

BUSINESS PLAN OVERVIEW

Introduction

The 2019 Business Plan outlines how the City of Barrie plans to allocate resources to deliver the programs and services residents and businesses rely on every day. It is developed using a service-based approach that relates labour, materials and other costs to the programs and services they support. Budget changes are driven by: increased costs to maintain existing service levels, legislative changes, or increased service levels due to service enhancements or the addition of a new service.

The City of Barrie is committed to providing a vast array of services and programs to build and support a prosperous, growing and sustainable community. The key front line services our Corporation delivers impact the daily lives of people working and living in our community. These include police, fire, transit, recreation and cultural events, parks and operations, roads, snow removal, garbage collection, drinking water and wastewater. The cost to provide these services while maintaining our aging infrastructure is becoming increasingly difficult. This puts pressure on the property tax base. Yet, only 9 cents of every tax dollar collected in Canada goes towards these important municipal services.

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

Elements of Barrie's Budget

- **Operating budget (tax-rate)** is for ongoing programs and services that are funded primarily through a combination of property taxes, user fees and reserves and can be delivered by the City of Barrie or by one of the City's service partners (i.e. roads operations, parks and forestry, and Barrie Police).
- **Operating budget (user-rate)** is for ongoing programs and services funded primarily through reserve funds and user fees intended to make the programs and services self-sustaining. The City currently has three user-rate-based operating budgets: water, wastewater and parking.

- **Capital budget** is for projects designed to create, enhance or restore the City's significant network of assets, including infrastructure (roads, bridges, buildings etc.), land, equipment and vehicles. The capital budget is funded from a combination of property taxes, development charges debt issuance, grants, user rates and reserves.

How the Plan Is Built

The Business Plan reflects budget directions that were approved by City Council in May 2018. These directions guide the Business Plan and Budget building processes; ensure financial plans are built efficiently to demonstrate a clear relationship between costs and service levels; and, recognize that the City faces many pressures through the development process.

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

Barrie's Business Plan makes strides to balance these cost pressures within the limited funding options that every municipality has at its disposal. The City looks for achievable efficiencies and process improvements that increase cost-savings in order to minimize increases in property taxes and user fees.

This document includes detailed performance plans which set out: services provided by each department, division or strategic portfolio, major objectives and performance measures, and detailed cost information. This overview focuses on providing Council and the public with an explanation of the major drivers contributing to the recommended 2019 Budget.

2019 Executive Management Goals

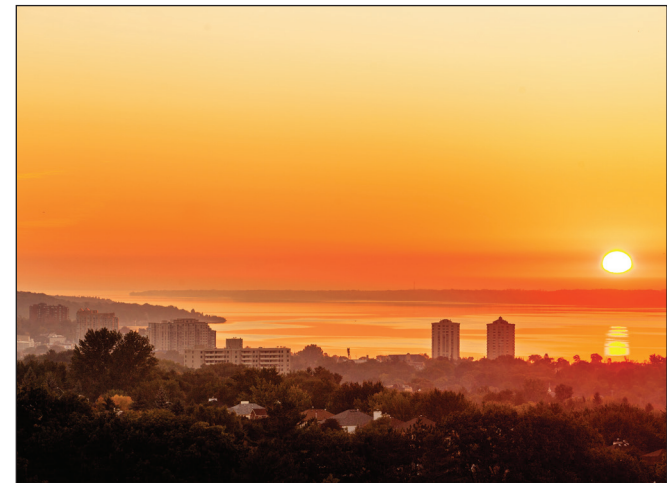
The 2019 Business Plan and Budget includes comprehensive plans to address key corporate goals. These have been organized under each of the four main headings General Management, Strategic Focus, Organizational Culture, and Service Delivery. Detailed key performance indicators for each of these goals are found in the lead division or strategic portfolio sections.

General Management

To direct and coordinate the general management and operations of the Corporation in accordance with by-laws, policies and plans adopted by City Council to ensure delivery of the highest quality services at the best value for the citizens and businesses of Barrie by:

- Reducing the risk of harm or loss of life by providing timely Fire and Emergency services and Building Code review and enforcement.
- Providing inclusive recreation facilities and programming that meets community needs and ensures all residents have the opportunity to participate.
- Informing and encouraging individual compliance with and enforcing community standards through the administration and enforcement of municipal by-laws and licensing.
- Delivering advice, policy support and administrative services to City Council and the Corporation for legislative, financial and facility management services.
- Strengthening Financial Management through the Long Range Financial Plan and increased automation of financial data to support accurate and timely reporting.
- Developing and maintaining financial policies and plans that support Council's strategic priorities.
- Operating and maintaining municipal infrastructure, meet service levels and ensure regulatory compliance while striving for service improvements and operating efficiencies for all service functions.

- Providing for the balanced growth and development of the City through clear, comprehensive and sound implementation of land use planning policies and principles, and servicing strategies, in a financially responsible manner.
- Maintaining, protecting and enhancing neighbourhoods through the application of zoning and land development standards.
- Managing the City's valuable portfolio of facility and property assets through comprehensive facility asset management and maintenance strategies that contain costs while preserving the City's assets to maintain service levels for City programs delivered through City facilities.
- Strategically managing the City's corporate assets to minimize replacement costs over the long-term and to close the infrastructure deficit gap.
- Executing the delivery of the Capital Plan to achieve best value for the community.
- Providing open and transparent communication to the public and staff on the decision making process associated with Council and Committee meetings.



Strategic Focus

To set the strategic focus of the organization that is aligned with Council's strategies and priorities by:

- Implementing a performance measurement framework that enhances accountability and transparency.
- Increasing corporate accountability, communications, collaboration and continuous improvement.
- Supporting initiatives to diversify the local economy including developing an open for business culture and fostering effective partnerships.
- Positioning Barrie as a premiere destination for business investment in Ontario.
- Developing innovative communication and advertising strategies to build effective relationships internally and externally, to address public relations and marketing needs and to identify and encourage opportunities for proactive and positive media coverage.
- Overseeing the development in the Secondary Plan areas.
- Extending the life of the landfill through enhanced waste diversion programs.
- Enhancing an inter-connected community through comprehensive transportation planning, including access to and across Highway 400.
- Providing a public transportation system that is a viable alternative to the automobile.

Organizational Culture

To build a positive and passionate organizational culture that is customer focused by:

- Enhancing Customer Service access options across multiple channels including counter, phone, and online opportunities.
- Developing an energetic and inspiring leadership group along with attracting and retaining top talent.
- Providing oversight of processes and initiatives leading to Cultural Change across the Corporation with a focus on leadership, customer service, accountability, collaboration, innovation, communications and continuous improvement.
- Providing leadership and support on process improvement initiatives while building the capacity and capability in the organization through training.
- Fostering an organizational culture that embraces corporate communications as a priority to ensure proactive and meaningful communications with the community as well as within the Corporation.



Service Delivery

To strengthen organizational capacity to more efficiently deliver service through the introduction of new tools (technology), process improvements and innovations in service delivery by:

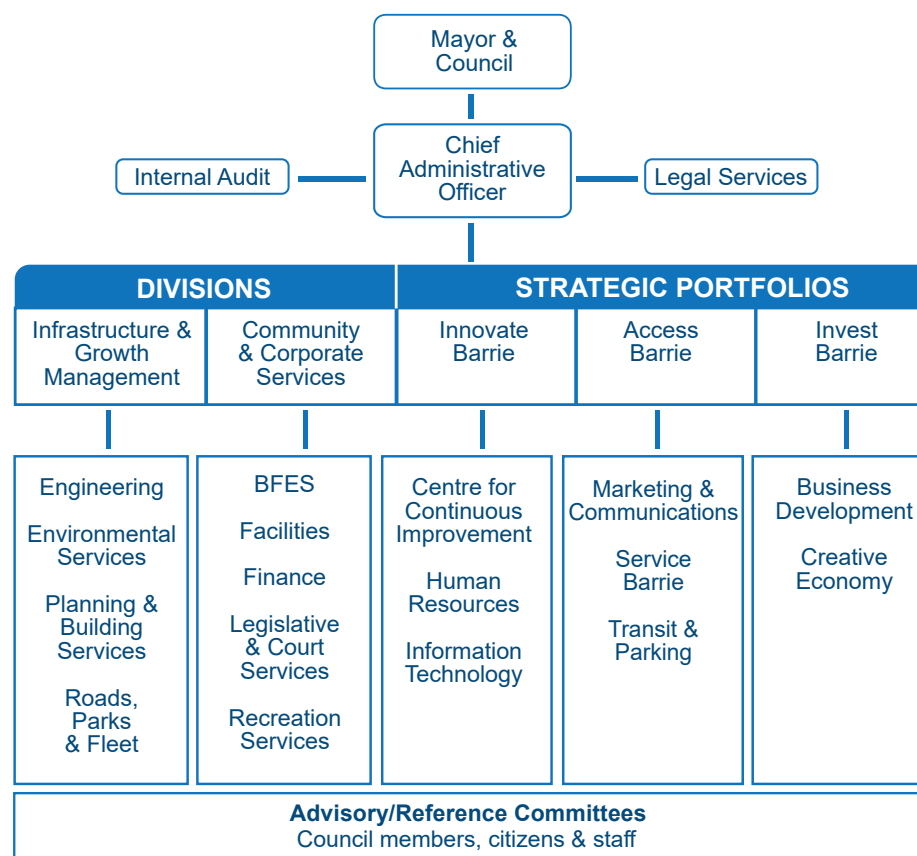
- Directing and coordinating the operations of the Corporation in accordance with by-laws, policies and plans adopted by City Council to ensure delivery of the highest quality services at the best value for the citizens and businesses of the City of Barrie.
- Continuing to lead the organization through project and change management initiatives for the Enterprise Resource Planning (ERP) implementation and future sustainment, the building permit application implementation, customer relationship management and computerized maintenance management implementations focused on delivering transformational business capabilities in areas including financial systems, human resources, reporting, master data management, permit application and processing, work order and asset management, facility management and space planning.
- Enhancing network, computing and mobility environments to meet existing and new business requirements.



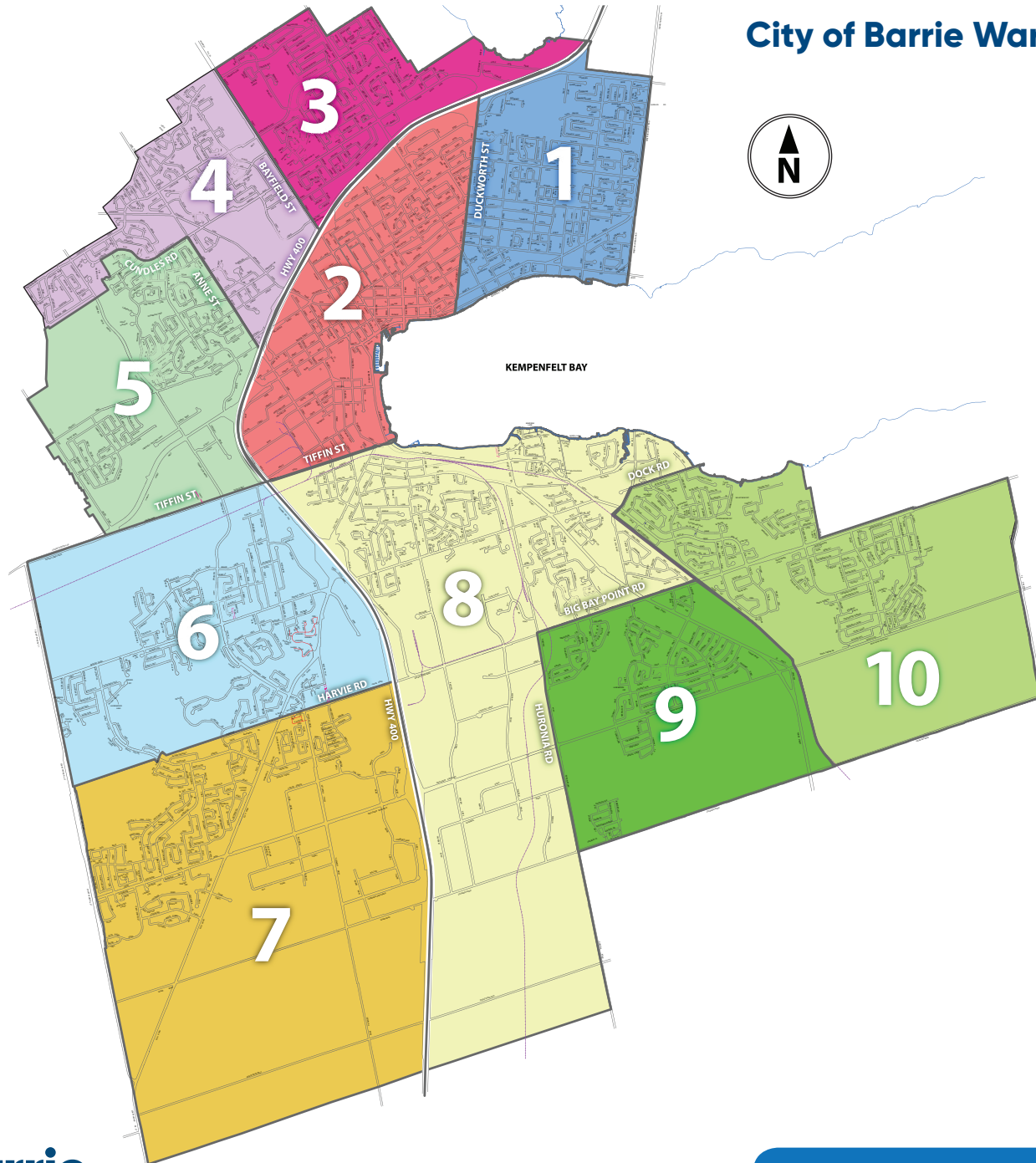
Organized for Success

EMT is comprised of the heads of all City Divisions and Strategic Portfolios: Chief Administrative Officer, General Managers of Infrastructure & Growth Management, and Community & Corporate Services; Executive Directors of Innovate Barrie, Invest Barrie and Access Barrie; and the Director of Legal Services.

EMT's mission is to build a customer-focused organization responsive to the community where all staff understand and embrace their fundamental role as one team providing services and programs to build and support a prosperous, growing and sustainable community.



City of Barrie Ward Map



Financial Summary

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

Council direction outlined a maximum 2019 tax rate increase of 2% excluding legislated changes and the 1% levy for the Dedicated Infrastructure Renewal Fund. The recommended operating budget requires a 3.30% tax rate increase resulting in an increase of \$141 to the property tax bill for a typical home. The following are major drivers of the tax rate increase:

- Costs to maintain City services increased by \$6 million, attributable to increases in Labour, Contracted Services, and Fuel. Some of these costs increases have been offset by recoveries from existing reserves and increases in user fee revenues. The net impact to the tax levy is 0.52% or \$1.3 million.
- New investments and service recommendations, including legislative requirements, amount to \$2.5 million. Some of these costs are recovered from capital projects, user rate budgets and reserves. The overall net impact to the tax levy is \$1.1 million or 0.43%.
- Service Partners proposed budget increased by \$3.8 million to a total of \$86 million. The County of Simcoe has an increase of \$1.9 million, Police Services Board \$1.4 million, and the Library Services Board \$499 thousand.
- Reserve contributions increased by a total of \$547 thousand or 0.22% on the tax levy. These increases are needed to adequately fund the City's reserves including the Workplace Safety Insurance Board (WSIB) reserve and the election reserve.
- As previously planned, new debt financing costs totaling \$2.8 million are required in 2019 to fund the City's Capital plan, including the Barrie-Simcoe Emergency Services campus and the Harvie road highway 400 crossing.

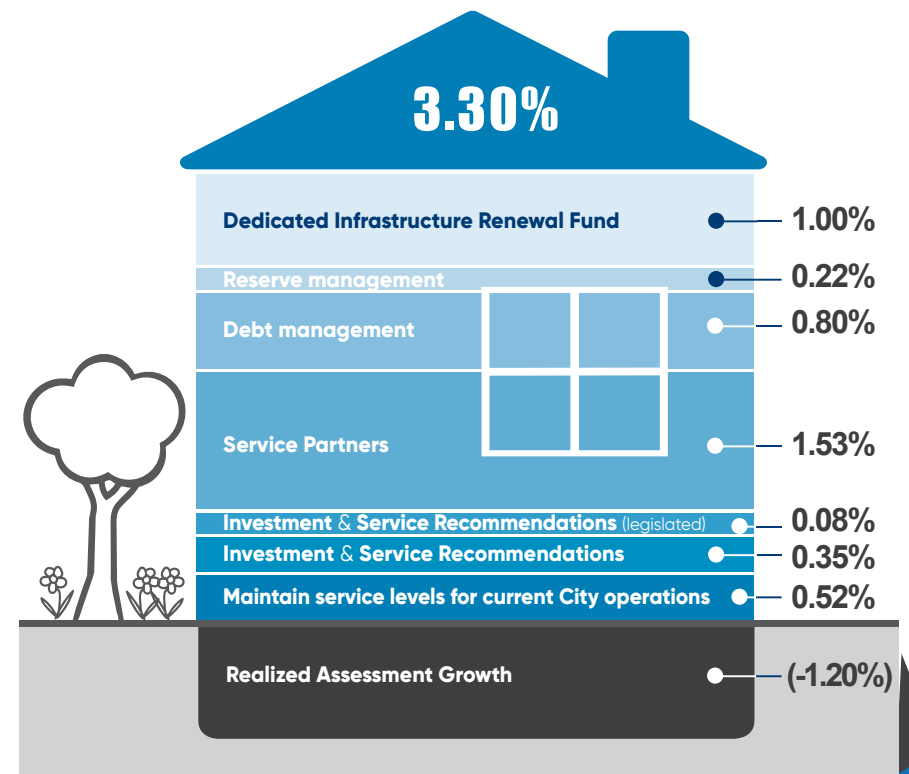
These new debt servicing costs will be funded \$800 thousand from Development Charges and \$2 million from the tax levy with an impact of 0.8%.

- In maintaining the financial health of the City, the 2019 proposed budget includes the annual 1% Dedicated Infrastructure Renewal Fund contribution of \$2.5 million to support renewal needs of the City's \$3.8 billion of infrastructure assets.

The proposed user rate budget for water will require a 3.44% rate increase resulting in an increase of \$11 to the water bill for a typical home.

The proposed user rate budget for wastewater will require a 3.39% rate increase resulting in an increase of \$16 to the wastewater bill for a typical home.

Building Blocks of the Tax Rate Increase



Capital Plan

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

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

To ensure that the City manages its existing and future assets responsibly and is able to financially support future development, the application of leading asset management practices was a foundational element in the preparation of the 2019-2028 Capital Plan. The following is a high level overview of previously approved and new requests associated with the 2019 to 2021 Capital Plan projects:

	2019	2020	2021	Grand Total
Previously Approved (Committed)	\$ 99,833,478	\$ 42,795,080	\$ 993,100	\$ 143,621,658
New Capital Requests	\$ 87,870,222	\$ 26,515,952	\$ 5,608,933	\$ 119,995,107
New Investment and Service Recommendations (associated with Operating Budget requests)	\$ 65,133	—	—	\$ 65,133
Total 2019 Capital Budget	\$ 187,768,833	\$ 69,311,032	\$ 6,602,033	\$ 263,681,898

The 2019 recommended capital plan, includes new funding requests of \$120 million to be spent over three years. In addition, previously approved commitments of \$144 million bring the total recommended capital plan to \$264 million. Some key projects included in the capital plan are listed below along with major funding sources:

Capital Plan Key Projects

- **Barrie–Simcoe Emergency Services Campus**
- **Harvie Road Crossing**
- **Wastewater Treatment Facility Improvements**
- **Storm Water Infrastructure**
- **Mapleview Dr. E (Country Lane to Yonge)**
- **Dunlop Street Corridor Improvements**
- **Duckworth Street ROW expansion**
- **Hurst Drive Rehabilitation**
- **Neighbourhood Renewal**
- **Road Resurfacing**
- **McKay Road ROW expansion project, Veterans Drive new trunk watermain and road expansion,**
- **Lockhart Road new watermain, reservoir and ROW expansion projects**

