



Operating Budget & Financial Overview 2023

BUDGET AND FINANCIAL OVERVIEW

The 2023 budget for the City of Barrie presented supports important priorities for the City that help advance its philosophy of One City, One Vision, One Plan.

The Operating budget lays out the total spending of the \$408 million for operations in 2023. The tax levy increase consists of 0.88% for City operations, 1.0% for the Dedicated Infrastructure Renewal Fund and 2.07% for Service Partners, totaling 3.95%. The plan aims to maintain service levels, while keeping to the low tax increase objectives of Council.

This section is split into four main parts which provide details of the revenues collected; the services provided and the financial sustainability of the City. These are:



Budget & Financial Overview



Overview of Tax Supported Operating Budget



Staffing Needs



Financial Condition of the City

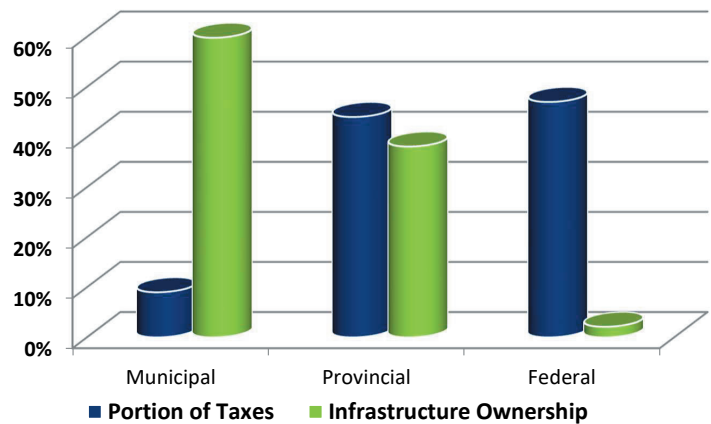
Property Tax Bill

According to Statistics Canada, National Economic Accounts Division and the Association of Municipalities Ontario, municipalities receive a very small portion of total taxes paid by an individual in Canada, when sales taxes, income taxes, property tax, etc. are considered.

For example, Ontario municipalities receive only 9 cents of every tax dollar raised in Canada, while the Provincial and Federal governments receive 44 cents and 47 cents, respectively. In Barrie's case, just over half of the 9 cents is available for City Services, the rest going towards Service Partners and Education.

In contrast to this, municipalities own 60% of the capital infrastructure, while the Provincial Government owns 38% of Infrastructure and the Federal Government only 2%.

Share of Taxes vs Infrastructure Ownership



Source: Infrastructure Canada and the AMO

Allocation of Property Tax Bill – City Programs, Service Partners and Education

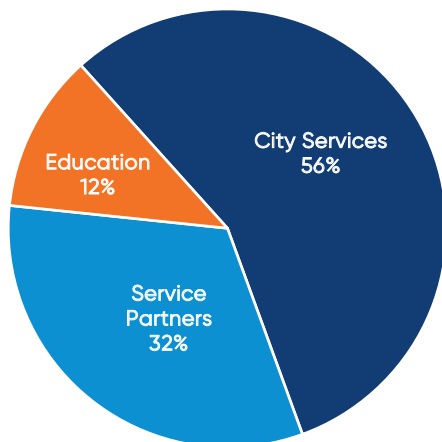
To help taxpayers understand what the City Business Plan and Budget will mean to their total property tax bill, impacts are presented as a change to the total tax bill. This also makes comparisons to other municipalities easier, as some municipalities like Barrie, are separated cities and single tier, others are two tier – focusing on the total tax bill provides for apples-to-apples comparisons.

Property taxes are calculated based on the Municipal Property Assessment Corporation's (MPAC) assessed value. MPAC last completed a full Province wide assessment back in 2016; as a result assessed values are significantly lower than actual 2022 market values. MPAC was scheduled to complete a full assessment in 2020 but was delayed by the Province as a result of Covid-19. At the time of this binder publication, no update has been provided by the Province.

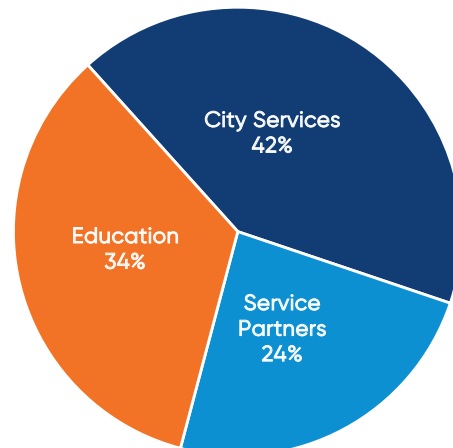
In 2023, for a typical home assessed by MPAC at \$365,040 (the average for Barrie based on MPAC's last assessment in 2016), the proposed residential property tax bill increase of \$182 annually (to \$4,794) will fund the following programs: City Services \$2,694 (56%), Service Partners \$1,541 (32%) and Education \$559 (12%). The education portion is determined by the Province of Ontario and for 2023 it is assumed there will be no change to the rate.

The pie-charts below show that Education is paid for by a 12% contribution from a typical residential property tax bill, compared to the typical commercial property owner, who contributes 34% of their tax dollar to education. Commercial properties contribute proportionately less of their total tax payment to support municipal services. An industrial property tax bill has the same breakdown as a commercial property tax bill.

**Residential
Property Tax Bill**



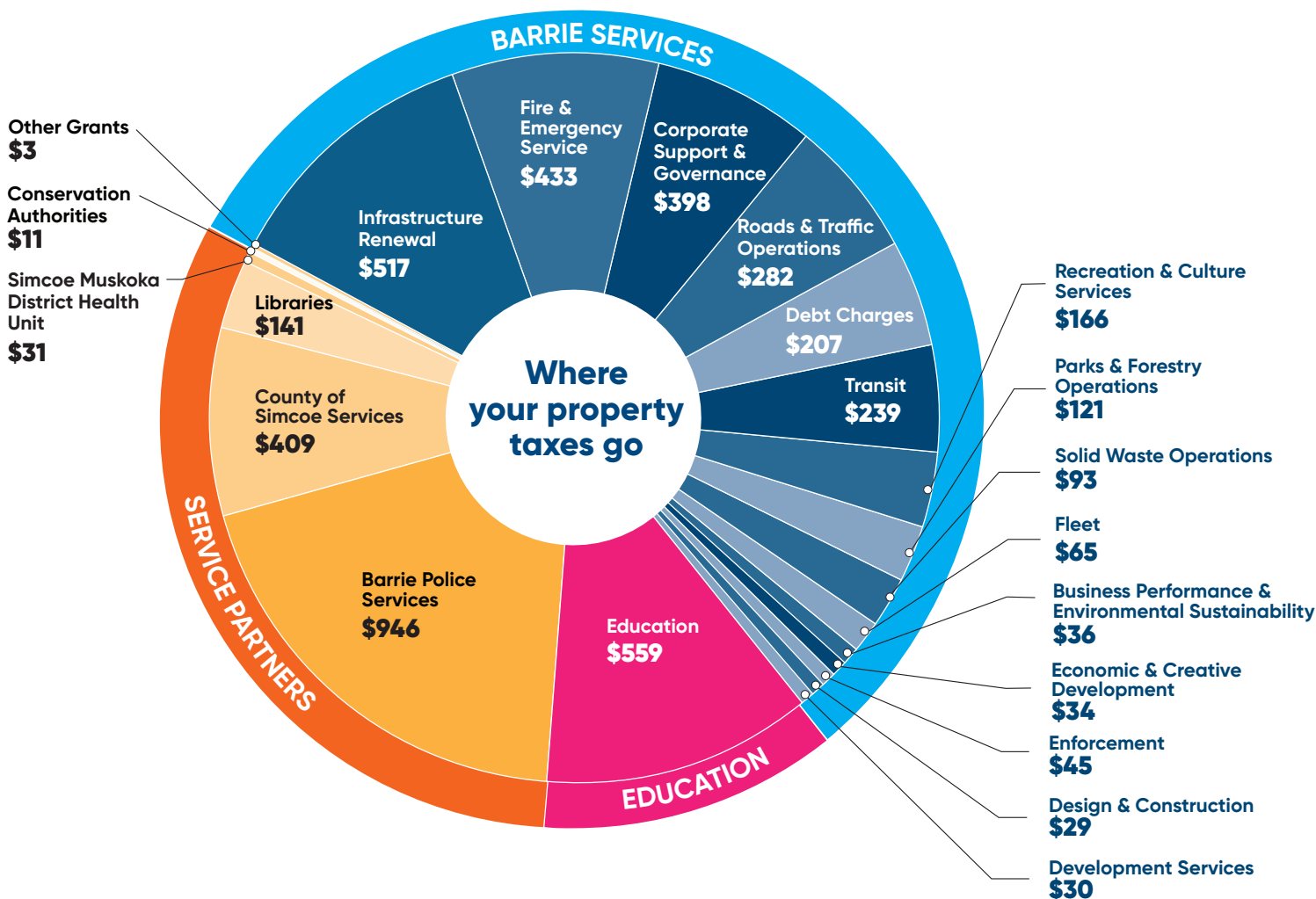
**Commercial
Property Tax Bill**



How Your Property Tax Dollars are Spent

Every day the residents and businesses of Barrie use city services and see their tax dollars at work. In a typical day most residents will use or witness most city services in action - they will use clean water from their taps; use wastewater services by flushing toilets or draining showers; place garbage and recycling in containers for future pickup; walk on a sidewalk; drive in a car or ride a City of Barrie bus, on a road which has stoplights, signage, and street lighting. They may walk through a park, take a class at a community centre, or borrow a book from the library. They will likely see a fire truck, a police car, or an ambulance pass by, knowing these services are available 24 hours a day, 7 days a week, should they need them.

In addition, less obvious services such as building inspections, planning assessments, enforcement, financial and customer services and many others support the City and its residents. The City of Barrie delivers many of these valued and essential services. The County provides ambulance, homes for the aged, and social services. Barrie children attend elementary and high schools funded by the education portion of the property tax bill. The cost to a typical home for all these services is estimated at \$4,794.



Where Your Property Taxes Go

The typical house in Barrie has an assessed value of approximately \$365,040. In 2023, this home will pay \$4,794 in property taxes based on the proposed budget. Major services received and the total annual amounts paid per home for each are described on the following pages.

Fire & Emergency Services - \$433

- Barrie Fire and Emergency Service (BFES) provides all hazards emergency service within a diverse urban centre.
- Provide Fire, Emergency Medical Services, and Hazardous Material Response including Specialized and Technical Rescue services.
- Respond to over 10,000 calls for service while achieving a travel time under 6 minutes approximately 90% of the time.
- Provide emergency communications service for over 30,000 incidents across 22 municipalities serving a population of almost 900,000.
- Comprehensive Public Education, Fire Safety and Code Enforcement programs focused on reducing our community risk.



Roads & Traffic Operations - \$282

- Snow removal and maintenance of 1,593 lane kilometres of roads, 630 kilometres of sidewalks and 22 bridges
- Maintenance of:
 - 135 kilometres of ditches
 - 417 kilometres of storm sewers
 - 103 kilometres of watercourses, 28 kilometres of culverts, and 98 detention ponds
 - 37 kilometres of Barrie Collingwood Railway
 - 20,000 signs
 - 700 vehicles and equipment
- Power supplied to 11,700 streetlights and 246 traffic signals.
- Respond to more than 8,900 services requests annually.



Transit - \$239

- 2.4 million conventional and 32,000 specialized transit trips annually.
- 162,000 transit vehicle in-service hours with 30-minute frequencies during peak periods.



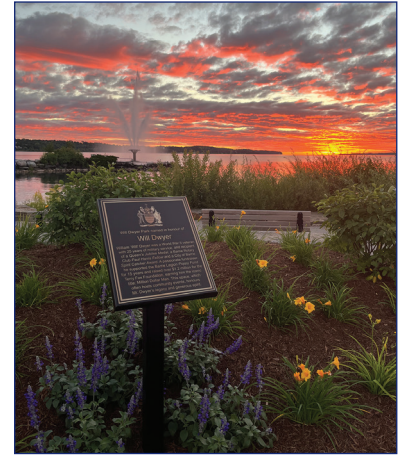
Recreation & Culture - \$166

- 4 community centres, 7 sport and recreation centres, 2 seniors' centres and 2 theatre venues.
- 3 gyms, 3 main pools, 3 tot pools, and 9 beach volleyball courts.
- Delivers programming and drop-in activities for children, youth, adults, and individuals aged 55 years and better, such as swimming, dance, fitness and sport, general interest, sports leagues, and day camps.
- Permitting for 39 baseball diamonds, 54 soccer pitches, 33 tennis courts, 4 pickleball courts.
- Operate and maintain the Barrie Community Sports Complex including a football field, rugby field, 5 soccer pitches and 10 baseball diamonds.
- 8 arena ice pads, 2 outdoor artificial ice surfaces, and 2 guarded beaches.
- Delivers 3 annual City of Barrie events, partners in delivering over 10 other community events and issues over 130 permits annually for special events on municipal property.
- More than 1.6 million participant visits at 3 multi-use community centres.



Parks & Forestry - \$121

- 131 maintained parks that include 171 hectares of maintained turf, 104 playgrounds, 10 major and 15 minor baseball fields, one football/rugby field, 42 soccer fields, 15 full basketball courts, 8 half-basketball courts, 18 tennis and pickleball courts, 2 splash pads, 2 beach volleyball courts and an Arboretum.
- 11 hectares of dog off-leash recreation areas.
- 4.2 hectares of maintained boulevards.
- 4 beaches in 14 waterfront parks.
- 450 flower and shrub beds, 350 planters, 48 planted Gores.
- 6 community gardens and one disc golf course.
- Management of 35,000 boulevard trees, 10,000 park trees and 994 hectares of natural areas.
- 147 kilometres of maintained trails.
- Support for several annual community events (ranging from community tree planting events to Kempenfest).



Solid Waste Operations - \$93

- Over 44,500 single family residences receive bi-weekly garbage collection, weekly organics collection, weekly blue and grey box collection, 34 weeks of yard waste collection curbside, and annual curbside collection of household batteries.
- There are approximately 9,000 multi-residential units enrolled on the municipally provided front end bin garbage collection service (FEB service), recycling and organics services. FEB service includes:
 - Front End Bin Garbage service: twice weekly, weekly, or bi-weekly.
 - 360 litre recycling cart service: weekly.
 - 132 litre organics cart service: weekly.
- There are approximately 5,000 additional multi-residential units that may receive partial municipal waste collection services including but not limited to:
 - 360 litre recycling cart service: weekly.
 - 132 litre organics cart service: weekly.



SERVICE PARTNERS

Police Services - \$946

- The Barrie Police Service provides 24/7 emergency response across the city. Front-line officers and the Alternate Response Unit respond to criminal and non-criminal, emergency, and non-emergency calls for service.
- Specialty units address complex investigations such as crimes against persons, human trafficking, tech crimes, homicide, and fraud.
- Additional areas of importance include courthouse security, crime prevention, traffic services, and community safety and well-being initiatives.
- Civilian members are integral in Units such as Finance, Records and Information Management Services, Human Resources, and I.T. and work alongside sworn members to help deliver services to the community.

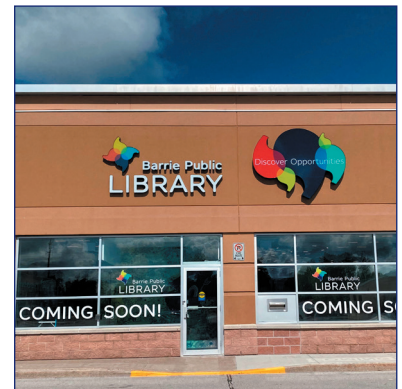


County of Simcoe - \$409

- Paramedic Services provide land ambulance services at a Primary Care Paramedic (PCP) and Advanced Care Paramedic (ACP) level of service with legislated response time requirements. Training programs, public education Public Access Defibrillator programs and Community Paramedicine services are also offered.

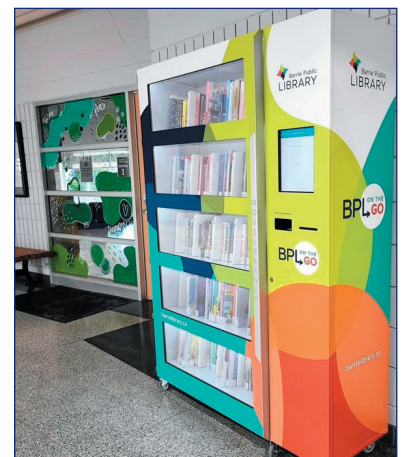


- Long Term Care and Seniors Services provides residents with effective, high quality, safe, and efficient long-term care, and seniors services in home-like settings. Manages four Long Term Care Homes and a broad range of seniors housing and services to support over 1,000 seniors across the region.
- Ontario Works provides both financial and employment supports to those in need. Financial benefits under this program include income support, temporary care, drug benefits, medical benefits, and funds for employment related expenses. Discretionary benefits under this program include emergency dental assistance for adults, funeral coverage, and assistance with health-related items for those in receipt of social assistance. Ontario Works also provides services to non-social assistance recipients which includes emergency dental and housing retention benefits.
- Children's Services provides planning, funding, and management of the local Licensed Child Care and Early Years System which comprises several mandated programs including Licensed Child Care Fee Subsidy. Through over 200 contracts with local service providers, funding is allocated to agencies delivering special needs resourcing for preschool children, and to childcare operators to assist with improved staff compensation, repairs and maintenance, general operating costs, and childcare affordability.
- Community Services is responsible for planning, funding, and managing local homelessness prevention service delivery, poverty reduction initiatives, and shelter retention programs.
- Social Housing Department has two distinct areas of responsibility. The first area includes the administration of non-profit housing, whereby subsidies are issued to non-profit providers ensuring compliance with the Housing Services Act as well as implementing joint federal and provincial affordable housing programs. The second area is the direct management of County owned public housing.



Libraries - \$141

- Provides materials for borrowing including eBooks, downloadable audiobooks, eMagazines, streaming video and music as well as physical items such as books, magazines, videos, DVDs, and CDs.
- Access to research databases to support business, genealogy, health, and legal online learning.
- Delivers programs and events including reading clubs and programs, genealogy fairs, Barrie Dragonboat Festival, Comic con, Battle of the Books, etc.
- Provides Information Barrie, a community information and referral service by maintaining a community information database.
- Offers visiting library services, WIFI, computers, work and study space, tech coaches, photocopying, printing, and scanning services as well as room rentals, a café and book boutique.



Barrie Taxes Are Comparable

The following tables present the average 2022 property tax bill for common types of detached homes in cities with populations greater than 100,000. The total tax levy includes all levels of municipal government and education. Barrie's taxes are in the lower end of major Ontario municipalities. The information presented is from the draft 2022 BMA Management annual Municipal Study database, which allows for the comparison of various municipal property tax-related benchmarks. This is the most recent release available at the time of preparing the 2023 business plan.



MUNICIPALITY	DETACHED BUNGALOW
1 Markham	\$ 6,771
2 Toronto (South)	\$ 6,301
3 Mississauga	\$ 5,313
4 Toronto (North)	\$ 5,212
5 Oakville	\$ 4,985
6 Whitby	\$ 4,980
7 Vaughan	\$ 4,977
8 Ajax	\$ 4,875
9 Oshawa	\$ 4,815
10 Hamilton	\$ 4,579
11 Ottawa	\$ 4,470
12 Brampton	\$ 4,446
13 Burlington	\$ 4,329
14 St. Catharines	\$ 4,244
15 Toronto (West)	\$ 4,189

MUNICIPALITY	DETACHED BUNGALOW
16 Barrie	\$ 4,079
17 Guelph	\$ 4,075
18 Thunder Bay	\$ 4,062
19 London	\$ 3,975
20 Milton	\$ 3,922
21 Brantford	\$ 3,879
22 Kingston	\$ 3,876
23 Cambridge	\$ 3,861
24 Clarington	\$ 3,814
25 Kitchener	\$ 3,714
26 Waterloo	\$ 3,667
27 Toronto (East)	\$ 3,646
28 Greater Sudbury	\$ 3,550
29 Windsor	\$ 3,511
30 Chatham-Kent	\$ 3,339

OVERVIEW OF TAX SUPPORTED OPERATING BUDGET

Municipalities are required to have a balanced budget. The 2023 Operating Budget for the City of Barrie includes total operating spending (and funding) of \$408 million. The funding for the operating budget comes mainly from Tax Levy, which funds 69% of the City’s budget, and Contributions from Reserves which is the next largest contributor at 11%.

Impact of Tax Supported Operating Budget

The City faces many pressures in developing a fiscally responsible budget. To understand how these various pressures impact the recommended business plan and budget for Council’s consideration, City staff have used a “building block” approach considering the costs in the following categories:

- Maintain service levels for City operations
- Decreased Operational Subsidy (Safe Restart Grant, Reserve Draws)
- Debt Management
- Reserve Contributions (excluding Dedicated Infrastructure Reserve Funding (DIRF), County of Simcoe (CoS))
- New investment and service recommendations
- Assessment Growth

The annual Tax supported operating budget reflects the cost associated with delivering dozens of services to the community. The proposed 2023 tax funded operating budget related to City operations will require a tax rate increase of 0.88% plus 1.00% contribution for dedicated infrastructure renewal funding as well as 2.07% for Service Partners.

The following table outlines the major contributors to the proposed 2023 tax rate increase:

Description	Tax Levy Increase/ (Decrease)	Tax Rate Impact
Maintain service levels for City operations	\$ 8,108,973	2.66%
Decreased Operational Subsidy (Safe Restart, Reserve Draws)	\$ 4,775,000	1.57%
Debt Management	\$ (870,716)	-0.29%
Reserve Contributions (excluding DIRF, CoS)	\$ (6,635,834)	-2.18%
New Investment & Service Recommendations	\$ 1,320,843	0.43%
Estimated Assessment Growth	\$ (4,000,000)	-1.31%
City Operations	\$ 2,698,265	0.88%
Service Partner Budget Requests (including CoS Capital Transfer)	\$ 6,303,393	2.07%
Dedicated Infrastructure Renewal Funding	\$ 3,050,000	1.00%
Total	\$ 12,051,657	3.95%

Maintain Service Levels for Current City Operations

The City’s cost to maintain service levels increases every year due to inflation, and currently inflation is at a 30-year high. Price increases will impact a variety of expenses across the City such as hydro, gas, and diesel as well as other materials, supplies, and contracts, which are significant components of the budget. The City’s labour costs are impacted by negotiated labour agreements. Prior year investments and service level changes can also have an impact on the costs of maintaining existing service levels. In an effort to mitigate increasing costs, staff conduct comprehensive reviews of historical operations and trends across key spending lines (e.g., contracted services) while also looking for opportunities to realize efficiencies and process improvements. More details on this can be found in the Efficiencies section.

Revenue changes also impact the net cost to deliver existing services and opportunities for new, non-tax revenue sources are examined whenever possible.

The net cost to maintain current services levels in 2023, including the annualized cost of implementing decisions from prior years, is \$8.1 million. Year-over-year changes to budgets for both expenditures and revenues contribute to the net increase in costs. Some of the more significant factors are described in the sections below. Partially offsetting these pressures is the shifting of stormwater operational costs, previously supported by the tax rate, to the new Stormwater Climate Action Fund user rate.

Labour

The City is party to various collective agreements negotiated with its unionized workforce and manages compensation for its non-unionized staff on an annual basis. The current Barrie Professional Fire Fighters Association (BPFFA) contract is a five-year term ending December 31, 2023. The Canadian Union of Public Employees (CUPE) contract is a three-and-a-half-year term ending December 31, 2025.

	2022	2023	Change \$	Change %	Tax Rate Impact
Salaries	\$ 89,857,846	\$ 95,587,079	\$ 5,729,233	6.4%	1.9%
Benefits	\$ 21,357,655	\$ 22,800,482	\$ 1,442,828	6.8%	0.5%
Subtotal	\$ 111,215,501	\$ 118,387,561	\$ 7,172,061	6.4%	2.4%
Honoraria	\$ 554,916	\$ 574,177	\$ 19,261	3.5%	0.0%
Capital Recoveries	\$ (7,176,618)	\$ (7,109,963)	\$ 66,655	-0.9%	0.0%
Salary Gapping	\$ (1,275,000)	\$ (1,450,000)	\$ (175,000)	13.7%	-0.1%
Total	\$ 103,318,799	\$ 110,401,775	\$ 7,082,976	6.9%	2.3%

Budgeted labour costs have been calculated to reflect the obligations set out in the BPFFA collective agreement of a 1% increase in January 2023 followed by a second 0.75% increase in July 2023. The 2022 budget was developed before the latest CUPE contract was negotiated. Those negotiations resulted in a higher than budgeted increase for 2022. The unbudgeted portion of the 2022 increase as well as the increases in 2023 are resulting in higher labour costs. This creates a 3.8% budget pressure related to CUPE and non-union staff that is reflected in the 2023 budget. A summary of the tax related compensation changes is shown in the following table:

Salary and benefit costs are expected to increase by a total of \$7.2 million for 2023 primarily due to labour contract increases which account for \$4.0 million, with \$1.5 million of this relating to the prior year contract increase which was not included in the 2022 budget. Other drivers include a \$1.6 million increase for part-time staff in Recreation and Culture as programming levels return pre-COVID levels, additional salary costs for positions approved by Council through 2022 staff reports, benefit cost increases, and applicable merit increases.

To reduce the increased salary costs, the provision for salary gapping has been increased by \$175 thousand to \$1.45 million for 2023. Salary gapping at this level requires an active staff management approach to achieve savings primarily through holding positions vacant. A higher salary gapping number lowers the tax rate increase but can result in service delivery impacts.

Several City departments are directly engaged in the delivery of the City's capital plan (e.g., Design & Construction, Facilities, Information Technology, etc.). The cost of these resources is recovered from the budgets of the related capital projects. These recoveries will decrease slightly for 2023 to reflect anticipated project management requirements.

Contracted Services

Many of the services provided by the City require multi-year contracts with external businesses. While an adjustment for inflation is common, inflation was significantly above the average rate seen in recent years; additionally, there are other adjustments that can also add to costs (e.g. additional service hours for transit, fuel costs, etc). Some of the drivers of additional 2023 increases include:

Contract Type	2022	2023	Change	Change (%)	Tax Rate Impact
Transit	\$ 17,805,590	\$ 19,335,414	\$ 1,529,824	8.6%	0.5%
Information Technology	\$ 2,383,869	\$ 2,698,865	\$ 314,996	13.2%	0.1%
Winter Control Operations	\$ 3,485,321	\$ 3,698,301	\$ 212,979	6.1%	0.1%

Transit is committed to providing service levels that meet the needs of residents to get to work, attend medical appointments, and buy necessities for their families. Ridership levels have recovered and are currently trending at 100% of pre-COVID levels. The contracted services reflect the return to budgeting at pre-COVID service levels.

Most of the Information Technology contracted services increases are due to annual increases in service and support contracts. Historically, Information Technology has been able to secure favourable rates for 3-to-4-year contract terms. This provides predictable spending for the length of the contract. As those contracts expire, there has typically been 5-10% increase for the first year of the next 3-to-4-year contract. However, with inflation and less favourable Canadian Dollar exchange rate, vendor rate increases have been up to 30% in some cases. As Pre-COVID and early COVID contracts expire in 2023, Information Technology is forecasting the renewal costs to increase significantly.



The contract for winter sidewalk clearing increased significantly with hourly rates increasing by 50% and the daily standby rate doubling. In order to manage the budget impact of the increased contract rates, winter control has been budgeted under the assumption of a mild winter with less snowfall events.

Fuel

The City has an extensive fleet of vehicles used in the provision of City services such as transit, snow removal, parks, and road maintenance, etc. Fuel costs are expected to increase in 2023 by \$1.3 million or 35.9% based on an estimate of \$1.50 per litre (vs. \$1.10 per litre assumed for 2022) and consumption trends.

Growth Strategy

The City is in the early implementation of the expected rapid growth phase and therefore has more exposure to the associated short-term financial burdens. The basic challenge is that operating costs driven by growth are incurred in advance of the collection of property taxes resulting from growth, and the delay is often a few years.



Draws from reserves are used in several areas of the operating budget to mitigate one-time costs or as an aid to smoothing volatile expenditures. A growth strategy was approved in the 2020 Budget with a \$2 million draw from reserves; \$1 million from the Tax Rate Stabilization Reserve (TRSR) and \$1 million from the Reinvestment Reserve.

The plan was to reduce the amount drawn from these reserves over four years. However, with the pressures of the pandemic, the original \$2 million draw was maintained in 2021 and 2022.

For 2023, staff recommend continuing with draws totaling \$2 million due to the current economic and inflationary pressures on households as well as the City. The impact of reducing the year over year draw from reserves adds a \$500 thousand pressure to the tax levy, which would be deferred to 2024. The table below illustrates the proposed smoothing strategy with reduced reserve draws beginning in 2024:

	Tax Levy	Reinvestment Reserve	Tax Rate Stabilization Reserve
2023	\$ -	\$ 1,000,000	\$ 1,000,000
2024	\$ 500,000	\$ 750,000	\$ 750,000
2025	\$ 1,000,000	\$ 500,000	\$ 500,000
2026	\$ 1,500,000	\$ 250,000	\$ 250,000
2027	\$ 2,000,000	\$ -	\$ -

User Fees, Service Charges, Passes, Memberships

Revenue from user fees, service charges, passes, and memberships has been increased by \$3.3 million for 2023. The City relies on a diverse set of non-tax revenue sources administered by various departments across the organization to support municipal operations. The 2023 budget reflects several year-over-year changes; however, the most significant changes are found in the Transit and Recreation and Culture Departments as operations continue to recover from the COVID pandemic.

User Fees, Service Charges, Passes, Memberships	2022	2023	Change	Change (%)	Tax Rate Impact
Recreation Fees	\$ (6,707,046)	\$ (8,529,420)	\$ (1,822,374)	27.2%	-0.6%
Transit Fees	\$ (4,242,716)	\$ (5,834,503)	\$ (1,591,787)	37.5%	-0.5%

In 2023 these revenues are budgeted to be at or close to pre-pandemic levels. Recreation and Culture has seen increased rentals of facilities and registration in programming throughout 2022, while Transit ridership levels have also recovered.

Decreased Operational Subsidy

In the 2022 budget, Council approved the use of \$2.4 million of Safe Restart funding to reduce the tax levy increase required. However, Safe Restart funding has now been fully utilized, leaving a funding gap that will need to be covered by the tax levy to maintain current service levels. This creates a tax pressure of \$2.4 million in the 2023 budget.

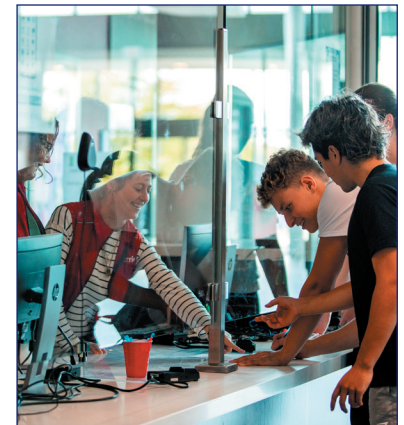
Council also approved additional temporary draws from the Reinvestment Reserve and Tax Rate Stabilization Reserve of a combined \$3.5 million to further reduce the tax levy increase in 2022. However, ongoing funding of operations from reserves is not sustainable. As part of the 2023 budget these reserve draws are being reduced by \$2.4 million, resulting in an equivalent tax pressure.



Debt Management

The tax rate impact of debt servicing has decreased by \$871 thousand or 5.9%. Staff have strategically managed debt issuances to ensure that tax rate projects are funded from non-debt sources as much as possible during this period of rising interest rates.

The majority of debt issuance and subsequent debt servicing costs are for growth related projects. Debt servicing costs for growth projects are paid by DC reserves. Higher than anticipated DC revenues collected in 2021 and 2022 and increases in the forecasted future year contributions have significantly improved the 5-year projected balance for the DC reserves this year. However, recent legislative changes through Bill 23 will have a significant impact on the expected collections, and therefore result in a lower reserve balance. More details on this can be found in the Reserves section and implications of Bill 23 will be addressed through the 2023 Budget Staff Report and the 2024 Budget.



The 2022 Budget forecasted the amount of planned DC debt issuance in 2023 to be \$63 million, however this was reduced to \$17.9 million due to changes in capital plan priorities as well as higher than expected DC collections. The City chose in its forecasts to use reserves in place of issuing debt, as this was considered a better strategic option for the City.

A full list of projects included in the planned 2023 debenture is presented in the debt section.

Reserve Contributions

The City maintains reserves and reserve funds for various purposes; most notably, to provide a funding source for infrastructure needs. The City's operating budget also includes contributions to various tax funded non-capital reserves. While overall contributions to reserves are increasing, the tax funded reserve management costs will decrease by \$6.6 million in 2023. Notable changes are described below:

- **Tax Capital Reserve** contribution has been decreased by \$7.7 million. This is because of the introduction of the Stormwater Climate Action Fund user rate. The rate will result in a new capital reserve specific to stormwater assets, which means the Tax Capital Reserve will no longer need to fund these assets. Further details on the can be found in the Stormwater Climate Action Fund section of the budget.
- **Fleet Replacement Reserve** contribution has been increased by \$450 thousand. The reserve was established in 2019 to build a sustainable funding source to renew the City's aging fleet and reduce vehicle repair expenditures. The 2019 proposal included annual increases to the reserve of \$450 thousand for the first few years to build up to the required reserve level. This increase has been removed from a number of previous budgets, with the first increase happening in the 2022 budget. Without continuing to ramp up the contribution to this reserve, the City does not have an adequate funding source for replacing vehicles that are beyond their useful life and requiring significantly greater operating costs to maintain.
- **WSIB Reserve** contribution has been increased by \$250 thousand. The 2022 contribution budget amount of \$600 thousand to this reserve is currently inadequate to address the current and future level of WSIB expenses. The reserve is currently in a deficit and the contribution to this reserve will need to be increased over the next few budget cycles to reach a sustainable level.
- **The Elections Reserve** contribution of \$180 thousand has resumed in preparation for the next election cycle.
- **The Legal Contingency Reserve** contribution has been increased by \$130 thousand to bring it back to its \$500 thousand limit which will ensure an adequate balance for any unforeseen legal costs.
- **Landfill Post Closure Reserve** contribution has been increased by 10% or \$67 thousand in accordance with the City's Financial Policies.

New Investments and Service Recommendations

This component of the Business Plan includes proposed new investments and service recommendations endorsed by the Executive Management Team. These new investments are needed to ensure the City can deliver Council's strategic plans or other council directions and to meet the demands of growth. Changes endorsed by EMT total an additional net impact of \$1.3 million to the tax levy in 2023 and propose twenty-two additional full-time positions or conversions of temporary positions to full-time, to the current staff complement.

As the City continues to grow, from a population of 150,000 to a population of 298,000 by 2051, staff resources are needed for the additional lane kilometres, parks, facilities, and administration. In the 2022 budget, it was forecasted that 46 new staff would be required as part of the 2023 budget. Through the EMT budget review those staff resources, while still needed, were reduced to a request of 22 permanent staff in recognition of affordability challenges for taxpayers. While there is no financial impact to the 2023 budget, EMT is also recommending the pre-approval of 20 Firefighters for 2024 with the details included in the 2023 Budget Staff report.

The following table summarizes each new investment or service level change. Detailed business cases are found in the New Investment & Service Recommendations section of the binder.

Anticipated future staff resourcing for future budget years 2024 to 2026 have been forecasted and summarized on page 28 of the document.

2023 New Investment and Service Recommendations Requests

Description	Dept	FTE Perm	Casual /PT	2023						2024 Operating Budget	2025 Operating Budget	2026 Operating Budget	
				Operating Budget	Capital Budget	Tax Levy	Funding Source(s)						Capital Recovery
							User Rates	Reserves					
Infrastructure and Growth Management													
2722 - Office Services Assistant	Building Services	1	0	73,884	0	0	0	73,884	0	74,854	76,251	77,676	
2723 - Structural Engineer	Building Services	1	0	162,910	0	0	0	162,910	0	159,089	162,128	165,227	
2728 - Supervisor of Environmental Sustainability	Business Performance & Environmental Sustainability	1	0	140,626	0	1,40,626	0	0	0	143,296	146,020	148,797	
2798 - Additional Staff for Bill 109 Review	Development Services	0	6	577,326	0	442,605	92,728	0	41,993	588,975	0	0	
2799 - Economic Development and Tourism Resourcing	Economic & Creative Development	1	0	130,692	0	0	0	130,692	0	132,595	134,536	136,516	
2764 - 2023 Barrie Air Show - MAT Funded	Economic & Creative Development	0	0	85,000	0	0	0	85,000	0	0	0	0	
2768 - Maclaren Art Centre - Service Provider Status - Remove from Cultural Grants Program	Economic & Creative Development	0	0	40,000	0	0	0	40,000	0	40,000	40,000	40,000	
2686 - Utility SCADA Specialist	Infrastructure Department	1	0	162,397	0	0	162,397	0	0	165,448	168,560	171,735	
2687 - Engineering Contract Administrator	Infrastructure Department	1	0	140,626	0	28,125	0	112,501	0	143,296	146,020	148,797	
2737 - Roads Operations Staff - Growth Lands 2023	Operations	4	0	367,795	0	322,692	45,102	0	0	372,442	379,223	386,139	
2707 - Emergency Vehicle Technician	Operations	1	0	(42,756)	0	(42,756)	0	0	0	(42,497)	(42,217)	(41,916)	
Infrastructure and Growth Management Total		11	6	1,838,500	0	891,293	300,227	492,486	154,494	1,777,499	1,210,520	1,232,972	
Community and Corporate Services													
2717 - Facilities Project Managers	Facilities Department	2	0	244,996	5,200	13,800	0	0	231,196	249,358	253,808	258,346	
2720 - Waterfront - additional washroom cleaning	Facilities Department	0	0.4	19,993	0	19,993	0	0	0	20,299	20,610	20,928	
2719 - Marina Boat Storage	Facilities Department	0	0	(13,000)	0	(15,000)	0	2,000	0	(61,200)	(62,424)	(63,672)	
2770 - Diversity, Equity and Inclusion Position	GM of Community & Corporate Services	1	0	174,987	0	174,987	0	0	0	176,376	179,731	183,153	
2742 - Venue Technician Staffing Requirements for Theatre Venues and Special Events	Recreation & Culture Services	2	-1	112,668	0	112,668	0	0	0	114,138	115,659	117,230	
2744 - Summer Weekend Re-Openings	Recreation & Culture Services	0	3	106,634	0	106,634	0	0	0	108,766	110,942	113,161	
Community and Corporate Services Total		5	2.4	646,277	5,200	413,082	0	2,000	231,196	607,738	618,326	629,145	
Access Barrie													
2758 - Technology Analyst (NG 911)	Information Technology	1	0	119,773	1,900	38,854	0	0	80,919	121,954	124,179	126,448	
2763 - Systems Analyst (Web Dev + CEM)	Information Technology	1	0	119,773	1,900	38,854	0	0	80,919	121,954	124,179	126,448	
2769 - Economic & Job Creation, Marketing/Communications Advisor	Marketing & Communications	1	0	132,834	1,900	132,834	0	0	0	132,008	134,505	137,053	
2726 - Barrie Transit Fare Increase	Transit & Parking Strategy	0	0	(210,000)	0	(210,000)	0	0	0	(315,000)	(315,000)	(315,000)	
2759 - Barrie Transit Service Level Reduction - Salem & Hewitts	Transit & Parking Strategy	0	0	(200,067)	0	(200,067)	0	0	0	(1,200,402)	(1,236,414)	(1,273,506)	
Access Barrie Total		3	0	(37,687)	5,700	(199,524)	0	0	161,837	(1,139,486)	(1,168,551)	(1,198,557)	
CAO and Mayor's Office													
2716 - Additional Procurement Branch Staff - Procurement Coordinator	Finance Department	1	0	96,494	1,900	96,494	0	0	0	91,017	92,672	94,361	
2718 - Payroll and Pension Specialist	Human Resources	1	0	119,498	0	119,498	0	0	0	121,745	124,038	126,376	
2734 - Disability Management Specialist	Human Resources	1	0	0	0	0	0	0	0	0	0	0	
CAO and Mayor's Office Total		3	0	215,992	1,900	215,992	0	0	0	212,762	216,710	220,737	
GRAND TOTAL - SERVICE LEVEL CHANGES ENDORSED BY EMT		22	8.4	2,663,083	12,800	1,320,843	300,227	494,486	547,527	1,458,513	877,005	884,296	

Dedicated Infrastructure Renewal Funding

The City's proposed Tax supported budget includes a \$3.1 million Dedicated Infrastructure Renewal Funding (DIRF) contribution. This represents a 1% tax rate increase and is an \$884 thousand increase over the reduced 0.75% DIRF levy in the 2022 budget.

The City of Barrie owns approximately \$2.8 billion in infrastructure such as roads, sidewalks, buildings and equipment, based on historical costs. The current dollar value of this infrastructure is considerably higher, at approximately \$6 billion in replacement costs. The City's annual requirements for repairing and rehabilitating aging infrastructure are considerably higher than current funding levels resulting in a significant backlog in infrastructure renewal. The condition of infrastructure has a direct impact on service levels as well as the reputation of the City.

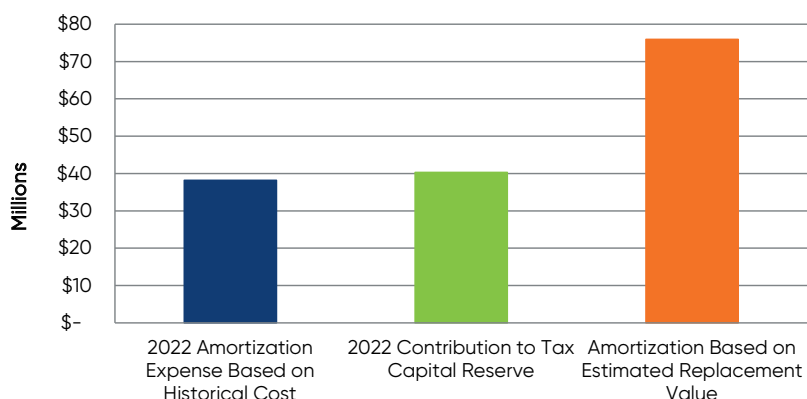
The Dedicated Infrastructure Renewal Funding portion of the annual tax capital reserve contribution was approved by the Council starting in the 2015 budget year to address the significant backlog of infrastructure renewal work. Council's direction prescribes an annual increase to the reserve contribution equivalent to a 1% property tax increase for the typical residential taxpayer.

However, in efforts to reduce the tax burden for residents because of the pandemic, Council directed the contribution increase to be reduced by \$1.9 million to 0.25% in the 2021 budget year and to 0.75% in the 2022 budget year. In the 2023 proposed budget the contribution has been increased to the planned 1% resulting in a total contribution of \$3.1 million.

This funding will be used to increase infrastructure rehabilitation for tax-supported infrastructure – roads, sidewalks, parks, buildings, and equipment. As presented to Council in the City's updated Long Range Financial Plan in October 2021, the City's Reserves are under pressure and not increasing the dedicated infrastructure renewal funding contribution to 1% will only widen the infrastructure gap.

The following chart shows the estimated amortization expenses for tax-supported infrastructure in 2022 based on historical costs for the City of \$38.2 million. The transfer to the capital reserve in 2022 of \$40.4 million was just slightly higher than the amortization expense. However, amortization expense is based on historical values which are significantly lower than replacement cost. Using an average inflationary rate based on the Consumer Price Index, the replacement value of the tax supported non-growth existing infrastructure yields an annual amount of \$76 million, resulting in an annual shortfall of over \$35.6 million.

Tax Supported Annual Infrastructure Gap



Service Partners

The City of Barrie has several Service Partners including the Barrie Police Service; County of Simcoe (provides long-term care, paramedic services, and social services); Conservation Authorities; and Barrie Public Library. These Boards, Municipalities, and Agencies have a legislated authority to establish budgets and levy taxes through the City's tax rate.

The City has limited ability to revise their requests. However, they comprise 32% of the property tax bill. Detailed budget submissions are found in the Service Partners section of the binder. The 2023 service partner base budget requests require a net increase of \$6.3 million to the tax levy which represents an increase to the Service Partner budgets of 6.52%, and a tax increase of 2.07% to the City.

Description	Tax Levy Increase/ (Decrease)	% Change	Tax Rate Impact
Conservation Authorities	\$ 23,281	3.4%	0.01%
County of Simcoe (including CoS Capital Trsfr)	\$ 1,685,927	6.6%	0.55%
Lake Simcoe Regional Airport	\$ (6,000)	-3.8%	0.00%
Barrie Police Services	\$ 4,293,563	7.3%	1.41%
Barrie Public Library	\$ 265,065	2.9%	0.09%
Simcoe Muskoka District Health Unit	\$ 41,556	2.1%	0.01%
Service Partner Budget Requests (including CoS Capital Trsfr)	\$ 6,303,392	6.5%	2.07%

The following detailed breakdown shows the total budget requests from each of the service partners, as well as the net impact to the tax levy and the year-over-year percentage change by service partner.



Service Partners & Grants Base Budget Change Report

	2021 Actuals	2022 Budget	In Year Forecast	2023 Requested Budget	Change in 2023 Requested Budget to 2022 Approved Budget		
Conservation Authorities	Lake Simcoe Region Conservation Auth.	\$1,316,639	\$1,325,950	\$1,324,900	\$1,347,559	\$21,609	1.63%
	Water Rate	\$(998,763)	\$(1,000,460)	\$(993,675)	\$(1,010,669)	\$(10,210)	1.02%
	Tax Funded	\$317,876	\$325,491	\$331,225	\$336,890	\$11,400	3.50%
	Nottawasaga Valley Conservation Auth.	\$412,673	\$420,652	\$412,673	\$434,582	\$13,930	3.31%
	Water Rate	\$(58,686)	\$(63,139)	\$(58,686)	\$(65,187)	\$(2,048)	3.24%
	Tax Funded	\$353,987	\$357,513	\$353,987	\$369,394	\$11,882	3.32%
	Total - Tax Funded	\$671,863	\$683,003	\$685,212	\$706,284	\$23,281	3.41%
	Social Housing	\$6,193,556	\$7,269,000	\$7,248,629	\$7,450,000	\$181,000	2.49%
	Draw from CoS Capital Reserve	\$(411,018)	\$(702,420)	\$(976,194)	\$(723,493)	\$(21,073)	3.00%
	Tax Funded	\$5,782,538	\$6,566,580	\$6,272,434	\$6,726,507	\$159,927	2.44%
County of Simcoe	Long Term Care	\$1,309,728	\$1,619,000	\$2,092,658	\$1,594,000	\$(25,000)	-1.54%
	Ontario Works	\$2,802,407	\$3,663,000	\$3,234,324	\$4,041,000	\$378,000	10.32%
	Paramedic Services	\$6,445,314	\$6,995,000	\$7,242,671	\$7,428,000	\$433,000	6.19%
	Children and Community Services	\$2,609,200	\$2,970,000	\$2,986,105	\$2,958,000	\$(12,000)	-0.40%
	Simcoe County Museum and Archives	\$115,078	\$116,000	\$115,749	\$118,000	\$2,000	1.72%
	Contribution to County Capital Reserve	\$3,000,000	\$3,750,000	\$3,750,000	\$4,500,000	\$750,000	20.00%
	Total - Tax Funded	\$22,064,264	\$25,679,580	\$25,693,941	\$27,365,507	\$1,685,927	6.57%
	Lake Simcoe Regional Airport	\$111,045	\$160,000	\$159,933	\$154,000	\$(6,000)	-3.75%
	Total - Tax Funded	\$111,045	\$160,000	\$159,933	\$154,000	\$(6,000)	-3.75%
	Barrie Police Services	\$57,821,783	\$58,945,250	\$58,945,250	\$63,238,813	\$4,293,563	7.28%
Barrie Public Library	\$8,565,471	\$9,336,264	\$9,336,264	\$9,601,329	\$265,065	2.84%	
Draw from DC Reserves	\$-	\$(160,000)	\$(160,000)	\$(160,000)	\$-	0.00%	
Tax Funded	\$8,565,471	\$9,176,264	\$9,176,264	\$9,441,329	\$265,065	2.89%	
Total - Tax Funded	\$66,387,254	\$68,121,514	\$68,121,514	\$72,680,142	\$4,558,628	6.69%	
Other Service Partners & Grants	\$58,944	\$60,000	\$60,000	\$60,000	\$-	0.00%	
Total - Tax Funded	\$58,944	\$60,000	\$60,000	\$60,000	\$-	0.00%	
Simcoe Muskoka District Health Unit	\$1,968,235	\$2,033,444	\$1,939,627	\$2,075,000	\$41,556	2.04%	
Province of Ontario	\$(18,590)	\$(17,500)	\$(17,500)	\$(17,500)	\$-	0.00%	
Total - Tax Funded	\$1,949,645	\$2,015,944	\$1,922,127	\$2,057,500	\$41,556	2.06%	
Grand Total - Tax Funded	\$91,243,015	\$96,720,041	\$96,642,727	\$103,023,434	\$6,303,393	6.52%	

The 2023 Police budget is focused on fiscal responsibility by maximizing all available revenue to offset financial pressures and unavoidable increases impacting the service. Financial pressures include continued growth within the City, increased demand for service, inflation, contractual obligations, and provincially legislated directives, including the Supporting Ontario's First Responders Act and Next Generation 911. The 2023 budget includes the addition of five sworn officers and four civilians to reach the Board-approved staffing plan after a two-year freeze. These staffing levels are required to ensure adequate service delivery and member wellness. Reaching our approved complement will help meet the community's growing and changing needs while supporting essential programs, including initiatives within the City of Barrie's Community Safety and Well-Being Plan.



The Library budget increase reflects the full year operational needs of the new Holly branch. In 2022 the budget request only reflected a partial year of Holly branch operations.

The City is a member of a tri-party Municipal Services Agreement along with the County of Simcoe and the City of Orillia for services delivered by the County of Simcoe. The tax funded cost for the City's share of services is expected to increase by \$936 thousand for 2023. More details on this can be found in the County of Simcoe Reserve section.



Costs associated with the County's Capital Program are budgeted in the City's Capital Budget to smooth year over year costs. As these capital projects are funded from the City's County of Simcoe Capital Reserve and Development Charge Reserves there isn't a direct impact to the 2023 tax levy beyond the contribution to the County of Simcoe Capital Reserve. The contribution to the County of Simcoe Capital Reserve has been increased by \$750 thousand for a total contribution of \$4.5 million in 2023.

However, the County has recently updated their Long-Range Financial Plan and there is a need for the City to significantly increase the contribution to the capital reserve. While staff are recommending an increase of \$750 thousand to the contribution to the County reserve for 2023, larger increases are needed in subsequent budgets to achieve an annual target of over \$10 million. The passing of Bill 23 puts more pressure on both the City and the County, as social housing costs related to growth are no longer eligible for collection through Development charges. More details can be found in the County of Simcoe Reserve section.



Staffing Needs

Permanent Staff Complement Continuity – Tax

The City's staff complement is essential to the provision of the services that residents rely upon. The 2022 permanent tax-funded staff complement consisted of 865 individuals. Of the 22 complement positions that are being requested or converted from temporary positions in 2023, 21 positions are tax-funded which would bring the total tax-funding complement to 886 positions. Detailed business cases supporting the requests for additional complement are found in the New Investments & Service Recommendations section of the binder.

2023 OPERATING BUDGET – PERMANENT STAFF COMPLEMENT CONTINUITY (TAX BASE)

Division/Department	2021 Total Approved Complement	2022 Total Approved Complement	2023 Recommended New Investments Impact			2023 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Office of the Mayor & CAO								
Office of the Mayor & CAO	4	4	-	-	-	4	-	4
Internal Audit	2	2	-	-	-	2	-	2
Legal Services	11	11	-	-	-	11	-	11
Human Resources	20	20	2	-	2	22	-	22
Finance	52	54.5	1	-	1	55.5	-	55.5
	89	91.5	3	-	3	94.5	-	94.5
Infrastructure & Growth Management								
General Manager's Office	1	1	-	-	-	1	-	1
Economic & Creative Development	11	11	1	-	1	12	-	12
Business Performance & Environmental Sustainability	17	17	1	-	1	17	1	18
Building Services	33	33	2	-	2	34	1	35
Corporate Asset Management	12	14	-	-	-	14	-	14
Development Services	53	54	-	-	-	54	-	54
Infrastructure	46	39	1	-	1	40	-	40
Operations	121	123	5	-	5	126	2	128
	294	292	10	-	10	298	4	302
Community & Corporate Services								
General Manager's Office	2	1	1	-	1	2	-	2
Facilities Department	45	46	2	-	2	48	-	48
Legislative & Court Services	89	92.5	-	-	-	73.5	19	92.5
Recreation & Culture Services	67	67	2	-	2	68	1	69
Barrie Fire & Emergency Services	187	187	-	-	-	183	4	187
	390	393.5	5	-	5	374.5	24	398.5
Access Barrie								
Access Barrie Admin	2	2	-	-	-	2	-	2
Customer Service	19	19	-	-	-	17	2	19
Marketing & Communications	8	9	1	-	1	9	1	10
Transit & Parking Strategy	8	9	-	-	-	9	-	9
Information Technology	49	49	2	-	2	50	1	51
	86	88	3	-	3	87	4	91
Total City Staff (Tax Base)	859	865	21	-	21	854	32	886

Note: Department counts in the 2022 Total Approved Complement column reflect organizational changes and in-year approvals.

Forecasted Staff Resourcing Needs

As the City continues to grow, in size and complexity, increased staff resources will be needed to meet growing service demands. In the 2022 Business Plan, staff forecasted at least 46 new positions would be required in 2023 for to meet staff resourcing needs. Due to budgetary pressures in 2023, the requested resources have been cut down to 22 new positions for 2023 (tax and user-rate funded), with the additional resourcing needs being pushed out to 2024 or later.

Access Barrie will require additional Customer Service Representatives, IT, and Transit staff to address increasing call volumes, expanded integration of systems, and more service areas including the operation of the new Allandale Transit Hub.

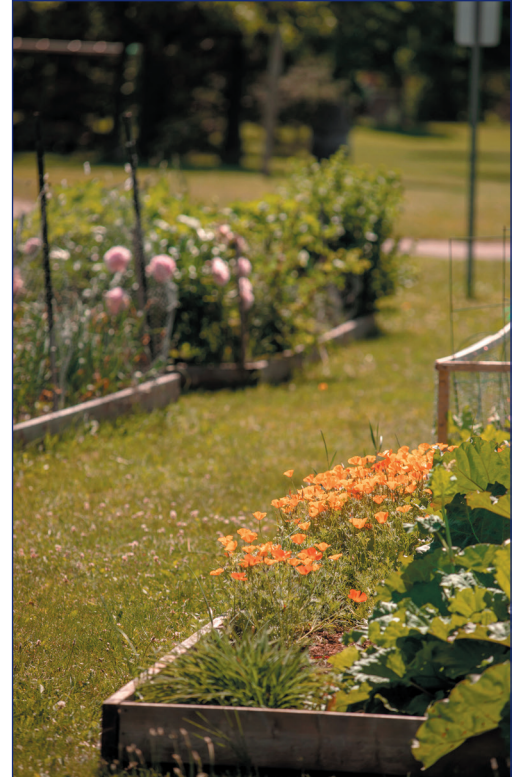
Departments under the CAO and Mayor's Office will require additional staff to continue to provide recruitment and disability management services to City staff, as well as additional procurement and financial support staff for the growing needs in both the tax and user rate areas.

Community and Corporate Services will require additional Fire Fighters, custodial, capital project management, enforcement, and recreation programming and theatre staff as the number of facilities, programs, events and increasing population drive more demand for those services. While the request for pre-approval to hire 20 Fire Fighters does not impact the 2023 budget from a financial perspective, staff will be including a motion in the 2023 budget staff report requesting authorization to begin the recruitment of these positions in preparation for the 2024 opening of Fire Station #6. The budget impact of these 20 staff would be reflected in the 2024 budget year.

Infrastructure and Growth Management will need additional staff for planning and managing projects, expanded operations for the new water and wastewater facilities, and for the maintenance and servicing of more roads, parks, stormwater systems, and plowing routes.

The following table provides a preliminary estimate on staffing needs over the forecast years of 2024 to 2026.

Staff Resourcing Projections			
Area	2024	2025	2026
Access Barrie			
Access Barrie Admin	0	0	0
Customer Service	3	1	1
Information Technology	3	2	2
Marketing & Comm.	1	0	0
Transit & Parking Strategy	1	5	1
	8	8	4
CAO & Mayor's Office			
Human Resources	3	1	1
Internal Audit	0	0	0
Legal Services Department	0	0	1
Finance Department	2	2	2
Office of the CAO	0	0	0
Office of the Mayor	0	0	0
	5	3	4
Community & Corporate Services			
Barrie Fire & Emergency Services	20	1	0
Facilities Department	1	0	1
GM of Community & Corporate Services	0	0	0
Legislative & Court Services	2	1	1
Recreation and Culture Services	9	1	0
	32	3	2
Infrastructure & Growth Management			
Building Services	2	2	0
Business Performance & Environmental Sustainability	1	0	0
Corporate Asset Management	2	0	0
Development Services	3	0	0
Economic & Creative Development	1	1	0
GM Infrastructure & Growth Mgmt	0	0	0
Infrastructure Department	3	2	2
Operations	6	0	2
	18	5	4
Grand Total	63	19	14
Estimated Salary & Benefit Cost (\$99K per FTE)	\$ 6,237,000	\$ 1,881,000	\$ 1,386,000
Estimated Incremental Tax Rate Impact	2.0%	0.6%	0.5%

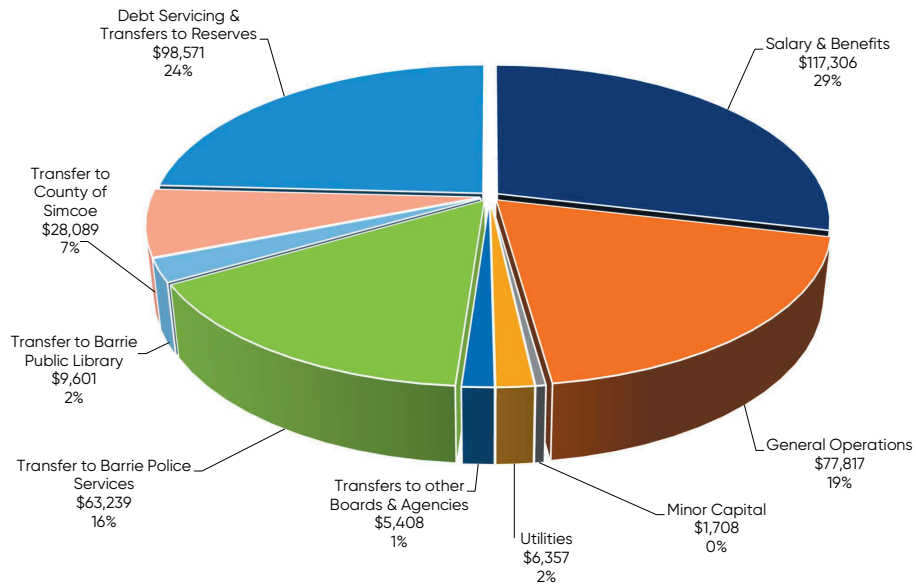


* The 20 Fire Fighters projected in 2024 are being requested for pre-approval through the budget staff report.

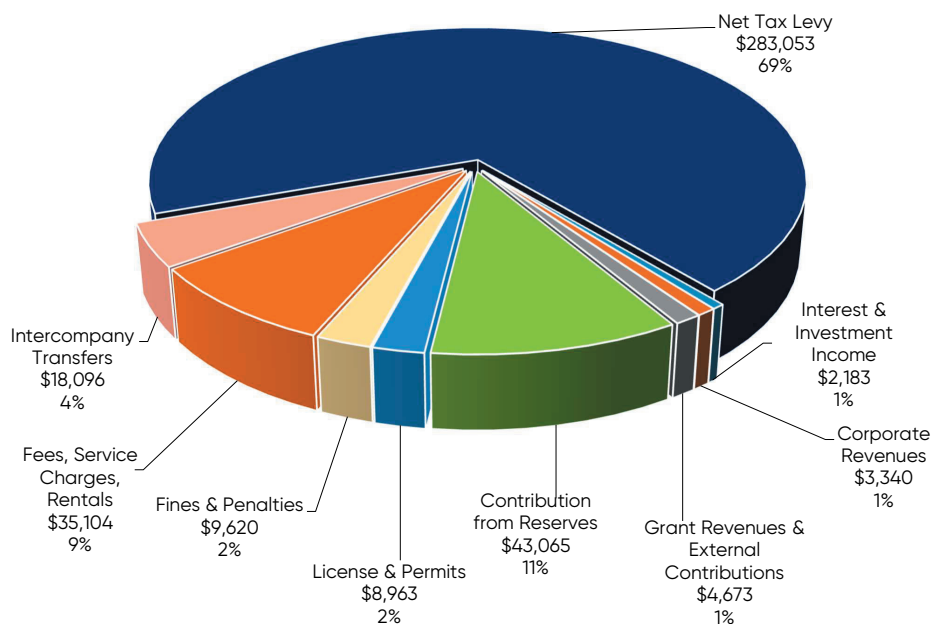
Summary of Tax Operating Budget Expenses and Revenues

The 2023 requested Tax Operating budget results in an increase of \$16.7 million (4.3%) in gross expenditures with an equal and offsetting increase in planned revenues. The following charts show the breakdown of expenses and revenues:

2023 Gross Expenditures - \$408M
(\$000s)



2023 Sources of Operating Revenue - \$408M
(\$000s)



*Numbers in the above chart may not add to total due to rounding.

The following table shows gross expenditures by service area and the net cost to the tax supported operating budget after inclusion of all other revenues and non-tax funding sources, as well as recommended new investments and services.

	2022 - Budget			2023 - Base Budget			Base Budget Change			2023 - New Investments & Service Recommendation			Requested Budget			Requested Budget Change			Net Change			
	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	
CAO & Mayor's Office																						
Office of the CAO	\$777,757	\$701,757	8.16%	\$785,020	\$759,020	8.16%	\$57,263	\$57,263		\$0	\$0		\$785,020	\$759,020		\$57,263	\$57,263		\$57,263	\$57,263	8.16%	
Office of the Mayor	\$394,747	\$277,490	-5.04%	\$263,497	\$263,497	-5.04%	(\$131,250)	(\$13,993)		\$0	\$0		\$263,497	\$263,497		(\$131,250)	(\$13,993)		(\$13,993)	(\$13,993)	-5.04%	
Legal Services Department	\$2,057,044	\$1,919,624	6.06%	\$2,190,186	\$2,036,023	6.06%	\$133,142	\$116,399		\$0	\$0		\$2,190,186	\$2,036,023		\$133,142	\$116,399		\$116,399	\$116,399	6.06%	
Internal Audit	\$373,334	\$373,334	8.45%	\$404,868	\$404,868	8.45%	\$31,533	\$31,533		\$0	\$0		\$404,868	\$404,868		\$31,533	\$31,533		\$31,533	\$31,533	8.45%	
Human Resources	\$3,578,397	\$3,419,343	10.67%	\$3,957,381	\$3,784,233	10.67%	\$378,985	\$364,890		\$119,498	\$119,498		\$4,076,880	\$3,903,732		\$498,483	\$484,388		\$484,388	\$484,388	14.17%	
Finance Department	\$7,006,042	\$4,275,881	8.17%	\$7,625,313	\$4,625,089	8.17%	\$619,270	\$349,208		\$94,794	\$94,794		\$7,720,107	\$4,719,882		\$714,064	\$444,002		\$444,002	\$444,002	10.38%	
Total	\$14,137,322	\$10,967,430	8.25%	\$15,226,265	\$11,872,730	8.25%	\$1,088,942	\$905,300		\$214,292	\$214,292		\$15,440,557	\$12,087,022		\$1,303,234	\$1,119,592		\$1,119,592	\$1,119,592	10.21%	

Council & Committees																					
City Council	\$772,722	\$787,722	5.26%	\$814,124	\$829,124	5.26%	\$41,401	\$41,401		\$0	\$0		\$814,124	\$829,124		\$41,401	\$41,401		\$41,401	\$41,401	5.26%
Committees	\$88,950	\$88,950	1.28%	\$90,090	\$90,090	1.28%	\$1,140	\$1,140		\$0	\$0		\$90,090	\$90,090		\$1,140	\$1,140		\$1,140	\$1,140	1.28%
Total	\$861,672	\$876,672	4.85%	\$904,214	\$919,214	4.85%	\$42,541	\$42,541		\$0	\$0		\$904,214	\$919,214		\$42,541	\$42,541		\$42,541	\$42,541	4.85%

Access Barrie																					
Access Barrie Admin	\$358,112	\$358,112	7.52%	\$385,057	\$385,057	7.52%	\$26,945	\$26,945		\$0	\$0		\$385,057	\$385,057		\$26,945	\$26,945		\$26,945	\$26,945	7.52%
Customer Service	\$1,802,757	\$1,260,393	10.34%	\$1,958,583	\$1,390,664	10.34%	\$155,826	\$130,271		\$0	\$0		\$1,958,583	\$1,390,664		\$155,826	\$130,271		\$130,271	\$130,271	10.34%
Marketing & Comm.	\$1,363,664	\$1,091,146	8.52%	\$1,476,134	\$1,184,144	8.52%	\$112,470	\$92,998		\$129,559	\$129,559		\$1,605,693	\$1,313,703		\$242,029	\$222,557		\$222,557	\$222,557	20.40%
Information Technology	\$10,348,996	\$8,743,542	9.39%	\$11,151,934	\$9,564,269	9.39%	\$802,937	\$820,727		\$94,284	\$94,284		\$11,246,217	\$9,658,552		\$897,221	\$915,010		\$915,010	\$915,010	10.46%
Transit & Parking Strategy	\$22,467,926	\$13,916,850	14.67%	\$25,310,284	\$15,957,858	14.67%	\$2,842,358	\$2,041,007		(\$200,067)	(\$410,067)		\$25,110,217	\$15,547,791		\$2,642,291	\$1,630,940		\$1,630,940	\$1,630,940	11.72%
Total	\$36,341,456	\$25,370,044	12.27%	\$40,281,992	\$28,481,991	12.27%	\$3,940,536	\$3,111,947		\$23,776	(\$186,224)		\$40,305,768	\$28,295,767		\$3,964,312	\$2,925,723		\$2,925,723	\$2,925,723	11.53%

Community & Corporate Services																					
GM of Community & Corporate Services	\$275,137	\$250,137	9.65%	\$299,271	\$274,271	9.65%	\$24,133	\$24,133		\$174,987	\$174,987		\$474,258	\$449,258		\$199,121	\$199,121		\$199,121	\$199,121	79.60%
Barrie Fire & Emergency Services	\$29,122,112	\$28,034,592	3.11%	\$30,071,582	\$28,907,701	3.11%	\$873,109	\$873,109		\$0	\$0		\$30,071,582	\$28,907,701		\$949,470	\$873,109		\$873,109	\$873,109	3.11%
Legislative & Court Services	\$11,252,476	\$3,276,747	44.50%	\$10,797,295	\$4,735,036	44.50%	(\$455,181)	\$1,458,289		\$0	\$0		\$10,797,295	\$4,735,036		(\$455,181)	\$1,458,289		\$1,458,289	\$1,458,289	44.50%
Recreation and Culture Services	\$18,617,720	\$10,495,483	5.56%	\$21,482,826	\$11,079,316	5.56%	\$2,865,105	\$583,833		\$239,301	\$219,301		\$21,722,127	\$11,298,617		\$3,104,407	\$803,134		\$803,134	\$803,134	7.65%
Facilities Department	\$14,571,815	\$2,275,156	4.85%	\$15,319,622	\$2,385,509	4.85%	\$110,354	\$110,354		\$58,993	\$11,993		\$15,378,615	\$2,397,502		\$806,801	\$122,347		\$122,347	\$122,347	5.38%
Total	\$73,839,260	\$44,332,116	6.88%	\$77,970,595	\$47,381,834	6.88%	\$4,131,335	\$3,049,718		\$473,282	\$406,282		\$78,443,877	\$47,788,115		\$4,604,617	\$3,456,000		\$3,456,000	\$3,456,000	7.80%

*Numbers in the above chart may not add to total due to rounding.

	2022 - Budget			2023 - Base Budget			2023 - Base Budget Change			2023 - New Investments & Service Recommendation			Requested Budget			Requested Budget Change			Net Change		
	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%	Gross	Net	%
Infrastructure & Growth Management																					
Economic & Creative Development	\$2,833,713	\$2,177,017	4.46%	\$3,138,099	\$2,274,038	4.46%	\$304,387	\$97,021	4.46%	\$255,692	(\$0)	4.46%	\$3,393,791	\$2,274,038	4.46%	\$560,079	\$97,021	4.46%	\$560,079	\$97,021	4.46%
Building Services	\$4,283,349	\$0	-737.82%	\$5,903,352	(\$0)	-737.82%	\$1,620,003	(\$0)	-737.82%	\$236,794	(\$0)	-737.82%	\$6,140,146	(\$0)	-737.82%	\$1,856,796	(\$0)	-737.82%	\$1,856,796	(\$0)	-737.82%
GM Infrastructure & Growth Mgmt	\$316,749	\$316,749	8.69%	\$344,267	\$344,267	8.69%	\$27,518	\$27,518	8.69%	\$0	\$0	8.69%	\$344,267	\$344,267	8.69%	\$27,518	\$27,518	8.69%	\$27,518	\$27,518	8.69%
Infrastructure Department	\$1,689,984	\$1,262,137	14.81%	\$1,899,131	\$1,449,023	14.81%	\$209,147	\$186,886	14.81%	\$28,125	\$28,125	14.81%	\$1,927,256	\$1,477,149	14.81%	\$237,272	\$215,012	14.81%	\$237,272	\$215,012	14.81%
Corporate Asset Management	\$1,934,270	\$1,075,205	-1.52%	\$2,305,103	\$1,058,826	-1.52%	\$370,834	(\$16,379)	-1.52%	\$0	\$0	-1.52%	\$2,305,103	\$1,058,826	-1.52%	\$370,834	(\$16,379)	-1.52%	\$370,834	(\$16,379)	-1.52%
Operations	\$41,232,934	\$34,452,462	1.78%	\$39,155,115	\$35,065,340	1.78%	\$2,077,819	\$612,878	1.78%	\$275,137	\$275,137	1.78%	\$39,430,252	\$35,340,477	1.78%	\$1,802,682	\$888,015	1.78%	\$1,802,682	\$888,015	1.78%
Development Services	\$10,578,084	\$6,576,852	8.57%	\$12,093,793	\$7,140,580	8.57%	\$1,515,710	\$563,728	8.57%	\$488,605	\$442,605	8.57%	\$12,582,398	\$7,583,185	8.57%	\$2,004,314	\$1,006,333	8.57%	\$2,004,314	\$1,006,333	8.57%
Business Performance & Environmental Sustainability	\$3,182,006	\$2,151,475	11.00%	\$3,468,177	\$2,388,217	11.00%	\$286,171	\$236,742	11.00%	\$233,355	\$140,626	11.00%	\$3,701,532	\$2,528,844	11.00%	\$519,526	\$377,368	11.00%	\$519,526	\$377,368	11.00%
Total	\$66,051,089	\$48,011,898	3.56%	\$68,307,038	\$49,720,291	3.56%	\$2,255,949	\$1,708,394	3.56%	\$1,517,707	\$886,493	3.56%	\$69,824,745	\$50,606,785	3.56%	\$3,773,656	\$2,594,887	3.56%	\$3,773,656	\$2,594,887	3.56%

Divisional Tax Operating	\$191,230,800	\$129,558,159	6.81%	\$202,690,104	\$138,376,060	6.81%	\$11,459,304	\$8,817,900	6.81%	\$2,229,057	\$1,320,843	6.81%	\$204,919,161	\$139,696,903	6.81%	\$13,688,361	\$10,138,743	6.81%	\$13,688,361	\$10,138,743	6.81%
---------------------------------	----------------------	----------------------	--------------	----------------------	----------------------	--------------	---------------------	--------------------	--------------	--------------------	--------------------	--------------	----------------------	----------------------	--------------	---------------------	---------------------	--------------	---------------------	---------------------	--------------

Service Partners & Grants																					
County of Simcoe	\$26,852,000	\$25,679,580	6.57%	\$28,089,000	\$1,237,000	6.57%	\$1,237,000	\$1,685,927	6.57%	\$0	\$0	6.57%	\$28,089,000	\$27,365,507	6.57%	\$1,237,000	\$1,685,927	6.57%	\$1,237,000	\$1,685,927	6.57%
Simcoe Muskoka District Health Unit	\$2,033,444	\$2,015,944	2.06%	\$2,075,000	\$2,057,500	2.06%	\$41,556	\$41,556	2.06%	\$0	\$0	2.06%	\$2,075,000	\$2,057,500	2.06%	\$41,556	\$41,556	2.06%	\$41,556	\$41,556	2.06%
Conservation Authorities	\$1,746,602	\$683,003	3.41%	\$1,782,141	\$706,284	3.41%	\$35,539	\$23,281	3.41%	\$0	\$0	3.41%	\$1,782,141	\$706,284	3.41%	\$35,539	\$23,281	3.41%	\$35,539	\$23,281	3.41%
Local Boards	\$68,281,514	\$68,121,514	6.69%	\$72,840,142	\$72,680,142	6.69%	\$4,558,628	\$4,558,628	6.69%	\$0	\$0	6.69%	\$72,840,142	\$72,680,142	6.69%	\$4,558,628	\$4,558,628	6.69%	\$4,558,628	\$4,558,628	6.69%
Lake Simcoe Regional Airport	\$160,000	\$160,000	-3.75%	\$154,000	\$154,000	-3.75%	(\$6,000)	(\$6,000)	-3.75%	\$0	\$0	-3.75%	\$154,000	\$154,000	-3.75%	(\$6,000)	(\$6,000)	-3.75%	(\$6,000)	(\$6,000)	-3.75%
Other Service Partners & Grants	\$605,000	\$60,000	0.00%	\$780,000	\$60,000	0.00%	\$175,000	\$0	0.00%	\$0	\$0	0.00%	\$780,000	\$60,000	0.00%	\$175,000	\$0	0.00%	\$175,000	\$0	0.00%
Total	\$99,678,560	\$96,720,041	6.52%	\$105,720,283	\$103,023,434	6.52%	\$6,041,723	\$6,303,393	6.52%	\$0	\$0	6.52%	\$105,720,283	\$103,023,434	6.52%	\$6,041,723	\$6,303,393	6.52%	\$6,041,723	\$6,303,393	6.52%

Corporate Transactions																					
Corporate Expenses	\$100,457,935	\$55,532,272	-3.98%	\$97,457,385	(\$3,000,550)	-3.98%	(\$3,000,550)	(\$2,209,235)	-3.98%	\$0	\$0	-3.98%	\$97,457,385	\$53,323,037	-3.98%	(\$3,000,550)	(\$2,209,235)	-3.98%	(\$3,000,550)	(\$2,209,235)	-3.98%
Corporate Revenues	\$0	(\$14,809,394)	-12.28%	\$0	(\$12,990,638)	-12.28%	\$0	\$1,818,757	-12.28%	\$0	\$0	-12.28%	\$0	(\$12,990,638)	-12.28%	\$0	\$1,818,757	-12.28%	\$0	\$1,818,757	-12.28%
Total	\$100,457,935	\$40,722,877	-0.96%	\$97,457,385	(\$3,000,550)	-0.96%	(\$3,000,550)	(\$390,478)	-0.96%	\$0	\$0	-0.96%	\$97,457,385	\$40,332,399	-0.96%	(\$3,000,550)	(\$390,478)	-0.96%	(\$3,000,550)	(\$390,478)	-0.96%

TOTAL RECOMMENDED TAX OPERATING BUDGET	\$391,367,294	\$267,001,078	5.52%	\$405,867,772	\$281,731,892	5.52%	\$14,500,478	\$14,730,814	5.52%	\$2,229,057	\$1,320,843	5.52%	\$408,096,829	\$283,052,735	5.52%	\$16,729,534	\$16,051,657	5.52%	\$16,729,534	\$16,051,657	5.52%
---	----------------------	----------------------	--------------	----------------------	----------------------	--------------	---------------------	---------------------	--------------	--------------------	--------------------	--------------	----------------------	----------------------	--------------	---------------------	---------------------	--------------	---------------------	---------------------	--------------

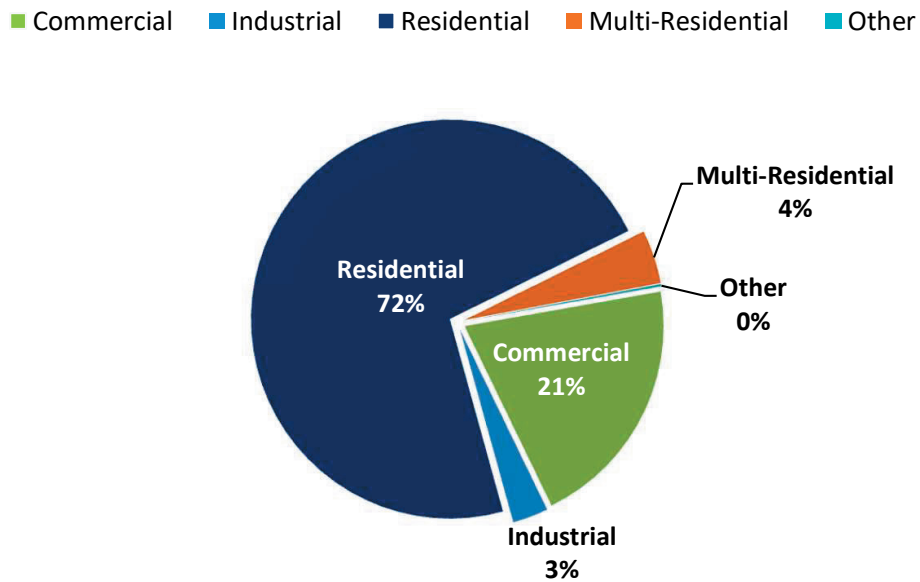
*Numbers in the above chart may not add to total due to rounding.

Property Tax Revenue

The annual property tax levy is shared across various classes of property. The levy for a particular property is calculated by multiplying the assessed value for the property, as established by the Municipal Property Assessment Corporation (MPAC), by the appropriate tax rate for that property's class. The tax rates are calculated using the tax ratios established by Council each year. Tax ratios represent the relative tax burden across the property taxes in relation to the residential tax class. For example, a commercial tax ratio of 1.43 means that for every dollar of assessment, a commercial property will pay 1.43 times more than a residential property.

The chart below illustrates the breakdown of the proposed 2023 tax levy supporting municipal services and service partners by major property class.

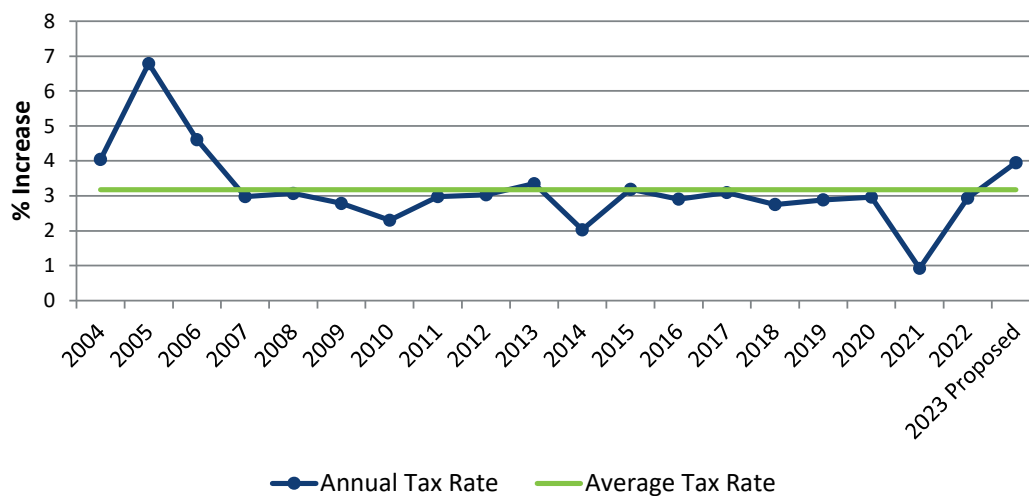
2023 Tax Levy



History of Tax Rate Changes

Since 2004 and including the recommended 2023 plan, the average annual residential property tax increase for a typical home in Barrie has been 3.18%.

Tax Rate Change



Forecasted Tax Rate Increases – Three Year Forecast

Staff have made best efforts to provide a three-year operating forecast for the 2023 Business Plan and will continue to refine the forecasting process to improve accuracy in future business plans. The Capital Budget includes assets and infrastructure that may have a direct impact on future operating budgets when placed into service.

Staff have attempted to capture expenditure and non-tax revenue trends for the next 3 years. Inflationary factors on key labour and operating contracts will continue to be drivers; as will tax funded reserve contributions needed to sustain capital renewal and replacement activities related to the City's aging infrastructure. Where possible, non-tax revenue sources (e.g. User fees) have been forecasted taking into account anticipated volumes and pricing.

Growth driven increases to expenditures and revenue will also become a more significant factor in the coming years. As new homes and businesses are developed, related infrastructure such as roads, sidewalks, and parks will be constructed. Additional staff and equipment dedicated to services such as Waste Collection, Winter Control, Road Surface and Roadside Maintenance, Fire and Emergency, and Recreation and Culture will be needed to maintain minimum maintenance standards and current service levels.

In addition, as rural lands become urbanized, additional stormwater resources to accommodate storm system expansion and maintenance will be required. These assets will need to be operated and maintained to meet Environmental Compliance Approvals issued by the Ministry of the Environment and Climate Change.

The table below lists the anticipated tax rate increases given current assumptions for each of the next three years:

Estimated Tax Rate Increase	
Year	Net Levy
2024	5.4%
2025	3.0%
2026	3.0%



USER RATE SUPPORTED OPERATING BUDGETS

Water Operating Budget

The plan for water complies with Financial Plans Regulation (O.Reg. 453/07) under the Safe Drinking Water Act for a full cost recovery operation. The annual Water Operating Budget reflects the cost associated with delivering safe drinking water to the community using a combination of ground and surface water supply, and a distribution network associated with reservoirs and pumping stations.

Description	2022 Budget	2023 Requested Budget	\$ Change	% Change
Water Rate Revenue	\$ (29,183,578)	\$ (30,803,884)	\$ (1,620,306)	5.6%
Maintain current service levels	\$ 13,709,391	\$ 14,261,440	\$ 552,049	4.0%
Interfund Transfers	\$ 8,281,295	\$ 8,250,882	\$ (30,413)	-0.4%
2023 New Investments and Service Recommendations		\$ 92,728	\$ 92,728	N/A
Contribution to Water Capital Reserve	\$ 7,192,892	\$ 8,198,834	\$ 1,005,942	14.0%

The proposed 2023 Water Operations Budget reflects a rate increase of 4%. However, because new rates come into effect part way through the year, the effective annualized rate increase in 2023 will be 3.7% (\$13.75) for a typical household.

Water Revenue

Water rate revenue is expected to increase by \$1.6 million in 2023 based on a combination of consumption and flow patterns, growth, and the recommended increases for the fixed charge and volume rate charge outlined in the recent water and wastewater system financial plan.

Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$552 thousand in 2023. The cost of labour is expected to increase by \$498 thousand. The increase provides for employee wage band progression and salary and benefit calculations as determined by the City's Collective Agreement, and estimated benefit provider rates.

Interfund Expense

Interfund expenses are costs recovered between the City's primary operating funds (Tax, Water, Wastewater, Parking, and Stormwater). These costs are most commonly incurred in the tax fund and then recovered from the other funds (e.g. corporate overhead). Budgeted interfund expenses will decrease by \$30 thousand for 2023.

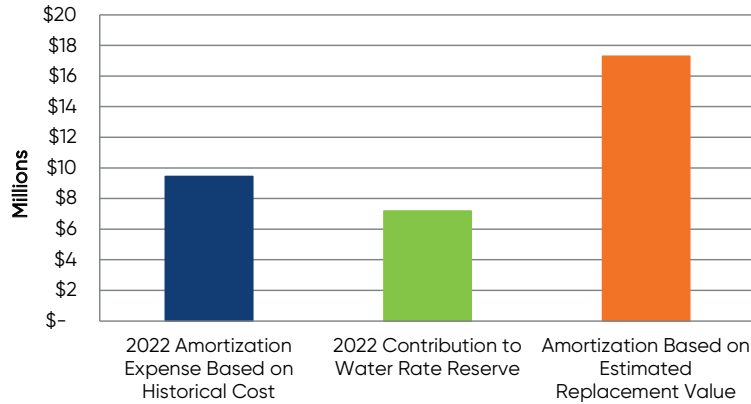
Contribution to Water Capital Reserve

After considering proposed new investment and service recommendations, the contribution to the water capital reserve will be increased by \$1.0 million. The increase proposed for the 2023 budget will help support the sustainability of the City's drinking water infrastructure while keeping rate increases in line with historical norms.

The historical costs of the City's water assets total \$450 million compared to the estimated replacement value of \$774 million based on applying inflation to the original construction costs. The following chart shows the estimated amortization expenses of \$9.5 million for water-supported infrastructure in 2022 based on historical costs for the City.

In comparison, the budgeted transfer to the water capital reserve in 2022 of \$7.2 million was lower than the amortization expense by \$2.3 million. Furthermore, the estimated replacement depreciation cost of the water supported non-growth existing infrastructure in the amount of \$17.3 million extends the annual shortfall to over \$10.1 million.

Water Rate Supported Annual Infrastructure Gap



Investment and Service Recommendations

The proposed 2023 Water budget includes funding totaling \$93 thousand for a permanent Risk Management Inspector in the Business Performance & Environmental Sustainability Department.

Water Rate Revenues

The target for total water revenue is driven by the cost of providing the service. An increase in water rate revenue of \$1.6 million is required to maintain the current service levels as described above. Factors impacting the rate increase for a typical household include total water revenue requirement and changes to assumptions for consumption, service connections, and growth. For a typical household that consumes 180 cubic metres annually, the annualized cost of water services in 2023 are estimated to be \$388 (\$375 in 2022). This represents a 3.7% or \$13.75 annual increase over 2022.

Residential Water Rates

Bi-monthly Consumption	2022 Rates	2023 Rates
0 – 30 cubic metres	\$1.1394 per m ³	\$1.1850 per m ³
30 – 60 cubic metres	\$2.2789 per m ³	\$2.3701 per m ³
60 – 90 cubic metres	\$3.4183 per m ³	\$3.5550 per m ³
> 90 cubic metres	\$4.5578 per m ³	\$4.7401 per m ³
Fixed Charge by Service Size		
16 to 19 mm	\$28.88	\$30.04

General Service Water Rates

Monthly Consumption	2022 Rates	2023 Rates
0 – 15 cubic metres	\$1.1394 per m ³	\$1.1850 per m ³
> 15 cubic metres	\$1.7092 per m ³	\$1.7776 per m ³
Fixed Charge by Service Size		
13 to 19 mm	\$14.44	\$15.02
25 to 32 mm	\$36.10	\$37.54
38 mm	\$72.21	\$75.10
50 mm	\$115.54	\$120.16
75 mm	\$252.73	\$262.84
100 mm	\$433.28	\$450.61
150 mm	\$902.65	\$938.75
200 mm	\$1,155.38	\$1,201.60
250 mm	\$1,660.89	\$1,727.32
300 mm	\$1,660.89	\$1,727.32

Permanent Staff Complement Continuity – Water

Currently, 70 staff members are required to directly support Water Operations. There are no new positions recommended in the 2023 operating budget.

2023 OPERATING BUDGET – PERMANENT STAFF COMPLEMENT CONTINUITY (WATER USER RATE)

Division/Department	Total 2021 Approved Complement	Total 2022 Approved Complement	2023 Recommended New Investments Impact			2023 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Water	70	70	-	-	-	70	-	70

Wastewater Operating Budget

The annual Wastewater Operating Budget reflects the costs associated with receiving, treating, and discharging sanitary sewage complying with all applicable governing legislation.

Description	2022 Budget	2023 Requested Budget	\$ Change	% Change
Wastewater Rate Revenue	\$ (38,655,403)	\$ (40,959,491)	\$ (2,304,088)	6.0%
Maintain current service levels	\$ 15,893,456	\$ 16,463,715	\$ 570,259	3.6%
Interfund Transfers	\$ 5,418,374	\$ 5,888,981	\$ 470,607	8.7%
2023 New Investments and Service Recommendations		\$ 162,397	\$ 162,397	N/A
Contribution to Wastewater Capital Reserve	\$ 17,343,573	\$ 18,444,398	\$ 1,100,825	6.3%

The proposed 2023 Wastewater Operations Budget reflects a rate increase of 5.0% which is a \$26.54 increase for a typical household.

Wastewater Revenue

Wastewater rate revenue is expected to increase by \$2.3 million in 2023 based on consumption and flow patterns, growth, and the recommended increases for the fixed charge and volume rate charge outlined in the recent water and wastewater system financial plan.

Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$570 thousand in 2023. The cost of labour is expected to increase by \$297 thousand for 2023. The increase provides for employee wage band progression and salary and benefit calculations as determine by the City's Collective Agreement, and estimated benefit provider rates.

Interfund Expenses

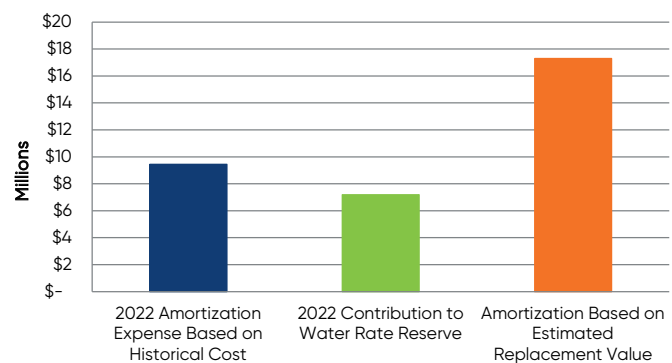
Interfund expenses are costs recovered between the City's primary operating funds (Tax, Water, Wastewater, Stormwater and Parking). These costs are most commonly incurred in the tax fund and then recovered from the other funds (e.g. corporate overhead). Budgeted interfund expenses will decrease by \$471 thousand for 2023.

Contribution to Wastewater Capital Reserve

After considering proposed new investment and service recommendations, the contribution to the wastewater capital reserve will be increased by \$1.1 million. The increase will contribute to the sustainability of the City's wastewater infrastructure while keeping rate increases in line with historical norms.

The historical costs of the City's Wastewater assets total \$570 million compared to the replacement value of \$1.25 billion. The Wastewater rate supported infrastructure gap presented in the following chart shows that the contribution to reserve of \$17.3 million to the wastewater capital reserve exceeds the annual amortization expense of the current wastewater infrastructure based on historical cost of \$10.5 million. However, the amortization based on the replacement values in consideration of the annual inflationary rate according to the Consumer Price Index, estimated at \$32.5 million, yield a funding gap of over \$15 million.

Water Rate Supported Annual Infrastructure Gap



Investment and Service Recommendations

The proposed 2023 Wastewater budget includes new investment and service recommendations at a cost of \$162 thousand for a permanent Utility SCADA Specialist.

Wastewater Rate Revenues

The target for total wastewater revenue is driven by the cost of providing the service. An increase in wastewater rate revenue of \$2.3 million is required to maintain the current service levels as described above. Factors impacting the rate increase for a typical household include total wastewater revenue requirement and changes to assumptions for consumption, service connections, and growth. For a typical household that consumes 180 cubic metres annually, the annualized cost of wastewater services in 2023 are estimated to be \$559 (\$532 in 2022). This represents a 5.0% or \$26.54 increase over 2022.

Residential Wastewater Rates

Bi-monthly Consumption	2022 Rates	2023 Rates
0 – 30 cubic metres	\$1,6773 per m ³	\$1,7611 per m ³
30 – 60 cubic metres	\$2,8514 per m ³	\$2,9939 per m ³
60 – 90 cubic metres	\$2,8514 per m ³	\$2,9939 per m ³
> 90 cubic metres	N/A	N/A
Fixed Charge by Service Size		
16 to 19 mm	\$39.81	\$41.80

General Service Wastewater Rates

Monthly Consumption	2022 Rates	2023 Rates
0 – 15 cubic metres	\$1,5973 per m ³	\$1,6772 per m ³
> 15 cubic metres	\$2,3963 per m ³	\$2,5161 per m ³
Fixed Charge by Service Size		
13 to 19 mm	\$19.91	\$20.90
25 to 32 mm	\$49.77	\$52.26
38 mm	\$99.55	\$104.53
50 mm	\$159.28	\$167.25
75 mm	\$348.41	\$365.83
100 mm	\$597.40	\$627.28
150 mm	\$1,244.30	\$1,306.51
200 mm	\$1,592.71	\$1,672.34
250 mm	\$2,289.51	\$2,403.99
300 mm	\$2,289.51	\$2,403.99



Permanent Staff Complement Continuity – Wastewater

Currently, 48 staff members are required to directly support Wastewater Operations. The 2023 business plan includes a request for permanent staff that would increase the complement by 1 new position to 49. The detailed business case supporting the request for an additional complement can be found in the New Investments & Service Recommendations section of the binder.

2023 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (WASTEWATER USER RATE)

Division/Department	Total 2021 Approved Complement	Total 2022 Approved Complement	2023 Recommended New Investments Impact			2023 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Wastewater	40	48	1	-	1	49	-	49

Parking Operating Budget

The 2023 Parking Operating Budget reflects the costs associated with the operations and maintenance of parking lots, parking structure and assets.

Description	2022 Budget	2023 Requested Budget	\$ Change	% Change
Parking Rate Revenue	\$ (1,323,740)	\$ (1,698,740)	\$ (375,000)	28.3%
Maintain current service levels	\$ 954,838	\$ 1,036,270	\$ 81,432	8.5%
Interfund Transfers	\$ 1,789,317	\$ 1,306,474	\$ (482,843)	-27.0%
Contribution from Parking Capital Reserve	\$ (1,420,415)	\$ (644,004)	\$ 776,411	-54.7%

The parking service is intended to be self-sustaining through user pay revenue. The previous operating model for the service has proven unable to generate sufficient revenue to meet the cost of annual operations on an ongoing basis.

With the approved parking strategy (20-G-168) allowing for upcoming changes to the pricing structure, the parking service financial sustainability will continue to improve and with the anticipation of more people visiting the downtown and returning to the workplace, the impact of COVID on revenues is expected to ease.

Parking Rate Revenue

In 2023 the municipal parking system expects to realize \$1.699 million in revenue from parking metre fees and parking permits. Although this is not up to pre-covid levels, this is an increase of \$375 thousand over the previous year and is due to an anticipated increase in parking revenue with more people visiting the downtown and returning to the workplace.

Maintain Current Service Levels

The direct operating cost for the parking service has increased \$81 thousand over 2022 mainly because of the ending of capital salary recoveries for the project lead on the digital parking permit project as well as salary and benefit increases due to employee wage band progression and salary and benefit calculations as determine by the City's Collective Agreement, and estimated benefit provider rates.

Interdepartmental transfers have decreased by \$483 thousand over 2022. These costs consist of corporate overhead and direct support for assets such as parking structures. This reduction in overall corporate support is in recognition of lost revenue resulting from the previous free and discounted parking provided for tax-based initiatives.

Contribution to Parking Capital Reserve

Parking Operations continues to generate an operating deficit requiring a draw from the Parking Reserve to balance the parking budget. For 2022, the draw from the reserve is expected to be \$644 thousand. This is a reduction of \$776 thousand from 2022.

The net deficit in parking operations yields insufficient funding in the Parking rate reserve to maintain the current parking rate supported infrastructure with annual amortization based on historical cost of \$506 thousand.

Permanent Staff Complement Continuity - Parking

Currently, 4 staff are required to directly support Parking Operations. There are no new positions recommended in the 2023 operating budget.

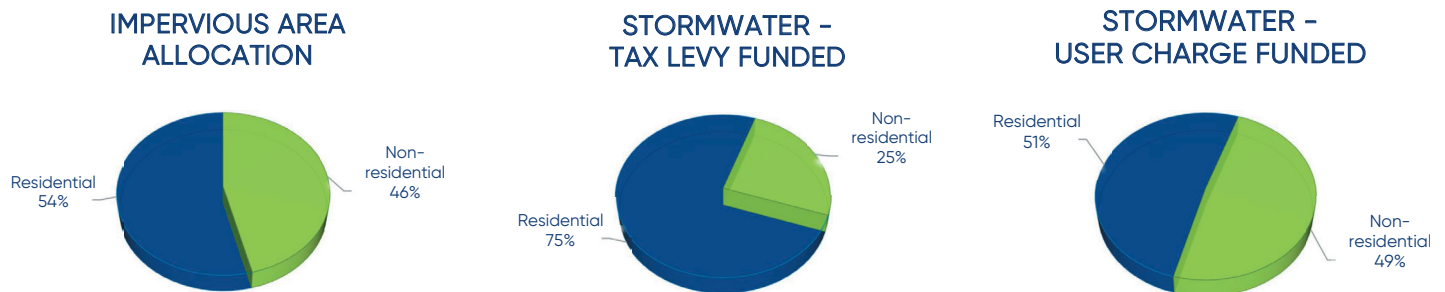
2023 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY
(PARKING USER RATE)

Division/Department	Total 2021 Approved Complement	Total 2022 Approved Complement	2023 Recommended New Investments Impact			2023 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Parking	4	4	-	-	-	4	-	4

Stormwater Operating Budget

The introduction of a new Stormwater Climate Action Fund user charge decreases the property tax levy by \$10.5 million for 2023, as the new user charges will cover \$7.7 million of funding needed for stormwater infrastructure, with the remaining funding covering stormwater management operations. These costs were previously funded through the tax rate and by tax-based contributions to the Tax Capital Reserve. These amounts will be removed from a property's tax bill and added onto its water/wastewater bill as a new Stormwater charge.

Previously, residential property owners were paying 75% of the costs of the current service levels for stormwater through their tax bill, while contributing only 54% of total impervious areas within the City. Non-residential properties were paying 25% of the costs while contributing 46% of the impervious areas. Transitioning stormwater service funding from a tax-supported service in 2022 to a user charge service in 2023 provides a more fair and equitable service funding model, shifting the costs to the heaviest contributors based on impervious areas.



In many cases, this shift will cause the residential user charge to be less than the amount that a property would have contributed to stormwater through their tax bill. For example, an average residential property was paying \$174 per year towards stormwater management through the tax-supported budget, will now pay approximately \$129 per year under the new Stormwater Climate Action Fund user charges (see table below). This is because the user charges model shifts costs to the heaviest contributors to stormwater runoff, based on a property's impervious areas (e.g. parking lots, rooftops, driveways).

Land Use	Average Residential Cost (Tax Levy)	Average Residential Cost (User Charge)	Change
Residential Detached Unit	\$ 174	\$ 129	\$ (45)
Duplex (both units)	\$ 165	\$ 181	\$ 16
Condominium (single unit)	\$ 116	\$ 64	\$ (52)
Townhome (single unit)	\$ 130	\$ 64	\$ (66)
Apartment (7 units)	\$ 2,585	\$ 2,076	\$ (509)

The annual Stormwater Operating Budget reflects the costs associated with managing urban stormwater runoff by safely controlling and conveying flows as well as providing water quality treatment. Investing in these areas improves the protection of Lake Simcoe, mitigates environmental damage, and increases the City's resilience against impacts of climate change.

Description	2023 Budget
Stormwater User Fees	\$ 7,875,000
Federal Gas Tax to Cover Lag in Implementation of 1st Quarter Billing	\$ 2,625,000
New Stormwater Climate Action Fund Revenue*	\$ 10,500,000
Costs to Maintain Current Service Levels	\$ (2,822,321)
Contribution to SWCAF before Inv. & Service Recommendations	\$ 7,677,679
Investment & Service Recommendations	\$ (45,102)
Adjusted Contribution to SWCAF Reserve	\$ 7,632,577

*Previous funding for the same services was included in the tax levy

Stormwater Rate Revenues

A Stormwater Climate Action Fund is being implemented for the first time in 2023 to fund the City's operating and capital stormwater costs, with the rates being approved as part of the 2023 budget process at existing service level standards. The targeted Stormwater Climate Action Fund user charge revenue for 2023 is \$10.5 million. The City will only be billing for 9 months in 2023, starting in the spring, to allow more time for public education and communication, processing of invoices, and rate approvals. The additional 3 months' worth of revenue required in year one will be funded from Federal Gas Tax Reserve.

Residential properties will be charged a rate based on average impervious area (any surface that does not allow water to soak into the ground, such as roofs, driveways and roads) for the type of property type they own (e.g., detached homes or condominiums).

Non-residential properties (such as commercial, institutional and industrial) will be charged a rate based on actual imperviousness of their property measured from aerial photography. Non-residential properties will be charged \$0.55 per square metre.

For non-residential properties the total impervious area for each property will be individually assessed by remote sensing, using the best available aerial imagery. The number of the stormwater billing units assigned to these properties will be calculated by dividing the total impervious area (m²) by the area of one billing unit. For 2023, the area of 1 billing unit is 236 m².

The stormwater charge for each property is calculated by multiplying the number of Stormwater Billing Units assessed to a property by the effective Stormwater Rate (DRU). The proposed DRU Rate for 2023 is \$129.

Maintain Current Service Levels

The budgeted Stormwater Climate Action Fund user charges for 2023 are \$10.5M. This funding is needed to maintain current service levels for existing stormwater management services and infrastructure that were previously funded through the Tax Levy. The budgeted costs to maintain current service levels are estimated to be approximately \$2.8 million.

Number of Stormwater Billing Units x Stormwater Rate (DRU) = \$ Annual Stormwater Fee		
2023 Stormwater User Charges		
Property	Stormwater Billing Units	Annual Stormwater Charge (per unit)
Residential Detached	1	\$ 129.00
Residential Semi Detached	0.7	\$ 90.30
Residential Duplex	0.7	\$ 90.30
Residential Tri-plex	0.5	\$ 64.50
Residential Quad-plex	0.5	\$ 64.50
Residential Five-plex	0.5	\$ 64.50
Residential Six-plex	0.5	\$ 64.50
Residential Condominium	0.5	\$ 64.50
Residential Townhouse	0.5	\$ 64.50
Apartment - 7 or more units	0.4	\$ 51.60
Residential Linked Home	0.7	\$ 90.30
Mixed use (residential and non-residential)	Total impervious area (m ²) divided by the area of one billing unit.	Annual fee determined by calculated impervious area \$0.55/sq. m
Non-Residential Property	Total impervious area (m ²) divided by the area of one billing unit .	Annual fee determined by calculated impervious area \$0.55/sq. m

Contribution to Stormwater Capital Reserve

Funding stormwater asset renewal with the new Stormwater Capital Reserve Fund, which is funded through the collection of Stormwater Climate Action Fund user charges, results in a reduction of the Tax Levy for the transfer to the Tax Capital Reserve of \$7.7 million. After considering proposed new investment and service recommendations, the contribution to the stormwater capital reserve will be decreased by \$45 thousand.

Stormwater Staff Complement

Currently, there are no staff members fully allocated to Stormwater Operations. Several staff members support the Stormwater Operations. These positions are accounted for in other areas and are charged to the Stormwater Operations through interfund transfers based on hours worked/type of work.

FINANCIAL CONDITION

Capital Reserve Forecasts

The following section presents five-year forecasts for the City's main capital reserves and reserve funds. These include Development Charge Reserve Funds (DC's), Tax Capital Reserve, Water, Wastewater, and Stormwater Capital Reserve Funds, Federal Gas Tax Reserve, County of Simcoe Capital Reserve, Cash-in-lieu Parkland Reserve, as well as the Fleet Replacement Reserve, Reinvestment Reserve, Stabilization Reserves, and the Tourism Reserve.

The continuity reserve tables on the following pages show the projected year-end balances of each reserve. The draws from reserves are captured from forecasts proposed in the 2023 Capital and Operating budgets.

Contributions to reserves are based on projected forecasts utilizing current trends, as well as financial policies, growth studies and the 2019 Development Charge background study. Financial Policy Framework targets or thresholds for reserves are important for maintaining or improving the City's financial condition. Reserves provide liquidity and flexibility in addressing operating requirements and internally funding capital projects to reduce the reliance on debt financing.

Development Charge Reserve Funds

Development Charges are used to pay for growth related infrastructure and any associated debt servicing costs. The City's proposed 2023 Capital Budget has been updated with the most current Development Charge Background Study rates and reflects the recommended investment in new and existing infrastructure to support the City's planned growth.

The required draws from DC Reserves for 2023 are projected to be \$108 million. These draws assume that DC eligible expenditures will be funded with cash, directly from the DC Reserves. However, the DC Committed Reserve balances are currently in a deficit position with the committed deficit expected reach a peak of \$85.9 million in 2024. Higher than anticipated DC revenues collected in 2021 and 2022 and increases in the forecasted future year contributions have significantly improved the 5-year forecast for the DC reserves this year. Existing annual debt payments associated primarily with the Water plant, Wastewater plant expansion, and the Bio-solids facility, will be drawing over \$23.2 million from DC reserves in 2023.

For the 5-year forecast starting in 2023, it is projected the City will be drawing \$671.5 million from the DC reserves to directly cash flow capital projects. Major projects planned during this period include the construction of a new community centre and library in the Hewitt's Creek Secondary Plan area, the implementation of Operations Centre master plan to support the future growth, and the advanced nutrient removal improvements to the WwTF to comply with the Provincial phosphorous effluent limit requirements.

Based on current development activity and projections from the development community, DC revenues expected to be collected in 2023 are projected to reach \$55.4 million, compared to \$67 million currently collected as at early December 2022. The City's cash flow impact is highlighted in the accompanying table. While DC revenues are identified with a 5-year total of \$716.7 million, the revenues are significantly back-ended, leaving the DC Reserves in a forecasted deficit until 2027.

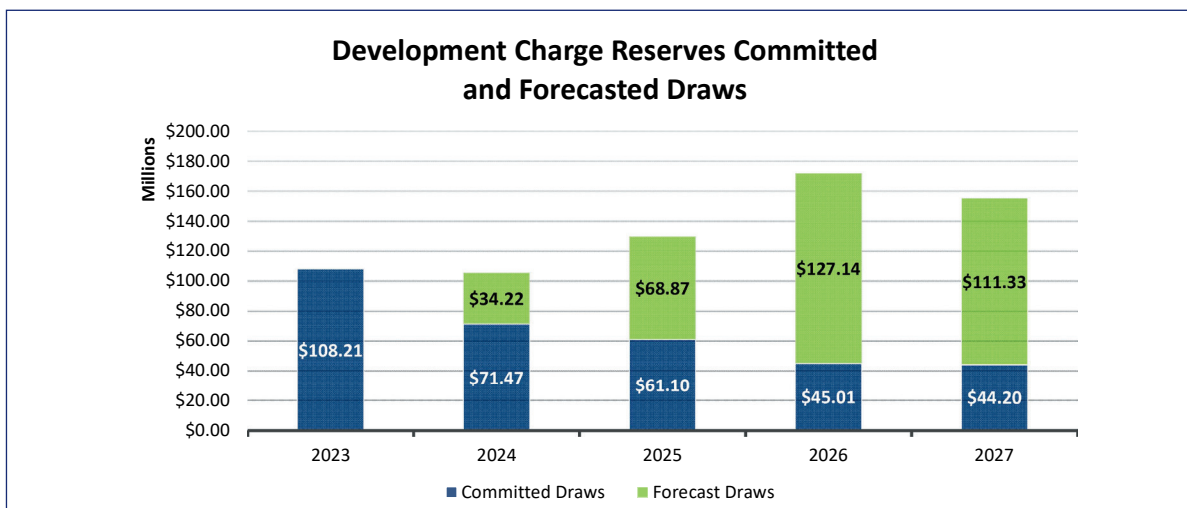
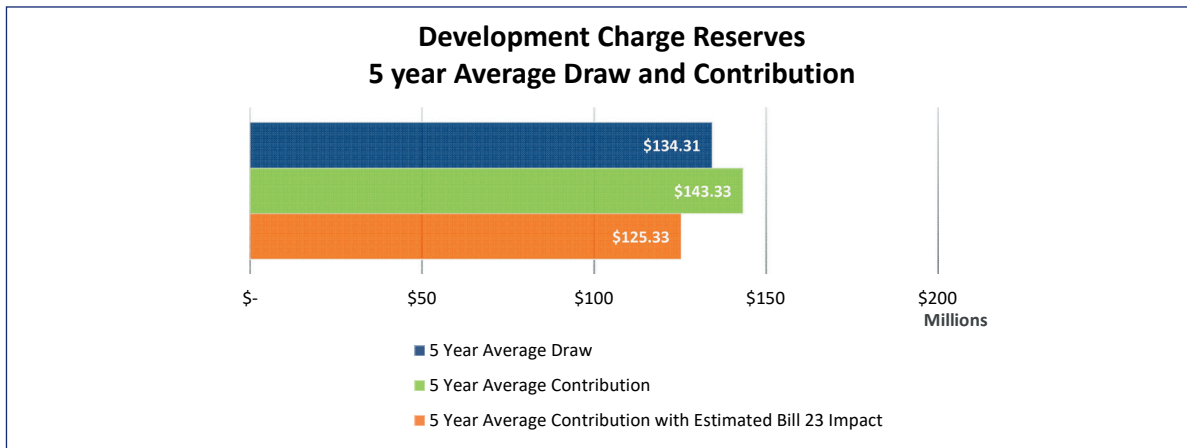
In 2014, the City signed a Memorandum of Understanding (MOU) with a number of developers related to development within the Salem and Hewitt's Secondary Plan lands. Included in the MOU are funding options which include entering into Development Charge Credit Agreements. Under such agreements, the developers would build and finance some of the needed growth infrastructure. Developers would receive development credits for the value of the work completed.



Bill 23 will put pressure on the Development Charges Reserves

As noted earlier, legislation has just passed to enact Bill 23. Although the impacts of this bill are not fully known at time of printing of this document, it is reasonable to say that the bill will significantly impact how the City plans and pays for growth. The discounts in first 5 years of the DC bylaw are expected to cost around \$90 million, although this will depend on the pace of the collections that the City has for the next 5 years and any possible offsets from the province.

One likely impact will be that the ability to use the reserve strategically will be lessened – there will be less opportunity to utilize reserves in place of issuing debt. Without offsetting funding from the Province, taxpayers will be paying for more growth related costs.

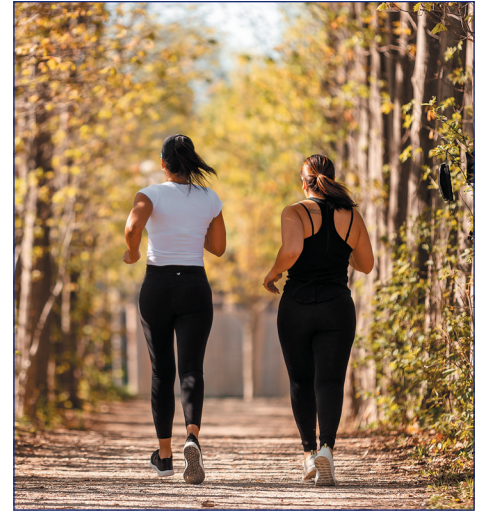


Development Charge Reserves	2023	2024	2025	2026	2027
Beginning Balance	\$ 2,258,780	\$ (50,555,930)	\$ (85,871,135)	\$ (46,634,557)	\$ (16,604,228)
Draws: Previous Commitments	\$ (50,149,531)				
Draws: 2023 Business Plan	\$ (32,491,101)	\$ (76,888,307)	\$ (97,403,683)	\$ (135,544,760)	\$ (111,598,393)
Draws: Debt Servicing Cost	\$ (25,574,079)	\$ (28,796,898)	\$ (32,569,738)	\$ (36,604,912)	\$ (43,925,894)
Contributions: 2023 Business Plan	\$ 55,400,000	\$ 70,370,000	\$ 169,210,000	\$ 202,180,000	\$ 219,490,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (50,555,930)	\$ (85,871,135)	\$ (46,634,557)	\$ (16,604,228)	\$ 47,361,485
Bill 23 Impact (estimated)		\$ 17,929,170	\$ 32,334,036	\$ 25,756,143	\$ 13,980,651
Uncommitted / (Overcommitted) Reserve Balance with Estimated Bill 23 Impacts	\$ (50,555,930)	\$ (103,800,305)	\$ (96,897,763)	\$ (92,623,578)	\$ (42,638,515)

Tax Capital Reserve

The Tax Capital Reserve is the main funding source for all tax-supported, non-growth-related capital work. This includes, but is not limited to, renewal work on roads, parks, facilities, landfill, as well as many strategic projects. The Tax Capital Reserve is also used to fund the non-Development Charge eligible portion of growth projects, often referred to as benefit to existing.

The 2023 contribution to the Tax Capital Reserve is driven by the Reserve and Reserve Fund Management Policy which was updated in 2015 to include an annual contribution equivalent to a 1% increase on the typical residential property tax bill; this contribution is referred to as the Dedicated Infrastructure Renewal Funding (DIRF). In the previous two years approved budgets, the DIRF contribution increase was reduced to 0.25% in 2021 and 0.75% in 2022 by Council to reduce the tax burden for residents but has returned to the planned 1% increase in this year's proposed budget.

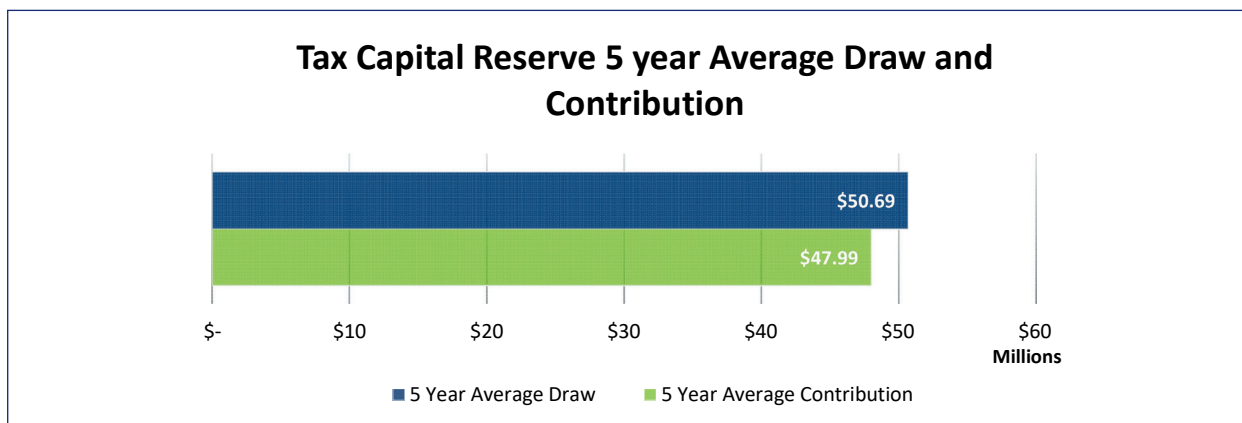


Other components of the contribution include 20% of the Barrie Hydro Holdings Dividend, and the forecasted revenue commitments made by the development community through the MOU. This developers' commitment is based on the type of unit being built and is payable at building permit. It is expected the City will have collected \$45 million by 2027, of which \$7 million of draws is planned to be used over that time to fund growth related projects that are ineligible for Development Charge funding within the proposed 2023 Capital Plan. However, there is a risk that a portion of the \$45 million will not be collectable as a result of legislative changes. This would put further pressure on the Tax Capital Reserve.

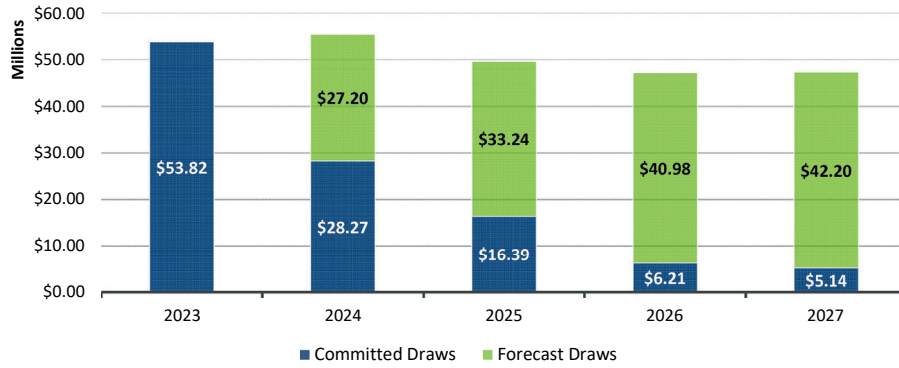
The tax-based contribution for the proposed 2023 budget has decreased this year by \$4.6 million for a total contribution of \$35.8 million. The decrease is due to the introduction of the Stormwater User Rate which shifted \$7.7 million of the contribution to fund stormwater asset renewal capital works from the Tax Capital Reserve to the new Stormwater Capital Reserve Fund. The impact of the stormwater contribution decrease was reduced by increases in annual DIRF contributions. Over the next 5 years starting in 2023, the total contribution to the Tax Capital Reserve is forecasted at \$240 million, including the MOU capital contribution.

Including previous commitments, the proposed 2023 Capital Plan draws a total of \$253.4 million from the Tax Capital Reserve. Some of the larger projects included in the plan are

- the capital work for existing facilities,
- the multiple neighborhood reconstructions in compliance with the Historic Neighborhood Strategy,
- Heritage Park redevelopment,
- Hotchkiss Creek storm pond and culvert improvements at Wood Street, and
- the construction of the Allandale Transit Hub.



Tax Capital Reserve Committed and Forecasted Draws



Tax Capital Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 31,444,140	\$ 15,935,598	\$ 1,635,216	\$ 825,214	\$ 9,973,877
Draws: Previous Commitments	\$ (14,963,480)				
Draws: 2023 Business Plan	\$ (38,858,124)	\$ (55,466,320)	\$ (49,631,520)	\$ (47,193,952)	\$ (47,336,224)
Contributions: MOU Capital	\$ 2,520,000	\$ 2,730,000	\$ 7,650,000	\$ 12,430,000	\$ 11,410,000
Contributions: 2023 Business Plan	\$ 35,793,061	\$ 38,435,938	\$ 41,171,518	\$ 43,912,615	\$ 43,912,615
Uncommitted / (Overcommitted) Reserve Balance	\$ 15,935,598	\$ 1,635,216	\$ 825,214	\$ 9,973,877	\$ 17,960,268

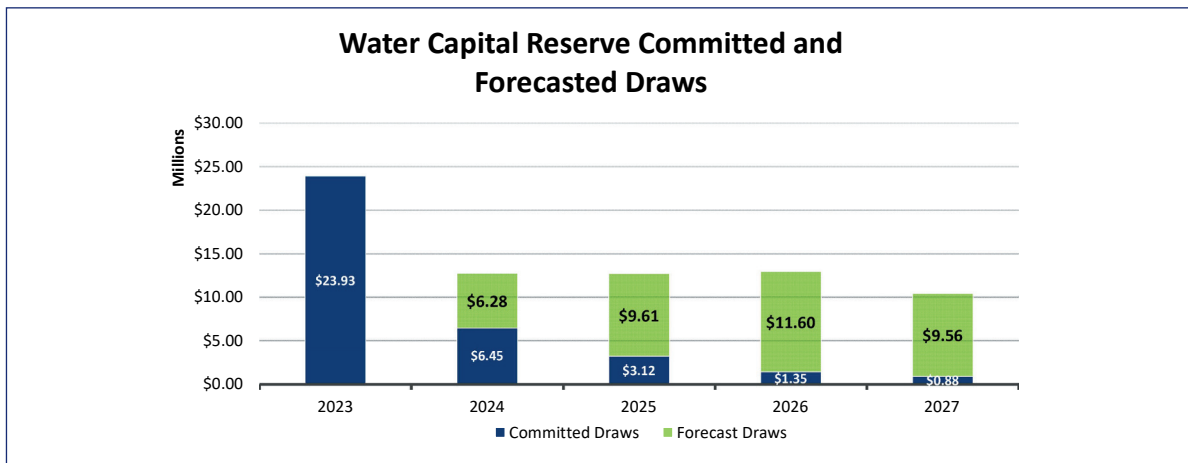
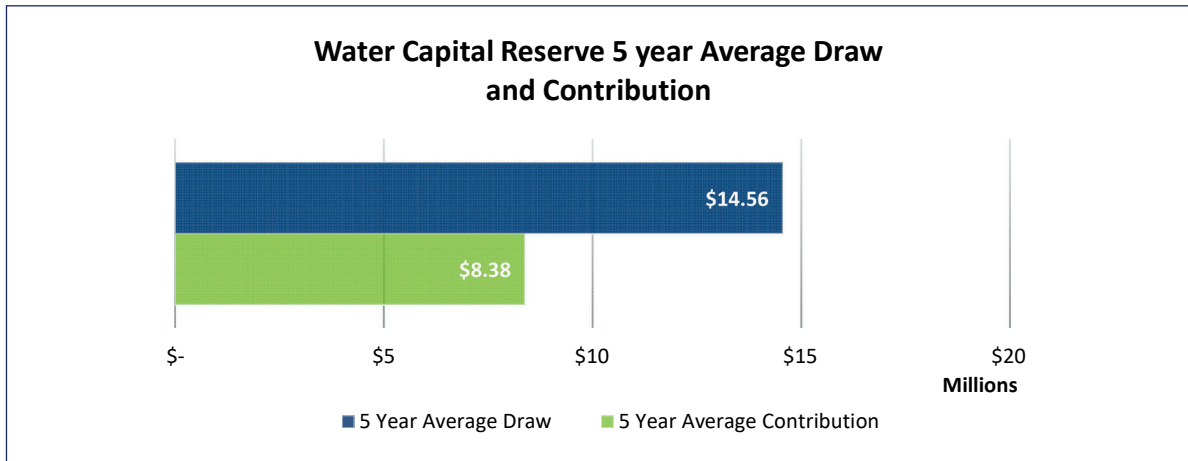


Water Capital Reserve Fund

The Water Capital Reserve is used to fund water rate supported growth and asset renewal related capital works (e.g. replacement of water pipes). The Water Capital Reserve is projected to be overcommitted with a balance of \$5.1 million at the end of 2023.

Over the period 2023 to 2027, including previous commitments, the total draws from the Water Capital Reserve are forecasted to be \$72.8 million. Some of the largest projects funded from the Water Capital Reserve are the Watermain renewal program, the Pressure Reducing Valves (PRV) Chamber Replacement Program, the Surface Water Treatment Plant (SWTP) Control System Upgrade, and the Watermain Cathodic Protection Program,

In the same 5-year period, total contributions are forecasted at \$42 million, with the reserve projected to be over committed by \$20.3M at the end of 2027



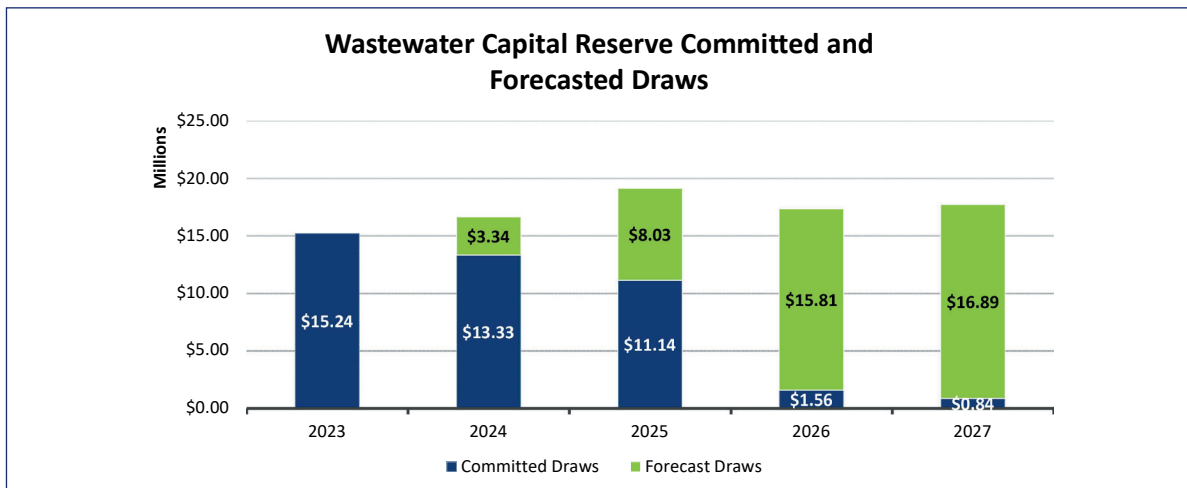
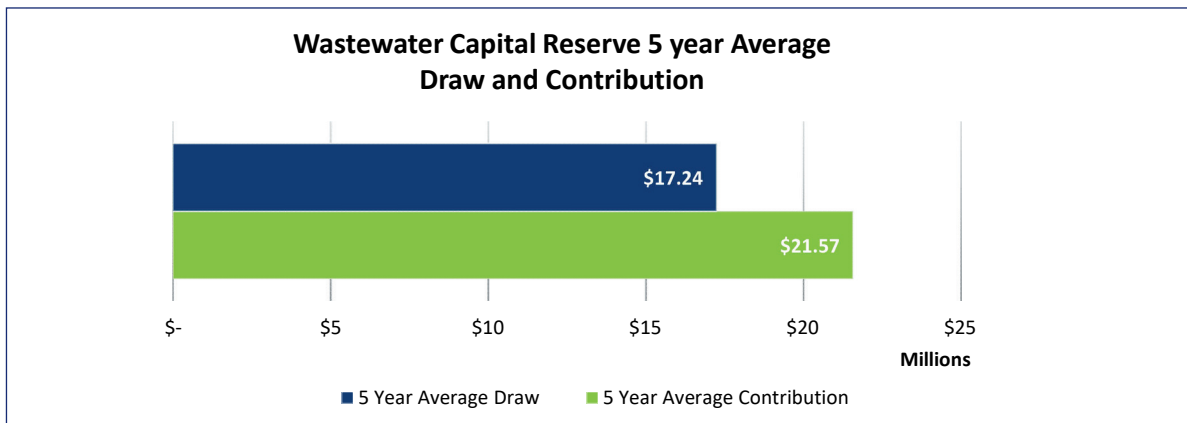
Water Capital Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 10,607,582	\$ (5,119,760)	\$ (9,891,182)	\$ (14,850,250)	\$ (18,829,961)
Draws: Previous Commitments	\$ (15,428,932)				
Draws: 2023 Business Plan	\$ (8,497,245)	\$ (12,736,427)	\$ (12,728,974)	\$ (12,956,458)	\$ (10,433,514)
Contributions: 2023 Business Plan	\$ 8,198,834	\$ 7,965,006	\$ 7,769,907	\$ 8,976,747	\$ 8,976,747
Uncommitted / (Overcommitted) Reserve Balance	\$ (5,119,760)	\$ (9,891,182)	\$ (14,850,250)	\$ (18,829,961)	\$ (20,286,728)

Wastewater Capital Reserve Fund

The Wastewater Capital Reserve is used to fund wastewater rate supported growth and asset renewal related capital work (e.g. replacement of sewer pipes). The Wastewater Capital Reserve is projected to have a balance of \$75.6 million at the end of 2023.

Over the 5-year forecast period, including previous commitments, the total draws from the Wastewater Capital Reserve are forecasted to be \$86.2 million. Some of the main projects funded from the Wastewater Capital Reserve included in the 2023 Capital plan are the advanced nutrient removal improvements to the WwTF to comply with the Provincial phosphorous effluent limit requirements, construction of a new Wastewater Administration Facility, and the relocation of a sanitary sewer as part of the Dunlop Street Interchange Replacement, from Sarjeant Drive to Anne Street

Over the same 5-year period, total contributions are forecasted at \$107.8 million. While this reserve is projected to have an uncommitted balance of \$94.1M by 2027, there are substantial cost pressures projected beyond 2030.



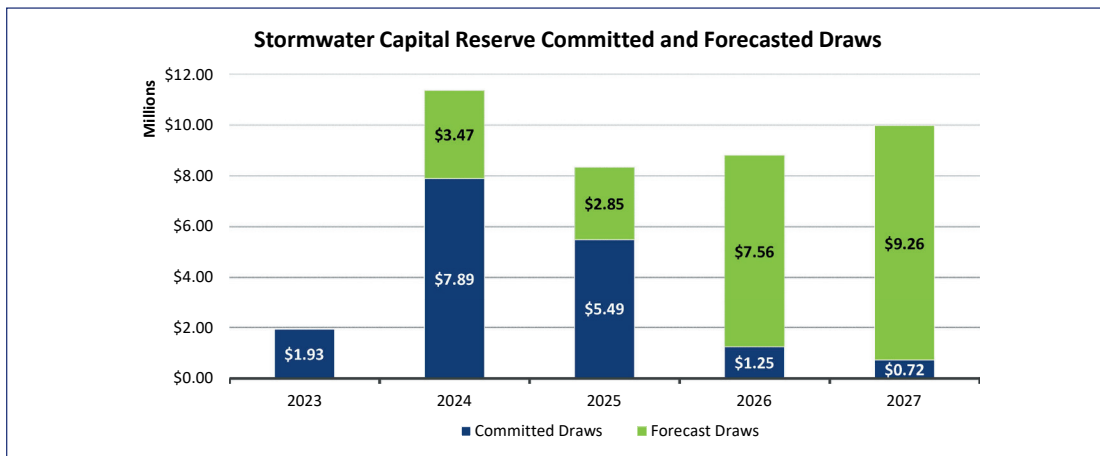
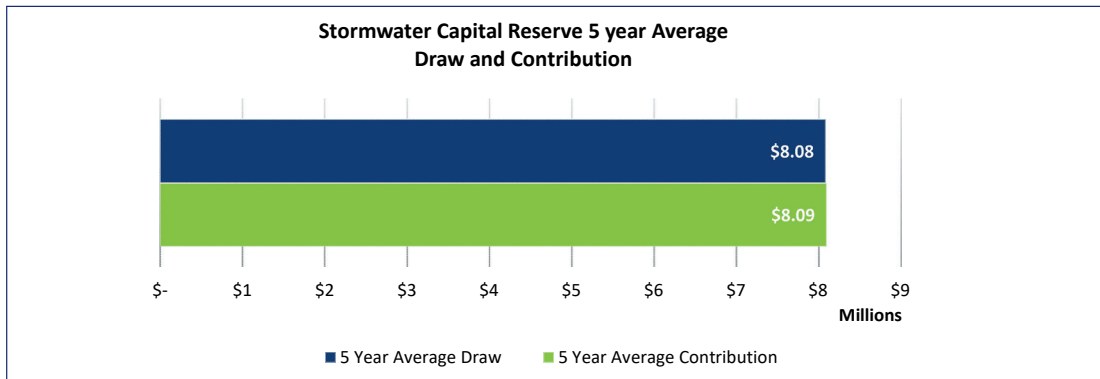
Wastewater Capital Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 72,401,220	\$ 75,605,801	\$ 78,899,239	\$ 81,363,427	\$ 87,891,479
Draws: Previous Commitments	\$ (14,438,905)				
Draws: 2023 Business Plan	\$ (800,912)	\$ (16,666,713)	\$ (19,166,159)	\$ (17,372,300)	\$ (17,735,561)
Contributions: 2023 Business Plan	\$ 18,444,398	\$ 19,960,151	\$ 21,630,347	\$ 23,900,352	\$ 23,900,352
Uncommitted / (Overcommitted) Reserve Balance	\$ 75,605,801	\$ 78,899,239	\$ 81,363,427	\$ 87,891,479	\$ 94,056,270

Stormwater Capital Reserve Fund

The introduction of the new Stormwater Climate Action Fund user charge in the proposed 2023 budget has resulted in the creation of a Stormwater Capital Reserve Fund that will be used to fund stormwater rate supported growth and asset renewal related capital work (e.g. replacement of stormwater pipes). The new Stormwater Capital Reserve is projected to have an uncommitted balance of \$5.8 million at the end of 2023.

Over the 5-year forecast period, including previous commitments, the total draws from the Stormwater Capital Reserve are forecasted to be \$40.4 million. Some of the main projects funded from the Stormwater Capital Reserve included in the 2023 Capital plan are the removal of sediment within the Marina at the mouth of Kidd's creek required for Environmental Compliance Approval, Bunkers Creek culvert and watercourse improvements from Innisfil to Lakeshore, and the construction of a new stormwater pond at MacMorrison Park. Over the same 5-year period, total contributions are forecasted at \$40.5 million.

The stormwater asset portfolio, which is valued at over \$1 billion, is expected to grow by 50% over the next 20 years. In addition, the City has a significant amount of stormwater assets that do not meet current standards.



Stormwater Capital Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ -	\$ 5,705,729	\$ 2,179,220	\$ 1,896,456	\$ 1,354,900
Draws: Previous Commitments	\$ -				
Draws: 2023 Business Plan	\$ (1,926,847)	\$ (11,362,694)	\$ (8,335,884)	\$ (8,809,371)	\$ (9,979,485)
Contributions: 2023 Business Plan	\$ 7,632,576	\$ 7,836,185	\$ 8,053,120	\$ 8,267,815	\$ 8,681,206
Uncommitted / (Overcommitted) Reserve Balance	\$ 5,705,729	\$ 2,179,220	\$ 1,896,456	\$ 1,354,900	\$ 56,621

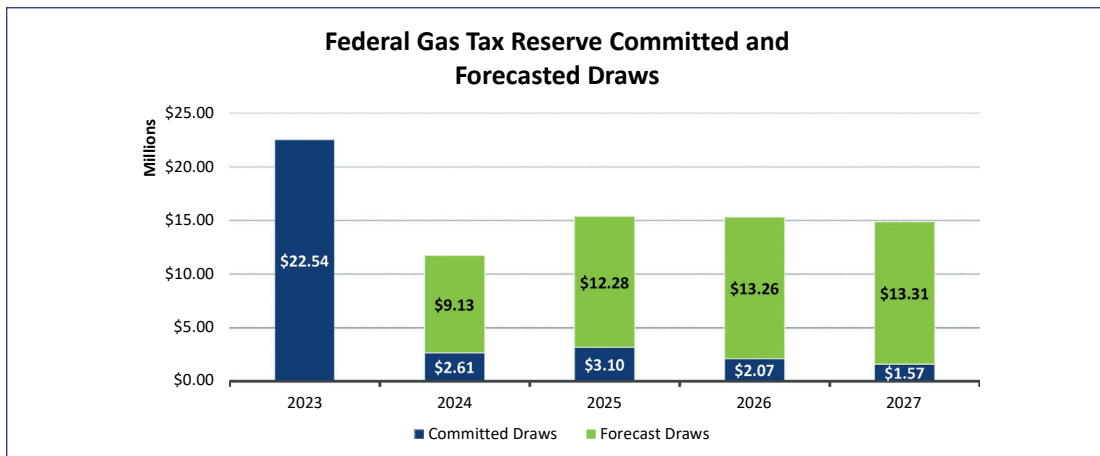
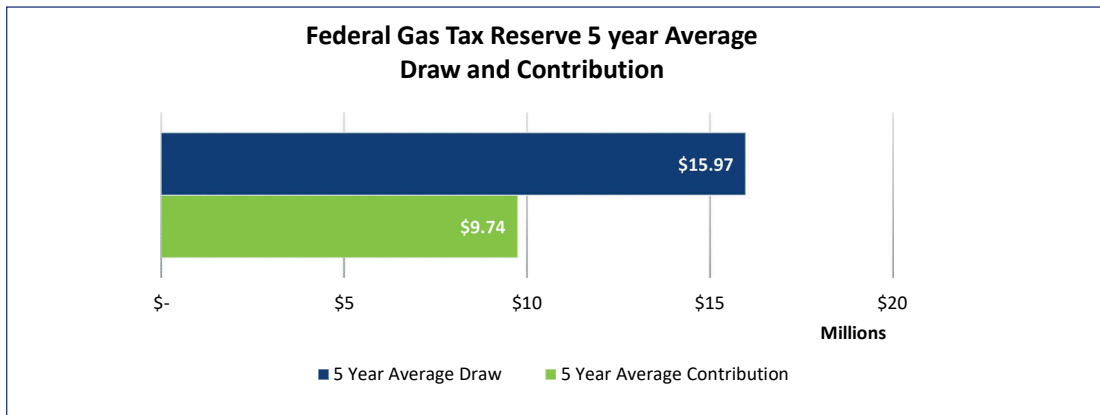
Federal Gas Tax Reserve

The Federal Gas Tax has been committed as a permanent transfer to municipalities. In addition to the amount allocated in the capital budget, Federal Gas Tax funds are being utilized in the operating budget for stormwater treatment and pond maintenance, roads life-cycle works, facility condition assessments, GIS data strategy and acquisition, etc.

The City works towards an optimal balance between capital and operating when allocating the funding, which can be used up to 5 years after transfer to the municipality. Including previous commitments, the total draw from this reserve between 2023 and 2027, is projected to be \$79.9 million (\$86 million in 2022 Budget).

The most significant commitment of \$45.5 million over the next 5 years is the Road Resurfacing Program to restore and preserve road pavement conditions at various locations selected each year. Other large projects funded from the Federal Gas Tax in the 2023 Capital Plan are the reconstruction of right of way assets in the HNS Allandale B Neighbourhood, the End-of-Life Pavement Replacement Program, and the Solar PV Installation Program for the annual installation of solar panels as part of the corporation’s net zero emissions objectives.

Over the same 5-year period, expected contributions are forecasted at \$48.7 million.



Federal Gas Tax Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 19,966,165	\$ 6,790,926	\$ 4,601,063	\$ (1,038,164)	\$ (6,425,851)
Draws: Previous Commitments	\$ (11,000,212)				
Draws: 2023 Business Plan	\$ (11,536,281)	\$ (11,738,342)	\$ (15,378,676)	\$ (15,321,925)	\$ (14,879,300)
Contributions: 2023 Business Plan	\$ 9,361,254	\$ 9,548,479	\$ 9,739,449	\$ 9,934,238	\$ 10,132,922
Uncommitted / (Overcommitted) Reserve Balance	\$ 6,790,926	\$ 4,601,063	\$ (1,038,164)	\$ (6,425,851)	\$ (11,172,229)

County of Simcoe Capital Reserve

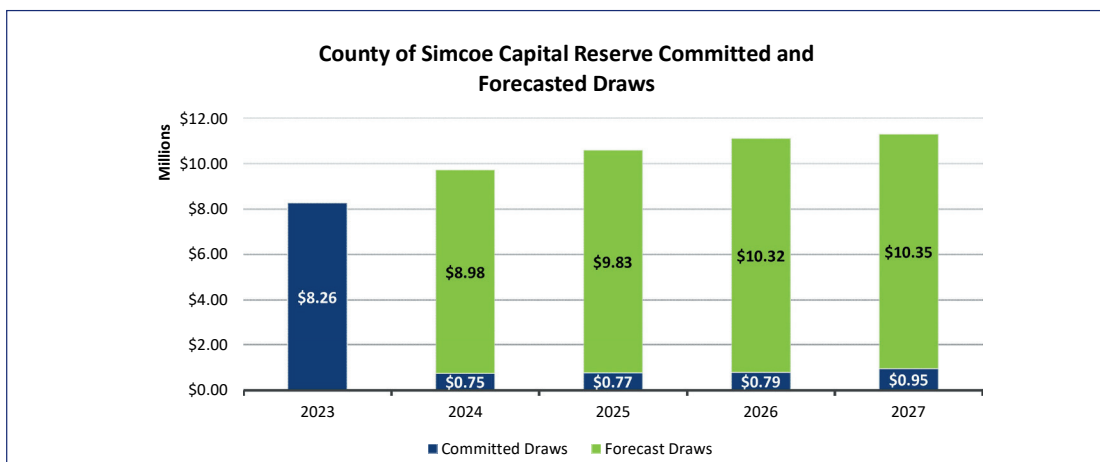
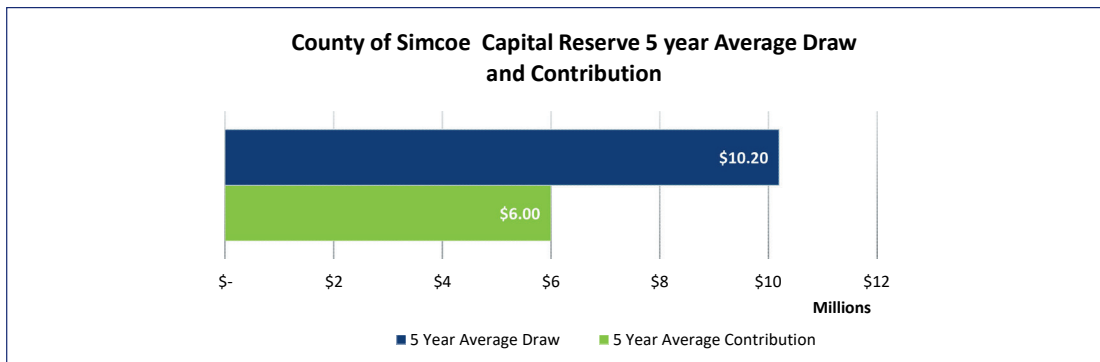
The County of Simcoe (CoS) Capital Reserve supports the City's contributions towards the County of Simcoe's capital plan related to paramedic services, long-term care homes and social housing. Additionally, this reserve supports the City of Barrie's commitments related to non-profit housing provider loans delivered through the County of Simcoe.

The County has recently updated its Long-Range Financial Plan which includes significant increased capital requirements to address growth pressures which further increased the projected reserve deficit. As a result, the City will see increasing draws against this reserve.

This will be mitigated to some degree by the Municipal Services Agreement the City signed with the County of Simcoe whereby Major Facility Construction costs are paid over a 10 year term by the City instead of being paid up front in a lump sum. This will result in a smoother payment pattern and therefore a less volatile reserve balance.

Current forecasts based on the Long-Range Financial Plan for the County show that the level of payments that the City will soon be facing will reach around \$12 million before leveling off. These payments are paid through this reserve, and based on the forecasts, it will need increased funding in the near-term to ensure it can cover these payments.

For the 2023 budget, the contribution to this reserve was \$4.5 million. Internal forecasts for the reserve show that these should increase to at least \$10 million by 2027 (compared to the \$7.5 million currently forecast in the Reserve section) if the reserve balance is to stay at a reasonable level in 10 years.

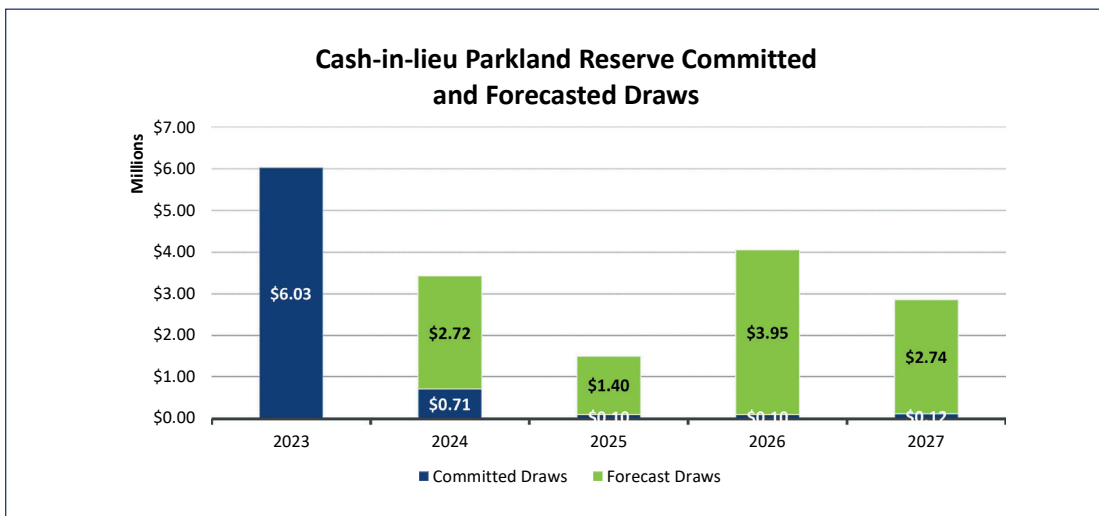
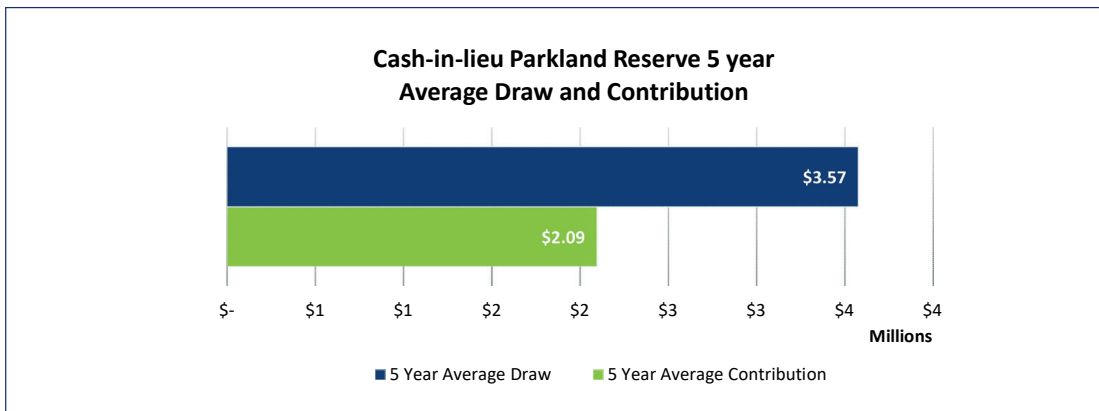


County of Simcoe Capital Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 2,218,016	\$ (1,541,848)	\$ (6,015,421)	\$ (10,608,000)	\$ (14,964,394)
Draws: Previous Commitments	\$ 185,781				
Draws: 2023 Business Plan	\$ (8,445,645)	\$ (9,723,573)	\$ (10,592,579)	\$ (11,106,394)	\$ (11,301,929)
Contributions: 2023 Business Plan	\$ 4,500,000	\$ 5,250,000	\$ 6,000,000	\$ 6,750,000	\$ 7,500,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (1,541,848)	\$ (6,015,421)	\$ (10,608,000)	\$ (14,964,394)	\$ (18,766,324)

Cash-in-lieu of Parkland Reserve

The Cash-in-lieu of Parkland reserve provides funding for land acquisition, improvement and repair of public parks and places for recreational purposes. Under Section 42 of the Planning Act a municipality may require, as a condition of development, that land be conveyed to the municipality, or the Council may require a payment-in-lieu to the value of the land. In 2018, the City and developers in the Secondary Plan Areas entered into a Master Parkland Agreement, which identified future parkland obligations, land to be conveyed and a shortfall that resulted. Cash-in-lieu contributions were calculated for the shortfall, the majority of which were collected and remain in the reserve in anticipation of land requirements in the near future.

The ending balance of the Cash-in-lieu Parkland Reserve is projected to have a declining trend over the next five years. The most significant projects this reserve will be funding include the annual playground revitalization program, Allandale Recreation Centre expansion, and roof replacements at the Peggy Hill Team Community Centre and East Bayfield Community Centre. The forecasts below do not include the impacts of Bill 23 which will reduce Cash-in-lieu contributions.



Cash-in-lieu Parkland Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 22,359,692	\$ 18,301,977	\$ 16,902,987	\$ 17,493,162	\$ 15,599,682
Draws: Previous Commitments	\$ (3,139,065)				
Draws: 2023 Business Plan	\$ (2,888,650)	\$ (3,428,990)	\$ (1,499,825)	\$ (4,053,481)	\$ (2,862,555)
Contributions: 2023 Business Plan	\$ 1,970,000	\$ 2,030,000	\$ 2,090,000	\$ 2,160,000	\$ 2,220,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 18,301,977	\$ 16,902,987	\$ 17,493,162	\$ 15,599,682	\$ 14,957,127

Fleet Replacement Reserve

The Fleet Replacement Reserve was established in 2019 in order to build up a sustainable funding source to renew the City's aging fleet. The City explores both leasing and outright cash purchase options when acquiring new vehicles.

The planned annual seed funding of \$3 million from existing capital reserves (Tax, Water, and Wastewater) will end after 2023. Additional annual contributions will also come from operating budgets in Tax, Water and Wastewater to establish an adequate reserve balance for the future funding requirements.

The Fleet Replacement Reserve is projected to have a higher than originally expected balance of \$8.6 million at the end of 2023 due to delays in Fleet procurements. From 2023 to 2027 the total draws are forecast to be \$29.7million. Over the same 5-year period, total contributions are forecast at \$16.6 million. Previous budget cycles have seen the proposed contribution increase to this reserve cut which has resulted in a projected deficit balance in year 5-year forecast. Contributions will need to increase in future years to be able to address the replacement of the City's aging fleet and reduce repair and maintenance expenses that result when vehicles are used beyond their lifespan.

Fleet Replacement Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 10,123,423	\$ 8,638,757	\$ 5,685,809	\$ 2,283,208	\$ 380,787
Draws: Financing	\$ (1,374,077)	\$ (1,962,947)	\$ (1,962,601)	\$ (1,962,421)	\$ (2,354,905)
Draws: Capital Purchase	\$ (5,020,589)	\$ (3,350,000)	\$ (4,250,000)	\$ (3,200,000)	\$ (4,300,000)
Contributions: Capital	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
Contributions: Operating	\$ 1,910,000	\$ 2,360,000	\$ 2,810,000	\$ 3,260,000	\$ 3,260,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 8,638,757	\$ 5,685,809	\$ 2,283,208	\$ 380,787	\$ (3,014,117)

Reinvestment & Theatre Reserves

The Reinvestment Reserve (formerly Community Benefit Reserve) was established in 2017 to fund projects and initiatives deemed to have significant strategic and / or community benefit. It is funded by 80% of the dividends received from Barrie Hydro Holdings Inc. (BHHI) to a maximum balance of \$10 million. The contribution to the reserve is estimated at \$25.7 million in total for the period 2023 - 2027, with an average annual contribution of approximately \$5.1 million. Contributions from the Reinvestment Reserve are allocated to:

- the 2023 Community Improvement Program for \$1.2 million,
- funding of \$1 million for the growth strategy approved in 2020, and
- a \$1.1 million contribution to offset the tax levy net budget increase

Council directed staff to use at least \$1 million dollars for this purpose in 2022 when passing the previous budget.

Reinvestment Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 7,144,950	\$ 5,727,177	\$ 4,688,356	\$ 5,185,946	\$ 6,184,729
Draws: 2023 Business Plan	\$ (6,426,030)	\$ (5,886,373)	\$ (4,613,450)	\$ (4,388,919)	\$ (5,266,702)
Contributions: 2023 Business Plan	\$ 5,008,256	\$ 4,847,552	\$ 5,111,040	\$ 5,387,702	\$ 5,387,702
Uncommitted / (Overcommitted) Reserve Balance	\$ 5,727,177	\$ 4,688,356	\$ 5,185,946	\$ 6,184,729	\$ 6,305,729



In 2021 Council directed staff to transfer \$2.5 million annually from the Reinvestment Reserve into the newly established Theatre Reserve to fund the Fisher Auditorium Redevelopment. The project currently has a design and construction phases approved with project spending forecasted to be completed in 2028 while a consultation's report is being prepared to review the Performing Arts Task Force recommendations for a significantly larger facility. The \$12.5 in total contributions from 2023 to 2027 is not expected to be sufficient to fund the \$28.5 million of forecasted draws required to fund the Fisher Auditorium Redevelopment project (at its original design) which has resulted in an anticipated negative balance of \$13.4 million by 2027. The City will need to review the Fisher Auditorium project funding sources and operating contributions to the Theatre reserve to resolve the forecasted funding gap.

Theatre Reserve	2023	2024	2025	2026	2027
Beginning Balance	\$ 2,500,000	\$ 5,000,000	\$ 7,500,000	\$ 7,199,720	\$ (3,250,700)
Draws: 2023 Business Plan	\$ -	\$ -	\$ (2,800,280)	\$ (12,950,420)	\$ (12,600,560)
Contributions: 2023 Business Plan	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 5,000,000	\$ 7,500,000	\$ 7,199,720	\$ (3,250,700)	\$ (13,351,260)

Rate Stabilization Reserves

The Rate Stabilization Reserves arise from the City's Financial Policy Framework. The City of Barrie has three Rate Stabilization Reserves: Tax Rate Stabilization Reserve, Water Rate Stabilization Reserve and Wastewater Stabilization Reserve. Thirty percent of any year end rate-supported surplus is put into the respective stabilization reserve. These reserves are used to minimize fluctuations in property tax, water, and wastewater rates by providing funding for one-time costs, allowing significant pressures to be phased in.

There are no new planned capital commitments to the stabilization reserves in 2023 and beyond, but existing commitments from prior budgets include the Feasibility Study, Rehabilitation and Replacement options of Johnson Street Well #13, and updates to the Waterfront, Marina & Parks Master Plan to respond to a growing population. On the operating side, funding from the Tax Rate Stabilization Reserve is planned to smooth the impact of growth.

Tourism Reserve

The Tourism Reserve was established in 2018 to support the tourism sector in the City of Barrie by funding strategic initiatives and marketing campaigns consistent with the City's Tourism Master Plan, and the refurbishment and construction of new capital assets that support tourism. The main revenue source of the reserve is the City of Barrie's portion of the Municipal Accommodation Tax (MAT). The MAT is calculated based on 4% of room rates for overnight accommodation at hotels, motels and inns, and took effect as of January 1st, 2019. The MAT was extended to include internet-based accommodation sharing platforms, and effective June 1, 2019, Airbnb started collecting and remitting the MAT on behalf of hosts and listings located in the City.

Tourism Barrie is budgeting MAT revenues to return to pre-pandemic levels after reduced revenue collections from 2020 to 2022 due to the effect of the pandemic on the tourism industry.

The ending balance of the Tourism reserve is estimated to be \$1.1 million at the end of 2023. The forecasted contribution includes the City's 50% portion of the collected municipal accommodation tax next year, estimated at \$660 thousand. Funding for the Downtown Countdown and the Winterfest programming, and free downtown parking in December account for the commitments to the Tourism reserve in 2023.



DEBT MANAGEMENT

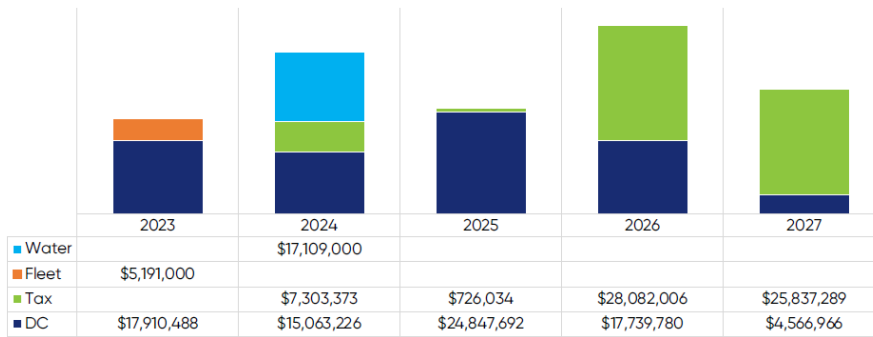
Forecasted Debt Issuance

The table below represent the projects funded by debentures in the 2023 budget in the amount of \$23.1 million. The timing and size of debentures ultimately issued are subject to change based on status of the projects, market conditions and financial requirements of the City.

Project ID	Project	2023
FC1262	Operations Centre Master Plan - Land Purchase	\$14,000,000
EN1091	WwTF New Advanced Nutrient Removal	\$3,910,488
RP1156	Fleet Renewal Program 2023	\$5,191,000
	Total	\$23,101,488

The following graph provides the forecasted annual debenture requirement for each of the next 5 years by funding source. This forecast is based on the proposed capital plan and anticipated reserve levels. Variation in the plan and/or available funding will impact the amount of debt ultimately issued.

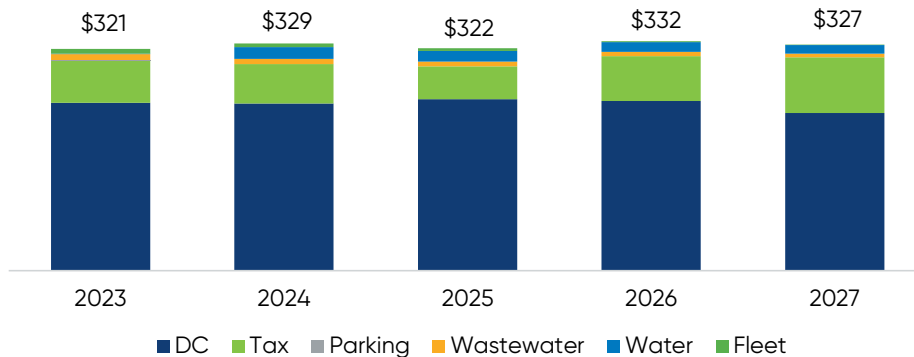
PROJECTED ANNUAL DEBENTURE ISSUANCE BY FUNDING SOURCE



Forecasted Debt Levels

The chart below shows the anticipated debt balance for the next 5 years including the existing debt. The balance is expected to increase to a peak of \$332 million in 2026 as more DC supported debt is issued before declining to \$327 million as older debt matures. The long-range financial study identified the need for additional DC supported debt to fund growth that would result in higher than illustrated debt levels. DC supported Debt is repaid by development charges, but only when that development revenue is received by the City.

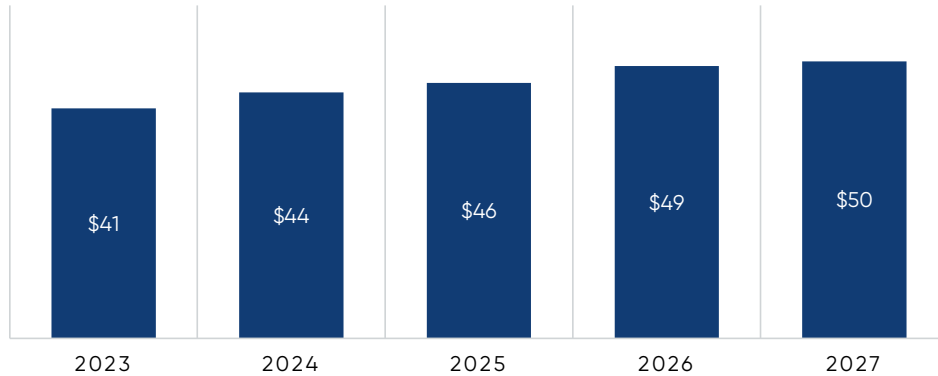
FORECASTED DEBT LEVEL PER YEAR BY FUNDING SOURCE (In Millions)



Expected Debt Servicing Cost

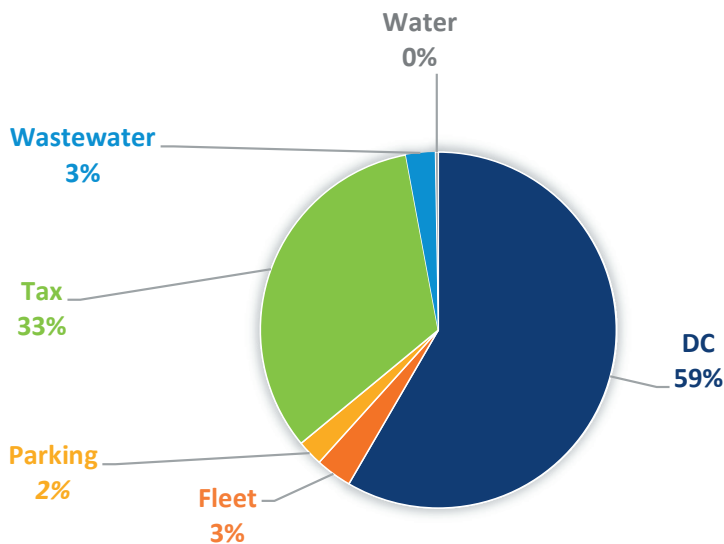
The projected debt servicing cost as illustrated in the following charts, which includes existing contractual obligations as well as expected futures cost, is based on market expectations for interest rates. It is also dependent upon the assumed amortization, term and structure of the debentures to be issued. The charts below show the expected debt servicing cost by year.

EXPECTED DEBT SERVICING COST PER YEAR

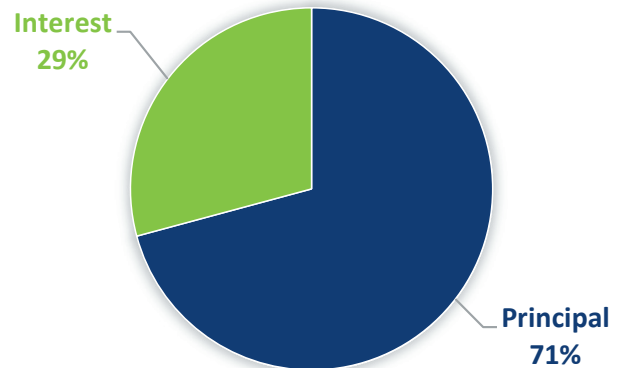


Debt servicing cost is estimated at \$41 million in 2023. Fifty nine percent (59%) or \$24.3 million of the 2023 debt servicing cost is funded from development charges and thirty three percent (33%) or \$13.5 million from tax as shown in the first pie chart below. The second pie chart below shows that 71% of the debt servicing cost consists of principal repayment. Hence more of the debt servicing cost is going towards principal repayment.

2023 DEBT SERVICING COST BY FUNDING SOURCE



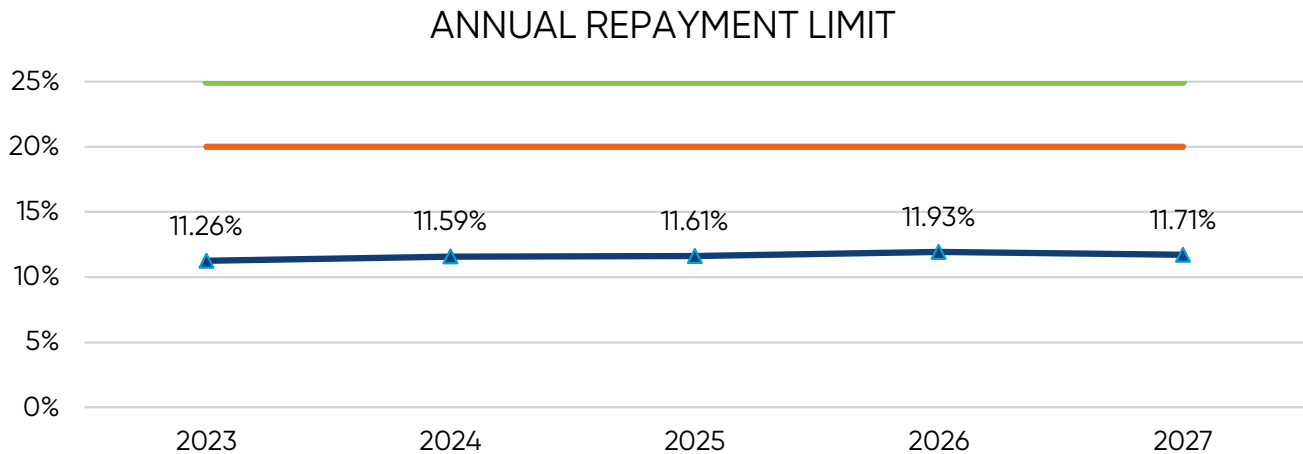
2023 DEBT SERVICING COST



Debt servicing cost is estimated at \$41 million in 2023. Fifty nine percent (59%) or \$24.3 million of the 2023 debt servicing cost is funded from development charges and thirty three percent (33%) or \$13.5 million from tax as shown in the first pie chart below. The second pie chart below shows that 71% of the debt servicing cost consists of principal repayment. Hence more of the debt servicing cost is going towards principal repayment.

Debt Affordability & Policy Guidance

The City’s debt policy includes a total annual debt repayment limit of 20% of own source revenues (OSR). The chart below shows the percentage of the City’s own source revenue allocated to financial obligations, including debt servicing costs and lease obligations, relative to the maximum (20%) permitted by the City’s financial policies (Provincial regulations permit 25%). The City is anticipating significant growth and development until 2031, and debt financing is one of the key tools used to ensure the infrastructure is in place to support growth. However, as shown in the chart, the City will remain within its total annual repayment limit each year.



Standard and Poor’s (S&P), a financial services company that offers services including credit ratings, data analysis and equity research to both the private and public sectors worldwide, recently upgraded the City’s credit rating from AA to AA+ with a stable outlook on the back of the City’s prudent financial management.

Sustainability

Sustainability is the degree to which the City can maintain existing programs and meet existing creditor requirements without increasing its debt or tax burden. The rate of population growth has placed more demands on services and capital expenditures. These growth-related capital demands cannot be fully funded by the City’s own-source revenues. Some of the City’s debt related ratios are improving; however, debt financing will continue to be a necessary tool for financing the City’s capital plan.

The “Total Debt per Household” measure is not reflective of the amount residential taxpayers will be required to contribute toward repayment of debt principal. This measure is simply a way of describing the City’s debt relative to the size of the community.

Sustainability Measures	2015	2016	2017	2018	2019	2020	2021	2022 Forecast	2023 Budget
Financial Assets to Liabilities	0.52	0.62	0.72	0.72	0.71	0.76	0.85	0.98	0.99
Debt to Total Revenue	0.78	0.91	0.88	0.77	0.84	0.80	0.80	0.76	0.72
Debt to Reserves	2.34	2.37	2.32	1.97	1.78	1.63	1.15	1.43	1.51
Debt Per Household	\$5,488	\$5,825	\$5,739	\$5,394	\$6,060	\$5,807	\$6,046	\$5,934	\$6,072

Flexibility

Flexibility is the degree to which the City can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden. As the data in the following table shows, the municipal taxes as a percentage of household income has increased but is still within the range of the City’s affordability target of 4%.

Flexibility Measures	2015	2016	2017	2018	2019	2020	2021	2022 Forecast	2023 Budget
Debt Charges to Total Revenue	6.68%	7.48%	7.05%	7.80%	7.63%	8.22%	8.04%	8.94%	8.98%
Municipal Taxes as a % of Household Income	3.60%	3.68%	3.75%	3.93%	3.91%	3.74%	3.99%	3.95%	4.01%
Total Municipal Revenue to Taxable Assessment	1.95%	1.77%	1.76%	1.71%	1.66%	1.59%	1.66%	1.71%	1.85%

Vulnerability

Vulnerability is the degree to which a government becomes dependent on (and therefore vulnerable to) sources of funding outside its control. The City’s reliance on funding from both the Provincial and Federal levels of government, including Federal and Provincial gas tax revenues, has been relatively stable since 2012, with a slight decrease budgeted for 2023. The operating programs that these revenues support are primarily transit, road and storm drainage renewal activities, life-cycle activities, capacity building, and landfill re-engineering. The risk of increased reliance on funding from other levels of government is that the City does not directly control or influence the amount or timing of such revenues. The decreased ratio budgeted for 2023 indicates a reduction of reliance on these external government transfers relative to other revenue sources.

As depicted in the table below, MTO funding in relation to the Duckworth-Cundles interchange impacted the City’s vulnerability measure from 2014 to 2016, dropping off in 2017. A significant source of funding was then included in 2018 and the 2019 forecast for projects approved under the Clean Water Wastewater Fund (CWWF) Grant Program. In 2020, the City recognized \$6.3M of the \$9.2M Safe Restart Phase I funds from the provincial government to offset COVID-19 related costs, and in 2021, the City recognized a further \$0.5M in funding. In 2022, the remaining \$2.4M of funding has been recognized as of Q3. This funding is no longer available for 2023.

Vulnerability Measures	2015	2016	2017	2018	2019	2020	2021	2022 Forecast	2023 Budget
Government Transfers to Total Revenue	6.4%	7.6%	5.1%	6.5%	6.3%	6.6%	6.6%	6.4%	4.2%

