Reference Committee Staff Report

To:	Finance and Responsible Governance Committee
Subject:	2026 Business Plan and Budget – City Operations and Infrastructure Investment Funding Portions
Date:	October 29, 2025
Ward:	All
Department Head Approval:	C. Smith, Interim Director of Finance
Executive Management Approval:	J. Schmidt, General Manager of Community and Corporate Services
	B. Araniyasundaran, General Manager of Infrastructure and Growth Management
	R. James-Reid, General Manager Access Barrie
	I. Peters, Director of Legal Services
	M. Banfield, Executive Director of Development Services
CAO Approval:	M. Prowse, Chief Administrative Officer

Recommendation(s):

Strong Mayor Budget

This report is being presented by the Finance Department on behalf of Mayor Alex Nuttall in accordance with Section 284.16 of the Municipal Act and Section 7 of Ontario Regulation 530/22.

Operating Budget Approvals

1. That the 2026 tax-supported base operating budget for City operations and the Infrastructure Investment Fund, with gross expenditures of $355.6M and a net property tax levy requirement of $214.5M, be approved.

2. That a Camp Access expense amount and corresponding revenue amount of $35,000 be added to the Recreation & Culture Program Budget for 2026.

City Operations and Infrastructure Investment Funding

3. That the 2026 budget request for City Operations, with a net tax supported municipal funding requirement of $214.5M be approved. For the average assessed residential property this represents a 0% tax rate increase for City operations and a 2% increase associated with Infrastructure Investment Funding.

4. That the New Investment and Service Recommendations as outlined on page 15 of the 2026 Business Plan with a gross cost of $1.2M and a net property tax levy requirement of $73K be approved.

5. That the 2026 Water Rate base operating budget, with net expenditures of $37.4M and water rate revenues of $37.4M, and the proposed 2026 Water Rates as outlined in Schedule N of the “Proposed Fee Changes” section of the 2026 Business Plan be approved.

6. That the 2026 Wastewater Rate base operating budget, with net expenditures of $51.3M and wastewater rate revenues of $51.3M, and the proposed 2026 Wastewater Rates as outlined in Schedule N of the “Proposed Fee Changes” section of the 2026 Business Plan be approved.

7. That the 2026 Parking Rate base operating budget, with net expenditures of $2.5M and parking rate revenues of $2.5M, and the proposed 2026 Parking Rates as outlined in Schedule O of the “Proposed Fee Changes” section of the 2026 Business Plan be approved.

8. That pursuant to Ontario Regulation 284/09, this Staff Report serve as the method for communicating the exclusion of the following estimated expenses from the 2026 Business Plan:

    a) Amortization expense – $69.5M;
    b) Post-employment benefit expenses – $1.5M; and
    c) Solid waste landfill closure and post-closure expenses - $200K.

Capital Budget Approvals

9. That, consistent with the Capital Project Control Policy, the 2026-2030 Capital Budget relating to new capital spending requests of $36.2M, $92.1M, $80.3M, $54.3M, and $31.5M respectively, be approved.

10. That any Industrial Development Charge Discounts in 2026 be funded by any year-end surplus, with any remaining balance funded from the appropriate capital reserve.

By-law update and forecasts received for information

11. That effective May 1, 2026, By-law 2025-024, as amended, be repealed, and replaced with a by-law incorporating the fees and charges presented in the 2026 Business Plan.

12. That operating forecast information for 2027-2029 presented in the 2026 Business Plan be received for information purposes only.

Council and Staff authorization requests

13. That the Executive Management Team (EMT) be authorized to add temporary non-complement positions to the end of the budget year utilizing existing approved funds to deal with any unforeseen circumstances that impact delivery of City Operations.

14. That the Executive Management Team (EMT) be authorized to implement the economic adjustment for the Non-Union Group (NUG) of employees (including full time, part time and students), effective January 1, 2026.

15. That staff be authorized to submit applications for grants that would reduce future capital expenditures, fund service enhancements, 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.

16. That the Director of Finance/Treasurer be authorized to make the necessary alterations to the transfer to and/or from reserves to reflect changes since the 2026 Business Plan's publication on October 29, 2025.

17. That the Director of Legislative and Court Services/City Clerk or their designate be authorized to prepare all necessary by-laws to implement the above recommendations.

Executive Summary:

The purpose of this report is to provide information regarding the 2026 Business Plan & Budget that the Mayor is presenting under the Strong Mayors, Building Homes Act. The guidelines and principles provided in the Mayoral Direction to City Staff, Direction Number MDI013-25 on June 24th, 2025 (see Appendix "A") were used by staff to create the 2026 Business Plan and Budget.

The City Operations and Infrastructure Investment Funding portions of the budget included in this report are being considered at the October 29th, November 5th and November 12th meetings. The portion of the budget related to Service Partners will be included in a separate report and will be considered at the November 26th, December 3rd, and December 10th meetings.

As the details related to the City Operations annual budget and business plan/capital plans are extensive, budget binders have been prepared and distributed to each member of Council to assist in making informed decisions.

The Executive Summary, Operating Budget and Financial Overview, and Capital Plan Overview provide details related to services provided by City operations, including proposed expenditures, and revenue sources. They also highlight significant drivers related to changes in the cost to maintain existing service levels, new investment and service recommendations, the City's financial condition, and Capital Program.

The listing of Debenture Financing (see Appendix "B") is intended to enhance transparency of approvals and make the debenture issuance process more efficient. The list contains debenture amounts scheduled to be issued in 2026. Forecasted debenture amounts are excluded from the listing.

Key Findings:

OPERATING BUDGET

The Tax Levy increase for City Operations is 0%.

The tax-supported base operating budget as presented in the 2026 Business Plan includes a 0% tax rate increase for City Operations to maintain existing service levels and new investments in services for 2026. In addition, the tax-supported base budget includes a 2% tax rate increase for the Infrastructure Investment Funding (IIF), representing 1% for tax-based infrastructure and 1% for stormwater infrastructure.

For City Operations, the 2026 Business Plan results in a net tax levy requirement of $208.1M in 2026 for ongoing service delivery. This reflects a $6.3M increase over 2025, which is covered by anticipated assessment growth. The levy requirement incorporates the budgetary requirements of the City Operations and the New Investment and Service Recommendations.

The 2% IIF adds an additional $6.4M, bringing the total recommended 2026 Tax Levy requirement to $214.5M, excluding Service Partners.

Non-resident fees will cover the cost of the Camp Access Program.

The goal of the Camp Access Program is to engage at-risk youth in summer camps by removing barriers to participation. Supports include coverage of camp registration fees, transportation, nutritious food/snacks, and resources tailored to their needs—all designed to help campers participate fully and feel included.

It is expected that the Camp Access expense will amount to $35,000 and should be added to the Recreation & Culture Program Budget for 2026. A corresponding $35,000 in revenue will be added to the 2026 Recreation and Culture Program Budget.

The additional $35,000 in revenue will be realized from the increase in non-resident fees that emanated from a Council Motion that was approved following the staff budget submission and therefore is not currently accounted for in the 2026 budget.

Water and Wastewater Rates are in line with 2021 Financial Plan Update.

The 2026 Water and Wastewater operating budgets were developed in line with the 2021 Water and Wastewater System Financial Plan update (21-G-140). The Financial Plan update estimated the need for increases of 4% for water and 5% for Wastewater in 2026.

For a typical home that consumes 180 cubic metres annually, the annualized cost of water and wastewater services in 2026 are estimated to be $436.59 and $645.84 respectively for a combined cost of $1,082.43 ($1,035.31 in 2025). This represents a 4.6% (or $47.12) combined increase over 2025 levels.

Parking Rate revenues are sufficient to meet annual operating costs.

The 2026 Parking operating budget reflects the costs associated with the operations and maintenance of parking lots, parking structure, and assets. The parking service is intended to be self-sustaining through user pay revenue. With the retirement of the Collier St. Parkade debt in 2024, Parking Operations are forecast to generate sufficient revenues to meet the annual operating costs. For 2026, the contribution to the Parking Reserve is expected to be $1.3M, which is an improvement of $295K over the 2025 budget.

Ontario Regulation 284/09 requires disclosure of expenses not included in the 2026 Business Plan.

Prior to passing the 2026 Business Plan & Budget, municipalities are required to disclose amounts that are expensed in their financial statements (full accrual accounting) but not included in budgeted figures (modified accrual accounting). For the City of Barrie this includes three estimated expenses:

- Amortization expense - $69.5M;
- Post-employment benefit expenses - $1.5M; and
- Solid waste landfill closure and post-closure expenses - $200K.

CAPITAL BUDGET

5-Year plan (2026-2030) forecasts $1.63B in spending for growth and asset renewal.

The 2026 Capital Budget is $207.6M, including $171.4M in previously approved funding and $36.2M in new funding requests. This does not include estimated capital carry forward from 2025 of $215.9M. Details of the 2026 Capital Budget can be found in the 2026 Capital Plan binder. Consistent with the Capital Project Financial Control Policy, where the 2026 Capital Budget includes projects that will be completed over more than one reporting period, Council's approval of new projects in the 2026 Capital Budget would include approval of the funds required in 2026-2030 to conduct the work, totaling $294.3M.

In addition to the portion of the 2026 Capital Budget that is recommended for approval, the 2026-2030 Capital Plan provides a forecast for capital spending over the next five years. The 2026-2030 Capital Plan includes $1.63B 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 growth. It should be noted that despite the significant investment being made, some important projects were deferred. When aging assets fail, their ability to deliver service to the community will be impacted.

DC Discounts for specific uses have no budget set aside and are estimated at $3.65M

The City's 2019 DC-Bylaw 2019-055, which was in effect up until June 20th, 2023, provided for a 40% Development Charge discount for specific uses. As is required under the Development Charges Act, these Development Charge discounts must be funded from alternative sources.

The 2023 DC Bylaw no longer provides for the 40% Development Charge discount for specific uses. There are, however, some developments that have received site plan approval under the previous bylaw, and therefore these discounts will continue for a few more years. There is no budget set aside to fund these discounts. Historically, the discounts have amounted to approximately $2M.

For the 2025 year-end, it is expected the City must fund $3.65M of such discounts, with $2.5M relating to the Tax Rate (which includes Stormwater), $297K relating to Water Rate and $823K relating to the Wastewater Rate.

The City's Financial Policy Framework recommends any year end surplus be allocated to the City's Capital Reserves to support needed capital renewal works. Relying on funding of DC discounts through year end surpluses and Capital Reserves further reduces the City's ability to complete needed renewal works.

STAFF AUTHORITY REQUESTS

Motion included to be able to add positions due to unforeseen circumstances.

To ensure delivery of City Operations and the 2026 Business Plan and Budget it is recommended that EMT have the authority to add temporary non-complement positions to address unforeseen events, such as new service demands, project workload and staff absences.

As identified in the City's Human Resource Complement Management procedure, the following rules would apply to such temporary non-complement positions:

a) Funds must be available in the budget year to fund the position;
b) Length of term will not extend beyond that budget year;
c) Salary gapping targets must still be met for that budget year;
d) Appropriate approvals by way of Human Resources forms must be completed;
e) Any exceptions to the above will be reviewed by the Chief Administrative Officer in consultation with all members of EMT;
f) Departments will be required to prepare a memo for Council to outline the details of the position should the need to extend beyond the budget year as directed by EMT; and
g) The funding for these positions will not form part of the next year's base operating budget unless approved by Council in the form of a motion.

To implement economic adjustments for Non-Union Group (NUG) employees.

The City is party to various collective agreements negotiated with its unionized workforce. An agreement with the Canadian Union of Public Employees (CUPE) expires at the end of 2025. Budgeted labour costs reflect anticipated obligations for collective agreements, and an economic adjustment for Non-Union Group (NUG) labour costs.

Financial Implications:

The financial impacts of the 2026 Business Plan are addressed in the analysis section of this report.

Alternatives:

This report is presented by Finance staff on behalf of the Mayor, following guidelines and principles provided in Mayoral Direction to City Staff, Direction Number MDI013-25 (Appendix "A"). As such, there are no alternatives presented for consideration.

Strategic Plan Alignment:

The annual business plan and budget reflects the efforts to implement Council's strategic goals. The recommended motions provided in this staff report are an opportunity for Council to ensure the City's resources continue to be expended in a manner consistent with these goals.

Affordable Place to Live	X	
Community Safety	X	
Thriving Community	X	
Infrastructure Investments	X	
Responsible Governance	X	

Additional Background Information and Analysis:

Not Applicable.

Consultation and Engagement:

The City worked with Oraclepoll Research to conduct a statistically valid phone survey of residents to gather feedback on key questions related to the 2026 Business Plan & Budget. The phone survey included 1,000 Barrie residents from all 10 Wards (both cellular and landlines). A summary of results is included in Appendix "C"

Environmental and Climate Change Impact Matters:

There are no environmental or climate change impact matters related to the recommendations. The 2026 Business Plan and Budget reflects various initiatives and capital projects that support a more sustainable community, features that mitigate climate change risks, and measures that promote adaptation to climate change.

Appendix:

Appendix A – Mayoral Direction to City Staff
Appendix B – Debenture List – Scheduled to be issued in 2026
Appendix C – Oraclepoll Research Phone Survey Results

Report Author:
C. Gillespie, Senior Manager Corporate Finance and Investments
J. Kuehl, Manager of Business Planning and Budget

File #:
C11

Pending #:
Not Applicable

Decision Number: MD013-25

Mayoral Decision

Under Bill 3, the *Strong Mayors, Building Homes Act, 2022,* which amended the *Municipal Act, 2001*,

I, Alex Nuttall, Mayor of the City of Barrie will be including the following matters as part of the Mayor's 2026 Business Plan & Budget for Council's consideration:

- That the current direction of a 0% tax increase for the 2026 City operating Budget remain;
- That 1% of funding currently allocated to the Infrastructure Investment Fund, be reallocated to a new reserve specifically to fund future capital expenditures for intergovernmental projects starting in 2027 for a period of 10 years and identified as a separate levy on the property tax bill;
- That the Theatre Reserve be renamed the Performing Arts Centre Reserve;
- That all funds received through the sale of Dean Avenue be allocated to the Performing Arts Centre Reserve;
- That the Alectra dividends currently allocated to the Theatre Reserve, be reallocated to the annual operating Budget;
- That the annual Recreation and Culture Department Operating Budget include funding in the amount of $30,000 for the Barrie Sports Hall of Fame;
- That the Allandale Recreation Centre Refurbishment project (Z281) be reduced in the amount of $45M from the 2026 Business Plan & Budget;
- That the Spirit Catcher Park Development Project (000316) be removed from the 2026 Business Plan & Budget and that staff be directed to introduce a new Park Development Project around the Performing Arts Centre project in the 2026 Business Plan & Budget;
- That the budget associated with the Barrie Public Library location at the new multi-use facility be reduced by $5M; and
- That as per Council directions, a total cost avoidance of $172.5 million has been achieved through efficiencies related to the Performing Arts Centre and amalgamating the two south end multi-use facilities into one.

Dated at Barrie on the 24th day of June, 2025.

"ORIGINAL SIGNED"

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Mayor Alex Nuttall

Appendix "B" – Debenture List – Scheduled to be issued in 2026

Project ID	Project	2026
EN1011-26	Cundles Rd. E:Duckworth-Living-26	$131,385
EN1016	Tiffin Street - Ferndale to Anne Street	$2,737,863
EN1167-26	Dunlop Street East Corridor Improvements - Toronto to Mulcaster-26	$229,291
EN1273-26	Hotchkiss Creek Culvert Expansion - Innisfil, 125m North of Tiffin-26	$139,053
EN1274-26	Bunkers Creek Culverts and Watercourse Improvements - Innisfil to Lakeshore-26	$1,391,122
EN1277-26	Bryne Drive New Road Construction - Harvie to North of Caplan-26	$5,219,971
EN1322	Anne Street Right of Way Expansion - Wellington to Edgehill (within CAH limits)	$3,195,959
EN1392	Essa Road Right of Way Expansion - Bryne to Fairview	$4,278,952
FC1215	WWTF Innovation Centre	$3,840,000
FC1264	Supportive Housing Project	$31,628
RP1156-26	Fleet Replacement Program-26	$3,852,630
	Total:	**$25,047,854**

2025 Budget Survey Report

September 2025

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Methodology & Logistics

Background & Overview

The following represents the findings from a September 2025 telephone survey of N=1000 voting age City of Barrie residents (18 years of age or older) conducted by Oraclepoll Research Limited for The City of Barrie. The purpose of the research was to gather opinions from residents on issues related to the 2026 City budget process. This report includes an executive summary of the findings.

Study Sample

A dual frame random database (RDD) was used for the sample that was inclusive of landline and cellular telephone numbers. The sample was stratified to ensure that there was an equal distribution across each of the ten City Wards. The survey screened to ensure respondents were 18 years of age or older and were residents of each Ward. Gender and age samples were also monitored to ensure they reflected the demographic characteristics of the community.

SAMPLE BREAKDOWN

Ward 1	N=100	10%
Ward 2	N=100	10%
Ward 3	N=100	10%
Ward 4	N=100	10%
Ward 5	N=100	10%
Ward 6	N=100	10%
Ward 7	N=100	10%
Ward 8	N=100	10%
Ward 9	N=100	10%
Ward 10	N=100	10%

Survey Method

All surveys were conducted by telephone using live operators at the Oraclepoll call center facility. A total of 20% of all interviews were monitored and the management of Oraclepoll Research Limited supervised 100%. The survey was conducted using computer-assisted techniques of telephone interviewing (CATI) and random number selection (RDD).

Logistics

Surveys were conducted by telephone at the Oraclepoll call center using person to person live operators from September 22nd to September 29th, 2025.

Initial calls were made between the hours of 6:00 p.m. and 9:00 p.m. Subsequent call-backs of no-answers and busy numbers were made on a (staggered) daily rotating basis up to 5 times (from 10:00 a.m. to 9:00 p.m.) until contact was made. In addition, telephone interview appointments were attempted with those respondents unable to complete the survey at the time of contact. If no contact was made at a number after the fifth attempt, the number was discarded and a new one supplanted it.

Confidence

The margin of error for the total N=1000 sample is ±3.1% at the 95% confidence interval. Error rates for sub-groups of the population (demographics) vary and are higher.

Top of Mind Issue

In the first question presented to all N=1000 respondents , they were asked in an open-ended or unaided probe to name what they considered to be the main issue facing the City of Barrie.

Q1. What in your opinion is the main issue facing the City of Barrie at this time?

Cost of living	21%
Encampments / homeless	19%
Community safety / policing / crime	18%
Housing	9%
Addictions / drugs / opioids	8%
Poverty	6%
Infrastructure / roads	4%
Health care	4%
Economy, jobs, economic issues	4%
Unsure	3%
Transportation / transit / gridlock	3%
Environment	1%
Mental health	1%

Cost of living is the leading concern, cited by 21% of respondents. Encampments / homelessness follow closely at 19%, with community safety and crime at 18%. Encampments were most named by those in Wards 2 (34%), 7 (35%) and 8 (35%). Safety was also most recalled by those in Wards 2 (24%) and 8 (26%).

Other notable issues include housing (9%), addictions and drug use (8%) as well as poverty (6%). Secondary issues were infrastructure, health care, and economic concerns that each received 4%.

Transportation, the environment, and mental health were less prominent, each under 3%.

Overall, the results highlight a strong focus on affordability, homelessness, and public safety as the most pressing challenges for Barrie residents.

Perception of Safety

In the second probe, respondents were asked to rate their level of safety in their neighbourhoods and local parks. A 10-point scale was used, and the total unsafe and safe scores are highlighted below.

Q2. On a scale of 1-10, with one being very unsafe and 10 being very safe, how safe do you feel in your neighbourhood and when using community parks?

1 Very unsafe	9%	
2 Unsafe	11%	
3	3%	27%
4	4%	
5 Neither unsafe nor safe	4%	
6	3%	
7	6%	
8	9%	
9 Safe	33%	61%
10 Very safe	13%	
Unsure	*5%*	

Slightly more than six in ten or 61% provided a rating from 7-10, claiming they feel safe, while 27% said that they feel unsafe (1-4). Seven percent provided a neutral rating (5-6) and 5% were unsure. Unsafe numbers were highest in Wards 2 (40%) and 8 (48%).

Tolerance for Higher Taxes

The following short descriptive statement was first read to all respondents after which they were asked if they would be willing to pay higher taxes to maintain service levels for City services and Service Partners.

"While the City of Barrie provides many services for its residents and businesses, it also faces high inflation costs while delivering these services. In order to maintain existing service levels, would you be willing to pay slightly higher taxes for each of the following?

Q3A. City Services

Q3B. Service Partners (County, Police, Library)

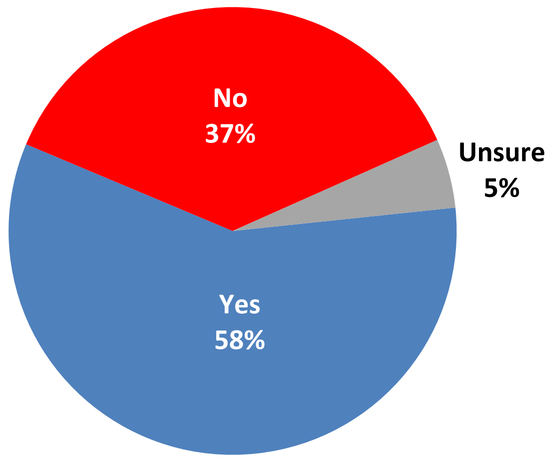
Slightly more than four in ten or 42% are willing to pay more for City services with results being strongest among those aged 40-49 (54%) and 30-39 (52%) and among the highest earners in the 100,000+ per annum category (71%) and $70,000 - $79,999 bracket (63%). More males (44%) compared to females (40%) said yes.

51% would tolerate an increase for service partners such as the police. Results of yes were strongest among those living in Wards 2 (60%) and 8 (66%), the highest earners ($100,000+, 86%) and mid-aged residents 30-39 (60%) and 40-49 (60%).

Taxation vs Services Received

All N=1000 residents were then asked if the taxes they pay to the city were fair in relation to the services received. A small majority answered yes to the question.

Q4. In your opinion, are the taxes you pay to the City of Barrie fair in relation to the services you receive?



Fifty-eight percent of respondents are of the opinion that the taxes they pay are fair in relation to the services they receive.

Greater Funding for Services & Areas

In the final question, respondents were asked in an open-ended or unaided probe to identify what local services or areas should receive greater funding from the municipal taxes paid.

Q5. What local services or areas do you feel should receive greater funding from the municipal taxes you pay?

Police services	30%
Infrastructure / roads / sidewalks	16%
Housing (affordable)	11%
Transit services	7%
Unsure	7%
Garbage / waste / recycling services	6%
Fire department	5%
Water / sewers	3%
Snow removal / winter road sidewalk maintenance	3%
Social services / outreach / support for drug addicted. homeless	3%
Outdoor rec facilities / services / programs	2%
Ambulance / paramedics	1%
Youth programs (after school, daycare, teen)	1%
Indoor rec facilities / services / programs	1%
Seniors/55+ programs	1%
Street lighting	1%
Health Unit	1%
Libraries	<1%
By law department	<1%

Police services received the highest support at 30%, indicating strong public demand for enhanced law enforcement. Infrastructure (roads, sidewalks) followed at 16%, reflecting concern for physical upkeep and mobility. Affordable housing came third at 11%, highlighting growing attention to housing challenges.

There was moderate support for transit services and garbage/waste/recycling, each garnering 6–7%, while the fire department received 5%.Water/sewers, snow removal, and social services each had 3%.