



Corporation of the
Town of Wasaga Beach

Corporate Efficiency Review

Final Report
February 10, 2017





KPMG LLP
Chartered Accountants
Claridge Executive Centre
144 Pine Street PO Box 700
Sudbury ON P3E 4R6

Telephone (705) 675-8500
Fax (705) 675-7586
In Watts (1-800) 461-3551
Internet www.kpmg.ca

Mr. George Vadeboncoeur
Chief Administrative Officer
Corporation of the Town of Wasaga Beach
30 Lewis Street
Wasaga Beach, Ontario L9Z 1A1

February 10, 2017

Dear Mr. Vadeboncoeur,

We are pleased to provide our final report concerning KPMG's review of the Town of Wasaga Beach (the 'Town'). Our review was undertaken based on the terms of reference outlined in the request for proposal document RFP-A2016-03(the 'RFP').

As outlined in the RFP, the purpose of the review was to evaluate the services and organizational structure of the Town with the intention of identifying potential opportunities for the enhancement of operating efficiency and effectiveness. As outlined in further detail in our report, while the review has identified some courses of action that could be considered by the Town, the overall results of our analysis indicate that the Town currently operates with a relatively high degree of operating efficiency and effectiveness.

Our review benefitted significantly from the input and contributions of Town employees who participated in a number of different ways. Reviews such as this can be difficult for staff and we would be remiss if we did not express our appreciation for the cooperation afforded to us.

We trust our report is satisfactory for your purposes and appreciate the opportunity to be of service to the Town. Please feel free to contact the undersigned at your convenience should you wish to discuss any aspect of our report.

Yours truly,

Per Oscar Poloni, Partner
705.669.2515 | opoloni@kpmg.ca

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Corporation of the
Town of Wasaga Beach

Corporate Efficiency Review

Executive Summary



Executive Summary

KPMG LLP ('KPMG') has been retained by the Town of Wasaga Beach (the 'Town') to undertake a corporate efficiency review, the intention of which was to:

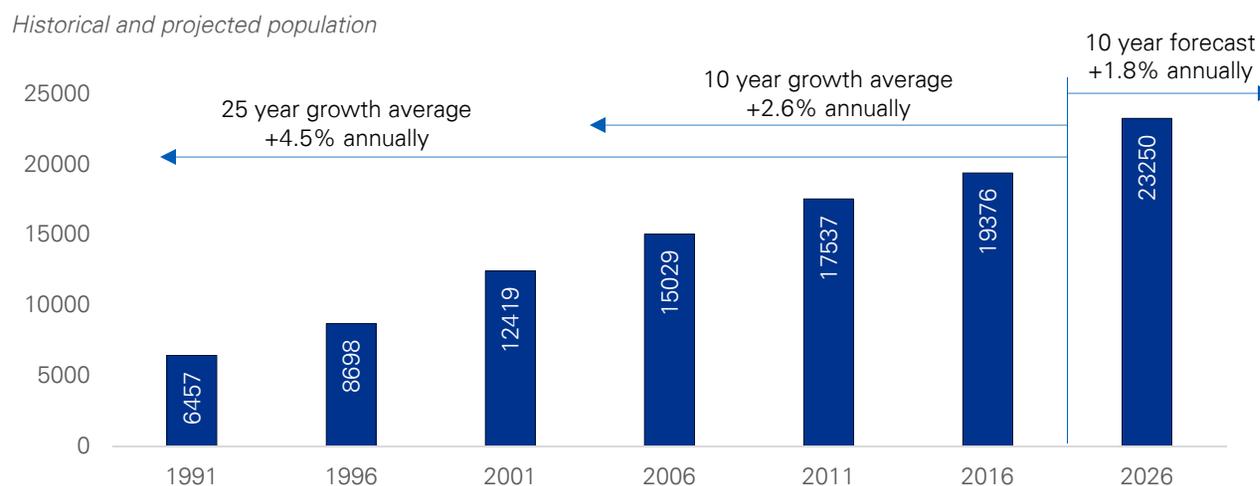
1. Provide an overview and evaluation of the Town's operating structure and service levels;
2. Critique the Town's operating effectiveness and efficiency, using service level benchmarks and comparative best practices; and
3. Identifying opportunities for changes that will maintain adequate service levels while allowing for the achievement of long-term sustainable budget objectives.

This report outlines the results of our analysis.

A. Background to the Review

With a total operating budget of \$31.2 million in 2015, the Town is responsible for the provision of a range of municipal services to more than 19,000 permanent residents, with a similar number of seasonal residents attracted to the community during the peak summer vacation period. Overall, the Town estimates that more than one million visitors are attracted to the community on an annual basis.

In order to meet the needs of its residents and visitors, the Town has made a significant investment in resources – both personnel and equipment – with more than 160 full and part-time Town employees and infrastructure and equipment with a historical cost of \$231 million. Over the next ten years, the demand on the Town for services is expected to increase as its population continues to grow, with 9,000 new housing units planned or under construction and an anticipated permanent resident population of just under 24,000 residents.



Executive Summary

A predictable consequence of the Town's relatively high growth rate has been an increase in the demand for municipal services, with the Town experiencing an overall increase in municipal operating costs that has exceeded the historical rate of inflation. Included in the investments made by the Town are expanded economic development and special events, as well as a major acquisition of beachfront property.

As part of the development of its 2016 budget, the Town has commissioned a corporate efficiency review and has retained KPMG as its advisors. This report outlines the results of our review.

B. Key Themes

Our review of the Town's operations involved the following approaches to gathering information and identifying areas for improvement:

- A review of relevant documentation, including financial reports, agreements and operating statistics;
- A comparison of key financial indicators against other municipalities; and
- Consultation with Town personnel and selected other parties through individual interviews as well as group working sessions.

The results of our analysis identified a number of strong aspects of the Town's operations, including the following:

- 1. The Town enjoys a strong financial position.** Based on its most recent reported financial results, we consider the Town to be in a strong financial position, with meaningful financial surpluses that are funded through financial as opposed to non-financial assets. While the Town has taken on debt in connection with the acquisition of beachfront properties, we do not consider this to pose a significant challenge to its financial situation.
- 2. The Town's systems and processes are effective and efficient.** The corporate efficiency review included mapping of selected processes, the intention of which was to obtain an understanding of the work steps undertaken by Town personnel in the delivery of back office and other services. Based on this reviews, the Town's systems and processes appear to be functioning well, with only minor enhancements identified to improve effectiveness and efficiency.
- 3. The Town has an effective long-term forecasting mechanism that contributes towards long-term sustainability.** The Town's annual budget process includes the development of a four year operating forecast and 10 year capital forecast, which allows it to project future financial requirements and challenges in advance. The analysis extends beyond the projection of expenditures to include sources of funding and impacts on municipal taxation levels. Accordingly, the Town is positioned to determine whether affordability concerns will lead to funding shortfalls.

Executive Summary

- 4. The Town is a low cost provider of municipal services.** The comparison of financial indicators against selected comparator municipalities has demonstrated that the Town is a low cost provider of municipal services in relation to the other selected municipalities. Across almost all municipal services, the budgeted level of expenditures and/or level of municipal taxation support is among the lowest, if not the lowest, of the comparator municipalities. Similarly, the Town's full-time staffing complement is comparable to or lower than most or all of the comparator municipalities.
- 5. Service levels are at the low end of the spectrum, with the Town realizing cost benefits as a result but providing little opportunity for additional savings.** An analysis of the Town's service levels indicates that, with certain exceptions, the current service levels are reflective of (i) comparable service levels established by other municipalities; and/or (ii) at or near minimum standards. Accordingly, we consider the Town's services levels to be appropriate for its circumstances (i.e. not excessive). Given the limited potential for service level reductions that can be accomplished without adversely impacting customer satisfaction, regulatory compliance and the general direction of Council, we do not anticipate that significant cost reductions can be realized through realistic service level changes.

C. Opportunities for Consideration

Given the generally positive findings of our review – strong financial position, effective and efficient systems and processes, low cost provision of municipal services, appropriate service levels – the opportunities identified through the course of our review are limited both in terms of number and the extent of change for the Town.

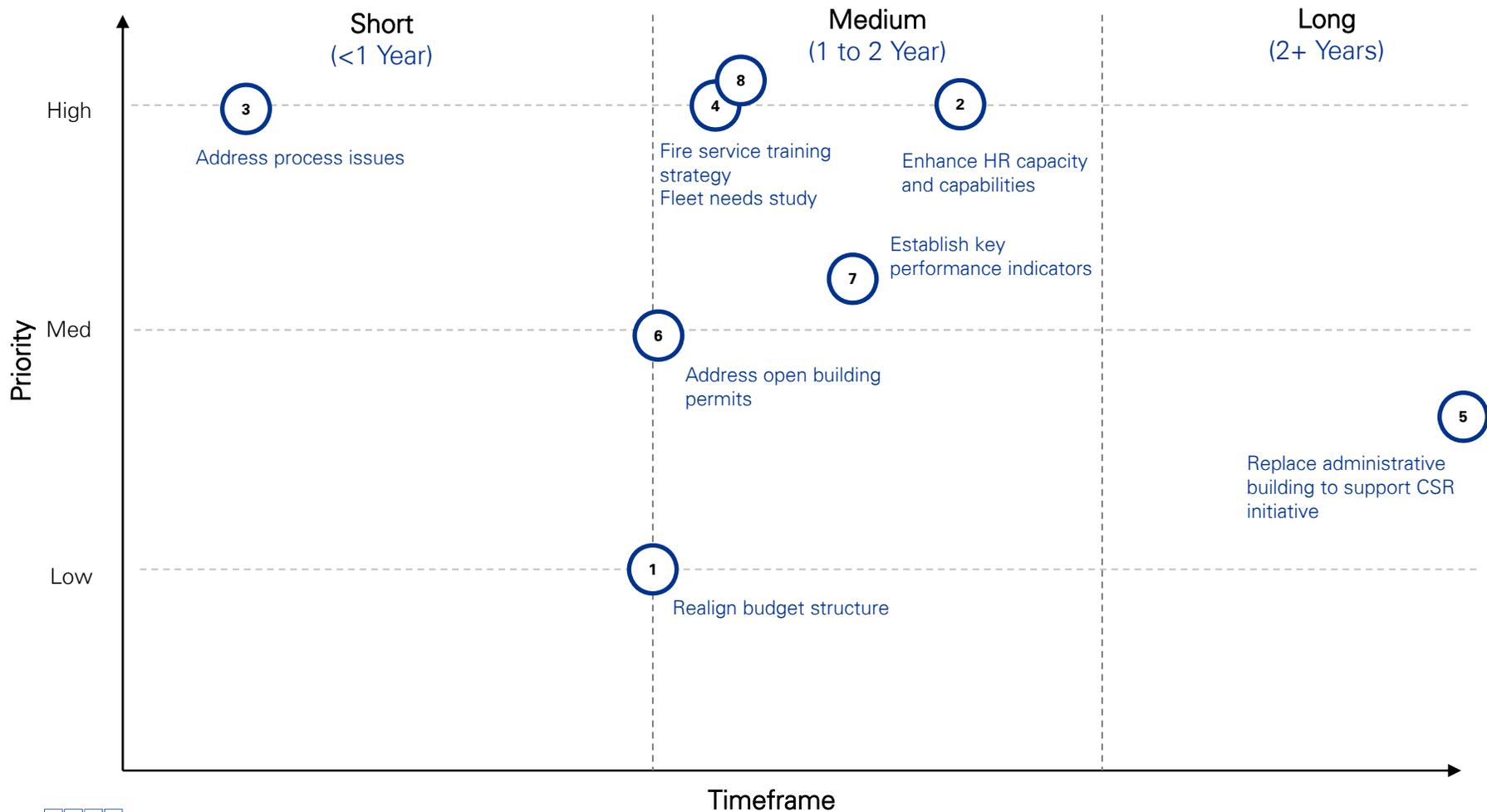
We have summarized the potential courses of action for consideration by the Town on the following pages.

Executive Summary

Opportunity
1. The Town may wish to consider aligning its budget structure to reflect its organizational structure. Specially, budget groupings should be consistent with the span of control for senior management personnel.
2. The Town may wish to consider the addition of a second resource within its human resources function.
3. The Town should consider addressing certain process issues as a means of enhancing internal controls
4. The Town may wish to consider developing a training strategy for fire service personnel
5. The Town may wish to consider replacement of its current administration facility as a means of enhancing customer service and operational efficiency by allowing for the deployment of true customer service representatives.
6. The Town may wish to consider a pilot project focused on completing open building permits as a means of generating incremental revenues through open permit maintenance fees.
7. The Town may wish to establish key performance indicators for municipal departments and incorporate these into the Town's budgeting process
8. The Town may wish to consider the completion of a fleet needs study that considers (i) the types of vehicles required; (ii) the optimal size of the municipal fleet; and (iii) alternative methods of procurement.

Executive Summary

We have provided below a suggested implementation framework for consideration by the Town.





Corporation of the
Town of Wasaga Beach

Study Overview



Study Overview

A. Terms of Reference

The terms of reference for our engagement were established in the Town's request for proposal document RFP-A2016-03 (the 'RFP'). As noted in the RFP, the objective of the review *'is to have an external consultant review the Town's service delivery, operational processes and organizational structure. Recommendations and opportunities developed as a result of this review should be designed to provide assistance to Council and Management in improving levels of efficiency and effectiveness as well as internal alignment of the organization, to ensure the Town is providing value to the community today, while also positioning it favourably to address future challenges and opportunities.'*

In order to achieve this objective, the RFP outlined three required deliverables:

- An overview and evaluation of the Town's operating structure and service levels;
- A critique of the Town's operating effectiveness and efficiency, using service level benchmarks and comparative best practices; and
- The development of recommended courses of action that will maintain adequate service levels while allowing long-term sustainable budget objectives to be met, such as improvements or changes to service delivery methods to reduce costs and recommend areas for new non-taxation revenues.

B. Methodology

Our approach to the review involved the following major worksteps:

Confirmation of project scope

- An initial meeting was held with representatives of the Town to confirm the terms of our engagement and the scope for work for the review.
- Members of Council were interviewed to gain their perspective on the review, services provided by the Town, the Town's organizational structure and potential areas for focus.
- An initial meeting was held with representatives of the Town's collective bargaining unit for municipal employees (excluding firefighters) to discuss the service review process. While an invitation was extended to representatives of the collective bargaining union for firefighters, they did not participate in the initial or subsequent meetings relating to the review.

Study Overview

B. Methodology (continued)

Environmental scan, overview of municipal environment and review of current service delivery models

- Information concerning the Town's operations, organizational structure, staffing and financial performance was reviewed and summarized to identify (i) the types of services provided; (ii) the Town's approach to delivering these services; (iii) the associated level of resources (financial and personnel; (iv) performance outcomes; and (v) funding sources.
- Interviews and working sessions were held with Town personnel to discuss the nature of the services provided, the associated service levels, the method of delivery and areas for potential improvement.
- Process mapping was undertaken for selected processes undertaken by the Town, including:
 - Financial processes (revenues and receivables; procurement, payables and disbursements; payroll processing)
 - Fleet maintenance
 - Work order management and staff scheduling
 - Engineering services and contract administration
 - Building and other permits
 - Planning and development.
- Tours were conducted of selected Town facilities, including:
 - Town hall
 - Library
 - Fire stations
 - Public works depot
 - Recreation facilities
 - Waterfront rental properties
- A survey was undertaken of Town staff to determine their perspectives on municipal operations and other matters of relevance to the review.

Review of organizational structure and staffing levels

- Information concerning the Town's organizational structure was obtained through a review of available documentation as well as discussions with Town personnel.
- Organizational structures for other municipalities were reviewed to identify best/common practices for municipal organizational design.
- Principles for the restructuring of the Town's organizational structure were identified and presented in our closed session report.

Study Overview

B. Methodology (continued)

Benchmarking analysis of current service delivery

- Comparator municipalities were selected based on the following attributes:
 - Communities between 10,000 and 15,000 households;
 - Lower tier communities within counties that have a similar distribution of upper and lower tier municipalities; and
 - Communities with similar financial characteristics, including the percentage of municipal levy funded through residential assessment and average household incomes.

Based on these considerations, the following communities were selected for inclusion in the benchmarking analysis:

Municipality	Households	Population	Residential Levy Percentage	Average Family Income
Wasaga Beach	12,360	19,615	90.99%	\$62,554
Port Colborne	10,257	18,003	78.89%	\$69,615
Collingwood	11,250	20,016	81.63%	\$71,768
Leamington	10,638	28,403	75.21%	\$75,490
Orangeville	10,265	27,975	73.26%	\$94,104

- For the selected municipal comparators, financial and personnel information were obtained and key financial indicators were developed for comparative purposes.
- Additional comparative information for other selected communities was obtained and analysis to provide key financial indicators for selected municipal services such as fire, transit and library.

Study Overview

C. Restrictions (continued)

This report is based on information and documentation that was made available to KPMG at the date of this report. KPMG has not audited nor otherwise attempted to independently verify the information provided unless otherwise indicated. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and opportunities as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the Town of Wasaga Beach.

This report includes or makes reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the Town of Wasaga Beach nor are we an insider or associate of the Town of Wasaga Beach or its management team. Our fees for this engagement are not contingent upon our findings or any other event. Accordingly, we believe we are independent of the Town of Wasaga Beach and are acting objectively.



Corporation of the
Town of Wasaga Beach

Corporate Overview



Corporate Overview

The Town is one of 16 municipalities within Simcoe County¹ and is the eighth and tenth largest Simcoe County municipality in terms of operating costs (excluding amortization) and population, respectively.

Established through amalgamation in 1974, the Town provides municipal services to more than 12,000 households located within its 58 km² geographic area. In delivering these services during 2015 (and as discussed in more detail later in our report), the Town:

- Employs more than 160 full and part-time employees and volunteer firefighters;
- Maintains more than 397 lane kilometers of roads, 190 kms of water mains and 178 kms of wastewater mains;
- Treats 2.5 million cubic meters of water and 1.9 million cubic meters of wastewater;
- Maintains a municipal fleet of 82 vehicles and moveable equipment; and
- Spent \$25.9 million for operating purposes², with an additional \$23.4 million spent for tangible capital asset acquisitions.

A. Organizational Structure

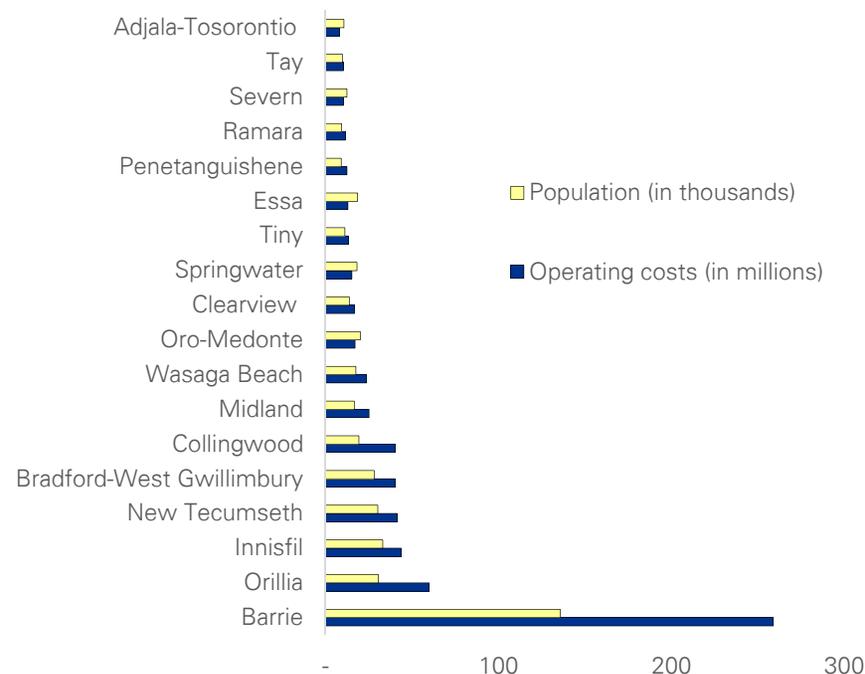
The Town’s operations are currently structured into a number of different functional units headed by directors, managers or specific positions (e.g. fire chief, clerk, treasurer). While the Town’s senior management team reports to the Chief Administrative Officer (‘CAO’), the Town’s code of conduct has been revised to allow the Mayor to direct the activities of Town personnel in addition to the CAO. As a result, a duplicate reporting structure currently exists whereby senior management personnel are accountable to both the CAO and the Mayor.

A graphical depiction of the Town’s organizational structure and staffing complement is provided on the following page.

¹ Barrie and Orillia are separated (single tier) cities within the geographic boundaries of Simcoe County.

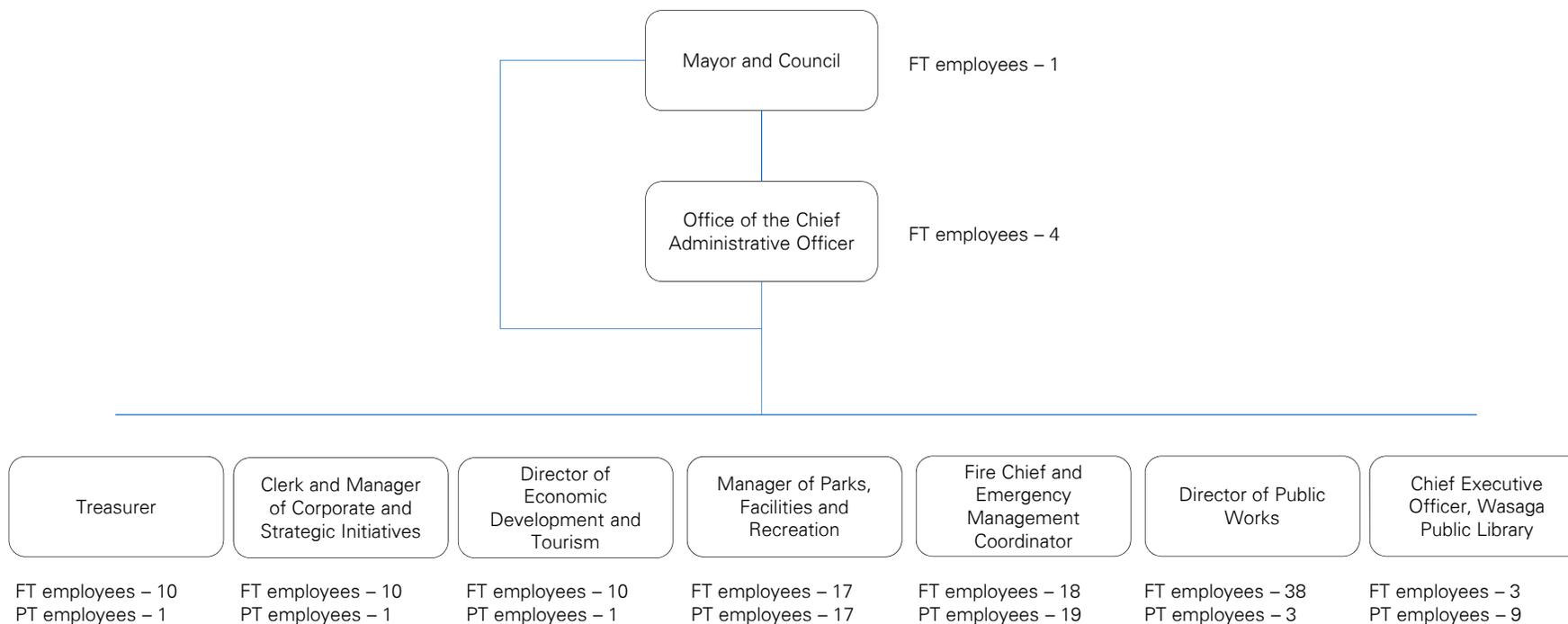
² Excludes amortization expense, transfers to reserves and reserve funds and principle portions of long-term debt payments.

Simcoe County operating costs and population



Corporate Overview

A. Organizational Structure (continued)



In addition to the employees listed in the organizational chart, the Town also utilizes third party service providers for water and wastewater treatment and public transit.

Corporate Overview

B. Operating Expenditures

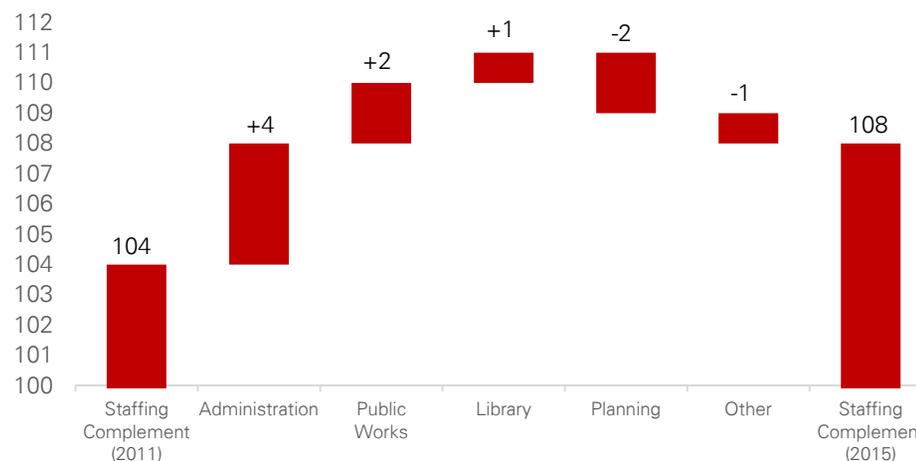
Over the past five years, the Town’s operating expenses (excluding debt servicing costs and reserve transfers) have increased from \$22.9 million to \$25.5 million, representing an average annual increase of 2.7% per year. As noted below, wages and benefits and contracted services represent the largest single expenditure categories, accounting for 47% and 30% of the Town’s total operating costs, respectively.

(in thousands)	2011	2012	2013	2014	2015	Annual Change
Wages and benefits	\$10,071	\$10,539	\$11,076	\$11,552	\$12,071	↑4.6%
Contracted services	\$8,141	\$8,969	\$6,573	\$6,466	\$7,615	↓1.6%
External transfers	\$549	\$587	\$433	\$458	\$355	↓10.3%
Materials and supplies	\$4,146	\$4,197	\$4,697	\$5,069	\$5,474	↑7.2%
Total operating expenses (excluding debt servicing)	\$22,907	\$24,292	\$22,779	\$23,545	\$25,515	↑2.7%

Since 2011, wage and benefit costs have increased by an average of 4.6% per year, reflecting the combined impact of:

- Annual wage increases provided to Town employees under the provisions of its collective bargaining agreements and similar arrangements with non-management personnel. Under the most recent collective bargaining agreements, salary increases have ranged from 1.25% to 1.60% per year for unionized employees.
- Wage impacts arising from staffing increases, with a total of four full-time employees added to the Town’s staffing complement over the last five years. With the increase in the Town’s full-time firefighter staffing complement, additional increases in salary costs will occur in 2016.

Full-time staffing changes – 2011 to 2015



Corporate Overview

B. Operating Expenditures (continued)

While contracted services and external transfers (which consist primarily of transfers to the Nottawasaga Conservation Authority and Municipal Property Assessment Corporation) have decreased since 2011, materials and supplies have increased by an average of 7.2% per year. The majority of this increase (\$1.2 million out of a total increase of \$1.3 million) relates to four municipal functions and reflects:

- Material and supply costs relating to the beachfront property. As these properties were acquired by the Town in 2015, they are not included in the 2011 comparative expenses; and
- Increased electricity costs, which have impacted material and supply expenses for wastewater, water and street lighting. While strategies such as the installation of LED lighting, time-of-use optimization and other energy efficiency measures can be pursued by municipalities, electricity costs are largely uncontrollable.

(in thousands)	2011	2015	Total Change	Annual Change
Planning (includes beachfront property management in 2015)	\$98	\$526	↑\$428	↑52.2%
Wastewater collection and treatment	\$530	\$955	↑\$425	↑15.8%
Water treatment and distribution	\$256	\$433	↑\$177	↑14.0%
Street lighting	\$146	\$314	↑\$168	↑21.1%
Fire	\$174	\$225	↑\$51	↑6.6%
Parks and recreation	\$845	\$874	↑\$29	↑0.8%
Roads	\$1,002	\$904	↓\$98	↓2.5%
All other activities	\$1,097	\$1,243	↑\$146	↑3.2%
Total material and supplies expense	\$4,146	\$5,474	↑\$1,328	↑7.2%

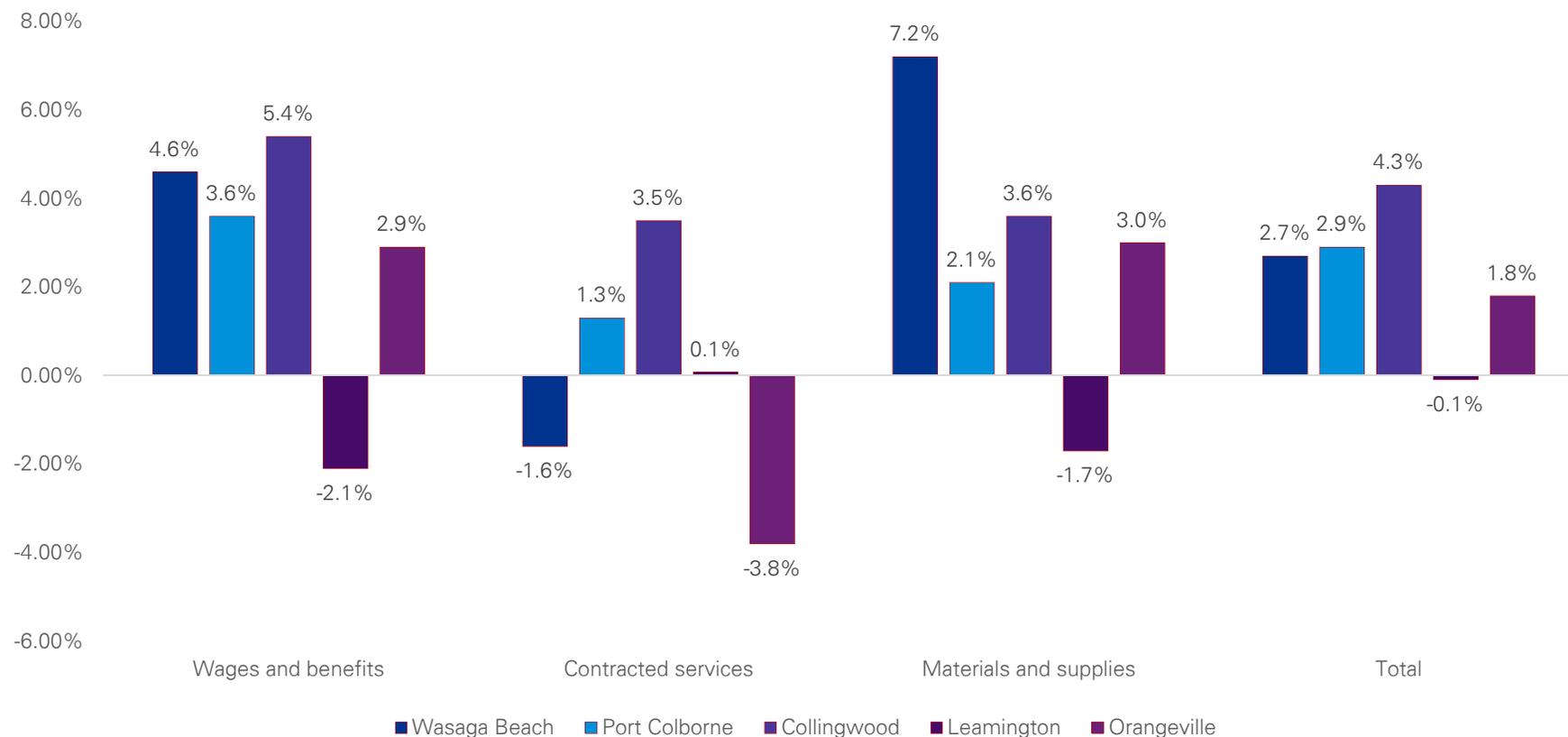
The decrease in contracted services reflects the transfer of solid waste collection services to Simcoe County in 2014, which reduced contracted service costs by approximately \$1.4 million on an annual basis.

Corporate Overview

B. Operating Expenditures (continued)

When viewed against the selected municipal comparators, the Town’s average annual increase in operating costs (excluding depreciation, reserve and reserve fund transfers and debt servicing costs) was in the middle of the comparator group. As noted below, the Town reported the highest level of increase in material and supply costs during the period 2011 to 2015, reflecting the costs associated with the beachfront property.

Average annual increases in operating expenses – 2011 to 2015



Corporate Overview

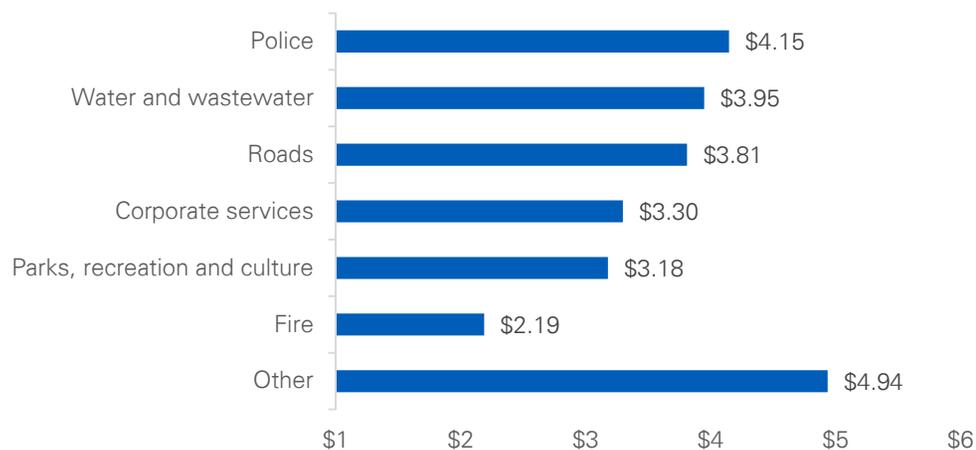
B. Operating Expenditures (continued)

From a functional perspective, policing services represent the largest expenditure for the Town, amounting to \$4.15 million in 2015 or 16.0% of total operating costs. Public works functions also represent major expenditures for the Town, with water and wastewater activities and roads accounting for 15.6% and 14.7% of the Town’s 2015 operating costs, respectively.

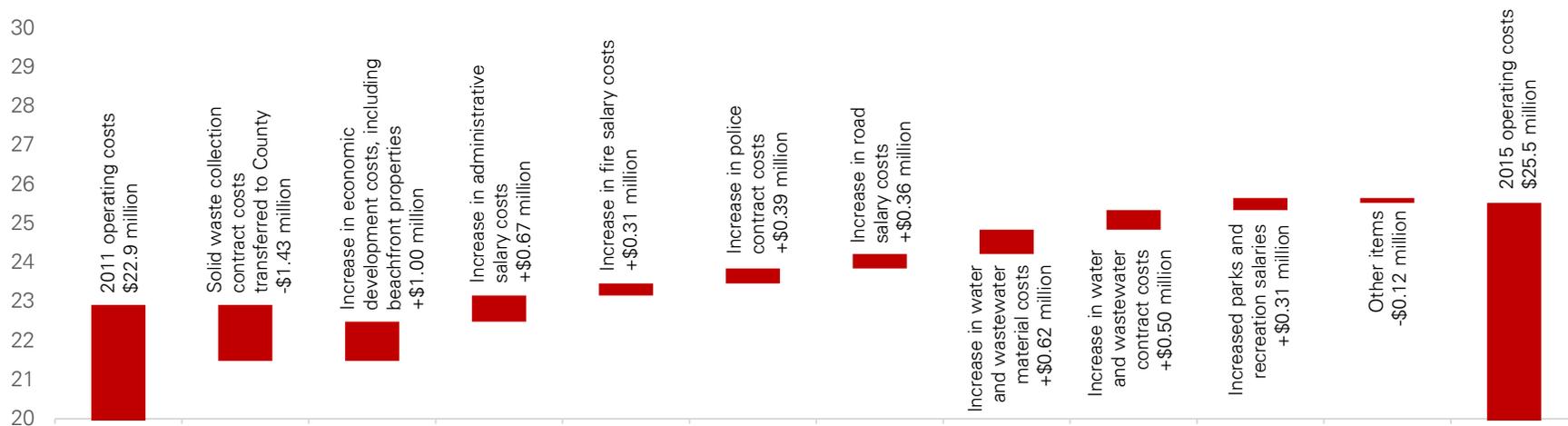
As summarized below, a number of factors have contributed to the increase in the Town’s operating costs, with the total increase since 2011 offset significantly (\$1.43 million) by the transfer of solid waste collection services to Simcoe County.

A more detailed analysis of the expenditures by functional area is provided later in our report.

Operating costs by type of service (in millions)



Operating cost changes – 2011 to 2015 (in millions)



Corporate Overview

C. Capital expenditures

In addition to its operating expenditures, the Town has invested in excess of \$71 million in tangible capital assets ('TCA') over the last five years, the majority of which (62%) related to its road, water and wastewater and storm water networks. As noted below, the Town has relied on a number of different funding sources for capital expenditures.

<i>(in thousands)</i>	2011	2012	2013	2014	2015	Total
Capital expenditures:						
Roads	\$876	\$3,878	\$2,038	\$3,517	\$3,722	\$14,031
Bridges	\$340	–	\$283	–	\$5,235	\$5,858
Streetlights	\$116	\$68	\$76	\$416	\$1,474	\$2,150
Water and wastewater mains	\$362	\$1,481	\$2,440	\$7,547	\$2,455	\$14,285
Storm sewers	\$72	\$4,170	\$954	\$902	\$1,076	\$7,174
Fire	\$135	\$3,704	\$78	\$645	\$60	\$4,622
Beachfront property	–	–	–	–	\$13,877	\$13,877
Parks, recreation, administrative and other assets	\$1,357	\$3,448	\$755	\$2,140	\$510	\$8,210
Capital work-in-progress (net)	\$2,715	(\$3,060)	\$4,702	(\$305)	(\$2,824)	\$1,276
Total capital expenditures	\$5,973	\$13,689	\$11,326	\$14,862	\$25,585	\$71,483
Capital funding sources:						
Development charges	\$2,003	\$4,317	\$3,089	\$4,305	\$4,233	\$17,947
Reserve and reserve fund transfers	\$1,031	\$4,066	\$3,463	(\$251)	\$4,224	\$12,533
Senior government grants	\$641	\$50	\$130	\$1,700	\$615	\$3,136
Debt issuance				\$600	\$13,800	\$14,400
Donated capital assets	\$687	\$1,841	\$3,218	\$3,795	\$2,139	\$11,680
Taxes, user fees and other revenue sources	\$1,611	\$3,415	\$1,426	\$4,713	\$574	\$11,787

Corporate Overview

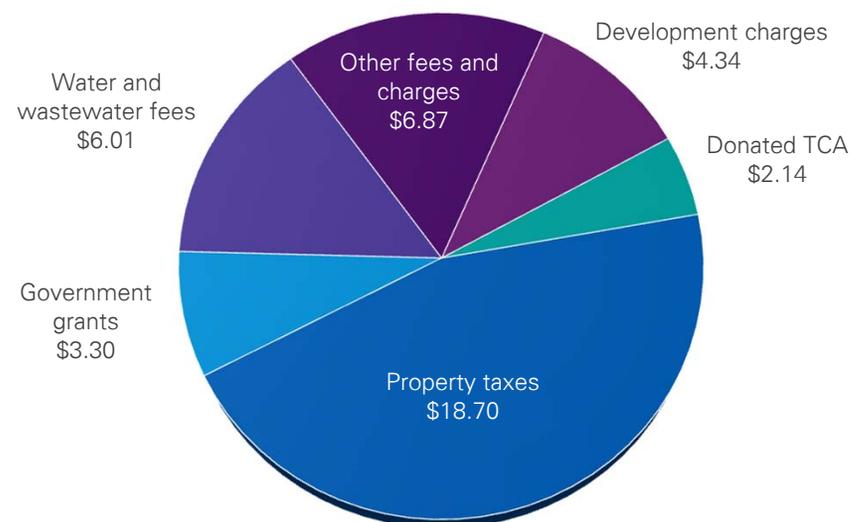
D. Funding Sources

During its 2015 fiscal year, the Town generated a total of \$41.3 million in revenues from all sources which were used to fund operating and capital expenditures, debt servicing requirements and reserve and reserve fund contributions. Local sources of funding, which include taxes, user fees and development charges, represent the largest components of the Town’s revenues, accounting for 92% of the Town’s total revenues during 2015.

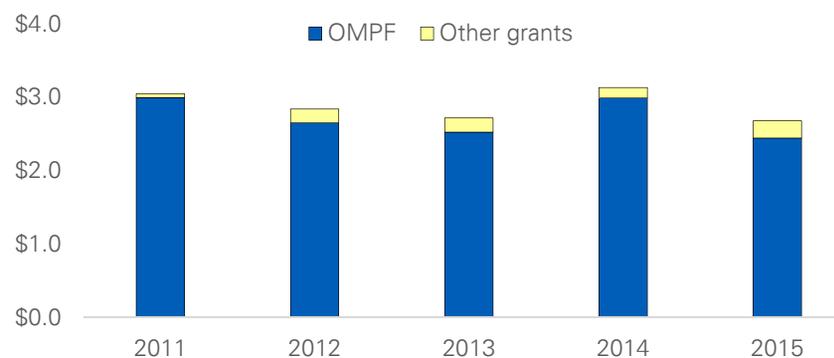
Over the last five years, the Town has witnessed a decrease in the total amount of operating grants from the senior levels of government. Since 2011, total operating grants have decreased from \$3.05 million to \$2.68 million, with the Town’s allocation under the Ontario Municipal Partnership Fund (‘OMPF’) decreasing by \$0.55 million over the same period. In comparison to the selected municipal comparators, the Town receives a higher level of OMPF as it is (i) classified as a rural community, thereby entitling it to funding under the Rural Communities component of the OMPF; and (ii) considered to have less favourable economic conditions, thereby entitling it to funding under the Northern and Rural Fiscal Circumstances component of the OMPF.

Municipality	2015 OMPF (in millions)	Households	OMPF per Household
Wasaga Beach	\$2.445	12,360	\$197.82
Port Colborne	\$2.688	10,257	\$262.06
Collingwood	–	11,250	–
Leamington	\$1.943	10,638	\$182.64
Orangeville	–	7,680	–

Total reported revenues, in millions (2015)



Total senior government grant revenues, in millions



Corporate Overview

E. Taxes and Assessment

As noted earlier, municipal property taxes represented the largest single source of revenue for the Town during the 2015 fiscal year, amounting to \$18.7 million or 45% of total revenue.

In the Province of Ontario, the allocation of municipal taxes among property owners is influenced by a number of factors, the most significant of which are:

- Assessed values of the property classes. Where properties experience a decrease in assessed values, these are considered immediately for the purposes of calculating property taxes. For those properties experiencing increases in assessed values, the increases are phased in over four years. In the Province of Ontario, property assessment are determined by the Municipal Property Assessment Corporation ('MPAC'), which assesses all properties in the Province on a four-year cycle. This differs from other provinces, such as Alberta, where assessments can be determined by the individual municipalities and on a cycle that is more frequent than the four-year cycle used in Ontario.
- Tax ratios, which distribute the burden of municipal taxes between residential and non-residential properties and which are intended to reflect the distribution of taxes prior to the implementation of the property tax regime (fair value assessment). In order to manage the use of tax ratios and prevent the unfair shifting of taxes between classes, the Province has established maximum and minimum tax ratios for non-residential properties, as well as other rules concerning how municipalities can change tax ratios. As noted later in the analysis, the Town has a relatively low level of non-residential assessment and as such, the significance of tax ratios is not as pronounced as in municipalities with higher levels of non-residential assessment.

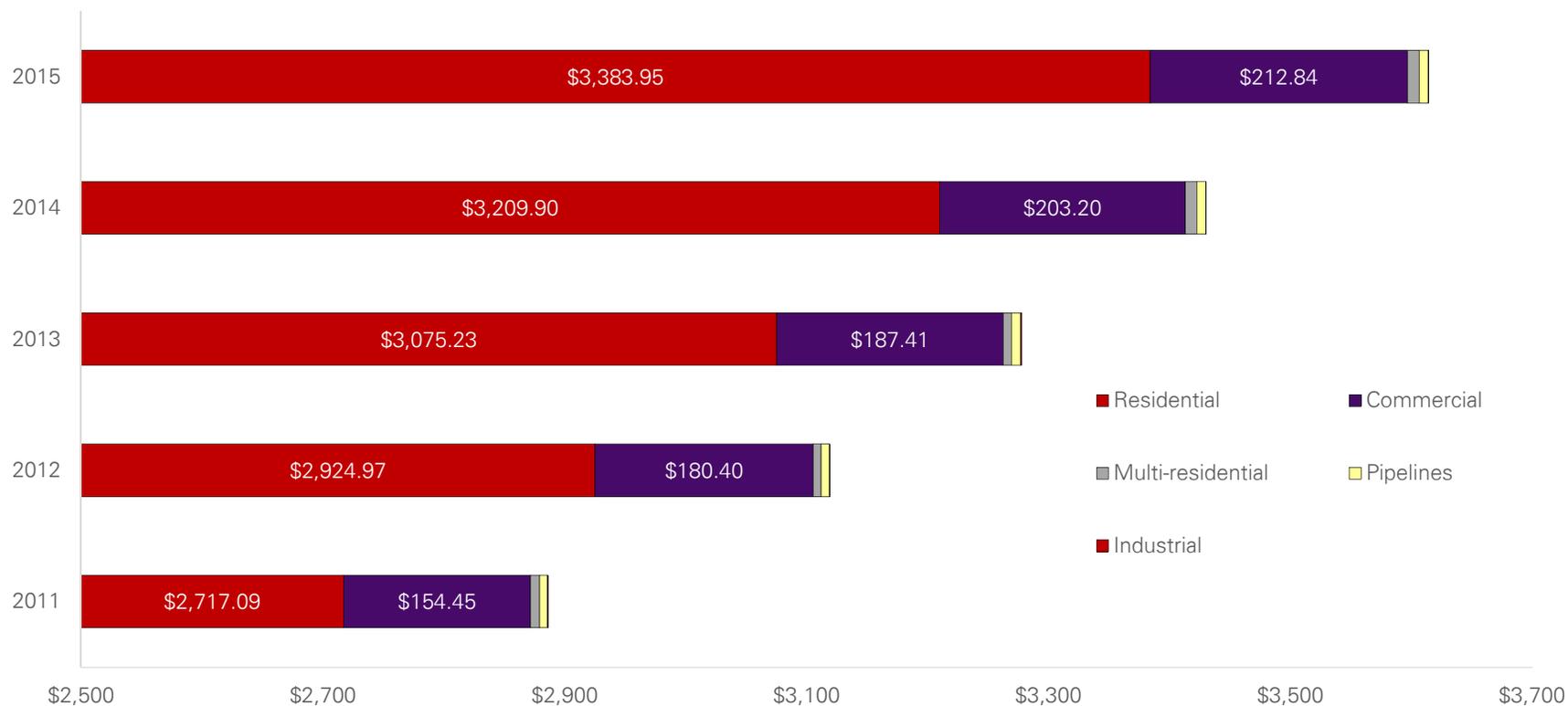
It is important to recognize that within the Town, and Ontario in general, there can be little to no correlation between property taxes and the level of services received. Similar to income taxes, municipal property taxes can be argued to be a progressive tax, whereby individuals with higher property values pay higher taxes on the basis that they can afford to do so. Similarly, industrial and commercial taxation levels are further impacted by tax ratios, which in most (but not all) cases assign a higher burden of taxes to non-residential properties vs. residential properties even where assessed values are the same. In certain municipalities, some effort is made to align municipal property taxes to services through the use of area rating, which is an approach that establishes different taxation rates for geographical areas where service levels vary.

Corporate Overview

E. Taxes and Assessment (continued)

Over the last five years, the Town’s taxable assessment has increased from \$2.88 billion to \$3.61 billion, an average annual increase of 5.8%. Overall, almost 94% of Town’s assessment is derived from residential properties, with commercial assessment representing 5.8% of the Town’s assessment base. Industrial assessment is almost non-existent, with only \$0.4 million of taxable industrial assessment reported in 2015.

Taxable assessment by property class (in millions of dollars)



Corporate Overview

E. Taxes and Assessment (continued)

As a result of the high level of residential assessment, residential taxpayers pay just under 90% of the total municipal levy (reflecting the impact of tax ratios on non-residential tax properties). Overall, the average residential taxpayer in Wasaga Beach paid \$2,663 in property taxes during 2015, of which \$1,328 (50%) was paid to the Town. The remaining portion of residential taxes were paid to the County (\$808 per household per household on average) and school boards (\$523 per household on average).

Over the last five years, the annual increase in average residential taxes per household (Town, County and Education) amounted to 4.4% per year, with the Town's portion of taxes increasing at an average annual rate of 4.9%.

Average residential tax per household

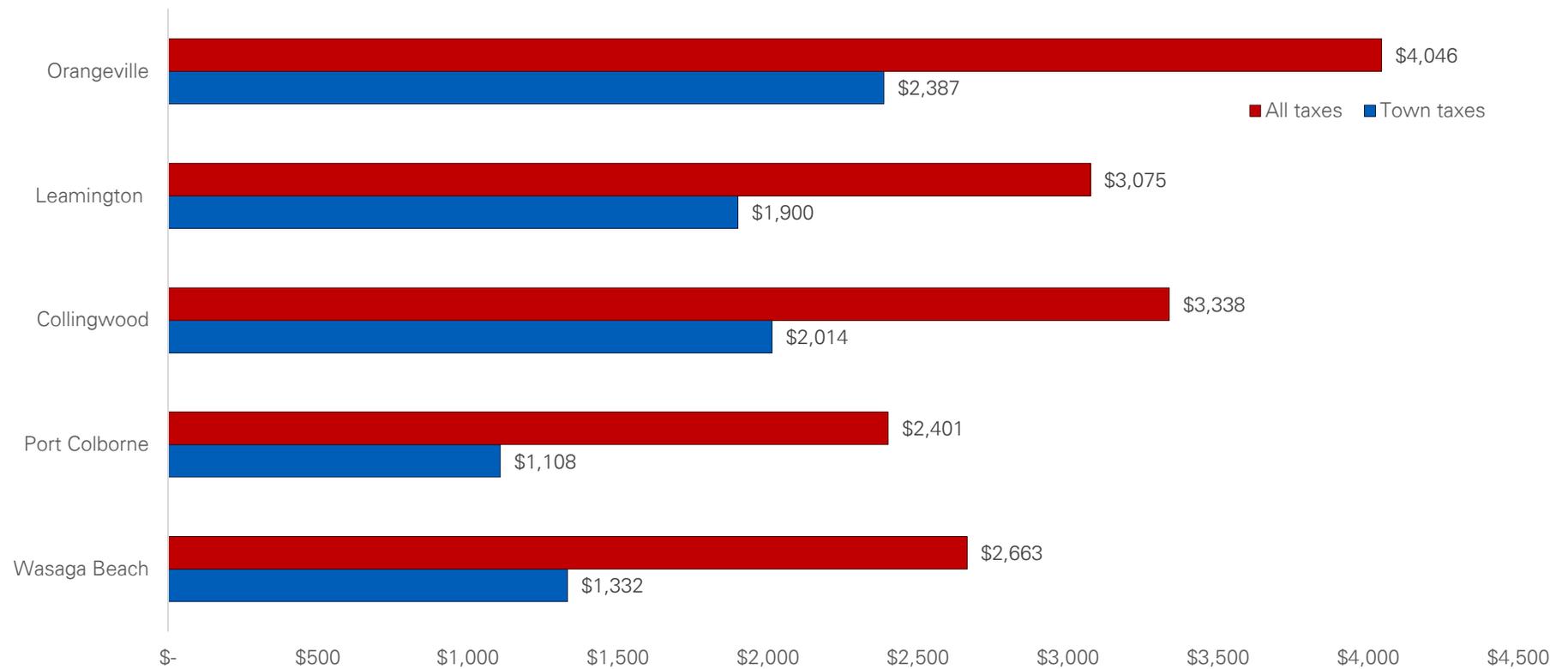


Corporate Overview

E. Taxes and Assessment (continued)

Notwithstanding the increases in residential taxes over the last five years, the Town still has the second lowest taxes in terms of both Town taxes and total taxes (town, county and education).

Average residential taxes per household (2015)



Corporate Overview

F. Financial Position

While there are arguably a number of indicators of financial position, we have considered the following for the purposes of our review:

- *Total financial assets* – represents the amount of reported financial assets, including cash, investments and accounts receivable, at the Town’s year-end (December 31st). For the purposes of our analysis, financial assets excludes the following items on the basis that they will not be converted to cash within the normal course of business:
 - Investments in government business enterprises (‘GBE’);
 - Tangible capital assets (‘TCA’)
 - Prepaid expenses
 - Inventories for own consumption
- *Net financial assets* – represents the reported financial assets (as defined above) less financial liabilities, including accounts payable, deferred revenues and long-term debt. For the purposes of our analysis, liabilities relating to employee future benefits (including future obligations for pensions, benefits and sick leave) have not been included in the consideration of net financial liabilities as these amounts are not likely to be repaid within the normal course of business.
- *Available surplus* – represents the accumulated surplus or deficit of the municipality. Calculated as assets less liabilities, the available surplus excludes the municipality’s position in (i) government business enterprises; (ii) tangible capital assets; and (iii) employee future benefit liabilities. Typically, the available surplus is comprised of the municipality’s reserve and reserve funds, unexpected capital financing, unfunded capital expenditures and general (unallocated) surplus.
- *Long-term debt* – represents the amount of long-term indebtedness owed by the municipality at the end of its fiscal year.
- *Taxes receivable as a percentage of total municipal levy* – this indicator is intended to indicate the extent to which a municipality may be experiencing collection issues with respect to taxes.

Corporate Overview

F. Financial Position (continued)

Over the last five years, the Town has demonstrated meaningful improvements in its financial position, with financial assets, net financial assets and available surplus all increasing since 2011. At the same time, the Town has improved its collection cycle for taxes receivable, with a 14.8% reduction in taxes receivable as a percentage of total levy. While the Town's long-term debt did increase during this period, this reflects its investment in the beachfront properties in 2015 and the associated issuance of long-term debt.

<i>(in thousands)</i>	2011	2012	2013	2014	2015	Change
Financial assets	\$42,036	\$42,954	\$48,121	\$51,010	\$51,668	\$9,632
Net financial assets	\$15,854	\$17,124	\$21,824	\$27,446	\$17,801	\$1,947
Available surplus	\$23,660	\$22,734	\$25,512	\$30,187	\$33,269	\$9,609
Long-term debt	\$7,738	\$5,544	\$3,626	\$2,697	\$15,446	\$7,708
Taxes receivable	\$5,000	\$3,007	\$3,825	\$3,717	\$3,132	(\$1,868)
Taxes receivable as a percentage of total levy	31.6%	17.7%	21.7%	21.1%	16.8%	(14.8%)

In comparison to the selected municipalities and as summarized on the following page, the Town appears to have a relatively strong financial position, with high levels of reported financial assets, net financial assets and available surplus. To a certain extent, the Town's financial position reflects its practice of contributing the full amount of its OMPF funding to reserves, which has the effect of increasing all three of the previously mentioned financial indicators.

With respect to tax collectability, the analysis indicates that the Town has the highest level of taxes receivable among the comparator group.

Corporate Overview

F. Financial Position (continued)

<i>(in thousands)</i>	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Financial assets	\$51,668	\$20,220	\$50,272	\$63,951	\$29,929
Net financial assets (liabilities)	\$17,801	\$1,421	(\$7,566)	\$6,427	(\$8,411)
Available surplus (deficit)	\$33,269	\$1,961	\$39,252	\$51,189	\$12,435
Long-term debt	\$15,446	\$13,214	\$33,691	\$37,567	\$20,760
Taxes receivable	\$3,132	\$1,949	\$3,765	\$2,545	\$1,079
Taxes receivable as a percentage of total levy	16.8%	13.5%	13.3%	9.8%	3.4%

<i>(per household)</i>	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Financial assets	\$4,087	\$1,971	\$4,398	\$6,012	\$2,916
Net financial assets (liabilities)	\$1,408	\$139	(\$662)	\$604	(\$819)
Available surplus (deficit)	\$2,632	\$191	\$3,434	\$4,812	\$1,211
Long-term debt	\$1,222	\$1,288	\$2,947	\$3,531	\$2,022
Taxes receivable	\$248	\$190	\$329	\$239	\$105

Corporate Overview

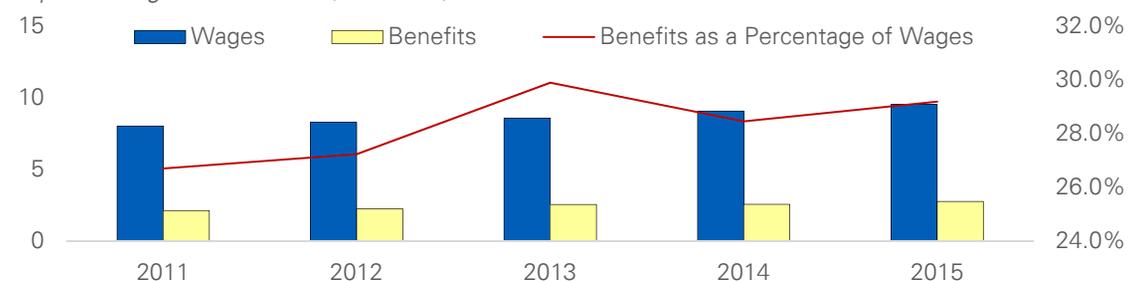
G. Personnel

The Town currently employs 108 full-time employees and 51 part-time employees (including volunteer firefighters). As summarized below, the three largest departments (Public Works, Parks, Recreation and Facilities and Fire) account for almost three quarters of the Town’s total labour force.

	Number of Employees			Percentage of Total		
	Full-Time	Part-Time	Total	Full-Time	Part-Time	Total
Mayor and Council	1	–	1	0.9%	–	0.6%
Office of the CAO	4	–	4	3.7%	–	2.5%
Economic Development and Tourism (includes planning and building inspection)	10	1	11	9.3%	–	6.9%
Library	3	9	12	3.7%	17.0%	8.1%
Treasury (includes information technology)	12	1	13	9.3%	5.7%	8.1%
Clerk (includes bylaw enforcement)	5	1	6	4.7%	1.9%	3.8%
Parks, Recreation and Facilities	17	17	34	15.9%	34.0%	21.3%
Fire	18	19	37	16.8%	35.7%	23.1%
Public Works	38	3	41	35.7%	5.7%	25.6%
Total	108	51	159	100.0%	100.0%	100.0%

During the 2015 fiscal year, the Town incurred a total of \$12.13 million in personnel related costs, of which \$12.07 million were reported as operating expenses and \$0.06 million were capitalized as TCA. Personnel costs in 2015 were comprised of \$9.36 million in wages and salaries and \$2.77 million in benefits, with benefits amounting to between 27% and 30% of wages over the last five years.

Reported wages and benefits (in millions)



Corporate Overview

G. Personnel (continued)

With respect to the selected municipal comparators, the Town reported the lowest level of personnel costs for the 2015 fiscal year. This reflects the fact that the Town's full time staffing complement is the lowest among the comparator municipalities in absolute terms, with a similar ranking when viewed in terms of full-time staff per thousand households.

<i>(in thousands)</i>	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Wages and salaries	\$9,303	\$10,541	\$14,662	\$9,650	\$18,483
Benefits	\$2,768	\$2,717	\$3,973	\$4,153	\$5,297
Total personnel costs	\$12,072	\$13,258	\$18,635	\$13,801	\$23,780

Reported full-time staff	108	113	154	109	185
Reported part-time staff	62	70	99	135	227
Total reported staff positions	170	183	253	244	412

Personnel costs as a percentage of operating costs	47.3%	59.7%	46.5%	35.1%	61.6%
Benefits as a percentage of wages and salaries	29.8%	25.8%	27.1%	43.0%	28.7%
Full-time positions per \$1,000,000 of operating costs	4.23	5.09	3.84	2.77	4.79
Full-time positions per 1,000 households	8.54	11.01	13.47	10.24	18.02

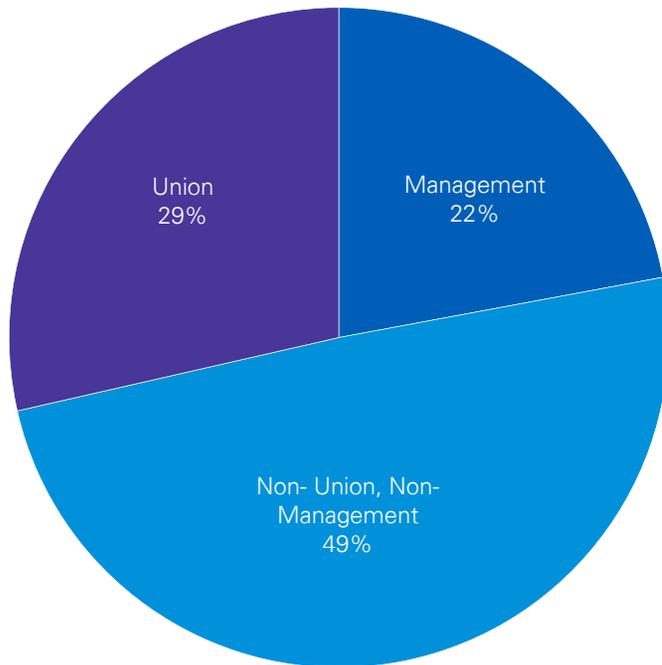
During the 2015 fiscal year, the Town paid a total of \$0.38 million and \$0.10 million in overtime and short-term sick leave, respectively, representing 4% and 1% of total wages and salaries. The 2015 overtime and sick leave costs were consistent with the prior year (\$0.37 million and \$0.11 million, respectively) and do not appear to be excessive given our experience with other municipalities. However, we do note that the Town's benefit costs were the second highest of the comparator group (and the highest if Leamington were excluded as we consider it to be an outlier) and if the Town were able to reduce these costs to the average of the comparator municipalities (27%), the estimated annual savings would be in the order of \$0.25 million.

Corporate Overview

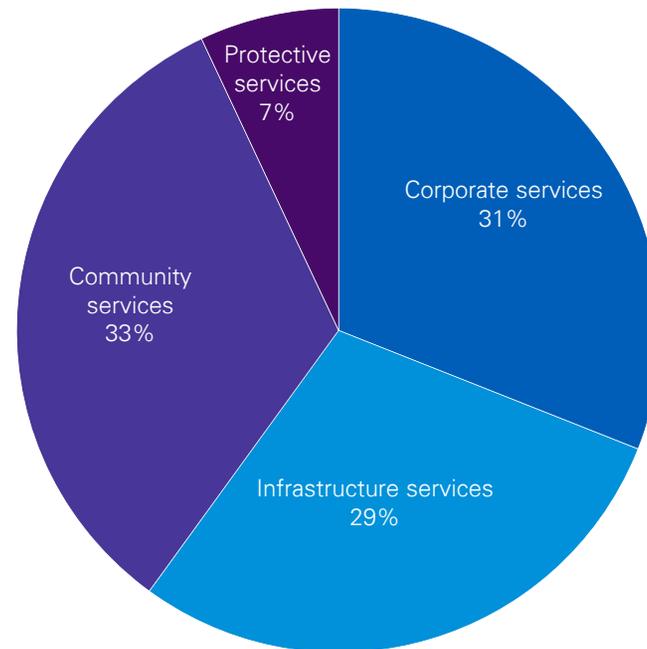
G. Personnel (continued)

As outlined in the terms of reference for our engagement, our review included a survey of the Town’s employees that was intended to gauge their perspectives on the Town’s strengths and weaknesses and also provide an insight into employee engagement and morale as well as their views on the Town’s efficiency and communications. A total of 77 employees (representing 71% of the Town’s full-time employees) responded to the survey. Additional information concerning the profile of survey respondents is provided below.

Employment Status



Functional Area



Corporate Overview

G. Personnel (continued)

The employee survey consisted of nine statements that respondents were asked to rate based on their level of agreement (strongly agree, agree, neutral, disagree and strongly disagree). For the purposes of interpreting the survey responses, we have provided a summary of results on the following page, along with a net engagement score. The net engagement score reflects the difference between the number of positive responses (strongly agree, agree) and negative responses (disagree, strongly disagree) and eliminates neutral responses. In addition these statements, respondents were also asked to indicate which areas of the Town’s operations they believe work well and which require improvement, with the major themes summarized below.

The results of the survey indicate a majority of survey respondents feel good about working for the Town, as evidenced by a net engagement score of +63.8%). As noted below, this response was not consistent across the Town’s staffing complement, with non-union non-management personnel having the highest net engagement score (+73.7%), while the net engagement scores for management and unionized employees were markedly lower (+58.7% and +50.1% respectively).

Overall, I feel good about working for the Town	Responses					Net Engagement Score
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Management	17.6%	52.9%	17.7%	11.8%	6.3%	58.7%
Non-union, non-management	18.4%	55.3%	26.3%			73.7%
Union	27.3%	36.4%	22.7%		13.6%	50.1%

The responses also indicate that the other aspects of the Town’s culture and work environment are in need of improvement, with net engagement scores rating from -22.6% to 31.5%. This indicates that a majority of the survey respondents were either neutral or negatively viewed the Town with respect to communication, relationships between staff, management and Council, personnel management, resourcing and inter-department collaboration.

Corporate Overview

G. Personnel (continued)

Statement	Responses					Net Engagement Score
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
The Town has a clearly communicated strategy and direction for the delivery of services to residents.	1.3%	38.5%	37.2%	16.7%	6.3%	16.8%
The relationship between Council and staff is supportive and contributes towards the efficient and effective delivery of services.	–	18.7%	40.0%	33.3%	8.0%	-22.6%
The relationship between management and non-management personnel is supportive and contributes towards the efficient and effective delivery of services to residents.	10.5%	44.7%	21.1%	15.8%	7.9%	31.5%
The Town is serious about personnel management and personnel development, with its internal processes contributing towards accountability and the development of staff.	6.5%	35.1%	23.4%	26.0%	9.0%	6.6%
I have the necessary resources to do my job well.	7.8%	35.1%	27.3%	22.1%	7.7%	13.1%
The Town is open to suggestions from all staff as to how to improve operations.	6.5%	28.6%	29.9%	8.6%	6.4%	20.1%
The Town is efficient in the delivery of municipal services.	3.9%	39.5%	34.2%	14.5%	7.9%	21.0%
The various functional units and departments within the Town collaborate well to ensure that resources are shared and services are delivered as efficiently as possible.	1.3%	27.3%	35.1%	27.3%	9.0%	-7.7%
Overall, I feel good about working for the Town.	20.8%	49.4%	23.4%	2.6%	3.8%	63.8%

Areas That Work Well	Areas That Require Improvement
<ul style="list-style-type: none"> • Level of customer service provided by Town employees to residents • Quality of the services provided by the Town • Quality of infrastructure maintained by the Town 	<ul style="list-style-type: none"> • Internal communications • Sufficiency of staffing levels • Consistency of processes across the organization

Corporate Overview

H. Infrastructure

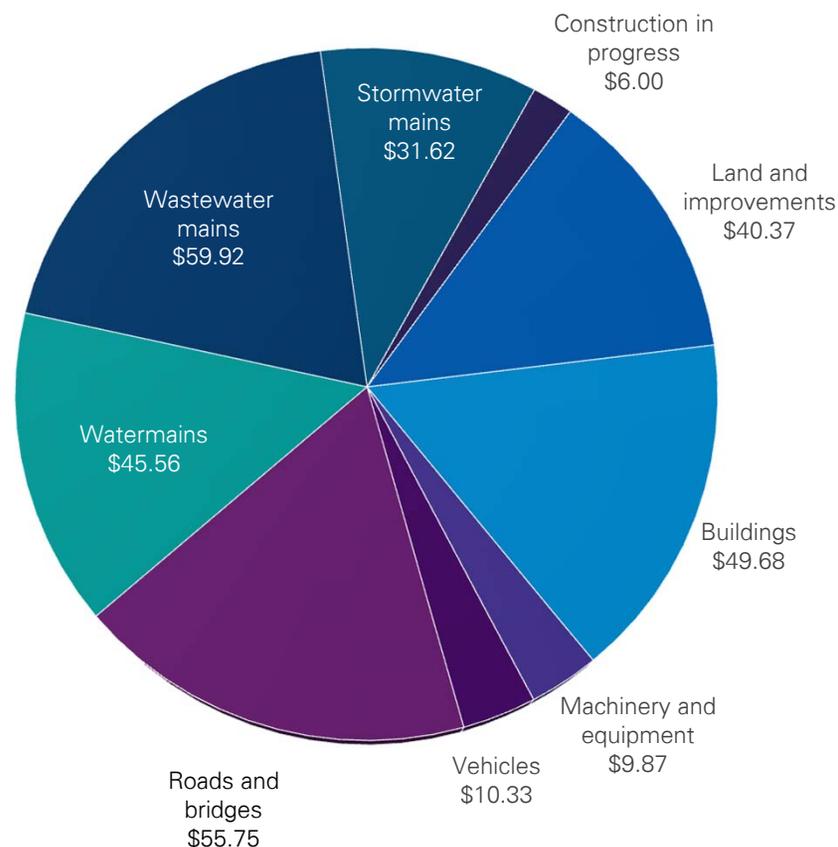
As at December 31, 2015, the Town reported TCA with a historical cost of \$307.8 million, although the replacement cost of its TCA is in excess of \$1 billion. The largest component of the Town’s TCA is invested in so-called linear assets which are comprised of the municipal road, water, wastewater and storm water networks and which constitute almost two-thirds of the Town’s reported TCA historical cost.

As part of its annual budgeting process, the Town prepares a ten year capital forecast that outlines expected capital expenditures and associated sources of funding, which include reserve contributions, development charges, grants, debt, user fees and taxes. The most recent capital forecast, which was prepared as part of the Town’s 2016 budget process, anticipates a total of \$152.7 million in capital expenditures during the period 2017 to 2026, the most significant of which include:

- Four laning of River Road West (\$21.1 million)
- Construction of a new sports facility and library (\$17.8 million)
- Urbanization of Mosley Street (\$11.5 million)
- Construction of a new public works depot (\$8.8 million)

As summarized on the following page, the Town has projected a required level of tax support for capital expenditures of between \$1.5 million and \$2.8 million per year.

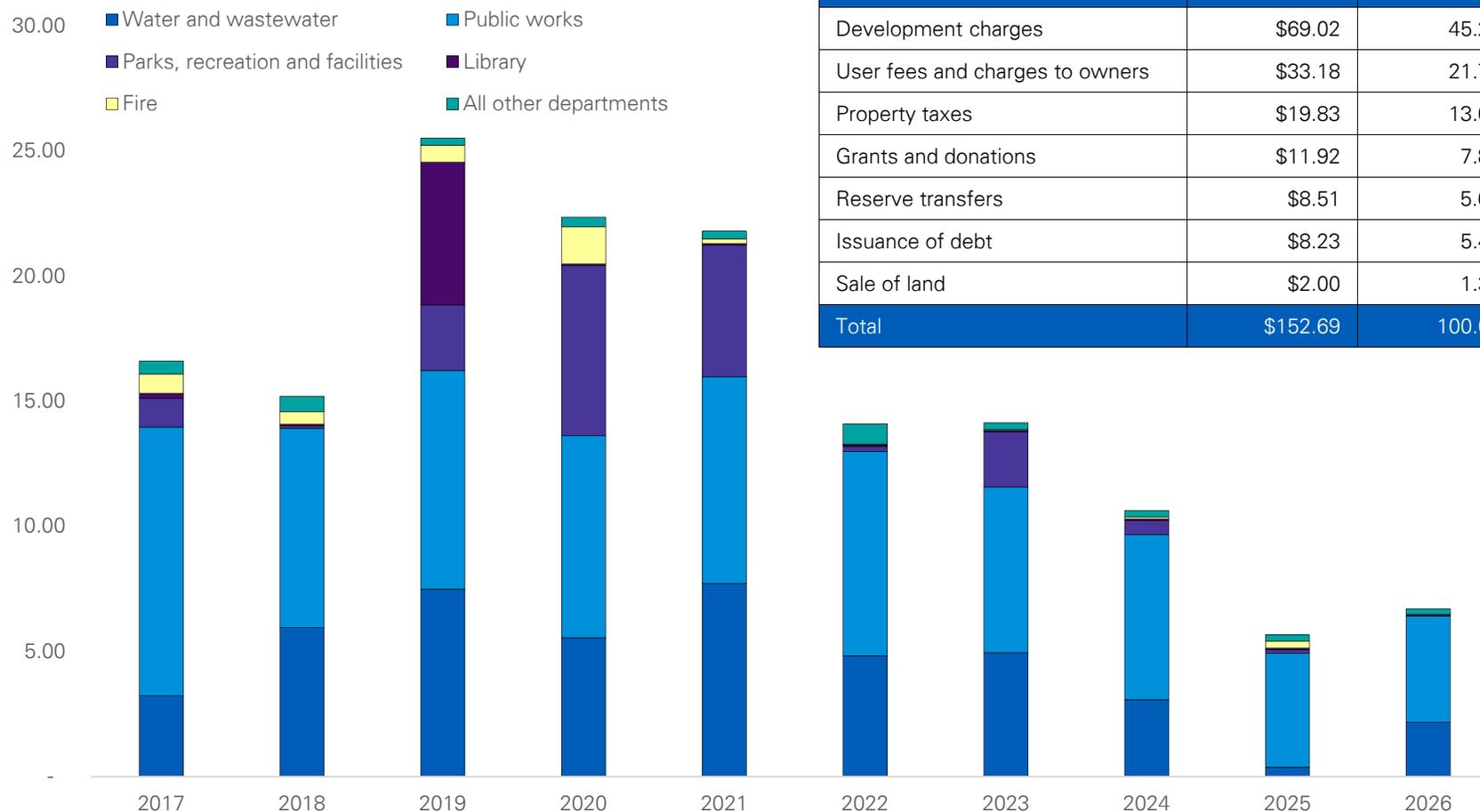
Tangible capital assets by type (in millions)



Corporate Overview

H. Infrastructure (continued)

Forecasted capital expenditures by function (in millions)



Projected revenues (2016 to 2026)	Amount (in millions)	Percentage
Development charges	\$69.02	45.2%
User fees and charges to owners	\$33.18	21.7%
Property taxes	\$19.83	13.0%
Grants and donations	\$11.92	7.8%
Reserve transfers	\$8.51	5.6%
Issuance of debt	\$8.23	5.4%
Sale of land	\$2.00	1.3%
Total	\$152.69	100.0%



Corporation of the
Town of Wasaga Beach

Mayor and Council



Mayor and Council

A. Mandate

Council acts as the governance body for the Town. As defined under the Municipal Act, 2001, S.O. 2001, c.25 (the 'Municipal Act'), Council's role includes:

- representing the public and consider the well-being and interests of the Town;
- developing and evaluating the policies and programs of the Town;
- determining which services the Town provides;
- ensuring that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of Council;
- ensuring the accountability and transparency of the operations of the Town, including the activities of the senior management of the Town;
- maintaining the financial integrity of the Town; and
- carrying out other duties of Council as required.

As a governance body, Council's role is generally seen as establishing corporate-level policies and programs that are then used by Town staff to deliver services in accordance with Council's direction. Section 227 of the Municipal Act goes on to indicate that the role of the officers and employees of the Town is to 'implement council's decisions and *establish* administrative policies and procedures to carry out council's decisions' (emphasis added). While the wording of the Municipal Act has typically been interpreted as removing Council from the operational decision making of a municipality, the Town's Code of Conduct has been revised to provide the Mayor with the opportunity to direct staff independent of the Town's Chief Administrative Officer. Accordingly, this change to the Town's Code of Conduct has expanded the mandate of the Mayor (and by extension Council) to include participation in operational decision making.

Mayor and Council

B. Basis for Delivery

The establishment of a municipal council is a requirement of the Municipal Act, which is the primary legislation governing Ontario municipalities. Among other things, the Municipal Act:

- defines the role of council (Section 224);
- defines the role of the head of council (Section 225); and
- establishes the head of council as the chief executive officer and defines the role of chief executive officer (Section 226.1).

C. Organizational Structure

Council is comprised of the Town's mayor, deputy mayor and five councilors who are elected at large.

In addition to regular council meetings, Council also meets as:

- Committee of the Whole, during which agenda items are discussed and recommended for adoption at regular council meetings; and
- Coordinated Committee, which consolidates the former standing committees of Council (community services, public works, development services, general government)

One full-time employee provides administrative support to Council.

Mayor and Council

D. Financial Overview

The Town has budgeted a total of \$733,200 for Council during the 2016 fiscal year, representing an increase of \$418,000 or 133% from 2012. This increase reflects the inclusion of \$405,310 for corporate initiatives in the Council budget for 2016 (vs. \$100,000 in 2012), which is intended to fund a variety of economic and community development initiatives including:

- The establishment of a community high school in Wasaga Beach;
- Continued development of beachfront properties; and
- The attraction of a gaming facility to the community.

While the Town has included these expenditures in the budget for Town Council, other municipalities may include them in budgets for economic development or other functional departments within the municipality.

Expenditure Category	2016 Budget
Council remuneration	\$159,570
Employee wages and benefits	\$121,800
Corporate initiatives	\$405,310
Professional development	\$12,000
Meals, accommodations and travel	\$11,500
Memberships	\$9,080
Other expenses	\$13,960
Total expenses	\$733,220

Mayor and Council

E. Municipal Comparisons

As noted below, the Town’s Council composition is consistent with two of the four comparator municipalities, while the Town’s method of representation (i.e. at large vs. ward) is consistent with three of the four comparator municipalities.

Excluding corporate initiative costs, the Town has budgeted a total of \$327,910 for Council during the 2016 fiscal year, which translates into the lowest cost per household of the selected comparators. On a per councillor basis, the Town’s costs are in the middle of the comparator municipal group.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
1. Council composition					
Number of councillors (including mayor)	7	9	9	7	7
Number of councillors elected at large	7	1	9	7	7
Number of councillors elected by ward	–	8	–	–	–
Population	19,615	18,003	20,016	28,403	27,975
Number of households	12,360	10,257	11,250	10,638	10,265
Residents per councillor (excluding mayor)	3,269	2,250	2,502	4,733	4,663
Households per councillor (excluding mayor)	2,060	1,282	1,406	1,773	1,710
2. Council costs					
Total budgeted costs (2016)	\$327,910	\$304,468	\$582,447	\$299,554	\$329,191
Cost per household	\$26.53	\$29.68	\$51.77	\$28.16	\$32.07
Cost per councillor	\$46,844	\$33,830	\$64,716	\$42,793	\$47,027



Corporation of the
Town of Wasaga Beach

General Government



General Government

For budgeting purposes, the Town's general government includes:

- Office of the CAO;
- Clerk services, excluding parking and bylaw enforcement (which are included under community services);
- Beachfront property management;
- Cemetery;
- Treasury;
- Information and technology management;
- Economic development; and
- Special events.

From an organizational design perspective, these activities are spread across different functional units within the Town and as such, the Town's budget does not necessarily align with its organizational structure. Similarly, the Town's alignment of these functions for budgeting and organizational purposes does not necessarily correspond with the alignment adopted by other municipalities.

In this chapter, we provide an overview of each of the functional units included in general government.

General Government

A. Office of the Chief Administrative Officer

As outlined in the Municipal Act, the role of the CAO is to exercise general control and management of the affairs of the Town for the purposes of ensuring the efficient and effective operation of the Town. In doing so, the CAO is tasked with implementing Council's strategic direction and seeking guidance, approval and revisions to this direction where considered appropriate.

While CAO positions in smaller communities are typically operational in nature (i.e. directly involved in service delivery), CAO positions in larger communities tend to be more strategic in nature, focusing on policy development, strategic planning, communications and special projects, including major economic development initiatives.

The CAO is typically seen as acting as the go-between for Council and staff and as such, is responsible for monitoring the activities and performance of the other members of the senior management team. While the role of the CAO is generally viewed as the only direct report to Council (as a means of preserving the distinction between governance and operations), changes to the Town's code of conduct provide Council, through the mayor, to direct staff on a day-to-day basis. As such, the traditional delineation of governance and operating responsibilities is not present in the Town's current organizational structure, with the mayor able to participate in operational decision making.

In addition to acting as the senior administrator of the Town, the CAO is also responsible for the management of the Town's beachfront properties.

Pursuant to Section 229 of the Municipal Act, municipalities may (but are not required) to appoint a CAO. Notwithstanding the optional nature of this position, our experience demonstrates that most municipalities with population levels similar to the Town's typically have a CAO as opposed to a clerk-treasurer position, which is more prevalent in smaller communities.

General Government

B. Human Resources

The Town's human resources function department is responsible for most aspects of personnel administration for the Town, including:

- Staff recruitment;
- Succession planning;
- Compensation planning and supporting policy;
- Support for collective bargaining negotiations;
- Support to functional units for human resources management;
- Pay equity maintenance; and
- Performance evaluation management.

While the Town maintains an occupational health and safety function, we understand that this resource reports through the Town's Fire Chief.

While there is no legislative requirement for a municipality to maintain a dedicated human resources capacity, our experience demonstrates that a number of municipalities with similar population levels have an internal human resources department (as opposed to external service providers).

General Government

C. Clerk Services

Under the provisions of the Municipal Act, the formal duty of the clerk includes:

- recording, without note or comment, all resolutions, decisions and other proceedings of the council;
- if required by any member present at a vote, recording the name and vote of every member voting on any matter or question;
- keeping the originals or copies of all by-laws and of all minutes of proceedings of the council;
- performing other duties required under the Municipal Act or under any other act; and
- performing other duties as are assigned by the Town.

Within the Town, the mandate of Clerks Services includes but is not limited to Council support, document imaging and retention, licensing, the direction of strategic and corporate initiatives (including the corporate efficiency review) and bylaw enforcement, including parking control. Clerk Services also supports Council Advisory Committees and Boards, including the Historical Advisory Committee, Accessibility Advisory Committee, Committee of Adjustment and the Property Standards Committee.

Clerks Services is also responsible for the administration of the Wasaga Beach Cemetery.

Section 228 of the Municipal Act requires all municipalities to appoint a clerk.

General Government

D. Treasury

The Treasury function is responsible for all aspects of the Town's financial management, including:

- Budgeting and financial planning;
- Levying and collecting taxes;
- Transaction processing (cash receipts, cash disbursements, payroll);
- Investment and cash management;
- Water billing administration;
- Internal and external financial reporting;
- Grant applications; and
- Benefits administration.

Pursuant to Section 286(1), all Ontario municipalities are required to appoint a treasurer 'who is responsible for the handling of all financial affairs of the municipality on behalf of and in a manner directed by the council of the municipality'.

On an annual basis, the Town's Treasury function processes:

- | | | |
|-----------------------------|--|---|
| • 25,500 tax bills | • 3,600 pre-authorized payment tax notices | • 8,600 vendor invoices |
| • 12,000 tax statements | • 1,100 title changes | • 1,700 vendor cheques |
| • 3,500 tax arrears notices | • 63,500 water bills | • 6,700 electronic fund transfer payments |
| • 12,000 tax statements | • 4,100 payroll direct deposits | • 150,000 payment receipts |

Periods of high activity for the Town's Treasury include:

- | | |
|---|---|
| - January/February – interim tax billings | - March/April – year-end audit |
| - June – final tax billings | - October/November – operating and capital budget |

General Government

E. Information and Technology Management

The Town's Information and Technology Management Services ('ITMS') provides technical support (hardware, software, telecommunications and peripherals such as printers and scanners) and information technology training to more than 80 users and supports an infrastructure consisting of:

- 24 laptops;
- 60 workstations
- 10 virtualized computer terminals;
- 15 servers (virtual and physical);
- Nine copiers (multi-functional printers);
- 10 printers; and
- Two internet hotspots.

Information technology support is provided through a help-desk arrangements, whereby user requests are intended to be queued and addressed based on order of priority in an Microsoft Access Database. We were advised, however, the users will sometimes disregard the queue and approach ITMS personnel directly.

While there is no legislative requirement for a municipality to maintain a dedicated information technology capacity, our experience demonstrates that municipalities with populations in excess of 10,000 residents generally have an internal information technology department, although some communities will use external service providers.

General Government

F. Economic Development and Special Events

The Director of Economic Development and Tourism is the primary lead for economic and community development activities for the Town, including but not limited to:

- Physician recruitment;
- Façade improvement program;
- Street banner program;
- Marketing and promotion;
- Business and tourism partnerships;
- Corporate communications;
- Gaming facility opportunities;
- Tourism development; and
- Special events.

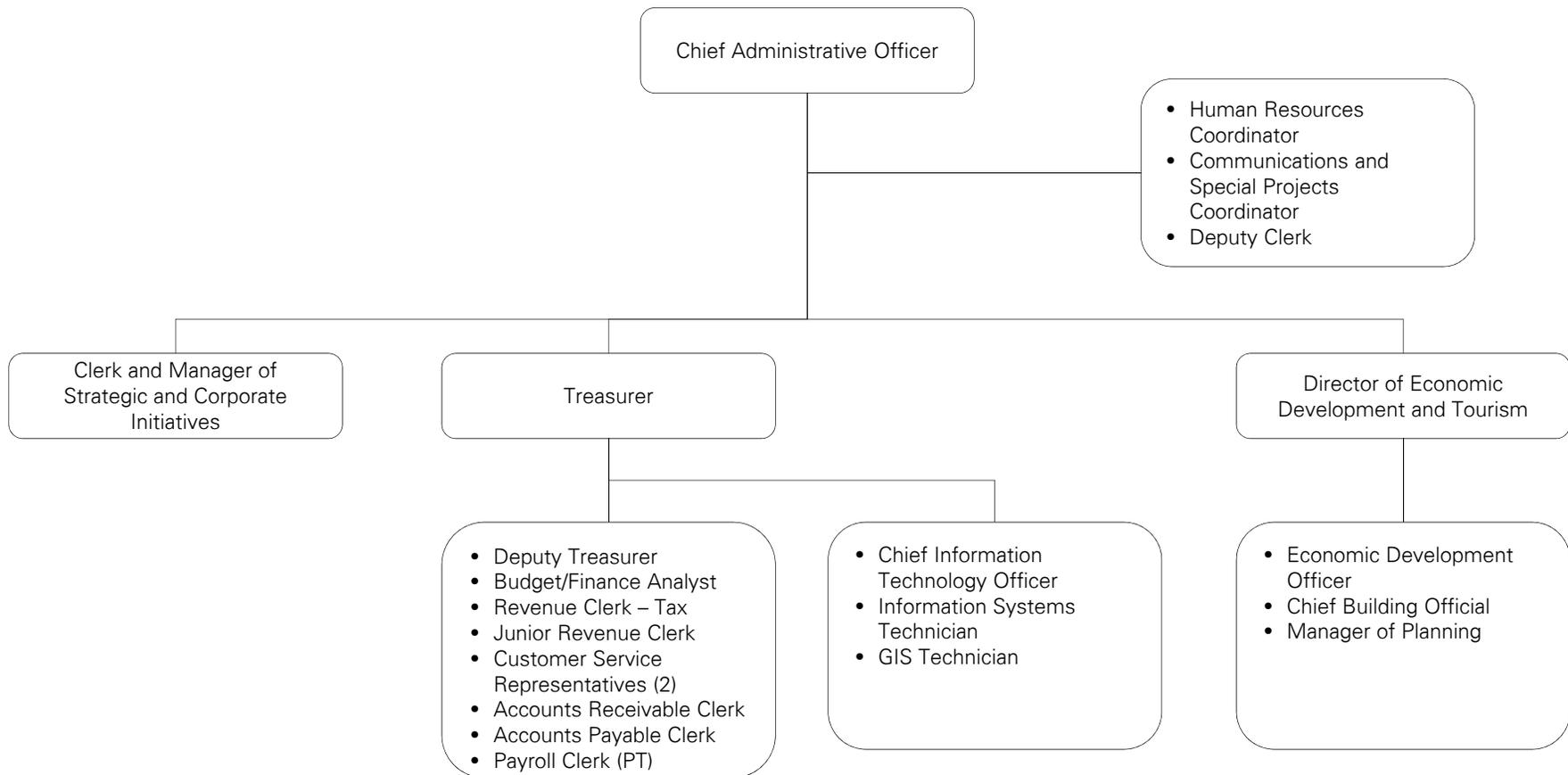
In undertaking these activities, the Town works in conjunction with the CAO and other Town departments, as well as third parties such as the Chamber of Commerce, the Ministry of Natural Resources and Forestry, the Ontario Lottery and Gaming Corporation and private sector businesses.

Under the provisions of the Municipal Act, municipalities are not required to provide economic development services. However, where a municipality chooses to do so, Sections 106 to 114 of the Act define the powers and limitations on municipalities with respect to economic development activities, the most notable of which are the limitations and provisions for so-called municipal 'bonusing'.

General Government

G. Organizational Structure

As summarized below, a total of 18 full-time and two part-time employees are involved in the delivery of general government services. Please note that additional staff that report to individuals listed below (e.g. bylaw enforcement, planning and building inspection) have not been depicted as these functions are not included within the mandate of general government.



General Government

H. Financial Overview

During the 2016 fiscal year, the Town budgeted a total of \$5.34 million for general government activities, with additional amounts budgeted for Council, debt servicing and the transfer of the Town's OMPF funding to reserves.

Expenditure Category	2016 Budget						
	Wages and Benefits	Grants and Transfers to Organizations	Property Maintenance and Taxes	Advertising and Promotion	Materials and Supplies	Transfers to Reserves	Total
Administration	\$885,700	\$282,280	–	\$72,000	\$233,370	–	\$1,473,350
Beachfront property maintenance	–	–	\$415,970	\$2,200	\$130,520	\$192,620	\$741,310
Treasury	\$901,810	–	–	\$1,000	\$332,220	–	\$1,235,030
Information technology	\$312,370	–	–	–	\$18,840	\$20,000	\$351,210
Economic development	\$312,050	\$10,500	–	\$119,000	\$546,400	\$13,980	\$1,001,930
Special events	\$204,180	\$125,500	–	\$10,000	\$8,370	–	\$348,050
Cemetery	\$8,260	–	\$20,000	–	\$46,460	–	\$74,720
Affordable housing	–	–	–	–	\$9,320	\$14,080	\$23,400
Elections	–	–	–	–	\$2,230	\$25,000	\$27,230
Accessibility committee	\$3,000	–	–	–	\$2,000	–	\$5,000
Town archives	\$1,360	–	–	–	\$1,700	–	\$3,060
Historical advisory committee	–	–	–	–	\$2,000	–	\$2,000
Chamber of Commerce	\$10,500	\$45,530	–	–	\$2,080	–	\$58,110
Budgeted expenses (2016)	\$2,639,230	\$463,810	\$435,970	\$204,200	\$1,335,510	\$265,680	\$5,344,400

General Government

H. Financial Overview (continued)

As noted on the preceding page, wages and benefits represent the largest component of general government costs, accounting for 50.0% of 2016 budgeted expenses. For functional units with significant personnel costs, wages and benefits will range from a high of 88.9% and 73.0% in ITMS and Treasury, respectively, to a low of 31.1% in economic development. Included in the budgeted personnel costs is \$483,750 for new employees added over the last five years, as follows:

• Administration	\$128,190
• Economic development	\$151,380
• Special events	\$204,180

Grants and transfers to organizations accounts for 8.8% of budgeted general government costs, and includes the following contributions:

• Nottawasaga Conservation Authority	\$218,750
• General budget provision for grants	\$39,500
• Food bank	\$24,000
• General budget provision for special event sponsorships	\$100,000
• Wasaga Beach Blues Sponsorship	\$20,000
• Chamber of Commerce	\$45,530

Property maintenance costs consist primarily of property taxes paid on the beachfront properties (\$277,030), with contracted costs for property management, waste management and janitorial services amounting to an additional \$93,940.

Town of Wasaga Beach Corporate Efficiency Review

General Government

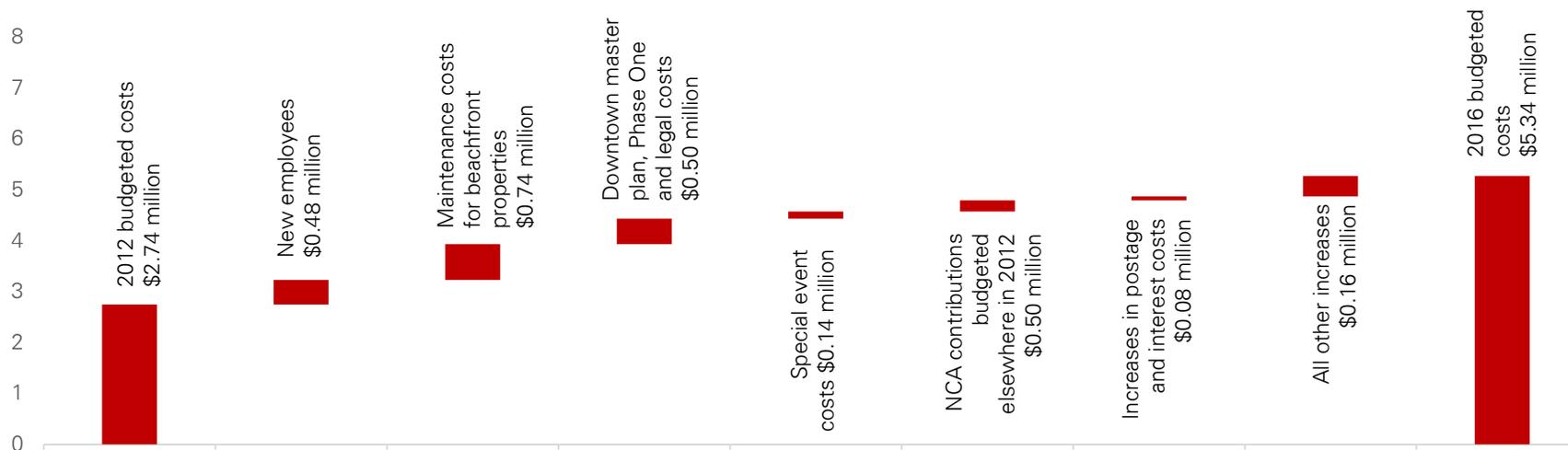
H. Financial Overview (continued)

Materials and supplies, which represent all other budgeted expenditures not otherwise classified, include the following major items:

- Interest and service charges (Treasury) \$90,000
- Postage and courier costs (Treasury) \$127,500
- Downtown master planning costs (Economic development) \$350,000
- Phase One miscellaneous costs (Economic development) \$100,000
- Legal services (Economic development) \$50,000

Over the last five years, total general government costs have increased from \$2.74 million in 2012 to the 2016 budget of \$5.34 million, representing an increase of \$2.60 million or 94.9%. As noted below, the majority of this increase appears to be attributed to increased expanded programming. After adjustment to program expansions, the increase in costs over the last five years is \$0.24 million, or an average of 2% per year.

Budgeted general government cost changes – 2012 to 2016 (in millions)



General Government

I. Municipal Comparisons

From an overall perspective, the Town's corporate services costs (CAO, human resources, IMTS, clerk services and treasury) compare favourably to the selected municipal comparators. With an average cost per household of \$228.22, the Town's corporate services costs are the lowest in the comparator group on a per household basis and second lowest in total.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Corporate services budgeted costs:					
Administration (excludes conservation authority contribution)	\$1,254,600	\$2,291,307	\$3,330,538	\$522,912	\$1,258,587
Treasury	\$1,235,030	In above	In above	\$2,096,405	\$1,059,788
Information technology (excludes reserve transfers)	\$331,210	\$246,452	\$176,386	In above	\$758,986
Human resources	In above	\$126,654	\$391,899	\$877,683	\$497,266
Total corporate services costs	\$2,820,840	\$2,664,413	\$3,898,823	\$3,497,000	\$3,574,627
Total households	12,360	10,257	11,250	10,638	10,265
Total corporate services costs per household	\$228.22	\$259.77	\$346.56	\$328.73	\$348.23

General Government

I. Municipal Comparisons

With respect to economic development costs, the Town’s investment on a per household basis, while the highest of the comparator municipalities, is only marginally higher than the Town of Collingwood.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Economic development budgeted costs (excludes Downtown Master Plan and Phase One costs)	\$501,930	\$232,242	\$447,637	\$259,251	\$320,175
Total households	12,360	10,257	11,250	10,638	10,265
Total economic development costs per household	\$40.60	\$22.64	\$39.78	\$24.37	\$31.19

From a staffing perspective, the Town has the lowest number of full-time employees involved in the delivery of general government services.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Office of the Chief Administrator	4	3	3	2	5
Clerk services	1	3	3	4	5
Treasury	7	13	10	8	10
Information technology	3	2	Contracted out	3	4
Human resources	1	2	3	2	3
Economic development	2	2	2	1	3
Total full-time staff	18	25	21	20	30



Corporation of the
Town of Wasaga Beach

Protective Services



Fire and Emergency Services

A. Mandate

The Town's Fire Services are responsible for ensuring the health and safety of residents through the provision of programs and services focusing on three areas:

- Education, including fire prevention and education programming in schools and public venues
- Prevention, including home inspections to ensure compliance with applicable legislation (e.g. residential smoke detectors) and non-residential inspections of specified properties on a quarterly, bi-annual and annual basis
- Suppression.

In addition to the above, Fire Services also contributes towards the health and safety of residents through the provision of Level A Tiered Response as per the Simcoe County Emergency Response Agreement.

Fire Services is designated responsibility for the Town's emergency management program and the Fire Services administrative assistant also provides occupational health and safety services to the Town's functional units.

B. Basis for Delivery

The Fire Prevention and Protection Act, 1997, S.O. 1997, c.4 (the 'FPPA') is the primary legislation impacting municipal fire services in Ontario. Pursuant to Section 2(1) of the FPPA, every municipality is required to:

- Establish a program in the municipality which must include public education with respect to fire safety and certain components of fire prevention; and
- Provide such other fire protection services as it determines may be necessary in accordance with its needs and circumstances.

While Section 2(2) of the FPPA requires municipalities to either (i) appoint a community fire safety officer or a community fire safety team; or (ii) establish a fire department, the size of the Town and its associated fire safety risks requires a fire department.

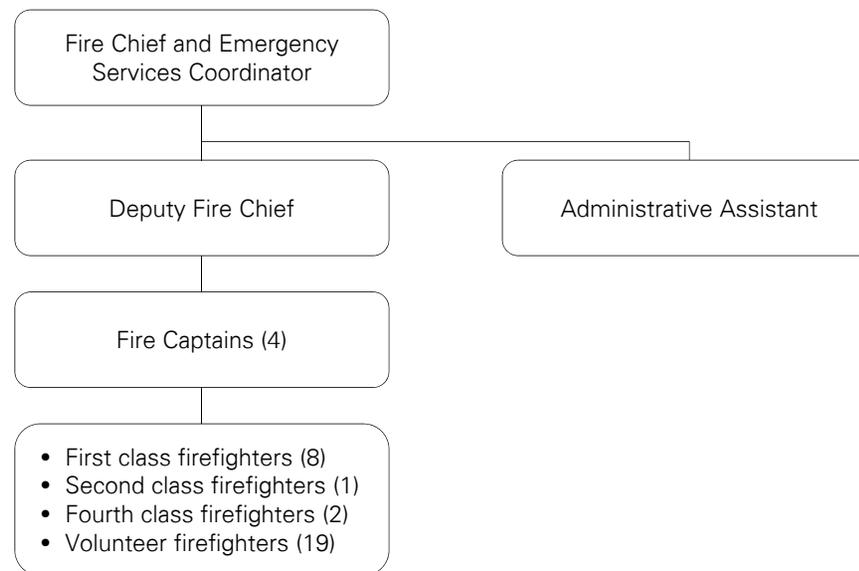
Fire and Emergency Services

B. Basis for Delivery (continued)

Under the FPPA, the Town is responsible for determining the level of fire services provided within the community. While Section 2(7) of the FPPA permits the Office of the Fire Marshal and Emergency Management ('OFMEM') to 'monitor and review the fire protection services provided by municipalities to ensure that municipalities have met their responsibilities', the FPPA further states that the OFMEM can make recommendations to the council to address threats to public safety. Accordingly, the OFMEM cannot direct the Town to change its fire services. Ultimately, if a municipality does not adopt recommendations from the OFMEM or take compensating measures to address threats to public safety, the Province could make regulations establishing standards for fire protection services in a municipality.

C. Organizational Structure

The delivery of fire services is through a composite model that relies on a combination of full-time and volunteer firefighters. The Town maintains two fire stations and has a complement of 17 full-time and 19 volunteer firefighters. A graphical depiction of the Town's Fire Services is provided below.



Fire and Emergency Services

D. Level of Activity

During the last three years, Fire Services responded to an average of 1,160 calls for service, of which only 5% were actual fires. Consistent with our experience with other municipalities, medical response and false alarms represent the highest proportion of calls for service, accounting for 67% and 10% of calls for service, respectively. For almost all calls for service (98%), the Town is able to respond with on duty full-time firefighters, avoiding the need to call in off duty full-time firefighters and the associated overtime.

	2013	2014	2015	Total	Percentage of Total
Fires:					
Structural	9	10	17	36	1.0%
Vehicle	1	2	6	9	0.3%
Other (grass, contained, unauthorized open burning)	48	48	42	138	4.0%
Total fires	58	60	65	183	5.3%
Medical response	702	725	892	2319	66.8%
False alarm	90	125	121	336	9.7%
Carbon monoxide alarm	85	91	76	252	7.3%
Motor vehicle extrication	47	42	61	150	4.3%
Public hazard	25	43	55	123	3.5%
Other	46	30	35	111	3.1%
Total	1053	1116	1305	3474	100.0%
Single alarm calls (on duty staff only)	1036	1099	1279	3414	98.3%
Second alarm calls (all full-time and volunteers)	17	17	26	60	1.7%

Fire and Emergency Services

E. Financial Overview

The Town has budgeted a total of \$2.78 million for Fire Services (including emergency management and occupational health and safety), the majority of which (90%) relates to personnel costs. Over the last five years, the Town's budgeted expenditures for Fire Services increased by \$0.48 million, \$0.46 million of which is due to increases in full-time firefighter wages and associated benefits. With an average annual increase of 5.3% over the last five years, the Town's increase in full-time firefighter wages reflects (i) the general result of interest arbitration; and (ii) the budgeted increase of two full-time firefighters in 2016 (although the Town has actually approved the hiring of six full-time firefighters in 2016).

	Fire Services	Emergency Management	Occupational Health and Safety	Total	Percentage of Total
Full-time wages	\$1,835,090	–	\$58,160	\$1,893,250	67.88%
Volunteer firefighter honoraria	\$92,680	–	–	\$92,680	3.32%
Benefits	\$505,140	–	\$20,700	\$525,840	18.85%
Total personnel costs	\$2,432,910	–	\$78,860	\$2,511,770	90.05%
Vehicle operations and maintenance	\$38,480	–	–	\$38,480	1.38%
Station operations and maintenance	\$77,260	–	–	\$77,260	2.77%
Training	\$20,250	–	\$3,750	\$24,000	0.86%
Travel	\$5,250	\$250	\$850	\$6,350	0.23%
Insurance	\$29,720	–	–	\$29,720	1.07%
Dispatch	\$35,000	–	–	\$35,000	1.25%
Uniforms	\$15,000	–	–	\$15,000	0.54%
Other materials and supplies	\$45,830	\$3,000	\$2,500	\$51,330	1.84%
Total budgeted costs (2016)	\$2,699,700	\$3,250	\$85,960	\$2,788,910	100.00%
Total budgeted costs (2012)	\$2,287,280	\$500	\$83,000	\$2,370,780	

Fire and Emergency Services

F. Municipal Comparisons

An analysis of budgeted operating costs for the 2016 fiscal year indicates that the Town has the second lowest fire service cost per household of the selected municipal comparators, although the lowest cost municipality has significantly fewer full-time firefighters.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Budgeted fire service costs	\$2,788,910	\$2,684,934	\$4,260,909	\$2,121,414	\$3,590,178
Total households	12,360	10,257	11,250	10,638	10,265
Total fire service costs per household	\$225.64	\$261.77	\$378.75	\$199.41	\$349.75
Number of full-time firefighters	17	16	26	5	19

Building Services

A. Mandate

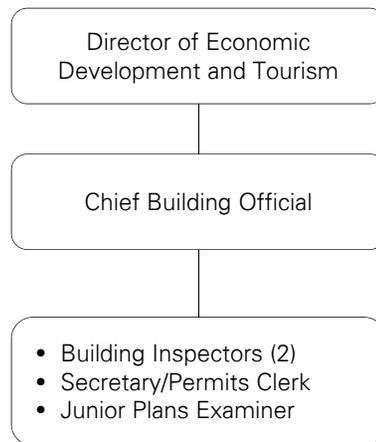
Responsibility for building inspection within the Town rests with the Building Services, which is a component of the Town’s Economic Development and Tourism Department. Building Services is tasked with the administration of the Town’s powers and responsibilities under the Building Code Act, 1992, S.O. 1992, c. 23 (the ‘BCA’), including the issuance of building and other construction-related permits and associated inspections.

B. Basis for Delivery

Pursuant to Section 3.1 of the BCA, municipalities are mandated the responsibility to enforce the BCA and in doing so, are required to appoint a chief building official and such inspectors under Section 3(2) of the BCA. Consistent with other Provincial legislation, the BCA does allow for collaboration and joint enforcement involving two or more municipalities (Section 3(3)).

C. Organizational Structure

Building services is comprised of a Chief Building Official, who reports to the Manager of Planning and Development, and four full-time staff.

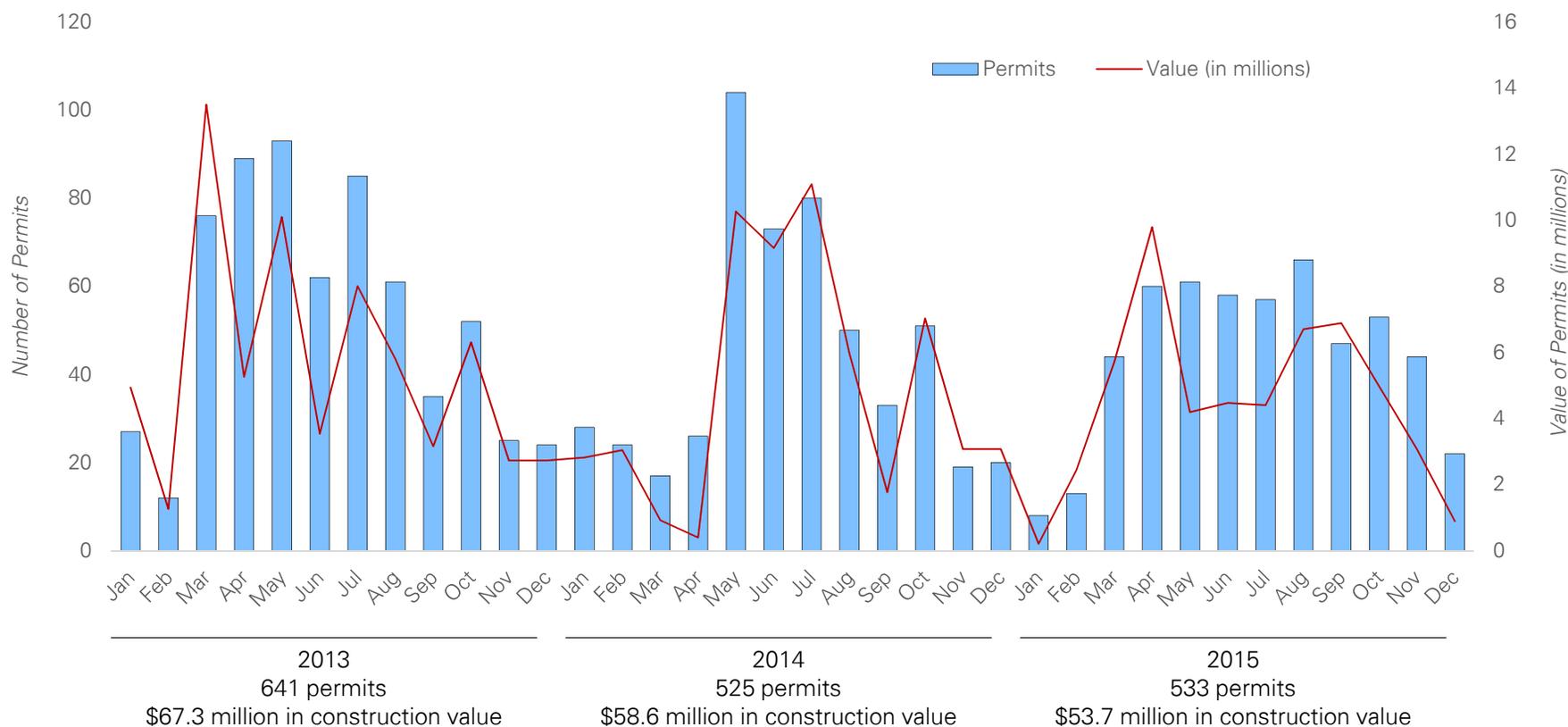


Building Services

D. Level of Activity

Over the last three years, the Town has issued 1,699 permits of all types, with an associated construction value of \$179.9 million. As noted below, the issuance of building permits is seasonal in nature. However, Building Services is active throughout the year with inspections, applications and assistance to the public.

Building permit activity by month



Building Services

E. Financial Overview

The Town has budgeted a total of \$0.57 million for building services in 2016, the majority of which (94%) relates to employee wages and benefits. Over the last five years, the total budgeted costs for Building Services has increased by \$0.02 million, or 0.8% per year.

Under the provisions of the BCA, municipalities are permitted to recover the full cost of building services through user fees and the Town has adopted this approach for budgeting purposes. As such, the Town does not budget for any municipal levy support for Building Services.

	Total	Percentage of Total
Wages and employee benefits	\$535,810	93.87%
Vehicle operation and maintenance	\$5,780	1.01%
Travel	\$1,750	0.31%
Zoning review	\$5,000	0.88%
Professional development and training	\$3,500	0.61%
Other materials and supplies	\$19,010	3.33%
Total budgeted costs (2016)	\$570,850	100.00%
Total budgeted costs (2012)	\$552,500	

F. Municipal Comparisons

As noted on the following page, the Town has the highest level of full-time staff among the selected comparator municipalities (one of two municipalities with five full-time staff), but also issues (i) the highest number of building permits; and (ii) the second-highest construction value of permits. In terms of efficiency indicators:

- The Town’s cost per permit issued is the second lowest of the comparator municipalities;
- The Town’s cost per thousand dollars of construction activity is the lowest of the comparator municipalities; and
- Town employees manage the second highest volume and value of permits per full-time employee.

Building Services

F. Municipal Comparisons (continued)

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Total budgeted costs (2016)	\$570,850	\$192,312	\$579,417	\$790,200	\$573,853
Number of full-time staff	5	2	4	5	4
Activity indicators					
Number of permits issued	533	214	228	381	377
Value of permits issued	\$53.7 million	\$16.2 million	\$36.7 million	\$70.5 million	\$41.7 million
Performance indicators					
Cost per permit issued	\$1,071.01	\$898.65	\$2,541.30	\$2,074.02	\$1,522.16
Cost per thousand dollars of construction activity	\$10.63	\$11.87	\$15.79	\$11.20	\$13.76
Permits issued per full-time staff	106.6	107.0	57.0	76.2	94.3
Value of permits issued per full-time staff	\$10.7 million	\$8.1 million	\$9.2 million	\$14.1 million	\$10.4 million

Municipal Law Enforcement and Licensing

A. Mandate

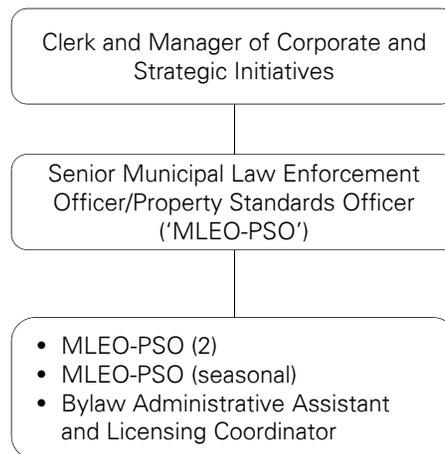
Municipal law enforcement and licensing is responsible for ensuring compliance with bylaws established by the Town, including but not limited to parking and property standards enforcement, as well as licensing, animal control and parking management.

B. Basis for Delivery

Pursuant to Section 425(1) and Section 429(1) of the Municipal Act, municipalities are permitted to pass by-laws as well as fines to be imposed in the event that an individual contravenes a municipal bylaw.

C. Organizational Structure

The Town's municipal law enforcement and licensing function consists of four full-time and one seasonal employees who report to the Clerk and Manager of Corporate and Strategic Initiatives. Animal control activities are provided through an external contractor.



Municipal Law Enforcement and Licensing

D. Level of Activity

A summary of selected activities for the Town’s municipal law enforcement and licensing function is provided below.

	2012	2013	2014
Residential parking permits issued	493	592	749
Dog tags issued	717	843	943
Yard sale permits issued	528	569	488
Business licenses issued	506	656	621
Parking tickets issued	2,757	1,774	1,617

E. Financial Overview

As summarized on the following page, the Town has budgeted a total of \$1.09 million for municipal law enforcement and licensing, just under half of which (\$0.51 million) relates to employee wages and benefits. Unlike other protective services functions, municipal law enforcement and licensing has a lower salary component (as a percentage of total costs) due to the presence of significant non-salary costs, such as parking lot maintenance and operations and fees paid to third parties.

Over the last five years, budgeted costs for municipal law enforcement and licensing have remained relatively constant.

Municipal Law Enforcement and Licensing

E. Financial Overview (continued)

	Bylaw Enforcement	Parking	Animal Control	Total	Percentage of Total
Wages and employee benefits	\$389,240	\$118,020	\$9,500	\$516,760	47.19%
Vehicle operation and maintenance	\$7,640	\$4,270	–	\$11,910	1.09%
Contract costs	–	–	\$35,620	\$35,620	3.25%
Property standards expenses	\$18,000	–	–	\$18,000	1.64%
Parking lot and meter repairs and maintenance	–	\$71,250	–	\$71,250	6.51%
Parking fees	–	\$64,500	–	\$64,500	5.89%
Telephone and telecommunications	\$11,660	\$2,320	–	\$13,980	1.28%
Professional development and training	\$3,750	\$1,500	–	\$5,250	0.48%
Transfer to reserves	–	\$28,000	–	\$28,000	2.56%
Other materials and supplies	\$35,890	\$290,950	\$3,000	\$329,840	30.11%
Total budgeted costs (2016)	\$466,180	\$580,810	\$48,120	\$1,095,110	100.00%
Total budgeted costs (2012)	\$380,795	\$669,045	\$47,000	\$1,096,840	

Municipal Law Enforcement and Licensing

F. Municipal Comparisons

In comparison to the selected comparator municipalities, the Town's municipal law enforcement and licensing function demonstrates strong financial indicators:

- The Town has the lowest level of tax support for municipal enforcement and licensing, both in absolute terms and on a per household basis, reflecting the fact that the Town has the highest cost recovery percentage of the comparator group; and
- The Town generates significantly more in revenue per full-time staff member than the selected comparator municipalities.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Total budgeted costs (2016)	\$1,095,110	\$443,730	\$661,038	\$705,458	\$465,884
Total budgeted revenues (2016)	\$882,590	\$42,570	\$354,150	\$310,116	\$143,170
Net municipal levy support	\$212,520	\$401,160	\$306,888	\$395,342	\$322,714
Total households	12,360	10,257	11,250	10,638	10,265
Full-time staff	5	3	4	3	6
Total revenue per full-time staff	\$176,518	\$14,190	\$88,537	\$103,372	\$23,861
Net municipal levy support per household	\$17.19	\$39.11	\$27.27	\$27.11	\$31.44
Cost recovery percentage	80.6%	9.6%	53.5%	7.0%	30.7%



Corporation of the
Town of Wasaga Beach

Public Works



Public Works

The Town's Public Works Department represents the largest single functional unit within the corporation by number of full-time employees and budget allocation, employing 35% of the Town's full-time staffing complement.

The Public Works Department is responsible for the delivery of programs and services relating to the Town's infrastructure, including:

- Roads maintenance
- Water treatment and distribution
- Wastewater collection and treatment
- Stormwater management
- Fleet maintenance
- Engineering
- Transit

From an organizational perspective, the Town's Public Works Department is structured into two divisions:

- The Operations Division, which is responsible for roads, water and wastewater and fleet services; and
- The Engineering Division, which is responsible for capital works, development engineering, source water protection and transit services.

A description of the services provided by Public Works follows.

Roads

A. Mandate

The Town's Operations Division is responsible for summer and winter maintenance of the Town's municipal road network, including bridges, traffic signals and streetlights.

The maintenance of the municipal road network is determined based on the provisions of Ontario Regulation 239/02: Minimum Maintenance Standards for Municipal Highways (which has been amended by Ontario Regulation 47/13) which establishes minimum maintenance standards for a range of road network maintenance activities, including but not limited to:

- Patrolling highways to monitor conditions
- Snow plowing
- Ice prevention (sanding and salting)
- Surface repairs, including potholes and surface cracking

Under Ontario Regulation 239/02, municipal roads are divided into one of six classes, with the categorization depending on the average annual daily traffic volume and the posted speed limit (see next slide). As noted on the following slides, maintenance standards will vary by class of road, with the standards decreasing (both in terms of response time and service level) as the classification progresses from Class 1 to Class 5. Under the regulation, minimum maintenance standards do not apply to Class 6 roads.

The Town's road network is comprised of roads that are classified as Class 3 to Class 5 and the Town has established a winter control policy that formally establishes service levels for winter roads maintenance.

In addition to the maintenance of the municipal road network, the Operations Division is also responsible for:

- Maintenance of the Town's stormwater management system;
- Streetlight maintenance;
- Collection of waste and recyclables at municipal facilities; and
- Certain maintenance activities on the Nottawasaga River.

Roads

A. Mandate (continued)

Classification of Roads Under Ontario Regulation 239/02

Average Annual Daily Traffic	Speed Limit (kilometres per hour)								
	>90	81-90	71-80	61-70	51-60	41-50	<41		
>15,000	Class 1			Class 2					
12,000-14,999				Class 2				Class 3	
10,000-11,999				Class 2		Class 3			
8,000-9,999	Class 2		Class 3			Class 4			
6,000-7,999			Class 2	Class 3					
5,000-5,999	Class 2		Class 3			Class 4			
4,000-4,999			Class 2	Class 3					
3,000-3,999	Class 2		Class 3			Class 4			
2,000-2,999			Class 2	Class 3					
1,000-1,999	Class 2		Class 3			Class 4			
500-999			Class 2	Class 3					
200-499	Class 2		Class 3			Class 4			
50-199			Class 2	Class 3					
<50	Class 2		Class 6						

Roads

A. Mandate (continued)

Minimum maintenance standards by class of road (selected standards only – not inclusive of all standards)

	Class					
	1	2	3	4	5	6
Maximum accumulation before snow clearing commences	2.5 cm	5.0 cm	8.0 cm	8.0 cm	10.0 cm	Minimum maintenance standards are not established for Class 6 roads
Minimum depth that snow must be cleared to	2.5 cm	5.0 cm	8.0 cm	8.0 cm	10.0 cm	
Maximum time that snow clearing must be commenced once snow accumulates to maximum level	4 hours	6 hours	12 hours	16 hours	24 hours	
Maximum time to treat icy roadway	3 hours	4 hours	8 hours	12 hours	16 hours	
Maximum surface area of potholes on paved roadways before repairs are required	600 cm ²	800 cm ²	1000 cm ²	1000 cm ²	1000 cm ²	
Maximum depth of potholes on paved roadways before repairs are required	8 cm					
Maximum time within which required pothole repairs are to be completed	4 days	4 days	7 days	14 days	30 days	
Maximum dimension of cracks before repairs are required	5 cm width 5 cm depth					
Maximum time within which required crack repairs are to be completed	30 days	30 days	60 days	180 days	180 days	
Maximum time within which to complete required streetlight repairs (three or more consecutive are not functioning)	7 days	7 days	14 days	14 days	14 days	

Roads

B. Basis for Delivery

Section 44(1) of the Municipal Act establishes the Town's responsibility to keep highways or bridges under its jurisdiction "in a state of repair that is reasonable in the circumstances". Ontario Regulation 239/02: Minimum Maintenance Standards for Municipal Highways (which has been amended by Ontario Regulation 47/13) establishes minimum maintenance standards for roads maintenance.

In addition to Ontario Regulation 239/20, a number of other Provincial and Federal acts and regulations also impact roads maintenance activities (e.g. Endangered Species Act).

The issue of what constitutes minimum maintenance standards with respect to the prevention of icing has emerged as a major issue for municipalities. Litigation continues to refine the specific definition of municipal responsibility for roads maintenance (e.g. *Montani v. Matthews*, 1996; *Giuliani v. Halton*, 2011), with significant financial costs to those municipalities that have been found to be non-compliant with the minimum maintenance standards. The potential financial risk to the Town in the event of non-compliance with minimum maintenance standards is compounded by:

- The presumption of liability on the part of the municipality, which places the onus on the Town to demonstrate that it was not at fault; and
- The presence of joint and several liability, which may result in the Town paying a higher portion of damages than its share of the associated liability.

C. Organizational Structure

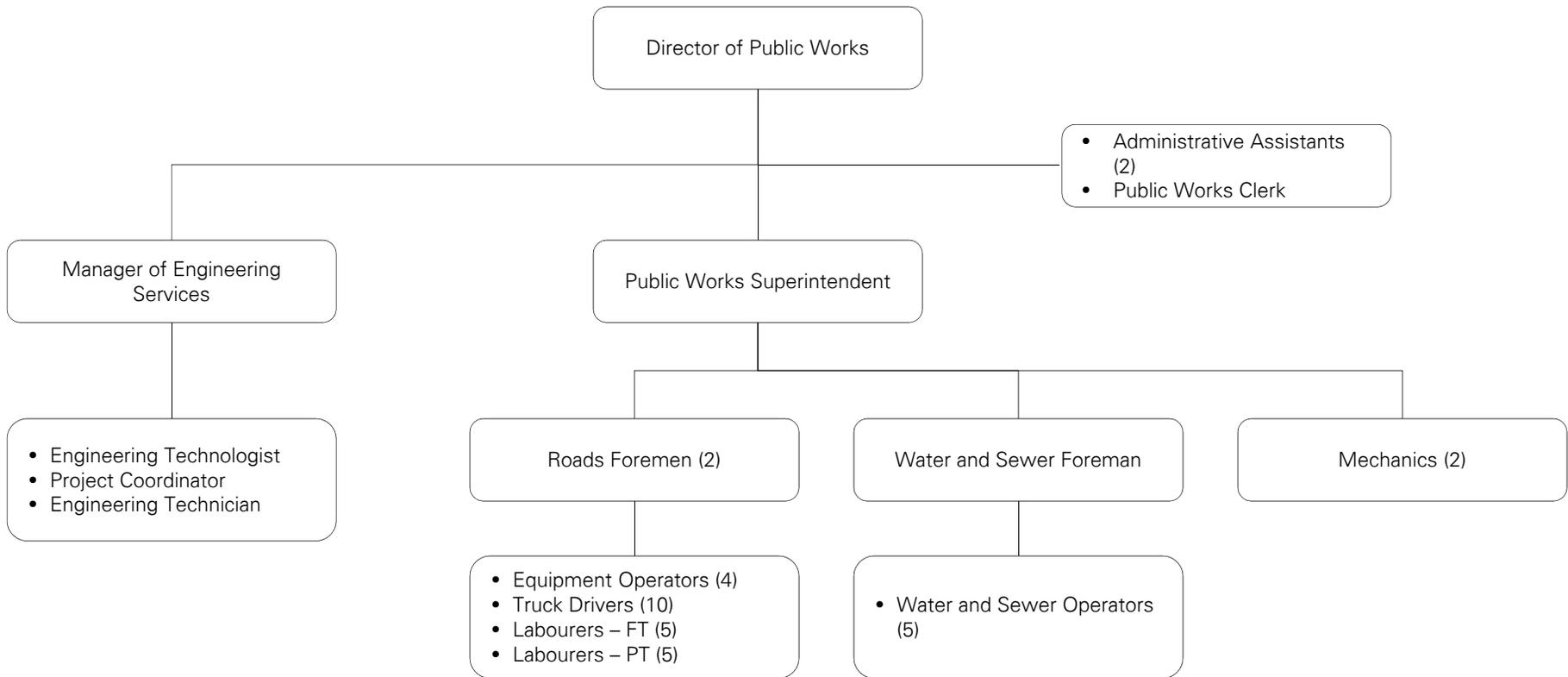
Overall responsibility for public works operations (including roads) rests with the Director of Public Works. A graphical depiction of the Town's organizational structure for public works is included on the following page.

In addition to its own resources, the Town also relies on external contractors for the following services:

- Water and wastewater treatment
- Streetlight maintenance
- Transit

Roads

C. Organizational Structure (continued)



Roads

D. Level of Activity

The Town is responsible for roads maintenance activities on 397 lane kilometres of roads (197 kilometres), 21 bridges and large culverts, 18 kilometres of sidewalks and 25 traffic signals. The Operations Department is also involved in the maintenance of the Town's associated stormwater management infrastructure, which includes approximately 70 kilometres of storm sewers, 2,255 catchbasins and five stormwater management ponds.

Wasaga Distribution Inc. is under contract to maintain the Town's network of 2,850 streetlights.

In addition to the maintenance of its own infrastructure, the Operations Division will also maintain approximately seven kilometres of the Nottawasaga River, including 46 river buoys, and will also provide barge rentals on a fee for service basis to the Province of Ontario for the placement of swimming buoys along 10 kilometres of beach area.

E. Financial Overview

As summarized on the following page, the Town has budgeted a total of \$3.18 million for maintenance of the municipal road network and other services undertaken by roads personnel. From a functional perspective, administration represents the largest single cost element, amounting to \$1.12 million or 35% of total budgeted costs. Administration costs will include administrative personnel and the cost of the Town's public works depot. The single largest service from a cost standpoint is winter roads maintenance, which accounts for 23% of total budgeted costs.

Wages and benefits represent the largest expenditures by type, amounting to \$1.98 million and accounting for 62% of the total budget. As noted in the summary, the Town does not rely external contractors for roads maintenance activities, preferring instead to utilize its own resources. While the Town has attempted to balance seasonal demands for roads maintenance (which are predominantly skewed to winter months due to snow events) through the use of seasonal employees and the employment of Town personnel on capital projects, this strategy does require the Town to maintain staffing, equipment and supporting resources (e.g. mechanics, depot area) at peak levels. In addition, it also results in instances where high cost operators are involved in relatively low value work (e.g. garbage collection at municipal facilities), as a means of ensuring their utilization during the off-peak summer months.

Roads

E. Financial Overview

Expenditure Category	2016 Budget				
	Wages and Benefits	Materials	Equipment Rentals	Contracted Services	Total
Administration	\$788,960	\$336,540	–	–	\$1,125,500
Winter control	\$557,310	\$168,500	\$8,000	–	\$738,060
Bridges and culverts	\$27,500	\$7,500	\$2,500	\$27,500	\$65,000
Asphalt maintenance	\$43,680	\$8,500	\$2,000	\$45,000	\$99,180
Gravel maintenance	\$13,260	\$20,130	–	–	\$33,390
Safety devices and traffic signs	\$52,100	–	–	\$12,600	\$94,450
Street sweeping	\$68,920	–	–	–	\$68,920
Sidewalks and curbs	\$25,130	–	\$3,000	\$15,000	\$47,130
Other maintenance activities	\$154,800	\$65,900	\$500	\$12,600	\$233,800
Streetlights	\$7,370	\$222,000		\$27,000	\$256,370
Stormwater	\$71,690	–	\$20,000	\$7,500	\$128,770
Nottawasaga River	\$24,640	–	\$5,000	\$50,000	\$87,640
Garbage and recycling collection	\$146,560	\$6,500	–	\$56,210	\$209,270
Budgeted expenses (2016)	\$1,981,920	\$835,570	\$41,000	\$253,410	\$3,187,480

Roads

F. Municipal Comparisons

As summarized below, the Town’s budgeted roads cost per lane kilometre is in the middle of the selected comparators, with two municipalities having higher costs (Collingwood and Orangeville) and two municipalities having lower costs (Port Colborne and Leamington).

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Total budgeted road and stormwater maintenance costs (2016)	\$3,187,480	\$3,211,332	\$4,865,078	\$4,079,939	\$5,388,659
Total lane kilometres	397	567	313	573	240
Total cost per lane kilometre	\$8,029	\$5,664	\$15,543	\$7,120	\$22,452

With respect to the two municipalities that have lower costs, we note the following:

- Both have larger road networks than the Town (Port Colborne 43% larger, Leamington 44% larger), which allows for fixed costs to be allocated over a larger number of lane kilometers, thereby reducing the fixed cost per lane kilometer; and
- Both are located in southern portions of the Province (Niagara Region and Essex County) which we believe leads to a lower number of winter events (and lower associated winter maintenance costs).

Water and Wastewater

A. Mandate

The Operations Division is responsible for the maintenance of the Town's water distribution and wastewater collection network, with the Ontario Clean Water Agency ('OCWA') operating the Town's treatment facilities on a fee-for-service basis.

B. Basis for Delivery

Under the Municipal Act, there is no requirement for municipalities to maintain drinking water systems. Where municipalities choose to maintain a drinking water system, the provisions of the Safe Drinking Water Act, 2002, S.O. 2002, c.32 ('SDWA') and related regulations apply, most notably Ontario Regulation 188/07: Licensing of Municipal Drinking Water Systems, Ontario Regulation 169/03: Water Quality Standards and Ontario Regulation 170/03: Drinking Water Systems.

C. Organizational Structure

The maintenance of Town's water distribution and wastewater collection network is managed by the Superintendent of Public Works, with one foreperson and five licensed water and wastewater operators involved in the direct provision of service.

D. Level of Activity

The Town's water and wastewater network is comprised of two treatment facilities (water and wastewater), 18 wastewater lift stations (no water booster stations), 190 kilometres of water mains and 178 kilometres of wastewater mains. During the 2015 fiscal year, the Town treated 2.52 million cubic metres of drinking water and 1.96 million cubic metres of wastewater.

During the five year period from 2011 to 2015, the Town did not experience any instances of water main breaks or backed up wastewater mains.

Water and Wastewater

E. Financial Overview

During the 2016 fiscal year, the Town budgeted a total of \$5.77 million for water and wastewater services, all of which are expected to be funded through non-taxation revenues. The largest single cost for water and wastewater services is the OCWA contract, which accounts for 25% of total budgeted costs. Other significant cost items include contributions to reserves (reflecting capital funding collected through user fees), inter-corporate charges (including contributions towards special area rates), wages and benefits and electricity costs.

Expenditure Category	2016 Budget		
	Water	Wastewater	Total
Wages and benefits	\$440,520	\$440,520	\$881,040
OCWA contract costs	\$569,130	\$853,780	\$1,422,910
Electricity	\$218,960	\$610,220	\$829,180
Water conservation rebate	\$23,680	–	\$23,680
Vehicle operating and maintenance costs	\$15,750	\$15,750	\$31,500
Equipment rental	\$26,010	–	\$26,010
Engineering, legal and consulting fees	\$24,720	\$63,560	\$88,288
Telephone and telecommunications	\$22,960	\$22,970	\$45,930
Sludge haulage costs	–	\$40,250	\$40,250
Other materials and supplies	\$56,100	–	\$56,100
Transfer to reserves	\$1,023,410	\$334,310	\$1,357,720
Inter-corporate charges	\$211,820	\$654,740	\$866,560
Budgeted expenses (2016)	\$2,633,060	\$3,137,710	\$5,770,770

Water and Wastewater

F. Municipal Comparators

The Town’s budgeted water and wastewater costs, when expressed both in absolute terms and on a per household basis, are the lowest among the selected comparator group.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Total budgeted water and wastewater costs (2016):					
• Water	\$2,633,060	\$4,829,536	\$6,784,993	\$6,389,229	\$4,762,419
• Wastewater	\$3,137,710	\$5,596,436	\$5,278,684	\$3,139,695	\$3,502,940
Total water and wastewater costs	\$5,770,770	\$10,425,972	\$12,063,677	\$9,528,924	\$8,265,359
Total households	12,360	10,257	31,374 (water) 17,413 (wastewater)	10,638	10,265
Cost per household:					
• Water	\$213.03	\$470.85	\$216.26	\$600.60	\$463.94
• Wastewater	\$253.86	\$545.62	\$303.14	\$295.13	\$341.25
Total water and wastewater costs per household	\$466.89	\$1,016.47	\$519.40	\$895.73	\$805.19

In addition and as summarized on the following page, the Town’s water costs per residential customer is the second lowest among Simcoe County municipalities.

Engineering

A. Mandate

The Town's Engineering Services is responsible for the provision of engineering and other technical support to the municipal departments, including but not limited to project management, engineering design and studies, procurement, land and engineering surveys, road corridor management, capital planning. Engineering Services also provides development engineering services to third parties on a fee for service basis, which includes reviewing all planning applications and related items (design drawings, environmental studies and technical reports), reviewing subdivision agreements and administering the Lot Grading and Drainage Policy for the Building Department.

B. Basis for Delivery

The requirement for an engineering capacity is practical and not a regulatory requirement. We understand that the Town's decision to establish an internal engineering capacity as opposed to the use of external service providers was influenced to a certain extent by the cost differential between external and internal engineering resources.

C. Organizational Structure

The Manager of Engineering Services is responsible for directing the activities of three full-time engineering staff and reports to the Director of Public Works.

D. Financial Overview

The Town has budgeted \$0.48 million for Engineering Services during the 2016 fiscal year, of which \$0.46 million (95.7%) relates to wages and benefits. The 2016 budget anticipates that 22% of Engineering Services costs (\$0.11 million) will be recovered from third parties.

Engineering

F. Municipal Comparators

For the comparator municipalities disclosing information concerning their engineering departments, the Town has the lowest number of full-time staff and the lowest level of engineering costs per household.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Net budgeted engineering costs:					
• Costs	\$481,700	\$827,149	n.a.	\$514,724	n.a.
• Recoveries	\$107,830	–	n.a.	\$18,000	n.a.
Net budgeted engineering costs	\$373,870	\$827,149	n.a.	\$496,724	n.a.
Total households	12,360	10,257	11,250	10,638	10,265
Net budgeted engineering costs per household	\$30.24	\$80.64	n.a.	\$46.69	n.a.
Engineering personnel	4	11	7	4	n.a.

Fleet Management

A. Mandate

The Town's fleet maintenance function is tasked with the maintenance of all of the Town's fleet of vehicles and heavy moveable equipment, which includes:

- Scheduled maintenance on Town vehicles and equipment based on kilometres or hours;
- Unscheduled maintenance based on vehicle and equipment inspections undertaken by Town operators. In certain instances, repairs may be undertaken by external contractors as opposed to Fleet Maintenance personnel if (i) the repairs are under warranty; or (ii) the nature of the repair requires specialized skills or tools (e.g. transmission, air conditioning);
- Management of the Town's fuel distribution activities; and
- Management of licensing, registration and other compliance matters relating to fleet management.

B. Basis for Delivery

The requirement for a fleet maintenance capacity is practical and not a regulatory requirement. However, the Town's fleet activities are regulated by Ontario Regulation 424/97: Commercial Motor Vehicle Operators' Information ('CVOR').

C. Organizational Structure

The Town's fleet maintenance function is comprised of two mechanics who report directly to the Superintendent of Public Works.

Fleet Management

D. Level of Activity

The Town's fleet is comprised of a mix of heavy and light vehicles and equipment, with the largest component of the fleet assigned to the Town's Public Works Department. Vehicle usage will vary considerably, with light trucks used by Public Works typically driven 1,000 to 2,000 kilometres per month, while heavy trucks are driven between 3,000 to 5,000 kilometres during the winter season, and less than 1,000 kilometres per month during the summer months.

Department	Light Vehicles	Heavy Vehicles	Large Equipment	Trackless Units	Total
Public Works	17	17	7	3	44
Parks, Facilities and Recreation	10	–	4	–	14
Building Department	3	–	–	–	3
Fire Services	3	7	–	–	10
Total	33	24	11	3	71

E. Financial Overview

Excluding vehicle costs that have been allocated directly to functional departments (e.g. fire services), the Town has budgeted a total of \$0.72 million for fleet maintenance activities during the 2016 fiscal year, which is comprised of three items:

- Wages and benefits - \$0.23 million (32% of budgeted operating costs)
- Fuel - \$0.24 million (33% of budgeted operating costs)
- Maintenance and licensing costs - \$0.24 million (33% of budgeted operating costs).

Transit

A. Mandate

The Town provides regular scheduled transit services that operates daily based on the following schedule:

- Monday to Saturday – 7:00 am to 9:00 pm (14 hours per day)
- Sunday and holidays – 7:00 am to 5:00 pm (10 hours per day)

The Town maintains a transit fleet of three vehicles, two of which are in operation with the third acting as a spare.

B. Basis for Delivery

While there does not appear to be a formal requirement for Ontario municipalities to provide transit services, most if not all larger communities have introduced conventional and handi-transit services, particularly given that Provincial gas tax funding is restricted to transit services and is not available unless some form of transit service is provided.

Where a municipality chooses to provide transit services, it retains the discretion to determine the level of service, although certain aspects of municipal transit services are mandated by the Ontario Human Rights Commission.

C. Organizational Structure

The Town has entered into a five year contract with Sinton-Landmark for the provision of transit services, with the current agreement expiring in 2019.

D. Level of Activity

Based on information for the 2013 fiscal year reported in the Canadian Urban Transit Fact Book, the Town's transit system carried 77,130 passengers, with its vehicles travelling 252,736 kilometres. During the year, the Town provided a total of 10,340 hours of transit service.

Transit

E. Financial Overview

During 2016, the Town budgeted \$0.73 million in operating costs for transit services, the majority of which (\$0.45 million) relates to the contract with the Town's service provider.

Over the last five years, transit costs have increased by \$0.15 million due to increases in the following items:

- Collingwood Link \$61,000
- Vehicle costs (fuel and maintenance) \$68,000

	Total	Percentage of Total
Contract costs	\$445,440	61.20%
Vehicle fuel	\$103,280	14.19%
Vehicle maintenance	\$25,000	3.43%
Collingwood Link share of costs	\$111,950	15.38%
Transfer to reserves	\$25,000	3.43%
Other costs	\$17,220	2.37%
Total budgeted costs (2016)	\$727,890	100.00%

F. Municipal Comparators

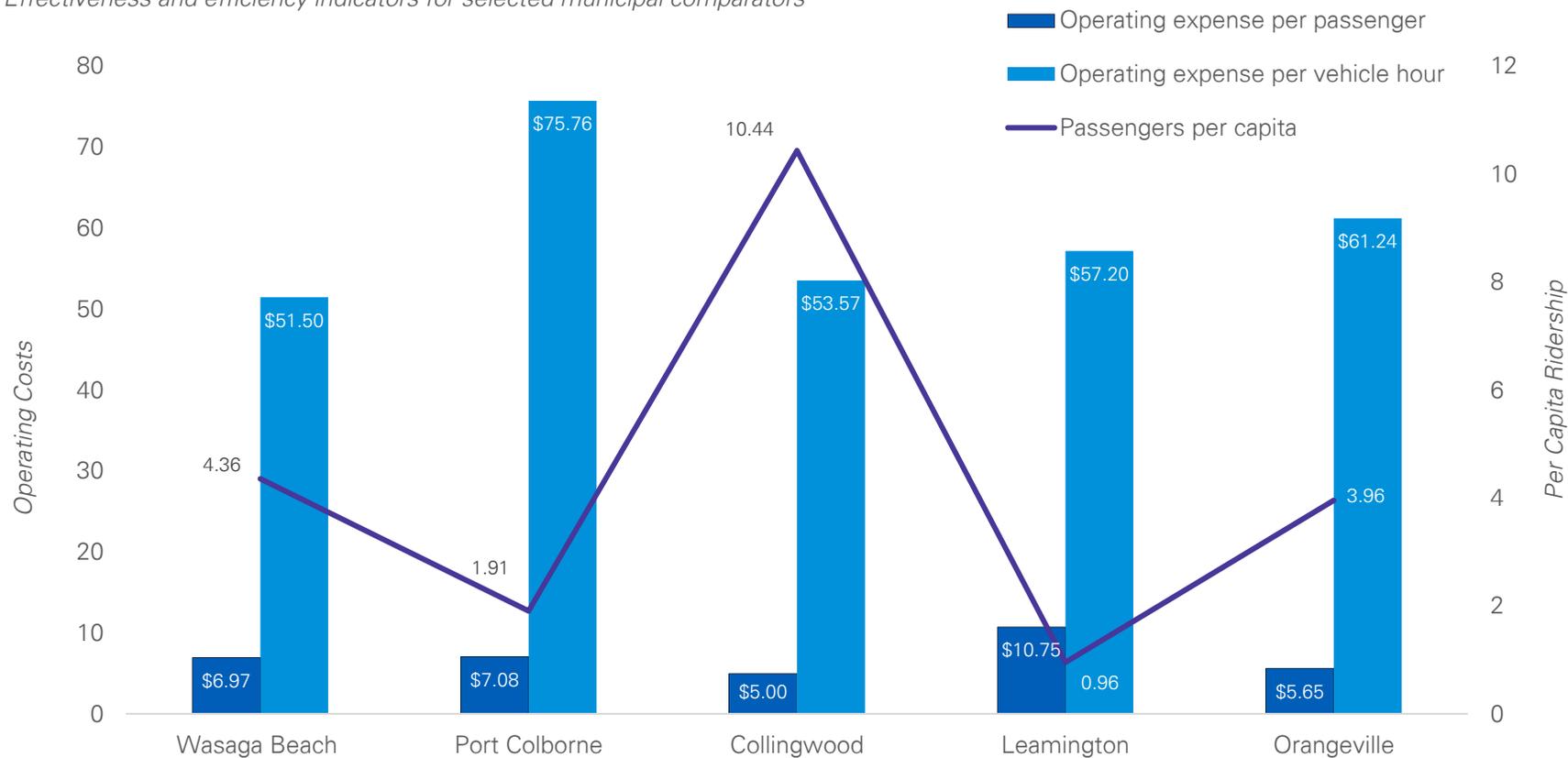
Based on the Town's 2016 budget, it is expected to recover 51.9% of transit operating costs through Provincial Gas Tax funding and user fees, resulting in net budgeted costs of \$28.28 per household. While the Town has the second highest level of municipal support per household, we attribute this to differences in service levels as opposed to a lack of efficiency or effectiveness. As noted on the following page, the Town has the lowest operating costs per operating hour as well as the second highest rate of utilization based on the total population served.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Net budgeted transit costs:					
• Costs	\$727,890	\$303,252	\$1,241,486	\$254,878	\$686,996
• Recoveries	\$378,230	\$186,594	\$740,250	\$131,782	\$459,455
Net budgeted transit costs	\$349,660	\$116,658	\$501,236	\$76,904	\$227,541
Total households	12,360	10,257	11,250	10,638	10,265
Net budgeted transit costs per household	\$28.28	\$11.37	\$44.55	\$7.23	\$22.16
Cost recovery percentage	51.9%	61.5%	59.6%	51.7%	66.9%

Transit

F. Municipal Comparators (continued)

Effectiveness and efficiency indicators for selected municipal comparators





Corporation of the
Town of Wasaga Beach

Community Services



Planning and Development

A. Mandate

The Town's Planning and Development Services is responsible for municipal planning function, including:

- Overseeing the Official Plan and zoning by-law;
- Reviewing and approving development applications, including plans of subdivisions, plans of condominiums, site plans and consents/minor variances;
- Participating in Ontario Municipal Board meetings as required;
- Managing reviews and studies focused on growth-related issues;
- Providing advice and support to the Committee of Adjustments;
- Liaising with developers and consultants on land use planning matters; and
- Providing guidance on planning-related matters to other City departments (e.g. Engineering, Building Services).

B. Basis for Delivery

The Planning Act, R.S.O. 1990, c. P.13 (the 'Planning Act') establishes the responsibility for municipalities to:

- Make local planning decisions that will determine the future of their community;
- Prepare planning documents such as an official plan, community improvement plan and zoning by-laws; and
- Ensure planning decisions and planning documents are consistent with the Provincial Policy Statement and do conform or do not conflict with Provincial plans.

Planning and Development

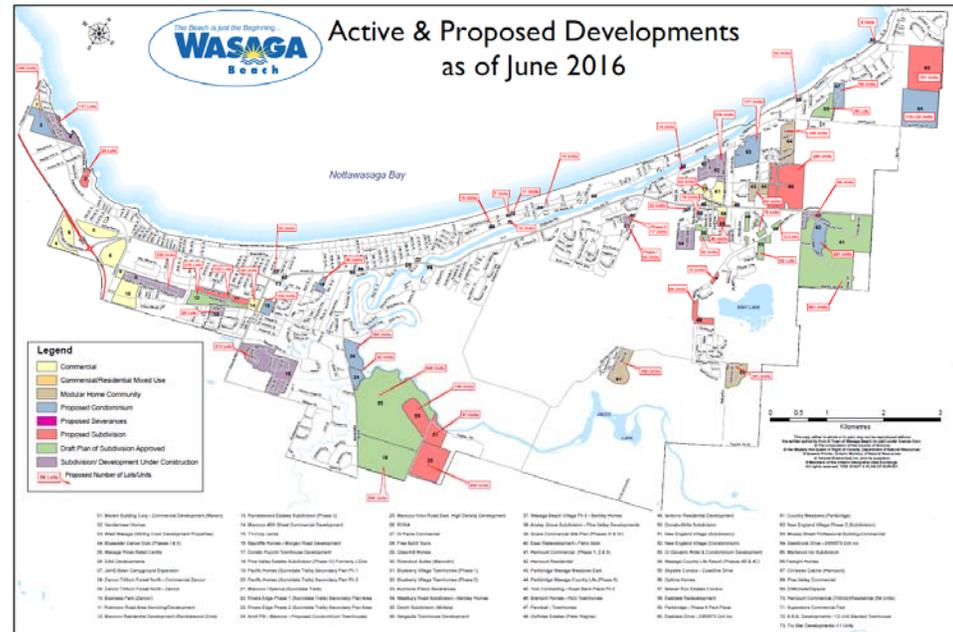
C. Organizational Structure

The Town’s Planning and Development Services is comprised of four full-time employees, including:

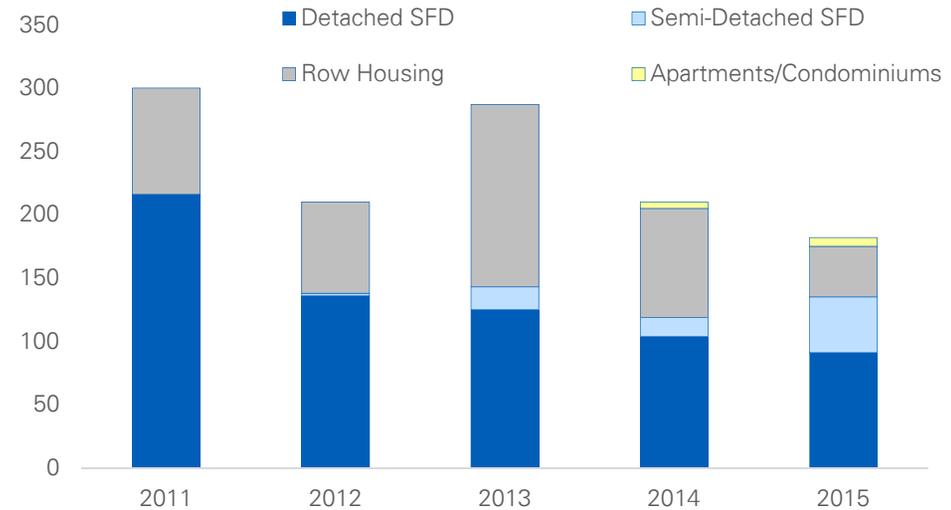
- Senior planner;
- Planner;
- Zoning administrator; and
- Administrative Assistant

D. Level of Activity

As of June 2016, there are a total of 73 active and proposed developments (residential and non-residential) within the Town’s boundaries, accounting for more than 6,000 residential units and lots. Over the last five years, the Town has added a total of 1,189 residential units of all types (single family dwellings, townhouse units, condominiums, etc.).



New residential units



Planning and Development

E. Financial Overview

During 2016, the Town budgeted \$0.58 million for planning services, the majority of which related to wages and benefits. The 2016 budget also anticipates \$0.19 million in non-taxation revenues from planning activities, resulting in \$0.39 million of municipal tax support.

Over the last five years, planning costs have decreased from \$0.83 million, reflecting the fact that costs in 2012 were significantly higher than usual due to the updating of the Simcoe County Official Plan and Comprehensive Zoning Bylaw, as well as the completion of a housing intensification study.

	Total	Percentage of Total
Wages and benefits	\$516,290	88.67%
Legal and professional fees	\$27,500	4.72%
Advertising	\$16,000	2.75%
Other costs	\$17,220	2.96%
Total budgeted costs (2016)	\$582,260	100.00%

F. Municipal Comparisons

The Town's planning costs and staffing levels are consistent with the selected comparator municipalities, with the Town reporting the lowest net planning and development costs of the comparator municipalities. In addition, the Town has the highest cost recovery percentage of the comparator municipalities.

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Net budgeted planning and development costs:					
• Costs	\$582,260	\$459,905	\$882,842	\$772,109	\$525,548
• Recoveries	\$189,500	\$93,391	\$150,200	\$75,130	\$102,800
Net budgeted planning and development costs	\$399,760	\$366,514	\$732,642	\$696,979	\$422,748
Total households	12,360	10,257	11,250	10,638	10,265
Net budgeted planning and development costs per household	\$32.34	\$35.73	\$65.12	\$65.51	\$41.18
Cost recovery percentage	32.5%	20.3%	17.0%	9.7%	19.6%
Full-time planning staff	4	3	6	4	5

Parks, Facilities and Recreation

A. Mandate

The Town's Parks, Facilities and Recreation Department ('PFR') is responsible for the operation and management of the Town's indoor and outdoor recreational infrastructure as well as youth and recreational programming, including special events focused on children and families. In addition, the PFR is also responsible for the maintenance of the Town's other facilities and its cemetery.

B. Basis for Delivery

The provision of parks and recreation services (either through programming or access to recreational facilities) is not legislated and as such, represents a discretionary (although expected) municipal service. Similarly, the maintenance of a building services capacity is a practical as opposed to regulated requirement.

While municipalities are not required to maintain cemeteries, those that choose to do so are subject to Provincial legislation and regulation, including but not limited to the Funeral, Burial and Cremation Services Act, 2002, S.O. 2002, c.33 and Ontario Regulation 30/11: General.

C. Organizational Structure

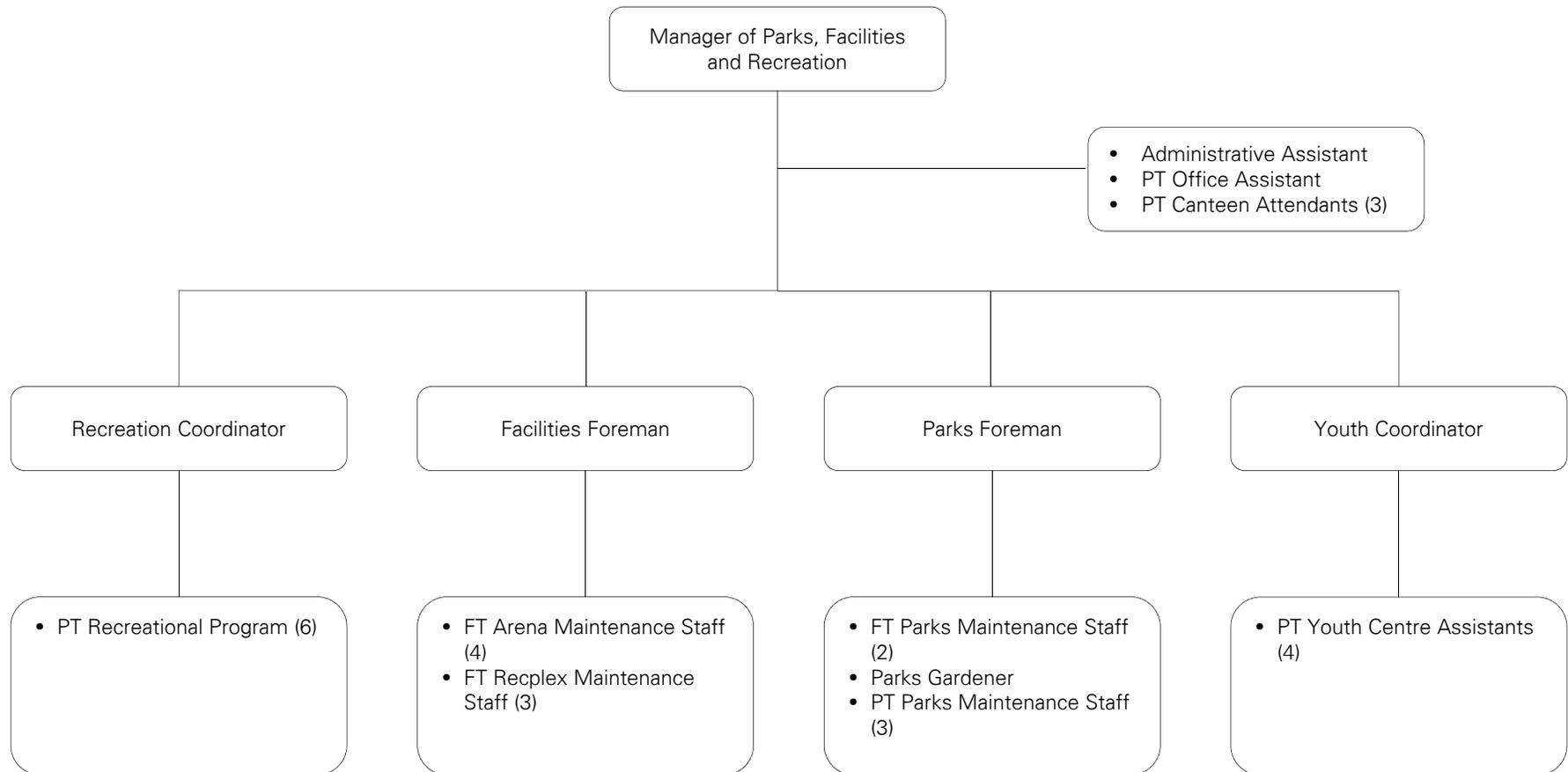
Overall responsibility for PFR rests with the Manager of Parks, Facilities and Recreation, who reports directly to the Town CAO. PFR is structured into four separate divisions:

- Parks Division – responsible for outdoor recreational infrastructure, town beautification and cemetery maintenance;
- Facilities Division – responsible for the maintenance of 14 Town-owned facilities plus four facilities owned by other government agencies;
- Recreation Division – responsible for recreational programming
- Youth Centre Division – responsible for programming delivered through the Town's youth centre as well as special events focused on families and youth

A graphical depiction of the Town's organizational structure and staffing complement for PFR is included on the following page.

Parks, Facilities and Recreation

C. Organizational Structure (continued)



Parks, Facilities and Recreation

D. Level of Activity

The Town’s PFR Department is responsible for the provision of recreational services through the following indoor facilities:

1. Wasaga Stars Arena
 - Year-round ice surface (+5,500 operating hours per year)
2. RecPlex
 - Gymnasium, fitness centre and swimming pools through Wasaga Beach YMCA
 - Youth drop-in centre (+1,500 operating hours per year)

In addition to the Town’s indoor facilities, the PFR Department also maintains the following outdoor recreational facilities

Outdoor Recreational Facilities		
<ul style="list-style-type: none"> • 17 kilometres of trails • 14 playgrounds • 12 soccer pitches • 8 tennis courts • 6 horseshoe pits 	<ul style="list-style-type: none"> • 5 baseball diamonds • 4 pickle ball courts • 2 off-leash dog areas • 1 BMX park • 1 splash pad 	<ul style="list-style-type: none"> • 1 toboggan hill • 1 skateboard park • 1 outdoor skating rink (December to March) • 2 gazebos • 1 pavilion

On an annual basis, the Town provides approximately 300,000 hours of recreational programming to the residents of Wasaga Beach.

E. Financial Overview

As summarized on the following page, the Town has budgeted a total of \$2.81 million for parks, facilities and recreation, with an additional \$0.07 million budgeted for cemetery maintenance. Wages and benefits comprise the largest single cost component, accounting for 60.8% of total budgeted costs.

Parks, Facilities and Recreation

E. Financial Overview (continued)

Expenditure Category	2016 Budget					
	Wages and Benefits	Facility Costs	Vehicle Costs	Insurance	Materials and Supplies	Total
Administration	\$337,270	\$5,280	\$1,910	–	\$52,570	\$397,030
Recreation Programs	\$15,320	\$12,000	–	–	\$14,400	\$41,720
Adult Recreation League	\$1,250	\$9,000	–	–	\$4,750	\$15,000
Gymnastics Program	\$14,440	\$6,000	–	–	\$5,000	\$25,440
Grants and Subsidies	–	–	–	–	\$36,200	\$36,200
Parks General	\$348,340	\$67,550	\$32,580	\$10,440	\$33,230	\$492,140
Wasaga Sports Park	\$48,770	\$47,320	–	\$2,260	\$13,040	\$111,390
Arena	\$374,000	\$165,380	\$9,250	\$28,420	\$16,300	\$593,350
Arena - Canteen	\$12,300	–	–	–	\$22,000	\$34,300
RecPlex	\$269,880	\$135,290	\$2,470	\$15,280	\$16,220	\$439,140
Youth Center	\$180,200	\$17,860	–	\$1,330	\$41,700	\$241,090
Community Events	–	–	–	–	\$142,000	\$142,000
Medical Facility	–	\$4,380	–	\$1,220	\$500	\$6,100
Oakview Woods Complex	\$31,040	\$34,350	\$1,960	\$280	\$8,060	\$75,690
Town Beautification	\$113,000	\$45,810	–	–	\$700	\$159,510
Budgeted expenses before cemetery costs	\$1,745,810	\$550,220	\$48,170	\$59,230	\$406,670	\$2,810,100
Cemetery	\$8,260	\$20,000	–	\$20	\$46,440	\$74,720
Total budgeted costs (2016)	\$1,754,070	\$570,220	\$48,170	\$59,250	\$453,110	\$2,884,820

Parks, Facilities and Recreation

E. Financial Overview (continued)

Over the last five years, the total budget for PFR (excluding cemeteries) has increased from \$2.53 million in 2012 to \$2.81 million in 2016, representing an average annual increase of 2.6%. The total increase in annual spending (\$0.27 million) is primarily of increases in employee wages and benefits (\$1.50 million in 2012 vs. \$1.75 million in 2016, an increase of \$0.25 million), representing an annual increase of 3.9%. We understand that this increase is attributed to (i) annual wage increases provided under the terms of the Town's collective bargaining agreement; and (ii) staff increases at the Town's Youth Centre. Over the last five years, increases in non-personnel costs (e.g. hydro) have been offset by cost reductions in other areas.

For budgeting purposes, the Town anticipates a range of cost recoveries for different recreational facilities, recognizing that outdoor facilities such as trails, parks and playgrounds do not have associated revenue sources. As summarized below, recreational facilities and programs fund between 13% and 102% of operating costs through user fees and other non-taxation revenues.

	Recreation Programs	Wasaga Sports Park	Arena	Arena Canteen	RecPlex	Youth Centre	Community Events
Net budgeted costs:							
• Costs	\$82,160	\$111,390	\$593,350	\$34,300	\$439,140	\$241,090	\$142,000
• Recoveries	\$81,000	\$61,000	\$367,350	\$35,000	\$108,000	\$32,500	\$26,500
Net budgeted costs	\$1,160	\$50,390	\$226,000	(\$700)	\$331,140	\$208,590	\$115,500
Cost recovery percentage	98.6%	54.8%	61.9%	102.0%	24.6%	13.5%	18.7%

F. Municipal Comparisons

In relation to the selected municipal comparators, the Town incurs the lowest cost for parks, facilities and recreation, both in terms of the quantum of dollars spent and the amount financed through the municipal levy. As noted on the following page, while the Town has the second lowest cost recovery percentage of the selected comparator municipalities, its net cost per household is significantly lower than any of the comparator municipalities. To a large extent, we attribute this to the limited availability of recreational facilities and programming offered by the Town in comparison to the selected comparator municipalities.

Parks, Facilities and Recreation

F. Municipal Comparisons (continued)

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Net budgeted recreation costs:					
• Costs	\$2,810,100	\$6,470,372	\$5,807,414	\$6,002,983	\$6,515,161
• Recoveries	\$746,950	\$2,381,437	\$1,486,701	\$1,868,061	\$3,021,976
Net budgeted recreation costs	\$2,063,150	\$4,088,935	\$4,320,713	\$4,134,922	\$3,493,185
Total households	12,360	10,257	11,250	10,638	10,265
Net budgeted recreation costs per household	\$166.92	\$398.65	\$384.06	\$388.69	\$340.30
Cost recovery percentage	26.6%	36.8%	25.6%	31.1%	46.4%

Library

A. Mandate

The Wasaga Beach Public Library Board (the 'WBPLB') is responsible for the governance and operation of the Town's single library facility.

In addition to maintaining its collection of 30,000 volumes, the WBPLB provides a range of other services, including but not limited to:

- Internet access
- Inter-library loans
- Meeting rooms
- Adult programs
- Children's programs

B. Basis for Delivery

Under Section 3(1) of the Public Libraries Act, R.S.O. 1990, c. P.44 (the 'PLA'), *'the council of a municipality may by by-law establish a public library'*. While the establishment of a public library does not appear to be mandatory, it is an expected service.

Under Section 3(3) of the PLA, a public library 'shall be under the management and control of a board', indicating that where a municipality chooses to offer library services, it is required to establish a public library board.

C. Organizational Structure

The WBPLB employs a total of three full-time and nine part-time employees, with the day-to-day operations managed by the Chief Executive Officer.

Library

D. Level of Activity

The WBPLB currently has just over 14,000 active library cardholders and operates 50 hours per week. On an annual basis, the WBPLB has a total annual circulation of 110,000 titles and offers in excess of 400 programs, total attendance of which is in excess of 10,000 residents.

E. Financial Overview

During the 2016 fiscal year, the Town budgeted a total of \$0.53 million for library operations, the majority of which (\$0.47 million or 89.2%) related to employee wages and benefits. Over the last five years, budgeted library costs have increased by \$0.08 million, representing an average annual increase of 3.8%.

E. Municipal Comparators

As summarized on the following page, the WBPLB has the lowest cost, both in terms of total spending and net cost per household, of the selected comparator municipalities. This reflects the fact that the WBPLB has the lowest number of full-time staff.

	Total	Percentage of Total
Wages and benefits	\$477,760	89.26%
Facility costs	\$25,760	4.81%
Software costs	\$7,300	1.36%
Collection and program costs	\$6,500	1.21%
Other costs	\$17,910	3.22%
Total budgeted costs (2016)	\$535,230	100.00%

Library

F. Municipal Comparisons (continued)

	Wasaga Beach	Port Colborne	Collingwood	Leamington	Orangeville
Net budgeted library costs:					
• Costs	\$535,230	n.a.	\$1,693,062	Library services are delivered by Essex County Library Services (upper tier)	\$1,812,319
• Recoveries	\$44,400	n.a.	\$128,637		\$170,900
Net budgeted library costs	\$490,830	\$686,690	\$1,564,425		\$1,641,419
Total households	12,360	10,257	11,250		10,265
Net budgeted library costs per household	\$39.71	\$66.94	\$139.06		\$159.90
Total library cardholders	14,003	9,160	9,558		7,738
Number of cardholders per household	1.13	0.89	0.85		0.75
Total annual circulation	109,944	168,723	248,068		170,586
Average circulation per household	8.89	16.45	22.05		22.05
Cost recovery percentage	8.3%	n.a.	7.6%		9.4%
Number of full-time staff	3	7	12	6	



Corporation of the
Town of Wasaga Beach

Service Summary



Service Summary

As outlined in the terms of reference, an objective of the review was to assess the Town’s service levels in comparison to service level benchmarks and comparative best practices. In this chapter we provide a summary of the Town’s services and our conclusions with respect to service levels and associated costs. As noted in the summary, the Town’s service levels appear to be consistent with both other municipalities and, where applicable, minimum service level standards established by legislation. In addition, the Town’s costs and staffing levels are both among the lowest of the selected comparator municipalities, which we consider to be indicative of operating efficiencies.

Service	Does a Minimum Standard Exist by Legislation?	Service Level Assessment		Town Rank (1 – highest, 5 – lowest)	
		Rating	Comments	Cost	Staff
Mayor and Council	Yes (Municipal Act)	Low	<ul style="list-style-type: none"> Council size exceeds minimum requirement of five councillors Council size is consistent with a number of the comparator municipalities. The use of at-large elections as opposed to a ward system is also consistent with the selected comparator municipalities. 	5	5
Corporate Services	No	Consistent	<ul style="list-style-type: none"> Staffing and financial indicators are low compared to selected comparator municipalities Information technology costs appear high in relation to selected municipal comparators 	5	5
Economic Development and Special Events	No	High	<ul style="list-style-type: none"> Economic development and special event costs are higher than selected comparator municipalities Acquisition of beachfront property appears to be unique and is a non-core service 	1	5

Service Summary

Service	Does a Minimum Standard Exist by Legislation?	Service Level Assessment		Town Rank (1 – highest, 5 – lowest)	
		Rating	Comments	Cost	Staff
Fire	Yes (FPPA)	Consistent	<ul style="list-style-type: none"> Staffing and financial indicators are consistent with selected comparator municipalities operating composite fire services Certain specialized skills may be absent from fire service 	4	3
Building Services	Yes (OBCA)	Consistent	<ul style="list-style-type: none"> Building services adheres to timeframes and requirements of OBCA Staff efficiency as measured by cost and staffing in relation to value of construction activity is on the upper end of the range for the selected comparator municipalities 	5	1
Municipal Law Enforcement and Licensing	No	High	<ul style="list-style-type: none"> Staffing, costs and revenue generation are the highest of the selected comparator municipalities 	5	2
Roads	Yes (Ontario Regulation 239/02)	Consistent	<ul style="list-style-type: none"> Service levels for roads maintenance reflects minimum standards Efficiency may be impacted by use of own resources as opposed to contractors 	3	n.a.
Water and Wastewater	Yes (SDWA)	Consistent	<ul style="list-style-type: none"> Costs are lower than comparator municipalities providing water and wastewater services (3) 	5	n.a.
Engineering	No	Consistent	<ul style="list-style-type: none"> Staffing and costs are consistent with or lower than comparator communities 	3	3

Service Summary

Service	Does a Minimum Standard Exist by Legislation?	Service Level Assessment		Town Rank (1 – highest, 5 – lowest)	
		Rating	Comments	Cost	Staff
Transit	No	Consistent	<ul style="list-style-type: none"> Operating indicators are lower than selected comparator municipalities 	2	n.a.
Planning and Development	Yes (Planning Act)	Consistent	<ul style="list-style-type: none"> Planning and Development adheres to timeframes, notice requirements and other aspects of the Planning Act 	5	3
Parks, Facilities and Recreation	No	Low	<ul style="list-style-type: none"> Investment in parks, facilities and recreation is significantly lower than selected comparator municipalities 	5	n.a.
Library	No	Low	<ul style="list-style-type: none"> Investment in library services and associated staffing is lower than selected comparator municipalities 	4	4



Corporation of the
Town of Wasaga Beach

Key Themes



Key Themes

Based on the results of our review, a number of themes have emerged concerning our conclusions as to the Town's effectiveness and efficiency, which we summarize in this chapter.

- 1. The Town enjoys a strong financial position.** Based on its most recent reported financial results, we consider the Town to be in a strong financial position, with meaningful financial surpluses that are funded through financial as opposed to non-financial assets. While the Town has taken on debt in connection with the acquisition of beachfront properties, we do not consider this to pose a significant challenge to its financial situation.

To a large part, we attribute the Town's current financial strength to the efforts and mindset of the current and former Councils, as well as the Town's management team. The Town has continually increased property taxes at a rate that arguably balances affordability with a long-term outlook towards financial sustainability. At the same time, the Town has dedicated what is ostensibly an operating grant – OMPF – towards reserves for the intended purpose of funding future capital projects. Notwithstanding the fact that Town's historical growth levels and inbound investment has created an environment that is not characterized by significant challenges, it has continued to avoid the position of reducing taxes for the sake of doing so.

- 2. The Town's systems and processes are effective and efficient.** The corporate efficiency review included mapping of selected processes, the intention of which was to obtain an understanding of the work steps undertaken by Town personnel in the delivery of back office and other services. While certain areas for enhancement were noted as a result of the process mapping, overall we would characterize the Town as having strong internal systems and processes:
 - There appears to be limited duplication of effort in the performance of tasks by Town employees;
 - The Town has effectively implemented an ERP system that provides the groundwork for effective decision-making and allows for the integration of processes and information across different systems, thereby avoiding manual performance of tasks and duplication of efforts; and
 - The Town's system of internal controls appears to be, from an overall perspective, strong with adequate controls in place to address potential areas of internal control weaknesses

Key Themes

- 3. The Town has an effective long-term forecasting mechanism that contributes towards long-term sustainability.** The Town's annual budget process includes the development of a four year operating forecast and 10 year capital forecast, which allows it to project future financial requirements and challenges in advance. The analysis extends beyond the projection of expenditures to include sources of funding and impacts on municipal taxation levels. Accordingly, the Town is positioned to determine whether affordability concerns will lead to funding shortfalls.
- 4. The Town is a low cost provider of municipal services.** The comparison of financial indicators against selected comparator municipalities has demonstrated that the Town is a low cost provider of municipal services in relation to the other selected municipalities. Across almost all municipal services, the budgeted level of expenditures and/or level of municipal taxation support is among the lowest, if not the lowest, of the comparator municipalities. Similarly, the Town's full-time staffing complement is comparable to or lower than most or all of the comparator municipalities.

Where the Town's financial indicators would indicate a higher than average cost of service, we note that:

- In certain instances, the municipal services under analysis are discretionary in nature and reflect areas where the Town has decided to make a significant investment (e.g. economic development, special events, beachfront properties);
- In other instances, operating issues that reflect the nature of service levels or the underlying infrastructure have resulted in a higher than average financial indicators (e.g. roads costs).

- 5. Service levels are at the low end of the spectrum, with the Town realizing cost benefits as a result but providing little opportunity for additional savings.** An analysis of the Town's service levels indicates that, with certain exceptions, the current service levels are reflective of (i) comparable service levels established by other municipalities; and/or (ii) at or near minimum standards. Accordingly, we consider the Town's services levels to be appropriate for its circumstances (i.e. not excessive). Given the limited potential for service level reductions that can be accomplished without adversely impacting customer satisfaction, regulatory compliance and the general direction of Council, we do not anticipate that significant cost reductions can be realized through realistic service level changes.
- 6. The dual lines of reporting that currently exist within the Town's organizational structure appear to be contributing towards a decline in employee morale**

The results of our employee survey, combined with our interviews with Town employees, have indicated that a meaningful issue with respect to employee morale likely exists within the organization. While this cannot be fully attributed to the dual lines of reporting (i.e. CAO and Mayor), we suggest that the current situation has at a minimum contributed towards the current state of morale.



Corporation of the
Town of Wasaga Beach

Opportunities for Consideration



Opportunities for Consideration

This section of our report outlines potential opportunities that could be considered by the Town as a means of addressing the findings from our review. Given the generally positive findings of our review – strong financial position, effective and efficient systems and processes, low cost provision of municipal services, appropriate service levels – the opportunities are not expected to result in major changes to the Town and its operations but rather provide incremental enhancements.

We believe that opportunities will differ in terms of the nature of the approval required for implementation. Specifically, we suggest that some opportunities – those that are purely operational in nature – can be implemented by management without Council’s explicit approval on the basis that these are operational matters and would normally fall within management’s authority. Other opportunities – for example those involving major changes to staffing – are considered to be more strategic in nature and as such, would likely require Council consultation prior to implementation. Ultimately, the distinction between operational and strategic opportunities rests with the Town, recognizing the traditional view of Council as a governance body has been impacted by the changes to the Town’s code of conduct that allow Council to direct staff.

Please note that pursuant to the provisions of the Municipal Act, matters involving identifiable individuals (s.239(2)(b)), the proposed pending acquisition or disposition of land (s.239(2)(c)), and/or labour relations or employee negotiations (s.239(2)(d)) can be discussed during a closed session of Council due to the sensitive nature of the matters involved. KPMG has requested that opportunities meeting these conditions be included in a separate report for presentation to Council during closed session. As such, this report does not include opportunities relating to organizational and staffing matters.

Our suggested opportunities for consideration are summarized on the following pages.

Opportunities for Consideration

Opportunity	Discussion
<p>1. The Town may wish to consider aligning its budget structure to reflect its organizational structure. Specially, budget groupings should be consistent with the span of control for senior management personnel.</p>	<p>We note that the Town’s budget format is inconsistent with its organizational structure with respect to corporate services. Specifically, aspects of clerks services, economic development and the Office of the CAO have been combined into the Administration Department, which would seem to preclude a reasonable understanding as to the financial performance of these different functional units. At the same time, municipal law enforcement and licensing are separate from clerks services, which prevents a comprehensive understanding of the financial performance of clerks services.</p>
<p>2. The Town may wish to consider the addition of a second resource within its human resources function.</p>	<p>An analysis of staffing levels for the comparator municipalities indicates that two of the three selected municipalities have more than one staff member in their human resources department. Based on the anticipation of further growth in the community, which will translate into increased demand for municipal services and likely some increase in staffing levels, the Town may benefit from an increase in its human resources capacity and capabilities.</p>

Opportunities for Consideration

Opportunity	Discussion
<p>3. The Town should consider addressing certain process issues as a means of enhancing internal controls.</p>	<p>Notwithstanding our conclusion concerning the overall effectiveness and efficiency of the Town’s processes, we noted the following matters that could be considered by the Town:</p> <ul style="list-style-type: none"> • At the present time, there is no approval process for the establishment of new vendors in the Town’s financial system and as such, Town employees may be able to set up a fictitious and/or non-arm’s length company that could then invoice the Town for goods or services. • While the Town’s Penny payroll interface allows staff to enter their time directly into the Town’s financial systems, we note that manual timecards are still being prepared by certain staff members that may be able to adopt electronic time capture. • While Treasury records and monitors employee sick leave and vacation banks, we understand that these banks are maintained manually by the Fire Services as opposed to Treasury (representing the only instance where this is the case). In addition to the potential for errors and inefficiencies due to a manual process, we noted two instances where Fire Service employees had negative sick leave and/or vacation banks. In these instances, the Town essentially overpaid these employees with the potential for limited ability to recover the funds in the event that the employees left the Town’s employ. <p>In addition to these findings, we noted a potential area for enhancement within Engineering Services that has already been addressed by Town personnel.</p>
<p>4. The Town may wish to consider developing a training strategy for fire service personnel.</p>	<p>Based on the results of our review, we note that the Town has limited specialization with respect to fire services, with certain capabilities either never achieved, lapsed or at risk of lapsing. Given the increased size of the community, consideration could be given to developing a specialization needs assessment that will identify necessary skills and associated training requirements.</p>

Opportunities for Consideration

Opportunity	Discussion
<p>5. The Town may wish to consider replacement of its current administration facility as a means of enhancing customer service and operational efficiency by allowing for the deployment of true customer service representatives.</p>	<p>We understand that the Town’s current administrative facility is a former schoolhouse that was acquired upon municipal restructuring in 1974. Notwithstanding its legacy and potential aesthetic appeal, we observed that the facility is not conducive to one-window service to customers:</p> <ul style="list-style-type: none"> • Functional departments such as building inspections, planning and municipal law enforcement and licensing are physically separated from treasury, requiring clients and/or staff to shift between different locations in order to complete a single transaction; • The area outside the main Treasury counter has limited area for waiting, creating potential issues with respect to customer service and client confidentiality; and • The allocation of space to different functional units under the same director/senior manager appears arbitrary and may limit the managerial effectiveness of certain managers.
<p>6. The Town may wish to consider a pilot project focused on completing open building permits as a means of generating incremental revenues through open permit maintenance fees.</p>	<ul style="list-style-type: none"> • While the Town issued 533 building permits during the 2015 fiscal, it has reported that 487 of these permits are currently open, meaning that final inspections have not been completed. Based on discussions with representatives of Building Services, we understand that the Town does not monitor open building permits nor does it charge clients for open permits. The Town may wish to consider implementing maintenance fees for open building permits as a means of generating incremental revenues. Additional fees (not currently charged) to financially motivate permit holders to closer their permits would increase the percentage of closed building permit files. Management has indicated that such fees and the corresponding change in service level, possible changes to staffing levels and building department data management software will be considered in conjunction with the upcoming review of building permit fees.
<p>7. The Town may wish to establish key performance key performance indicators for municipal departments and incorporate these into the Town’s budgeting process.</p>	<ul style="list-style-type: none"> • The Town’s current budget process incorporates the current year’s objectives and work initiatives for each municipal department. From our perspective, however, these do not necessarily reflect key performance indicators in that: <ul style="list-style-type: none"> • There does not appear to be ongoing monitoring and reporting on achievement; and • Certain of the objectives and initiatives are subjective and may be difficult to actually measure and report on progress

Opportunities for Consideration

Opportunity	Discussion
<p>8. The Town may wish to consider the completion of a fleet needs study that considers (i) the types of vehicles required; (ii) the optimal size of the municipal fleet; and (iii) alternative methods of procurement.</p>	<p>During the course of our review of the Town’s fleet maintenance function, we noted that certain vehicles (particularly light trucks) have what appeared to be relatively low rates of usage (e.g. 12,000 kilometres per year). The relatively low average mileage could potentially reflect:</p> <ul style="list-style-type: none"> • An excess of municipal vehicles, which would provide the opportunity to reduce the Town’s municipal fleet; or • The potential to consider alternative procurement methods (e.g. leasing) that could reduce the overall lifecycle cost of low mileage vehicles.



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