



Municipal Service Assessment City of Terrace

Prepared by INNOVA Strategy Group



November 2020

Executive Summary

Innova Strategy Group (ISG) was commissioned to evaluate the operational effectiveness of the City of Terrace with a primary focus of aligning resources to achieve optimum performance.

In order to understand current practices and operations, ISG interviewed 28 employees and elected officials in September/October 2020 and undertook a thorough analysis of background data and information provided by the City.

Overall, this assessment finds that the City of Terrace operates at a high level.

The City benefits from an educated, committed, respectful and functional Council that is dedicated to serving the community. The relationship between staff and Council is excellent, with Council providing clear direction to staff through the Chief Administrative Officer (CAO). Employee engagement is high and overall leadership capacity is very good. The CAO's leadership and tenure has earned her the respect of her peers, staff, and Council.

When any organization commits to an independent external review, common trends and options for enhancement will be identified, despite any existing areas of high performance. ISG has identified such areas of opportunity for the City, including significant considerations tied to the following challenges:

1. The global COVID-19 pandemic has created financial uncertainty, primarily due to decreased revenues
2. The CAO is retiring in November 2020
3. The positions of Director of Public Works and Manager of Engineering are vacant and under review
4. Construction of the LNG Canada Project has created a number of challenges, both positive and negative
5. The taxation base is particularly difficult for the City as the majority of annual revenues are from residential and small business taxation without significant industrial taxation.
6. Staff workload has become unsustainable due to the heavy demands resulting from significant increases in building and development, strategic plan priorities, capital projects and day-to-day operational work.

Notwithstanding the recommendations for increasing efficiency and performance, this review found that, when compared to other similar reviews, there are few urgent changes required to enhance the organization. However, there are numerous essential ones that should be considered a high priority:

Key Recommendations:

1. Complete a comprehensive asset management plan, including full condition assessment of all City infrastructure
2. Increase management capacity in Engineering and Public Works
3. Enhance Occupational Health & Safety and conduct a safety audit
4. Develop and Implement a City-wide employee performance development program
5. Develop and implement a City-wide succession planning program
6. Benchmark key service and performance functions

7. Conduct a formal efficiency review of Library Services
8. Communicate the value of City services and key performance indicators to primary stakeholders
9. Develop and Implement a Development Cost Charges (DCC) Bylaw

The City of Terrace would also benefit from improvements in a number of less urgent areas, such as updated policies and procedures, evaluating flexible work arrangements, recruiting volunteer firefighters, etc. A full listing of all recommended actions and estimated priority is found on pages 34-36.

It is important to re-emphasize that the City of Terrace is functioning at a high level at this time. ISG has completed over 40 similar reviews and confirms that Terrace is a “high performer” in the local government world. Recommended improvements will further enhance a strong organization and build on the many positive attributes learned during this evaluation. Innova Strategy Group extends its best wishes to the City of Terrace as it implements the recommendations, as applicable.

A handwritten signature in blue ink, appearing to read "Kevin Ramsay".

Kevin Ramsay, ASCT, RTMgr
President, Innova Strategy Group Ltd

OVERVIEW

OBJECTIVE

The City of Terrace Service Assessment was conducted by Innova Strategy Group in September-October 2020. The review included an examination and assessment of the overall leadership, management and operation of the organization considering both existing and future challenges. Comparisons were made to other B.C. local government best practices in addition to the specific economic drivers facing the community.

The primary objective for the review was to provide a broad overview of existing conditions and recommendations for improvement. This information should assist with decision-making on the future governance and operations of the City. The review also provides findings and recommendations required for staff to recommend to Council in order to make immediate changes to operations, the City's financial structure and potential funding requirements.

SCOPE OF WORK

- Identify and gather necessary background information (organizational structure, strategy reports, financial reports, drawings, maps, etc.)
- Review and analyze all reports, studies, and data
- Interview key personnel and elected officials
- Develop key themes and consult with CAO and others, as required
- Finalize report to Council

APPROACH

Innova's approach included research, interviews, consultation, and collaboration. Based on the end of project deliverables, the specific project methodology included:

1. **Verify** – Review and verify approach details, strategic plan and templates, stakeholder numbers and data, interview schedule, contact information and establish communication plan and messaging. Determine local government comparator municipalities. Confirm the detailed work plan with the CAO.
2. **Set Expectations** – Launch stakeholder communication articulating purpose, process and timing – Council, staff and appropriate agencies.
3. **Research** – Review and understand specific relevant City information/data that will enhance the process and interactions with stakeholders – e.g. strategic plans, operational plans, capital project plans, budgets, departmental plans, reviews/audits, staff surveys, etc.
4. **Review Current Structure** – Understand current management job descriptions with a view to potentially make amendments and/or create any new position descriptions that are consistent with any organizational changes recommended. Review comparator organizations' structure, alignment, and salary scales.
5. **Engage & Consult** – Engage, listen, consult and document stakeholder input to ensure a broad perspective is considered for key elements within an effective corporate business plan & measurement. Conduct confidential interviews with:
 - Mayor and Councillors (7)

- Management (15)
 - Key influential staff (3)
 - Union Presidents (2)
 - Others (1)
6. **Capacity Analysis** – Facilitate a process to develop a high-level task /capacity analysis for departmental staff for all non-operational service delivery to establish the organization’s capacity and resource allocation.
 7. **Develop a Performance Measurement Program** – Using industry best practices, design measurement tools suited to the City of Terrace.
 8. **Develop Options** - Utilizing industry best practices, develop potential reorganization options that:
 - a) align services
 - b) provide appropriate leadership control
 - c) encourage the marketability for attraction and retention of employees
 - d) consider economies of scale
 - e) consider potential growth
 9. **Confirm Options** – Meet with the CAO and present initial findings and present options considered for proposed changes to the organizational structure. Adjust as required.
 10. **Final Report** – Finalize the organizational structure and capacity needs. The final report will also include:
 - a. High-level Needs Assessment & Gap Analysis – identify any gaps within the existing work plans against strategic business objectives
 - b. Organizational deficiencies, as noted through the data collection and interview process
 - c. Capacity Analysis, available for future use

REVIEW CATEGORIES

The following categories were used for structuring the examinations and reporting for the review:

- A. **PEOPLE & STRUCTURE** – Staff engagement, performance, development, roles, and responsibilities
- B. **TECHNICAL, STRATEGY, SERVICE DELIVERY, PROCESS** – Capacity, response, regulatory compliance, environmental, maintenance services, health & safety, work processes (work orders), procedures, issue management, project management, budgeting & accounting, funding, and emergency management.
- C. **FINANCIAL** – Financial management, sustainability, budgeting, cost allocations, fees.
- D. **COMMUNICATIONS** – Information, notifications, input & feedback, relationships and overall communication.
- E. **LEADERSHIP, STRATEGY & PLANNING** – Organizational functionality, regional growth, long-term planning, funding models, asset management, technology, policy.

TERRACE BACKGROUND

History

The City of Terrace is located near the Skeena River in Midwest British Columbia, approximately 900 kilometres north of Vancouver. The community is the regional retail and service hub for the northwestern portion of the province. With a current population of more than 12,000 within municipal boundaries, the City provides services to surrounding communities, bringing the Greater Terrace Area population to more than 18,000 residents. The Kitselas and Kitsumkalum people, members of the Tsimshian Nation, have lived in the Terrace area for thousands of years. The Indigenous communities of Kitselas and Kitsumkalum neighbour the city to the east and west.

As northwest British Columbia's main services and transportation hub, Terrace is intersected by the Canadian National Railway as well as Highway 16 (running east to west), Highway 37 South, and Highway 113. Air services are provided at Northwest Regional Airport, with connections to Prince George, Smithers and Vancouver. The Terrace railway station is served by Via Rail's Jasper-Prince Rupert train. Health care in Terrace is administered by Northern Health and provided in part by Mills Memorial Hospital.

The region is one of the oldest continuously occupied regions of the world and, long before European contact, was one of the most densely populated areas north of Mexico. The Tsimshian Nation's traditional economy was based on hunting, fishing and social gatherings, for domestic consumption or trade, on their traditional lands. For aboriginal people, the Skeena River was used for transportation, communication, war, trade, as a source of food, and at times for protection.

Terrace was once the cedar pole capital of the world. More than 50,000 poles were manufactured annually to supply many parts of North America with telephone and electric power poles. The world's tallest pole, 50m (160 ft) long, was cut in Terrace and stands in New York City. For many years, logging was the region's major industry.

In 2001, the community was significantly affected by problems with and the eventual closure of, the largest local employer, the former Skeena Cellulose Inc. sawmill. The mill was bought by Terrace Lumber Co., a group of local owners and reopened in late August 2005, but did not prosper and closed in mid-2006. By the end of 2006, the remaining equipment was auctioned off and the mill was torn down.

Despite these blows, forestry remains an economic driver in the region with one medium-sized sawmill (Skeena Sawmills, owned by ROC Holdings) and log exports supporting a modestly busy sector.

Terrace's employment also includes a large public sector workforce, recently supplemented with an influx of private companies arriving to support Liquefied Natural Gas (LNG) projects in the region. Many people in Terrace also commute to Kitimat to work at Rio Tinto. The City has continually worked at reinventing itself as a service hub for northwestern British Columbia.

Current economic prospects are linked to tourism, mineral developments to the north and northwest, construction of a power line towards Iskut and energy-related developments in Kitimat. The latter include the LNG Canada plant and terminal project planned in Kitimat, scheduled for completion in 2024–2025, as well as from the related Coastal GasLink Pipeline project of TransCanada Corporation.

Governance

The Village of Terrace was incorporated in 1927. Typical of local government in British Columbia, the municipality is governed by a democracy based on a Mayor and six Councillors, with elections taking place every four years.

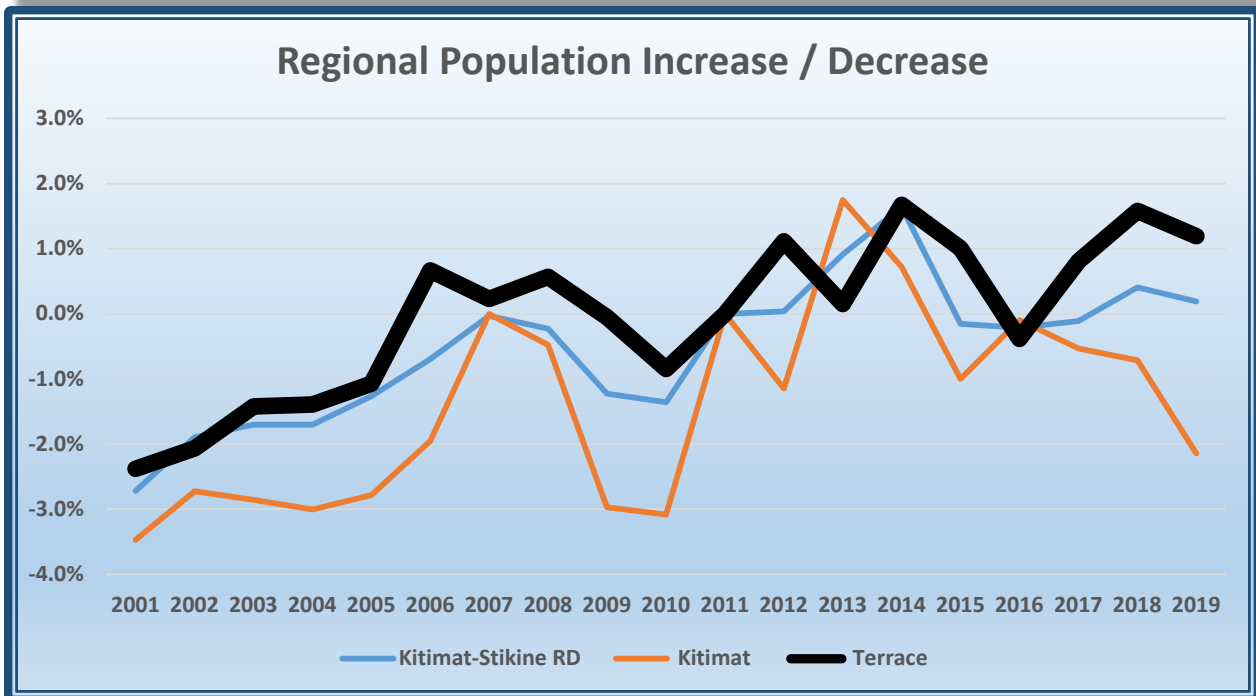
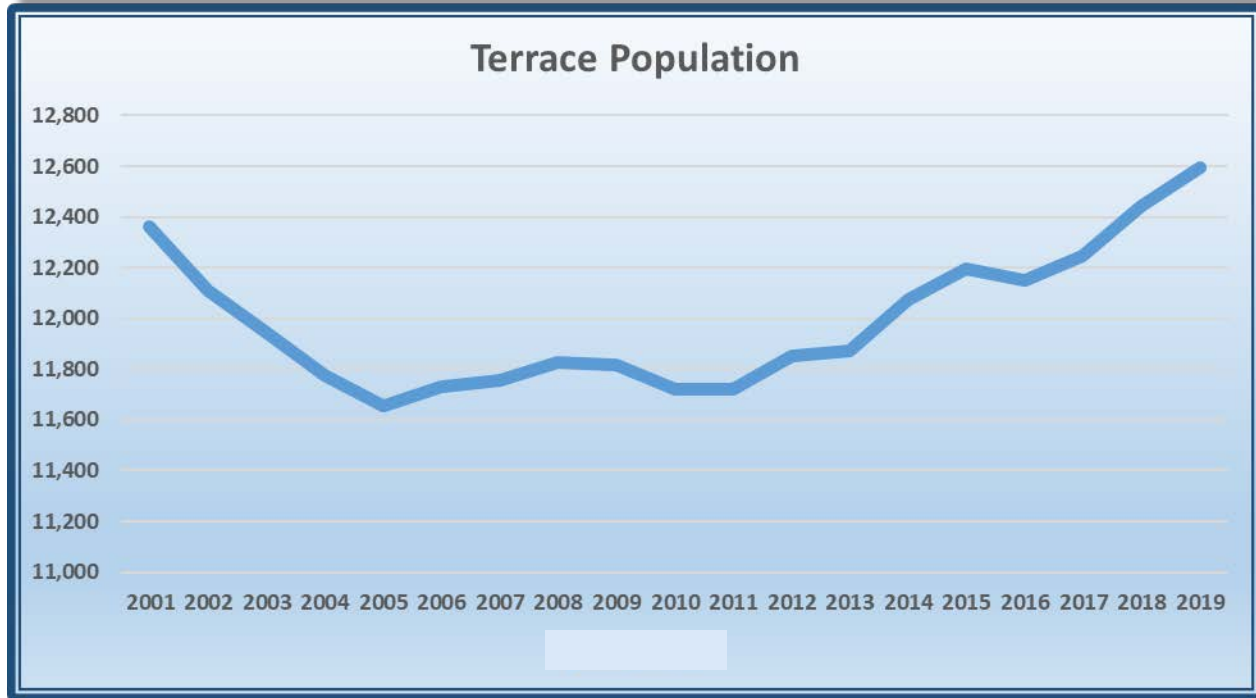
The City of Terrace is a member of the Regional District of Kitimat-Stikine (RDKS) and holds two of the 12 director positions on the RDKS board (appointed by Council). The RDKS administrative offices are located in Terrace. RDKS includes five incorporated communities (City of Terrace, District of Kitimat, Village of Hazelton, the District of New Hazelton and the District of Stewart) in addition to six electoral areas. As of the 2016 Census, RDKS had a population of 37,267 living on a land area of 91,910.63 km² (35,486.89 sq mi). There are many unincorporated communities, most of them First Nations reserves, which are not part of the governmental system of the regional district (like all regional districts, RDKS has limited powers relating mostly to municipal-type services). Approximately 35% of the population is of Indigenous descent. The overall population in the RDKS has declined from its previous 41,000 residents.





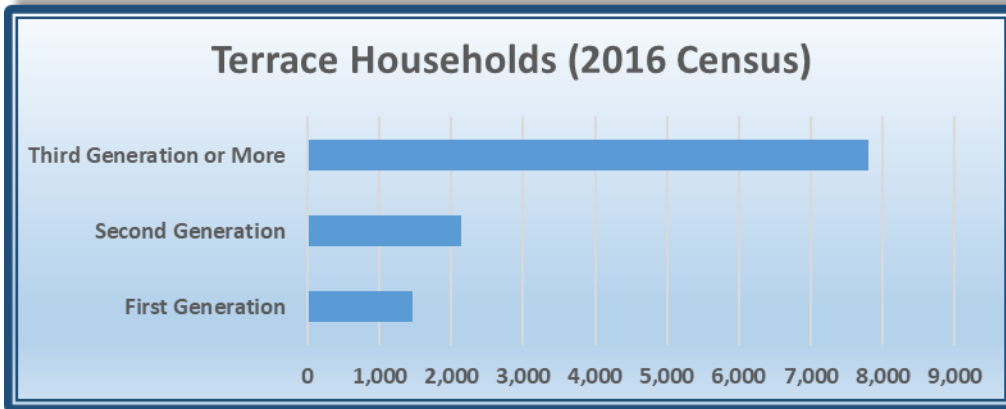
Demographics

Terrace has seen a steady increasing population over the past eight years and has the highest growth in the RDKS.

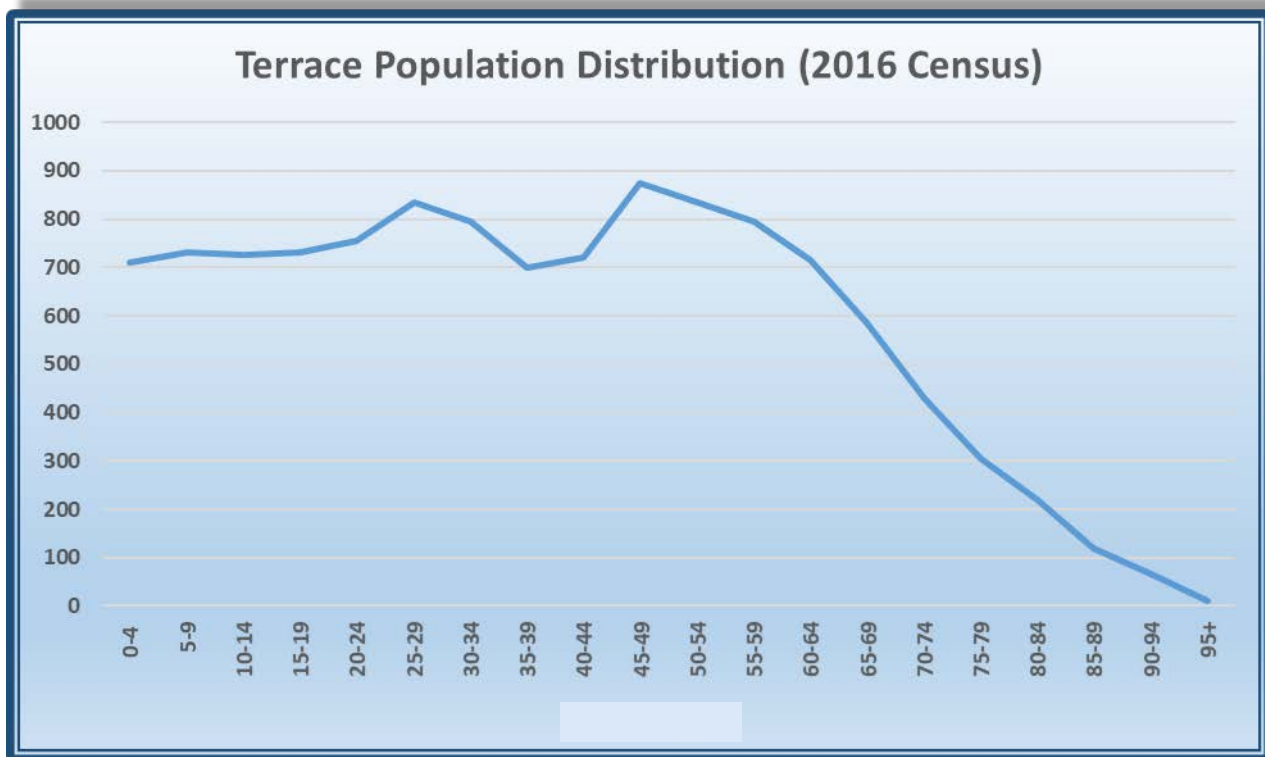




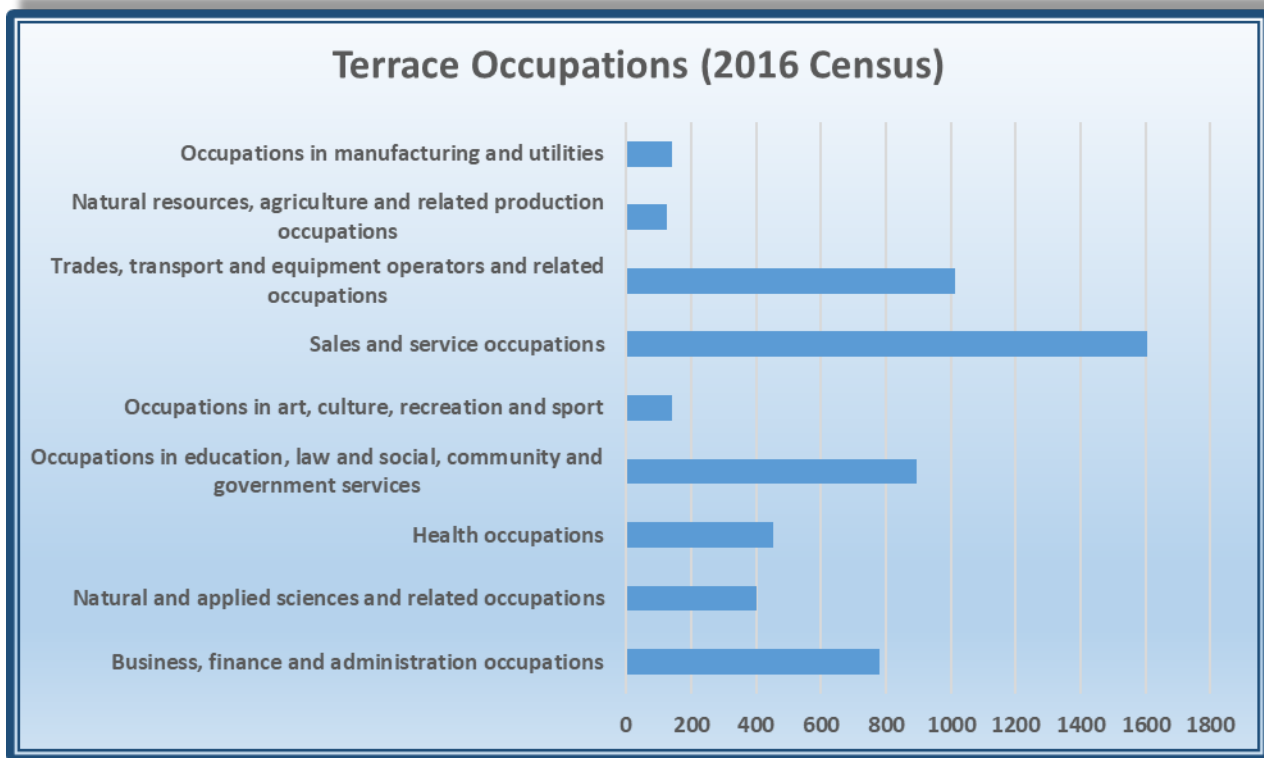
The majority of Terrace’s residents are born and raised in the community, with 75% of residents identifying as third generation.



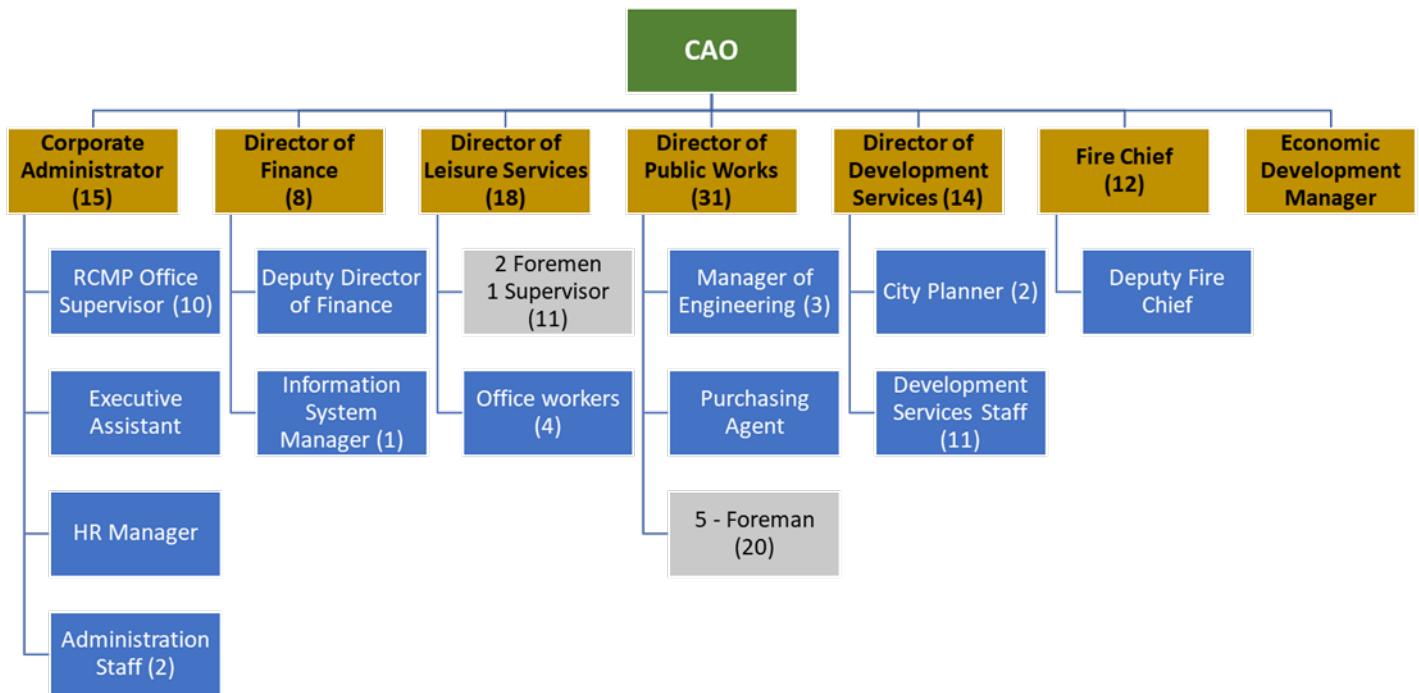
Terrace has a healthy age demographic that balances age groups equally between birth and 60 years of age.



Terrace is the business hub of the region and provides key services to surrounding areas.



Organizational Structure

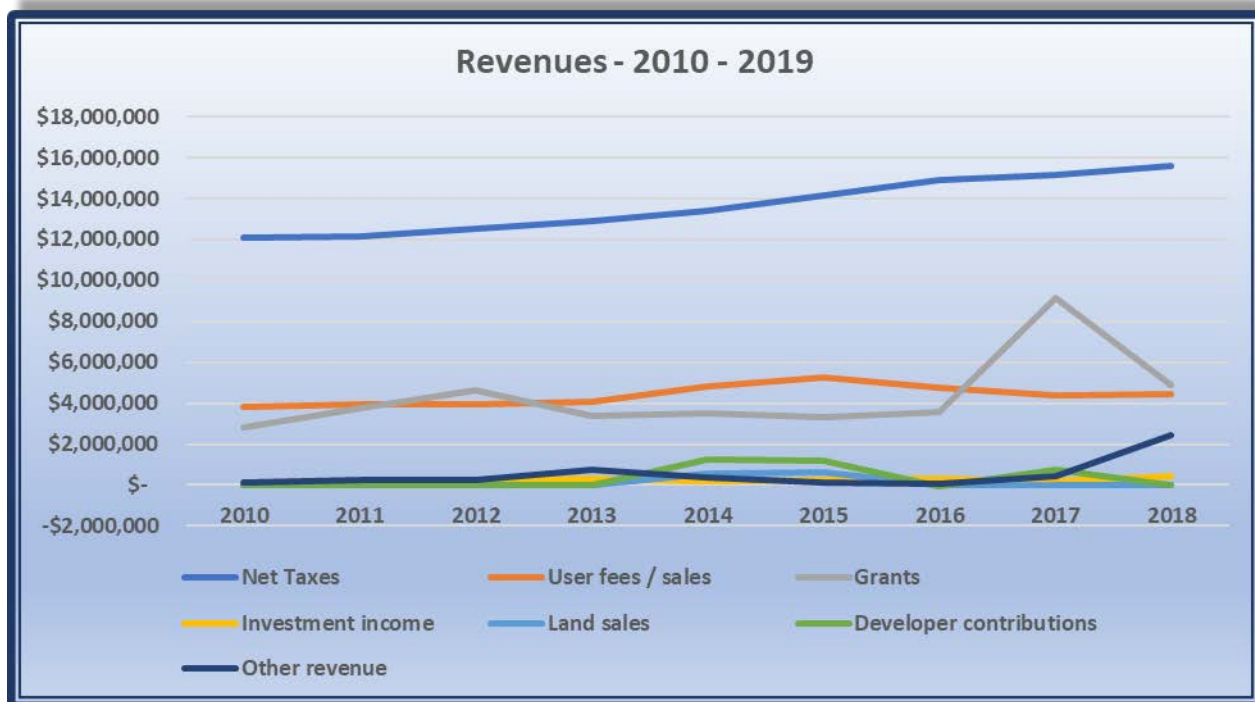


Finances

Terrace has experienced both increased revenues and expenditures by 31% over the past eight years, averaging 3.5% per year. This is not unusual for like-sized municipalities in B.C. These seemingly high increases are a result of:

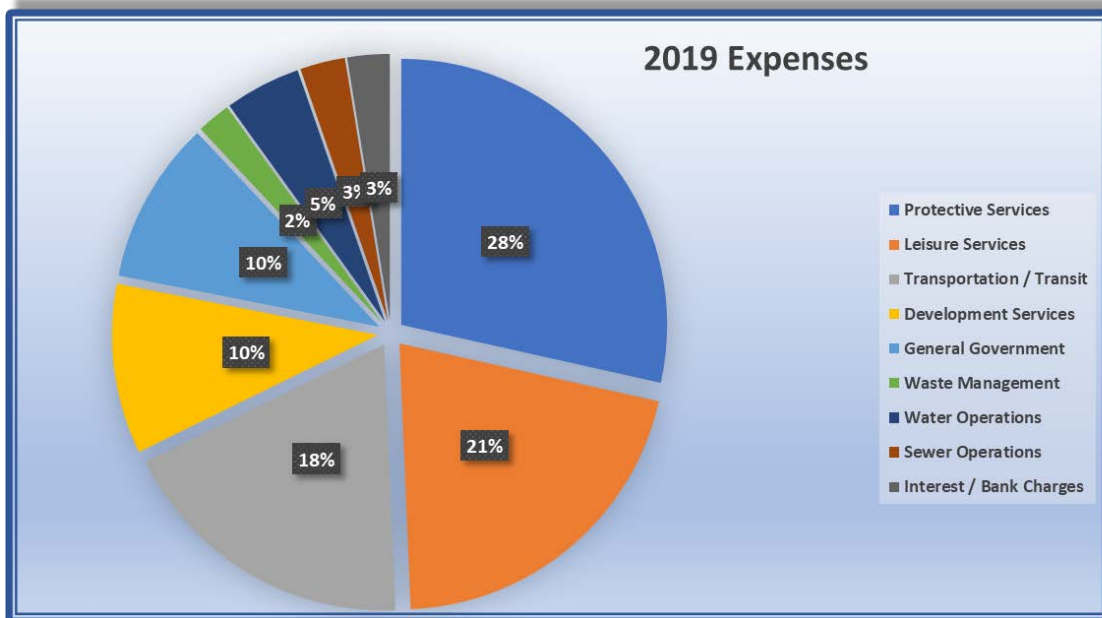
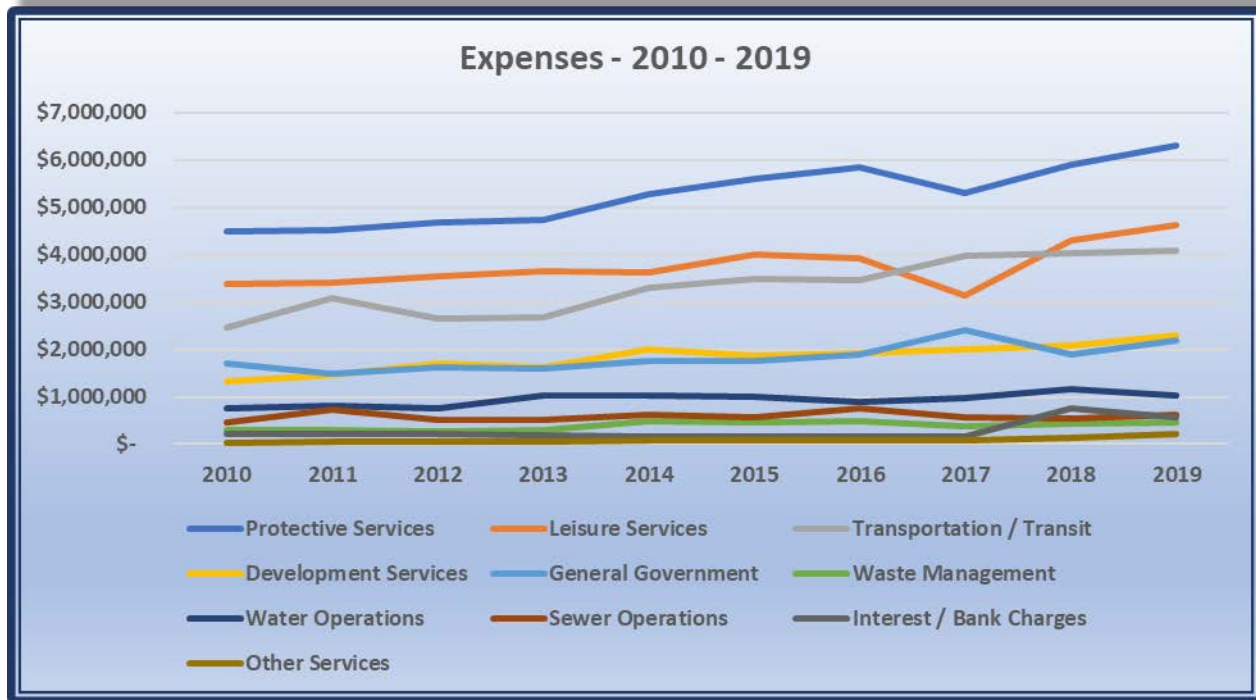
- downloading of Federal and Provincial costs to local government
- increase in developed areas and coinciding service increases
- increase in population and demand for services
- community expectations for service levels
- inflation

Revenues increases are primarily from increased taxation. Terrace receives considerable grants from various government agencies that support the ongoing operating and capital budgets. The higher revenues than expenses relate to grants received, not general taxation.



Expenses are somewhat typical of local government. Protective Services (Police, Fire and Emergency Management) account for the largest portion of the budget (28%) and are the most difficult to control. Fire Services salaries continue to escalate beyond inflation due to the Provincial Fire (and Police Services) Collective Bargaining Act, which does not recognize the ability to pay and sets a “standard” for all firefighter rates across the Province. RCMP costs continue to increase beyond inflation.

Leisure Services expenses are approximately 20% of expenditures, which is higher than most local government organizations. This is a cost shared expense, which defrays some of the burden to Terrace.





Revenue Changes

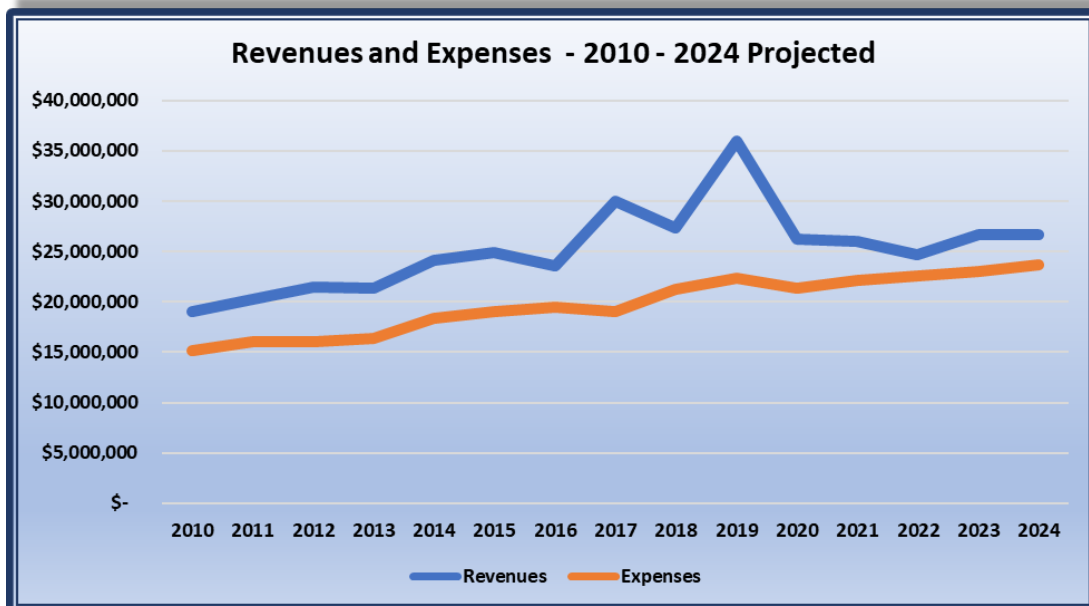
	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 yr total	av year
Net Taxes	0.7%	2.9%	2.9%	3.5%	5.6%	5.0%	1.7%	2.6%	2.3%	24.2%	2.4%
User fees / sales	2.0%	1.2%	2.7%	15.6%	7.8%	-10.9%	-8.3%	1.6%	11.1%	23.0%	2.3%
Grants	24.5%	18.5%	-37.1%	4.0%	-6.0%	7.7%	60.8%	-87.5%	60.5%	77.0%	7.7%
Investment income	30.0%	-1.2%	38.5%	-56.4%	29.9%	11.8%	-65.4%		37.8%	82.4%	8.2%
Land sales											
Developer contributions											
Other revenue	38.3%	-5.3%	68.7%	-86.8%	-303.3%	-24.2%	82.3%	81.9%	-137.6%	85.5%	8.6%
	6.0%	5.8%	-0.7%	11.4%	3.1%	-5.8%	21.7%	-8.3%	22.9%	31.4%	3.5%

Expenses Changes

	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 yr total	av year
Protective Services	0.9%	3.6%	1.2%	10.0%	5.9%	4.0%	-10.2%	10.1%	6.6%	29.1%	2.9%
Leisure Services	0.7%	3.8%	2.6%	-0.9%	9.7%	-1.9%	-25.3%	27.2%	6.8%	26.5%	2.6%
Transportation / Transit	19.7%	-16.5%	1.3%	19.2%	5.5%	-1.3%	13.0%	1.5%	1.3%	39.6%	4.0%
Development Services	9.3%	14.3%	-5.8%	19.3%	-7.4%	3.0%	3.1%	4.1%	9.3%	41.7%	4.2%
General Government	-14.1%	7.5%	-0.6%	8.4%	0.0%	7.7%	21.1%	-27.1%	13.7%	22.3%	2.2%
Waste Management	-3.9%	-6.6%	10.8%	36.9%	-5.9%	6.1%	-29.1%	11.7%	5.4%	33.2%	3.3%
Water Operations	7.4%	-6.9%	26.5%	-1.2%	-1.4%	-12.0%	7.7%	15.0%	-12.3%	26.3%	2.6%
Sewer Operations	37.1%	-42.9%	-2.4%	19.8%	-8.1%	23.5%	-30.7%	-9.0%	12.7%	24.0%	2.4%
Interest / Bank Charges	-0.1%	-4.2%	-9.6%	-30.8%	-0.8%	2.4%	-0.3%	79.8%	-34.6%	59.9%	6.0%
Other Services	21.6%	21.7%	-9.1%	33.1%	1.1%	-0.2%	6.5%	30.5%	38.7%	82.3%	8.2%
	5.8%	-0.3%	2.2%	10.6%	3.6%	2.2%	-2.4%	10.5%	5.2%	28.5%	3.2%

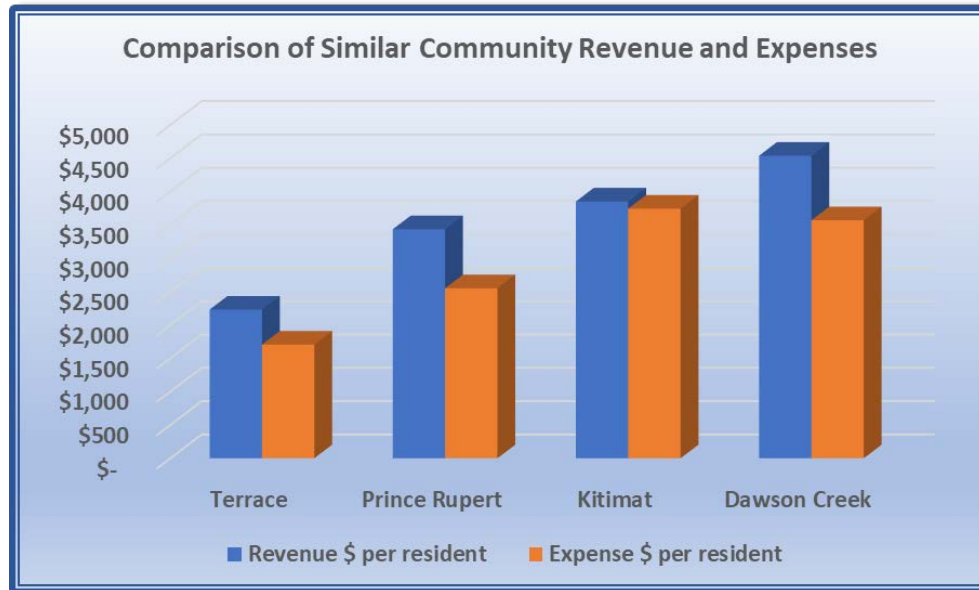
Projections

Finance projections indicate steady growth in revenues and expenses for the next four years. These figures do not include adjustments for COVID-19 influences.



Comparison to other local government

Comparisons of revenues/expenses to Terrace's comparable municipalities—Prince Rupert, Kitimat, Dawson Creek—should be avoided. All three of these communities have greater heavy industry which pays a much higher percentage of the tax loading. This allows for a better balance with residential taxation, but also allows for higher levels of service in each community. Dawson Creek also benefits from the Peace River Agreement, which provides more than \$100 million annually to northeastern communities involved in the oil and gas sector. The following review of 2018 revenues and expenses demonstrates the vast differences between organizations.



NOTE: 2018 Revenues and Expenses are for illustrative purposes as 2019 audited financial statements not available during the review period)

2018 Revenues	Terrace	Prince Rupert	Kitimat	Dawson Creek
POPULATION - 2018 Estimate	12444	12972	8376	12931
Net Taxes	\$ 15,574,917	\$ 19,775,574	\$ 26,960,685	\$ 17,740,465
Grants	\$ 4,865,001	\$ 6,218,553		\$ 23,940,867
User fees / sales of service	\$ 4,441,763	\$ 11,253,089	\$ 2,017,190	\$ 15,044,977
Investment income	\$ 436,080	\$ 425,994	\$ 550,002	\$ 278,219
Land sales				
Developer contributions				
Other revenue	\$ 2,432,313	\$ 6,876,635	\$ 2,724,802	\$ 1,658,992
	\$ 27,750,074	\$ 44,549,845	\$ 32,252,679	\$ 58,663,520
Revenue \$ per resident	\$ 2,230	\$ 3,434	\$ 3,851	\$ 4,537

2018 Expenses	Terrace	Prince Rupert	Kitimat	Dawson Creek
POPULATION - 2018 Estimate	12444	12972	8376	12931
Protective Services	\$ 5,897,585	\$ 10,167,184	\$ 6,739,178	\$ 9,135,199
Leisure Services	\$ 4,302,351	\$ 5,987,429	\$ 6,690,373	\$ 12,937,233
Transportation / Transit	\$ 4,030,622	\$ 5,813,308	\$ 5,679,346	\$ 7,492,917
Development Services	\$ 2,077,682		\$ 2,081,085	\$ 1,514,505
General Government	\$ 1,894,412	\$ 5,629,837	\$ 4,118,481	\$ 4,836,703
Water, Sewer and Solid Waste	\$ 2,112,655	\$ 5,170,258	\$ 3,235,310	\$ 8,857,251
Interest / Bank Charges	\$ 768,302		\$ 173,306	
Other Services	\$ 128,441	\$ 304,798	\$ 2,635,688	\$ 1,387,864
	\$ 21,212,050	\$ 33,072,814	\$ 31,352,767	\$ 46,161,672
Expense \$ per resident	\$ 1,705	\$ 2,550	\$ 3,743	\$ 3,570

Capital Reserves:

A review of allocated reserves from September 2019 indicates good local government standards for developing financial reserves, however, there is no way to identify if the reserve total represents an accurate replacement schedule for assets.

Debt loading was \$5.3 million in 2019 and \$4.3 million in 2018. Current debt is well below the thresholds for local government borrowing. Based on current interest rates, the City could consider borrowing as an asset management financing strategy.

Reserves Summary as at January 1, 2020

Reserve Name	Jan 1st, 2020	Restrictions / Purpose
Northern Capital and Planning Grant	\$ 7,987,738	Mandatory Capital and planning, can also include cost of land associated with Capital project
Gas Tax - Community Works Fund	\$ 562,644	Annual Gas Tax funding
Land Acquisition	\$ 1,425,786	Mandatory - Acquiring land, improvements or other assets of a capital nature
Affordable Housing	\$ 562,644	Providing or supporting affordable housing
Capital Works	\$ 1,995,480	Capital projects/ land/ machinery/ equipment
Parks Reserve	\$ 144,364	Mandatory - Acquisition of park lands
Parking Space Reserve	\$ 74,064	Mandatory - New or existing off-street parking
Machinery and Equipment	\$ 3,383,701	Replacement of machinery and equipment
Active Transportation	\$ 14,848	Infrastructure supporting alternative transportation methods
Landfill Closure	\$ 201,697	Mandatory closure fund
TOTAL	\$ 16,352,966	

Grants:

Terrace receives additional funds from various government organizations. For the 2020 capital budget, grants were obtained from:

- UBCM Infrastructure Planning
- UBCM Community Resiliency
- Rural Dividends
- Gaming revenues (grants)
- Northern Capital and Planning
- Gas Tax
- Traffic Fine Revenue
- MIA Risk Management
- Ministry of Public Safety

FINDINGS

Staff were open and forthright during the interviews; it is clear that they sincerely wish to improve the workplace and levels of service. Senior leaders are aware of the challenges that this review has identified and continue to be open to changes and improvements. Most concerns were repeated in all interviews, providing validity for the relevancy and accuracy of the information. Although there are some areas that could be improved upon, there are also many positive conditions and service levels that support both staff and the community at a high level. Overall, the City of Terrace is operating very well considering the current conditions and financial constraints.

Through the interview process it was also evident that there are some systemic issues with Terrace that have hindered its ability to be as efficient and effective as it can be. These organizational challenges and recommended solutions have been identified that will benefit the City moving forward.

Key Issues

In 2020, Terrace was faced with a number of issues and challenges that affected the organization and the community. The COVID-19 pandemic, construction of the LNG pipeline, and financial challenges all contributed to high workloads for staff, particularly key managers.

COVID-19 has created significant pressures on the organization as the City provides key services to the public. COVID-19 created immediate barriers and the City had to pivot quickly, including reallocation of staff, working from home, and closing some services. By all accounts staff is doing an outstanding job of servicing the needs of the community through the pandemic without disruption of core services. Discretionary services (recreation, parks, etc.) are being assessed and matched to provincial policy to ensure public safety.

Construction of the LNG Canada Project has provided an economic boost to the community through employment, sale of goods, demand for support services and increased development. Although pipeline construction has helped many businesses in the community, it has not provided any financial advantage to the City as residential and small business taxation is the primary form of revenue. An increase in homelessness, demands for City services, and an increase in policing costs has impacted Terrace.

Taxation is a particular challenge for Terrace compared to other similar sized organizations. The community's ability to pay is limited while costs continue to escalate. Federal and Provincial government downloading, salary increases, asset replacement, and significant increases to goods and services contribute to annual budget increase requirements of 3%-6%, which is significantly higher than inflation rates. The CAO, Chief Financial Officer (CFO) and Council are regularly challenged with balancing the community's needs with an appropriate taxation level. Although this is a common challenge in Canada, Terrace is particularly vulnerable due to its remote location and limited ability to generate increased revenues through means other than general taxation.

Workload is a key concern for Terrace. Development is "booming" in Terrace and staff are working under increased stress to provide the expected levels of service required to operate the City. Senior Managers are particularly vulnerable as they often work extraordinary hours, without pay, to maintain their portfolios. This is not sustainable and could result in challenges for retention and future recruitment.

Staff Turnover/Succession Planning challenges were amplified during this review. The critical positions of CAO, Director of Public Works, and Manager of Engineering are in transition as a result of retirement, internal transition, and resignation. This has created a significant gap in capacity that must be addressed as soon as possible. In addition, a number of employees will likely retire in the coming two years, creating a significant dearth in historical perspective, skill and intellectual capacity. Overall, attraction and retention of staff is a key concern for the organization.

Council's 2018-2022 Strategic Plan is a thoughtful and powerful document that outlines key deliverables for staff to accomplish during the current Council term. These priorities are placing greater pressure on an already stretched management team.

City of Terrace Strategic Plan

1. Increase City Revenues

Goal	Priority Action
Find new sources of revenue for the City of Terrace	Grow the tax base to generate additional revenue through attracting new developments.
	Pursue grant opportunities to fund priority initiatives and projects.
	Council's continued advocacy for a Resource Benefit Alliance (RBA) agreement with the Province.
	Funding support from industry to address impacts from local projects.

2. Responsible Asset Management

Goal	Priority Action
Ensure City infrastructure is sound and resourced into the future. Maintain and renew City of Terrace capital assets.	Staff to develop and bring to Council asset management, finance and reserve plans and policies for consideration.

3. Value our Natural Assets and Lifestyle

Goal	Priority Action
Maintain our natural spaces and encourage an active outdoor lifestyle.	Develop a strategy to implement recommendations from the Parks and Recreation Master Plan

4. Enhance Civic Pride

Goal	Priority Action
Improve the appearance of the City overall, with emphasis placed on the entrances to the City and the downtown. Foster a high quality of life.	Develop a strategy to improve the appearance of the entrances to the City and downtown.
	Implement the Downtown Plan
	Emphasize that improving the City's image is a shared responsibility through programs, social media etc.
	Provide a supportive environment to encourage arts and culture opportunities in the community.
	Promote community food security and support of the Farmers' Market
	Celebrate our diversity in history and culture through community events such as National Indigenous Peoples Day,

Canada Day and Riverboat Days

5. Advocate for Community Social Issues

Goal	Priority Action
To ensure Terrace is a safe and attractive city to live, work and play. To advocate for the provision of adequate services to meet social and health needs in the community. To promote a healthy community.	Continue to build relationships with external agencies and organizations.
	Collaborate with our First Nations neighbours to ensure we advocate for services that meet their needs.

6. Manage Impacts of Growth

Goal	Priority Action
Be prepared for anticipated growth pressures and future grant opportunities	Staff to prioritize recommendations, initiatives, and projects flowing out of recent planning studies e.g. OCP, Active Transportation Plan, Parks and Recreation Master Plan, Transportation Master Plan, Downtown Plan and Design Guidelines etc.
	Ensure staff capacity is adequate to advance priorities.
	Where possible, prepare shelf-ready project plans and documents appropriate for future grant programs.
	Foster strong relationships with our First Nations neighbours and show support for their economic development initiatives.

People & Structure

The City of Terrace has many dedicated staff that are committed to the well-being and future of the organization. Many employees have been with the City for more than 10 years, which provides an enormous advantage when considering the corporate memory of the organization. This long tenure is also an indication that employees are committed to the organization and that Terrace is a good employer. Terrace staff are generally well trained and versatile. Staff generally work very well together and assist each other, as required.

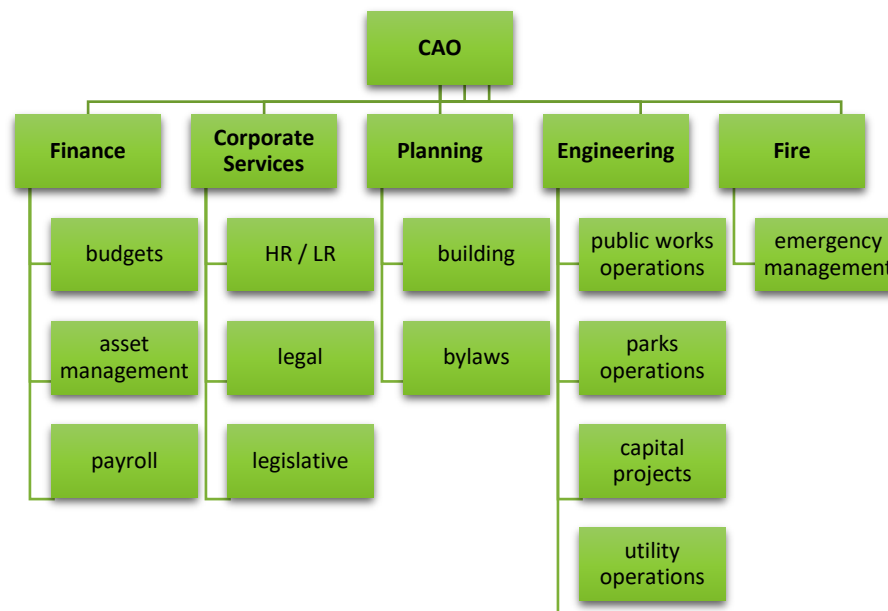
Terrace is challenged in terms of recruitment in the region at this time, primarily due to the many opportunities to earn higher wages in the energy sector. Recent examples of failed job placements identified that a primary challenge is compensation and benefits. Further, recruitment is also challenged by the low unemployment rate in the region.

Succession planning has not been considered as a priority in Terrace. Best practice in local government includes succession planning programs that identify “star” employees and furnish opportunities to learn through acting assignments, training, and mentoring.

Terrace staff are viewed favourably from a customer service perspective. Always willing to help, they represent Terrace well in all frontline and field interactions with the public, stakeholders, and developers. Although there are some complaints from the development and building community, these are only related to timelines, not the relationship with staff.

The City’s organizational structure consists of Corporate Administration, Finance, Leisure Services, Public Works, Development Services, and Fire Services. The RCMP operates independently; however, City staff are assigned to the detachment to support the work of the RCMP. This structure is relatively conventional and consistent with most B.C. local government organizations. Public Works, Leisure Services and RCMP all work outside of City Hall.

Most organizations in British Columbia that are similar in size to Terrace are organized with the following convention:



The only area of specific concern regarding organizational structure is Public Works. Public Works is the largest department and has significant responsibilities that encompass many areas of typical local government organizations. Approximately 31% of Terrace staff work in this department, more than 45% of operational expenditures are driven through Public Works, and the bulk of capital works are administered in this department. The current structure provides two managers for oversight. In 2010, there was a third support position in Public Works / Engineering that managed solid waste, Occupational Health & Safety and other issues, as required. This position was not replaced when the staff member left the City.

Purchasing currently reports to Public Works. Most local government organizations align purchasing functions with the Financial Services department.

Overall, staff morale and employee engagement are generally good throughout the organization. Employees are committed to the community and each other, with many examples of superior performance. Staff work well with each other, there are few conflicts between managers and other staff, and there is no evidence of defined silos that could lead to inefficiencies. Morale is becoming challenging in areas where work levels have increased dramatically.

Staff work well with Council and there is a healthy and respectful relationship between elected officials and managers. Council members clearly understand their roles and rarely veer from their core responsibilities of strategy, policy, and financial decisions. The relationship is one of the healthiest ISG has observed and this inevitably leads to the best decision-making for the community.

Staff have good relationships with the community and most have an excellent quality of life and work/life balance. However, there are currently a number of senior managers who are working long hours to simply keep up with the heavy workload. Some managers have not been able to take vacation or other time off due to job pressures.

Additional business functions reviewed:

- **Performance Development**-Staff report that they have had, at most, only one or two performance reviews in their entire career. Performance development is a key component of any organization, allowing employees to both understand their strengths and weaknesses and perhaps most importantly, seek direction to better their careers. In recent years the CAO has introduced performance reviews with senior managers. There is currently no formal opportunity or leadership direction to conduct annual reviews for all staff. There is also no formal succession planning program.
- **Training**-Staff report that there are limited training budgets and limited opportunities to support training endeavors. Many municipalities invest heavily in courses by the Local Government Management Association, BC Water and Waste Association, Colleges, and Universities, which allow for significant growth in employees. The City of Terrace provides limited financial support for training and development compared to other like-sized municipalities.
- **Attendance Management**-There is no formal attendance management program although Human Resources has done an excellent job of collecting data to ensure issues are addressed, where appropriate.

- **Labour Relations**-There are two unions that represent Terrace staff--International Association of Firefighters (IAFF) and Canadian Union of Public Employees (CUPE) and there is a respectful and productive relationship between management and both unions. There are very few grievances as the unions and staff work well to find common ground.
- **Employee Attraction and Retention**- Staff report that the quality of hiring and hiring practices are generally good, however, it is often difficult to attract employees with the skills, knowledge and abilities for the required positions. There are a number of reasons for this including compensation, benefits, opportunity, leadership styles, etc. A number of senior public works employees will be retiring in the coming years, leaving a significant gap in corporate knowledge.
- **Remuneration**-Most staff reported that they were comfortable with the remuneration and benefits received for the work they are performing. Almost all employees recognized that they could receive significantly higher salaries working in the private sector, however, they also recognize that there is a benefit in working for an organization where there will always be employment.
- **Occupational Health & Safety**-The Occupational Health and Safety Program is managed through throughout the organization. The program was previously managed by a dedicated manager who had the skills, knowledge and abilities to deal with OH&S issues across the organization. Terrace values a safe workplace and working conditions, but has not recently conducted an organizational safety audit to ensure there are no gaps.
- **Fire Services**-The City has a conventional composite fire department that is typical of like-sized communities throughout B.C. Staff include a Chief, Deputy Chief, Clerk, 10 fulltime firefighters, with support from 11 volunteer firefighters. The IAFF Collective Agreement is one of the more balanced agreements in the Province as there is a flat rate (12 hrs/month) for overtime versus premium rates for all overtime. Firefighters are trained as instructors and have superior training, knowledge, and skills. The Fire Department recently hired two new firefighters with an overall budget increase of \$300,000 / year.

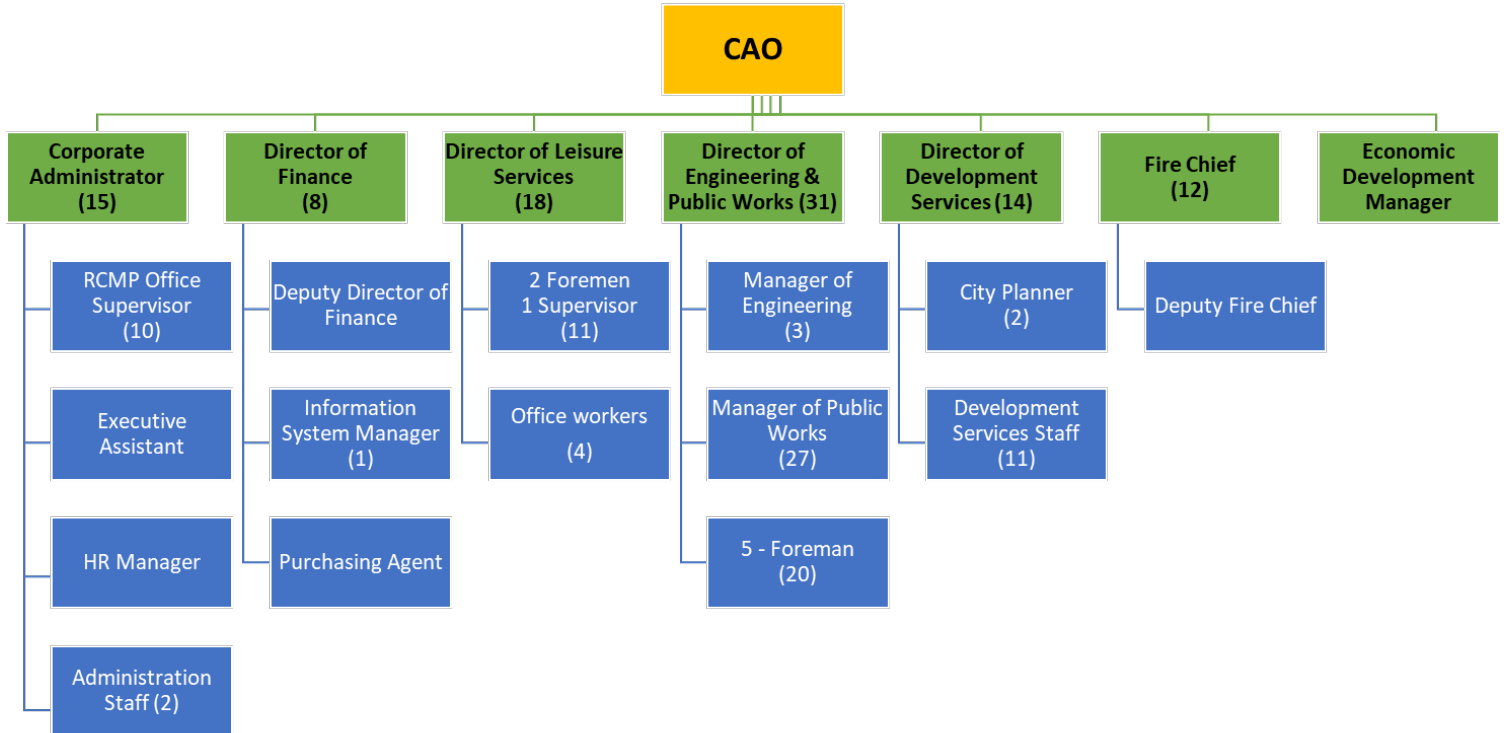
The workload has changed from more than 1,600 calls / year to approximately 850 call / year as a result of EHS medical call response protocol changes. This reduced workload should allow for better work/life balance along with more available hours to support the City.

There are some solid volunteers available to assist, however, not enough to rely on in a major emergency. This is not a critical a concern as Terrace Fire Department utilizes neighbouring fire departments by means of mutual-aid protocols. It is difficult to attract volunteer firefighters and there are currently 11 volunteers with a target of 30.



Recommendations

1. A formal succession planning program should be developed and implemented to encourage advancement of existing employees. This should be tied into the performance development program and linked to training opportunities. Consider ongoing opportunities for key employees to act in higher level positions and to be mentored by senior leaders.
2. The City would benefit from a reorganization to add capacity/expertise in Engineering and Public Works. This has been contemplated for a number of years and needs to be addressed as soon as possible. The CAO should consider a reorganization that balances Engineering and Public Works workload and also regulates and modernizes roles and responsibilities. Attraction of key leaders into the three management positions is a priority and will ensure the continued success of the community, particular when considering the expectations around growth. Purchasing should be moved to Finance, typical of local government organizations.
3. The City needs to provide OH&S resources. This could be achieved through contracting specific services or by the inclusion of skills within the organization. An organizational safety audit should be conducted within the next year to ensure overall safety standards across the organization. It is critical that a single qualified manager be assigned the responsibility of these services to coordinate all activities, policies, and procedures across the organization.



4. Ensuring the “best” employees work for the City can be addressed by considering various forms of flexible work arrangements to attract and retain employees (e.g. work from home, earned days off, 9-day fortnight). Considering the challenges with COVID-19, a more flexible approach is likely supportive of a safe work environment.
5. The Fire Department should focus on increasing the number of trained volunteers to support suppression operations, to create backfilling opportunities, and to increase the pool of candidates capable of advancing into fulltime firefighter positions.
6. There is an opportunity to blend labouring work in Leisure Services and Public Works. This will lead to significant efficiencies by balancing workloads through the year and maximizing resource capacity at the labourer level.
7. The City needs to take the time to celebrate successes and appreciate the great work of staff and the accomplishments of the organization. This should include commendations from Council whenever feasible.
8. Although the City is providing some performance reviews at this time, a formal program should be developed ensuring that all employees receive feedback to allow each staff member to be “the best they can be” and to help with succession planning, increased training and overall engagement.
9. The City would benefit from an attendance management program although this is not a priority at this time.
10. The City should evaluate support levels for training and educational opportunities. This will assist with attraction and retention of employees.
11. The City may want to consider putting building and development permit revenues into a reserve, allowing for the expansion and contraction of staff to reflect the demands in the department.
12. A plan must be developed to replace retiring public works staff with capable and qualified individuals, either from within the organization or from elsewhere.

Technical – Strategy, Service Delivery, Processes

Considering the size of the organization and the staffing levels, Terrace provides a high level of service at a fair cost. Caution should be used by when comparing service levels to nearby municipalities such as Kitimat, which has a higher level of revenues due to heavy industry. Comparison does create “envy” and some disconnect with residents’ expectations.

For example, a particular service that is often maligned by residents is snow/ice control and road repairs. Considering budget levels, Terrace does an admirable job, but will always be compared unfavourably to Kitimat that has a much higher service level. Like anything in local government, service levels can be increased and decreased as a priority of the community.

The City of Terrace is in the early stages of understanding life cycle management of assets. Some assets have had condition assessments while others have not been completed. There are significant risks with not understanding life cycle replacement costs of major facilities such as buildings.

There are very few performance metrics in the City that allow for comparisons year-over-year or comparisons to external organizations. Without these metrics, staff are not able to make informed decisions and advise on setting appropriate levels of service.

Information Technology is managed well in the City with competent staff who work collegially with all staff.

Management staff juggle a number of significant projects including major capital works, Council strategic priorities, and internal change-management projects. There is currently no mechanism to prioritize these competing needs.

Although staff and Council receive some complaints regarding development and building permit processing times, Terrace currently provides a high level of service in this area and timelines are faster than similar sized organizations. It is likely that complaints may be coming from builders and contractors with limited expertise in the field. Although the complaints are likely unfounded, the perception does exist that permit processing times are slow. Planning currently tracks the dates when work commences on completed applications.

A number of systems, processes, and file management have been automated, however, there are additional areas that would benefit from further automation. It was reported that Right of Way Use Permits take an inordinate amount of time to process.

There are concerns with ice and rink usages as there is considerable competition between various user groups. This has been further compounded by COVID-19. Recent complaints about the use of these facilities is the result of challenges with the availability of qualified staff.

The RCMP detachment in Terrace works well with the City and has been transparent in its approach. Three positions were added to the police service in 2017 (utilizing potential vacancy savings), which should be adequate considering current workloads. Current RCMP challenges include the downtown issues, including homelessness, increased crime, and business concerns. RCMP civilian staff are currently led by an onsite manager that co-reports to the Corporate Administrator and the Inspector in Charge. This relationship seems to be working well and costs are carefully managed by all parties.

The City currently provides civilian staff as jail guards for the RCMP Detention Centre. Many other similar sized municipalities in B.C. utilize private sector Commissionaires to mitigate costs, however, they struggle to provide services at an appropriate level.

For a number of years Development Services has engaged in project activities that are typically performed by Engineering and/or Public Works staff, such as applying for infrastructure grants and managing civil projects. This is highly unusual for local government and in Terrace, has led to confusion, uncertainty, and inefficiencies.

Recommendations

1. Finance should manage the overall asset management program. Utilizing existing asset management data, along with a supporting approach by Engineering and Public Works, the

City will be capable of making sound long-term financial decisions for the benefit of the community. It is imperative that a detailed condition assessment of all assets takes place as soon as possible. This information is essential to determining overall level of service, capital replacement, and funding requests.

2. The CAO should initiate a master project list that includes all Terrace projects including sponsor, budgets, responsible manager, start date, and progress. Council strategic priorities should be included and prioritization should be done by the management team and Council on an ongoing basis. This will ensure that the CAO is continually allocating resources to priority work.
3. Performance benchmarking should be introduced throughout the organization to ensure that Council and the community understand the value for taxpayers' dollars. These metrics should be shared with Council, all staff and the community, demonstrating the excellent work of the City and identifying areas requiring attention. Key areas to measure include:
 - Development permits issued
 - Building permits issued
 - Completion times for processing (building permits, development permits, Right of Way Use permits, etc.)
 - Attendance / loss time (sick, LTD, WorkSafeBC)
 - Grievances
 - Infrastructure unit rate installation and maintenance costs (new services, hydrant maintenance, pothole repair, crack sealing, etc.)
 - Community participation (aquatic, skating/hockey, recreation programs, etc.)
4. Planning is functioning at a high level, however, considering the expectation for continued growth, streamlining services will provide efficiencies and confidence in the system. Conduct process mapping and develop efficiencies internally, while communicating openly externally.
5. Evaluate opportunities to streamline and communicate City services with online applications (development appointments, building permit applications, business licences, complaints, etc.). This streamlined service creates COVID-19 friendly transactions, and allows for better data/record management.
6. Utilize contracted engineering assistance for capital projects when workloads are too high.
7. Automate the Right of Way Use Permit process including clear directions to applicants and updating of the applicable bylaws.
8. It is critical that Engineering and Public Works manage ALL civil projects, ensuring that there is consistency in design and construction across the organization. For local government to operate effectively, design and construction should be completed by the business unit that maintains the asset. Planning could continue to lead, in consultation with applicable staff, the development of standards such as streetscapes, environmental features, etc.,

Financial

Terrace is a lean organization compared to similar sized organizations in B.C. Revenues are primarily from residential and commercial tax base with a low proportion from industrial. Gaming revenues are applied to Capital projects, which has proven to be unsustainable through the COVID-19 pandemic.

City staff do an excellent job of applying for and receiving government grants. Capital and planning projects are supported heavily from these grants; however, grants are never guaranteed and should not be relied on for long-term financial planning.

Terrace's financial situation is further complicated by social issues in the community, which require resources to address the challenges. Homelessness, addiction issues and unemployment are increasing, particularly in the downtown core. Terrace is a community in transition that is faced with the challenge of finding alternative revenue sources, such as increasing industrial tax base, seeking government funding, or fee for service opportunities. Without additional revenue opportunities, Terrace will have to increase taxation well above inflation rates and/or reduce service levels. These issues have been clearly identified by staff and Council and are addressed through the Strategic Plan.

Terrace and the region do not benefit from provincial support such as the Peace River Agreement in northeastern British Columbia. This is a priority of Council and staff and Terrace has done an admirable job of pursuing this.

The existing financial systems do not reflect the needs of the organization. Many transactions are done manually and staff do not always utilize contemporary software to streamline the work. Finance is currently evaluating various software enhancements to streamline service.

Terrace provides \$150,000/year in tax exemptions that may be considered as overly generous. A cursory review indicates there could be an opportunity for restricting exemption criteria.

Terrace currently does not have a DCC Bylaw which is a common method of apportioning infrastructure costs to new development.

The library is primarily funded by the City (approximately \$700,000 / year). The library identified limited cost savings measures through the COVID-19 crisis, which indicates a disconnect with the City's financial support. There is little oversight to ensure that the organization is operating efficiently and effectively and providing best value.

Terrace is working towards a comprehensive asset management plan; however, very few condition assessments have been undertaken. The City continues to add new infrastructure without adequate maintenance and replacement funding to support long-term sustainability. Trails and playgrounds will require significant maintenance/upgrades in the coming years. There are limited funds available to ensure that all assets can be maintained and replaced at their current standard.

The City provides solid economic development support through the CAO and the Manager of Economic Development. There are close linkages with Council and the community and this will, in the long run, greatly benefit the City. The focus of Economic Development is to:

1. Increase the industrial tax base
2. Improve data collection and analysis

3. Incorporate economic development principles in policy and development opportunities

The City has worked hard to incentivize development in industrial lands; however, growth has been limited primarily due to a contractual arrangement that did not proceed as planned. This economic development opportunity is key to unleashing the opportunity for the future balancing of taxation in Terrace. It is understood that changes are forthcoming with industrial land development opportunities.

Terrace does an admirable job of sourcing goods and services locally, when financially reasonable. This supports the local economy; however, local procurement must be reasonably competitive with other options.

RDKS / Thornhill residents currently pay 33% of recreation maintenance costs, which may be less than actual usage levels.

Purchasing currently reports to Public Works. This is unusual in local government as financial decisions are the responsibility of the Chief Financial Officer. The purchasing policy is out of date and requires updating to present-day standards.

Recommendations

1. The City needs to prioritize the development of a comprehensive asset management program. There is much work to be done as a number of condition assessments are required along with an overall summary of future maintenance and replacement requirements. This should include all civic assets including water, wastewater, solid waste, parks, facilities and ancillary assets.
2. Once a detailed asset management plan has been completed, the City should develop long-term financial strategies for asset maintenance and replacement.
3. The City needs to invest in a comprehensive capital project strategy, linked directly to a refined asset management program. Leading all capital projects, liaising with engineering consultants, and managing contracts will all lead to financial savings. The City should consider utilizing consultants or having “engineers of record” for specific subject areas.
4. The City should update the Purchasing policy and should adopt a methodology of considering a business case analysis for all decisions. This will ensure that decisions are rendered considering all stakeholders’ interests over the long term.
5. The City should review the criteria/policy for permissive tax exemptions.
6. The City should introduce financial systems and processes that reduce the amount of manual input and increase the efficiency of day-to-day operations. Finance should review the business case for utilizing software to streamline services and workload, wherever possible. In particular, budgeting software and online payroll should be evaluated as soon as possible.

7. The City should undertake a review of the cost sharing agreements for recreation and other services in the region to ensure equity for all parties. This should also consider a user pay model for non-City use.
8. The City should develop and implement a DCC Bylaw, ensuring appropriate utility costs for development in the City.

Overall, staff should continuously evaluate opportunities to increase revenues and decrease expenditures. Potential financial changes to support the budget that should be constantly considered:

- Grow the tax base to generate additional revenue through attracting new development
- Pursue any and all appropriate grant opportunities to fund priority initiatives and projects
- Continue advocacy for a Resource Benefit Alliance agreement with the Province
- Seek funding support from industry to address impacts from local projects
- Consider allocating development services revenues towards a reserve, allowing for management of the demand for services
- Use City lands to generate additional revenues
- Refine the policy for Permissive Tax Exemptions, potentially reducing the overall load on the budget
- Use Class “C” estimates for all capital project five-year planning. This can reduce the overall asset replacement loading on the overall budget
- Consider reducing levels of service in all discretionary service areas (recreation, parks, social programs, etc.) while maintaining core service funding, as appropriate
- Evaluate civilian policing costs to determine efficiencies and staffing levels

Communications

Communication is often a challenge in local government. The City of Terrace handles communication well with expertise provided by the Communications Officer. The Mayor’s communications are considered to be very effective, but are primarily directed at emerging, emergency, or politically-natured issues.

General communication to the community is generated through mailed notices, the web site, social media and the local newspaper (The Terrace Standard). The web site is adequate and appropriate for the community. City staff have excellent connections to the community and are very responsive to public concerns; however, Terrace doesn’t always do a good job of promoting the great work and value for service. Further, a citizen satisfaction survey to gauge community support for the work of the City has not been undertaken.

The City has been working hard to increase public engagement. The new position of Communications Officer has made great strides in increasing overall public perception.

Staff report that internal communication is generally very good as the CAO provides information pertinent to the organization to Managers. Senior Managers/Directors are well informed on all Council & City issues and there is no disconnect between Council’s direction and staff focus.

There have been a number of instances where the media has misreported information. This is a common challenge in local government.

There seems to be some disconnect between Council and the Business Improvement Association (BIA) and Chamber of Commerce. There are few planned interactions between City staff and Council and the two community associations. These relationships are important to drive effective change in the community.

Recommendations

1. It is important that the City continues to communicate with Terrace citizens so they clearly understand what the City does, what the City doesn't do, and the level of services provided. Use social media and print media to increase awareness of Terrace services.
2. The Communications Officer should establish a media relations strategy to ensure information reported is accurate.
3. Council and senior staff, should consider an annual "meet and greet" with local organizations (BIA, Chamber, etc.) to strengthen the relationship and to reduce community misinformation.
4. The City should commission a citizen satisfaction survey to determine:
 - Thresholds for tax increases
 - Expected service levels
 - Areas requiring attention
 - Preferred communication channels
 - Value for service levels provided

Leadership / Supervision

Overall, there is strong leadership in Terrace. An experienced and informed Council provides excellent strategic direction. The Mayor is a capable Chair, ensuring that decisions are made by the body of Council in a democratic manner, leading to optimum results. The current CAO is personable, confident, well informed, skilled and provides excellent leadership to the organization. Council and the CAO have exceptionally good relationships with nearby villages/organizations.

Council and the CAO work well together and understand respective roles and responsibilities clearly. The CAO and staff perform an excellent job of informing Council of emerging or important issues. Council is respectful and supportive of staff and in turn, staff have respect for Council. This relationship is extremely positive and allows for solid decision making.

With the relatively small size of the organization, management staff simply do the best they can. There are excellent relationships between senior leaders that buoys a well-run organization. The heavy workload of late has created anxiety with senior managers and has been identified and noted by both the CAO and Council.

Terrace is navigating significant management change as the CAO, Director of Leisure Services and Manager of Engineering are all leaving the organization for various reasons. This presents a significant challenge for the next 12 months. It is critical that all measures are taken to lead these key departments until positions have been filled.

There is some risk of additional valuable staff leaving because of the high level of expectations, higher paying opportunities elsewhere, and the uncertainty with a new CAO leading the organization.

The Terrace leadership team meets twice / month and typically discusses Council and operational issues. There is little time for the leadership team to discuss strategic issues.

The Terrace 2019-2022 Strategic Plan is a clear and direct document that outlines the direction for the organization and provides a strong vision of the priorities.

Pre COVID-19, the leadership team utilized many opportunities to bring all staff together for either formal or informal team building. Terrace is the beneficiary of excellent staff who work harmoniously to achieve the expectations of Council and the community.

There is limited management oversight over the operation of the library, currently funded at \$700,000 / year.

Recommendations

1. The CAO should continue to invest effort in creating create a loyal, dedicated, cohesive and highly-functioning leadership team. This team should continue to provide strong decision-making support for the CAO through unbiased, open, honest and direct meetings and conversations. The CAO may wish to consider specific team-building exercises and functions when the pandemic crisis allows this type of activity.
2. The CAO should initiate “celebrations of success” for any major project completion or milestone.
3. To support Terrace Council, the CAO should ensure that it receive regular and ongoing reports and information. Although the CAO is ultimately responsible for the operation of the City, these reports will provide Council with assurances on operational effectiveness, provide information to relay to constituents, confidence in budget deliberations, and assist with strategic planning. Understanding the current organizational challenges, the information to be presented should include:
 - progress on Council’s Strategic Plan
 - overall performance metrics
 - capital project progress
 - special project progress
 - major initiative progress
 - employee attendance statistics
 - grievance statistics
 - building statistics
 - development statistics
 - major development proposals
 - major building proposals
 - BP and DP processing times
 - others, as requested
4. Continue to support employee engagement through staff events that encourage participation and recognize successes. Schedule an annual staff appreciation event.

5. Develop a five-year operational strategic plan that includes the Terrace Strategic Plan, upcoming capital projects, major initiatives, and how it will balance with staff capacity.
6. The leadership team should meet on a weekly basis and ensure there is enough time to discuss strategic issues (versus the day-to-day Council and operational issues).

1. IMPLEMENTATION PLAN

This implementation plan summarizes and organizes the recommendation portions of this report.

NO.	CATEGORY	ACTION ITEM	PRIORITY
1.	People & Structure	Create a new organizational structure that increases efficiencies and balances workload across the organization, primarily in Engineering and Public Works	High
2.	People & Structure	Move Purchasing to the Finance Department	Medium
3.	People & Structure	Consider organizational strategies to attract and retain employees, such as flexible work arrangements and compensation	High
4.	People & Structure	Develop and implement a comprehensive succession planning program	High
5.	People & Structure	Develop and implement a formal performance development program across the organization	High
6.	People & Structure	Introduce expertise in occupational health & safety. Consider short-term support from qualified professionals and long-term support with the addition of staff, if feasible. Assign overall responsibility to a single point of contact	High
7.	People & Structure	Conduct an internal safety audit	High
8.	People & Structure	Review the business case for combining Leisure services and Public Works labouring staff	Medium
9.	People & Structure	Prioritize volunteer recruitment in Fire Services	Medium
10.	People & Structure	Develop and implement an attendance management program with support for employees to achieve attendance goals	Low
11.	Technical – Strategy, Service Delivery, Processes	Initiate process mapping and determine efficiencies in Development Services	High
12.	Technical – Strategy, Service Delivery, Processes	Introduce performance benchmarking throughout the organization and communicate result to staff, Council and the community	High
13.	Technical – Strategy, Service Delivery, Processes	Ensure all civil works are led by Engineering and Public Works staff, ensuring consistency across the organization	High
14.	Technical – Strategy, Service Delivery, Processes	Conduct a formal review of the Library	High
15.	Technical – Strategy, Service Delivery, Processes	Evaluate opportunities to streamline services with online applications	Medium
16.	Technical – Strategy,	Automate the Right of Way Use permit process	Medium

NO.	CATEGORY	ACTION ITEM	PRIORITY
	Service Delivery, Processes		
17.	Technical – Strategy, Service Delivery, Processes	Initiate and resource a long-term strategy for developing and updating all policies and procedures	Medium
18.	Financial	Prioritize the asset management program across the organization	High
19.	Financial	Complete all condition assessment of all infrastructure as soon as possible	High
20.	Financial	Develop a comprehensive capital project strategy, linked directly to the asset management program	High
21.	Financial	Continue to evaluate opportunities for increasing revenues and decreasing expenses across the organization	High
22.	Financial	Develop and implement a DCC Bylaw	High
23.	Financial	Introduce financial systems and processes that reduce the amount of manual input and increase the efficiency of day-to-day operations	Medium
24.	Financial	Create a process for considering a business case analysis for all decisions	Medium
25.	Financial	Update the Purchasing policy	Medium
26.	Financial	Review cost sharing agreements for recreation and other regional services	Medium
27.	Financial	Review the criteria/policy for permissive tax exemptions	Low
28.	Financial	Working with Council complete a long-range strategic financial plan and accompanying policies (once asset management plan is completed)	Low
29.	Communications	Commission a citizen satisfaction survey including taxation threshold questions	High
30.	Communications	Develop communication protocols and channels to ensure Terrace citizens and businesses understand the value for services provided by the City.	Medium
31.	Communications	Establish closer relationships with local media	Medium
32.	Communications	Consider an annual “meet and greet” with local organizations (BIA, Chamber, etc.)	Low
33.	Leadership / Supervision	Provide Council, staff and the community with a quarterly report on the delivery of the Strategic Plan and operational benchmarks, issues, and progress.	High
34.	Leadership / Supervision	Ensure a cohesive and dedicated leadership team (particularly with a new CAO and new key management positions)	High

NO.	CATEGORY	ACTION ITEM	PRIORITY
35.	Leadership / Supervision	Develop a five-year operational strategic plan	High
36.	Leadership / Supervision	Ensure leadership team meetings put time and emphasis on strategic issues	High
37.	Leadership / Supervision	Routinely celebrate project successes / milestones with staff, Council, and the community	Medium



To contact the author:

Kevin Ramsay
Innova Strategy Group Ltd.
1372 Lennox Street
North Vancouver, BC
V7H 1X3

www.innovastrategygroup.com