



2024 Business Plan
**Operating
Budget**
2024

BUDGET AND FINANCIAL OVERVIEW

The 2024 budget for the City of Barrie presented supports important priorities for the City that help advance Council's Strategic priorities.

The Operating budget for City services lays out the spending of \$319 million, not including the budget for Service Partners and Infrastructure Investment Funding (IIF). The tax levy increase for City Operations is 1.06%. The plan aims to maintain service levels, while keeping to the low tax increase objectives of Council. Tax levy increases related to the Infrastructure Investment Funding (IIF) and Service Partners are presented in their related sections of the Business Plan and Budget document.

This section is split into the following three main parts which provide details of the revenues collected; the services provided and the financial sustainability of the City:



Overview of Tax Supported Operating Budget



Overview of User Rate Supported Operating Budgets



Financial Condition of the City

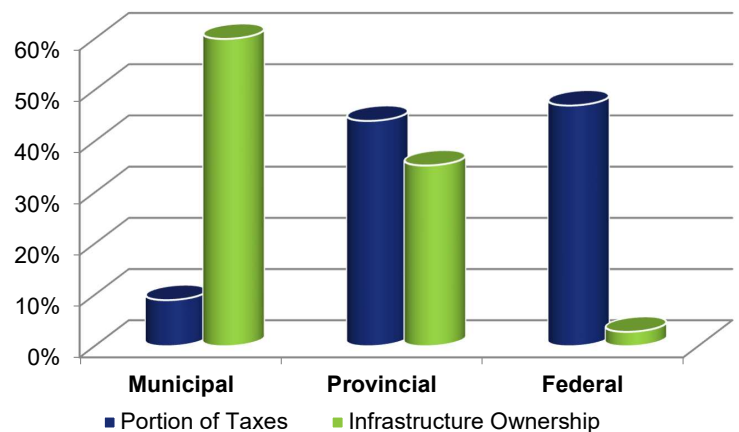
Property Tax Bill

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 62% of the capital infrastructure, while the Provincial Government owns 35% of infrastructure and the Federal Government only 3%.

Share of Taxes vs Infrastructure Ownership



Source: Infrastructure Canada and the AMO

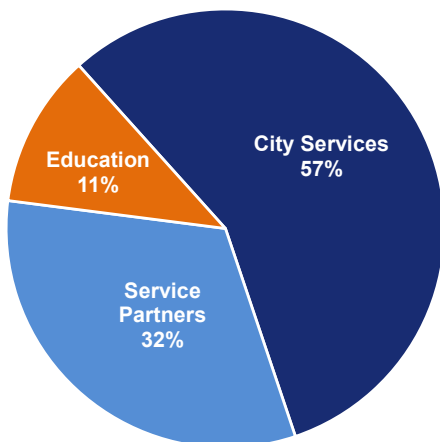
Allocation of Property Tax Bill — City Programs, Service Partners and Education

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.

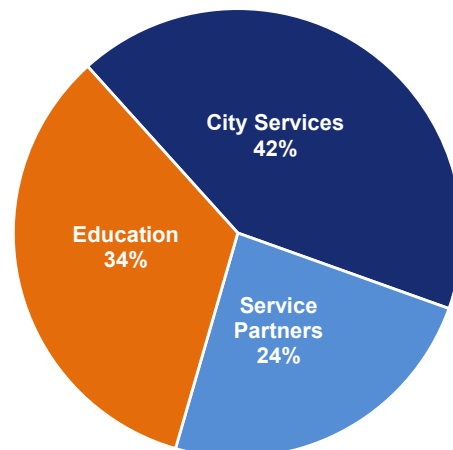
Property taxes are calculated based on the Municipal Property Assessment Corporation's (MPAC) assessed value. MPAC last completed a full Province wide assessment back in 2016; as a result, assessed values are significantly lower than actual 2023 market values. MPAC was scheduled to complete a full assessment in 2020 but was delayed by the Province as a result of COVID-19. On August 16, 2023, the Ontario government extended the postponement of a province-wide assessment through the end of the 2021-2024 assessment cycle.

The pie-charts below show that education is paid for by a 11% 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.

Fire & Emergency Services

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 35,000 incidents across 21 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

- Snow removal and maintenance of 1,593 lane kilometres of roads, 630 kilometres of sidewalks and 22 bridges
- Maintenance of:
 - 135 kilometres of ditches
 - 437 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
 - 1,200 vehicles and equipment
- Power supplied to 12,500 streetlights and 249 traffic signals, and
- Respond to more than 8,000 services requests annually.



Transit

- 3.5 million conventional and 35,000 specialized transit trips annually.
- 175,000 transit vehicle in-service hours with 30-minute frequencies during peak periods.



Recreation & Culture

- 3 community centres, 7 sport and recreation centres, Sadlon Arena, 2 seniors' centres, and 2 theatre venues.
- More than 2.3 million participant visits at 3 multi-use community centres.
- 3 gyms, 3 main pools, 3 tot pools, and 9 beach volleyball courts.
- 8 arena ice pads, 2 outdoor artificial ice surfaces, and 2 guarded beaches.
- 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, inclusion, sports leagues, and day camps.
- Permitting for 39 baseball diamonds, 54 soccer pitches, 33 tennis courts, 13 pickleball courts.
- Operate and maintain the Barrie Community Sports Complex including a football field, rugby field, 5 soccer pitches and 10 baseball diamonds.
- Delivers 5 annual City of Barrie events, partners in delivering over 10 other community events and issues over 220 permits annually for special events on municipal property.
- Administrate grants and subsidy programs to support community members and non-profit organizations.



Parks & Forestry

- 132 maintained parks that include 172 hectares of maintained turf, 105 playgrounds, 10 major and 15 minor baseball fields, one football/rugby field, 42 soccer fields, 15 full basketball courts, 8 half-basketball courts, 26 tennis and pickleball courts, 2 splash pads, 2 beach volleyball courts and an Arboretum.
- 11 hectares of dog off-leash recreation areas.
- 4.5 hectares of maintained boulevards.
- 4 beaches in 14 waterfront parks.
- 488 flower and shrub beds, 417 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.
- 150 kilometres of maintained trails.
- support for several annual community events (ranging from community tree planting events to Kempenfest).



Solid Waste Operations

- There are approximately 45,000 single family residences receiving bi-weekly garbage collection, weekly organics collection, weekly blue and grey box collection, 34 weeks of yard waste collection curbside, and an annual collection of household batteries in designated drop-off locations.
- There are approximately 9,600 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.
- 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.



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 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 2024 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 2024 Operating Budget for the City of Barrie includes total operating spending (and funding) of \$319 million related to City operations, which does not include Service Partners and Infrastructure Investment Funding (IIF). The funding for the City’s portion of the operating budget comes mainly from the Tax Levy, which funds 59% of the City’s budget, and Contributions from Reserves which is the next largest contributor at 14%.

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
- Increased Operational Subsidy (Reserve Draws)
- Debt Management
- Reserve Contributions (excluding Infrastructure Investment Funding (IIF), 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 2024 tax funded operating budget related to City operations will require a tax rate increase of 1.06%.

The following table outlines the major contributors to the proposed 2024 tax rate increase:

Description	Tax Levy Increase/(Decrease)	Tax Rate Impact
Maintain service levels for City operations	\$ 9,240,065	2.88%
Increased Operational Subsidy (Reserve Draws)	\$ (546,482)	-0.17%
Debt Management	\$ (1,122,146)	-0.35%
Reserve Contributions (excluding IIF, CoS)	\$ 887,343	0.28%
New Investment & Service Recommendations	\$ 925,333	0.29%
Assessment Growth	\$ (6,000,000)	-1.87%
City Operations	\$ 3,384,113	1.06%

* IIF = Infrastructure Investment Funding, CoS = County of Simcoe

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 2024, including the annualized cost of implementing decisions from prior years, is \$9.2 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.

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. The budgeted labour costs for CUPE and non-union staff follow the established CUPE contract rate of 2% for 2024. A summary of the tax related compensation changes is shown in the following table:

	2023	2024	Change \$	Change %	Tax Rate Impact
Salaries	\$ 97,504,714	\$ 98,936,232	\$ 1,431,519	1.5%	0.4%
Benefits	\$ 23,263,740	\$ 24,686,148	\$ 1,422,409	6.1%	0.4%
Subtotal	\$ 120,768,453	\$ 123,622,380	\$ 2,853,927	2.4%	0.9%
20 Firefighters* - Salaries & Benefits	\$ -	\$ 1,841,870	\$ 1,841,870	N/A	0.6%
Honouraria	\$ 574,177	\$ 602,639	\$ 28,462	5.0%	0.0%
Capital Recoveries	\$ (7,554,912)	\$ (7,268,042)	\$ 286,870	-3.8%	0.1%
Salary Gapping	\$ (2,837,500)	\$ (2,837,500)	\$ -	0.0%	0.0%
Total	\$ 110,950,219	\$ 115,961,347	\$ 5,011,128	4.5%	1.6%

*20 additional Firefighters in 2024 pre-approved as part of 2023 Business Plan

Salaries show an annual increase that is less than the contract increases mentioned in the previous paragraph due to fewer temporary full-time contract positions in 2024 as a number of these contracts are ending in 2023. The City's benefits provider has indicated that there will be premium increases for health (10% increase), dental (20% increase), life insurance (5% increase), and long-term disability Insurance (5% increase). In addition, OMERS eligibility for non-full-time positions has broadened, resulting in increased enrolment and associated costs to the City. These items are driving a larger increase in benefit expense for 2024.

Twenty additional firefighters were pre-approved as part of the 2023 Budget which creates an additional pressure in 2024 above and beyond the normal inflationary increases for wages.

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 for 2024 to reflect anticipated project management requirements.

As part of the 2023 Business Plan approval, Council increased the salary gapping budget to \$2.8 million from a proposed \$1.4 million. This \$2.8 million reduction to salaries remains unchanged in the 2024 budget, however salary gapping at this level requires an active staff management approach to achieve savings, primarily through holding positions vacant. This results in service delivery impacts and negatively affects existing staff and business processes.

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. legislative changes, additional service hours for transit, fuel costs, etc). Some of the drivers of additional 2024 increases include:

Contract Type	2023	2024	Change	Change (%)	Tax Rate Impact
Waste Management	\$ 7,339,311	\$ 10,930,356	\$ 3,591,045	48.9%	1.1%
Transit	\$ 19,135,347	\$ 20,334,660	\$ 1,199,313	6.3%	0.4%
Operations - Storm Conveyance Maintenance	\$ 337,011	\$ 843,751	\$ 506,740	150.4%	0.2%

Increases in costs associated with Waste Collection services in 2024 and beyond can be attributed to several factors which include; expanded organics collection and processing (including pet waste) services, enhanced collection frequency within the BIA, expansion of collection services within multi-residential private roads and laneways, equipment retrofits to allow for auto-cart collection (commencing in September of 2025) and the procurement of those carts, along with annual cost escalation triggers such as CPI, fuel adjustments and increases in serviced units based on growth projections. In addition to these influences, it should also be noted that it has been over 10 years since the City last went to market for a waste collection services contract. During that time there have been significant increases in inflationary pressures that have impacted on each area of the contract pricing.



Transit is committed to providing a service that meets the needs of residents to get to work, attend medical appointments, and buy necessities for their families. The budgeted contracted services reflects the CPI inflation on the City's third-party contract projected at a 5.0% increase. The budget also reflects the transition plan for phase 1 of the new transit network, which is offset by funding from the Ontario Gas Tax reserve.

Contract costs for stormwater management have increased in the 2024 budget. Four hundred thousand dollars of this increase was directed by Council in motion 23-G-183 for the dewatering initiative at Marta Crescent and the Bear Creek wetland. Additionally, budget increases are required for storm system cleaning and repairs.



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. Tax rate related fuel costs are expected to decrease in 2024 by \$230 thousand or 4.7% based on an estimate of \$1.50 per litre and consumption trends.

User Fees, Service Charges, Passes, Memberships

The City relies on a diverse set of non-tax revenue sources administered by various departments across the organization to support municipal operations. The 2024 budget reflects several year-over-year changes; however, the most significant changes are found in the Development Services and Recreation departments.

User Fees, Service Charges, Passes, Memberships	2023	2024	Change	Change (%)	Tax Rate Impact
Development Services Fees	\$ 2,383,682	\$ 3,270,618	\$ 886,936	37.2%	-0.3%
Recreation User Fees	\$ 10,063,360	\$ 10,614,550	\$ 551,190	5.5%	-0.2%

Development Services fees have increased in 2024 to reflect anticipated revenues for ongoing development in the secondary plan lands. Recreation fees have increased partially due to a 2.5% fee increase on all registered programs and rental fees which offset higher operational costs. Additionally, ice rentals for hockey programs, the Barrie Colts agreement, Learn to Swim programs, and RecPass memberships contribute to the increased fee revenue budgets in 2024.



Investments

Another non-tax revenue source for the City is the investment revenue earned. Rising interest rates allow for higher investment returns for the City. The 2024 budget includes an increase of \$2.1 million in investment revenue, net of the interest that is allocated to reserves.

Investments	2023	2024	Change	Change (%)	Tax Rate Impact
Investment Revenue	\$ 4,653,908	\$ 6,776,918	\$ 2,123,010	45.6%	-0.7%

Increased Operational Subsidy

The 2024 budget includes the ongoing draws from reserves that subsidize a portion of the cost of City Operations, thereby reducing the required tax levy. These draws are increasing by \$546 thousand compared to the 2023 budget, resulting in a tax rate decrease of 0.17%. The Reinvestment Reserve is funding the entire \$4.9 million 2024 operational subsidy as the Tax Rate Stabilization Reserve has been fully utilized by the previous operational subsidy draws along with Council's one-time amendment to offset 2023 inflationary pressures from these reserves.

Debt Management

The tax rate impact of debt servicing has decreased by \$1.1 million, or a tax rate decrease of 0.35%. 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. Staff are planning for a small debt issuance in 2024 as interest rates are high and the capital plan spending has been slower than anticipated which allows for more flexibility in the timing of issuing debt. The debt expected to be issued in 2024 includes \$3.9 million for DC funded debt and \$5.2 million for Fleet reserve funded debt.

A full list of projects included in the planned 2024 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. The tax funded reserve management costs will increase by \$887 thousand in 2024. Notable changes are described below:

- 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. However, the annual increase has only been approved once since 2019 (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. This results in significantly greater operating costs to maintain vehicles beyond their useful life. Additional details can be found in the subsequent Capital reserve section of the Budget and Financial overview.
- WSIB Reserve contribution has been increased by \$250 thousand. The 2023 contribution budget amount of \$600 thousand to this reserve is currently inadequate to address the current and future level of WSIB expenses. The contribution to this reserve will need to be increased over the next few budget cycles to reach a sustainable level.
- 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.

New Investments and Service Recommendations

This component of the Business Plan includes proposed new investments and service recommendations. 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. The changes total an additional net impact of \$925 thousand to the tax levy in 2024 and propose 17 additional permanent positions, or conversions of temporary positions to permanent, to the current staff complement.

As the City continues to grow, from a population of 155,000 to a population of 298,000 by 2051, staff resources are needed for the additional lane kilometres, parks, facilities, and administration. In the 2023 budget, it was forecasted that 63 new staff would be required as part of the 2024 budget. Through the EMT budget review, those staff resources, while still needed, were reduced to a request of 17 permanent staff in recognition of affordability challenges for taxpayers, in addition to the 20 Fire Fighters pre-approved in 2023.

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.



2024 New Investment and Service Recommendations Requests

Description	Department	Perm FTE	Casual / Temp FTE	2024						2025 Operating Budget	2025 Capital Budget	2026 Operating Budget	2027 Operating Budget
				Operating Budget	Capital Budget	Funding Source(s)			Capital Recovery				
						Tax Levy	User Rates	Reserves					
Infrastructure and Growth Management													
2839 - Landscape Architectural Planner (Temporary Position)	Development Services	0	1	40,897	0	0	0	0	40,897	0	0	0	
2852 - Transportation Engineer (Permanent Complement Position)	Development Services	1	0	159,542	0	0	0	0	159,542	0	165,657	168,806	
2828 - Parks, Horticulture & Forestry Staff - Growth Lands Impacts 2024	Operations	3	0	310,269	225,900	310,269	0	0	310,269	365,000	313,516	318,865	
2858 - Downtown Staff Shift Extension - Sidewalk Winter Maintenance	Operations	0	2.7	167,474	0	167,474	0	0	167,474	0	174,131	177,566	
2831 - Waste Management Transition Program - Two (2) Temporary Positions	Waste Management & Environmental Sustainability	0	2	217,252	0	0	0	0	217,252	0	225,592	0	
2837 - Office Services Assistant (Permanent Position)	Waste Management & Environmental Sustainability	1	0	83,014	0	27,671	55,343	0	83,014	0	86,074	87,682	
2865 - Risk Management Inspectors (2 Permanent & 1 Temporary)	Waste Management & Environmental Sustainability	2	1	209,479	0	0	209,479	0	209,479	0	217,328	221,373	
Infrastructure and Growth Management Total				1,187,927	225,900	664,956	264,822	0	258,149	365,000	1,182,296	974,292	
Community and Corporate Services													
2864 - Carbon Management Software	Facilities Department	0	0	20,000	0	20,000	0	0	20,000	0	15,000	7,500	
2877 - Joint Processing Centre - Automated Speed Enforcement	Legislative & Court Services	0	5	(21,000)	0	0	(21,000)	0	(21,000)	0	(21,000)	0	
2884 - Theatre Venue Staff Full Time Conversion	Recreation & Culture Services	4	-2	(3,255)	0	(3,255)	0	0	(3,255)	0	0	0	
2887 - Senior Client Service Representative Full Time Conversion	Recreation & Culture Services	3	-2.8	(10,141)	0	(10,141)	0	0	(10,141)	0	(11,368)	(11,905)	
2888 - Theatre Staffing Requirements - Venue Technician	Recreation & Culture Services	1	0	32,303	0	32,303	0	0	32,303	0	34,717	35,961	
Community and Corporate Services Total				17,907	0	38,907	0	(21,000)	15,464	0	17,349	31,556	
Access Barrie													
2895 - Digital Customer Service and Workforce Innovation (Temp)	Information Technology	0	2	201,756	0	0	0	0	201,756	0	210,441	0	
2869 - Website Content Specialist	Marketing & Communications	1	-0.2	0	0	0	0	0	0	0	0	0	
2874 - Transit Service Growth - Salem and Hewitts	Transit & Parking Strategy	0	0	0	0	0	0	0	0	0	681,198	851,498	
Access Barrie Total				201,756	0	0	0	0	201,756	0	891,639	851,498	
CAO and Mayor's Office													
2841 - Payroll and Pension Specialist (Permanent Complement Position)	Human Resources	1	0	122,945	0	122,945	0	0	122,945	0	127,581	129,969	
2870 - Communications & Office Manager - Mayor's Office (Temporary Position)	Office of the Mayor	0	1	98,524	1,900	98,524	0	0	98,524	0	111,850	0	
CAO and Mayor's Office Total				221,470	1,900	221,470	0	0	230,210	0	239,431	129,969	
GRAND TOTAL - SERVICE LEVEL CHANGES ENDORSED BY EMT				1,629,060	227,800	925,333	264,822	(21,000)	459,905	365,000	2,330,715	1,987,315	

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 2023 staff complement in tax-based operations consisted of 882 permanent positions. The 2024 business plan includes 17 new permanent position recommendations, plus 20 Fire Fighters which were pre-approved in 2023. This would bring the total complement to 919 permanent positions for the City's tax-based operations, some of which have funding from other sources such as user rates and fees. Detailed business cases supporting the recommended staff complement increases are found in the New Investments & Service Recommendations section of the binder.

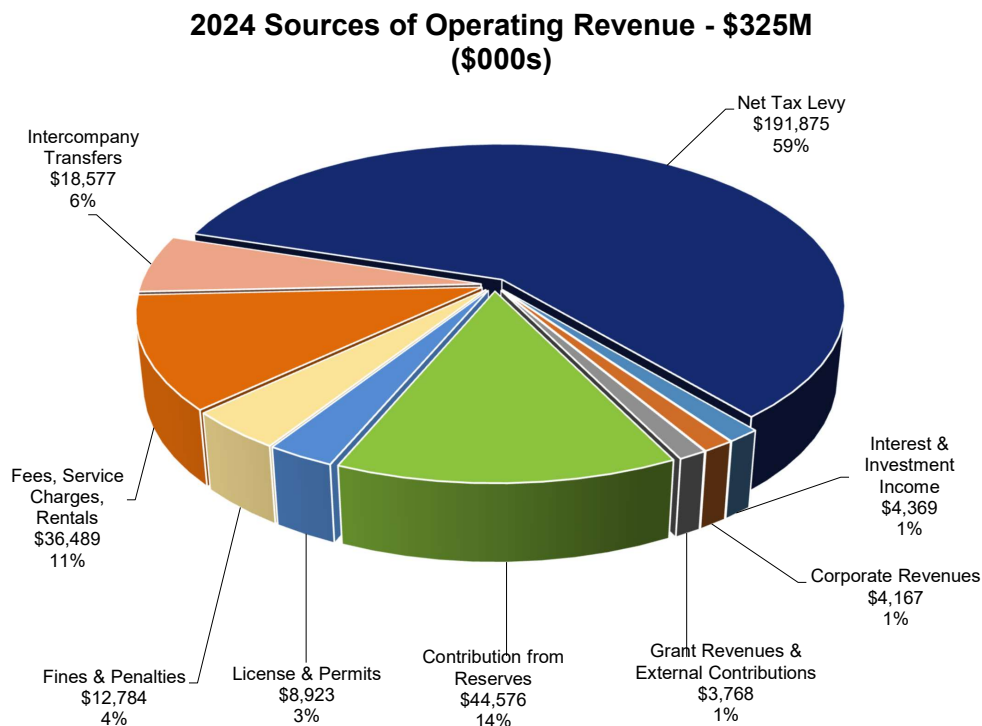
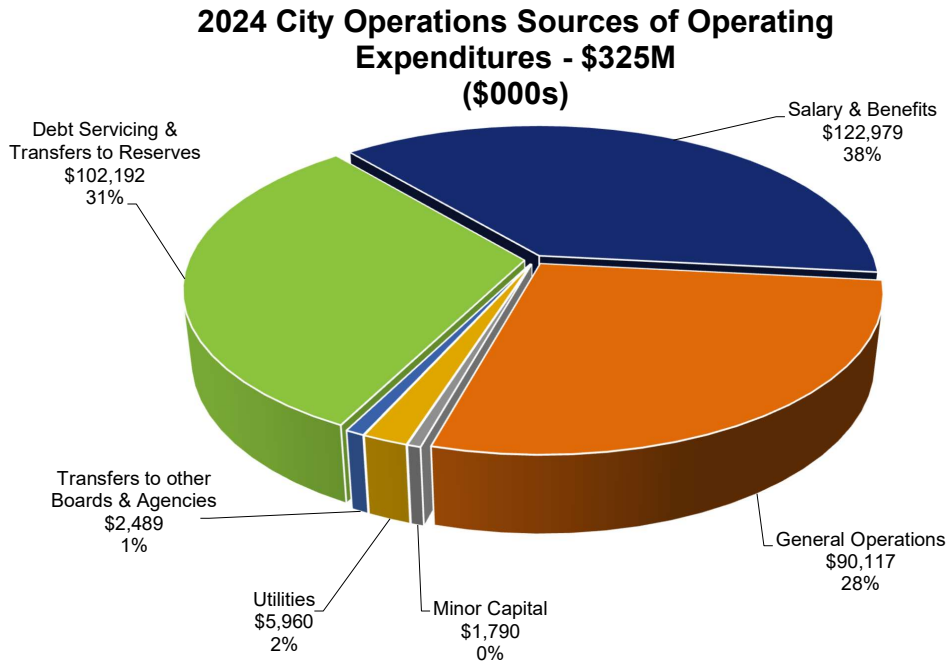
2024 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (TAX BASE)

Division/Department	2022 Total Approved Complement	2023 Total Approved Complement	2024 Pre-Approved in 2023	2024 Recommended New Investments Impact			2024 Recommended Complement			
			FT	FT	PPT	Total	FT	PPT	Total	
Office of the Mayor & CAO										
Office of the Mayor & CAO	4	4				-	4		4	
Business Performance & Internal Audit	2	7				-	7		7	
Finance	55	54.5				-	55		54.5	
Human Resources	20	21		1		1	22		22	
Legal Services	11	11				-	11		11	
	91.5	97.5		-	1	-	1	98.5	-	98.5
Infrastructure & Growth Management										
General Manager's Office	1	1				-	1		1	
Building Services	33	39				-	38	1	39	
Corporate Asset Management	14	13				-	13		13	
Development Services	54	55		1		1	56		56	
Economic & Creative Development	11	12				-	12		12	
Infrastructure	39	40				-	40		40	
Operations	123	109		3		3	112	-	112	
Waste Management & Environmental Sustainability	17	31		3		3	31	3	34	
	292	300		-	7	-	7	303	4	307
Community & Corporate Services										
General Manager's Office	1	1				-	1		1	
Barrie Fire & Emergency Services	187	187	20			-	203	4	207	
Facilities Department	46	48				-	48		48	
Legislative & Court Services	92.5	92.5				-	74	19	92.5	
Recreation & Culture Services	67	67		8		8	74	1	75	
	393.5	395.5	20	8	-	8	399.5	24	423.5	
Access Barrie										
Access Barrie Admin	2	2				-	2		2	
Customer Service	19	19				-	17	2	19	
Information Technology	49	50				-	49	1	50	
Marketing & Communications	9	9		1		1	9	1	10	
Transit & Parking Strategy	9	9				-	9		9	
	88	89	-	1	-	1	86	4	90	
Total City Staff (Tax Base)	865	882	20	17	-	17	887	32	919	

Note: Department counts in the 2023 Total Approved Complement column reflect organizational changes and in-year approvals.

Summary of City Portion of Tax Operating Budget Expenses and Revenues

The 2024 requested Tax Operating budget for City Operations and Infrastructure Investment Funding (IIF) results in an increase of \$18.4 million (6.0%) in gross expenditures with an equal and offsetting increase in planned revenues. The following charts show the breakdown of expenses and revenues.



*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.

	2023 - Budget			2024 - Base Budget			Base Budget Change			2024 - 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																						
Business Performance & Internal Audit	\$1,174,305	\$1,174,305		\$1,104,267	\$1,104,267		(\$70,038)	(\$70,038)	-5.96%	\$0	\$0		\$1,104,267	\$1,104,267		(\$70,038)	(\$70,038)	-5.96%				
Finance	\$7,625,313	\$4,712,782		\$7,834,108	\$4,795,140		\$208,795	\$82,357	1.75%	\$0	\$0		\$7,834,108	\$4,795,140		\$208,795	\$82,357	1.75%				
Human Resources	\$3,957,381	\$3,784,233		\$4,065,255	\$3,887,281		\$107,874	\$103,047	2.72%	\$122,945	\$122,945		\$4,188,200	\$4,010,226		\$230,819	\$225,993	5.97%				
Legal Services	\$2,190,186	\$2,036,023		\$2,231,090	\$2,076,927		\$40,904	\$40,904	2.01%	\$0	\$0		\$2,231,090	\$2,076,927		\$40,904	\$40,904	2.01%				
Office of the CAO	\$1,610,020	\$759,020		\$1,625,831	\$774,831		\$15,811	\$15,811	2.08%	\$0	\$0		\$1,625,831	\$774,831		\$15,811	\$15,811	2.08%				
Office of the Mayor	\$263,497	\$263,497		\$251,187	\$251,187		(\$12,310)	(\$12,310)	-4.67%	\$96,349	\$96,349		\$347,536	\$347,536		\$84,040	\$84,040	31.89%				
Total	\$16,820,702	\$12,729,861		\$17,117,738	\$12,889,633		\$291,036	\$159,772	1.26%	\$219,295	\$219,295		\$17,331,033	\$13,108,927		\$510,330	\$379,066	2.98%				
Council & Committees																						
City Council	\$867,369	\$882,369		\$991,831	\$1,006,831		\$124,462	\$124,462	14.11%	\$0	\$0		\$991,831	\$1,006,831		\$124,462	\$124,462	14.11%				
Committees	\$90,090	\$90,090		\$90,590	\$90,590		\$500	\$500	0.56%	\$0	\$0		\$90,590	\$90,590		\$500	\$500	0.56%				
Total	\$957,459	\$972,459		\$1,082,421	\$1,097,421		\$124,962	\$124,962	12.85%	\$0	\$0		\$1,082,421	\$1,097,421		\$124,962	\$124,962	12.85%				
Access Barrie																						
Customer Barrie Admin	\$385,057	\$385,057		\$394,262	\$394,262		\$9,205	\$9,205	2.39%	\$0	\$0		\$394,262	\$394,262		\$9,205	\$9,205	2.39%				
Customer Service	\$1,958,583	\$1,390,664		\$2,045,248	\$1,482,972		\$86,664	\$92,308	6.64%	\$0	\$0		\$2,045,248	\$1,482,972		\$86,664	\$92,308	6.64%				
Information Technology	\$11,202,388	\$9,614,723		\$12,010,393	\$10,438,557		\$808,005	\$823,834	8.57%	\$28,075	\$19,700		\$12,038,468	\$10,458,257		\$836,080	\$843,534	8.77%				
Marketing & Communications	\$1,476,134	\$1,184,144		\$1,597,977	\$1,320,315		\$121,843	\$136,171	11.50%	\$100,000	\$100,000		\$1,697,977	\$1,420,315		\$221,843	\$236,171	19.94%				
Transit & Parking	\$25,110,217	\$15,547,791		\$26,092,343	\$16,682,115		\$982,126	\$1,134,324	7.30%	(\$18,000)	(\$18,000)		\$26,074,343	\$16,664,115		\$964,126	\$1,116,324	7.18%				
Total	\$40,132,380	\$28,122,379		\$42,140,223	\$30,318,221		\$2,007,844	\$2,195,842	7.81%	\$110,075	\$101,700		\$42,250,298	\$30,419,921		\$2,117,919	\$2,297,542	8.17%				
Community & Corporate Services																						
Barrie Fire & Emergency Services	\$30,071,582	\$28,907,701		\$32,908,007	\$31,696,154		\$2,836,426	\$2,788,453	9.65%	\$0	\$0		\$32,908,007	\$31,696,154		\$2,836,426	\$2,788,453	9.65%				
Facilities	\$15,378,615	\$2,397,502		\$16,379,410	\$2,261,096		\$1,000,794	(\$136,406)	-5.69%	\$0	\$0		\$16,379,410	\$2,261,096		\$1,000,794	(\$136,406)	-5.69%				
GM of Community & Corporate Services	\$299,271	\$274,271		\$306,236	\$281,236		\$6,966	\$6,966	2.54%	\$0	\$0		\$306,236	\$281,236		\$6,966	\$6,966	2.54%				
Legislative & Court Services	\$10,797,295	\$4,735,036		\$10,768,089	\$4,758,607		(\$29,206)	(\$29,206)	0.50%	\$3,349,875	\$550,000		\$14,117,964	\$5,308,607		\$3,320,669	\$573,571	12.11%				
Recreation & Culture Services	\$21,616,759	\$11,185,950		\$22,058,541	\$11,042,511		\$441,781	(\$143,438)	-1.28%	\$123,307	\$9,907		\$22,181,848	\$11,052,418		\$565,088	(\$133,531)	-1.19%				
Total	\$78,163,522	\$47,500,461		\$82,420,283	\$50,039,605		\$4,256,761	\$2,539,144	5.35%	\$3,473,182	\$559,907		\$85,893,465	\$50,599,512		\$7,729,943	\$3,099,051	6.52%				
Infrastructure & Growth Management																						
Building Services	\$6,140,146	(\$0)		\$6,732,008	(\$0)		\$591,863	(\$0)	0.00%	\$0	\$0		\$6,732,008	(\$0)		\$591,863	(\$0)	0.00%				
Corporate Asset Management	\$2,305,103	\$1,421,498		\$2,338,705	\$1,377,315		\$33,601	(\$44,183)	-3.11%	(\$3,000)	(\$3,000)		\$2,335,705	\$1,374,315		\$30,601	(\$47,183)	-3.32%				
Development Services	\$12,393,732	\$7,140,580		\$13,063,183	\$7,208,208		\$669,451	\$67,628	0.95%	\$208,888	(\$402,458)		\$13,272,071	\$6,805,751		\$878,339	(\$334,829)	-4.69%				
Economic & Creative Development	\$3,428,791	\$2,274,038		\$3,039,953	\$2,371,279		(\$388,838)	\$97,241	4.28%	(\$10,000)	(\$10,000)		\$3,029,953	\$2,361,279		(\$398,838)	\$87,241	3.84%				
GM Infrastructure & Growth Mgmt	\$344,267	\$344,267		\$354,118	\$354,118		\$9,851	\$9,851	2.86%	\$0	\$0		\$354,118	\$354,118		\$9,851	\$9,851	2.86%				
Infrastructure Operations	\$1,927,256	\$1,477,149		\$1,965,526	\$1,502,275		\$38,270	\$25,126	1.70%	(\$12,000)	(\$12,000)		\$1,953,526	\$1,490,275		\$26,270	\$13,126	0.89%				
Waste Management & Environmental Sustainability	\$33,360,275	\$30,799,812		\$35,056,626	\$32,340,560		\$1,696,350	\$1,540,748	5.00%	\$462,218	\$462,218		\$35,518,844	\$32,802,778		\$2,158,568	\$2,002,966	6.50%				
Total	\$73,006,831	\$52,033,846		\$79,151,935	\$58,101,341		\$6,145,104	\$6,067,495	11.66%	\$1,015,427	\$44,431		\$80,167,362	\$58,145,772		\$7,160,531	\$6,111,927	11.75%				

*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.

	2023 - Budget			2024 - Base Budget			Base Budget Change			2024 - 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	%
Divisional Tax Operating	\$209,080,895	\$141,359,005		\$221,906,600	\$152,446,221		\$12,825,706	\$11,087,215		\$4,817,979	\$925,333	7.84%	\$226,724,579	\$153,371,554		\$17,643,685	\$12,012,548		\$17,643,685	\$12,012,548	8.50%
Corporate Transactions																					
Corporate Expenses	\$98,023,033	\$49,712,817		\$98,803,529	\$54,548,748		\$780,496	\$4,835,931		\$0	\$0	9.73%	\$98,803,529	\$54,548,748		\$780,496	\$4,835,931		\$780,496	\$4,835,931	9.73%
Corporate Revenues	\$0	(\$12,990,638)		\$0	(\$16,045,004)		\$0	(\$3,054,366)		\$0	\$0	23.51%	\$0	(\$16,045,004)		\$0	(\$3,054,366)		\$0	(\$3,054,366)	23.51%
Total	\$98,023,033	\$36,722,179		\$98,803,529	\$38,503,744		\$780,496	\$1,781,565		\$0	\$0	4.85%	\$98,803,529	\$38,503,744		\$780,496	\$1,781,565		\$780,496	\$1,781,565	4.85%
TOTAL RECOMMENDED TAX OPERATING BUDGET	\$307,103,928	\$178,081,185		\$320,710,129	\$190,949,965		\$13,606,202	\$12,868,780		\$4,817,979	\$925,333	7.23%	\$325,528,108	\$191,875,298		\$18,424,180	\$13,794,113		\$18,424,180	\$13,794,113	7.75%

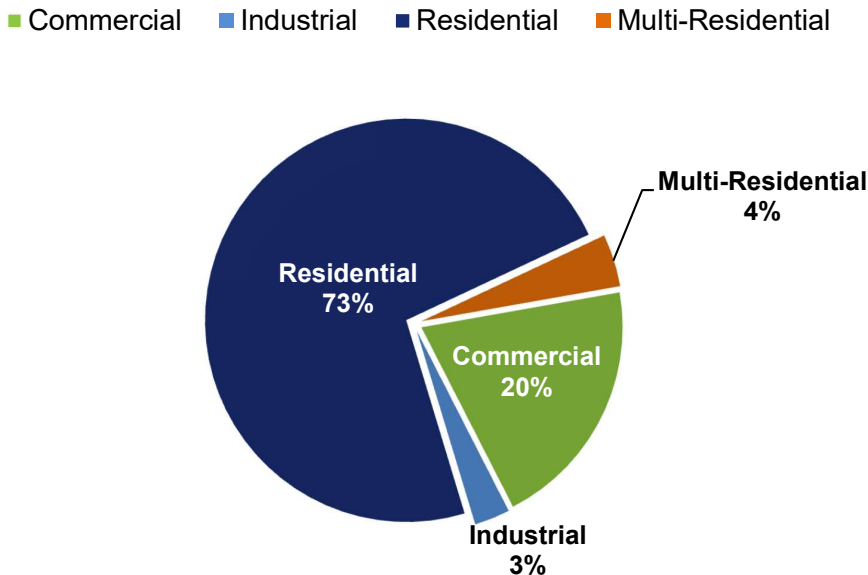
*Numbers in the above chart may not add to total due to rounding.

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 2024 tax levy supporting municipal services and service partners by major property class.

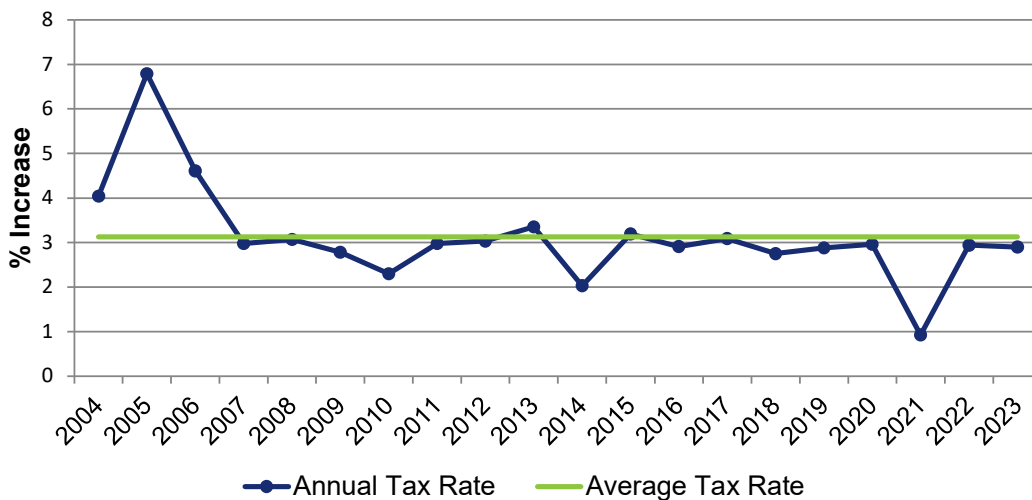
2024 Tax Levy



History of Tax Rate Changes

The twenty-year average annual residential property tax increase for a typical home in Barrie has been 3.12%.

20-Year Tax Rate Change (%)



OVERVIEW OF 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 pipe network in conjunction with reservoirs and pumping stations.

Description	2023 Budget	2024		
		Requested Budget	\$ Change	% Change
Water Rate Revenue	\$ (30,803,884)	\$ (32,311,372)	\$ (1,507,488)	4.9%
Maintain current service levels	\$ 14,261,440	\$ 14,817,435	\$ 555,995	3.9%
Interfund Transfers	\$ 8,343,610	\$ 8,278,265	\$ (65,345)	-0.8%
2024 New Investments and Service Recommendations		\$ 237,151	\$ 237,151	N/A
Contribution to Water Capital Reserve	\$ 8,198,834	\$ 8,978,522	\$ 779,688	9.5%

The proposed 2024 Water Operations Budget reflects a rate increase of 3.97% (\$15.42) for a typical household. This increase aligns with the Water and Wastewater Financial Plans approved in 2021.

Water Revenue

Water rate revenue is expected to increase by \$1.5 million in 2024 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 net cost to maintain current services will increase by \$556 thousand in 2024. The cost of labour is expected to increase by \$297 thousand. The increase provides for salary and benefit calculations as determined by the City's Collective Agreement, and estimated benefit provider rates.

Water Operations is expecting that the cost of chemicals will increase by 150% (\$304 thousand) over 2023. Water Operations is also planning to start selling water meter packages so there is a related increase of \$370 thousand in the cost of the water meter packages. The increase in costs is offset by a corresponding \$370 thousand increase in revenues from the sale of these packages.

Equipment & capital purchases are increasing due to the purchase of a spare permeate pump and motor required to maintain operations while main pumps are removed for maintenance (\$35 thousand) and the purchase of needed replacement valves at the Surface Water Treatment Plant (\$30 thousand). Also included is a replacement sand separator for well 14 (\$60 thousand).

Contracted services are increasing related to a multi-year contract to complete condition assessments (\$100 thousand) and higher costs for equipment maintenance at the Surface Water Treatment Plant (\$220 thousand). Excess soil testing costs are expected to increase \$50 thousand over 2023.

Interfund Expense

Interfund expenses are costs recovered between the City's primary operating funds (Tax, Water, Wastewater, and Parking). These costs are most commonly incurred in the tax funds and then recovered from Water, Wastewater, and Parking (e.g. corporate overhead). In 2024, there are no significant changes to the various charges to the Water Rate.

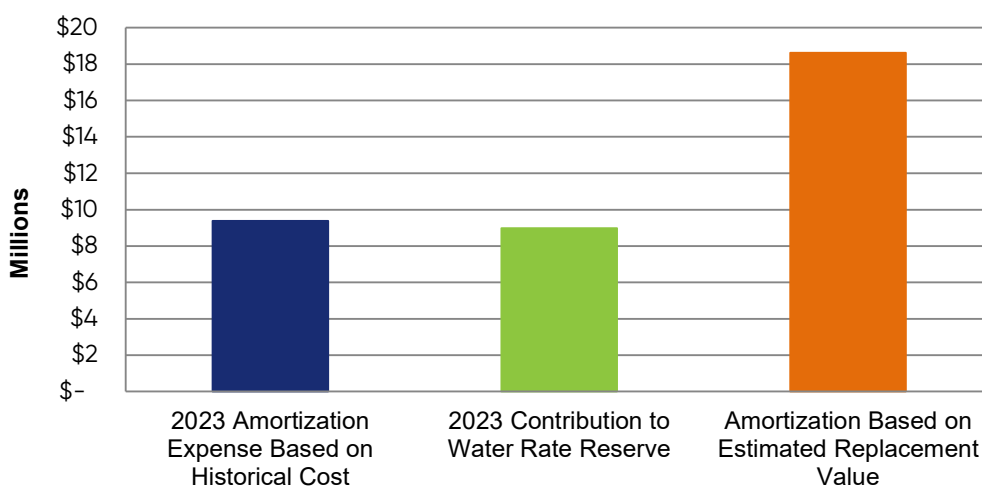
Contribution to Water Capital Reserve

After considering proposed new investment and service recommendations, the contribution to the water capital reserve will be increased by \$780 thousand. The increase proposed for the 2024 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 \$488 million compared to the estimated replacement value of \$839 million based on applying inflation to the original construction costs. The following chart shows amortization expenses of \$9.4 million for water-supported infrastructure in 2023 based on historical costs for the City.

In comparison, the budgeted transfer to the water capital reserve in 2024 of \$9 million was lower than the amortization expense by \$405 thousand. Furthermore, the estimated replacement depreciation cost of the water supported non-growth existing infrastructure in the amount of \$18.6 million extends the annual shortfall to over \$9.6 million.

Water Rate Supported Annual Infrastructure Gap



Investment and Service Recommendations

The proposed 2024 Water budget includes funding totaling \$237 thousand for one temporary and two permanent Risk Management Inspectors and Water Operations portion of an Office Services Assistant in the Waste Management & 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 \$1.5 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 2024 is estimated to be \$404 (\$389 in 2023). This represents a 3.97% or \$15.42 annual increase over 2023.



Residential Water Rates

Bi-monthly Consumption	2023 Rates	2024 Rates
0 - 30 cubic metres	\$1.1850 per m3	\$1.2320 per m3
30 – 60 cubic metres	\$2.3701 per m3	\$2.4641 per m3
60 – 90 cubic metres	\$3.5550 per m3	\$3.6962 per m3
> 90 cubic metres	\$4.7401 per m3	\$4.9283 per m3
Fixed Charge by Service Size		
16 to 19 mm	\$ 30.04	\$ 31.22
25 mm	NEW	\$ 78.06

General Service Water Rates

Monthly Consumption	2023 Rates	2024 Rates
0 - 15 cubic metres	\$1.1850 per m3	\$1.2320 per m3
> 15 cubic metres	\$1.7776 per m3	\$1.8481 per m3
Fixed Charge by Service Size		
13 to 19 mm	\$ 15.02	\$ 15.61
25 to 32 mm	\$ 37.54	\$ 39.03
38 mm	\$ 75.10	\$ 78.08
50 mm	\$ 120.16	\$ 124.93
75 mm	\$ 262.84	\$ 273.28
100 mm	\$ 450.61	\$ 468.50
150 mm	\$ 938.75	\$ 976.02
200 mm	\$ 1,201.60	\$ 1,249.30
250 mm	\$ 1,727.32	\$ 1,795.90
300 mm	\$ 1,727.32	\$ 1,795.90

Permanent Staff Complement Continuity – Water

Currently, 70 staff members are required to directly support Water Operations. There are no new positions recommended that are directly attributed to Water Operations, however there are additional positions as outlined in the Investment and Service Recommendations that will recover costs from Water.

2024 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (WATER USER RATE)

Division/Department	Total 2022 Approved Complement	Total 2023 Approved Complement	2024 Recommended			2023 Recommended		
			New Investments Impact			New Investments Impact		
			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	2023 Budget	2024		
		Requested Budget	\$ Change	% Change
Wastewater Rate Revenue	\$ (40,959,491)	\$ (43,335,991)	\$ (2,376,500)	5.8%
Maintain current service levels	\$ 16,626,112	\$ 16,623,112	\$ (3,000)	0.0%
Interfund Transfers	\$ 5,888,981	\$ 6,708,166	\$ 819,185	13.9%
2024 New Investments and Service Recommendations		\$ 27,671	\$ 27,671	N/A
Contribution to Wastewater Capital Reserve	\$ 18,444,398	\$ 19,977,041	\$ 1,532,644	8.3%

The proposed 2024 Wastewater Operations Budget reflects a rate increase of 4.94% (\$27.61) for a typical household. This increase aligns with the Water and Wastewater Financial Plans approved in 2021.

Wastewater Revenue

Wastewater rate revenue is expected to increase by \$2.4 million in 2024 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 and Interfund Expensed

Overall operating expenses, including interfund transfers, have increased by \$819 thousand. The main drivers of the increase relate to increased insurance costs for Wastewater Facilities of \$552 thousand, increased costs of chemicals of \$208 thousand, and increased costs of salaries and benefits of \$180 thousand. Some of these cost increases have been offset by a reduction in contract services of \$159 thousand as a result of increased optimization efforts that have reduced the amount of biosolids needing to be transported for disposal.

Contribution to Wastewater Capital Reserve

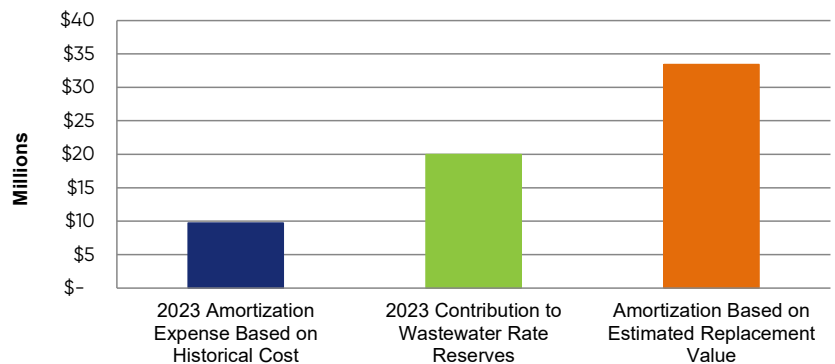
After considering proposed new investment and service recommendations, the contribution to the wastewater capital reserve will be increased by \$1.5 million. The increase will contribute to the sustainability of the City's wastewater infrastructure while keeping rate increases in line with historical norms.

The historical costs of the City's Wastewater assets total \$573 million compared to the replacement value of \$1.29 billion. The Wastewater rate supported infrastructure gap presented in the following chart shows that the contribution to reserve of \$20 million to the wastewater capital reserve exceeds the annual amortization expense of the current wastewater infrastructure based on historical cost of \$10.2 million. However, the amortization based on the replacement values in consideration of the annual inflationary rate according to the Consumer Price Index, estimated at \$33.4 million, yield a funding gap of over \$13.4 million.

Investment and Service Recommendations

The proposed 2024 Wastewater budget includes new investment and service recommendations at a cost of \$28 thousand for Wastewater Operations share of an Office Services Assistant in the Waste Management & Environmental Sustainability Department.

Wastewater Rate Supported Annual Infrastructure Gap



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 \$2.4 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 2024 is estimated to be \$587 (\$559 in 2023). This represents a 4.94% or \$27.61 increase over 2023.

Residential Wastewater Rates

Bi-monthly Consumption	2023 Rates	2024 Rates
0 - 30 cubic metres	\$1.7611 per m3	\$1.8479 per m3
30 – 60 cubic metres	\$2.9939 per m3	\$3.1415 per m3
60 – 90 cubic metres	\$2.9939 per m3	\$3.1415 per m3
> 90 cubic metres	N/A	N/A
Fixed Charge by Service Size		
16 to 19 mm	\$ 41.80	\$ 43.87
25 mm	NEW	\$ 109.67

General Service Wastewater Rates

Monthly Consumption	2023 Rates	2024 Rates
0 - 15 cubic metres	\$1.6772 per m3	\$1.7599 per m3
> 15 cubic metres	\$2.5161 per m3	\$2.6402 per m3
Fixed Charge by Service Size		
13 to 19 mm	\$ 20.90	\$ 21.93
25 to 32 mm	\$ 52.26	\$ 54.84
38 mm	\$ 104.53	\$ 109.68
50 mm	\$ 167.25	\$ 175.49
75 mm	\$ 365.83	\$ 383.86
100 mm	\$ 627.28	\$ 658.20
150 mm	\$ 1,306.51	\$ 1,370.92
200 mm	\$ 1,672.34	\$ 1,754.79
250 mm	\$ 2,403.99	\$ 2,522.50
300 mm	\$ 2,403.99	\$ 2,522.50



Permanent Staff Complement Continuity – Wastewater

Currently, 49 staff members are required to directly support Wastewater Operations. There are no new positions recommended that are directly attributed to Wastewater Operations, however there are additional positions as outlined in the Investment and Service Recommendations that will recover costs from Wastewater.

2024 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (WASTEWATER USER RATE)

Division/Department	2022 Total Approved Complement	2023 Total Approved Complement	2024 Recommended New Investments Impact			2024 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Wastewater	48	49	-	-	-	49	-	49

Parking Operating Budget

The 2024 Parking Operating Budget reflects the costs associated with the operations and maintenance of parking lots, parking structure and assets.

Description	2023 Budget	2024 Requested Budget	\$ Change	% Change
Parking Rate Revenue	\$ (1,698,740)	\$ (2,102,705)	\$ (403,965)	23.8%
Maintain current service levels	\$ 1,036,270	\$ 999,202	\$ (37,068)	-3.6%
Interfund Transfers	\$ 1,306,474	\$ 1,391,110	\$ 84,636	6.5%
Contribution from Parking Capital Reserve	\$ (644,004)	\$ (287,607)	\$ 356,397	-55.3%

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 2024 the municipal parking system expects to realize \$2.1 million in revenue from parking metre fees and parking permits. Although this is not up to pre-COVID levels, this is an increase of \$404 thousand over the previous year and is due to an anticipated increase in parking revenue .

Maintain Current Service Levels

The budgeted net operating cost for the parking service has decreased \$37 thousand over 2023. The reduction is primarily a result of the completion of the digital parking permit project in 2023 so the funding of the business lead project position, which included a partial recovery from the capital project, has ended.

The budgeted interdepartmental transfers have increased by \$85 thousand over 2023. These costs consist of corporate overhead and direct support for parking operations and assets. The increase is primarily due to the increased operational expenses required to maintain the Collier Street Parkade.

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 2024, the draw from the reserve is expected to be \$288 thousand. This is a reduction of \$356 thousand from 2023.

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 2024 operating budget.

**2024 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY
(PARKING USER RATE)**

Division/Department	2022 Total Approved Complement	2023 Total Approved Complement	2024 Recommended New Investments Impact			2024 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Parking	4	4	-	-	-	4	-	4

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 and Wastewater Reserve Funds, Tax Funded Stormwater Capital Reserve, Federal Gas Tax Reserve, County of Simcoe Capital Reserve, Cash-in-lieu Parkland Reserve, as well as the Fleet Replacement Reserve, Reinvestment Reserve, Theatre 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 2024 Capital and Operating budgets.

Contributions to reserves are based on projected forecasts utilizing current trends, as well as financial policies, growth studies and the 2023 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 (DCs) are used to pay for growth related infrastructure and any associated debt servicing costs. The City's proposed 2024 Capital Budget has been updated with the most current Development Charge Background Study rates, which were updated in 2023, and reflects the recommended investment in new and existing infrastructure to support the City's planned growth.

Increases in the forecasted future year contributions have continued to improve the 5-year forecasted balance for the DC reserves this year. Based on current development activity and projections from the development community, DC revenues to be collected in 2024 are projected to reach \$87 million. However, the DC reserves are projected to be over-committed at the end of 2026 by \$30M, but improving to a positive balance of \$98 million by the end of 2027. While DC revenues are identified with a 5-year total of \$896.3 million, these are significantly back-ended — if actual development does not materialize, there will likely need to be a deferral of some projects within the capital plan or the use of additional debt financing. The City's cashflow impact is highlighted in the accompanying table.

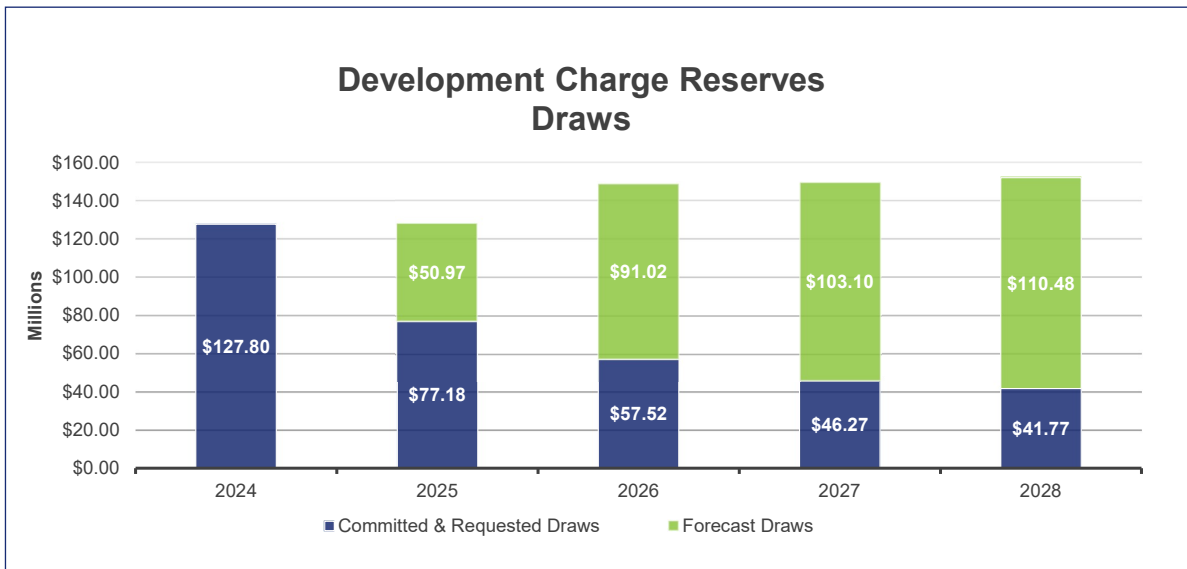
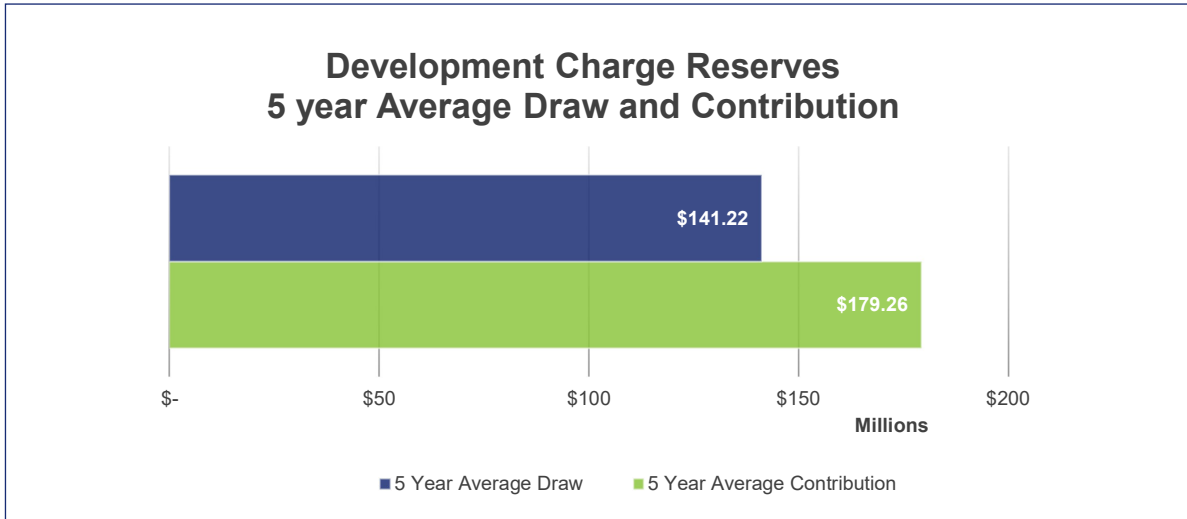
In the previous Budget, legislation had just passed to enact Bill 23 and the impacts it would have were still being estimated. Since that time, the consultants who worked on the City's DC bylaw performed an analysis and estimated that the impact from the DC Policy changes would result in an anticipated revenue loss of \$125 million over 5 years. The largest portion of this is from the phasing-in of DCs.

For the 5-year forecast starting in 2024, it is projected the City will be drawing \$565 million from the DC reserves to directly cash flow capital projects.



Existing annual debt payments associated primarily with the Water plant, Wastewater plant expansion, and the Bio-solids facility, will be drawing over \$23.75 million from DC reserves in 2024.

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.



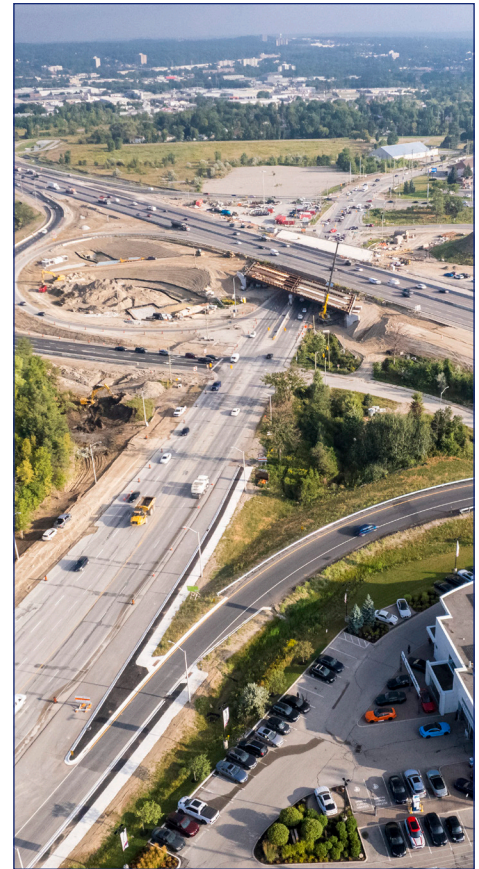
Development Charge Reserves	2024	2025	2026	2027	2028
Beginning Balance	\$ 58,917,410	\$ 18,169,674	\$ (19,601,953)	\$ (29,848,349)	\$ 98,047,238
Draws: Carryforward & Previously Approved	\$ (85,385,437)	\$ (29,055,167)	\$ (7,335,059)	\$ (271,500)	\$ -
Draws: New Request	\$ (18,662,253)	\$ (22,082,585)	\$ (20,910,785)	\$ (15,276,497)	\$ (10,449,000)
Draws: Forecast	\$ -	\$ (50,971,668)	\$ (91,017,232)	\$ (103,101,869)	\$ (110,479,587)
Draws: Debt Servicing Cost	\$ (23,750,046)	\$ (26,042,208)	\$ (29,273,321)	\$ (30,724,547)	\$ (31,321,224)
Contributions: 2024 Business Plan	\$ 87,050,000	\$ 90,380,000	\$ 138,290,000	\$ 277,270,000	\$ 303,300,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 18,169,674	\$ (19,601,953)	\$ (29,848,349)	\$ 98,047,238	\$ 249,097,427

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. It does not fund non-growth stormwater assets as these are funded from the tax-funded Stormwater Capital Reserve.

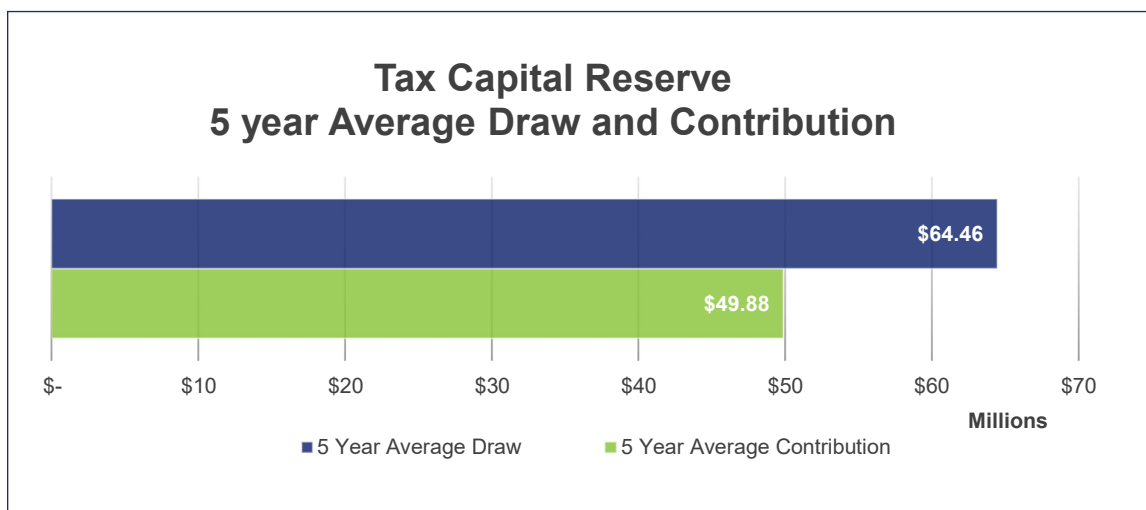
The 2024 contribution to the Tax Capital Reserve is driven by the Reserve and Reserve Fund Management Policy which was updated in 2015 to include an annual contribution equivalent to a 1% increase on the typical residential property tax bill; this contribution (previously called Dedicated Infrastructure Renewal Funding) is now referred to as Infrastructure Investment Funding (IIF).

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 \$23.5 million from 2024 to 2028, of which \$7.2 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 2024 Capital Plan. Changes to legislation have reduced the amount that the City was expecting to receive compared to previous forecasts.

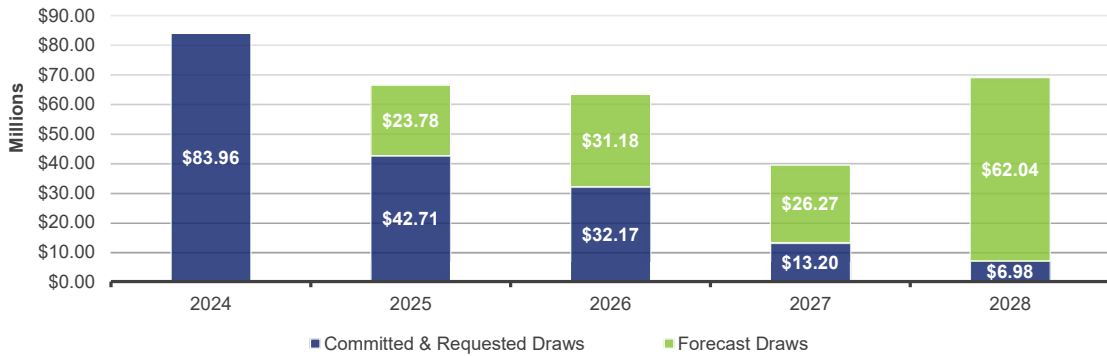


The tax-based contribution for the proposed 2024 budget has increased this year from \$38.3 million in 2023 to \$41.3 million. Most of this increase is made up from the IIF contribution. Over the next 5 years starting in 2024, the total contribution to the Tax Capital Reserve is forecasted at \$249 million, including the MOU capital contribution.

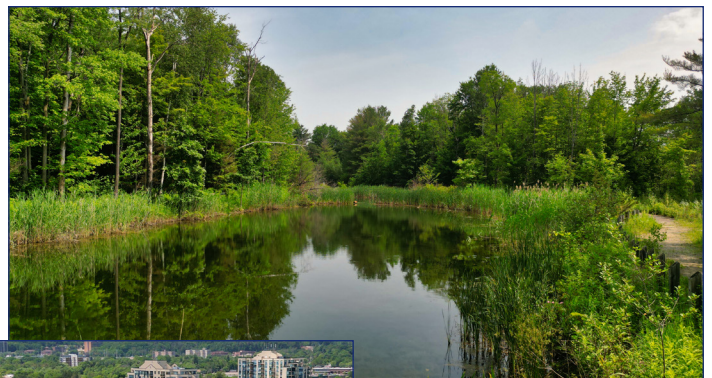
Including previous commitments, the proposed 2024 Capital Plan draws a total of \$322 million from the Tax Capital Reserve over the next five years.



Tax Capital Reserve Draws



Tax Capital Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 75,215,628	\$ 32,595,482	\$ 9,466,225	\$ (3,867,040)	\$ 13,359,242
Draws: Carryforward & Previously Approved	\$ (79,894,375)	\$ (22,721,927)	\$ (7,995,903)	\$ (5,859,224)	\$ -
Draws: New Request	\$ (4,069,920)	\$ (19,986,348)	\$ (24,176,261)	\$ (7,342,332)	\$ (6,977,172)
Draws: Forecast	\$ -	\$ (23,776,815)	\$ (31,180,799)	\$ (26,265,862)	\$ (62,041,080)
Contributions: MOU Capital	\$ 2,290,000	\$ 1,240,000	\$ 4,840,000	\$ 8,450,000	\$ 6,740,000
Contributions: 2024 Business Plan	\$ 39,054,148	\$ 42,115,833	\$ 45,179,697	\$ 48,243,700	\$ 51,243,700
Uncommitted / (Overcommitted) Reserve Balance	\$ 32,595,482	\$ 9,466,225	\$ (3,867,040)	\$ 13,359,242	\$ 2,324,691



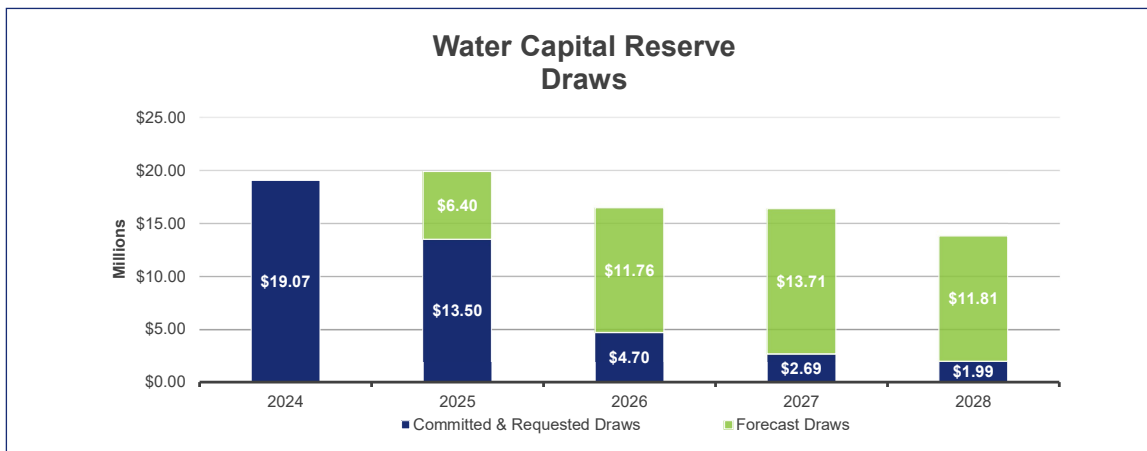
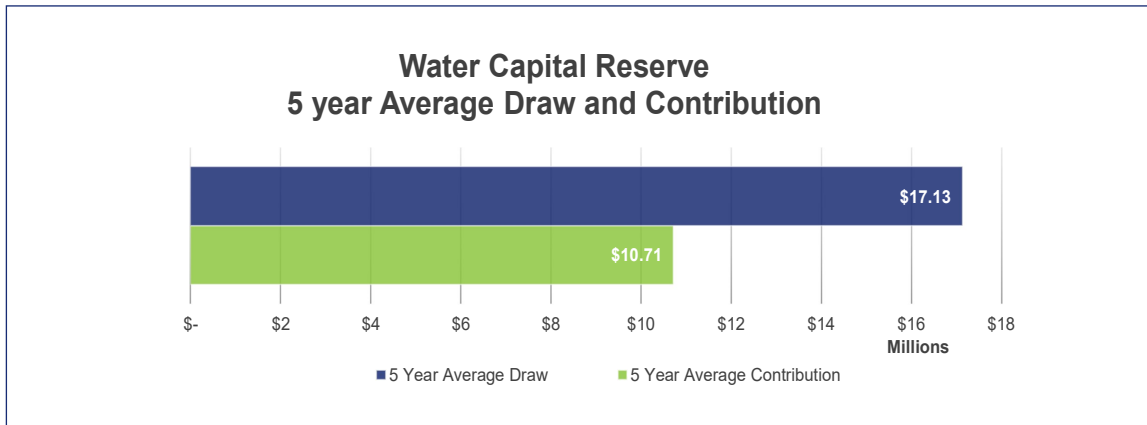
Water Capital Reserve Fund

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 have an over-committed balance of \$2.6 million at the end of 2024, which increases over the next 5-years to a projected over-committed balance of \$24.8 million by the end of 2028.

Over the period 2024 to 2028, including previous commitments, the total draws from the Water Capital Reserve are forecasted to be \$85.6 million. Some of the largest projects funded from the Water Capital Reserve are:

- the ongoing Watermain renewal program,
- lining and saddle replacements to the watermain from SWTP to the Harvie Reservoir,
- the Surface Water Treatment Plant (SWTP) Control System Upgrade, and
- the relocation of the watermain along Coulter/Rose street to accommodate MTO's plan to widen the Bayfield street bridge over highway 400

In the same 5-year period, total contributions are forecasted to be \$54 million. This is \$12 million higher than the 5-year projected contributions from 2023. However, subsequent budgets will need to include higher water rate increases and additional debt financing to fund the projected overcommitted balance of \$24.8 million in 2028.



Water Capital Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 7,279,011	\$ (2,573,447)	\$ (12,131,084)	\$ (17,285,618)	\$ (22,612,867)
Draws: Carryforward & Previously Approved	\$ (17,942,478)	\$ (3,404,653)	\$ (1,568,495)	\$ (877,080)	\$ -
Draws: New Request	\$ (1,125,652)	\$ (10,096,907)	\$ (3,134,833)	\$ (1,810,858)	\$ (1,993,110)
Draws: Forecast	\$ -	\$ (6,404,756)	\$ (11,761,336)	\$ (13,710,213)	\$ (11,814,205)
Contributions: 2024 Business Plan	\$ 9,215,673	\$ 10,348,679	\$ 11,310,130	\$ 11,070,901	\$ 11,624,446
Uncommitted / (Overcommitted) Reserve Balance	\$ (2,573,447)	\$ (12,131,084)	\$ (17,285,618)	\$ (22,612,867)	\$ (24,795,736)

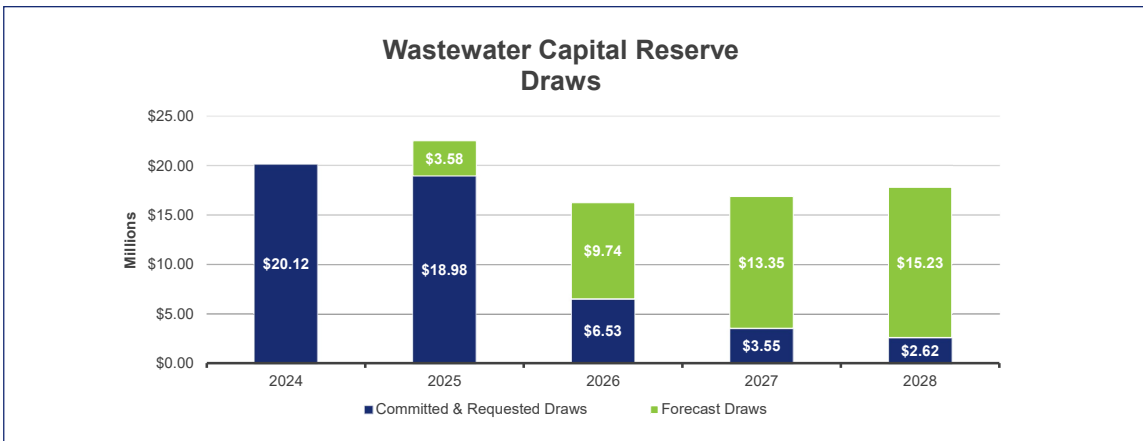
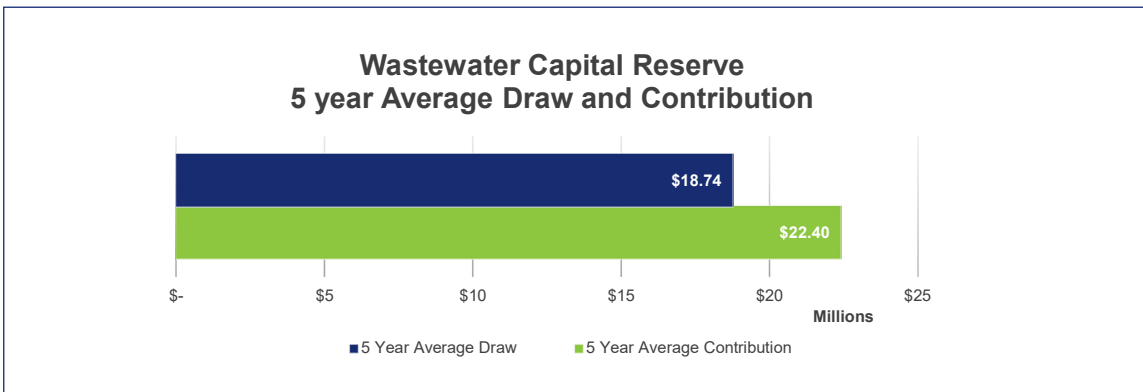
Wastewater Capital Reserve Fund

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 \$89.2 million at the end of 2024.

Over the 5-year forecast period, including previous commitments, the total draws from the Wastewater Capital Reserve are forecasted to be \$93.7 million (\$86.2 million in 2023 Budget). Some of the main projects funded from the Wastewater Capital Reserve included in the 2024 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
- WwTF electrical substation and transformer upgrade.

Over the same 5-year period, total contributions are forecasted at \$112 million. This is \$5 million higher than the 2023 Budget 5-year contributions.



Wastewater Capital Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 89,342,183	\$ 89,223,758	\$ 87,888,891	\$ 94,093,960	\$ 101,025,878
Draws: Carryforward & Previously Approved	\$ (25,106,381)	\$ (11,569,460)	\$ (1,882,446)	\$ (844,636)	\$ -
Draws: New Request	\$ 4,983,243	\$ (7,413,350)	\$ (4,649,310)	\$ (2,704,447)	\$ (2,617,000)
Draws: Forecast	\$ -	\$ (3,583,998)	\$ (9,741,946)	\$ (13,351,318)	\$ (15,230,494)
Contributions: 2024 Business Plan	\$ 20,004,713	\$ 21,231,941	\$ 22,478,771	\$ 23,832,320	\$ 24,428,128
Uncommitted / (Overcommitted) Reserve Balance	\$ 89,223,758	\$ 87,888,891	\$ 94,093,960	\$ 101,025,878	\$ 107,606,512

Tax-Funded Stormwater Capital Reserve

In place of a stormwater rate, as part of the 2023 Business plan and budget deliberations, Council approved an annual 1% tax levy contribution towards stormwater infrastructure investment funding beginning in 2024 and 2025. In addition, \$3 million of contributions was approved in 2023 for the new Tax-Funded Stormwater Capital Reserve funded from the Reinvestment and Tax Stabilization reserves.

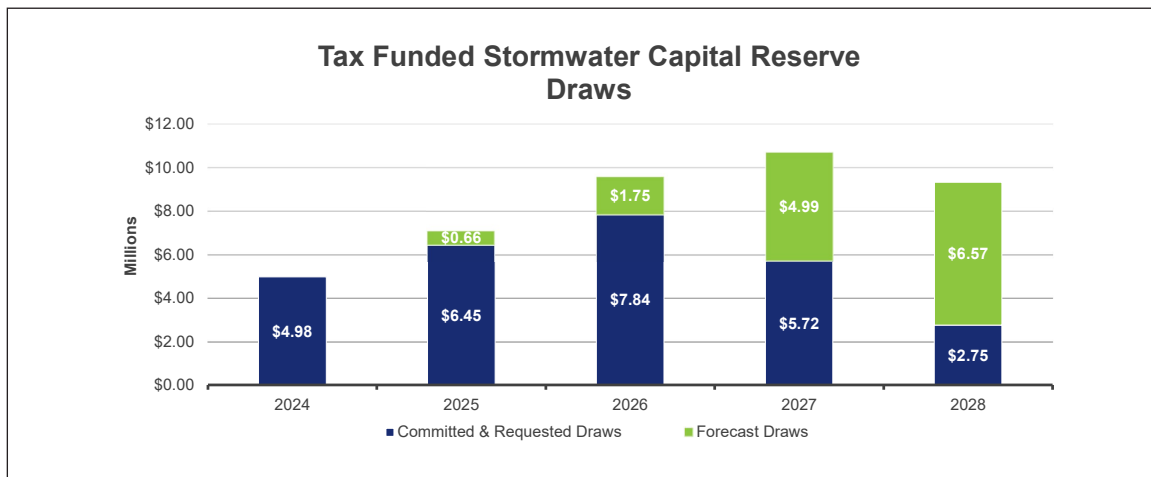
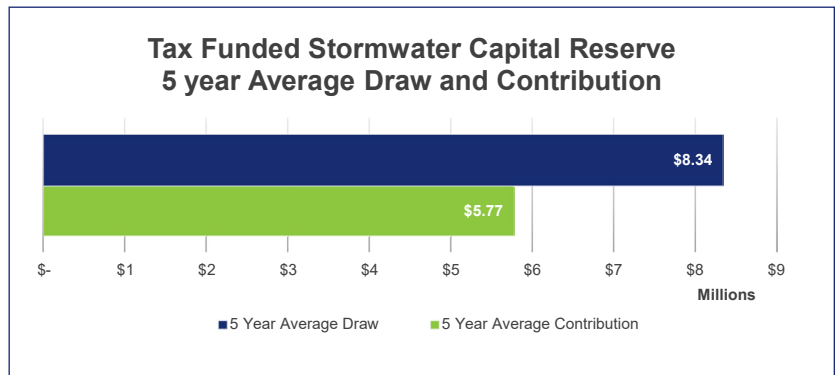
The creation of the Tax-Funded Stormwater Capital Reserve is being presented for the first time as part of the 2024 Business Plan and is expected to have a balance of \$1.3 million at the end of 2024. This reserve will be used to fund all non-DC funded stormwater asset capital works included in the capital plan moving forward.

Over the 5-year forecast period, including previous commitments, the total draws from the Stormwater Capital Reserve are forecasted to be \$41.7 million, while total contributions are forecasted to be \$28.8 million over the same 5-year period. This imbalance is resulting in the forecasted reserve balance to be over-committed by \$9.8 million by 2028. Subsequent City budgets will need to address the over-committed balance with higher tax rate contributions and use of additional debt financing

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.

Some of the main projects funded from the reserve included in the 2024 Capital Plan are:

- the storm sewer improvements to control storm flows on Sophia Creek from Peel to Sophia street,
- Drainage improvements to the Whiskey Creek floodway between Brennan Avenue and The Boulevard, and
- Bunker’s Creek culvert/watercourse improvements from Innisfil to Lakeshore.



Tax Funded Stormwater Capital Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 3,050,000	\$ 1,278,126	\$ 579,526	\$ (2,596,286)	\$ (6,895,249)
Draws: Carryforward & Previously Approved	\$ -	\$ -	\$ -	\$ -	\$ -
Draws: New Request	\$ (4,976,874)	\$ (6,447,760)	\$ (7,838,172)	\$ (5,723,887)	\$ (2,753,000)
Draws: Forecast	\$ -	\$ (660,840)	\$ (1,747,640)	\$ (4,985,076)	\$ (6,572,240)
Contributions: 2024 Business Plan	\$ 3,205,000	\$ 6,410,000	\$ 6,410,000	\$ 6,410,000	\$ 6,410,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 1,278,126	\$ 579,526	\$ (2,596,286)	\$ (6,895,249)	\$ (9,810,489)

Canada Community-Building Reserve

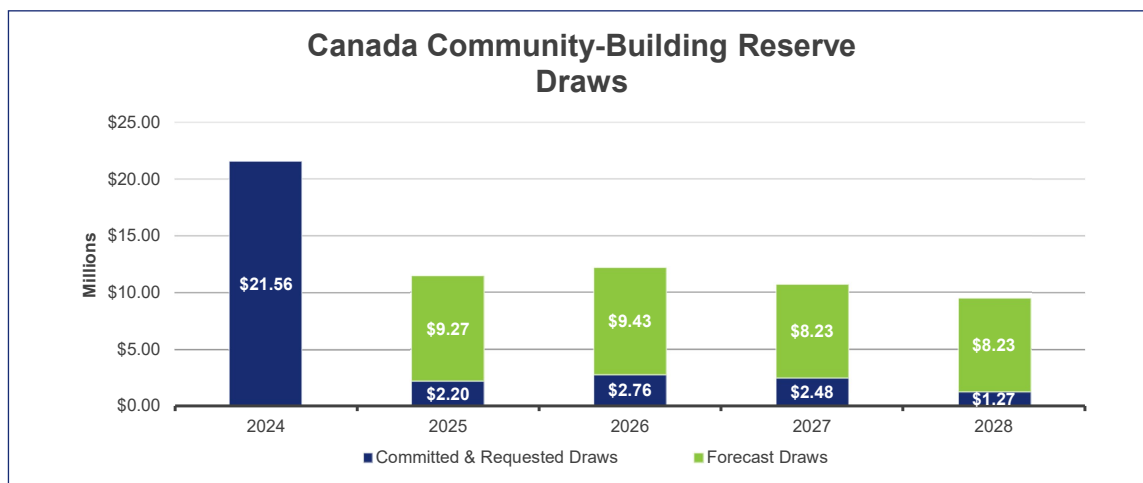
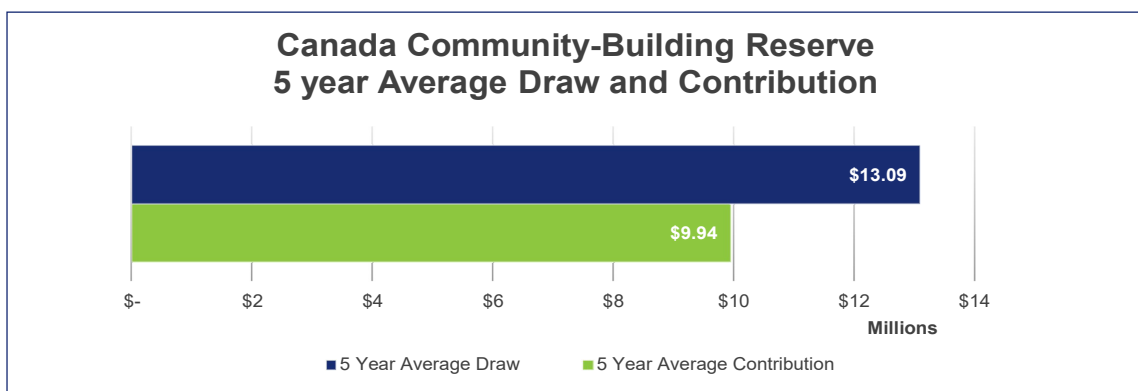
The Canada Community-Building Fund (formerly Federal Gas Tax) has been committed as a permanent transfer to municipalities. In addition to the amount allocated in the capital budget, Canada Community-Building Reserve funds are being utilized in the operating budget for stormwater treatment and pond maintenance, roads lifecycle 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 2024 and 2028, is projected to be \$65.4 million (\$79.9 million in 2023 Budget).

The most significant commitment of \$35.2 million over the next 5 years is the Pavement Management Program to restore and preserve road pavement conditions at various locations selected each year. Other large projects funded from the Canada Community-Building Reserve in the 2024 Capital Plan are:

- the reconstruction of right of way assets in the HNS Allandale B Neighbourhood Reconstruction, 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 \$49.7 million (\$48.7 million in 2023 Budget).



Canada Community-Building Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 18,691,682	\$ 6,676,016	\$ 4,945,839	\$ 2,691,027	\$ 2,113,941
Draws: Carryforward & Previously Approved	\$ (9,146,747)	\$ (1,820,536)	\$ (782,411)	\$ (27,500)	\$ -
Draws: New Request	\$ (12,417,398)	\$ (381,340)	\$ (1,980,938)	\$ (2,450,687)	\$ (1,266,087)
Draws: Forecast	\$ -	\$ (9,267,750)	\$ (9,425,700)	\$ (8,231,822)	\$ (8,230,340)
Contributions: 2024 Business Plan	\$ 9,548,479	\$ 9,739,449	\$ 9,934,238	\$ 10,132,922	\$ 10,335,581
Uncommitted / (Overcommitted) Reserve Balance	\$ 6,676,016	\$ 4,945,839	\$ 2,691,027	\$ 2,113,941	\$ 2,953,095

County of Simcoe Capital Reserve

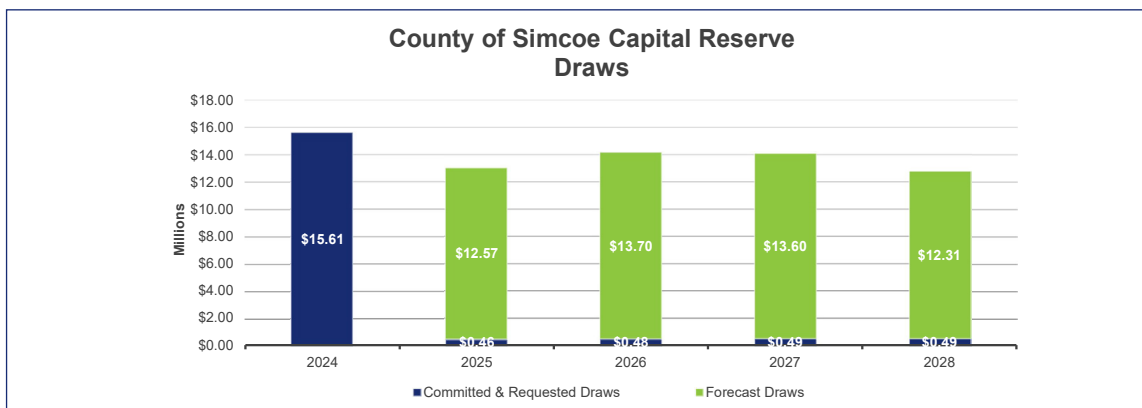
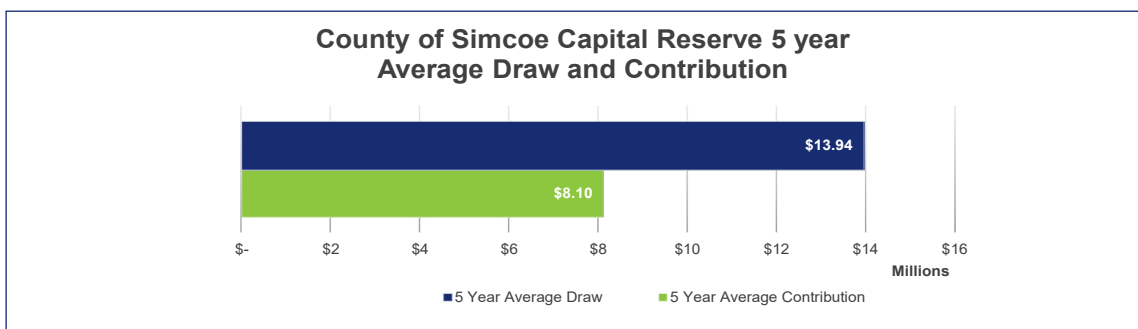
The County of Simcoe (CoS) Capital Reserve supports the City’s contributions towards the County of Simcoe’s capital plan related to paramedic services, long-term care homes and social housing. Additionally, this reserve supports the City of Barrie’s commitments related to non-profit housing provider loans delivered through the County of Simcoe. Funding through development charges is no longer permitted for this service, and so a higher level of tax-funded contribution will be required.

The County has recently updated its Long-Range Financial Plan which includes 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 has resulted 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 payments the City will soon be facing will reach around \$14 million before levelling 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 2024 budget, the contribution to this reserve was \$5.25 million. Internal forecasts for the reserve show that these should increase to at least \$14 million by 2028 (compared to the \$10.5 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	2024	2025	2026	2027	2028
Beginning Balance	\$ 1,372,312	\$ (8,986,036)	\$ (15,270,318)	\$ (21,199,640)	\$ (25,543,134)
Draws: Carryforward & Previously Approved	\$ (3,539,150)	\$ -	\$ -	\$ -	\$ -
Draws: New Request	\$ (12,069,198)	\$ (463,846)	\$ (477,761)	\$ (492,094)	\$ (492,094)
Draws: Forecast	\$ -	\$ (12,570,436)	\$ (13,701,560)	\$ (13,601,400)	\$ (12,307,033)
Contributions: 2024 Business Plan	\$ 5,250,000	\$ 6,750,000	\$ 8,250,000	\$ 9,750,000	\$ 10,500,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (8,986,036)	\$ (15,270,318)	\$ (21,199,640)	\$ (25,543,134)	\$ (27,842,261)

Cash-in-lieu of Parkland Reserve

The Cash-in-lieu 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.

The planned draws, including previous commitments, are expected to be \$22.2 million in 2024 and are forecasted to significantly decline in the four remaining forecasted years with only \$6.8 million of draws over those years. The main driver of the large draw in 2024 is the planned purchase of land for the future Hewitt’s Community Centre. The other significant projects this reserve will be funding include:

- the annual playground revitalization program,
- north shore trail improvements including the construction of new water access points, and
- the development of a new trails for the secondary plan area.

Contributions are forecasted to slowly increase annually, with total contributions forecasted to be \$10.5 million over the 5-year period. The ending balance of the Cash-in-lieu Parkland Reserve is expected to significantly decline in 2024 to \$2.9 million before slowing rising annually for the remaining forecasted years with a projected balance of \$4.2 million by the end of 2028.

Cash-in-lieu Parkland Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 23,123,962	\$ 2,878,614	\$ 2,269,454	\$ 2,854,822	\$ 3,782,242
Draws: Carryforward & Previously Approved	\$ (3,730,974)	\$ -	\$ -	\$ -	\$ -
Draws: New Request	\$ (18,484,374)	\$ (1,693,500)	\$ (350,000)	\$ (100,000)	\$ (100,000)
Draws: Forecast	\$ -	\$ (945,660)	\$ (1,154,632)	\$ (1,132,580)	\$ (1,723,806)
Contributions: 2024 Business Plan	\$ 1,970,000	\$ 2,030,000	\$ 2,090,000	\$ 2,160,000	\$ 2,220,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 2,878,614	\$ 2,269,454	\$ 2,854,822	\$ 3,782,242	\$ 4,178,436

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 annual funding of \$3 million from existing capital reserves (Tax, Water, and Wastewater) was planned to end in 2023, however due to previous decisions not to increase the annual operating budget contributions in line with the 2019 Council approved financing plan for the Fleet Renewal Program (in Budget 2019), an additional year of funding from existing capital reserves has been included in the 2024 Business Plan and Budget.

The Fleet Replacement Reserve is projected to have a balance of \$6 million at the end of 2024. From 2024 to 2028 the total draws are forecast to be \$49.4 million. Over the same 5-year period, total contributions are forecast at \$16.6 million. Previous budget cycles have seen the proposed increased operating budget contributions reduced, resulting in a projected over-committed balance in year 2 of the 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	2024	2025	2026	2027	2028
Beginning Balance	\$ 11,496,027	\$ 6,004,003	\$ (3,154,375)	\$ (9,732,573)	\$ (15,886,755)
Draws: Financing	\$ (1,376,633)	\$ (1,968,378)	\$ (1,968,198)	\$ (1,184,182)	\$ (1,184,182)
Draws: Capital Purchase	\$ (9,025,391)	\$ (9,550,000)	\$ (7,420,000)	\$ (8,230,000)	\$ (7,450,000)
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	\$ 6,004,003	\$ (3,154,375)	\$ (9,732,573)	\$ (15,886,755)	\$ (21,260,937)

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 \$26.7 million in total for the period 2024 - 2028, with an average annual contribution of approximately \$5.3 million. The major draws from the Reinvestment Reserve are allocated to:

- the 2024 Community Improvement Program for \$1.2 million,
- \$2.5 million contribution to the Theatre Reserve,
- \$4.9 million to help fund the tax operating budget

There is roughly a \$4 million shortfall annually between the contributions to the reserve and the draws from it. This is not sustainable so there will need to be a prioritization of the commitments from this reserve.

Reinvestment Reserve	2024	2025	2026	2027	2028
Beginning Balance	\$ 3,853,643	\$ (815,245)	\$ (4,472,900)	\$ (8,230,098)	\$ (11,761,285)
Draws: 2024 Business Plan	\$ (9,919,493)	\$ (8,955,000)	\$ (9,110,000)	\$ (8,940,000)	\$ (8,940,000)
Contributions: 2024 Business Plan	\$ 5,250,605	\$ 5,297,345	\$ 5,352,802	\$ 5,408,813	\$ 5,408,813
Uncommitted / (Overcommitted) Reserve Balance	\$ (815,245)	\$ (4,472,900)	\$ (8,230,098)	\$ (11,761,285)	\$ (15,292,472)

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 approved budget for design and demolition work but the forecasted spending for the construction of the new centre has been deferred in the 2024 Business Plan to start in 2029. Project spending is now forecasted to be completed in 2032 while a consultant'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 2024 to 2028 is not expected to be sufficient to fund the \$32.4 million of forecasted draws required to fund the Fisher Auditorium Redevelopment project (at its original design). 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	2024	2025	2026	2027	2028
Beginning Balance	\$ 5,000,000	\$ 7,500,000	\$ 10,000,000	\$ 12,500,000	\$ 15,000,000
Draws: 2024 Business Plan	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions: 2024 Business Plan	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 7,500,000	\$ 10,000,000	\$ 12,500,000	\$ 15,000,000	\$ 17,500,000



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

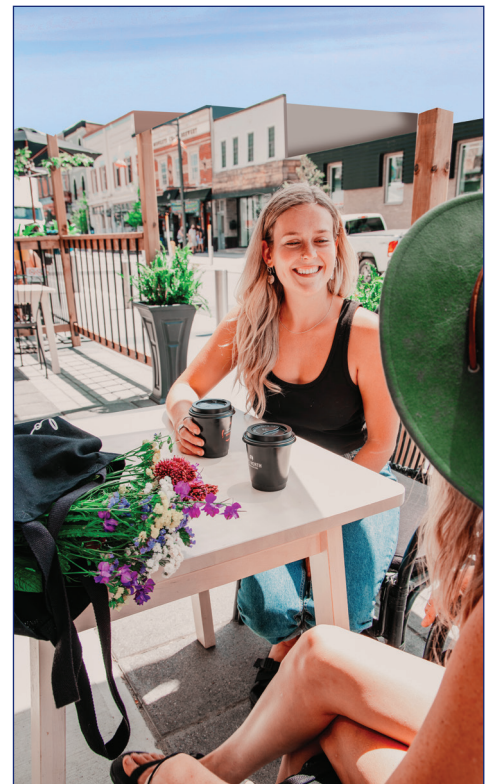
Thirty percent of any year end rate-supported surplus is put into the respective stabilization reserve. These reserves are used to minimize fluctuations in property tax, water, and wastewater rates by providing funding for one-time costs, allowing significant pressures to be phased in.

The 2024 Business Plan includes \$60 thousand of new water and wastewater rate stabilization funding for the 2024 long range financial plan update project. Stabilization Reserves also have existing commitments from prior budgets that include the long-range waste management plan update, development of the Six Sigma program, and updates to the Waterfront, Marina & Parks Master Plan to respond to a growing population. The Tax Rate Stabilization Reserve does not include any new draws in the 2024 budget as the reserve has been fully depleted from operational subsidies in previous budget years, as well as the one-time draw approved in the 2023 budget to offset inflationary pressures. Currently the Tax Rate Stabilization Reserve has a negative (overdrawn) balance of \$1.0 million, which will need to be funded as part of the 2023 year-end report considered by Council at the end of first quarter in 2024.

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.

The ending balance of the Tourism reserve is estimated to be \$1.6 million at the end of 2024. The forecasted contribution includes the City's 50% portion of the collected municipal accommodation tax next year, estimated at \$660 thousand. Funding for the Tourism Development Coordinator position approved in 2023, Downtown Countdown and the Winterfest programming, and free downtown parking in December account for the commitments to the Tourism reserve in 2024.



DEBT MANAGEMENT

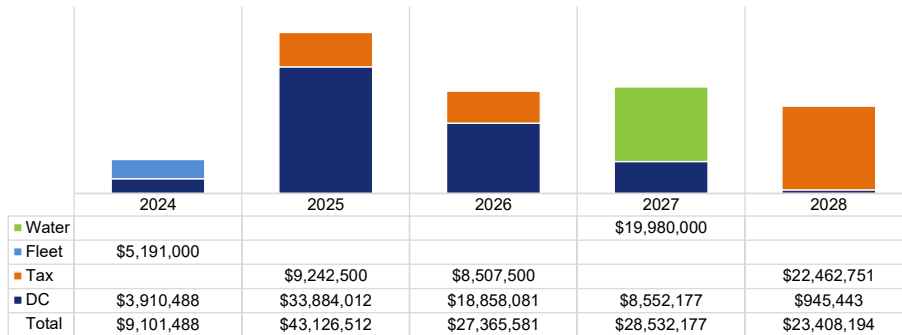
Forecasted Debt Issuance

The table below identifies the debentures to be issued in 2024. A total of \$9.1 million in debentures is planned to be issued halfway through the year and the incremental carrying costs are included in the expected debt servicing cost in the operating budget. 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	2024
EN1091	WwTF New Advanced Nutrient Removal	\$3,910,488
RP1156	Fleet Renewal Program 2023	\$5,191,000
Total:		\$9,101,488

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 timing and amount of debt being issued.

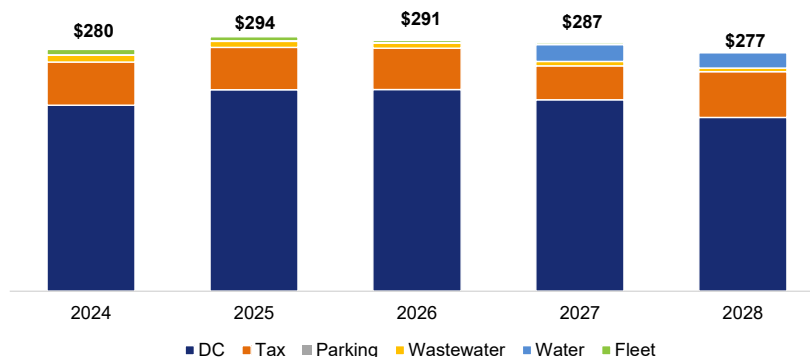
PROJECTED ANNUAL DEBENTURE ISSUANCE BY FUNDING SOURCE



Forecasted Debt Levels

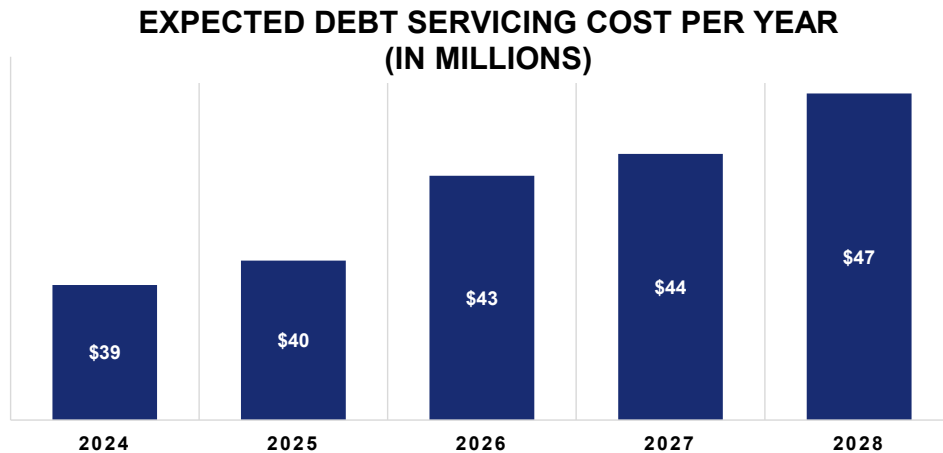
The chart below shows the anticipated year end debt balance for the next 5 years including existing debt. The balance is expected to increase to a peak of \$294 million in 2025 as more DC supported debt is issued before declining to \$277 million as older debt matures. The long-range financial study 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)



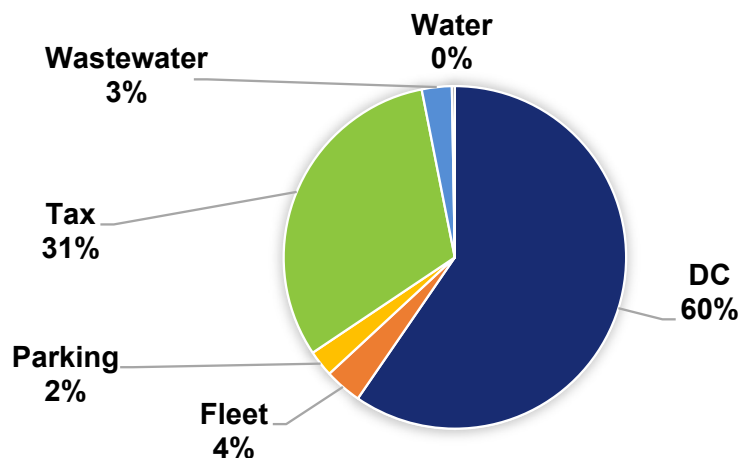
Expected Debt Servicing Cost

The projected debt servicing cost as illustrated in the following charts, which includes existing contractual obligations as well as expected future 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.

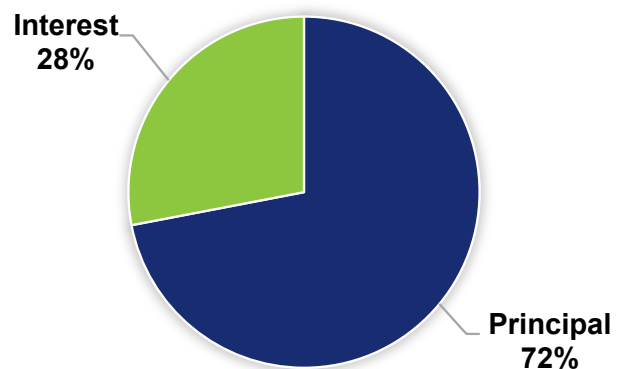


Debt servicing cost is estimated at \$39 million in 2024. Sixty percent (60%) or \$23.4 million of the 2024 debt servicing cost is funded from development charges and thirty one percent (31%) or \$12.2 million from tax as shown in the first pie chart below. The second pie chart below shows that 72% of the debt servicing cost consists of principal repayment. Hence more of the debt servicing cost is going towards principal repayment.

2024 DEBT SERVICING COST BY FUNDING SOURCE

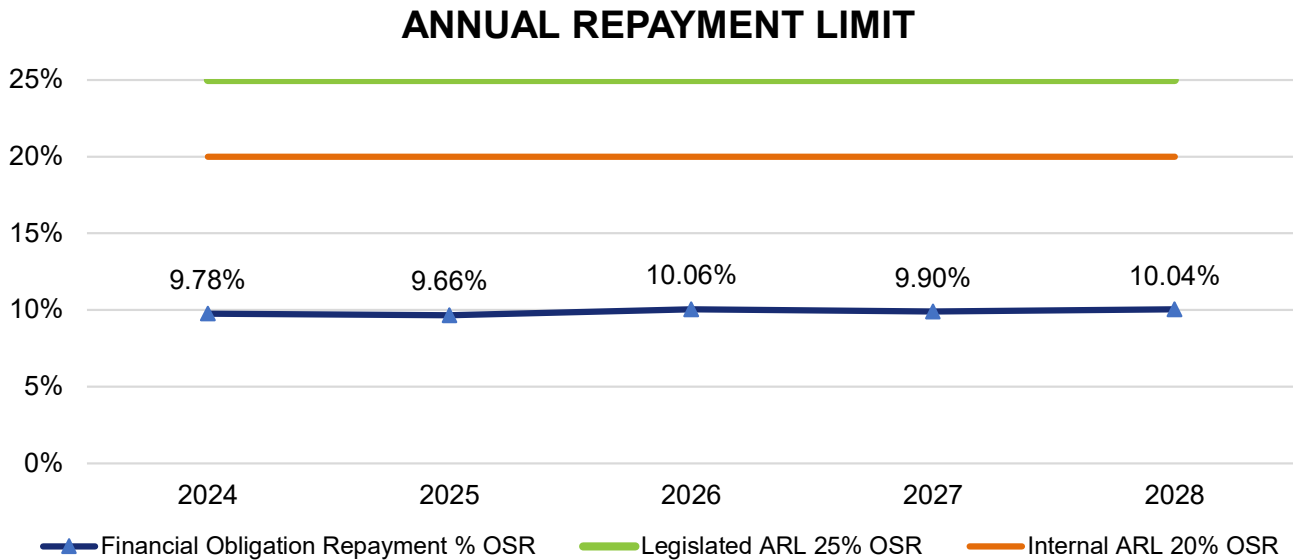


2024 DEBT SERVICING COST



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, has maintained the City’s credit AA+ rating 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	2016	2017	2018	2019	2020	2021	2022	2023 Forecast	2024 Budget
Financial Assets to Liabilities	0.62	0.72	0.72	0.71	0.76	0.85	0.89	1.03	1.11
Debt to Total Revenue	0.91	0.88	0.77	0.84	0.80	0.80	0.73	0.63	0.57
Debt to Reserves	2.37	2.32	1.97	1.78	1.63	1.15	0.90	0.95	0.91
Debt Per Household	\$5,825	\$5,739	\$5,394	\$6,060	\$5,807	\$6,046	\$5,934	\$5,336	\$4,945

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 are still within the range of the City's affordability target of 4%.

Flexibility Measures	2016	2017	2018	2019	2020	2021	2022	2023 Forecast	2024 Budget
Debt Charges to Total Revenue	7.48%	7.05%	7.80%	7.63%	8.22%	8.04%	8.58%	8.66%	7.99%
Municipal Taxes as a % of Household Income	3.68%	3.75%	3.93%	3.91%	3.74%	3.99%	3.93%	4.06%	4.61%
Total Municipal Revenue to Taxable Assessment	1.77%	1.76%	1.71%	1.66%	1.59%	1.66%	1.79%	1.87%	1.92%

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 2024. The operating programs that these revenues support are primarily transit, road and storm drainage renewal activities, lifecycle 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 2024 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 was recognized.

Vulnerability Measures	2016	2017	2018	2019	2020	2021	2022	2023 Forecast	2024 Budget
Government Transfers to Total Revenue	7.6%	5.1%	6.5%	6.3%	6.6%	6.6%	6.6%	6.3%	4.2%

