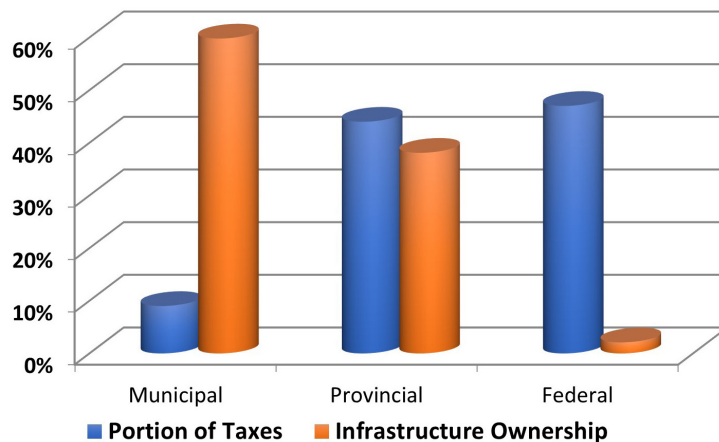


## BUDGET AND FINANCIAL OVERVIEW

### Property Tax Bill

According to Statistics Canada, National Economic Accounts Division and the Association of Municipalities Ontario, municipalities receive a very small portion of total taxes paid by an individual in Canada, when sales taxes, income taxes, property tax, etc. are considered. For example, Ontario municipalities receive only 9 cents of every tax dollar raised in Canada, while the Provincial and Federal governments receive 44 cents and 47 cents, respectively. In contrast to this, municipalities own 60% of the capital infrastructure, while the Provincial Government owns 38% of Infrastructure and the Federal Government only 2%.

Share of Taxes vs Infrastructure Ownership



Source: Infrastructure Canada and the AMO

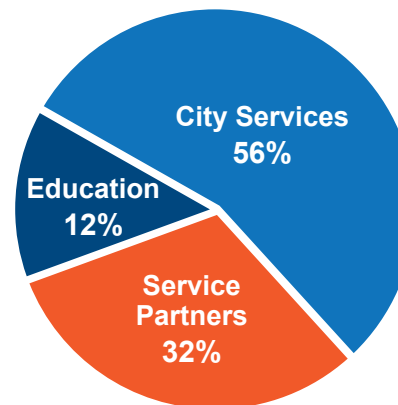
### Allocation of Property Tax Bill – City Programs, Service Partners and Education

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

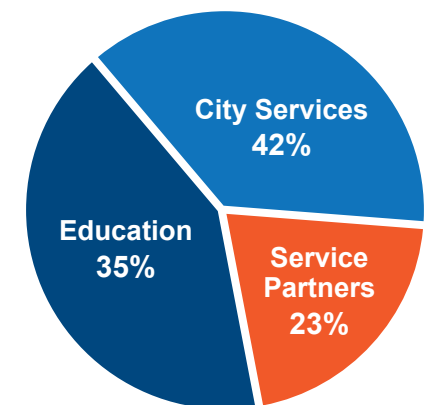
Property taxes are calculated based on the Municipal Property Assessment Corporation's (MPAC) assessed value. MPAC last completed a full Province wide assessment back in 2016, as a result assessed values are significantly lower than actual 2021 market values. MPAC was scheduled to complete a full assessment in 2020 but was delayed by the Province as a result of Covid-19. In 2022, for a typical home assessed by MPAC at \$362,740, the proposed residential property tax bill increases of \$148 annually (to \$4,628) will fund the following programs: City Services \$2,605 (56%), Service Partners \$1,461 (32%) and Education \$562 (12%). The education portion is determined by the Province of Ontario and for 2022 it is assumed there will be no change to the rate.

The typical commercial property owner contributes 35% of their tax dollar to education compared to a 12% contribution from residential. Commercial properties contribute proportionately less of their total tax payment to support municipal services. An industrial property tax bill has the same breakdown as a commercial property tax bill.

Residential Property Tax Bill



Commercial Property Tax Bill

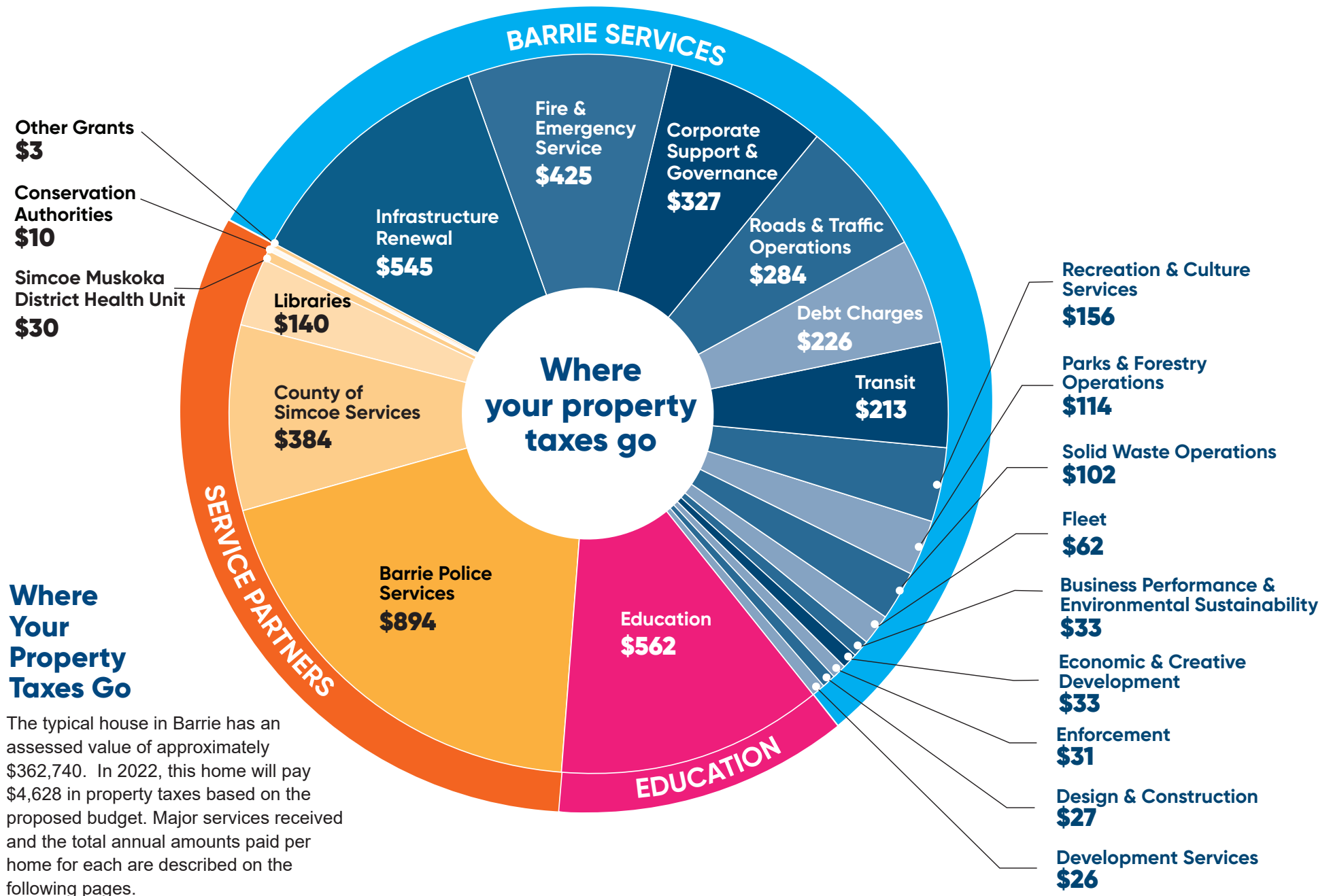


## How Your Property Tax Dollars are Spent

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

such as building inspections, planning assessments, enforcement, financial and customer services and many others support the City and its residents. The City of Barrie delivers many of these valued and essential services. The County provides ambulance, homes for the aged, and social services. Barrie children attend elementary and high schools funded by the education portion of the property tax bill. The cost to a typical home for all these services is estimated at \$4,628.







## City Services



### Fire & Emergency Service - \$425

- Barrie Fire and Emergency Services (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 8,000 calls for service while achieving a travel time under 6 minutes 90% of the time.
- Provide emergency communications service for over 20,000 incidents across 20 municipalities serving a population of almost 500,000.
- Comprehensive Public Education, Fire Safety and Code Enforcement programs focused on reducing our community risk.



### Roads & Traffic Operations - \$284

- Snow removal and maintenance of 1,579 lane kilometres of roads, 617 kilometres of sidewalks and 22 bridges
- Maintenance of:
  - 135 kilometres of ditches
  - 405 kilometres of storm sewers
  - 106 kilometres of watercourses, 28 kilometres of culverts, and 98 detention ponds
  - 35 kilometres of Barrie Collingwood Railway
- Power supplied to 11,700 streetlights and 246 traffic signals, and
- Respond to more than 8,900 services requests annually.



### Transit - \$213

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



### Recreation - \$156

- 4 community centres, 7 sport and recreation centres, 2 seniors' centres and 1 theatre venue
- 3 gyms, 3 main pools, 3 tot pools, and 11 volleyball courts
- Permitting for 33 baseball diamonds, 54 soccer pitches, 33 tennis courts, 3 pickleball courts
- Operate and maintain the Barrie Community Sports Complex including a football field, rugby field, 5 soccer pitches and 10 baseball diamonds
- 8 arena ice pads, 2 outdoor artificial ice surfaces, and 2 guarded beaches
- Special event permitting including 3 annual City of Barrie events plus partnering in over 10 other community events
- More than 2.3 million participant visits at 3 multi-use community centres (pre-COVID-19)







## Parks & Forestry - \$114

- 129 maintained parks that include 167 hectares of maintained turf, 104 playgrounds, eight major and 15 minor baseball fields, one football/rugby field, 42 soccer fields, 15 full basketball courts, eight half-basketball courts, 16 tennis and pickleball courts, 2 splash pads, 2 beach volleyball courts and an Arboretum
- 11 hectares of dog off-leash recreation areas
- 4.2 hectares of maintained boulevards
- 4 beaches in 14 waterfront parks
- 450 flower and shrub beds, 350 planters, 48 planted Gores
- 3 community gardens and one disc golf course
- management of 35,000 boulevard trees, 10,000 park trees and 600+ hectares of forest
- 146 kilometres of maintained trails
- support for several annual community events (ranging from tree planting to Kempenfest)



## Solid Waste Operations - \$102

- Over 44,500 single family residences receive bi-weekly garbage collection, weekly organics collection, weekly blue and grey box collection, 34 weeks of yard waste collection curbside, and annual curbside collection of household batteries
- There are approximately 9,000 multi-residential units enrolled on the municipally provided front end bin garbage collection service (FEB service), recycling and organics services. FEB service includes:
  - Front End Bin Garbage service – twice weekly, weekly, or bi-weekly
  - 360 litre recycling cart service – weekly
  - 132 litre organics cart service – weekly



- There are approximately 5,000 additional multi-residential units that may receive partial municipal waste collection services including but not limited to:
  - 360 litre recycling cart service – weekly
  - 132 litre organics cart service – weekly



## Service Partners Police Services - \$894

- The Barrie Police Service is focused on community engagement and working collaboratively to support the City of Barrie's Community Safety and Well-Being Plan
- Team of 245 sworn members, 118 civilian members and 17 auxiliary officers provide adequate, effective and sustainable policing to the community
- In 2020, the Barrie Police Service responded around the clock to emergency and non-emergency calls for service which can range from sexual assaults to robberies, missing persons, to social disorder. Over 66,000 Computer Aided Dispatch (C.A.D.) created events were logged



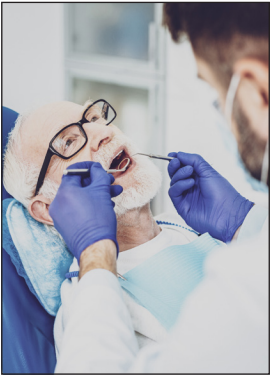
## County of Simcoe - \$384

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

## Service Partners



- Long Term Care and Seniors Services provides residents with effective, high quality, safe, and efficient long-term care, and seniors services in home-like settings. Manages four Long Term Care Homes and a broad range of seniors housing and services to support over 1,000 seniors across the region.
- Ontario Works provides both financial and employment supports to those in need. Financial benefits under this program include income support, temporary care, drug benefits, medical benefits, and funds for employment related expenses. Discretionary benefits under this program include emergency dental assistance for adults, funeral coverage, and assistance with health-related items for those in receipt of social assistance. Ontario Works also provides services to non-social assistance recipients which includes emergency dental and housing retention benefits.
- Children's Services provides planning, funding, and management of the local Licensed Child Care and Early Years System which comprises several mandated programs including Licensed Child Care Fee Subsidy. Through over 200 contracts with local service providers, funding is allocated to agencies delivering special needs resourcing for preschool children, and to childcare operators to assist with improved staff compensation, repairs and maintenance, general operating costs, and childcare affordability.



- Community Services is responsible for planning, funding, and managing local homelessness prevention service delivery, poverty reduction initiatives, and shelter retention programs.
- Social Housing Department has two distinct areas of responsibility. The first area includes the administration of non-profit housing, whereby subsidies are issued to non-profit providers ensuring compliance with the Housing Services Act as well as implementing joint federal and provincial affordable housing programs. The second area is the direct management of County owned public housing.



### Libraries - \$140

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





MUNICIPALITY	DETACHED BUNGALOW
1 Markham	\$ 6,594
2 Toronto (South)	\$ 5,970
3 Mississauga	\$ 5,033
4 Toronto (North)	\$ 4,948
5 Richmond Hill	\$ 4,853
6 Vaughan	\$ 4,849
7 Oakville	\$ 4,833
8 Whitby	\$ 4,799

MUNICIPALITY	DETACHED BUNGALOW
9 Oshawa	\$ 4,680
10 Hamilton	\$ 4,371
11 Brampton	\$ 4,321
12 Ottawa	\$ 4,239
13 Burlington	\$ 4,107
14 St. Catharines	\$ 4,068
15 Toronto (West)	\$ 3,980
<b>16 Barrie</b>	<b>\$ 3,934</b>

MUNICIPALITY	DETACHED BUNGALOW
17 Thunder Bay	\$ 3,885
18 Guelph	\$ 3,865
19 London	\$ 3,768
20 Milton	\$ 3,728
21 Brantford	\$ 3,721
22 Cambridge	\$ 3,688
23 Kingston	\$ 3,686
24 Clarington	\$ 3,674

MUNICIPALITY	DETACHED BUNGALOW
25 Kitchener	\$ 3,578
26 Waterloo	\$ 3,494
27 Toronto (East)	\$ 3,460
28 Windsor	\$ 3,363
29 Greater Sudbury	\$ 3,331
30 Chatham-Kent	\$ 3,212



# OVERVIEW OF TAX SUPPORTED OPERATING BUDGET

## 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
- Debt Management
- New investment and service recommendations
- Service Partners
- Assessment Growth
- Dedicated Infrastructure Renewal Funding



The annual Tax supported operating budget reflects the cost associated with delivering dozens of services to the community. The proposed 2022 tax funded operating budget will require a tax rate increase of 2.55% plus 0.75% contribution for dedicated infrastructure renewal funding: (\$148) for a typical household.

Descriptions	Tax Levy Increase/(Decrease)	Tax Rate Impact
Maintain service levels for current City operations	\$ 5,562,891	1.93%
Debt Management	\$ 1,332,255	0.46%
New Investments & Service Recommendations	\$ 894,112	0.31%
Service Partners	\$ 3,174,884	1.10%
Estimated Assessment Growth	\$ (3,600,000)	-1.25%
<b>CITY &amp; SERVICE PARTNER OPERATIONS</b>	<b>\$ 7,364,143</b>	<b>2.55%</b>
<b>Dedicated Infrastructure Renewal Fund</b>	<b>\$ 2,165,625</b>	<b>0.75%</b>
<b>TOTAL</b>	<b>\$ 9,529,768</b>	<b>3.30%</b>

## Maintain Service Levels for Current City Operations

The City's cost to maintain service levels increases every year due to inflation. Prices may increase for hydro, gas, and diesel as well as other materials and supplies 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.

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

The net cost to maintain current services levels in 2022, including the annualized cost of implementing decisions from prior years, is \$5.6 million. Year-over-year changes to budgets for both expenditures and revenues contribute to the net increase in costs. Some of the more significant changes are described in the sections below.

### Labour

The City is party to various collective agreements negotiated with its unionized workforce and manages compensation for its non-unionized staff on an annual basis. The current Barrie Professional Fire Fighters Association (BPFPA) contract is a five-year term ending December 31, 2023. The Canadian Union of Public Employees (CUPE) contract is an 18-month term ending on June 30, 2022.

Budgeted labour costs have been calculated to reflect the obligations set out in the BPFPA collective agreement of a 1% increase in January followed by a second 0.75% increase in July, as well as the CUPE agreement of a 1% increase in January, with the same amount recommended for non-union staff.

A summary of the changes is shown in the following table:

	2021 Compensation Budget	2022 Compensation Budget	Change	Change %
Salaries	\$ 85,094,808	\$ 88,293,555	\$ 3,198,748	3.76%
Benefits	\$ 20,684,679	\$ 21,109,489	\$ 424,810	2.05%
Honouraria	\$ 546,957	\$ 554,916	\$ 7,960	1.46%
Capital Recoveries	\$ (6,175,098)	\$ (6,273,235)	\$ (98,137)	1.59%
Salary Gapping	\$ (1,275,000)	\$ (1,275,000)	\$ 0	0.00%
<b>Total Compensation</b>	<b>\$ 98,876,345</b>	<b>\$ 102,409,725</b>	<b>\$ 3,533,380</b>	<b>3.57%</b>

Salary and benefit costs are expected to increase by approximately \$3.5M for 2022 with a portion of this increase relating to contract increases. Other drivers include 4 additional Fire staff for the new Markham dispatch service some of which are recovered from revenues or capital, increased part time staff in Recreation and Culture as programming levels start to recover to pre-COVID levels, and additional salary costs in Facilities due to changing some positions from a 35-hour to 40-hour work week.

The provision for salary gapping has been maintained at \$1.275 million for 2022. Salary gapping at this level requires an active staff management approach to achieve savings primarily through holding position vacancies.

Several City departments are directly engaged in the delivery of the City's capital plan (e.g., Design & Construction, Facilities, Information Technology, etc.). The cost of these resources is recovered from the budgets of the related capital projects. These recoveries will increase slightly for 2022 to reflect anticipated project management requirements.

## Contracted Services

Many of the services provided by the City require multi-year contracts with external businesses. While an adjustment for inflation is common; there are other adjustments that can be equally or more costly (e.g. additional service hours for transit). Some of the drivers of additional 2022 increases include:

Contract Type	2022 Budget Increase
Transit	\$ 718,000
Legislative Services - Election	\$ 225,000
Information Technology	\$ 225,000

Transit is committed to providing service levels that meet the needs of residents to get to work, attend medical appointments, and buy necessities for their families, however with ridership levels currently trending between 45-50% it is not expected that pre-COVID levels of service will be required until later in 2022. Currently, Barrie Transit is operating at 85% of normal service and will ramp up alongside ridership to ensure service needs are met while also remaining fiscally responsible to the tax base.

The 2022 Municipal Election results in a need for increased contracted services in the Legislative Services department. However, in non-election years money is contributed to a reserve to smooth out the impact of this expense, and the increased contracted services are offset by a draw from the Election Reserve.

Information Technology provides the systems and technology used to plan and/or deliver the over 60 City services. Many modernization initiatives were paused in the 2021 business plan to reflect the resource and financial uncertainty of COVID-19. 2022 will see some of those initiatives resume which expands the number of software licenses required. In addition, the IT industry is seeing 5-10% annual increases in licensing and maintenance costs. Contracted data acquisitions will also be back to 2019 levels and include updating LiDAR scans and building footprints. Although data acquisition spend is up, they are mostly offset by non-tax revenues.

## Consulting

The provincial government has finalized the Blue Box Regulation which makes significant changes to the existing blue box program. Increased consulting of \$230 thousand is required by the Business Performance & Environmental Sustainability department to prepare for the new requirements resulting from these changes.

## Fuel

The City has an extensive fleet of vehicles used in the provision of City services such as transit, snow removal, parks, and road maintenance, etc. Fuel costs are expected to increase in 2022 by \$170 thousand based on an estimate of \$1.10 per litre and consumption trends.

## Assessment Review Board (ARB) Decisions

As noted last year, the trend of larger than expected property tax write-offs has continued. Early in 2020 staff identified over 1,000 outstanding appeals primarily in the commercial and industrial classes. Most of these appeals spanned at least 4 tax years. A concentrated effort by staff was employed to identify key appeals and assist MPAC and the appellants with a resolution that could mitigate the estimated losses while speeding up the process.

The Assessment Review Board also introduced a new set of rules which effectively cut the time allowed for resolving new appeals in half from the previous rules. The result is that a large number of the outstanding appeals have been resolved not only for the 2017-2020 tax years, but also for many of the new 2021 appeals, with the taxes refunded accordingly.

Currently only approximately 220 appeals or requests for reconsideration remain outstanding. Some will be resolved late this year, and the balance should be resolved in 2022.

The next reassessment date has still not been announced and therefore it is expected that there will be a number of new appeals or requests for reconsideration filed early in 2022 due to impacts of the pandemic on the 2016 current property assessment values. The budget for tax loss from assessment reductions has been increased by \$500 thousand to a total of \$1.5 million.



## User Fees, Service Charges, Passes, Memberships

Revenue from user fees, service charges, passes, and memberships has been increased by \$2.2 million for 2022. The City relies on a diverse set of non-tax revenue sources administered by various departments across the organization to support municipal operations. The 2022 budget reflects several year-over-year changes; however, the most significant changes are found in the Transit and Recreation and Culture Departments as operations are expected to continue to recover from the COVID pandemic.

User Fees, Service Charges, Passes, Memberships	2021 Budget Increase
Transit Fees	\$ 1,013,000
Recreation Fees	\$ 453,000

Transit Fee revenues are increasing over the 2021 budget level; however, Transit is still anticipating a \$2.2M shortfall in fare revenue (-35%) in 2022 compared to pre-pandemic levels with reduced ridership stemming from the continued impacts of COVID-19 and Georgian College delivering student learning remotely. The department will continue to adjust the transit service based on ridership levels to offset the shortfall, however in order to meet the 2.1% year over year budget target for the 2022 Business Plan the department needs an additional \$2.1M in federal and/or provincial funding. In 2020 and 2021, the provincial and federal governments provided Safe Restart Funding to assist municipalities to continue to provide a high level of transit services. At the time of preparing the business plan binder, there has been no further funding commitments from the upper levels of government to assist with the anticipated revenue shortfall associated with providing this essential service. Provincial gas tax has been utilized to manage the 2022 revenue shortfall. Depending on the length of the impacts from the pandemic provincial gas tax funding may be insufficient in future years and transit service may need to be reduced further until ridership returns to pre-COVID levels.

Rental revenues for recreation and cultural facilities are expected to increase in 2022 primarily due to ice hockey leagues, however total user fees are still anticipated to remain low compared to pre-COVID levels. Closures and capacity limitations throughout 2021 have resulted in recPASS membership cancellations, fewer drop-in activities and lower facility rentals which will continue to impact 2022. The department is developing several initiatives to

rebuild revenues which include a membership marketing campaign, updated drop-in and registered program activities, and a return to summer camp programming.

## 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. Reserve management costs will increase by \$719 thousand in 2022. Notable changes are described below:

- Fleet Replacement Reserve contribution has been increased by \$450 thousand. The reserve was established in 2019 to build a sustainable funding source to renew the City's aging fleet and reduce vehicle repair expenditures. The 2019 proposal included annual increases to the reserve of \$450 thousand for the first few years to build up to the required reserve level. This increase has been removed from the previous two budgets. Without reinstituting the contribution to this reserve, the City does not have an adequate funding source for replacing vehicles that are beyond their useful life.
- WSIB Reserve contribution has been increased by \$350 thousand. The annual contribution to this reserve is currently inadequate to address the current and future level of WSIB expenses. The reserve will be depleted by the end of 2021 and the contribution to this reserve will need to be increased over the next few budget cycles to reach a sustainable level.
- Landfill Post Closure Reserve contribution has been increased by 10% in accordance with the City's Financial Policies.

## Debt Management

The 2022 debenture budget amounts to \$64.2 million. \$44.3 million of this amount will be used to fund growth related projects as the City cashflows funds for growth infrastructure that will eventually be recovered from DC revenues. An analysis of the Development Charge Reserve over the next 5 years showed that it was going to be consistently below its target, and so there was a need to lower the level of draws from this reserve. Given the low level of interest rates currently, it was considered prudent in our forecasts to issue debt in place of drawing from these reserves. \$95 million of growth-related infrastructure previously identified as being drawn from the reserve by 2026 was changed to be debt issuance, which will put the reserve in a stronger position than it would otherwise have been. In addition, Watson & Associates presented Barrie's Long-Range Financial Plan on October 4th, which highlighted that there may be a need for the City to issue more debt in the future so that it could fund growth-related expenditures. This debt will be repaid by development charges. The tax funded portion of debt servicing costs in 2022 is expected to increase by \$1.3 million over the 2021 budget.

A full list of projects included in the planned 2022 debenture is presented in the debt section.

## Growth Strategy

The City is in the early implementation of the expected rapid growth and therefore has more exposure to the associated short-term financial burdens. The basic principle is that operating costs driven by growth are incurred in advance of the collection of property taxes resulting from growth, and the delay is often a few years. Draws from reserves are used in several areas of the operating budget to mitigate one-time costs or as an aid to smoothing volatile expenditures. A growth strategy was approved in the 2020 Budget with a \$2 million draw from reserves; \$1 million from the Tax Rate Stabilization Reserve (TRSR) and the \$1 million from the Reinvestment Reserve. The plan was to reduce the amount drawn from these reserves over four years. However, with the pressures of the pandemic, the original \$2 million draw was maintained in 2021. For 2022 staff recommend continuing with draws totaling \$2 million due to the ongoing pandemic and related cost and revenue pressures.

The impact of reducing the year over year draw from reserves adds a \$500 thousand pressure to the tax levy, which would be deferred to 2023. The table below illustrates the proposed smoothing strategy with reduced reserve draws beginning in 2023:

Growth Smoothing			
	Tax Levy	Reinvestment Reserve	Tax Rate Stabilization Reserve
2022	\$ –	\$ 1,000,000	\$ 1,000,000
2023	\$ 500,000	\$ 750,000	\$ 750,000
2024	\$ 1,000,000	\$ 500,000	\$ 500,000
2025	\$ 1,500,000	\$ 250,000	\$ 250,000
2026	\$ 2,000,000	\$ –	\$ –

## Safe Restart Funding

\$1.3 million of Safe Restart funding has been included in the 2022 budget to reduce the required tax levy increase. The same amount of Safe Restart funding was also used in the 2021 budget. This funding is temporary and will be exhausted in 2022. As such, a tax pressure will exist in 2023 since the levy will need to offset this temporary funding source.

## New Investments and Service Recommendations

This component of the Business Plan includes proposed new investments and service recommendations endorsed by the Executive Management Team. These new investments are needed to ensure the City can deliver the Council's strategic plans or other council directions and to meet the demands of growth. Changes Endorsed by EMT total an additional net impact of \$894 thousand to the tax levy in 2022 and propose eight additional full-time positions to the current staff complement. 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.

## 2022 New Investment and Service Recommendations Requests

Sections	Description	Form #	Division	FTE Permanent	Casual / PT	2022 Budget		2023 Budget		2024	2025
						Operating	Capital	Operating	Capital	Operating	Operating
Service Level Changes Endorsed by EMT	Community Energy & Greenhouse Gas	626	CCS	1		123,997	1,900	128,959		135,733	140,983
	Project Manager (Environmental)	628	IGM	1	-1	-13,556	-	118,095	-	125,188	132,703
	Purchasing Staff Addition - Category Specialist	632	CCS	1		118,928	1,900	125,877	-	127,098	128,331
	Secondary Lands Transit ON Demand Operating Hours	633	Access			200,067	-	744,665	-	1,144,922	1,173,544
	Additional Enforcement Resource (2 Enforcement Officers per 20-G-217)	641	CCS	2		206,251	53,000	210,084	-	211,935	213,804
	Sponsorship Coordinator	645	Access	1		43,938	-	47,369	-	51,096	55,095
	Pedestrian Connectivity to Schools via Walkway and Parks Pathway Winter Maintenance	647	IGM	2	-2	279,550	275,000	307,135	225,000	310,500	\$313,879
	BIA Sidewalk Winter Maintenance	649	IGM			100,000	-	300,000	-	300,000	300,000
	Extension of Contract, Principal Secretary	651	Mayor		1	99,287	-	-	-	-	-
<b>Total</b>				<b>8</b>	<b>-2</b>	<b>1,158,462</b>	<b>331,800</b>	<b>1,982,184</b>	<b>225,000</b>	<b>2,406,472</b>	<b>2,458,339</b>
Recovery from Capital						47,232		156,027		162,312	168,940
Rates						26,727		28,827		30,995	32,675
Other Revenues						120,391		347,595		496,031	510,377
Contribution from Reserves						70,000	331,800	-	225,000	-	-
<b>Service Level Changes Endorsed by EMT - Net Impact on Tax</b>						<b>894,112</b>	<b>-</b>	<b>1,449,735</b>	<b>-</b>	<b>1,717,134</b>	<b>1,746,347</b>



# Service Partners

The City of Barrie has several Service Partners including the Barrie Police; County of Simcoe (provides long-term care, paramedic services, and social services); Conservation Authorities; and Barrie Public Library. These Boards, Municipalities, and Agencies have a legislated authority to establish budgets and levy taxes through the City's tax rate. The City has limited ability to revise their requests. However, they comprise 32% of the property tax bill. Detailed budget submissions are found in the Service Partners section of the binder. The 2022 service partner base budget requests require a net increase of \$3.2 million to the tax levy.

The following table shows the net impact to the tax levy and the year-over-year percentage change by service partner, including requested budget and other funding sources available:



## Service Partners & Grants - Base Budget Change Report

		2020 Actuals	2021 Budget	In Year Forecast	2022 Requested Budget	Change in 2022 Requested Budget to 2021 Approved Budget	
Conservation Authorities	Lake Simcoe Region Conservation Auth.	\$ 1,318,494	\$ 1,316,642	\$ 1,316,642	\$ 1,325,950	\$ 9,308	0.71%
	Water Rate funding	\$ (988,871)	\$ (998,763)	\$ (998,763)	\$ (1,000,460)	\$ (1,697)	0.17%
	<b>Tax Funded</b>	<b>\$ 329,624</b>	<b>\$ 317,879</b>	<b>\$ 317,879</b>	<b>\$ 325,491</b>	<b>\$ 7,612</b>	<b>2.39%</b>
	Nottawasaga Valley Conservation Auth.	\$ 411,797	\$ 412,673	\$ 412,673	\$ 420,652	\$ 7,978	1.93%
	Water Rate funding	\$ (61,800)	\$ (58,686)	\$ (58,686)	\$ (63,139)	\$ (4,453)	7.59%
	<b>Tax Funded</b>	<b>\$ 349,997</b>	<b>\$ 353,987</b>	<b>\$ 353,987</b>	<b>\$ 357,513</b>	<b>\$ 3,525</b>	<b>1.00%</b>
	<b>Total - Tax Funded</b>	<b>\$ 679,621</b>	<b>\$ 671,866</b>	<b>\$ 671,866</b>	<b>\$ 683,003</b>	<b>\$ 11,137</b>	<b>1.66%</b>
County of Simcoe	Social Housing	\$ 6,175,499	\$ 6,831,000	\$ 6,831,000	\$ 7,292,782	\$ 461,782	6.76%
	Draw from CoS Capital Reserve	\$ (626,133)	\$ (661,606)	\$ (661,606)	\$ (1,000,000)	\$ (338,394)	51.15%
	<b>Tax Funded</b>	<b>\$ 5,549,366</b>	<b>\$ 6,169,394</b>	<b>\$ 6,169,394</b>	<b>\$ 6,292,782</b>	<b>\$ 123,388</b>	<b>2.00%</b>
	Long Term Care	\$ 1,822,789	\$ 1,885,000	\$ 1,885,000	\$ 1,922,700	\$ 37,700	2.00%
	Ontario Works	\$ 2,372,967	\$ 3,493,000	\$ 3,493,000	\$ 3,562,860	\$ 69,860	2.00%
	Paramedic Services	\$ 6,353,845	\$ 6,583,000	\$ 6,583,000	\$ 6,714,660	\$ 131,660	2.00%
	Children and Community Services	\$ 1,857,730	\$ 2,913,000	\$ 2,913,000	\$ 2,971,260	\$ 58,260	2.00%
	Simcoe County Museum and Archives	\$ 111,250	\$ 113,000	\$ 113,000	\$ 115,260	\$ 2,260	2.00%
	Contribution to County Capital Reserve	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,750,000	\$ 750,000	25.00%
	<b>Total - Tax Funded</b>	<b>\$ 20,567,947</b>	<b>\$ 24,156,394</b>	<b>\$ 24,156,394</b>	<b>\$ 25,329,522</b>	<b>\$ 1,173,128</b>	<b>4.86%</b>
Lake Simcoe Regional Airport	Lake Simcoe Regional Airport	\$ 75,255	\$ 111,000	\$ 111,000	\$ 113,220	\$ 2,220	2.00%
	<b>Total - Tax Funded</b>	<b>\$ 75,255</b>	<b>\$ 111,000</b>	<b>\$ 111,000</b>	<b>\$ 113,220</b>	<b>\$ 2,220</b>	<b>2.00%</b>
Local Boards	Barrie Police Services	\$ 56,072,321	\$ 57,292,783	\$ 57,292,783	\$ 58,945,250	\$ 1,652,467	2.88%
	Barrie Public Library	\$ 8,307,148	\$ 9,075,471	\$ 9,075,471	\$ 9,373,110	\$ 297,639	3.28%
	Draw from DC Reserves	\$ -	\$ (160,000)	\$ (160,000)	\$ (160,000)	\$ -	0.00%
	<b>Tax Funded</b>	<b>\$ 8,307,148</b>	<b>\$ 8,915,471</b>	<b>\$ 8,915,471</b>	<b>\$ 9,213,110</b>	<b>\$ 297,639</b>	<b>3.34%</b>
	<b>Total - Tax Funded</b>	<b>\$ 64,379,469</b>	<b>\$ 66,208,254</b>	<b>\$ 66,208,254</b>	<b>\$ 68,158,360</b>	<b>\$ 1,950,106</b>	<b>2.95%</b>
Other Service Partners & Grants	Physician Recruitment	\$ 61,056	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0.00%
	<b>Total - Tax Funded</b>	<b>\$ 61,056</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>0.00%</b>
Simcoe Muskoka District Health Unit	Simcoe Muskoka District Health Unit	\$ 1,936,652	\$ 1,939,627	\$ 1,939,627	\$ 1,977,920	\$ 38,293	1.97%
	Province of Ontario	\$ (21,612)	\$ (17,500)	\$ (17,500)	\$ (17,500)	\$ -	0.00%
	<b>Total - Tax Funded</b>	<b>\$ 1,915,040</b>	<b>\$ 1,922,127</b>	<b>\$ 1,922,127</b>	<b>\$ 1,960,420</b>	<b>\$ 38,293</b>	<b>1.99%</b>
<b>Grand Total – Tax Funded</b>		<b>\$ 87,678,389</b>	<b>\$ 93,129,641</b>	<b>\$ 93,129,641</b>	<b>\$ 96,304,525</b>	<b>\$ 3,174,884</b>	<b>3.41%</b>

\*Numbers in the table may not add to total due to rounding.

The 2022 Police budget addresses the challenge of fiscal responsibility by implementing a human resource strategy which includes civilianization and strategic gapping of positions. The overall complement of sworn members will be consistent with 2021 despite the continued growth of the community. Areas of focus in 2022 will include partnerships within the City of Barrie's Community Safety and Well-Being Plan and ongoing investments in information technology including Body Worn Cameras. A decrease in revenue related to the ongoing pandemic as well as compliance with legislated directives which include Supporting Ontario's First Responders Act and Next Generation 911 continue to challenge budget requirements.

The Library budget increase reflects the full year operational needs of the new Holly branch. In 2021 the budget request only reflected a partial year of Holly branch operations, and this amount was further reduced by Council to reflect a later start.

The City is a member of a tri-party Municipal Services Agreement along with the County of Simcoe and the City of Orillia for services delivered by the County of Simcoe. The tax funded cost for the City's share of services is expected to increase by \$1.2 million for 2022.

Costs associated with the County's Capital Program are budgeted in the City's Capital Budget to smooth year over year costs. As these capital projects are funded from the City's County of Simcoe Capital Reserve and Development Charge Reserves there is no direct impact to the 2022 tax levy beyond the contribution to the County of Simcoe Capital Reserve. The contribution to the County of Simcoe Capital Reserve has been increased by \$750 thousand for a total contribution of \$3.8 million in 2022. The County has recently updated their Long-Range Financial Plan and an increasing contribution over the next few years is required in order to meet the funding obligations for the County's capital program.





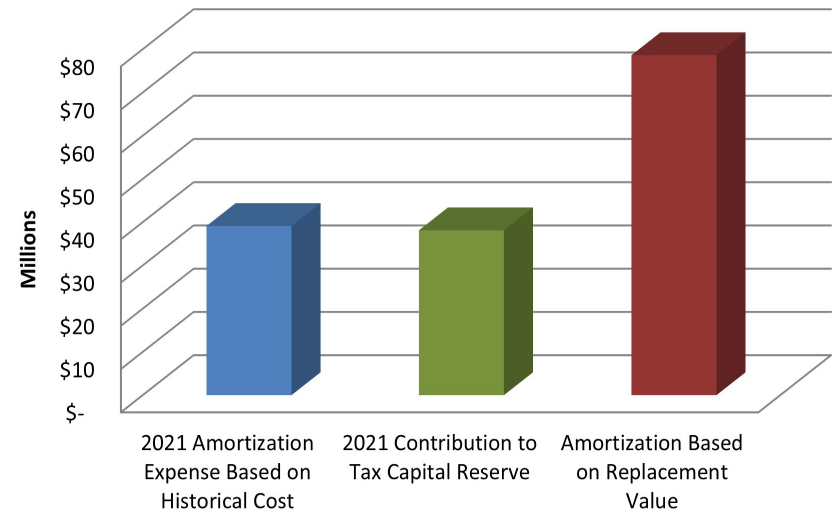
## Dedicated Infrastructure Renewal Fund

The City's proposed Tax supported budget includes a \$2.2 million increase related to the Dedicated Infrastructure Renewal Funding.

The City of Barrie owns approximately \$2.7 billion in infrastructure, based on historical costs. The current dollar value of this infrastructure is considerably higher, at more than \$5 billion in replacement costs. The City's annual requirements for repairing and rehabilitating aging infrastructure are considerably higher than current funding levels resulting in a significant backlog in infrastructure renewal. The condition of infrastructure has a direct impact on service levels as well as the reputation of the City. The Dedicated Infrastructure Renewal Funding portion of the annual tax capital reserve contribution was approved by the Council starting in the 2015 budget year to address the significant backlog of infrastructure renewal work. Council's direction prescribes an annual increase to the reserve contribution equivalent to a 1% property tax increase for the typical residential taxpayer. However, in efforts to reduce the tax burden for residents because of the pandemic, Council directed the contribution increase to be cut by \$1.9 million to 0.25% in the 2021 budget year. In 2022 Council has directed that the contribution remains lowered at a rate of 0.75%. This funding will be used to increase infrastructure rehabilitation for tax-supported infrastructure – roads, sidewalks, parks, buildings, fleet, and equipment. As presented to Council in the City's updated Long Range Financial Plan in October 2021, the City's Reserves are under pressure and not increasing the dedicated infrastructure renewal funding contribution to 1% will only widen the infrastructure gap.

The following chart shows the estimated amortization expenses for tax-supported infrastructure in 2021 based on historical costs for the City of \$39.1 million. The transfer to the capital reserve in 2021 of \$38.1 million was just a slightly lower than the amortization expense. However, amortization expense is based on historical values which are significantly lower than replacement cost. Using an average inflationary rate based on the Consumer Price Index, the replacement value of the tax supported non-growth existing infrastructure yields an annual amount of \$78.6 million, resulting in an annual shortfall of over \$40 million.

## Tax Supported Annual Infrastructure Gap



## 2022 OPERATING BUDGET - PERMANENT STAFF COMPLEMENT CONTINUITY (TAX BASE)

The City's staff complement is essential to the provision of the services that residents rely upon. The 2021 permanent tax-funded staff complement consisted of 859 individuals. The 2022 business plan includes requests for permanent staff that would increase the complement by eight new positions to 867. Detailed business cases supporting the requests for additional complement are found in the New Investment & Service Recommendations section of the binder.

Division/Department	2020 Total Approved Complement	2021 Total Approved Complement	2022 Recommended New Investments Impact			2022 Recommended New Investments Complement Funding Source					2022 Recommended Complement		
			FT	PPT	Total	Tax	Non-Tax	Water	Wastewater	Parking	FT	PPT	Total
<b>Office of the Mayor &amp; CAO</b>													
Office of the Mayor & CAO	4	4									4		4
Internal Audit	2	2									2		2
Legal Services	11	11									11		11
Human Resources	18	20									20		20
	<b>35</b>	<b>37</b>	-	-	-	-	-	-	-	-	<b>37</b>	-	<b>37</b>
<b>Infrastructure &amp; Growth Management</b>													
General Manager's Office	2	1									1		1
Economic & Creative Development	10	11									11		11
Business Performance & Environmental Sustainability	15	17									16	1	17
Building Services	33	33									32	1	33
Corporate Asset Management	10	12									12		12
Development Services	37	53									53		53
Infrastructure	46	46	1		1	0.20	0.80				47		47
Operations	133	121	2		2	2.00					121	2	123
	<b>288</b>	<b>294</b>	<b>3</b>	-	<b>3</b>	<b>2.20</b>	<b>0.80</b>	-	-	-	<b>293</b>	<b>4</b>	<b>297</b>
<b>Community &amp; Corporate Services</b>													
General Manager's Office	2	2									2		2
Facilities Department	44	45	1		1	0.67		0.20	0.12		46		46
Legislative & Court Services	88	89	2		2	2.00					72	19	91
Finance	50	52	1		1	1.00					53		53
Recreation & Culture Services	67	67									66	1	67
Barrie Fire & Emergency Services	183	187									183	4	187
	<b>434</b>	<b>442</b>	<b>4</b>	-	<b>4</b>	<b>3.67</b>		<b>0.20</b>	<b>0.12</b>	-	<b>422</b>	<b>24</b>	<b>446</b>
<b>Access Barrie</b>													
Access Barrie Admin	2	2									2		2
Customer Service	18	19									17	2	19
Marketing & Communications	8	8	1		1	1.00					8		8
Transit & Parking Strategy	8	8									8		8
Information Technology	48	49									47	1	48
	<b>85</b>	<b>85</b>	<b>1</b>	-	<b>1</b>	<b>1.00</b>	-	-	-	-	<b>84</b>	<b>3</b>	<b>87</b>
<b>Total City Staff (Tax Base)</b>	<b>842</b>	<b>859</b>	<b>8</b>	-	<b>8</b>	<b>6.87</b>	<b>0.80</b>	<b>0.20</b>	<b>0.12</b>	-	<b>836</b>	<b>31</b>	<b>867</b>

Note 1: Non-tax funding sources includes capital project recovery with no tax impact. Department counts in the 2020 Total Approved Complement column reflect a re-organization that occurred early in the year.

## Forecasted Staff Resourcing Needs

As the City continues to grow in size and complexity, increased staff resources will be needed to meet the service demands. Access Barrie will require additional Customer Service Representatives, IT, and Transit staff to address increasing call volumes, expanded integration of systems, and more service areas including the operation of the new Allandale Transit Hub. Community and Corporate Services will require additional Fire Fighters, custodial, enforcement, and recreation staff as the number of facilities, programs, and increasing population drive more demand for those services. Infrastructure and Growth Management will need additional staff for planning and managing projects, as well as the maintenance and servicing of more roads, parks, stormwater, and plowing routes. The following table provides a preliminary estimate on staffing needs over the forecast years of 2023 to 2025.



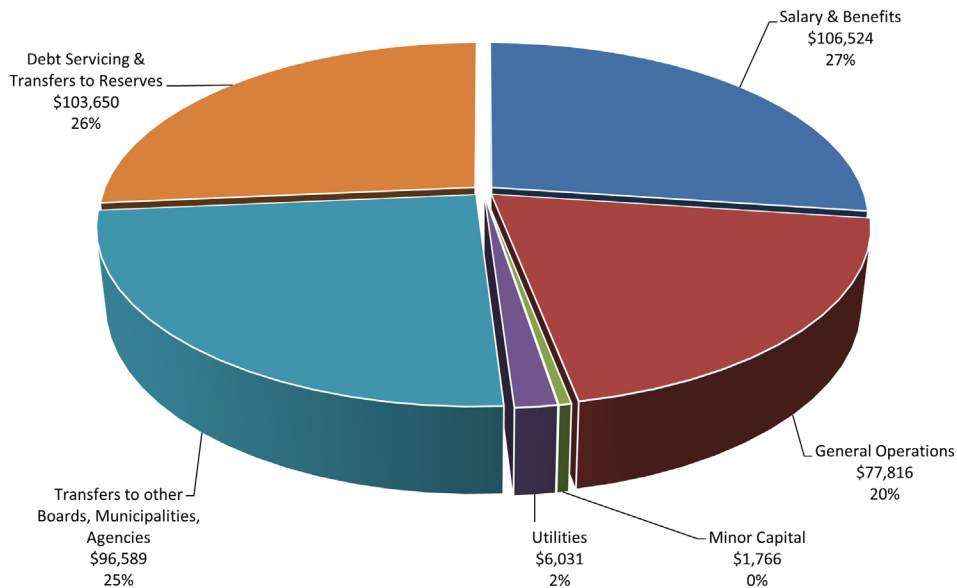
## STAFF RESOURCING PROJECTIONS

Division/Department	2023	2024	2025
<b>Access Barrie</b>			
Access Barrie Admin	0	0	0
Customer Service	1	1	2
Information Technology	3	2	2
Marketing & Comm.	1	0	0
Transit & Parking Strategy	5	1	1
	<b>10</b>	<b>4</b>	<b>5</b>
<b>CAO &amp; Mayor's Office</b>			
Human Resources	1	1	1
Internal Audit	0	0	0
Legal Services Department	0	0	0
Office of the CAO	0	0	0
Office of the Mayor	0	0	0
	<b>1</b>	<b>1</b>	<b>1</b>
<b>Community &amp; Corporate Services</b>			
Barrie Fire & Emergency Services	0	11	10
Facilities Department	3.5	1	0
Finance Department	2	2	2
GM of Community & Corporate Services	0	0	0
Legislative & Court Services	1	1	1
Recreation and Culture Services	0	1	14
	<b>6.5</b>	<b>16</b>	<b>27</b>
<b>Infrastructure &amp; Growth Management</b>			
Building Services	2	2	2
Business Performance & Environmental Sustainability	2	2	0
Corporate Asset Management	1	1	0
Development Services	5	0	0
Economic & Creative Development	2	1	1
GM Infrastructure & Growth Mgmt	1	0	0
Infrastructure Department	6	4	5
Operations	9	4	1
	<b>28</b>	<b>14</b>	<b>9</b>
<b>Grand Total</b>	<b>45.5</b>	<b>35</b>	<b>42</b>
<b>Estimated Salary &amp; Benefit Cost (\$90K per FTE)</b>	<b>\$4,095,000</b>	<b>\$3,150,000</b>	<b>\$3,780,000</b>
<b>Estimated Incremental Tax Rate Impact</b>	<b>1.4%</b>	<b>1.1%</b>	<b>1.3%</b>

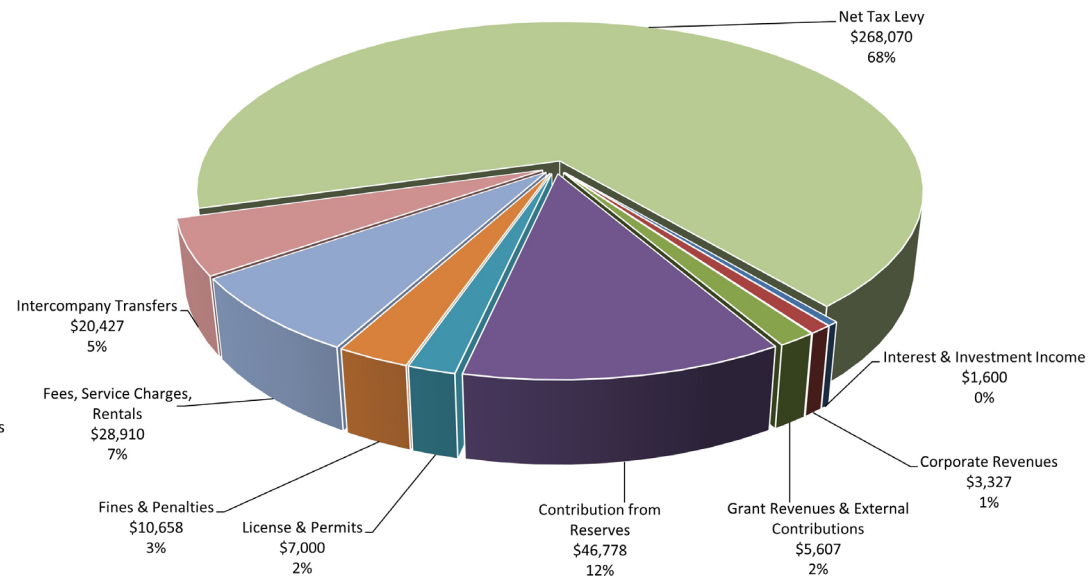
## Summary of Tax Operating Budget Expenses and Revenues

The 2022 requested Tax Operating budget results in an increase of \$24.2 million (6.6%) in gross expenditures with an equal and offsetting increase in planned revenues. The following charts show the breakdown of expenses and revenues:

**2022 Gross Expenditures - \$392M**  
(\$000s)



**2022 Sources of Operating Revenue - \$392M**  
(\$000s)



\*Numbers in the pie charts may not add to totals due to rounding.



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

	2022 – Budget		2022 – Base Budget		Base Budget Change		Net Change	2022 – New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)
<b>CAO &amp; Mayor's Office</b>														
Office of the CAO	\$ 707,504	\$ 681,504	\$ 687,757	\$ 661,757	\$ (19,747)	\$ (19,747)	-2.9%	\$ 0	\$ 0	\$ 687,757	\$ 661,757	\$ (19,747)	\$ (19,747)	-2.9%
Office of the Mayor	\$ 449,477	\$ 304,477	\$ 352,490	\$ 277,490	\$ (96,987)	\$ (26,987)	-8.9%	\$ 99,287	\$ 29,287	\$ 451,777	\$ 306,777	\$ 2,300	\$ 2,300	0.8%
Legal Services Department	\$ 2,021,128	\$ 1,882,078	\$ 2,057,044	\$ 1,919,624	\$ 35,916	\$ 37,546	2.0%	\$ 0	\$ 0	\$ 2,057,044	\$ 1,919,624	\$ 35,916	\$ 37,546	2.0%
Internal Audit	\$ 369,308	\$ 369,308	\$ 373,334	\$ 373,334	\$ 4,027	\$ 4,027	1.1%	\$ 0	\$ 0	\$ 373,334	\$ 373,334	\$ 4,027	\$ 4,027	1.1%
Human Resources	\$ 3,286,534	\$ 3,135,528	\$ 3,382,252	\$ 3,224,849	\$ 95,718	\$ 89,321	2.9%	\$ 8,193	\$ 8,193	\$ 3,390,445	\$ 3,233,042	\$ 103,910	\$ 97,514	3.1%
<b>Total</b>	<b>\$ 7,049,485</b>	<b>\$ 6,582,033</b>	<b>\$ 7,049,023</b>	<b>\$ 6,651,550</b>	<b>\$ (462)</b>	<b>\$ 69,517</b>	<b>1.1%</b>	<b>\$ 99,287</b>	<b>\$ 29,287</b>	<b>\$ 7,148,310</b>	<b>\$ 6,680,836</b>	<b>\$ 98,824</b>	<b>\$ 98,804</b>	<b>1.5%</b>
<b>Council &amp; Committees</b>														
City Council	\$ 751,032	\$ 758,032	\$ 772,722	\$ 787,722	\$ 21,691	\$ 29,691	3.9%	\$ 0	\$ 0	\$ 772,722	\$ 787,722	\$ 21,691	\$ 29,691	3.9%
Committees	\$ 71,290	\$ 71,290	\$ 88,950	\$ 88,950	\$ 17,660	\$ 17,660	24.8%	\$ 0	\$ 0	\$ 88,950	\$ 88,950	\$ 17,660	\$ 17,660	24.8%
<b>Total</b>	<b>\$ 822,322</b>	<b>\$ 829,322</b>	<b>\$ 861,672</b>	<b>\$ 876,672</b>	<b>\$ 39,351</b>	<b>\$ 47,351</b>	<b>5.7%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 861,672</b>	<b>\$ 876,672</b>	<b>\$ 39,351</b>	<b>\$ 47,351</b>	<b>5.7%</b>
<b>Access Barrie</b>														
Access Barrie Admin	\$ 345,195	\$ 345,195	\$ 358,112	\$ 358,112	\$ 12,917	\$ 12,917	3.7%	\$ 0	\$ 0	\$ 358,112	\$ 358,112	\$ 12,917	\$ 12,917	3.7%
Customer Service	\$ 1,762,361	\$ 1,235,918	\$ 1,802,757	\$ 1,260,393	\$ 40,397	\$ 24,475	2.0%	\$ 0	\$ 0	\$ 1,802,757	\$ 1,260,393	\$ 40,397	\$ 24,475	2.0%
Marketing & Comm.	\$ 1,334,562	\$ 1,039,669	\$ 1,319,726	\$ 1,122,146	\$ (14,835)	\$ 82,477	7.9%	\$ 43,938	\$ (31,000)	\$ 1,363,664	\$ 1,091,146	\$ 29,103	\$ 51,477	5.0%
Information Technology	\$ 9,889,298	\$ 8,443,333	\$ 10,342,246	\$ 8,736,792	\$ 452,948	\$ 293,459	3.5%	\$ 6,750	\$ 6,750	\$ 10,348,996	\$ 8,743,542	\$ 459,698	\$ 300,209	3.6%
Transit & Parking Strategy	\$ 21,625,080	\$ 13,572,735	\$ 22,467,926	\$ 13,917,850	\$ 842,846	\$ 345,116	2.5%	\$ 200,067	\$ 154,614	\$ 22,667,993	\$ 14,072,464	\$ 1,042,913	\$ 499,730	3.7%
<b>Total</b>	<b>\$ 34,956,496</b>	<b>\$ 24,636,849</b>	<b>\$ 36,290,768</b>	<b>\$ 25,395,294</b>	<b>\$ 1,334,273</b>	<b>\$ 758,444</b>	<b>3.1%</b>	<b>\$ 250,755</b>	<b>\$ 130,364</b>	<b>\$ 36,541,523</b>	<b>\$ 25,525,658</b>	<b>\$ 1,585,028</b>	<b>\$ 888,808</b>	<b>3.6%</b>
<b>Community &amp; Corporate Services</b>														
GM of Community & Corporate Services	\$ 403,311	\$ 378,311	\$ 404,007	\$ 379,007	\$ 695	\$ 695	0.2%	\$ 0	\$ 0	\$ 404,007	\$ 379,007	\$ 695	\$ 695	0.2%
Finance Department	\$ 6,609,806	\$ 4,041,375	\$ 6,818,697	\$ 4,088,535	\$ 208,891	\$ 47,160	1.2%	\$ 58,476	\$ 58,476	\$ 6,877,173	\$ 4,147,011	\$ 267,367	\$ 105,636	2.6%
Barrie Fire & Emergency Service	\$ 27,777,196	\$ 27,507,060	\$ 29,122,112	\$ 28,038,592	\$ 1,344,915	\$ 531,533	1.9%	\$ 0	\$ 0	\$ 29,122,112	\$ 28,038,592	\$ 1,344,915	\$ 531,533	1.9%
Legislative & Court Services	\$ 10,310,351	\$ 2,965,339	\$ 10,878,306	\$ 3,099,111	\$ 567,955	\$ 133,772	4.5%	\$ 204,251	\$ 204,251	\$ 11,082,558	\$ 3,303,363	\$ 772,206	\$ 338,023	11.4%
Recreation & Culture Services	\$ 17,384,563	\$ 10,125,037	\$ 18,048,072	\$ 10,282,903	\$ 663,509	\$ 157,866	1.6%	\$ 0	\$ 0	\$ 18,048,072	\$ 10,282,903	\$ 663,509	\$ 157,866	1.6%
Facilities Department	\$ 13,867,513	\$ 2,120,740	\$ 14,476,275	\$ 2,304,823	\$ 608,763	\$ 184,084	8.7%	\$ 121,622	\$ 94,895	\$ 14,597,897	\$ 2,399,718	\$ 730,384	\$ 278,978	13.2%
<b>Total</b>	<b>\$ 76,352,740</b>	<b>\$ 47,137,863</b>	<b>\$ 79,747,468</b>	<b>\$ 48,192,972</b>	<b>\$ 3,394,728</b>	<b>\$ 1,055,109</b>	<b>2.2%</b>	<b>\$ 384,350</b>	<b>\$ 357,623</b>	<b>\$ 80,131,817</b>	<b>\$ 48,550,594</b>	<b>\$ 3,779,078</b>	<b>\$ 1,412,732</b>	<b>3.0%</b>

\*Numbers in the table may not add to total due to rounding.

	2022 – Budget		2022 – Base Budget		Base Budget Change		Net Change	2022 – New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)
<b>Infrastructure &amp; Growth Management</b>														
Economic & Creative Development	\$ 2,764,035	\$ 2,165,137	\$ 2,553,713	\$ 2,177,017	\$ (210,323)	\$ 11,880	0.5%	\$ 0	\$ 0	\$ 2,553,713	\$ 2,177,017	\$ (210,323)	\$ 11,880	0.5%
Building Services	\$ 3,549,044	\$ (0)	\$ 4,283,349	\$ 0	\$ 734,306	\$ 0	-131.1%	\$ 0	\$ 0	\$ 4,283,349	\$ 0	\$ 734,306	\$ 0	-131.1%
GM Infrastructure & Growth Mgmt	\$ 445,381	\$ 445,381	\$ 316,749	\$ 316,749	\$ (128,632)	\$ (128,632)	-28.9%	\$ 0	\$ 0	\$ 316,749	\$ 316,749	\$ (128,632)	\$ (128,632)	-28.9%
Infrastructure Department	\$ 3,819,416	\$ 1,248,373	\$ 4,038,158	\$ 1,264,848	\$ 218,743	\$ 16,476	1.3%	\$ (2,711)	\$ (2,711)	\$ 4,035,447	\$ 1,262,137	\$ 216,031	\$ 13,765	1.1%
Corporate Asset Management	\$ 1,736,415	\$ 1,056,981	\$ 1,934,270	\$ 1,075,205	\$ 197,855	\$ 18,225	1.7%	\$ 0	\$ 0	\$ 1,934,270	\$ 1,075,205	\$ 197,855	\$ 18,225	1.7%
Operations	\$ 39,775,595	\$ 32,701,908	\$ 41,100,284	\$ 34,333,392	\$ 1,324,689	\$ 1,631,484	5.0%	\$ 379,550	\$ 379,550	\$ 41,479,835	\$ 34,712,942	\$ 1,704,239	\$ 2,011,035	6.1%
Development Services	\$ 9,997,336	\$ 6,606,428	\$ 10,809,912	\$ 6,777,272	\$ 812,577	\$ 170,844	2.6%	\$ 0	\$ 0	\$ 10,809,912	\$ 6,777,272	\$ 812,577	\$ 170,844	2.6%
Business Performance & Environmental Sustainability	\$ 2,831,758	\$ 1,925,842	\$ 3,182,006	\$ 2,155,475	\$ 350,248	\$ 229,633	11.9%	\$ 0	\$ 0	\$ 3,182,006	\$ 2,155,475	\$ 350,248	\$ 229,633	11.9%
<b>Total</b>	<b>\$ 64,918,980</b>	<b>\$ 46,150,048</b>	<b>\$ 68,218,442</b>	<b>\$ 48,099,959</b>	<b>\$ 3,299,462</b>	<b>\$ 1,949,911</b>	<b>4.2%</b>	<b>\$ 376,839</b>	<b>\$ 376,839</b>	<b>\$ 68,595,281</b>	<b>\$ 48,476,798</b>	<b>\$ 3,676,301</b>	<b>\$ 2,326,750</b>	<b>5.0%</b>
<b>Divisional Tax Operating</b>	<b>\$ 184,100,022</b>	<b>\$ 125,336,114</b>	<b>\$ 192,167,373</b>	<b>\$ 129,216,446</b>	<b>\$ 8,067,351</b>	<b>\$ 3,880,332</b>	<b>3.1%</b>	<b>\$ 1,111,230</b>	<b>\$ 894,112</b>	<b>\$ 193,278,603</b>	<b>\$ 130,110,559</b>	<b>\$ 9,178,581</b>	<b>\$ 4,774,444</b>	<b>3.8%</b>
<b>Service Partners &amp; Grants</b>														
County of Simcoe	\$ 21,818,000	\$ 21,156,394	\$ 22,579,522	\$ 21,579,522	\$ 761,522	\$ 423,128	2.0%	\$ 0	\$ 0	\$ 22,579,522	\$ 21,579,522	\$ 761,522	\$ 423,128	2.0%
Simcoe Muskoka District Health Unit	\$ 1,939,627	\$ 1,922,127	\$ 1,977,920	\$ 1,960,420	\$ 38,293	\$ 38,293	2.0%	\$ 0	\$ 0	\$ 1,977,920	\$ 1,960,420	\$ 38,293	\$ 38,293	2.0%
Conservation Authorities	\$ 1,729,315	\$ 671,866	\$ 1,746,602	\$ 683,003	\$ 17,286	\$ 11,137	1.7%	\$ 0	\$ 0	\$ 1,746,602	\$ 683,003	\$ 17,286	\$ 11,137	1.7%
Local Boards	\$ 66,368,254	\$ 66,208,254	\$ 68,318,360	\$ 68,158,360	\$ 1,950,106	\$ 1,950,106	2.9%	\$ 0	\$ 0	\$ 68,318,360	\$ 68,158,360	\$ 1,950,106	\$ 1,950,106	2.9%
Lake Simcoe Regional Airport	\$ 111,000	\$ 111,000	\$ 113,220	\$ 113,220	\$ 2,220	\$ 2,220	2.0%	\$ 0	\$ 0	\$ 113,220	\$ 113,220	\$ 2,220	\$ 2,220	2.0%
Other Service Partners & Grants	\$ 477,000	\$ 60,000	\$ 605,000	\$ 60,000	\$ 128,000	\$ 0	0.0%	\$ 0	\$ 0	\$ 605,000	\$ 60,000	\$ 128,000	\$ 0	0.0%
<b>Total</b>	<b>\$ 92,443,196</b>	<b>\$ 90,129,641</b>	<b>\$ 95,340,624</b>	<b>\$ 92,554,525</b>	<b>\$ 2,897,427</b>	<b>\$ 2,424,884</b>	<b>2.7%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 95,340,624</b>	<b>\$ 92,554,525</b>	<b>\$ 2,897,427</b>	<b>\$ 2,424,884</b>	<b>2.7%</b>
<b>Corporate Transactions</b>														
Corporate Expenses	\$ 91,603,535	\$ 53,637,198	\$ 103,757,038	\$ 59,114,605	\$ 12,153,503	\$ 5,477,407	10.2%	\$ 0	\$ 0	\$ 103,757,038	\$ 59,114,605	\$ 12,153,503	\$ 5,477,407	10.2%
Corporate Revenues	\$ 0	\$ (14,162,427)	\$ 0	\$ (13,709,394)	\$ 0	\$ 453,033	-3.2%	\$ 0	\$ 0	\$ 0	\$ (13,709,394)	\$ 0	\$ 453,033	-3.2%
<b>Total</b>	<b>\$ 91,603,535</b>	<b>\$ 39,474,771</b>	<b>\$ 103,757,038</b>	<b>\$ 45,405,210</b>	<b>\$ 12,153,503</b>	<b>\$ 5,930,440</b>	<b>15.0%</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 103,757,038</b>	<b>\$ 45,405,210</b>	<b>\$ 12,153,503</b>	<b>\$ 5,930,440</b>	<b>15.0%</b>
<b>Total Recommended Tax Operating Budget</b>	<b>\$ 368,146,754</b>	<b>\$ 254,940,526</b>	<b>\$ 391,265,035</b>	<b>\$ 267,176,182</b>	<b>\$ 23,118,281</b>	<b>\$ 12,235,656</b>	<b>4.8%</b>	<b>\$ 1,111,230</b>	<b>\$ 894,112</b>	<b>\$ 392,376,265</b>	<b>\$ 268,070,294</b>	<b>\$ 24,229,511</b>	<b>\$ 13,129,768</b>	<b>5.2%</b>

\*Numbers in the table may not add to total due to rounding.

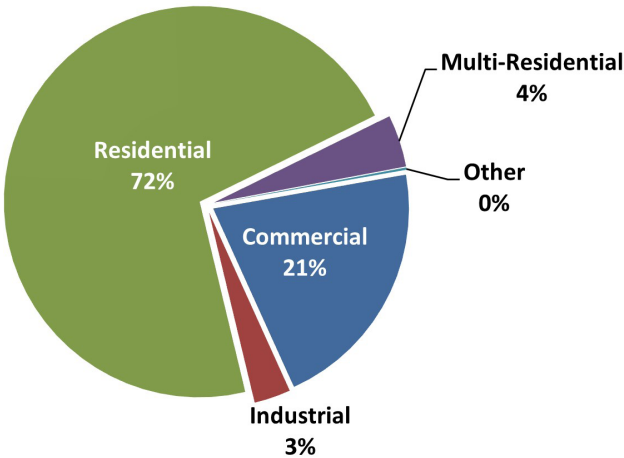
# Property Tax Revenue

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 2022 tax levy supporting municipal services and service partners by major property class.

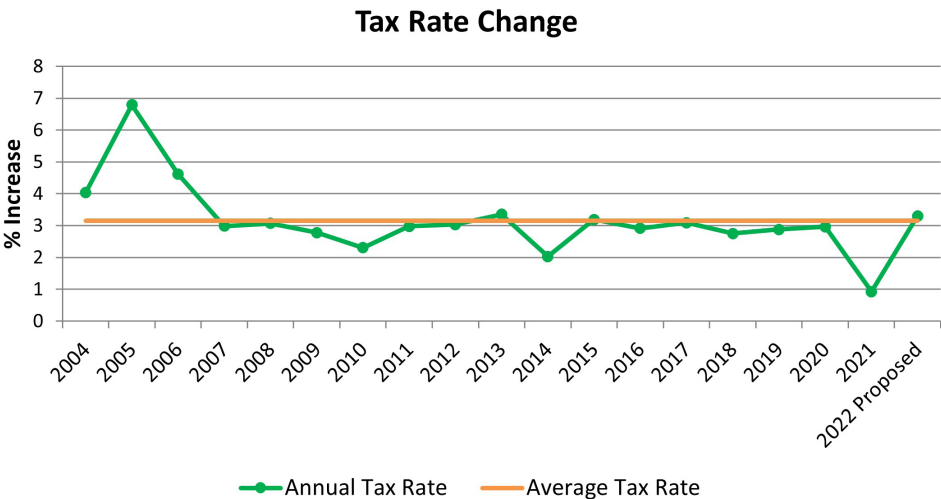
## 2022 Tax Levy

Commercial Industrial Residential Multi-Residential Other



# History of Tax Rate Changes

Since 2004 and including the recommended 2022 plan, the average annual residential property tax increase for a typical home in Barrie has been 3.16%.



## Forecasted Tax Rate Increases – Three Year Forecast

Staff have made best efforts to provide a three-year operating forecast for the 2022 Business Plan and will continue to refine the forecasting process to improve accuracy in future business plans. The Capital Budget includes assets and infrastructure that may have a direct impact on future operating budgets when placed into service.

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



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

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

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

Estimated Tax Rate Increase	
Year	Net Levy
2023	5.3%
2024	5.4%
2025	3.0%



## Water Operating Budget

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

The proposed 2022 Water Operations Budget reflects a rate increase of 3%. However, because new rates come into effect part way through the year, the effective annualized rate increase in 2022 will be 2.4% (\$8.75) for a typical household.

### Water Rate Impacts

Description	2022 Budget
<b>Prior Year Contribution to Water Capital Reserve</b>	<b>\$ 6,875,184</b>
Maintain current service levels	\$ (369,773)
Interfund Transfers	\$ (216,033)
<b>Contribution to WCR</b>	<b>\$ 6,289,378</b>
Increased Water Rate Revenue	\$ 904,719
<b>Contribution to WCR before Inv. &amp; Service Recommendations</b>	<b>\$ 7,194,097</b>
Investment & Service Recommendations	\$ (16,704)
<b>Adjusted Contribution to Reserves</b>	<b>\$ 7,177,392</b>

## Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$370 thousand in 2022. The cost of labour is expected to increase by \$177 thousand. The increase provides for cost of living provisions, merit increases for full time CUPE and non-union employees, and estimated increases for benefit rates.

Water rate revenue is expected to increase by \$905 thousand in 2022 based on consumption and flow patterns along with the proposed rate increase.

## Interfund Expense

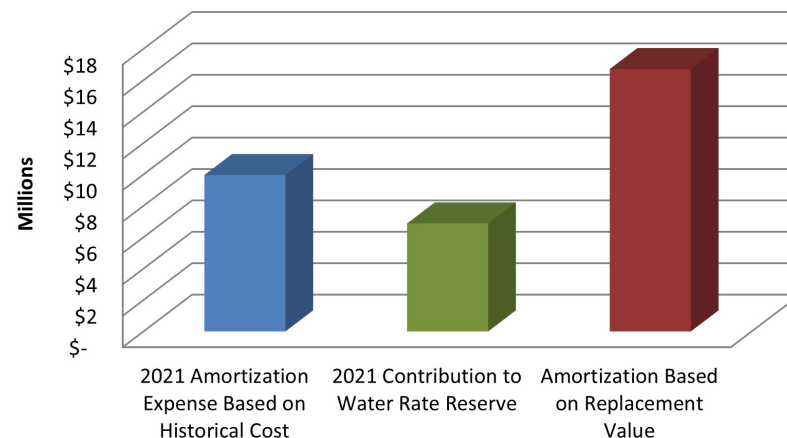
Interfund expenses are costs recovered between the City's primary operating funds (Tax, Water, Wastewater, and Parking). These costs are most commonly incurred in the tax fund and then recovered from the other funds (e.g. corporate overhead). Budgeted interfund expenses will increase by \$216 thousand for 2022.

## Reserve Management

After considering proposed new investment and service recommendations, the contribution to the water capital reserve will be increased by \$302 thousand. The increase proposed for the 2022 budget will help support the sustainability of the City's drinking water infrastructure while keeping rate increases in line with historical norms.

The historical costs of the City's water assets total \$438 million compared to the replacement value of \$762 million based on applying inflation to the original construction costs. The following chart shows the estimated amortization expenses of \$10.0 million for water-supported infrastructure in 2021 based on historical costs for the City. In comparison, the budgeted transfer to the water capital reserve in 2021 of \$6.9 million was lower than the amortization expense by \$3.1 million. Furthermore, the estimated replacement depreciation cost of the water supported non-growth existing infrastructure in the amount of \$16.7 million extends the annual shortfall to over \$9.8 million.

## Water Rate Supported Annual Infrastructure Gap



## Investment and Service Recommendations

The proposed 2022 Water budget includes new investment and service recommendations at a cost of \$17 thousand for water's proportionate share of a permanent Climate Change Coordinator.



## 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 \$905 thousand is required to maintain the current service levels as described above. Factors impacting the rate increase for a typical household include total water revenue requirement and changes to assumptions for consumption, service connections, and growth. For a typical household that consumes 180 cubic metres annually, the annualized cost of water services in 2022 are estimated to be \$374 (\$365 in 2021). This represents a 2.4% or \$8.75 annual increase over 2021.

### Residential Water Rates

Bi-monthly Consumption	2021 Rates	2022 Rates
0 - 30 cubic metres	\$ 1.1062 per m3	\$ 1.1394 per m3
30 – 60 cubic metres	\$ 2.2125 per m3	\$ 2.2789 per m3
60 – 90 cubic metres	\$ 3.3187 per m3	\$ 3.4183 per m3
> 90 cubic metres	\$ 4.4250 per m3	\$ 4.5578 per m3
<b>Fixed Charge by Service Size</b>		
16 to 19 mm	\$ 28.03	\$ 28.88

### General Service Water Rates

Monthly Consumption	2021 Rates	2022 Rates
0 - 15 cubic metres	\$ 1.1062 per m3	\$ 1.1394 per m3
> 15 cubic metres	\$ 1.6594 per m3	\$ 1.7092 per m3
<b>Fixed Charge by Service Size</b>		
13 to 19 mm	\$ 14.02	\$ 14.44
25 to 32 mm	\$ 35.05	\$ 36.10
38 mm	\$ 70.11	\$ 72.21
50 mm	\$ 112.17	\$ 115.54
75 mm	\$ 245.37	\$ 252.73
100 mm	\$ 420.66	\$ 433.28
150 mm	\$ 876.36	\$ 902.65
200 mm	\$ 1,121.73	\$ 1,155.38
250 mm	\$ 1,612.51	\$ 1,660.89
300 mm	\$ 1,612.51	\$ 1,660.89

## Staff Complement

Currently, 70 staff members are required to directly support Water Operations. There are no new positions recommended in the 2022 operating budget.

### 2022 Operating Budget – Permanent Staff Complement Continuity (Water User Rate)

Departmental Branch	Total 2020 Approved Complement	Total 2021 Approved Complement	2022 Recommended New Investment Impact			2022 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Water Operations	70	70	–	–	–	70	–	70

Department counts in the 2020 Total Approved Complement column reflect a re-organization that occurred early in the year."

**WATER METER READINGS**

You can now view your daily water consumption online.

Sign in using your Account Number and Meter ID. You can find this information on any of your water bills.

This service is available to all City of Barrie water customers. Once you have logged in you can see your daily usage by week, month, year or by custom date range as far back as one year.

**LOG IN**

ACCOUNT NUMBER  
METER NUMBER

☐ Remember my login information.

**Water Wastewater Bill**

Service Address:  
123 SAMPLE DR  
BARRIE ON L4M 4T5

ACCOUNT NUMBER: 000111111 - 000222222

AMOUNT DUE: \$15.00

BILL DATE: Sep 1, 2011

SERVICE PERIOD: From July 28, 2011 to September 8, 2011

READING DATE	METER NUMBER	NUMBER OF DAYS	CURRENT READING	PREVIOUS READING
September 8, 2011	000888888	42	5,500	5,350

**Previous Account Balance**

Payments: \$15.00  
Adjustments: \$0.00  
Balance Forward: \$0.00

**Current Charges**

Description	Amount	Charge
Water	15.00	14.34
Service Charge	0.00	12.61
Waste Water	15.00	15.00
Waste Water Subtotal	15.00	14.41
Other Charges	0.00	0.00

**Legal**

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**Questions?**

If you have any questions about this website or about your water consumption [please refer to this Frequently Asked Questions](#), or contact the Water Billing Branch.

Water Operations Branch | 20 Royal Parkside Drive, Barrie | Telephone: 705-792-7920 | Fax: 705-792-7921 | Email: [water@barrie.ca](mailto:water@barrie.ca)



## 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.

The proposed 2022 Wastewater Operations Budget reflects a rate increase of 5.0%. However, because new rates come into effect part way through the year, the effective annualized rate increase in 2022 will be 3.03% (\$15.61) for a typical household.

### Wastewater Rate Impacts

Description	2022 Budget
<b>Prior Year Contribution to Wastewater Capital Reserve</b>	<b>\$ 16,308,322</b>
Maintain current service levels	\$ (197,240)
Interfund Transfers	\$ (433,840)
<b>Contribution to WWCR</b>	<b>\$ 15,677,242</b>
Increased Wastewater Rate Revenue	\$ 1,660,354
<b>Contribution to WWCR before Inv. &amp; Service Recommendations</b>	<b>\$ 17,337,596</b>
<b>Investment &amp; Service Recommendations</b>	<b>\$ (10,023)</b>
<b>Adjusted Contribution to Reserves</b>	<b>\$ 17,327,573</b>

### Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$197 thousand in 2022. The cost of labour is expected to increase by \$141 thousand for 2022. The increase provides for cost-of-living provisions, merit increases for full time CUPE and non-union employees, and estimated increases for benefit rates.

Wastewater rate revenue is expected to increase by \$1.7 million in 2022 based on consumption and flow patterns along with the proposed rate increase.

### Interfund Expenses

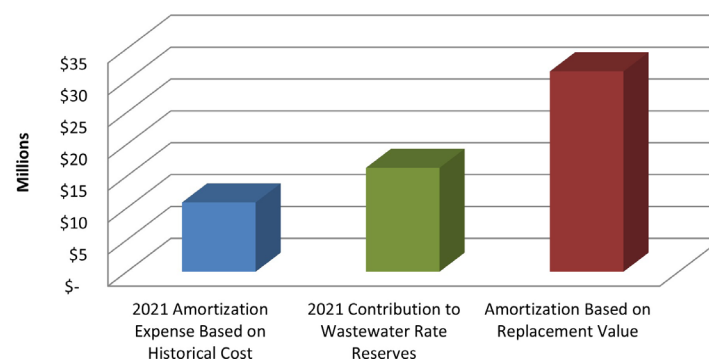
Interfund expenses are costs recovered between the City's primary operating funds (Tax, Water, Wastewater, and Parking). These costs are most commonly incurred in the tax fund and then recovered from the other funds (e.g. corporate overhead). Budgeted interfund expenses will decrease by \$434 thousand for 2022.

## Reserve Management

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

The historical costs of the City's Wastewater assets total \$564 million compared to the replacement value of \$1.2 billion. The Wastewater rate supported infrastructure gap presented in the following chart shows that the contribution to reserve of \$16.3 million to the wastewater capital reserve exceeds the annual amortization expense of the current wastewater infrastructure based on historical cost of \$10.9 million. However, the amortization based on the replacement values in consideration of the annual inflationary rate according to the Consumer Price Index, estimated at \$31.4 million, yield a funding gap of over \$15 million.

### Wastewater Rate Supported Annual Infrastructure Gap



### Investment and Service Recommendations

The proposed 2022 Wastewater budget includes new investment and service recommendations at a cost of \$10 thousand for Wastewater proportional share of a Climate Change Coordinator.

## 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 \$1.7 million is required to maintain the current service levels as described above. Factors impacting the rate increase for a typical household include total wastewater revenue requirement and changes to assumptions for consumption, service connections, and growth. For a typical household that consumes 180 cubic metres annually, the annualized cost of wastewater services in 2022 are estimated to be \$531 (\$515 in 2021). This represents a 3.03% or \$15.61 increase over 2021.

### Residential Wastewater Rates

Bi-monthly Consumption	2021 Rates	2022 Rates
0 - 30 cubic metres	\$ 1.5974 per m3	\$ 1.6773 per m3
30 – 60 cubic metres	\$ 2.7156 per m3	\$ 2.8514 per m3
60 – 90 cubic metres	\$ 2.7156 per m3	\$ 2.8514 per m3
> 90 cubic metres	N/A	N/A
<b>Fixed Charge by Service Size</b>		
16 to 19 mm	\$ 37.92	\$ 39.81

### General Service Wastewater Rates

Monthly Consumption	2021 Rates	2022 Rates
0 - 15 cubic metres	\$ 1.5213 per m3	\$ 1.5973 per m3
> 15 cubic metres	\$ 2.2822 per m3	\$ 2.3963 per m3
<b>Fixed Charge by Service Size</b>		
13 to 19 mm	\$ 18.96	\$ 19.91
25 to 32 mm	\$ 47.40	\$ 49.77
38 mm	\$ 94.81	\$ 99.55
50 mm	\$ 151.70	\$ 159.28
75 mm	\$ 331.82	\$ 348.41
100 mm	\$ 568.96	\$ 597.40
150 mm	\$ 1,185.05	\$ 1,244.30
200 mm	\$ 1,516.86	\$ 1,592.71
250 mm	\$ 2,180.49	\$ 2,289.51
300 mm	\$ 2,180.49	\$ 2,289.51

## Staff Complement

Currently, 40 staff members are required to directly support Wastewater Operations. There are no new positions recommended in the 2022 operating budget.

### 2022 Operating Budget – Permanent Staff Complement Continuity (Wastewater User Rate)

Departmental Branch	Total 2020 Approved Complement	Total 2021 Approved Complement	2022 Recommended New Investment Impact			2022 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Wastewater Operations	39	40	1	–	1	40	–	40

Department counts in the 2020 Total Approved Complement column reflect a re-organization that occurred early in the year.



## Parking Operating Budget

The 2022 Parking Operating Budget reflects the costs associated with the operations and maintenance of parking lots, parking structure and assets.

The parking service is intended to be self-sustaining through user pay revenue. The previous operating model for the service has proven unable to generate sufficient revenue to meet the cost of annual operations on an ongoing basis. With the approved parking strategy (20-G-168) allowing for upcoming changes to the pricing structure, the parking service financial sustainability will improve over time. However, the impact of the pandemic on parking revenues has put pressure on the Parking rate, and continued shortfalls are expected for 2022.

### Parking Rate Impacts

Description	2022 Budget
<b>Prior Year Draw from Parking Capital Reserve</b>	<b>\$ (625,288)</b>
Maintain current service levels	\$ (111,054)
Interfund Transfers	\$ (34,073)
<b>Draw from PCR</b>	<b>\$ (770,415)</b>
Decreased Parking Rate Revenue	\$ (660,000)
<b>Draw from PCR before Inv. &amp; Service Recommendations</b>	<b>\$ (1,430,415)</b>
Investment & Service Recommendations	\$ -
<b>Adjusted Draw from Reserves</b>	<b>\$ (1,430,415)</b>

### Maintain Current Service Levels

The direct operating cost for the parking service has increased \$111 thousand over 2021 mainly because of additional resources required to accommodate the expanded and changing parking system including the reallocation of staff resources, additional signage, and maintenance.

Interdepartmental transfers have increased by \$34 thousand (or 1.93%) over 2021. These costs consist of corporate overhead and direct support for assets such as parking structures. The increase is due to additional support required for paid parking operations.

## Parking Rate Revenue

In 2022 the municipal parking system expects to realize \$1.3 million in revenue from parking meter fees and parking permits. This is a decrease of \$660 thousand over the previous year and is due to anticipated revenue shortfalls in the downtown due to COVID 19.

## Parking Reserve

Parking Operations continues to generate an operating deficit requiring a draw from the Parking Reserve to balance the parking budget. For 2022, the draw from the reserve is expected to be \$1.4 million. This is an increase of \$805 thousand from 2021.

The net deficit in parking operations yields insufficient funding in the Parking rate reserve to maintain the current parking rate supported infrastructure with annual amortization based on historical cost of \$500 thousand.

## Staff Complement

Currently, 4 staff are required to directly support Parking Operations. There are no new positions recommended in the 2022 operating budget.

### 2022 Operating Budget – Permanent Staff Complement Continuity (Parking User Rate)

Departmental Branch	Total 2020 Approved Complement	Total 2021 Approved Complement	2022 Recommended New Investments Impact			2022 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Parking Operations	4	4	–	–	–	4	–	4

Department counts in the 2020 Total Approved Complement column reflect a re-organization that occurred early in the year.



## Financial Condition – Reserve Management

From the table below, the City's Capital reserves on a consolidated basis have an average overcommitted balance of \$45.9 million over the next five years. Committed reserve balances reflect project budgeted spending (amount and timing) as approved by Council through previous capital plans and in-year adjustments. While reserves are overcommitted, the timing of actual costs and revenues have historically lagged commitments resulting in reported reserve balances that are much higher than would be expected based solely on the timing of commitments.

### Consolidated Reserve and Reserve Fund Forecast

	2021	2022	2023	2024	2025	2026
Beginning Balance	\$ 186,713,430	\$ (9,986,441)	\$ (23,753,635)	\$ (71,334,461)	\$ (114,817,926)	\$ (3,382,776)
CFWD Capital Commitments	\$ (219,927,591)	\$ -				
Approved Commitments	\$ (86,401,406)	\$ (72,757,161)	\$ (29,403,869)	\$ (6,459,681)	\$ -	\$ -
Requested Commitments	\$ -	\$ (45,844,623)	\$ (45,303,177)	\$ (24,371,105)	\$ (11,028,854)	\$ (5,485,581)
Forecasted Commitments	\$ -	\$ -	\$ (83,467,055)	\$ (138,171,643)	\$ (196,060,137)	\$ (214,621,057)
Non-Capital Commitments	\$ (40,358,105)	\$ (48,208,379)	\$ (48,552,830)	\$ (50,895,079)	\$ (55,878,040)	\$ (55,878,040)
<b>Total Commitments / Draws</b>	<b>\$ (346,687,101)</b>	<b>\$ (166,810,162)</b>	<b>\$ (206,726,931)</b>	<b>\$ (219,897,509)</b>	<b>\$ (262,967,031)</b>	<b>\$ (275,984,678)</b>
Contributions to Reserves	\$ 149,987,230	\$ 153,042,968	\$ 159,146,105	\$ 176,414,044	\$ 374,402,180	\$ 263,146,969
<b>Uncommitted/(Overcommitted) Reserve Balance</b>	<b>\$ (9,986,441)</b>	<b>\$ (23,753,635)</b>	<b>\$ (71,334,461)</b>	<b>\$ (114,817,926)</b>	<b>\$ (3,382,776)</b>	<b>\$ (16,220,486)</b>

With Barrie's population expected to grow to 210,000 by 2031, the City is investing heavily in growth-related infrastructure over the next number of years.

While these investments are critical to opening the City for growth and bringing many benefits to the community through projects like Watercourse Improvements, the McKay Road Expansion, and the Operations Centre Master Plan, the City is facing significant challenges balancing the cost of growth with available financial resources.

The timing of new development has not occurred as anticipated and the City's development charge reserves are significantly overcommitted. As a result, an additional \$95 million of new budgeted debt has been budgeted over the next 4 years. Based on the recent long range financial plan, it is expected the City will need substantially more debt if development charge revenues continue to significantly lag growth capital costs. Even with the additional budgeted debt of \$95 million, the development charge reserves are expected to remain over-committed for several years while large growth-related infrastructure projects are undertaken to prepare lands in the secondary plan area for development.

## Capital Reserve Forecasts

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

The continuity reserve tables on the following pages show the projected year-end balances of each reserve. The draws from reserves are captured from forecasts proposed in the 2022 Capital and Operating budgets.

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



## Development Charge Reserve Funds

Development Charges are used to pay for growth related infrastructure and any associated debt servicing costs. The City's proposed 2022 Capital Budget has been updated with the most current Development Charge Background Study rates and reflects the recommended investment in new and existing infrastructure to support the City's planned growth.

The required draws from DC Reserves for 2022 are projected to be \$158.7 million. These draws assume that DC eligible expenditures will be funded with cash, directly from the DC Reserves. However, DC Reserves are currently in a deficit position and with revenues not coming in at the expected rate thus far, the deficit balance is expected to increase considerably in the near term. As result, \$95 million in new Development Charge Funded debt has been budgeted over the next 4 years to reduce pressure on the City's cash position. If Development Charge revenues continue to lag development costs of new infrastructure, as identified in the recent update to the City's long range financial plan, substantially more debt will be needed putting the City's credit rating at risk by 2029. At the present time, it is important to maintain offsetting positive reserve balances across the rest of the City's reserve portfolio to maintain adequate working capital for projects and operations.

For the 5-year forecast starting in 2022, it is projected the City will be drawing \$603.7 million from the DC reserves to directly cash flow capital projects. Major projects planned during this period include the completion of the new highway 400 crossing at McKay Rd, the construction of a new Wastewater Administration Facility aligned with the expansion of the Wastewater Treatment Facility capacity to support city growth, and the support of the County of Simcoe Capital Program for Social Housing & Community Services.

Existing annual debt payments associated primarily with the Water plant, Wastewater plant expansion, and the Bio-solids facility, will be drawing over \$21.5 million from DC reserves in 2022. In addition, there's \$2.4 million debt servicing cost resulting from a portion of the new \$95 million DC debt identified in the 2022 Capital Plan over the next four years.

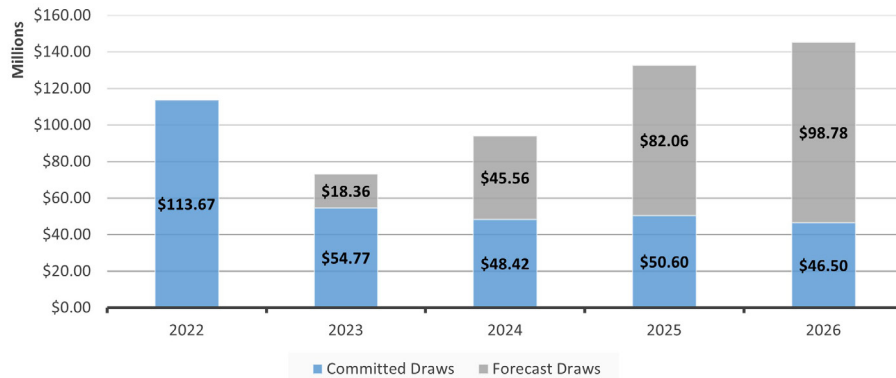
Based on current development activity and projections from the development community, DC revenues for 2022 are projected to reach \$53.5 million. The City's cashflow impact is highlighted in the accompanying table. While DC revenues are identified with a 5-year total of \$559.9 million, the revenues are significantly back-ended, leaving the DC Reserves in a deficit much longer than originally anticipated.

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

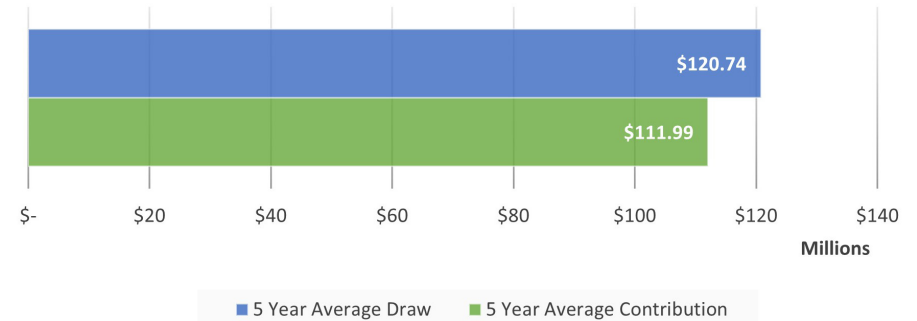




## Development Charge Reserves Committed and Forecasted Draws



## Development Charge Reserves 5 year Average Draw and Contribution



DC Reserves	2022	2023	2024	2025	2026
Beginning Balance	\$ (20,286,058)	\$ (125,417,113)	\$ (145,434,501)	\$ (172,608,558)	\$ (58,408,464)
Draws: Previous Commitments	\$ (109,177,482)				
Draws: 2021 Business Plan	\$ (25,137,832)	\$ (42,767,895)	\$ (56,526,924)	\$ (88,776,893)	\$ (101,397,772)
Draws: Debt Servicing Cost	\$ (24,355,742)	\$ (30,369,492)	\$ (37,447,132)	\$ (43,883,013)	\$ (43,883,013)
Contributions: 2021 Business Plan	\$ 53,540,000	\$ 53,120,000	\$ 66,800,000	\$ 246,860,000	\$ 139,620,000
<b>Uncommitted / (Overcommitted) Reserve Balance</b>	<b>\$ (125,417,113)</b>	<b>\$ (145,434,501)</b>	<b>\$ (172,608,558)</b>	<b>\$ (58,408,464)</b>	<b>\$ (64,069,249)</b>

## 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, storm sewers/ponds, parks, facilities, landfill, as well as many strategic projects. The Tax Capital Reserve is also used to fund the non-Development Charge eligible portion of growth projects, often referred to as benefit to existing.

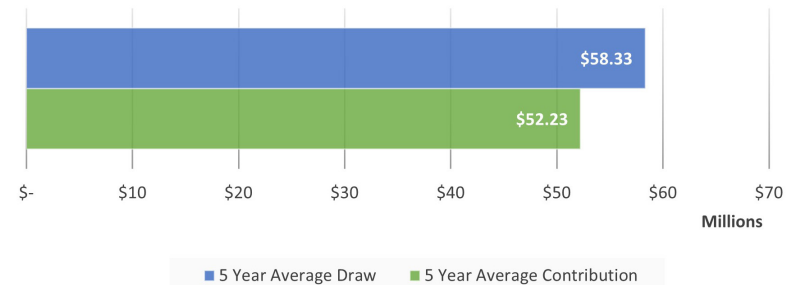
The 2022 contribution to the Tax Capital Reserve is driven by the Reserve and Reserve Fund Management Policy which was updated in 2015 to include an annual contribution equivalent to a 1% increase on the typical residential property tax bill; this contribution is referred to as the Dedicated Infrastructure Renewal Funding. However, in efforts to reduce the tax burden for residents, Council directed the contribution increase to be cut by \$1.9 million to 0.25% in the 2021 budget year. In 2022 Council has directed that the contribution remains lowered at a rate of 0.75%. The City's recent Long Range Financial Plan has identified the City's reserves as inadequate to support the City's asset management needs. As a result, if the Dedicated Infrastructure Fund is not returned to the 1% annual increase, the City will need substantial tax supported debt in the future.

Other components of the contribution include 20% of the Barrie Hydro Holdings Dividend, and the forecasted revenue commitments made by the development community through the MOU. This developer's commitment is based on the type of unit being built and is payable at building permit. It is expected the City will have collected \$26.5 million by 2025. These additional revenues will be used to fund growth related projects that are ineligible for Development Charge funding. However, there is a risk that a portion of the \$26.5 million will not be collectable as a result of legislative changes. This would put further pressure on the Tax Capital Reserve.

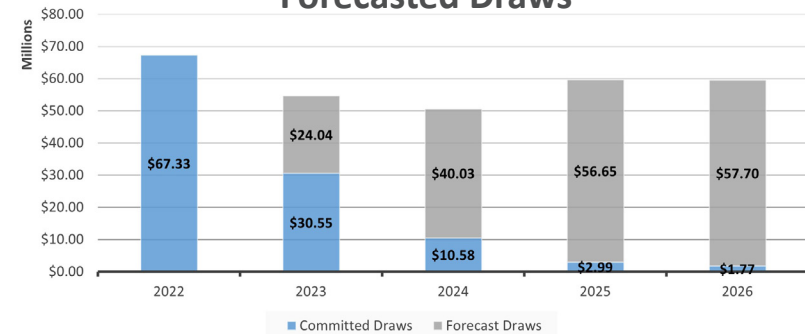
The tax-based contribution for the proposed 2022 budget has increased by \$2.2 million for a total contribution of \$40.4 million. Over the next 5 years starting in 2022, the total contribution to the Tax Capital Reserve is forecasted at \$261.2 million, including the MOU capital contribution.

Including previous commitments, the proposed 2022 Capital Plan draws a total of \$291.6 million from the Tax Capital Reserve. Some of the larger projects included in the plan are the final costs associated with multiple neighborhood reconstructions in compliance with the Historic Neighborhood Strategy, Watercourse improvements on Innisfil St to Lakeshore Dr, and Dunlop Street Road Reconstruction.

### Tax Capital Reserve 5 year Average Draw and Contribution



### Tax Capital Reserve Committed and Forecasted Draws



Tax Capital Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 23,642,186	\$ (1,334,671)	\$ (10,249,427)	\$ (12,029,463)	\$ (8,824,416)
Draws: Previous Commitments	\$(22,260,564)				
Draws: 2022 Business Plan	\$(45,074,103)	\$(54,592,542)	\$ (50,609,354)	\$ (59,639,001)	\$ (59,470,010)
Contributions: MOU Capital	\$ 1,980,000	\$ 2,380,000	\$ 2,580,000	\$ 13,640,000	\$ 9,350,000
Contributions: 2022 Business Plan	\$ 40,377,811	\$ 43,297,786	\$ 46,249,317	\$ 49,204,049	\$ 52,104,049
<b>Uncommitted / (Overcommitted) Reserve Balance</b>	<b>\$ (1,334,671)</b>	<b>\$ (10,249,427)</b>	<b>\$ (12,029,463)</b>	<b>\$ (8,824,416)</b>	<b>\$ (6,840,377)</b>

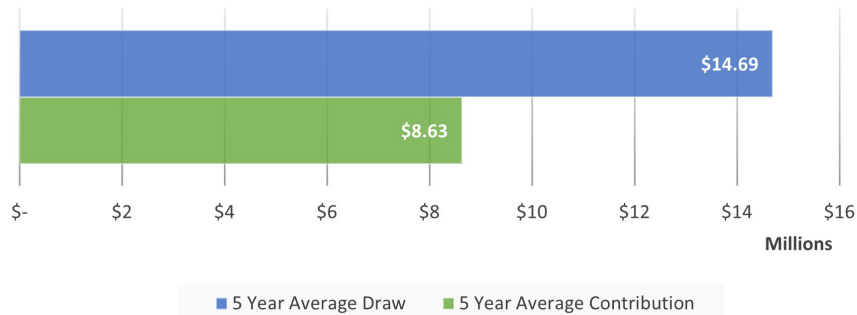
## Water Capital Reserve Fund

The Water Capital Reserve is used to fund water rate supported growth and asset renewal related capital works (e.g. replacement of water pipes). The Water Capital Reserve is projected to have a deficit balance of \$3.5 million at the end of 2022, which represents a reduction of \$11.0 million compared to 2021.

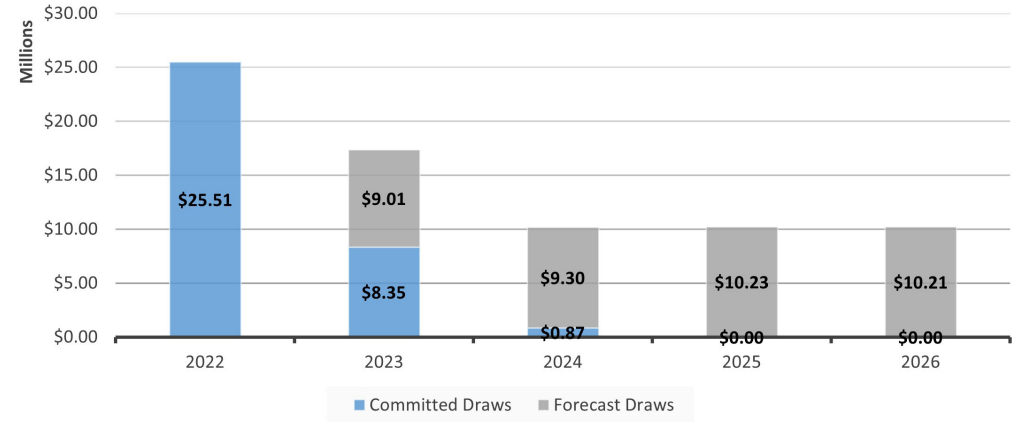
Over the period 2022 to 2025, including previous commitments, the total draws from the Water Capital Reserve are forecasted to be \$73.5 million. Some of the largest projects funded from the Water Capital Reserve are the Watermain renewal program, the Watermain Cathodic Protection Program, and the Surface Water Treatment Plant (SWTP) Control System Upgrade.

In the same 5-year period, total contributions are forecasted at \$42.7 million.

### Water Capital Reserve 5 year Average Draw and Contribution



### Water Capital Reserve Committed and Forecasted Draws



Water Capital Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 14,874,972	\$ (3,453,467)	\$ (13,094,850)	\$ (14,672,105)	\$ (15,311,586)
Draws: Previous Commitments	\$ (10,606,453)				
Draws: 2022 Business Plan	\$ (14,899,379)	\$ (17,356,732)	\$ (10,166,097)	\$ (10,232,115)	\$ (10,208,455)
Contributions: 2022 Business Plan	\$ 7,177,392	\$ 7,715,349	\$ 8,588,842	\$ 9,592,633	\$ 10,092,633
Uncommitted / (Overcommitted) Reserve Balance	\$ (3,453,467)	\$ (13,094,850)	\$ (14,672,105)	\$ (15,311,586)	\$ (15,427,408)

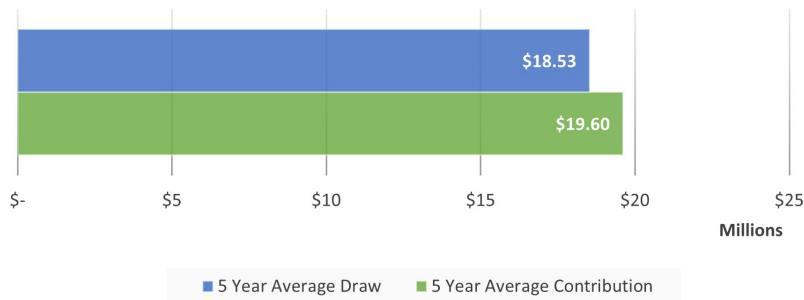
## Wastewater Capital Reserve Fund

The Wastewater Capital Reserve is used to fund wastewater rate supported growth and asset renewal related capital work (e.g. replacement of sewer pipes). The Wastewater Capital Reserve is projected to have a balance of \$53.8 million at the end of 2022.

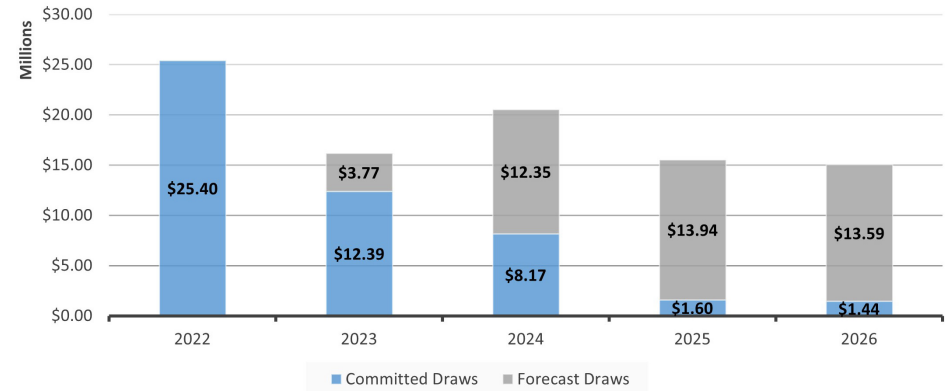
Over the 5-year forecast period, including previous commitments, the total draws from the Wastewater Capital Reserve are forecasted to be \$92.7 million. Some of the main projects funded from the Wastewater Capital Reserve included in the 2022 Capital plan are the advanced nutrient removal system, biosolids storage upgrades, and the construction of a new Wastewater Administration Facility aligned with the expansion of the Wastewater Treatment Facility capacity to support city growth.

Over the same 5-year period, total contributions are forecasted at \$97.4 million.

### Wastewater Capital Reserve 5 year Average Draw and Contribution



## Wastewater Capital Reserve Committed and Forecasted Draws



Wastewater Capital Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 61,842,361	\$ 53,767,065	\$ 55,959,136	\$ 55,069,731	\$ 60,579,295
Draws: Previous Commitments	\$ (10,045,154)				
Draws: 2022 Business Plan	\$ (15,357,715)	\$ (16,159,875)	\$ (20,522,716)	\$ (15,537,508)	\$ (15,033,031)
Contributions: 2022 Business Plan	\$ 17,327,573	\$ 18,351,947	\$ 19,633,310	\$ 21,047,072	\$ 21,647,072
Uncommitted / (Overcommitted) Reserve Balance	\$ 53,767,065	\$ 55,959,136	\$ 55,069,731	\$ 60,579,295	\$ 67,193,336



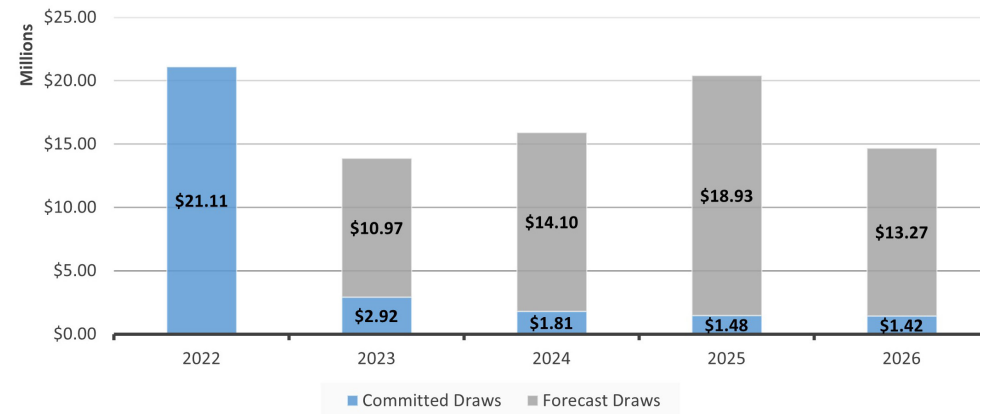
## Federal Gas Tax Reserve

The Federal Gas Tax has been committed as a permanent transfer to municipalities. In addition to the amount allocated in the capital budget, Federal Gas Tax funds are being utilized in the operating budget for stormwater treatment and pond maintenance, roads lifecycle works, facility condition assessments, GIS data strategy and acquisition, etc. The City works towards an optimal balance between capital and operating when allocating the funding, which can be used up to 5 years after transfer to the municipality.

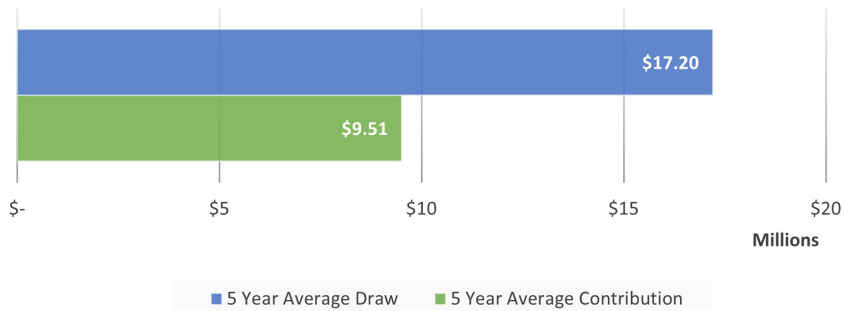
Including previous commitments, the total draw from this reserve between 2022 and 2026, is projected to be \$86.0 million. The most significant commitment of \$37.3 million over the next 5 years is the Road Resurfacing Program to restore and preserve road pavement conditions at various locations selected each year. Other large projects funded from the Federal Gas Tax in the 2022 Capital Plan are the replacement and expansion of the Dyments Creek culvert on Bradford Street as well as the Gunn Street ROW Replacement.

Over the same 5-year period, expected contributions are forecasted at \$47.6 million.

## Federal Gas Tax Reserve Committed and Forecasted Draws



## Federal Gas Tax Reserve 5 year Average Draw and Contribution



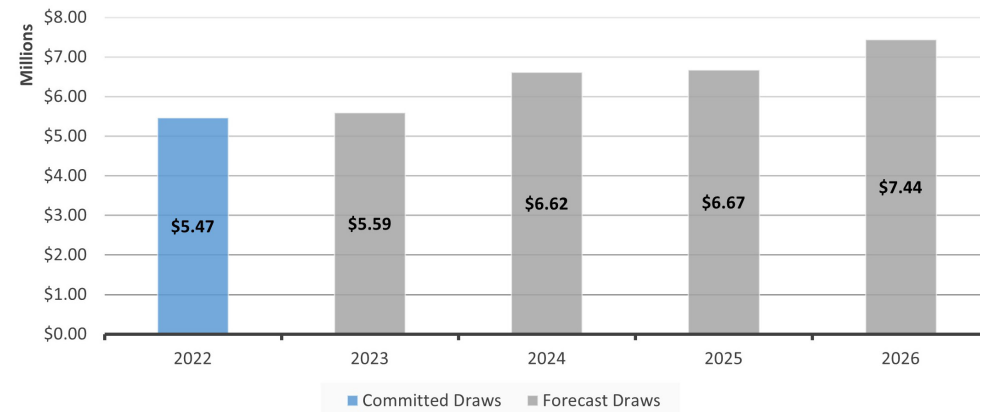
Federal Gas Tax Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 23,682,276	\$ 11,547,160	\$ 7,021,190	\$ 660,247	\$ (10,013,048)
Draws: Previous Commitments	\$ (9,851,079)				
Draws: 2022 Business Plan	\$ (11,255,238)	\$ (13,887,224)	\$ (15,909,422)	\$ (20,412,743)	\$ (14,696,180)
Contributions: 2022 Business Plan	\$ 8,971,202	\$ 9,361,254	\$ 9,548,479	\$ 9,739,449	\$ 9,934,238
Uncommitted / (Overcommitted) Reserve Balance	\$ 11,547,160	\$ 7,021,190	\$ 660,247	\$ (10,013,048)	\$ (14,774,990)

## County of Simcoe Capital Reserve

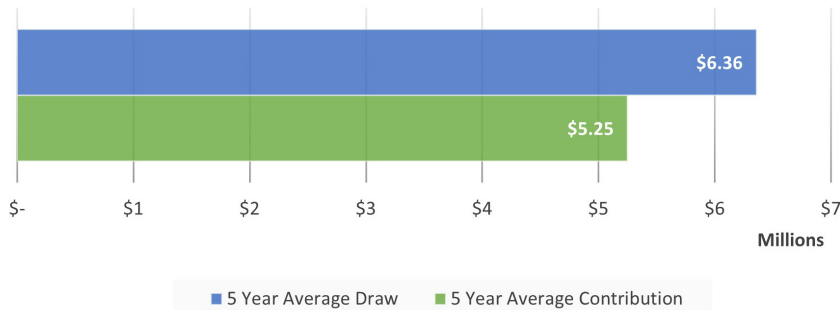
The County of Simcoe (CoS) Capital Reserve supports the City's contributions towards the County of Simcoe's capital plan related to paramedic services, long-term care homes and social housing. Additionally, this reserve supports the City of Barrie's commitments related to non-profit housing provider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

The County has recently updated its Long-Range Financial Plan which includes increased capital requirements to address growth pressures. As a result, the City will see increasing draws against this reserve. Incremental increases to the reserve contribution will be required over the next few years to build up to an adequate funding level to support the City's capital obligations. The reserve is expected to have a growing deficit over the 5-year horizon. However, this will stabilize and recover soon after the 5-year period if the planned increases to reserve contributions are followed.

## CoS Capital Reserve Committed and Forecasted Draws



## CoS Capital Reserve 5 year Average Draw and Contribution



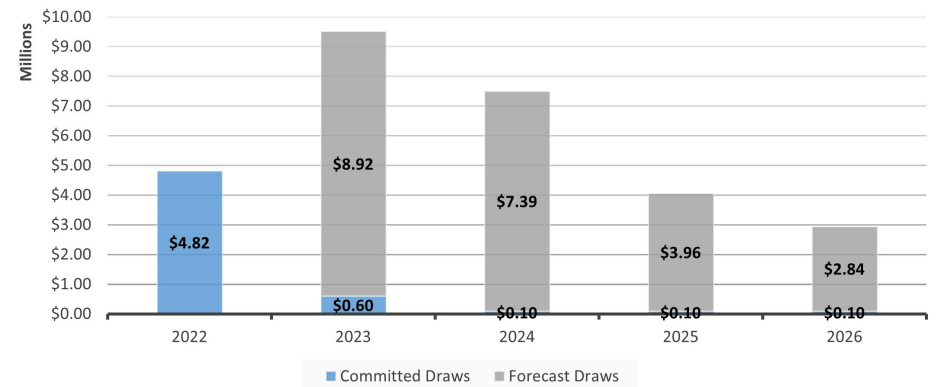
CoS Capital Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ (1,058,871)	\$ (2,775,365)	\$ (3,868,900)	\$ (5,234,340)	\$ (5,905,226)
Draws: Previous Commitments	\$ (1,450,209)				
Draws: 2022 Business Plan	\$ (4,016,285)	\$ (5,593,535)	\$ (6,615,440)	\$ (6,670,886)	\$ (7,442,786)
Contributions: 2022 Business Plan	\$ 3,750,000	\$ 4,500,000	\$ 5,250,000	\$ 6,000,000	\$ 6,750,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (2,775,365)	\$ (3,868,900)	\$ (5,234,340)	\$ (5,905,226)	\$ (6,598,012)

## Cash-in-lieu Parkland Reserve

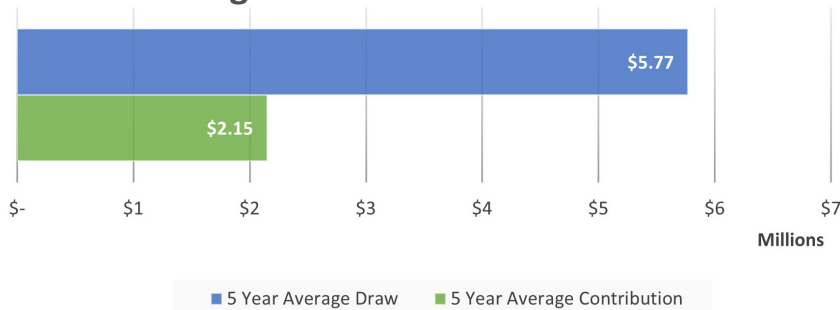
The Cash-in-lieu Parkland reserve provides funding for land acquisition, improvement and repair of public parks and places for recreational purposes. Under Section 42 of the Planning Act a municipality may require, as a condition of development, that land be conveyed to the municipality, or the Council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

The ending balance of the Cash-in-lieu Parkland Reserve is projected to have a declining trend over the next five years. The East Bayfield Community Centre Flat Roof Replacement is planned to be supported by the reserve, along with capital playground revitalization and Allandale Recreation Centre Large Pool Heating System Replacement.

## Cash-in-lieu Parkland Reserve Committed and Forecasted Draws



## Cash-in-lieu Parkland Reserve 5 year Average Draw and Contribution



Cash-in-lieu Parkland Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 20,256,887	\$ 17,441,443	\$ 9,993,233	\$ 4,649,633	\$ 2,812,033
Draws: Previous Commitments	\$ (1,951,694)				
Draws: 2022 Business Plan	\$ (2,863,750)	\$ (9,518,210)	\$ (7,493,600)	\$ (4,057,600)	\$ (2,946,020)
Contributions: 2022 Business Plan	\$ 2,000,000	\$ 2,070,000	\$ 2,150,000	\$ 2,220,000	\$ 2,300,000
<b>Uncommitted / (Overcommitted) Reserve Balance</b>	<b>\$ 17,441,443</b>	<b>\$ 9,993,233</b>	<b>\$ 4,649,633</b>	<b>\$ 2,812,033</b>	<b>\$ 2,166,013</b>

## Fleet Replacement Reserve

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

This reserve will receive seed funding from existing capital reserves (Tax, Water, and Wastewater) over the next two years of \$3 million annually. Additional annual contributions will also come from operating budgets in Tax, Water and Wastewater to establish an adequate reserve balance for the future funding requirements.

The Fleet Replacement Reserve is projected to have a balance of \$3.0 million at the end of 2022. From 2022 to 2026 the total draws are forecast to be \$21.8 million. Over the same 5-year period, total contributions are forecast at \$17.8 million. The last two budget cycles have seen the proposed contribution increase to this reserve cut which is resulting in the projected deficit balance over the 5-year forecast. Reinstating the contribution increase is necessary to address the replacement of the City's aging fleet and reduce repair and maintenance expenses that result when vehicles are used beyond their lifespan.

Fleet Replacement Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 2,782,606	\$ 2,980,661	\$ 3,076,256	\$ 621,851	\$ (882,554)
Draws: Financing	\$ (761,945)	\$ (1,814,405)	\$ (1,814,405)	\$ (1,814,405)	\$ (1,052,460)
Draws: Capital Purchase	\$ (3,500,000)	\$ (3,000,000)	\$ (3,000,000)	\$ (2,500,000)	\$ (2,500,000)
Contributions: Capital	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
Contributions: Operating	\$ 1,460,000	\$ 1,910,000	\$ 2,360,000	\$ 2,810,000	\$ 3,260,000
<b>Uncommitted / (Overcommitted) Reserve Balance</b>	<b>\$ 2,980,661</b>	<b>\$ 3,076,256</b>	<b>\$ 621,851</b>	<b>\$ (882,554)</b>	<b>\$ (1,175,014)</b>

## Reinvestment Reserve

The Reinvestment Reserve (formerly Community Benefit Reserve) was established in 2017 to fund projects and initiatives deemed to have significant strategic and / or community benefit. It is funded by 80% of the dividends received from Barrie Hydro Holdings Inc. (BHHI) to a maximum balance of \$10 million.

The contribution to the reserve is estimated at \$25.5 million in total for the period 2022 - 2026, with an annual contribution of approximately \$5.1 million. In 2021 Council directed staff to transfer \$2.5 million annually from the Reinvestment Reserve into the newly established Theatre Reserve to fund the Fisher Auditorium Redevelopment, which is scheduled to begin the design phase in 2022, with construction in 2025 and 2026. On the operating side, contributions from the Reinvestment Reserve are allocated to the 2022 Community Improvement Program (\$1 million), funding of \$1 million to mitigate one-time costs and to smooth volatile expenditures under the growth strategy approved in 2020, and a \$2.5 million contribution to offset the tax levy net budget increase. Council directed staff to use at least \$1 million dollars for this purpose in 2022 when passing the previous budget. In order to achieve a tax rate closer to Council's directions it was necessary to use a larger amount, and the forecasted reserve balance supports the \$2.5 million draw for 2022 given that the projected balance climbs above the \$10 million cap for this reserve by the end of 2025.

Reinvestment Reserve	2022	2023	2024	2025	2026
Beginning Balance	\$ 11,597,046	\$ 8,844,586	\$ 8,241,956	\$ 9,301,518	\$ 10,949,008
Draws: 2022 Business Plan	\$ (7,495,000)	\$ (5,475,070)	\$ (4,069,000)	\$ (3,750,000)	\$ (3,750,000)
Contributions: 2022 Business Plan	\$ 4,742,540	\$ 4,872,440	\$ 5,128,562	\$ 5,397,490	\$ 5,397,490
<b>Uncommitted / (Overcommitted) Reserve Balance</b>	<b>\$ 8,844,586</b>	<b>\$ 8,241,956</b>	<b>\$ 9,301,518</b>	<b>\$ 10,949,008</b>	<b>\$ 12,596,498</b>



## Rate Stabilization Reserves

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

Some of the planned capital commitments to the Tax Rate Stabilization reserve in 2022 include the Feasibility Study, Rehabilitation and Replacement options of Johnson St. Well #13, and updates to the Waterfront, Marina & Parks Master Plan to respond to a growing population. On the operating side, funding from the reserve is planned to smooth the impact of growth.

## Tourism Reserve

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

Tourism Barrie is budgeting lower MAT revenues in 2022 due to the effect of the pandemic on the tourism industry. The main concern for recovery is the loss of the sport tourism market and lack of tournaments and sporting events. Predictions are that the return to travel and tourism will not reach pre-COVID levels until late 2022, with business travel, meeting and conference travel not returning until 2023.

The ending balance of the Tourism reserve is estimated to be \$568 thousand at the end of 2022. The forecasted contribution includes the City's 50% portion of the collected municipal accommodation tax next year, estimated at \$510 thousand. Funding for the Tourism Development Coordinator, Downtown Countdown and the Winterfest programming, account for the commitments to the Tourism reserve in 2022. Should the City be successful in its bid to host the Tim Horton's Brier in 2023 or 2024, there will be additional draws that would eliminate any short-term balance in the Tourism reserve.



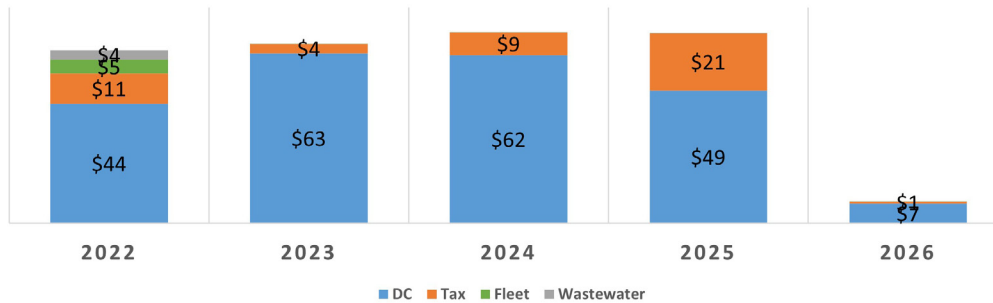
## DEBT MANAGEMENT

### Forecasted Debt Issuance

The following table represent the projects funded by debentures in the 2022 budget in the amount of \$64.2 million. The timing and size of debentures ultimately issued are subject to change based on status of the projects, market conditions and financial requirements of the City.

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 (\$ millions)**



Project ID	Project	2022
FC1262	Operations Centre Master Plan - Land Purchase	\$ 14,000,000
RFP1156	Fleet Renewal Program 2022	\$ 5,191,000
FC1215	WWTF Innovation Center-2022	\$ 3,840,000
EN1164	Bell Farm Road ROW Expansion - St. Vincent to Duckworth-22	\$ 3,767,823
EN1127	WwTF Biosolids Storage Tank Mixers	\$ 3,548,000
EN1271	Mapleview Dr E Road Expansion - East of Yonge to Prince William (City)-22	\$ 3,418,525
FC1264	Modular Supportive Housing Project	\$ 3,000,000
EN1286	Big Bay Point Road ROW Expansion - Bayview to Huronia-23	\$ 2,544,837
FC1064	Allandale Historic Train Station Development	\$ 2,075,284
EN1274	Bunkers Creek Culverts and Watercourse Improvements - Innisfil to Lakeshore-22	\$ 2,060,055
EN1097	Mapleview Drive East Improvements - Country Lane to Yonge (City)-22	\$ 1,871,388
EN1251	McKay Road New Interchange - Highway 400 (City)-DC	\$ 1,700,000
EN1277	Bryne Drive New Road Construction - Harvie to North of Caplan-22	\$ 1,667,000
FC1084	BFES Station 6 New Building Development-22	\$ 1,500,000
EN1169	Lovers Creek New Bridge - Tollendal Mill, 150m West of Coxmill	\$ 1,495,000
EN1469	Dunlop Street Bridge Sanitary - Sarjeant Drive to Anne Street-22	\$ 1,436,500
EN1314	Hurst Drive Pavement Rehabilitation - Cox Mill to Golden Meadow	\$ 1,429,698
EN1016	Tiffin Street - Ferndale to Anne Street-22	\$ 1,333,000
EN1013	Sunnidale: Letitia-Wellington Transmission Watermain-22	\$ 1,225,694
FC1147	BFES Station 4 Renovation	\$ 1,000,000
FC1059	BFES Station 3 Interior Renovations	\$ 900,000
EN1257	McKay Road ROW Expansion - Reid Drive to East of Highway 400 (Developer)	\$ 855,976
EN1166	Duckworth Street New Transmission Watermain and ROW Expansion - Bell Farm to St. Vincent-22	\$ 845,000
EN1256	McKay Road New Trunk Sanitary Sewer - Hwy 400 to Huronia (City)	\$ 756,382
EN1392	Essa Road Right of Way Expansion - Bryne to Fairview-22	\$ 668,340
EN1269	Kidds and Sophia Creek Storm Pond Upgrades - Irwin (KD03), Ford (KD06), and Ottaway (SP03)-22	\$ 606,150
EN1255	Huronia Road New Trunk Sanitary Sewer and Road Replacement - Lockhart to McKay (City)	\$ 536,317
EN1015	Essa Road Right of Way Expansion - Bryne to Fairview (outside of CAH limits)	\$ 459,576
EN1322	Anne Street Right of Way Expansion - Wellington to Edgehill (within CAH limits)-22	\$ 325,000
EN1276	Salem Road New Transmission Watermain and Road Expansion - County Road 27 to Dunn (Developer)	\$ 127,690
<b>Total</b>		<b>\$ 64,184,235</b>

## Forecasted Debt Levels

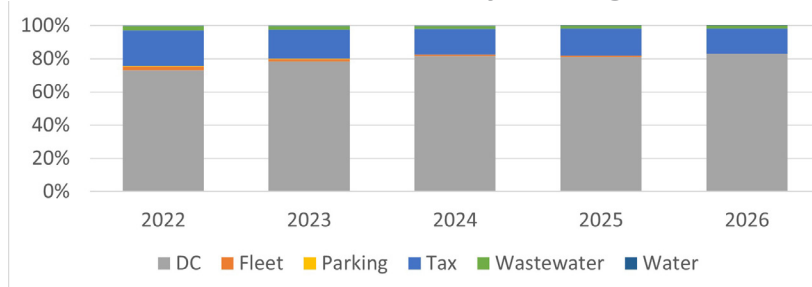
The chart below shows the anticipated debt balance for the next 5 years including the existing debt. The balance is expected to increase to a peak of \$451 million in 2025 as more DC supported debt is issued before declining to \$410 million as older debt matures. The long-range financial study identified the need for additional DC supported debt to fund growth that would result in higher than illustrated debt levels. This forecast includes an additional \$95 million of DC debt over the 2021 forecast. DC supported Debt is repaid by development charges, but only when that development revenue is received by the City.

**Forecasted Debt Levels Per Year (\$ millions)**



The following chart shows the funding mix of the anticipated debt liability.

**Forecasted Debt Levels by Funding Source**

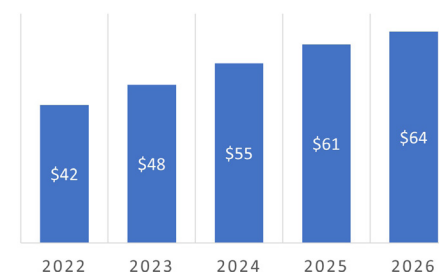


Growth related debt as a proportion of total outstanding debt is expected to increase to 83% from 73% over the next 5 years, meanwhile tax funded debt will decrease from 21% to 15% over the same period.

## Expected Debt Servicing Cost

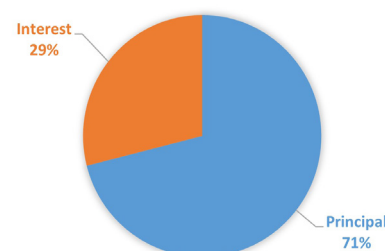
The projected debt servicing cost as illustrated in the following charts, which includes existing contractual obligations as well as expected futures cost, is based on market expectations for interest rates to remain near current levels against the backdrop of the risk of a protracted global economic downturn due to the pandemic. It is also dependent upon the assumed amortization, term and structure of the debentures to be issued. The charts below show the expected debt servicing cost by year.

**Expected Debt Servicing Cost (\$ millions)**

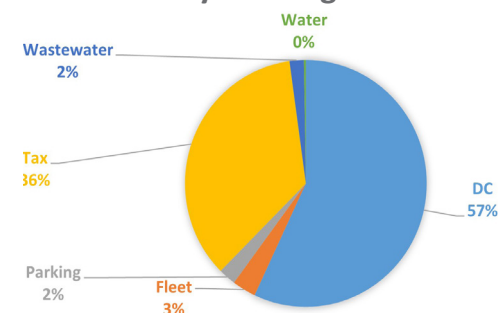


Debt servicing cost is estimated at \$42 million in 2022. Fifty seven percent (57%) or \$24 million of the 2022 debt servicing cost is funded from development charges and thirty five percent (35%) or \$14.9 million from tax as shown in the first pie chart below. \$42 million of the \$95 million in new DC debt is budgeted in 2022. This increased DC debt servicing cost by \$2.4 million, or half the annual cost, in 2022. The second pie chart below shows that 71% of the debt servicing cost consists of principal repayment. Hence more of the debt servicing cost is going towards principal repayment.

**2022 Debt Servicing Cost**



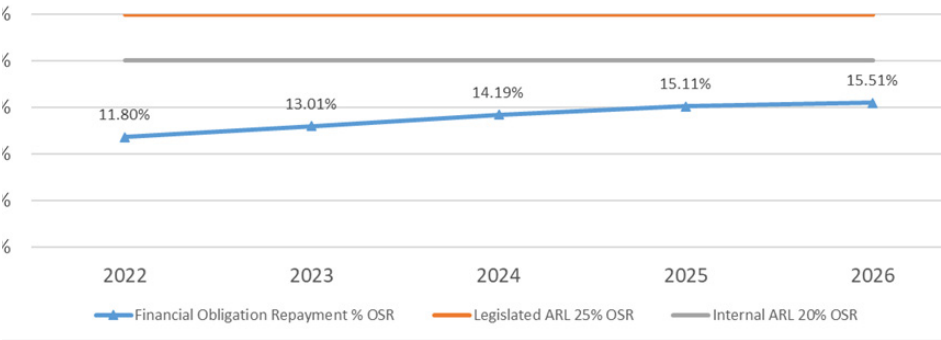
**2022 Debt Servicing Cost by Funding Source**



## 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.

Annual Repayment Limit



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

## 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 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	2014	2015	2016	2017	2018	2019	2020	2021 Forecast	2022 Budget
Financial Assets to Liabilities	0.57	0.52	0.62	0.72	0.72	0.71	0.76	0.82	0.81
Debt to Total Revenue	0.85	0.78	0.91	0.88	0.77	0.84	0.80	0.82	0.74
Debt to Reserves	2.22	2.34	2.37	2.32	1.97	1.78	1.63	2.34	2.93
Debt Per Household	\$ 5,423	\$ 5,488	\$ 5,825	\$ 5,739	\$ 5,394	\$ 6,060	\$ 5,807	\$ 6,046	\$ 5,863



## Flexibility

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

Flexibility Measures	2014	2015	2016	2017	2018	2019	2020	2021 Forecast	2022 Budget
Debt Charges to Total Revenue	7.36%	6.68%	7.48%	7.05%	7.80%	7.63%	8.22%	8.13%	9.46%
Municipal Taxes as a % of Household Income	3.55%	3.60%	3.68%	3.75%	3.93%	3.91%	3.74%	3.99%	3.90%
Total Municipal Revenue to Taxable Assessment	1.96%	1.95%	1.77%	1.76%	1.71%	1.66%	1.59%	1.61%	1.70%



## 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. 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.

As depicted in the table below, MTO funding in relation to the Duckworth-Cundles interchange impacted the City's vulnerability measure from 2014 to 2016, dropping off in 2017. A significant source of funding was then included in 2018 and the 2019 forecast for projects approved under the Clean Water Wastewater Fund (CWWF) Grant Program. In 2020, the City recognized \$6.3M of the \$9.2M Safe Restart Phase I funds from the provincial government to offset COVID-19 related costs, increasing the below metric. In 2021, additional COVID-19 Safe Restart funding is forecasted. As of Q2, 2021, the City had available \$6.4M in Safe Restart funding to be applied against COVID-19 expenses or revenue shortfalls. These funds are to be applied at year-end when the annual impact of the pandemic is known. At this time, no estimate for additional Safe Restart Funding has been made for 2022.

Vulnerability Measures Forecast	2014	2015	2016	2017	2018	2019	2020	2021 Forecast	2022 Budget
Government Transfers to Total Revenue	5.9%	6.4%	7.6%	5.1%	6.5%	6.3%	6.6%	7.8%	5.3%