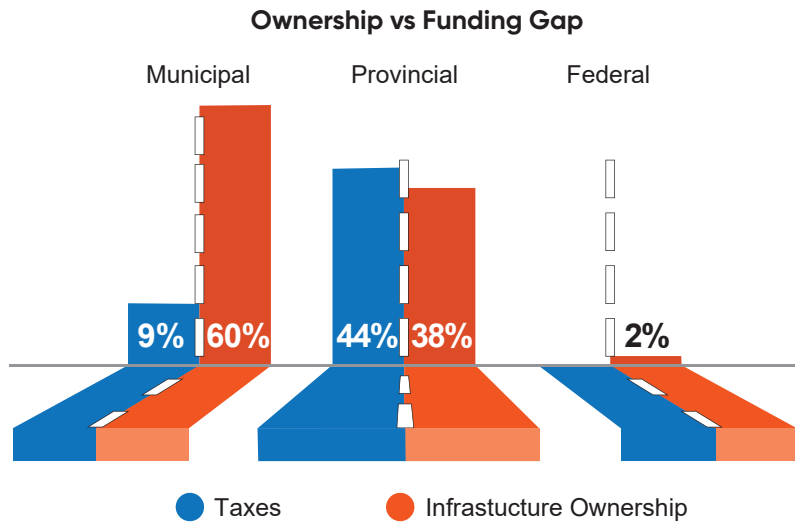


BUDGET AND FINANCIAL OVERVIEW

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%.

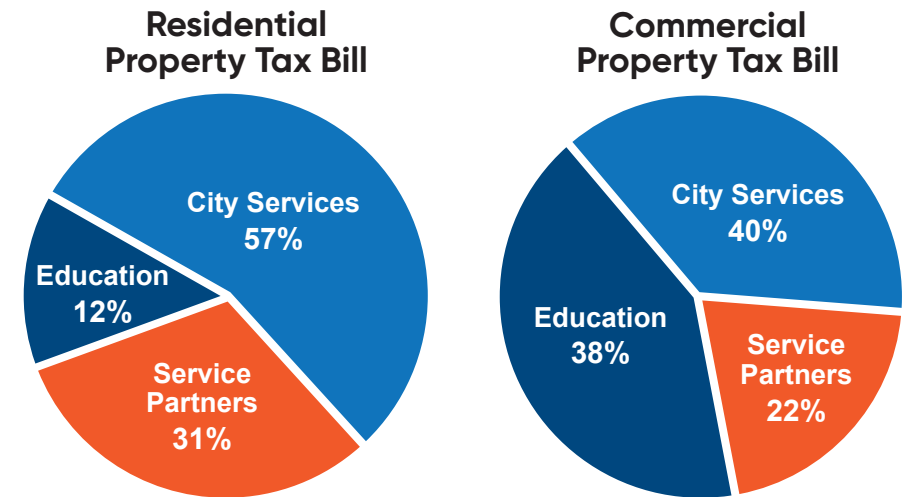


Allocation of Property Tax Bill – City Programs, Service Partners and Education

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.

In 2021, for a typical home assessed at \$367,550, the proposed residential property tax bill increase of \$160 annually (to \$4,614) will fund the following programs: City Services \$2,619 (57%), Education \$563 (12%), and Service Partners \$1,432 (31%). The education portion is determined by the Province of Ontario and for 2021 it is assumed there will be no change to the rate.

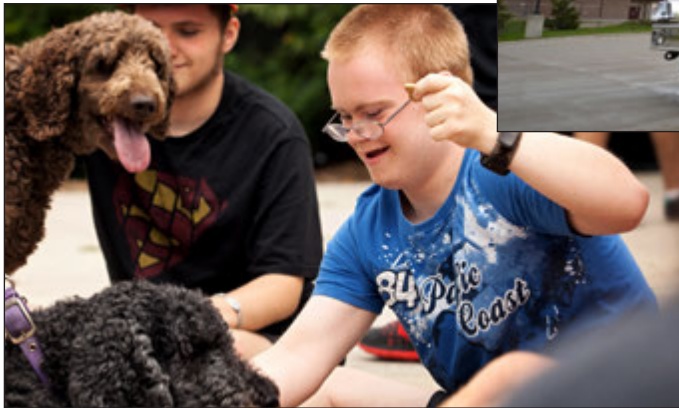
The typical commercial property owner contributes 38% of their tax dollar to education compared to a 12% contribution from residential. Commercial properties contribute proportionately less of their total tax payment to support municipal services. An industrial property tax bill has the same breakdown as a commercial property tax bill.

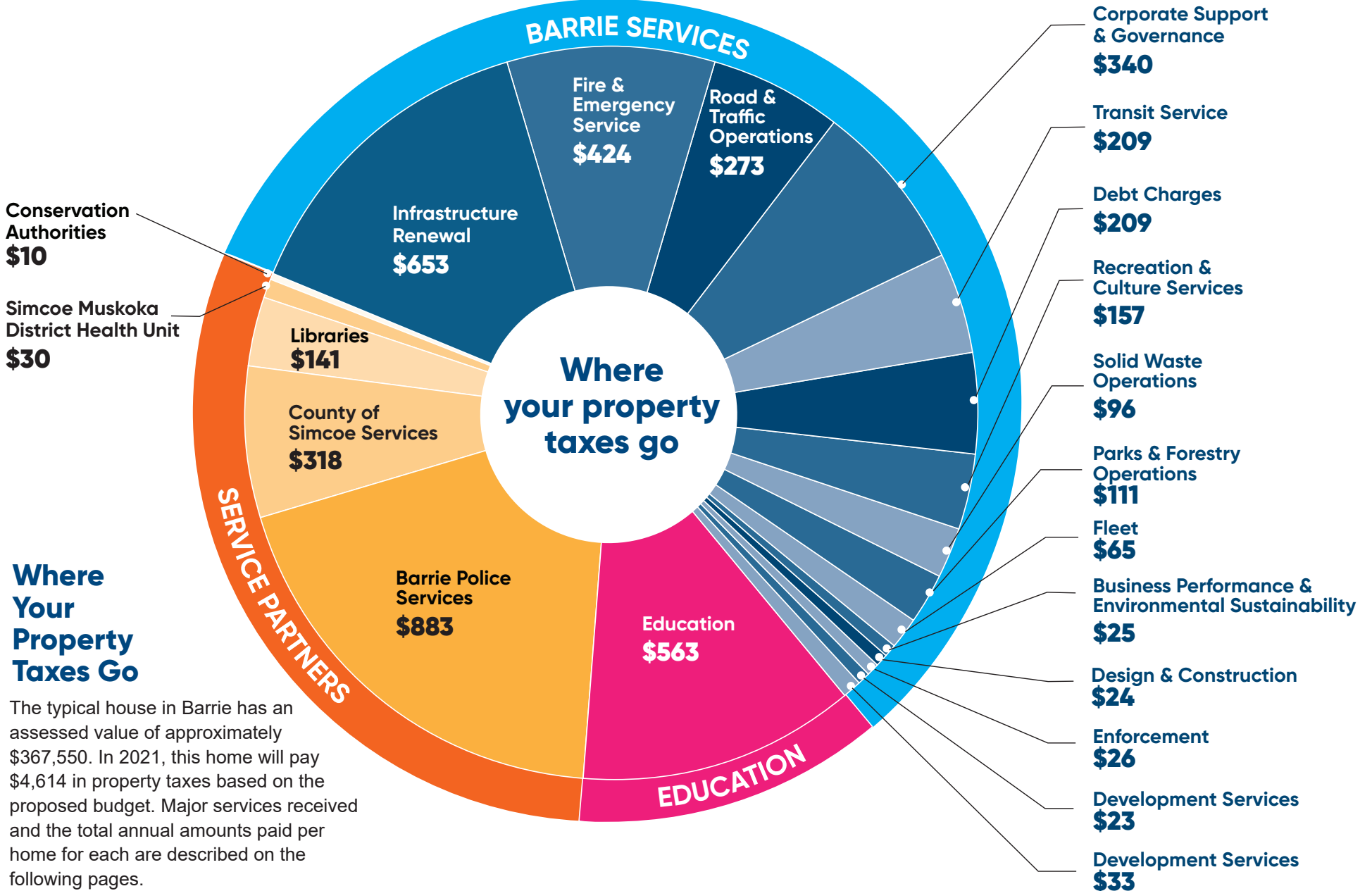


How Your Property Tax Dollars are Spent

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. 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 of these services is estimated at \$4,614.





Where Your Property Taxes Go

The typical house in Barrie has an assessed value of approximately \$367,550. In 2021, this home will pay \$4,614 in property taxes based on the proposed budget. Major services received and the total annual amounts paid per home for each are described on the following pages.

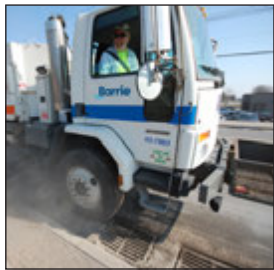
Reamined Systems Inc. on behalf of the Ministry of Finance. 2020. Median/Typical Property report. Retrieved from <https://optapl.t.reamined.on.ca/>

City Services



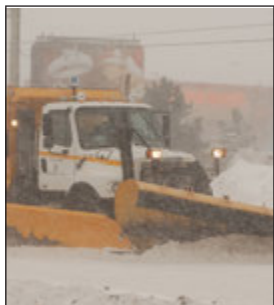
Fire & Emergency Service - \$424

- Barrie Fire and Emergency Service (BFES) provides all hazards emergency service within a diverse urban centre.
- Provide Fire, Emergency Medical Services, and Hazardous Material Response including Specialized and Technical Rescue services.
- Respond to over 8,000 calls for service while achieving a travel time under 6 minutes 91% 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.



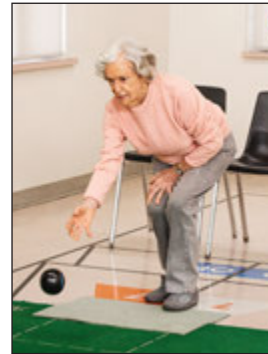
Roads & Traffic Operations - \$273

- Snow removal and maintenance of 1,583 lane kilometres of roads, 618 kilometres of sidewalks and 22 bridges.
- Maintenance of:
 - 135 kilometres of ditches
 - 406 kilometres of storm sewers
 - 106 kilometres of watercourses, 28 kilometres of culverts, and 98 detention ponds
 - 37 kilometres of Barrie Collingwood Railway
- Power supplied to 11,700 street lights and 246 traffic signals.
- Respond to more than 8,900 service requests annually.



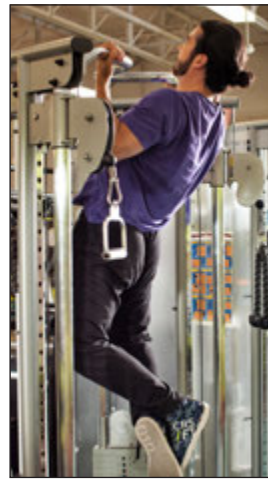
Transit - \$209

- 3+ million conventional and 53,000 specialized transit trips annually.
- 176,000 transit vehicle in-service hours with 30-minute frequencies during peak periods



Recreation - \$157

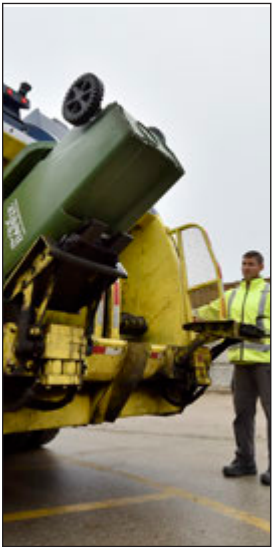
- 4 community centres, 8 sport and recreation centres, 2 seniors' centres and 2 theatre venues
- 3 gyms, 3 main pools, 3 tot pools, and 11 volleyball courts
- Permitting for 33 baseball diamonds, 54 soccer pitches, 33 tennis courts, 3 pickleball courts
- Operate and maintain the Barrie Community Sports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





Parks & Forestry - \$111

- Care of 35,000 street trees, 6,900 trees in parks and over 2,100 acres of City owned natural areas.
- Management of 90 acres of waterfront parkland and public spaces including Meridian Place.
- 129 parks totaling 816 acres in area, 2,450 acres of natural areas, 49 Gores, and 42 acres of boulevards.
- Inspection and maintenance of 146 kilometres of public trails (including bridges, boardwalks, hard and natural surfaces).
- Inspection and maintenance of equipment and play areas at 120 playgrounds and 2 spray pads.
- Maintenance of 452 planting beds (shrubs, perennials and annuals) and 183 planters (concrete or reservoir).



Solid Waste Operations - \$96

- 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

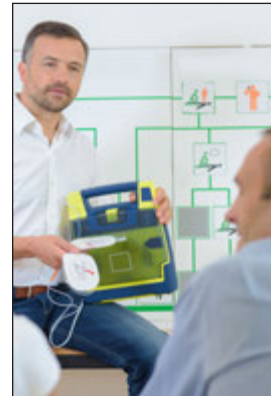


- There are approximately 5,000 additional multi-residential units that may receive partial municipal waste collection services including but not limited to:
 - 360 litre recycling cart service – weekly
 - 132 litre organics cart service – weekly



Service Partners Police Services – \$883

- The Barrie Police Service is focused on community engagement and working collaboratively to enhance community safety and well-being.
- Team of 244 sworn members, 118 civilian members and 20 volunteer auxiliary officers provide adequate, effective, and sustainable policing to the community.
- In 2019, the Barrie Police Service responded to more than 74,000 emergency and non-emergency calls for service which fall under the five core functions of the Police Services Act and include crime prevention, law enforcement, assistance to victims of crime, public order maintenance and emergency response.



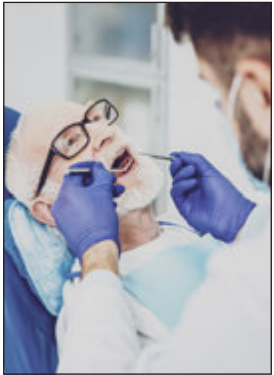
County of Simcoe - \$318

- 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



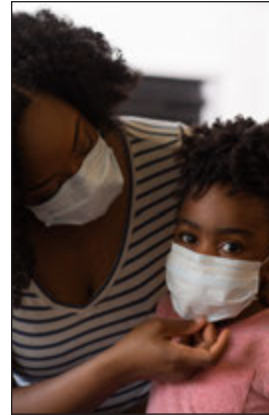
- Long Term Care and Seniors Services provides residents with effective, high quality, safe, and efficient long-term care and seniors services in home-like settings. Manages four Long Term Care Homes and a broad range of seniors housing and services to support over 1,000 seniors across the region.



- Ontario Works provides both financial and employment supports to those in need. Financial benefit 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 a number of 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 child care 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 - \$141

- Provides materials for borrowing including ebooks, downloadable audiobooks, eMagazines, streaming video and music as well as physical items such as books, magazines, video, DVD 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 .



Ontario Works





Barrie Taxes Are Comparable

The following tables present the average 2020 property tax bill for common types of detached homes in cities with populations greater than 100,000. The total tax levy includes all levels of municipal government and education. Barrie's taxes are in the lower end of major Ontario municipalities. The information presented is from the 2020 BMA Management annual Municipal Study database, which allows for the comparison of various municipal property tax-related benchmarks. The BMA study was in draft at the time of print.

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
16 Barrie	\$ 3,934

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 current City operations
- Debt Management
- Realized Assessment Growth
- New investment and service recommendations
- Service partner budget requests
- Dedicated Infrastructure Renewal Fund



The annual Tax supported operating budget reflects the cost associated with delivering dozens of services to the community. The proposed 2021 tax funded operating budget will require a tax rate increase of 2.59% plus 1% contribution to the dedicated infrastructure renewal fund (\$160) for a typical household.

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%
CITY & SERVICE PARTNER OPERATIONS	\$ 6,461,928	2.59%
Dedicated Infrastructure Renewal Fund	\$ 2,507,508	1.00%
TOTAL	\$ 8,969,436	3.59%

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 2021, including the annualized cost of implementing decisions from prior years, is \$5.5 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 Barrie Professional Fire Fighters Association (BPFFA) contract expired on December 31, 2018 and was successfully negotiated for a five-year term, ending December 31, 2023. The Canadian Union of Public Employees (CUPE) contract expires on December 31, 2020 and it is expected that negotiations with CUPE will commence mid-December.

Budgeted labour costs have been calculated to reflect the obligations set out in the BPFFA collective agreement anticipated costs for CUPE, and a recommended amount for non-union.

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

	2020 Compensation Budget	2021 Compensation Budget	Change	Change %
Salaries	\$ 86,125,732	\$ 85,009,857	\$ (1,115,875)	-1.30%
Benefits	\$ 20,767,468	\$ 20,677,024	\$ (90,444)	-0.44%
Honouraria	\$ 516,870	\$ 546,957	\$ 30,087	5.82%
Capital Recoveries	\$ (6,696,751)	\$ (6,175,098)	\$ 521,652	-7.79%
Salary Gapping	\$ (1,475,000)	\$ (1,275,000)	\$ 200,000	-13.56%
Total Compensation	\$ 99,238,319	\$ 98,783,739	\$ (454,580)	-0.46%

Despite annual increase in salary and benefit costs from negotiated contracts and adjustments to benefit rates, overall salaries and benefit costs are expected to decrease by approximately \$1.2 million for 2021. This overall decrease is a result of the reduction of part time staff mainly in recreation and operations because of scaled back programming due to the pandemic.

The provision for salary gapping has been decreased to \$1.275 million for 2021. Salary gapping is a staff management approach to achieve savings primarily through 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 decrease by \$522 thousand for 2021 to reflect anticipated project management requirements.

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 decrease in 2021 by \$142 thousand based on an estimate of \$1.05 per litre and consumption trends.

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).

Contract Type	2021 Budget Increase/(Decrease)
Waste Collection Services	\$ 623,000
Household Hazardous Waste	\$ 176,000
Transit	\$ (354,000)

The City maintains a solid waste collection contract for collection and diversion of garbage, organics, and yard waste. A budget increase of \$623 thousand is required to maintain existing waste collection service levels and allow for projected incremental growth in both the single family and multi-res sectors. The contract unit rates are based on \$/Tonne collected and the total weight of the material collected is growing with greater participation and additional units from growth and intensification initiatives. The contract includes revenue sharing from the recovery and marketing of recyclables. The markets for these materials fluctuate, with metals and plastics markets currently very weak and a shift of the cardboard and fibre streams to an expense.

Household Hazardous Waste (HHW) contracted costs have increased by \$176 thousand due to operating a second HHW site. The additional HHW recovery location is at the newly commissioned Recycling Depot which is located at the east gate of the Environmental Centre.

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 40-45% it is not expected that pre-COVID levels of service will be required until later in 2021. Currently, Barrie Transit is operating at 83% of normal service and will ramp up alongside ridership to ensure service needs are met while also remaining fiscally responsible to the tax base.

Investment Income

2021 Investment income is projected to be \$2.82 million, \$608 thousand lower than the 2020 budget reflecting the impact of the pandemic on investment return. As required by legislation \$855 thousand of this amount will be applied to reserve funds with the balance benefitting the tax supported operating budget.

Assessment Review Board (ARB) Decisions

Over the last three years, the City has refunded more than \$8.4 million in property taxes because of both ARB decisions and Requests for Reconsideration in favour of big-box stores and other commercial properties. For 2020 the amount refunded is approximately \$2.8 million versus a budgeted amount of \$650 thousand. This trend is expected to continue through 2021. MPAC delayed the province wide reassessment planned in 2020 as a result of the pandemic, which will benefit some businesses and property owners as there will be no additional tax related phase in costs in 2021. However, it is expected property owners will be looking for Requests for Reconsideration in 2021 as result of impacts from the pandemic. The budget for tax loss from assessment reductions has been increased by \$350 thousand to a total of \$1 million.



User Fees, Service Charges, Passes, Memberships

Revenue from user fees, service charges, passes, and memberships has been decreased by \$5.5 million for 2021. The City relies on a diverse set of non-tax revenue sources administered by various departments across the organization to support municipal operations. The 2021 budget reflects several year-over-year changes; however, the most significant changes are found in the Recreation and Transit Departments as the coronavirus pandemic continues to have a significant impact on revenues into 2021.

User Fees, Service Charges, Passes, Memberships	2021 Budget Increase/(Decrease)
Recreation Rental Revenue	\$ (1,248,000)
Recreation User Fees	\$ (1,408,000)
Transit Fees	\$ (3,079,000)

Capacity limits on gatherings will impact the number of facility rentals across recreation facilities by \$279 thousand (26%), and special events held primarily at Sadlon Arena and the two theatre locations will be lower by \$180 thousand (39%). Ice rentals for organized hockey are expected to recover at a much slower pace due to continued restrictions on close-contact sports for the first half of 2021. Total Rental Revenues are projected to be lower by \$1.25 million (38%) primarily from the first half of 2021 with activity levels returning closer to normal levels by the Fall.

Registered recreational programming revenues are expected to drop by \$590 thousand (22%) as a result of fewer program offerings and smaller class sizes due to ongoing restrictions on facility capacity limits and time required for cleaning protocols. RecPASS membership revenue is expected to recover, however, still be below 2020's budget by \$548 thousand (27%) as residents slowly return to City facilities under new operating procedures. Along with other decreased revenues from special events and admissions, the user fees for Recreation programming is expected to be \$1.4 million lower.

Transit is forecasting a \$3.1 million (47%) reduction in user fees from 2020 to 2021. COVID-19 has significantly impacted ridership levels and it is anticipated this will continue into 2021. The reduction in bus fare and bus pass revenue is based on trending which is currently at 40-45% of planned ridership levels.

Ridership levels are not expected to significantly increase until confidence in safety from COVID-19 returns or a significant catalyst such as Georgian College students returning to on campus learning. The college has committed to delivering the winter semester (Jan-Apr) remotely indicating the earliest a return to campus could be the summer of 2021. To offset the projected shortfall, transit has budgeted for reduced service hours.

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 \$15 thousand in 2021. Notable changes are described below:

- Tax Capital Reserve contributions (excluding DIRF component) have been decreased by \$239 thousand for 2021. The Barrie Hydro Holdings Dividend was overstated in the 2020 budget and as a result is being reduced by \$1.2M to reflect forecasted amounts. Twenty percent of this dividend is allocated to the Tax Capital Reserve and 80% to the Reinvestment Reserve (formerly Community Benefit Reserve).
- Contributions to the Reinvestment Reserve (formerly Community Benefit Reserve) are being reduced by \$955 thousand as a result of the reduced budgeted dividend from Barrie Hydro Holdings as noted above.
- Landfill Post Closure Reserve contribution has been increased by 10% to \$608 thousand in accordance with the City's Financial Policies.
- The tax funded contribution to the Fleet Reserve is being increased by \$450 thousand to continue to build a sustainable funding source for the replacement of vehicles.
- The contribution to the Legal Contingency reserve for 2021 is being decreased by \$250 thousand, as the reserve has reached its maximum balance of \$500 thousand.

Debt Management

The 2021 debenture program amounts to approximately \$25 million. Total debt servicing costs are expected to increase by \$2.9 million over 2020 budget; and the tax funded portion is expected to increase by \$905 thousand.

A full list of projects included in the planned 2021 debenture is presented in the debt section.

Growth Strategy

The 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. Contributions 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 (formerly the Community Benefit Reserve). In 2021, staff are recommending draws from reserves totaling \$1.5 million; with \$750 thousand from the TRSR and \$750 thousand from the Reinvestment Reserve. The impact of reducing the year over year draw from reserves adds \$500 thousand to the tax levy in 2021. The table below illustrates the proposed smoothing strategy which was approved in 2020.

Growth Smoothing			
	Tax Levy	Reinvestment Reserve	Tax Rate Stabilization Reserve
2020	\$ -	\$ 1,000,000	\$ 1,000,000
2021	\$ 500,000	\$ 750,000	\$ 750,000
2022	\$ 1,000,000	\$ 500,000	\$ 500,000
2023	\$ 1,500,000	\$ 250,000	\$ 250,000
2024	\$ 2,000,000	\$ -	\$ -

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 on Council's strategic plans and to meet the demands of growth as well as legislative requirements. Other service level changes are included in the Business Plan to address the financial constraints and limit the impact to the Tax Levy increase. Recommended investments have been categorized as either Endorsed by the Executive Management Team (EMT) or as Other Service Level Changes. Changes Endorsed by EMT total an additional net impact of \$752 thousand to the tax levy, with other service level changes producing a reduction of \$369 thousand. The following table summarizes each individual new investment or service level change. Detailed business cases are found in the New Investment & Service Recommendations section of the binder.



2021 New Investments and Service Investment Pressures

Sections	Description	Form #	FTE Permanent	Casual / PT	2021 Budget		2022	2023	2024
					Operating	Capital	Operating	Operating	Operating
Service Level Changes Endorsed by EMT	Security at Holly Community Centre	523			70,000	-	-	-	-
	Wastewater Capital Works Technologist	530	1		116,662	6,869	116,108	124,392	126,516
	Project Manager IT	541	1		106,922	(110,000)	114,220	116,120	118,054
	HRIS Administrator – Conversion of Temporary to Permanent Staff	547	1	-1	8,193	-	97,091	103,341	105,083
	Corporate Event Changes including Elimination of Celebrate Barrie	550			(122,073)	-	-	-	-
	Exiting Georgian College Theatre Lease	551			(250,354)	-	(297,784)	(304,927)	(310,428)
	Stormwater Compliance (ECA)	553	2		185,094	58,611	198,424	212,748	220,513
	Roads and Rail Operations – Winter Maintenance to Meet Existing Compliance Standards	555	3		298,490	1,451,080	456,293	473,024	491,164
	Service Barrie - Operations Coordinator	556	1		85,436	5,023	90,510	96,136	102,213
	BSESC Building BAS & HVAC Technician	560	1		(24,095)	3,648	(20,292)	(14,874)	43,666
	Wayfinding Master Plan	566			75,000	-	-	-	-
	Stormwater Treatment Maintenance- Pond Maintenance Budget Requirements	568			1,500,000	-	1,500,000	1,500,000	1,500,000
	FTE – Manager of Business Development	569	1		124,951	3,161	132,686	141,221	150,413
	Community Improvement Plan (CIP) 2021 Funding	574			400,000	-	1,000,000	1,200,000	1,500,000
	Tourism Development Coordinator (Part-Time)	576			44,141	3,161	47,761	-	-
	Customer Service Representative	580	1		65,404	8,906	70,372	75,650	81,063
	Senior Asset Management Program Coordinator	586	1	-1	75,533	-	150,983	160,953	163,732
Additional Enforcement Resource (1 FT Enforcement Officer)	601	1		97,403	25,000	98,764	100,421	102,108	
Circular Economy and Transition to Producer Responsibility	604			125,000	-	-	-	-	
Service Level Changes Endorsed by EMT - Total			14	-12	2,981,707	1,455,459	3,755,135	3,984,206	4,394,097
Recovery from Capital					157,533	-	234,623	246,266	250,752
Rates					106,208	-	110,223	122,232	128,340
Other Revenues					(127,675)	-	(178,185)	(183,854)	(189,693)
Contribution from Reserves					2,094,141	1,455,459	2,547,761	2,700,000	3,000,000
Service Level Changes Endorsed by EMT - Net Impact on Tax					751,500	-	1,040,713	1,099,561	1,204,698
Other Service Level Changes	2021 Summer Weekend Closures of Community Centres	544			(108,300)	-	-	-	-
	Ontario Big City Mayors Support	559		1	61,355	-	-	-	-
	2021 Budget Target – Urban Forestry	584			(53,000)	-	-	-	-
	2021 Budget Target – Waterfront And Meridian Place Urban BeauTification	587			(20,000)	-	-	-	-
	2021 Budget Target – Parks and Forestry Staffing Levels	588			(115,500)	-	(50,000)	(50,000)	(50,000)
	2021 Budget Target - Traffic Services	590			(112,778)	-	-	-	-
	Reduce 2021 Proactive and Preventative Maintenance in Parks & Horticulture	591			(13,600)	-	-	-	-
CAM Service Level Reductions - 2021 Budget Target	594			(7,501)	-	-	-	-	
Other Service Level Changes - Total			0	1	(369,324)	-	(50,000)	(50,000)	(50,000)
Rates					(655)	-	-	-	-
Other Revenues					30,678	-	-	-	-
Other Service Level Changes - Net Impact on Tax					(399,347)	-	(50,000)	(50,000)	(50,000)

Deferred Service Level Recommendations & Future Investment Pressures

A number of new investment and service level recommendations that are required to address current service level pressures have been excluded from the recommended 2021 Business plan. The Executive Management Team (EMT) recognizes the need for these intake forms, summarized in the table below as Deferred Service Level Changes; they have been excluded to address the current 2021 budget targets and financial constraints. Such deferrals will have a negative impact on current service levels.

As the City continues to grow each year by adding new roads, parks, water and wastewater assets, more resources are needed to provide current service levels to operate and maintain these new City assets. The table below summarizes Future Growth Service Level Intake forms that will be needed starting in 2022. These new resources are not being recommended in the 2021 Business Plan but are being presented to highlight additional needs from 2022 to 2024. Other resources may be required in 2022 that have not been included. Detailed business cases are found in the Deferred Service Recommendations & Future Investment Pressures section of the binder.

2021 Deferred Service Recommendations & Future Investment Pressures

Sections	Description	Form #	FTE Permanent	Casual / PT	2021 Operating	2022 Budget		2023 Budget		2024 Budget	
						Operating	Capital	Operating	Capital	Operating	Capital
Deferred Service Level Changes	Full-Time Client Service Representatives	524	3	-6	64,963	65,961		57,259		47,444	
	Senior Parking Technologist	538	1		80,233	110,792		114,120		116,054	
	Position Conversion - PT Casual Office Services Assistant to FTE Small Business Consultant	575	1	-1	21,424	34,896		37,407		42,420	
	Accounts Payable Clerk	609	1		59,787	64,261		68,999		73,911	
Deferred Service Level Changes - Total			6	-7	226,408	275,910	-	277,785	-	279,829	-
Rates					80,233	110,792		114,120		116,054	
Other Revenue					25,000	38,625		39,784		40,977	
Deferred Service Level Changes – Net Impact on Tax					121,175	126,493	-	123,882	-	122,798	-
Future Growth Pressures	Secondary Lands Transit ON Demand Operating Hours	548				603,170		932,484		955,796	
	Roads and Rail Operations Winter Maintenance Growth Scenario, Step 2 2022 - 2024	564	6		-	64,735	526,080	254,347		342,753	526,080
	Parks and Forestry Growth Scenario	567	13	13	-	426,107	502,231	864,192	388,308	1,355,211	384,154
	Traffic Services Growth Scenario	592			-	25,000		25,000		25,000	
	Roads and Rail Operations Winter Maintenance Growth Scenario, Step 1 2021 - 2022	602	2		-	212,062	1,050,720	316,183		328,276	
Future Growth Pressures - Total			21	13	-	1,331,074	2,079,031	2,392,205	388,308	3,007,035	910,234
Contribution from Reserves							2,079,031		388,308		910,234
Other Revenues						25,000		38,625		39,784	
Future Growth Pressures – Net Impact on Tax					-	1,306,074	2,079,031	2,353,580	388,308	2,967,251	910,234

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 31% of the property tax bill. Detailed

budget submissions are found in the Service Partners section of the binder. The 2021 service partner base budget requests require a net increase of \$3.2 million to the tax levy.

The table on the following page 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

		2019 Actuals	2020 Budget	In Year Forecast	2021 Requested Budget	Change in 2021 Requested Budget to 2020 Approved Budget	
Conservation Authorities	Lake Simcoe Region Conservation Auth.	\$ 1,320,290	\$ 1,359,000	\$ 1,359,000	\$ 1,316,642	\$ (42,358)	-3.12%
	Water Rate funding	\$ (1,001,471)	\$ (1,019,250)	\$ (1,019,250)	\$ (998,763)	\$ 20,487	-2.01%
	Tax Funded	\$ 318,820	\$ 339,750	\$ 339,750	\$ 317,879	\$ (21,871)	-6.44%
	Nottawasaga Valley Conservation Auth.	\$ 399,620	\$ 412,000	\$ 385,839	\$ 412,673	\$ 673	0.16%
	Water Rate funding	\$ (60,750)	\$ (61,800)	\$ (57,876)	\$ (58,686)	\$ 3,114	-5.04%
	Tax Funded	\$ 338,870	\$ 350,200	\$ 327,963	\$ 353,987	\$ 3,787	1.08%
	Total - Tax Funded	\$ 657,689	\$ 689,950	\$ 667,713	\$ 671,866	\$ (18,084)	-2.62%
County of Simcoe	Social Housing	\$ 5,853,282	\$ 6,540,000	\$ 6,540,000	\$ 6,831,000	\$ 291,000	4.45%
	Draw from CoS Capital Reserve	\$ (525,883)	\$ (674,456)	\$ (674,456)	\$ (1,200,000)	\$ (525,544)	77.92%
	Tax Funded	\$ 5,327,399	\$ 5,865,544	\$ 5,865,544	\$ 5,631,000	\$ (234,544)	-4.00%
	Long Term Care	\$ 1,023,622	\$ 1,131,000	\$ 1,131,000	\$ 1,885,000	\$ 754,000	66.67%
	Ontario Works	\$ 3,157,299	\$ 3,235,000	\$ 4,235,000	\$ 3,493,000	\$ 258,000	7.98%
	Paramedic Services	\$ 6,548,126	\$ 7,026,000	\$ 7,026,000	\$ 6,583,000	\$ (443,000)	-6.31%
	Children and Community Services	\$ 1,783,460	\$ 2,867,000	\$ 2,867,000	\$ 2,913,000	\$ 46,000	1.60%
	Simcoe County Museum and Archives	\$ 109,080	\$ 110,635	\$ 110,635	\$ 113,000	\$ 2,365	2.14%
	Contribution to County Capital Reserve	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 500,000	20.00%
	Total - Tax Funded	\$ 19,948,986	\$ 22,735,179	\$ 23,735,179	\$ 23,618,000	\$ 882,821	3.88%
Lake Simcoe Regional Airport	Lake Simcoe Regional Airport	\$ 442,862	\$ 74,759	\$ 74,759	\$ 111,000	\$ 36,241	48.48%
	Total - Tax Funded	\$ 442,862	\$ 74,759	\$ 74,759	\$ 111,000	\$ 36,241	48.48%
Local Boards	Barrie Police Services	\$ 53,329,646	\$ 55,811,858	\$ 55,811,850	\$ 57,292,783	\$ 1,480,925	2.65%
	Barrie Public Library	\$ 8,007,596	\$ 8,307,148	\$ 8,307,148	\$ 9,320,145	\$ 1,012,997	12.19%
	Draw from DC Reserves	\$ (50,000)	\$ -	\$ -	\$ (160,000)	\$ (160,000)	N/A
	Tax Funded	\$ 7,957,596	\$ 8,307,148	\$ 8,307,148	\$ 9,160,145	\$ 852,997	10.27%
	Total - Tax Funded	\$ 61,287,242	\$ 64,119,006	\$ 64,118,998	\$ 66,452,928	\$ 2,333,922	3.64%
Other Service Partners & Grants	Physician Recruitment	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0.00%
	Total - Tax Funded	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0.00%
Simcoe Muskoka District Health Unit	Simcoe Muskoka District Health Unit	\$ 1,803,003	\$ 1,939,627	\$ 1,939,627	\$ 1,939,627	\$ -	0.00%
	Province of Ontario	\$ 21,152	\$ 17,500	\$ 17,500	\$ 17,500	\$ -	0.00%
	Total - Tax Funded	\$ 1,781,850	\$ 1,922,127	\$ 1,922,127	\$ 1,922,127	\$ -	0.00%
Grand Total - Tax Funded		\$ 84,178,630	\$ 89,601,021	\$ 90,578,777	\$ 92,835,921	\$ 3,234,900	3.61%

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

The Police budget is faced with unique challenges in 2021 including those related to COVID-19 such as changes to business practices, purchases of protective equipment, and technological upgrades. The service continues to be affected by the decrease in funding from provincial grants. The employee compensation budget is increased \$1.2 million which includes the impact of contracted obligations for 244 sworn and 118 civilian members. Included in the 2021 budget are the costs of legislated directives resulting in a budget increase of \$3.0 million and consisting of Next Generation 911 and salary and benefits costs under the Supporting Ontario's First Responders Act.

The Library budget will require an additional \$162 thousand to maintain adequate and effective library service in 2021. A further commitment of \$851 thousand is being requested to extend library services into Holly. An increase in Development Charge (DC) funding of \$160 thousand will result in the tax levy impact being \$853 thousand.

The City is a member of a tri-party Municipal Services Agreement along with the County of Simcoe and the City of Orillia. The tax funded cost for the City's share of services is expected to increase by \$883 thousand for 2021 based on the County's Budget.

Contribution to the County of Simcoe Capital Reserve – 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 2021 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 \$500 thousand for a total contribution of \$3.0 million in 2021 to meet estimated funding obligations for the County's capital program.

The Board of Health for the Simcoe Muskoka District Health Unit anticipates public health costs to be larger and more uncertain in 2021 due to the COVID-19 pandemic. On March 12, 2020, the Province of Ontario extended mitigation funding for an additional calendar year, keeping funding levels for public health units in 2021 at the same level as 2020. Further details from the Province regarding access to COVID-19 Extraordinary Funding and other financial details will be captured in the health unit's budget with expected approval prior to March 1, 2021.



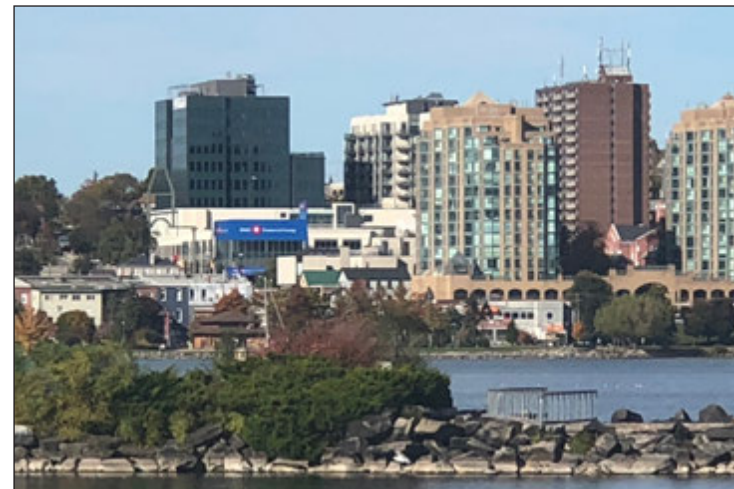
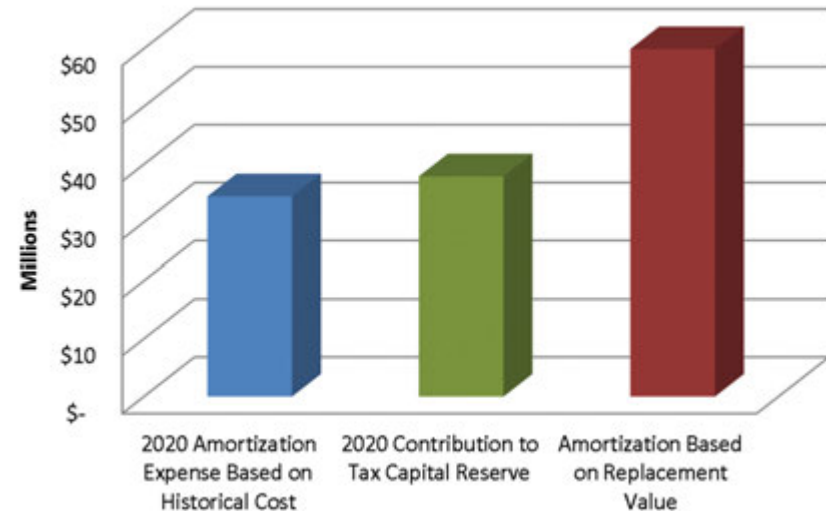
Dedicated Infrastructure Renewal Fund

The City's proposed tax supported budget includes a \$2.5 million increase related to the Dedicated Infrastructure Renewal Fund.

The City of Barrie owns approximately \$2.5 billion in infrastructure, based on historical costs. The current dollar value of this infrastructure is considerably higher, at more than \$3.9 billion in replacement costs. The City's annual requirements for repairing and rehabilitating aging infrastructure is 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 Fund portion of the annual tax capital reserve contribution was approved by 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. For the proposed 2021 budget, the 1% increase represents approximately an additional \$2.5 million of contribution. This fund will be used to increase infrastructure rehabilitation for tax-supported infrastructure – roads, sidewalks, parks, buildings, fleet, and equipment.

The following chart shows the estimated amortization expenses for tax-supported infrastructure in 2020 based on historical costs for the City of \$34.6 million. The transfer to the capital reserve in 2020 was \$37.9 million which was higher than the amortization expense by \$3.3M. 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 \$59.9 million, resulting in an annual shortfall of over \$22 million.

Tax Supported Annual Infrastructure Gap



2021 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 2020 permanent staff complement consisted of 842 individuals. The 2021 business plan includes requests for permanent staff that would increase the complement to 855. Detailed business cases supporting the requests for additional complement are found in the New Investment & Service Recommendations section of the binder.

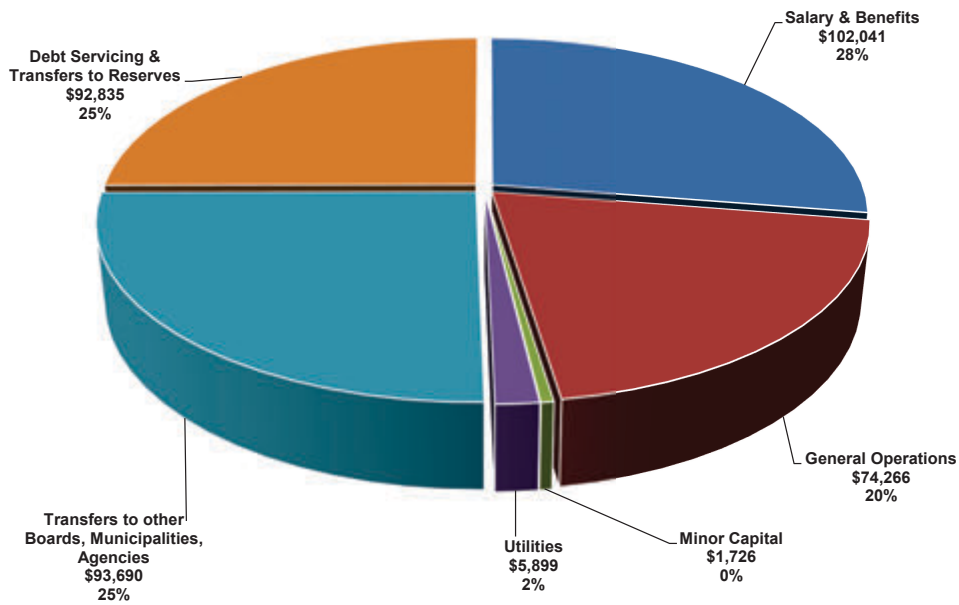
Division/Department	2019 Total Approved Complement	2020 Total Approved Complement	2021 Recommended New Investments Impact			2021 Recommended New Investments Complement Funding Source					2021 Recommended Complement		
			FT	PPT	Total	Tax	Non-Tax	Water	Wastewater	Parking	FT	PPT	Total
Office of the Mayor & CAO													
Office of the Mayor & CAO	4	4									4		4
Internal Audit	2	2									2		2
Legal Services	19	11									11		11
Human Resources	18	18	1		1	1					19		19
	43	35	1	-	1	1	-	-	-	-	36	-	36
Infrastructure & Growth Management													
General Manager's Office	2	2									2		2
Economic & Creative Development	10	10	1		1	1					11		11
Business Performance & Environmental Sustainability	15	15									14	1	15
Building Services	33	35									34	1	35
Corporate Asset Management	10	10	1		1		1				11		11
Development Services	37	37									37		37
Infrastructure	46	47									47		47
Operations	122	132	5		5	5					135	2	137
	275	288	7	-	7	6	1	-	-	-	291	4	295
Community & Corporate Services													
General Manager's Office	2	2									2		2
Corporate Facilities	41	44	1		1	1					45		45
Legislative & Court Services	80	88	1		1	1					70	19	89
Finance	50	50	1		1	0.5		0.25	0.25		51		51
Recreation Services to Recreation & Culture Services	67	67									66	1	67
Fire & Emergency	183	183									179	4	183
	423	434	3	-	3	2.5	-	0.25	0.25	-	413	24	437
Access Barrie													
Access Barrie Admin	2	2									2		2
Customer Service	18	18	1		1	0.5		0.3		0.2	17	2	19
Marketing & Communications	7	8									8		8
Transit & Parking Strategy	8	8									8		8
Information Technology	45	47	1		1	1					47	1	48
Innovation	2	2									2		2
	82	85	2	-	2	1.5	-	0.3	-	0.2	84	3	87
Total City Staff (Tax Base)	823	842	13	-	13	11	1	0.55	0.25	0.2	824	31	855

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.

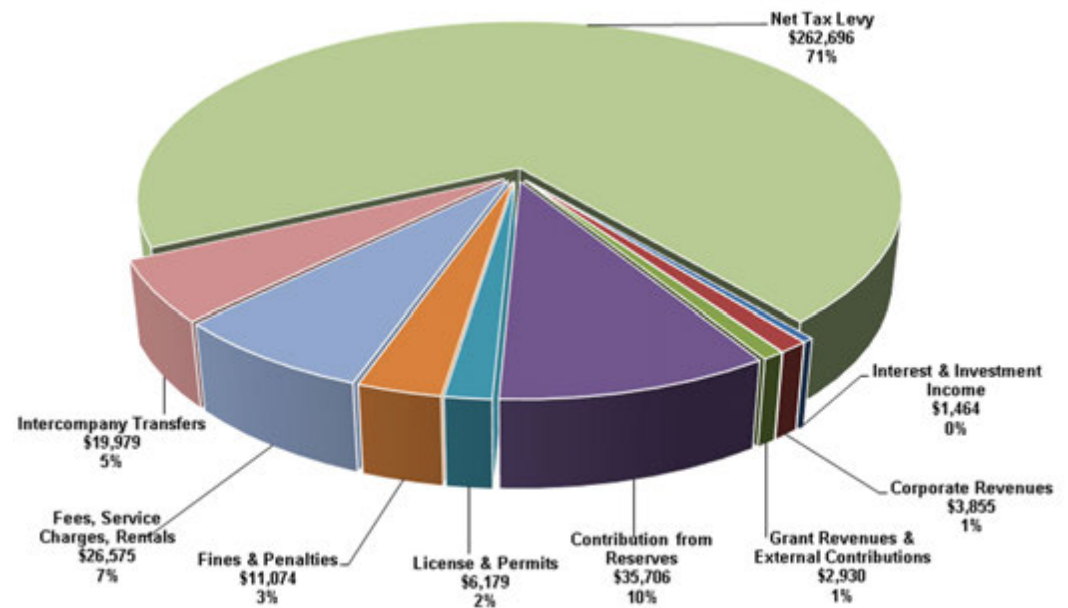
Summary of Tax Operating Budget Expenses and Revenues

The 2021 requested Tax Operating budget results in an increase of \$8.76 million (2.4%) in gross expenditures with an equal and offsetting increase in planned revenues. The following charts show the breakdown of expenses and revenues:

2021 Gross Expenditures - \$370M
(\$000s)



2021 Sources of Operating Revenue - \$370M
(\$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.

	2020 – Budget		2021 – Base Budget		Base Budget Change		Net Change	2021 – New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)
CAO & Mayor's Office														
Office of the CAO	\$ 701,653	\$ 675,653	\$ 707,504	\$ 681,504	\$ 5,852	\$ 5,852	0.9%	\$ 0	\$ 0	\$ 707,504	\$ 681,504	\$ 5,852	\$ 5,852	0.9%
Office of the Mayor	\$ 446,139	\$ 296,139	\$ 449,477	\$ 304,477	\$ 3,338	\$ 8,338	2.8%	\$ 61,355	\$ 30,678	\$ 510,832	\$ 335,154	\$ 64,693	\$ 39,015	13.2%
Legal Services Department	\$ 2,394,222	\$ 1,855,472	\$ 2,021,128	\$ 1,882,078	(\$373,094)	\$ 26,606	1.4%	\$ 0	\$ 0	\$ 2,021,128	\$ 1,882,078	(\$373,094)	\$ 26,606	1.4%
Internal Audit	\$ 344,259	\$ 344,259	\$ 369,308	\$ 369,308	\$ 25,049	\$ 25,049	7.3%	\$ 0	\$ 0	\$ 369,308	\$ 369,308	\$ 25,049	\$ 25,049	7.3%
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%
Total	\$ 7,172,807	\$ 6,307,051	\$ 6,929,669	\$ 6,462,216	(\$243,138)	\$ 155,166	2.5%	\$ 69,548	\$ 38,870	\$ 6,999,217	\$ 6,501,087	(\$173,590)	\$ 194,036	3.1%

Council & Committees														
City Council	\$ 751,886	\$ 739,699	\$ 751,032	\$ 758,032	(\$854)	\$ 18,333	2.5%	\$ 0	\$ 0	\$ 751,032	\$ 758,032	(\$854)	\$ 18,333	2.5%
Committees	\$ 76,130	\$ 76,130	\$ 71,290	\$ 71,290	(\$4,840)	(\$4,840)	-6.4%	\$ 0	\$ 0	\$ 71,290	\$ 71,290	(\$4,840)	(\$4,840)	-6.4%
Total	\$ 828,016	\$ 815,829	\$ 822,322	\$ 829,322	(\$5,694)	\$ 13,493	1.7%	\$ 0	\$ 0	\$ 822,322	\$ 829,322	(\$5,694)	\$ 13,493	1.7%

Access Barrie														
Access Barrie Admin	\$ 344,976	\$ 344,976	\$ 345,195	\$ 345,195	\$ 219	\$ 219	0.1%	\$0	\$0	\$ 345,195	\$ 345,195	\$ 219	\$ 219	0.1%
Customer Service	\$ 1,644,414	\$ 1,172,925	\$ 1,678,633	\$ 1,194,908	\$ 34,219	\$ 21,983	1.9%	\$83,728	\$41,010	\$ 1,762,361	\$ 1,235,918	\$ 117,947	\$ 62,992	5.4%
Marketing & Comm.	\$ 1,428,441	\$ 998,010	\$ 1,334,562	\$ 1,039,669	(\$93,880)	\$ 41,659	4.2%	\$0	\$0	\$ 1,334,562	\$ 1,039,669	(\$93,880)	\$ 41,659	4.2%
Innovation	\$ 378,041	\$ 343,041	\$ 321,093	\$ 321,093	(\$56,948)	(\$21,948)	-6.4%	\$0	\$0	\$ 321,093	\$ 321,093	(\$56,948)	(\$21,948)	-6.4%
Information Technology	\$ 9,729,722	\$ 8,274,871	\$ 9,764,132	\$ 8,318,167	\$ 34,410	\$ 43,296	0.6%	\$125,166	\$125,166	\$ 9,889,298	\$ 8,443,333	\$ 159,576	\$ 168,462	2.0%
Transit & Parking Strategy	\$ 22,156,242	\$ 13,462,694	\$ 21,625,080	\$ 13,572,735	(\$531,162)	\$ 110,040	0.8%	\$0	\$0	\$ 21,625,080	\$ 13,572,735	(\$531,162)	\$ 110,040	0.8%
Total	\$ 35,681,837	\$ 24,596,518	\$ 35,068,695	\$ 24,791,767	(\$613,142)	\$ 195,249	0.8%	\$208,894	\$166,176	\$ 35,277,589	\$24,957,942	(\$404,248)	\$ 361,425	1.5%

Community & Corporate Services														
GM of Community & Corporate Services	\$ 400,669	\$ 375,669	\$ 403,311	\$ 378,311	\$ 2,642	\$ 2,642	0.7%	\$ 0	\$ 0	\$ 403,311	\$ 378,311	\$ 2,642	\$ 2,642	0.7%
Finance Department	\$ 6,454,772	\$ 4,037,303	\$ 6,449,441	\$ 4,008,673	(\$5,331)	(\$28,629)	-0.7%	\$ 65,404	\$ 32,702	\$ 6,514,845	\$ 4,041,375	\$ 60,074	\$ 4,073	0.1%
Barrie Fire & Emergency Service	\$ 27,218,864	\$ 27,019,779	\$ 27,777,196	\$ 27,507,060	\$558,332	\$ 487,281	1.8%	\$ 0	\$ 0	\$ 27,777,196	\$ 27,507,060	\$ 558,332	\$ 487,281	1.8%
Legislative & Court Services	\$ 10,759,730	\$ 2,218,522	\$ 10,212,949	\$ 2,867,937	(\$546,782)	\$ 649,415	29.3%	\$ 97,403	\$ 97,403	\$ 10,310,351	\$ 2,965,339	(\$449,379)	\$ 746,818	33.7%
Recreation & Culture Services	\$ 20,623,111	\$ 9,998,577	\$ 17,790,159	\$ 10,492,146	(\$2,832,951)	\$ 493,569	4.9%	(\$370,597)	(\$332,109)	\$ 17,419,563	\$ 10,160,037	(\$3,203,548)	\$ 161,460	1.6%
Facilities Department	\$ 14,711,028	\$ 2,210,857	\$ 13,983,059	\$ 2,156,945	(\$727,969)	(\$53,912)	-2.4%	(\$115,546)	(\$26,359)	\$ 13,867,512	\$ 2,130,586	(\$843,515)	(\$80,271)	-3.6%
Total	\$ 80,168,174	\$ 45,860,706	\$ 76,616,115	\$ 47,411,071	(\$3,552,059)	\$1,550,365	3.4%	(\$323,335)	(\$228,362)	\$ 76,292,779	\$ 47,182,709	(\$3,875,394)	\$1,322,003	2.9%

	2020 – Budget		2021 – Base Budget		Base Budget Change		Net Change	2021 – New Investments & Service Recommendation		Requested Budget		Requested Budget Change		Net Change
	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)	(%)
Infrastructure & Growth Management														
Economic & Creative Development	\$ 2,452,155	\$ 1,941,598	\$ 2,472,583	\$ 1,992,825	\$ 20,427	\$ 51,227	2.64%	\$ 291,453	\$ 172,311	\$ 2,764,035	\$ 2,165,137	\$ 311,880	\$ 223,538	11.5%
Building Services	\$ 3,183,401	\$ 49,514	\$ 3,549,044	(\$0)	\$ 365,643	(\$49,514)	-100.00%	\$ 0	\$ 0	\$ 3,549,044	(\$0)	\$ 365,643	(\$49,514)	-100.0%
GM Infrastructure & Growth Mgmt	\$ 509,320	\$ 509,320	\$ 445,381	\$ 445,381	(\$63,939)	(\$63,939)	-12.55%	\$ 0	\$ 0	\$ 445,381	\$ 445,381	(\$63,939)	(\$63,939)	-12.6%
Infrastructure Department	\$ 3,788,622	\$ 1,240,384	\$ 3,819,416	\$ 1,248,373	\$ 30,793	\$ 7,988	0.64%	\$ 0	\$ 0	\$ 3,819,416	\$ 1,248,373	\$ 30,793	\$ 7,988	0.6%
Corporate Asset Management	\$ 1,543,387	\$ 872,711	\$ 1,601,202	\$ 889,612	\$ 57,815	\$ 16,902	1.94%	(\$7,500)	(\$6,845)	\$ 1,593,702	\$ 882,767	\$ 50,315	\$ 10,056	1.2%
Operations	\$ 41,339,445	\$ 35,351,297	\$ 42,848,181	\$ 36,770,853	\$ 1,508,736	\$ 1,419,556	4.02%	\$ 1,660,003	\$ 160,003	\$ 44,508,184	\$ 36,930,856	\$ 3,168,739	\$ 1,579,559	4.5%
Development Services	\$ 4,711,347	\$ 2,434,270	\$ 4,854,206	\$ 2,398,439	\$ 142,859	(\$35,831)	-1.47%	\$ 400,000	\$ 0	\$ 5,254,206	\$ 2,398,439	\$ 542,859	(\$35,831)	-1.5%
Business Performance & Environmental Sustainability	\$ 2,370,470	\$ 1,532,102	\$ 2,385,665	\$ 1,554,749	\$ 15,195	\$ 22,647	1.48%	\$ 125,000	\$ 50,000	\$ 2,510,665	\$ 1,604,749	\$ 140,195	\$ 72,647	4.7%
Total	\$ 59,898,146	\$ 43,931,196	\$ 61,975,676	\$ 45,300,231	\$2,077,530	\$ 1,369,035	3.12%	\$ 2,468,956	\$ 375,469	\$ 64,444,632	\$ 45,675,700	\$4,546,486	\$1,744,504	4.0%
Divisional Tax Operating	\$ 183,748,979	\$ 121,511,300	\$ 181,412,477	\$ 124,794,607	(\$2,336,502)	\$ 3,283,307	2.70%	\$ 2,424,062	\$ 352,153	\$ 183,836,539	\$125,146,760	\$ 87,560	\$3,635,460	3.0%
Service Partners & Grants														
County of Simcoe	\$ 20,909,635	\$ 20,235,179	\$ 21,818,000	\$ 20,618,000	\$ 908,365	\$ 382,821	1.89%	\$ 0	\$ 0	\$ 21,818,000	\$ 20,618,000	\$ 908,365	\$ 382,821	1.9%
Simcoe Muskoka District Health Unit	\$ 1,939,627	\$ 1,922,127	\$ 1,939,627	\$ 1,922,127	\$ 0	\$ 0	0.00%	\$ 0	\$ 0	\$ 1,939,627	\$ 1,922,127	\$ 0	\$ 0	0.0%
Conservation Authorities	\$ 1,771,000	\$ 689,950	\$ 1,729,315	\$ 671,866	(\$41,685)	(\$18,084)	-2.62%	\$ 0	\$ 0	\$ 1,729,315	\$ 671,866	(\$41,685)	(\$18,084)	-2.6%
Local Boards	\$ 64,119,006	\$ 64,119,006	\$ 66,612,928	\$ 66,452,928	\$ 2,493,922	\$ 2,333,922	3.64%	\$ 0	\$ 0	\$ 66,612,928	\$ 66,452,928	\$ 2,493,922	\$ 2,333,922	3.6%
Lake Simcoe Regional Airport	\$ 74,759	\$ 74,759	\$ 111,000	\$ 111,000	\$ 36,241	\$ 36,241	48.48%	\$ 0	\$ 0	\$ 111,000	\$ 111,000	\$ 36,241	\$ 36,241	48.5%
Other Service Partners & Grants	\$ 780,000	\$ 60,000	\$ 477,000	\$ 60,000	(\$303,000)	\$ 0	0.00%	\$ 0	\$ 0	\$ 477,000	\$ 60,000	(\$303,000)	\$ 0	0.0%
Total	\$ 89,594,027	\$ 87,101,021	\$ 92,687,870	\$ 89,835,921	\$3,093,843	\$2,734,900	3.14%	\$ 0	\$ 0	\$ 92,687,870	\$89,835,921	\$ 3,093,843	\$ 2,734,900	3.1%
Corporate Transactions														
Corporate Expenses	\$ 88,355,673	\$ 55,890,404	\$ 93,933,535	\$ 60,553,254	\$ 5,577,862	\$ 4,662,850	8.34%	\$ 0	\$ 0	\$ 93,933,535	\$ 60,553,254	\$ 5,577,862	\$ 4,662,850	8.3%
Corporate Revenues	\$ 0	(\$14,776,652)	\$ 0	(\$12,840,427)	\$ 0	\$ 1,936,225	-13.10%	\$ 0	\$ 0	\$ 0	(\$12,840,427)	\$ 0	\$ 1,936,225	-13.1%
Total	\$ 88,355,673	\$ 41,113,752	\$ 93,933,535	\$ 47,712,827	\$ 5,577,862	\$ 6,599,075	16.05%	\$ 0	\$ 0	\$ 93,933,535	\$ 47,712,827	\$ 5,577,862	\$ 6,599,075	16.1%
Total Recommended Tax Operating Budget	\$ 361,698,679	\$ 249,726,073	\$ 368,033,882	\$ 262,343,356	\$ 6,335,203	\$ 12,617,283	5.05%	\$ 2,424,062	\$ 352,153	\$ 370,457,944	\$262,695,509	\$ 8,759,265	\$ 12,969,436	5.2%

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

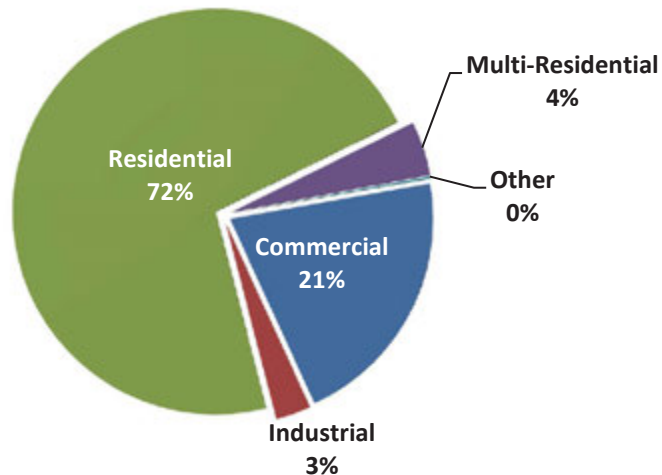
Property Tax Revenue

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 2021 tax levy supporting municipal services and service partners by major property class.

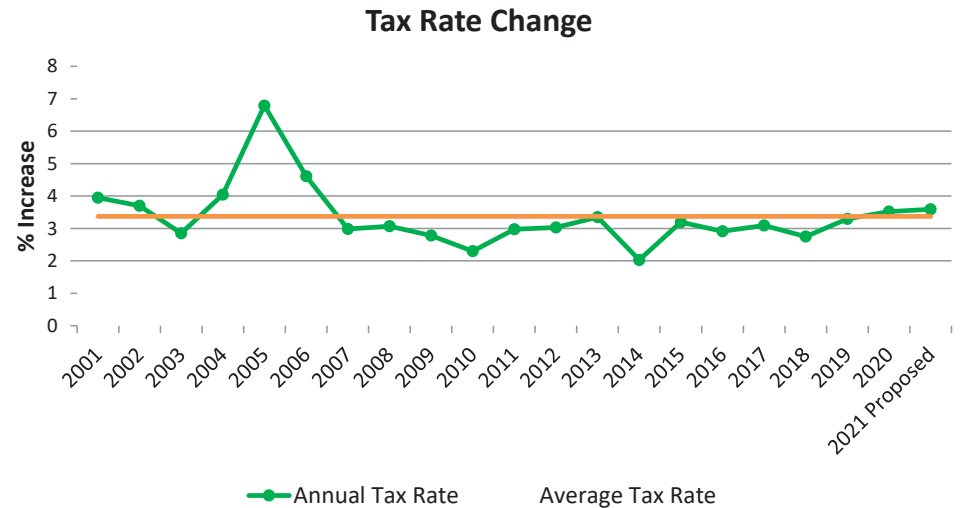
2021 Tax Levy

Commercial Industrial Residential Multi Residential Other



History of Tax Rate Changes

Since 2001 and including the recommended 2021 plan, the average annual residential property tax increase for a typical home in Barrie has been 3.37%.



Forecasted Tax Rate Increases – Three Year Forecast

Staff have made best efforts to provide a three-year operating forecast for the 2021 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 three 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 considering 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.

In 2020, a growth smoothing strategy was initiated to address the lag in the realization of property tax revenues. This involved drawing \$2 million from reserves in 2020 with a plan to reduce the draw in future years as realized assessment growth generates new tax revenue. In 2021 staff are recommending a decrease of \$500 thousand, for a total draw of \$1.5 million, in line with the initial plan.

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

Estimated Tax Rate Increase			
Year	Base Levy	Growth Component	Net Impact
2022	4.8%	2.4%	2.4%
2023	3.8%	2.4%	1.4%
2024	5.2%	2.4%	2.8%

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 2021 Water Operations Budget reflects a rate increase of 2.48% (\$8.83) for a typical household.

Water Rate Impacts

Description	2021 Budget
Prior Year Contribution to Water Capital Reserve	\$ 6,447,699
Maintain current service levels	\$ (370,475)
Interfund Transfers	\$ (260,465)
Contribution to WCR	\$ 5,816,760
Increased Water Rate Revenue	\$ 1,147,533
Contribution to WCR before Inv. & Service Recommendations	\$ 6,964,293
Investment & Service Recommendations	\$ (41,629)
Adjusted Contribution to Reserves	\$ 6,922,664

Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$370 thousand in 2021.

The cost of labour is expected to increase by \$228 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.

In addition, water rate revenue is expected to increase by \$1.1 million in 2021 based on consumption patterns and 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 \$260 thousand for 2021.

The largest single contributor to the change is a \$387 thousand increase in recovery for storm water treatment maintenance resulting from the added catch basin cleaning and storm treatment system repairs and maintenance for 2021.

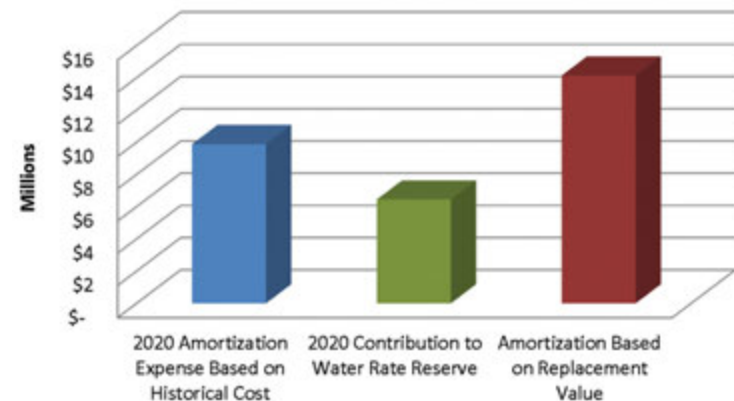
Reserve Management

After taking into account proposed new investment and service recommendations, the contribution to the water capital reserve will be increased by \$475 thousand. The increase proposed for the 2021 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 \$434.7 million compared to the replacement value of \$625 million. The following chart shows the estimated amortization expenses of \$9.9 million for water-supported infrastructure in 2020 based on historical costs for the City. In comparison, the transfer to the

water capital reserve in 2020 of \$6.4 million was lower than the amortization expense by \$3.5M. Furthermore, the estimated replacement value of the water supported non-growth existing infrastructure in the amount of \$14.1 million, extending the annual shortfall to over \$7.7 million.

Water Rate Supported Annual Infrastructure Gap



Investment and Service Recommendations

The proposed 2021 Water budget includes new investment and service recommendations at a cost of \$41 thousand. The 2021 recommendations consist of:

- \$25 thousand for water's proportionate share of a permanent Operations Coordinator.
- \$16 thousand for water's proportionate share of a permanent Customer Service Representative.



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 \$1.1 million is required in order 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 meters annually, the annualized cost of water services in 2021 are estimated to be \$365 (\$356 in 2020). This represents a 2.48% or \$8.83 annual increase over 2020.

Residential Water Rates

Bi-monthly Consumption	2020 Rates	2021 Rates
0 - 30 cubic metres	\$ 1.0830 per m ³	\$ 1.1062 per m ³
30 – 60 cubic metres	\$ 2.1661 per m ³	\$ 2.2125 per m ³
60 – 90 cubic metres	\$ 3.2491 per m ³	\$ 3.3187 per m ³
> 90 cubic metres	\$ 4.3322 per m ³	\$ 4.4250 per m ³
Fixed Charge by Service Size		
16 to 19 mm	\$ 27.44	\$ 28.03

General Service Water Rates

Monthly Consumption	2020 Rates	2021 Rates
0 - 15 cubic metres	\$ 1.0830 per m ³	\$ 1.1062 per m ³
> 15 cubic metres	\$ 1.6246 per m ³	\$ 1.6594 per m ³
Fixed Charge by Service Size		
13 to 19 mm	\$ 13.72	\$ 14.02
25 to 32 mm	\$ 34.31	\$ 35.05
38 mm	\$ 68.63	\$ 70.11
50 mm	\$ 109.80	\$ 112.17
75 mm	\$ 240.19	\$ 245.37
100 mm	\$ 411.77	\$ 420.66
150 mm	\$ 857.85	\$ 876.36
200 mm	\$ 1,098.04	\$ 1,121.73
250 mm	\$ 1,578.45	\$ 1,612.51
300 mm	\$ 1,578.45	\$ 1,612.51

Staff Complement

Currently, 70 staff members are required to directly support Water Operations. There are no new positions recommended in the 2021 operating budget.

2021 Operating Budget – Permanent Staff Complement Continuity (Water User Rate)

Departmental Branch	Total 2019 Approved Complement	Total 2020 Approved Complement	2021 Recommended New Investment Impact			2021 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Water Operations	68	70	-	-	-	70	-	70

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



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 2021 Wastewater Operations Budget reflects a rate increase of 2.41% (\$12.21) for a typical household.

Wastewater Rate Impacts

Description	2021 Budget
Prior Year Contribution to Wastewater Capital Reserve	\$ 15,633,640
Maintain current service levels	\$ (575,440)
Interfund Transfers	\$ 123,448
Contribution to WWCR	\$ 15,181,648
Increased Wastewater Rate Revenue	\$ 1,491,002
Contribution to WWCR before Inv. & Service Recommendations	\$ 16,672,650
Investment & Service Recommendations	\$ (46,838)
Adjusted Contribution to Reserves	\$ 16,625,812

Maintain Current Service Levels

The budgeted net cost to maintain current services will increase by \$575 thousand in 2021.

The cost of labour is expected to decrease slightly by \$20 thousand. This is due to decreased budgets for casual staff in 2021. Adjustments to budgets based on employee pay levels and steps contributed to the decrease as well.

The budget for chemicals has increased by \$425 thousand. This is due to a significant jump in the cost of chemicals required for the treatment of wastewater.

Wastewater rate revenue is expected to increase by \$1.5 million in 2021 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 \$123 thousand for 2021.

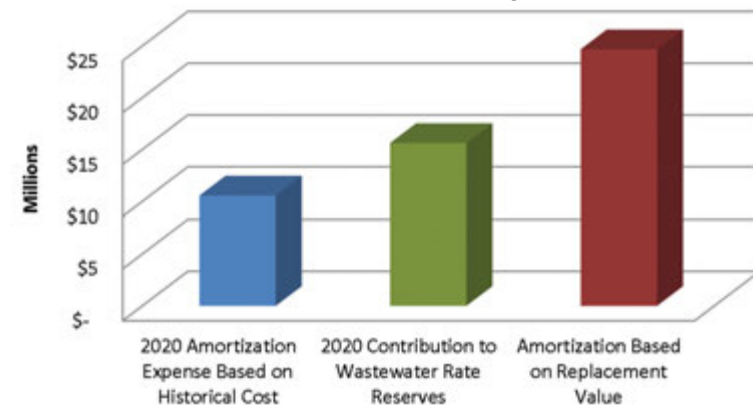
Reserve Management

After taking into account proposed new investment and service recommendations, the contribution to the wastewater capital reserve will be increased by \$992 thousand. 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 \$555.3 million compared to the replacement value of \$950.2 million.

The Wastewater rate supported infrastructure gap presented in the following chart shows that the contribution to reserve of \$15.6 million to the wastewater capital reserve exceeds the annual amortization expense of the current wastewater infrastructure based on historical cost of \$10.6 million. However, the amortization based on the replacement values in consideration of the annual inflationary rate according to the Consumer Price Index, estimated at \$24.7 million yield a funding gap of over \$9 million.

Wastewater Rate Supported Annual Infrastructure Gap



Investment and Service Recommendations

The proposed 2021 Wastewater budget includes new investment and service recommendations at a cost of \$47 thousand. The 2021 recommendations consist of:

- \$31 thousand for new Wastewater Capital Works Technologist.
- \$16 thousand for Wastewater proportional share of a Customer Service Representative.

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 \$1.5 million is required in order 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 2021 are estimated to be \$519 (\$507 in 2020). This represents a 2.41% increase over 2020.

Residential Wastewater Rates

Bi-monthly Consumption	2020 Rates	2021 Rates
0 - 30 cubic metres	\$ 1.5974 per m ³	\$ 1.6145 per m ³
30 – 60 cubic metres	\$ 2.7156 per m ³	\$ 2.7446 per m ³
60 – 90 cubic metres	\$ 2.7156 per m ³	\$ 2.7446 per m ³
> 90 cubic metres	N/A	N/A
Fixed Charge by Service Size		
16 to 19 mm	\$ 37.92	\$ 38.31

General Service Wastewater Rates

Monthly Consumption	2020 Rates	2021 Rates
0 - 15 cubic metres	\$ 1.5213 per m ³	\$ 1.5376 per m ³
> 15 cubic metres	\$ 2.2822 per m ³	\$ 2.3066 per m ³
Fixed Charge by Service Size		
13 to 19 mm	\$ 18.96	\$ 19.16
25 to 32 mm	\$ 47.40	\$ 47.90
38 mm	\$ 94.81	\$ 95.79
50 mm	\$ 151.70	\$ 153.27
75 mm	\$ 331.82	\$ 335.27
100 mm	\$ 568.96	\$ 574.87
150 mm	\$ 1,185.05	\$ 1,197.37
200 mm	\$ 1,516.86	\$ 1,532.64
250 mm	\$ 2,180.49	\$ 2,203.16
300 mm	\$ 2,180.49	\$ 2,203.16

Staff Complement

Currently, thirty eight staff members are required to directly support Wastewater Operations. There is one new position recommended in the 2021 operating budget - Wastewater Capital Works Technologist.

2021 Operating Budget – Permanent Staff Complement Continuity (Wastewater User Rate)

Departmental Branch	Total 2019 Approved Complement	Total 2020 Approved Complement	2021 Recommended New Investment Impact			2021 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Wastewater Operations	37	38	1	–	1	39	–	39

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



Parking Operating Budget

The 2021 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. However, the current 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 recently approved parking strategy (20-G-168), allowing for upcoming changes to the pricing structure, the parking service financial sustainability will improve over time.

Parking Rate Impacts

Description	2021 Budget
Prior Year Draw from Parking Capital Reserve	\$ (619,702)
Maintain current service levels	\$ (89,113)
Interfund Transfers	\$ 350,945
Draw from PCR	\$ (357,869)
Decreased Parking Rate Revenue	\$ (250,332)
Draw from PCR before Inv. & Service Recommendations	\$ (608,201)
Investment & Service Recommendations	\$ (17,087)
Adjusted Draw from Reserves	\$ (625,288)

Maintain Current Service Levels

The direct operating costs for the parking service has increased \$89 thousand over 2020 mainly as a result of additional communication needs for parking changes and from the 2020 parking strategy update. Further, there are anticipated increased repairs and maintenance of aging equipment.

Interdepartmental transfers have decreased by \$351 thousand from 2020. These costs consist of corporate overhead and direct support for assets such as parking structures. This reduction is mainly due the anticipated completion of the revitalization project to rehabilitate the waterproofing membrane in 2020.

Parking Rate Revenue

In 2021 the municipal parking system expects to realize \$1.98 million in revenue from parking meter fees and parking permits. This is a decrease of \$250 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 2021, the draw from the reserve is expected to be \$625 thousand. This is an increase of \$5.6 thousand from 2020.

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, four staff are required to directly support Parking Operations. There are no new positions recommended in the 2021 operating budget.

2021 Operating Budget – Permanent Staff Complement Continuity (Parking User Rate)

Departmental Branch	Total 2019 Approved Complement	Total 2020 Approved Complement	2021 Recommended New Investments Impact			2021 Recommended Complement		
			FT	PPT	Total	FT	PPT	Total
Parking Operations	4	4	FT	PPT	Total	FT	PPT	Total
			-	-	-	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 uncommitted balance of \$5.7 million. Committed reserve balances reflect project 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

	2020	2021	2022	2023	2024	2025
Beginning Balance	\$ 183,472,387	\$ 28,871,130	\$ 40,538,959	\$ 688,644	\$ (32,943,744)	\$ (1,156,861)
CFWD Capital Commitments	\$ (150,239,067)	\$ –	\$ –			
Approved Commitments	\$ (94,931,005)	\$ (35,000,977)	\$ (16,491,666)	\$ (5,575,000)	\$ (1,350,000)	\$ –
Requested Commitments	\$ –	\$ (60,457,850)	\$ (48,929,091)	\$ (20,863,303)	\$ (5,109,681)	\$ –
Forecasted Commitments	\$ –	\$-	\$ (81,401,942)	\$ (133,346,824)	\$ (149,708,985)	\$ (182,591,282)
Non-Capital Commitments	\$ (30,747,767)	\$ (36,331,273)	\$ (38,640,850)	\$ (38,406,995)	\$ (36,977,940)	\$ (36,977,940)
Total Commitments / Draws	\$(275,917,839)	\$(131,790,101)	\$(185,463,549)	\$(198,192,122)	\$(193,146,606)	\$(219,569,222)
Contributions to Reserves	\$ 113,274,269	\$ 143,457,930	\$ 145,613,234	\$ 164,559,734	\$ 224,933,489	\$ 241,873,489
Returned Carryforwards	\$ 8,042,313					
Uncommitted/(Overcommitted) Reserve Balance	\$ 28,871,130	\$ 40,538,959	\$ 688,644	\$ (32,943,744)	\$ (1,156,861)	\$ 21,147,406

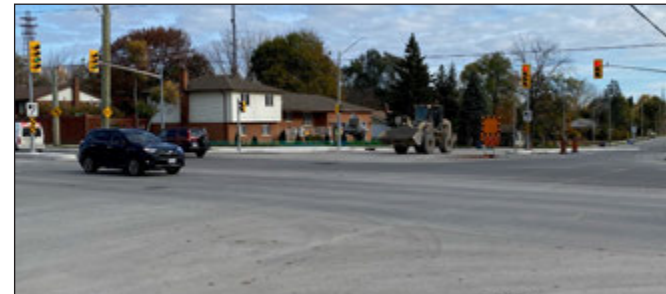
With Barrie’s population expected to grow to 210,000 by 2031, the City is investing heavily in growth-related infrastructure over the next number of years.

While these investments are critical to opening the City for growth and bringing many benefits to the community through projects like Harvie Road Crossing, Watercourse improvements, and the McKay Road expansion, 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. They 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.

During this period of heavy investment in growth the City will need to maintain robust balances in its other reserves to ensure the City’s financial position is

maintained. The capital plan has been rationalized to reflect the actual pace of development and does have some flexibility. However, discipline will be required to avoid straying too far from the plan which has been developed to efficiently build out capital infrastructure.

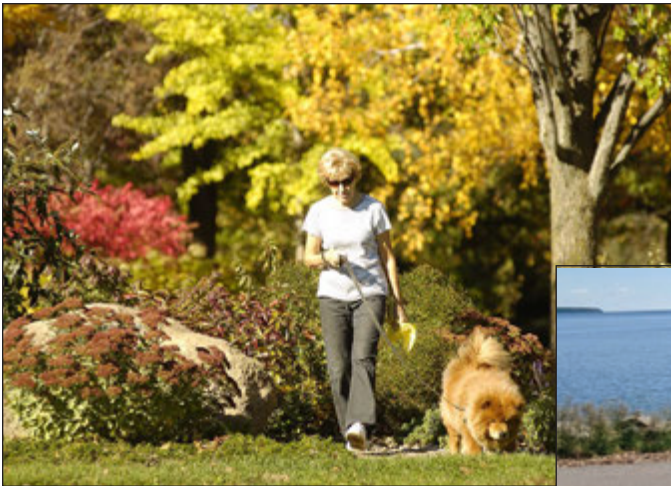


Capital Reserve Forecasts

The following section presents five-year forecasts for the City's main capital reserves and reserve funds. These include Tax Capital Reserve, Development Charge Reserve Funds (DC's), Water and Wastewater Capital Reserve Funds, Federal Gas Tax Reserve, Fleet Replacement Reserve, as well as the Cash-in-lieu Parkland Reserve, Strategic Priorities, Reinvestment Reserve 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 2021 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 2021 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 2021 are projected to be \$104.1 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. This creates pressure on the City's cash position. It is important to maintain offsetting positive reserve balances across the rest of the City's reserve portfolio in order to maintain adequate working capital for projects and operations.

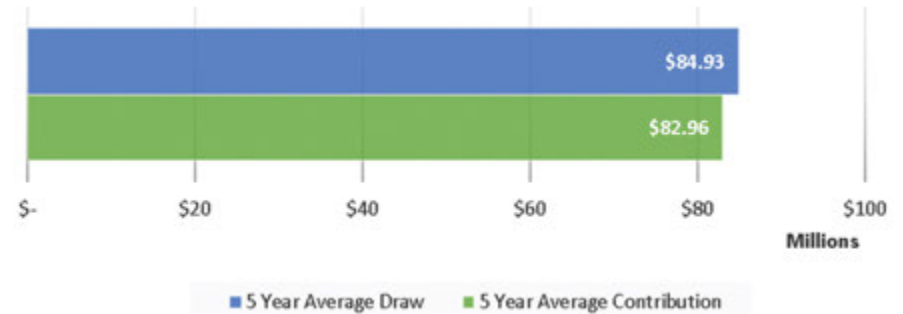
For the 5-year forecast starting in 2021, it is projected the City will be drawing \$424.7 million from the DC reserves to directly cash flow capital projects. Major projects planned during this period include the completion of the new highway 400 crossings McKay Rd, the construction of a new Wastewater 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 \$109.7 million from DC reserves for the forecasted period.

Based on current development activity and projections from the development community, DC revenues for 2021 are projected to reach \$50 million. Development Charges revenues are identified in the accompanying table and the 5-year total is \$414.8 million.

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 5 year Average Draw and Contribution



Development Charge Reserves Committed and Forecasted Draws



DC Reserves	2021	2022	2023	2024	2025
Beginning Balance	\$ (29,510,939)	\$ (83,617,776)	\$ (103,876,848)	\$ (111,669,559)	\$ (63,872,762)
Draws: Previous Commitments	\$ (61,840,138)				
Draws: 2021 Business Plan	\$ (22,282,042)	\$ (46,795,310)	\$ (47,069,967)	\$ (52,608,229)	\$ (84,415,949)
Draws: Debt Servicing Cost	\$ (20,004,658)	\$ (21,063,763)	\$ (21,712,744)	\$ (23,434,974)	\$ (23,434,974)
Contributions: 2021 Business Plan	\$ 50,020,000	\$ 47,600,000	\$ 60,990,000	\$ 123,840,000	\$ 132,370,000
Uncommitted / (Overcommitted) Reserve Balance	\$ (83,617,776)	\$ (103,876,848)	\$ (111,669,559)	\$ (63,872,762)	\$ (39,353,684)

Tax Capital Reserve

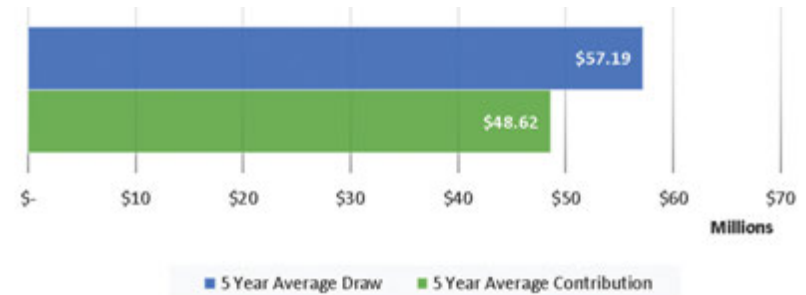
The Tax Capital Reserve is the main funding source for all tax-supported, non-growth-related capital work. This includes, but is not limited to, renewal work on roads, storm sewers/ponds, parks, facilities, landfill, as well as many strategic projects. The Tax Capital Reserve is also used to fund the non-Development Charge eligible portion of growth projects, often referred to as benefit to existing.

The 2021 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 Fund. 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 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 \$40 million will not be collectable as a result of legislation changes. This would put further pressure on the Tax Capital Reserve.

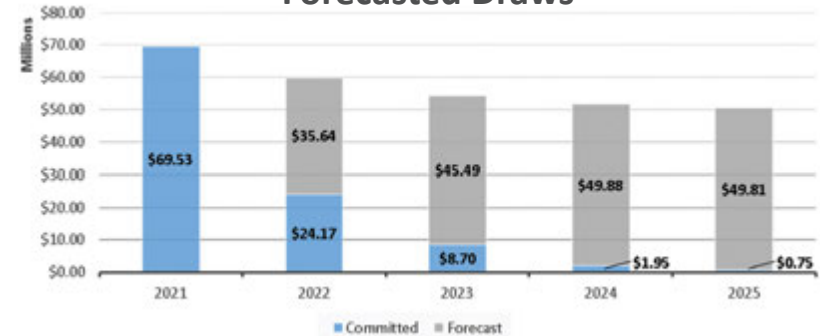
The tax-based contribution for the proposed 2021 budget, has increased by \$2.1 million for a total contribution of \$40.0 million. Over the next five years starting in 2021, the total contribution to the Tax Capital Reserve is forecasted at \$243.1 million, including the MOU capital contribution.

Including previous commitments, the proposed 2021 Capital Plan draws a total of \$285.9 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 Street to Lakeshore Drive, and Dunlop Street Road Reconstruction.

Tax Capital Reserve 5 year Average Draw and Contribution



Tax Capital Reserve Committed and Forecasted Draws



Tax Capital Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 26,909,241	\$ (17,737)	\$ (14,700,200)	\$ (19,814,581)	\$ (22,665,617)
Draws: Previous Commitments	\$ (26,408,330)				
Draws: 2021 Business Plan	\$ (43,117,567)	\$ (59,816,908)	\$ (54,189,402)	\$ (51,830,281)	\$ (50,563,536)
Contributions: MOU Capital	\$ 2,590,000	\$ 2,300,000	\$ 3,600,000	\$ 910,000	\$ 9,260,000
Contributions: 2021 Business Plan	\$ 40,008,918	\$ 42,834,446	\$ 45,475,021	\$ 48,069,244	\$ 48,069,244
Uncommitted / (Overcommitted) Reserve Balance	\$ (17,737)	\$ (14,700,200)	\$ (19,814,581)	\$ (22,665,617)	\$ (15,899,910)

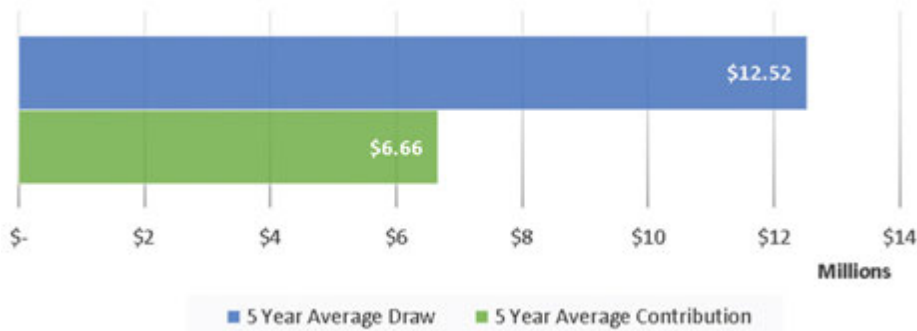
Water Capital Reserve Fund

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 balance of \$7.6 million at the end of 2021, which represents a reduction of \$13.7 million compared to 2020.

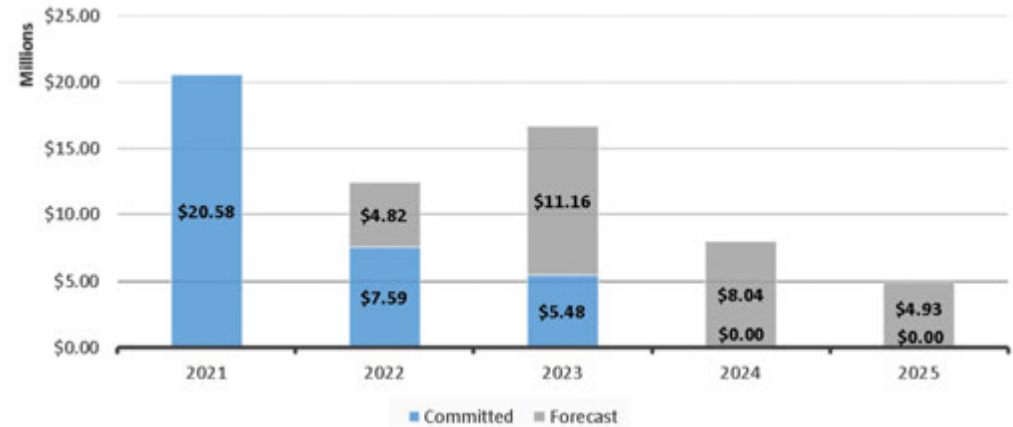
Over the period 2021 to 2025, including previous commitments, the total draws from the Water Capital Reserve are forecasted to be \$62.6 million. Some of the largest projects funded from the Water Capital Reserve are the Watermain renewal program, the Watermain Cathodic Protection Program, and the PRV chamber replacement program.

In the same 5-year period, total contributions are forecasted at \$33.2 million.

Water Capital Reserve 5 year Average Draw and Contribution



Water Capital Reserve Committed and Forecasted Draws



Water Capital Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 21,215,508	\$ 7,561,926	\$ 1,799,820	\$ (8,316,144)	\$ (9,814,704)
Draws: Previous Commitments	\$ (11,121,045)				
Draws: 2021 Business Plan	\$ (9,455,200)	\$ (12,417,854)	\$ (16,638,163)	\$ (8,035,187)	\$ (4,927,842)
Contributions: 2021 Business Plan	\$ 6,922,664	\$ 6,655,747	\$ 6,522,200	\$ 6,536,627	\$ 6,667,360
Uncommitted / (Overcommitted) Reserve Balance	\$ 7,561,926	\$ 1,799,820	\$ (8,316,144)	\$ (9,814,704)	\$ (8,075,187)

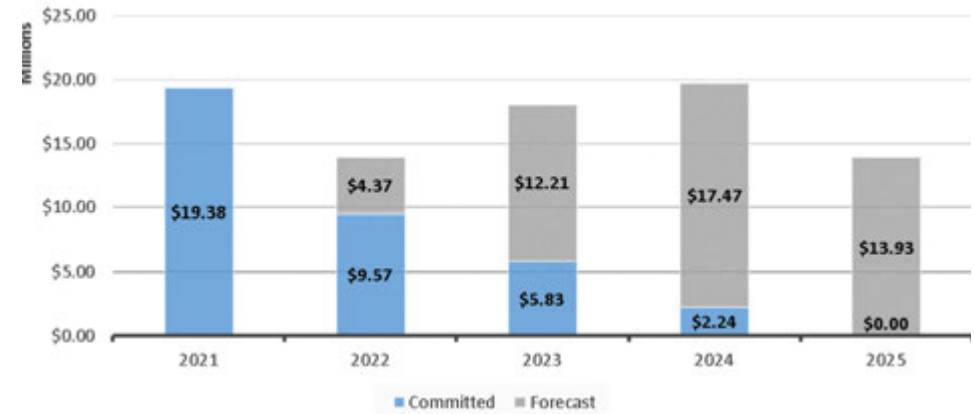
Wastewater Capital Reserve Fund

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 \$49.8 million at the end of 2021.

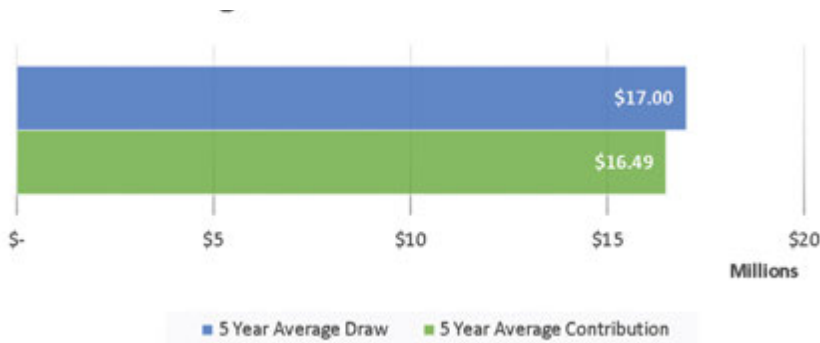
Over the 5-year forecast period, including previous commitments, the total draws from the Wastewater Capital Reserve are forecasted to be \$85.0 million. Some of the main projects funded from the Wastewater Capital Reserve included in the 2021 Capital plan are the advanced nutrient removal system, biosolids 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 \$82.1 million.

Wastewater Capital Reserve Committed and Forecasted Draws



Wastewater Capital Reserve 5 year Average Draw and Contribution



Wastewater Capital Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 52,515,175	\$ 49,757,922	\$ 52,136,573	\$ 50,402,064	\$ 47,111,082
Draws: Previous Commitments	\$ (14,989,402)				
Draws: 2021 Business Plan	\$ (4,393,663)	\$ (13,941,426)	\$ (18,036,778)	\$ (19,716,264)	\$ (13,927,652)
Contributions: 2021 Business Plan	\$ 16,625,812	\$ 16,320,077	\$ 16,302,269	\$ 16,425,282	\$ 16,753,787
Uncommitted / (Overcommitted) Reserve Balance	\$ 49,757,922	\$ 52,136,573	\$ 50,402,064	\$ 47,111,082	\$ 49,937,21

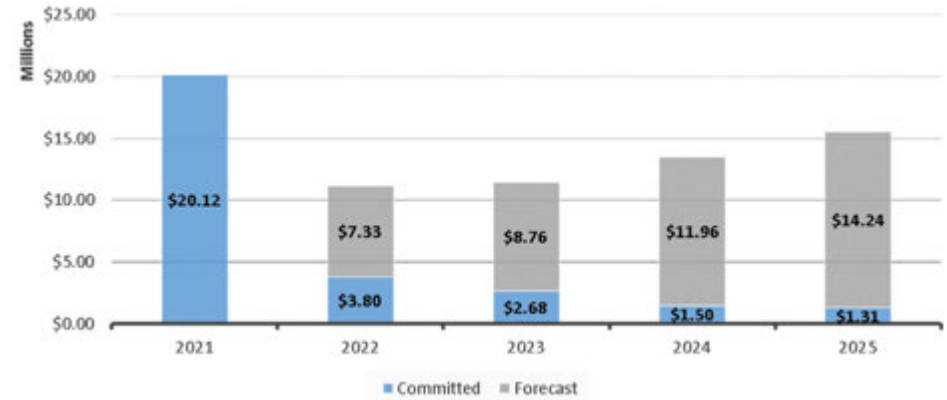
Federal Gas Tax Reserve

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 2021 and 2025, is projected to be \$71.7 million. The most significant commitment of \$32 million over the next 5 years is the Road Resurfacing Program to restore and preserve road pavement condition at various locations selected each year. Other large projects funded from the Federal Gas Tax in the 2021 Capital Plan are the replacement and expansion of the Dyments Creek culvert on Bradford Street as well as the end of life pavement replacement program.

Over the same 5-year period, expected contributions are forecasted at \$45.3 million.

Federal Gas Tax Reserve Committed and Forecasted Draws



Federal Gas Tax Reserve 5 year Average Draw and Contribution



Federal Gas Tax Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 18,884,719	\$ 7,738,309	\$ 5,580,131	\$ 3,503,286	\$ (410,785)
Draws: Previous Commitments	\$ (10,994,181)				
Draws: 2021 Business Plan	\$ (9,123,431)	\$ (11,129,379)	\$ (11,438,100)	\$ (13,462,550)	\$ (15,548,252)
Contributions: 2021 Business Plan	\$ 8,971,202	\$ 8,971,202	\$ 9,361,254	\$ 9,548,479	\$ 9,739,449
Uncommitted / (Overcommitted) Reserve Balance	\$ 7,738,309	\$ 5,580,13	\$ 3,503,286	\$ (410,785)	\$ (6,219,588)

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 three 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 \$2.0 million at the end of 2021. From 2021 to 2025 the total draws are forecast to be \$24.9 million. Over the same 5-year period, total contributions are forecast at \$20.4 million.

Fleet Replacement Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 4,454,046	\$ 1,980,000	\$ 1,590,000	\$ 2,150,000	\$ 160,000
Draws: Previous Commitments	\$ (2,134,046)				
Draws: Financing	\$ (1,252,438)	\$ (1,252,438)	\$ (1,252,438)	\$ (1,252,438)	\$ (1,252,438)
Draws: Capital Purchase	\$ (3,547,562)	\$ (4,047,562)	\$ (3,547,562)	\$ (3,547,562)	\$ (1,847,562)
Contributions: Capital	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
Contributions: Operating	\$ 1,460,000	\$ 1,910,000	\$ 2,360,000	\$ 2,810,000	\$ 2,866,200
Uncommitted / (Overcommitted) Reserve Balance	\$ 1,980,000	\$ 1,590,000	\$ 2,150,000	\$ 160,000	\$ (73,800)

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 2021 include water and transportation asset management plans 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.

Reinvestment Reserve

The Reinvestment Reserve (formerly the 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 \$27.4 million in total for the period 2021 – 2025, with an annual contribution of approximately \$5.5 million. The main project funded by the Reinvestment Reserve in the 2021 capital plan is the Fisher Auditorium Redevelopment, which is scheduled to begin in 2023, with construction in 2025 and 2026. In addition, the Growth Smoothing Strategy approved in 2020 and the CIP funding intake form includes staff recommendation of allocating funds from this reserve in the 2021 plan.

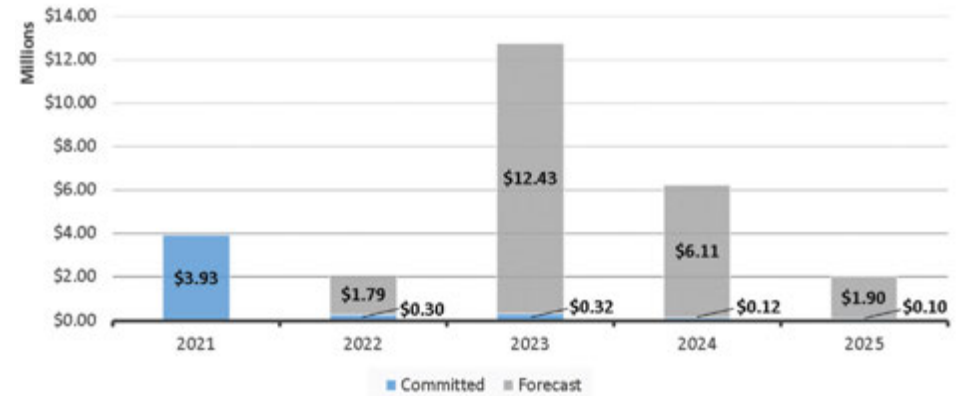
Reinvestment Reserve	2021	2022	2023	2024	2025
Beginning Balance	\$ 10,595,955	\$ 13,510,427	\$ 17,206,951	\$ 21,200,246	\$ 23,969,249
Draws: 2021 Business Plan	\$ (1,295,000)	\$ (1,575,000)	\$ (1,775,070)	\$ (3,300,280)	\$ (10,450,420)
Contributions: 2021 Business Plan	\$ 4,209,472	\$ 5,271,524	\$ 5,768,365	\$ 6,069,283	\$ 6,190,669
Uncommitted / (Overcommitted) Reserve Balance	\$ 13,510,427	\$ 17,206,951	\$ 21,200,246	\$ 23,969,249	\$ 19,709,498

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 recreation facility renewal assessments are planned to be supported by the reserve, along with capital playground revitalization and park washroom rehabilitation.

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	2021	2022	2023	2024	2025
Beginning Balance	\$ 18,768,425	\$ 17,075,759	\$17,269,909	\$ 6,855,499	\$ 3,010,399
Draws: Previous Commitments	\$ (701,815)				
Draws: 2021 Business Plan	\$ (3,230,850)	\$ (2,095,850)	\$ (12,754,410)	\$ (6,235,100)	\$ (2,004,600)
Contributions: 2021 Business Plan	\$ 2,240,000	\$ 2,290,000	\$ 2,340,000	\$ 2,390,000	\$ 2,450,000
Uncommitted / (Overcommitted) Reserve Balance	\$ 17,075,759	\$ 17,269,909	\$ 6,855,499	\$ 3,010,399	\$ 3,455,799

Strategic Priorities Reserve

This reserve is used to fund strategic priorities that exceed the \$25 thousand that is planned in the operating budget.

The balance of the Strategic Priorities reserve is forecasted to be \$0.36 million at the end of 2021.

The reserve does not have a designated annual funding source.

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 1, 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 2021 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 2022, with business travel, meeting and conference travel not returning until 2023.

The ending balance of the Tourism Reserve is estimated to be \$527 thousand at the end of 2021. The forecasted contribution includes the City's 50% portion of the collected municipal accommodation tax next year, estimated at \$396 thousand. Funding for the Tourism Development Coordinator, Wayfinding Master Plan, Downtown Countdown and the Winterfest programming, account for the commitments from the Tourism reserve in 2021.



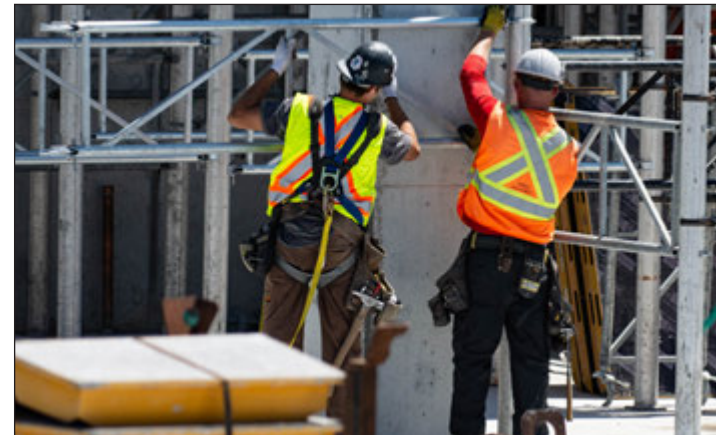
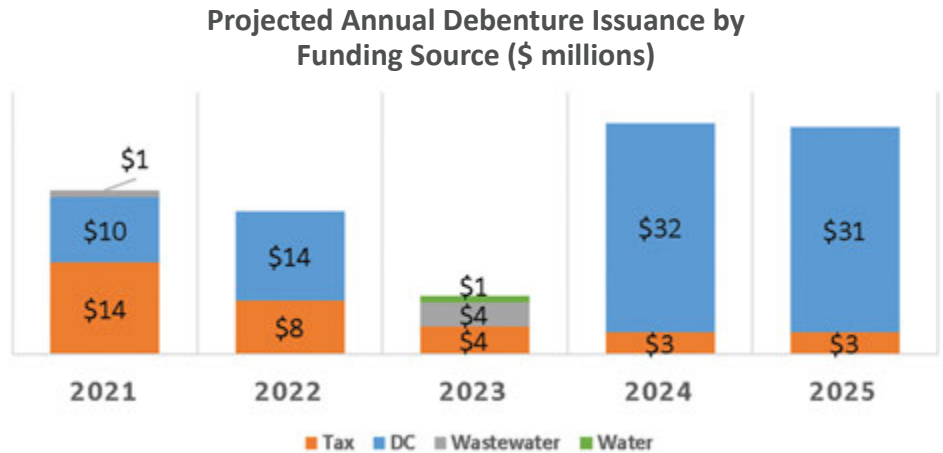
DEBT MANAGEMENT

Forecasted Debt Issuance

The City is planning to issue \$25 million in debentures in 2021 for the projects listed in the table below.

Project ID	Project	2021
EN1097	Mapleview Drive East Improvements – Country Lane to Yonge	\$ 1,290,000
EN1104	Tiffin Street ROW Expansion – Hwy 400 Underpass	\$ 1,771,000
EN1122	Little Lake Sewage Pump Station Upgrade	\$ 1,038,300
EN1167	Dunlop Street East Corridor Improvements – Toronto to Mulcaster	\$4,500,000
EN1287	Harvie Road and Big Bay Point Road New Crossing – HWY 400	\$ 12,371,894
FC1064	Allandale Historic Train Station Development	\$ 3,045,500
FC1147	BFES Station 4 Renovation	\$ 1,000,000
Total		\$ 25,016,694

The following graph provides the forecasted annual debenture requirement for each of the next five 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.



Forecasted Debt Levels

The chart below shows the anticipated debt balance for the next five years including the existing debt. The balance is expected to increase to a peak of \$318 million in 2021 as the legacy debt is being issued before declining to \$294 million as older debt matures.

Forecasted Debt Levels Per Year (\$ millions)



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

Forecasted Debt Levels by Funding Source

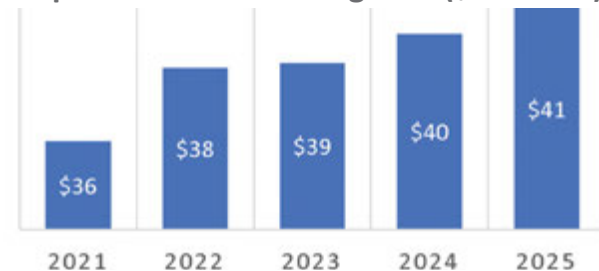


Growth related debt is expected to increase to 81% from 70% over the next five years and tax funded debt will decrease by 9% to 24% over the same period.

Expected Debt Servicing Cost

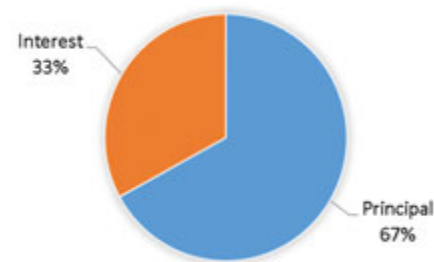
The projected debt servicing cost as illustrated in the following charts, which includes existing contractual obligations as well as expected futures cost, is based on market expectations for interest rates to remain near current levels against the backdrop of the risk of a protracted global economic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

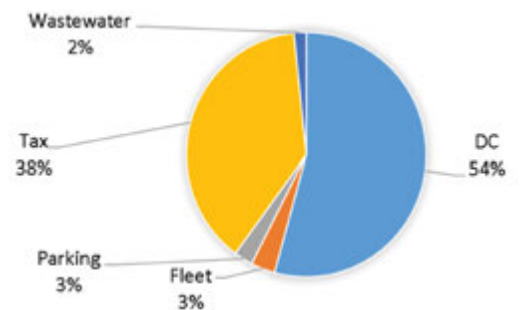


Debt servicing cost is expected to increase by \$3.6 million to \$36 million in 2021. Fifty five percent (55%) or \$19 million of the 2021 debt servicing cost is funded from development charges and thirty eight percent (38%) or \$13.5 million from tax as shown in the first chart below. The second chart below shows that 67% of the debt servicing cost consists of principal repayment, an increase of 5% year over year. Hence more of the debt servicing cost is going towards principal repayment.

2021 Debt Servicing Cost

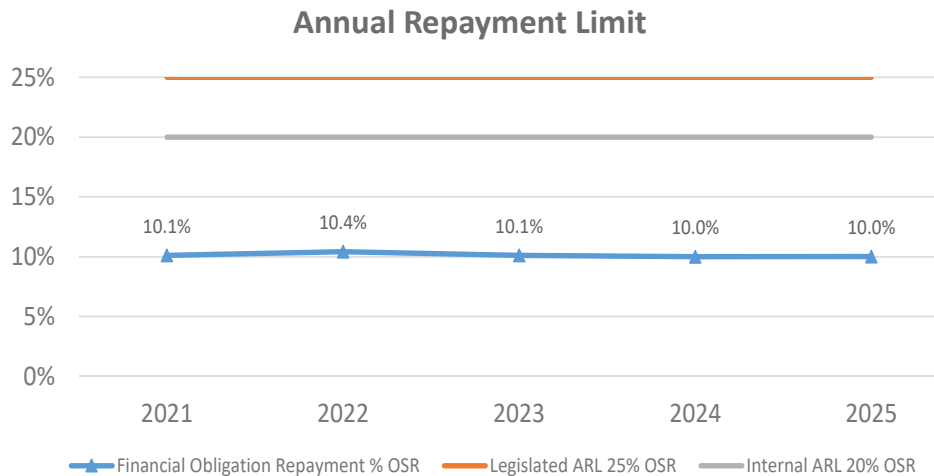


2021 Debt Servicing Cost by Funding Source



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.



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	2013	2014	2015	2016	2017	2018	2019	2020 Forecast	2021 Budget
Financial Assets to Liabilities	0.53	0.57	0.52	0.62	0.72	0.72	0.71	0.72	0.83
Debt to Total Revenue	0.94	0.85	0.78	0.91	0.88	0.77	0.84	0.79	0.68
Debt to Reserves	2.38	2.22	2.34	2.37	2.32	1.97	1.78	1.59	1.71
Debt Per Household	\$ 5,453	\$ 5,423	\$ 5,488	\$ 5,825	\$ 5,739	\$ 5,394	\$ 6,060	\$ 5,618	\$ 5,177

The table above shows that financial sustainability measures are improving year over year. These trends reflect the decline in the growth rate of debt versus revenues. However, there remains liquidity risk as a result of overcommitted reserves supporting debt repayment, as in the case of the development charge reserve which is currently in a deficit position. While there are currently no specific indications growth will not ultimately occur, growth has been slower than initially planned, and this has put pressure on the City's other reserves.

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

Flexibility Measures	2013	2014	2015	2016	2017	2018	2019	2020 Forecast	2021 Budget
Debt Charges to Total Revenue	7.52%	7.36%	6.68%	7.48%	7.05%	7.80%	7.63%	8.40%	8.57%
Municipal Taxes as a % of Household Income	3.64%	3.55%	3.60%	3.68%	3.75%	3.93%	3.91%	3.74%	3.94%
Total Municipal Revenue to Taxable Assessment	1.82%	1.96%	1.95%	1.77%	1.76%	1.71%	1.66%	1.56%	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 measures 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 the third quarter of 2020, the City received \$9.2 million from the Province under the Safe Restart Program related to the COVID-19 Pandemic. At this point, there has been no announcement for any addition Safe Restart Funding for 2021.

Vulnerability Measures Forecast	2013	2014	2015	2016	2017	2018	2019	2020 Forecast	2021 Budget
Government Transfers to Total Revenue	6.1%	5.9%	6.4%	7.6%	5.1%	6.5%	6.3%	7.5%	6.2%