

Executive Summary

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Under the Strong Mayor legislation, the Mayor is to propose a budget to Council before February 1st each year. The Mayor directed a 0% operating budget for City Services for 2026. In consultation with the Mayor, City of Barrie staff prepared a Business Plan and Budget to present to Council outlining recommendations on how the City will pay for the programs, services and infrastructure the community needs. These investments include fire and emergency services, curbside collection, snow clearing, road repairs, transit, parks and recreation, water supply, wastewater collection and treatment, and more.

Council and staff will continue to work hard to focus on the essentials and deliver a budget that meets the needs of the community while staying within the affordability thresholds established in the City's Financial Policies Framework.

The 2026 Business Plan and Budget align with Council's Strategic Plan, with continued focus on implementing the growth framework and investment in renewing the City's current infrastructure to the greatest extent feasible. Based on the direction from the Mayor and guiding principles from the City's Financial Policy framework, staff will bring forward a recommended capital plan that addresses both growth and renewal of infrastructure while maintaining the City's credit rating and fiscal health.

This document is guided by the key principles, included in the City's Financial Policy Framework. Major components of this policy include:



**respect
for the
taxpayer**

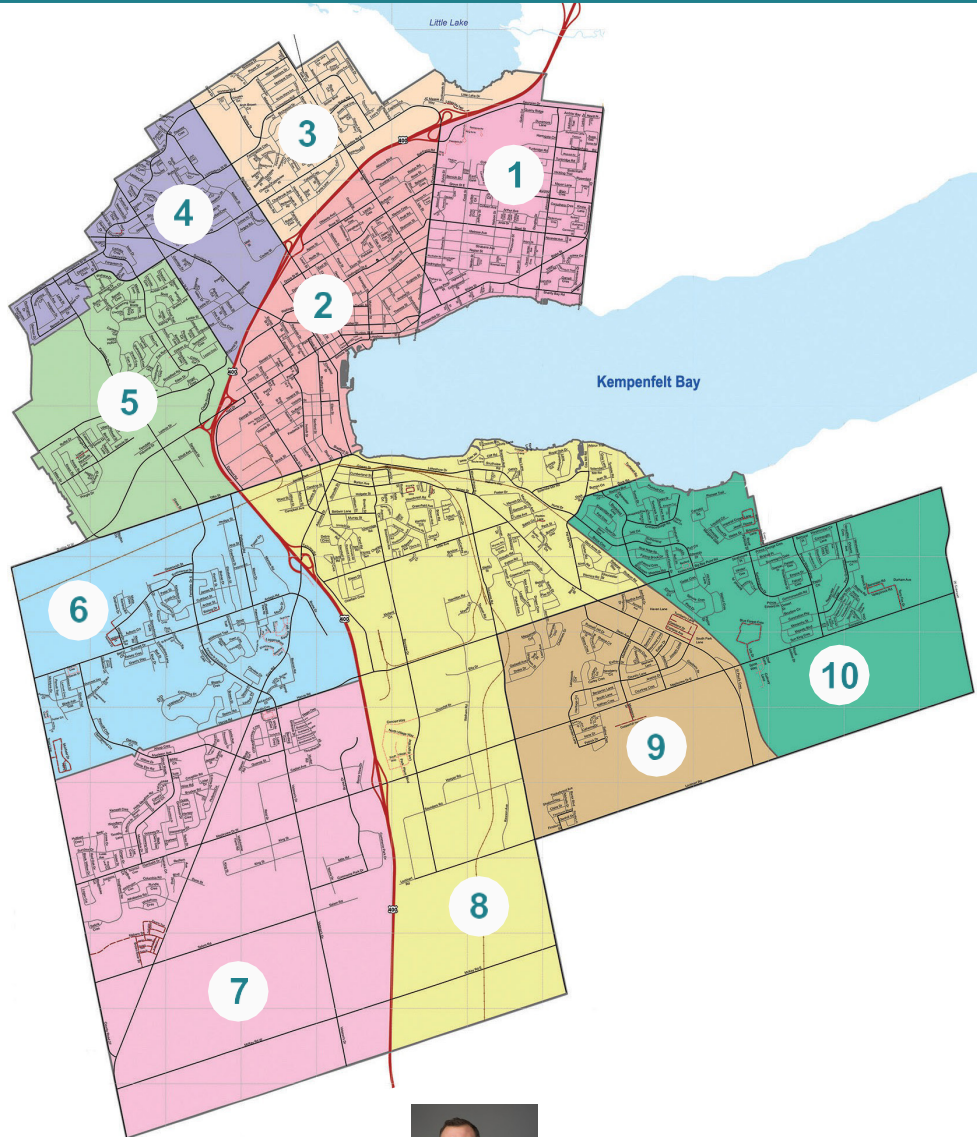


**maintain and
enhance the City's
financial condition**



**pursuing
innovation**

City of Barrie Map & Barrie City Council



Mayor Alex Nuttall



WARD 1
Clare Riepma



WARD 4
Amy Courser



WARD 7
Gary Harvey



WARD 10
Bryn Hamilton



WARD 2
Craig Nixon



WARD 5
Deputy Mayor Robert Thomson



WARD 8
Jim Harris



WARD 3
Ann-Marie Kungl



WARD 6
Nigussie Nigussie

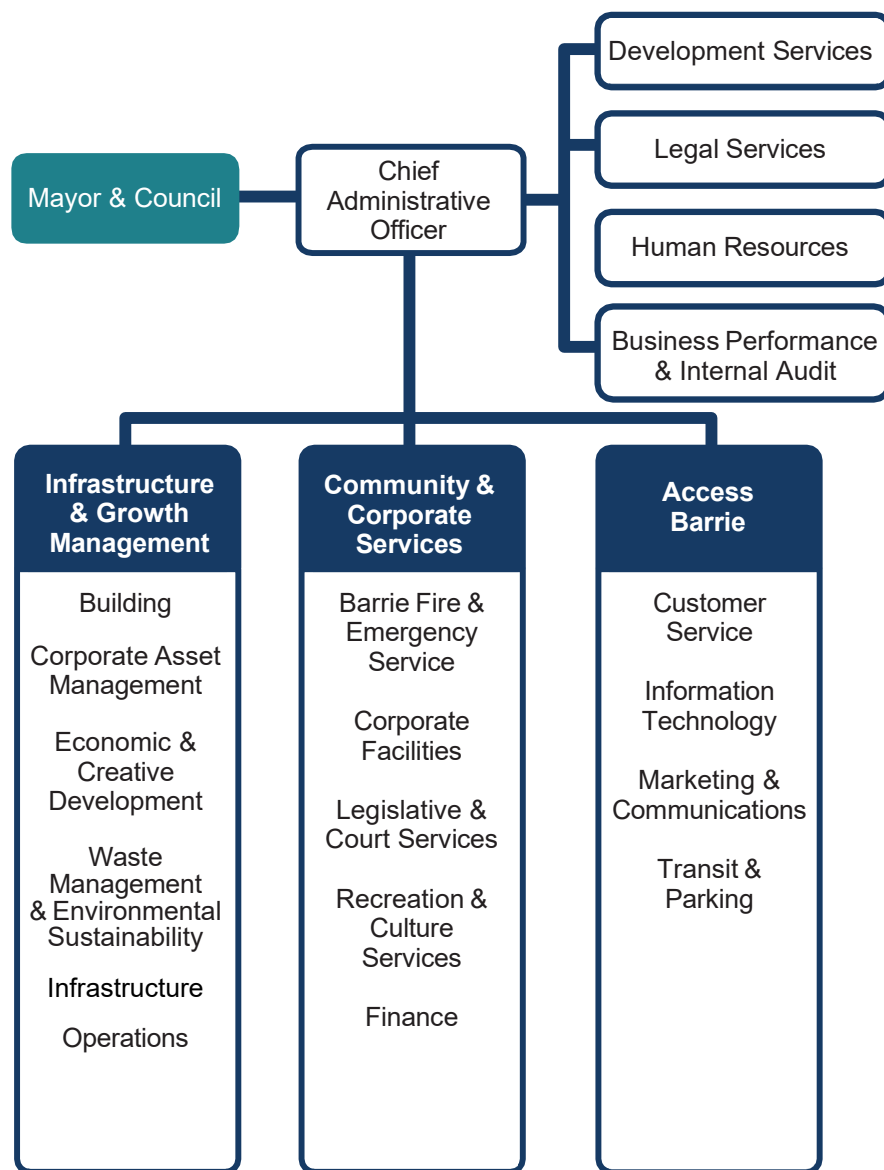


WARD 9
Sergio Morales

Organizational Structure

The Executive Management Team is comprised of the Chief Administrative Officer, General Managers of Access Barrie, Community & Corporate Services, and Infrastructure & Growth Management, the Executive Director of Development Services, and the Director of Legal Services.

The Executive Management Team's mission is to build a customer-focused organization that is responsive to the community, where all staff are aligned and embrace their fundamental role as one of serving the community.



BUSINESS PLAN OVERVIEW

The 2026 Business Plan outlines how the City plans to allocate resources to deliver the programs and services residents and businesses rely on every day. It is developed using a service-based approach that relates labour, materials and other costs to the programs and services they support. Budget changes are driven by increased costs to maintain existing service levels, or increased service levels due to service enhancements or the addition of a new service. To address the City's current financial realities, decisions need to be made that impact services and service levels now and in the future.

Elements of Barrie's Business Plan

- The **City's operating budget (tax-rate)** is for ongoing programs and services that are delivered by the City and funded primarily through a combination of property taxes, user fees, and reserves and can be delivered by the City of Barrie (e.g. parks).
- The **Service Partners operating budget** is for services delivered by the City's partners such as County of Simcoe, Barrie Police Service Board, and the Barrie Public Library Board, but funded primarily by property taxes.
- **Operating budget (user-rate)** is for ongoing programs and services funded primarily through reserve funds and user fees intended to make the programs and services self-sustaining. The City currently has three user-rate-based operating budgets: water, wastewater, and parking.
- The **Capital plan** is for projects designed to create, enhance or restore the City's significant network of assets, including infrastructure (roads, bridges, buildings etc.), land, equipment, and vehicles. The capital plan is funded from a combination of property taxes, development charges, debt issuance, grants, rates, and reserves.

The City faces many pressures in developing a fiscally responsible budget. To understand how these various pressures impact the recommended business plan and budget, City staff have separated the increases between City Operations, Service Partners, and Infrastructure Investment Funding (IIF). The recommended operating budget includes a 0.00% levy increase related to City Operations, and a 2.00% levy increase for IIF. Service Partner budgets are not final at this time and will be presented separately in November 2025.

A "building block" approach has been used when considering the costs of maintaining City operations, new investments and service recommendations, and debt management. The Mayor directed a 0% increase for the operating budget for City Operations. Any increases to property taxes would be related to Service Partners or the Infrastructure Investment Funding only. The following summarizes the recommended 2026 Business Plan and Budget for City Operations.

Description	Tax Levy Increase/(Decrease)	Tax Rate Impact
Maintain service levels for City operations	\$ 7,628,695	2.38%
Operational Subsidy (BHHI Dividend)	\$ (1,303,558)	-0.41%
Debt Management	\$ (728,867)	-0.23%
Reserve Contributions (excluding IIF, CoS)	\$ 580,891	0.18%
New Investment & Service Recommendations	\$ 72,840	0.02%
Assessment Growth	\$ (6,250,000)	-1.95%
City Operations	\$ 0	0.00%

* BHHI = Barrie Hydro Holdings Inc., IIF = Infrastructure Investment Funding, CoS = County of Simcoe

The following are major drivers of changes found in this year's budget:

- The net cost to maintain City operations increased by \$7.6 million. Labour costs account for \$6.4 million, of which \$628 thousand relates to new firefighter positions for station #6 that were pre-approved as part of the 2024 Business Plan. Contracted Services also contribute to the increase with four of the larger increases related to Information Technology, Roads Operations, Transit and Waste Collection, adding an additional \$3.7 million to the 2026 budget. Offsetting some of these cost increases, higher revenues for interest and user fees related to Property Taxes, Recreation, and Development Services totaling \$2.5 million.
- The Barrie Hydro Holdings Inc. (BHHI) dividend continues to subsidize a portion of City Operations, thereby lowering the amount that needs to be levied through taxes. In the 2026 budget, this has increased by \$1.3 million and now represents the entire BHHI dividend of \$6.2 million being used to reduce the tax levy requirement.
- Debt Servicing costs related to the tax levy are decreasing as staff continue to strategically manage debt issuances to limit tax rate impacts during this period of higher interest rates.
- Reserve contributions have increased due to contributions to the Fleet Replacement Reserve and the WSIB Reserve. In order to limit the tax levy impacts in 2026, contributions are lower than required for the sustainability of the reserves and further increases in the future will be needed.
- New investments and service recommendations amount to \$73 thousand of tax levy funding and propose 3 additional permanent positions, as well as 6.7 full-time equivalent temporary (FTE) positions. Anticipated assessment growth will offset the required tax levy increase by \$6.25 million.

The proposed user rate budget for water will require an annualized 3.97% rate increase and wastewater will require an annualized 4.95% rate increase. For a typical home this results in an increase of \$16.68 to the water bill and an increase of \$30.44 to the wastewater bill. The proposed increases align to the approved Water and Wastewater Financial Plan.

Infrastructure Investment Funding (IIF)

The IIF is used for renewal and replacement of existing infrastructure. The City of Barrie owns approximately \$11 billion in infrastructure such as roads, sidewalks, buildings and equipment, based on replacement costs. Current funding levels to maintain this infrastructure need to be increased. Council committed to a 2% levy increase in 2024 to 2026 for the IIF, or \$104 to the property tax bill for a typical home. One percent of the levy increase will be used to fund stormwater capital investments, and the other 1% increase will be used for all other tax funded assets such as roads, sidewalks, and facilities.

2022 – 2026 Barrie City Council Strategic Plan

When Council took office in 2022, a list of five priorities were developed that guide the strategic direction for the City over the next four years. These priorities reflect key issues members of council heard from residents including the need for affordable and attainable housing, community safety, thriving community, infrastructure and road needs, and responsible governance. The key performance indicators (KPIs) for each priority are reviewed and reported to Council annually. To view the overall progress towards the priorities detailed below, visit barrie.ca/StrategicPlan.



Affordable Place to Live

- Encourage a range of housing options to make housing attainable
- Open for business environment to help encourage job creation
- Develop and attract talent to support our employers



Community Safety

- Support neighborhood safety and crime prevention
- Address speeding and aggressive driving to ensure street and pedestrian safety
- Work with our partners to implement community safety and well-being plan
- Support community-based policing initiatives



Thriving Community

- Champion equity, diversity, and inclusion
- Create and foster programs and opportunities to support community wellness
- Foster growth in arts and culture
- Expand and maximize access to parks and recreation opportunities
- Continue to support a vibrant downtown



Infrastructure Investments

- Make it easier to move around the city
- Fix roads that need attention
- Update and improve infrastructure
- Support active transportation and pedestrian connections
- Implement climate action plans



Responsible Governance

- Support the services our community needs while keeping tax increases low
- Maintain focus on city core services
- Financial stewardship which includes finding efficiencies and innovation
- Advocating to other levels of government for support
- Ensure accountability and transparency

CAPITAL PLAN

To assist in delivering more than sixty (60) municipal programs and services, the City of Barrie owns and operates a diverse range of assets and infrastructure, including roads, sidewalks, water and sewer systems, waste management facilities, buses, libraries, and recreation centres. In total these assets are worth over \$11 billion.

As these assets age and the City's population grows, projects are needed to renew, upgrade, and expand assets and ensure that we can continue to deliver the services our community relies on. Despite investments in these assets, the City faces an "infrastructure gap": the cost of maintaining and expanding the City's assets is higher than the resources currently available.

Closing this gap will require additional investment to sustain high-quality, reliable services and reduce long-term risks. At the same time, we must recognize the financial pressures facing residents. The City therefore strives to balance infrastructure needs with affordability for taxpayers.

With limited resources, the City takes a risk-based approach to capital planning—prioritizing projects that deliver the greatest benefit, address the most critical risks, and align with our financial capacity. This ensures that taxpayer dollars are directed where they provide the most value to the community.

Through this approach, the City is committed to making thoughtful, strategic decisions that sustain essential services today while building a strong, resilient foundation for the future.

The following is a high-level overview of previously approved and new requests associated with the 2026 to 2030 Capital Plan:

2026 - 2030 Capital Budget	2026	2027	2028	2029	2030	Grand Total
Previously Approved (Committed)	\$ 171,399,590	\$ 110,090,170	\$ 67,174,183	\$ 41,978,418	\$ -	\$ 390,642,361
New Capital Requests	\$ 36,198,132	\$ 92,073,127	\$ 80,258,164	\$ 54,283,775	\$ 31,503,789	\$ 294,316,988
New Investment and Service Recommendations (for Operating Budget requests)	\$ -					\$ -
Total 2026 Capital Budget	\$ 207,597,723	\$ 202,163,297	\$ 147,432,347	\$ 96,262,193	\$ 31,503,789	\$ 684,959,349
Forecast	\$ -	\$ 80,529,503	\$ 200,118,346	\$ 346,556,770	\$ 320,371,852	\$ 947,576,471
Grand Total 2026 - 2030 Capital Budget	\$ 207,597,723	\$ 282,692,800	\$ 347,550,693	\$ 442,818,964	\$ 351,875,641	\$ 1,632,535,820

**Numbers in the table may not add to total due to rounding. The table above does not include estimated capital carry forward from 2025 of \$215.9 million.*

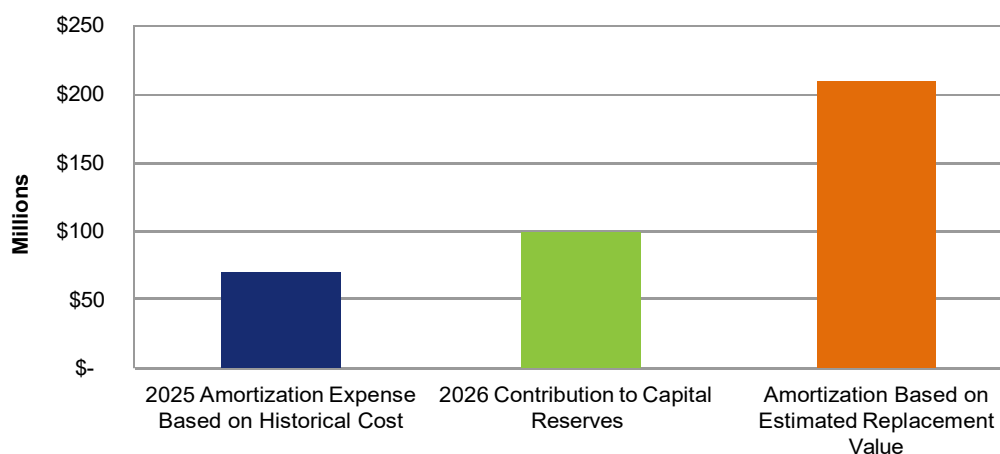
The total recommended capital spending for 2026 is \$207.6 million, which includes new funding requests and funding that was approved through previous capital plans and for multi-year projects. This does not include estimated capital carryforward from 2025 in the amount of \$215.9 million. Over the last several years, the City has carried a significant unplanned carryover from year to year. Through the 2026 plan, staff are continuing to adjust the timing and cash flow on a number of projects, with the goal of reducing the annual carryover amount.

Some of the key projects included in 2026:

Capital Plan Key Projects	2026 Phase
Various Projects - Wastewater Treatment Facility Upgrades	Study/Design/Construction
EN1168 - Dyments Creek Culvert Expansion – Sanford St	Construction
EN1238 - Neighbourhood Renewal Project (NRP) – HNS Wellington D1	Construction
EN1274 - Bunkers Creek Culvert and Watercourse Improvements – Innisfil to Lakeshore	Construction
EN1549 - Pavement Management Program	Construction
EN1261 & EN1271 - Yonge St and Mapleview Dr E Road Expansion – Lockhart to Yonge to Prince William	Utilities/Property/Construction
EN1255 & EN1256 - Huronia Rd and McKay Rd Improvements – Hwy 400 to Huronia to Lockhart	Construction
FC1215 – Wastewater Treatment Facility Innovation Centre	Construction
FC1318 - Sea Cadet Relocation	Design/Utilities/Construction
FC1339 - STEM Hub Campus - Lakehead University	Construction/Capital Purchase
EN1463 & EN1464 - Sophia Creek Storm System Upgrades	Design/Utilities/Construction
FC1357 - Barrie North West Boutique Library	Construction/Capital Purchase
FC1138 & 006845 – Performing Arts Centre Redevelopment and Park	Construction

While the 2026 capital budget reflects the output of a prioritization process and the most critical needs facing the City, it does not represent a comprehensive list of the City's capital needs. Some projects have been excluded or have been deferred from the budget because of financial constraints. To address these needs, continued investments in the City's reserves and additional staffing will be required.

Annual Infrastructure Gap



The transfer to the tax, water, wastewater, and parking capital reserves planned for 2026 is \$96.7 million which is \$27.3 million greater than the current annual amortization expense. However, amortization expenses based on historical values are significantly lower than replacement costs. The replacement value of existing infrastructure yields an annual amount of \$208.5 million, resulting in an annual shortfall of over \$111.8 million.