

For Information

DATE: December 1, 2010

REPORT TITLE: **STRATEGIC PLAN V: 2007 - 2010 FINAL REPORT AND FORECASTED
2010 FINANCIAL CLOSE-OUT**

FROM: David Szwarc, Chief Administrative Officer

OBJECTIVE

To provide Regional Council with an overview of the accomplishments associated with the **Strategic Plan V: 2007 – 2010** (Strategic Plan) and a high level summary of the financial resources utilized to deliver the results achieved in 2010 in support of the Strategic Plan.

REPORT HIGHLIGHTS

- Region of Peel endorsed the Strategic Plan in May of 2007
- The Strategic Plan contains a Vision, Mission and 5 Goals with 28 Strategic Actions to support the achievement of the plan
- Tangible outputs and strategic initiatives have been accomplished which contribute to the successful advancement of the Strategic Plan. These accomplishments, along with significant ongoing operational requirements of the Region of Peel, have been achieved within the parameters of the annual Regional budget.
- Total net expenditure of \$706.2 million (\$468.9 million tax supported, \$237.3 million utility supported) was budgeted for Regionally-controlled programs in 2010 towards the advancement of the strategic goals and actions.
- For 2010 year-end, an overall net surplus of \$13.7 million is anticipated for Regionally-controlled programs (\$22.2 million surplus for Tax Supported programs, \$8.5 million deficit for Utility Rate Supported programs)

DISCUSSION**1. Background**

Strategic planning is a fundamental component of the Region of Peel's Strategic Planning Cycle as it provides long term direction through Vision, Mission and Goal statements. Regional Council endorsed the Strategic Plan in May of 2007 to help guide the direction of the Region for the 2007 – 2010 term of Council.

The Strategic Plan outlined the following:

Vision: Peel will be a healthy, vibrant and safe community that values its diversity, and quality of life.

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Mission: The Region of Peel will serve its changing community through leadership, partnership and service excellence.

Goals:

1. Deliver citizen-focused services
2. Protect, enhance and restore the environment
3. Provide human services that meet current and changing needs
4. Manage the impacts of growth on the community and Regional services
5. Strive for excellence as a municipal government

The five goals are supported by 28 strategic actions and the departmental and inter-departmental business plans. Regular review and monitoring of these actions are achieved by reviewing outcomes and outputs and reporting quarterly and annually on financial performance. This information allows departments to monitor their progress against targets that have been established to advance their operational and strategic work.

2. Results Reporting

The attached Appendix I provides an overview of the accomplishments associated with the Strategic Plan. The accomplishments are a combination of tangible outputs that have been achieved over the course of the last four years and key initiatives that have advanced the achievement of our goals.

The following are a few of the key initiatives undertaken to support each goal of the Strategic Plan:

Goals:

1. Deliver citizen-focused services: Immigration Web Portal, Newcomer Employment Program and Mentorship, Early Learning and Parenting Program, H1N1 Response, Adapting Health Services Programs, Peel Data Centre.
2. Protect, enhance and restore the environment: LEED Standard Regional Facilities, Source Water Protection, Municipal Hazardous and Special Waste Program, Peel Composite Curing Facility, Water Smart Peel Program.
3. Provide Human Services that meet current and changing needs: Long Term Care Enhancements, Senior's Dental Program, Two New Social Housing Buildings, Homelessness Partnering Strategy Extension, Hospital Nursing Program.
4. Manage the impacts of growth on the community and Regional services: The Peel Regional Official Plan Review, Additional Paramedic Stations, Traffic Demand Management, Halton-Peel Boundary Area Transportation Study, Peel-Highway 427 Extension Area Transportation Master Plan.
5. Strive for Excellence as a municipal government: The Region's Common Purpose, Addressing Health System Challenges, Advancing Excellence in Safe Water, 2009 United Way of Peel Employee Campaign, Established the Public Policy Unit.

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3. 2010 Financial Close-Out

In 2010, a total net expenditure of \$706.2 million (\$468.9 million for Tax Supported programs and \$237 million for Utility Rate Supported programs) was budgeted for Regionally-controlled programs to support the advancement of the strategic goals for the fourth year of the Strategic Plan. Regionally-controlled programs exclude external agencies (e.g. Peel Regional Police, Ontario Provincial Police and Conservation Authorities).

a) Current Operations

Although results for the year end are not finalized, an overall net surplus of \$13.7 million is anticipated for Regionally-controlled programs. The surplus of \$13.7 million is equivalent to a variance of less than one per cent on a gross budget of \$1.6 billion. These surpluses help create additional financial flexibility for Council in mitigating future tax pressures. Major drivers of the forecasted surplus are detailed in Appendix II. The financial and non-financial impacts resulting from these drivers were considered in the development of the 2011 Budget.

i) Tax Supported Programs

The Regionally-controlled Tax Supported Programs anticipate a surplus of \$22.2 million, largely due to in year Provincial subsidy announcements of \$6.5 million, cost savings of \$5.7 million and additional supplementary taxes of \$7.8 million received in the third quarter. The unexpected provincial funding in Public Health will be carried forward to 2011 to address the Senior's Dental waitlist and the additional funding in Paramedics will help bring funding closer to the prescribed 50/50 ratio. The surplus generated by the additional Best Start funding will be returned to the reserve to address future unanticipated or one-time tax pressures.

ii) Utility Rate Supported Programs

There is a projected \$8.5 million deficit in the Utility Rate Supported Programs, primarily driven by lower than budgeted York/Peel revenue flows as well as higher than anticipated electricity costs.

b) Capital Operations

Essential to the delivery of Regional services is the capital plan which provides the resources to support the state of good repair, and the growth and enhancement needs of regional assets. For 2010, Capital operations are forecast to have expended 99.5 per cent (or \$738.7 million) of the budgeted cash flow projection, a significant improvement compared to the average for the past three years of 67 per cent. This is mainly due to accelerated work undertaken under the Infrastructure Stimulus Funding Program and an increased focus on planned capital expenditures.

Following the 2010 year end external audit, a final surplus management report will be brought forward to Council early in 2011 for approval.

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4. Future Direction

The renewal of the Strategic Plan, as approved by Council in June 2010, has been completed and the draft Strategic Plan will be provided in a staff report at the January 13, 2011 Regional Council Meeting. This will be followed by a Council workshop on January 20, 2011 on the draft Strategic Plan as well as draft term of Council priorities. This process to-date has developed a well informed and integrated long-term draft Strategic Plan that, once approved by Council will serve as the foundation for establishing term of Council priorities that support the Region of Peel's vision and represent a holistic and inclusive approach to strategic planning. Known as integrated planning, this approach will enable term of Council priorities to be aligned with the implementation of the Strategic Plan's goals and actions and forms part of the Region's new Strategic Planning Cycle. The draft term of Council priorities will be included in the same staff report on the draft Strategic Plan at the January 13, 2011 Council meeting. The Strategic Planning Cycle engages Council in strategic policy and financial management decision-making throughout the term of Council and includes budgeting and performance measurement.

The 2011 Regional Budget overview will begin at the January 27, 2011 Regional Council meeting. The Budget will provide the resources to implement the term of Council priorities and operationalize the Strategic Plan. This will strengthen alignment of the budget process to the term of Council priorities and Strategic Plan and achieve financial sustainability for the Region. Staff will ensure effective measurement and monitoring of outcomes and financials to achieve the renewed Strategic Plan and term of Council priorities.

CONCLUSION

The Region's Strategic Plan V: 2007 – 2010 provides a vision, mission and a set of goals and strategic actions that continue to guide and focus the work of Regional Council and employees. The results provided in the report clearly indicate that progress is being made to ensure that the delivery of services by the Region meets the needs of citizens.

The initiatives associated with the Strategic Plan V: 2007 – 2010 have been achieved within the context of the annual Regional budget. Going forward, the Region's new Strategic Planning Cycle will strengthen strategic policy and financial management decision-making for the term of Council.



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AP
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Appendix II
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 FINANCIAL CLOSE-OUT

Major Drivers of Year-End Forecasted Variance (Surplus/(Deficit)):

Description	Program	Amount (In Millions)	2011 Impact
Tax Rate			
One-time - Additional supplementary taxes received in Quarter 3	Non Program	\$7.8	No
One-time -Additional Provincial funding (H1N1)	Public Health	\$2.5	No
Additional Provincial funding (50/50)	Paramedic Services	\$2.0	Yes
BEST Provincial funding	Children Services	\$2.0	Yes
Lower roads maintenance costs	Transportation	\$3.2	Yes
Gapping resulting from increased vacancies, sick leave and delayed hiring	Accessible Transportation	\$1.2	Yes
Algonquin Power Energy From Waste shut down	Waste Management	\$2.4	No
Lower operating costs	Paramedic Services	\$2.1	Yes
7120 Hurontario financing costs	Employee and Business Services	(\$1.8)	Yes
Other		\$0.8	No
	Total Forecasted Year End Tax Surplus	\$22.2	
Utility Rate			
Lower variable operating costs	Water/Wastewater	\$3.2	No
Additional sewer surcharge and miscellaneous revenues	Wastewater	\$1.5	Yes
Lower utility flows to Peel	Water/Wastewater	(\$5.3)	Yes
Lower utility flows to York Region	Water/Wastewater	(\$2.1)	Yes
Increased electricity costs	Water/Wastewater	(\$5.8)	Yes
	Total Forecasted Year End Utility Rate Deficit	(\$8.5)	
	Total Overall Forecasted Year End Surplus	\$13.7	

Please note that numbers are based on most available information at the time of writing and subject to adjustments at year end.