

## BUSINESS PLAN OVERVIEW

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 making the necessary investments to prepare for growth is becoming increasingly difficult.

With Barrie's population expected to grow to 210,000 people by 2031, the City is investing heavily in growth-related projects over the next number of years. These investments are bringing many benefits to our community through projects like the Harvie Road Crossing, McKay Road expansion and the Barrie-Simcoe Emergency Services Campus. At the same time, the City is facing significant pressures when it comes to balancing the costs of these growth-related projects with available resources.

Additionally, the Provincial Government has introduced a number of funding and program changes that are adding pressure to the City of Barrie's 2020 Budget. These include funding cuts to public health, changes to the municipal share of the Provincial Gas Tax funding and changes to the Development Charges Act. The estimated pressure on the City of Barrie's 2020 budget due to these provincial changes is more than \$1.6 million. There is only one taxpayer. Ontario municipalities receive only 9 cents of every tax dollar collected in Ontario, while the Provincial and Federal governments receive 44 cents and 47 cents respectively. These changes from the Province are leaving municipalities to figure out how to make up the funding shortfalls to ensure vital front-line services are delivered while minimizing the impact to local taxpayers.

The 2020 Budget outlines the City's plan to fund our growing community. The plan is flexible but we can't stray far from it. Much of the City's cash flow today is committed so that we can unlock revenues tomorrow when the assessment growth occurs. While we're in this period of investing heavily in growth, we need to invoke discipline to ensure the city's financial position is maintained.

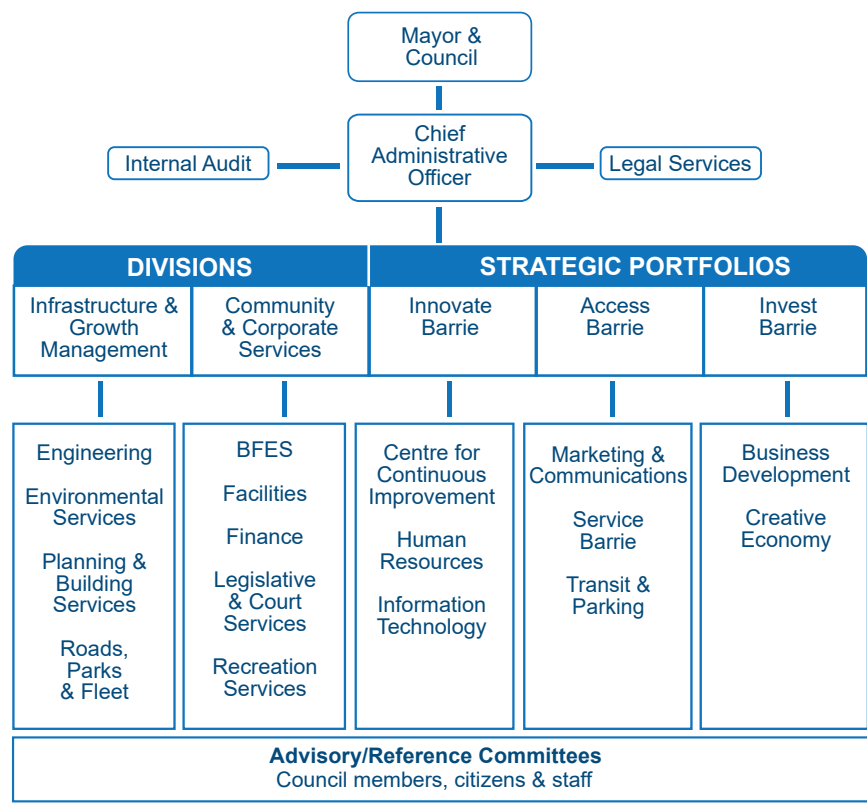
Staff are continually looking for new ways to support growth, manage and improve our existing assets, and maintain organization sustainability as we prepare for development and enhance service delivery. Effective financial management and reducing the infrastructure deficit, protecting the environment and increasing sustainability, strengthening customer service and implementing efficiencies for service and program delivery, and creating economic diversity and resiliency continue to be priorities for 2020. The Corporation is continuously striving to improve the programs and service we provide, and anticipate our community's needs to ensure we can best serve the people who live, work and visit Barrie today and into the future.

Investment in our workforce is essential — without our workforce we could not deliver services, and every staff member has their own role to play on our team. Every day, staff strive to exceed customer expectations and produce high quality work to improve the way we deliver services.

With investments in these key areas in 2020, Barrie will be best positioned to continue to meet the needs of our growing community. Please don't hesitate to contact any member of the Executive Management Team if you have questions. We look forward to Council's deliberations on the 2020 Budget.

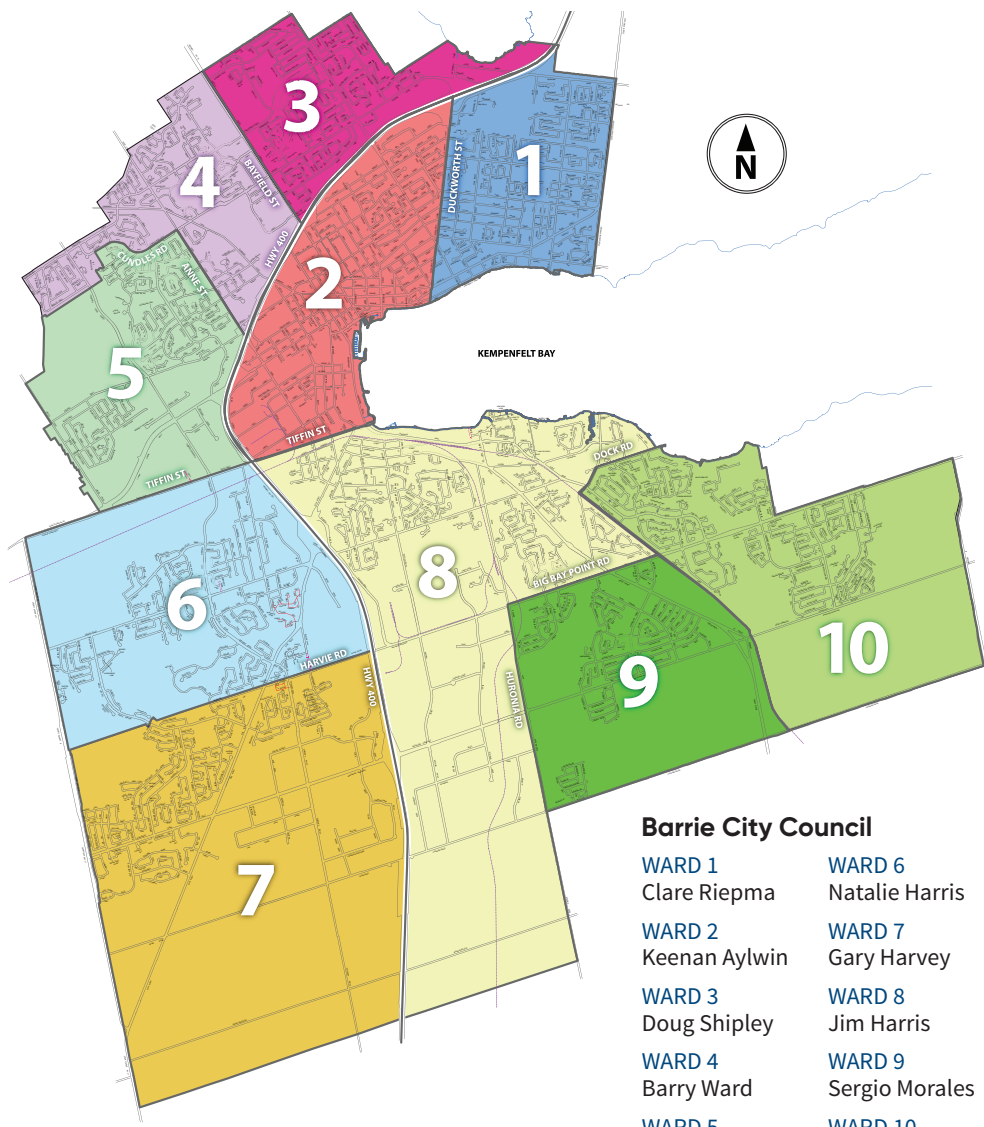
# Organizational Structure

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



Barrie City Council	
WARD 1 Clare Riepma	WARD 6 Natalie Harris
WARD 2 Keenan Aylwin	WARD 7 Gary Harvey
WARD 3 Doug Shipley	WARD 8 Jim Harris
WARD 4 Barry Ward	WARD 9 Sergio Morales
WARD 5 Robert Thomson	WARD 10 Mike McCann

# BUSINESS PLAN OVERVIEW

## Introduction

The 2020 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 either: increased costs to maintain existing service levels or increased service levels due to service enhancements or the addition of a new service.

In order to address the City's current financial realities, decisions 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 businesses 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, Barrie Police, and Library).
- **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 plan is funded from a combination of property taxes, development charges, debt issuance, grants, rates and reserves.

## How the Plan Is Built

The Business Plan reflects budget directions that were approved by City Council in June 2019. These directions guide the Business Plan and

Budget building processes; ensure financial plans are built efficiently to demonstrate a clear relationship between costs and service levels; and, recognize that the City faces many pressures through the development process.

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

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

Included in this document are detailed performance plans for each department, which set out: services provided for each department 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 2020 Budget.

## 2018 – 2022 Barrie City Council Strategic Plan

The following list provides an overview of key initiatives that are underway across the corporation to achieve Council's Strategic Plan. Key Performance Indicators (KPI's) have been developed to measure the progress of these initiatives and will be reported quarterly to Council. Divisional service delivery initiatives are included in the detailed performance plans found in later sections of the budget binder.



### Growing Our Economy

- Support initiatives to diversify the local economy including developing an open for business culture and fostering effective partnerships.
- Business Retention & Expansion (BRE) – Establish a targeted BRE outreach program to gain a deeper understanding of issues faced by key employment sectors, barriers to growth, and opportunities to connect with meaningful resources to support the businesses.
- Investment Attraction - Build on the work done over the past several years to identify target industries through the Manufacturing Sector Study, as well as the Trade and Investment Mission, to deliver targeted business attraction efforts.
- Open for Business - Continue implementation and measurements aimed at making it easier to do business with the City. This will be achieved through continued business engagement and development facilitation services, building on internal messaging and programming across the Corporation that fosters an Open for Business culture.
- Tourism Strategic Alignment – Initiate and oversee the development of a Tourism Master Plan, with a focus on both developing tourism activity in the City, as well as aligning the activities within the plan with key components of the Invest Barrie strategy.
- Talent and Workforce - Develop and deliver multiple coordinated initiatives, in collaboration with community partners, that help to ensure

that the City of Barrie has the necessary workforce today to support both the growth of existing industries and the attraction/development of new and emerging industries.

- Downtown Creative Hub - Continue efforts that support and enable the ongoing emergence of a vibrant City Centre that serves as an employment hub for creative and knowledge-based industries, as well as a cultural hub for arts and creativity.
- Promote the growth of a diverse cultural community through cultural grants, raising the profile of the arts community, promoting the role of culture in key efforts such as talent attraction and retention, tourism development, building the downtown creative hub and supporting young and emerging artists/creatives.



### Fostering a Safe & Healthy City

- Refresh and update the City's Energy Management Plan to establish new five year conservation targets and goals.
- Implement Milestone 5 of the Climate Change Adaptation Strategy.
- Continue with the implementation of the Affordable Housing Strategy.







## Building Strong Neighbourhoods

- Manage the City's Growth Plan in a manner consistent with an appropriate financial framework for growth.
- Continue with the preparation of a new Official Plan.
- Develop a Council-endorsed Strategic Asset Management Policy to comply with new Provincial regulation.
- Continue implementation of sustainable waste management strategy including residential multi-unit waste diversion.
- Complete the pre-design for the Wastewater Advanced Nutrient Management project.
- Support the development of key projects such as Allandale Train Station redevelopment, Fisher Theatre and Events Centre, Waste Water Treatment Plant, City Hall Intensification, Barrie Simcoe Emergency Services Campus, Ferndale Operations Centre and Environmental Centre upgrades, and ongoing growth planning.



## Offering Innovative & Citizen Driven Services

- Prioritize, in collaboration with the City's Executive Management Team, annual strategic corporate initiatives and the related capital plan to advance Council's strategic priorities.
- Strengthen Financial Management through the Long Range Financial Plan and increased automation of financial data to support accurate and timely reporting.
- Implement Customer Relationship Management (CEM) technology to more effectively track and monitor customer interactions.
- Continue to grow our Geographical Information System (GIS) online presence to provide user-friendly applications that enable users to find answers to common questions, and increase transparency across the organization.

- Grow the "open data" initiative, providing citizens with timely and updated information.
- Continue to improve and implement online services including Applications, Permits, Licenses, Inspections (APLI) and the recreation registration system.
- Assess the impact of next generation 9-1-1 and the associated changes to the emergency dispatch system.
- Enhance Customer Service access options through collaboration with departments to effectively transition their customer service delivery into Service Barrie. Monitor, track and analyze customer interactions to measure satisfaction levels and develop Corporate Customer Service guidelines.
- Increase the support and training offered to departments on innovation tools and processes and continue to support the Edison awards aimed at recognizing innovation at the City.

## Improving the Ability to Get Around



- Continue to partner with Georgian College on the Universal Transit Pass (UPass) program by enhancing the delivery and efficiency of the program, adapting to changing and increasing ridership and travel patterns.
- Continue to explore service partnerships and funding opportunities with other government agencies, transit agencies and key community stakeholders, such as the local school boards, the County of Simcoe and both federal and provincial governments.
- Advance designs for key arterial roads and servicing projects to alleviate congestion and support growth in and around the Secondary Plan Area.

## Financial Summary

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

Council direction outlined a maximum 2020 tax rate increase of 3%, plus the 1% levy for the Dedicated Infrastructure Renewal Fund, plus legislated impacts (e.g. Provincial Budget). The recommended operating budget requires a 3.52% tax rate increase resulting in an increase of \$148 to the property tax bill for a typical home assessed at \$351,368. The following are major drivers of the tax rate increase:

- The net cost to maintain City services increased by \$5.2 million resulting in a 2.11% increase to the tax levy. The increase is attributable to increases in costs for labour, winter control, and the ongoing repair and maintenance of the City’s aging infrastructure. Some of these cost increases have been offset by recoveries from existing reserves and increases in user fee revenues.
- As previously planned, new debt financing costs totaling \$1.2 million are required in 2020 to fund the City’s Capital plan, including previously completed projects such as Centennial Park Expansion and Memorial Park. These new debt servicing costs will be funded primarily from the tax levy with an impact of 0.47%.
- New investments and service recommendations amount to \$2.4 million. Some of these costs are recovered from capital projects, user rate budgets and reserves. The overall net impact to the tax levy is \$1.7 million or 0.66%.
- Service Partners proposed budgets increased by \$4.2 million to a total of \$89 million. The County of Simcoe has an increase of \$912 thousand, Police Services Board \$2.7 million, and the Library Services Board \$467 thousand. \$1.6 million of this increase is the result of downloading by the Province.
- 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. The 2020 budget includes a proposed growth strategy that will draw \$2 million from reserves in 2020 to mitigate the impact of growth related operating costs.

- The Provincial Government introduced a number of funding and program changes through the provincial budget that are adding pressure to the City’s tax base primarily through its service partners. To date, staff have quantified approximately \$1.6 million in additional costs for 2020. This number is expected to increase as service partners are able to fully assess impacts to their budgets.
- In maintaining the financial health of the City, the 2020 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 3.47% rate increase resulting in an increase of \$11.96 to the water bill for a typical home.

The proposed user rate budget for wastewater will require a 3.83% rate increase resulting in an increase of \$18.53 to the water bill for a typical home.

Descriptions	Tax Levy Increase/(Decrease)	Tax Rate Impact
Maintain service levels for current City operations	\$ 5,182,839	2.11%
Debt Management	\$ 1,179,911	0.47%
Growth Strategy	\$ (2,000,000)	-0.80%
Realized Assessment Growth		-1.60%
Investment & Service Recommendations	\$ 1,648,692	0.66%
Service Partners	\$ 2,586,163	1.03%
<b>CITY &amp; SERVICE PARTNER OPERATIONS</b>	<b>\$ 8,597,605</b>	<b>1.87%</b>
<b>Dedicated Infrastructure Renewal Fund</b>	<b>\$ 2,505,003</b>	<b>1.00%</b>
<b>Provincial Budget Impact</b>	<b>\$ 1,621,000</b>	<b>0.65%</b>
<b>TOTAL</b>	<b>\$ 12,723,608</b>	<b>3.52%</b>

## 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 watermains and treatment infrastructure ensure safe drinking water is available. Recreation centres and playgrounds are community gathering places where people learn, play, stay healthy and interact with one another. Fire trucks and snow plows 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 2020-2029 Capital Plan. The following is a high level overview of previously approved and new requests associated with the 2020 to 2024 Capital Plan projects:

	2020	2021	2022	2023	2024	Grand Total
Previously Approved (Committed)	\$ 50,874,726	\$ 2,762,883	–	–	–	\$ 53,637,609
New Capital Requests	\$ 84,610,250	\$ 36,126,849	\$13,803,000	\$ 8,041,000	\$ 2,000,000	\$144,581,099
New Investment and Service Recommendations (for Operating Budget requests)	\$ 315,747	–	–	–	–	\$ 315,747
<b>Total 2020 Capital Budget</b>	<b>\$135,800,723</b>	<b>\$ 38,889,732</b>	<b>\$13,803,000</b>	<b>\$8,041,000</b>	<b>\$ 2,000,000</b>	<b>\$ 198,534,455</b>

The 2020 Capital Plan presents financial challenges unique to municipalities preparing for rapid growth, specifically, the need to install and pay for the infrastructure required to support growth before the revenue associated with growth is realized. The City's reserves are expected to be overcommitted by approximately \$34.5 million on a consolidated basis going in to 2020 with the majority of the over commitment pertaining to growth related infrastructure funded from development charges. The 2020 capital plan relies on maintaining a robust balance in other reserves to mitigate the City's financial risk.

The financial challenges of growth have been exacerbated by *Bill 108 – More Homes, More Choices Act* which introduces provisions such as allowing developers to defer payment of development charges for certain types of development for terms of 5 or 20 years. The Act also removed the ability for municipalities to collect cash-in-lieu of parkland and soft service development charges for infrastructure such as recreation facilities, libraries, and social housing. The Act introduced a new charge, the Community Benefit Charge (CBC), in place of these revenue sources. However, transitional provisions and detailed regulations on the collection of the CBC remain outstanding. Implications of Bill 108 will not be fully understood until the regulations are finalized and a full review has been conducted.

Some of the key projects included in the capital plan are listed below:

### Capital Plan Key Projects

- Harvie Road Crossing
- Wastewater Treatment Facility upgrades and capacity expansion
- Bell Farm Road ROW expansion
- McKay Road ROW expansion
- Road Resurfacing
- Dunlop Street Corridor improvements
- Maplevue Dr. E Road expansion and new trunk watermain
- Storm pond upgrades