trends and have altered future years' budgets accordingly.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>With 11,000 fixtures and 6,500 city-owned streetlight poles, staff members have engaged in discussions with the Engineering Department in order to improve the capital planning of works and to determine where the associated budgets should be allocated. As utility relocations are a Year 1 project, and Engineering does not utilize an electrical contractor until Year 2, historically the maintenance contractor was performing the unplanned work against the Roads Operations – Street Lighting budget. Moving forward the Engineering Department has agreed to include funds in their budget to fully cover the costs of their relocation works.</p>			

Service/Driver: Roads Operations – Winter Control			
Budget: \$5.6M	Actual: \$6.8M	Variance \$: (1.2M)	Variance %: (21%)
<p><u>Reason for Variance</u></p> <p>Barrie experiences an average of 106 winter events per year. In 2016 there were 153 winter events, or 44% more than the annual average, resulting in an increased cost for overtime hours by staff, sand, salt, and contracted services.</p>			
<p><u>Impact Going Forward</u></p> <p>Annual Winter Control budgets are not adjusted year over year in response to previous year’s weather, but rather they are based on a five year historical average trend, and known commodity and contract price changes. The trend over the last five years has been an increase in the intensity of storms and the cost of providing winter control services. The 2017 budget reflects increases for winter sand, labour, and contracted services, based on the five year average and adjustments for contractual obligations.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>Contractors’ equipment hourly standby charges represent the largest portion (50%) of contracted winter control costs. The City controls contractor costs by signing multi-year contracts with extension options to obtain the lowest hourly rates.</p> <p>A Salt Optimization Strategy, Salt Management Plan and Winter Operations Plan were developed in 2016 to formalize strategies for salt reduction, service levels, and details of winter control operational practices. The strategy and plans will provide the basis for cost control and continuous improvement. Staff members are continuing to review and pilot the mix and type of materials and application efficiencies, and other salt reduction initiatives and operational efficiencies, for cost savings and protection of the environment.</p> <p>Review of other winter operations performance indicators by staff occurs during and post winter season to look for ways to improve customer service, operations, and control spending. For example, route mapping reviews to accommodate changes (e.g. bus routes and future growth) and reductions in travelling and waiting time for materials, as well as additional training to improve operator proficiency.</p> <p>Overall, the Roads, Parks and Fleet department finished the year with a variance of only \$206K behind plan, or 0.8%, for tax rate supported areas.</p>			

Service/Driver: Fleet Operations – Vehicle Repairs

Budget: \$1.4M	Actual: \$1.8K	Variance \$: (442K)	Variance %: (32%)
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Reason for Variance

Several heavy vehicles continued to trend high for maintenance and repair costs in 2016. Most heavy vehicle parts are produced in the US, and with the weak Canadian dollar, prices have been higher. The majority of vehicles requiring more repairs include fire trucks, salters/sanders, sweepers and snow plows. The cost to maintain these vehicles has increased over 2015, and is 80% of the total repair costs in 2016.

- There are three fire trucks (Pumper 1, Pumper 3 and Tower 1) that are old and continue to be costly to repair. Further, one vendor went out of business in 2014 making sourcing parts to repair the pumper truck challenging. The 2016 repair cost for fire vehicles was \$668K.
- The salter/sander trucks required extra maintenance due to the harsh winter conditions experienced early in 2016. The 2016 repair cost for sander trucks was \$397K.
- The sweepers are now 14 years old and require more maintenance work to keep them operational. The 2016 repair cost for sweeper trucks was \$273K.
- There are 4 snow plows that also required additional maintenance due to their age. The oldest snow plows in the fleet are over 18 years old. The 2016 repair cost for snow plow trucks was \$276K.

The Wash Bay was closed in 2014 and 2015 for renovation, it reopened in 2016. The shutdown affected all vehicles and equipment as drivers were not able to wash off salt, sand, and brine build up. The impact of these corrosive materials resulted in more maintenance than expected in a typical year. This will continue to affect maintenance costs in future years as rust has set in on the vehicles and equipment.

Impact Going Forward

Fleet staff is proactive with regular maintenance in an attempt to avoid costly repair work. As of January 2016 the Wash Bay was operational and more repair work was completed onsite. A casual wash bay attendant was hired to ensure equipment is being washed on a consistent basis

Fire Pumper Trucks 1 and 3 have been ordered and are expected to be delivered in second quarter 2017. Fire Tower Truck 1 was approved in the 2016 Capital Plan and the 105 foot Aerial Platform has since been changed to one Rescue Pumper and one 65 foot Quint and are expected in third quarter 2017. The cost in 2016 to repair and maintain these 3 vehicles, plus Pump 8 which is also to be replaced in 2017, was \$271K.

Salter/sander truck replacement and sweeper replacements are in the capital budget at an average of 1 per year for the next 4 years.

One 1999 snow plow truck is in the Capital Plan for 2016 and has been approved. The remaining three oldest snow plow trucks (two 1998s and one 1999) are in the Capital Plan for replacement in the next 4 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 in a reasonable timeframe to avoid expensive maintenance costs and keep them on the roads beyond their minimum useful lives.

APPENDIX C

Detailed User Rate Supported Operating Variance Explanations

Service/Driver: Water Operations – Operating Expenses			
Budget: \$7.30M	Actual: \$6.02M	Variance \$: 1.27M	Variance %: 17%
<u>Reason for Variance</u>			
<p>The year-end surplus is attributed to several factors: 1) Reduced spending on Contracted Services; mild winter temperatures resulted in fewer watermain and water service breaks that require the assistance of contractors for excavation and restoration works. 2) Delays in the spending on large contracts related to ground water supply projects, including the re-painting of Bayfield water tower, SCADA integration services and ground water well maintenance. This resulted in total contracted services expenses in \$450K favourable position. 3) Sand and gravel budgets finished in an \$80K favourable position, which can also be directly attributed to the reduced watermain and water service breaks in 2016. 4) Chemicals spending in both the GWS and SWS Sections remained below budget through the fourth quarter and played a large role in the reduced Operating spending for the Branch. In the SWS Section the ongoing work with the U of T and NSERC continued to result in the realization of efficiencies within their treatment processes, many of which hadn't been verified beyond the bench testing stage during the 2016 budget preparation. This combined with the timing of bulk chemical purchases made forecasting exact budget values difficult for these supplies.</p>			
<u>Impact Going Forward</u>			
<p>Spending on Contracted Services related to infrastructure repairs is based largely on weather conditions year to year. As such, historical averages continue to be used for annual budget development in these areas and can expect to have variances (positive or negative) depending upon the conditions experienced and the impact to infrastructure. Procurement processes for SCADA services and Well Maintenance were completed at the end of 2016/early 2017 and should allow for the completion of these works and the spending of funds previously budgeted.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<p>As work with the U of T and NSERC continues, budgets for Chemicals spending will be reviewed (and adjusted accordingly) as operational efficiencies within the various treatment processes are realized and confirmed via verified lab tests.</p> <p>With the bulk of large value procurement projects (across the Branch) completed in late 2016 and early 2017 spending associated with these larger value contracts is expected to be within the funds already budgeted.</p>			

Service/Driver: Water Operations – Revenue			
Budget: \$33.5M	Actual: \$34.1M	Variance: \$585K	Variance: 1.7%
<u>Reason for Variance</u>			
<p>Water rate revenue ended the year \$585K above budget. This variance can be attributed to a moderately higher actual consumption than budgeted throughout the second quarter due to the warm, dry summer and early summer temperatures that resulted in more lawn watering and outdoor water usage. In the third quarter, Barrie received 2013mm of rain which was 77% of the annual average (263mm). 88% of the third quarter’s rainfall occurred on only six days in the 92 day period. Water rates for 2016 were based on the average trend of the previous 24 months.</p>			
<u>Impact Going Forward</u>			
<p>Current year results will not have any direct impact on future results.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u>			
<p>No specific actions are required at this time.</p>			

Service/Driver: Parking Operations - Operating Expenses			
Budget: \$802K	Actual: \$529K	Variance \$: \$274K	Variance %: 34%
<p><u>Reason for Variance</u></p> <p>The positive variance in operating expenses is largely a result of the driving surface rehabilitation work at the Collier Street Parkade being deferred to 2017. A decision was made to delay the timing of this work in to 2017 to achieve project cost efficiencies by bundling the two phases of resurfacing work. The work will be completed in 2017. By the time the contract for the work was awarded, the weather was too cold to complete this type of work. Overall, the Collier Street Parkade operating expenses are \$233K behind plan.</p>			
<p><u>Impact Going Forward</u></p> <p>Work has commenced and is expected to be completed in 2017.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>No future anticipated variances at this time.</p>			

Service/Driver: Parking Operations – Revenues			
Budget: \$1.7M	Actual: \$2.3M	Variance \$: \$632K	Variance %: 37%
<p><u>Reason for Variance</u></p> <p>The biggest driver of the positive operating variance was seen in revenues, which finished the year \$632K ahead of plan. Parking meter revenues (\$454k ahead of plan) and the sale of parking permits (\$187K ahead of plan) saw significant increases in 2016 due to reconstruction of the Revenue Canada Building, Collier Centre Development, changes to payments at select machines, and enhanced maintenance to equipment (keeping them in service and able to accept payment).</p>			
<p><u>Impact Going Forward</u></p> <p>Revenues are expected to return to normal in line with budget as the parking reconstruction project is now complete.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>No future anticipated variances at this time.</p>			

APPENDIX D

Capital Plan Progress Update by Division as at December 31, 2017

Summary of Capital Plan & Forecast	2016 Capital Budget				Performance Reporting					
	Carryover from Prior Year Budgets	New Projects Approved in 2016 Budget	In Year 2016 Transfers / Additions	2016 Total Budget with Transfers	Projected Year End Spending Plan	Actual 2016 Spending	Variance to 2016 Projected	% of 2016 Projected Spending Plan Achieved	% of 2016 Total Budget	Planned Spending (Deferred)
Access Barrie	2,247,703	3,285,000	2,760,000	8,292,703	5,372,081	3,302,115	2,069,966	61%	40%	-2,840,001
Community and Corporate Services	1,234,325	1,936,000	170,000	3,340,325	2,324,625	1,338,174	986,451	58%	40%	-870,000
Infrastructure & Growth Management	69,320,413	65,323,797	14,532,665	149,176,875	78,335,015	54,673,925	23,661,090	70%	37%	-68,127,129
Innovate Barrie	4,821,538	6,369,530	646,326	11,837,394	5,896,378	4,538,559	1,357,819	77%	38%	-5,108,965
Total	77,623,979	76,914,327	18,108,991	172,647,297	91,928,100	63,852,773	28,075,327	69%	37%	-76,946,095

APPENDIX E

Capital Plan Status Variances at December 31, 2016

Duckworth Street at Highway 400 and Cundles Road:

2016 Total Budget with transfers	\$8.2M
Projected Spending Plan to end Q4	\$5.9M
Actual Spending to end Q4	\$7.5M
Variance to Projected to end Q4	(\$1.6M)

This is a multi-year project with planned spending through the construction period and into the warranty period ending in 2017. The project was completed generally on schedule and was substantially completion by the end of 2016. Roadway is operational with all lanes open. Top lift asphalt to be completed in May 2017 along with some other minor works.

Lakeshore Drive – Toronto Street to Tiffin Street:

2016 Total Budget with transfers	\$5.4M
Projected Spending Plan to end Q4	\$3.2M
Actual Spending to end Q4	\$4.3M
Variance to Projected to end Q4	(\$1.1M)

This project is now in the third and final phase of construction. This final phase consists of mainly the park construction and associated amenities, parking lot construction and final channel improvements on Dyments Creek west of Lakeshore Drive. Construction is to be substantially complete by the end of 2017.

Morrow Road – Patterson Road to Ardagh Road:

2016 Total Budget with transfers	\$3.5M
Projected Spending Plan to end Q3	\$1.0M
Actual Spending to end Q3	\$0.2M
Variance to Projected to end Q3	\$0.8M

This project has been tendered and the contractor has been procured and utility relocations are ongoing. Contractor elected to delay construction start to spring and complete all the works in 2017 without impacting the final completion end date.

Ferndale Drive – Tiffin Street to Dunlop Street:

2016 Total Budget with transfers	\$4.9M
Projected Spending Plan to end Q4	\$4.3M
Actual Spending to end Q4	\$5.1M
Variance to Projected to end Q4	(\$0.8M)

Prior to tender it was anticipated that there would be additional construction completed in 2017. The additional spending as a result of the construction being accelerated so the majority of the construction has now been completed and the road is open for use. Top lift asphalt and minor elements will be completed in 2017.

Johnson Street – Shanty Bay Road to Lake Simcoe:

2016 Total Budget with transfers	\$1.4M
Projected Spending Plan to end Q4	\$1.3M
Actual Spending to end Q4	\$0.1M
Variance to Projected to end Q4	\$1.2M

The project was not constructed in the Fall due to concern with project completion prior to winter weather and a late tender timing. The project is to be tendered in March for construction commencement in Spring.

Servicing – Royal Oak Drive/Gables:

2016 Total Budget with transfers	\$1.8M
Projected Spending Plan to end Q4	\$1.3M
Actual Spending to end Q4	\$2.3M
Variance to Projected to end Q4	(\$1.0M)

This project is being completed in two phases. The first phase was completed in 2016 with the second phase being tendered in February. While there is a variance to the 2016 budget, the costs for the project including phases 1 and 2 are anticipated to be within budget.

Pond LV4 – East of Bayview Drive:

2016 Total Budget with transfers	\$1.6M
Projected Spending Plan to end Q4	\$1.6M
Actual Spending to end Q4	\$0.5M
Variance to Projected to end Q4	\$1.1M

The contractor encountered some delays in construction in December and there will be some costs incurred in 2017 to complete work. Based on the awarded tender and good contract cost, the project cost is not anticipated to require the full \$1.6M originally budgeted as the award memo estimated \$445K in funding returned.

Wastewater Treatment Facility – Advanced Nutrient Removal:

2016 Total Budget with transfers	\$4.6M
Projected Spending Plan to end of Q4	\$1.5M
Actual Spending to end of Q4	\$0.7M
Variance to Projected at end of Q4	\$0.8M

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

Inlet Works Screen Installations:

2016 Total Budget with transfers	\$5.7M
Projected Spending Plan to end Q4	\$3.1M
Actual Spending to end Q4	\$1.8M
Variance to Projected to end Q4	\$1.3M

This is a multi-year project for the installation of the two Inlet Screens at the Wastewater Treatment Facility. The screens protect the pumps and process equipment from large debris entering the treatment process. The first screen has been installed and there are observed improvements required. The equipment for the second screen is to be installed in February, when wastewater flows are lower. The project will be within budget and it is forecast that there will be a portion of the funding returned at the completion of the project.

Landfill Reengineering:

2016 Total Budget with transfers	\$6.0M
Projected Spending Plan to end of Q4	\$5.6M
Actual Spending to end of Q4	\$2.6M
Variance to Projected at end of Q4	\$3.0M

The project has proceeded on time and on budget. The Landfill Reclamation component of the project has been completed, with the remaining tasks representing the work associated with the remainder of the facility upgrades, much of which is to re-establish efficient and safe public access and transfer of waste, efficient site operations, site security as well as requirements under the Environmental Compliance Approval (ECA). The project plan identifies that the remainder of the funds will be spent by late in Q3 2017. Given factors such as procurement of fleet requirements for operating the new waste disposal site, the timing of the MOECC approval and issuance of three ECA's for the work scheduled to be completed, monies will be carried into 2017.

Transit Garage:

2016 Total Budget with transfers	\$2.4M
Projected Spending Plan to end of Q4	\$2.3M
Actual Spending to end of Q4	\$1.4M
Variance to Projected at end of Q4	\$0.9M

This project received substantial completion in December 2015. The minor deficiencies were completed over the next year and final completion certification was issued in February of 2017. The final expenditures on this project were less than originally anticipated. There are still expenditures to be incurred, but it is anticipated there will be a surplus of approximately \$800K.

Specialized Transit Compliance New Buses - AODA:

2016 Total Budget with transfers	\$0.8M
Projected Spending Plan to end of Q4	\$0.8M
Actual Spending to end of Q4	\$0.0M
Variance to Projected at end of Q4	\$0.8M

This project is underway and has been aligned with the PTIF asset funding strategy, funds expected to be incurred by Q3 and Q4 of 2017.

Memorial Park (Construction):

2016 Total Budget with transfers	\$4.0M
Projected Spending Plan to end Q4	\$2.0M
Actual Spending to end Q4	\$0.0M
Variance to Projected to end Q4	\$2.0M

This project went to the market in 2016 and tender results were over-budget. A design-build approach is now being used to deliver the project, and the contract was awarded in February 2017, with an anticipated construction start date of June 2017 and an anticipated completion date of June 2018.

City Hall – HVAC System, Flat Roof Replacement, and Water Piping Replacement:

2016 Total Budget with transfers	\$3.7M
Projected Spending Plan to end Q4	\$2.7M
Actual Spending to end Q4	\$3.3M
Variance to Projected to end Q4	(\$0.6M)

This project has progressed ahead of schedule, and is now substantially complete.

APPENDIX F

Key Division Service Delivery Initiatives (KDSDI's) at December 31, 2016

Office of the Chief Administrative Officer

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

- Staff are in the process of finalizing the plan inclusive of performance measures, targeting completion by end of Q2, 2017.

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

- The 3rd "Leading Together" Management Leadership Forum took place Dec 7th.
- In keeping with the Staff Strategic Plan a new Education Committee was formed. This committee's purpose is to guide and advise on the priorities for training and wise investment of training funds.
- A new Innovatology Program was launched in Q3 focusing on growing staff entrepreneurship. 15 Innovative projects have received Innovatology recognition to the end of 2016.

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

- The Questica system has been implemented and was used to prepare the 2017 Business Plan and Budget

Implement an Internal Audit Program

- An internal audit charter, a framework for the Finance and Corporate Services Committee's oversight of the function and a proposed work plan for 2017 were developed and approved by the Finance and Corporate Services Committee December 14, 2016.
- A communication campaign across the City was carried out to raise awareness and assist staff in understanding the internal audit function.

Implement a Performance Measurement Framework that enhances accountability and transparency

- A Performance Measurement dashboard is being developed as part of the Comprehensive Strategic Plan aimed at providing continuous reporting to the community

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

- In the Fall, the OMB approved the Hewitts and Salem Secondary Plans. A public meeting for the Annexed lands Zoning By-law was held November 28, 2016. Two trunk watermain designs to facilitate servicing of the annexed lands were completed. The Hewitt's Trunk Sanitary Agreement

is under negotiation with the Developers. A growth monitoring framework is under development. APLI (permit processing software) is under development for Spring 2017 launch.

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

- System build is completed for all areas but the mobile application called Fiori. The second set of system integration testing (SIT2) is underway. System integration testing (SIT1) for the Business Intelligence system has started. Knowledge transfer and training plans continue. Support plans are underway.

Continue program development and advocacy to secure a University campus

- City Council supported funding for an Advanced Technology, Innovation and Research Centre at Georgian College. Georgian submitted an application for federal funding in June 2016. The college was advised their funding application was successful and the construction of the new centre is underway.

Infrastructure & Growth Management

Manage the implementation of the Secondary Plans for the Annexed Lands

- **OMB Appeals:** There are no outstanding appeals at the Ontario Municipal Board for the Secondary Plan's; they are in full force and effect and a consolidation of the Official Plan will be released this March.
- **Master Parkland Agreement:** The City will be providing the landowners with a finalized schedule for the Master Parkland Agreement in March, which will clarify and standardize the approach to parkland acquisition moving forward in the Secondary Plan areas. All parties are looking forward to finalizing this agreement early this spring; note it does not include a Sports Park component.
- **Hewitt's Creek Sanitary Trunk DC Agreement:** This 'D' DC Project Agreement is expected to be signed by the landowner(s) in the near future and is currently being tendered. Site clearing is underway and the project is expected to be completed by Quarter 4 of 2017. This project will open up the Hewitt's Secondary Plan area in terms of the first major investment in servicing to bring these lands on-line for development.
- **Development Applications:** By the end of March, it is anticipated that there will be ten active Zoning Amendment / Draft Plan of Subdivision applications in the Hewitt's Secondary Plan Area, along with the three active Zoning / Draft Plan of Subdivision application in the Salem Secondary Plan Area. Staff are working with the landowner representatives to move forward with a staged roll out of the applications to ensure timely processing that honours the timeframes provided for under the Memorandum of Understanding. The first Public Meetings on the Hewitt's applications is being scheduled for the last week of June, just prior to the summer recess.
- **Process Improvement & Technology Investments:** The planning service has partnered with the Office for Continuous Improvement in order to move forward with the implementation of MSProject / MSProject Server as part of the approach to more transparent and effective service delivery. This tool will also drive the process review work in order to provide more visibility into the planning services for the community and validate the creation of an efficient service for Barrie. In parallel with this is the implementation of the APLI system and investments in GIS services and data quality, which will be instrumental in data collection and workflow management, allowing a broad-spectrum of accurate reporting to be available, in real-time, in the future.

- **Zoning By-Law / Site Plan Control By-Law / Urban Design Guidelines:** Prior to the summer recess, staff will be bringing the final Zoning By-Law amendment, Site Plan Control By-Law amendment, and the Urban Design Guidelines for the Secondary Plan areas to Council for adoption and approval. Staff and the landowners are working collaboratively through the final phase of an organizational-wide review and evaluation to support implementation of the vision for the Secondary Plan Areas. Staff and the landowner representatives are also working in parallel to this work leveraging opportunities to re-visit city standards to support the application review process, and bring the vision for the secondary plans to life.
- **Annexed Landowners Working Group:** staff and the landowners continue to meet once a month to ensure clear communication and a way forward on active projects. This regular connection point with industry stakeholders is fostering better lines of communication and ensuring all parties are on the same pages when it comes to infrastructure investments, applications being processed, and all other growth related matters.
- **Growth Management Committee:** the working Growth Management Committee continues to meet every two weeks to discuss progress and implementation matters including process, city standards and specifications, growth management framework, opportunities to leverage technology to support the service, active infrastructure projects through the IIP, and all other matters related to moving forward with growth in the Annexed lands.

Continue with the implementation of the Affordable Housing Strategy

- **2015 Progress:** The Affordable Housing Strategy was approved and the report from the Built Form Task Force, along with a status update on 13 action items from the Affordable Housing Strategy, was considered by General Committee on November 30, 2015.
- **2016 Progress:** There was extensive work completed by the BFTF Working Group in the first quarter of 2016 to move the recommendations forward. A Public Meeting was held in June of 2016 to consider potential amendments to the City's Zoning By-law to reduce or eliminate specific standards for identified affordable housing projects. An Affordable Housing Monitoring Report was also received by Council on June 27, 2016.
- **2017 Progress:** Planning staff are currently collaborating with Engineering staff to prepare a comprehensive framework to facilitate investment in affordable housing, a deliverable that is expected in the spring of 2017. This framework will address changes to zoning and existing engineering standards that will benefit affordable housing development. Council has also approved a new Community Improvement Plan and associated financial incentives to assist in (among other matters) the provision of affordable housing. Some programs under the new CIP are effective immediately where other incentives will require approval of funds under the 2017 budget.

Continue with the preparation of a new Official Plan

- Since the public meeting was held for the new Official Plan in June of 2015, staff have been reaching out to stakeholders across the community including school boards, the Health Unit, the Seniors Advisory Committee among others. The community and stakeholder engagement process continued through 2016 and is expected to continue through 2017.

The Province has introduced new amendments to the Planning Act and is proposing amendments to the 4 Provincial Plans as well as amendments to the Provincial Long Term Affordable Housing Strategy which will likely impact the Official Plan update. Staff are monitoring and will be reporting to Council on these matters as appropriate. Staff are in the process of engaging CN Watson to update some of the background work completed under the Growth Management exercise in 2011 to assist in the preparation of the Official Plan update.

Work Towards implementation of the Sustainable Waste Management Strategy

- Collection of organics at the Public Drop off – Barrie Landfill;
- Council approved the elimination of the annual 100 free kgs to be eliminated in Q4 2016;
- Waste By-law updated and passed General Committee

- Shingle recycling approved in the 2016 Budget and is fully implemented.
- Multi-Unit Residential Organics Pilot Program was completed at a total cost of \$48,000.
- Council has approved the implementation of a Multi Residential Front End Bin Garbage Collection Program to begin in 2017.

Community & Corporate Services

Implement the process recommendations from the Purchasing Services Review

- During this year, the service review was completed and most recommendations have been implemented, including an updated Procurement By-Law, a new Procurement Manual that provides greater guidance to staff, and new broader suite of Procurement Templates. In addition, approx. 70% of City staff who have a procurement role attended training sessions as delivered by Manager of Purchasing and The Procurement Office.

While the new Procurement By-Law, Procedural Manual and Template are still in their infancy, benefits/improvements are gradually being realized. The number of disqualified bidders has been reduced by 66%, resulting in more bids/proposals for staff to consider. While the average time to complete a procurement process continues to be higher than anticipated it is starting to trend down. In 2016 it was 92 days vs. 96 days in 2016 a 4% improvement. It is anticipated that as the new procurement policy, procedures, and templates become more familiar the procurement cycle will continue to improve.

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

- The merger closed on January 31, 2017 and Finance secured low interest financing at 1.8% through an innovative interest rate SWAP.

Invest Barrie

Engage in efforts to align the organization with initiatives that reduce barriers to investment and promote a pro-business approach

- Business Development Department is participating in a Pilot Project with Ministry of Economic Development and Growth, and the Association of Municipalities Ontario called the Business Burden Reduction Project. This is a pilot project launched following a successful partnership project with City of Toronto. City of Barrie is one of eight municipalities participating in the pilot project. Each municipality is launching unique projects/programs that "reduce barriers to investment and promote a pro-business approach."
- The City of Barrie's pilot project is the creation of a Business Concierge Program. The goal of the program is to provide businesses with simplified and time-sensitive development process facilitation, and/or rapid and coordinated issue resolution. Development projects or businesses facing City-related issues that meet a certain criteria will be assigned a single point of contact to help them through the development process or resolve their issue.
- Feedback will be gathered from each business that is admitted to the Concierge Program to help determine the value of the program and to help identify areas for process improvement.

- A core planning team consisting of members from the Business Development Department, Planning and Building Department, Engineering Department and Communications Department have been working to develop a formalized framework for the program to develop the criteria that will be used to admit projects/businesses into the program as well as the roles and responsibilities of the staff involved in the individual projects.
- A draft framework has been created, along with a draft presentation for staff, and other draft materials required to launch the program.
- The project also aligns nicely with the launch of the online applications, permits, licensing, and inspections program APLI, scheduled for 2017. APLI in itself should provide more efficient service to the public, but it will also make it easier for staff assigned to Concierge tagged projects to track process being made and quickly identify any areas of concern.

Develop a business case for a downtown entrepreneurship centre:

- Facilitated meetings with Sandbox group to prepare a presentation to council for an entrepreneurship centre and to continue to develop the visioning and planning for the Sandbox organization. Work continues to develop a proposed governance model and operating structure.

Develop a series of 'innovation workshops' aimed at providing value to the employer community and supporting innovation programs within the business community:

- Initiated development of an intrapreneurship workshop in collaboration with Ryerson's Executive Management program. The customized workshop will be taught by Ryerson faculty, and delivered in Q1-2017.
- Began development and planning of Manufacturing Innovation Summit, to take place in Q2-2017 at the Mady Centre. The summit will gather manufacturers from across Ontario and technology experts to learn about Industry 4.0 and future trends in technology and innovation in manufacturing.

Begin to pursue integration of Tourism Barrie as part of a new model:

- Received completed tourism service delivery report to review the current services being delivered to the sector and opportunities and gaps to developing the sector. Staff to review and develop report back to Council.

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

- Invest Barrie continued to develop a plan to grow the startup community. The three year plan is aimed at aligning efforts with ecosystem players such as Henry Bernick Center and ventureLAB. It focuses on three primary goals: 1. Develop a common framework for the ecosystem; 2. Increase the number of startups; 3. Create a connected ecosystem.
- Developing a common framework
 - The collaboration (lead through a series of workshops and meetings by Invest Barrie) has resulted in a co-mentoring model which allows entrepreneurs to gain mentor access from both ventureLAB and HBEC advisors.
 - Over 10 "high potential" (those who have the ability to grow rapidly) startups are working with both HBEC and ventureLAB advisors in a collaborative manner.

- Increase the number of startups
 - A full 12- week entrepreneurship program was delivered at Georgian College in Fall of 2016. Such programming allows local residents to harness their ideas into businesses, obtain the business knowledge needed to run and scale a business. The program ended with a pitch competition in Q4.
 - Artrepreneur 2 – The course work component of Artrepreneur completed. Students attended mentor sessions allowing them to gain business advice from community business experts.
 - In partnership with HBEC hosted an entrepreneurship bootcamp for high school students. 100 students from 4 Barrie-schools participated.
 - Participated in Georgian's Youth Pitch Competition as panelist/judge.
- Create a connected ecosystem
 - The co-mentoring program between ventureLAB and HBEC has resulted in increased access to mentors and networks.
 - The Fall session of BUILD program ended with a 'pitch competition'. Invest Barrie again took a lead role in creating the review panel. As a result, entrepreneurs connected with a diverse group of business experts.
 - Lead meetings for local health company to investigate open innovation project (opportunities for established companies to work with startups).
 - Continued to work on BEC integration with The Networking Effect. Integration is complete, and new web design was created with the help of Georgian Co-op student and HBEC staff. Re-launch of portal to take place in late Q1 -2017.

Increase the growth of culture and creative entrepreneurs into the broader entrepreneurship ecosystem

- Fusing the business community with the arts sector and creating opportunities for cross pollination between creative entrepreneurs, business owners and the arts, a series of Arts Biz Mashups events were created and held at the Mady Centre. These collisions between the two sectors included business leaders, such as Ed Burke from the Look Company, Tyler Murray from Tygershark and Ann Green of Ann Green Yoga Studio partnered with local artists, such as Josh Doerksen, composer and performer, Marlene Hilton Moore, visual artist, largely in sculpture and HarpAcash and the Morals, local band. These events have largely been in the format of TED Talks, and have been successful in attracting members of the arts community. In going forward we are looking at maximizing the participation of the business community and will be holding similar events in 2017.
- The Business for the Arts held the wrap-up event for the Arts Vest program at the Mady Centre in the spring. It boasted that it provided the following:
 1. Trained 31 arts managers in Barrie
 2. 11 arts organizations in Barrie received a total of 18 hours of capacity building and mentorship training from mentors across Canada through group, one-on-one and peer to peer mentoring sessions.
 3. 10 arts organizations created 27 partnerships with local businesses, 31/17 of there were first time partnerships, 29 of which will continue on the long term
 4. These 10 arts organizations exceeded their goal of \$30,000.00 in sponsorship funds by over tripling it by raising \$132,562 in sponsorship funds from the business community
 5. They received artsVest matching funds of \$31,487.00
 6. The sponsorship and matching funds together created an investment impact of \$164,049 on the Barrie Economy

Access Barrie

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

- The Customer Contact Centre - Service Barrie went live on Monday, November 28th, including Phase one centralized services for Roads, Parks & Fleet customer requests, Finance Revenue branch customer interactions (tax and water bill payments), switchboard services and Information Desk functions. Phase One encompasses an estimated 180,000 of an expected 300,000 transactions which are to be consolidated into Service Barrie over the next 2 – 3 years.
- In the first month of operations, an average of 500+ customer interactions were handled daily. Customer response has been positive. Process review and improvements are ongoing.
- Planning to add additional services is in progress, and confirmation of Phase 2 timing is expected in Q1 of 2017.
- Update Customer Service presentation to Council is scheduled in April of 2017.

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

- Issued 27 media releases and advisories promoting a variety of City events, initiatives, and programs in Q4 for a total of 100 in 2016.
- Ongoing proactive communications through corporate channels including This Week in Barrie, weekly radio ads on Rock 95 & KOOL FM, social media, digital screens etc.
- Provided proactive winter control communications to residents via social media, website and local media.
- Provided internal communications support for projects including United Way, Project Connect and Playbook (calendar and facility decals), GIS day. Continued to work with departments to promote corporate news on InSite through web banners, newsfeed, content updates, etc.

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

- Developed and executed marketing campaigns for the following:
 - Hometown Hockey
 - Beware of Door to Door sales
 - Transit (My Ride)
 - Green Bin (organics) promotions (ads at bus shelters, Go Station)
 - Santa Claus Parade
 - Barrie Arts Awards
 - December Downtown Free Parking
 - Downtown Countdown
 - Budget 2017
 - Sharrow Bike markings on Grove street
 - Fire Prevention Week
 - Recreation Recruitment Campaign
 - Sprout Program
 - 2017 Community Waste Calendar
 - Soft Launch for Service Barrie (design work and decals)
 - Recreation Halloween Passes
 - Ghost Bus Tours (recreation and transit partnerships)
 - CO Awareness Week

Manage and promote the new multi-hub transit route model including the further expansion of a multi-modal hub at Allandale Waterfront Go Station

- Growing upon the multi-hub transit route model, adjustments were made in May of 2016 to improve and enhance connections within the system. The improvements included more frequent connections to GO trains, connections to the earlier GO trains, service to the new medical campus on Bayview Drive, and the addition of Route 11 servicing an area (Lockhart/Huron) that did not previously have transit service.
- Discussions are underway with Metrolinx staff on the vision for the multi-modal transit hub at Allandale Waterfront GO Station in conjunction with Metrolinx's expansion of Regional Express Rail.

Finalize 5 year transit business plan

- Some elements (including the fare strategy) of the 5 year Transit Business Plan have been completed and others remain ongoing. With the total business plan at approximately 90% complete, the goal is to finalize the plan in 2017.
- Phase I of the business plan was presented in a staff report to Council in December of 2015, with a focus on the Fare Strategy. This included items such as clarity around fare categories, increases to monthly passes and additional programs (i.e. introduction of day passes and family day passes).
- Also approved as part of the Phase I staff report was the investigation by staff in joining the Metrolinx Co-Fare Integration program which would see Metrolinx reimburse the City up to 75% of the fare for riders travelling to and from the GO train station when connecting to a GO train. The City has had the agreement in place since July 4, 2016 and anticipates additional revenue generated of approximately \$25-30K annually.

Innovate Barrie

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

- The SSP action items for 2016 were implemented as planned and were overseen by a cross functional group of employees from across the Corporation. Action items of significance for 2016 that have been implemented are as follows:
 - Development and implementation of an Education Equivalency Procedure;
 - Development and implementation of a Development Status Procedure;
 - Full review of the Corporation's Recruitment policies and procedures;
 - Introduction of an Education Committee comprised of a cross functional group of employees;
 - Vinyl value banners installed in majority of facilities;
 - Annual employee value calendars created and distributed
 - Strategic Workforce Planning (SWP) has been completed for six (6) departments/groups, three (3) departments are underway, two (2) departments are planned to launch in March 2017. Departments/groups are working through their Action Plans in partnership with Human Resources. Some key vacancies have precipitated the delay of SWP in some departments, ad hoc Talent Planning work is being completed with these departments. SWP work will continue into the Fall of 2017.
 - Recommendation for a Corporate Rewards and Recognition program pending early 2017

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

- The review of our current state and comparison to market is underway with the following key activities:
 - Market survey for Non-Union Group is complete; and
 - Full review of all Part-time job descriptions and subsequent review/assessment of pay scale is in progress and will be completed by the end of April 2017.

Enhance employee wellness by introducing new initiatives focused on employee mental and physical health including the development of Corporate wellness and fitness initiatives

- The employee wellness activities thus far have largely been focused on putting the pieces in place that will lay the foundation for the peer support network. The Human Resources Department coordinated three training sessions for management staff to ensure that they understand mental health and know what their responsibilities are as it relates to their employees. In order to conserve funds, the focus has shifted to training two HR employees in a renowned program called The Working Mind. This Train the Trainer certification will allow us to not only complete the management awareness training but also extend to all employees. Work has begun on a Corporate wide walking challenge to be rolled out this fall with the assistance of the GIS Team in the IT Department. A staff report to Council is forthcoming related to a proposal associated with wellness/fitness of our employees to commence in 2017.

Implement remaining Corporate Technology Strategy recommendations, including:

- **New WiFi Deployments:**
 - WiFi technology has been deployed and is currently available at all three City recreation centres; Holly Community Centre, East Bayfield Community Centre and Allendale Recreation Centre as well as Southshore Community Centre, Mady Centre, the City's Ferndale Operations Centre, BFES Station #1, Barrie Environmental Centre and City Hall including council chambers. WiFi technology is scheduled to launch in the office areas at Surface Water Treatment Plant in 2017. All locations provide free public access to the internet and a secure network for Barrie Staff.
- **Completion of Distributed Data Centre Environments include deployments of new server, network and storage technology:**
 - A new City data centre will create the technology foundation which in the future, provide redundancy and resiliency of corporate data and business applications across the City's two data centres. This foundation enables the "Application Resiliency Program" to move forward. The Application Resiliency Program takes advantage of a distributed data center model to operationally enhance various applications to run in a fault tolerant environment.
 - Although this project is still in progress, IT achieved a milestone in October with the first City business application, email, to be virtualized and enabled across the two data centres placing it in a resilient environment meaning if email fails in our primary data centre it will continue to run at our secondary data centre.

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

- Continuing the implementation of the GIS strategy, a pilot data capture project was conducted to provide up to date infrastructure data for a study area. In collaboration with the Growth Management team begun development of a digital submissions process for consultants when submitting drawings to the City to ensure the seamless integration with corporate systems. GIS has leveraged web technologies to empower staff and citizens to gain access to corporate information through the use of online story maps and web applications (e.g. Waterfront Parking, Pot Hole detection, Heritage Walking Tours, Capital Planning).

Implement the Mobility Enablement Plan:

- The Mobility Enablement plan has been revised reflecting the City's priorities respecting other enterprise project deployments and their effort expectations on staff. A revised Mobility approach is being developed ensuring staff and other project priorities are not negatively affected. Mobility will gradually be introduced along with enterprise project deployments.

Implement new Building Permit Application Solution (Accela)

- The implementation of the new Building Permit Application Solution (which includes the Accela Civic Platform software as part of the APLI Program) continues to be a key enterprise initiative. Phase 1 Go-Live is scheduled for April 2017, this includes replacing all legacy application (Amanda) records with Accela and the addition of Mobile Apps for infield building inspections.

Implement new Energy Management System

- The City launched utility bill management software in September 2016 supporting the management of the City's energy usage and related utility bills.

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

- The SAP system build continues. The project team is currently engaged with system integration testing 2 (SIT2). This is end to end testing of the system (second round). The build of the Business Intelligence System (BI), which is the City's new reporting system, has been completed though some optimization for the system still remains prior to being able to start testing. Knowledge transfer and training planning continue. Go live support planning is well underway.

APPENDIX G

Key Performance Indicators (KPI's)

	Target	Actual
Community and Corporate Services		
Fire		
Emergency Response Call Volumes – Barrie only ¹	8,450	8,708
Emergency call handling time for NFPA 1221 – Barrie only	95%	95.5%
Less than a 6 minute road response - 90% of the time ²	94%	91.5%
Total fire code inspections – All ³	1,650	2,110
Facilities		
Facility Energy Consumption Per Square Footage (ekWh/ft2) ⁴	35.17	34.70
Wastewater Energy Consumption Per Megalitre (ekWh/mL) ⁵	498	391
Water Energy Consumption Per Megalitre (ekWh/mL) ⁶	1,247	1,006
Finance		
Percentage of Tax, Water and WW bills paid electronically	92%	90%
Tax Arrears as a Percentage of Current Year Levy	6.5%	6.1%
Water Wastewater Arrears as a percent of last 12 months of billing ⁷	10%	16%
Percentage of Invoices Paid in 30 days	75%	61%
Days to Complete a Procurement Process	77	92
Corporate Procurement Training for Staff with Spending Authority	100%	70%
Average Number of Bids Received per Bid Process	5	5.25
Benefits of Tendering Process	10%	11%
Legislative and Court Services		
Number of Customers Served at Counter (Barrie Court Services) ⁸	40,000	35,760
Average Customer Processing Time ⁹	3:50	3:59
Number of Meetings Supported ¹⁰	140	117
Percentage of Minutes Published within 4 Days after the Meeting ¹¹	100%	95%
Number of Trial Requests Processed (Barrie) ¹²	20,000	18,881
Average Time to Trial - Part I Charges (months) ¹³	5	6
Number of Marriage Licenses Issues ¹⁴	810	762
Number of Deaths Registered ¹⁵	840	1151
Number of Formal MFIPPA Requests Received ¹⁶	40	52
Percentage of MFIPPA Requests Responded to within Legislative Framework ¹⁷	95%	100%
Percent of business licenses renewed by due date ¹⁸	85%	81.83%
Volume of by-law administration files ¹⁹	9,300	9,535
Volume of by-law enforcement files ²⁰	52,000	59,764
Percentage of Cost Recovery from Fees and Fines (Enforcement Services) ²¹	50%	68.78%
Legal Services		
Percentage of Insurance Claims/Incidents Handled In-House ²²	80	94

	Target	Actual
Ratio of Closed to Open Files ²³	.95:1	.99: 1
Property Transactions Completed (acquisition, disposition, expropriation, easement, lease, and encroachment) ²⁴	21	22
Percentage of Properties Acquired by Negotiation vs. Expropriation ²⁵	90	50
Recreation		
Community Group Usage of Recreation Facilities (Total Hours) ²⁶	40,000	47,664
Total RecACCESS Participation ²⁷	N/A	2,371
Utilization Rate For Directly Provided Registered Programs ²⁸	80.0%	80.9%
Recreation Services Operating Cost Recovery Rate ²⁹	55.0%	57.6%
Infrastructure and Growth Management		
Engineering		
Capital Expenditures as a percentage of forecasted expenditures	100%	76%
Environmental Services		
Residential Diversion Rate	50.2	53.54%
Number of Service Complaints - Curbside collections / 1000 serviced units	10	7.88
Roads, Parks and Fleet		
Traffic Signal Timing Review ³⁰	45	65
Traffic Collisions per Population ³¹	42	56
Traffic Collisions per Lane KM ³²	2.7	1.5
Winter Control Service Level Compliance (to Municipal Act Regulations)	95%	97%
Planning and Building Services		
Number of Ward Meetings held for Development Applications	15	11
Number of Land Owners and/or Residents in attendance at Ward Meetings	450	373
Number of Second Suite Zoning Certificates Issued by the Planning Services Department	100	288
Average Number of Inspections to Approve Occupancy for New Dwelling Units	1.7%	1.8%
Operating Cost for Building Permits per \$1000 of Construction Activity	\$11.80	\$12.49
Percentage of Building Permit Applications Reviewed within Legislated Timeframes	96%	81%
Invest Barrie		
Business Development		
<i>Start-Up Eco-System and Small Business Support</i>		
% of clientele that use/participate in 2 or more entrepreneurial program/services from Small Business Centre (formerly GBBEC)	30%	42.5%
% capacity utilized for new initiatives/programs offered to the start-up community (i.e. Artrepreneur, BUILD Program)	85%	84%
Number of new, prospective start-up entrepreneurs that engage with the City through start-up cluster initiatives (26 in Q4)	60	85
<i>Investment Attraction and Servicing</i>		
Proportion of proactive prospects that are converted to qualified leads	5%	21%

	Target	Actual
<i>(Based on targeted prospecting on Chicago Trade and Investment Mission)</i>		
Department of Creative Economy (Culture)		
Number of events in the City Centre where business and culture intersect	4	8
Rental Revenue – Mady Centre for the Performing Arts	\$100,000	\$42,194
Rental Revenue – Georgian Theatre	\$165,000	\$137,424
Access Barrie		
Communications		
Number of Communication Strategies Written and Implemented ³³	45	62
% of Confirmed Recipients Who Opened Each Barrie Digest Campaign (Avg. Gov't Open Rate 25%) ³⁴	60%	57%
# of Unique Users of PingStreet, City App ³⁵	4,250	3,456
# of Comments Made in the Make a Suggestion Forum ³⁶	300	224
Marketing		
Percentage Increase in the Number of Visitors to Barrie.ca ³⁷	10.0%	7.67%
Number of Total Twitter Followers and Facebook Fans on Corporate Social Media Accounts ³⁸	21,000	25,768
Total Number of Impressions on Twitter and Facebook ³⁹	18,000,000	8,327,482
Customer Service		
Number of PingStreet "Report a Problem" Submitted ⁴⁰	800	576
Transit		
Revenue to Cost Ratio ⁴¹	33.8%	33.0%
Passenger Trips per In-service Vehicle Hour ⁴²	16.6	15.2
Operating Cost for Conventional Transit per Regular Service Passenger Trip ⁴³	\$6.50	\$6.88
Innovate Barrie		
Human Resources		
Number of Lost Time Accidents ⁴⁴	5	24
Total Cost of Lost Time ⁴⁵	\$40,000	\$168,430
Average Number of Absences per Employee (days) ⁴⁶	9	10.38
Corporate Training Dollars Spent per Permanent Employee ⁴⁷	\$100.00	\$41.09
Grievance Rate – CUPE ⁴⁸	5%	1.7%
Grievance Rate – BPFPA ⁴⁹	2%	1.8%
Information Technology		
Ratio of Virtual to Physical Servers ⁵⁰	85:15	88:12
Annual Number of Visits to the City of Barrie Website	3.0 million	3.26 million
Corporate Network Availability ⁵¹	99.99%	99.81%
City of Barrie Website Availability ⁵²	99.9%	99.32%

1. General increase noticed across all response types. There have been a number of larger fires this year. Current fire dollar loss statistics reveal a \$6.9 million loss. In 2015, the total loss was \$3.9 million.
2. Above the Council directed goal of 90%.

3. Exceeded our target due to an improvement in our data collection processes
4. Savings driven by reduction in natural gas consumption.
5. Energy consumption has remained flat, but flows are up 16% (2,900 megalitres).
6. Significant gas reduction (SWTP) and electricity (GW) in 2016 with a modest increase in production (2%).
7. Water Wastewater Arrears are higher than targeted due to significant staffing changes in 2016. This has impacted the timeliness of follow-up and transfers to property taxes for overdue accounts.
8. Estimated to be 35,760, specific data unavailable for several months due to a technical issue.
9. Estimated to be approximately 3:59/defendant for year end, specific data unavailable for several months due to a technical issue.
10. Slightly lower than anticipated due to fewer Advisory/Reference Committee meetings resulting from the cancellation of several meetings and some Committees meeting less frequently.
11. Additional follow up was required for several sets of minutes/reports to ensure proper names were recorded related to Planning Act public meetings as individuals providing comments did not provide contact information prior to speaking.
12. Variation resulting from fluctuating demand for trials and delay in being provided officer availability to attend trials.
13. Lack of JP resources is contributing to increased time to trial. This is anticipated to continue given the JP resources for the area.
14. Reflective of a general decline in marriages, the availability of licences from surrounding municipalities.
15. Higher than anticipated death registrations.
16. FOI requests are increasing, specifically requests related to litigation, investigations related to fires, complaints/service requests submitted and bid submissions.
17. Staff were able to address all MFIPPA requests within the legislative framework, Several requests received at end of 2016 will carry forward for responses due in 2017.
18. Follow up on renewals is enhanced when the % drops.
19. Slightly higher than anticipated.
20. Higher than anticipated due in part to higher complaints including by-election and other sign violations.
21. Trends for cost recovery are increasing. Target for 2017 will be higher.
22. 2016 actual exceeded the plan.
23. 2016 actual exceeded the plan.
24. 2016 actual exceeded the plan.
25. Three of the six acquisitions were complex which resulted in expropriation being necessary to achieve project timelines.
26. The strong results for 2016 highlight the significant level of recreation activities that are provided through our partners and community groups.

27. Recreation Services has revised the RecACCESS program, with changes that became effective January 1st, 2017 to ensure the program can continue to accommodate and provide the greatest value to all eligible members and simultaneously minimize the impact on tax payers by utilizing the capacity within RecPASS memberships.
28. Registered Program utilization has increased from 71.5% in 2012 to approximately 80% over the past 2 years. With utilization reaching the maturity stage, the focus for 2017 will shift to community engagement through membership usage.
29. Significant growth in membership revenue has resulted in strong performance in 2016; however it may be too early to predict whether the City can continue to sustain this level with a limited sample of historical performance. The target for 2017 will remain at a 55.0% cost recovery level amidst significant cost pressures for salary and benefits, insurance, and potentially utilities.
30. Mapleview Drive, Big Bay Point Road, and Duckworth Street/Cundles are the big corridors.
31. History shows that results for this measure have been climbing steadily until this year, with the 2016 result being almost identical to 2015.
32. The traffic collisions per Lane KM measure is calculated for 2016 as 2,586 collisions over 1,686.9 Lane KM.
33. Increased support required for Invest Barrie, by-election, recreation (fees increase, part-time staff campaign), Service Barrie launch, and major construction projects in 2016.
34. Overall open rate still exceeds average government open rate of 25%.
35. A formal marketing campaign was not conducted for the app in 2016, though Facebook and Twitter posts directed traffic to the download webpage when timely and during launch of Barrie Police tile.
36. We refer people to the forum through Facebook and Twitter when users have great ideas to share with the City. Although it continues to be promoted, we did not conduct a large scale marketing push in 2016. We did see an increase in 2016 of unique users of the forum increase from 599 in 2015 to 700 in 2016.
37. This is up from a 5.49% result in 2015. Decrease in 2016 is attributed to more people getting information via social media and not needing to visit the website.
38. Continue to see solid growth in our social media feeds.
39. Sprout Social has changed the way it measures the impressions (number of times content was served to users on Twitter and Facebook). According to new reporting measures, our 2016 actuals represent a 30% increase from 2015 (5,820,577). Note: annual target should be 10,000,000.
40. The number of reports stayed consistent with 2015. With the introduction of Service Barrie and the increased communication on how to report a problem, it is anticipated that these numbers will increase for 2017.
41. Results are 0.8% lower than target as actual ridership growth was less than forecasted and discount fares continue to exceed full cash fares in the revenue mix.
42. Ridership growth for 2016 was less than anticipated, while service hours remained constant.
43. Actual ridership numbers fell below forecast, while base line costs remained steady as per the pricing structure in the service contract.
44. Ten of the lost time injuries were one day absences not appropriately managed by line management resulting in the lost opportunity of offering modified work to these injured employees; steps are being taken to ensure this does not occur again. Four injuries are Fire PTSD claims and two are Firefighters that were injured while exercising during shift.

45. This KPI includes all lost wages for lost time related to accidents. The total cost is largely driven by the significant lost time with the four PTSD cases in Fire.
46. Includes sick, STD, LTD, and WSIB absences.
47. Target was set based on request for additional funds which were not approved with the 2016 budget. In addition, a large focus has been placed corporately on major projects that have changed resource availability, impacting the use of these funds in 2016.
48. The City and Union worked well together in 2016 to resolve challenges prior to entering into the grievance process.
49. The grievance rate for BPPFA continues to track well. There is some anticipation of some minor increases to this KPI as a result in changes with the BPPFA Executive. This is fairly typical with any change in leadership.
50. We are trending to be totally virtualized by the end of 2017.
51. Several unplanned outages during the first half of 2016, migration of all remote sites and applications from the old firewall to our new firewall, as well as the queued up changes for our standard year-end technology work.
52. This is still a positive availability – the second data centre should improve it further.

APPENDIX H

Capital Projects Requiring Additional Funding

Project Name	Total Approved 2016 Budget	Estimated Total Project Costs	Additional Funding Required	Funding Sources Tax Capital Reserve	Comments
Parkview Retaining Wall	\$145,000	\$235,000	\$90,000	\$90,000	The purpose of the original budget of \$65,000 was to only replace the existing timber retaining wall. Additional funding of \$80,000 was requested in May 2016 as it was determined that the entire retaining wall system of both the timber and concrete walls required replacement including the staircase and planters adjacent to the building. The recent low-bid construction tender has come in higher than the revised 2016 approved budget so additional funding is required to permit this project to be completed in 2017.
Sunnidale - Letitia to Wellington	\$0	\$60,000	\$60,000	\$60,000	Funding of \$60,000 required for demolition of 79 Sunnidale Road in preparation for future construction as well as reducing costs associated with on-going property inspection.