

## EXECUTIVE SUMMARY

2020 was an extremely unique year. The Corporation changed the way we did business; finding efficiencies and reducing spending where possible to help limit the significant negative financial impacts brought about by the COVID-19 pandemic.

Despite financial challenges throughout the year, including decreased revenues, the Corporation was there for residents and businesses throughout the emergency and recovery, delivering key services that impact the daily lives of people living and working in Barrie. These include police, fire, transit, recreation, virtual cultural events, Service Barrie customer service, parks and operations, roads, snow removal, garbage collection, safe drinking water and wastewater.

The 2021 Budget highlights the challenging but necessary decisions the Corporation needs to make, in addition to balancing investments in the City's rapid growth, financing debt and continuing to support our many service partners. With Barrie's population expected to grow to 298,000 people by 2051, the budget outlines the Corporation's plan to fund our growing City, while taking into consideration the unique economic realities that are unfolding on a local, national and global scale.

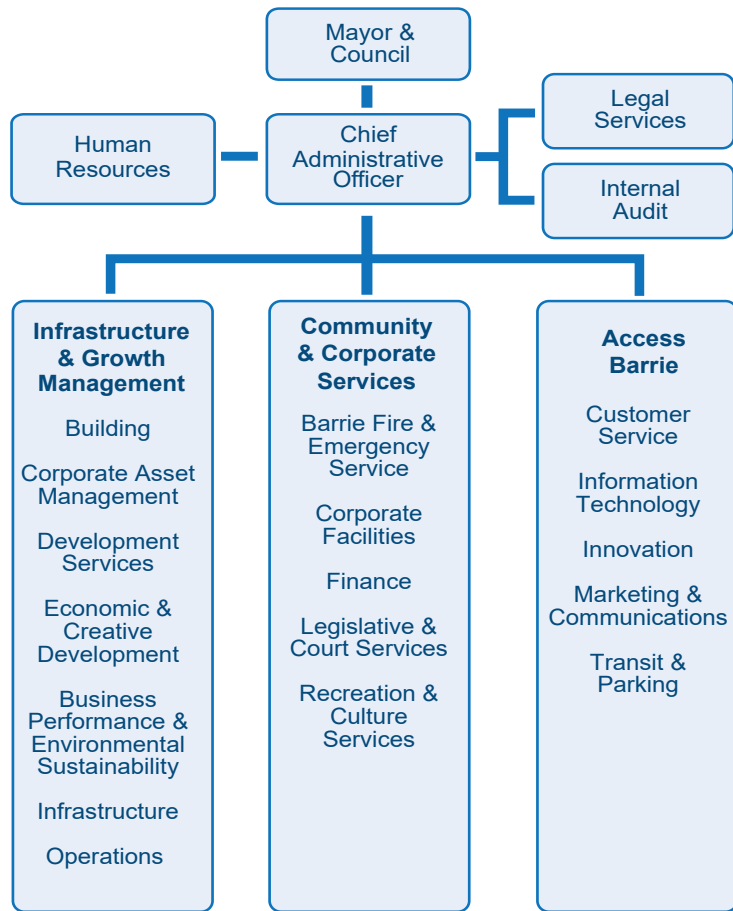
Staff are continually looking for new ways to support growth, manage and improve our existing assets, and maintain organization sustainability as we prepare for development and enhance service delivery. Effective financial management and reducing the infrastructure deficit, protecting the environment and increasing sustainability, strengthening customer service and implementing efficiencies for service and program delivery, and creating economic diversity and resiliency continue to be priorities for 2021. The Corporation is constantly striving to improve the programs and service we provide and anticipate our community's needs to ensure we can best serve the people who live, work and visit Barrie.

While we're in this period of investing in growth, we need to ensure the City's financial position is maintained. The 2021 Budget prepares Barrie to be in the best position to continue to meet the needs of our growing community while protecting the future of our City and helping us recover from the effects of the pandemic.



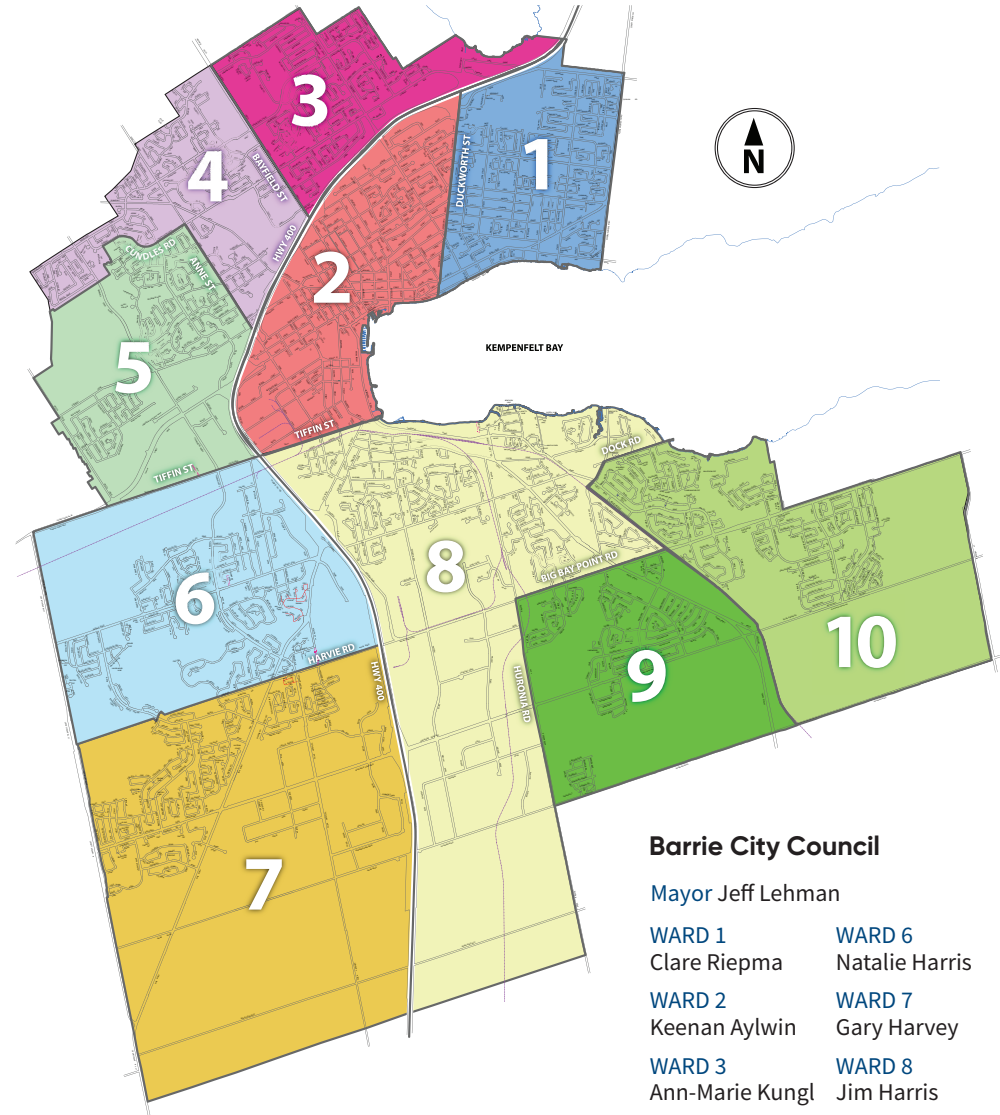
# Organizational Structure

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



The Executive Management Team’s mission is to build a customer-focused organization responsive to the community. All staff understand and embrace their fundamental role as one team, providing services and programs to build and support a prosperous, growing and sustainable community.

# City of Barrie Ward Map



## Barrie City Council

- Mayor Jeff Lehman
- WARD 1 Clare Riepma
- WARD 2 Keenan Aylwin
- WARD 3 Ann-Marie Kungl
- WARD 4 Barry Ward
- WARD 5 Robert Thomson
- WARD 6 Natalie Harris
- WARD 7 Gary Harvey
- WARD 8 Jim Harris
- WARD 9 Sergio Morales
- WARD 10 Mike McCann

## BUSINESS PLAN OVERVIEW

### Introduction

The 2021 Business Plan outlines how the City of Barrie plans to allocate resources to deliver the programs and services residents and businesses rely on every day. It is developed using a service-based approach that relates labour, materials and other costs to the programs and services they support. Budget changes are driven by increased costs to maintain existing service levels or increased service levels due to service enhancements or the addition of a new service.

In order to address the City's current financial realities, decisions need to be made that impact services and service levels now and in the future. The City is continuing to lay the foundation for a financially sustainable and responsible plan that addresses the needs of residents and businesses.

### Elements of Barrie's Budget

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

### How the Plan Is Built

The Business Plan reflects budget directions that were approved by City Council in June 2020. These directions guide the Business Plan and Budget building processes; ensure financial plans are built efficiently to demonstrate a clear relationship between costs and service levels; and recognize that the City faces many pressures through the development process.

Costs to deliver ongoing programs and services at their current levels are increasing. Similar to a household, the rising costs of utilities, materials, supplies and labour impact the City's budget. The City is in a high-growth period and needs to set the financial foundation to manage costs driven by our current and anticipated growth while continuing to maintain current service levels and existing infrastructure, and to ensure long term fiscal sustainability.

Barrie's Business Plan makes strides to balance these cost pressures within the limited funding options that every municipality has at its disposal. The City looks for innovations, efficiencies and process improvements that improve the way we do business in order to minimize increases in property taxes and user fees, however once these are exhausted there are only two options—increase taxes and user fees or reduce service levels.

Included in this document are detailed performance plans for each division and department, which set out services provided for each area, major objectives and performance measures, and detailed cost information. This overview focuses on providing Council and the public with an explanation of the major drivers contributing to the recommended 2021 Budget.



## 2018 – 2022 Barrie City Council Strategic Plan

The following list is an overview of key initiatives underway across the Corporation to achieve Council's Strategic Plan. Key Performance Indicators (KPIs) have been developed to measure the progress of these initiatives.



### Growing Our Economy

#### Percentage of Persons in Full-time Employment

Barrie's employment grew 35% from 2003 to 2019, according to Statistics Canada. Full-time employment indicates the health of the economy as it demonstrates both supply and demand in the job market. A focus for 2020 was on strongly supporting existing employers, while attracting new ones, which is critical to a balanced approach to employment growth for the City.

#### Jobs/Housing Ratio

In 2019, for every 1 housing unit created we had 1.41 jobs created. The new Official Plan and Zoning By-law update will continue to promote working and living in our community. In addition, as part of this update, there will be some revisions to the classifications of the employment lands and employment land use trends.

#### Assessed Value of Commercial & Industrial Properties

This measure of commercial and industrial property value as a percentage of total assessed value in Barrie demonstrates a healthy mix of business and residential property. In 2019, the assessed value of commercial and industrial properties as a % of total assessed value of all properties was 18.7%.



### Fostering a Safe & Healthy City

#### Percentage of Affordable Housing Units Built to Goal

The City's goal is to create 840 affordable units by 2024. City-initiated amendments to the Official Plan and Zoning By-law were approved by Council in 2020 to remove the restriction to second suites in the Georgian College Neighbourhood area. Updates to the Community Improvement Plan were approved by Council in 2020.

#### RecACCESS Participation

The recACCESS program continues to provide great value for participants with increased access to City facilities through the unlimited drop-ins available in our recPASS membership, while minimizing the risk of displacing paying customers in our registered programs. In 2020, the department continued to receive and approve applications based on the established criteria. Data analytics will be conducted using detailed usage reporting to ensure recACCESS members are receiving the full benefits from recreation programming and facilities.

#### Violent Crime Rate

The violent crime rate is an indicator of community safety. The Barrie Police Service (BPS) strives for policing excellence to ensure a safe and secure community. 2020 marked the transition to the new BPS Headquarters at the Barrie-Simcoe Emergency Services Campus and begins a new strategic planning year with the launch of the 2020–2022 Strategic Plan that focuses on the following strategic priorities of Crime Prevention, Community Safety and Law Enforcement, Community Engagement and Collaboration, and Organization Excellence and Sustainability.





## Building Strong Neighbourhoods

### Debt Service Ratio

In 2019, the City made significant progress toward its goal of diversifying its sources of financing and financial instruments as well as achieving lower cost of borrowing. In 2020 the City issued \$10 million in capital toward financing various capital projects.

### Usage of Public Spaces

In 2019, the City measured usage of the waterfront beaches and Meridan Place at 181,500 users. This is an increased year-over-year performance of 8%. In 2020, City Council approved additional funding for beach lifeguards which saw lifeguard service extended by an extra week due to a late Labour Day weekend at both Centennial and Johnson's beaches.

### Walkability Matrix

This measure is currently in development. Development Services will work together with staff members from different areas of the organization to establish the variables that would participate in this Walkability Matrix and develop a Walkability Score methodology that allow us to measure this indicator on any new development proposal or any specific area to consider.



## Offering Innovative & Citizen-Driven Services

### Impact of Automation and Innovation

2019 was the first year that City staff were provided a formal innovation tracker that reported on business improvement activities that resulted in cost savings, customer time savings and/or revenue generated. 2020 showed a leap forward in digital transformation of City activities, accelerated by the COVID-19 pandemic, with many corporate projects, software enhancement and process improvement initiatives.

### Digital Community Participation

Throughout 2019 the City continued to support digital community participation by sharing information and generating discussion via its social media channels and citizen engagement platform, Building Barrie.

## Customer Service Satisfaction

Significant effort has been made over the last few years to consolidate and standardize customer service through Service Barrie. Service Barrie now represents approximately 75% of live service interactions with the City of Barrie. The customer satisfaction ratings with Service Barrie in 2019 was 96%.



## Improving the Ability to Get Around

### Kilometres of Active Transportation Routes

In 2019, the City built 2.154 km of sidewalks and trails. The City has made a concentrated effort in the last five years to build active transportation options, building 400 km more active transportation routes than planned in the 2014 master plan. Work in 2020 focused on advancement of the work outlined in the Infrastructure Master Plans.

### Level of Service at Three Business Intersections

Improved service levels at major intersections within Barrie demonstrates improved traffic flows along road networks and connections. 2019 focused on updated turning movement counts, along with historical signal timings and any current traffic concerns that are used to analyze the traffic operations of the corridors to identify areas for signal timing improvements to improve travel speed, travel time, freedom to maneuver, traffic delay, driving comfortability, lane configurations and roadway conditions. Staff are rolling out a new traffic signal system in Q4 which will provide improved analytics on corridor operations. Staff will also be performing before vs after GPS peak period studies to gauge the impacts from COVID-19 on traffic operations.

### Transit Ridership

From 2017 to 2019 Barrie Transit ridership grew by approximately 25% as a result of the introduction of the Georgian College U-Pass. In 2020, the City continued to monitor and foster activities to support and encourage individuals using Barrie Transit. One of the innovative programs undertaken in 2020 is a Transit ON Demand pilot, which focuses on low-demand areas and could be a tool to be used by the City of Barrie to align transit services with the growth of Barrie, in an affordable way.

## Financial Summary

The City faces many pressures in developing a fiscally responsible budget. To understand how these various pressures impact the recommended business plan and budget, City staff have used a “building block” approach considering the costs of maintaining City operations, new investment and service recommendations, service partners, and debt management. The following summarizes the recommended Business Plan and Budget.

Council direction outlined a maximum 2021 tax rate increase of 1.95%, plus the 1% levy for the Dedicated Infrastructure Renewal Fund. The recommended operating budget will require a 2.59% tax rate increase, plus the 1% levy for the Dedicated Infrastructure Renewal Fund, which will result in an increase of \$160 to the property tax bill for a typical home. The following are major drivers of the tax rate increase:

- The net cost to maintain City services increased by \$5.5 million resulting in a 2.19% increase to the tax levy. The increase is partially attributable to increases in costs for solid waste management contracted services, Assessment Review Board (ARB) decision costs and lower investment revenue. Reduced recreation and transit revenue due to COVID-19 are expected to impact 2021, however this has been partially mitigated by reducing expenditures where possible.
- As previously planned, new debt financing costs totaling \$905 thousand are required in 2021 to fund the City’ Capital plan, including projects such as the Harvie Road and Big Bay Point Road New Crossing and Dunlop Street East Corridor Improvements. These new debt servicing costs will be funded primarily from the tax levy with an impact of 0.36%.
- New investments and service recommendations amount to \$2.6 million. Some of these costs are recovered from capital projects, user rate budgets and reserves. The overall net impact to the tax levy is \$352 thousand or 0.14%.
- Service Partners proposed budget increased by \$3.2 million to a total of \$93 million. The County of Simcoe has an increase of \$1.4 million, Police Services Board \$1.5 million, and the Library Services Board \$853 thousand.

- City is in the process of preparing for 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. Building upon the growth strategy introduced in the 2020 budget, the 2021 budget includes transitioning \$500 thousand to the tax levy to mitigate the impact of growth-related operating costs.
- In maintaining the financial health of the City, the 2021 proposed budget includes the annual 1% Dedicated Infrastructure Renewal Fund contribution of \$2.5 million to support renewal needs of the City’s \$3.9 billion of infrastructure assets.

The proposed user rate budget for water will require a 2.48% rate increase resulting in an increase of \$8.83 to the water bill for a typical home.

The proposed user rate budget for wastewater will require a 2.41% rate increase resulting in an increase of \$12.21 to the water bill for a typical home.

Descriptions	Tax Levy Increase/(Decrease)	Tax Rate Impact
Maintain service levels for current City operations	\$ 5,470,165	2.19%
Debt Management	\$ 904,710	0.36%
Growth Strategy	\$ 500,000	0.20%
Realized Assessment Growth	(4,000,000)	-1.60%
Investment & Service Recommendations	\$ 352,153	0.14%
Service Partners	\$ 3,234,900	1.29%
<b>CITY &amp; SERVICE PARTNER OPERATIONS</b>	<b>\$ 6,461,928</b>	<b>2.59%</b>
<b>Dedicated Infrastructure Renewal Fund</b>	<b>\$ 2,507,508</b>	<b>1.00%</b>
<b>TOTAL</b>	<b>\$ 8,969,436</b>	<b>3.59%</b>

## CAPITAL PLAN

In order to deliver more than 60 municipal services, the City acquires, operates, maintains and renews assets including roads, sidewalks, sewer and water systems, buses, libraries and recreation facilities. These assets allow the City to deliver services like transportation and transit, clean drinking water, sewage and garbage collection, recreational activities and more. In total, it would cost over \$3.9 billion to replace the assets owned by the City.

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 2021-2030 Capital Plan. 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, 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.

Development of the 2021-2030 Capital Plan focused on an extensive review of the 2020 Capital Plan. Decisions about which projects to include were based on overall risk and criticality of each project, the City's financial condition and the resources that are available to complete the work.

Deferrals from the first five years resulted in gross costs lower than in the 2020 plan. In the outer five years, gross costs are higher than in the 2020 plan. A number of large projects contribute to the affordability challenges in those years. In addition, a number of projects were deferred out of the 10 years altogether. The needs associated with the deferred projects still exist, and there is a need to continue to build healthy reserves to address these needs in the future. The City can expect to incur some additional risks and reduced service levels as a result of these deferrals. Some of the deferred projects are intended to replace aging and deteriorated infrastructure, and therefore it is likely that unplanned service interruptions and repairs such as water main breaks, will increase and put more pressure on the City's operating budgets. Several servicing and urbanization projects have been deferred; therefore, some areas will remain on septic longer than planned, and road conditions will continue to deteriorate. Due to the slower than expected development within the Secondary Plan Areas, particularly Salem, some road-widening and servicing projects were deferred. In many of these locations, the roads are rural cross section and already in poor condition. The deferral of reconstruction will mean the pavement continues to deteriorate, and the lack of sidewalks and streetlights will persist.

The following is a high-level overview of previously approved and new requests associated with the 2021 to 2025 Capital Plan projects:

2021–2025 Capital Budget	2021	2022	2023	2024	2025	Grand Total
Previously Approved (Committed)	\$ 44,633,516	\$ 18,269,666	\$ 8,041,000	\$ 2,000,000	\$ –	\$ 72,944,182
New Capital Requests	\$ 57,945,847	\$ 60,760,885	\$ 36,784,861	\$ 10,788,177	\$ 2,500,000	\$ 168,779,770
New Investment and Service Recommendations (for Operating Budget requests)	\$ 1,455,459	\$ –	\$ –	\$ –	\$ –	\$ 1,455,459
<b>Total 2021 Capital Budget</b>	<b>\$ 104,034,821</b>	<b>\$ 79,030,551</b>	<b>\$ 44,825,861</b>	<b>\$ 12,788,177</b>	<b>\$ 2,500,000</b>	<b>\$ 243,179,410</b>
Forecast	\$ –	\$ 86,255,738	\$ 157,236,602	\$ 222,839,297	\$ 273,091,040	\$ 739,422,677
<b>Grand Total 2021–2025 Capital Budget</b>	<b>\$ 104,034,821</b>	<b>\$ 165,286,289</b>	<b>\$ 202,062,464</b>	<b>\$ 235,627,474</b>	<b>\$ 275,591,040</b>	<b>\$ 982,602,087</b>

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



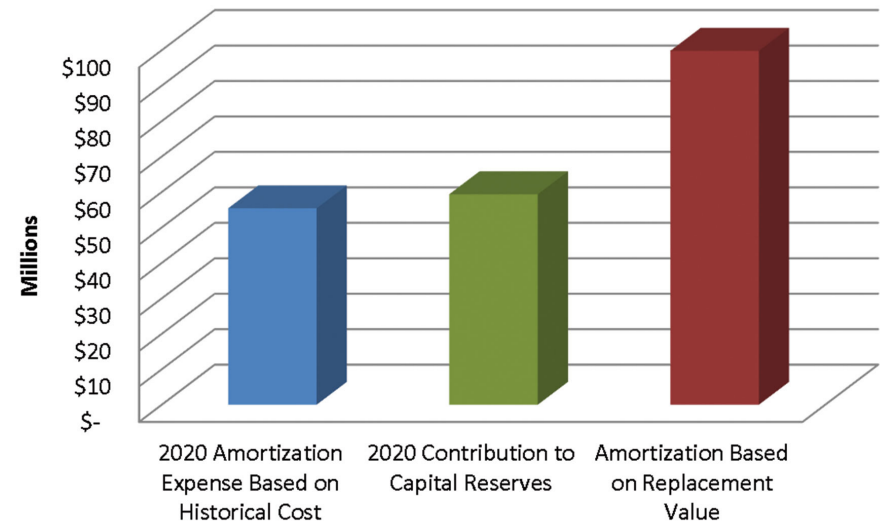
The 2021 Capital Plan presents financial challenges unique to municipalities preparing for rapid growth, specifically, the need to install and pay for the infrastructure required to support growth before the revenue associated with growth is realized. The City's reserves are expected to be in a surplus balance of \$28.9 million on a consolidated basis going in to 2021, with overcommitment in the tax capital reserve, and to a larger extent in the development charge reserves where commitments pertain to growth related infrastructure funded from development charges. The 2021 capital plan relies on maintaining a robust balance in other reserves to mitigate the City's financial risk.

Capital Plan Key Projects	2021 Phase
Wastewater Treatment Facility upgrades and capacity expansion	Study Pre-Design Design Construction
Bell Farm Road ROW expansion	Construction
Allandale Transit Hub development	Construction
Road Resurfacing	Construction
Operations Centre Master Plan – Land Purchase	Property
Operations Centre Master Plan – Implementation	Design Construction
Mapleview Dr. E Road expansion and new trunk watermain	Construction
Lovers Creek New Bridge – Tollendal Mill	Construction
Storm pond upgrades	Design Construction

In order to ensure sufficient asset management of the existing infrastructure, the contributions to reserves that support asset replacement are synchronized with the annual amortization cost based on replacement value, using an average inflationary rate of the Consumer Price Index. The following chart shows the estimated amortization expenses for all existing infrastructure in

2020 based on historical costs for the City of \$55.4 million. The transfer to the tax, water, wastewater and parking capital reserves in 2020 was \$59.4 million which exceeds the amortization expense by \$4.0 million. However, amortization expense is based on historical values which are significantly lower than replacement cost. The replacement value of the non-growth existing infrastructure yields an annual amount of \$99.8 million, resulting in an annual shortfall of over \$40.5 million.

### Annual Infrastructure Gap



Wastewater Treatment Facility