City Of Barrie
2015 Business Plan & Budget

Overview Presentation
February 2, 2015
General Committee
Developing the Business Plan

- Provides the resources to deliver valued services
- Focuses on maintaining service levels
- Supports Council’s Strategic Priorities
- Addresses short and long term issues
- Emphasizes improving City’s financial condition
- Recognizes decisions must be made that impact services and service levels
- Reflects the directions provided by Council on June 23, 2014
Council 2015 Budget Directions

- **Tax Supported Services**
  - Maintain service levels
  - Annualize prior period decisions
  - Operating impacts of new development
  - User fees – cost recovery and increased reliance on non-tax revenues
  - Assessment growth
  - Contribution to reserves consistent with Financial Policy Framework
  - Water, wastewater, parking, service level changes, capital plan
Services we provide everyday
Value for Money

Police Services - $761
- 24/7 availability, 365 Days a Year
- 241 Police Officers

Fire & Emergency Services - $371
- 24/7 availability, 365 Days a Year
- 180 Firefighters

Roads Operations - $251
- Maintenance & snow cleared from 1,391 lane km of roads & 605 km of sidewalks; power supplied to 11,000 street lights & 229 traffic lights.
- Maintenance and operation of 397 km of storm sewers, 107 km of watercourses, 18 km of culverts, & 95 storm ponds
Value for Money

Transit - $163
- 2.6 million annual transit trips
- 139,000 transit vehicle in-service hours

Libraries - $113
- 2 library locations
- 6,450 annual service hours (126.5 per week, per library)

Recreation - $104
- 3 Community Centres, 7 Sport & Recreation Centres, 3 Gyms
- 54 Sport Fields, 40 Ball Diamonds, 37 Tennis Courts, 49 Soccer Fields,
  8 Arena Ice Pads, 19 Outdoor Ice Rinks

Environmental Services - $82
- Over 47,000 households receive bi-weekly garbage collection, weekly organics, blue & grey box collection
Key Issues

• Maintaining Service Levels - “Rightsizing”
• Alternative Service Delivery
  – Service Reviews
  – Efficiencies
• Infrastructure Renewal
• Growth
Fiscal Sustainability

- Building our financial condition – FIA, new DC By-Law, Long Term Financial Plan, Performance Measurement, proposed Infrastructure Levy
  - Predictable and stable taxation increases in current and future years
  - Future Taxpayers will not face declines in services or unreasonable tax increases to deal with items deferred by this generation
  - Current taxpayers do not bear all the burden of funding items that will benefit future taxpayers
  - Council’s highest priority programs (both capital and operating) can be maintained
The City Business Plan & Budget

- Tax Supported
  - Numerous Programs

- User Rate
  - Water
  - Waste Water
  - Parking

- Capital
  - Renewal
  - Growth
  - Capacity Building
Municipalities Receive the Smallest Share of Tax Dollars, Own the Most Infrastructure

Share of Taxes vs Infrastructure Ownership

Source: Fraser Institute Canadian Tax Simulator, 2014.
Infrastructure Gap

Tax Supported Annual Infrastructure Gap

- 2014 Amortization Expense Based Historical Cost
- 2014 Contribution To Capital
- Average Annual Capital Renewal Requirement per FIA Current Dollars
Strong Diversified Economy

- Lowest unemployment rate in Ontario
- Double AA Credit Rating, with stable outlook

“Barrie’s economy is very strong and well-diversified, and benefits from a young and growing population. Its economy, in particular the health and social assistance and financial services sectors, continues to expand and diversify”

“Barrie demonstrates strong financial management practices “

“Barrie’s debt burden is moderate, in our view, although we expect it to rise in the medium term”
Barrie Taxes Are Very Comparable*

*Source: 2014 BMA Municipal Study
Made In Barrie Performance Measurement
Results Based Accountability

How much did we do?  How well did we do it?  Is anyone better off?

<table>
<thead>
<tr>
<th>Effort</th>
<th>Quantity</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Least</td>
<td>How much did we do?</td>
<td>How well did we do it?</td>
</tr>
<tr>
<td>More Important</td>
<td>Is anyone better off?</td>
<td>Most Important</td>
</tr>
<tr>
<td>Very Important</td>
<td>Also Very Important</td>
<td>Important</td>
</tr>
</tbody>
</table>
Overview of the 2015 Tax Supported Business Plan & Operating Budget
A Single Tax Bill…

Residential
- City, 51%
- Service Partners, 34%
- Education, 15%

Non-Residential
- City, 35%
- Service Partners, 23%
- Education, 42%
Building the 2015 Business Plan & Budget

Maintain Existing Service Levels

- Economic Adjustments
- Prior Period Decisions
- Debt & Reserve Management

Service Partners

- Barrie Police
- County of Simcoe
- Library
- Conservation Authorities, Others

Scenarios

- Scenario A – Alternative Service Delivery
- Scenario B – Service Partner Adjustments
- Scenario C – Parking
- Scenario D – Infrastructure Rehabilitation Levy
Our Revenue Sources Are Limited
Tax Operating Budget Totals $289.4 Million

Sources of Operating Revenue

- Net Tax Levy: 78%
- Fees, S/C: 7%
- Fines: 3%
- License & Permits: 2%
- Other: 2%
- Interest & Investment Income: 2%
- Corporate Revenues: 1%
- Other Government Funding: 1%
- Contribution from Reserves: 4%
Where The Money Goes
Tax Operating Budget Totals $289.4 Million

- Service Partners & Grants: 30.0%
- Facilities & Transit: 11.2%
- Roads, Parks & Fleet: 10.2%
- Fire & Emergency Services: 8.9%
- Contribution to Reserves: 8.8%
- Support Areas (IT, Finance, HR, Legal, Access Barrie): 7.4%
- Recreation: 5.7%
- Environmental Services: 3.2%
- Legislative & Court Services: 2.9%
- Debt Charges: 2.9%
- Corporate Expenses: 1.7%
- General Government (CAO, Council): 1.1%
- Engineering & Asset Management: 2.1%
- Building & Bylaw Services: 1.9%
- Planning: 0.9%
- Invest Barrie & Culture: 1.3%
What Is Driving the 2015 Tax Budget Increase of $11.8 Million? (000’s)

- Maintain Current Service Levels: $7,048.0
- Service Partners: $2,723.4
- Debt & Reserve Management: $1,153.5
- Scenarios: $863.2
# Summary Of Tax Budget Changes

## Tax Impacts Directly Controlled By City of Barrie

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 Budget</th>
<th>Tax Impact %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Tax Levy</td>
<td>188,895,401</td>
<td></td>
</tr>
<tr>
<td><strong>Maintaining Current Service Levels - Operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Adjustments</td>
<td>6,449,176</td>
<td>2.85%</td>
</tr>
<tr>
<td>Prior Period Decisions Annualized</td>
<td>1,856,104</td>
<td>0.82%</td>
</tr>
<tr>
<td>Interfund Charges</td>
<td>(1,257,050)</td>
<td>-0.56%</td>
</tr>
<tr>
<td>Estimated Assessment Growth</td>
<td></td>
<td>-1.17%</td>
</tr>
<tr>
<td><strong>Subtotal - Maintain Current Service Levels - Operations</strong></td>
<td>7,048,230</td>
<td>1.94%</td>
</tr>
<tr>
<td><strong>Debt &amp; Reserve Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Management</td>
<td>(1,046,153)</td>
<td>-0.46%</td>
</tr>
<tr>
<td>Reserve Management</td>
<td>2,199,699</td>
<td>0.97%</td>
</tr>
<tr>
<td><strong>Subtotal - Debt &amp; Reserve Management</strong></td>
<td>1,153,546</td>
<td>0.51%</td>
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<tr>
<td><strong>Subtotal - Increase to tax levy before Recommended Scenarios and Service Partner Budget Requests</strong></td>
<td>8,201,776</td>
<td>2.45%</td>
</tr>
<tr>
<td>Service Partner Budget Requests</td>
<td>2,723,371</td>
<td>1.20%</td>
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<tr>
<td><strong>Subtotal - Increase to tax levy before Recommended Scenarios</strong></td>
<td>10,925,147</td>
<td>3.66%</td>
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<tr>
<td><strong>Recommended Scenarios:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario A - Alternate Service Delivery</td>
<td>357,812</td>
<td>0.16%</td>
</tr>
<tr>
<td>Scenario B - Service Partners</td>
<td>(200,000)</td>
<td>-0.09%</td>
</tr>
<tr>
<td>Scenario C - Parking</td>
<td>(743,000)</td>
<td>-0.33%</td>
</tr>
<tr>
<td>Scenario D - 1% Infrastructure Levy</td>
<td>1,448,409</td>
<td>0.64%</td>
</tr>
<tr>
<td><strong>Subtotal - Recommended Scenarios</strong></td>
<td>863,221</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Total Tax Levy</strong></td>
<td>200,683,768</td>
<td>4.04%</td>
</tr>
</tbody>
</table>

1 "Tax Impact %" reflects the total impact on the property tax bill, including the education component.
2 "Estimated Assessment Growth" reflects additional tax revenue that will be realized in 2015 without changing rates. Therefore, this line reduces the tax impact.
Changes Have Occurred Which Reduce Tax Impact

- Simcoe County Budget has been approved – reduction in City of Barrie requirements estimated at $315,200
- Various other adjustments to be reviewed at workshops totaling approximately $250,000
- Tax impact of approximately 0.25%, for total Tax Impact of approximately 3.8%
### Maintaining Existing Service Levels

**Operations**

1.94% Tax Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Impact</th>
</tr>
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<td>-1.17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,048,230</strong></td>
<td></td>
</tr>
</tbody>
</table>
Debt & Reserve Management

• Tax Impact of 0.51% - Increase of $1.15 M
• Reduction in Debt Charges of ($1.05 M)
  – Maturity of 2004 Issue – ($2.1 M)
  – Annualization of 2014 Issue - $0.38 M
  – 2015 Issue for 6 months - $0.7 M
• Transfer to Tax Capital Reserve - + $2.8 M
  – Savings from 2004 Debt Retirement - $2.1 M
  – Phase In Plan to Increase Transfer - $0.7 M
• Provision for DC Discounts/CIP’s - $0.4 M
• DC Funding of Existing Debt – ($1.0 M)
Service Partners
Tax Impact of 1.2%

- County of Simcoe, $23,784,967
- Police Services, $47,489,484
- Library, $7,225,854
- Simcoe-Muskoka District Health Unit, $1,720,645
- Lake Simcoe Region Conservation Authority, $1,397,470
- Lake Simcoe Regional Airport, $452,429
- Nottawasaga Valley Conservation Authority, $325,945
- Tourism Barrie, $207,300
- Physician Recruitment, $110,000
Scenario A – Alternative Service Levels

• 27 Service Level Changes with a Tax Impact of 0.16%
• 22 Service Level Changes resulting in Budget Reductions totaling $357,000
• 5 Service Level Changes Requesting $714,000
  – Rightsizing Roads Operations
  – Increased Storm water maintenance
  – PSAB 3260 Contaminated Land
Services Are Delivered By People

Scenario A identifies 21 FTEs for 2015

- Roads, Parks and Fleet “Rightsizing” - 6 FTEs
- Growth Management fully funded by new Development Application Processing Fees – 5 FTEs
- Efficiencies resulting in cost savings – 4 FTEs
- Conversions of long term temporary positions to Full Time with no Budget impact – 5 FTEs
Scenario B – Service Partner Adjustments

- Total of $200,000 – Tax impact reduction of 0.09%
  - Physician Recruitment Program – maintain 2014 service level – reduction of $50,000
  - Reduce Library Maintenance Budget to match City Facilities Budget - $150,000

Additional Changes have occurred

- County Operating Budget Request reduced by $315,200
- County Capital Increase of $209,000 – covered by reserve
Scenario C – Parking

- Parking Operations operating at a deficit
- Parking Reserve estimated Balance at December 31, 2014 – ($465,000)
- 2015 Parking Budget forecasts a year-end deficit of $764,000
- Tax Budget includes a “Tax Subsidy” transfer to the Parking Reserve of $743,000
- Scenario C proposes implementation of Evening and Weekend Paid Parking commencing July 1, 2015
- Estimated 2015 Revenue - $650,000; annualized revenue of $1.3 Million
Scenario C – Parking

![Graph showing parking operation scenario's]

Legend:
- Current Status
- Add Evening & Weekend
Scenario D – Infrastructure Renewal Levy

Infrastructure Levy Significantly Increases Transfers to Tax Capital Reserve over 10 Years

Average Annual Capital Renewal

Requirement Per FIA

Funding Gap met by debt or

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution to TCR under Existing Phase in Policy</th>
<th>Contribution to TCR with 1% Infrastructure Levy</th>
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<tbody>
<tr>
<td>2014</td>
<td>$20,000.0</td>
<td>$30,000.0</td>
</tr>
<tr>
<td>2015</td>
<td>$25,000.0</td>
<td>$35,000.0</td>
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<tr>
<td>2016</td>
<td>$30,000.0</td>
<td>$40,000.0</td>
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<tr>
<td>2017</td>
<td>$35,000.0</td>
<td>$45,000.0</td>
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<tr>
<td>2018</td>
<td>$40,000.0</td>
<td>$50,000.0</td>
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<tr>
<td>2019</td>
<td>$45,000.0</td>
<td>$55,000.0</td>
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<tr>
<td>2020</td>
<td>$50,000.0</td>
<td>$60,000.0</td>
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<tr>
<td>2021</td>
<td>$55,000.0</td>
<td>$65,000.0</td>
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<tr>
<td>2022</td>
<td>$60,000.0</td>
<td>$70,000.0</td>
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<tr>
<td>2023</td>
<td>$65,000.0</td>
<td>$75,000.0</td>
</tr>
<tr>
<td>2024</td>
<td>$70,000.0</td>
<td>$80,000.0</td>
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</tbody>
</table>
Scenario D – Infrastructure Renewal Levy

- Dedicated & Transparent Funding for Infrastructure
- Reduces reliance on debt resulting in savings on interest costs
- Allows for increased renewal of infrastructure, which will reduce maintenance expenditures
- Common tool used by Municipalities to address Infrastructure Funding:
  - Kitchener, Oakville, Burlington, Brampton, Mississauga, Kingston, Halton Hills, Edmonton
- $8 per $100,000 of assessment
Scenario E – Service Level Changes For Council Consideration

- Tax Impact of 0.35%

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</thead>
<tbody>
<tr>
<td>Fire Prevention Officer</td>
<td>63</td>
<td>1</td>
<td>-</td>
<td>71,384</td>
<td>38,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Customer Service Strategy Implementation</td>
<td>331</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Multi-Residential Organic Pilot Program</td>
<td>464</td>
<td>-</td>
<td>-</td>
<td>80,944</td>
<td>-</td>
<td>164,741</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Organic Collection Program Enhancement</td>
<td>405</td>
<td>-</td>
<td>-</td>
<td>362,500</td>
<td>-</td>
<td>480,000</td>
<td>-</td>
<td>480,000</td>
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<tr>
<td>Multi-Residential Front End Garbage Collection</td>
<td>578</td>
<td>-</td>
<td>-</td>
<td>199,750</td>
<td>-</td>
<td>253,000</td>
<td>-</td>
<td>253,000</td>
<td>-</td>
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<tr>
<td>Geese Control in the Waterfront Parks</td>
<td>890</td>
<td>-</td>
<td>-</td>
<td>50,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Inclusion Services - Capacity &amp; Support</td>
<td>891</td>
<td>1</td>
<td>-</td>
<td>48,400</td>
<td>-</td>
<td>48,400</td>
<td>-</td>
<td>48,400</td>
<td>-</td>
</tr>
<tr>
<td>Elimination of Summer Beach Lifeguards - Centennial Beach &amp; Johnson’s Beach</td>
<td>948</td>
<td>-</td>
<td>-</td>
<td>(61,847)</td>
<td>-</td>
<td>(61,847)</td>
<td>-</td>
<td>(61,847)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Budget Impact</strong></td>
<td>2</td>
<td>-</td>
<td>800,131</td>
<td>38,500</td>
<td>1,017,923</td>
<td>-</td>
<td>853,182</td>
<td>-</td>
<td>-</td>
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</table>
User Rate Supported Budgets
Water & Waste Water

- Prepared in accordance with the Water/Waste Water Financial Plans
- Water Impact for 2015 – 2.5%
- Waste Water Impact for 2015 - 5.0%
- Increased Funding from Development Charges for Debt Repayments
- Results in Increased Transfers to Reserves
  - Water - $3.1 M; Waste Water - $4.6 M
  - To address infrastructure requirements and reserve deficits
2015 Capital Plan

2015 Capital Plan - Total Budget Request by Project Type ($000)

- Renewal: $34,105 (35%)
- Additional Capacity/Capability: $31,841 (33%)
- Corporate Need: $9,263 (10%)
- Legislation: $10,489 (11%)
- Growth: $10,281 (11%)
2015 Capital Plan

2015 Capital Plan - Total Budget Request by Asset Class ($000)

- Infrastructure: $48,611 (51%)
- Fleet: $7,664 (8%)
- Computer Equipment: $9,363 (10%)
- Buildings: $13,564 (14%)
- Machinery and Equipment: $4,857 (5%)
- Leasehold Improvements: $348 (0%)
- Land: $100 (0%)

- Total Budget Request: $55,582
2015 Capital Plan By Funding Source

2015 Capital Plan - Total Budget Request by Funding Source ($000)

- Tax Capital Reserve: $27,343 (28%)
- Debenture: $22,676 (24%)
- Developer Front Ending (MOU): $375 (0%)
- Fed. Gas Tax: $2,928 (3%)
- Reserves (Marina & Bldg.): $1,241 (1%)
- Provincial Gas Tax: $1,510 (2%)
- BIA / Fundraising: $2,624 (3%)
- Wastewater Rate: $5,403 (6%)
- Water Rate: $3,296 (3%)
- Grants: $782 (1%)
- Other: $8,594 (9%)
- DC: $19,207 (20%)
2015-2019 Capital Forecast

2015 - 2019 Capital Budget by Project Type ($000)

- Renewal: $116,306 (19%)
- Legislated: $68,559 (11%)
- Growth: $159,522 (25%)
- Corporate Need: $20,573 (3%)
- Additional Capacity/Capability: $261,953 (42%)
2015-2019 Capital Forecast

2015 - 2019 Capital Budget by Asset Class ($000)

- Infrastructure: $288,818 (46%)
- Buildings: $172,764 (28%)
- Machinery and Equipment: $91,447 (15%)
- Fleet: $28,484 (4%)
- Computer Equipment: $20,673 (3%)
- Land: $666 (0%)
- Leasehold Improvements: $8,055 (1%)
2015-2019 Capital Forecast Funding Sources

- Federal Gas Tax: $18,680
- Wastewater Rate: $17,938
- Water Rate: $22,220 (4%)
- Developer Front Ending) MOU: $19,908
- Water DC, $18,487 (3%)
- Wastewater DC: $27,497
- Debt (Tax Supported): $95,570 (15%)
- Tax DC: $176,173 (28%)
- Tax Capital Reserve, $102,819 (17%)
- Debt (Wastewater Rate): $112,428 (18%)
- Reserves (Marina&Bldg): $5,705
- Provincial Gas Tax: $1,510
- Other: $7,975
Debt Repayment of Principal and Interest as a Percentage of Own Source Revenues
Forecasted Debt Repayments by Source

- Wastewater
- Water
- DC's
- Tax

Millions


- $0
- $10
- $20
- $30
- $40
- $50
- $60
- $70
- $80
## Total Impact of 2015 Business Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>% Increase</th>
<th>$ Increase per Average Home</th>
<th>$ Increase per $100,000 of Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain Existing Service Levels</td>
<td>1.94%</td>
<td>$70</td>
<td>$25</td>
</tr>
<tr>
<td>Debt &amp; Reserve Management</td>
<td>0.51%</td>
<td>$18</td>
<td>$6</td>
</tr>
<tr>
<td>Service Partners</td>
<td>1.20%</td>
<td>$40</td>
<td>$14</td>
</tr>
<tr>
<td>Scenarios A, B, C</td>
<td>(0.26)</td>
<td>($9)</td>
<td>($3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.39%</strong></td>
<td><strong>$123</strong></td>
<td><strong>$42</strong></td>
</tr>
<tr>
<td>Scenario D – Infrastructure Renewal Levy</td>
<td>0.65%</td>
<td>$23</td>
<td>$8</td>
</tr>
<tr>
<td><strong>Total Tax Impact</strong></td>
<td><strong>4.04%</strong></td>
<td><strong>$146</strong></td>
<td><strong>$50</strong></td>
</tr>
<tr>
<td>Water Bill – 2.5% Rate Increase</td>
<td></td>
<td>$7</td>
<td>n/a</td>
</tr>
<tr>
<td>Waste Water Bill – 5% Rate Increase</td>
<td></td>
<td>$20</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total Impact to Average Home</strong></td>
<td></td>
<td><strong>$173.00</strong></td>
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</table>
Property Taxes Compared to Other Major Household Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Paid Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Property Taxes (City, Service Partners, Education)*</td>
<td>$3,761</td>
</tr>
<tr>
<td>Taxes Paid for Services Provided By City of Barrie*</td>
<td>$1,918</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>$1,200</td>
</tr>
<tr>
<td>Hydro</td>
<td>$1,000</td>
</tr>
<tr>
<td>Cable &amp; Internet</td>
<td>$1,600</td>
</tr>
<tr>
<td>Gas for an average automobile driver</td>
<td>$2,500</td>
</tr>
<tr>
<td>Car Insurance</td>
<td>$1,500</td>
</tr>
<tr>
<td>Home Insurance</td>
<td>$800-$1,000</td>
</tr>
</tbody>
</table>

* For average home assessed at $282,324
Next Steps

- Council Budget Workshops
  - February 10th – 6 to 10 pm
  - February 12th - 6 to 10 pm (If Required)

- February 18th – Service Partner Presentations

- March 2nd – General Committee

- March 9th – Budget Approval
Questions

Please forward Questions to Lisa Weiland, Ext. 4429
lisa.weiland@barrie.ca