

2026 BUSINESS PLAN

Operating Budget



OPERATING BUDGET AND FINANCIAL OVERVIEW

The 2026 Operating budget for the City of Barrie assists in advancing Council’s Strategic priorities. The Operating budget for City services lays out the spending of \$356 million, excluding the budget for Service Partners. The tax levy increase for City Operations is held at 0.00% in accordance with the Mayor’s Directive (MD013-25). This section is split into 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

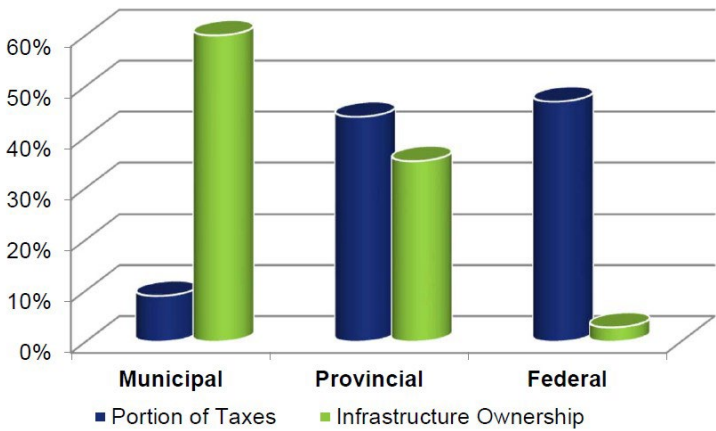
Property Tax Bill

According to Statistics Canada, National Economic Accounts Division and the Association of Municipalities of 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

OVERVIEW OF TAX SUPPORTED OPERATING BUDGET

Municipalities are required to have a balanced budget. The 2026 Operating Budget for the City of Barrie includes total operating spending (and funding) of \$356 million related to City operations and Infrastructure Investment Funding (IIF), which does not include Service Partners. 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 Fees and Service Charges, which is the next largest contributor at 12%.

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
- Operational Subsidy (Barrie Hydro Holdings Inc. (BHHI))
- 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 services to the community. The proposed 2026 tax funded operating budget related to City operations has been limited in order to achieve the Mayor's target tax rate increase of 0%.

Major tax rate impacts to the proposed 2026 levy include:

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

Maintain Service Levels for Current City Operations

The City's cost to maintain existing service levels increases every year due to inflation. 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 increase in the cost to maintain current service levels in 2026, including the annualized cost of implementing decisions from prior years, is \$7.6 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 Barrie Professional Fire Fighters Association (BPFPA) contract was ratified in 2025 and spans the years 2024 to 2028. The 2026 budget includes the new BPFPA contract increases for BPFPA staff, as well as increases for retroactive payments related to the 2024 and 2025 contract rates, which were slightly higher than the amounts originally planned for in the respective budget years. The current Canadian Union of Public Employees (CUPE) contract ends on December 31, 2025 and an estimated increase has been included in the budget numbers for CUPE and non-union staff. A summary of the tax-related compensation changes is shown in the following table:

	2025	2026	Change \$	Change %	Tax Rate Impact
Salaries	\$ 108,506,975	\$ 113,447,310	\$ 4,940,335	4.6%	1.5%
Benefits	\$ 28,069,324	\$ 29,109,752	\$ 1,040,428	3.7%	0.3%
Subtotal	\$ 136,576,299	\$ 142,557,062	\$ 5,980,763	4.4%	1.9%
Annualized Impact - 12 Firefighters - 2025 Pre-approved ¹	\$ -	\$ 628,473	\$ 628,473	N/A	0.2%
Honouraria	\$ 618,744	\$ 639,747	\$ 21,003	3.4%	0.0%
Capital Recoveries	\$ (8,702,255)	\$ (8,917,973)	\$ (215,717)	2.5%	-0.1%
Salary Gapping	\$ (2,837,500)	\$ (2,837,500)	\$ -	0.0%	0.0%
Total	\$ 125,655,288	\$ 132,069,809	\$ 6,414,520	5.1%	2.0%

12 Firefighters in 2025 pre-approved as part of 2024 Business Plan (budgeted with June 2025 start date). This line shows the annualized impact (5 months) in 2026 for the full year of budget

Salary and benefit costs are increasing primarily due to labour contract increases. In addition, non-permanent staffing costs for Recreation have increased by \$536 thousand due to higher levels of staffing to address increased demand for programs such as summer camps and aquatics programs. This is offset by increased registration revenues for those programs. The City's benefits provider has indicated that there will be an increase of about 3% for health benefits premiums. Benefit costs are also increasing due to higher Canada Pension Plan (CPP) contributions, which reflect the federally set increase in the Year's Maximum Pensionable Earnings (YMPE) and the new second earnings ceiling. OMERS pension costs will also rise, as contribution thresholds are based on the YMPE, in addition to impacts from wage growth.

Twelve additional firefighters were pre-approved with a June 2025 start date in the 2024 Business plan, related to the staffing of fire station #6. This results in an annualized impact of \$628 thousand in the 2026 budget as the position costs now reflect a full year of budget.

Several City departments are directly engaged in the delivery of the City's capital plan (e.g. Infrastructure, Facilities, Information Technology, etc.). The cost of these resources is recovered from the budgets of the related capital projects. These recoveries will increase by \$216 thousand in 2026 which reflects 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 2026 budget, however salary gapping at this level requires an active staff management approach to achieve savings, primarily through holding positions vacant.

Contracted Services

Many of the services provided by the City require multi-year contracts with external businesses. While an adjustment for inflation is common, recent inflation has been above the average historical rate, which is still affecting services. 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 the 2026 increases include:

Contract Type	2025	2026	Change	Change (%)	Tax Rate Impact
Information Technology - contracts, licenses	\$ 4,903,800	\$ 6,566,592	\$ 1,662,792	33.9%	0.5%
Roads Operations - contracts, repairs, maintenance	\$ 6,071,597	\$ 6,948,724	\$ 877,127	14.4%	0.3%
Transit - contract	\$ 22,054,253	\$ 22,736,019	\$ 681,766	3.1%	0.2%
Waste Management - contract	\$ 12,503,472	\$ 13,006,429	\$ 502,957	4.0%	0.2%
Total	\$ 45,535,147	\$ 49,259,790	\$ 3,724,643	8.2%	1.2%

The increase in IT contract and licensing costs in 2026 reflects several major system modernizations coming online, including the migration to a next-generation cloud ERP and upgrades to Fire and Emergency Services systems. These projects introduce new AI-enabled capabilities, stronger system integration, and improved digital service delivery, while laying the foundation for future initiatives such as modernized billing, budgeting, and fleet management. The investments will result in more efficient, scalable processes and better customer service for residents.

Increased costs related to Roads Operations are a result of contracts for sidewalk snow clearing, sign and guide rail repairs, and retaining wall replacements.

The Transit contract increase reflects the CPI inflation on the City's third-party contract. 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.

Increases in costs associated with Waste Collection services in 2026 are due to the first full year of new rates for automated waste collection, growth in serviced units, annual inflationary increases (part of the curbside contract), as well as the expansion of the program to additional properties.

User Fees, Service Charges, Memberships, Interest & Penalties

The City relies on a diverse set of non-tax revenue sources administered by various departments across the organization to support municipal operations. The 2026 budget reflects several year-over-year changes; however, the most significant changes are found in charges for interest and penalties on property taxes, as well as Recreation user fees.

User Fees, Service Charges, Penalties	2025	2026	Change	Change (%)	Tax Rate Impact
Interest and Penalties	\$ (3,400,000)	\$ (4,600,000)	\$ (1,200,000)	35.3%	-0.4%
Recreation User Fees	\$ (11,977,950)	\$ (12,788,733)	\$ (810,783)	6.8%	-0.3%
Development Services Fees	\$ (3,868,517)	\$ (4,353,170)	\$ (484,653)	12.5%	-0.2%
Total	\$ (19,244,442)	\$ (21,739,877)	\$ (2,495,435)	13.0%	-0.8%

The projected increase in interest and penalty revenue—from \$3.4 million to \$4.6 million—reflects recent collection trends and updated expectations for 2026 property tax billings. These charges form an important part of the City's collection process and help maintain strong overall tax collection levels.

An increase of \$811 thousand in Recreation user fees, service charges, and rental revenue in 2026 is primarily due to fee adjustments across programs, passes, and rentals to help offset higher operating costs. Growth in ice rentals, swim programs, recPASS memberships, summer camps, and facility rentals continue to drive strong demand, resulting in higher revenues across the department. Increases to recreation fees for non-residents will also contribute to increased revenue in 2026, although the impact is unknown at this time.

Development Services fees have increased in 2026 to reflect anticipated revenues for ongoing development in the secondary plan lands.

Operational Subsidy

The 2026 budget includes an increase in the amount of the Barrie Hydro Holdings Inc. (BHHI) dividend being used to fund operational costs. In 2026, the full amount of the dividend (\$6.2 million) will be used, which is an increase of \$1.3 million compared to 2025. This subsidizes a portion of the cost of City Operations, thereby reducing the amount of revenue needed to be generated by the tax levy.

Debt Management

The tax rate impact of debt servicing has decreased by \$729 thousand. 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 higher 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. The planned debt issuance for 2026 is \$25.0 million which includes \$20.0 million for DC funded debt, \$3.9 million for Fleet Reserve funded debt, and \$1.2 million for Tax Rate funded debt. A full list of projects included in the planned 2026 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 costs will increase by \$581 thousand in 2026. Notable changes are described below:

- Fleet Replacement Reserve contribution has been increased by \$250 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 full annual increase has only been approved twice since 2019 (in the 2022 and 2024 budget), with a reduced \$62 thousand increase in 2025. The 2026 budget increase has also been reduced from the planned \$450 thousand to \$250 thousand in order to minimize the impact on the tax levy. However, 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 service life which results in significantly greater operating costs to maintain vehicles. Additional details can be found in the subsequent Capital reserve section of the Budget and Financial overview.
- Workplace Safety and Insurance Board (WSIB) Reserve contribution has increased by \$250 thousand for 2026. This reserve is currently inadequate to address the current and future level of WSIB expenses. The increased contribution to the reserve planned for 2026 will assist; however further increases will be needed in future budget cycles to reach a sustainable level.

New Investments and Service Recommendations Requests

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, other council directions, and to meet the demands of growth. As the City continues to grow, from a population of 165,500 to a population of 298,000 by 2051, staff resources are needed for the additional roads, parks, facilities, and administration.

For the 2026 budget, departments kept requests for permanent staff positions to a minimum, as necessitated by the target of a 0% tax levy increase. The changes requested have a net impact of \$73 thousand to the tax levy in 2026 and propose 3 additional permanent positions to the staff complement, as well as 6.7 temporary and/or casual positions.

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.

Description	Department	Perm FTE	Casual/ Temp FTE	2026						2027 Operating Budget	2027 Capital Budget	2028 Operating Budget	2029 Operating Budget
				Operating Budget	Capital Budget	Funding Source(s)							
						Tax Levy	User Rates	Reserves	Capital Recovery				
Infrastructure and Growth Management													
5072 - Fleet Technician's Assistant (Extension of 1 FT Temporary Position)	Operations	0.0	1.0	66,583	0	66,583	0	0	0	0	0	0	0
5076 - Engineering Project Manager (Extension of 1 FT Temporary Position)	Infrastructure	0.0	0.5	78,136	0	0	0	0	78,136	84,493	0	0	0
5077 - Business Development Officer - Foreign Direct Investment & Trade 50% MAT Fund- (1 New Temp Position)	Economic & Creative Development	0.0	1.0	168,292	0	84,146	0	84,146	0	194,642	0	58,528	0
Infrastructure and Growth Management Total		0.0	2.5	313,011	0	150,729	0	84,146	78,136	279,136	0	58,528	0
Community and Corporate Services													
5090 - Administrative Penalties Clerk (1 New FT Permanent Position)	Legislative & Court Services	1.0	0.0	99,585	0	0	0	99,585	0	100,614	0	103,884	107,252
5092 - Purchasing Clerk (1 New FT Permanent Position)	Finance	1.0	0.0	89,600	0	45,300	39,870	4,430	0	92,603	0	95,527	98,619
Community and Corporate Services Total		2.0	0.0	189,185	0	45,300	39,870	104,015	0	193,217	0	199,411	205,871
Access Barrie													
5091 - Non-Resident Waterfront Parking Rates - Municipal Law Enforcement Officer (1 New PT Casual Position)	Transit & Parking Strategy	0.0	0.2	(248,619)	0	(20,800)	(227,819)	0	0	(248,052)	0	(247,504)	(246,936)
5095 - Transit Business Process Business Lead (1 New FT Permanent Position)	Transit & Parking Strategy	1.0	0.0	153,978	0	0	0	0	153,978	159,365	0	164,582	169,982
Access Barrie Total		1.0	0.2	(94,641)	0	(20,800)	(227,819)	0	153,978	(88,687)	0	(82,921)	(76,954)
CAO and Mayor's Office													
5096 - Boundary Adjustment Team (4 New FT Temporary Positions)	Office of the CAO	0.0	4.0	746,022	0	(102,390)	0	0	848,411	773,491	0	0	0
CAO and Mayor's Office Total		0.0	4.0	746,022	0	(102,390)	0	0	848,411	773,491	0	0	0
GRAND TOTAL - SERVICE LEVEL CHANGES ENDORSED BY EMT		3.0	6.7	1,153,576	0	72,840	(187,949)	188,160	1,080,525	1,157,157	0	175,018	128,917

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 2025 staff complement in tax-based operations consisted of 957 permanent positions, which includes one in-year addition for a Business Services Technician. The 2026 business plan includes 3 new permanent position recommendations. This brings the total complement to 960 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.

2026 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (TAX BASE)

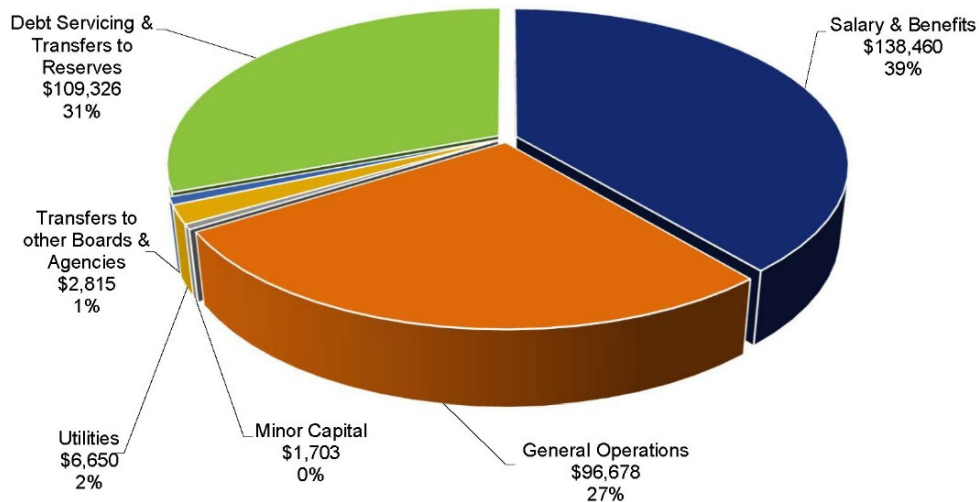
Division/Department	2024 Total Approved Complement	2025 Total Approved Complement	2026 Recommended New Investments Impact			2026 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Office of the Mayor & CAO								
Office of the Mayor & CAO	4	4	-	-	-	4	-	4
Business Performance & Internal Audit	7	7	-	-	-	7	-	7
Development Services	54.5	55.5	-	-	-	55.5	-	55.5
Human Resources	22	23	-	-	-	23	-	23
Legal Services	11	11	-	-	-	11	-	11
	99	101	-	-	-	101	-	100.5
Infrastructure & Growth Management								
General Manager's Office	1.5	1.5	-	-	-	1.5	-	1.5
Building Services	45	46	-	-	-	45	1	46
Corporate Asset Management	14	14	-	-	-	14	-	14
Economic & Creative Development	12	12	-	-	-	12	-	12
Infrastructure	41	41	-	-	-	41	-	41
Operations	120	121	-	-	-	121	-	121
Waste Management & Environmental Sustainability	34	35	-	-	-	32	3	35
	267.5	270.5	-	-	-	266.5	4	270.5
Community & Corporate Services								
General Manager's Office	1	1	-	-	-	1	-	1
Barrie Fire & Emergency Services	207	207	-	-	-	203	4	207
Facilities Department	53	56	-	-	-	56	-	56
Finance	55.5	56.5	1	-	1	57.5	-	57.5
Legislative & Court Services	94.5	95.5	1	-	1	78.5	18	96.5
Recreation & Culture Services	75	75	-	-	-	74	1	75
	486	491	2	-	2	470	23	493
Access Barrie								
Access Barrie Admin	2	2	-	-	-	2	-	2
Customer Service	19	20	-	-	-	17	3	20
Information Technology	50	52	-	-	-	51	1	52
Marketing & Communications	10	10	-	-	-	9	1	10
Transit & Parking Strategy	9	11	1	-	1	12	-	12
	90	95	1	-	1	91	5	96
Total City Staff (Tax Base)	942	957	3	-	3	928	32	960

Note: Department counts in the 2025 Total Approved Complement column reflect organizational changes and in-year approvals.

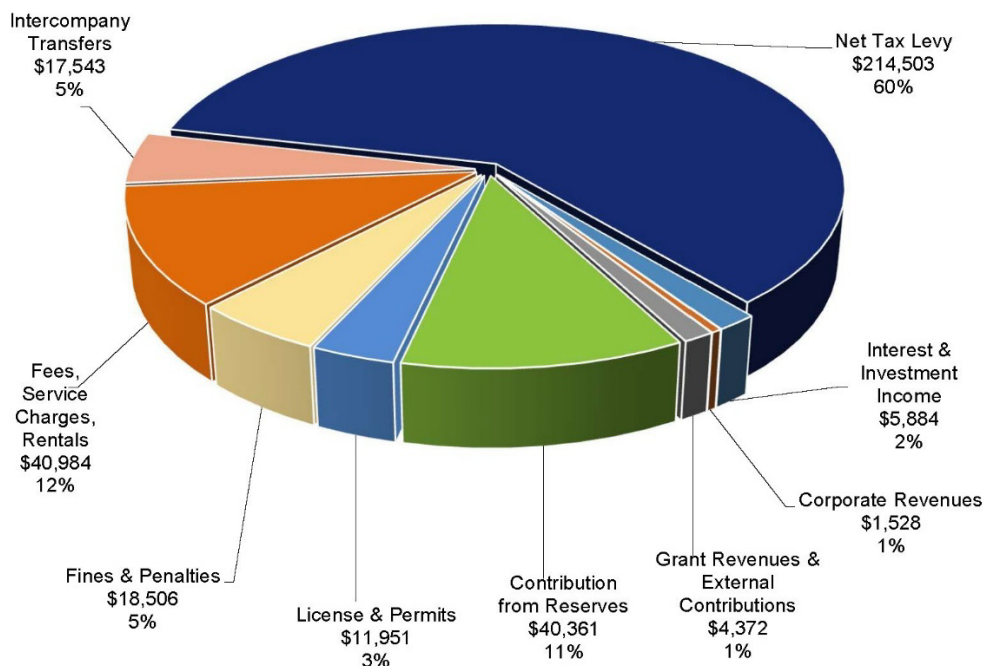
Summary of City Portion of Tax Operating Budget Expenses and Revenues

The 2026 requested Tax Operating budget for City Operations and Infrastructure Investment Funding (IIF) results in an increase of \$12 million (3.5%) in gross expenditures with an equal and offsetting increase in planned revenues. The following charts show the breakdown of expenses and revenues.

2026 City Operations Sources of Operating Expenditures - \$356M (\$000s)



2026 City Operations Sources of Operating Revenue - \$356M (\$000s)



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

	2025 - Budget		2026 - Base Budget		Base Budget Change		Net Change	2026 - New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross	Net	Gross	Net	Gross	Net	%	Gross	Net	Gross	Net	Gross	Net	%
CAO & Mayor's Office														
Business Performance & Internal Audit	\$1,112,008	\$1,112,008	\$1,140,918	\$1,140,918	\$28,910	\$28,910	2.60%	-	-	\$1,140,918	\$1,140,918	\$28,910	\$28,910	2.60%
Development Services	\$17,160,605	\$6,450,611	\$19,286,888	\$6,324,131	\$2,126,283	(\$126,480)	(1.96%)	(\$99,585)	-	\$19,187,303	\$6,324,131	\$2,026,698	(\$126,480)	(1.96%)
Human Resources	\$4,231,933	\$4,049,162	\$4,403,238	\$4,217,064	\$171,305	\$167,902	4.15%	-	-	\$4,403,238	\$4,217,064	\$171,305	\$167,902	4.15%
Legal Services	\$2,040,262	\$1,886,099	\$2,086,363	\$1,907,200	\$46,101	\$21,101	1.12%	-	-	\$2,086,363	\$1,907,200	\$46,101	\$21,101	1.12%
Office of the CAO	\$708,960	\$682,960	\$727,813	\$701,813	\$18,853	\$18,853	2.76%	(\$102,390)	(\$102,390)	\$625,423	\$599,423	(\$83,537)	(\$83,537)	(12.23%)
Office of the Mayor	\$485,215	\$485,215	\$503,662	\$503,662	\$18,447	\$18,447	3.80%	-	-	\$503,662	\$503,662	\$18,447	\$18,447	3.80%
Total	\$25,738,983	\$14,666,055	\$28,148,882	\$14,794,788	\$2,409,899	\$128,733	0.88%	(\$201,975)	(\$102,390)	\$27,946,907	\$14,692,398	\$2,207,924	\$26,343	0.18%
Council & Committees														
City Council	\$1,039,888	\$1,054,888	\$1,064,817	\$1,079,817	\$24,929	\$24,929	2.36%	-	-	\$1,064,817	\$1,079,817	\$24,929	\$24,929	2.36%
Committees	\$90,940	\$90,940	\$90,940	\$90,940	-	-	0.00%	-	-	\$90,940	\$90,940	-	-	0.00%
Total	\$1,130,828	\$1,145,828	\$1,155,757	\$1,170,757	\$24,929	\$24,929	2.18%	-	-	\$1,155,757	\$1,170,757	\$24,929	\$24,929	2.18%
Access Barrie														
Access Barrie Administration	\$558,538	\$558,538	\$575,638	\$575,638	\$17,100	\$17,100	3.06%	-	-	\$575,638	\$575,638	\$17,100	\$17,100	3.06%
Customer Service	\$2,233,511	\$1,662,520	\$2,321,620	\$1,746,991	\$88,109	\$84,471	5.08%	-	-	\$2,321,620	\$1,746,991	\$88,109	\$84,471	5.08%
Information Technology	\$12,882,773	\$10,769,303	\$14,677,246	\$12,364,365	\$1,794,473	\$1,595,062	14.81%	\$100	\$100	\$14,677,346	\$12,364,465	\$1,794,573	\$1,595,162	14.81%
Marketing & Communications	\$1,720,470	\$1,442,765	\$1,778,048	\$1,500,344	\$57,578	\$57,579	3.99%	-	-	\$1,778,048	\$1,500,344	\$57,578	\$57,579	3.99%
Transit & Parking Strategy	\$27,296,979	\$17,464,944	\$28,335,443	\$18,568,501	\$1,038,464	\$1,103,557	6.32%	-	-	\$28,335,443	\$18,568,501	\$1,038,464	\$1,103,557	6.32%
Total	\$44,692,271	\$31,898,070	\$47,687,995	\$34,755,839	\$2,995,724	\$2,857,769	8.96%	\$100	\$100	\$47,688,095	\$34,755,939	\$2,995,824	\$2,857,869	8.96%
Community & Corporate Services														
Barrie Fire & Emergency Services	\$33,879,021	\$32,556,813	\$36,155,279	\$34,800,856	\$2,276,258	\$2,244,043	6.89%	-	-	\$36,155,279	\$34,800,856	\$2,276,258	\$2,244,043	6.89%
Facilities	\$16,999,322	\$1,995,053	\$17,085,331	\$2,107,558	\$86,009	\$112,505	5.64%	-	-	\$17,085,331	\$2,107,558	\$86,009	\$112,505	5.64%
Finance	\$8,231,439	\$4,943,895	\$8,702,923	\$5,278,284	\$471,484	\$334,389	6.76%	\$89,600	\$45,300	\$8,792,523	\$5,323,584	\$561,084	\$379,689	7.68%
GM of Community & Corporate Services	\$310,054	\$310,054	\$371,666	\$321,666	\$61,612	\$11,612	3.75%	-	-	\$371,666	\$321,666	\$61,612	\$11,612	3.75%
Legislative & Court Services	\$13,979,805	\$4,871,544	\$14,825,884	\$4,347,925	\$846,079	(\$523,619)	(10.75%)	\$114,485	(\$20,800)	\$14,940,369	\$4,327,125	\$960,564	(\$544,419)	(11.18%)
Recreation & Culture Services	\$23,230,902	\$10,876,121	\$24,281,980	\$11,394,450	\$1,051,078	\$518,329	4.77%	-	-	\$24,281,980	\$11,394,450	\$1,051,078	\$518,329	4.77%
Total	\$96,630,543	\$55,553,480	\$101,423,063	\$58,250,739	\$4,792,520	\$2,697,259	4.86%	\$204,085	\$24,500	\$101,627,148	\$58,275,239	\$4,996,605	\$2,721,759	4.90%
Infrastructure & Growth Management														
Building Services	\$7,619,417	-	\$9,164,051	-	\$1,544,634	-	0.00%	-	-	\$9,164,051	-	\$1,544,634	-	0.00%
Corporate Asset Management	\$2,490,621	\$1,358,177	\$2,582,320	\$1,413,350	\$91,699	\$55,173	4.06%	-	-	\$2,582,320	\$1,413,350	\$91,699	\$55,173	4.06%
Economic & Creative Development	\$3,206,355	\$2,399,448	\$2,936,580	\$2,440,036	(\$269,775)	\$40,588	1.69%	\$168,192	\$84,046	\$3,104,772	\$2,524,082	(\$101,583)	\$124,634	5.19%
GM of Infrastructure & Growth Management	\$392,759	\$392,759	\$406,621	\$406,621	\$13,862	\$13,862	3.53%	-	-	\$406,621	\$406,621	\$13,862	\$13,862	3.53%
Infrastructure	\$1,898,290	\$1,416,502	\$1,960,106	\$1,469,823	\$61,816	\$53,321	3.76%	-	-	\$1,960,106	\$1,469,823	\$61,816	\$53,321	3.76%
Operations	\$37,010,052	\$34,146,576	\$38,729,053	\$36,155,036	\$1,719,001	\$2,008,460	5.88%	\$66,583	\$66,584	\$38,795,636	\$36,221,620	\$1,785,584	\$2,075,044	6.08%
Waste Management & Environmental Sustainability	\$18,448,356	\$15,450,773	\$18,847,338	\$15,978,492	\$398,982	\$527,719	3.42%	-	-	\$18,847,338	\$15,978,492	\$398,982	\$527,719	3.42%
Total	\$71,065,850	\$55,164,235	\$74,626,069	\$57,863,358	\$3,560,219	\$2,699,123	4.89%	\$234,775	\$150,630	\$74,860,844	\$58,013,988	\$3,794,994	\$2,849,753	5.17%

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

	2025 - Budget		2026 - Base Budget		Base Budget Change		Net Change	2026 - New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross	Net	Gross	Net	Gross	Net	%	Gross	Net	Gross	Net	Gross	Net	%
Divisional Tax Operating	\$239,258,475	\$158,427,668	\$253,041,766	\$166,835,481	\$13,783,291	\$8,407,813	5.31%	\$236,985	\$72,840	\$253,278,751	\$166,908,321	\$14,020,276	\$8,480,653	5.35%
Corporate Transactions														
Corporate Expenses	\$104,408,049	\$58,958,316	\$102,353,463	\$64,261,762	(\$2,054,586)	\$5,303,446	9.00%	-	-	\$102,353,463	\$64,261,762	(\$2,054,586)	\$5,303,446	9.00%
Corporate Revenues	-	(\$15,543,189)	-	(\$16,667,288)	-	(\$1,124,099)	7.23%	-	-	-	(\$16,667,288)	-	(\$1,124,099)	7.23%
Total	\$104,408,049	\$43,415,127	\$102,353,463	\$47,594,474	(\$2,054,586)	\$4,179,347	9.63%	-	-	\$102,353,463	\$47,594,474	(\$2,054,586)	\$4,179,347	9.63%
TOTAL RECOMMENDED TAX OPERATING BUDGET	\$343,666,524	\$201,842,795	\$355,395,229	\$214,429,955	\$11,728,705	\$12,587,160	6.24%	\$236,985	\$72,840	\$355,632,214	\$214,502,795	\$11,965,690	\$12,660,000	6.27%

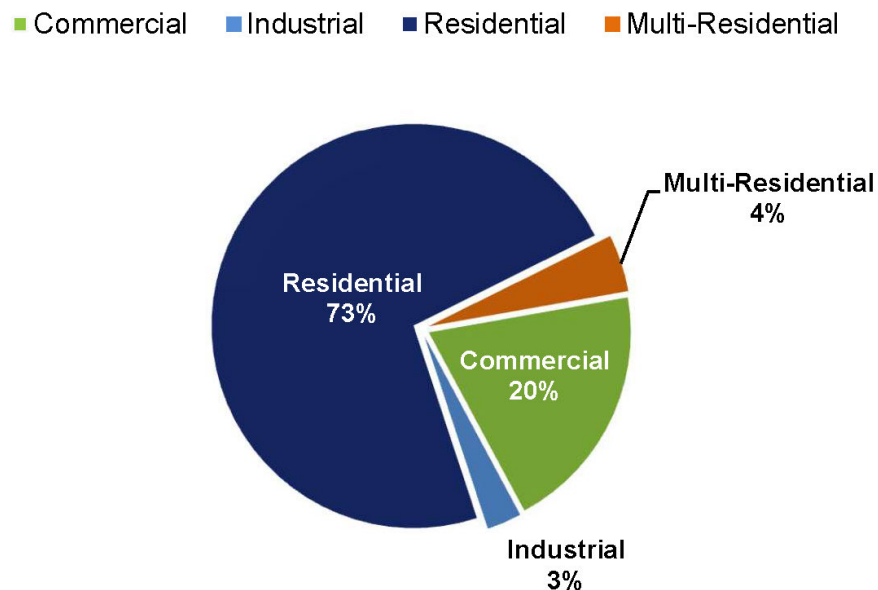
*Numbers in the above chart may not add to total due to rounding.

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 2026 tax levy supporting municipal services and service partners by major property class.

2026 Tax Levy



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—place garbage and organics 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 property inspections, planning assessments, by-law 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 22 municipalities serving a population of approximately 900,000
- Comprehensive Public Education, Fire Safety, and Code Enforcement programs focused on reducing our community risk

Roads & Fleet Operations

- Year-round maintenance of 1,677 lane kilometres of roads, 688 kilometres of sidewalks, and 56 bridges.
- Maintenance of:
 - » 135 kilometres of ditches
 - » 457 kilometres of storm sewers
 - » 103 kilometres of watercourses, 29 kilometres of culverts, and 98 detention ponds
 - » 37 kilometres of Barrie Collingwood Railway
 - » 20,000 signs
 - » 1,200 vehicles and equipment
- Respond to more than 8,000 services requests annually

Transit

- 3.5 million conventional and 40,000 specialized transit trips annually
- 190,000 transit vehicle in-service hours with 30-minute frequencies during peak periods

Recreation & Culture

- 3 multi-use 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 supervised beaches
- Delivers programming and drop-in activities for children, youth, adults, and seniors, 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, 18 pickleball courts
- Operate and maintain the Barrie Community Sports Complex including a football field, rugby field, 5 soccer pitches and 10 baseball diamonds including the baseball stadium
- Delivers 9 annual signature City of Barrie events, partners in delivering over 10 other community partner-led events, issues 10 large-scale filming permits and over 230 Special Event Permits for events hosted on municipal property
- Administrate grants and subsidy programs to support community members and non-profit organizations

Parks & Forestry

- 132 maintained parks that include 153 hectares of maintained turf, 108 playgrounds, 26 baseball fields, 48 soccer fields, one football/rugby field, 25 basketball courts, 51 tennis and pickleball courts, 2 splash pads, 5 beach volleyball courts, 24 outdoor rinks, 11 community gardens, 2 skateboard parks, 23 parking lots, one disc golf course, and an Arboretum
- 11 hectares of dog off-leash recreation areas
- 31 hectares of maintained boulevards
- 4 beaches in 14 waterfront parks
- 325 garden beds, 230 annual floral displays, 11 gateway signs, 300 planters, 290 hanging & bridge baskets
- 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 pathways and trails
- Support for several annual community events (e.g. Communities in Bloom, community tree planting events, Winterfest, Kempenfest)

Solid Waste Operations

- Automated cart curbside collection (weekly organics, every other week garbage, and 17 weeks of manual yard waste) provided to:
 - » Over 45,000 residential, mixed use, and multi-residential townhouse units (includes 4 weeks of Christmas tree collection and an annual collection of household batteries)
 - » Registered businesses (includes organics and recycling automated cart collection)
- Enhanced curbside collection for residences and businesses within the BIA (twice weekly with automated collection)
- Municipal waste collection service for approximately 10,000 multi-residential units including:
 - » Front-end garbage service (varying frequency – twice weekly, weekly, or every other week)
 - » Automated/semi-automated cart collection of organics and garbage (weekly)
- Management (disposal/processing) of waste materials:
 - » Approximately 21,400 tonnes of garbage disposed annually at the City's landfill
 - » Approximately 7,600 tonnes of leaf and yard waste processed into compost at the City's Environmental Centre
 - » 13 diversion programs offered at the Environmental Centre for residents and businesses (including residential hazardous and special products, tires, scrap metal, electronics, mattresses, and drywall). These programs divert over 2,500 tonnes of waste from landfill each year and play a large role in extending the lifespan of the landfill

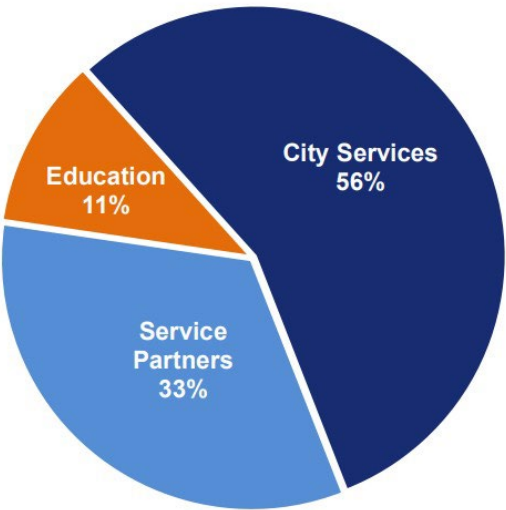
Allocation of Property Tax Bill — City Programs, Service Partners and Education

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 while others are two tier with a regional or county layer of government. Focusing on the total tax bill provides for apples-to-apples comparisons.

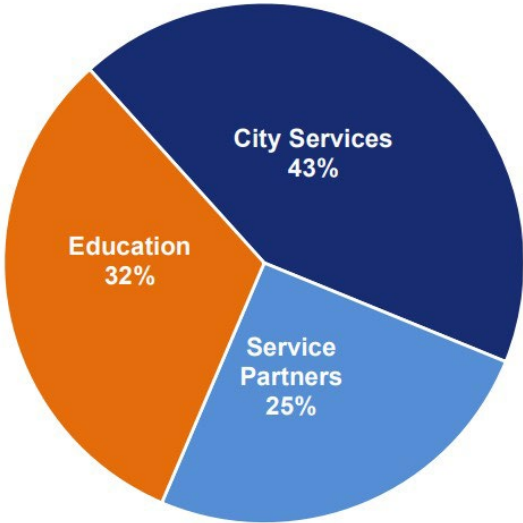
Property taxes are calculated based on the Municipal Property Assessment Corporation’s (MPAC) assessed value. MPAC last completed a full Province wide assessment in 2016; as a result, assessed values are significantly lower than actual 2025 market values. MPAC was scheduled to complete a full assessment 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 and has not yet indicated when the reassessment will be taking place.

The pie-charts below show that city services are paid for by a 56% contribution from a typical residential property tax bill, compared to the typical commercial property owner, who contributes 43% of their tax dollar to city services. Commercial properties contribute proportionately more of their total tax payment to support education. An industrial property tax bill has the same breakdown as a commercial property tax bill.

Residential Property Tax



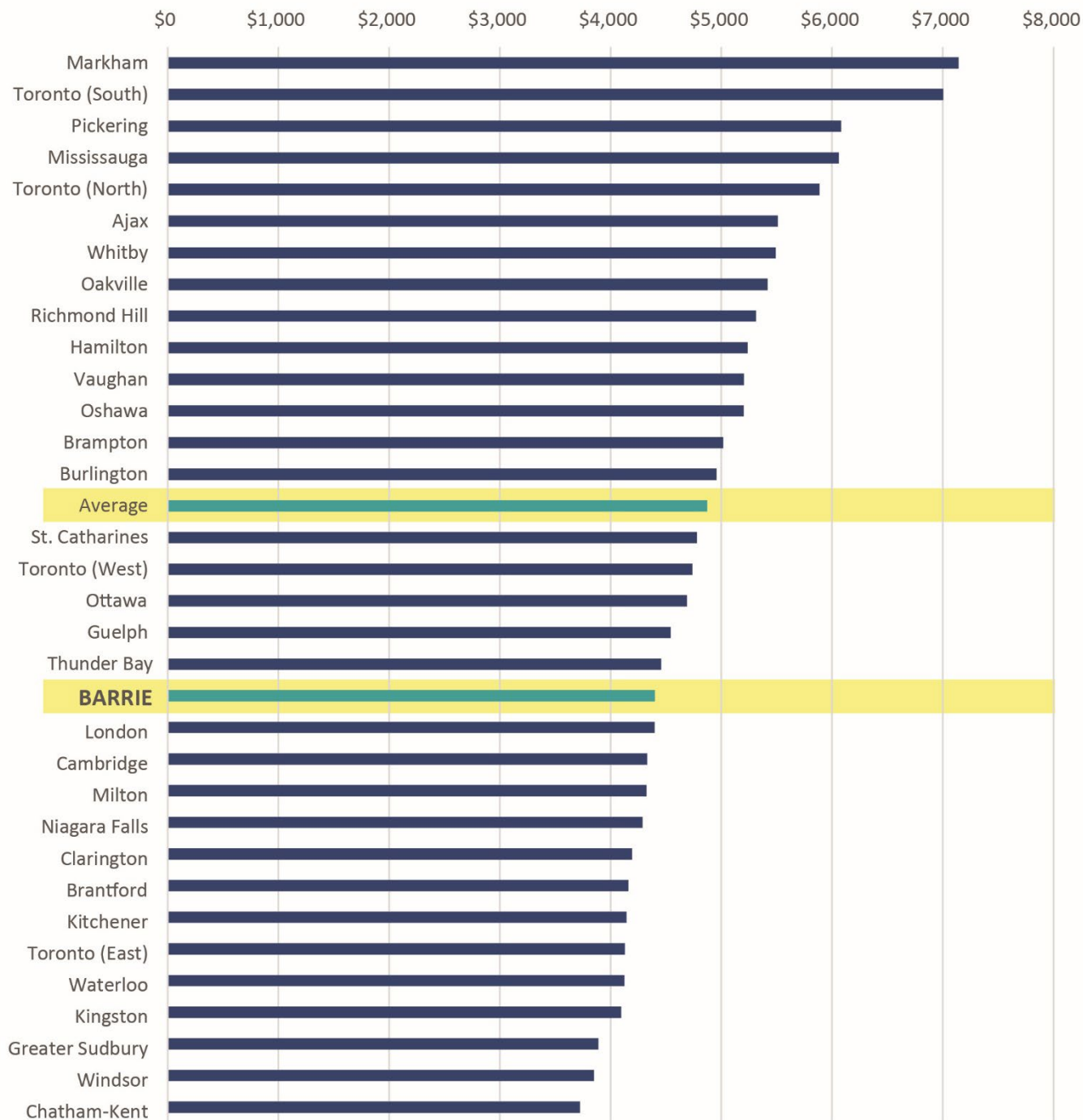
Commercial Property Tax



Barrie Taxes Are Comparable

The following tables present the average 2024 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 2024 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 2026 business plan.

2024 Average Property Tax Bill for a Detached Bungalow



OVERVIEW OF USER RATE SUPPORTED OPERATING BUDGETS

Water Operating Budget

The Water Operating Budget 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	2025 Budget	2026	\$ Change	% Change
		Requested Budget		
Water Rate Revenue	\$ (34,167,766)	\$ (37,372,590)	\$ (3,204,824)	9.4%
Maintain current service levels	\$ 15,354,110	\$ 15,992,788	\$ 638,678	4.2%
Interfund Transfers	\$ 8,369,531	\$ 8,439,283	\$ 69,752	0.8%
2026 New Investments and Service Recommendations		\$ 17,720	\$ 17,720	N/A
Contribution to Water Capital Reserve	\$ 10,444,125	\$ 12,922,799	\$ 2,478,674	23.7%

Water Rate Revenue

Water rate revenue is expected to increase by \$3.2 million in 2026 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 cost of labour is expected to increase in 2026 mainly due to cost-of-living provisions and estimated increases for benefit rates. There has been an increase in costs assigned to consultants for a SCADA Vulnerability Study (\$50 thousand) and contracted services for the Harvie Booster Generator Exhaust Silencer Replacement (\$70 thousand). Repairs and maintenance have also increased for building roof replacements (\$30 thousand). The increase in materials and supplies is due to anticipated higher chemical costs (up \$148 thousand) and hydro costs (up \$97 thousand).

Interfund Transfers

Interfund transfers 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).

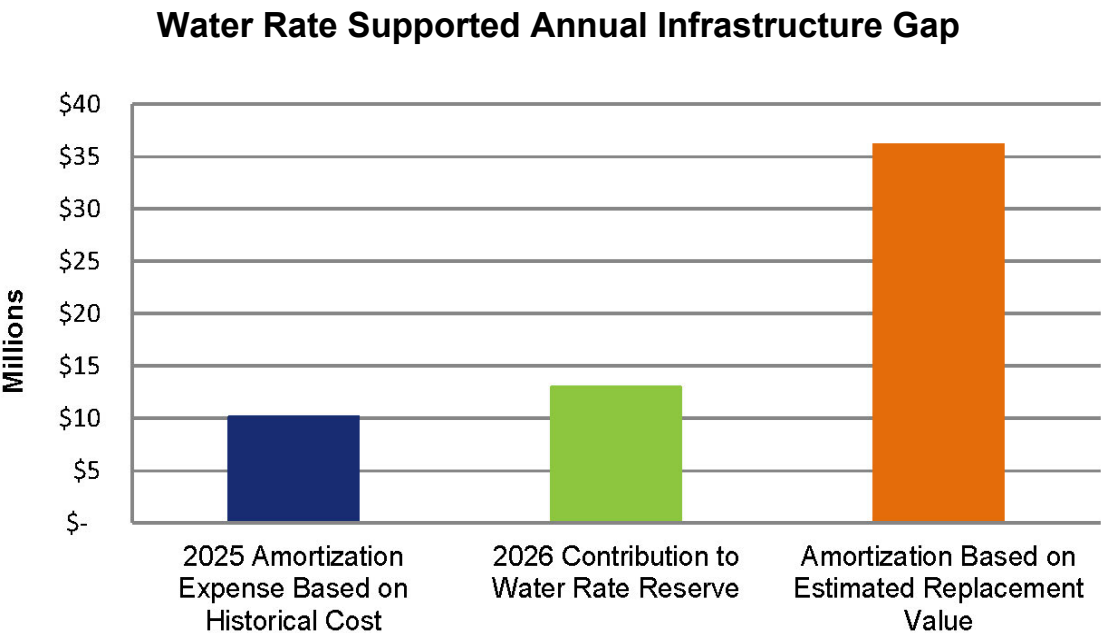
Investment and Service Recommendations

The proposed 2026 Water budget includes funding totaling \$18 thousand for Water Operations' portion of one permanent Purchasing Clerk within the Finance Department.

Contribution to Water Capital Reserve

After considering proposed new investment and service recommendations, the contribution to the water capital reserve will be increased by \$2.5 million. The increase proposed for the 2026 budget will help support the sustainability of the City’s drinking water infrastructure while keeping rate increases in line with historical norms.

The following chart shows amortization expense based on historical costs is \$10.1 million for water-supported infrastructure in 2025. In comparison, the budgeted transfer to the water capital reserve in 2026 of \$12.9 million is greater than the historical cost amortization expense. But when comparing the annual water reserve contribution to the \$36.1 million amortization expense based on estimated replacement cost there is an annual shortfall of \$23.2 million.



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 \$3.2 million is required to maintain the current service levels as described above. Factors impacting the rate 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 for 2026 is estimated to be \$436.59 (\$419.91 in 2025). This represents a 3.97% or \$16.68 annual increase over 2025. For further details regarding the City’s water and wastewater rates, please see schedule N, section 4, of the Proposed Fee Changes.

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. A Supervisor position was eliminated in 2025 as part of a staffing optimization and organizational efficiencies initiative.

2026 Operating Budget – Permanent Staff Complement Continuity
(Water User Rate)

Division/Department	2024 Total Approved Complement	2025 Total Approved Complement	2026 Recommended New Investments Impact			2026 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Water	71	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	2025 Budget	2026	\$ Change	% Change
		Requested Budget		
Wastewater Rate Revenue	\$ (46,476,058)	\$ (51,267,082)	\$ (4,791,024)	10.3%
Maintain current service levels	\$ 16,701,979	\$ 17,278,256	\$ 576,277	3.5%
Interfund Transfers	\$ 6,845,575	\$ 6,887,488	\$ 41,913	0.6%
2026 New Investments and Service Recommendations		\$ 22,150	\$ 22,150	N/A
Contribution to Wastewater Capital Reserve	\$ 22,928,504	\$ 27,079,188	\$ 4,150,684	18.1%

Maintain Current Service Levels

The cost of labor is expected to increase by \$297 thousand for 2026. The increase provides for cost-of-living provisions and estimated increases for benefit rates. The remainder of the increase is due to higher materials and operating costs for wastewater treatment.

Interfund Transfers

Interfund transfers 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).

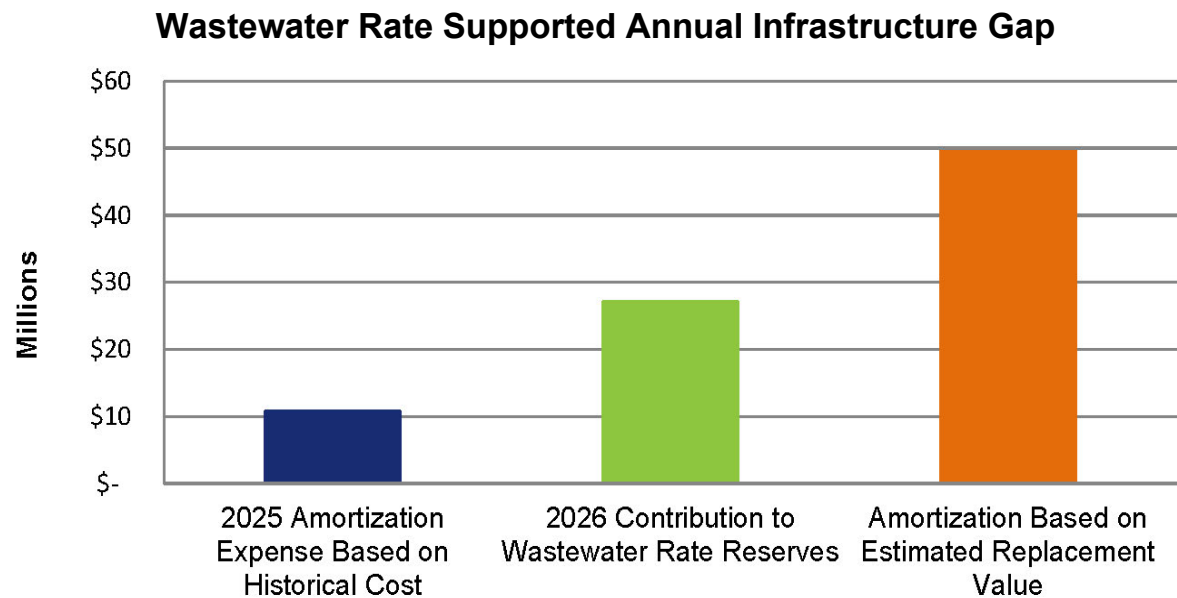
Investment and Service Recommendations

The proposed 2026 Wastewater budget includes new investment and service recommendations at a cost of \$22 thousand for Wastewater Operations' share of one permanent Purchasing Clerk within the Finance Department.

Contribution to Wastewater Capital Reserve

After considering proposed new investment and service recommendations, the contribution to the wastewater capital reserve will be increased by \$4.2 million. The increase will contribute to the sustainability of the City’s wastewater infrastructure while keeping rate increases in line with historical norms.

The following chart shows amortization expense based on historical costs is \$10.8 million for wastewater-supported infrastructure in 2025. In comparison, the budgeted transfer to the wastewater capital reserve for 2026 of \$27.1 million exceeds the historical cost amortization by \$16.3 million. But when comparing the annual wastewater reserve contribution to the \$49.5 million amortization expense based on estimated replacement cost there is an annual shortfall of \$22.4 million.



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 \$4.8 million is required to maintain the current service levels as described above. Factors impacting the rate 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 2026 is estimated to be \$645.84 (\$615.40 in 2025). This represents a 4.95% or \$30.44 increase over 2025. For further details regarding the City’s water and wastewater rates, please see schedule N, section 4, of the Proposed Fee Changes.

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.

2026 Operating Budget – Permanent Staff Complement Continuity
(Wastewater User Rate)

Division/Department	2024 Total Approved Complement	2025 Total Approved Complement	2026 Recommended New Investments Impact			2026 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Wastewater	49	49	-	-	-	49	-	49

Parking Operating Budget

The parking service is intended to be self-sustaining through user pay revenue. In 2026, the parking service continues to generate sufficient revenue to meet the annual operating costs, while lowering the deficit in the Parking Capital Reserve by the increased contribution to this reserve in 2026.

Description	2025 Budget	2026 Requested Budget	\$ Change	% Change
Parking Rate Revenue	\$ (2,389,500)	\$ (2,491,500)	\$ (102,000)	4.3%
Maintain current service levels	983,085	991,355	8,270	0.8%
Interfund Transfers	423,169	445,801	22,632	5.3%
2026 New Investments and Service Recommendations		(223,389)	(223,389)	N/A
Contribution to Parking Capital Reserve	983,246	1,277,733	294,487	30.0%

Parking Revenue

Parking revenue is forecasted to increase by \$102 thousand in 2026 based on parking trends in recent years. The growth is primarily from the downtown parking permits.

Maintain Current Service Levels

Parking operations expects the equipment maintenance and repairs expenses to decrease by \$10 thousand due to the replacement of 46 of the City's 102 pay and display machines in the fall of 2025. The cost of labour is expected to increase \$21 thousand for 2026 due to annual economic adjustments and benefit rate increases.

Interfund Transfers

The increase of \$23 thousand in interfund transfers is primarily due to the increase in vehicle hydro expenses at the Collier Parkade facility and labour costs for positions funded in part by the parking rate.

Contribution to Parking Capital Reserve

The expected increase in parking revenues will increase the contribution to the Parking Capital Reserve in 2026 by \$294 thousand. The increased contribution will help to address the deficit position of the reserve.

Investment and Service Recommendations

The proposed 2026 Parking budget includes new investment and service recommendations with net revenue of \$223 thousand from increases to non-resident waterfront parking rates and increased enforcement staffing.

Permanent Staff Complement Continuity – Parking

Currently, 4 staff are required to directly support Parking Operations. There are no new positions recommended in the 2026 operating budget.

2026 Operating Budget – Permanent Staff Complement Continuity (Parking User Rate)

Division/Department	2024 Total Approved Complement	2025 Total Approved Complement	2026 Recommended New Investments Impact			2026 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Parking	4	4	-	-	-	4	-	4

FINANCIAL CONDITION

Capital Reserve Forecasts

Reserves and reserve funds are the City's savings accounts that ensure that the municipality has funds set aside for future projects, unexpected costs, and long-term infrastructure needs. They help keep taxes stable over time, reduce the need for debt, and provide flexibility to respond to growth and emerging priorities. By planning ahead and maintaining healthy reserves, the City can continue to invest in the infrastructure that benefits residents today and in the future.

This section presents five-year forecasts for the City's main capital reserves and reserve funds. The continuity reserve tables on the following pages show the projected year-end balances of each reserve presented. The draws from reserves are captured from forecasts proposed in the 2026 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 2026 Capital Budget reflects the most current 2023 DC Background Study rates and recommended investment in new and existing infrastructure to support the City's planned growth.

Existing annual debt payments associated primarily with the Water plant, Wastewater plant expansion, and the Bio-solids facility, will be drawing over \$24.3 million from DC Reserves in 2026.

The capital projects with the 5 largest planned draws, not including carryforward, from the DC Reserves over the next 5 years are:

- \$120M - FC1085 South Barrie Mixed Use Recreation Complex and Library
- \$46.6M - EN1091 WwTF New Advanced Nutrient Removal
- \$34.4M - EN1438 WwTF Digester Capacity Expansion
- \$19.6M - EN1498 Bayfield Street Transportation Improvements - Cundles Road to Coulter Street
- \$18.3M - EN1256 McKay Road Improvements, Sanitary and Watermain works - Hwy 400 to Huronia (City)

DC Deferral will put pressure on the Development Charges Reserves

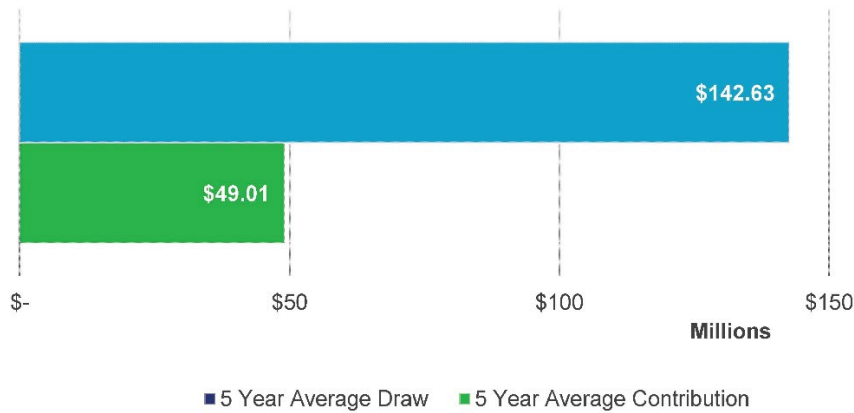
The reduction in forecasted Development Charge revenues in this section reflects both the impact of recent DC deferral legislation, which delays collection from the point of Building Permit issuance to the earlier of occupancy or two years post-permit issuance and the economic climate impacting the building industry.

As a result of the ability of developers to defer paying DCs, the City is expecting to collect \$245 million over the next five-year period, compared to previous estimates of \$625 million. As a result, the DC reserve balance is expected to fall into a negative position in 2026 and remain negative throughout the forecasted period.

These conditions create uncertainty around the timing and volume of new projects, posing a material risk to the City's long-term revenue base. Without mitigation strategies, the combination of legislative changes and economic pressures may result in prolonged revenue shortfalls, impacting the City's ability to fund growth-related infrastructure.

Since the introduction of this legislation, staff have been working on solutions to this issue. The options available are to fund the growth projects through debt to the extent available through the City's Financial Policy Framework, along with draws from the reserve, and/or to defer projects in the Capital Plan and/or to continue to explore alternative funding sources (provincial, federal funding programs).

Development Charge Reserves 5-year Average Draw and Contribution



Development Charge Reserves Draws



Development Charge Reserves	2026	2027	2028	2029	2030
Beginning Balance	\$ 55,347,636	\$ (76,882,111)	\$ (179,367,690)	\$ (273,956,902)	\$ (388,158,067)
Draws: Carryforward & Previously Approved	\$ (109,660,459)	\$ (41,042,640)	\$ (30,977,651)	\$ (21,105,420)	\$ -
Draws: New Request	\$ (3,920,732)	\$ (26,887,382)	\$ (19,653,971)	\$ (8,010,456)	\$ (14,068,041)
Draws: Forecast	\$ -	\$ (14,825,773)	\$ (54,074,274)	\$ (109,978,924)	\$ (127,947,483)
Draws: Debt Servicing Cost	\$ (24,648,555)	\$ (26,729,785)	\$ (27,943,315)	\$ (28,156,365)	\$ (23,502,418)
Contributions: 2026 Business Plan	\$ 6,000,000	\$ 7,000,000	\$ 38,060,000	\$ 53,050,000	\$ 140,930,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (76,882,111)	\$ (179,367,690)	\$ (273,956,902)	\$ (388,158,067)	\$ (412,746,009)

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 the benefit to existing. It does not fund stormwater assets as these are funded from the Tax-funded Stormwater Capital Reserve.

The 2026 tax levy contribution to the Tax Capital Reserve is driven by the Reserve and Reserve Fund Management Policy which was updated in 2015 to include an annual contribution equivalent to a 1% increase on the typical residential property tax bill; this contribution is reflected as the Infrastructure Investment Funding (IIF).

The 5-year outlook for the Tax Capital Reserve has worsened compared to last year, with the balance projected to fall into a negative position by the end of 2027. This is due to increased planned draws to fund capital work for asset renewal projects and growth projects that are not eligible for Development Charge funding. Over the next five years, the City is forecasted to draw \$408 million from the reserve. Contributions are expected to increase slightly in 2026, rising from \$42.3 million in 2025 to \$45.6 million. In total, contributions to the Tax Capital Reserve are projected to reach \$267 million over the 2026–2030 period.

The capital projects with the 5 largest planned draws, not including carryforward, from the Tax Capital Reserve over the next 5 years are:

- \$20M - FC1320 & 006834 Facility Renewal Programs
- \$19.3M - EN1549 & 00217 Pavement Management Programs
- \$16.7M - TR1039 & 001303 Conventional Transit Bus Replacement Program
- \$13.8M - EN1318 NRP- HNS Brock Park Neighbourhood Reconstruction
- \$8.9M - EN1546 Heritage Park Redevelopment

Tax Capital Reserve 5-year Average Draw and Contribution



Tax Capital Reserve Draws



Tax Capital Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 77,284,611	\$ 2,471,314	\$ (653,350)	\$ (14,950,037)	\$ (33,714,299)
Draws: Carryforward & Previously Approved	\$ (87,422,632)	\$ (16,835,021)	\$ (11,660,339)	\$ (8,469,937)	-
Draws: New Request	\$ (32,972,162)	\$ (10,886,199)	\$ (6,309,797)	\$ (4,354,719)	\$ (5,403,345)
Draws: Forecast	\$ -	\$ (23,929,941)	\$ (49,438,049)	\$ (64,686,103)	\$ (86,057,755)
Contributions: MOU Capital	\$ 1,430,000	\$ 1,170,000	\$ 2,550,000	\$ 4,980,000	\$ 4,610,000
Contributions: 2026 Business Plan	\$ 44,151,497	\$ 47,356,497	\$ 50,561,497	\$ 53,766,497	\$ 56,766,497
Uncommitted / (Overcommitted) Reserve Balance	\$ 2,471,314	\$ (653,350)	\$ (14,950,037)	\$ (33,714,299)	\$ (63,798,902)

Water Capital Reserve Fund

The Water Capital Reserve is used to fund water rate supported growth that is not funded by development charges, and asset renewal related capital works (e.g. replacement of water pipes). The Water Capital Reserve continues to have an over-committed balance. By the end of 2026, the reserve is expected to have a deficit of \$2.6 million, and this shortfall is projected to grow to \$54 million by the end of 2030.

From 2026 to 2030, the City expects to draw about \$130 million from the Water Capital Reserve to fund water system projects, while contributions to the reserve over the same period are forecasted to be \$68.8 million. This gap means the reserve will remain over-committed. To address this, future budgets will likely require a combination of higher water rates and/or additional debt financing.

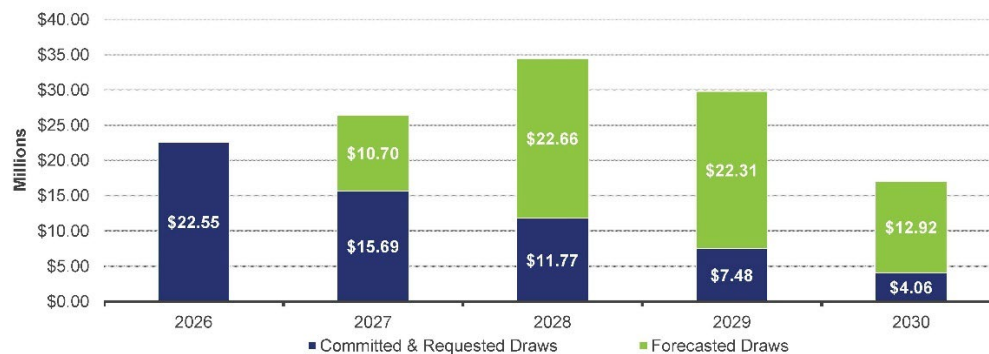
The capital projects with the 5 largest planned draws, not including carryforward, from the Water Capital Reserve over the next 5 years are:

- \$23.4M - EN1537 & 001213 Watermain Renewal Program
- \$17M - EN1305 Anne Street - New 3N Booster Pump Station & 2N Booster Pump Station Reconstruction
- \$8.1M - EN1554 & 001241 Water Meter Replacement Program
- \$5M - FC1299 SWTP - Roofing Replacement
- \$4.9M - 001080 SWTP - Parking Lot Expansion

Water Capital Reserve 5-year Average Draw and Contribution



Water Capital Reserve Draws



Water Capital Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 6,999,774	\$ (2,613,616)	\$ (15,745,234)	\$ (36,163,089)	\$ (51,861,871)
Draws: Carryforward & Previously Approved	\$ (26,048,558)	\$ (8,029,588)	\$ (10,295,248)	\$ (3,795,342)	\$ -
Draws: New Request	\$ 3,494,649	\$ (7,659,232)	\$ (1,477,204)	\$ (3,682,854)	\$ (4,059,741)
Draws: Forecast	\$ -	\$ (10,699,689)	\$ (22,662,006)	\$ (22,312,633)	\$ (12,916,300)
Contributions: 2026 Business Plan	\$ 12,940,519	\$ 13,256,890	\$ 14,016,603	\$ 14,092,047	\$ 14,514,809
Uncommitted / (Overcommitted) Reserve Balance	\$ (2,613,616)	\$ (15,745,234)	\$ (36,163,089)	\$ (51,861,871)	\$ (54,323,103)

Wastewater Capital Reserve Fund

The Wastewater Capital Reserve is used to fund wastewater rate supported growth that is not funded by development charges, and asset renewal related capital work (e.g. replacement of sewer pipes). The Wastewater Capital Reserve is projected to have a balance of \$144.6 million at the end of 2026.

Over the 5-year forecast period, including previous commitments, the total draws from the Wastewater Capital Reserve are forecasted to be \$121.5 million. In the same 5-year period, total contributions are forecasted to be \$153.2 million.

The capital projects with the 5 largest planned draws, not including carryforward, from the Wastewater Capital Reserve over the next 5 years are:

- \$16.5M - EN1091 WwTF New Advanced Nutrient Removal
- \$13.2M - 006793 & 006794 Sanitary Pump Station Renewal Program
- \$13.1M - 006800 WWTF Biosolids Dewatering and Storage Expansion
- \$9.4M - FC1215 WWTF Innovation Centre
- \$7.6M - EN1297 WwTF Electrical Substation and Transformer Upgrade

Wastewater Capital Reserve 5-year Average Draw and Contribution



Wastewater Capital Reserve Draws



Wastewater Capital Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 129,129,874	\$ 144,619,909	\$ 152,483,146	\$ 161,972,275	\$ 163,835,784
Draws: Carryforward & Previously Approved	\$ (20,646,097)	\$ (7,941,934)	\$ (3,558,667)	\$ (4,600,675)	\$ -
Draws: New Request	\$ 9,034,794	\$ (8,328,294)	\$ (4,604,767)	\$ (3,082,026)	\$ (4,846,526)
Draws: Forecast	\$ -	\$ (4,613,820)	\$ (13,060,317)	\$ (23,297,554)	\$ (31,953,616)
Contributions: 2026 Business Plan	\$ 27,101,338	\$ 28,747,284	\$ 30,712,880	\$ 32,843,763	\$ 33,829,076
Uncommitted / (Overcommitted) Reserve Balance	\$ 144,619,909	\$ 152,483,146	\$ 161,972,275	\$ 163,835,784	\$ 160,864,718

Tax-Funded Stormwater Capital Reserve

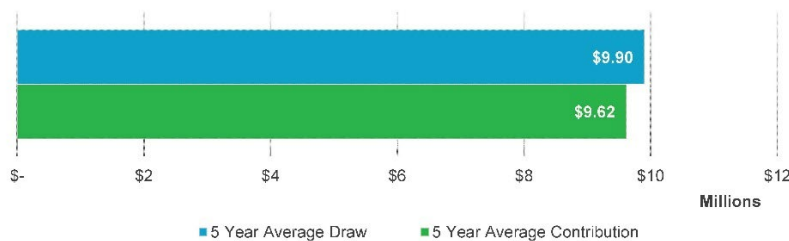
In 2023, City Council established the Tax-Funded Stormwater Capital Reserve to help maintain and improve the City's stormwater infrastructure. This dedicated fund supports essential projects such as upgrading aging storm drains, improving flood management systems, and expanding stormwater capacity to serve new developments not funded by Development Charges. An initial \$3 million contribution to the new reserve was approved with an additional annual increase to the contribution, equal to 1% of the tax levy, planned to occur until the end 2026.

Over the 5-year forecast period, including previous commitments, the total draws from the Tax-Funded Stormwater Capital Reserve are forecasted to be \$49.5 million, while total contributions are forecasted to be \$48.1 million over the same 5-year period. Although the reserve is currently projected to maintain a positive balance, there are substantial capital draws anticipated beyond the 5-year forecast which are expected to put significant strain on the reserve. 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.

The capital projects with the 5 largest planned draws, not including carryforward, from the Tax-Funded Stormwater Capital Reserve over the next 5 years are:

- \$6.4M - EN1464 Sophia Trunk Storm Sewers - Owen & Sophia (Dunlop to Peel)
- \$6.1M - EN1269 Kidds and Sophia Creek Storm Pond Upgrades - Irwin (KD03), Ford (KD06), and Ottaway (SP03)
- \$3.8M - EN1274 Bunkers Creek Culverts and Watercourse Improvements - Innisfil to Lakeshore
- \$2.8M - EN1486 Whiskey Creek Culvert and Channel Improvements - The Blvd to Brennan Ave
- \$2.8M - 006788 BCRY Masonry Arch Culvert Replacement

Tax Fund Stormwater Capital Reserve 5-year Average Draw and Contribution



Tax Fund Stormwater Capital Reserve Draws



Tax Funded Stormwater Capital Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 6,181,097	\$ 4,309,269	\$ 812,711	\$ 1,356,443	\$ 2,832,980
Draws: Carryforward & Previously Approved	\$ (12,516,443)	\$ (5,857,529)	\$ (3,594,223)	\$ (761,044)	\$ -
Draws: New Request	\$ 1,029,615	\$ (6,443,528)	\$ (1,279,347)	\$ (2,150,500)	\$ (1,884,297)
Draws: Forecast	\$ -	\$ (810,500)	\$ (4,197,699)	\$ (5,226,919)	\$ (5,814,046)
Contributions: 2026 Business Plan	\$ 9,615,000	\$ 9,615,000	\$ 9,615,000	\$ 9,615,000	\$ 9,615,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 4,309,269	\$ 812,711	\$ 1,356,443	\$ 2,832,980	\$ 4,749,637

Canada Community-Building Reserve

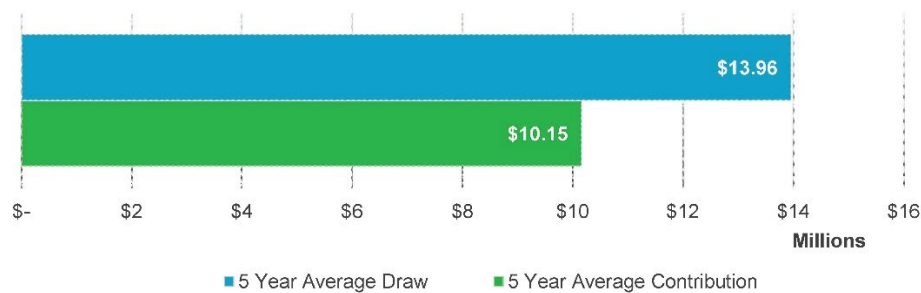
The Canada Community-Building Fund (formerly Federal Gas Tax) has been committed as a permanent transfer to municipalities from the Federal Government. It can be used to fund a broad range of public infrastructure projects, enabling investment in areas such as public transit, water and wastewater systems, local roads and bridges, broadband and connectivity, and community recreational, cultural, and sports facilities.

The City works towards an optimal balance between capital and operating when allocating the funding, which can be used up to 5 years after it has been transferred to the municipality. Including previous commitments, the total draw from this reserve between 2026 and 2030 is projected to be \$69.8 million. Over the same 5-year period, total contributions are forecasted to be \$50.8 million.

The projects with the 5 largest planned draws, not including carryforward, from the Canada Community-Building Reserve over the next 5 years are:

- \$32.5M - EN1549 & 001217- Pavement Management Program
- \$20.7M - EN1281 NRP- HNS Allandale B Neighbourhood Reconstruction
- \$2.2M - EN1048 Essa Road Level Rail Crossing
- \$360K - 001330 Permanent Traffic Calming (Future)
- \$276K - EN1168 Dyments Creek Culvert Expansion - Sanford Street

Canada Community Building Reserve 5-year Average Draw and Contribution



Canada Community Building Capital Reserve Draws



Canada Community-Building Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 16,344,729	\$ 8,193,550	\$ 9,745,513	\$ 6,023,449	\$ 1,752,799
Draws: Carryforward & Previously Approved	\$ (9,101,198)	\$ (1,212,100)	\$ -	\$ -	\$ -
Draws: New Request	\$ (8,732,818)	\$ (1,306,087)	\$ (1,691,608)	\$ (1,313,000)	\$ (1,313,000)
Draws: Forecast	\$ -	\$ (6,000,000)	\$ (12,100,606)	\$ (13,430,606)	\$ (13,589,606)
Contributions: 2026 Business Plan	\$ 9,682,837	\$ 10,070,150	\$ 10,070,150	\$ 10,472,956	\$ 10,472,956
Uncommitted / (Overcommitted) Reserve Balance	\$ 8,193,550	\$ 9,745,513	\$ 6,023,449	\$ 1,752,799	\$ (2,676,851)

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 which funds capital work for 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 thereby requiring a higher level of tax-funded contribution.

The County's current Long-Range Financial Plan is forecasting increased capital requirements to address growth pressures which is anticipated to further increase the reserve's projected deficit. As a result, the City will see increasing draws against this reserve. This has been mitigated to some degree by the Municipal Services Agreement 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. A further update to this agreement will be coming forward to Council in the near future.

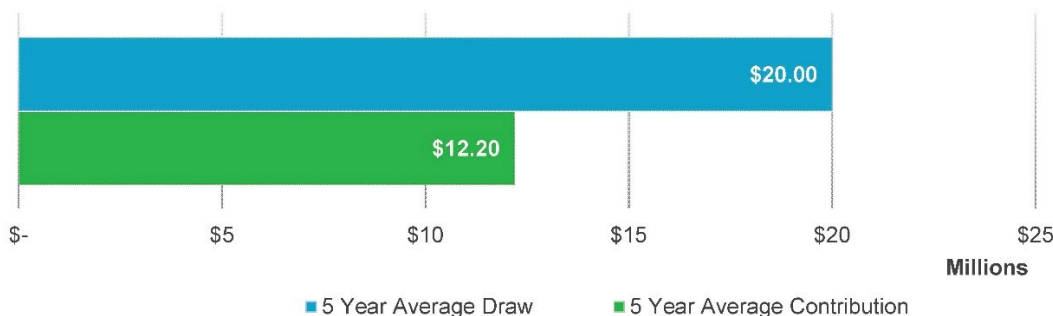
According to the County's Long-Range Financial Plan, the City's annual payments to the County are expected to peak at \$23.5 million in 2030 before gradually declining in subsequent years. The City uses this reserve fund to make these required payments to the County. Currently, this reserve does not have sufficient funds to cover all projected payments, so additional funding will be needed to address this shortfall and ensure the City can meet its future financial commitments to the County.

The City and the County of Simcoe are currently negotiating a new Municipal Services Agreement, once approved the capital cost-sharing agreement will be revised, at which point City staff will work on a funding strategy for the reserve.

The projects with planned draws, not including carryforward, from the County of Simcoe Capital Reserve over the next 5 years are:

- \$63.3M - FI1036 & 001310 County of Simcoe Capital Program - Social Housing & Community Services
- \$13.3M - FI1035 & 001308 County of Simcoe Capital Program - Long Term Care & Senior Services
- \$10.7M - FI1034 & 001295 County of Simcoe Capital Program - Paramedic Services

County of Simcoe Reserve 5-year Average Draw and Contribution



County of Simcoe Capital Reserve Draws



County of Simcoe Capital Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 3,510,207	\$ (8,274,260)	\$ (14,511,168)	\$ (19,186,423)	\$ (25,985,926)
Draws: Carryforward & Previously Approved	\$ (8,545,378)	\$ -	\$ -	\$ -	\$ -
Draws: New Request	\$ (16,489,089)	\$ (798,721)	\$ (822,682)	\$ (847,363)	\$ (847,363)
Draws: Forecast	\$ -	\$ (15,188,188)	\$ (15,102,572)	\$ (18,702,140)	\$ (22,677,117)
Contributions: 2026 Business Plan	\$ 13,250,000	\$ 9,750,000	\$ 11,250,000	\$ 12,750,000	\$ 14,000,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (8,274,260)	\$ (14,511,168)	\$ (19,186,423)	\$ (25,985,926)	\$ (35,510,406)

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.

Over the 5-year forecast period, including previous commitments, the total draws from the Cash-in-lieu of Parkland Reserve are forecasted to be \$24.2 million. The large carryforward draw planned for 2026 is to fund the land purchase for the South Barrie Mixed Use Recreation Complex and Library project (FC1085). In the same 5-year period, total contributions are forecasted to be \$10.6 million.

The projects with the 5 largest planned draws, not including carryforward, from the Cash-in-lieu Parkland Reserve over the next 5 years are:

- \$6.2M - EN1538 & 001223 Annual Playground Revitalization Program
- \$1.6M - 001118 Queen's Park - Skatepark Improvement and Renewal
- \$1.1M - EN1442 Secondary Plan Area New Trail Development (Developer)
- \$0.5M - EN1551 & 001232 Play Court Construction and Rehabilitation Program
- \$0.5M - EN1550 & 001221 Waterfront and Park Furnishings Program

Cash-in-lieu Parkland Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 15,011,922	\$ 665,732	\$ (117,348)	\$ 481,346	\$ 103,626
Draws: Carryforward & Previously Approved	\$ (14,003,191)	\$ -	\$ -	\$ -	\$ -
Draws: New Request	\$ (703,000)	\$ (307,580)	\$ (313,806)	\$ (320,220)	\$ (326,840)
Draws: Forecast	\$ -	\$ (1,215,500)	\$ (2,157,500)	\$ (3,217,500)	\$ (1,597,500)
Contributions: 2026 Business Plan	\$ 360,000	\$ 740,000	\$ 3,070,000	\$ 3,160,000	\$ 3,250,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 665,732	\$ (117,348)	\$ 481,346	\$ 103,626	\$ 1,429,286

Fleet Replacement Reserve

The Fleet Replacement Reserve was established in 2019 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) ended in 2024. Due to previous decisions not to increase the annual operating budget contributions as planned in the 2019 Council approved financing plan for the Fleet Renewal Program, the reserve has not reached a sustainable annual operating reserve contribution. 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.

The Fleet Replacement Reserve is projected to have a balance of \$4.3 million at the end of 2026. From 2026 to 2030 the total draws are forecast to be \$36.7 million. Over the same 5-year period, total contributions are forecast at \$16 million.

Fleet Replacement Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 4,117,489	\$ 4,302,805	\$ (1,271,758)	\$ (9,345,695)	\$ (13,319,631)
Draws: Capital Purchase	\$ (830,000)	\$ (6,975,818)	\$ (9,300,000)	\$ (5,650,000)	\$ (5,000,000)
Draws: Financing	\$ (1,206,899)	\$ (1,470,959)	\$ (2,096,152)	\$ (2,096,152)	\$ (2,096,152)
Contributions: 2026 Business Plan	\$ 2,222,215	\$ 2,872,215	\$ 3,322,215	\$ 3,772,215	\$ 3,772,215
Uncommitted / (Overcommitted) Reserve Balance	\$ 4,302,805	\$ (1,271,758)	\$ (9,345,695)	\$ (13,319,631)	\$ (16,643,568)

Reinvestment Reserve

The Reinvestment Reserve (formerly Community Benefit Reserve) was established in 2017 to fund projects and initiatives deemed to have significant strategic or community benefit. In past years, it was funded entirely through dividends from Barrie Hydro Holdings Inc. (BHHL). This year, under Mayoral Decision MD013-25, staff were directed to reallocate the dividend to the annual operating budget. No contributions are currently planned for the reserve, creating a funding shortfall that is not sustainable. As part of the City's review of reserves, a strategy will be needed for the Reinvestment Reserve to determine how best to address the projected funding gap.

Reinvestment Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ (2,292,764)	\$ (3,565,940)	\$ (4,705,940)	\$ (5,645,940)	\$ (6,545,940)
Draws: 2026 Business Plan	\$ (1,273,176)	\$ (1,140,000)	\$ (940,000)	\$ (900,000)	\$ (900,000)
Contributions: 2026 Business Plan	\$ -	\$ -	\$ -	\$ -	\$ -
Uncommitted / (Overcommitted) Reserve Balance	\$ (3,565,940)	\$ (4,705,940)	\$ (5,645,940)	\$ (6,545,940)	\$ (7,445,940)

Performing Arts Centre Reserve

In 2021, Council established the Performing Arts Centre (PAC) Reserve, formerly called the Theatre Reserve, to fund the construction of a future Performing Arts Centre. This year staff provided Council with an update on the project, and Council approved the schematic design for the proposed Performing Arts Centre (Motion 25-G-178). Construction is scheduled to begin in 2027 and be completed in 2029. Future contributions to the reserve include forecasted proceeds from land sales and anticipated grants from various levels of government.

Performing Arts Centre Reserve	2026	2027	2028	2029	2030
Beginning Balance	\$ 12,239,964	\$ 19,298,170	\$ 22,289,969	\$ 11,294,967	\$ 284,964
Draws: 2026 Business Plan	\$ (2,500,000)	\$ (10,000,000)	\$ (31,250,000)	\$ (31,258,000)	\$ (8,000)
Contributions: Grants*	\$ 3,043,206	\$ 6,476,799	\$ 20,239,997	\$ 20,239,997	\$ -
Contributions: Forecasted Proceeds	\$ 6,515,000	\$ 6,515,000	\$ 15,000	\$ 8,000	\$ 8,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 19,298,170	\$ 22,289,969	\$ 11,294,967	\$ 284,964	\$ 284,964

*Grants are anticipated but not yet confirmed.

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 stabilization 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 2026 Capital Plan includes no planned capital commitments to the stabilization reserves. The Tax Rate Stabilization Reserve is forecasted to have a \$1.6 million uncommitted balance at the end of 2026. The Water and Wastewater Rate Stabilization Reserves are forecast to have balances of \$3.9M and \$3.5M respectively at the end of 2026.

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 source of revenue for the reserve is the City of Barrie's portion of the Municipal Accommodation Tax (MAT). The MAT is calculated based on 6% of room rates for overnight accommodation at hotels, motels and inns. The MAT also includes internet-based accommodation sharing platforms.

The balance of the Tourism reserve is estimated to be \$2.7 million at the end of 2026. The planned 2026 reserve contribution includes the City's 50% portion of the collected municipal accommodation tax next year, estimated at \$855 thousand. Funding for tourism development, Barrie Air Show, and free downtown parking in December account for the draws from the Tourism reserve in 2026.

DEBT MANAGEMENT

Forecasted Debt Issuance

The table below represents the debentures per project scheduled to be issued in 2026. A total of \$25 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	2026
EN1011-26	Cundles Rd. E:Duckworth-Living-26	\$131,385
EN1016	Tiffin Street - Ferndale to Anne Street	\$2,737,863
EN1167-26	Dunlop Street East Corridor Improvements - Toronto to Mulcaster-26	\$229,291
EN1273-26	Hotchkiss Creek Culvert Expansion - Innisfil, 125m North of Tiffin-26	\$139,053
EN1274-26	Bunkers Creek Culverts and Watercourse Improvements - Innisfil to Lakeshore-26	\$1,391,122
EN1277-26	Bryne Drive New Road Construction - Harvie to North of Caplan-26	\$5,219,971
EN1322	Anne Street Right of Way Expansion - Wellington to Edgehill (within CAH limits)	\$3,195,959
EN1392	Essa Road Right of Way Expansion - Bryne to Fairview	\$4,278,952
FC1215	WWTF Innovation Centre	\$3,840,000
FC1264	Supportive Housing Project	\$31,628
RP1156-26	Fleet Replacement Program-26	\$3,852,630
Total:		\$25,047,854

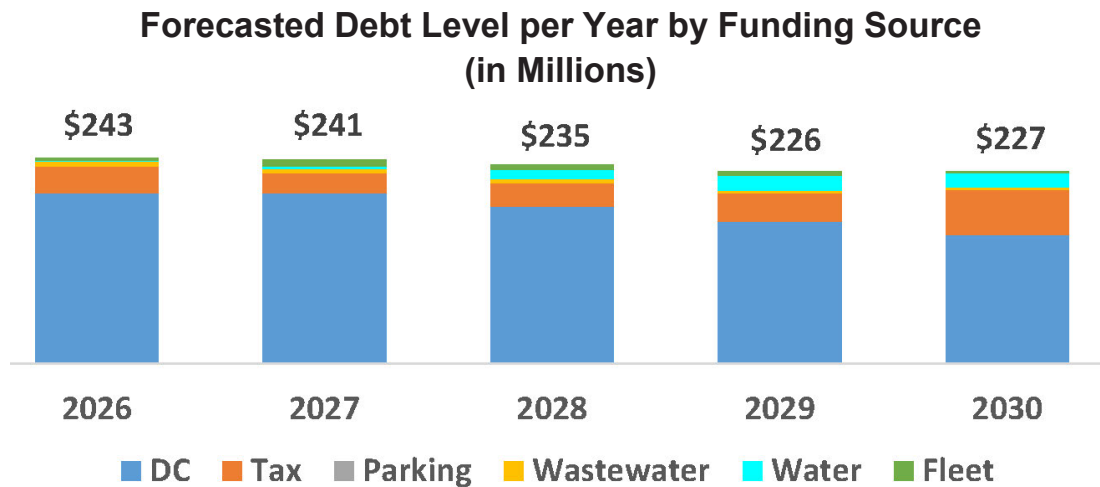
The following graph provides the forecasted annual debenture requirement for each of the next 5 years by funding source. This forecast is based on the proposed capital plan and anticipated reserve levels. Variation in the plan and/or available funding will impact the amount of debt ultimately issued.

Projected Annual Debenture Issuance by Funding Source



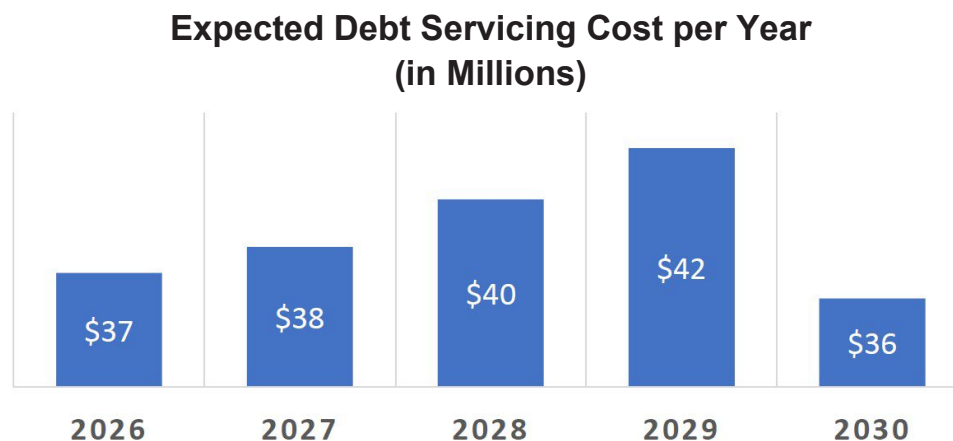
Forecasted Debt Levels

The chart below shows the anticipated debt balance for the next 5 years including the existing debt. The balance is expected to decrease to a low of \$226 million in 2029 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.



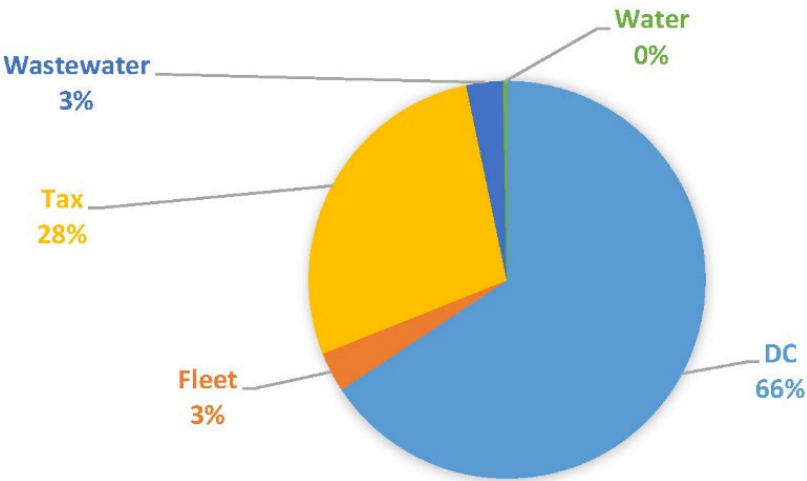
Expected Debt Servicing Cost

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

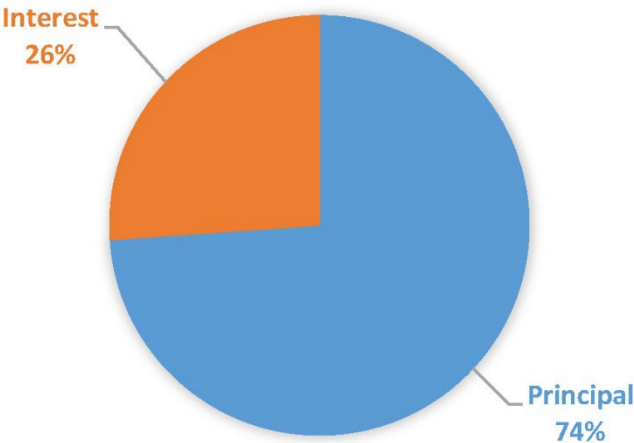


Debt servicing cost is estimated at \$37 million in 2026. Sixty six percent (66%) or \$24.3 million of the 2026 debt servicing cost is funded from development charges and twenty eight percent (28%) or \$10.2 million from tax as shown in the first pie chart below. The second pie chart below shows that 74% of the debt servicing cost consists of principal repayment. Hence more of the debt servicing cost is going towards principal repayment. Debt servicing cost is expected to decrease by \$6 million in 2030 due to the maturing debentures issued for the Barrie - Simcoe Emergency Services Campus issued in 2019.

2026 Debt Servicing Cost by Funding Source

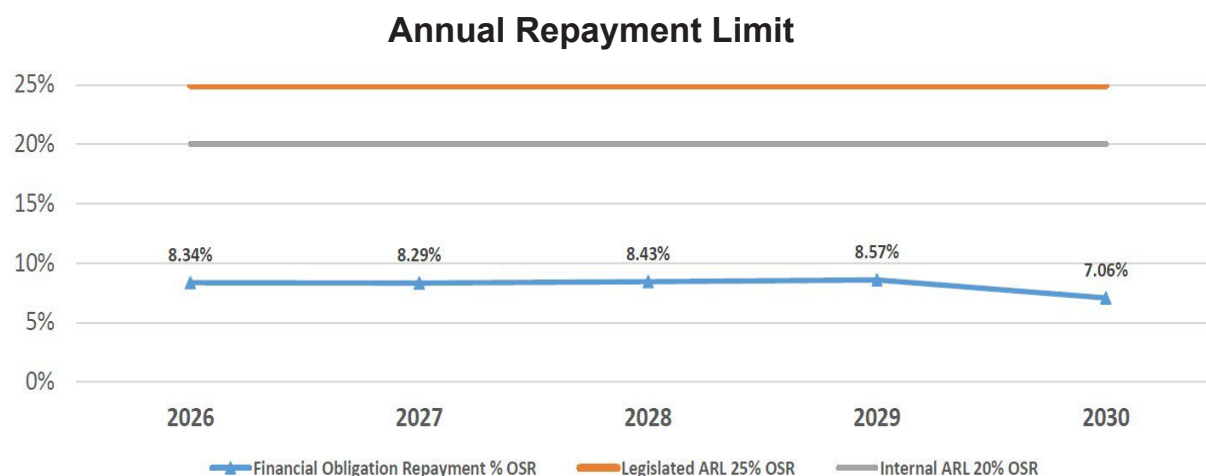


2026 Debt Servicing Cost



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. The percentage decline in 2030 is reflective of debentures maturing in 2029 previously mentioned.



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, upgraded the City's credit rating in 2025 from AA+ to AAA 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	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast	2026 Budget
Financial Assets to Liabilities	0.72	0.72	0.71	0.76	0.85	0.87	0.86	0.89	0.99	1.03
Debt to Total Revenue	0.88	0.77	0.84	0.80	0.80	0.73	0.63	0.53	0.45	0.44
Debt to Reserves	2.32	1.97	1.78	1.63	1.15	0.90	0.77	0.58	0.64	0.80
Debt Per Household	\$5,739	\$5,394	\$6,060	\$5,807	\$6,046	\$5,934	\$5,336	\$4,695	\$4,153	\$4,066

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 decreased but is still within the range of the City's affordability target of 4%.

Flexibility Measures	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast	2026 Budget
Debt Charges to Total Revenue	7.05%	7.80%	7.63%	8.22%	8.04%	8.58%	8.30%	7.39%	6.49%	6.56%
Municipal Taxes as a % of Household Income	3.75%	3.93%	3.91%	3.74%	3.99%	3.93%	3.70%	4.15%	3.60%	3.67%
Total Municipal Revenue to Taxable Assessment	1.76%	1.71%	1.66%	1.59%	1.66%	1.79%	1.87%	2.01%	2.05%	2.08%

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 decrease budgeted for 2026. 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 2026 indicates a reduction of reliance on these external government transfers relative to other revenue sources.

A significant source of funding was included in the 2018 and the 2019 forecast for projects approved under the Clean Water Wastewater Fund Grant Program. In 2020, the City recognized \$6.3 million of the \$9.2 million Safe Restart Phase I funds from the provincial government to offset COVID-19 related costs. In 2021, the City recognized \$0.5 million in Safe Restart funding and finally, in 2022, the remaining \$2.4 million of the funding was recognized. 2025 saw an unexpected increase in provincial funding due to a disaster recovery grant awarded to aid in the ice storm cleanup. This ratio largely returns to pre-ice storm, 2024 levels, in the 2026 budget.

Vulnerability Measures	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast	2026 Budget
Government Transfers to Total Revenue	5.1%	6.5%	6.3%	6.6%	6.6%	6.6%	6.3%	4.9%	6.6%	5.0%