

# CAPITAL PLAN

## Introduction

The City acquires, operates, maintains and renews assets to support the delivery of services to residents, businesses, partner agencies and visitors. Roads, rail lines, bridges and sidewalks provide transportation networks to move goods and people, while watermains and treatment infrastructure ensure safe drinking water is available. Recreation centres and playgrounds are community gathering places where people learn, play, stay healthy and interact with one another. Fire trucks and snow ploughs are required to support emergency services and keep our city safe and accessible all year long. In total, the assets owned by the City amount to an estimated replacement value in excess of \$3.8 billion.

The City uses a risk-based approach to capital planning that prioritizes and balances the City's needs in a sustainable manner. The need to build and acquire new infrastructure to service development is ongoing, all while the City must maintain, renew, rehabilitate and replace existing aging assets, particularly roads, facilities, sanitary/storm water drainage systems, fleet, and water supply and treatment systems.

To ensure that the City manages its existing and future assets responsibly and is able to financially support future development, the application of leading asset management practices was a foundational element in the preparation of the 2020-2029 Capital Plan.

In 2009, the City developed a Corporate Asset Management Strategy focused on evidence-based decision making, risk management, and optimizing investment of limited financial resources to support service levels. Decisions about where to allocate capital and operating funds leverage data from computerized maintenance management systems like Cityworks, CFA and Archibus. Supplemented with increased asset condition assessments, this data is further used as input to risk calculations that consider both the probability and consequence of asset failure to prioritize investment decisions.

## Council's Direction

In June 2019, Council's direction was that the previous year's capital plan be used to develop:

- 1 year approved Capital Budget (2020) with multi-year approvals in accordance with the capital control policy;
- 4 year Capital Forecast (2021 – 2024); and
- 5 year Capital Outlook (2025 - 2029).

Further, the objective was to prepare the 2020 Capital Plan with appropriate consideration of:

- Council's 2018-2022 strategic goals;
- Continued focus on the execution of the Growth Management Plans;
- Investment in renewing the City's current infrastructure utilizing a risk based approach to project selection;
- Availability of financial resources and consideration of the Financial Policy Framework;
- Availability of staff resources to do the work; and
- The Net Operating Impact of the proposed Capital Plan.



## Capital Needs Prioritization

A key element of a sustainable, coordinated capital program is the ability to compare competing needs and priorities across the Corporation. Within the City's capital planning framework, projects are analyzed and assigned scores depending on driving factors. In general, for projects that are addressing existing asset renewal and replacement needs, a Business Risk Exposure calculation is undertaken and used as one of the factors to prioritize the project when comparing it to other community needs. If the project is being driven by the need to expand existing services and assets or for the provision of new services and assets, an Importance and Urgency calculation is undertaken and used to prioritize the project against all other needs. Scoring for each type of project is mapped on a four by four matrix so that various needs can be compared against one another in a consistent format. In 2017, the Environmental Commissioner of Ontario, in the Annual Energy Conservation Progress Report highlighted the City of Barrie's project prioritization process as an example of the benefits of a structured decision making process.

Projects for which funds are being requested in the 2020-2029 Capital Plan have been identified to begin addressing the highest priority and most critical needs that the City of Barrie is facing over the next 10 years. In addition to the Business Risk Exposure and Importance/Urgency scoring, the following additional criteria and filters were considered:

- **Resourcing:** Each department reviewed their total work plan to ensure that the City has the resources to deliver the projects proposed to be committed for 2020.
- **Readiness:** The status of each project was reviewed to ensure that projects would be ready to proceed to the phase proposed to be committed for 2020, with a focus on delivering the plan as recommended.
- **Affordability:** Funding for each year was reviewed to ensure that the use of the Dedicated Infrastructure Renewal Fund and the Federal Gas Tax Fund are maximized, and that the draws from reserves and reliance on debt are affordable.

- **Growth principles:** In 2009/10 Council endorsed "10 Principles for Growth and Planning for the Annexed Lands". The most applicable principle to capital planning is "that municipal services...be built at the same time or in advance of the issuance of occupancy". To this end, infrastructure projects are included as per the Infrastructure Implementation Plan (IIP), and facility projects to service the secondary plan lands are included to align with anticipated occupancy. The expectation is that the affordability of the growth projects will be monitored on an ongoing basis. A number of projects in the IIP will be delivered by developers, but are included in the City's capital plan as the developers will be entitled to development charge credits to offset the project delivery costs. The City has included these projects such that the timing aligns with the development plans, however, it should be noted that the timing and costs are being reviewed regularly with the development community.

A significant amount of time and resources went into prioritization of projects for the 2019 capital plan. With the goal of continuous improvement, the intent while preparing the 2020 Capital Plan was to build on the foundation of the existing capital plan. This means the emphasis was on refining projects in the existing plan in regards to the scope, budget dollars, and timing of cash flow requirements, and incorporating any newly identified critical projects while also rounding out 2029 for a complete 10 year plan.



2020 – 2024 Capital Budget	2020		2021		2022		2023		2024		Grand Total	
Previously Approved (Committed)	\$	50,874,726	\$	2,762,883	\$	–	\$	–	\$	–	\$	53,637,609
New Capital Requests	\$	84,610,250	\$	36,126,849	\$	13,803,000	\$	8,041,000	\$	2,000,000	\$	144,581,099
New Investment and Service Recommendations (for Operating Budget requests)	\$	315,747	\$	–	\$	–	\$	–	\$	–	\$	315,747
<b>Total 2020 Capital Budget</b>	<b>\$</b>	<b>135,800,723</b>	<b>\$</b>	<b>38,889,732</b>	<b>\$</b>	<b>13,803,000</b>	<b>\$</b>	<b>8,041,000</b>	<b>\$</b>	<b>2,000,000</b>	<b>\$</b>	<b>198,534,455</b>
Forecast	\$	–	\$	96,576,943	\$	191,034,386	\$	234,848,988	\$	261,338,262	\$	783,798,579
<b>Grand Total 2020-2024 Capital Budget</b>	<b>\$</b>	<b>135,800,723</b>	<b>\$</b>	<b>135,466,675</b>	<b>\$</b>	<b>204,837,386</b>	<b>\$</b>	<b>242,889,988</b>	<b>\$</b>	<b>263,338,262</b>	<b>\$</b>	<b>982,333,034</b>

While the 2020 reflects the output of a rigorous prioritization process, it does not represent a comprehensive list of the City's capital needs. Many projects have been excluded from the plan as a result of resource limitations. These projects may be brought forward in future capital plans as priorities and circumstances change over time.

The total recommended capital budget for 2020 is approximately \$135.8 million, including \$84.6 million in new funding and \$50.9 million that was approved previously. Capital costs associated with recommended service level change forms for 2020 account for \$316 thousand.

The City's Capital Project Financial Control Policy provides for multi-year approvals for capital projects where a single phase will be implemented over multiple years. Some of the projects being proposed for 2020 will be in the initial year of a multi-year phase. **For these projects, City Council is approving the related future year budgets as well.** The table above details the amounts recommended for approval for 2020, as well as the amounts that will be committed for 2021 – 2024 as a result of approving the 2020 Capital Budget. The total funding to be approved through the 2020 process, including future year commitments is \$144.6 million.

Funding associated with project phases starting beyond 2020 is identified as a forecasted amount only, and will not be recommended for approval until that phase begins. Forecast amounts and timing will be revisited each year through the annual capital planning process, and are subject to change as

new, better information is available. The "Grand Total 2020 – 2024 Capital Plan" line in the above table represents the anticipated budget totals for all five years of the capital plan, including forecast amounts, previously approved funds and current budget requests.





## What's in the Plan?

The charts in this section have been prepared to represent the new budget requests through the 2020 capital plan, the funds committed for 2020 in prior years, and also the full five-year budget and forecast.

The 2020 Capital Budget, totalling \$198 million, includes amounts carried forward from previously approved budgets and staff reports, and new capital requests. The \$53.6 million in previously approved funding is comprised of \$32 million for the Harvie Road and Big Bay Point Road New Crossing and associated projects, \$9.5 million for the Dunlop Street Corridor Improvements, \$3.7 million for the continued construction on the Barrie Simcoe Emergency Services Campus and \$7.8 million for various other projects.

The pie chart on the following pages shows the total capital funding that is being recommended for approval in 2020, divided by asset class or major investment area. Partnerships represent contributions to Georgian College and the County of Simcoe. Beginning in the 2017 Business Plan and continuing into 2019, one time studies or projects of significant value were captured in the capital plan rather than departmental operating budgets. This approach is continuing in 2020 and these have been aggregated in the Corporate Studies & Projects portion of the chart.

Infrastructure accounts for the majority of the City's \$3.8 billion in assets, so it isn't surprising that approximately 52% of the City's capital investment recommended in this capital budget is related to infrastructure. The total investment in infrastructure has been separated into transportation, water, sanitary and storm infrastructure, however staff strive to consider all needs within a right-of-way when planning for infrastructure investment.

The current construction phase for the Harvie Road crossing of Highway 400, and associated projects accounts for approximately \$32 million, of the \$106 million in infrastructure requests. A further \$10.4 million is being requested to widen and reconstruct Bell Farm Road from St. Vincent to Duckworth. Some other infrastructure projects that have budget requests for 2020 include Dunlop, Poyntz and Berczy New Watermain and ROW Replacement, Dunlop Street East Corridor Improvements and Essa Road and Anne Street Intersection Reconstruction. Design work will continue on a number of Neighbourhood Renewal projects, focused on the most critical infrastructure renewal needs.

The 2020 request also includes \$4.2 million to continue the Road Resurfacing program which is a proactive approach to pavement management, and other smaller programs targeting sewer and water main needs.

The plan includes a number of growth related projects in the Salem and Hewitt's Secondary Plan Areas. The Memorandum of Understanding (MOU) signed in 2014, included the option to enter into agreements to have developers build and finance some of the growth infrastructure in exchange for Development Charge credits. These projects are limited to hard services such as roads, water, wastewater, and stormwater; they do not include any parks, trails or facilities. At the beginning of 2019 these projects had a total unspent budget of \$115.3 million that consisted of amounts carried forward from previous years, or newly approved in 2019. The \$115.3 million was comprised of City led and Developer led projects of \$41.8 million and \$73.4 million respectively. In 2020 there are additional budget requests of \$10.5 million for City led and \$14.1 million for Developer led projects. The volume of these growth projects is a significant pressure on the City's working capital and limits the capacity for spending on non-growth projects.



A number of City buildings require significant renewal investment to protect the City's investment, to support service delivery in the former City boundary and the secondary plan areas. The 2020 budget request pie chart on the following page includes:

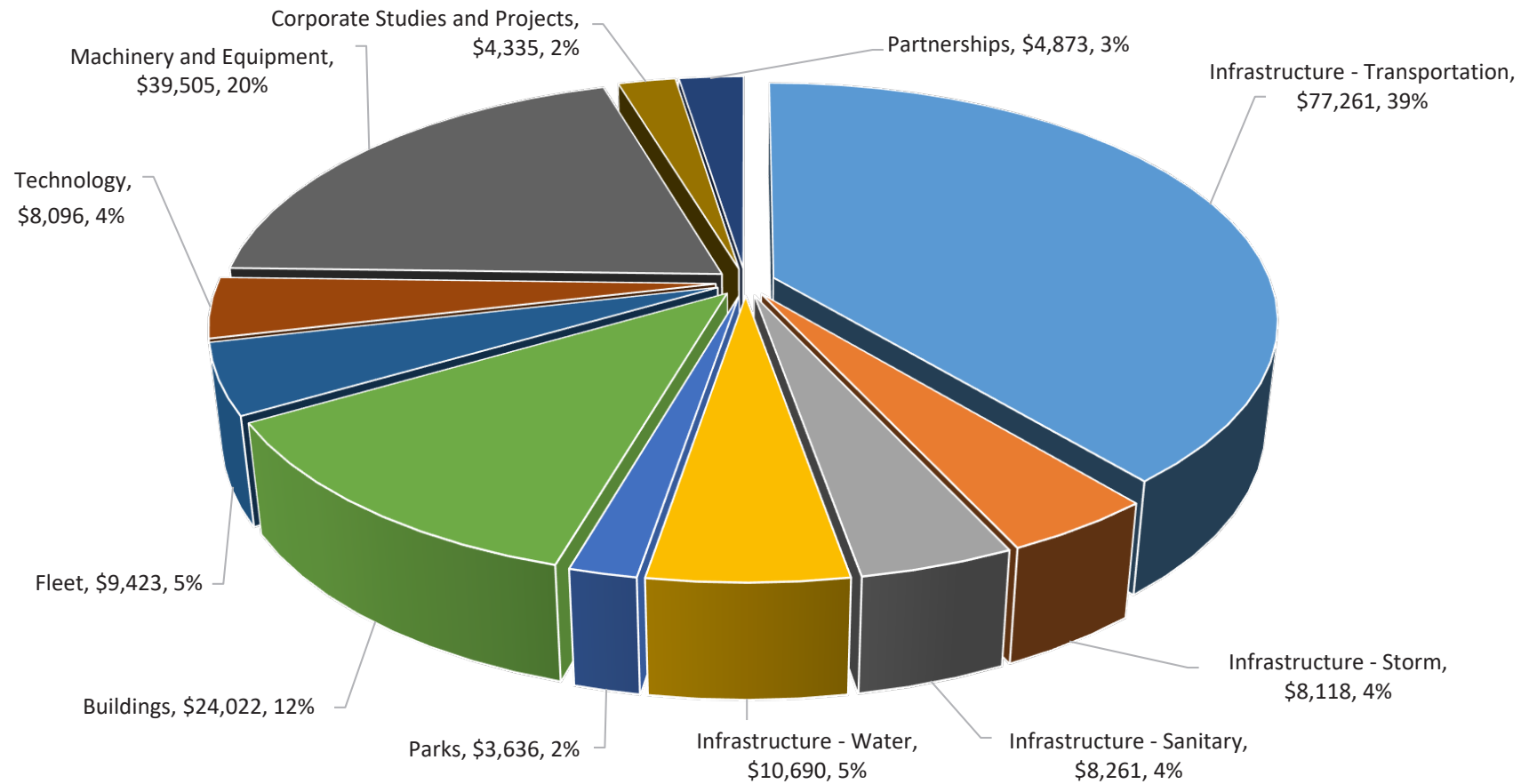
- \$3.7 million for the continuation of the construction phase for the Barrie-Simcoe Emergency Services Campus
- \$4.5 million for Phases 2-5 of the Operations Centre Master Plan Implementation which will begin in 2020
- Renewal/renovations of various fire stations, recreation centres, the Marina Welcome Centre and the Barrie Molson Centre.

In the 2019 capital plan, the City created a Fleet Renewal Reserve, to address fleet reinvestment in Light, Medium and Heavy Duty vehicles that have exceeded/reached the end of their useful lives. The 2020 budget request for this program is \$6 million. This program will not include Transit fleet replacement costs or acquisition of new fleet vehicles that are required for the primary purpose of servicing growth or new services. Investment in fleet replacement supports operations in various service areas throughout the City. In addition to the new Fleet Replacement Program budget request, there is also a request for \$2 million to replace three transit buses.

The majority of the parks investment is attributed to the commitment to funding implementation of trails in the Secondary Plan Area over the next four years. The work will be completed by developers, and the funding in the capital plan represents repayment. Other large park investments are the Annual Playground Revitalization and Annual Parking Lot Improvement programs. Previously, municipalities were able to use development charges to pay for parks and could require developers to provide parkland through Section 42 of the Planning Act. Bill 108 replaces parkland dedication with a Community Benefit Charge based on land value instead of density, and removes the ability of cities to use Development Charges to collect money for parks. The City will be required to revisit parks plans with the release of further details on the implementation and calculation of the Community Benefit Charge.



**2020 Requested Budget By Asset Class & Investment Area**  
**Total \$198.2 Million**  
**(\$000)**



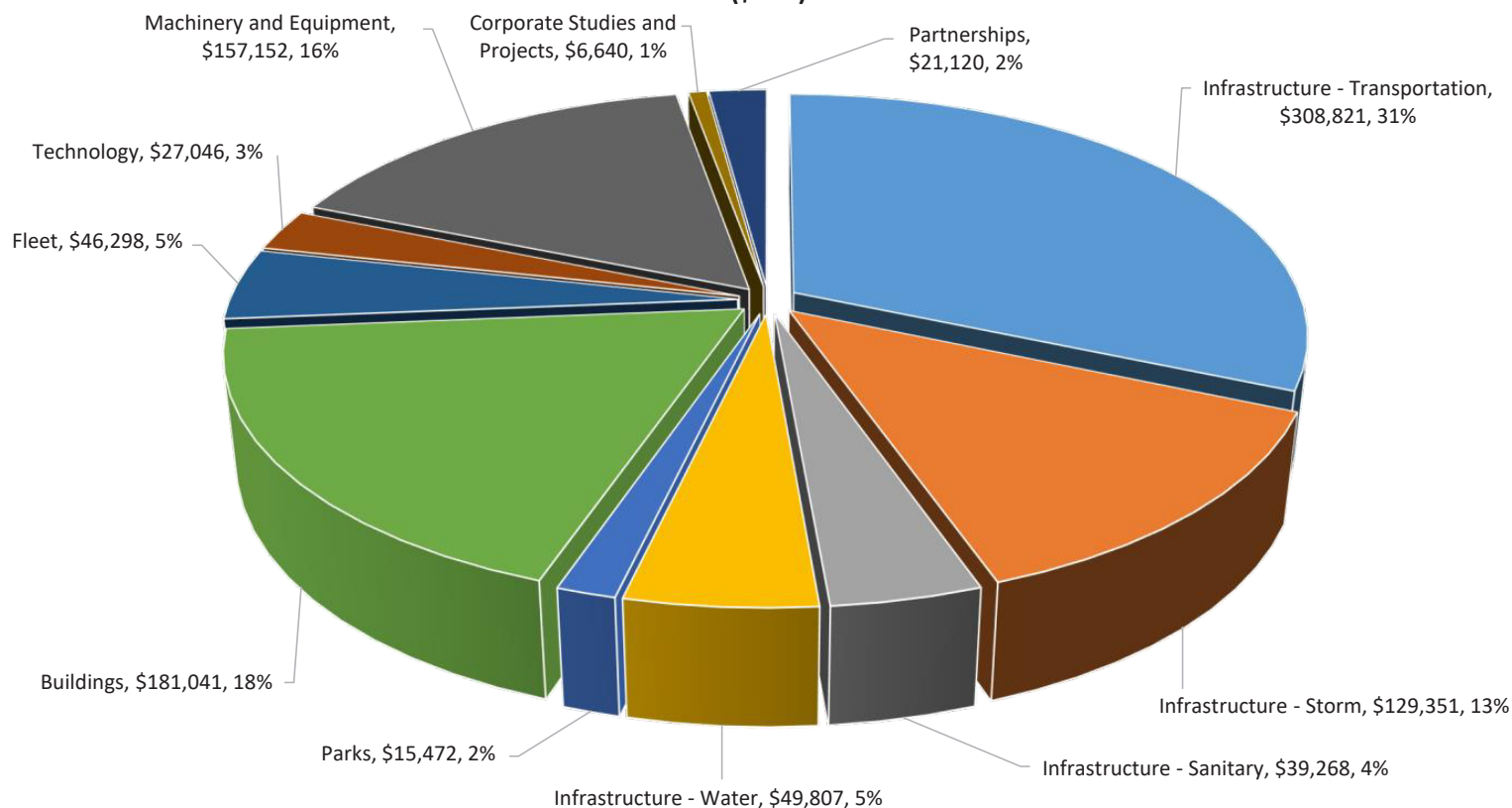


When considering the 5-year plan from 2019-2023, the investment profile for several asset classes and investment areas shifts from what is seen in 2019. The majority of the spending on the Barrie-Simcoe Emergency Services Campus will be complete in 2019, so the overall investment in the Buildings asset class decreases from 22% of the 2019 budget request to 14% of the 5-year plan. Additional facilities projects within the 5 year window include Hewitt's Creek Community Centre and Library, a major renovation to the existing Operations Centre to address aging, deteriorated components, and the continuation of a City Hall Revitalization project as well as other renewal needs throughout the Buildings portfolio.

Investment in infrastructure is planned to stay steady with a slight increase from 52% of the 2019 budget request to 53% over the full 5 year plan. This is primarily attributable to large scale projects that extend over multiple years, within the 5 year plan window. Much of the proposed spending is for storm infrastructure including a number of significant culvert upgrades to mitigate flooding, both in established, long-urbanized areas of the City, and associated with transportation improvements in the secondary plan areas.

Investment in other areas will remain relatively the same in terms of percentage of the total plan, with infrastructure continuing to make up the majority of the capital spending.

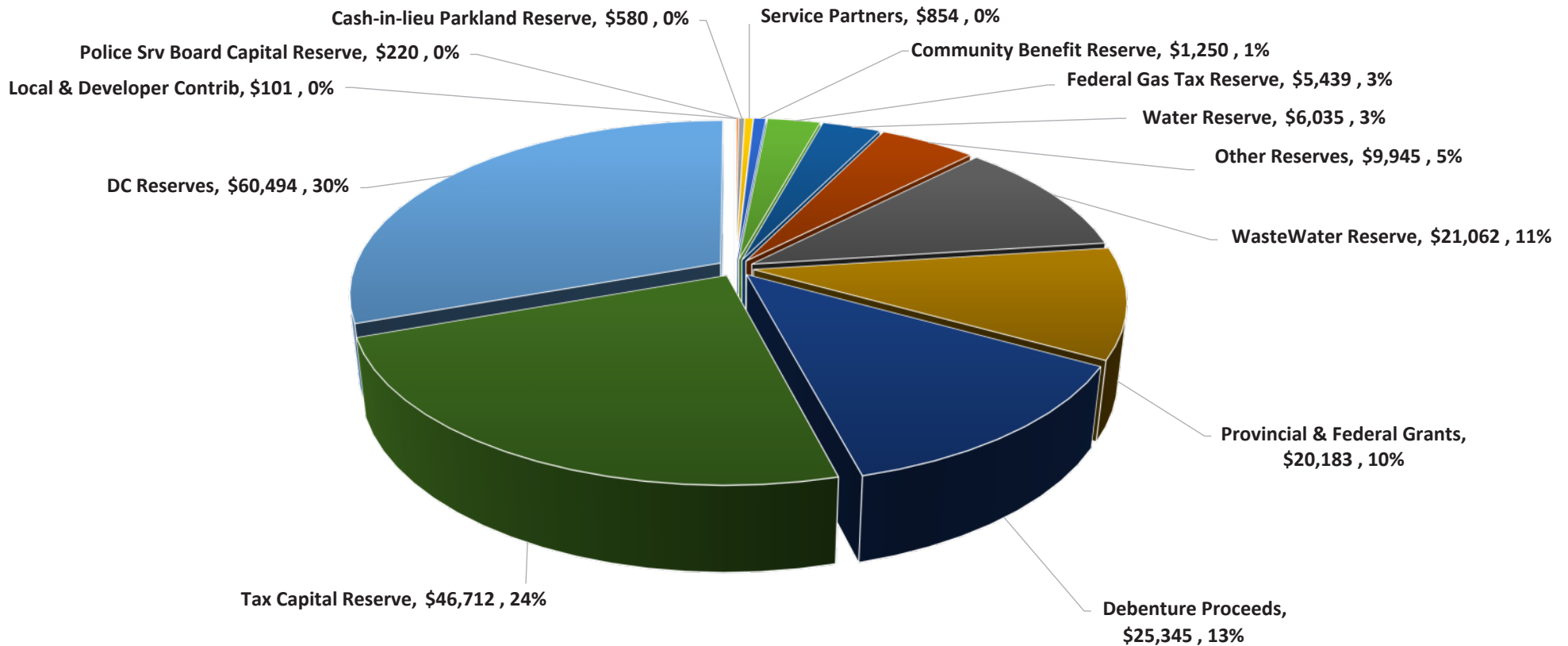
**2020-2024 Requested and Forecasted Capital Budget by  
Asset Class & Investment Area**  
Total \$982 Million  
(\$000)



## How is the Plan Funded?

The capital plan is funded from a variety of sources including the Tax Capital Reserve, debt financing, user rates (Water and Wastewater Reserves), development charges, and Provincial and Federal government grant funding. The figure below depicts funding sources for the total budget request being recommended through this business planning process, and the proportions of each.

**2020 Capital Spending Authority By Funding Source**  
Total \$198.2 Million (\$000s)

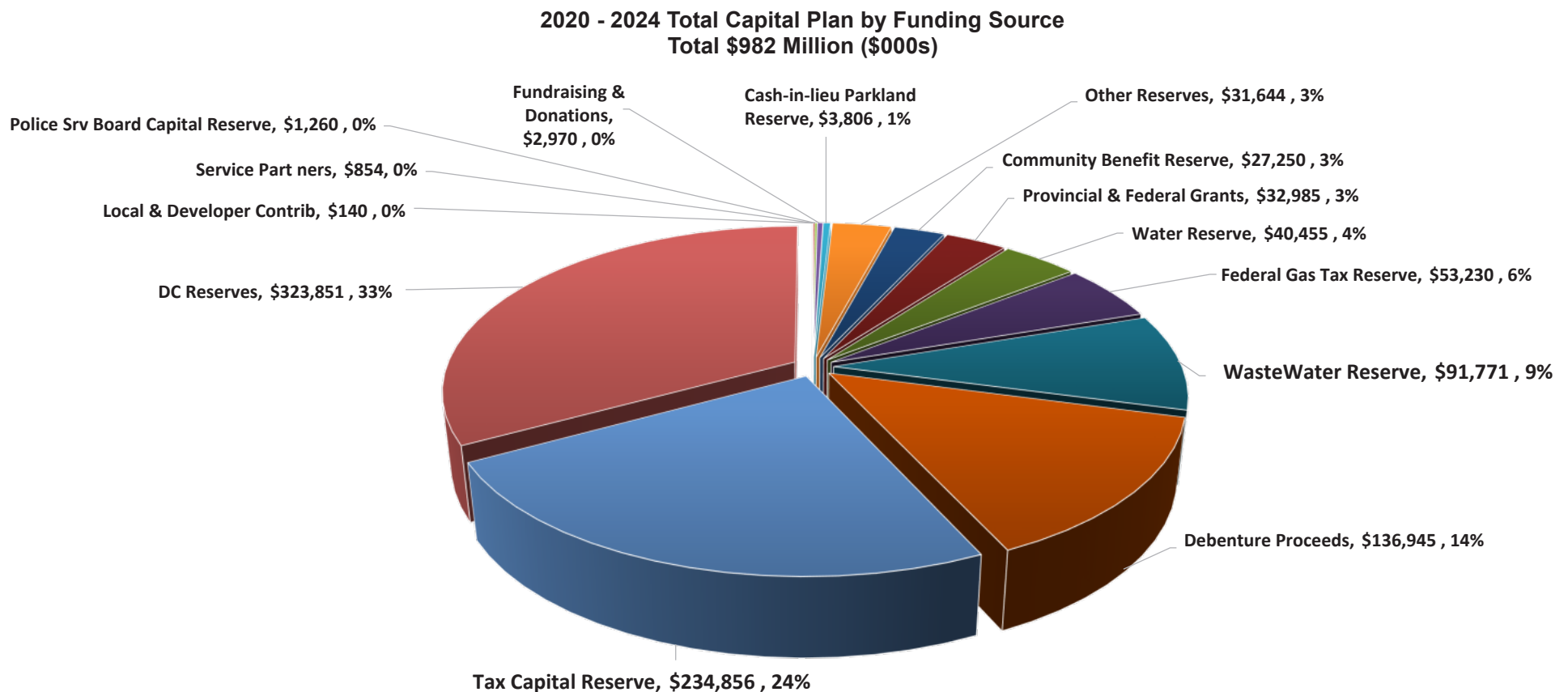




The funding sources provide some insight into the type of projects being advanced in the capital plan. 30% of the budget requests are funded from DCs (of which 5.7% will be front ended by developers), with an additional 7.5% in DC debentures (the 7.5% DC debentures, \$14,401,875, is incorporated in the Debenture Proceeds section of the above chart). This speaks to the amount of investment in growth, particularly in the secondary plan areas. Some projects are funded almost entirely from these sources including the Big Bay Point New Transmission Watermain and Road Expansion project, the McKay Road ROW Expansion project, and the Maplevue Dr E Road Expansion & New Trunk Watermain project. Projects that address growth needs, but also provide significant benefit to existing areas, are funded more equally from the sources noted above, and the tax capital, water and wastewater reserves. The tax capital, water and wastewater reserves are also used to fund renewal

work such as road resurfacing, fleet replacement, and facility rehabilitation, as well as investment in new assets to improve service delivery level.

The gross investment in the 2020-2024 Capital Plan increases throughout the five years, peaking in 2024. This is primarily due to the mix of projects changing to include more construction work, which builds on the EA and design work that has been underway for several years, and continues as the secondary plan areas are developed. In 2024, much of the construction in the secondary plan lands is expected to be underway, including both infrastructure and facilities projects. As the mix of projects in the plan changes to an increased percentage of growth related projects, the amount of the plan funded from development charges and developer front ending also increases.



## Impacts of the 2020 Plan

ASSET CLASS: BUILDINGS			
Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Parks Public Washrooms Rehabilitation, which is being completed to keep the various facilities in a state of good repair.</li> <li>56 Mulcaster Roof Top and HVAC Replacement.</li> <li>Holly Community Centre Roof Replacement is being completed to maintain the facility's operation.</li> </ul>	<ul style="list-style-type: none"> <li>Barrie Simcoe Emergency Services Campus to provide a single shared facility for Barrie Police Service, Simcoe County Paramedic Services.</li> <li>City Hall Space optimization to support city growth.</li> <li>Main Library Front Entrance Landscape Replacement.</li> <li>Marina Welcome Centre</li> </ul>	<ul style="list-style-type: none"> <li>Appropriately timed renewal works on building assets will ensure existing services and service levels are sustained.</li> <li>Holly Community Centre Roof Replacement and Marina Welcome Centre will resolve any health and safety concerns as well as some fire code deficiencies.</li> <li>The Barrie Simcoe Emergency Services Campus will provide a more centralized location which will reduce response time for the first responders and support the continued growth of the city.</li> </ul>	<ul style="list-style-type: none"> <li>Investment into the expansion or creation of new building assets to support growth must be sustainable.</li> <li>Appropriate timing of lifecycle intervention activities to extend the life of building assets must be balanced with the extensive backlog of existing building replacement needs.</li> <li>Appropriate rehabilitation strategies reduce safety concerns and may decrease maintenance cost.</li> </ul>
ASSET CLASS: TECHNOLOGY			
Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Technology services to support intra- and inter-City communications and security, including server and desktop software.</li> <li>PC infrastructure investment, including desktop, laptop and mobile devices.</li> <li>Server and Storage Technology Infrastructure Program.</li> <li>Network Technology Infrastructure Program, includes renewal and deployment of core devices and services associated with network hardware across the City.</li> </ul>	<ul style="list-style-type: none"> <li>BFES Next Generation 911 Phone System.</li> <li>Continued development and implementation of the Citizen Relationship Management Solution (CRM).</li> <li>External Website Technology Program.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of a Citizen Relationship Management Solution will centrally and electronically manage all of its customers, and will manage customer complaints, requests and interactions as a single point of reference for all customer data.</li> <li>Application and technology services allow employees to better manage data and respond more quickly and accurately to service delivery needs.</li> <li>External Website Technology Program will strengthen and improve the functionality of the City's website for both staff and residents.</li> </ul>	<ul style="list-style-type: none"> <li>Hardware and software have extremely short expected useful lives of 3-7 years that are not significantly extended by regular operating and maintenance activities.</li> <li>Lack of true integrated customer management systems is resulting in duplication of work gathering information and longer response times to residents.</li> <li>Ongoing investment is required to ensure that computer equipment is supported by manufacturers and licensing organizations.</li> </ul>

## ASSET CLASS: FLEET

Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Replacement of light, medium, and heavy fleet assets (vehicles, equipment, trailers, etc.) that have reached the end of their useful lives and are requiring significant maintenance investment to keep in service.</li> <li>Conventional Transit Bus Replacement, the 2020 budget includes the replacement of three buses that are at the end of their useful life.</li> </ul>	<ul style="list-style-type: none"> <li>Examples of non-routine expenditures would be additional transit fleet to support transit system expansion, additional fire vehicles to support new fire station and associated services;</li> <li>While there are no non-routine fleet expenditures requested for 2020, it is anticipated that as the growth in the Secondary Plan areas comes to fruition, additional fleet vehicles will be required to support various services in the new developments.</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of pickup trucks, vans and specialized equipment used by road, water, and wastewater operation crews, will ensure front line service delivery is sustained.</li> <li>Contractually obligated renewal of transit buses approaching the end of their useful life is required to provide a safe and reliable transit system to residents.</li> </ul>	<ul style="list-style-type: none"> <li>As the fleet renewal program is in it's early stages, many fleet assets continue to have extremely high maintenance costs and are approaching or exceeding the end of their useful life.</li> <li>Excessive downtime of any of these vehicles may result in delays to providing service, or if the service level must be maintained, excessive maintenance costs and rental charges may be incurred.</li> </ul>





## ASSET CLASS: INFRASTRUCTURE

Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Local right of way (ROW) reconstruction identified through the Neighbourhood Reconstruction Program (NRP).</li> <li>Full and partial depth asphalt road rehabilitation projects.</li> <li>Watermain and sewer lining to extend the useful life of pipes where other subsurface infrastructure is in good condition.</li> </ul>	<ul style="list-style-type: none"> <li>Harvie Road/ Highway 400 crossing and ROW expansion from Essa Rd. to Bryne Dr.</li> <li>End of Life Pavement Replacement program, to address roads which are not included in preservation or larger reconstruction projects.</li> <li>Mapleview Drive East New Transmission Watermain to provide services and accommodate increased traffic volume for the proposed growth in the Hewitt's secondary plan area.</li> <li>Various storm pond, culvert, and watercourse channel upgrades, including but not limited to Lover's, Sophia, and Kidd's Creek ponds, and a number of culverts.</li> <li>Early-life preservation program that promotes preservation of younger roads to mitigate more costly lifecycle activities and limit repair and maintenance overtures, includes micro surfacing and reclamite programs.</li> </ul>	<ul style="list-style-type: none"> <li>Neighbourhood Renewal Projects ensure expected levels of service such as reliable drinking water, transportation, and sanitary and stormwater collection in local neighbourhoods.</li> <li>EAs, design work and construction to ensure that infrastructure assets are in place to support new development.</li> <li>Road widening and active transportation initiatives improve traffic flow and create pedestrian/bike friendly linkages in the City.</li> <li>Road rehabilitation provides better driving surfaces and responds directly to community concerns about road network condition as well as reducing the required maintenance work by City staff.</li> <li>Channel realignment, culvert upgrades and SWMF rehabilitation will increase stormwater capacity and mitigate the impacts of localized flooding</li> </ul>	<ul style="list-style-type: none"> <li>Continuous challenge of achieving a balance between proactive preservation work in newer areas of the City and reactive reconstruction work in older neighbourhoods.</li> <li>Continued deterioration of aging infrastructure, such as road surfaces, metallic watermain, and clay sanitary sewers, expose the City to increased risk of costly unplanned, reactive investment.</li> <li>Pressures on operating budgets to maintain and repair aging infrastructure that is approaching or reached its expected service life.</li> <li>Increased risk, and decreased level of service for large network assets, such as roads, sewers, and watermain, as investment levels don't keep pace with needs.</li> <li>Increased frequency of large weather events and changes in climate change continues to pose challenges to the current stormwater network.</li> </ul>



## ASSET CLASS: PARKS

Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Replacement or revitalization of playground equipment at or near the end of its lifecycle at various locations throughout the city.</li> </ul>	<ul style="list-style-type: none"> <li>Summit Pines Subdivision New Park Development.</li> </ul>	<ul style="list-style-type: none"> <li>Activities associated with playground replacement will increase the level of service that the residents experience while using playground equipment.</li> <li>Summit Pines Subdivision New Park Development is the first of many new Parks that will be constructed to service the future residents in the Secondary Plan areas.</li> </ul>	<ul style="list-style-type: none"> <li>Challenges in justifying investment in trail system improvements, trail and park bridge replacement, and informal recreational sites due to competition for limited funding from more critical service areas.</li> <li>Limited data is available to inform decisions on investment in parks operations and maintenance. Need to collect condition assessment data and establish appropriate lifecycle activities.</li> </ul>

## ASSET CLASS: MACHINERY AND EQUIPMENT

Routine Expenditures	Non-Routine Expenditures	Service Impact	Ongoing Risks & Unaddressed Needs
<ul style="list-style-type: none"> <li>Portable/Mobile Radio Replacement program.</li> <li>Various projects related to replacing assets that have reached the end of their useful lives such as fire hose replacement, self contained breathing apparatus' and Fire Helmet and Bunker Gear Replacement programs.</li> </ul>	<ul style="list-style-type: none"> <li>Various upgrades to the WwTF to improve phosphorus levels in Lake Simcoe and improve capacity and functionality of the facility itself.</li> </ul>	<ul style="list-style-type: none"> <li>Activities associated with upgrading the WwTF will assist with decreasing the phosphorus entering Lake Simcoe and will allow the facility to accommodate the proposed increased flows due to growth in the City.</li> <li>Programs that replace assets that have reached the end of their useful life will reduce the amount of reactive maintenance that occurs as well as assists with complying with regulations/health and safety which is the case for assets related to fire equipment.</li> </ul>	<ul style="list-style-type: none"> <li>The continual rate growth within Barrie may surpass the City's ability to reinvest in the WwTF, which ultimately will increase the City's risk exposure.</li> </ul>

## 2025 – 2029 Capital Outlook

Over the past several years, the City of Barrie has expended significant efforts to ensure that there is a sustainable plan for the future of the City. This work has been undertaken in two primary areas. Land use and infrastructure growth management plans have been produced to guide the City's expansion in the Salem and Hewitt's secondary plan areas. Simultaneously, asset management plans and master plans for all City-owned assets have been prepared to guide decision making regarding capital investments required to sustain services and service levels to existing residents and businesses. All of this information together has formed the foundation for the ten year Capital Plan being presented to City Council. The outer five years of that plan have been prepared as an outlook to provide Council and the community a high-level view of anticipated works required to expand the City as outlined in the growth management plans as well as to sustain existing services as detailed in the City's asset management plans and master plans. The 2025 – 2029 Capital Outlook is not intended to capture every capital investment required but rather to focus on investment requirements across various asset classes and service areas. Projects included in the capital outlook are the most critical needs that have been identified for the 10 year window. As future capital plans are developed, the previous year's outlook will be used as a starting point for planning purposes, and may change.

The table below represents the expected investment in various asset classes and investment areas. This includes specific projects recommended to begin between 2025 and 2029, and continuation of work begun in the first five years of the Capital Plan. After 2025, the capital spending decreases substantially in 2026 and then peaks in 2027 at approximately \$228 million. The capital spending begins to decrease again from 2027 to 2029. The large increase in 2027 is related to the Barrie-Simcoe Emergency Services Campus – Phase 2 and projects such as the Salem Community Centre/Library New Building Development, Sophia Trunk Storm Sewers and the Wastewater Peak Flow Attenuation Facility entering construction. The decrease in the plan after 2025 undoubtedly relieves some financial pressures on the City, however, documents such as asset management plans and stormwater management master plans identify ongoing investment needs. As noted above, the projects included in the capital outlook are the most critical needs that are currently identified for the 10 year window. As staff monitor the condition and capacity of existing infrastructure, it can be expected that the criticality of needs will change, and that additional needs will be identified. The impact of not investing in these needs, will be an increase in the City's infrastructure gap.

The gross expenditures over the 2025-2029 Capital Outlook window are anticipated to be approximately \$1.1 billion. When combined with the \$982 million 2020-2024 Capital Plan, gross spending for the 10 years is approximately \$2.0 billion.

### 2025-2029 Capital Outlook (\$000)

Asset Class and Investment Area	2025	2026	2027	2028	2029	Grand Total
Buildings	\$ 82,814	\$ 37,268	\$ 56,228	\$ 84,046	\$ 9,820	\$ 270,176
Corporate Studies and Projects	\$ 4,988	\$ 5,114	\$ 5,120	\$ 250	–	\$ 15,472
Fleet (including Transit)	\$ 7,397	\$ 7,796	\$ 10,314	\$ 12,343	\$ 14,704	\$ 52,554
Infrastructure	\$ 156,632	\$ 98,861	\$ 94,344	\$ 84,823	\$ 63,049	\$ 497,709
Machinery and Equipment	\$ 44,573	\$ 36,029	\$ 56,630	\$ 21,950	\$ 28,760	\$ 187,942
Parks	\$ 1,390	\$ 1,331	\$ 2,515	\$ 4,721	\$ 5,819	\$ 15,776
Technology	\$ 3,710	\$ 3,910	\$ 3,191	\$ 3,270	\$ 1,220	\$ 15,301
<b>Grand Total</b>	<b>\$ 301,504</b>	<b>\$ 190,309</b>	<b>\$ 228,342</b>	<b>\$ 211,403</b>	<b>\$ 123,372</b>	<b>\$ 1,054,930</b>



## Net Operating Impacts of the Capital Plan

The Capital Budget includes growth and renewal capital assets and infrastructure that may have a direct impact on future operating budgets when these assets are completed and placed into service. Any combination of increased revenues, increased expenditure and/or cost savings may be the result associated with maintaining the operation and use of these new or expanded assets.

Operating impacts should be a critical consideration when deliberating whether or not the City should proceed with a capital project given that the result may be an additional burden on the annual operating budget.

The City has begun to implement a phased in approach to quantify the net operating impact of the capital plan. The focus in 2019 was to evaluate the impact of growth and renewal capital projects for City owned facilities and linear infrastructure assets. As part of the phased in approach, process guidelines have been developed and will be expanded and updated annually through engagement with departments that have specific knowledge on different types of operating costs.

Table A on the following page summarizes the proposed annual incremental net operating impact of new facilities and renovations. Table B summarizes the proposed annual incremental net operating impact of consolidated linear infrastructure assets.

### Capital Projects

#### Infrastructure Renewal

Roof replacement will prolong the life of the facility.



#### City Building

Addition to an existing recreation centre will add services provided by the City.



#### Growth

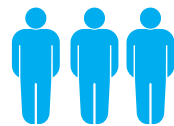
Development of a new recreation facility to service a new subdivision.



### Operating Costs



Energy Savings



Additional Staff Costs



Utility Costs



New Service Revenue

**Table A: City Facilities**

Project	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Fisher Auditorium Redevelopment and Event Centre	–	–	–	\$ 534,438	\$ 542,455	\$ 550,591	\$ 558,850	\$ 567,233	\$ 575,742	\$ 584,378
Operations Satellite Yard New Building Development	–	–	–	–	–	–	–	–	–	\$ 622,979
Hewitt's Community Centre and Library New Building Development	–	–	–	–	–	–	\$ 2,117,417	\$ 2,075,069	\$2,053,894	\$ 2,032,720
BFES Station 6 New Building Development	–	–	\$ 2,177,467	\$2,489,186	\$2,756,816	\$3,034,637	\$ 3,374,374	\$ 3,441,188	\$3,509,327	\$ 3,578,819
Salem Community Centre and Library New Building Development	–	–	–	–	–	–	–	–	–	\$ 1,393,163
<b>Total Net Operating Impact</b>	<b>–</b>	<b>–</b>	<b>\$ 2,177,467</b>	<b>\$ 3,023,624</b>	<b>\$ 3,299,270</b>	<b>\$ 3,585,228</b>	<b>\$ 6,050,641</b>	<b>\$ 6,083,489</b>	<b>\$6,138,963</b>	<b>\$ 8,212,058</b>
<b>Annual Impact on the Tax Rate</b>	<b>–</b>	<b>–</b>	<b>\$ 2,177,467</b>	<b>\$ 846,156</b>	<b>\$ 275,647</b>	<b>\$ 285,958</b>	<b>\$ 2,465,413</b>	<b>\$ 32,848</b>	<b>\$ 55,474</b>	<b>\$ 2,073,095</b>

**Table B: Linear Infrastructure Assets by Class**

Operating Costs	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Watermain	–	\$ 5,600	\$ 39,228	\$ 56,672	\$ 61,219	\$ 76,809	\$ 77,961	\$ 101,978	\$ 111,124	\$ 118,503
Storm Sewer	–	\$ 10,296	\$ 39,817	\$ 63,542	\$ 79,861	\$ 111,635	\$ 148,214	\$ 178,283	\$ 191,371	\$ 211,167
Sanitary	\$ 4,466	\$ 7,393	\$ 18,438	\$ 21,816	\$ 22,144	\$ 22,476	\$ 22,813	\$ 23,155	\$ 26,495	\$ 34,064
Sidewalk	–	\$ 15,064	\$ 60,090	\$ 97,419	\$ 115,093	\$ 154,171	\$ 196,888	\$ 242,541	\$ 261,131	\$ 279,832
Streetlights	–	\$ 6,150	\$ 14,842	\$ 23,340	\$ 23,690	\$ 29,970	\$ 34,520	\$ 52,213	\$ 56,396	\$ 61,442
Roads	–	\$ 48,617	\$ 165,124	\$ 256,478	\$ 283,932	\$ 379,325	\$ 433,815	\$ 518,341	\$ 558,996	\$ 589,767
<b>Total Net Operating Impact</b>	<b>\$ 4,466</b>	<b>\$ 93,120</b>	<b>\$ 337,540</b>	<b>\$ 519,268</b>	<b>\$ 585,938</b>	<b>\$ 774,386</b>	<b>\$ 914,211</b>	<b>\$ 1,116,512</b>	<b>\$1,205,512</b>	<b>\$ 1,294,775</b>
<b>Annual Impact on Water Rate</b>	<b>–</b>	<b>\$ 5,600</b>	<b>\$ 33,544</b>	<b>\$ 16,856</b>	<b>\$ 3,696</b>	<b>\$ 14,672</b>	<b>–</b>	<b>\$ 22,848</b>	<b>\$ 7,616</b>	<b>\$ 5,712</b>
<b>Annual Impact on Wastewater Rate</b>	<b>\$ 4,466</b>	<b>\$ 2,860</b>	<b>\$ 10,934</b>	<b>\$ 3,102</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>\$ 2,992</b>	<b>\$ 7,172</b>
<b>Annual Impact on Tax Rate</b>	<b>–</b>	<b>\$ 80,127</b>	<b>\$ 198,545</b>	<b>\$ 156,707</b>	<b>\$ 55,185</b>	<b>\$ 164,987</b>	<b>\$ 128,209</b>	<b>\$ 165,740</b>	<b>\$ 61,644</b>	<b>\$ 58,297</b>

**Total Impact on Tax Rate for Both Facilities and Linear Infrastructure**

Operating Costs	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Total Net Operating Impact on Tax Rate</b>	<b>–</b>	<b>\$ 80,127</b>	<b>\$2,456,139</b>	<b>\$ 3,459,003</b>	<b>\$ 3,789,834</b>	<b>\$4,240,779</b>	<b>\$ 6,834,401</b>	<b>\$ 7,032,989</b>	<b>\$7,150,107</b>	<b>\$ 9,281,499</b>
<b>Annual Impact on the Tax Rate</b>	<b>–</b>	<b>\$ 80,127</b>	<b>\$2,376,012</b>	<b>\$ 1,002,863</b>	<b>\$ 330,832</b>	<b>\$ 450,945</b>	<b>\$ 2,593,622</b>	<b>\$ 198,588</b>	<b>\$ 117,118</b>	<b>\$ 2,131,392</b>
<b>Incremental Tax Rate Increase</b>	<b>–</b>	<b>0.03%</b>	<b>0.95%</b>	<b>0.40%</b>	<b>0.13%</b>	<b>0.18%</b>	<b>1.04%</b>	<b>0.08%</b>	<b>0.05%</b>	<b>0.85%</b>

The tables above do not capture all the net operating costs associated with the City's current and recommended capital plan. The analysis instead focused on major projects that are still in the planning stage. Over the next 5 years, the total net operating impact of the capital works included above are estimated to result in an additional \$9.8 million pressure on the tax rate.

- \*Labels are references to Project Numbers, as noted on Capital Project Detail Reports.