



Finance, Administration and Operations Committee

Tuesday, October 18, 2011, 4:15 p.m.
City Hall - Council Chambers

<u>Committee Members</u>	<u>Areas of Responsibility:</u>
Councillor J. Fullarton, Chair	Clerk's Office
Councillor L. Bursey	Environmental Services
Councillor D. LeSueur	Finance Department
Councillor M. McFall	Fire Department
Mayor D. Henderson, Ex-Officio	Human Resources Dept.
	Operations Department
	Airport Commission
	Arena Advisory Board
	Brockville Municipal
	Accessibility Advisory
	Committee (BMAAC)
	CRCA
	Cemetery
	Health Unit
	Joint Services Committee
	PLMG
	Police Services Board
	Safe Communities Coalition
	St. Lawrence Lodge Management
	Board
	Volunteer Awards
	All legal matters [excepting the purchase and sale of land]

AGENDA

Page

DISCLOSURE OF INTEREST

DELEGATION(S) AND PRESENTATION(S)

1. Elaine DeKroon & Karen Nolan
Ms. DeKroon and Ms. Nolan would like to address the Committee regarding funding from the Brockville Community Fund.

2. Water Pollution Control Plant Construction Project Update
Staff will provide an update on the construction project.

CORRESPONDENCE

STAFF REPORTS

1. 2011-101-10
Water & Wastewater Systems Quarterly Report July - September

3-10

Page

STAFF REPORTS

2011

- | | |
|---------|----------------------------------------------------------------------------------------|
| 11-16 | 2. 2011-105-10
Amendments to Parking By-law |
| 17-19 | 3. 2011-106-10
Amendments to Traffic By-law |
| 20-27 | 4. 2011-107-10
City Auditor's Matters "To Be Communicated with Members of Council". |
| 28-60 | 5. 2011-108-10
2010 Budget and Year End Financial Statements |
| 61-71 | 6. 2011-109-10
Capital Projects Surplus and/or Deficit Balance |
| 72-77 | 7. 2011-111-10
2010 Auditor's Management Letter and Treasurer's Response |
| 78-104 | 8. 2011-112-10
2011 Work Plan Third Quarter Report |
| 105-113 | 9. 2011-110-10
Geographic Information System Project Update |

FAO - CONSENT AGENDA

October 11, 2011

**REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE –
OCTOBER 18, 2011**

2011-101-10

**WATER & WASTEWATER SYSTEMS
QUARTERLY REPORT
(JUL. – SEP. 2011)**

**PETER RAABE, P. ENG.
DIRECTOR OF ENVIRONMENTAL SERVICES
ED MALCOMNISON
WASTEWATER SYSTEMS SUPERVISOR
DON RICHARDS
WATER SYSTEMS SUPERVISOR**

RECOMMENDED

THAT Report 2011-101-10 Water & Wastewater Systems Quarterly Report (Jul. – Sep. 2011) be received for information purposes.

PURPOSE

This report covers the months of July, August and September 2011. The intent of the report is to keep the Committee, Council, and the public current with performance and major operational aspects of the Water Treatment Plant, Water Distribution System, Water Pollution Control Centre (wastewater treatment system), and Wastewater Collection System, including any notable highlights, MOE inspections and adverse conditions.

BACKGROUND

This report is submitted quarterly, and represents the third quarter of 2011.

ANALYSIS/OPTIONS

A. WATER TREATMENT PLANT AND WATER DISTRIBUTION SYSTEM

The City continues to be in compliance with the Water Treatment Plant's Certificate of Approval (C of A), in addition to the Ontario Safe Drinking Water Act and Regulations. Please refer to Attachment #1 – Brockville Drinking Water System Performance Assessment Report to review the treatment and bacteriological sampling results.

Adverse Water Quality Incidents:

AWQI 102479 August 4th, 2011 – (1) total coliform adverse test result from sample DW-1 Hydrant #149. Sample was taken as a precaution due to maintenance work completed on August 2nd, 2011. Water mains flushed and re-sampled – area residents placed on bottled water as a precaution and permitted to consume City water once favourable test results were received.

AWQI 102646 August 10th, 2011 – (1) total coliform adverse test result from sample DW-1 Hydrant #60. Sample was taken as a precaution due to maintenance work completed on August 8th, 2011. Water mains flushed and re-sampled – area residents placed on bottled water as a precaution and permitted to consume City water once favourable test results were received.

Items of Note:

1. Main Treatment Plant

- Annual regulatory flow meter calibrations completed.
- Annual regulatory backflow preventer inspections completed.
- Spill containment for coagulant chemical PAX-XL 1900 ordered and installed. Concrete PAC coagulant bulk storage tank lined with fiberglass to provide secondary spill containment – new PVC chemical resistant liner installed – new fiberglass tank cover fabricated and installed (2011 Capital).
- Main Plant suction pipe leak - fluoride application connection flange corroded causing leak. New 750mm blind flange ordered and installed.
- Noise survey conducted by WESA at the following locations: Main Plant, Low Lift, Filter Building, Parkedale Reservoir and First Avenue Booster Station.
- Main Plant Pump #2 refurbishment completed (2011 Capital).

2. Booster Stations & Parkedale Reservoir:

- Repairs completed on sodium hypochlorite disinfection system.

3. Filters:

- Filter #1 & #2 drain and influent gate valves were rebuilt. New valve actuators installed and commissioned (2011 Capital).

4. Overhead Tank:

- Security motion sensor damaged by vandals – new sensor ordered and installed. Security system required new control panel – panel ordered and installed.
- Interior paint touch-up completed, tank cleaned and disinfected.

5. Low Lift Pump Station:

- Low Lift vacuum priming pump failed. New unit purchased and installed (2011 Capital Contingency).
- Diesel engine exhaust leak, exhaust pipe repaired.

6. Drinking Water Quality Management System:

- Drinking Water Works Permit and Municipal Drinking Water Licence received for the Brockville Drinking Water System.
- Standard Operational Procedures and Emergency Procedure Manual updated to conform to DWQMS Operational Plan.

- Annual risk assessment review completed.
- Operational Plan amended and approved by Senior Management.
- As per element 20 of the Operational Plan annual meeting held with the following Management Review Committee members;
 - Peter Raabe
 - Wendy Gillan
 - Jill Buckland
 - Don Richards
 - Dave Henderson
 - Bob Casselman
 - Larry Journal

DWQMS CGSB Audit:

- DWQMS Canadian General Standards Board (CGSB) Initial Accreditation Audit was conducted. During the assessment the following non-conformances were identified.
 - 2 major non-conformances
 - 5 minor non-conformances.All non-conformances have been resolved to the satisfaction of the CGSB.

7. MOE Inspections:

- No MOE inspections scheduled.

8. Regulatory Sampling

- All regulatory weekly bacti sampling for Brockville and Elizabethtown-Kitley completed.
- All regulatory quarterly sampling for THM's Nitrate, Nitrite for Brockville and Elizabethtown-Kitley completed.

9. Trunk Water Distribution:

- No items to report.

10. Elizabethtown-Kitley Distribution:

- Drinking Water Works Permit and Municipal Drinking Water Licence received for the Elizabethtown-Kitley Water Distribution System.
- Pressure transmitter failure at Lily Bay Booster Station – new transmitter purchased and installed.
- Booster Station and Meter Chamber entry hatches repaired.

11. Local Water Distribution:

- **Water Main Breaks:**
 - July 2011
 - Sherwood Street 200mm diameter cast iron pipe damaged from excavation work around main.
 - Centre Street, 150mm diameter cast iron pipe shear.

- Aug 2011
 - Brock & William Streets 100mm diameter cast iron pipe split at bell. Replaced main with new 200mm diameter.
 - Ormond Street & Edgewood Avenue 100mm diameter cast iron pipe hole.
- Sept 2011
 - Water Street and St. Andrew Street 100mm diameter cast iron pipe split.
- Flushing Program:
 - Annual flushing program and hydrant fire flow testing conducted.
- Service Repairs / Replacement:
 - Service line replaced at 54 Schofield Avenue.
 - New service installed at 40 Delhi Street.
- Valve / Hydrant Inspection:
 - Hydrant #4 Centre Street valve repaired.
 - Hydrant on Delhi Street re-located for CN.
 - Hydrant on Schofield Avenue replaced.
 - Hydrant colour coding.
 - 10 year hydrant rebuild program completed on the following hydrants:
 - July 2011 – 32 hydrant re-builds completed.
 - Aug 2011 – 11 hydrant re-builds completed.
 - Sept 2011 - 2011 Hydrant rebuild program completed – 10% of the hydrants rebuilt.
- Capital Projects WD:
 - Grenville Court and Parkview Boulevard full re-construction, isolation valves installed for the backfeed system installation. Full water/sewer restoration project commenced August 8th, 2011, water/sewer mains placed in service September 30th, 2011.
 - Centre Street water main installation commenced September 12th, 2011.
 - Bridlewood Subdivision water main 150mm diameter PVC extension, commenced August 16th, 2011 with installation completed September 15th, 2011.

B. WASTEWATER TREATMENT PLANT AND COLLECTION SYSTEM

Please refer to Attachment #2 – Brockville WPCC Sewage Plant Performance Assessment Report for all Operational Data for the quarter. In regards to compliance of Carbonaceous 5-day Biochemical Oxygen Demand (CBOD₅), as of the end of September the 12 month revolving average effluent characteristics (concentration and loading) for CBOD₅ are 56.64 mg/L and 1044.79 kg/day respectively and remain out of compliance with the Certificate of Approval.

Items of Note:**1. Main Plant:**

- Annual regulatory flow meter calibrations completed.
- Primary Clarifiers #3 and #4 are back in service.
- Primary Clarifiers #1 and #2 were drained, cleaned and turned over to the contractor for upgrades.
- New centrifuge was delivered and is being installed.
- Boiler #502 was removed and a new one is being installed.
- Heat exchanger was replaced with a new one.
- New grits bins were purchased and are in service.
- New digester header valves were installed on Digester #2
- New sampling sink valves were installed in digester basement.

2. Main Pumping Station:

- New water pump installed on diesel generator
- Pump #1 universal joint removed, rebuilt and put back in service
- Bypasses: no bypasses to report.

3. Pumping Stations:

- WPCC staff responded to two (2) mechanical pump calls. The necessary repairs were made and both pumps were put back in service.
- Upgrades have been completed at the following stations: Thomas Street, West End, Broome, Leachate, Bayview Street, Elizabeth Street, Riverview Drive and Georgina Street. These stations have been turned back over to the City but have not been commissioned.

4. Power Outages:

- We had one power outage at the WPCC/Pumping Stations. No issues to report.

5. Wastewater Collection System:

- 44 blocked sewer/camera inspections.
- 2 blocked main responses.
- 2 sewer lateral service repairs.
- Investigate odour issues in the areas of Ford and Murray Streets and follow-up on several complaints.

POLICY IMPLICATIONS

No policy implications at this time.

FINANCIAL CONSIDERATIONS

No financial considerations at this time.

CONCLUSION

It is recommended that Council receive the report for information purposes.



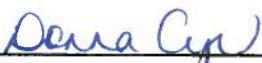
P. Raabe, P. Eng.
Director of Environmental Services



E. Malcomson
Wastewater Systems Supervisor



D. Richards
Water Systems Supervisor



D. Cyr
Director of Finance



B. Casselman
City Manager

**BROCKVILLE DRINKING WATER SYSTEM
PERFORMANCE ASSESSMENT REPORT**

CITY OF BROCKVILLE				ELIZABETHTOWN-KITLEY				BACTERIOLOGICAL SAMPLING			
Month	Total Volume	Avg. Daily Flow (ML/d)	WDS Avg. FCR	Total Flow (ML)		Avg. Daily Flow (ML/d)		BROCKVILLE WDS			
	Treated (ML)	Residual (mg/L)	(mg/L)					EC	TC	HPC	
JUL	390.51	12.60	0.44	0.90	7.54	0.24	36	36	36	16	
AUG	403.68	13.02	0.45	0.95	7.18	0.23	45	45	45	20	
SEP	363.68	12.12	0.52	1.01	6.06	0.20	36	36	36	16	

FCR - Free Chlorine Residual
 WDS - Water Distribution System
 EC - E. coli
 TC - Total Coliform
 HPC - Heterotrophic Plate Count
 ML - Million Litres

ATTACHMENT #2

BROCKVILLE WATER POLLUTION CONTROL CENTRE

MUNICIPALITY: BROCKVILLE
 PROJECT: BROCKVILLE
 PROJECT NUM.: 1200000122
 WORKS NUM.:
 DESCRIPTION: A PRIMARY TREATMENT FACILITY, COMPLETE WITH TWO PRIMARY ANAEROBIC DIGESTERS
 TWO CENTRIFUGES FOR SLUDGE THICKENING AND UTILIZING FERRIC CHLORIDE FOR PHOSPHORUS REMOVAL
 AND SODIUM HYPOCHLORITE FOR EFFLUENT DISINFECTION.

YEAR: 2010/2011
 WATER COURSE: ST. LAWRENCE RIVER
 DESIGN CAPACITY: 21,800 X 1000 m³/d
 PEAK DESIGN CAPACITY: 54,500 X 1000 m³/d

MONTH	FLOWS		BOD/CBOD		SUSPENDED SOLIDS		PHOSPHORUS		
	TOTAL FLOW 1000m ³	Avg Day Flow 1000m ³	Avg Raw BOD (mg/L)	Avg Eff CBOD (mg/L)	Total Loading Eff. CBOD (kg/day)	Avg Raw SS (mg/L)	Avg Eff SS (mg/L)	Avg Raw Phos. (mg/L)	Total Loading Eff. Phos. (kg/day)
SEP 11	420,612	14,021	16,419	183.22	90,111	1263.43	49,67	696.42	71.4
AUG 11	482,812	15,575	25,118	149.09	66,000	1027.95	40,00	623.00	76.3
JUL 11	474,317	15,302	18,874	151.27	61,36	938.93	40,73	623.25	76.8
JUN 11	545,615	18,188	22,796	164.42	65,58	1192.77	185.58	818.46	75.8
MAY 11	806,833	26,027	41,137	106.73	38,40	998.44	115.00	27,00	702.73
APR 11	761,719	25,593	43,915	92,00	36,00	914.15	103.50	22,58	573.37
MAR 11	884,40	27,378	33,67	95.25	33,67	938.85	95.14	24,07	671.17
FEB 11	460,118	16,435	27,914	149.55	64,64	1062.36	156.50	38,58	634.06
JAN 11	483,33	15,591	16,876	163.00	70,46	1098.54	157.50	40,82	630.19
DEC 10	605,117	19,522	31,584	123.50	51,75	1010.26	116.75	29,38	572.56
NOV 10	564,29	18,810	26,423	152.27	59,27	114.87	142.36	33,46	623.38
OCT 10	712,57	22,986	40,672	122.82	42.46	975.99	114.73	33,27	764.74
AVG	19,645	47,378	137.76	56.64	1044.78	142.06	35.35	661.69	76.13
MAX				90,11	183.22	185.58	49,67	78.18	2,70
CRAITERIA	21,800			35,000	763.00	45,000	981.00	1,000	22,000

COMPLIANCE	YES		NO		YES		NO		YES	
	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR
STATISTICS FOR THE MONTH OF SEPTEMBER:										
2010	498.83	16,628	40,528	165.78	66.11	1098.28	164.33	36.17	601.43	78.0
2009	396.06	13,202	15,880	141.20	52.20	689.14	165.25	36.88	486.89	77.7
2008	446.48	14,883	16,548	116.00	59.33	883.01	161.45	37.18	553.35	77.0

MONTH	Total Loadings			Comments:		
	TOTAL RAW BOD (kg/day)	TOTAL RAW SS (kg/day)	TOTAL P (kg/day)			
SEP 11	2,569	2,433	47			
AUG 11	2,322	2,626	49			
JUL 11	2,315	2,683	46			
JUN 11	2,990	3,375	58			
MAY 11	2,778	2,993	51			
APR 11	2,336	2,628	49			
MAR 11	2,656	2,653	52			
FEB 11	2,458	2,572	50			
JAN 11	2,541	2,456	50			
DEC 10	2,411	2,279	52			
NOV 10	2,864	2,678	51			
OCT 10	2,823	2,637	53			
AVG	2,589	2,668	51			
MAX	2,990	3,375	58			

Oct 5, 2011

REPORT TO THE FINANCE AND OPERATIONS COMMITTEE – OCTOBER 18, 2011

**2011-105-10
AMENDMENTS TO
PARKING BY-LAW**

**C. J. COSGROVE, P. ENG.
DIRECTOR OF OPERATIONS
VALERIE HARVEY
SUPERVISOR OF
TRANSPORTATION SERVICES**

RECOMMENDED

THAT the designation for the Disabled Persons Parking Space on the west side of Clarissa Street approximately 6 meters south of George Street be removed and;

THAT the designation for the Disabled Persons Parking Space on the south side of George Street South side, approximately 8 meters west of Clarissa Street be removed and;

THAT the designation for the Disabled Persons Parking Space on the south side of King Street at 131 King Street East be removed and;

THAT a No Parking Zone be created on the east side of Manor Drive from the intersection at Reynolds Drive north 142 meters and;

THAT Schedule "1" Subsection 74 of By-law 119-89 be amended accordingly and;

THAT Schedule "11" Subsection 69 of By-law 119-89 be amended accordingly.

PURPOSE/BACKGROUND

The first 3 recommendations are to update the by-law to current parking requirements.

The creation of No Parking at Any Time area on the east side of Manor Drive is to address a resident's safety concern related to students exiting the school yard at J L Jordon School.

ANALYSIS/OPTIONS

Disabled Persons Parking Spaces on Clarissa Street and George Street

The disabled parking spots on Clarissa Street and George Street were established for Trinity Anglican Church which has since been sold for development. The Disabled Persons designations for these spots are no longer required. Note Photos in Attachment A.

Disabled Persons Parking Space at 131 King Street East

This disabled parking spot on the south side of King Street East was established for transportation purposes for a person with a disability at that location. This person no longer resides at this location. Note Photo in Attachment B.

No Parking Zone on the east side of Manor Drive

After reviewing Manor Drive, the Operations Department has made the following

observations:

- Parking is currently permitted on both the east and west side of Manor Drive in this area.
- There are 2 openings in the JL Jordon School fence for students to exit the school yard onto the east side on Manor Drive.
- There are no sidewalks on either side of Manor Drive in the area of the school so students walk on and/or cross Manor Drive at the location of the 2 fence openings.
- If vehicles are parked on the east side of Manor Drive south of the fence openings, and vehicles are travelling north, drivers' visibility of the students is obscured by the parked vehicles.
- Notices were hand delivered to residents in the vicinity of the proposed No Parking area with only 1 response being received. This response opposed the No Parking Zone indicating that there would be no where for their company to park. This residence has a 1 car garage and a driveway with space for at least 1 vehicle.

Note photo and schematics in Attachments C and D.

POLICY IMPLICATIONS

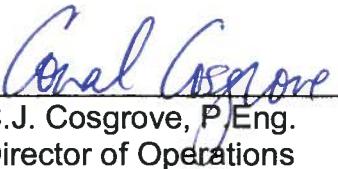
Amendment to the City's Parking By-Law 119-89 requires Council's authorization.

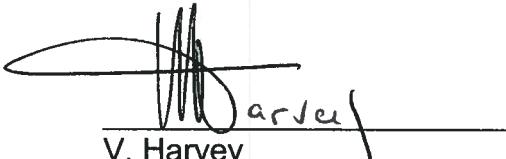
FINANCIAL CONSIDERATIONS

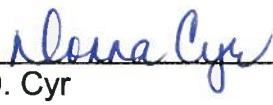
There are sufficient funds in the 2011 Operating Budget in account 01-5-245436 to accommodate the estimated cost of \$750 to remove, supply and install the necessary signage.

CONCLUSION

Staff recommends amending the City's Parking By-Law 119-89 accordingly.

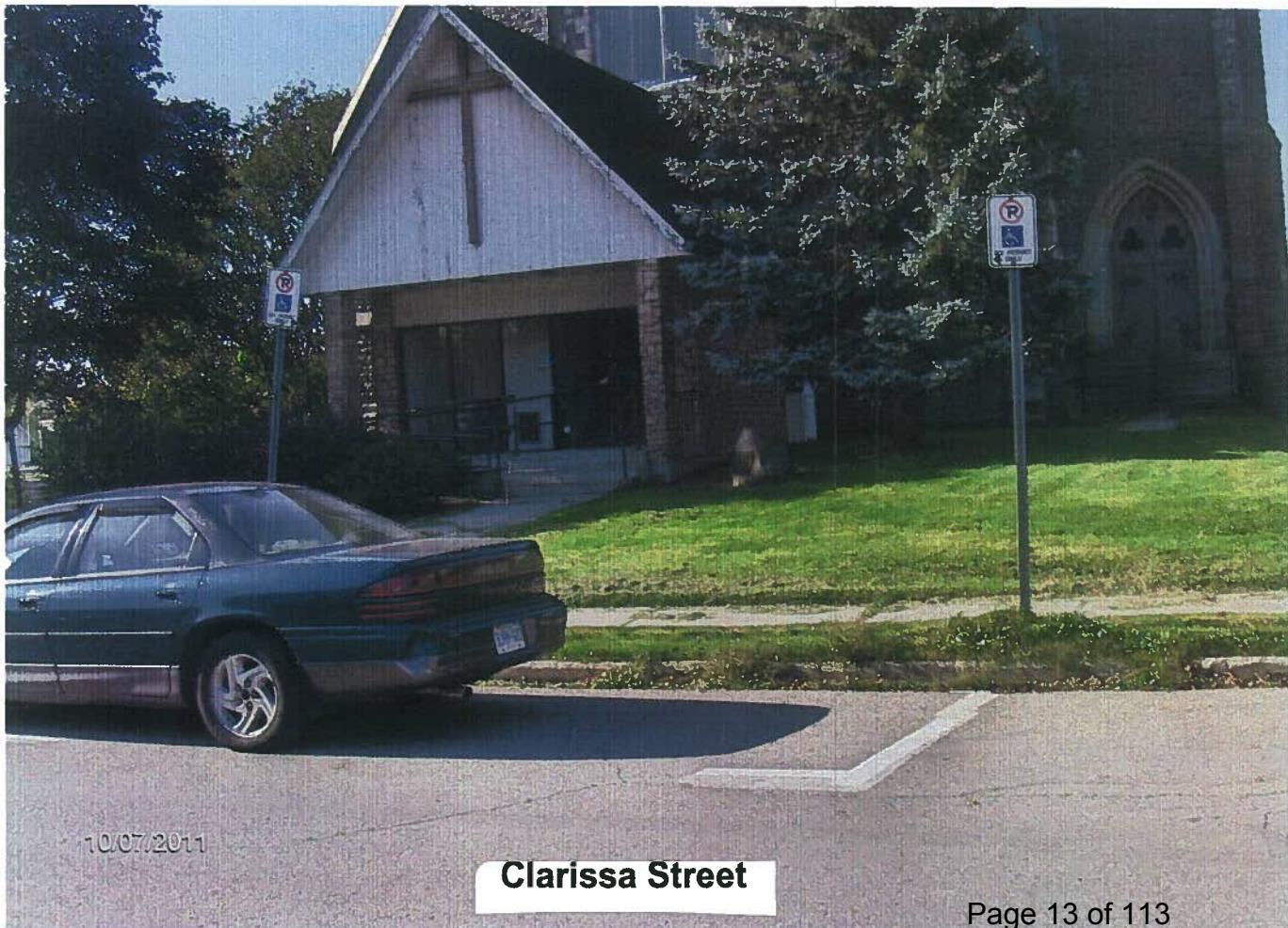
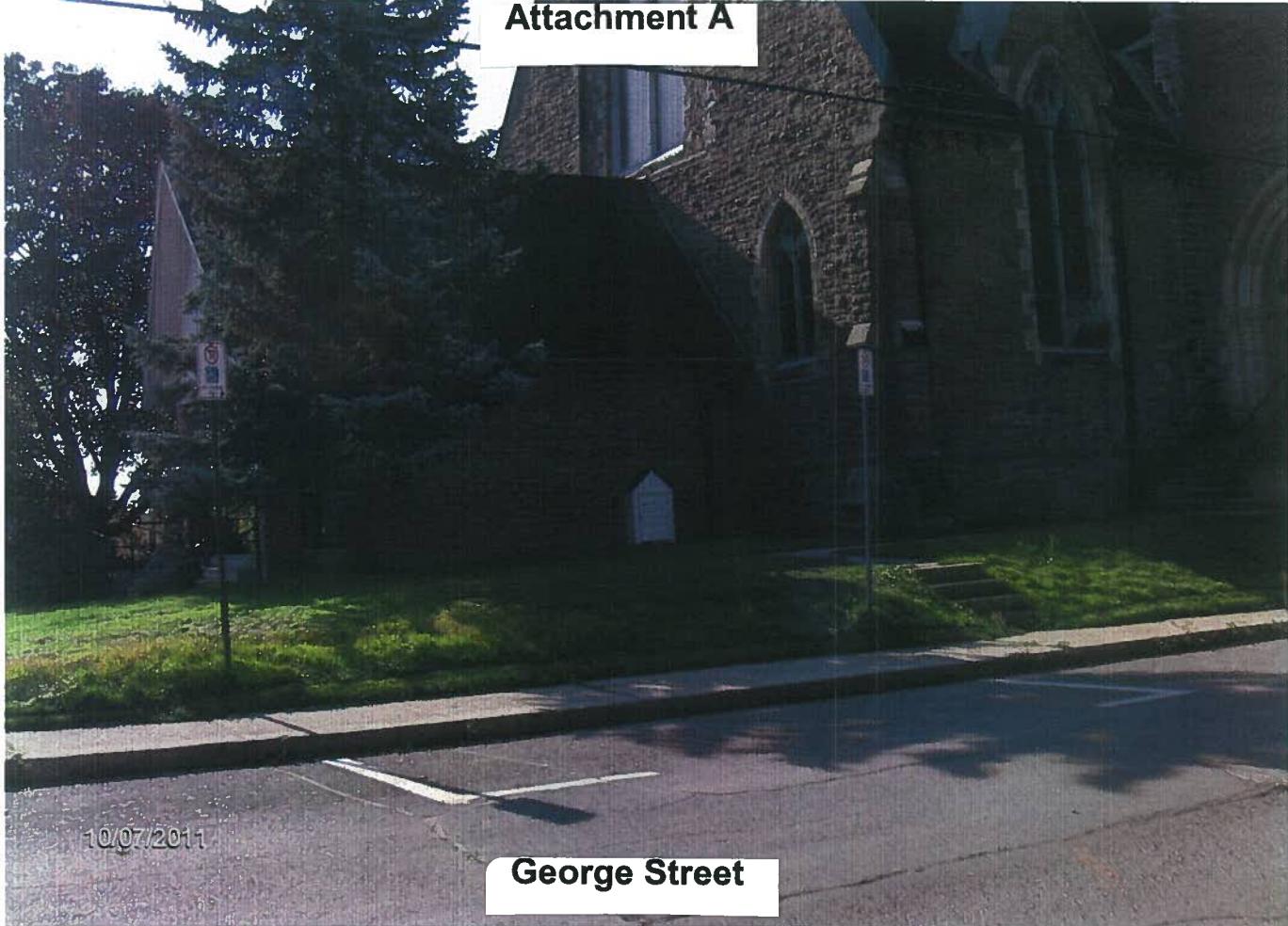

C.J. Cosgrove, P.Eng.
Director of Operations


V. Harvey
Supervisor of Transportation Services


D. Cyr
Director of Finance


B. Casselman
City Manager

Attachment A



Attachment B
131 King Street East

10/07/2011

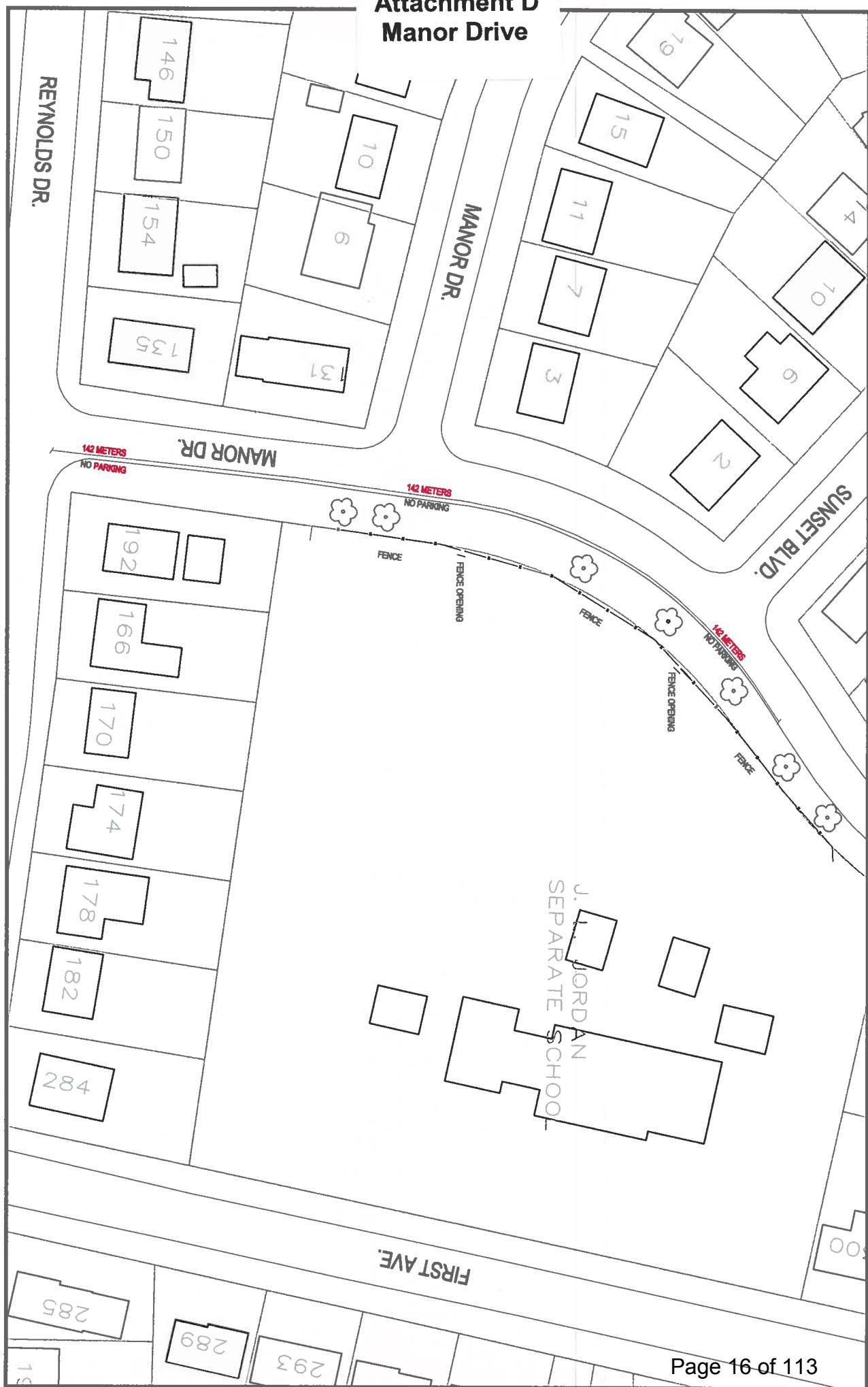


~~Attachment~~
Manor Drive

Manor Dr North of Reynolds Dr Behind JL Jordan School



Attachment D
Manor Drive



October 5, 2011

REPORT TO FINANCE AND OPERATIONS COMMITTEE – OCTOBER 18, 2011

**2011-106-10
AMENDMENTS TO
TRAFFIC BY-LAW**

**C. J. COSGROVE, P. ENG.
DIRECTOR OF OPERATIONS
VALERIE HARVEY
SUPERVISOR TRANSPORTATION SERVICES**

RECOMMENDATION

THAT a STOP sign be placed on Brock Street at the north east corner with Centre Street; and

THAT a YIELD sign be placed on Norton Street at the north east corner with Eleanor Street; and

THAT a YIELD sign be placed on Norton Street at the south west corner with Louis Street; and

THAT Schedules I and V of Traffic By-Law 21-93 be amended accordingly.

ORIGIN

The request for the stop sign on Brock Street originated from the Environmental Services Department.

The request for stop signs on Norton Street originated from a resident on the street.

BACKGROUND

According to the Highway Traffic Act (HTA), where no traffic control device is present at an intersection, the basic rules of the road apply. The HTA assigns priority to vehicles already within the intersection or, in the event two or more vehicles are approaching the intersection at the same time, the driver on the left must yield to the vehicle on the right. Intersections with no traffic control devices usually occur on local intersecting streets where traffic volumes are minimal, visibility is good, and operating speeds are low. Should this method of operation not control the allocation of right-of-way movements of the intersection, it is necessary to install a traffic control device. There are a number of traffic control devices available, increasing in level of control from a yield sign to stop sign to full traffic signals. Yield signs are used where the normal right-of-way rule does not provide safe, convenient and efficient traffic movements and where a stop sign would be too restrictive. Vehicles approaching the sign must yield the right-of-way to oncoming vehicles or vehicles on the intersecting street. Stop signs are used to clearly assign right-of-way at the intersection.

ANALYSIS

STOP Sign on Brock Street

The west end of Brock Street was recently connected to Centre Street. A temporary stop sign has been placed at this intersection to control traffic flow. The by-law must be amended accordingly to authorize a permanent sign.

Yield Signs on Norton Street

Currently, there are not any traffic control devices at any of the intersections of these small streets. A travel agency and a school bus depot are located on Louis Street. A car dealership backs onto Norton Street and the dealership parking lot is on Eleanor Street. The City's Kelly Park Baseball Diamond is located at the end of Eleanor Street. Residential houses are located on all 3 streets. Although a request for stop sign installation was originally made to the City, staff recommends the installation of yield signs as being sufficient to control traffic flow in this area of residential and commercial properties.

Note photo in Attachments A.

POLICY IMPLICATIONS

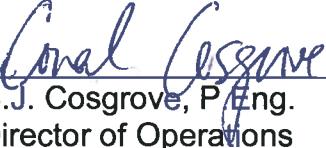
Amendment to the City's Traffic By-Law 21-93 requires Council's authorization.

FINANCIAL CONSIDERATIONS

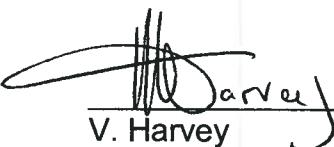
There are sufficient funds in the 2011 Operating Budget in account 01-5-245436 to accommodate the estimated cost of \$500 to supply and install the necessary signage.

CONCLUSION

Staff recommends amending the City's Traffic By-Law 21-93 accordingly.



C.J. Cosgrove, P.Eng.
Director of Operations



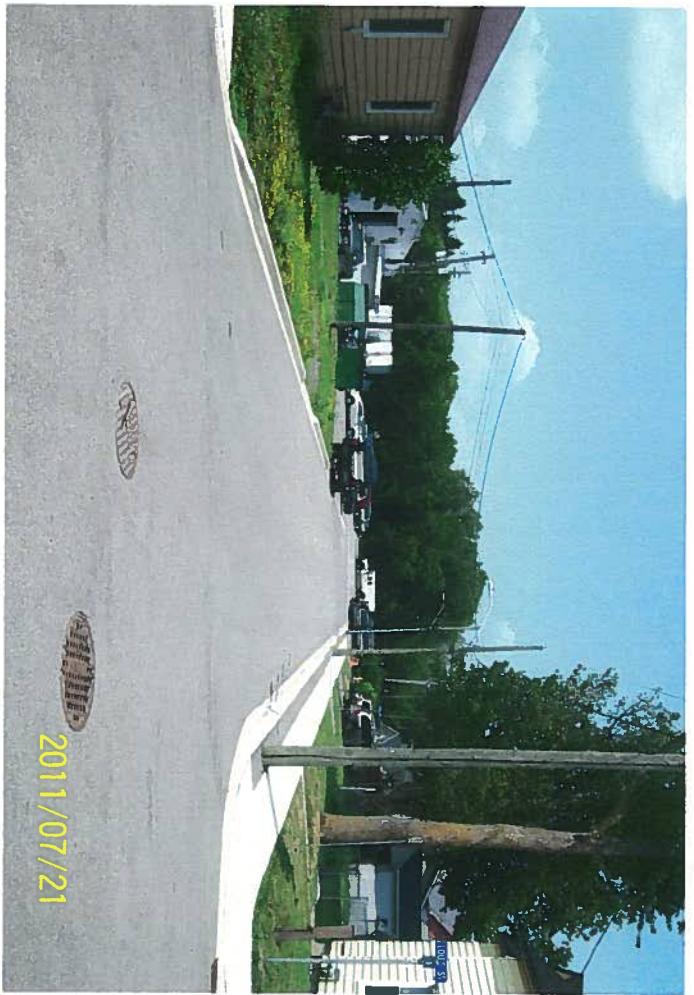
V. Harvey
Supervisor of Transportation Services



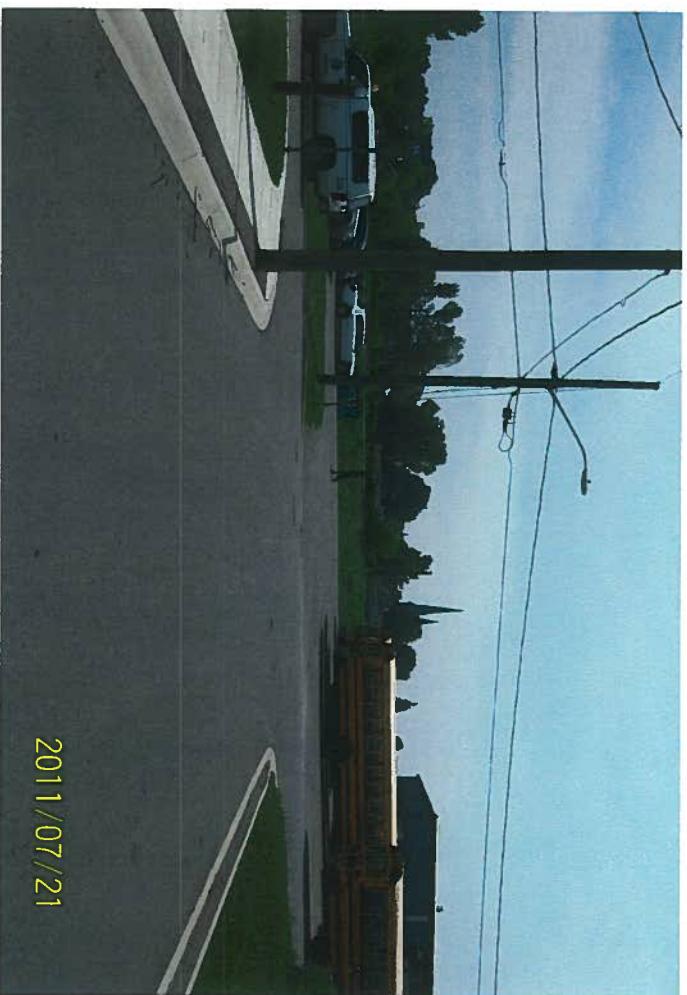
D. Cyr
Director of Finance



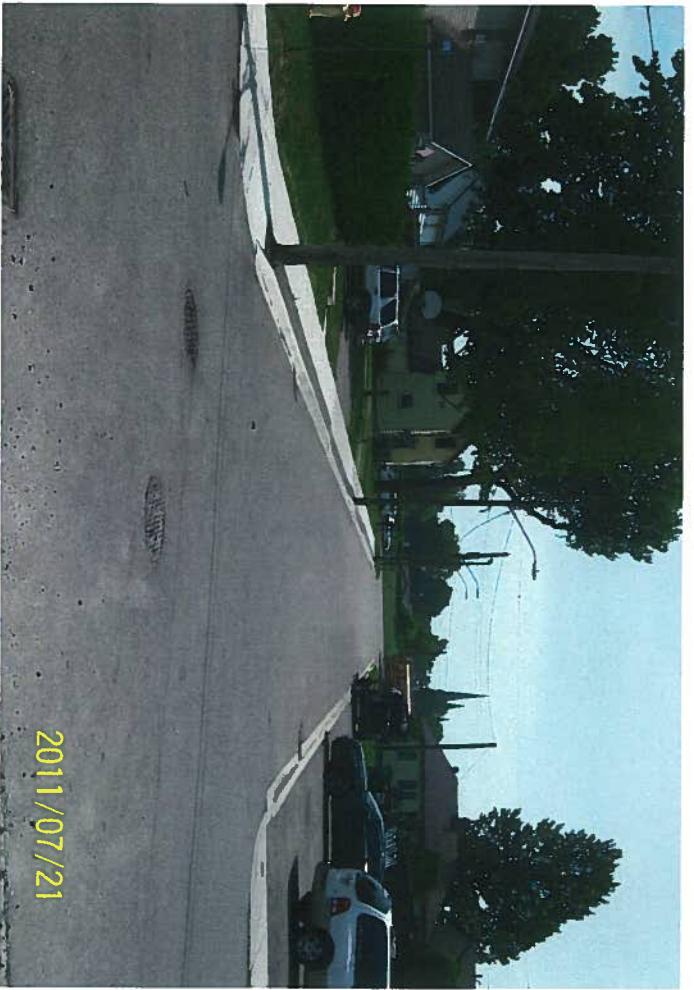
B. Casselman
City Manager



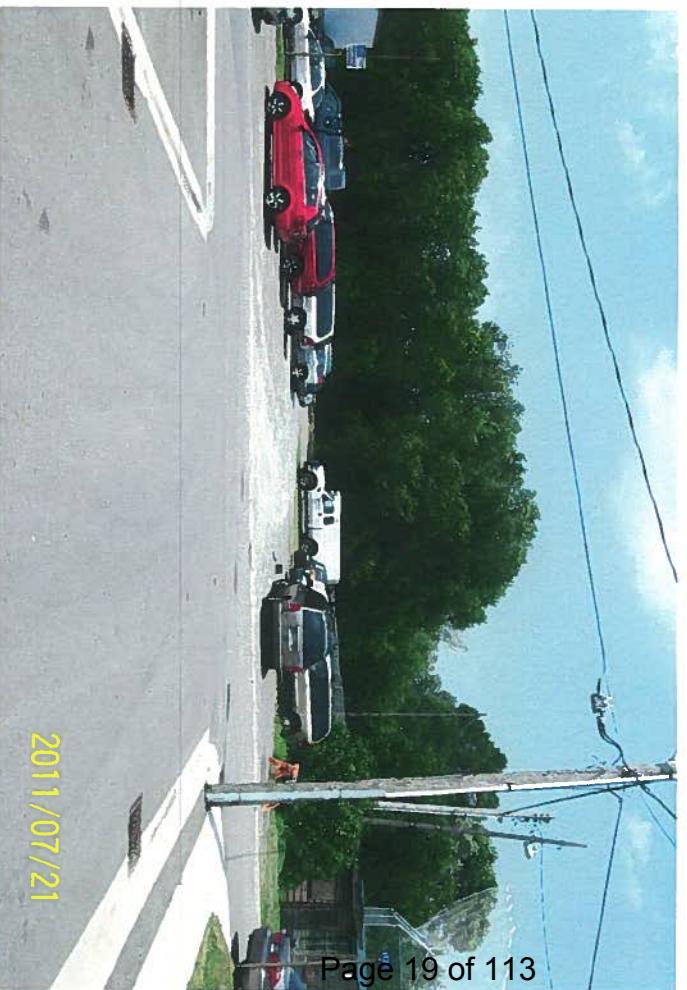
2011/07/21



2011/07/21



2011/07/21



OCTOBER 11, 2011

**REPORT TO FINANCE ADMINISTRATION & OPERATIONS COMMITTEE –
OCTOBER 18, 2011**

2011-107-10

**CITY AUDITOR'S "MATTERS TO BE COMMUNICATED
WITH MEMBERS OF COUNCIL"**

**D. CYR
DIRECTOR OF FINANCE**

FILE: F03-06

RECOMMENDED

THAT the Finance Administration & Operations Committee receive and review the City Auditor's "Matters to be Communicated with Members of Council" for the year ended December 31, 2010 [**Attachment 1 to Report # 2011-107-10**].

PURPOSE

To file the City Auditor's "Matters to be Communicated with Members of Council" for the year ended December 31, 2010 to the Finance and Administration Committee in conjunction with auditing requirements.

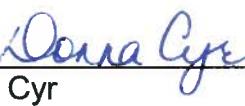
BACKGROUND

This report, which was presented in prior years as the "Audit Findings Report", is required by generally accepted auditing standards to be filed directly by all Auditors to those designated by Council for having the responsibility for oversight on financial matters.

The scope and purpose is contained in the Auditor's Report.

CONCLUSION

Mr. Brian Normandin, representative of Bennett Lewis McMahon Stillar, will be available at the meeting to answer any questions with respect to the "Matters to be Communicated with Members of Council".


D. Cyr
Director of Finance


B. Casselman
City Manager

**Bennett
Lewis
McMahon
Stillar**

Chartered Accountants

46-48 King Street East
PO Box 459 Stn Main
Brockville ON K6V 5V6

Telephone (613) 342-8424
Telefax (613) 342-1714

Corporation of the City of Brockville

Matters to be Communicated with Members of Council

Year ended December 31, 2010

PURPOSE OF THE REPORT

This report is presented in order to promote effective communication between ourselves and members of Council, to address matters that are required to be communicated and to assist members of Council in carrying out their responsibilities with respect to their review and approval of the consolidated financial statements of The Corporation of the City of Brockville for the year ended December 31, 2010. This Report summarizes our significant audit findings arising from the audit and other matters which we believe should be brought to your attention. Canadian generally accepted auditing standards do not require that we design procedures for the purpose of identifying matters to be communicated to Council. Accordingly, this Report is a by-product of the audit and is therefore a derivative communication. The audit would not necessarily identify all matters that may be of interest to the members of Council in fulfilling its responsibilities.

RESPONSIBILITIES

Our responsibility is to form and express an opinion on the financial statements that have been prepared by management, with the oversight of the members of Council. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

The preparation of the financial statements, including the accompanying notes, is the responsibility of management. This includes the selecting the significant accounting policies, for applying judgment in preparing accounting estimates and for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

Council is responsible for oversight of management with regards to the preparation of financial statements.

An audit of the financial statements does not relieve management or Council of their responsibilities.

PLANNING

An overview of the planned scope and timing of the audit, as well as a discussion of audit risk and materiality was previously communicated to you in correspondence dated January 12, 2011

INDEPENDENCE

We confirm that we are not aware of any relationship or non-audit services that would impair our independence for purposes of expressing an opinion on the financial statements.

SIGNIFICANT AUDIT FINDINGS

APPEAL OF WORKPLACE SAFETY AND INSURANCE BOARD (WSIB) COSTS

The Corporation has appealed certain expenses that have been paid to WSIB. Some months ago, management sought guidance from legal counsel as well as us in order to determine how to address this appeal in your financial records and based on that guidance a receivable of \$250,000 was recorded.

This amount is a "contingent gain" as defined in Canadian generally accepted accounting principles, as it represents a possible acquisition of an asset, the ultimate outcome to be determined by future events.

During the course of completing our audit procedures, we concluded that generally accepted accounting principles do not support the accrual of a contingent gain in the financial statements. As a result we recommended to management that this receivable be reversed; this increased the operating deficit from about \$77,000 to \$327,000.

Management expects that the appeal will be resolved sometime in 2012. If it is resolved in your favour, prior to the completion of the 2011 financial statements, the amount can be recorded in 2011.

SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

Significant accounting principles and policies are disclosed in the notes to the financial statements. Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year. We have not noted any changes and have not recommended any changes for the current reporting period.

Construction commenced on the Maritime Discovery centre ("MDC") during 2010. Cost of \$1,300,000 have been incurred and revenues of \$1,100,000 recorded as of December 31, 2010. The costs have been recorded as planning and development expenses. We concluded that they don't meet the definition of tangible capital assets (noted below) as the MDC is to eventually be transferred to not-for-profit corporation that will not be controlled by the City.

Tangible capital assets are non-financial assets having physical substance that:

- (i) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- (ii) have useful economic lives extending beyond an accounting period;
- (iii) are to be used on a continuing basis; and
- (iv) are not for sale in the ordinary course of operations.

ACCOUNTING ESTIMATES

Management has the responsibility for applying judgment in preparing the accounting estimates and disclosures contained within the financial statements.

Significant judgments and estimates were as follows:

- Accrual for employee future benefits of \$5,289,000
- Solid waste landfill liabilities of \$3,590,000
- Amortization of tangible capital assets

Subject to your consideration, we accept management's conclusions as to these estimates.

In addition to the current year estimates, many of the cost figures for tangible capital assets are based on estimates, as described in the accounting policy note to the consolidated financial statements.

MISSTATEMENTS AND SIGNIFICANT AUDIT ADJUSTMENTS

Misstatements represent audit findings for which we do not agree with the amount, classification, presentation or disclosure of items in the financial statements.

In conducting our procedures, we may identify misstatements that require adjustments to the recorded amounts. These audit adjustments are discussed with management, who in consultation with us, determine if an adjustment should be recorded.

Significant adjustment that were recorded as a result of our audit findings the reversal of the WSIB accrual (described above) and the accrual of \$907,000 of construction costs and offsetting grant revenues and recoveries regarding the Marine Discovery Centre.

The unadjusted misstatements that we detected during the audit would result in a decrease of \$17,000 in the excess of revenue over expense for the year. The effect of uncorrected misstatements related to prior periods would result in an increase \$83,000 in the excess of revenue over expense. Those adjustments are summarized in the attachment to this report. The impact on the operating deficit is an increase of \$20,000.

Misstatements under \$1,000 were not accumulated.

Subject to the consideration of the Finance Administration and Operations Committee, we are willing to accept management's opinion that the unrecorded misstatements, individually and in aggregate, are not significant to the financial statements.

Canadian generally accepted auditing standards require that we request that uncorrected misstatements be corrected.

Difficulties

We did not encounter any serious difficulties in the performance of the audit. We received the full cooperation of management and employees of the Corporation and, to our knowledge, had complete access to the accounting records and other documents that we needed in order to carry out our audit. We have had no disagreements with management, and have resolved all auditing, accounting and presentation issues to our satisfaction.

CONTROL DEFICIENCIES

The responsibility for the design and maintenance of an appropriate system of internal controls to provide reasonable assurance that the accounting systems provide timely, accurate and reliable financial information and to safeguard the Corporation's assets, is part of management's overall responsibility for the day-to-day operations of the Corporation.

We obtain a sufficient understanding of internal controls that are relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances. We only evaluate, and test, those internal controls on which we plan to rely during our audit. Our audit is not designed to allow us to provide an opinion on the systems of internal controls, nor should it be expected to.

No major control issues were noted during the course of the audit.

OTHER MATTERS

We are not aware of any other matters that require the attention of the Audit Committee before you approve the financial statements.

Current Accounting and Reporting Developments

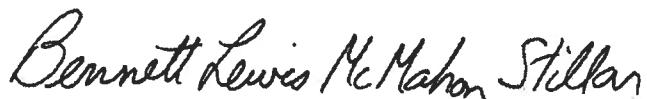
New developments in accounting standards

There are three new accounting standards for governments that have been put in place, that require implementation in 2016. They deal with foreign currency and complex financial instruments, such as derivatives and would have limited impact on your financial statements, if they were to be applied at this time. We will continue to keep management informed of these standards as the implementation time approaches or in the event that you enter into more complex financial instrument contracts.

There are a number of projects currently in progress by The Public Sector Accounting Board that may have implications to future financial reporting. They include projects that address, environmental cleanup and tax revenues. We will continue to keep you updated regarding the progress of these studies.

New developments in auditing standards

There were new Canadian Auditing Standards that applied to this year. They were described in our January 12, 2011 planning letter.



Chartered Accountants, Licensed Professional Accountants

Brockville, Canada

October 11, 2011

Corporation of the City of Brockville
Summary of Uncorrected Financial Statement Misstatements
December 31, 2010

	Effect on Balance Sheet	Effect on Statement of Operations
Individual misstatements greater than \$20,000		
Underaccrual of RInC capital grant revenue, Centennial Youth Arena	61,850	(61,850)
	<hr/>	<hr/>
Summary of other misstatements		
Underaccrual of benefits on year end payroll accrual	(11,317)	11,317
Underaccrual of grant revenue Jessie/George Street projects	2,700	(2,700)
Overstatement of year end accounts receivable	(3,784)	3,784
Underaccrual of 2010 retro pay accrual re outstanding wage contract	(2,088)	2,088
Unrecorded bank adjustments	17,192	(17,192)
	<hr/>	<hr/>
Estimated underaccrual of audit fees	(5,000)	5,000
Estimated underaccrual of accrued liability for maintenance charges	(10,562)	10,562
Estimated understatement of allowance for doubtful accounts	(4,102)	4,102
	<hr/>	<hr/>
<i>Affect of prior year carry forward misstatements, impacting operating deficit</i>	(16,961)	16,961
<i>Affect of overstatement TCA asset net book value at the end of 2009</i>		(30,013)
<i>Affect of errors in amortization and gain/loss on disposal of TCA in 2009</i>		(27,562)
<i>Affect of prior year carry forward misstatements, impacting other components of surplus</i>		(6,909)
	<hr/>	<hr/>
Aggregate of uncorrected misstatements	44,889	(127,736)
	<hr/>	<hr/>
Impact of above on operating deficit	As of end of 2010	during 2010
Impact of above on revenue for capital projects	(19,661)	(10,352)
Impact of above on tangible capital assets	64,550	(64,550)
Impact of above on other components of surplus	0	(34,471)
	0	(18,363)
	<hr/>	<hr/>
Audit Materiality	450,000	
	<hr/>	

October 11, 2011

**REPORT TO FINANCE ADMINISTRATION & OPERATIONS COMMITTEE
– October 18th, 2011**

**2011-108-10
2010 BUDGET AND YEAR-END
FINANCIAL STATEMENTS
FILE: F03-05 & F10-01**

**D. CYR
DIRECTOR OF FINANCE
L FERGUSON
SUPERVISOR OF ACCOUNTING
SERVICES**

RECOMMENDATION

THAT Audited Financial Statements and Treasurer's information pertaining to the 2010 Year-End Financial Position be received [Attachment 1 to Report 2011-108-10]; and

THAT expenses beyond the initial 2010 budget be ratified; and

THAT any deficit variance be authorized as expenditures from the Fiscal Policy Reserve; and

THAT the Audited Financial Statements for the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville be received [Attachment 2 to Report 2011-108-10]; and

THAT the Audited Statements for Corporation of the City of Brockville Trust Funds be received [Attachment 3 to Report 2011-108-10];

PURPOSE

To report to Council the final audited statements for the City of Brockville, for the year ended December 31, 2010, including the audited financial statements of the Board of Management, Downtown Business Improvement Area and the City Trust Funds.

BACKGROUND

As outlined in the Municipal Act:

Section 294.1... "A municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants."

Section 295.1... "within 60 days after receiving the audited financial statements of the municipality for the previous year, the Treasurer of the municipality, (a) shall publish in a newspaper having general circulation in the municipality, a copy of the audited financial statements, the notes to the financial statements, the auditor's report and the tax rate information for the current and previous year as contained in the financial review, or, (b) a notice that a copy will be made available at no cost to the tax payer or resident upon request."

The Finance and Administration Committee monitored the budget process throughout the year by reviewing the Variance Analysis reports. The corporate-wide Variance Analysis was provided with the December 31, 2010 Interim Treasurers Report (Report 2011-032-03) on March 22, 2011.

PSAB Requirements

Beginning with the fiscal year 2009, the City of Brockville has amended the preparation and presentation of its financial statements in conjunction with the changes of PSAB regulations to reflect a full accrual basis of accounting and the reporting of the City's Tangible Capital assets (TCA) on the statement of financial position at historical cost. At the end of 2010, the City's TCAs have a net book value of approximately \$80 million.

The Accumulated Surplus/Deficit on the Consolidated Statement of Financial Position reflects the Fund Balances (Water, Wastewater, Capital, Reserves, and Reserve Funds) which previously were shown in the "Municipal Position" section in statements prior to 2009.

In accordance with the PSAB changes, the Consolidated Statement of Financial Activities no longer segregates the fund activities.

ANALYSIS / FINANCIAL IMPLICATIONS

Operating Fund

The Operating fund ended the year with a deficit of \$818,974 that is being financed by a transfer from the Fiscal Policy Reserve and the Contribution to Fiscal Policy which occurred within the 2011 budget. The increase from the reported deficit on the December interim report of \$559,318 is attributed to the reversal of the \$250,000 WSIB receivable established in regard to retired firefighter claims. Section 3290.18 of the Canadian Institute of Chartered Accountants (CICA) handbook is specific in that contingent gains, such as the WSIB receivable, are not accrued in financial statements.

It is still believed that the probability of the City's success at appeal is quite high and as such is disclosed in the notes to the financial statements taking precautions to avoid a misleading implication as to the likelihood of realization.

Fiscal Policy Reserve

As a result of the year-end deficit, the balance of the Fiscal Policy Reserve at December 31, 2010 was (\$325,820).

Pursuant to subsequent transactions and other planned commitments in 2011, the balance of this reserve is minimal.

Capital Fund

The Capital Fund, with respect to those capital projects that have been completed and closed will be presented to Council in a separate report (Report 2011-109-10).

Water and Wastewater Rate Administration

The year-end surplus on the Water Rate Administration is \$36,454 over the budgeted surplus of \$79,590 for a total surplus of \$116,044. This is mainly attributed to:

- Revenue surplus of \$113,997
- Increased expenses pertaining to bad debt write-offs – \$84,885 relating to previous years Elizabethtown Operation Costs. This has previously been charged to the Township but in review of the water agreement these monies should be recovered through the adjustment of rates to the users. Staff is currently reviewing the impact on the 2012 budget.

The year-end deficit on the Wastewater Rate Administration is \$350,274 over the budget surplus of \$225,779 for a net deficit of \$124,495. This is mainly the result of:

- Shortfall in revenues of \$278,400 – which staff continues to investigate
- Electricity costs higher than anticipated totaling \$83,243
- Increased chemical costs of \$26,220

Tax Collections

The percentage of tax levies receivable has increased from 5.73% in 2009 to 8.83% in 2010. The following chart illustrates the outstanding taxes for the City at December 31, 2010 compared to December 31, 2009.

	At December 31, 2010		At December 31, 2009	
	Amount	% to Total Outstanding	Amount	% to Total Outstanding
of Current Year's Taxes	\$1,699,702	68.35%	\$861,520	55.78%
of Previous Year's Taxes	560,063	22.52%	464,881	30.10%
of 2 nd Year's Taxes	202,452	8.14%	166,475	10.78%
of 3 rd & Prior Years' Taxes	24,461	0.98%	51,498	3.33%
	\$2,486,678	100.00%	\$1,544,374	100.00%
% of current Year's Levy + o/s arrears		<u>8.83%</u>		<u>5.73%</u>

This increase can be attributed to the current state of the economy; supplementary billings issued in November with a due date of December 15th; as well as the implementation of the property tax module of the new financial system in 2010.

Investments

At year-end, the outstanding investments of all funds amounted to \$3,443,502 of which \$3,200,000 was invested in a 1 year cashable GIC at the Bank of Nova Scotia at 1.85% (\$2.4M of reserve fund monies; \$0.8M of trust fund monies); \$203,643 was invested in City of Brockville debentures (Hydro Funds); and the Trust Fund had \$39,859 in Scotia Trust Mutual Funds.

Accounting Practices

The City's budgeting and accounting system continues to be integrated and centralized with respect to monitoring and reporting on variances, purchasing standards, fiscal accounting and financial planning. All Boards and Committees, except for the Library, use the City's process. These integrations allow for efficiencies in process as well as cost. As well, the ability to provide common standards and value of reporting on a regular basis to Council, Board Directors and Department Heads is enhanced.

Mr. Brian Normandin, representative of the City's Auditor – Bennett Lewis McMahon Stillar Chartered Accountants, will be available at the meeting to answer any questions with respect to the audit of the Financial Statements.

POLICY IMPLICATIONS

There are no policy implications at this time.

CONCLUSION

As per the Municipal Act these reports will be made available to the public on the City website, or by hard copy if requested.

D. Cyr
D. Cyr, Director of Finance


B. Casselman, City Manager

L. Ferguson
L. Ferguson, Supervisor of Accounting Services

Consolidated Financial Statements of

CORPORATION OF THE CITY OF BROCKVILLE

Year ended December 31, 2010

Auditors' Report.....	1
Consolidated Statement of Financial Position.....	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Financial Liabilities	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements.....	6 - 19

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Brockville

We have audited the accompanying consolidated financial statements of the Corporation of the City of Brockville, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial liabilities and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian public sector accounting standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brockville as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

October 25, 2011
Brockville, Canada

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
Financial assets		
Cash and short-term investments (note 2)	\$ 10,223,545	\$ 17,800,260
Taxes receivable	2,760,179	1,818,366
Accounts receivable	14,829,951	2,476,906
Investment in own debentures	203,643	235,260
	<u>28,017,318</u>	<u>22,330,792</u>
Financial liabilities		
Accounts payable and accrued liabilities	12,383,097	5,297,278
Accrued interest on net long-term liabilities	262,685	279,062
Short-term credit facility (note 3)	6,400,000	-
Deferred revenues - obligatory reserve funds (note 4)	1,814,409	2,432,403
Other deferred revenues	481,910	456,600
Employee future benefits (note 5)	5,289,134	4,219,122
Solid waste landfill closure and post-closure liabilities (note 6)	3,590,000	3,710,000
Net long-term liabilities (note 7)	<u>23,388,297</u>	<u>25,713,608</u>
	<u>53,609,532</u>	<u>42,108,073</u>
Net financial liabilities	(25,592,214)	(19,777,281)
Non-financial assets		
Tangible capital assets (note 8)	79,966,838	59,606,888
Inventory of supplies	602,211	570,488
Prepaid expenses	408,833	723,296
	<u>80,977,882</u>	<u>60,900,672</u>
Commitments (note 9)		
Contingencies (notes 7(a) and 10)		
Accumulated surplus (note 11)	\$ 55,385,668	\$ 41,123,391

The accompanying notes are an integral part of this consolidated financial statement.

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Operations

Year ended December 31, 2010, with comparative figures for 2009

	Budget 2010	Actual 2010	Actual 2009
	(unaudited)		
Revenues:			
Property taxation	\$ 28,711,779	\$ 28,598,218	\$ 27,374,337
Taxation from other governments	423,923	410,344	406,363
User charges	10,685,134	11,017,313	10,872,635
Charges to other municipalities	783,891	793,054	854,350
Government grants	1,181,152	20,792,801	7,708,249
Contributions from developers	—	145,808	137,949
Penalties and interest on taxes	356,077	419,517	316,501
Investment income	63,660	126,057	225,961
Donations	55,855	216,164	938,349
Disposal of property and equipment	—	22,119	102,166
Recovery of expenses and miscellaneous	471,697	850,375	416,486
	42,733,168	63,391,770	49,353,346
Expenses:			
General government	3,230,770	3,721,842	3,605,122
Protection to persons and property	11,781,327	14,041,416	12,164,961
Transportation services	4,536,798	7,491,498	4,955,401
Environmental services	6,955,426	7,845,805	9,603,343
Health services	1,695,622	1,725,202	1,657,578
Social and family services	4,703,190	4,507,659	5,577,593
Social housing	752,909	764,041	788,451
Library	665,770	762,661	693,935
Other recreation and cultural services	3,056,131	5,142,269	4,385,151
Planning and development	1,772,095	3,127,100	1,869,015
	39,150,038	49,129,493	45,300,550
Excess of revenues over expenses	\$ 3,583,130	14,262,277	4,052,796
Accumulated surplus, beginning of year		41,123,391	37,070,595
Accumulated surplus, end of year		\$ 55,385,668	\$ 41,123,391

The accompanying notes are an integral part of this consolidated financial statement.

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Change in Net Financial Liabilities

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Excess of revenues over expenses	\$ 14,262,277	\$ 4,052,796
Acquisition of tangible capital assets	(23,169,768)	(11,564,512)
Amortization of tangible capital assets	2,685,135	2,467,879
Loss (gain) on disposal of tangible capital assets	82,342	(96,021)
Proceeds from disposal of tangible capital assets	42,341	144,732
	<u>(6,097,673)</u>	<u>(4,995,126)</u>
Change in inventory of supplies	(31,723)	(2,209)
Change in prepaid expenses	314,463	48,356
Change in net financial liabilities	<u>(5,814,933)</u>	<u>(4,948,979)</u>
Net financial liabilities, beginning of year	(19,777,281)	(14,828,302)
Net financial liabilities, end of year	<u>\$ (25,592,214)</u>	<u>\$ (19,777,281)</u>

The accompanying notes are an integral part of this consolidated financial statement.

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used for):		
Operating activities:		
Excess of revenues over expenses	\$ 14,262,277	\$ 4,052,796
Items not involving cash:		
Amortization of tangible capital assets	2,685,135	2,467,879
Loss (gain) on disposal of tangible capital assets	82,342	(96,021)
Increase in taxes receivable	(941,813)	(142,211)
Increase in accounts receivable	(12,353,045)	(275,755)
Increase in accounts payable and accrued liabilities	7,085,819	1,241,610
Decrease in accrued interest on long-term liabilities	(16,377)	(15,600)
Decrease in deferred revenues	(592,684)	(2,001,595)
Increase (decrease) in employee future benefits	1,070,012	(37,456)
Increase (decrease) in solid waste landfill closure and post-closure liabilities	(120,000)	340,000
Increase in inventory of supplies	(31,723)	(2,209)
Decrease in prepaid expenses	314,463	48,356
	11,444,406	5,579,794
Financing activities:		
Proceeds from short-term credit financing	6,400,000	-
Net proceeds from net long-term liabilities	-	1,217,175
Principal payments on net long-term liabilities	(2,293,694)	(1,996,143)
	4,106,306	(778,968)
Capital activities:		
Proceeds from disposal of tangible capital assets	42,341	144,732
Cash used to acquire tangible capital assets	(23,169,768)	(11,564,512)
	(23,127,427)	(11,419,780)
Decrease in cash and short-term investments	(7,576,715)	(6,618,954)
Cash and short-term investments, beginning of year	17,800,260	24,419,214
Cash and short-term investments, end of year	\$ 10,223,545	\$ 17,800,260
Non-cash financing activities:		
Principal payments on own debentures	\$ 31,617	\$ 121,632

The accompanying notes are an integral part of this consolidated financial statement.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

The Corporation of the City of Brockville (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations under the direction of its elected Council, guided by the provisions of provincial statutes such as the Municipal Act 2001, Municipal Affairs Act and related legislation.

1. Summary of significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies are as follows:

(a) Reporting entity:

(i) Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the municipal Council and which are owned or controlled by the City.

Interdepartmental and inter-organizational transactions and balances between these organizations, committees and local boards are eliminated.

(ii) Accounting for School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the local school boards are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their related operations administered by the City are not included in the consolidated financial statements but are reported separately.

(b) Investments:

Investments are recorded at cost.

(c) Revenue recognition:

Property tax billings are prepared by the City based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government and taxation revenues are recorded at the time tax billings are issued. Any supplementary billing adjustments made necessary by assessment appeals submitted by the ratepayers and changes to assessed value reflecting new construction are recognized in the year they are determined.

Government grants are recognized as revenue in the year in which the events giving rise to the grant occur, providing the grants are authorized, any eligible criteria have been met, and reasonable estimates of the amounts can be made. Receipts which are restricted by legislation of senior governments are reported as deferred revenue (obligatory reserve funds) and included in revenues in the year that they are applied to qualifying expenditures.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

1. Summary of significant accounting policies (continued)

(c) Revenue recognition (continued):

User charges, with the exception of development charges, are recognized as revenue in the year the goods and services are provided.

Development charges, payments in lieu of parkland and funding received under public transit and gasoline tax programs are received under the authority of federal and provincial legislation and the use of these funds is restricted to applicable capital expenditures. They are recorded as deferred revenue (obligatory reserve funds) and included in revenue in the year that they are applied to qualifying capital expenditures.

Investment income earned on development charges, parkland reserve funds and other obligatory reserve funds is recorded as deferred revenue and included in municipal revenues in the year that they are applied to qualifying capital expenditures. Other investment income is reported in revenues in the period earned.

(d) Vacation pay:

Vacation pay is accrued for all employees as entitlement to these payments is earned in accordance with the City's benefit plan for vacation.

(e) Employee future benefits:

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn non-pension post-retirement benefits. The cost of such benefits earned by the employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of the retirement ages of employees.

Actuarial valuations are prepared every three years, or more often at the discretion of management. In the years between valuations, an extrapolation is used to compute the expected accrued benefits obligation and related expenditures.

Actuarial gains or losses on the accrued benefit obligation arise from the difference between actual and expected experiences and from changes in actuarial assumptions used to determine the obligation. These gains or losses are amortized on a straight-line basis over the average remaining service period of active employees.

The City also accrues its obligations for post-employment benefits when an event that obligates the City occurs such as parental and short-term sick leaves.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

1. Summary of significant accounting policies (continued)

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost (or estimated cost when historical cost records are not available) which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life – years
General capital:	
Land improvements	15 – 50 years
Buildings	5 – 50 years
Machinery, furniture and equipment	3 – 30 years
Vehicles	6 – 25 years
Infrastructure:	
Plants and facilities	10 – 60 years
Roads infrastructure	20 – 75 years
Water and wastewater infrastructure	50 – 75 years

Amortization is charged from the date of acquisition to the date of disposal. Assets under construction are not amortized until the asset is put into service.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Capitalized interest:

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include amortization of tangible capital assets and employee future benefits and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

2. Cash and short-term investments:

Included in cash and short-term investments was \$2,400,000 invested in cashable guaranteed investment certificates at December 31, 2010.

3. Short-term credit facility:

The City has obtained a short-term credit facility from the Ontario Infrastructure Projects Corporation (OIPC) in the amount of \$6.4 million as bridge financing for the upgrade to the Water Pollution Control Centre. Advances bear interest at a floating rate per annum based on OIPC's cost of funds plus OIPC's prevailing spread assigned to the municipal sector with an effective rate during 2010 of 1.54%. The advance is repayable in full on the earlier of the date debenture financing is obtained for the upgrade or October 13, 2015 being the facility termination date.

4. Deferred revenues – obligatory reserve funds:

Public sector accounting principles require that obligatory reserve funds are reported as deferred revenues as provincial legislation or agreements restrict how these funds may be used. The balances in the obligatory reserve funds of the City are summarized as follows:

	2010	2009
Development charges	\$ 394,007	\$ 619,299
Parkland	4,473	275
	<u>398,480</u>	<u>619,574</u>
Provincial gasoline tax	99,564	78,561
Federal gasoline tax	1,316,365	1,734,268
	<u>1,415,929</u>	<u>1,812,829</u>
	<u><u>\$ 1,814,409</u></u>	<u><u>\$ 2,432,403</u></u>

5. Employee future benefits:

	2010	2009
Post-retirement medical and life insurance (note 5(a))	\$ 3,468,887	\$ 3,328,895
Unused sick leave (note 5(b))	640,459	653,262
Workplace Safety and Insurance Board costs (note 5(c))	1,179,788	236,965
	<u><u>\$ 5,289,134</u></u>	<u><u>\$ 4,219,122</u></u>

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

5. Employee future benefits (continued):

(a) The City has defined benefit plans providing post-retirement medical (until age 65) and life insurance benefits covering substantially all retirees and employees.

An actuarial valuation was prepared as at December 31, 2009 and extrapolated forward to estimate the obligations as at December 31, 2010. The significant actuarial assumptions adopted in measuring the City's accrued employee future benefits liability are as follows:

	2010	2009
Discount rate	4.5%	4.5%
Rate of compensation increase	3.0%	3.0%

The assumed medical cost trend rate at December 31, 2010 was 7.75% decreasing to 5.0% by 2030 (2009 – 8% decreasing to 5.0% by 2030).

Information about the City's defined contribution post-retirement benefit plans is as follows:

	2010	2009
Accrued benefits obligation, beginning of year	\$ 3,366,183	\$ 2,782,280
Current service cost	159,334	116,590
Interest on accrued benefits	155,621	154,773
Benefit payments	(134,562)	(169,633)
Actuarial gain	–	482,173
Accrued benefits obligation, end of year	3,546,576	3,366,183
Unamortized actuarial loss	77,689	37,288
Accrued employee future benefits liability, end of year	<u>\$ 3,468,887</u>	<u>\$ 3,328,895</u>

Actuarial gains and losses are being amortized over a 12 year period.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

5. Employee future benefits (continued):

(b) Some employees of the City can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment.

Significant actuarial assumptions adopted in measuring the City's accrued benefits under this plan are similar to those listed in (a) above.

Information about the City's sick leave benefit plans is as follows:

	2010	2009
Accrued benefits obligation, beginning of year	\$ 653,262	\$ 741,323
Current service cost, interest on accrued benefits and actuarial gain	(9,941)	22,218
Benefit payments	(2,862)	(110,279)
 Accrued benefits obligation, end of year	 \$ 640,459	 \$ 653,262

(c) The City was a Schedule 2 employer with respect to the Workplace Safety and Insurance Board ("WSIB") during the period February 2003 to February 2008. As a result, the City is responsible for the cost of employee accident claims that arose during that period. The WSIB administers the claims and bills accident costs plus an administration fee to the City. The Workplace Safety and Insurance Board has estimated future benefits costs related to workplace injuries to be \$1,179,788 (2009 - \$236,965).

6. Solid waste landfill closure and post-closure liabilities:

The City ceased to operate its solid waste landfill site on December 31, 2000, but is required to complete certain closure procedures and to conduct post-closure procedures.

The main components of the closure plan are final capping and landscaping. The post-closure care will involve surface water and ground water monitoring and venting gas.

The recorded liabilities are the present value of future cash flows associated with the closure and post-closure costs, discounted using an average long-term borrowing rate of 4.0% and an annual inflation rate of 2.0%. The estimated undiscounted future cash flows associated with post-closure care for a 23 year period are \$5,500,000, of which \$1,910,000 will be recognized in future years.

	2010	2009
Estimated costs to complete closure	\$ 320,000	\$ 320,000
Recorded post-closure costs	3,270,000	3,390,000
 \$ 3,590,000	 \$ 3,710,000	

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

7. Net long-term liabilities:

- (a) The net long-term liabilities reported on the Consolidated Statement of Financial Position represent debentures issued by the City and are made up of the following:

	2010	2009
Total long-term liabilities incurred by the City	\$ 34,001,783	\$ 36,810,187
Less amounts assumed by other municipalities with respect to St. Lawrence Lodge	(10,613,486)	(11,096,579)
	\$ 23,388,297	\$ 25,713,608

Included in total long-term liabilities are global debentures totaling \$26,707,314 (2009 - \$27,915,397) issued during 2004 and 2005 with respect to St. Lawrence Lodge. They include direct obligations of the City in respect of the principal amount and also include distinct joint and several obligations of the Corporation of the City of Brockville and each of the United Counties of Leeds and Grenville, the Town of Prescott and the Town of Gananoque ("participating municipalities").

The joint and several obligations of the three municipalities amount to \$10,613,486 (2009 - \$11,096,579). As the participating municipalities have assumed responsibility for repayment of these obligations, they have been deducted from the City's net-long term liabilities.

The City is contingently liable for the long-term liabilities assumed by the participating municipalities.

- (b) Principal is due on net long-term liabilities as follows:

2011	\$ 2,340,689
2012	2,035,915
2013	2,130,125
2014	2,186,473
2015	1,544,090
Thereafter	13,151,005
	\$ 23,388,297

- (c) Interest rates on the long-term liabilities range from 2.69% to 6.25% (4.71% to 5.606% on the global debentures with respect to St. Lawrence Lodge) payable semi-annually. Interest on long-term liabilities amounted to \$1,205,378 (2009 - \$1,256,936).
- (d) The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

8. Tangible capital assets:

Cost	Balance December 31, 2009	Additions	Disposals	Balance December 31, 2010
General Capital:				
Land	\$ 4,644,366	\$ -	\$ -	\$ 4,644,366
Land improvements	2,913,008	56,581	-	2,969,589
Buildings	13,323,499	430,017	-	13,753,516
Machinery, furniture and equipment	6,569,052	1,128,207	129,592	7,567,667
Vehicles	5,500,672	410,651	788,994	5,122,329
Infrastructure:				
Plants and facilities	10,536,422	(11,259)	-	10,525,163
Roads infrastructure	51,664,885	926,907	348,615	52,243,177
Water and sewer infrastructure	14,300,651	1,112,300	89,623	15,323,328
Assets under construction	4,311,145	20,118,123	1,001,759	23,427,509
Total	\$ 113,763,700	\$ 24,171,527	\$ 2,358,583	\$ 135,576,644

Accumulated amortization	Balance December 31, 2009	Additions	Disposals	Balance December 31, 2010
General Capital:				
Land improvements	\$ 1,941,116	\$ 71,989	\$ -	\$ 2,013,105
Buildings	8,570,068	306,785	650	8,876,203
Machinery, furniture and equipment	4,070,762	417,385	115,782	4,372,365
Vehicles	3,803,644	388,094	754,371	3,437,367
Infrastructure:				
Plants and facilities	8,953,526	222,374	-	9,175,900
Roads infrastructure	22,841,042	1,041,776	296,379	23,586,439
Water and sewer infrastructure	3,976,654	209,169	37,396	4,148,427
Total	\$ 54,156,812	\$ 2,657,572	\$ 1,204,578	\$ 55,609,806

	Net book value December 31, 2009	Net book value December 31, 2010
General Capital:		
Land	\$ 4,644,366	\$ 4,644,366
Land improvements	971,892	956,484
Buildings	4,753,431	4,867,180
Machinery, furniture and equipment	2,498,290	3,195,302
Vehicles	1,697,028	1,684,962
Infrastructure:		
Plants and facilities	1,582,896	1,359,396
Roads infrastructure	28,823,843	28,656,738
Water and sewer infrastructure	10,323,997	11,174,901
Assets under construction	4,311,145	23,427,509
Total	\$ 59,606,888	\$ 79,966,838

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

8. Tangible capital assets (continued):

Cost	Balance January 1, 2009	Additions	Disposals	Balance December 31, 2009
General Capital:				
Land	\$ 4,647,578	\$ —	\$ 3,212	\$ 4,644,366
Land improvements	2,695,953	243,343	26,288	2,913,008
Buildings	11,138,489	2,217,529	32,519	13,323,499
Machinery, furniture and equipment	6,327,103	704,470	462,521	6,569,052
Vehicles	5,001,742	690,435	191,505	5,500,672
Infrastructure:				
Plants and facilities	10,084,900	451,522	—	10,536,422
Roads infrastructure	50,580,776	1,189,447	105,338	51,664,885
Water and sewer infrastructure	12,544,030	1,756,621	—	14,300,651
Assets under construction	—	4,311,145	—	4,311,145
Total	\$103,020,571	\$ 11,564,512	\$ 821,383	\$113,763,700

Accumulated amortization	Balance January 1, 2009	Additions	Disposals	Balance December 31, 2009
General Capital:				
Land improvements	\$ 1,902,435	\$ 64,969	\$ 26,288	\$ 1,941,116
Buildings	8,333,604	249,797	13,333	8,570,068
Machinery, furniture and equipment	4,093,592	439,691	462,521	4,070,762
Vehicles	3,633,260	361,889	191,505	3,803,644
Infrastructure:				
Plants and facilities	8,829,690	123,836	—	8,953,526
Roads infrastructure	21,872,947	1,047,120	79,025	22,841,042
Water and sewer infrastructure	3,796,077	180,577	—	3,976,654
Total	\$ 52,461,605	\$ 2,467,879	\$ 772,672	\$ 54,156,812

	Net book value January 1, 2009	Net book value December 31, 2009
General Capital:		
Land	\$ 4,647,578	\$ 4,644,366
Land improvements	793,518	971,892
Buildings	2,804,885	4,753,431
Machinery, furniture and equipment	2,233,511	2,498,290
Vehicles	1,368,482	1,697,028
Infrastructure:		
Plants and facilities	1,255,210	1,582,896
Roads infrastructure	28,707,829	28,823,843
Water and sewer infrastructure	8,747,953	10,323,997
Assets under construction	—	4,311,145
Total	\$ 50,558,966	\$ 59,606,888

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

8. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$23,427,509 have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made or where there was no future benefit related to the asset, the tangible capital asset was recognized at a nominal value. Land, buildings and machinery, furniture and equipment are the categories where nominal values were assigned.

(c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

9. Commitments:

(a) The City has entered into a contract for waste removal through to 2011. In May 2006 the contract was amended, effective July 1, 2006, to provide a price adjustment based on diesel fuel prices. The estimated annual cost of the amended contract is \$687,000.

(b) The City has entered into a partnership agreement to construct a destination tourist site to be called the Maritime Discovery Centre. The total project costs are estimated to be \$18 million and an additional \$2.2 million for parking facilities. The City has agreed to contribute \$1.5 million towards the construction of the Maritime Discovery Centre and \$1,070,000 for parking facilities.

The City has also committed to complete additional capital infrastructure improvements on Broad Street in the amount of \$350,000.

(c) The City has entered into a contract for the upgrade to the Water Pollution Control Centre for a total cost of \$46 million. Grants from the Federal government in the amount of \$22,997,500 and \$7,669,200 from the provincial government have been approved. The City is financing its 1/3 share of the costs as follows:

Estimated Debenture issue	\$ 8,000,000
Contribution from Hydro One reserve fund	6,323,333
Development charges	1,154,999

The total costs incurred as at December 31, 2010 was \$23,216,000.

The project is estimated to be completed by June 2012.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

10. Contingencies:

(a) The nature of the City's activities is such that there is usually litigation pending or in prospect at any time. Management is of the opinion that the City has valid defenses and appropriate insurance coverage in place for claims for damages and related costs.

In addition, the City owns various properties that have previously been used in commercial activities and is subject to environmental laws and regulation with regard to these properties. Provisions have been made where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated.

Further costs, if any, that may arise will be accounted for in the year that they are identified.

(b) The City has appealed certain expenses that have been paid to the Workplace Safety and Insurance Board (note 5(c)) and has estimated a recovery of \$250,000 of amounts previously billed and a reduction of the liability for future WSIB costs. To the extent that the eventual resolution of the appeal results in a settlement, the difference will be reflected as a reduction of expenses in the year that a settlement is reached.

The \$250,000 of previously billed amounts is reflected in the operating deficit. The liability for future WSIB costs are reflected in accumulated surplus as part of unfunded costs.

11. Accumulated surplus:

The accumulated surplus consists of:

	2010	2009
Operating surplus (deficit):		
Operations of the City (note 10(b))	\$ (327,617)	\$ -
Water treatment and distribution system	2,330,234	2,214,190
Waste water treatment system	1,221,407	1,345,902
Library board	61,257	64,736
	<u>3,285,281</u>	<u>3,624,828</u>
Reserves and reserve funds (note 12):		
Fiscal policy reserve (after reduction of \$542,794 for 2010 operating deficit)	-	660,738
Other reserves	882,452	1,156,877
Reserve funds	2,476,600	8,896,673
	<u>3,359,052</u>	<u>10,714,288</u>
Investment in tangible capital assets	79,966,838	59,606,888
Funds available for acquisition of capital assets:		
Projects in progress	1,304,613	1,099,179
Unfunded costs:		
Employee future benefits (note 10(b))	(5,289,134)	(4,219,122)
Landfill liabilities	(3,590,000)	(3,710,000)
Net long-term liabilities	(23,388,297)	(25,713,608)
Accrued interest on long-term liabilities	(262,685)	(279,062)
	<u>\$ 55,385,668</u>	<u>\$ 41,123,391</u>

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

12. Reserves and reserve funds:

Reserves and reserve funds consist of:

	2010	2009
Reserves:		
Working capital	\$ 430,373	\$ 430,373
Fiscal policy (to reduce future taxation)	- 660,738	
Projects deferred to the following year	452,079 726,504	
	882,452	1,817,615
Reserve funds:		
Landfill site	204,333	453,933
Specific reserve funds for acquisition of capital assets	630,971	728,847
Specific reserve funds to provide for future operating expenditures	750,188	776,285
Parking facilities	387,062	320,410
Hydro One proceeds management	504,046	6,617,198
	2,476,600	8,896,673
	<hr/> \$ 3,359,052	<hr/> \$ 10,714,288

13. Pension agreement:

Substantially all of the employees of the City are members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined benefit pension plan. The plan specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay.

Contributions to the plan made during the year by the City on behalf of its employees amounted to \$1,226,395 (2009 - \$1,173,780) and are included as expenses in the consolidated statement of operations.

The most recent actuarial valuation was at December 31, 2010 and the December 31, 2010 financial statements of OMERS report net assets of \$55 billion and an actuarial funding deficit of \$4,467 million.

14. Trust funds:

Trust funds administered by the City amounting to \$1,261,404 (2009 - \$1,084,821) have not been included in the consolidated statement of financial position nor have their financial activities been included in the consolidated statement of operations.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

15. Public sector salary disclosure:

Under the Public Sector Salary Disclosure Act, 1996 the City is required to disclose the name, position, salary and taxable benefits of employees with annual salaries of \$100,000 or more.

For 2010 the employees who met the requirements for disclosure were as follows:

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Taxable Benefits</u>
Adrian Geraghty	Police Chief	\$ 149,510	\$ 1,193
Robert Casselman	City Manager	\$ 146,738	\$ 1,266
Lee MacArthur	Deputy Police Chief	\$ 137,511	\$ 1,092
Conal Cosgrove	Director, Operations	\$ 126,845	\$ 1,097
Paul Ladouceur	Detective Sergeant	\$ 123,359	\$ 839
D. Thomas Fournier	Police Investigator 1	\$ 117,040	\$ 794
Harry Jones	Fire Chief	\$ 113,340	\$ 972
Donna Cyr	Director, Finance	\$ 109,151	\$ 934
Robert Ferguson	1 st Class Police Constable	\$ 108,242	\$ 714
Paul Smith	Police Investigator 1	\$ 107,479	\$ 812
Christopher Dwyre	Deputy Fire Chief	\$ 106,849	\$ 918
Maureen Pascoe-Merkley	Director, Planning	\$ 106,695	\$ 914
Scott Fraser	Police Inspector	\$ 105,782	\$ 892
Mark Noonan	Police Investigator 1	\$ 102,654	\$ 794
Darlene Reilly	1 st Class Police Constable	\$ 102,204	\$ 766
Craig Mason	Fire Captain	\$ 101,940	\$ 775
Shawn Borgford	1 st Class Police Constable	\$ 101,888	\$ 665
Douglas Locke	Police Sergeant	\$ 101,722	\$ 812
Edmund Stone	Staff Sergeant	\$ 101,377	\$ 857
John Inglis	Fire Captain	\$ 101,085	\$ 789
Andrew Harvie	Police Sargeant	\$ 100,780	\$ 776

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2010

16. Expenses by object:

The following is a summary of the expenses by object:

	2010	2009
Salaries, wages and benefits	\$ 23,606,808	\$ 21,346,550
Interest on long-term liabilities	1,201,804	1,256,935
Materials and supplies	6,896,046	6,258,001
Contracted services	8,433,604	6,826,293
Rents and financial	52,444	29,321
Transfer payments	6,149,190	7,115,571
Amortization of tangible capital assets	2,685,136	2,467,879
Loss on disposal of tangible capital assets	104,461	-
	<hr/> \$ 49,129,493	<hr/> \$ 45,300,550

17. Financial instruments:

The City's financial instruments include cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, short-term credit facility and net long-term liabilities.

The City invests its cash with one or more Canadian Schedule I Banks.

Management estimates that the fair value of the net long-term liabilities does not differ materially from the carrying value.

Due to their nature or capacity for prompt liquidation, the fair values of the other financial instruments approximate their carrying values.

The City is exposed to interest rate risk with respect to its short-term credit facility since it has a variable interest rate. A 1% increase in interest rates would result in an annual increase of \$64,000 in expenses.

It is management's opinion that the City is not exposed to significant interest rate or currency risks arising from the other financial instruments. Provision is made for losses on collection of accounts receivable, when management determines it is necessary.

Financial Statements of

**THE BOARD OF MANAGEMENT,
DOWNTOWN BUSINESS
IMPROVEMENT AREA OF THE
CORPORATION OF THE CITY OF
BROCKVILLE**

Year ended December 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council and Ratepayers
Downtown Business Improvement Area of the Corporation of the City of Brockville

We have audited the accompanying financial statements of the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville, which comprise the statement of financial position as at December 31, 2010 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Brockville, Canada
October 25, 2011

**THE BOARD OF MANAGEMENT, DOWNTOWN
BUSINESS IMPROVEMENT AREA OF THE
CORPORATION OF THE CITY OF BROCKVILLE**

Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
Financial assets		
Cash	\$ 12,154	\$ 7,915
Receivable from City of Brockville	10,005	4,139
	22,159	12,054
Financial liabilities		
Payable to City of Brockville	-	-
Net financial assets, being accumulated surplus (note 2)	\$ 22,159	\$ 12,054

Statement of Operations

Year ended December 31, 2010, with comparative figures for 2009

	Budget (unaudited)	2010	2009 Actual
Revenues:			
Taxation	\$ 219,394	\$ 219,565	\$ 218,969
Parking levy	37,170	36,769	35,400
User charges	-	-	50
Interest	201	100	119
Donations	-	-	3,434
	256,765	256,434	257,972
Expenses:			
Salaries and benefits	71,145	70,115	68,409
Materials, supplies and services	142,249	133,044	145,418
Transfer to City of Brockville	43,170	43,170	39,900
	256,564	246,329	253,727
Excess of revenues over expenses (expenses over revenues)	201	10,105	4,245
Accumulated surplus, beginning of year		12,054	7,809
Accumulated surplus, end of year	\$ 22,159	\$ 12,054	

The accompanying notes are an integral part of this financial statement.

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE CORPORATION OF THE CITY OF BROCKVILLE

Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used for):		
Operating activities:		
Excess of revenues over expenditures (expenditures over revenues)	\$ 10,105	\$ 4,245
Changes in non-cash operating working capital:		
Decrease (increase) in receivable from City of Brockville	(5,866)	(4,139)
Increase (decrease) in payable to City of Brockville	-	(24,299)
Increase (decrease) in cash	4,239	(24,193)
Cash, beginning of year	7,915	32,108
Cash, end of year	\$ 12,154	\$ 7,915

The accompanying notes are an integral part of this financial statement.

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE CORPORATION OF THE CITY OF BROCKVILLE

Notes to Financial Statements

Year ended December 31, 2010

1. Basis of presentation and accounting:

The Board of Management, Downtown Business Improvement Area is a Board of the Corporation of the City of Brockville. The Board's consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Fund accounting:

These statements reflect the assets, liabilities, revenue and expenditures of the operating and reserve funds.

(b) Revenue recognition:

Property tax billings are prepared by the City based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government and taxation revenues are recorded at the time tax billings are issued. Any supplementary billing adjustment made necessary by assessment appeals submitted by the ratepayers and changes to assessed value reflecting new construction will be recognized in the year they are determined.

Government grants are recognized as revenue in the year in which the events giving rise to the grant occur providing the grants are authorized, all eligible criteria have been met and reasonable estimates can be made.

User charges and fees are recognized as revenue in the year the services are provided.

2. Accumulated surplus:

The accumulated surplus consists of a reserve fund that was established by the Corporation of the City of Brockville on behalf of the Board.

3. Commitment:

The Board has a commitment to repay the City of Brockville for capital expenditures for the Hardy Park Outdoor Skating Park funded from the Fiscal Policy Reserve. The annual amount to be repaid is as follows:

2011	\$ 6,000
2012	6,000
2013	6,000
2014	6,000
	<hr/>
	\$ 24,000

Financial Statements of

**CORPORATION OF THE
CITY OF BROCKVILLE
TRUST FUNDS**

Year ended December 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
Corporation of the City of Brockville

We have audited the accompanying financial statements of the trust funds of the Corporation of the City of Brockville, which comprise the statement of financial position as at December 31, 2010 and the statement of continuity of trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the funds held in trust by the Corporation of the City of Brockville as at December 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Brockville, Canada
October 25, 2011

CORPORATION OF THE CITY OF BROCKVILLE TRUST FUNDS

Statement of Continuity

Year ended December 31, 2010, with comparative figures for 2009

	Cemeteries Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners Trust	2009 Total	2008 Total
Balance, beginning of year:	\$ 846,073	\$ 1,845	\$ 48,863	\$ 168,516	\$1,065,297	\$1,042,663
Capital receipts	25,353	-	26,500	-	51,853	36,150
Partners' contributions	-	-	-	336,277	336,277	336,277
Investment income	13,186	15	518	1,488	15,207	12,740
	38,539	15	27,018	337,765	403,337	385,167
	884,612	1,860	75,881	506,281	1,468,634	1,427,830
Expenditures	983	-	3,093	337,029	341,105	362,533
Balance, end of year	\$ 883,629	\$ 1,860	\$ 72,788	\$ 169,252	\$1,127,529	\$1,065,297

Statement of Financial Position

December 31, 2010, with comparative for 2009

	Cemeteries Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners Trust	2010 Total	2009 Total
Assets						
Cash	\$ 64,800	\$ 1,860	\$ 72,788	\$ 282,097	\$ 421,545	\$ 191,573
Receivable from City of Brockville	-	-	-	-	-	56,046
Investments	839,859	-	-	-	839,859	837,202
	\$ 904,659	\$ 1,860	\$ 72,788	\$ 282,097	\$1,261,404	\$1,084,821
Liabilities						
Payable to City of Brockville	\$ 21,030	\$ -	\$ -	\$ 112,845	\$ 133,875	\$ 19,524
Balance						
Capital	831,472	500	72,788	169,252	1,074,012	1,023,998
Accumulated income	52,157	1,360	-	-	53,517	41,299
	883,629	1,860	72,788	169,252	1,127,529	1,065,297
	\$ 904,659	\$ 1,860	\$ 72,788	\$ 282,097	\$1,261,404	\$1,084,821

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF BROCKVILLE TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2010

1. Significant accounting policies:

The trust fund statements are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant accounting policies are as follows:

- (a) capital receipts are reported on the cash basis of accounting.
- (b) Expenditures and investment income are reported on the accrual basis of accounting.

2. Investments:

Investments are stated at their fair market value.

October 11, 2011

REPORT TO FINANCE ADMINISTRATION & OPERATIONS COMMITTEE
– October 18th, 2011

2011-109-10

CAPITAL PROJECTS

SURPLUS &/OR DEFICIT BALANCE

File: F05-29

RECOMMENDED

D.CYR

DIRECTOR OF FINANCE

L. FERGUSON

SUPERVISOR OF ACCOUNTING SERVICES

C. WARD

TREASURY OFFICER– CAPITAL AND RESERVES

THAT Council receives and ratifies the expenditures and surplus balances of the Capital projects that have been carried out as at December 31, 2010, in the net surplus amount of \$230,875.92. [Attachment 1 to Report # 2011-109-10];

AND THAT the net surplus of \$230,875.92 is allocated as follows:

Surplus from Land Sales to Industrial Land Sites Reserve Funds \$ 131.41

Surplus back to the Wastewater Rate Fund 6,921.54

Surplus from Parkland Equipment to

 Parkland Equipment Reserve Fund 7,438.37

Surplus from Jaws of Life purchase to

 Operational Fire Equipment Reserve Fund 3,085.40

Surplus from Coin Counting Machine and St. Lawrence

 Park Parking project to Parking Reserve Fund 6,005.62

Surplus back to the Water Rate Fund 32,246.10

Surplus from Fleet to Fleet Reserve Fund

112,932.20

Surplus from the following Capital Projects:

 Park St. railway crossing 165.59

 CN railway Crossing 3,319.10

 Front Ave reconstruction 1,503.18

 Investing in Ontario Act 1,943.79

 Parkdale Ave. realignment 8,662.40

 Laurier Ave. Cathodic protection 13,863.83

 King St. reconstruction 214,485.84

To the following Capital Projects with deficits:

 Water Equipment (25.66)

 2010 Docking Project (350.72)

 George St. sewer separation (1,668.77)

 California Ave. intersection improvements (8,662.40)

 Front Ave. railway improvements (3,319.10)

 Brock St. Reconstruction (13,838.17)

 Keefer St. reconstruction (96,187.49)

 Railway Tunnel North Portal (57,776.14)

\$ 230,875.92

PURPOSE

The intent of this report is to allow Council the opportunity to review and ratify the expenditures which occurred in the Capital fund during the fiscal year of 2010. As well, this report seeks Council's authorization to transfer the net surplus funds from the Capital projects to be closed to the Water Fund, Wastewater Fund or reserve funds from which the funds were allocated. For the projects which did not receive funding from the Water Fund, Wastewater Fund or a particular reserve fund, it is requested that Council authorize the transfer of the surplus to the Capital Fiscal Management Reserve.

BACKGROUND

Each year, as part of the Corporation's annual Capital financial accounting review, completed projects are evaluated and closed. Deficits or surpluses from each project are amalgamated in order to identify the overall amount of remaining funds. This year, a net surplus of \$230,875.92 has been identified during this review.

ANALYSIS / OPTIONS

The transfer of surplus funds from the Capital projects to be closed to the Water Fund, Wastewater Fund or other contributing reserve funds increases the balances in the separate funds, thereby enhancing their interest earning potential. As a result, it allows the funds to have more monies in which Council can draw upon to fund future projects if they wish.

As well, by transferring the surplus funds from Capital projects that did not receive funding from separate funds to the Capital Fiscal Management Reserve, it allows this reserve to have a sufficient balance to not only fund the St. Lawrence College commitment, but to also fund any unexpected expenditures that may occur in the Capital fund.

POLICY IMPLICATIONS

Staff requires the authorization of Council to transfer monies into the Water Fund, Wastewater Fund or a reserve fund.

FINANCIAL CONSIDERATIONS

Attached to this report [Attachment 2 to Report 2011-109-10] is a copy of the Capital Fiscal Management Reserve which after the recommended allocation above would have a balance of \$40,522.33. Please note that in 2005 Council committed \$38,000 to St. Lawrence College over a six year period commencing in 2006.

CONCLUSION

Many of the Capital projects to be closed received funding from one or more funds. It is proposed that the surplus from these projects be returned to the fund which contributed the initial funding.

C. Ward
Treasury Officer – Reserves and Capital

Donna Cyr
D. Cyr, Director of Finance

L. Ferguson
Supervisor of Accounting Services

B. Casselman
B. Casselman, City Manager

SUMMARY OF CAPITAL FUND PROJECTS
As at December 31, 2010

	TOTAL	CARRIED FORWARD		CLOSED OUT	
	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)
General Government	-313,411.03	290,289.15	-427,105.36	272,430.15	0.00
Protection to Persons & Property	0.00	3,085.40	0.00	0.00	3,085.40
Transportation	-152,666.80	664,979.64	-44,497.81	434,899.74	-108,168.99
Environment	-1,009,310.11	725,344.87	-993,777.51	688,989.29	-15,532.60
Parks	-233,765.08	457,462.74	-175,638.22	445,832.58	-58,126.86
Planning and Development	0.00	332,279.38	0.00	332,279.38	0.00
Totals	-1,709,153.02	2,473,441.18	-1,641,018.90	2,174,431.14	-181,828.45
			Net	533,412.24	Net
					230,875.92
Total 2010 Capital Surplus:	764,288.16				
			Transfer from other Capital Project	243,943.73	
			Return to Reserve Funds	129,593.00	
			to Capital Fiscal Policy Reserve	0.00	
			Return to Water Fund	32,246.10	
			Return to Sewer Fund	6,921.54	
					412,704.37

**GENERAL GOVERNMENT
CAPITAL FUND PROJECTS
As at December 31, 2010**

GENERAL GOVERNMENT - PROJECT DESCRIPTION	TOTAL	CARRIED FORWARD	CLOSE OUT	
	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED (Deficit)
Brockville Munic. Access Advisory Building/Equipment Maint. Mgmt Pgmn.	2004 1996 (Annual) Ongoing	19,786.00 55,945.08 -74,408.60	-74,408.60 -113,694.33 -350.21	19,786.00 55,945.08 129,608.09
History of Brockville Book	1995 (Annual)	15,913.76	-113,694.33	
Fleet - Administration Contributed Surplus	Ongoing	-350.21	-350.21	
GIS - Engineering Gord Watts Solar Project	2008 2010	-22,096.67 0.00	0.00 -22,096.67	
Corporate Systems Upgrade Computer Replacement System	1998 (Annual) 1998 (Annual)	91,959.08 79,152.59	0.00 91,959.08	91,959.08 79,152.59
Land Sales	Annual	131.41		131.41
Lighting Retrofits	2010	0.00	0.00	0.00
2006 Minor Capital	2006	5,677.47		3,863.64
2007 Minor Capital	2007	2,989.62		2,989.62
2008 Minor Capital	2008	-6,298.18	-6,298.18	
2009 Minor Capital	2009	-7,856.59	-7,856.59	
2010 Minor Capital	2010	7,355.74		7,355.74
Safety and Protective Upgrades	2010	11,378.40		11,378.40
BMC Solar Roof project	2009	-202,400.78	-202,400.78	
	-313,411.03	290,289.15	-427,105.36	272,430.15
			0.00	131,553.33

PROTECTION TO PERSONS & PROPERTY
CAPITAL FUND PROJECTS
As at December 31, 2010

Year First Introduced to Capital Budget	TOTAL	CARRIED FORWARD			CLOSE OUT	
		UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)
Jaws of Life	2009		3,085.40		0.00	3,085.40
		0.00	3,085.40	0.00	0.00	3,085.40

TRANSPORTATION SERVICES
CAPITAL FUND PROJECTS
As at December 31, 2010

Year First Introduced to Capital Budget	TOTAL		CARRIED FORWARD		CLOSE OUT	
	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus
Asphalt Concrete Program						
Bridge Inspection Services	1998 (Annual)	-119.67	14,825.00	-119.67	0.00	14,825.00
Transportation Planning Study	2009		76,099.97		76,099.97	
California Ave Intersection Improvements	2008	-8,662.40				
CN Railway Crossing Improvements	2009					
Railway Fencing: CNR Lands	2007					
Front Avenue Reconstruction - Tracks to Park	2007					
Front Avenue Railway Improvements	2010	-44,697.24	3,319.10	-41,378.14		
Investing in Ontario Act			3,224.97			
Keefer Street Reconstruction	2009	-96,187.49	1,943.79	0.00		
Kingston Bridge Repairs	2010	-3,000.00		-3,000.00		
King St. W. Reconstruction	2004		338,458.45		123,972.61	
Louis Street Reconstruction	2006		6,147.65		6,147.65	
Pre-Engineering Services	2004		20,124.85		20,124.85	
Parkdale Ave Realignment	2004		170,746.09		162,083.69	
Municipal Parking Meters	2007		22,678.09		22,678.09	
Park St. railway crossing	2006		165.59			
Roads & Bridges interest			5,742.91		5,742.91	
Energy Efficient Streetlights		0.00		0.00		
	-152,666.80	664,979.64	-44,497.81	434,899.74	-108,168.99	230,079.90
					390,401.93	

ENVIRONMENTAL SERVICES
CAPITAL FUND PROJECTS
As at December 31, 2010

	Year First Introduced to Capital Budget	TOTAL		CARRIED FORWARD		CLOSE OUT	
		UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus
Brock Street Reconstruction	2008	-13,838.17	50,282.66	0.00	50,282.66	0.00	-13,838.17
Dechlorination Station Equipment	2006	25.66	0.00	-12,240.34	-12,240.34	0.00	-25.66
Water Equipment	2001	-12,240.34	-74,470.40	-72,801.63	0.00	0.00	-1,668.77
Ferguson Drive PRV System	2009	-74,470.40	-256,338.79	-256,338.79	-225,919.91	36,355.58	36,355.58
George St. sewer separations	2009	-256,338.79	-225,919.91	36,355.58	41,890.94	-76,185.19	41,890.94
Jessie St. sewer separations	2009	-225,919.91	36,355.58	41,890.94	-76,185.19	0.00	40,452.06
Ormond St. Watermain	2010	36,355.58	41,890.94	-76,185.19	0.00	0.00	18,818.69
Laurier Ave - Cathodic Protection	2004	41,890.94	-76,185.19	0.00	-3,304.26	-3,304.26	0.00
Water Service Upgrades	2001	-76,185.19	40,452.06	40,452.06	18,981.94	18,981.94	129,852.71
Water Treatment Plant Work	2001(Ongoing)	40,452.06	18,818.69	18,818.69	78,446.96	78,446.96	78,446.96
Zone III Pressure Zone	2001	18,818.69	-3,304.26	-3,304.26	297,502.49	297,502.49	297,502.49
Waste Management Study	1999 (Ongoing)	-3,304.26	18,981.94	18,981.94	-314,465.46	-314,465.46	0.00
Landfill Site Closure	2004	18,981.94	129,852.71	129,852.71	-32,521.93	-32,521.93	12,760.84
Landfill Leachate Treatment System	2008	129,852.71	78,446.96	78,446.96	12,760.84	12,760.84	12,760.84
Sewer Inflow/Infiltration Analysis	2008	78,446.96	297,502.49	297,502.49	-1,009,310.11	725,344.87	-993,777.51
Stewart Blvd - Central to Park	2004	297,502.49	-314,465.46	-314,465.46	688,989.29	688,989.29	-15,532.60
Water Pollution Control Plant Equipment	2003 (Ongoing)	-314,465.46	-32,521.93	-32,521.93	-15,532.60	-15,532.60	36,355.58
Water Pollution Control Plant Upgrade	2003	-32,521.93	12,760.84	12,760.84			
Water Service and Hydrant Leads Upgrade	2010	12,760.84					
Elizabethtown Water Distribution	2005						

**PLANNING AND DEVELOPMENT
CAPITAL FUND PROJECTS
As at December 31, 2010**

Year First Introduced to Capital Budget	TOTAL	CARRIED FORWARD			CLOSE OUT	
		UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)	UNEXPENDED Surplus	UNFINANCED (Deficit)
Official Plan Update	2009	0.00	99,364.92	99,364.92		
Bridlewood Subdivision	1997 (Ongoing)		3,536.12		3,536.12	
Stormwater Mgmt. - Brockwoods	Ongoing		49,858.79		49,858.79	
Cont. to sidewalks	Ongoing		179,519.55		179,519.55	
St. Lawrence Lodge Redevelopment	2004					
		0.00	332,279.38	0.00	332,279.38	0.00

CAPITAL FUND FISCAL MANAGEMENT RESERVE
AS AT December 31, 2010

	BUDGET	ACTUAL									
Imputed Interest Rates:											
Year:	2009	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
CASH FLOW PROJECTION:											
OPENING BALANCE JANUARY 1	63,768	63,768.13	46,855	40,522	34,189						
ADD- PROJECTED REVENUES:											
Contribution from operating fund budget:	0	0.00	0	0	0	0	0	0	0	0	0
Capital Surplus	0	0.00	0	0	0	0	0	0	0	0	0
Developer Contributions	3,467.03										
Investment income-from own funds:	1,212	0.00									
TOTAL PLANNED REVENUES:	1,212	3,467.03	0								
TOTAL AVAILABLE:	64,980	67,235.16	46,855	40,522	34,189						
LESS- APPROVED EXPENDITURES:											
Temporary Borrowing for closed projects											
Funding of 2009 Capital projects	163.58										
St. Lawrence College Contribution	13,883.25										
6,333.00	6,333	6,333	0	0	0	0	0	0	0	0	0
TOTAL APPROVED EXPENDITURES:	6,333	20,379.83	6,333	6,333	0						
BALANCE ON DECEMBER 31	58,647	46,855.33	40,522	34,189							

OCTOBER 11, 2011

**REPORT TO FINANCE ADMINISTRATION & OPERATIONS COMMITTEE –
OCTOBER 18, 2011**

2011-111-10

**2010 AUDITOR'S MANAGEMENT
LETTER AND TREASURER'S RESPONSE
FILE: F03-06**

**D. CYR
DIRECTOR OF FINANCE**

RECOMMENDATION

THAT the Auditor's Management Letter and Treasurer's Response be received for review and information.

PURPOSE

To communicate to Council the City auditor's comments and recommendations with respect to City financial processes as encountered during the 2010 year end audit.

BACKGROUND

The Auditors' Management letter is a conventional format of observations and assistance to the Municipal Treasurer. It deals with overall corporate functions within the purview of finance as opposed to relating only to the financial statements. As such, the management letter assists the Treasurer in the selection of the significant accounting policies and practices; in the preparation of Financial Statements; and for internal control practices over purchasing, payables, revenues, investments, and other financial functions.

The Auditors' Management and Accounting letter is usually filed with the Finance Administration & Operation Committee each year at the same time as the financial statements to provide an opportunity for dialogue with respect to financial processes.

ANALYSIS

The observations (Attachment #1 to Report 2011-111-10) and Treasurer's responses are now provided as part of this report.

Item #1 – Bank Reconciliations

Staff agrees that the timeliness of bank reconciliations should be given priority.

The temporary assistance in 2010 allowed these reconciliations to be brought up to date. Since the contract staff departure in June 2011 to attain permanent employment elsewhere, these duties have been kept up to date by giving a temporary increase in hours of work to an internal staff member.

Item #2 Brockville Arts Centre – Theatre Manager

Theater Manager (TM) was implemented by the Brockville Arts Centre (BAC) in January 2010. This coincided with the implementation of the City's new financial system – specifically at that time the modules of payroll and property tax as well as ongoing issues with accounts payable and the general ledger. As such, Finance staff was not available to attend training sessions with Theater Manager representatives.

In the reconciliation of the BAC accounts at 2010 year end it was discovered that the daily TM reports, which were specific to a date, did not pick up all the transactions that were actually processed on that date – only those that were actually posted. Steps have been taken to ensure that the daily TM reports now reflect what has been posted upon completion of the day end process.

Adjustments have been made to reconcile past shows. It is estimated that additional adjustments of approximately \$4,000 - \$5,000 are required to fully reconcile the account.

Training with TM had been planned for BAC and Finance staff in October of this year. Unfortunately, it has been deferred to early in 2012 due to issues at TM.

Item #3 Reconciliation of Tangible Capital Assets (TCA) in General Ledger

This task has been delayed as the staff involved in this process is also heavily involved in the implementation of the new financial system.

It is anticipated that the work on the tangible capital assets in the general ledger will be commenced after the return of a staff member who is currently away on sick leave.

Item # 4 Implementation of Utility Module

Staff is currently in the initial stages of the implementation of the utility module. Part of the implementation process is to test the new system on a cycle by cycle basis through parallel runs with the current system.

Item #5 Capital Fund Projects

Staff concurs that the City's "Capital Budget" includes projects which are both the acquisition of TCAs as well as of a "big ticket" maintenance /operating nature. The current process does lead to additional work when addressing year-end reporting, however, staff recognizes the advantage to have all costs associated with a project together for other end users and future reference.

A discussion between senior staff and the auditors may be advantageous in developing a process which will allow all parties to obtain the information they require.

FINANCIAL CONSIDERATIONS

There are no financial considerations associated with this report.

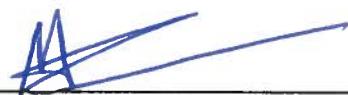
CONCLUSION

Mr. Brian Normandin, representative of Bennett Lewis McMahon Stiller, will be available at the meeting to answer any questions with respect to the Auditor's Management Letter.

Staff has a very good working relationship with the City Auditors and is in regular communication to discuss any areas of concern as it pertains to corporate financial functions.



D. Cyr, Director of Finance



B. Casselman, City Manager

**Bennett
Lewis
McMahon
Stillar**

Chartered Accountants

46-48 King Street East
PO Box 459 Stn Main
Brockville ON K6V 5V6

Telephone (613) 342-8424
Telefax (613) 342-1714

Ms. Donna Cyr
Director of Finance
Corporation of the City of Brockville
Victoria Building
Brockville ON K6V 3P5

October 11, 2011

Dear Ms. Cyr:

We have recently completed our examination of the financial statements of the Corporation of the City of Brockville for the year ended December 31, 2010. The purpose of this letter is to bring to your attention certain matters, which were encountered in the course of our work and to offer our comments and recommendations.

The objective of our audit is to obtain reasonable assurance that the financial statements of the Corporation are free of material misstatement. In planning and performing our audit, we consider internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

1. During much of 2010, bank reconciliations were not being completed on a timely basis. In November of that year you secured temporary assistance to begin the process of catching up the reconciliations. Reconciliations were completed by January 2011.

There was approximately \$17,000 of bank cut-off transactions (cash receipts, Visa receipts) that were not posted in 2010 and they are included in our summary of unadjusted misstatements.

In future the timely completion of bank reconciliations should be given priority, as they could lead to identifying significant errors.

2. After the new ticket system was implemented at the Arts Centre, staff there was not ensuring that all of a day's activity was posted in that system prior to producing the "day end report" used by the revenue office to reconcile the ticket system reports with funds received. As a result the Finance Department had difficulties in reconciling the ticket system reports with funds received. Finance advised the Arts Centre of the problem and began to conduct a daily reconciliation.

We conducted testing of the ticket system and found that the reconciliations had been set aside to deal with other priorities. At that time they began to complete the catch up and brought them up to date prior to the completion of the audit.

It is possible that there should have been adjustments to unearned revenue at December 31, 2010, but they aren't able to determine the amount that might be involved without further analysis.

3. In order to complete the 2009 financial statements reflecting tangible capital assets, those assets were tracked in spreadsheet, but hadn't all been reconciled to the general ledger by the end of 2010. At this time they still haven't been reconciled.

As a result the general ledger hasn't been closed for 2009. Throughout 2010 and for 2011 to date financial reporting from your general ledger has been limited to showing 2009 balances and activity since then. In order for Finance staff to reconcile balance sheet accounts or to generate reports for the 2010 year end, staff has to combine opening general ledger figures with current year activities. This increases work load and increases the risk of error in your reports.

We recommended that work on the tangible capital assets in the general ledger be made a priority.

4. We examined documentation related to your testing of the new systems and the conversion of data when you implemented them. We noted that there were numerous problems encountered with certain conversions, such as tax billing. No critical errors occurred as the problems were identified during the testing phase or were dealt with as they arose in the case of the tax billing module.

With the water billing system still to be converted we caution you that the testing regimen be continued and that you be cautious with the conversion, due to the large volume of transactions and ratepayer accounts involved.

5. The City has for some time used the capital fund to manage projects that don't relate to the acquisition of tangible capital assets, such as larger facility and equipment repairs or one time projects.

While this helps in managing budgets and provides for more predictable spending from the operating budget, it now leads to more work for your staff when they are addressing year-end reporting. This is because some costs in the capital fund relate to acquisition of tangible capital assets and others relate to current year expenses.

We suggest that we should meet with you and senior personnel from the Finance Department (with input from others such as Engineering) to discuss how to best address this issue for the long-term.

Page 3

We would like to acknowledge the cooperation and assistance extended to us by the personnel of the Corporation during the course of our examination.

Yours very truly

A handwritten signature in black ink, appearing to read "Alvin Bennett". The signature is fluid and cursive, with "Alvin" on top and "Bennett" below it.

Alvin Bennett

OCTOBER 14, 2011

REPORT TO FINANCE/ADMINISTRATION/COUNCIL - OCTOBER 18, 2011

**2011-112-10
2011 WORK PLAN
THIRD QUARTER REPORT**

**BOB CASSELMAN
CITY MANAGER**

RECOMMENDATION

THAT report 2011-112-10 Work Plan Quarterly Report, be received for information purposes.

PURPOSE

This report covers the third quarter of 2011. The purpose of the report is to keep Council and the public current with performance and operational challenges associated with the 2011 Work Plans.

BACKGROUND

This report will be submitted quarterly, details of which are outlined in Schedule 1.

Analysis/Options

There are a number of significant work plan initiatives that are currently underway including:

1. **Official Plan**

Official Plan finalized and adopted by Council June 14, 2011. New Official Plan and supporting documentation submitted to MMAH for approval. Provincial election has delayed MMAH's approval.

2. **Energy Management Plan**

- The Memorial Centre solar project has been completed and hooked up to the grid. Anticipated annual revenues of \$195,000.

3. **Waste Management Master Plan**

The Waste Management Master Plan has been completed and adopted by Council. A Request for Proposal (RFP) has been developed and issued with

an anticipated closure in the third week of August. The City's RFP results are being held in abeyance pending results of the UCLG RFP process.

4. Water Pollution Control Centre (WPCC)

The \$46 Million WPCC Secondary Treatment capital project remains within budget and on schedule. The City has requested an expansion to the scope of work to include upgrades to the main pumping station and the twinning of our truck line from the main pumping station along King Street to the treatment facility. The scope of work decision is anticipated in the fourth quarter of 2011.

Financing of \$4.4 Million has been secured through the Federation of Canadian Municipalities (FCM). Application for additional long term funding of \$4.6 Million was not approved by FCM due to funding program over subscription. Alternative financing is being sourced by staff.

5. Communication System

New Console and Dispatch Centre renovation are completed. Negotiations with South Dundas, South Stormont and South Glengarry are being completed for the provision of dispatch services.

5. Strategic Plan

Annual Report for Strategic Plan submitted to Council outlining the status of various strategic initiatives.

FINANCIAL IMPLICATIONS

None at this time.

CONCLUSION

Quarterly reports with respect to status of Work Plans provides for both Performance Measurement and Staff Accountability.


B. Casselman, City Manager

2011 DEPARTMENT GOALS/OBJECTIVES					
ADMINISTRATION	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
Corporate Strategic Plan	Integration of Strategic Plan goals/objectives into departmental work plans/2011 budget. Ongoing promotion of Strategic Plan throughout budget process/speaking engagements	Completed	Ongoing		
1. Assist Council in implementation of Corporate Strategic Plan					
2. Communicate Strategic Plan to constituents and stakeholders	Integration of Strategic Plan goals/objectives into departmental work plans/2011 budget. Ongoing promotion of Strategic Plan throughout budget process/speaking engagements	Strategic Plan available on the web site. Promotion through public engagements and economic news monthly flyers			
3. Implement Strategic Plan Initiatives	Manager of Strategic Initiatives preparing annual report for presentation 2 nd Quarter.	Draft Annual Report completed – being reviewed by City Manager. Presentation 3 rd Quarter.		Annual report presented to and adopted by Council.	
Carbon Baseline					
Energy Management Action Plan					
Develop Carbon Reduction Plan					
Building & Energy Audits					
4. Complete and implement Corporate Reorganizational Review Phase 2	Initiate 2 nd Quarter	Initiate in 3 rd Quarter for implementation in 2012 budget process		Initiate in 4 th Quarter for implementation in 2012 budget process	
5. Services Delivery Review	Steering Committee review of draft Police/Fire Dispatch Feasibility Study.		Review of draft Police/Fire Dispatch Feasibility Study pending comments from new Police Chief/Solicitor	Review of draft Police/Fire Dispatch Feasibility Study pending comments from new Police Chief/Solicitor	
Direct & oversee ongoing recommendations:					
- Police/Fire Dispatch					
- Energy Management Action Plan	Energy Management Action Plan – data collection stage.		Energy Management Action Plan	Energy Management Action Plan	
including installation of solar project at Memorial Centre & GWMC			- Memorial Centre Solar project scheduled hook up August 19/11	- Memorial Centre Solar project completed/hooked up to grid.	
- Development of water meter					

2011 DEPARTMENT GOALS/OBJECTIVES					
ADMINISTRATION	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
replacement strategy	Water Meter Replacement Strategy – Data collection stage.	- GWMC Fit Application approved – pending contract completion Water Meter Replacement Study - Data collection stage - Vendor presentations to technical control group - Council report anticipated	Council report anticipated	Contract Completed.	
6. Physician Recruitment Program – Jointly administer Program	Preparing annual report for 2 nd Quarter presentation	Preparing Annual Report for 3 rd Quarter	Annual Report presented to Council.		
7. Oversight on Fiscal Management & Legislative Compliance of the Corporation Direct & oversee the preparation of: - Annual operating budget - Annual capital budgets - Long-term financial forecasts Quarterly status reporting to Council of corporate work plans and activity	2011 Budget completed	- Quarterly Work Plan reports ongoing - Budget Variance Report end of 2 nd Quarter. Mitigation measures developed/implemented	- Quarterly Work Plan reports ongoing	- Quarterly Work Plan reports ongoing - 2012 Budget Guidelines & Council/Staff Workshop completed.	
8. <u>Project Facilitation</u> <u>Maritime Discovery Centre</u> Facilitate project where possible to move forward	Agreement of Purchase & Sale negotiations completed - Site Plan approval OLS - BCF Process payment reconciliation	Site Plan approval outstanding Noise Bylaw review with Council Broad Street Parking reviewed with stakeholders	- Agreement of Purchase & Sale negotiations completed - Site Plan approval OLS - BCF Process payment reconciliation	- Draft License Agreement completed - Final Site Plan Drawings being finalized - Rock	
<u>Brockville Landing Inc. Project</u> Facilitate project where possible and move forward	Official Plan/Zoning amendment submitted. Human Health Assessment report completed/peer	Official Plan/Zoning amendment approved. Construction site meeting completed peer review completed pending report			

2011 DEPARTMENT GOALS/OBJECTIVES					
ADMINISTRATION	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
	review pending	update from Environmental Agent	Anchor/Superstructure permits issued - Geotechnical drilling completed - Tarion approval received		
Roof Top Solar Projects	Memorial Centre - installation of solar panels commenced - Hydro One hook-up Meeting scheduled April 2011 Gord Watts Centre FIT contract approval pending	Memorial Centre - installation of solar panels 90% completed. Hydro One Hook-up scheduled August 19, 2011 Gord Watts Centre FIT contract approved pending legal documentation	Memorial Centre solar project completed.	Gord Watts Centre FIT contract approved pending legal documentation	
9. Develop & negotiate Elizabethtown-Kittley Boundary Restructuring Plan	Restructuring plan submitted to Elizabethtown-Kittley for their consideration	No Change	No Change	No Change	
10. Complete review of Non-Resident User Fees	- compiling background material - draft report under review	No Change	No Change	No Change	

ECONOMIC DEVELOPMENT DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
1. People - Execute immigration program initiatives in collaboration with the United Way & the Multicultural Association & to ensure welcoming & settlement objectives are realized as the necessary foundation required for more aggressive immigrant attraction, investment & retention	Completed all the anticipated outcomes from the CLC grant application associated with Welcoming and Settlement with specifics on file. Presentation on KPI presented to Council at April Council Meeting	Project completed and Council presentation was made in April> Another grant secured this month on Immigration Portal\$70K> One staff person for 12 months	New one year contract person commenced employment Oct. 11 th for Immigration Portal Upgrade. Detailed KPI completed and on file for review. Two new immigrant attraction client files opened in 3 rd quarter.	United Way leading the Trillium Grant administration with City on Management and operations committee for this execution. Three Russian families to arrive from Russia as result of August Russian mission.
	Four task groups have been populated with key champions for start-up. Two of the four have terms of reference. Other two anticipated by June Council meeting	June council presentation completed on update. Two of the four teams are advanced in their activities. (University and Manufacturing)	Three of four teams now submitted updates. University and manufacturing teams most advanced. Quality of Life and Waterfront Team to focus actions for Nov 11 th meeting.	Still some role definitions unclear and will need some guidance for implementation with two of the four teams. (Quality of Life and Waterfront Teams. Inputs to 2012 work plan under development.
2. Economic Development - Implement the Enterprise Centre programming with both youth & small business clients in a manner that will provide an increased level of encouragement for new business start-ups & establish longer term response to a new business culture for entrepreneurship in Brockville & surrounding region	Operational and Workplan submitted to Ministry for funding. Awaiting approval.	Secured another year of Provincial funding and operational plan approved. 17 summer company entrepreneurs secured	On target with all deliverables as identified in 2011-2012 operational plan. Outcomes on file at Entrepreneurship Centre.	Considered one of the model centres for Eastern Ontario. Reviewing a new operational model on small business counselling
	City assuming lead of two sector team for marketing with County assuming lead of three teams. Will cross promote and represent each other to maximize efficiency and costing.	Ongoing> No missions till 3 rd quarter	Cancelled fall missions due to budget and commitment to ensure city-wide solution to earlier variance request by Council.	Potential reduction on marketing due to City budget variance actions. Prospect activity is ahead of 2010. Details report and graphing prepared and presented at EDP in camera in June.
	2. Economy - To expand participation in the OEEEDC sector lead investment attraction through the cooperative linkage with the Leeds & Grenville Economic Development Department	Premature until the task groups have concluded their terms of reference and research	Report commissioned with results to be provided in late August. Funded by external grants	No action and results to report on any new messaging. Most of the changes are social media and website design with new application for real
	- Focus on specific research & planning towards developing more marketing & image branding for clean tech/alternate energy business & complete more detailed comparative cost analysis for			

ECONOMIC DEVELOPMENT DEPARTMENT		2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
		1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.
competitive messaging		Ongoing as noted in earlier update	estate broker property listings. Noted in 1 b.		Most of the cost centre for new program activities will be presented in the 2012 budget process due to late start of the initiatives
- Ensure establishment of an Economic Advisory Team (EDAT) as recommended in the new strategy	Completed and ongoing. 10 meetings since formation. Two Council reps attending regularly.				
- Participate & provide follow-up support function on the regional China/1000 Island Region project, on the focus of immigration, tourism, international education linkages & economic development. Building on connections & relationships from previous mission	Two files are active from China mission. Immigrant attraction through Provincial Nomination Program is a key driver.	One active file>Lily King> Visitation to Brockville in June with investors to visit in July/August. Success with sponsorship on Nomination Program with MOE assuming role	Additional expertise contracted by client to complete the long term process of Provincial approval. Could be Spring 2012 prior to decision. Two sites are now profiled in our park for this firm. Three visit to community since inception of proposal.		Some tourism linkages still active but on more of a regional basis. Brockville materials were circulated and displayed at August China Trade show in Beijing.
3. Amenities	- Ensure completion of the \$300k training certification program with St. Lawrence College	Most of funds now have been secured. 12 students enrolled with completion in August. Presentation to Council on KPI completed in January	Program completed with 90% employment hire with private sector	Completed in 2 nd quarter. Presentation from College presented to Council in 2 nd quarter.	All funds have been secured
- Provide liaison when required on both grant funding sourcing & public relations/communications on a needed basis	Ongoing as part of Corporate Call Program. Two Heritage Grant application likely by year end for 1812/Waterfront	Working with local committees on future application> Brock Trail and Tall Ships	Working committees established with goal to submit 3 grant applications by April and September 2012		Target for April 2012 for formal grant submissions. Potential Grants for up to 3 submissions pending viability include, Tall Ships Event, Brock Trail extension and 3D project on Courthouse initiative
- ensure input on linkages to the trail & cycling concept promoted by area tourism industry. Other tourism product development initiatives may be pursued based on Council directives	Activity is facilitated through tourism advisory team	August cycling meet from Quebec/2000 cyclists. Mayor takes active role in PR on this sport with tour entering community. Good city profile and media	Awaiting final report from both tourism and college on outputs. Preliminary data provided in local Recorder and Times, Brock Trail, Tunnel, BMX track, Tail Ship Rendez		

ECONOMIC DEVELOPMENT DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
				Vous and MDC are tourism products for future
- Provide guidance to the Athletic Field Building Committee on the investigation for a new youth recreational field complex in partnership with both local school boards	First meeting April 27 on project for new site being the Legion property on Park Street. Seven committee members, Mayor and one Councillor	College site under assessment for field. No summer meetings to date	No action on this task group until funding secured for business plan between college and school board. College property is the focus.	Part of the quality of life enhancements for community
Service Delivery Review				Essentially delivering this initiative with only one partner being the DBIA.
- Coordinate with community partners & champions, the implementation of a formal broader based retail/commercial/service on BR&E/aftercare programming with the necessary mechanism to ensure action on recommendations.	Template under development with target for 20 calls/interviews for year.	No calls completed. First of the 20 calls to commence in August	3 call completed and 3 additional call scheduled in October	
- Provide examination of the Community Improvement Plan & encourage extension towards ensuring suitable tools to continue leverage of investment in downtown core & waterfront areas & realize the target of rejuvenation	No action at this point. To prepare for June presentation in partnership with planning department	Prepared report with Planning and recommended 6 month extension to refine program recommendation. December review is target	DBIA has completed one debriefing with their Economic Development Committee and one session proposed with Landlords. For discussion at SMT team building workshop this month with final recommendation scheduled for December	
- Build upon the linkages with the County on mutual beneficial programming & special projects in marketing & promotions & infrastructure where deemed appropriate	No action till likely second quarter on this initiative. First meeting scheduled in May.	Only one meeting completed with joint County manufacturers event scheduled for September with Capital Corridor group.	Corridor Rift Event successful with 30 manufacturers attending. County meeting on 2012 linkages scheduled for 4 th quarter for work plan.	Regional cooperation cited as one of the initiatives to investigate with the Manufacturing Team

2011 DEPARTMENT GOALS/OBJECTIVES					
Clerk's Department	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Comments/Barriers
1. People					
a) AODA Standards – implementation and education	On-going implementation of Customer Service Standard; reviewing draft Integrated Standard	Integrated Accessibility Standard (IAS) passed (June); reviewing and preparing workplan for implementation	Awaiting further tools and materials being developed by Accessibility Directorate of Ontario and AMCTO	Postponed to January 2012	Mayor Henderson requested that the governance committee reconvene in January 2012
b) Assist Governance Committee with procedural by-law review/automation of Council procedures/activities	On-going	On-going			
c) Improve customer relations within City Hall in person visits (one stop shopping) and telephone handling	Parking pass sales transferred to Revenue Office; adjustments being made to telephone systems				
d) Improve public's access to documents via website	On hold pending new hire/ replacement staff	Commence initiative in 4 th quarter			
2. Economy					
a) Review & update Corporate by-laws, including fines	On hold pending new hire/ replacement staff	2 amendments to Parking by-law forwarded to Ministry of Attorney General for set fine authorization	Revisions re-submitted; awaiting MAG approval; commencing review of Traffic and Care and Use of Streets by-laws	On hold until 2012 due to budget mitigation measures	
b) Increased emphasis on staff training to increase productivity	On hold pending new hire/ replacement staff	Completing assessment of training requirements			

2011 DEPARTMENT GOALS/OBJECTIVES					
Clerk's Department	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Comments/Barriers
3. Amenities					
a) Effect of new AODA regulations will begin to take effect over the longer term	Awaiting update on approval of Standards	IAS passed (see 1(a) above); built environment standard still not passed	Expect to report to FAO in November with outline of requirements/timelines		
4. Sustainability					
a) Completion of 10-Year Parking Master Plan	On hold pending new hire/ replacement staff	Expected to restart in 4 th qtr	Delayed to explore possibility of including with Transportation Master Plan		
b) Review records management practices	On hold pending new hire/ replacement staff	Some training undertaken; review of policies and practices to commence in 4 th qtr	4 th quarter		
c) AODA will help to shape the sustainability of the community & corporation for the foreseeable future	Awaiting update on approval of Standards	See 1(a) above.	See 1(a) above.		
5. 2012 Budget Preparation				2012 capital budget being prepared for presentation to Council in October	
Notes:	1. (2 nd Qtr) - Deputy Clerk position filled and employee commenced April 18 th . First department priority is to work on back log caused by absences in two positions (50% of department staff) since Nov/Dec 2010.				

PLANNING DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
1. People - Position the City well, through adoption of new Official Plan & Commencement of creation of new Comprehensive Zoning By-law , including young families that may choose to remain in or be attracted to Brockville; invite & direct growth that is aligned to the Family Friendly focus of the Strategic Plan	New comprehensive zoning by-law project to commence upon adoption of new Official Plan.	No activity on this project in Q2	No activity on this project	Preliminary activity to prepare scope of work.
2. Economy - Adopt new Official Plan, including land use policies supportive of economic vitality & employment growth	Action on finalization of new Official Plan put on hold through Q1 during orientation period for new Council and 2011 budget deliberations.	Reorientation on OP Project provided to Council by MMM Group May 31/11 with discussion on modifications requested in Oct. 2010. Official Plan finalized and adopted by Council June 14/11. New OP and supporting documentation submitted to MMAH for approval.	Adopted Official Plan submitted by MMAH to partner ministries for review. Communication ongoing with MMAH or partner ministries to provide clarification as needed. Draft approval by MMAH delayed due to provincial election.	
- Evaluate the effectiveness of the Downtown & Brownfields Community Improvement Plans, & assist council in consideration of potential extension of and/or modifications to programs	Review of uptake of CIP programs underway, along with stakeholder consultation for report to EDP in Q2	CIP programs extended 6 months to end of 2011. Stakeholder consultation to continue through Q3	Review of existing CIP programs and best practices in other municipalities and stakeholder consultation ongoing in preparation for report and recommendations to Council in Q4	Review of existing CIP programs and best practices in other municipalities and stakeholder consultation ongoing in preparation for report and recommendations to Council in Q4
- Continue subdivision file closure & assumption	Butlers Creek subdivision readied for assumption; proceeding to Council in April. Review of other subdivision files ongoing.	By-laws to accept Butlers Creek and Brockwoods (Ph. 3A) subdivisions approved by Council. Review of other subdivision files ongoing.	By-laws to accept Margaret Pl., Brockshire Village (Wilmot Young Pl.) and Brockwoods Ph. 3A prepared for Council approval. Review of other subdivision files ongoing.	By-laws to accept Margaret Pl., Brockshire Village (Wilmot Young Pl.) and Brockwoods Ph. 3A prepared for Council approval. Review of other subdivision files ongoing.

PLANNING DEPARTMENT	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
---------------------	----------------------	----------------------	----------------------	----------------------	-------------------

2011 DEPARTMENT GOALS/OBJECTIVES

- Provide excellent customer service & support to development community & property owners by ensuring fully trained Inspection Officials in compliance with Ontario Building Code Act	Inspection Officer Andrew Turner has achieved Certified Building Code Official designation, following "Building Officials and the Law" training in Feb.	No new training opportunities in Q2	No new training opportunities in Q3		
- Planning Review/Approvals/Permits <ul style="list-style-type: none"> - TSL/MDC - Brockville Landings - Liston Avenue Subdivision - Aspen Drive Subdivision - 137 George Street/Trinity Church/Upper Canada Condominiums - Junic Lands - CPHC 	<p><u>TSL/MDC</u></p> <p>- Revised Cash-in-lieu of Parking Agreement executed; construction underway under Permit 2010-0278 for superstructure for Floors 1 to 4 with inspections ongoing; application for permit for superstructure above 4th fl. submitted and reviewed; Ongoing communication facilitated by City between project manager and neighbours respecting construction impacts.</p> <p><u>Brockville Landings</u></p> <p>- Application for Official Plan and Zoning By-law amendments filed end of March to increase permitted density to 106 units with reduced parking. Public meeting scheduled for April 19/11.</p> <p><u>Liston Ave. Subdivision</u></p> <p>- Draft plan approval granted by Council in Feb/11; request for Preservicing Agreement submitted.</p> <p><u>Aspen Dr. Subdivision</u></p> <p>- Draft plan approval</p>	<p><u>TSL/MDC</u></p> <p>Permits 2011-0072 and 2011-0120 issued for superstructure and architectural for floors 5 to 21 with inspections ongoing. Meeting with neighbours and developer/contractor convened by staff June 23/11 to discuss parking, traffic and noise issues.</p> <p><u>Brockville Landings</u></p> <p>Following public meeting April 19/11, recommendation prepared to support requested density increase. Zoning By-law amendment endorsed by Council May 24/11</p> <p><u>Liston Ave. Subdivision</u></p> <p>Engineering design being finalized for Applications for Certificates of Approval required to allow pre-servicing of draft approved subdivision.</p> <p><u>Aspen Dr. Subdivision</u></p> <p>Engineering design for draft approved</p>	<p><u>TSL/MDC</u></p> <p>Construction progressing with inspections ongoing to ensure OBC compliance. Regular consultation with developer on various issues, including Hydro service upgrade from Water St. E to TSL this fall. Parking and traffic issues being monitored.</p> <p><u>Brockville Landings</u></p> <p>Developer and general contractor finalizing details for construction start. Draft agreement for use of part of Henry St. and Henry St. parking lot throughout construction period has been sent to Developer for review.</p> <p><u>Liston Ave. Subdivision</u></p> <p>Pre-servicing Agreement and C of A's are in place; servicing has commenced. Developer is in process of responding to conditions of draft approval.</p> <p><u>Aspen Dr. Subdivision</u></p> <p>No action by developer to complete conditions of draft approval in Q3</p>		

PLANNING DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
	<p>granted by Council Feb/11 137 George St./Trinity - Public meeting held on Feb. 1/11 on initial applications for OP, ZBL and CIP amendments. Modification to redevelopment plan has resulted in further public information session to be held May 11/11. Junic</p> <p>-Pre-consultation on development plan and finalization of brownfield redevelopment funding agreement continuing. CPHC</p> <p>-Site Plan submission received and under review.</p>	<p>subdivision underway. Subdivision Agreement being prepared. 137 George/Trinity Following public meeting May 11/11, recommendations to Council were endorsed. Amendments to Official Plan, Zoning By-Law and Downtown CIP approved May 24/11 Junic</p> <p>Pre-consultation on development plan and finalization of brownfield redevelopment funding agreement continuing. CPHC</p> <p>Issues with proximity of CP Rail Line resolved. Phasing of development being finalized by applicant. SmartCentres</p> <p>Permit issued for new retailer "Michael's" 108 Waltham Rd.</p> <p>Application for Zoning amendment received to expand range of permitted uses to include clinics. Public meeting on July 5/11 605 King St. W.</p>	<p>137 George/Trinity Application for consent to sever church parcel from development site received, processed and approved. Sale by Anglican Diocese has been completed. Junic Development concept and applications for planning approvals being finalized for submission in Q4 <u>CPHC</u> Site plan approval pending stormwater management design approval by CRCA <u>SmartCentres</u> "Michael's" under construction, with inspections ongoing to ensure OBC compliance. Next phase of development (LCBO) being reviewed for minor change to existing site plan approval 108 Waltham Rd. Site-specific amendment to zoning approved by Council Aug. 16/11 605 King St. W. Site-specific amendment to zoning approved by Council Sept. 22/11 590 King St. W. Minor variances finalized and site plan application received and under</p>	

PLANNING DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES				COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	
					review. Approval imminent. Canarm Site plan approval for expansion completed, building permit issued, and inspections ongoing to ensure OBC compliance. <u>Subdivision Ph. 2, Wildwood Cres.</u> Public meeting held in Sept. on application for approval of next phase of subdivision. Report of conditions of draft approval being prepared for review by EDP in Q4, 158 Perth St. Application for zoning amendment received for conversion of building to hair and esthetics studio. Notice provided of public meeting scheduled for Nov. 1/11
3. Amenities	- With Council & SMT, set priorities & timeframes for implementation of Downtown & Waterfront Master Plan & Urban Design Strategy and in particular, review the recommendations in the Public Realm Strategy & Precinct Strategy Areas	Preliminary consultation with Council on specific element completed in March.	Liaison with developers of downtown and waterfront projects and promotion of priority development sites within precinct strategy areas ongoing.	As reported in Q2.	Adopted guideline forms basis of discussion with downtown development interests on an ongoing basis
	Implement the Urban Design Guidelines		Guidelines are promoted in all discussions with downtown development interests on an ongoing basis, and form the basis for policies contained in	Ongoing as reported in Q2	

PLANNING DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES				COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	
4. Sustainability - Assist Official Plan consultants with release to Council of Integrated Community Sustainability Plan & coordinate its adoption; identify sustainability actions & programs to be implemented in the immediate to short term, & commence implementation	Completion of ICSP to closely follow adoption of new Official Plan, to be reintroduced in Q2	newly adopted OP.	Discussion with Council to be established in Q3 on contents and completion of ICSP.	Sustainability Plan expected to be released to Council and the public early in Q4. Presentation by MMM Group to take place late November.	

HUMAN RESOURCES DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
1. People - Primary focus upon completion of negotiations - Contract Negotiations for Transit (P.T.) & Fire Association - Play a primary role in the implementation of the new Organizational Review & help to adapt the corporation towards the re-organization of staff & new staff roles - Propose an Annual Communication Process with employees - Continue to promote training opportunities for staff for development & succession planning	Awaiting Fire award for 2009. P.T. Transit scheduled for May 18 th .	Partial award received. Complete	Ongoing	Fire 2009-2010 Complete Commerce Fire Negotiations in Nov. Updating status of report
2. Economy - Investigate & review the financial viability of the current long-term Disability plans for Non-Union Staff for any possible cost savings - Continue efforts to reduce the WSIB Schedule 2 costs	Changing Union STD to reduced premiums July 1/11. Appeal (final) in 2011	LTD renewal reduced \$50,000 N/C	Ongoing	Year-end quote on Disability Management Feb quote from LAS Final Hearing for one (1) appeal Jan. 2012
3. Amenities - Assist all employees at every level with the implementation of the upcoming corporate-wide projects - Help facilitate more corporate-wide projects for continuity & costs savings purposes while helping staff's productivity	Fire dispatch upgrade complete GIS on-going	Ongoing	Working on report to Council Aug./Sept. GIS report to FAO in October	
4. 2012 Budget Preparation	Ongoing	Pending 2012 Budget Guideline Report	Capital submitted	

2011 DEPARTMENT GOALS/OBJECTIVES					
FINANCE DEPARTMENT	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
1. ECONOMY	<ul style="list-style-type: none"> Continued assistance of the Community Improvement Plans including Brownfield Tax Incentives for Environmental remediation. Continued involvement in local MUSH Sector Purchasing Group 	<ul style="list-style-type: none"> ongoing process with Planning department 3 projects currently receiving benefits of program 5 projects in development stages no meetings yet in 2011 some electronic communication between members on an as needed basis 	<ul style="list-style-type: none"> ongoing process with Planning department 3 projects currently receiving benefits of program awaiting data from MPAC to determine eligibility on some projects no meetings yet in 2011 some electronic communication between members on an as needed basis 	<ul style="list-style-type: none"> ongoing process with Planning department 3 projects currently receiving benefits of program awaiting data from MPAC to determine eligibility on some projects no meetings yet in 2011 some electronic communication between members on an as needed basis 	<ul style="list-style-type: none"> Ongoing process with Planning department 3 projects currently receiving benefits of program awaiting data from MPAC to determine eligibility on some projects electronic communication between members on an as needed basis
2. SUSTAINABILITY	<ul style="list-style-type: none"> Development, implementation, monitoring of annual City Budget 	<ul style="list-style-type: none"> 2011 budget approved in principle by Council; formal approval in 2nd quarter 	<ul style="list-style-type: none"> 2011 budget approved by Council; initial variance presented to Council in June Investigating ways to mitigate initial deficit forecast 	<ul style="list-style-type: none"> 2nd variance presented to Council in September Continue to investigate ways to maintain within budget Commenced 2012 budget process in conjunction with Council's decision to move process forward 	<ul style="list-style-type: none"> City-wide implementation of entire financial system has created major learning curve issues throughout all City departments Incorporated additional training with Enterprise implementation in April
	<ul style="list-style-type: none"> Complete full implementation of new Financial System 	<ul style="list-style-type: none"> Upgrade to iCity Enterprise to take place in mid April Continue to have bi-weekly meetings with Vadim to develop best plan forward 	<ul style="list-style-type: none"> Upgrade to iCity Enterprise G/L account structure change in late June; 	<ul style="list-style-type: none"> A/R module live in July after account structure/recode completed Commence 	

2011 DEPARTMENT GOALS/OBJECTIVES					
FINANCE DEPARTMENT	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
	<ul style="list-style-type: none"> Commenced initial stages of integrating WorkTech FAA with Asset Management Module + work orders 	<ul style="list-style-type: none"> recode completed A/R module training early June; live date in July after account structure/recode completed Continue to have bi-weekly meetings with Vadim Continuation of integrating WorkTech FAA with Asset Management (S. Larocque, ES Dept) 	<ul style="list-style-type: none"> implementation process of Utilities module Continue to have bi-weekly meetings with Vadim 		<ul style="list-style-type: none"> Process impacted by limited staffing resources for on-going in-house training
	<ul style="list-style-type: none"> Continue to develop corporate strategy related to PSAB requirements primarily as it relates to tangible capital assets 	<ul style="list-style-type: none"> Process to be developed between Project Managers and Finance staff once 2011 budget has been approved 	<ul style="list-style-type: none"> Initial discussions have taken place; formal reporting to be determined 	<ul style="list-style-type: none"> On-going 	
	<ul style="list-style-type: none"> Completion of annual year-end statements, FIR & MFMP or any other Annual Reports pursuant to legislated requirements 	<ul style="list-style-type: none"> Staff is working on 2010 year end requirements 	<ul style="list-style-type: none"> Staff is working on 2010 year end requirements 	<ul style="list-style-type: none"> Staff is working on 2010 year end requirements Financial statements to be presented at October FAO Meeting 	
	<ul style="list-style-type: none"> The continuation & monitoring of the Ten Year Capital Plan which includes the information technology master plan 	<ul style="list-style-type: none"> on-going process 	<ul style="list-style-type: none"> on-going process 	<ul style="list-style-type: none"> on-going process 	
	<ul style="list-style-type: none"> To establish a water finance plan in compliance with legislated requirements for the City's municipal drinking water license 	<ul style="list-style-type: none"> awaiting response from MMA&H Kingston for clarification of requirements associated with water finance plan 	<ul style="list-style-type: none"> awaiting response from MMA&H Kingston for clarification of requirements associated with water finance plan 	<ul style="list-style-type: none"> have received example documents from MMA&H to be completed in 4th quarter 	<ul style="list-style-type: none"> will work with Environmental Services department to determine finance plan requirements

FINANCE DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
Review of Corporate Financial Policy of Cash Flow Analysis	<ul style="list-style-type: none"> on-going cash analysis of cash flow due to issues surrounding loss of OMPF funds, reduced Fiscal Policy balance and issues associated with back-ended funding of WPCC and MDC projects 	<ul style="list-style-type: none"> on-going cash analysis of cash flow due to issues surrounding loss of OMPF funds, reduced Fiscal Policy balance and issues associated with back-ended funding of WPCC and MDC projects 	<ul style="list-style-type: none"> on-going cash analysis of cash flow due to issues surrounding loss of OMPF funds, reduced Fiscal Policy balance and issues associated with back-ended funding of WPCC and MDC projects obtained authorization from Council to obtain additional construction financing to assist in cash flow issues 	
Continued study of the potential for greater use of municipal-wide Development Charges	<ul style="list-style-type: none"> in 3rd quarter 2010, Council deferred the study until February 2011 due to duration of budget process, has been deferred to 2nd quarter 2011 	<ul style="list-style-type: none"> Council decided in June to not proceed with a DC study at this time Deferred to committee meeting in December 2012 (18 months) 		
Review of Purchasing By-Law	<ul style="list-style-type: none"> Review not yet commenced; slight amendment has been made to the by-law in regard to local advertising for public tenders in conjunction with Council's decision during 2011 budget process 	<ul style="list-style-type: none"> To review in 3rd/4th quarter 	<ul style="list-style-type: none"> Has been delayed to additional projects added to work plan; hope to review in 4th quarter 	

ENVIRONMENTAL SERVICES DEPARTMENT		2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.		
1. People - Continue to ensure the City's infrastructure is able to meet current & future growth demands for new families & industry	Design of Greenville Court and Parkview Blvd. reconstruction projects is on-going, expected to be tendered in April.	Grenville Court and Parkview Blvd. reconstruction projects were tendered and awarded to Louis W. Bray Construction. Due to delays in obtaining a Certificate of Approval, work is not expected to start until early August.	Work on Greenville Court and Parkview Blvd. began in early August and is scheduled to be completed in October.		
- Complete/Implement Sustainable Waste Management Plan for a greener community	Public comments on draft plan received. Draft plan to be presented to Council in 2 nd quarter.	Draft plan was presented to Council in 2 nd quarter. Council authorized staff to prepare a request for proposal for the various alternatives presented. The RFP is to be advertised, received and brought to Council for consideration in the 3 rd quarter.	Proposals were received and reviewed by staff. A report has been prepared for Council but not presented. Staff is awaiting the outcome of the County's Solid Waste proposals which are scheduled to be received in early October.		
- Monitor the results of the organizational review	On-going.	On-going.	On-going.		
2. Economy - Continued rehabilitation/reconstruction of existing infrastructure to allow for growth	Rehabilitation of manholes on Central Ave, is scheduled to be completed in the 3 rd quarter.	Rehabilitation of manholes on Central Ave, is scheduled to be completed in the 3 rd quarter.	Staff is in the process of finalizing the scope of work and receiving cost estimates. Rehabilitation of the manholes is scheduled to be completed in November.		
Brownfields Work	On-going.	On-going.	On-going.		

ENVIRONMENTAL SERVICES DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			4 TH QTR.	COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.		
- Reynolds property Risk Assessment (with Operations Department)	On-going.	On-going.	On-going.		
- Facilitate/Monitor Brownfield remediation projects (TSI, Junic, Brockville Landings, etc.) & linkages with City Amenities associated with or adjacent to these developments.					
3. Amenities - Reynolds Property Risk Assessment	On-going.	On-going.	On-going.		
- Water Systems Master Plan	RFP to be developed and advertised in 3 rd quarter.	RFP to be developed and advertised in 3 rd quarter.	Development of the RFP has been delayed until the Engineering Supervisor position has been filled.		
4. Sustainability - Drinking Water Quality Management System	On-going. Management review meeting to be held in 2 nd quarter.	Management review committee meeting held in 2 nd quarter as well as the first phase of an internal audit. Staff submitted the City's Operational Plan to the Canadian General Standards Board for their review and comment. Comments from the CGSB audit have been received and staff has responded.	The second phase of the internal audit was completed. The City's Operational Plan was approved by the Canadian General Standards Board and as a result the City has received its Drinking Water Licence.		
- Source Water Protection Plan	On-going. Assessment report has been reviewed by MOE and is being	On-going. The Assessment report has been revised according to	On-going. Work continues on the development of policies to		

ENVIRONMENTAL SERVICES DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			4 TH QTR.	COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.		
	<p>revised according to comments. Open public house is scheduled for 2nd quarter for public's comment. Policies are being developed for SWPC's endorsement in 2nd quarter. SWP Plans are to be completed by August 2012.</p>	<p>public comments and submitted to the MOE for final approval. Work continues on the development of policies to deal with the drinking water threats with comments being received from municipalities and the general public until July 22. Comments will then be taken into consideration for further development of the draft policies. The SWP Plans are to be completed by August 2012.</p>		<p>deal with drinking water threats. Presentations to municipal Councils are scheduled to be completed in December/January. The SWP Plans are to be completed by August 2012.</p>	
- WPCC Secondary Treatment Upgrades	On-going.	Project remains on schedule and on budget.	On-going. Project remains on schedule and on budget.	On-going. Project remains on schedule and on budget.	
- Continue to Improve WPCC Capacity	On-going.		On-going.	On-going.	
- Sewer Separation Projects					
- Landfill Leachate Treatment					
- Watermain Flushing Stations					
- Inflow/Infiltration Study					
- WPCC/WTP Energy Conservation Projects	On-going.		On-going.	On-going.	

OPERATIONS DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	
1. People - In partnership with community groups, enhance existing facilities & plan for new facilities to draw families & seniors, i.e. Rotary Park/Splash Pad, Sports Dome, Athletic Field, Brock Trail (amenities)	Initial Council approval given for Rotary Park/Splash Pad, Sports Dome.	1 st phase of Rotary Park project scheduled for fall construction. Assisting Athletic Field and Brock Trail committees as needed.	1 st phase of Rotary Park project scheduled for fall construction. Assisting Athletic Field and Brock Trail committees as needed.	
2. Economy Brownfields Work - Reynolds property Risk Assessment (with Operations Department) - Facilitate/Monitor Brownfield remediation projects (TSL, Junic, Brockville Landings, etc.) & linkages with City Amenities associated with or adjacent to these developments	Ongoing.	Ongoing	Ongoing	
3. Amenities - Complete RIINC projects at Memorial Centre & Youth Arena (with Manager of Strategic Initiatives)	Ongoing. Outstanding projects scheduled to be completed by Aug. 31.	Ongoing. Outstanding projects scheduled to be completed by Aug. 31.	Ongoing. Outstanding projects scheduled to be completed by Aug. 31.	Complete
- Negotiate new lease/acquisition of harbour (with City Manager)	Initiate 2 nd quarter.	Ongoing	Ongoing	Ongoing
- Update Transportation Master Plan	Initiate 2 nd quarter.	Delayed to 3 rd quarter.	Request for Proposals being developed; to be issued in October.	
4. Sustainability - Complete/Implement Sustainable Waste Management Plan (with Environmental Services)	Public comments on draft plan received. Draft plan to be presented to Council in 2 nd quarter.	Draft plan presented to Council. RFP document completed and issued in early July.	Proposals received. Review complete pending proposals on regional system.	
- Rooftop solar projects at Memorial Centre & GWMC (with Manager of Strategic Initiatives)	Memorial Centre installation ongoing. GWMC pending FIT program contract approval.	Memorial Centre installation ongoing. GWMC pending FIT program contract approval.	Memorial Centre project live and connected to grid. GWMC FIT contract approved.	

OPERATIONS DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES				COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	
-Final phase of streetlight retrofit	Tender awarded. Awaiting delivery of units for installation 2 nd quarter.	Installation on roadways 95% complete. Decorative lights on waterfront trails to be completed 3 rd quarter.	Roadway installation complete. Deficiencies to be corrected and a small number of remaining parks lights to be completed in October.		
-WPCC Secondary Treatment Project	Ongoing. Project remains on schedule and on budget.	Ongoing. Project remains on schedule and on budget.	Ongoing. Project remains on schedule and on budget.		

FIRE DEPARTMENT		2011 DEPARTMENT GOALS/OBJECTIVES			COMMENTS/BARRIERS
		1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.
1. People - Continue Home Inspection Program	Continuation of Home Inspection Program is starting on April 26, 2011	2011 Program is well underway and is being well received.	2011 Program completed		
- Continue involvement with the resurgence of the Safe Community Program	Will be attending an objective brainstorming session on May 13 th at BCC. Have met with representatives of UCDSB to develop a plan to re-introduce Risk Watch in L & G schools.	Negotiations with UCDSB will continue over the summer to have Risk Watch back into the schools for 2011/2012	On going		
- Continue to assist those with impairments & seniors to ensure they have working smoke alarms in accordance with legislation	On-going	On-going as requested	On going as requested		
2. Economy - Public Safety Awareness Campaigns – posters on buses, at bus stops & the new digital sign at Laurier Blvd. Fire Station will assist the greater public vigilance	Campaign has been initiated. No action on digital sign at Laurier Station. Donation will be received before the end of May & work will begin by end of May.	Posters on buses and at bus stops will be positioned as rental space becomes available. The donations for the digital sign at Laurier Station #2 has not been received as yet	The donation for the programmable digital sign has been received. Installation should be completed by the end of October.		
- Continue to promote remote access to our computer aided dispatch program "Crisys" to fire departments across the United Counties of Leeds & Grenville	We will continue to reach out to Fire Dep'ts. in L & G to offer remote access to Crisys. Interest has been shown to provide dispatch services & remote access to South Stormont, South Glengarry & South Dundas Fire Dep'ts.	Negotiations continue with South Stormont, South Glengarry & South Dundas for dispatch service	Work to have Brockville dispatch South Glengarry, South Stormont & South Dundas continues. After a month of testing we anticipate a "go live" date in Jan. 2012		
3. Amenities - Continue Hydrant Flushing program	On-going. Program to re-commence in May	Program start-up has been delayed due to concerns raised by Water Dept. and OFM	Due to concerns raised by the Water Dept. and the OFM, the hydrant flushing program will be assumed by the Water Dept.		

2011 DEPARTMENT GOALS/OBJECTIVES					
FIRE DEPARTMENT	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	COMMENTS/BARRIERS
- Support Tourist Industry by attending festivals & events that require presence	On-going	Attended Hydroplane races, Riferfest. Will be present for Poker Run and Ribfest as required	On going as requested		
4. Sustainability - Participate in City's lighting retrofit exercise	Completed at both fire stations.	Completed	Completed		
- Identification of possibilities for solar panel expansion on Fire Dept. land, in line with future City sustainability initiatives	Being investigated.	Being investigated	Being investigated		
2011 Work Plan					
- Continue with the purchase, test & implementation of a new Fire Dispatch Console to replace existing 20 year old	New Motorola 7500 console has been installed in temporary location. Is being tested & tentative in-service date is April 26/11	Dispatch renovations are 90% complete. New equipment has been installed, tested and put in service	Completed		
- Remodel Dispatch Office	Will be started after decommissioning of old communication consoles. Estimate completion date - mid June	Dispatch renovations are 90% complete	Completed		
- Install new digital sign on the front lawn of Laurier Blvd. Fire Station	See #2 – "Economy"	No action at this time			
- Maintain compliance with the Emergency Management & Civil Protection Act	Will be completed in 2011. No action taken at this time.	Will be completed in 2011 to insure compliance	Sign has been ordered. Installation to be completed by the end of October		
- Develop new Fire Department Establishing & Regulating By-law for presentation to Council.	Draft by-laws is complete. Will be presented to Council after "Dispatch" project.	Draft is completed. Will be presented after dispatch projects	On schedule for completion		
Update Municipal Fire Protection Information	Completed – Will be forwarded to OFM for	Have been forwarded to	Completed – awaiting		

FIRE DEPARTMENT	2011 DEPARTMENT GOALS/OBJECTIVES				COMMENTS/BARRIERS
	1 ST QTR.	2 ND QTR.	3 RD QTR.	4 TH QTR.	
Survey (MFPIS) required by the Fire Marshals Office under the Fire Protection & Prevention Act (F.P.P.A.)	review & approval ASAP.	OFM to review		compliance confirmation from OFM	
- Review & upgrade Risk Assessment for submission for approval to the Office of the Fire Marshal	Completed	Completed	Completed		
- Telephone upgrade for Station 1 (Perth Street) to provide voice mail capabilities for Fire Prevention Staff through the City Hall telephone switch	Awaiting cost estimates from Bell.	Work has been scheduled and should be completed over the summer months	Work will be completed subject to availability of MIS and Bell staff		

October 12, 2011

**REPORT TO THE FINANCE ADMINISTRATION AND OPERATIONS COMMITTEE –
18 OCTOBER, 2011**

2011-110-10

**GEOGRAPHIC INFORMATION SYSTEM
PROJECT UPDATE**

GIS COMMITTEE

RECOMMENDATION

THAT Report 2011-110-10, Geographic Information System Project Update be received for information purposes.

PURPOSE

The purpose of this report is to provide an update to Council respecting the implementation of a corporate Geographic Information System (GIS) for the City of Brockville.

ANALYSIS

The need to develop a strategy and implementation plan for a corporate GIS was recognized in the Organizational Review completed in early 2010. To achieve this aim, an internal GIS Committee was struck, being comprised of the Director of Planning, Director of Operations, Director of Human Resources and Manager of Municipal Information Systems. Planning Dept. personnel familiar with GIS also provided additional support and investigative skills to the Committee on an as-needed basis.

The first step was the completion of a GIS Strategic Plan. The plan identifies that GIS increasingly defines the ways in which organizations manage information. To support both the need and demand for improved business processes and better information management practices, the City needs to implement a centrally managed integrated, organization-wide system with the basic principle that enterprise GIS is to address the needs of the entire organization collectively instead of individually through common data standards, business processes, and methodologies.

While enterprise GIS can be characterized as a core technology, islands of information perpetuate along departmental lines. As with several other business systems, the City's use of geospatial information and GIS has evolved partially based on the needs of the business area and not specifically on a city-wide basis. Consequently, isolated islands of data exist in individual departments of the organization and prevent true integration and sharing of data. This continues to greatly inhibit the effectiveness of enterprise GIS and prevents effective information sharing and results in operational inefficiencies. Efforts to integrate GIS under the current model would further perpetuate this uncoordinated approach towards the management of the City's valuable geographic information resource.

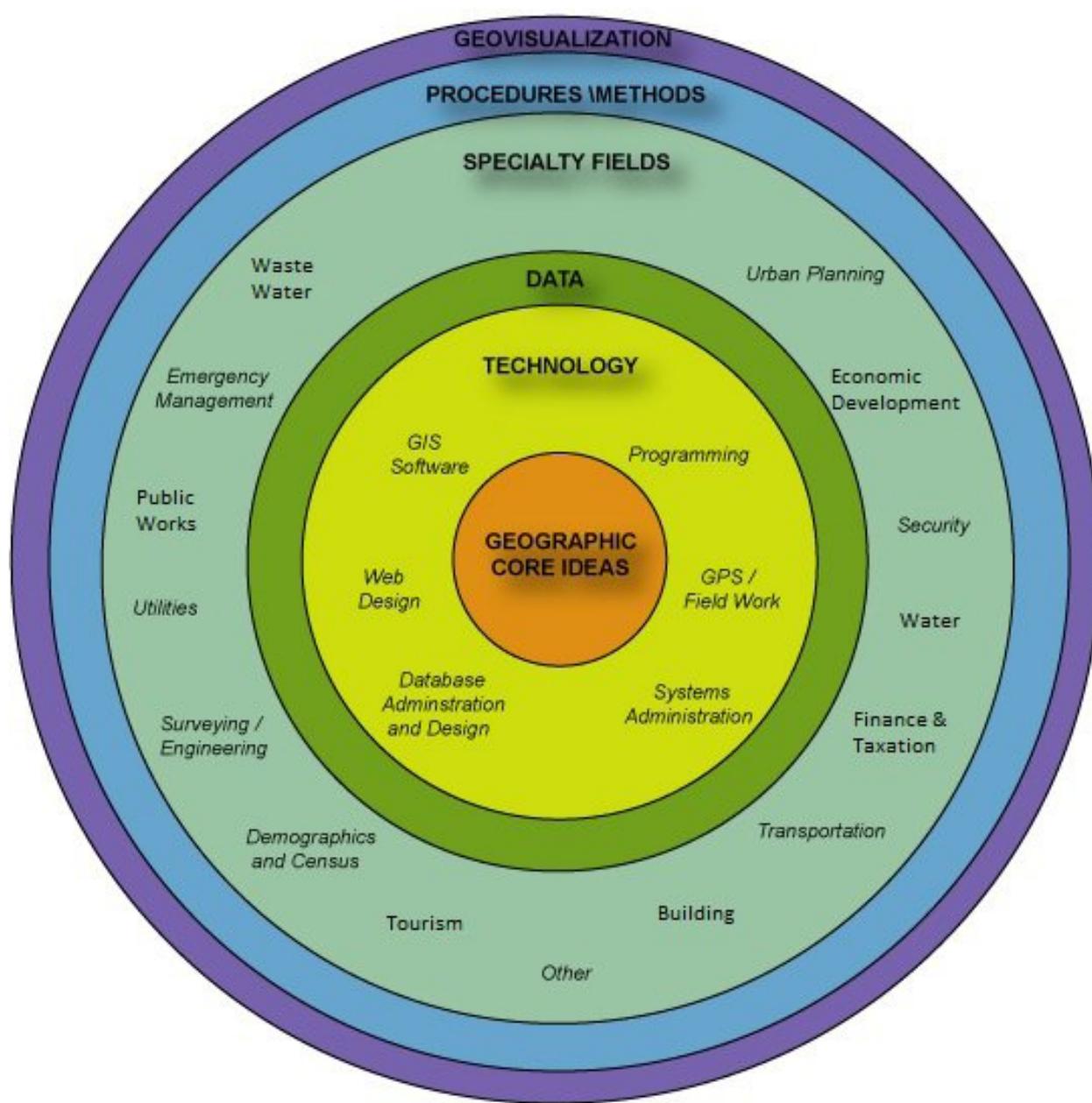
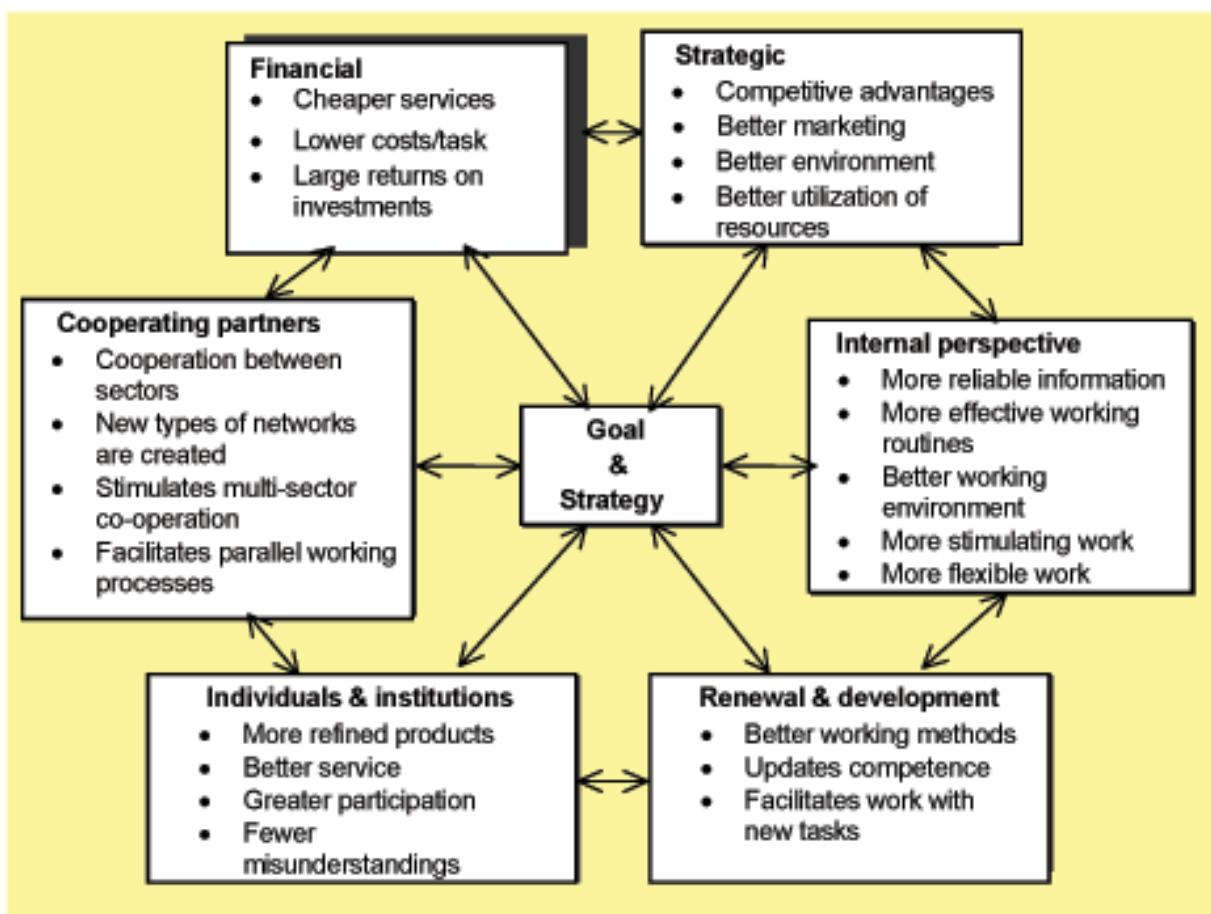


Diagram 1. The concentric rings show the proposed components of GIS as well as some examples of what they define.

With a strong city-wide demand to improve customer service, work flow and business processes by integrating map-based information with corporate business systems, a City enterprise GIS is at an important crossroad. The City needs to institute an organizational model that is highly efficient;

A GIS that:

- Provides a more efficient and cost-effective means for managing, maintaining, and monitoring geographic data;
- Improves access to the City's geographic information, as well to other agencies through data sharing opportunities;
- Maximizes existing resources across the organization devoted to the management and maintenance of geographic data;
- Reduces repetitive and redundant maintenance of GIS related data;
- Improves reliability, quality, and performance of GIS for staff and the community
- Provides a corporate strategic direction for GIS investment and activities;
- Improves workflow in and between departments;
- Integrates with existing and planned business systems;
- Delivers GIS services to the community that reduces cost and adds value.



Following on the completion of the GIS Strategic Plan, a GIS Needs Assessment and Data Inventory Report was then prepared by Andrew McGinnis, Planner II and Eric Bays, Planning Associate. This involved extensive interviews with departments which use geographically referenced data and spatial information. The Needs Assessment

and Data Inventory Report exposed vital information for the requirement of GIS in the City's organization.

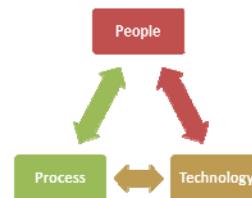
The Needs Assessment recognizes that, within an organization, geographic information often represents a subset of the overall information system. What sets GIS apart from information systems is their ability to catalogue spatially referenced objects and their ability to perform quantitative analyses based on geographical principles. While a GIS is able to operate as a standalone piece of software, its power and capability is exponentially greater if it is part of a larger, enterprise-wide information system of software, hardware, data, applications and people.

Information systems of any type can dramatically change the dynamics and structures within an organization. Often implementation requires people to rethink how things are done and what priorities should come first. The impact of GIS implementation can be better assessed by comparing 3 components:

Technology: whether this be paper maps or record management systems

People: those who use the system to perform tasks

Process: the series of steps to complete a task



The City already possesses a large amount of information which can be used to power a GIS. This information is contained in various locations throughout the City's internal network.

The City has multiple challenges to GIS implementation which must be considered when preparing for implementation. These include:

- Staff will require training and continuous support in order to understand and effectively use any new system;
- Extending from the concept of “people, process, technology”, a change in technology will require changes in how information is collected, managed and retrieved. This will require a shift in how workflows operate and will have ramifications on organizational structure and time-cost-efficiency considerations;
- A lack of common data standards includes a range of issues related to developing common file types, data descriptions, universal folder and file organizing standards and removal of redundant and outdated information;
- Duplicated data between departments or databases results in uncertainty as to the most accurate information, or a waste of space and time due to the existence of outdated information;
- No defined data custodians mean that the accuracy and maintenance of data does not stand with any specific individual. This means that training cannot be focused and responsibility is not concentrated;

- Interdepartmental access and software licensing bars some people from different departments from accessing information which would benefit their work. This can lead to data duplication and redundancy

The GIS Committee has determined that it is possible to develop the first 2 layers without further investment at this time by using existing equipment and staff resources with oversight by the MIS Manager. These two layers include Parcel maps and hydrants. The information for these layers has been collected, however, a procedure for ongoing maintenance of the information needs to be developed and tested to ensure accurate, timely and effective usage for the systems. The MIS Manager will perform business process modeling to ensure the efficiency and quality of the system by identifying options for improving business systems and bridging the needs of the City with the use of information technology. A virtual server has been acquired on which the GIS would reside. Further evaluation of corporate needs and associated costs are required, but are expected to be concluded in time for discussions on the 2013 Budget.

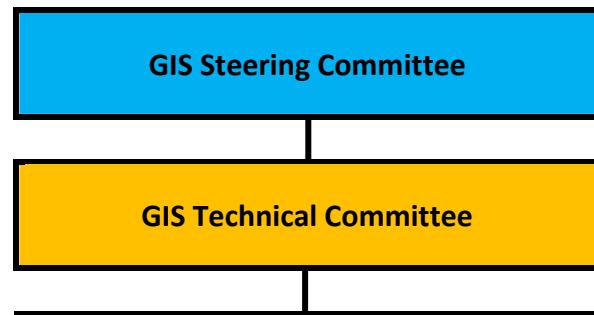
It is also recognized that a commitment to adequate staff resources will be critical to successful implementation of the GIS. A GIS Co-ordinator will be needed.

Due to the volume of data, and issues of security, privacy and access to information, the option of teaming up with an external organization such as the UCLG for the delivery of GIS was not deemed appropriate by the GIS Committee.

A phased approach is necessary to be successful in the implementation of GIS. The first phase would include the identification of a project lead and technical group. In order to move GIS implementation and development forward at the rate set out within the GIS Strategic Plan a project lead must be identified. This individual, the GIS Coordinator, should have a solid knowledge of GIS and computer systems as well as experience in project management, leadership and communication.

In addition to the current GIS Steering Committee, a GIS Project Team would benefit from a GIS Technical Committee. This committee would be composed of representatives from many different departments and would take an active role in bringing ideas to the table and proposing ways to resolve issues. Members of this committee should have, in the least, a basic understanding of GIS and its operation as well as an understanding of their department's operation and challenges.

- Includes reps from Planning, Env. Services, Operations and Human Resources
 - Responsible for setting strategic direction
-
- Includes reps from major departments
 - Responsible for communicating departmental needs



- Includes GIS Developer and others as needed
- Responsible for translating directions and needs into results

GIS Project Team

By having two separate committees strategic guidance can be maintained while a community of technically specialized team members can work (on a part time or as-needed basis) to interact and communicate to build better interdepartmental connections and multidisciplinary solutions to common problems. Departments which should have a staff representative include, but may not be limited to:

- Planning and Building
- Environmental Services
- Operations
- Finance
- Clerk's Office
- Police
- Fire
- Economic Development

The GIS Coordinator would be the Technical Committee and Project Team lead and report to the Steering Committee.

Phase 2 includes performing the groundwork for identifying departmental needs and benefits. This stage should see the creation of an implementation strategy as well as better clarification of departmental needs and benefits. This stage will see the greatest involvement of the technical and strategic committees.

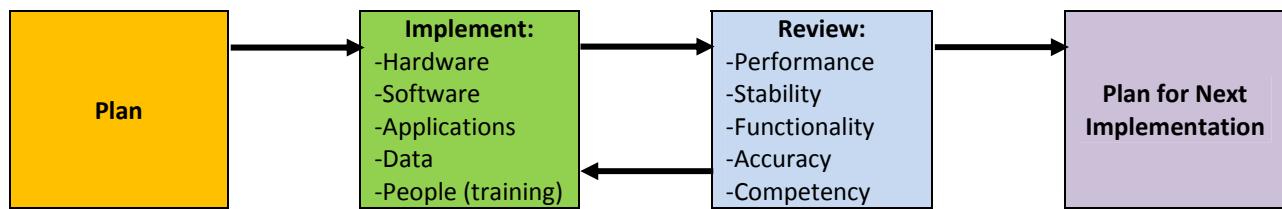
Information which is collected, organized and compiled is expensive and time consuming. Considering this, it is important to know what information is going to be used for and what positive impacts the proposed use will have. At this stage, Information Product Descriptions (IPDs) should be introduced and created for some of the most basic uses and needs. Although each IPD will be for a separate application the GIS project team will be able to draw parallels and amalgamate similar requests from different departments.

IPDs taken into action should translate into new applications and layers, and better designed databases and systems. Parallels between IPDs should be developed as data standards and common databases. From this, a revised master input data list should be created and best database designs should be explored.

The master input data list should allow the project team to determine exactly how the system should be composed. This will include what type of client-server architecture to pursue and whether existing information is sufficient.

Finally, management responsibilities must be clarified as to which departments maintain information and to what level of accuracy.

Phase 3 includes the development and capacity of the system. This stage focuses on implementation and involves hardware and software acquisition (if necessary), data organization and collection, staff training (or hiring) and workflow development. Generally, this stage will occur in an incremental, linear pattern like that below. This means that small, independent portions of the GIS will be fully implemented before continuation onto a new portion which would require additional data or layer creation. Prioritization will be based on greatest positive impact, as described within the IPDs.



Incremental implementation will allow for maximum flexibility and provide more opportunities for implementation review. It also recognizes that errors and challenges are inevitable and sometimes unforeseeable. This model provides space for review and reflection in order to allow mistakes to be learned from and new knowledge to be carried forward to the next implementation stage.

Phase 4 includes identification of maintenance and expansion. A GIS, like all other facets of an organization, will grow and change as staff's needs changes, peoples' understanding of the system develops and newer technology expands its capabilities. At this stage the implementation plan has been completed; focus is on maintaining system accuracy and effectiveness. Occasionally there will be requests for new information or applications which will begin an implementation plan and review. Ongoing training and system upgrades will be a central component of system maintenance.

The following list outlines some quick steps that could be taken in order to optimize the City's current information systems:

Action	Details
Move MiHIRMS to local server and provide training and access to other departments	<ul style="list-style-type: none">Save money on holding fees from Marmak (In progress)Allow access from other departments
Develop and implement SharePoint for file-sharing	<ul style="list-style-type: none">Move HR policies, by-laws and staff reports and minutes, phone and employee directories, MIS policies and instruction manuals, emergency plans, official plans and documents organized by subject onto SharePoint (In progress)Potentially replace FilePro system
Remove G-Link system usage for water billing and retire system	<ul style="list-style-type: none">Already scheduled to occur by end of 2011
Begin development of common address database	<ul style="list-style-type: none">Already exists within VadimExplore how to extract list and information from database
Develop Technical Committee from different departments	<ul style="list-style-type: none">Composed of staff from different departments

	<ul style="list-style-type: none">• Aid in creating collaborative solutions and communicating each department's needs• Help implementation of GIS in respective departments
Initiate development of first two (2) layers identified in needs assessment report	<ul style="list-style-type: none">• Parcel Map - acts as central mapping for parcel information, relational databases• Hydrants - for emergency response and maintenance

POLICY IMPLICATIONS

The Community Strategic Plan of 2009 does identify, under the Sustainability banner, that an Information Technology Master Plan is to be completed, a subset of which would be the preparation of a plan to implement a corporate GIS. Many of the objectives and strategies of the City Strategic Plan will require analysis of geographic data and use of compelling maps and reports in the decision making and implementation phases. Core values of the City Strategic Plan indicate the necessity to work for the common good of the people, ensure accountability, and information sharing between Council, staff and citizens. Enterprise GIS can directly support the adopted strategies based on the people, economy, amenities, and sustainability with informed direction, valued services and continual service improvements.

FINANCIAL IMPLICATIONS

Financial elements required to bring a corporate GIS to fruition have been incorporated into the City's budget over a period of several years. Additional funding will be required in future years for implementation, including staffing component.

CONCLUSION

Progress is being made to develop a corporate GIS using existing resources. Further updates will be provided before the 2013 Budget process commences.

M. Pascoe Merkley
Director of Planning

J. Baker
Director of Human Resources

C. Cosgrove
Director of Operations

J. Peters
M.I.S. Supervisor

B. Casselman
City Manager