



City Of Barrie

2015 Business Plan & Budget

Overview Presentation

February 2, 2015

General Committee

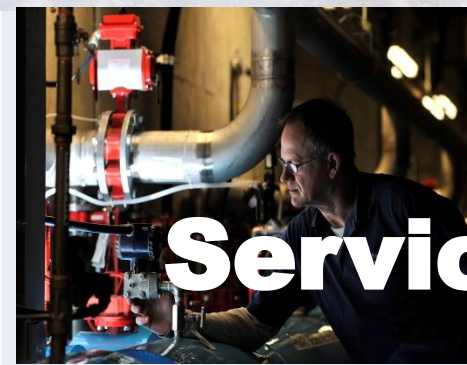
Developing the Business Plan

- Provides the resources to deliver valued services
- Focuses on maintaining service levels
- Supports Council's Strategic Priorities
- Addresses short and long term issues
- Emphasizes improving City's financial condition
- Recognizes decisions must be made that impact services and service levels
- Reflects the directions provided by Council on June 23, 2014

Council 2015 Budget Directions

▪ Tax Supported Services

- Maintain service levels
- Annualize prior period decisions
- Operating impacts of new development
- User fees – cost recovery and increased reliance on non-tax revenues
- Assessment growth
- Contribution to reserves consistent with Financial Policy Framework
- Water, wastewater, parking, service level changes, capital plan



Services we provide everyday



Value for Money

Police Services - \$761

- 24 /7 availability, 365 Days a Year
- 241 Police Officers



Fire & Emergency Services - \$371

- 24/7 availability, 365 Days a Year
- 180 Firefighters



Roads Operations- \$251

- Maintenance & snow cleared from 1,391 lane km of roads & 605 km of sidewalks; power supplied to 11,000 street lights & 229 traffic lights.
- Maintenance and operation of 397 km of storm sewers, 107 km of watercourses, 18 km of culverts, & 95 storm ponds

Value for Money

Transit - \$163

- 2.6 million annual transit trips
- 139,000 transit vehicle in-service hours



Libraries - \$113

- 2 library locations
- 6,450 annual service hours (126.5 per week, per library)



Recreation - \$104

- 3 Community Centres, 7 Sport & Recreation Centres, 3 Gyms
- 54 Sport Fields, 40 Ball Diamonds, 37 Tennis Courts, 49 Soccer Fields, 8 Arena Ice Pads, 19 Outdoor Ice Rinks

Environmental Services - \$82

- Over 47,000 households receive bi-weekly garbage collection, weekly organics, blue & grey box collection



The City of
BARRIE

Key Issues

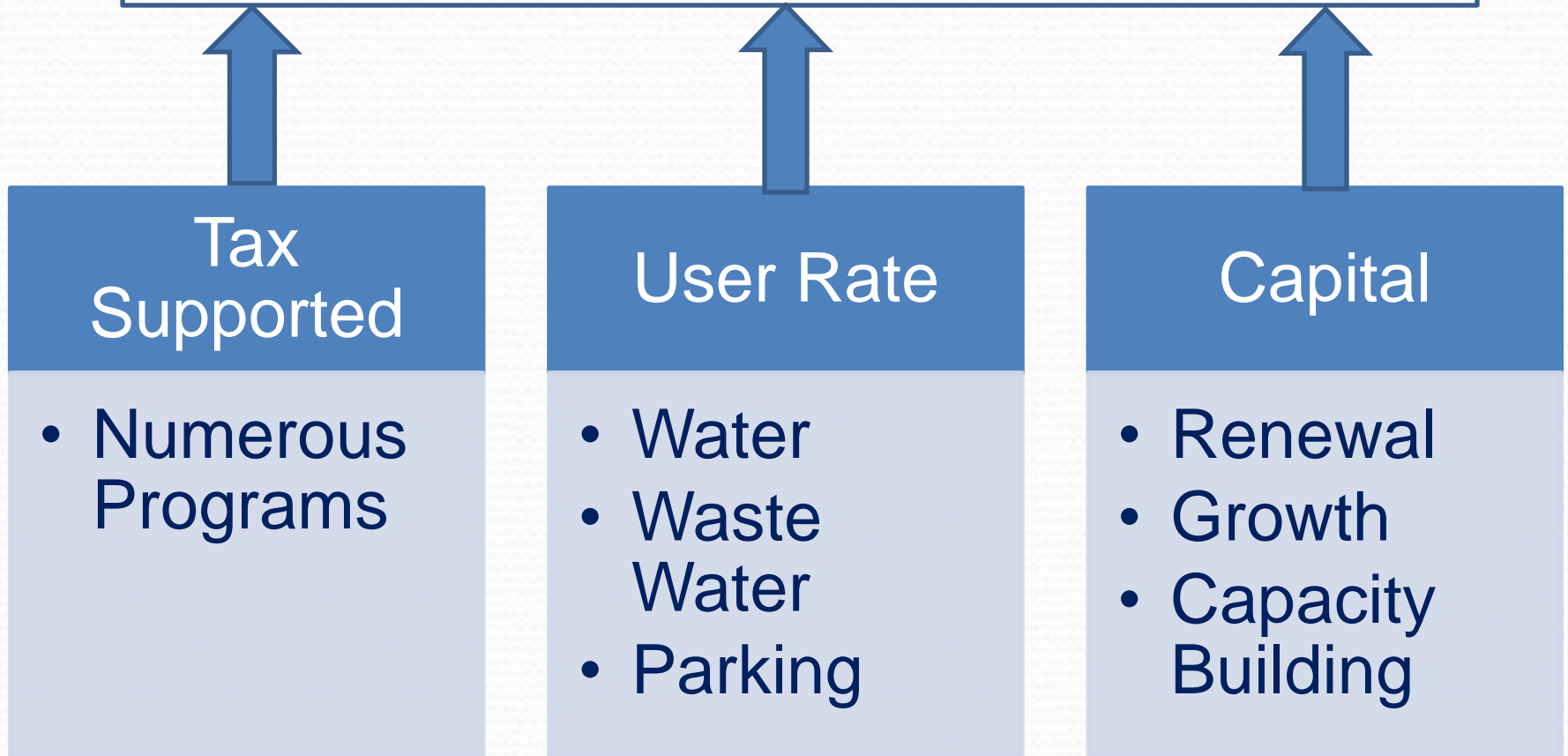
- Maintaining Service Levels - “Rightsizing”
- Alternative Service Delivery
 - Service Reviews
 - Efficiencies
- Infrastructure Renewal
- Growth



Fiscal Sustainability

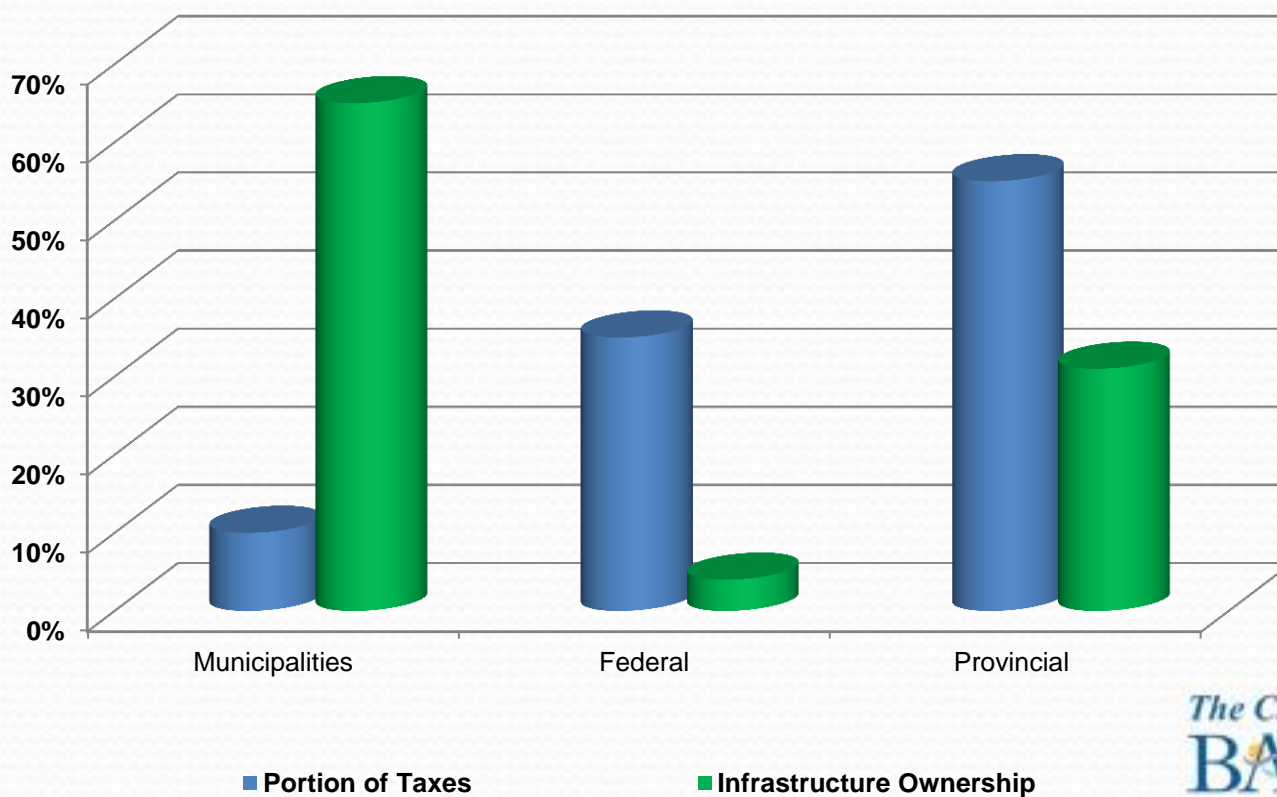
- Building our financial condition – FIA, new DC By-Law, Long Term Financial Plan, Performance Measurement, proposed Infrastructure Levy
- Predictable and stable taxation increases in current and future years
- Future Taxpayers will not face declines in services or unreasonable tax increases to deal with items deferred by this generation
- Current taxpayers do not bear all the burden of funding items that will benefit future taxpayers
- Council's highest priority programs (both capital and operating) can be maintained

The City Business Plan & Budget



Municipalities Receive the Smallest Share of Tax Dollars, Own the Most Infrastructure

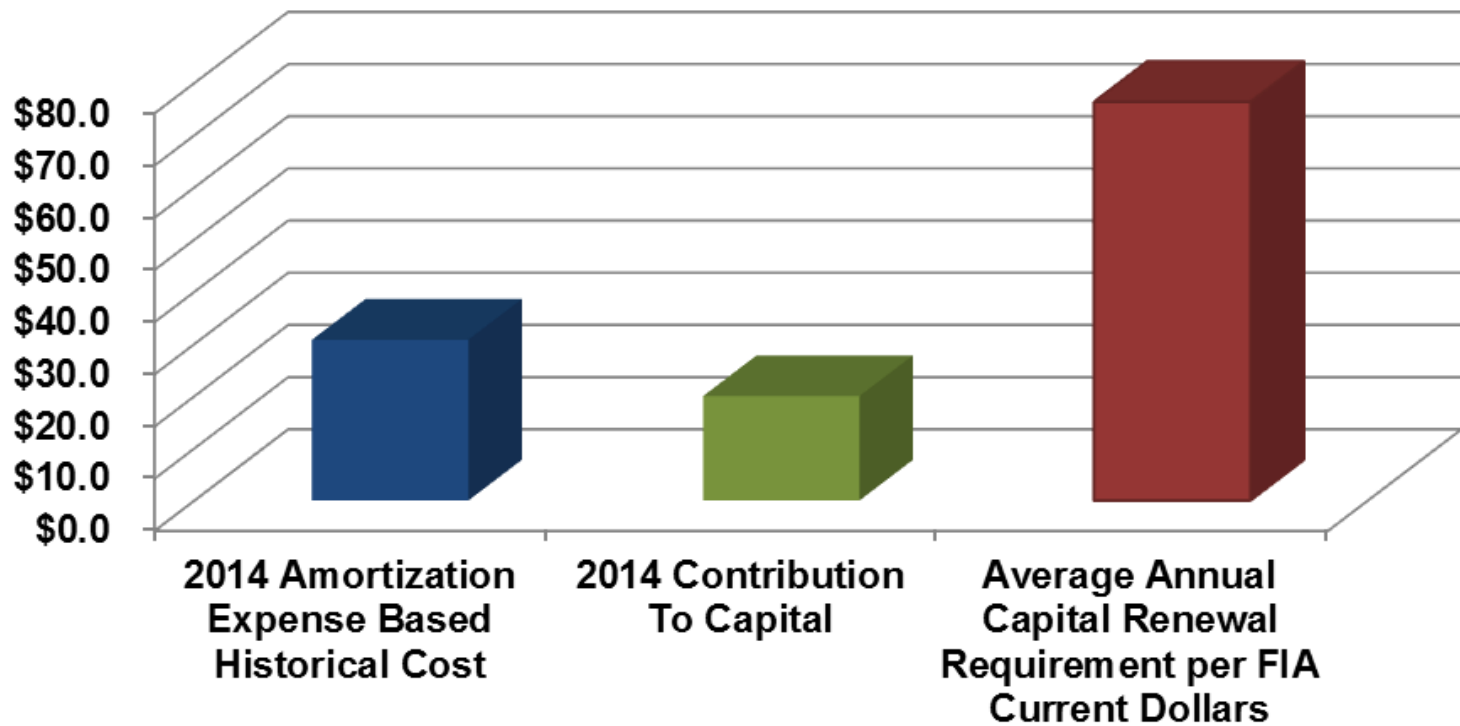
Share of Taxes vs Infrastructure Ownership



Source: Fraser Institute Canadian Tax Simulator, 2014.

Infrastructure Gap

Tax Supported Annual Infrastructure Gap





BARRIE

Strong Diversified Economy

- Lowest unemployment rate in Ontario
- Double AA Credit Rating, with stable outlook



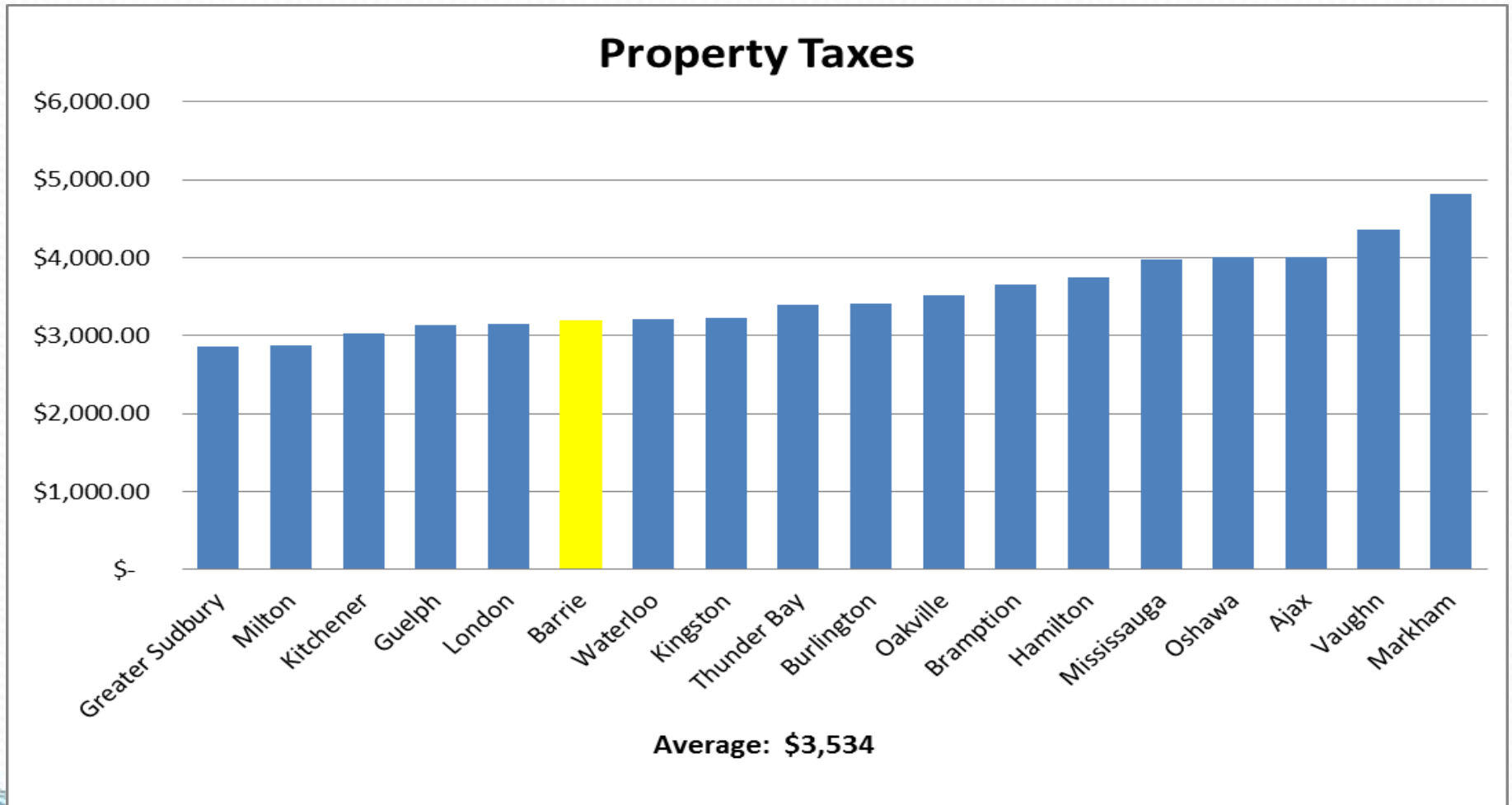
“Barrie’s economy is very strong and well-diversified, and benefits from a young and growing population. Its economy, in particular the health and social assistance and financial services sectors, continues to expand and diversify”

“Barrie demonstrates strong financial management practices “

“Barrie’s debt burden is moderate, in our view, although we expect it to rise in the medium term”

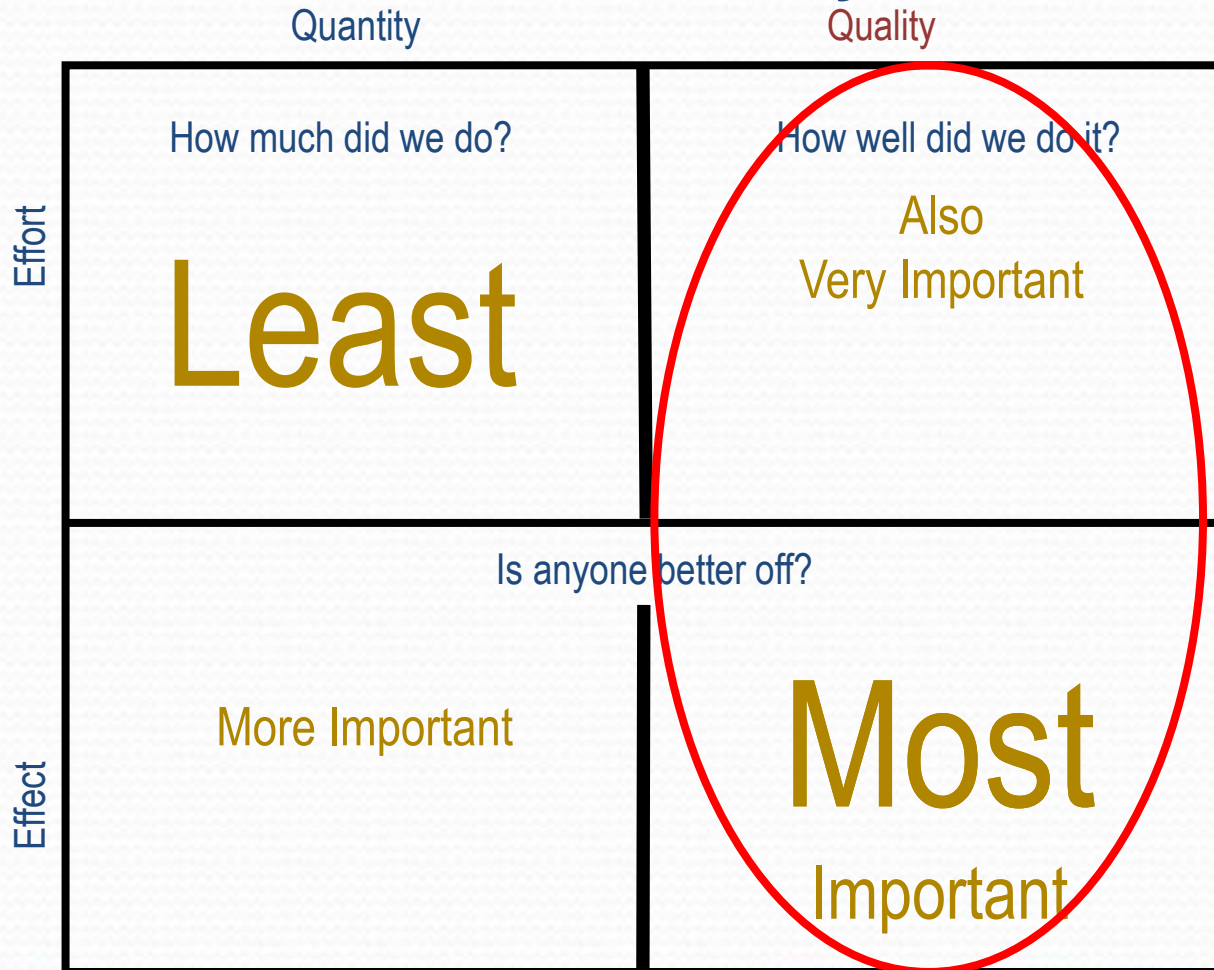
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Barrie Taxes Are Very Comparable*



*Source: 2014 BMA Municipal Study

Made In Barrie Performance Measurement Results Based Accountability



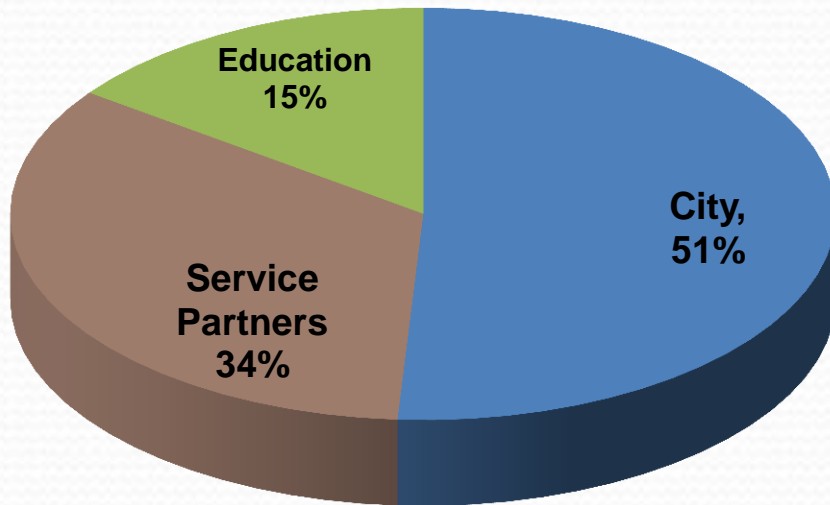
Overview of the 2015 Tax Supported Business Plan & Operating Budget



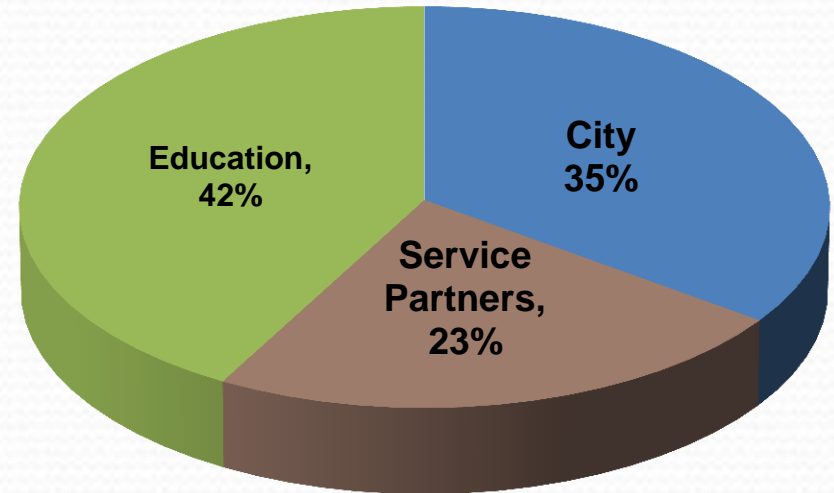
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A Single Tax Bill...

Residential



Non-Residential



Building the 2015 Business Plan & Budget

Maintain Existing Service Levels

- Economic Adjustments
- Prior Period Decisions
- Debt & Reserve Management



Service Partners

- Barrie Police
- County of Simcoe
- Library
- Conservation Authorities, Others



Scenarios

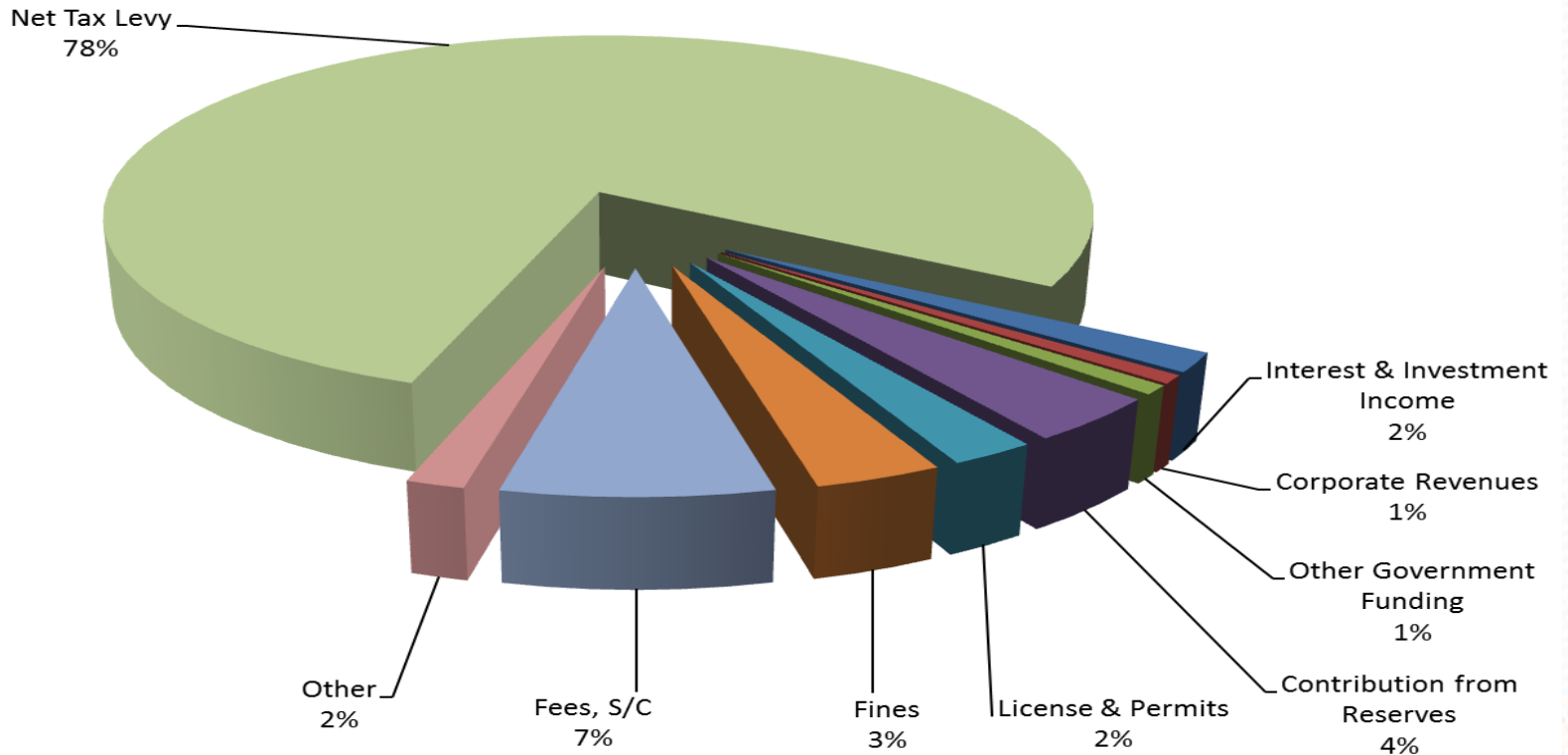
- Scenario A – Alternative Service Delivery
- Scenario B – Service Partner Adjustments
- Scenario C – Parking
- Scenario D – Infrastructure Rehabilitation Levy

BARRIE

Our Revenue Sources Are Limited

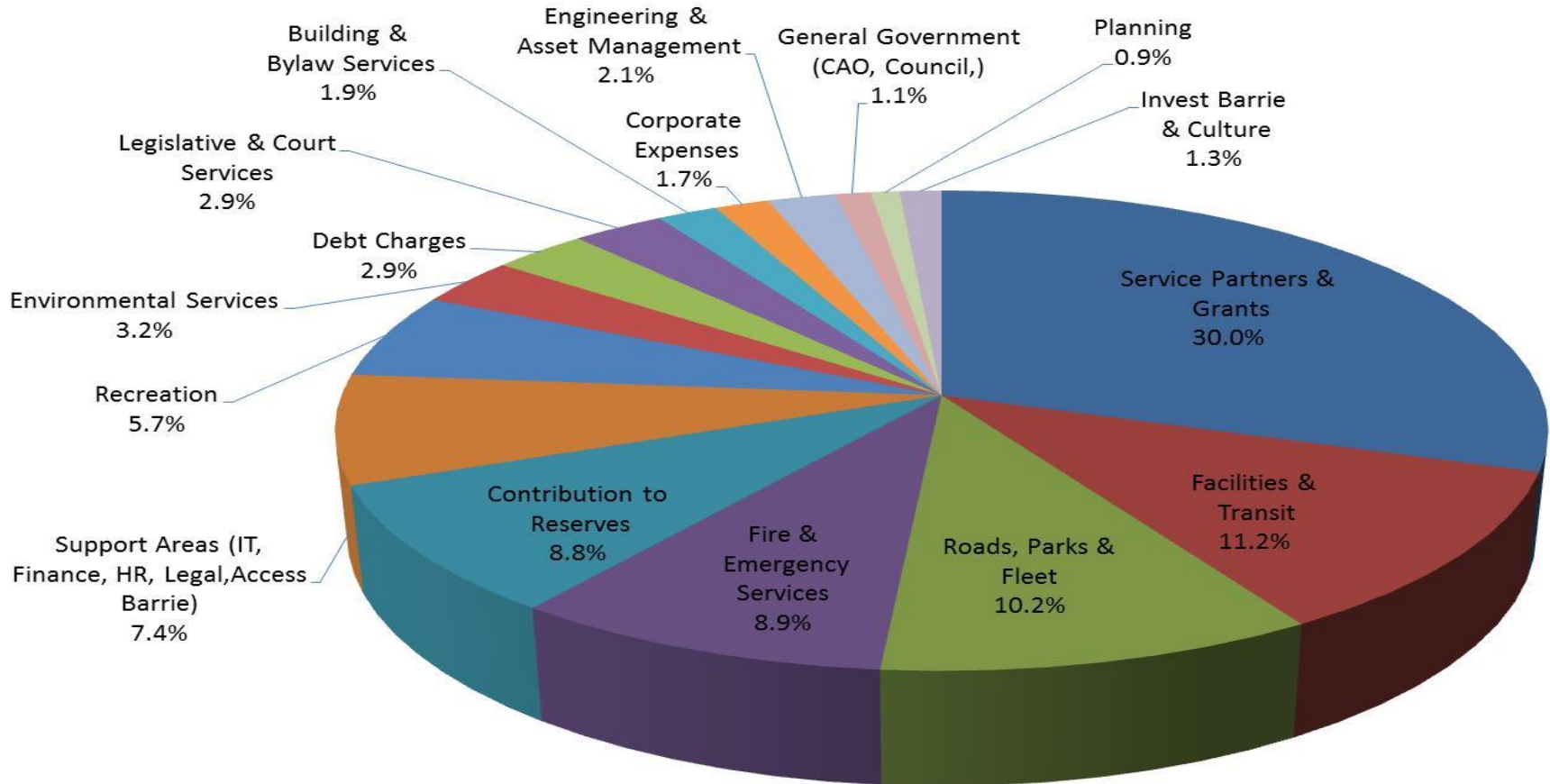
Tax Operating Budget Totals \$289.4 Million

Sources of Operating Revenue

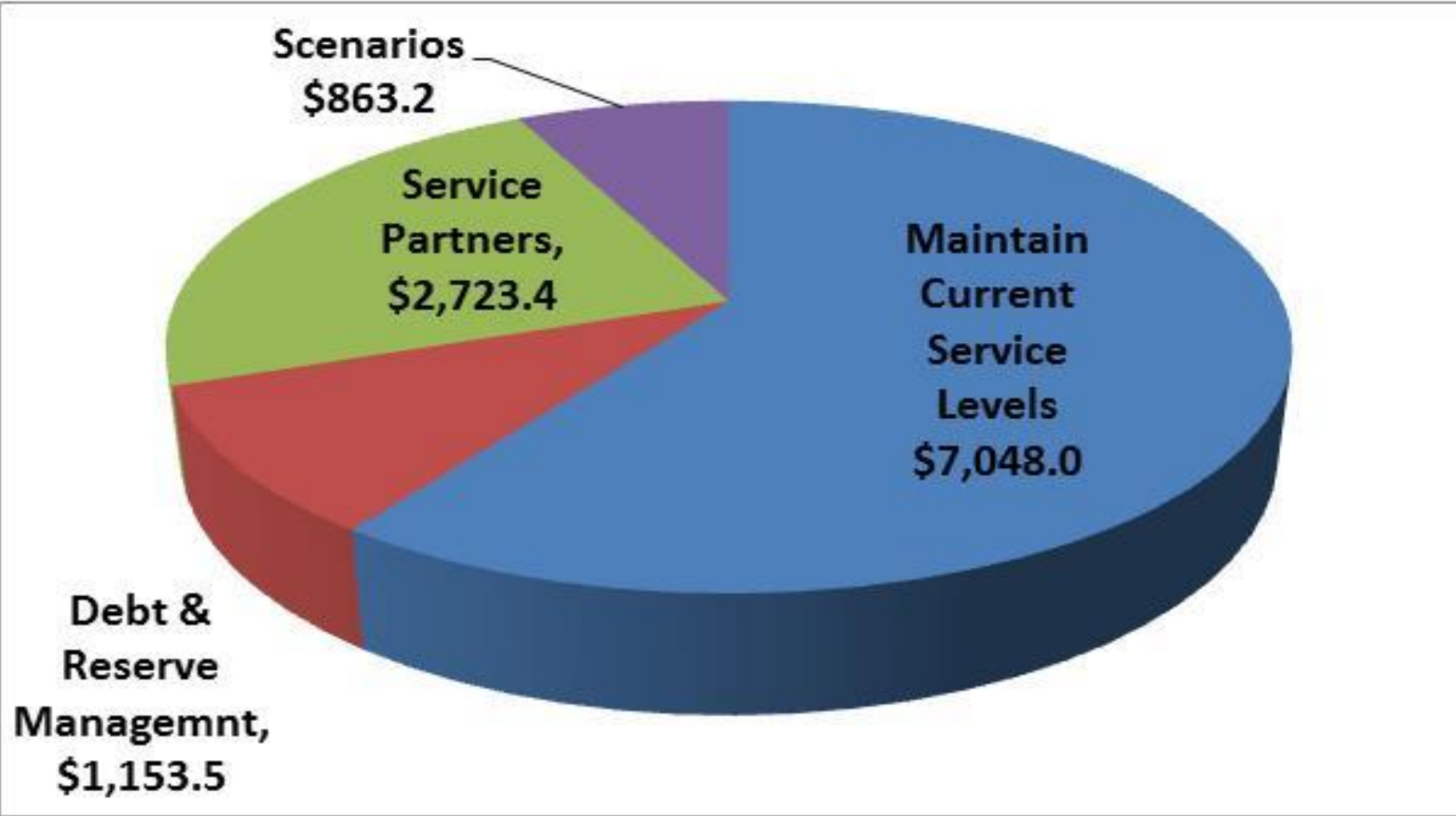


Where The Money Goes

Tax Operating Budget Totals \$289.4 Million



What Is Driving the 2015 Tax Budget Increase of \$11.8 Million? (000's)



Summary Of Tax Budget Changes

Tax Impacts Directly Controlled By City of Barrie		
	2015 Budget	Tax Impact % 1
Prior Year Tax Levy	188,895,401	
Maintaining Current Service Levels - Operations:		
Economic Adjustments	6,449,176	2.85%
Prior Period Decisions Annualized	1,856,104	0.82%
Interfund Charges	(1,257,050)	-0.56%
Estimated Assessment Growth		-1.17%
Subtotal - Maintain Current Service Levels - Operations	7,048,230	1.94%
Debt & Reserve Management		
Debt Management	(1,046,153)	-0.46%
Reserve Management	2,199,699	0.97%
Subtotal - Debt & Reserve Management	1,153,546	0.51%
Subtotal - Increase to tax levy before Recommended Scenarios and Service Partner		
Budget Requests	8,201,776	2.45%
Service Partner Budget Requests	2,723,371	1.20%
Subtotal - Increase to tax levy before Recommended Scenarios	10,925,147	3.66%
Recommended Scenarios:		
Scenario A - Alternate Service Delivery	357,812	0.16%
Scenario B - Service Partners	(200,000)	-0.09%
Scenario C - Parking	(743,000)	-0.33%
Scenario D - 1% Infrastructure Levy	1,448,409	0.64%
Subtotal - Recommended Scenarios	863,221	0.38%
Total Tax Levy	200,683,768	4.04%

- 1 "Tax Impact %" reflects the total impact on the property tax bill, including the education component.
- 2 "Estimated Assessment Growth" reflects additional tax revenue that will be realized in 2015 without changing rates. Therefore, this line line reduces the tax impact.

Changes Have Occurred Which Reduce Tax Impact

- Simcoe County Budget has been approved – reduction in City of Barrie requirements estimated at \$315,200
- Various other adjustments to be reviewed at workshops totaling approximately \$250,000
- Tax impact of approximately 0.25%, for total Tax Impact of approximately 3.8%

Maintaining Existing Service Levels Operations

1.94% Tax Impact

Economic Adjustments	\$6,449,176	2.85%
Prior Period Decisions	\$1,856,104	0.82%
Interfund Adjustments	(\$1,257,050)	-0.56%
Assessment Growth		-1.17%

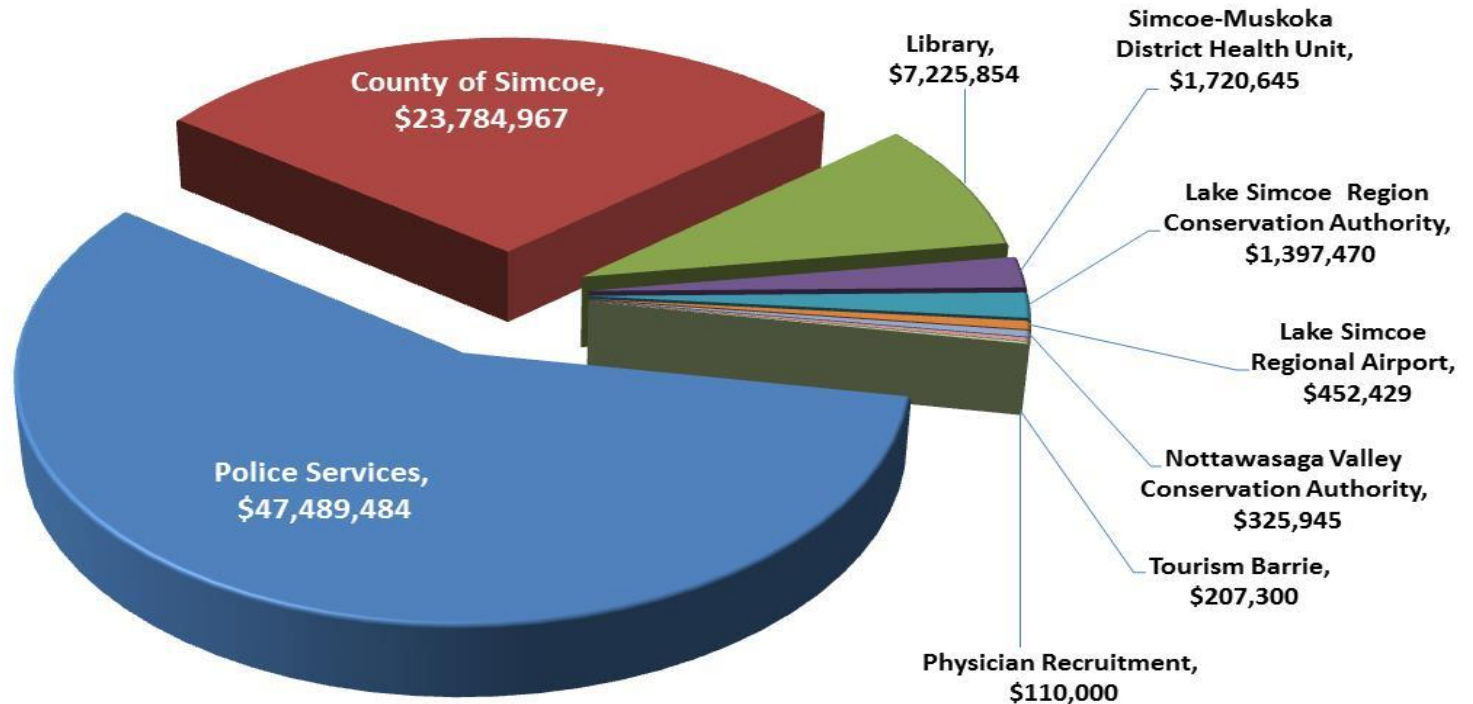
Total - \$7,048,230

Debt & Reserve Management

- **Tax Impact of 0.51% - Increase of \$1.15 M**
- **Reduction in Debt Charges of (\$1.05 M)**
 - Maturity of 2004 Issue – (\$2.1 M)
 - Annualization of 2014 Issue - \$0.38 M
 - 2015 Issue for 6 months - \$0.7 M
- **Transfer to Tax Capital Reserve - + \$2.8 M**
 - Savings from 2004 Debt Retirement - \$2.1 M
 - Phase In Plan to Increase Transfer - \$0.7 M
- **Provision for DC Discounts/CIP's - \$0.4 M**
- **DC Funding of Existing Debt – (\$1.0 M)**

Service Partners

Tax Impact of 1.2%



Scenario A – Alternative Service Levels

- 27 Service Level Changes with a Tax Impact of 0.16%
- 22 Service Level Changes resulting in Budget Reductions totaling \$357,000
- 5 Service Level Changes Requesting \$714,000
 - Rightsizing Roads Operations
 - Increased Storm water maintenance
 - PSAB 3260 Contaminated Land

Services Are Delivered By People

Scenario A identifies 21 FTEs for 2015

- Roads, Parks and Fleet “Rightsizing” - 6 FTEs
- Growth Management fully funded by new Development Application Processing Fees – 5 FTEs
- Efficiencies resulting in cost savings – 4 FTEs
- Conversions of long term temporary positions to Full Time with no Budget impact – 5 FTEs

Scenario B – Service Partner Adjustments

- Total of \$200,000 – Tax impact reduction of 0.09%
 - Physician Recruitment Program – maintain 2014 service level – reduction of \$50,000
 - Reduce Library Maintenance Budget to match City Facilities Budget - \$150,000

Additional Changes have occurred

- County Operating Budget Request reduced by \$315,200
- County Capital Increase of \$209,000 – covered by reserve

Scenario C – Parking

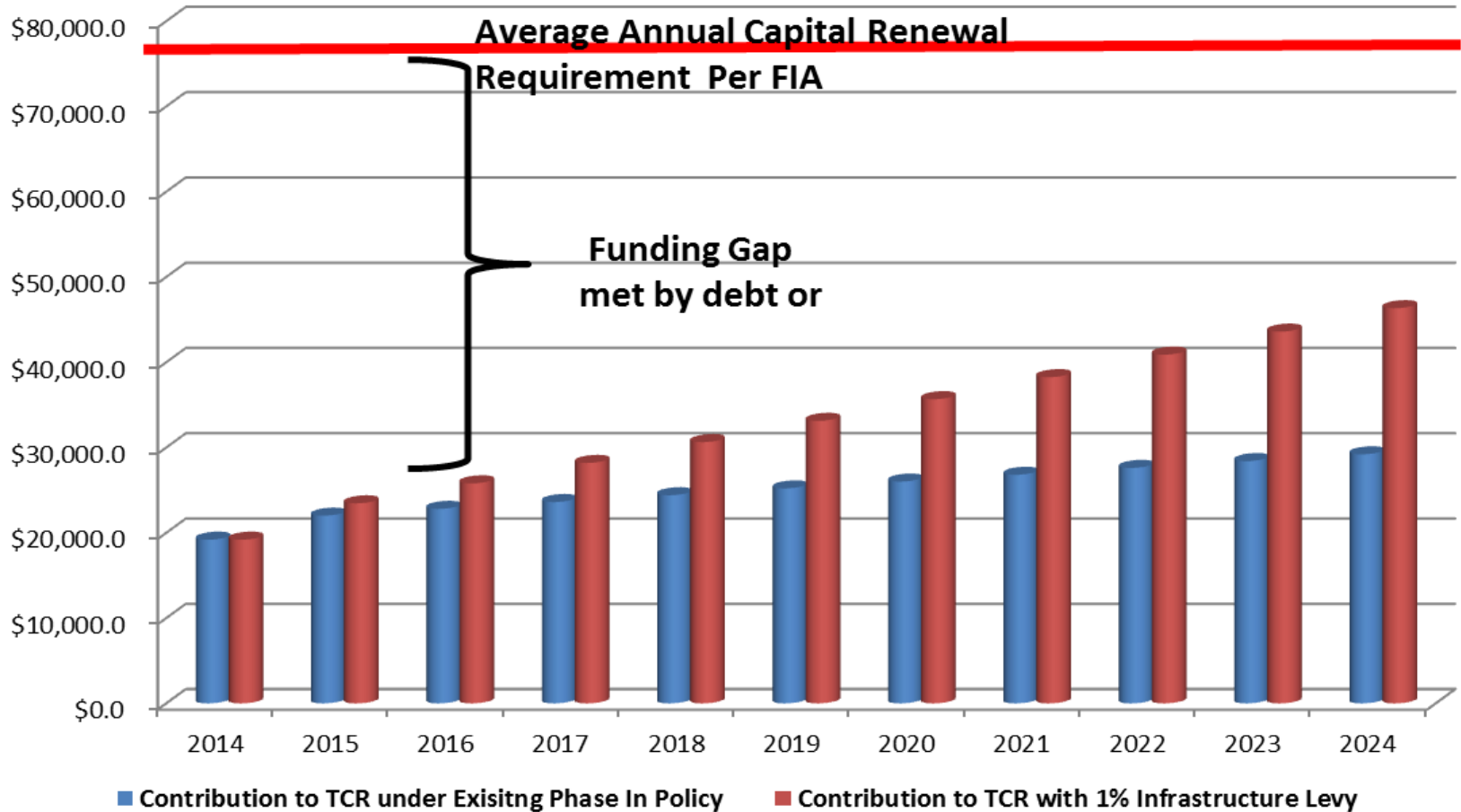
- Parking Operations operating at a deficit
- Parking Reserve estimated Balance at December 31, 2014 – (\$465,000)
- 2015 Parking Budget forecasts a year-end deficit of \$764,000
- Tax Budget includes a “Tax Subsidy” transfer to the Parking Reserve of \$743,000
- Scenario C proposes implementation of Evening and Weekend Paid Parking commencing July 1, 2015
- Estimated 2015 Revenue - \$650,000; annualized revenue of \$1.3 Million

Scenario C – Parking



Scenario D – Infrastructure Renewal Levy

Infrastructure Levy Significantly Increases Transfers to Tax Capital Reserve over 10 Years



Scenario D – Infrastructure Renewal Levy

- Dedicated & Transparent Funding for Infrastructure
- Reduces reliance on debt resulting in savings on interest costs
- Allows for increased renewal of infrastructure, which will reduce maintenance expenditures
- Common tool used by Municipalities to address Infrastructure Funding:
 - Kitchener, Oakville, Burlington, Brampton, Mississauga, Kingston, Halton Hills, Edmonton
- \$8 per \$100,000 of assessment

Scenario E – Service Level Changes For Council Consideration

- Tax Impact of 0.35%

Description	Number	Complement		2015 Budget		2016 Forecast		2017 Forecast	
		2015	2016	Operating	Capital	Operating	Capital	Operating	Capital
Fire Prevention Officer	63	1	-	70,384	38,500	133,629	-	133,629	-
Customer Service Strategy Implementation	331	-	-	50,000	-	-	-	-	-
Multi-Residential Organics Pilot Program	464	-	-	80,944	-	164,741	-	-	-
Organics Collection Program Enhancement	495	-	-	362,500	-	480,000	-	480,000	-
Multi-Residential Front End Garbage Collection	578	-	-	199,750	-	253,000	-	253,000	-
Geese Control in the Waterfront Parks	890	-	-	50,000	-	-	-	-	-
Inclusion Services - Capacity & Support	891	1	-	48,400	-	48,400	-	48,400	-
Elimination of Summer Beach Lifeguards - Centennial Beach & Johnson's Beach	948	-	-	(61,847)	-	(61,847)	-	(61,847)	-
Total Net Budget Impact		2	-	800,131	38,500	1,017,923	-	853,182	-

User Rate Supported Budgets



Water & Waste Water

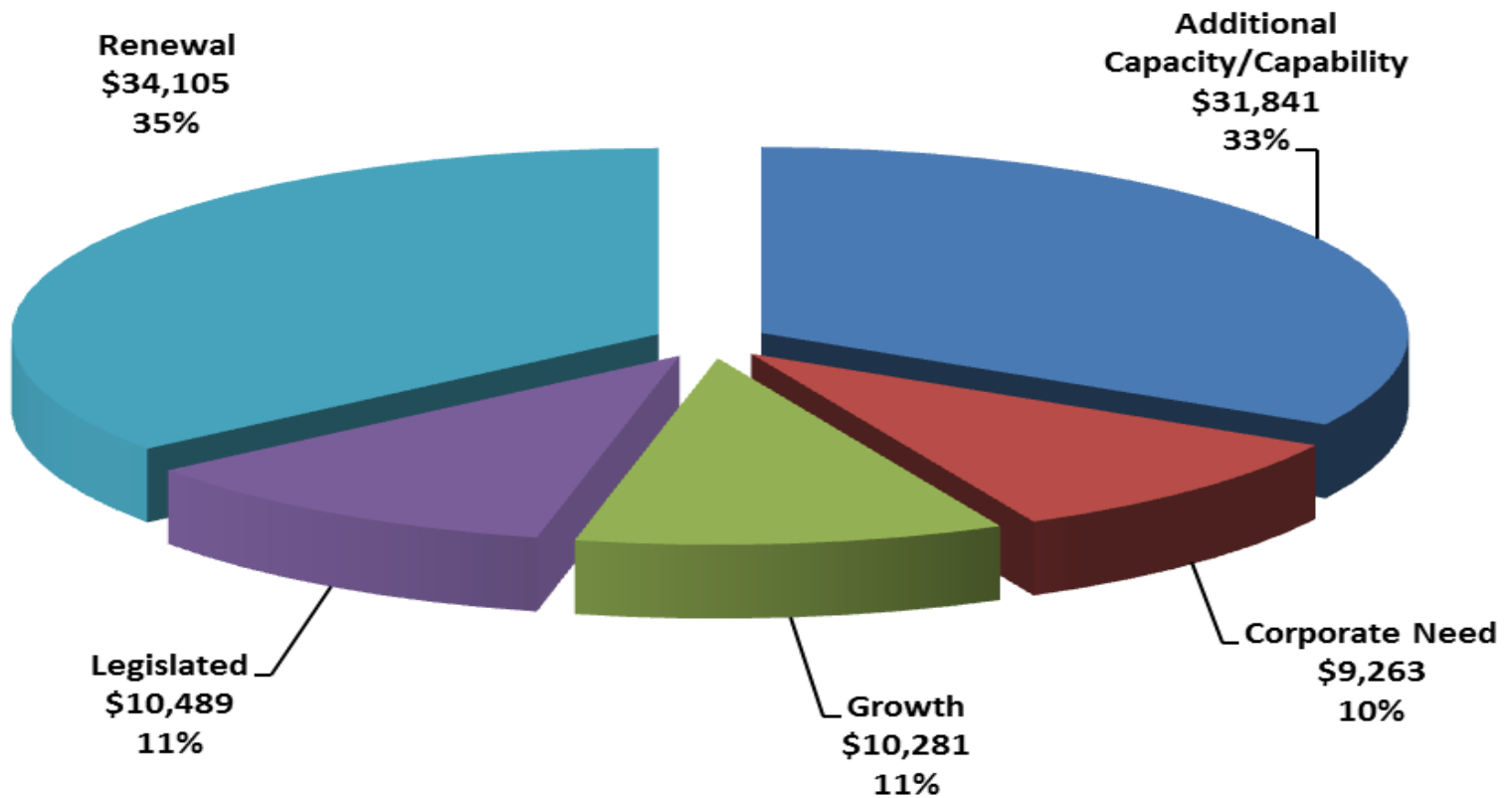
- Prepared in accordance with the Water/Waste Water Financial Plans
- Water Impact for 2015 – 2.5%
- Waste Water Impact for 2015 - 5.0%
- Increased Funding from Development Charges for Debt Repayments
- Results in Increased Transfers to Reserves
 - Water - \$3.1 M; Waste Water - \$4.6 M
 - To address infrastructure requirements and reserve deficits



2015 Capital Budget 2015 – 2019 Capital Forecast

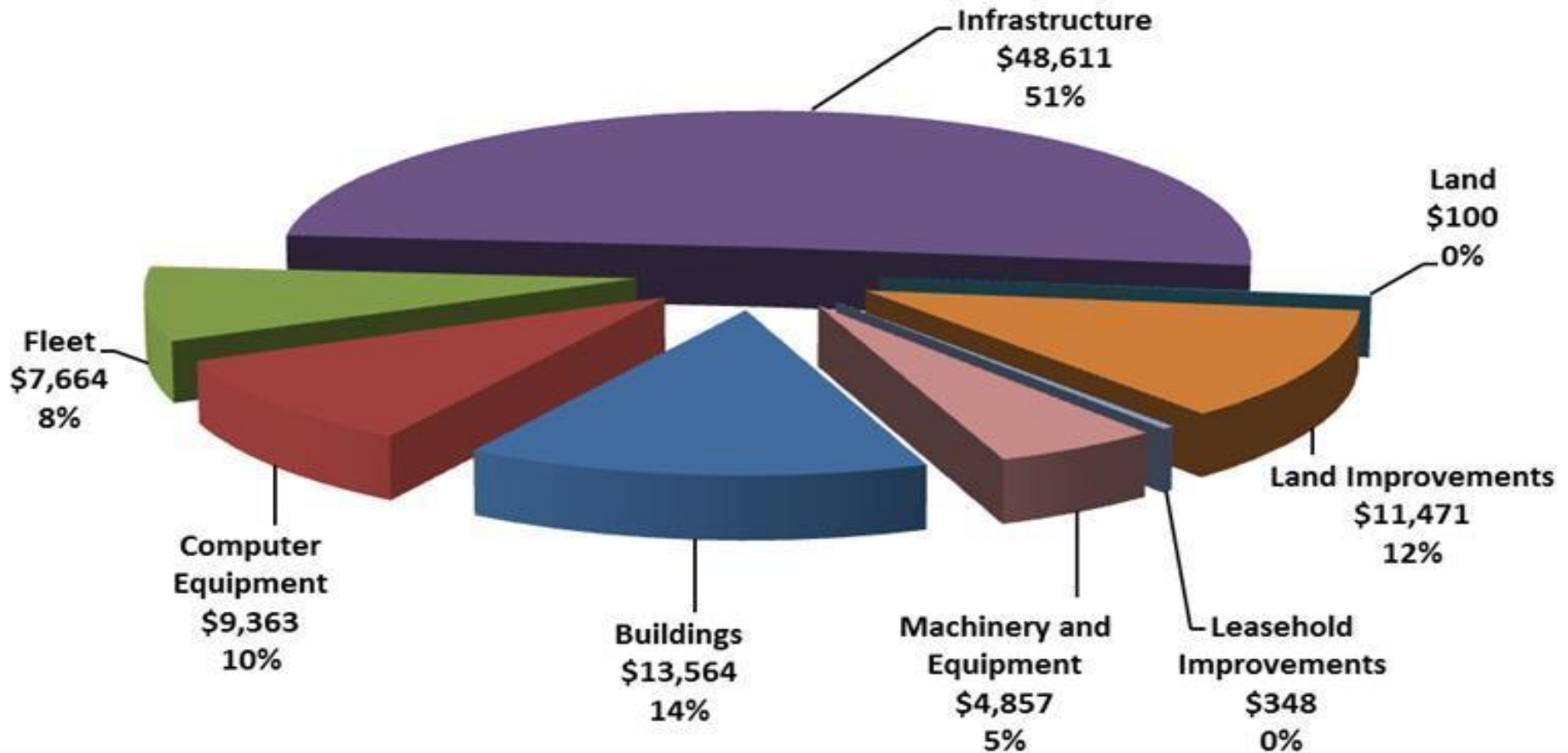
2015 Capital Plan

**2015 Capital Plan - Total Budget Request by Project Type
(\$000)**



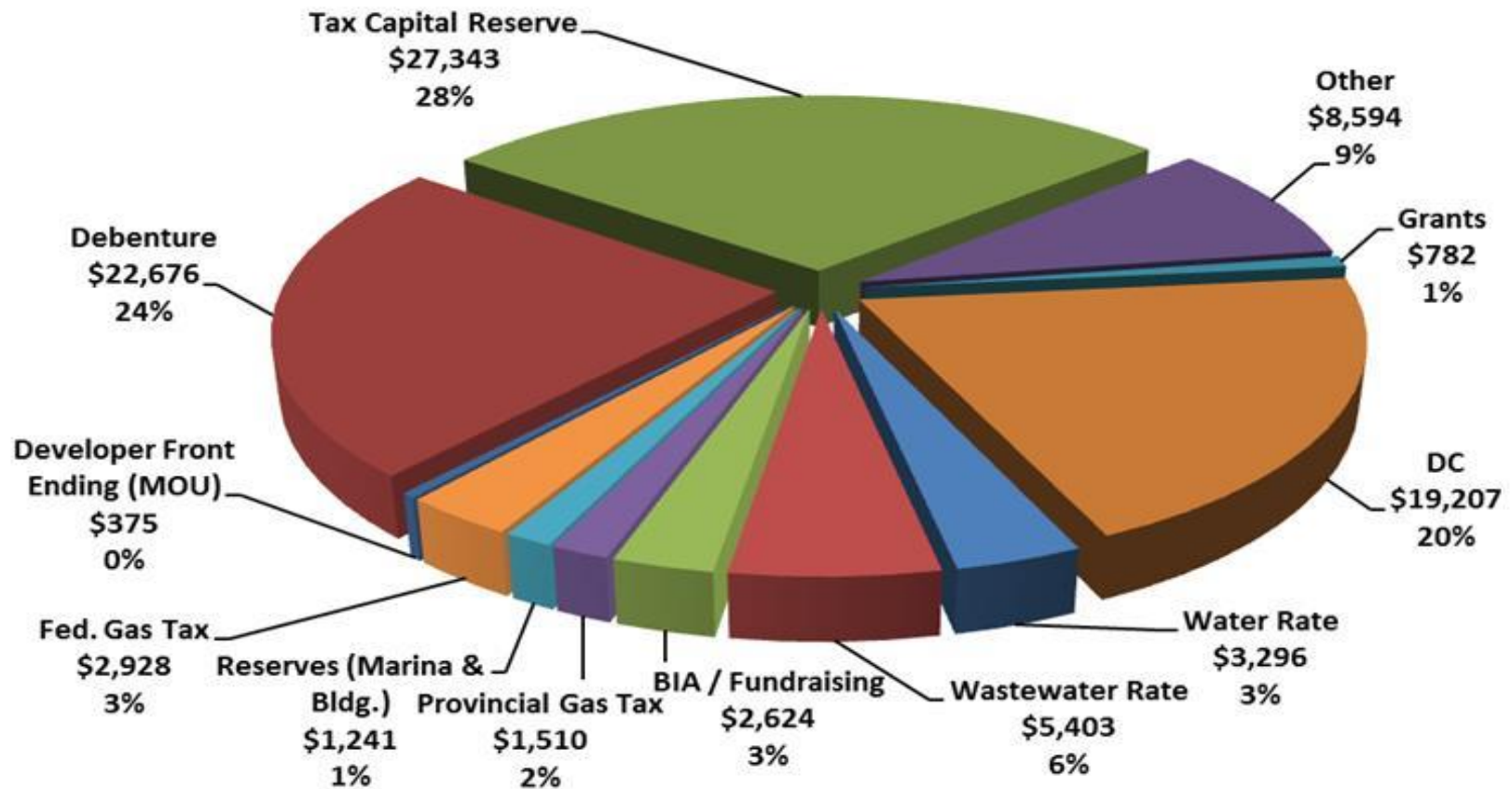
2015 Capital Plan

2015 Capital Plan - Total Budget Request by Asset Class (\$000)



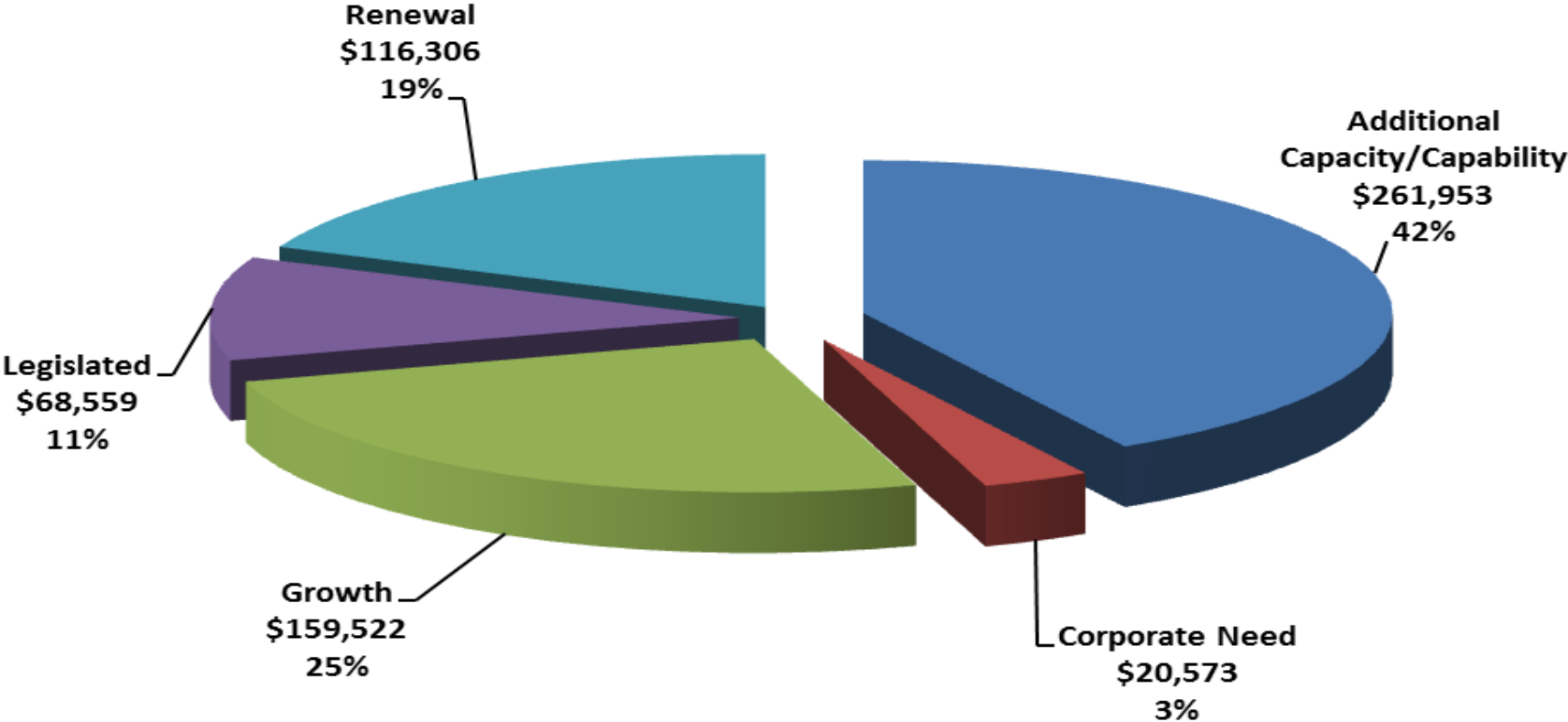
2015 Capital Plan By Funding Source

2015 Capital Plan - Total Budget Request by Funding Source (\$000)



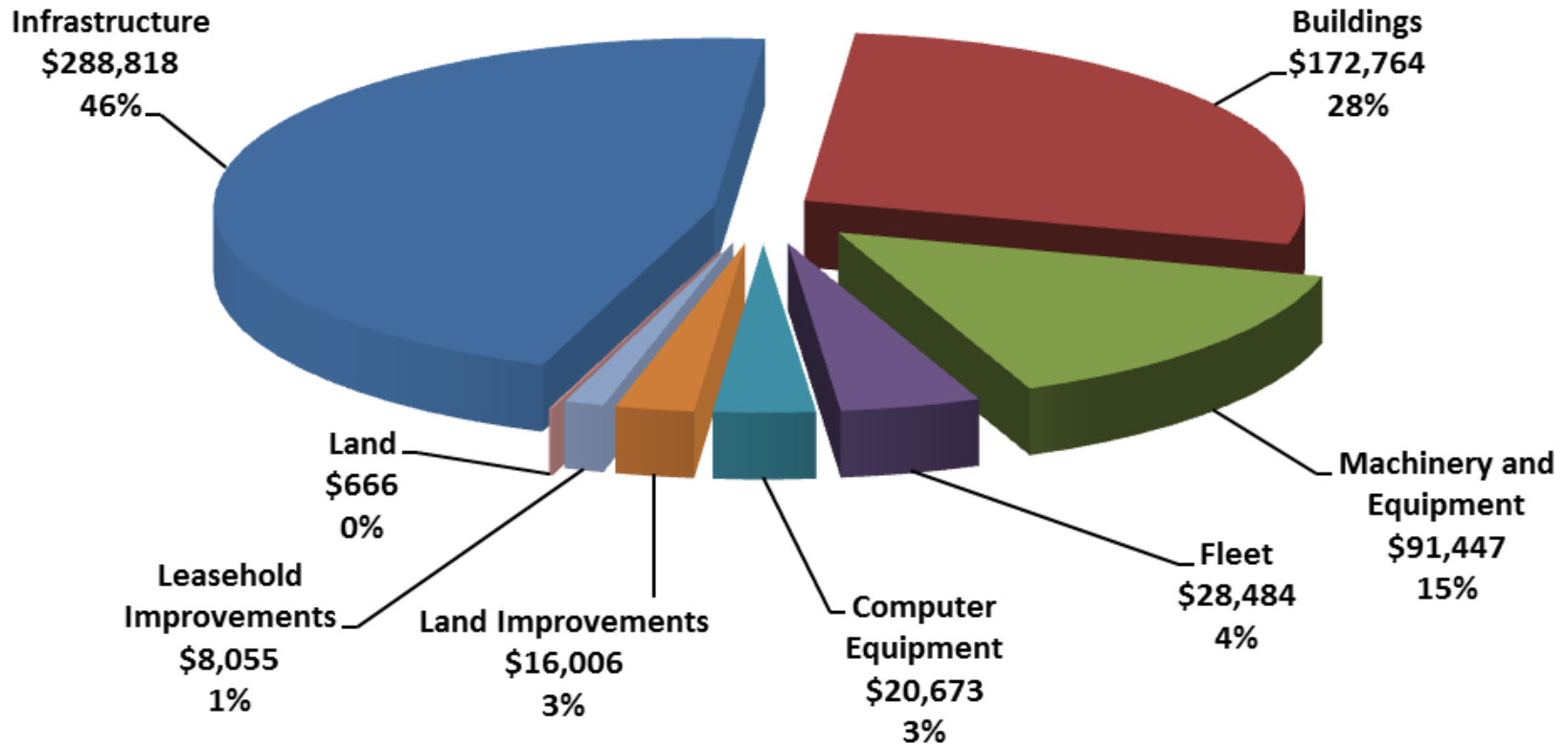
2015-2019 Capital Forecast

2015 - 2019 Capital Budget by Project Type (\$000)

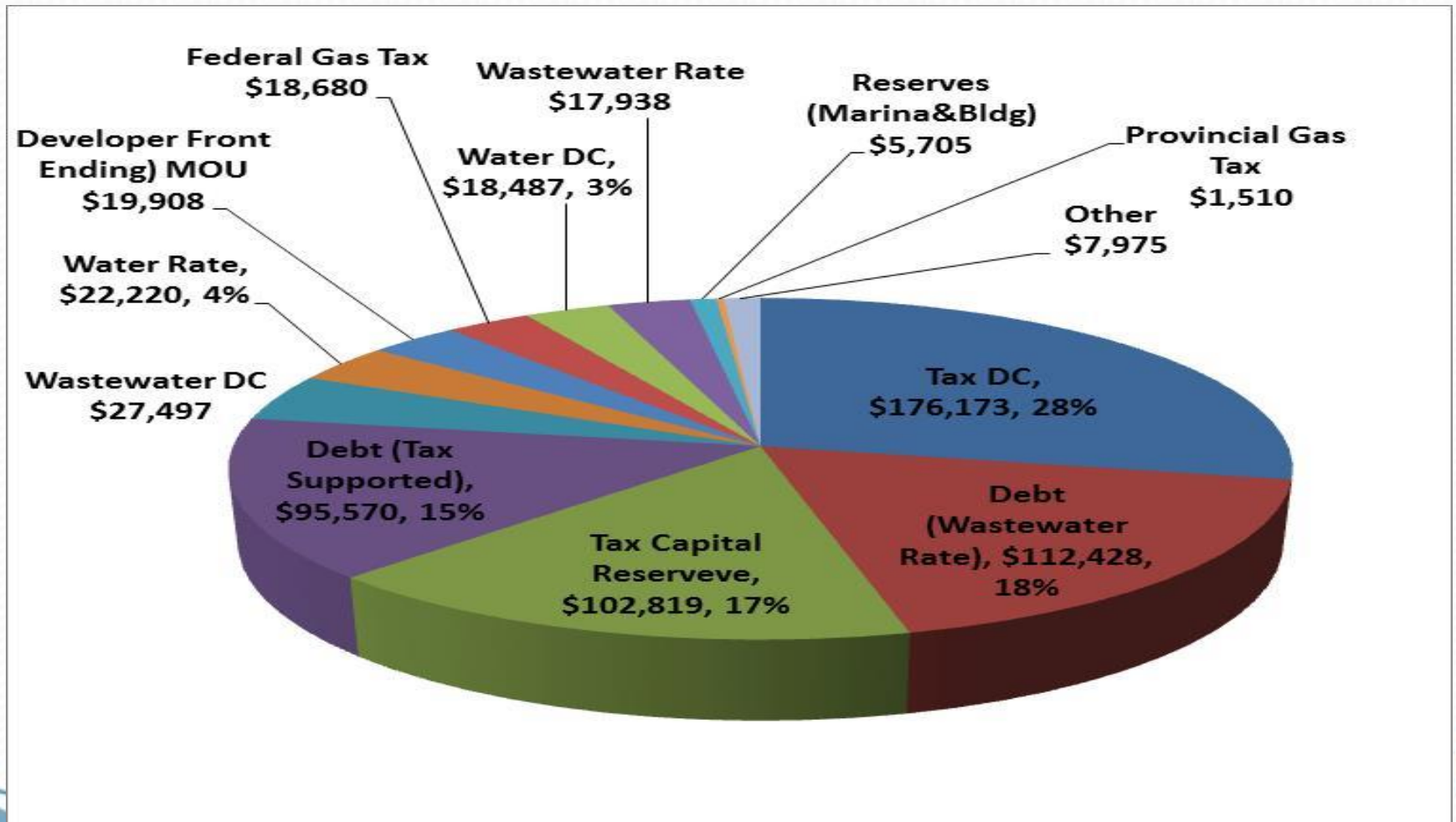


2015-2019 Capital Forecast

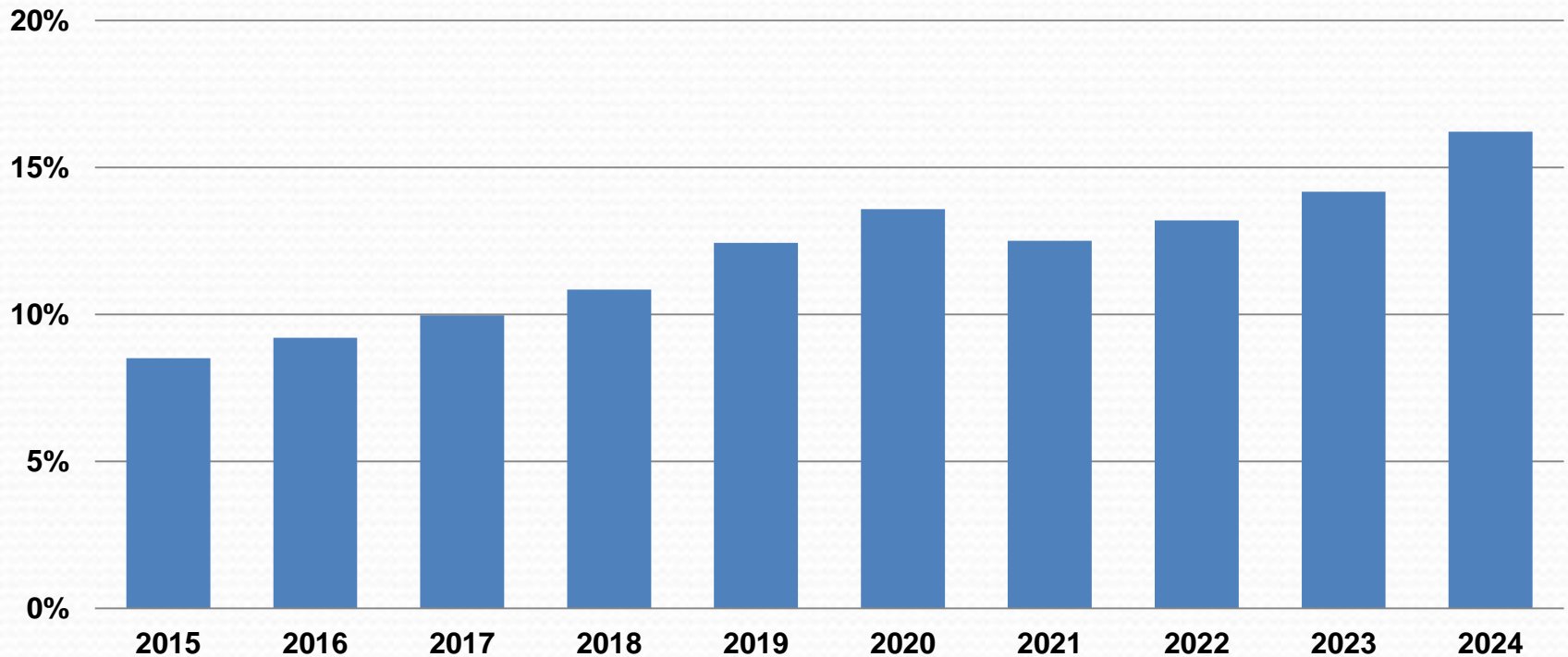
2015 - 2019 Capital Budget by Asset Class (\$000)



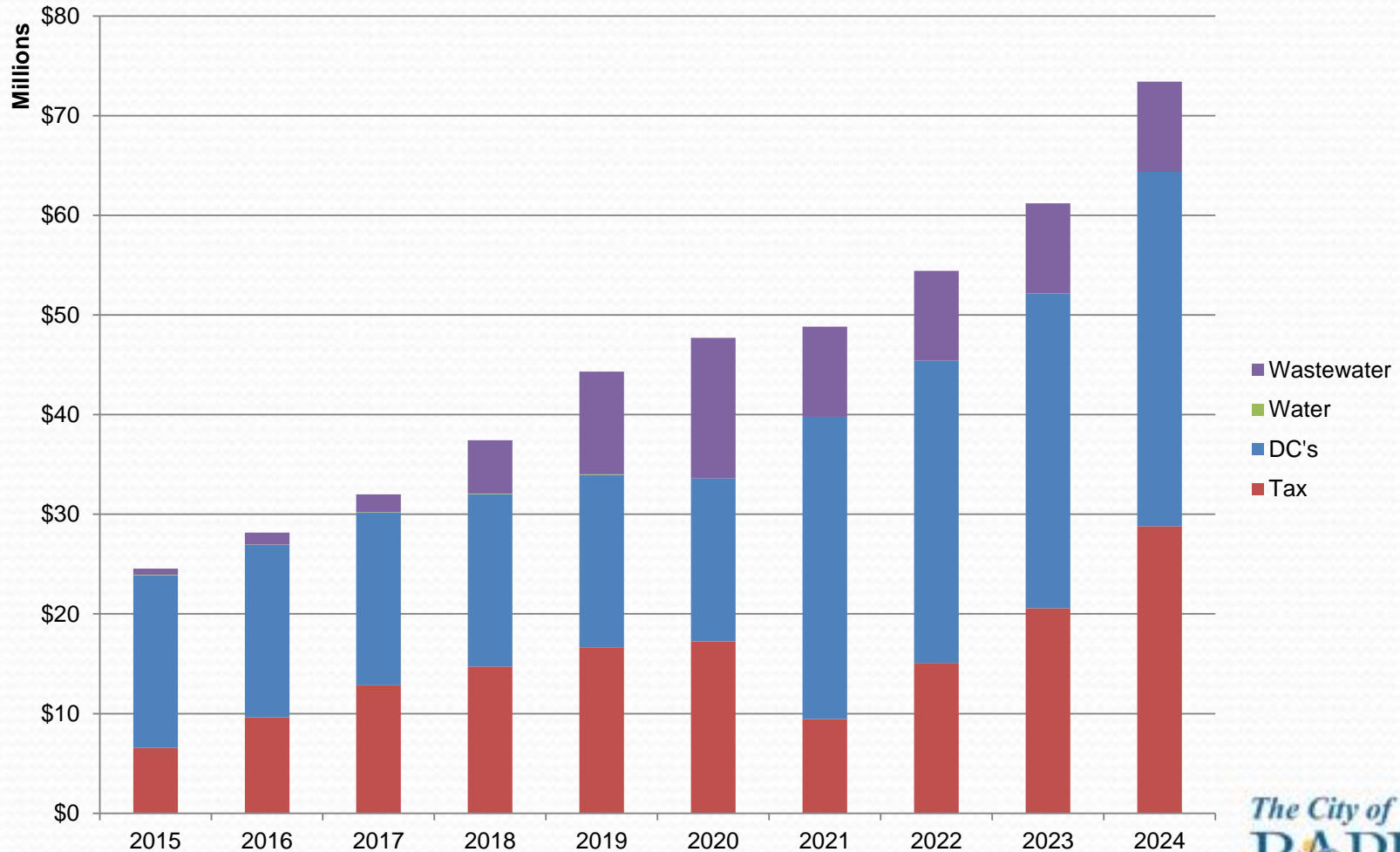
2015-2019 Capital Forecast Funding Sources



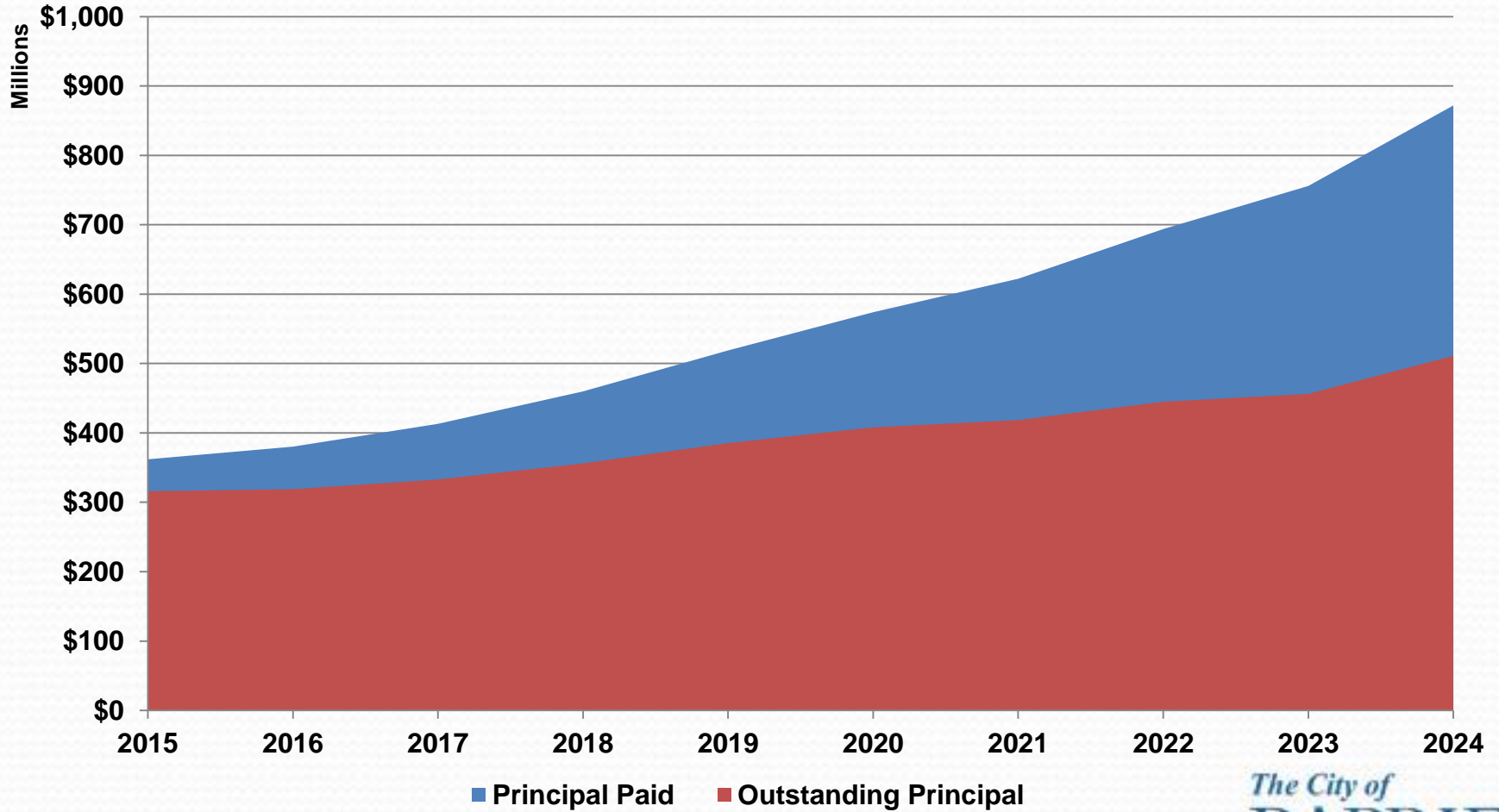
Debt Repayment of Principal and Interest as a Percentage of Own Source Revenues



Forecasted Debt Repayments by Source



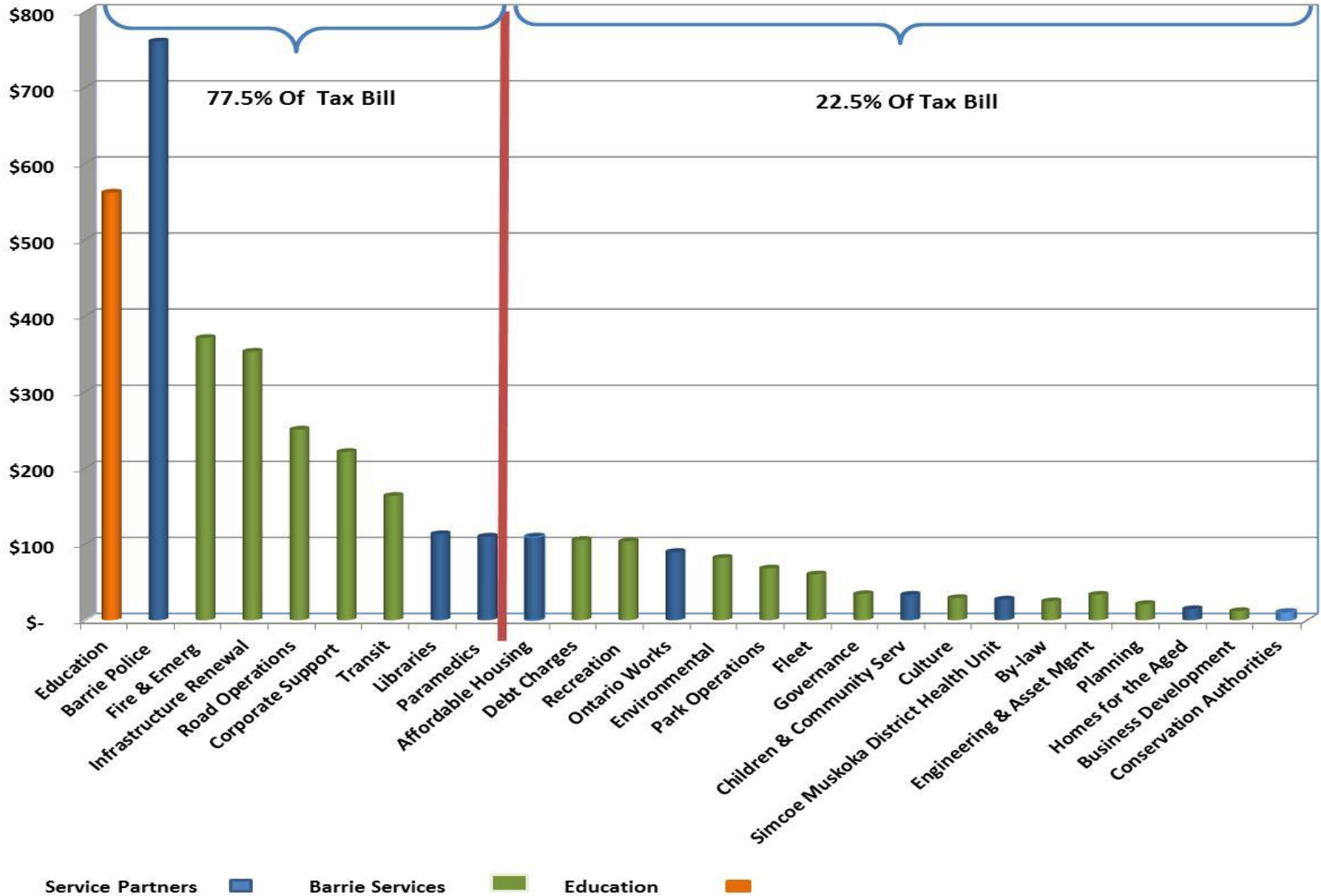
Total Debt Issued Vs Outstanding Debt



Total Impact of 2015 Business Plan

Description	% Increase	\$ Increase per Average Home	\$ Increase per \$100,000 of Assessed Value
Maintain Existing Service Levels	1.94%	\$70	\$25
Debt & Reserve Management	0.51%	\$18	\$6
Service Partners	1.20%	\$40	\$14
Scenarios A, B, C	(0.26)	(\$9)	(\$3)
Total	3.39%	\$123	\$42
Scenario D – Infrastructure Renewal Levy	0.65%	\$23	\$8
Total Tax Impact	4.04%	\$146	\$50
Water Bill – 2.5% Rate Increase		\$7	n/a
Waste Water Bill – 5% Rate Increase		\$20	n/a
Total Impact to Average Home		\$173.00	

Where Your Property Taxes Go



Property Taxes Compared to Other Major Household Expenses

Description	Amount Paid Annually
Total Property Taxes (City, Service Partners, Education)*	\$3,761
Taxes Paid for Services Provided By City of Barrie*	\$1,918
Natural Gas	\$1,200
Hydro	\$1,000
Cable & Internet	\$1,600
Gas for an average automobile driver	\$2,500
Car Insurance	\$1,500
Home Insurance	\$800-\$1,000

* For average home assessed at \$282,324

Next Steps

- Council Budget Workshops
 - February 10th – 6 to 10 pm
 - February 12th - 6 to 10 pm (If Required)
- February 18th – Service Partner Presentations
- March 2nd – General Committee
- March 9th – Budget Approval

Questions

**Please forward Questions to Lisa Weiland,
Ext. 4429
lisa.weiland@barrie.ca**