
TO: GENERAL COMMITTEE

SUBJECT: 2020 CAPITAL BUDGET AND PLANS

PREPARED BY AND KEY CONTACT: M. JERMEY, MANAGER OF BUSINESS PLANNING AND BUDGET, EXT. 4407

J. COWLES, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENT, EXT. 5347

C. MILLAR, DIRECTOR OF FINANCE AND TREASURER, EXT. 5130

SUBMITTED BY: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

A. MILLER, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

R. JAMES-REID, EXECUTIVE DIRECTOR – ACCESS BARRIE

I. PETERS, DIRECTOR OF LEGAL SERVICES

RECOMMENDED MOTION

1. That, consistent with the Capital Project Control Policy, the 2020, 2021, 2022, 2023, and 2024 Capital Budget relating to new capital spending requests of \$84.6 million, \$36.1 million, \$13.8 million, \$8 million, and \$2 million respectively be approved with the following amendments to reflect changes since the 2020 Business Plan's publication on November 4, 2019, and the 2020-2024 Capital Budget items not requiring spending approval, be received as forecast information:
 - a) That project EN1071 – Dunlop Street West ROW Replacement – Eccles to Toronto, (page 60 of the 2020 Capital Plan), be amended as follows:
 - i) Forecasted spending of \$1.5M in 2022 be advanced; and
 - ii) That 2021/2022 amounts be approved.
 - b) That project EN1291 – Maplevue Drive E New Transmission Watermain – Yonge to Royal Jubilee (Developer) (page 84 of the 2020 Capital Plan), be amended as follows:
 - i) Prior approvals be increased by \$2,413,743 as previously approved in motion 19-G-194 and motion 19-G-252.
 - c) That a new project to be named Watermain Investigation be added to the 2020 Capital Plan, at a gross cost of \$100,000, funded from the Legal Reserve;
 - d) That a new project to be named Sanitary Lateral Replacement Grant Program Vehicle at a cost of \$50,000 be added to the 2020 Capital Plan to be funded from the Wastewater Capital Reserve; and

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- e) That projects EN1294 – Watermain CIPP Lining Program (pg. 114 of the 2020 Capital Plan) and EN1252 – PRV Chamber Replacement Program (pg. 100 of the 2020 Capital Plan) be amended as follows:
- i) Prior approvals be increased by \$605,000 as previously approved in motion 19-G-264.
2. That the 2019 Capital Plan be amended as follows:
- a) That approved budgets for projects listed in Appendix “C” to Staff Report EMT007-19 be reduced by the amounts noted in the Appendix and that the associated funding be returned to source; and
- b) That project FI1022 – Long Range Financial Plan Update, be amended as follows:
- i) That the project scope be expanded to include delivery of a transition plan and policy updates for changes associated with the regulations under Bill 108: *More Homes, More Choices Act, 2019*; and
- ii) That the following temporary resources be approved beginning in January 2020 and ending in January 2021 (one year duration):
- One 0.5 full time equivalent temporary position for a project manager with an estimated total cost of \$75 thousand with funding from the Tax Capital Reserve.
3. That subject to the approval of the Director of Finance/Treasurer, staff retain Watson and Associates Economists Ltd. to support the implementation of the Long Range Financial Plan Update and requirements to transition to the Community Benefit Charge (under Bill 108: *More Homes, More Choices Act*) via sole source procurement.
4. That the impact of any motions or amendments approved by Council on November 25, 2019 be captured in the final 2020 Capital Plan as appropriate.
5. That staff be authorized to submit applications for grants that would reduce expenditures associated with projects, programs and services approved as part of the Capital Budget.
6. That two of the following officers; either Mayor, Clerk, Treasurer or their designates, be authorized to execute any agreements that may be required to accept grant funding from other levels of government or other partners, to reduce expenditures associated with capital projects.
7. That staff be authorized to submit applications for grants that would reduce future capital expenditures or enable capital projects to be advanced, and a report or memo be presented, as appropriate, prior to the execution of any agreement associated with the acceptance of such grant.
8. That the Treasurer be authorized to make the necessary alterations to the transfer to and/or from reserves to reflect changes in capital project funding since the 2020 Business Plan's publication on November 4, 2019.
9. That the City Clerk be authorized to prepare all necessary by-laws to implement the above recommendations.

PURPOSE & BACKGROUND

Report Overview

10. The purpose of this Report is to recommend The Corporation's 2020 Capital Plan. The plan was developed in accordance with direction provided by Council in motion 19-G-190 (provided in Appendix "A").
11. The listing of Debenture Financing in Appendix "B" is intended to enhance transparency of approvals and make the debenture issuance process more efficient. The list contains debenture amounts for new budget requests as well as previously approved debenture amounts that have not yet been issued. Forecasted debenture amounts are excluded from the listing.

Background

12. On November 4, 2019, copies of the 2020 Business Plan/Capital Plan binders were distributed to members of Council and the same information was posted on the City's website (<https://www.barrie.ca/City%20Hall/Budget/Pages/Budget.aspx>). A presentation was also made at the General Committee meeting held on November 4, 2019 to provide an overview of the details contained within the 2020 Business Plan/Capital Plan binders.
13. As the details related to the City's capital plan are quite extensive, it would be challenging to address all of the aspects in a staff report. The budget binders are intended to provide the necessary level of detail to allow members of Council to make informed decisions on the capital plan. Given the scope of the City's business activities, budget binders are distributed at the beginning of November to allow for a fulsome review of the details.
14. The focus of this Staff Report is to advise General Committee of any changes since the publication of the 2020 Capital Plan on November 4, 2019.

ANALYSIS

Summary

2020 - 2024 Capital Budgets

15. The 2020 Capital Budget is \$198.5 million, including \$50.9 million in previously approved funding, \$84.6 million in new funding requests, and \$315,747 associated with New Investment and Service Recommendation Operating Budget requests. Details of the 2020 Capital Budget are found in the 2020 Capital Plan binder.
16. Consistent with the Capital Project Financial Control Policy, where the 2020 Capital Budget includes projects that will be completed over more than one reporting period, Council's approval of new projects in the 2020 Capital Budget would include approval of the funds required in 2021, 2022, 2023 and 2024, to conduct the work, totaling \$144.6 million.
17. In addition to the portion of the 2020 Capital Budget that is recommended for approval, the 2020-2024 Capital Plan provides a forecast for capital spending over the next five years. The 2020-2024 Capital Plan includes \$982.3 million in spending, and was developed with a focus on addressing the City's most critical asset renewal needs, areas currently experiencing service level deficiencies, and required investment to support the growth management process. It should be noted that despite the significant investment being made, many important projects were deferred. As aging assets fail, their ability to deliver service to the community will be impacted.

Capital Budget Amendments

18. **Carry Forward Reduction – various projects**

During the preparation of the 2020 Capital Plan, staff performed a detailed review of existing capital projects with the objective of identifying projects with committed funding in excess of what was required based on any new information available for the project in question.

The result of this exercise was the identification of approximately \$16.4 million in committed funding that could be uncommitted and used for other purposes. The listing of impacted projects is found in Appendix "C".

19. **FI1022 – Long Range Financial Plan Update**

On June 6, 2019, Bill 108: *More Homes, More Choice Act, 2019* received Royal Assent. The Act contains changes to the Development Charges Act as well as the Planning Act. The Government has released proposed regulatory changes for the implementation of the Act.

One of the key changes will alter how the City recovers the cost of infrastructure for most 'soft' services (recreation centres, libraries, etc.) and parkland. Namely, a new Community Benefit Charge (CBC) will replace the existing charges.

The Government proposes that municipalities must transition to the new CBC by January 1, 2021.

The Municipal Finance Officers' Association of Ontario reports that:

"This CBC regime is unique; it has no precedent anywhere in the world, as far as we are aware. Further, much is riding on the prescribed caps. Done incorrectly, not only will Ontarians be worse off due to reduced levels of municipal services, but development will likely slow-down."

Recognizing the financial implications of getting the City's CBC 'wrong', staff are recommending dedicated internal resources to meet the City's regulatory implications consisting of one Project Manager (0.5 full time equivalent).

The requirements of the proposed regulatory changes under the *More Homes, More Choice Act, 2019* tie-in directly with the work planned for the Long Range Financial Plan Update (LRFP). For this reason, staff are recommending the scope of LRFP project be increased to include meeting the City's requirements under the new Act at a cost of approximately \$75 thousand funded from the tax capital reserve.

Staff anticipate the expanded scope of the project will be delivered in two stages with the Long Range Financial Plan stage being delivered to General Committee in May followed by the *More Homes, More Choice Act, 2019* stage before the end of the year.

Watson & Associates Economists Ltd. participated in the development of the master plans, the growth plans and the development charge background study. This scope of work will be key input to the LRFP and development of the CBC. Their project team has extensive experience and is uniquely positioned to assist the City. Staff recommend that Watson & Associates be retained through a sole source agreement subject to the development of terms approved by the Director of Finance.

20. **EN1071 – Dunlop Street West ROW Replacement – Eccles to Toronto**

The preliminary estimates for the timing of works for this project have changed since the production of the 2020 Capital Plan. The timelines provided to project bidders reflect an escalated work schedule. The new work schedule will require advancing of funds from 2022 (\$1.5 million) into 2020 (\$500 thousand) and 2021 (\$1 million). In addition, the funding status for budget years 2021 and 2022 will need to be changed from 'forecast' to 'request' to allow for the procurement of construction contractors to complete the work.

21. **EN1291 – Mapleview Drive E New Transmission Watermain – Yonge to Royal Jubilee (Developer)**

Council passed motions 19-G-194 and 19-G-252 increasing the budget for this project by \$697,400 and \$1,716,343 respectively. The motions were processed after the detailed project reports were produced for the budget binder. As a result, the prior approvals reported for this project need to be increased by a total of \$2,413,743 to accurately reflect the budget for the project.

22. **Watermain Investigation**

This project consists of retaining a forensic engineer and related services to (a) inspect the ruptured bulkhead that was located at Big Bay Point Road and Yonge Street and determine the cause of its failure and (b) inspect the integrity of the approximately 4km long watermain on Big Bay Point Road, constructed as part of Contract 2006-21, for compliance with contractual specifications, obtain recommendations for any necessary remediation and determine the appropriateness of pursuing additional recourse.

23. **Sanitary Lateral Replacement Grant Program Vehicle**

On November 4, 2019 Council approved motion 19-G-309 directing staff to include consideration of the increased costs required to continue the Sanitary Lateral Replacement Grant Program. An excerpt from the specific motion reads as follows:

"A new Capital project – Sanitary Lateral Replacement Grant Program Vehicle at a cost of \$50,000 be added to the 2020 Capital Budget to be funded from the Wastewater Capital Reserve."

This direction was received after the production of the 2020 Capital Plan. As a result a new project will need to be added to the 2020 Capital Plan.

24. **EN1294 – Watermain CIPP Lining Program, EN1252 0 PRV Chamber Replacement Program**

On September 30, 2019 Council approved motion 19-G-264 increasing the budget for project EN1294 and EN1252 by \$325,000 and \$280,000 respectively. The motions were processed after the detailed project reports were produced for the budget binder. As a result, the prior approvals reported for this project need to be increased by a total of \$605,000 to accurately reflect the budget for the project.

Other items

25. **EN1255, EN1256, EN1257 – Huronia/McKay new trunk sanitary**

In 2018, the Huronia and McKay sanitary projects were advanced and changed to a Developer (D) projects. These projects have prior approvals of \$10,656,368 and an additional request of \$5,430,632 in the 2020 Capital Plan for a total of \$16M:

BUDGET (CONSTRUCTION)				Prior Approvals	2020 Request	Future Forecast	TOTAL BUDGET
PROJ #	PAGE REF.	DESCRIPTION	Asset	\$	\$	\$	\$
EN1255	Prior Approval	Huronion - Lockhart to McKay	Sanitary	1,360,000	-	-	1,360,000
EN1256	Prior Approval	McKay - 400 to Huronia	Sanitary	8,000,000	-	-	8,000,000
EN1257	Pg. 88	McKay - Reid to 400	Sanitary	1,296,368	5,430,632	-	6,727,000
Total Sanitary Construction in 2020 Budget and prior years:							<u>16,087,000</u>

During the detailed design in 2019, the estimated cost of the sanitary increased by \$42 million as a result of a decision to revise the approach to design and construction from open cut to tunneling/open cut as well as projected increases in construction costs. Staff considered a few options for addressing the additional funding requirement and performed a financial analysis which can be found in Appendix "D".

The options considered were:

- 1) Fund the additional cost with debt.
- 2) Defer a listing of infrastructure projects for 3 to 4 years. (Appendix "E")
- 3) Utilize a combination of additional debt and project deferral.

In summary, notwithstanding that these infrastructure projects are required to service approved Employment Lands in the Salem Secondary Plan Area and ultimately residential development to 2031, based on the City's current overcommitted Capital Plan and financial framework policies, it is recommended that the Huronia/McKay Sanitary projects do not proceed at this time but that they be revisited in two years. As a result, the recommended motion does not include any reference to these projects. Should Council wish to advance the Huronia/McKay new trunk sanitary project, the funding options noted above are available.

In addition, the Development Charge Act (D.C.A.) provides a mechanism for municipalities to fund infrastructure in advance of corresponding DC revenues through a front ending agreement. A traditional front ending agreement would be the approach recommended by staff, however the proponent would have to agree to this approach and to date has not been amenable.

26. EN1265 – City Wide Cycling Network Program

On June 17, 2019 Council approved motion 19-G-190 directing staff to increase the contribution to the Tax Capital Reserve by \$110,000 with an equivalent increase to project EN1265 – City Wide Cycling Network Program. The specific motion reads as follows:

"That staff consider as part of the 2020 Business Plan and Budget a \$110, 000 increased contribution to the tax capital reserve which approximates \$2.00 per household for the purpose of accommodating an increase in active transportation initiatives and that the planned budget request for project EN1265 (City Wide Cycling Program) be increased by \$110,000 with funding from the Tax Capital Reserve for each year the \$2.00 levy is in place."

During the capital prioritization process it was determined that insufficient information was available to ensure the most effective use of funds toward alternative transportation (specifically the City Wide Cycling Network). As a result, the future funding requests for this project were removed from the plan pending the availability of better information. Staff will continue to look at options for this program and include it for consideration in the 2021 Capital Plan. See Alternative #3 for additional actions that could be taken by General Committee.

27. **79 Bell Farm Refurbishment**

On November 18, 2019 staff received an updated capital budget request from the Barrie Police Service. The letter is found in Appendix "F". The correspondence outlines a request for the refurbishment of the City owned facility at 79 Bell Farm Road on the basis that the original renovations were intended as an interim solution while a new facility was being constructed. In June 2017, the Training Facility intended as a permanent solution was deferred indefinitely.

A comprehensive report has been presented to the Barrie Police Services Board. The report outlines the rationale and need for investment in the building's infrastructure.

28. **Transit Projects with ICIP Funding**

The 2020 Capital Plan was originally funded under the assumption that confirmation of funding approval under the Investing in Canada Infrastructure Program (ICIP) would be received in time for approval of the City's 2020 Capital Plan. Confirmation has been received from the Province, however, confirmation from the Federal Government has been delayed as a result of the election. There is a reasonable expectation that approval for the Federal ICIP funding will ultimately be received. However, until this confirmation has been received the recommendation from staff is that no spending occur on the projects in question.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

29. A number of the projects identified in the capital plan are intended to address environmental or climate change impacts.

ALTERNATIVES

30. There are four alternatives available for consideration by General Committee:

Alternative #1

General Committee could increase the 2020 Capital Plan by \$42M for the Huronia and McKay Sanitary Sewer and fund it

- a) through a traditional front ending agreement
- b) through deferral of the list of projects in Appendix "E"; or
- c) through a combination of project deferral and debt issuance.

Financially it is premature for the City to advance the McKay Sanitary Sewer, unless the impact on the City's Financial Policy Framework, Reserves and credit rating can be adequately mitigated. A traditional front ending agreement (a) is the most straight-forward mitigation option.

There are negative consequences to the deferral of the listed projects (b) and/or debt issuance (c). The recent credit rating report from Standard and Poor's highlighted the need for the City to time the expenditure of capital with the timing of DC Revenues. The Financial Policy Framework identified targets for DC Reserves and DC Debt are currently not being met and would be negatively impacted by further debt issuance.

Alternative #2

General Committee could alter the proposed recommendation regarding the 2020 Capital Budget by changing the capital works that are included.

The recommended capital projects have been carefully prioritized and reflect only the Corporation's most critical needs and affordability thresholds. Removing recommended capital projects in favour of other capital projects, that were not considered to be as critical works, increases the risk of asset failure, and the potential for service interruptions.

Alternative #3

General Committee could re-establish funding plan for project EN1265 – City Wide Cycling Network Program (\$400,000 annually) and increase the funding for the program by the amount described in motion 19-G-190 (\$110,000). The recommended wording would be as follows:

“That the 2020 approved budget for project EN1265 – City Wide Cycling Network Program be increased by \$510,000 with funding from the Tax Capital Reserve in accordance with motion 19-G-190.”

Staff do not recommend re-establishing the program until a fully considered plan for the use of funds can be prepared. This is to ensure the limited funds are used on projects that will be of most benefit to users of the system and encourage the greatest number of new users.

Alternative #4

General Committee could add a new project to the 2020 Capital Plan entitled 79 Bell Farm Refurbishment at a gross cost of \$500,000, funded from the Tax capital reserve.

Staff do not recommend adding this project to the 2020 Capital Plan. During prioritization of capital projects, which included this project, only those most critical to the needs of the Corporation were recommended.

FINANCIAL

31. The financial impacts of the 2020 Capital Plan are addressed in the analysis section of this report.

LINKAGE TO 2018-2022 COUNCIL STRATEGIC PLAN

32. The recommendations included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:

Growing Our Economy
Fostering a Safe and Healthy City
Building Strong Neighbourhoods
Offering innovation and Citizen Driven Services
Improving the Ability to Get Around Barrie

33. The approved capital plan reflects the real-world efforts to implement Council's strategic goals. The recommended motion provided in this staff report is an opportunity for Council to ensure the City's resources continue to be expended in a manner consistent with these goals.

APPENDIX "A"
2020 BUDGET DIRECTIONS - CAPITAL

1. That the existing 2019-2028 Capital Plan be used as the basis to develop a ten year Capital Plan that includes a one year capital budget, a four year forecast, and a five year capital outlook:
 - a) 1 year approved Capital Budget (2020):
 - i) With multi-year approvals in accordance with the capital control policy;
 - ii) Project specifics; and
 - iii) Detailed funding.
 - b) 4 year Capital Forecast (2021 – 2024):
 - i) Project specifics; and
 - ii) Detailed funding.
 - c) 5 year Capital Outlook (2025 – 2029):
 - i) Project specifics where available; and
 - ii) Detailed funding.
2. That staff prepare the 2020 Capital Budget with appropriate consideration of:
 - a) Council's 2018-2022 strategic goals;
 - b) Continued focus on the execution of the Growth Management Plans;
 - c) Investment in renewing the City's current infrastructure utilizing a risk based approach for project selection;
 - d) Availability of financial resources and consideration of the Financial Policy Framework;
 - e) Availability of staff resources to do the work; and
 - f) The Net Operating Impact of the proposed Capital Plan.

APPENDIX "B"
DEBENTURE LIST

The purpose of this listing is to provide documentation to evidence Council's approval of debt financing in alignment with project spending approval. The listing will be provided to lenders (e.g. banks) as required during negotiations to secure debt financing.

Project Name	Project ID	2020 Capital Plan Debt Funding Request	Outstanding Debt Funding Approved to Date	Grand Total
Allandale Historic Train Station Development	FC1064		\$ 3,045,500	\$ 3,045,500
BFES Station 3 Interior Renovations	FC1059		\$ 900,000	\$ 900,000
BFES Station 4 Renovation	FC1147		\$ 1,000,000	\$ 1,000,000
Big Bay Point Road ROW Expansion - Bayview to Huronia	EN1286		\$ 813,241	\$ 813,241
Centennial Park Expansion	EN1033		\$ 2,481,165	\$ 2,481,165
Cundles Rd. E:Duckworth-Living	EN1011		\$ 1,129,352	\$ 1,129,352
Duckwth St- Bernick to Cundles	EN1010		\$ 2,515,240	\$ 2,515,240
Dunlop and Tiffin/Miller Intersection Improvements	EN1047		\$ 1,049,716	\$ 1,049,716
Dunlop Street East Corridor Improvements - Toronto to Mulcaster	EN1167	\$ 3,150,000	\$ 1,350,000	\$ 4,500,000
Essa Road New Transmission Watermain and Road Expansion - Athabaska to Salem (Developer)	EN1275		\$ 262,755	\$ 262,755
Essa Road New Transmission Watermain and Road Expansion - Mapleview to Athabaska (City)	EN1250	\$ 28,830	\$ 128,985	\$ 157,815
Essa Road Right of Way Expansion - Bryne to Fairview (outside of CAH limits)	EN1015		\$ 459,576	\$ 459,576
Harvie Road and Big Bay Point Road New Crossing - Highway 400 - Issued in 2019	EN1287		\$ 24,743,788	\$ 24,743,788
Hotchkiss Creek Culvert Expansion - Innisfil, 125m North of Tiffin	EN1273		\$ 2,605,000	\$ 2,605,000
Huron Road New Trunk Sanitary Sewer and Road Replacement - Lockhart to McKay (City)	EN1255		\$ 536,317	\$ 536,317
Hurst Drive Pavement Rehabilitation - Cox Mill to Golden Meadow	EN1314		\$ 2,200,000	\$ 2,200,000
Kidds and Sophia Creek Storm Pond Upgrades - Irwin (KD03), Ford (KD06), and Ottaway (SP03)	EN1269		\$ 750,000	\$ 750,000
LED Street Light Conversion	FC1028		\$ 970,216	\$ 970,216
Little Lake Sew Pump Station Upg	EN1122		\$ 1,038,300	\$ 1,038,300
Lovers Creek New Bridge - Tollendal Mill, 150m West of Coxmill	EN1169		\$ 1,495,000	\$ 1,495,000
Mapleview Drive East Improvements - Country Lane to Yonge	EN1097		\$ 1,290,000	\$ 1,290,000



McKay Road New Trunk Sanitary Sewer - Hwy 400 to Huronia (City)	EN1256		\$ 756,382	\$ 756,382
McKay Road Expansion - Hwy 400 to Huronia (Developer)	EN1345		\$ 1,467,492	\$ 1,467,492
McKay Road ROW Expansion - Reid Drive to East of Highway 400 (Developer)	EN1257		\$ 1,102,502	\$ 1,102,502
McKay Road ROW Expansion- Essa to Sewry (Developer)	EN1343		\$ 34,163	\$ 34,163
McKay Road ROW Expansion- Sewry to Reid (Developer)	EN1344		\$ 25,505	\$ 25,505
Memorial Park (Construction)	EN1111		\$ 1,049,749	\$ 1,049,749
Mulcaster St Storm Outlet	EN1100		\$ 1,125,000	\$ 1,125,000
Operations Centre Building Renovation	FC1124	\$ 1,750,000	\$ 250,000	\$ 2,000,000
Salem Road New Transmission Watermain and Road Expansion - County Road 27 to Dunn (Developer)	EN1276		\$ 940,335	\$ 940,335
Sanitary Servicing - Royal Oak, Bay, Cottage	EN1043		\$ 1,000,000	\$ 1,000,000
Tiffin Street ROW Expansion - Hwy 400 Underpass	EN1104		\$ 1,771,000	\$ 1,771,000
Veterans Drive New Trunk Watermain and Road Expansion - Salem to City Limits (Developer)	EN1258		\$ 682,230	\$ 682,230
Watermain CIPP Lining Program	EN1294		\$ 1,020,000	\$ 1,020,000
WwTF Biosolids Storage Tank Mixers	EN1127		\$ 3,548,000	\$ 3,548,000
WwTF New Advanced Nutrient Removal	EN1091	\$ 3,445,000	\$ -	\$ 3,445,000
WwTF New Cogeneration and Biogas Treatment System	Z162	\$ 1,640,000	\$ -	\$ 1,640,000
Grand Total		\$ 10,013,830	\$ 65,536,509	\$ 75,550,339

APPENDIX "C"
CARRY FORWARD REDUCTIONS

Project #	Project Title	Previously Approved Budget (incl 2019)	Budget Reduction
CC1003	APLI (Applications, Permits, Licenses and Inspections) Expansion - Phase 3	608,000	(608,000)
EN1019	Co-generation & Biogas Treatment	600,000	(50,000)
EN1143	Mapleview Drive West Sanitary Forecmain Twinning and Pumping Station 5 Upgrades & Expansion (City)	15,247,754	(2,500,000)
EN1150	Big Bay Point Road Booster Station VFD Upgrade	705,000	(547,811)
EN1244	Hotchkiss Creek Storm Pond Upgrade - W of Bryne, S of Essa (HT06)	864,811	(347,555)
EN1245	WwTF Chemical Building Upgrade	100,000	(50,000)
EN1253	Biosolids Storage Facility Lagoons 1, 2 & 3 Hydraulic Upgrades and Overflow Protection Upgrades	80,000	(80,000)
EN1267	Biosolids Facility Roof Coating Rehabilitation	170,000	(145,000)
EN1273	Hotchkiss Creek Culvert Expansion - Innisfil, 125m North of Tiffin	4,290,000	(850,000)
EN1296	WwTF UNOX To Aeration Tanks Conversion (Phase 1)	740,000	(510,000)
FC1000	Transit Garage	27,023,455	(173,000)
FC1084	BFES Station 6 New Building Development	2,110,000	(2,110,000)
FC1129	Year Round Downtown Market New Development	6,900,000	(6,900,000)
FC1138	Fisher Auditorium Redevelopment	750,000	(400,000)
IT1009	PC Replacements	483,002	(12,655)
IT1022	Application Resiliency Program	325,000	(100,000)
IT1024	Server and Desktop Software Program	3,015,865	(500,000)
IT1043	Public Safety Communication Program	1,380,000	(200,000)
IT1046	Corporate Windows 10 Pro with Office Pro Plus 2013 Software Upgrade	157,000	(36,738)
IT1047	Water Billing System AS/400 Hardware Replacement	50,000	(18,185)
RP1107	Specialized Transit Bus Replacement 2017 (PTIF)	375,000	(35,758)
RP1157	Hotchkiss Creek, Downstream Channel and Drainage Improvements- 213 & 215 Phillip St	35,000	(35,000)
TR1003	Convent Trans Bus Rehab Essa	490,000	(73,981)
TR1004	Convent Trans Bus Rehab	510,000	(82,921)
TR1009	Transit Fleet New Onboard CCTV Security Cameras	75,000	(12,654)
Grand Total		67,084,887	(16,379,257)

APPENDIX "D"
HURONIA/MCKAY NEW TRUNK SANITARY PROPOSAL

EN1255 - Huronia Road New Trunk Sanitary Sewer and Road Replacement – Lockhart to McKay
EN1256 - McKay Road New Trunk Sanitary Sewer and Road Expansion - Hwy 400 to Huronia
EN1257 - McKay Road New Trunk Sanitary Sewer and Road Expansion - Reid to Hwy 400

Background

The 2014 Memorandum of Understanding included the above three projects, with estimated timing and costs. The original timing for delivery of the infrastructure was 2020/2021. DG Group approached the City in 2018 and requested advancement of the trunk sanitary sewer construction project required to service the Watersands Development at the southwest quadrant of McKay Road West and Veteran's Road. The trunk sanitary sewer is required from the connection to the existing system at the intersection of Huronia Rd and Lockhart Rd, to McKay Road West just west of Highway 400.

Through Motion 19-G-016 the sanitary components of projects Z201 (EN1255) – Huronia Road New trunk Sanitary Sewer and Road Replacement – Lockhart to McKay, and Z204 (EN1256) – McKay Road New Trunk Sanitary Sewer and Road Expansion – Hwy 400 to Huronia were advanced from 2020/21 to 2019 and changed to Developer (D) projects. At the time, the budget included \$16M in approved and forecast funding, and the City was completing a detailed design for these projects.

The 2019 detailed design of the sanitary sewer resulted in a more accurate estimate of the capital costs. The process highlighted the requirement for sections of tunneling at a significantly higher up front cost than open-cut construction. This design allows for gravitational conveyance of wastewater as opposed to a pressurized system. The updated estimate given the detailed design is \$58M, leaving a funding shortfall of \$42M.

Analysis

Staff looked at three options for adding approximately \$40 million to the 2020 Capital Plan.

- 1) Fund the additional cost with debt.
- 2) Defer a listing of infrastructure projects for 3 to 4 years.
- 3) Utilize a combination of additional debt and project deferral.

1. Debt

The impact of adding an additional \$40 million of debt at rates currently available to the City, over a 10-year term would cost approximately \$5 million in interest charges. This option was also reviewed against the City's financial policy framework. The framework stipulates that DC debt outstanding should not exceed 25% of the DC eligible costs as delineated in the most recent DC background study. Based on the 5-year forecast for the DC eligible costs as per the May 2019 background study, the maximum DC debt allowed is \$212 million (25% of \$850 million). As shown in the table below the City is currently at its DC debt threshold; an additional \$40 million in DC debt will push the ratio 7% above the threshold.

Outstanding Balance	2019	2020	2021
DC	231,720,118	222,690,054	232,398,205
Parking	4,288,876	3,511,600	2,696,010
Tax	79,472,069	80,303,146	82,599,045
Wastewater	6,064,663	5,707,468	6,357,156
Water			
Grand Total	321,545,727	312,212,269	324,050,416

The DC debt is serviced from the DC reserves. The City's financial policy framework further stipulates that the total balance of these reserves should not be negative. Currently, the DC reserves as of September 30, 2019 are in a deficit by \$32 million. Waste Water DC reserves are currently negative by \$44 million. Net DC revenues in 2019 were budgeted at \$26.7 million while the amount collected to date is \$4.1 million.

By incurring an additional \$40 million in DC debt, the DC reserves balances would drop further into negative territory. Meanwhile DC revenues over the next two years will not replenish the DC reserves, adding further liquidity risk. In the October 8, 2019 Standard & Poor's Ratings Report for the City of Barrie, it was noted that the City is expected to "balance the implementation of growth-related projects with the materialization of external funds, chiefly development charges and developer front-ending."

2. Defer projects for 3 to 4 years

A list of projects for possible deferral can be found in Appendix "E". Deferring these projects for 3 to 4 years would provide room for funding the Huronia/McKay projects. However, deferral of these projects comes with increased risk and impacts for the City. These include continued and increased congestion, risks of flooding, fire flow deficiencies, and infrastructure failures which can lead to emergency costs and public health and safety concerns.

3. Utilize a combination of additional debt and project deferral

The third option is to defer a smaller selection of the list provided in Appendix "E", and fund the balance of the shortfall with debt.

Front-ending Agreements

'Front ending agreements' give the City the ability to enter into agreement with a willing developer which allows the developer to up-front the cost of infrastructure construction. The developer gets the advantage of proceeding with development quicker than what the City's plan may otherwise allow. Reimbursement of the front-ended amounts occur as developers who benefitted from the infrastructure develop in the area. This reduces risk for the City as the costs of development are aligned with the timing of revenues from development.

Conclusion

The sanitary sewer is required to open up employment lands and residential development in the South Salem secondary plan area, East of Hwy 400 over the next decade. Development Charge revenues of \$300M are associated with the developments planned for this area in the next 10 years. These revenues are not guaranteed to materialize in the next few years and in some cases, other infrastructure planned in future years will be required before units can come online.

The City's capital plan is at historically high levels and for the next two to three years is overcommitted. Utilizing all available funding, the City is overcommitted approximately \$32 million. This is largely as a result of the DC's being overcommitted by \$101 million. It would be very challenging to alter the next two year capital plan because of the dependencies of capital projects needed to generate DC revenues. Financially it is premature for the City to advance the McKay Sanitary Sewer, unless a traditional front ending agreement is utilized. Based on the City's current overcommitted Capital Plan, staff do not recommend advancing this project but suggest revisiting in two years.

APPENDIX "E"
POTENTIAL PROJECT DEFERRAL LISTING

DC Related Projects		2020				2021				2022-2029	Total	Action/Impact:
Questica #	Project	Gross Cost	DC Funding	Grant Funding	Other Funding	Gross Cost	DC Funding	Grant Funding	Other Funding	Gross Cost	Gross Cost	
295	Lockhart Road ROW Expansion - Huronia to Yonge (City)	\$ 266,000	\$ 226,100	\$ -	\$ 39,900	\$ 1,197,500	\$ 1,017,875	\$ -	\$ 179,625	\$ 27,039,500	\$ 28,503,000	Defer by one year with no impact; defer by two years may be possible with minimal impacts to development
EN1286	Big Bay Point Road ROW Expansion - Bayview to Huronia	\$ 1,741,210	\$ 1,131,787	\$ -	\$ 609,424	\$ 2,956,380	\$ 1,921,647	\$ -	\$ 1,034,733	\$ 4,223,400	\$ 8,920,990	Required to address existing congestion and increased traffic from phase 1 development; impact will be ongoing congestion, which will get worse as development proceeds
EN1277	Bryne Drive New Road Construction - Harvie to North of Caplan	\$ 1,233,650	\$ 801,873	\$ -	\$ 431,778	\$ 2,669,200	\$ 1,734,980	\$ -	\$ 934,220	\$ 3,336,500	\$ 7,239,350	Defer property and construction; project should be aligned with development of Smart Centres; impact of deferral is continued congestion in south end
EN1269	Kidds and Sophia Creek Storm Pond Upgrades - Irwin (KD03), Ford (KD06), and Ottaway (SP03)	\$ 1,800,000	\$ 810,000	\$ -	\$ 990,000	\$ 1,800,000	\$ 810,000	\$ -	\$ 990,000	\$ 7,250,000	\$ 10,850,000	Risk of flooding in area due to no local storm sewers and limited storage; impact of deferral will be flooding during storm events (east end and downtown)
EN1164	Bell Farm Road ROW Expansion - St. Vincent to Duckworth	\$ 4,250,000	\$ 2,762,500	\$ -	\$ 1,487,500	\$ 5,170,000	\$ 3,360,500	\$ -	\$ 1,809,500	\$ 1,000,000	\$ 10,420,000	Required to address poor road condition and safety issues due to lack of sidewalk/streetlights on a road heavily travelled by college students; impact of deferral is that these issues persist and road condition worsens
735	Essa Road and Anne Street Intersection Reconstruction	\$ 4,486,000	\$ 2,915,900		\$ 1,570,100	\$ 200,000	\$ 130,000	\$ -	\$ 70,000	\$ -	\$ 4,686,000	Defer to 2025 following MTO's interchange reconstruction; impact will be poor traffic operation and congestion in the area
737	Hotchkiss Creek Storm Ponds at Wood Street and Associated Culvert Improvements	\$ 251,000	\$ 112,950	\$ -	\$ 138,050	\$ 1,000,000	\$ 450,000	\$ -	\$ 550,000	\$ 13,629,000	\$ 14,880,000	Deferral will limit ability of City to work with Osmington on co-design of ponds; will limit ability to design outlet to adjacent neighbourhood storm sewer
559	Mapleview Drive Diverging Diamond Interchange Retrofit	\$ 300,000		\$ 300,000		\$ 300,000		\$ 300,000		\$ 11,325,000	\$ 11,925,000	Deferral will delay key improvements to congestion along Mapleview Drive. Study is essential to determining the extent of the changes required in addition to the DDI to improve operations on Mapleview Drive
655	Essa Road Right of Way Expansion - Bryne to Fairview (within CAH limits)	\$ 1,120,000	\$ 728,000	\$ -	\$ 392,000	\$ 10,000	\$ 6,500	\$ -	\$ 3,500	\$ 8,120,000	\$ 9,250,000	Deferral will impact ability of City to partner with MTO on improvements at Essa/400 interchange - to specifically address congestion on Fairview approaching ESSA
EN1101	Dunlop, Poyntz and Berczy New Watermain and ROW Replacement - Codrington to Mulcaster	\$ 2,260,000	\$ 88,734	\$ -	\$ 2,171,266	\$ 2,770,000	\$ 250,000	\$ -	\$ 2,520,000	\$ -	\$ 5,030,000	Required to provide system security and redundancy in water network and improve fire flows in the north east quadrant; also replaces an 80+ year old cast iron main; deferral will delay these improvements and also possibly impact other renewal work

Totals

\$ 17,707,860	\$ 9,577,843	\$ 300,000	\$ 7,830,017	\$ 18,073,080	\$ 9,681,502	\$ 300,000	\$ 8,091,578	\$ 75,923,400	\$111,704,340
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2 Year Total - DC Related Projects

\$35,780,940	\$ 19,259,345	\$ 600,000	\$ 15,921,595
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Other Projects		2020				2021				2022-2029	Total	Action/Impact
Questica #	Project	Gross Cost	DC Funding	Grant Funding	Other Funding	Gross Cost	DC Funding	Grant Funding	Other Funding	Gross Cost	Gross Cost	
EN1238	NRP- Wellington D1 Neighbourhood Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ 4,400,000	\$ -	\$ -	\$ 4,400,000	\$ 350,000	\$ 4,750,000	Aging, deteriorated sewers and watermain; risk is service failure, significant emergency costs, public health and safety
EN1263	Lampman to Anne New Transmission Watermain and Lampman to Leacock ROW Rehabilitation	\$ 1,450,000	\$ -	\$ -	\$ 1,450,000	\$ 922,475	\$ -	\$ -	\$ 922,475	\$ -	\$ 2,372,475	water main will provide system security and redundancy in north west of City
EN1305	Anne Street - New 3N Booster Pump Station & 2N Booster Pump Station Reconstruction	\$ -	\$ -	\$ -	\$ -	\$ 2,142,400	\$ -	\$ -	\$ 2,142,400	\$ 9,688,200	\$ 11,830,600	The driver for the project is to increase redundancy - Construction can be deferred for two or three years - We are proceeding with design
Totals		\$ 1,450,000	\$ -	\$ -	\$ 1,450,000	\$ 7,464,875	\$ -	\$ -	\$ 7,464,875	\$ 10,038,200	\$ 18,953,075	
2 Year Total - Other Projects		\$ 8,914,875	\$ -	\$ -	\$ 8,914,875							
Total DC and Other Projects		\$ 19,157,860	\$ 9,577,843	\$ 300,000	\$ 9,280,017	\$ 25,537,955	\$ 9,681,502	\$ 300,000	\$ 15,556,453	\$ 85,961,600	\$ 130,657,415	
2 Year Total - DC and Other Projects		\$ 44,695,815	\$ 19,259,345	\$ 600,000	\$ 24,836,470							

APPENDIX "F"
BARRIE POLICE SERVICES – 79 BELL FARM ROAD



BARRIE POLICE SERVICES BOARD
committed to our community

October 29, 2019

Barrie City Council
City of Barrie
P.O. Box 400,
Barrie, ON L4M 4T5

City of Barrie Council,

RE: Barrie Police Service Facility – 79 Bell Farm Road

In 2009, the City of Barrie purchased 79 Bell Farm Road, a former fitness facility, to suit the needs of the Barrie Police Service temporarily, while a new or alternate Police Headquarters was being considered.

The building required significant refurbishment and maintenance, therefore \$1.3 million was requested by City staff to reconcile this undertaking.

Given a temporary occupancy envisioned to be approximately five (5) years, it was deemed appropriate to minimize the investment in repair, maintenance and refurbishment. This resulted in City of Barrie Council approved funding of \$650,000.

Construction at 79 Bell Farm spanned many years, and the Barrie Police Service took occupancy in 2015. This temporary solution was acceptable, knowing that this was an interim solution for a surplus facility while a new facility was being considered and constructed.

In 2016, the City of Barrie and the Service committed to the concept of the Barrie Simcoe Emergency Services Campus (BSESC), and in the early stages this facility was intended to fulfill all the needs of the Barrie Police Service, including the Training Unit.

In June 2017, the Training Facility (Building "B") at the new BSESC was deferred by City of Barrie C

A commitment has not been established for the commencement of Building "B" construction.

Angela Lockridge
Chair

29 Sperling Drive
Barrie, Ontario L4M 6K9

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BARRIE POLICE SERVICES BOARD

committed to our community

In May 2019, the Director of Corporate Facilities made a request to the City of Barrie Capital Project Prioritization Committee. This committee is the "first gate" in the approval process. The request included:

1. 2020 - \$500,000
 - \$450,000 to complete deferred maintenance on the "surplus" facility at 79 Bell Farm Road.
 - \$50,000 to complete an Indoor Firearms Range feasibility study.

In August 2019, this request was removed by the City of Barrie's Capital Projects Prioritization Committee, and as such was redirected to the Barrie Police Services Board for submission to Council.

A comprehensive report entitled, "79 Bell Farm Road Capital Requirements" has been authored and presented to the Barrie Police Services Board. This report outlines the gravity and need for immediate investment in the building's infrastructure.

The Barrie Police Services Board accepts the valuation submitted by the Director of Corporate Facilities and Barrie Police Service "79 Bell Farm Road Capital Requirement's Report", as it relates to the immediate needs of 79 Bell Farm Road. An assessment would be required thereafter, to assess the needs of 2021 and beyond.

The Barrie Police Services Board recommends the following:

1. That the report entitled "79 Bell Farm Capital Requirements", dated October 17, 2019 be forwarded to City of Barrie Council for consideration.
2. That The City of Barrie Council be requested to include a new capital project in the 2020 Capital Plan for 79 Bell Farm Road capital requirements with a total budget of \$500,000.

Sincerely,



Angela Lockridge, Chair
Barrie Police Services Board

Angela Lockridge
Chair

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