

TO: GENERAL COMMITTEE

SUBJECT: 2016 BUSINESS PLAN

PREPARED BY AND KEY CONTACT: M. JERMEY, CPA, CA, DEPUTY TREASURER, EXTENSION #4407
C. MILLAR, MBA, CPA, CGA
DIRECTOR OF FINANCE AND TREASURER, EXTENSION #5130
P. ELLIOTT-SPENCER, MBA, CPA, CMA, GENERAL MANAGER OF
COMMUNITY & CORPORATE SERVICES, EXTENSION #4450

SUBMITTED BY: C. LADD, CHIEF ADMINISTRATIVE OFFICER
P. ELLIOTT-SPENCER, MBA, CPA, CMA, GENERAL MANAGER OF
COMMUNITY & CORPORATE SERVICES
R. FORWARD, MBA, M.Sc., P. Eng., GENERAL MANAGER OF
INFRASTRUCTURE & GROWTH MANAGEMENT
R. BUNN, EXECUTIVE DIRECTOR – INNOVATE BARRIE
R. JAMES-REID, EXECUTIVE DIRECTOR – ACCESS BARRIE
Z. LIFSHIZ, EXECUTIVE DIRECTOR – INVEST BARRIE

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

RECOMMENDED MOTION

1. That the 2016 tax-supported base operating budget for municipal operations, with total gross expenditures of \$216 million and a net property tax levy requirement of \$129.7 million, be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:
 - a) That the tax rate funded corporate benefits be increased by \$265,643 to reflect information received subsequent to the release of the preliminary 2016 Business Plan;
 - b) That in accordance with motion 15-G-270 adopted by City Council on December 14, 2015, \$10,000 be included in Planning Services Department's budget for initiatives and projects identified by Historic Neighbourhood Strategy Committee; and
 - c) That the City's fees to the Municipal Property Assessment Corporation be reduced from \$1,774,095 to \$1,689,812 resulting in a reduction of \$84,283 to reflect information received subsequent to the release of the preliminary 2016 Business Plan.
2. That the 2016 tax supported base operating budget for Barrie's Service Partners presented on Page 19 of the 2016 Business Plan, with total gross expenditures of \$84.5 million and a net property tax levy requirement of \$79.5 million, be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:

- a) That the Barrie Police Services Board 2016 Municipal Operating Grant Request be decreased from \$49,113,297 to \$48,902,251 resulting in a reduction of \$211,046 to the net tax levy;
 - b) That the Lake Simcoe Region Conservation Authority 2016 General Operating Levy request be decreased from \$654,401 to \$652,463 resulting in a reduction of \$484.50 to the net tax levy and a reduction of \$1,453.50 funding from water operations, which results in an increase in the transfer to the water rate reserve of \$1,453.50; and,
 - c) That the Lake Simcoe Regional Airport 2016 General Operating Levy Request be decreased from \$449,297 to \$418,610.70 resulting in a reduction of \$30,686.30 to the net tax levy.
3. That the New Investment and Service Recommendations associated with Operating Budget requests as outlined on page 24 of the 2016 Business Plan with a net tax cost of \$905K (operating) and \$658K (capital), be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:
- a) That Intake Form #488 regarding the Corporate Branding Strategy Implementation (page 272) be deleted, resulting in a net levy reduction of \$50,000;
 - b) That Intake Form #1248 regarding the Strategic Workforce Planning and Development (page 297) be amended to reduce the funding request of \$174,000 to \$90,000, resulting in a net levy reduction of \$84,000; and,
 - c) That Intake Form #1248 regarding the Strategic Workforce Planning and Development (page 297) be amended to reduce the funding from the tax levy by \$11,080 and increase funding from the water rate in the amount \$7,108, the wastewater rate in the amount \$3,658, and parking rate in the amount \$314.
4. That the Water base operating budget, with gross expenditures of \$33.3 million and revenues of \$33.3 million, be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:
- a) That the water funding for corporate benefits be increased by \$24,020 to reflect information received subsequent to the release of the preliminary 2016 Business Plan.
5. That the Wastewater base operating budget, with gross expenditures of \$40.7 million and revenues of \$40.7 million, be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:
- a) That the wastewater funding for corporate benefits be increased by \$14,735 to reflect information received subsequent to the release of the preliminary 2016 Business Plan.
6. That the Parking Operations base budget, with gross expenditures of \$2.3 million and gross revenues of \$2.3 million, be approved with the following amendments to reflect changes since the 2016 Business Plan's publication on December 14, 2015:
- a) That the parking funding for corporate benefits be increased by \$1,286 to reflect information received subsequent to the release of the preliminary 2016 Business Plan.

7. That the 2016 new capital budget requests of \$50.8 million be approved with the following amendment(s) since the 2016 Business Plan's publication on December 14, 2015:
 - a) That the First Responders Campus New Building, Infrastructure and Site capital project 2016 budget amount be reduced from \$500,000 to \$0 to remove the duplication of the previously approved 2015 budget;
 - b) That the scope of the Centennial Park Expansion capital project be expanded to include construction of a boardwalk along the length of Centennial Beach, and that the gross project cost be increased by \$750,000 in 2016, to be funded as follows:
 - i) 24% (approximately \$180,000) from the Parks Development Charge Reserve; and,
 - ii) 76% (approximately \$570,000) from the Cash in Lieu of Parkland Reserve.
8. That, consistent with the Capital Project Control Policy, the 2017, 2018, 2019 and 2020 capital budget relating to new 2016 capital projects of \$19.5 million in 2017, \$5.5 million in 2018, \$643,000 in 2019, and \$100,000 in 2020 be approved with the following amendments since the 2016 Business Plan's publication on December 14, 2015:
 - a) That the Collier Centre New Office Accommodation capital project 2017 budget amount be reduced from \$2,045,000 to \$1,765,000 to remove the duplication of the previously approved 2015 budget; and,
 - b) That the Collier Centre New Office Accommodation capital project funding from development charges in 2017 be reduced from \$580,780 to \$501,260 and the funding from the tax capital reserve in 2017 be reduced from \$1,464,220 to \$1,263,740.
9. That the 2016-2020 Capital Budget items not requiring approval, be received as forecast information.
10. That effective April 1, 2016, By-law 2015-025, as amended, be repealed and replaced with a by-law incorporating the fees and charges presented in the 2016 Business Plan, published December 14, 2015, Pages 318-361, with the following amendments:
 - a) That the Transit fees included in Schedule O on page 360 in the 2016 Business Plan be replaced with the recently approved transit fees included in Appendix D, such fees to be effective March 1, 2016; and,
 - b) That the Marina fees included in Schedule L on page 352 of the 2016 Business Plan be amended to include three new fees: a \$250 cancellation fee for small boats (at docks A through D), a \$500 cancellation fee for large boats (at docks E through K), and an administration fee of \$25 for the new payment plan being offered for 2016.
11. That pursuant to Ontario Regulation 284/09, this report serve as the method for communicating the exclusion of the following estimated expenses from the 2016 Business Plan:
 - a) Amortization expense - \$48.8 million;
 - b) Post-employment benefit expenses - \$2.1 million; and,
 - c) Solid waste landfill closure and post-closure expenses - \$0.5 million.

12. That staff be authorized to submit applications for grants that would reduce expenditures associated with projects, programs and services approved as part of the operating and capital budgets.
13. That the Mayor and Clerk be authorized to execute any agreements that may be required to accept grant funding from other levels of governments or other partners to reduce expenditures associated with programs, services and/or capital projects.
14. That the Treasurer be authorized to make the necessary alterations to the transfer to and/or from reserves to reflect changes since the 2016 Business Plan's publication on December 14, 2015.
15. That Debenture financing as identified in the Capital Budget be approved.
16. That the City Clerk be authorized to prepare all necessary by-laws to implement the above recommendations.

PURPOSE & BACKGROUND

17. The purpose of this report is to recommend the Corporation's 2016 Business Plan. The proposed 2016 Business Plan follows the directions provided by Council in Motion 15-G-161 (provided in Appendix "A"). Generally, the plan reflects current services and service levels and recommends new investments and service to present a plan that reflects Council's budget guidelines. It also incorporates new service levels directed by Council to commence in 2016.
18. The City continues to lay the foundation for a financially sustainable and responsible plan that addresses the needs of residents and business owners within the community. The City is moving into a period of high growth and will need to manage the costs driven by this growth while continuing to maintain current service levels and existing infrastructure. The 2016 Business Plan sets out to balance these pressures.

ANALYSIS

Summary

19. The tax based budget as presented in the 2016 Business Plan Binder included a 2.67% increase for the projected cost to maintain existing service levels for all services in 2016 and new investments in services.
20. The Tax Based Budget also includes 1% for the Dedicated Infrastructure Renewal Fund. Council approved the implementation of the Dedicated Infrastructure Renewal Fund in the 2015 Business Plan process. This will always require an additional 1% increase in the net tax levy over and above service delivery costs, but it is dedicated entirely to rehabilitation of the City's infrastructure.
21. The recommended amendments will result in a 0.08% decrease to the projected cost of 2016 programs and all recommended service level changes, while the 1% Dedicated Infrastructure Renewal Fund remains unchanged. This will result in a total blended tax increase of 2.59% for service delivery and an additional 1% for the dedicated infrastructure renewal fund.
22. The impact on a typical home assessed at \$284,000 is estimated at \$3,834.

23. The proposed water and wastewater rate based budgets as presented in the 2016 Business Plan Binder include a recommended annual rate increase of 2.50% and 5.00% respectively. For a typical household that consumes 180 cubic metres of water annually, the annualized increase in cost is \$7.76 for water and \$21 for wastewater
24. The Corporation's Financial Policies Framework establishes an affordability threshold for property tax, and combined water/wastewater rate supported services. Specifically, it states that annual property taxes and combined water/wastewater charges for a typical household will not exceed 4.0% and 2.5% respectively, or in total, 6.5% of household income. If approved as presented with recommended amendments, the 2016 Business Plan requires approximately 3.77% of household income to pay for property tax-supported services and a combined 0.87% for water/wastewater, resulting in a grand total of 4.64%.

Tax Supported Operating Budget

Overview

25. The 2016 Business Plan reported a net tax levy requirement of \$207.7 million in 2016 for ongoing service delivery and excluding the Dedicated Infrastructure Fund. The net tax levy requirement, after adjusting for recommended amendments, is \$207.5M million reflecting a \$8.7 million increase over 2015 (2015 = \$198.8 million). The levy requirement incorporates the budgetary requirements of the City, the City's Service Partners, the New Investment and Service Recommendations.
26. The 1% Dedicated Infrastructure Renewal Fund adds an additional \$2.4 million, bringing the total 2016 Tax Levy to \$209.9M.

Base Budget – Recommended Amendments

27. **Corporate Benefits** – Benefit rate increases were received from Sunlife in November, beyond the cutoff for preparation of the Budget Binder and the overall impact of the rate increases is \$305,684 across all municipal rate business areas. Provider benefits account for 28% of the total corporate benefit expense.
28. **Historic Neighbourhood Strategy Committee** – in accordance with motion 15-G-270, \$10,000 has been included for consideration in the Planning Services Department budget to be allocated to Historic Neighbourhood Strategy Committee initiatives/projects.

Service Partners – Recommended Amendments

29. **Barrie Police Services Board** – Per Council's request a review of the proposed 2016 preliminary budget submission was completed by the Police Services Board and savings in the amount of \$435,500 were identified. Subsequent to the review, previously unidentified increases in provider benefits were received in November resulting in a budget increase of \$283,000. Further budget reductions were identified resulting in a reduction to the tax levy of \$211,046. The letter received from the Barrie Police Services Board is included in Appendix B.
30. **Lake Simcoe Region Conservation Authority** – The preliminary budget submission was completed using the 2015 CVA rate as the 2016 rates were not available at that time. Using the 2016 CVA rate the revised General Operating Levy calculation has been reduced from \$654,401 to 652,463. The General Operating Levy is funded 25% from tax and 75% from water. The updated budget information received is included in Appendix C.

31. **Lake Simcoe Regional Airport** – The first draft budget submission received on November 19th is \$30,686.30 lower than the preliminary estimate included in the base budget. The letter from the Lake Simcoe Regional Airport Board is on page 242 of the 2016 Business Plan.

New Service and Investment Recommendations – Recommended Amendments

32. **Removal of Intake Form 488 Corporate Branding** - Access Barrie and Invest Barrie will continue to work in house on the development of a new Corporate Brand. A report will be prepared for Council and it is anticipated that public consultation will occur in 2016 as a key element of the Corporate branding work.

Capital Plan – Recommended Amendments

33. During the development of the 2016 to 2020 capital plan, the timing of work and the funding source of all projects, including projects that were previously approved in 2015 for the years 2016 to 2019, were reviewed and discussed. The 2015 budget amounts for the Collier Centre New Office Accommodation and the First Responders Campus New Building capital projects were mistakenly included in both the previously approved (committed) total and in the total budget amounts of future budget years. Therefore the 2016 requests in the 2016 Business Plan are being removed.

Fees By-Law – Recommended Amendments

34. **Transit Fees** – On December 14th, 2015 council approved the Phase I - Transit Business Plan - Fare Strategy (15-G-272) which replaced the fees included in schedule O on page 360 of the Business Plan with the new fees included in Appendix D. These new fees are effective March 1, 2016, while the remainder of the proposed 2016 bylaw fee increases is effective April 1, 2016. The description of the student rate has been updated since the Fare Strategy was approved from 'Student 13-18' to 'Student 13-18 or individual with valid post-secondary student identification'.
35. **Marina Fees** - In efforts to increase customer satisfaction and in response to a Marina patron survey, the Marina is planning to implement a payment plan starting 2016. This is an enhanced customer service that has been requested by our patrons as it is offered by many of our competitors. It is proposed that an administrative fee be included in the fees schedule to offset the cost of the additional time required to administer the payment plan. With a change in demographics of Marina users turnover has increased. Currently the City of Barrie Marina offers a prorated refund for the amount of time remaining in the season without penalty. Depending on how late in the season and size of boat, it can be difficult to fill a slip with an equivalent sized boat. The Marina loses slip revenue for the duration of the slip vacancy. During 2015 a market scan was performed by Marina staff which identified that most competitors have a heavy cancellation fee. In response to lost slip revenue and increasing turnover, it is proposed the City of Barrie Marina adopt a cancellation fee. The proposed cancellation fee of \$250 for small boats and \$500 for large boats should (on average), cover the any potential lost revenue until the slip is filled. It is believed that both the cancellation and administrative fees, will be palatable to our Marina patrons.

Water and Wastewater Rate Supported Operating Budget

Overview

36. The Water and Wastewater budgets were developed in accordance with the Water Operations Branch 2015 Drinking Water System Financial Plan update (15-G-227) and in accordance with Council's budget directions in Staff Report EMT002-15 in June, 2015. While the financial plans for water and wastewater were built with an annual rate increase of 2% and 3% respectively, staff are recommending 2016 rate increases of 2.5% for water and 5% for wastewater. The Financial

Plan presents a 10 year horizon and relies on aggressive assumptions for Development Charge revenue. The Secondary Plans are still before the OMB and therefore the growth anticipated in the plans is highly unlikely to be achieved. These increases are calculated based on the financial impact for an average residential rate payer for the calendar year with proposed rates effective April 1, 2016.

37. For a typical home that consumes 180 cubic metres annually, the annualized cost of water and wastewater services in 2016 are estimated to be \$318 and \$441 respectively for a combined cost of \$759 (\$730 in 2015). This represents a 4.0% combined increase over 2015 levels of which \$8 relates to water and \$21 relates to wastewater.
38. The contribution to water and wastewater reserves reflected in the 2016 base budget are \$5.7 million and \$13.2 million respectively. After adjusting for the recommended amendments, the transfer to reserve funds will be approximately \$32,582 less for water and \$18,393 less for wastewater.

Parking Rate Supported Operating Budget

Overview

39. The recent sale of a parking lot resulted in a positive gain of \$160K to the Parking Reserve. The forecasted Parking Reserve deficit included within the 2016 Business Plan Binder is understated with the actual 2015 forecasted deficit balance of \$915K due to the forthcoming disposal of the parking lot on the City's financial statements.
40. After adjusting for the recommended amendments, the draw from the reserve in 2016 will be higher by \$1,600 for a total of \$692,974. The revised forecasted parking reserve balance at the end of 2016 is approximately \$1.6 million.

2016 - 2020 Capital Budget

41. The 2016 capital budget is \$76.15 million, including \$25.3 million in previously approved funding, \$51 million in new funding requests and \$658,290 associated with New Investment and Service Recommendation Operating Budget requests. Details of the 2016 capital budget are found on Pages 244-256 of the 2016 Business Plan.
42. Consistent with the Capital Project Financial Control Policy, where the 2016 capital budget includes projects that will be completed over more than one reporting period, Council's approval of new projects in the 2016 capital budget includes approval of the funds required in 2017, 2018, 2019 and 2020, as applicable, to conduct the work. This results in approvals for 2017, 2018, 2019 and 2020 totaling \$25.7 million.
43. In addition to the portion of the capital budget that is recommended for approval, the 2016-2020 capital plan provides a forecast for capital spending over the next five years. The 2016-2020 capital plan includes \$719.3 million in spending, and was developed with a focus on addressing the City's most critical asset renewal needs, areas currently experiencing service level deficiencies, and required investment to support the growth management process. It should be noted that despite the significant investment being made, many projects deemed critical were deferred. As aging assets fail, their ability to deliver service to the community will be impacted.
44. Centennial Park Expansion - Council Motion 14-G-176 approved the award of Lakeshore Drive Contract 2 and directed staff to keep the costs of the Centennial Park improvements phase of the project within the previously approved total project budget. Subsequently, Council Motion 15-G-262 approved the proposed design for Centennial Park, and allowed the project to be included for consideration in the 2016 business plan. The recommended 2016 Capital Budget includes

construction of the project Centennial Park Expansion in 2016 and 2017 at a gross cost of approximately \$6 million. The scope excludes certain elements, such as the proposed boardwalk along Centennial Beach, in order to stay within the total project budget. It was anticipated the boardwalk and other excluded elements would be considered in future Business Plans. However, at Community Services Committee on December 8th and General Committee on December 14th, 2015, Council expressed a desire to see the boardwalk included in the initial park construction phases in 2016/2017 and included this recommendation in Motion 15-G-262, to be subject to funding approval through the 2016 Business Plan. The estimated cost of the boardwalk is \$750,000. Staff recommend that it be funded primarily by the Cash in Lieu of Parkland Reserve, with the growth related portion (approximately 24%) being funded by development charges. The Cash in Lieu Reserve has a balance of approximately \$4.5 Million.

Expenses not included in the 2016 Business Plan

45. Previous reports to Council described reporting requirements for tangible capital asset accounting that came into effect for municipalities in 2010. Generally, the effect of these requirements is to increase the level and type of information presented in the City's financial statements about the stock, condition and use of tangible capital assets to support municipal operations and to disclose information using the "full accrual" method of accounting. This method recognizes expenses when they are incurred and revenues when they are earned, regardless of when the cash outlay occurs.
46. A related provincial requirement that took effect in 2011 is for municipalities to disclose the amounts that are reported in their financial statements but not included in their budgets. The City of Barrie is forecasting depreciation expense of approximately \$48.8 million for 2015 but the corresponding transfer to capital reserves in 2016 is \$26.8 million. Prior to the introduction of full accrual accounting, this difference would have been neither noted nor reported, but it is significant for understanding how municipalities developed what has become known as "infrastructure deficits".
47. Prior to passing the 2016 budget, municipalities are required to disclose amounts that are expensed in their financial statements, but not included in budgeted figures. For the City of Barrie this includes three expenses:
 - b) Amortization expense - \$48.8 million;
 - c) Post-employment benefit expenses - \$2.1 million; and,
 - d) Solid waste landfill closure and post-closure expenses - \$0.5 million.

The effect of including these expenses in the budget would be to increase the tax levy and user rate requirements. By not including these expenses, reserve contributions are lower than they need to be to maintain assets in a state of good repair to support existing services and service levels in the future. For example the amortization expense for tax supported assets is \$34.6 million based on historical values (\$70M based on replacement value). The proposed transfer to the Tax Capital Reserve in the 2016 Business Plan is \$26.8 million. Similarly, as obligations for post-employment benefits or landfill closure costs become due, not including these expenses now increases the impact on future tax levies.

ENVIRONMENTAL MATTERS

48. There are no environmental matters related to the recommendations.

ALTERNATIVES

49. There are three alternatives available for consideration by General Committee:

Alternative #1

General Committee could alter the recommended levy requirement by removing one or more of the recommended investment and service level changes identified in the 2016 Business Plan.

EMT believes these service level changes are required in 2016 to improve the Corporation's ability to respond to service demands, address affordability concerns, and act on previous directions from Council.

Alternative #2

General Committee could alter the proposed recommendation regarding water or wastewater rates.

The staff recommended rate increases for 2016 balance affordability against capital needs. Lower water and wastewater rates would increase the City's future reliance on debt financing.

Alternative #3

General Committee could alter the proposed recommendation regarding the 2016 Capital Budget by changing the capital works that are included.

The recommended capital projects have been carefully prioritized and reflect only the Corporation's most critical needs and affordability thresholds. Removing recommended capital projects in favour of other capital projects that were not considered to be as critical works increases the risk of asset failure and the potential for service interruptions.

FINANCIAL

50. The financial impacts of the 2016 Business Plan are addressed in the analysis section of this report.

LINKAGE TO 2015 – 2019 COUNCIL STRATEGIC PLAN

51. The recommendations included in this Staff Report support the following goals identified in the 2015-2019 Strategic Plan:

- Responsible Spending

APPENDIX "A"

2016 BUDGET DIRECTIONS

1. That staff prepare a Business Plan for 2016 for all tax supported services that considers:
 - a) The cost of maintaining current programs at current service levels, based on anticipated 2016 activities;
 - b) Annualization of prior period decisions;
 - c) The financial impact on the 2016 budget of Council directions throughout 2015;
 - d) Recommendations for changes to funding sources that result in a decreased reliance on property taxes;
 - e) An estimate of assessment growth based on the value of newly assessed property throughout 2015;
 - f) The continuation of an annual 1% Dedicated Infrastructure Renewal Fund;
 - g) Contributions to reserves that are consistent with the Financial Policies Framework.
2. That staff prepare a Business Plan for 2016 for Water and Wastewater services that includes:
 - a) The cost of maintaining current programs at current service levels, based on anticipated 2016 activities;
 - b) Annualization of prior period decisions;
 - c) Recommendations for changes to user fees that reflect the full cost of providing the program or service, including fixed assets, net of any subsidy approved by Council;
 - d) An estimate of water consumption that reflects past consumption patterns and forecasted conditions in 2016;
 - e) Contributions to reserves that are consistent with the Financial Policies Framework and Council direction that reflect, to the extent possible, the anticipated current and future commitments against the reserves.
3. That staff prepare a Business Plan for 2016 for Parking Services that includes:
 - a) The cost of maintaining current programs at current service levels, based on anticipated 2016 activity;
 - b) Annualization of prior period decisions;
 - c) Options to eliminate the annual operating deficit, and if necessary, a subsidy from the tax rate.
4. That any significant impacts to the 2016 budget, such as recommended changes in level of service, or changes in staff complement levels, be presented to Council for consideration.
5. That any user fees that are added, removed, or increased/decreased by 5% or more of the current fee, be presented to Council within the Business Plan Binder no later than December 14, 2015.
6. That a ten year Capital Plan be developed that includes a one year capital budget, a four year forecast, and a five year outlook.

7. That staff prepare the 2016 Capital Budget that advances the City's strategic priorities with appropriate consideration given to factors such as:
 - a) Resource availability – financial, scheduling, and staff resources;
 - b) Addressing the City's most critical needs;
 - c) Master plans and infrastructure implementation plans;
 - d) Council's strategic goals.
8. That staff continue to find new and innovative ways to increase public education and engagement during the 2016 Business Plan and Budget development process.
9. That the 2016 Budget Development Schedule identified in Appendix "A", be used to develop the 2016 Business Plan for Council's review and approval no later than January 2016.
10. That staff advise the County and all Agencies, Boards and Commissions of Council's expectations that:
 - a) The budget directions established herein be used when preparing their 2016 budgets;
 - b) Budgets be prepared in accordance with the 2016 Budget Development Schedule.

APPENDIX B

29 Sperling Drive
Barrie, ON L4M 6K9

Telephone: (705) 725-7025 ext 2206
Fax: (705) 725-7705
E-Mail: bpsboard@barriepolice.ca

BARRIE POLICE SERVICES BOARD



*Committed
to our
Community*



ESTABLISHED IN 1889

December 15, 2015

Mr. Michael Jerney
Deputy Treasurer
City of Barrie
P. O. Box 400
Barrie, ON L4M 4T5

Dear Mr. Jerney:

Re: Revised 2016 Budget Request – Barrie Police Service

Please find enclosed a revised 2016 budget request for the Barrie Police Service.

The City of Barrie's General Committee put Motion 15-G-216 forward in which a request was made for Barrie Police Service to investigate the feasibility of reducing the service's 2016 budget request increase from 3.4% to 2.75% and provide a report on the implications of such a decrease.

A comprehensive review of proposed 2016 expenditures was undertaken and certain items were identified which would have a minimal operational impact if removed and replacement of identified retirees would be deferred or hired at a lesser annual cost. Overall savings in the amount of \$435,500 were identified which allowed the budgetary increase to be reduced to 2.75% as per Council's request.

Subsequent to the review, previously unidentified increases in health and dental rates were presented in November 2016 which resulted in a budgetary increase of \$283,000 and raised the overall budget request percentage to 3.35%. Further reductions were then identified which resulted in the 2016 budget request being revised to \$48,902,251 or 2.98%.

Barrie Police Service has an ongoing commitment to identifying cost efficiencies while attempting to balance the higher costs of the increasing demands for policing services in our community. Areas have been identified which will benefit from changing current staffing policies by replacing certain positions currently held by a sworn police officer with a civilian member allowing for cost containment and the deployment of more police

officers into the community. Additional savings will also be realized by deferring the replacements of retiring members and the removal of both capital and operating expenditure items. Each reduction was studied to ensure that the organization would continue to be able to function without sacrificing core policing services.

Please do not hesitate to contact us should you require any additional information.

Sincerely,



James Dickie
Chair
Barrie Police Services Board



**BARRIE POLICE SERVICE
2016 OPERATING BUDGET**

POLICE SERVICES BOARD

Honoraria
Benefits
Annual Levies
Meetings, Travel
Professional Fees
Operating Supplies

TOTAL POLICE SERVICES BOARD

SALARIES

Police Salaries
Civilian Salaries
Casual Salaries

OVERTIME

Police Overtime
Civilian Overtime

BENEFITS

Police Benefits
Civilian Benefits
Casual Benefits

TOTAL SALARIES & BENEFITS

OPERATING EXPENDITURES

Insurance
Maintenance
Operating Supplies
Vehicle Gasoline
Uniforms/Cleaning/Alterations
Levies
Staff Development and Wellness
Vehicle Maintenance

	2016 Budget	2015 Budget	+/- \$	+/- %
Honoraria	\$ 21,376	\$ 21,376	\$ -	0.0%
Benefits	388	388	-	0.0%
Annual Levies	5,353	5,000	353	7.1%
Meetings, Travel	1,500	3,000	(1,500)	(50.0%)
Professional Fees	47,000	67,000	(10,000)	-17.5%
Operating Supplies	2,000	2,500	(500)	(20.0%)
TOTAL POLICE SERVICES BOARD	\$ 77,594	\$ 89,241	\$ (11,647)	(13.1%)
SALARIES				
Police Salaries	\$ 25,589,240	\$ 24,931,355	\$ 657,885	2.6%
Civilian Salaries	7,820,853	7,543,953	276,900	5.0%
Casual Salaries	1,359,891	1,298,123	73,768	5.7%
	\$ 34,879,974	\$ 33,771,431	\$ 1,108,543	3.3%
OVERTIME				
Police Overtime	\$ 660,500	\$ 720,000	\$ (59,500)	(8.3%)
Civilian Overtime	50,000	88,500	(18,500)	(27.0%)
	\$ 710,500	\$ 788,500	\$ (78,000)	(9.9%)
BENEFITS				
Police Benefits	\$ 7,815,225	\$ 7,050,788	\$ 764,439	8.0%
Civilian Benefits	2,388,438	2,124,612	261,826	12.3%
Casual Benefits	164,532	153,549	9,984	6.6%
	\$ 10,168,195	\$ 9,328,948	\$ 827,249	8.9%
TOTAL SALARIES & BENEFITS	\$ 45,748,669	\$ 43,888,877	\$ 1,857,792	4.2%
OPERATING EXPENDITURES				
Insurance	\$ 662,760	\$ 598,000	\$ 66,760	11.2%
Maintenance	641,356	575,515	65,841	11.4%
Operating Supplies	495,561	484,537	11,324	2.3%
Vehicle Gasoline	466,000	526,000	(60,000)	(11.4%)
Uniforms/Cleaning/Alterations	348,717	459,282	(112,565)	(24.5%)
Levies	300,554	298,493	2,062	0.7%
Staff Development and Wellness	287,515	255,759	31,756	12.4%
Vehicle Maintenance	236,000	225,000	11,000	4.9%

	2016 Budget	2015 Budget	+/- \$	+/- %
OPERATING EXPENDITURES (CONT'D)				
Telephone	\$ 155,345	\$ 142,678	\$ 12,767	9.0%
Professional fees	100,000	100,000	-	0.0%
Cellular Telephones	100,340	85,345	14,995	17.8%
Office Supplies	72,000	73,000	(1,000)	(1.4%)
Vehicle Rental	68,810	84,310	(15,500)	(18.4%)
RIDE Grant Program Overtime	37,500	38,000	(500)	(1.3%)
Proceeds of Crime - Front Line Policing	23,392	-	23,392	
Property Rental	19,400	20,000	(600)	(3.0%)
Meetings & Travel	19,287	21,900	(2,613)	(11.9%)
Postage/Courier	18,000	18,000	-	0.0%
Recruiting	18,000	15,000	3,000	20.0%
Investigative Expenses	16,700	18,500	(1,800)	(8.7%)
Memberships	12,140	9,195	2,945	32.0%
Employee Assistance Program	12,000	12,000	-	0.0%
Community Events	9,000	8,500	500	5.9%
Service Pay	8,500	12,000	(3,500)	(29.2%)
Audit Fees	7,500	15,000	(7,500)	(60.0%)
Library	6,000	6,500	(500)	(7.7%)
Equipment Rental	1,040	1,040	-	0.0%
	\$ 4,149,718	\$ 4,100,433	\$ 40,285	1.0%
TOTAL OPERATING EXPENDITURES	\$ 49,887,397	\$ 47,869,310	\$ 1,898,077	4.0%
BUILDINGS				
29 Sperling Dr	\$ 834,597	\$ 823,536	\$ 11,062	1.3%
60 Bell Farm Rd	409,916	404,020	5,896	1.5%
79 Bell Farm Rd	172,181	225,962	(53,781)	(23.8%)
	\$ 1,416,694	\$ 1,453,518	\$ (36,824)	(2.5%)
TOTAL EXPENDITURES	\$ 51,381,675	\$ 49,532,069	\$ 1,849,606	3.7%
REVENUES				
Service Fees, Other Revenue	\$ (410,000)	\$ (370,000)	\$ (40,000)	10.8%
GRANTS				
Court Security Prisoner Transportation Grant	(2,123,540)	(1,698,832)	(424,708)	25.0%
Community Policing Partnerships	(420,000)	(420,000)	-	0.0%
Safer Communities Program	(350,000)	(350,000)	-	0.0%
PAVIS Grant Funding	-	(79,928)	79,928	(100.0%)
RIDE Grant Funding	(37,500)	(38,900)	500	(1.3%)
Proceeds of Crime - Front Line Policing	(23,392)	-	(23,392)	
OTHER RECOVERIES				
Recoveries from Seconded positions	(455,189)	(449,690)	(5,499)	1.2%
TOTAL REVENUE, GRANTS, RECOVERIES	\$ (3,819,622)	\$ (3,406,450)	\$ (413,172)	12.1%
TOTAL NET EXPENDITURES	\$ 47,562,053	\$ 46,125,619	\$ 1,436,434	3.1%
CAPITAL				
Capital Expenditures	852,198	874,865	(22,667)	(2.6%)
New Building - First Responders' Campus	400,000	400,000	-	0.0%
Radio System Upgrade	88,000	88,000	-	0.0%
	1,340,198	1,362,865	(22,667)	(1.7%)
MUNICIPAL FUNDING REQUIRED	\$ 48,902,251	\$ 47,488,484	\$ 1,413,767	2.98%

APPENDIX C

LAKE SIMCOE REGION CONSERVATION AUTHORITY

2016 Preliminary Budget Estimates - using 2016 CVA rates

SUMMARY SPECIAL CAPITAL and OPERATING LEVY

as updated for City of Barrie staff on December 21, 2015

SPECIAL CAPITAL PROGRAM FUNDING PRIORITIES	2015 Requested	2016 Proposed
<u>LSP, BWI, and LEAP</u>		
(a) Lake Simcoe Protection Act (LSP)	49,602	43,720
(b) Basin Wide Watershed Initiatives (BWI)	70,527	85,888
(c) Land Owner Environmental Assistance Program (LEAP)	155,974	158,700
<u>Watershed Management</u>		
Watershed Monitoring		
(a) Surface Water Quality	29,040	24,800
(b) Open Lake Monitoring	43,040	41,427
(c) Water Response	31,215	29,455
(d) Ground Water Management/Monitoring	23,873	22,658
Natural Hazard Mapping	12,235	12,540
Natural Heritage Mapping	19,340	19,078
Flood Forecasting/Warning	35,777	33,445
Sub Watershed Planning and Development		
Sub Watershed - Implementation coordination	30,000	30,000
Sub Watershed Compliance, monitoring, & reporting	20,000	20,000
Sub-Total	514,440	501,485
<u>Asset Management and Program Support</u>		
Accessibility for Ontarians with Disabilities Act	2,075	1,947
Asset Management and Program Support		
(a) Program Information Management	41,448	40,889
(b) Conservation Area Maintenance		
(c) Conservation Area Development		
(d) Vehicles and Equipment	17,507	16,642
Sub-Total	61,028	58,272
TOTAL SPECIAL CAPITAL LEVY	✓ 575,468	560,757
TOTAL General Levy	✓ 632,268	652,163
TOTAL Special Operating Levy	✓ 80,225	47,567
Creeks Project (3 year program)	✓ 75,795	75,795
TOTAL LEVIES AND APPROVED CREEKS PROJECT	1,363,756	1,336,277
Business Cases		
Growth Management (Scanlon capital work)	✓ 44,714	44,714
TOTAL 2016 Budget (Levies, approved projects and business cases)	1,408,470	1,381,000

✓ Funded in 2016
2016 CVA adjustments have been applied

APPENDIX D

SCHEDULE O
TRANSIT DEPARTMENT

ITEM	2016 PROPOSED FEE
Cash Fare	
Adults 19-64	\$3.00
Students 13-18 or individual with valid post-secondary student identification	\$3.00
Children 6-12	\$3.00
Seniors 65+	\$3.00
Visually Impaired (CNIB card required)	\$0.00
Children, 5 years of age and under	\$0.00
Ride Card (groups of 6 and 10 rides)	
6 Ride Adults 19-64	\$15.60
6 Ride Students 13-18	\$13.80
6 Ride Children 6-12	\$12.60
6 Ride Seniors 65+	\$12.60
10 Ride Adults 19-64	\$26.00
10 Ride Students 13-18	\$23.00
10 Ride Children 6-12	\$21.00
10 Ride Seniors 65+	\$21.00
Monthly Passes	
Adults 19-64	\$86.00
Students 13-18 or individual with valid post-secondary student identification	\$66.00
Children 6-12	\$56.00
Seniors 65+	\$56.00
Georgian College 4 month semester pass (with Valid ID)	\$255.00
Day Passes	
Day Pass	\$7.50
Family Day Pass	\$9.00
Other Fares, Passes & Fees	
Photo Identification Card	\$5.00
Smart Card	\$5.00
Class Seminar	\$1.00
Class Seminar with Recreational component	\$2.00
Chartered Service(minimum 2 Hour booking)	Transit contractors hourly rate plus 25%
Sale of Supplies	Cost of time and materials, not to exceed full cost recovery