



TO: GENERAL COMMITTEE

SUBJECT: 2022 BUDGET AND BUSINESS PLAN YEAR-END REPORT

WARD: ALL

PREPARED BY AND KEY CONTACT: J. KUEHL, MANAGER OF BUSINESS PLANNING AND BUDGET
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENT
C. MILLAR, CHIEF FINANCIAL OFFICER & TREASURER

SUBMITTED BY: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER
D. MCALPINE, GENERAL MANAGER OF COMMUNITY & CORPORATE SERVICES
B. ARANIYASUNDARAN, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT
R. JAMES-REID, EXECUTIVE DIRECTOR – ACCESS BARRIE
I. PETERS, DIRECTOR OF LEGAL SERVICES
C. MILLAR, CHIEF FINANCIAL OFFICER & TREASURER

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That Staff Report EMT002-23 concerning the 2022 Budget and Business Plan Year-End Report be received.

Safe Restart

2. That \$1,199,442 of Safe Restart Funding (Transit) be used in 2022 to offset COVID-19 pressures related to expenses and lost revenues associated with Transit services, and that the equivalent draw from the Provincial Gas Tax Reserve be eliminated in 2022 in order to support the reserve balance for ongoing Transit pressures into and beyond 2023.

Reserve Transfers

3. That after the following list of adjustments, the remaining Tax Rate surplus of \$2,076,650 be allocated 70% to the Tax Capital Reserve and 30% to the Tax Rate Stabilization Reserve in accordance with the City's Financial Policies:
 - a) \$718,502 be transferred to the County of Simcoe Capital Reserve to support future capital requirements;

- b) \$1,800,000 be transferred to the WSIB Reserve to fund the existing reserve deficit at the end of 2022 as well as anticipated 2023 WSIB expenses;
 - c) \$101,015 be transferred to the Fleet Management Reserve related to capital gains on sale of fleet vehicles; and
 - d) \$200,000 be transferred from the DC Discounts Reserve to offset the impact of DC Discounts in 2022.
- 4. That the Water Rate surplus of \$171,306 be allocated 70% to the Water Capital Reserve and 30% to the Water Rate Stabilization Reserve in accordance with the City's Financial Policies.
 - 5. That the Wastewater Rate surplus of \$324,202 be allocated 70% to the Wastewater Capital Reserve and 30% to the Wastewater Rate Stabilization Reserve in accordance with the City's Financial Policies.
 - 6. That the Parking Rate surplus of \$826,487 be allocated to the Parking Capital Reserve.

Discretionary Development Charge Discounts Funded by Tax Payers

- 7. That \$2,690,958 in discretionary Development Charge discounts and exemptions granted during the year be recovered from the related rates as follows:
 - a) \$1,872,874 from the 2022 year-end Tax supported operating results;
 - b) \$277,696 from the 2022 year-end Water Rate operating results; and
 - c) \$540,387 from the 2022 year-end Wastewater Rate operating results.

Financing Lease Disclosure

- 8. That pursuant to Ontario Reg. 653/05 and the City's Capital Financing and Debt Management Policy, Staff Report EMT002-23 serve as the method for disclosing outstanding financing leases.

2023 Capital Budget Changes

- 9. That 2023 capital project budgets be amended as follows:
 - a) That EN1278 – Bryne Drive (North) New Road Construction be reduced by \$2,100,000 and EN1277 – Bryne Drive (South) New Road Construction be increased by \$2,100,000; and
 - b) That ES1055 – Automatic Transfer Switch be reduced by \$400,000 and EN1294 – Watermain Renewal Program be increased by \$400,000.

2023 User Fee Bylaw Update

- 10. That the 2023 user fee changes in Appendix "E" attached to Staff Report EMT002-23 be approved and that the 2023 User Fee Bylaw 2023-023 be updated to reflect the changes.

PURPOSE & BACKGROUND

Report Overview

11. This report describes the 2022 year-end financial results that includes a Tax Rate supported operating surplus of \$4.5 million, Water Rate operating surplus of \$171 thousand, Wastewater Rate operating surplus of \$324 thousand, and Parking Rate operating surplus of \$826 thousand.
12. The report describes the use of \$1.2 million of the Transit Safe Restart funding from the Province of Ontario to address lost revenues and incurred expenses related to COVID-19.
13. The City's Financial Policies Framework requires the Director of Finance to issue a year-end staff report on finances that compare year-to-date actual results to budget and the previous year. This report reflects activity for the 12 months ended December 31, 2022.
14. The recommendations in this report are reflective of the policies and principles documented in the current Financial Policies Framework.

ANALYSIS

TRANSIT SAFE RESTART

15. Barrie Transit continued to experience ridership levels below pre-pandemic levels for the majority of 2022. Transit specific Safe Restart funding was available but had to be used in 2022 as it could not be carried forward into 2023. As such, it is recommended that the remaining \$1,199,442 of the Transit Safe Restart funding available be used in 2022 in place of Provincial Gas Tax (PGT) funds. Doing so will allow increased flexibility in addressing any lingering effects of the pandemic or other impacts such as fuel cost fluctuations in 2023.

SUMMARY OF OPERATING RESULTS – TAX

16. The 2022 year-end result was a \$4.5 million surplus. Development Charge (DC) discounts and exemptions granted throughout the year totalled a \$2.7 million in 2022, with \$1.9 million related to the Tax Rate. These discounts need to be reimbursed to the DC Reserves in accordance with legislation. Prior to adjusting for the discounts, the City had an operational Tax Rate surplus of \$6.4 million.
17. The City's expenses were \$5.7 million under budget and revenues were slightly above budget. The following table summarizes the financial variances between planned and actual results by division for tax rate-based operations. Appendix "A" includes a breakdown of the tax rate-based variances by department.

	2022			
	Budget (\$)	Actual (\$)	Variance (\$)	Variance (%)
Access Barrie	25,370,044	24,330,951	1,039,093	4.1%
CAO & Mayor's Office	10,967,430	9,914,174	1,053,256	9.6%
Community & Corporate Services	44,332,115	43,506,275	825,840	1.9%
Corporate Expenses	59,282,272	59,548,406	(266,134)	(0.4%)
Council & Committees	876,672	840,614	36,058	4.1%
Infrastructure & Growth Management	48,011,898	45,761,121	2,250,777	4.7%
Service Partners & Grants	92,970,041	92,251,539	718,502	0.8%
Total Net Expenditures	281,810,472	276,153,080	5,657,392	2.0%
Corporate Revenues	(281,810,472)	(282,522,121)	711,649	(0.3%)
Unadjusted: Tax Rate Surplus		(6,369,041)		
Funding of Development Charge Discounts		1,872,874		
Adjusted: Tax Rate Surplus		(4,496,167)		

18. Key contributors (positive variances) to the Corporation's general tax rate surplus as of December 31st include the following:

Detail in following paragraphs of the report:

- Staffing Reductions and Salary Gapping \$1.3M;
- Service Partners \$719K;
- Insurance \$539K;
- Utilities \$459K.

Department specific items explained in Appendix B:

- Transit – Contracted Services and User Fees \$2.4M;
- Corporate Revenues – Investment Revenue net of Reserve Transfers \$1.5M;
- Development Services – Engineering Fees \$1.4M;
- Information Technology – Services \$539K;
- Solid Waste Operations – Services \$386K;
- Legal Services Department – Consultants & Legal Services \$319K;
- Human Resources – Consultants – General \$305K;
- Business Performance & Environmental Sustainability – Services \$152K;
- Parks & Forestry Operations – Repairs & Maintenance \$152K;

19. Key offsetting contributors (negative variances) to the Corporation's tax rate general surplus include the following:

Detail in following paragraphs of the report:

- Property Tax \$1.4M;

Department specific items explained in Appendix B:

- Transit – Gasoline \$922K;
- Fleet Operations – Repairs & Maintenance \$882K;
- Court Services – Fines & Penalties net of External Transfers \$830K;
- Enforcement Services – Fees, Charges and Parking Tickets \$823K;
- Fleet Operations – Gasoline & Diesel \$595K;
- Facilities – Contracted & Other Services \$452K.

Staffing Reductions and Salary Gapping

20. The salary gapping provision approved by Council in the 2022 Business Plan is \$1.3 million. This amount includes both permanent staff and casual/part-time salary costs. The City typically implements a variety of techniques to achieve salary gapping targets, including delaying rehires when viable, managing overtime costs, and reducing the number of paid weeks for summer students. In 2020 and 2021, as a result of the global pandemic, many City facilities were shut down and various revenue generating activities were put on hold, forcing the City to make difficult staffing decisions which resulted in significant reductions to payroll costs across the City. As the City continued to recover from the pandemic in 2022 staffing levels ramped up to pre-pandemic levels.
21. At year-end the City realized \$2.6 million in staff reductions and salary gapping. When compared to the annual budget of \$1.3 million the result is a favourable variance of \$1.3 million. The majority of this variance relates to delaying rehires to achieve salary gapping targets. The City continued to see higher than normal vacancies and turnover in 2022. Continued vacancies and turnover will have a negative impact on staff's abilities to support growth, address capital and operating needs and implement Council Priorities.
22. Some of the significant drivers of the \$1.3 million salary gapping variance were as follows:
- | | |
|----------------------------------|----------|
| a) Legislative & Court Services: | \$870K |
| b) Information Technology: | \$523K |
| c) Operations: | \$426K |
| d) Infrastructure: | \$351K |
| e) Human Resources: | (\$421K) |
| f) Facilities: | (\$355K) |

Service Partners

23. The Service Partners surplus of \$719 thousand was largely driven by the County of Simcoe. The major contributor to the favorable variance was Ontario Works (\$913K) with offsetting unfavorable variances from Long Term Care (\$83K), Social Housing (\$52K) and Paramedic Services (\$29K).

Insurance

24. In June 2022, the City changed insurance providers due to rising insurance costs. The total cost under the new provider decreased, however the allocation of the insurance costs changed considerably. Overall, the tax supported insurance budget was \$3.2 million for the Corporation, of which \$2.7 million was spent, resulting in a positive variance of \$539 thousand. The allocation of premiums by the new provider resulted in lower general liability premiums, but higher premiums for property. The 2023 budget reflects the anticipated costs under the new provider. The departments most significantly impacted by the change in 2022 are as follows:

- a) Corporate Expenses: \$956K
- b) Operations: \$154K
- c) Facilities: (\$460K)
- d) Information Technology: (\$113K)

Utilities

25. The favourable variance of \$459K was driven by a lower than budgeted electricity rate and a moderate reduction in electricity consumption compared to budget. These hydro savings were partially offset by a higher than budgeted natural gas rate, related to carbon taxation and commodity price increases.

Property Tax

26. Every year the City reviews development data to assist in forecasting property tax growth caused by new assessment. The City reviews information provided by the Municipal Property Assessment Corporation (MPAC) and a variety of other internal reports to develop a property tax growth estimate to include in the budget. The City of Barrie received approximately \$233,812,767 in new assessment from MPAC resulting in approximately \$3.3 million in property tax growth in 2022. Staff estimated higher property tax growth due to the large amount of new development occurring in the City. The City of Barrie received a lower amount of property tax write-offs due to assessment appeals in 2022, which offset the lower property tax by \$437 thousand. This resulted in an unfavourable property tax variance of \$1.4 million in 2022. It is expected that the 2023 budgeted growth related to new assessment will be achieved this year.

RESERVE TRANSFERS

County of Simcoe Capital Reserve

27. The County of Simcoe Capital Reserve funds capital projects related to Long Term Care, Paramedic Services, and Social Housing delivered by the County of Simcoe as part of the Municipal Services Agreement. This reserve is under pressure as contributions to the reserve are not sufficient to fund the projects contained in the County's Long Range Financial Plan related to these shared services. The 2023 business plan shows this reserve becoming significantly overcommitted in the coming years. In addition, the planned increase in contribution to this reserve was deferred in the 2023 budget as amended, which puts further pressure on the reserve. It is recommended that the operating surplus of \$718 thousand related to the County of Simcoe operations be transferred to the County of Simcoe Capital Reserve.

WSIB Reserve

28. WSIB expenses have increased in recent years due to legislation surrounding first responders. The WSIB Reserve has a deficit balance of \$480 thousand at year-end. The planned increase in contribution to this reserve was deferred in the 2023 budget as amended, and the approved \$500 thousand transfer in the 2023 budget will only cover the existing deficit in the reserve. It is recommended that \$1.8 million be transferred to this reserve out of the available operating surplus to bring the reserve balance to a level that will cover expected WSIB expenses in 2023.

Fleet Management Reserve

29. As part of the City's ongoing Fleet Financing strategy, vehicles were purchased and delivered in 2022 to replace aging vehicles. This resulted in a number of fleet disposals in 2022. Consistent with the City's Fleet Financing strategy, it is recommended that the \$101 thousand related to the sale of these vehicles be transferred to the Fleet Management Reserve. It should be noted that the planned increase to the tax supported contribution to this reserve was deferred in the 2023 budget as amended.

SUMMARY OF OPERATING RESULTS – WATER

30. The 2022 year-end result for the Water Rate was a \$171 thousand surplus. Development Charge (DC) discounts and exemptions granted throughout the year related to the Water Rate totalled \$278 thousand. These discounts need to be reimbursed to the DC Reserves in accordance with legislation. Prior to adjusting for the discounts, the City had an operational Water Rate surplus of \$449 thousand.

	2022			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	8,160,179	8,328,840	(168,661)	(2.1%)
Operating Expenses	5,967,758	6,412,873	(445,116)	(7.5%)
Transfers to Reserves	7,537,892	7,940,466	(402,573)	(5.3%)
Corporate Support	8,281,295	8,223,050	58,245	0.7%
Total Net Expenditures	29,947,123	30,905,229	(958,106)	(3.2%)
Revenues	(29,947,123)	(31,354,231)	1,407,108	(4.7%)
Unadjusted: Surplus	0	(449,002)		
Funding of DC Discounts		277,696		
Adjusted: Surplus		(171,306)		

31. Salaries and Benefits are higher due to a retroactive pay adjustment to all Water Distribution Operator Class II's because of a job re-evaluation process as allowed for in the collective agreement with CUPE, as well as recoveries from the meter replacement program that were less than anticipated by the end of December.
32. Operating expenses were over budget partially due to the emergency repair of the Harvie Road Reservoir. Water Operations is seeing a significant increase in the cost of chemicals and is expecting to see a 178% increase in 2023.
33. Corporate support is based on actual work and staff time in support of Water Operations from various departments and was on budget for 2022.
34. Water rate revenue was \$1.4 million above plan. Total water consumption was 8% above 2021 levels and water billings were 3.5% higher. With residential development proceeding in the secondary plan lands, water meter capital contribution charges came in \$400 thousand over budget.

SUMMARY OF OPERATING RESULTS – WASTEWATER

35. The 2022 year-end result for the Wastewater Rate was a \$324 thousand surplus. Development Charge (DC) discounts and exemptions granted throughout the year related to the Wastewater Rate totalled \$540 thousand. These discounts need to be reimbursed to the DC Reserves in accordance with legislation. Prior to adjusting for the discounts, the City had an operational Wastewater Rate surplus of \$865 thousand.

	2022			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	4,819,667	4,700,126	119,542	2.5%
Operating Expenses	8,645,291	7,956,653	688,638	8.0%
Transfers to Reserves	17,558,573	17,558,573	0	0.0%
Corporate Support	7,763,837	7,945,458	(181,622)	(2.3%)
Total Net Expenditures	38,787,368	38,160,810	626,558	1.6%
Revenues	(38,787,368)	(39,025,400)	238,032	(0.6%)
Unadjusted: Surplus	0	(864,590)		
Funding of DC Discounts		540,387		
Adjusted: Surplus		(324,202)		

36. Operating expenses for wastewater were \$689 thousand under budget on lower spending in contracted services. The Wastewater Collection team moved to Wastewater Operations in 2020 and the branch has been able to utilize the team resulting in a reduced need to contract out certain services to outside contractors. This was partially offset by higher rental costs for vehicles and equipment for the Wastewater Collection team.
37. Corporate support is based on actual work and staff time in support of Wastewater Operations from various departments and came in slightly over budget for 2022.
38. Wastewater rate revenue was \$239 thousand above plan. Total sewer usage was 8.1% above 2021 levels and sewer billings were 4.1% higher. During 2022, Wastewater began accepting septage which resulting in additional fees collected.

SUMMARY OF OPERATING RESULTS – PARKING

39. The 2022 year-end result for the Parking Rate was a \$826 thousand surplus in comparison to budget.

	2022			
	Budget (\$)	Actual (\$)	Variance (\$)	%
Salaries and Benefits	512,931	421,957	90,975	17.7%
Operating Expenses	441,907	434,313	7,595	1.7%
Transfers to/from Reserves	(1,420,415)	(1,420,415)	0	0.0%
Corporate Support	1,789,317	1,760,278	29,039	1.6%
Total Net Expenditures	1,323,740	1,196,132	127,608	9.6%
Revenues	(1,323,740)	(2,022,619)	698,879	(52.8%)
Surplus	0	(826,487)		

40. Staff prepared the 2022 budget with the expectation of lower parking revenue due to the ongoing pandemic impacts which is why there is a reported surplus. Throughout 2022, revenue trended to pre-COVID levels, however there is still a decline in parking revenue in the downtown, which is offset by higher revenue generated at the waterfront lots.

OTHER – FINANCING LEASES

41. Financing leases are agreements the City entered into for the purpose of obtaining long-term financing of capital undertakings, with contractual payments extending beyond the term of the approving Council.
42. The Capital Financing and Debt Management Policy adopted by Council in March 2018, in accordance with Ontario Regulation 653/05, requires the Treasurer to disclose to Council any outstanding financing leases subsisting in the fiscal year and provide the following details:
- a) Estimates of the proportion of financing leases to the Corporation's total long-term debt.
 - b) A statement that in his or her opinion all financing leases were made in accordance with this policy.
 - c) Any other information that, in the Treasurers opinion, should be recorded.
43. The following table summarizes the list of outstanding financing leases and the proportion related to long term debt as of December 31, 2022:

	Amount (\$)	
	Dec 31, 2022	Dec 31, 2021
Outstanding Financial Leases - Dec 31, 2022		
Equipment	46,937	65,106
Water Operations	1,245,900	1,495,080
Building and Facilities	6,498,963	6,972,170
Total Outstanding Financial Leases (TOFL)	7,791,800	8,532,356
Total Long-Term Debt (LTD)	327,275,630	331,373,557
TOFL to LTD ratio	2.38%	2.57%

44. The total outstanding financial leases decreased by \$ 740 thousand from \$8.5 million in 2021 to \$7.8 million in 2022. The decrease was primarily the result of reduction in the remaining life of outstanding lease payments.
45. A list of the outstanding leases is shown in Appendix F.
46. In the opinion of the Treasurer, all lease financing agreements entered into by the City, since the adoption by Council of the Capital Financing and Debt Management Policy, were in accordance with said policy.

DEVELOPMENT CHARGE (DC) DISCOUNTS

47. In 2022, DC discounts in the amount of \$2,690,958 were granted. The current City-Wide DC By-law 2019-055 includes discretionary discounts relating to non-residential development for non-profit institutions, accessory buildings to an existing industrial building, and a 40% discount of the development charges otherwise applicable for the first 1.5 million square feet of development for a list of targeted uses within the City.
48. Section 5(6)3. of the DC Act states: "If the development charge by-law will exempt a type of development, phase in a development charge, or otherwise provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up through higher development charges for other development." This means that in the case of discretionary discounts, the DC reserves must be replenished by an alternate funding source. It is recommended that the discounts be funded \$1,872,874 by the Tax Rate, \$277,696 by the Water Rate, and \$540,387 by the Wastewater Rate, with the balance of \$200,000 from the DC Discounts Reserve being used to partially offset the Tax Rate related impacts.

CAPITAL PLAN STATUS AT DECEMBER 31, 2022

49. The Capital Plan presented in Appendix "C" is a high-level summary of activity as of December 31, 2022, and it also includes key projects that contributed to the variance of budget to actual spending for the year. The total capital budget for 2022 was \$373.5 million, including carryover from prior years and new projects. The capital plan before carryovers was \$135.8 million. Actual spending was \$138.1 million for the year which represents 37% of the total capital budget for 2022, and 77% of the 2022 spring spending forecast.

RESERVES

Capital, Development Charge and other Reserves

50. Reserves fund capital asset spending and help to smooth tax levy and user rate requirements as well as provide financial flexibility in the event of unanticipated expenditures or a drop in revenue. In addition, because reserves consist of both cash and cash equivalent assets, they promote investor confidence and help to preserve the City's credit rating when adequate balances are maintained.
51. The December 31, 2022 capital, DC, and other reserve balances affected by the recommendations in this report are as follows:

	Balance at Dec. 31, 2022 (\$)	Commitments (\$)	Recommended Motion (\$)	Non-Committed Balance at Dec. 31, 2022 (\$)
Tax Capital Reserve	67,143,048	(57,541,011)	1,453,655	11,055,692
Wastewater Rate Capital Reserve	81,713,714	(22,379,412)	226,941	59,561,243
Water Rate Capital Reserve	11,200,817	(15,867,295)	119,914	(4,546,564)
Parking Reserve	(2,070,791)	(977,856)	826,487	(2,222,160)
DC Reserves	69,102,541	(48,218,804)	2,690,958	23,574,695
DC Discounts Reserve	200,000	-	(200,000)	-
County of Simcoe Reserve	1,598,682	-	718,502	2,317,184
WSIB Reserve	(480,197)	-	1,800,000	1,319,803
Fleet Management Reserve	10,835,494	(4,650,781)	101,015	6,285,728

* Capital Commitments are based on approved capital spending for 2022 and prior years as at year-end. Future year approved capital spending is not included, and the reserve balance does not include potential future contributions to the reserve.

52. The City's Financial Policy Framework targets a minimum threshold cash balance in the Tax Capital Reserve equivalent to one year's worth of the 5-year average of the non-growth tax-supported capital expenditure requirements which is currently estimated at \$35 million. This ensures that one year of tax-based funding is available in reserves to maintain liquidity. Currently, based on the level of commitments, the Tax Capital Reserve is well short of this target at \$11 million.
53. Included as part of the "recommended motion" column of the table above, are contributions to reserves resulting from the allocation of year-end surpluses after the various adjustments recommended in this report. The allocations are as prescribed by the City's Financial Policies (70% for capital reserves). The amounts are as follows:
 - a) \$1,453,655 to the Tax Capital Reserve;
 - b) \$226,941 to the Wastewater Capital Reserve; and
 - c) \$119,914 to the Water Capital Reserve.
54. DC revenues were higher than expected in 2022 resulting in a positive consolidated balance in DC reserves of \$71.8M. However, there are unspent commitments of \$48.2 million at year-end before considering commitments for 2023 and future years. DC Reserve balances are highly dependent on the timing of capital infrastructure work and the related development revenue. The City's Financial Policy Framework targets a positive balance for DC reserves, and staff will continue to monitor the pace of revenues and expenses in an effort to maintain this balance.

Rate Stabilization Reserves

55. The December 31, 2022 Rate Stabilization Reserve balances affected by the recommendations in this report are as follows:

	Balance at Dec. 31, 2022 (\$)	Commitments (\$)	Recommended Motion (\$)	Non- Committed/(Over committed) Balance at Dec. 31, 2022 (\$)	2022 Target Balance (\$)
Tax Rate Stabilization Reserve	1,962,213	(3,916,541)	622,995	(1,331,333)	31,880,143
Wastewater Rate Stabilization Reserve	3,026,558	-	97,261	3,123,819	3,878,737
Water Rate Stabilization Reserve	3,482,569	-	51,392	3,533,961	2,994,712

* 2022 Minimum Expected Balance as per the Financial Policies Framework

56. Stabilization reserves are maintained in order to fund unexpected one-time, non-recurring expenditures, and to address any potential deficits. As per the Financial Policies Framework, the target range is 5% to 10% of total own source revenues for Stabilization Reserves. These reserves provide Council with the flexibility to stabilize the impact of economic volatility on City programs. In the absence of healthy stabilization reserve balances, the tax levy and user rates feel the impact of unforeseen events, one-time expenditures and revenue shortfalls. The non-committed balance at December 31, 2022 shows that Tax Rate Stabilization Reserve currently falls well short of the minimum expected level and is overcommitted by \$1.3 million. The Wastewater and Water Rate Stabilization Reserves are in better shape and are close to or within the minimum expected level.
57. Included as part of the "Recommended Motion" column of the table above are contributions to or draws from reserves after the various adjustments recommended in this report. These contributions or draws come from the allocation of year-end surpluses, or the funding of year-end deficits. The allocations for surpluses are as prescribed by the City's Financial Policies (30% for rate stabilization reserves). The amounts are as follows:
- a) \$622,995 to the Tax Rate Stabilization Reserve;
 - b) \$97,261 to the Wastewater Rate Stabilization Reserve; and
 - c) \$51,392 to the Water Rate Stabilization Reserve.

DEBT

58. Debt is a financing tool that permits the City to provide necessary infrastructure to support growth in advance of growth occurring.
59. The City has maintained its AA+ credit rating with S&P, supported by:
- A growing and diversified economy
 - Strong financial management
 - Healthy liquidity
 - Expectation that Barrie will continue to generate strong operating balances
60. The City's debt is expected to peak in 2026 at around \$332 million (this compares to last year's budget where the peak was expected in 2025 and at around \$450 million). The reason for the lower

expected debt levels is because of higher than expected collection of development charges over the last two years. As a result, these funds will be used in place of issuing debt.

61. The financing charges that are forecast for Barrie are within the internal limits that the City has in place. This limit of 20% is more stringent than what is mandated to the City by the Province.

2023 USER FEE BYLAW UPDATE

62. A schedule of user fees for 2023 that are requested to be updated are included in Appendix "E". The fees are related to Water Operations and the increase is needed to align the 2023 user fees with the approved 2023 Operating budget.

2023 CAPITAL BUDGET ADJUSTE REQUESTS

63. A transfer of \$2.1 million of budget from project EN1278 – Bryne Drive (North) New Road Construction to project EN1277 – Bryne Drive (South) New Road Construction is being requested in the 2023 capital plan.
- a) EN1278: This project for Bryne (North) Road along with EN1277 – Bryne Drive (South) started as one project from Caplan to Essa. Subsequently, it was split into two projects, with estimates for property costs. This project is being redesigned with a new cross section where the property needs, and overall project costs have reduced.
 - b) EN1277: The original scope was revised to address a shift in the City's preferred cycling facility network, affecting property and the utility relocation scope, thereby increasing the budget. The additional funds are also required to address recent escalation in construction prices, and requirements from regulatory agencies.
64. A transfer of \$400 thousand of budget from project ES1055 – Automatic Transfer Switch to project EN1294 – Watermain Renewal Program is being requested in the 2023 capital plan.
- a) ES1055: This project was originally conceived of because of extensive work thought to be required on the generator exhaust system resulting from regulation changes. Since the budget was requested, the project scope has changed. It will now be incorporated into the first major upgrade or expansion that occurs.
 - b) EN1294: The section of ductile iron watermain on Little Avenue, (west of Huronia Road and east of McConkey Place) was installed in 1974 and over the past four (4) years, has broken four (4) times. These breaks have resulted in a total of more than \$250,000 in repair costs. All breaks on this section of watermain have been large to very large in size resulting in extended road closures and water outages. These additional funds will be used to line the watermain to provide additional structural integrity and increase the asset life.

ENVIRONMENTAL AND CLIMATE CHANGE MATTERS

65. There are no environmental or climate change matters directly related to the recommendation.

ALTERNATIVES

66. The following alternatives are available for consideration by General Committee.

Alternative #1

General Committee could alter the proposed recommendation in paragraphs 3 to 6 by directing staff to allocate the adjusted surplus in some other manner.

This is not recommended for the following reasons:

- A.) The selected transfers to reserves are being made due to inadequate balances based on future requirements (i.e. WSIB Reserve, County of Simcoe (CoS) Reserve), or the funds being transferred to/from the reserve are directly related to operating results (i.e. Fleet disposals funding the Fleet Reserve, CoS surplus to CoS Reserve etc.).
- B.) The current Financial Policies Framework specifies that year-end surpluses will be split 70/30 between capital reserves and rate stabilization reserves. In the 2023 budget, Council reduced funding to the Tax Capital Reserve which reduced funds available for the City's Capital Plan. Allocating 70% of the adjusted surplus to the Tax Capital reserve will help to replace a portion of the lost contributions to this reserve.

FINANCIAL

67. The information in the analysis section explains the impact of the recommendations in this report as they relate to the Tax, Water, Wastewater, and Parking Reserves, as well as the compliance of those recommendations with the financial policies set out in the current Financial Policies Framework.

LINKAGE TO 2022-2026 STRATEGIC PLAN

68. The recommendation in this report is operational and is not specifically related to the goals identified in the 2022-2026 Strategic Plan. Also, as the report relates to the 2022 annual results, details related to departmental deliverables and links to the strategic plan in Appendix "D" are related to the previous 2018-2022 Strategic Plan that was in place at that time.

APPENDIX A

Tax Supported Operating Budget Variance by Department as of December 31st, 2022

	Budget (\$)	Actual (\$)	Variance (\$)	Variance (%)
Access Barrie	25,370,044	24,330,951	1,039,093	4.1%
Access Barrie Admin	358,112	369,306	(11,194)	(3.1%)
Customer Service	1,260,393	1,035,430	224,963	17.8%
Information Technology	8,743,542	7,738,943	1,004,599	11.5%
Marketing & Communication	1,091,147	1,270,422	(179,275)	(16.4%)
Transit & Parking Strategy	13,916,850	13,916,850	0	0.0%
CAO & Mayor's Office	10,967,430	9,914,174	1,053,256	9.6%
Finance Department	4,275,882	3,986,978	288,904	6.8%
Human Resources	3,419,343	3,319,441	99,902	2.9%
Internal Audit	373,334	370,970	2,364	0.6%
Legal Services Department	1,919,624	1,434,014	485,610	25.3%
Office of the CAO	701,757	477,223	224,534	32.0%
Office of the Mayor	277,490	325,548	(48,058)	(17.3%)
Community & Corporate Services	44,332,115	43,506,275	825,840	1.9%
Barrie Fire & Emergency Services	28,034,592	27,623,538	411,054	1.5%
Facilities Department	2,275,156	2,587,136	(311,980)	(13.7%)
GM of Community & Corporate Services	250,137	271,882	(21,745)	(8.7%)
Legislative & Court Services	3,276,747	3,580,041	(303,294)	(9.3%)
Recreation & Culture Services	10,495,483	9,443,678	1,051,805	10.0%
Council & Committees	876,672	840,614	36,058	4.1%
City Council	787,722	797,755	(10,033)	(1.3%)
Committees	88,950	42,859	46,091	51.8%
Infrastructure & Growth Management	48,011,898	45,761,121	2,250,777	4.7%
Building Services	0	0	0	0.0%
Business Performance & Environmental Sustainability	2,151,476	1,809,127	342,349	15.9%
Corporate Asset Management	1,075,205	1,086,818	(11,613)	(1.1%)
Development Services	6,576,852	4,639,681	1,937,171	29.5%
Economic & Creative Development	2,177,017	2,514,852	(337,835)	(15.5%)
GM Infrastructure & Growth Management	316,749	314,334	2,415	0.8%
Infrastructure Department	1,262,137	816,940	445,197	35.3%
Operations	34,452,462	34,579,369	(126,907)	(0.4%)



	Budget (\$)	Actual (\$)	Variance (\$)	Variance (%)
Corporate Expenses	59,282,272	59,548,406	(266,134)	(0.4%)
Total Net City Services	188,840,431	183,901,541	4,938,890	2.6%
Service Partners & Grants	92,970,041	92,251,539	718,502	0.8%
Total Net Expenditures	281,810,472	276,153,080	5,657,392	2.0%
Corporate Recoveries	(4,610,944)	(4,603,257)	(7,687)	0.2%
Corporate Revenues	(2,885,784)	(3,366,780)	480,996	(16.7%)
Investment Revenue	(4,086,366)	(5,754,641)	1,668,275	(40.8%)
Net Taxation for own purposes	(268,201,078)	(266,759,035)	(1,442,043)	0.5%
Payments in Lieu of Taxes	(2,026,300)	(2,038,408)	12,108	(0.6%)
Total Revenue	(281,810,472)	(282,522,121)	711,649	(0.3%)
Unadjusted: Tax Rate Surplus		(6,369,041)		
Funding of Development Charge Discounts		1,872,874		
Adjusted: Tax Rate Surplus		(4,496,167)		

APPENDIX B

Detailed Tax Supported Operating Variance Explanations

Service/Driver Total: Transit – Contracted Services and User Fees				
User Fees	2022 Budget (\$4.5M)	Actuals (\$5.6M)	Variance \$1.1M	Variance (24%)
Contracted Services	\$17.8M	\$16.5M	\$1.3M	7%
	<u>\$13.3M</u>	<u>\$10.9M</u>	<u>\$2.4M</u>	<u>18%</u>
<u>Reason for Variance</u>				
<p>Barrie Transit is operated at approximately 85% of pre-pandemic levels, up until September 2022, which then transitioned back to 100%. This was done to maintain an appropriate level of service to the community but also to account for the lower ridership levels. In addition, the transit service provider has experienced bus operator staffing shortages which have resulted in some missed service and associated performance deductions resulting in the current YTD favourable variance.</p> <p>At the time of preparing the 2022 budget, there was uncertainty around when ridership levels (and associated revenues) would return to pre-pandemic levels. Those levels had returned sooner than anticipated, which is the reason for the favorable variance in user fees.</p>				
<u>Impact Going Forward</u>				
Towards the end of 2022, ridership was trending upwards to pre-pandemic levels.				
<u>Actions to Mitigate Future Anticipated Variances</u>				
As ridership continues to trend upwards, it is anticipated that only nominal variances against budget will occur from that point forward.				

Service/Driver Total: Corporate Revenues – Investment Revenue net of Reserve Transfers				
	2022 Budget	Actuals	Variance	Variance
Investment Revenue	(\$2.1M)	(\$5.3M)	\$3.2M	(158%)
Reserve Transfers	\$1.3M	\$3.0M	(\$1.7M)	(128%)
	(\$717K)	(\$2.3M)	\$1.5M	(213%)
<u>Reason for Variance</u>				
<p>Better than forecasted investment income was driven by higher than forecasted interest rates and from tactical asset allocation decisions at the portfolio level.</p> <p>The portfolio was tactically overweight cash and short-term investments which benefited significantly from more turnover in a rising interest rate environment and by opportunistically adding fixed rate exposures at yields exceeding 5% on average.</p> <p>The bond portfolio was defensively positioned going into 2022 and was underweight duration (interest rate sensitivity) and held higher coupon securities relative to the benchmark and despite the negative effects of higher rates on bond prices, the bond holdings outperformed the benchmark by 712 basis points. Equity exposure was more defensively positioned (overweight value sectors and underweight growth) as compared to the benchmark and resulted in an outperformance of 418 basis points relative to the benchmark. Dollar cost averaging and the stronger USD also provided a tailwind for USD denominated equity securities.</p>				
<u>Impact Going Forward</u>				
<p>The \$5.3 million total return reported comprises of both permanent (realized income) and non-permanent (unrealized losses) components.</p> <p>Income received in cash from interest, bond coupons, and dividends totaled \$10.8 million and the non-permanent unrealized losses from fixed income of \$4.5 million and \$1.0 million on equities temporarily offset the overall investment performance. Since bonds are purchased to immunize the portfolio against changes in interest rates and are intended to be held-to-maturity there is no realization of these losses. It is expected that the Bank of Canada is at tail-end of this rate hiking cycle and as the economy eventually recovers from any potential economic downturn that these unrealized losses will reverse and both fixed income and equities should significantly outperform cash and short duration assets.</p>				
<u>Actions to Mitigate Future Anticipated Variances</u>				
<p>The portfolio continues to transition to the Prudent Investor IPS asset allocation targets and the higher allocation to short-term assets puts the City in a great position to take advantage of higher interest rates on fixed income securities and to continue adding equity exposure at a significant discount. The diversification benefits afforded under Prudent Investor will contribute to better risk-adjusted returns through enhanced diversification of the asset mix.</p>				

Service/Driver: Development Services – Engineering Fees			
Budget: (\$622K)	Actual: (\$2.0M)	Variance \$: \$1.4M	Variance %: (218%)
<p><u>Reason for Variance</u></p> <p>Variance is a result of a higher than anticipated volume of development applications and the related application review fees received.</p>			
<p><u>Impact Going Forward</u></p> <p>A significant portion of the fees have been deferred to 2023 and 2024 to offset future staff time allocated to the administration of the development files submitted in 2022.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>As this is a positive variance due to external factors outside of City control there are no actions to be undertaken.</p>			

Service/Driver: Information Technology – Services			
Budget: \$4.2M	Actual: \$3.7M	Variance \$: \$539K	Variance %: 13%
<p><u>Reason for Variance</u></p> <p>Changes in GIS priorities for some operational groups resulted in less data acquisitions than originally planned. The corresponding grant funding revenue was reduced in the IT revenue lines.</p> <p>Professional services related to new hardware setup, configuration and installations are lower than forecasted as supply chain issues continue to impact equipment availability and delivery. The professional services are forecasted based on the best estimate of equipment delivery dates.</p>			
<p><u>Impact Going Forward</u></p> <p>Although the supply chain appears to be stabilizing post COVID, there are geopolitical situations and unrest that may add complexity to the global supply chain.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>IT will continue to order equipment with as much lead time as possible, while also working with vendors to get more accurate delivery dates.</p>			

Service/Driver: Solid Waste Operations - Services			
Budget: \$7.4M	Actual: \$7.0M	Variance \$: \$386K	Variance %: 5%
<p><u>Reason for Variance</u></p> <p>Reduced tonnages for both garbage (\$42K under) and recycling (\$246K under) streams were realized. This can be attributed to trends moving away from traditional paper and cardboard to more light weight plastics and films, resulting in lower collected tonnages but higher volumes. Additionally, contract costs associated with landfill gas system maintenance were lower than budgeted as the system was stable and required fewer maintenance “call outs”.</p>			
<p><u>Impact Going Forward</u></p> <p>Minimal impact expected in both areas previously noted. It is anticipated that as new builds continue and occupancy of these areas begins to increase, so will the collected waste volumes across each stream, bringing spending in line with the funds budgeted for 2023.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>None at this time, as a new contract will commence in May of 2024 with a “per unit” payment model versus the current tonnage-based model.</p>			

Service/Driver: Legal Services Department – Legal Services – Consultants & Legal Services			
Budget: \$510K	Actual: \$191K	Variance \$: \$319K	Variance %: 63%
<p><u>Reason for Variance</u></p> <p>The positive variance is attributable primarily to the rescheduling of CGI appeal matters into 2023 resulting in an underspend of budget.</p>			
<p><u>Impact Going Forward</u></p> <p>Legal expenses will fluctuate based on the progress of litigation and number of matters before the courts. A legal contingency reserve was established to fund legal costs in very active periods of litigation.</p>			
<p><u>Actions to Mitigate Future Anticipated Variances</u></p> <p>No action is required.</p>			

Service/Driver: Human Resources – Consultants - General			
Budget: \$485K	Actual: \$179K	Variance \$: \$305K	Variance %: 63%
<u>Reason for Variance</u> <p>Consultant dollars for WSIB matters were not used as expected as more cases have been managed more with in-house management instead of using external lawyers. Where appropriate, use of Paralegal for advice on WSIB matters rather than a lawyer also reduced cost. For employee and labour relations matters, efforts have been made to seek internal legal counsel wherever possible. In addition, where possible, recent workplace investigations were completed by internal HR staff rather than hiring a consultant.</p> <p>There were fewer complex disability/illness claims needing external consultant dollars in 2022. These are difficult to plan for due to unknown issues that may be required throughout the year. Furthermore, the Disability and Accessibility Management Specialist salary utilized consulting budget dollars in 2022 (approximately \$120K). As part of the 2023 budget, Council has approved Intake Form 2734 – Disability Management Specialist which permanently moves these dollars to a permanent complement.</p> <p>Human Resources was planning on purchasing Performance Management and Learning Management software in 2022 but these purchases have not been completed to date.</p>			
<u>Impact Going Forward</u> <p>Consulting costs for HR are variable and hard to predict. Every effort is made to reduce the spend on consulting and delivering the services internally where possible. The reduction of consulting costs is correlated to an increase in staffing dollars spent, which is more cost-effective for the City. Total budget management for HR in 2022 results in a favorable variance of approximately \$100K (3%) even with this significant variance in consulting spend.</p> <p>The purchase of a Performance Management software will occur in 2023, impacting next year's consulting budget.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u> <p>Costs for legal service vary based on the City's needs and we can anticipate that variances may occur throughout the year but should average out over the entire period. Project planning will help in allocating the budget to the appropriate quarter for projects that fall under this cost category.</p>			



Service/Driver: Business Performance & Environmental Sustainability – Services			
Budget: \$774K	Actual: \$622K	Variance\$: \$152K	Variance: 20%
<u>Reason for Variance</u> The Business Performance & Environmental Sustainability Department experienced significant unanticipated human resource limitations over the operating year which reduced the ability to advance scheduled projects. Underspensing in the areas of Consultants General and Contracted Services were the drivers of the variance. This was due to the reduced staff capacity to deliver planned initiatives.			
<u>Impact Going Forward</u> Affected projects are continuing in 2023 with delays to the baseline schedules.			
<u>Actions to Mitigate Future Anticipated Variances</u> Business Performance & Environmental Sustainability will collaborate with all corporate and external stakeholders to avoid further delays to planned initiatives.			

Service/Driver: Parks & Forestry Operations – Repairs & Maintenance			
Budget: \$380K	Actual: \$228K	Variance \$: \$152K	Variance %: 40%
<u>Reason for Variance</u> <p>There were several key areas where there was under spending in 2022, with the most common contributing cause being deferred projects/spending. The following reasons are noted for the 2022 variance:</p> <ul style="list-style-type: none">• greenhouse repairs deferred (glass, heaters, benches) due to pending replacement of the greenhouse as part of the Operation's Centre renewal project,• downtown planting bed maintenance deferred – Dunlop St planting beds were on warranty with contractor,• Centennial boardwalk repair deferred – due to structural review by Tacoma Engineers; it was determined late in season that a contractor would need to do the extensive repairs rather than staff,• trail and bridge repairs deferred – reduced staffing in Forestry due to vacant positions resulted in less trail and bridge repair than anticipated,• Meridian Place – reduced use through COVID (less events) resulting in lower than anticipated damages/maintenance and repairs.			
<u>Impact Going Forward</u> <p>Deferred projects will be planned expenses within the 2023 Operating Budget. This includes the Centennial boardwalk, a planned expense from the Contracted Services budget. Dunlop Street will also be under full maintenance responsibility of the horticulture team in 2023.</p>			
<u>Actions to Mitigate Future Anticipated Variances</u> <p>Future repair & maintenance budgets for the Greenhouse will be reduced significantly, assuming full replacement of the current structure. Appropriate project planning will be undertaken to account for resource availability.</p>			

Service/Driver: Transit – Gasoline			
Budget: \$2.5M	Actual: \$3.4M	Variance \$: (\$922K)	Variance %: (37%)
<u>Reason for Variance</u> Fuel prices jumped significantly from \$1.05 last fall to \$2/litre in 2022. The 2022 budget included clear diesel fuel at an assumed rate of \$1.10/litre.			
<u>Impact Going Forward</u> The budget overages continued for the remainder of the year with some minor relief being experienced recently.			
<u>Actions to Mitigate Future Anticipated Variances</u> Fuel prices have been adjusted in the 2023 business plan with an estimate of \$1.50/litre, which is currently where fuel prices have been sitting.			



Service/Driver: Fleet Operations – Repairs & Maintenance			
Budget: \$1.6M	Actual: \$2.4M	Variance \$: (\$882K)	Variance %: (55%)
<u>Reason for Variance</u> The City's fleet, primarily medium and heavy-duty trucks, are aging and are requiring costly repairs to stay operational to provide critical services. Replacement vehicles and equipment were delayed due to supply chain issues. Older vehicles are being used as spare equipment for when other equipment is out of service. The following repairs contributed to the variance: <ul style="list-style-type: none">- \$293,000 in repairs to 8 winter maintenance vehicles- \$284,000 in repairs to 6 Barrie Fire and Emergency Services vehicles- \$221,000 in repairs to 8 pieces of heavy equipment			
<u>Impact Going Forward</u> Significant repair and maintenance costs are expected until older units are replaced with new vehicles.			
<u>Actions to Mitigate Future Anticipated Variances</u> Operations intends to cover any variances by managing operating budget to the bottom line across the department. The planned Fleet Management System will assist by further solidifying business cases for both capital and operating budget asks.			

Service/Driver Total: Court Services – Fines & Penalties Revenues net of External Transfers				
	2022 Budget	Actuals	Variance	Variance
Fines & Penalties	(\$6.3M)	(\$5.0M)	(\$1.3M)	21%
External Transfers	\$1.2M	\$703K	\$500K	42%
	(\$5.1M)	(\$4.3M)	(\$830K)	16%
<u>Reason for Variance</u>				
<p>Court recovery has been slower than anticipated. The number of courts made available by the Province to our operation on a daily basis did not reach pre-pandemic levels (3 courts per day) until late 2022. The Barrie Court Service area experienced a drop of 17.5% in new charge volume in 2022 over 2021. Charge volumes filed by Barrie Police Services were 57.3% less than in 2021. These two factors were the significant drivers of decreased revenues in 2022.</p>				
<u>Impact Going Forward</u>				
<p>As timing of payments of fines vary greatly on a number of uncontrollable factors, overall achievable revenues will be negatively impacted going forward with such a decrease in number of charges filed in 2022.</p> <p>Continued lack of available judicial resources provided by the Province may continue to pose challenges on meeting anticipated revenues. The assignment and provision of judicial resources is not within the control of the municipality as they are allocated by the Ministry of the Attorney General.</p>				
<u>Actions to Mitigate Future Anticipated Variances</u>				
<p>Various police agencies have been made aware of the partner's concerns (lack of charge activity and reduced revenues) stemming from discussions at the annual partner's meeting. Messaging has also been sent to Barrie Police Service regarding the impacts of reduced Provincial Offences charge volumes.</p> <p>Staff in the Legislative and Court Services Department will be reporting back with the next steps associated with implementing an Administrative Monetary Program System (AMPS) program with respect to Parking and Automated Speed Enforcement penalties. This program will allow for more control on the revenues that the City receives with respect to these matters.</p>				

Service/Driver: Enforcement Services – Enforcement Fees, Fees & Service Charges and Parking Tickets			
Budget: (\$1.7M)	Actual: (\$845K)	Variance \$: (\$823K)	Variance %: 49%
<u>Reason for Variance</u> Staffing shortages were experienced in all areas of Enforcement Services. For a large portion of the year, Enforcement Services was short 15 staff members from our enforcement team. Licensing fees were not reestablished until May 2022 based on Council's motion to waive fees during COVID recovery efforts.			
<u>Impact Going Forward</u> Recovery efforts are underway with many staff members being hired. The current shortage is down to 5 staff members. Recovery will likely not be realized until late 2023.			
<u>Actions to Mitigate Future Anticipated Variances</u> All enforcement measures have returned to normal. At this time, no further motions to reduce or waive fees are in place. Staffing levels are showing some stability which will improve overall function and recovery.			

Service/Driver: Fleet Operations – Gasoline & Diesel

Budget: \$1.1M	Actual: \$1.7M	Variance \$: (\$595K)	Variance %: (54%)
<u>Reason for Variance</u> Fuel prices rose sharply in 2022 due to a variety of worldwide supply and inflation issues that were out of the City's control. When the operating budget was inputted by staff in the spring of 2021, diesel fuel prices averaged \$1.17 per litre and gasoline averaged \$1.22 per litre. During 2022, diesel fuel increased by an average of 67% and gasoline increased by an average of 38%.			
<u>Impact Going Forward</u> It is expected that fuel price pressures will be similar in 2023 as in 2022.			
<u>Actions to Mitigate Future Anticipated Variances</u> The 2023 operating budget was increased to account for some price increases, however a total fuel variance of \$300,000 is still anticipated. Operations intends to cover any variances by managing operating budget to the bottom line across the department.			

Service/Driver: Facilities – Contracted & Other Services			
Budget: \$ 2.5M	Actual: \$ 3.0M	Variance \$: (\$ 452K)	Variance %: (18%)
<u>Reason for Variance</u> Many facilities still required additional maintenance that was deferred from 2020 and 2021 due to staff re-allocations and to reduce Corporate expenditures during the pandemic. This will be reduced in 2023 as work is caught up on deferred maintenance. Some of the unforeseen contracted services are from Fire HQ generator ongoing repairs and Fire 2 door frame repairs along with extensive work at City Hall contributed to the variances.			
<u>Impact Going Forward</u> This will be reduced in 2023 as deferred maintenance is completed and resumes a regular schedule.			
<u>Actions to Mitigate Future Anticipated Variances</u> The actions to reduce future variances include the continued in-sourcing of contracted services by City technical staff whenever possible, and the return to our regular maintenance schedule.			

APPENDIX C

Capital Plan Progress Update by Division as of December 31st, 2022

Summary of Capital Plan & Forecast	2022 Capital Budget			Performance Reporting Q4					Annual Deferred Budget
	Carryover from Prior Year Budgets	New Projects Approved in 2022 Budget	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	
Access Barrie	\$ 13,563,151	\$ 11,477,419	\$ 25,040,570	\$ 11,007,039	\$ 8,850,616	\$ 2,156,423	80.4%	35.3%	\$ 16,189,954
CAO & Mayor's Office	\$ 1,836,277	\$ (348,323)	\$ 1,487,954	\$ 1,069,426	\$ 506,293	\$ 563,134	47.3%	34.0%	\$ 981,661
Community & Corporate Services	\$ 47,942,326	\$ 24,302,437	\$ 72,244,763	\$ 27,168,047	\$ 10,186,668	\$16,981,379	37.5%	14.1%	\$ 62,058,095
Developer Built Projects	\$ 33,898,160	\$ 9,396,900	\$ 43,295,060	\$ 16,837,105	\$ 21,843,974	\$ (5,006,869)	129.7%	50.5%	\$ 21,451,087
Infrastructure & Growth Management	\$ 141,333,064	\$ 83,737,771	\$ 225,070,835	\$118,152,768	\$ 92,253,828	\$25,898,940	78.1%	41.0%	\$ 132,817,007
Service Partners	\$ (951,352)	\$ 7,290,036	\$ 6,338,683	\$ 4,267,122	\$ 4,523,235	\$ (256,112)	106.0%	71.4%	\$ 1,815,449
Total	\$ 237,621,625	\$ 135,856,239	\$373,477,865	\$178,501,508	\$138,164,612	\$40,336,895	77.4%	37.0%	\$ 235,313,252



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
EN1006 - COUNTY RD 27/CN RAIL: BEAR CRK	550,000	-	-	-	0.0%	0.0%	550,000	This project is still not started and is being discussed with the County and Developers. It is hoped that an agreement can be reached between the parties. The road is currently in EA, design phase being delivered by the county. This was subject to the old Ardagh West Secondary Plan LOG Agreement.
EN1091 - WwTF New Advanced Nutrient Removal	12,743,498	1,233,255	1,490,158	(256,904)	120.8%	11.7%	11,253,340	The procurement phase for Integrated Project Delivery took significant effort to finalize cost details. In Q4 of 2022, the project accelerated due to the validation phase ramping up.
EN1168 - Dyments Creek Culvert Exp - Bradford St.	2,064,773	49,884	43,369	6,516	86.9%	2.1%	2,021,405	Property acquisition is no longer required. Surplus funds will be returned through the Capital Status report in 2023.
EN1172 - Gunn St ROW Repl - Peel to St. Vincent	5,183,801	5,150,000	3,284,038	1,865,962	63.8%	63.4%	1,899,763	Construction for this project was phased over two years. Construction and the associated cashflow anticipated in 2022 will occur in 2023.
EN1182 - Painswick Park Rehabilitation	4,019,467	2,005,000	2,413,316	(408,316)	120.4%	60.0%	1,606,151	Project on track to be substantially completed in Q3 2023 maximizing remaining budget.



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
EN1251 - McKay Rd New Inter - Highway 400 (City)	9,148,047	8,148,046	2,292,386	5,855,661	28.1%	25.1%	6,855,661	The variance is due to delays in expenditures primarily related to property expropriation.
EN1255 - Huron Rd Trunk Sanit-Lockh- McKay (City)	2,481,686	1,483,436	300,429	1,183,007	20.3%	12.1%	2,181,257	The variance is due to delays in the expenditures related to property acquisition.
EN1269 - Kidds & Sophia Cr Storm Pond Upgrs	4,941,744	1,923,098	543,619	1,379,480	28.3%	11.0%	4,398,125	Construction is underway. The project will be completed below budget. Surplus funds will be returned as part of the Capital Status Report.
EN1271 - M-view Dr E R Exp- Yonge to P Wllm(City)	4,715,333	1,285,901	855,821	430,080	66.6%	18.1%	3,859,512	The variance is due to delays in the expenditures related to property acquisition.
EN1277 - Bryne Dr Cnstr - Harvie to N of Caplan	5,524,434	1,658,198	1,392,300	265,898	84.0%	25.2%	4,132,134	Original project scope revised to address a shift in the City's preferred cycling facility network therefore affecting the utility relocation.

Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
EN1278 - Bryne Dr Rd Constr - Harvie to S Essa	9,265,337	826,476	223,409	603,066	27.0%	2.4%	9,041,928	The variance is due to project delays related to property acquisition and detailed design.
EN1280 - NRP-HNS Queens Park A1 Neighb Recon	5,193,408	451,760	68,429	383,331	15.1%	1.3%	5,124,979	This project was delayed one construction season due to resource constraints. Construction to be tendered in May 2023.
EN1282 - NRP-HNS Allandale A Neighb Recon	2,429,415	73,650	26,874	46,776	36.5%	1.1%	2,402,541	The variance is due to delays in the expenditures related to property and resource constraints.
EN1297 - WwTF Electrical SubStn and Trans Upgr	2,406,704	420,000	192,688	227,312	45.9%	8.0%	2,214,016	The procurement phase for Integrated Project Delivery took significant effort to finalize cost details. In Q4 of 2022, the project accelerated due to the validation phase ramping up
EN1318 - NRP-HNS Brock Park Neighbourhood Recons	4,974,568	1,204,275	156,098	1,048,177	13.0%	3.1%	4,818,470	This project was delayed one construction season due to design delays. The Construction Contract has been awarded.



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
EN1324 - Big Bay Point Rd Painswick Bridge Rehab	1,375,046	1,429,000	55,460	1,373,540	3.9%	4.0%	1,319,586	The detailed design and the tender phase was delayed due to permits required from Metrolinx. Construction is underway and will be completed in 2023.
EN1388 - Maplevue Drive Diverging Diamond Interc	600,000	120,000	-	120,000	0.0%	0.0%	600,000	Project delayed due to staffing constraints.
EN1431 - WwTF 96 MLD Expansion Program, Comprehen	2,314,356	345,346	100,293	245,053	29.0%	4.3%	2,214,063	The procurement phase for Integrated Project Delivery took significant effort to finalize cost details. In Q4 of 2022, the project was underway and timing for the initiation of the Class EA is being evaluated.
EN1438 - WwTF Digester Capacity Expansion	2,387,730	390,000	164,144	225,856	42.1%	6.9%	2,223,586	The procurement phase for Integrated Project Delivery took significant effort to finalize cost details. In Q4 of 2022, the project accelerated due to the validation phase ramping up.
EN1442 - Secondary Plan Area New Trail Developmen	1,960,001	-	-	-	0.0%	0.0%	1,960,001	Pace of subdivision development slower than planned resulting in deferred trail development projects.



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
EN1468 - SWTP Control System Upgrade	3,019,659	2,859,250	165,134	2,694,116	5.8%	5.5%	2,854,525	The design phase was delayed due to a change in procurement method. Design-Build contract has been awarded and work is underway.
EN1498 - Bayfield Street Right of Way Expansion -	950,000	215,000	137,765	77,235	64.1%	14.5%	812,235	Cost variance reflects adjusted project schedule; cashflows to be updated as part of Spring capital status and 2024 capital plan.
RP1093 - Alectra Pole Betterment & Capital Upgr Prog	1,072,747	-	43,398	(43,398)	0.0%	4.0%	1,029,349	This is a multi-year project led by Alectra. City of Barrie will be required to remove traffic poles once Alectra installs hydro poles beside them. The variance is due to the timing of when Alectra completes the installation.
RP1156 - Fleet Replacement Program	12,290,894	7,455,894	5,637,352	1,818,542	75.6%	45.9%	6,653,542	RP1156 Fleet Replacement Program is underspent by about \$1.8 million against the 2022 forecast; this is primarily due to supply chain issues facing the automotive market. Lead times are currently 8 months to 2 years depending on the vehicle and a number of vehicles were delayed from their original delivery date. Unspent funds are committed through POs, and staff are working with vendors to ensure delivery of vehicles as soon as possible. The City has taken delivery of 11 cargo vans and a new landfill compactor in March 2023 for a combined \$1.786 million of the \$1.8 million variance against the 2022 forecast.
IT1010 - Network Tech Infrastructure Program	2,043,205	1,372,202	619,599	752,603	45.2%	30.3%	1,423,606	Supply chain issues continue to make equipment delivery dates hard to forecast. Many vendors are no longer providing meaningful ETAs and provide wide delivery windows of, for example, 9-12 months.



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
IT1050 - BFES Next Gen 911 Phone System	1,620,000	220,000	243,898	(23,898)	110.9%	15.1%	1,376,102	The NG911 Fit Gap analysis was slightly larger than anticipated at the project budgeting phase. The extra \$24k spent in the Fit Gap analysis phase has a great amount of detail for the RFP related to implementation. This added clarity in the RFP will ensure more accurate bids and minimize change request after the bidding process as the multi-year project proceeds.
TR1029 - Conventional Transit Bus Replacement 2020	5,122,442	3,873,132	3,898,302	(25,170)	100.6%	76.1%	1,224,140	The buses were purchased in Q1 2022 and typically take 12-18 months to procure. The buses will be received in Q2 2023.
TR1030 - Conventional Transit Bus Growth 2020	2,088,888	-	-	-	-	0.0%	2,088,888	Bus purchases are linked to the introduction of service to Salem and Hewitts area, which has been deferred until at least 2024.
TR1035 - Battery Electric Bus (BEB) and Charger	3,350,000	72,000	7,529	64,471	10.5%	0.2%	3,342,471	Currently in the procurement phase, with spending targeted Q4 2023 to Q1 2024.
FC1084 - BFES Station 6 New Building Development	2,500,000	2,000,000	88,941	1,911,059	4.4%	3.6%	2,411,060	Additional phases of site due diligence delayed the land appraisal and subsequent acquisition. Limited branch resources were able to support the procurement for design consultants in the fall of 2022.

Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
FC1124 - Operations Centre Building Renovation	12,477,046	1,212,263	842,152	370,112	69.5%	6.7%	11,634,895	This is a multi-year project with the majority of the expenditures identified in future years. A secondary procurement process to onboard additional partners was unplanned, pushing out the start of the Validation Phase by three months.
FC1206 - Allandale Transit Hub Development	9,191,019	928,793	897,747	31,046	96.7%	9.8%	8,293,271	This is a multi-year project with the majority of the expenditures identified in future years. While the approved project budget matches values contained in the City's ICIP application, the overall project schedule is delayed due to the delay in receiving ICIP funding approval. 2021 was subsequently identified for the Validation/Consulting phase and 2022-2023 were identified as construction phases.
FC1215 - WWTF Administration & Garage Building Re	7,008,097	346,381	158,593	187,788	45.8%	2.3%	6,849,504	Labour shortages in the consulting industry (design and costing) delayed the completion of the Conceptualization Study Report. This report acts as the description of the project or condition of satisfaction for the subsequent procurement phase of the project which will be started upon hiring a new Senior Project Manager in mid-2023.
FC1262 - Operations Centre Master Plan - Land Purchase	13,995,708	3,000	10,583	(7,583)	352.8%	0.1%	13,985,125	MTO land disposals were placed on hold in 2021. As a result, this land purchase did not occur as planned.
FC1264 - Modular Supportive Housing – Vespra St	2,969,402	2,969,402	1,031	2,968,372	0.0%	0.0%	2,968,372	In 2021, Council directed that staff work with the County to determine sites or projects that the City could consider supporting to allow for a more expeditious provision of supportive housing. Discussions continue with the County of Simcoe concerning potential opportunities.



Project	2022 Total Budget including Transfers	Projected YTD Spending Forecast	Actual 2022 Spending	Variance to 2022 Projected	% of Spending Forecast Achieved	% of 2022 Total Budget Spent	Annual Deferred Budget	COMMENTS
FC1271 - SWTP - Solar PV Installation	1,402,252	460,000	15,696	444,304	3.4%	1.1%	1,386,556	Due to limited branch resources, this project was required to be reprioritized. It is anticipated to be supported once two Project Managers are onboarded mid-2023.

APPENDIX D

Key Division Service Delivery Initiatives (KDSDI's) at December 31, 2022

To achieve Council's Vision of a progressive, diverse and prosperous City with opportunities for all citizens to build a healthy and vibrant community, Barrie sets priorities over each four-year term of Council through the Strategic Plan.

On March 25, 2019, Council approved their 2018–2022 Strategic Priorities, and with some further additions in December 2020, finalized their Strategic Plan. These key priorities are:



Growing our economy



Fostering a Safe & Healthy City



Improving the Ability to Get Around



Building Strong Neighbourhoods





Offering Innovative & Citizen-Driven Services



Supporting a Vibrant & Safe Downtown

The remainder of this section highlights how a particular Strategic Plan area is tackled through the goals a Division has. These short-term goals of the Division are broken down into Departmental Performance Measures and as such are easier to provide progress reports on.

CAO & Mayor's Office Division

Strategic Plan Area	Key Division Service Delivery Initiatives	Performance Measures
	Continuous improvement of development approval processes including the timely preparation and registration of development agreements, completion of property acquisition and disposition negotiations, structuring of agreements and closings of transactions in support of strategic priorities	<ul style="list-style-type: none"> • % of properties acquired by negotiation vs expropriation • % of Site Plan and Subdivision Agreements in circulation for review within 15 business days following receipt of instructions and payment
	Evolve HR services to be a trusted and strategic partner to our clients, deliver tools and solutions that help our clients get their work done and ensure that where and how we work is safe and supportive	<ul style="list-style-type: none"> • Corporate training \$ spent per permanent employee • % turnover in first 2 years of employment • Number of lost time incidents
	Support decisions that enhance the Corporation's long range financial condition and support the accountability and transparency of the City's the operations	<ul style="list-style-type: none"> • Audited Financial Statement Completion Date • Tax arrears as a percent of current year levy • Return on Investments
	Advise Council and the corporation about areas for improvement and risks associated with City programs and services	<ul style="list-style-type: none"> • Internal Audit recommendations accepted by management • Fraud awareness sessions delivered

KEY PERFORMANCE INDICATORS

	Annual Target	2022 Actual
Internal Audit recommendations accepted by management	100%	100%
Fraud awareness sessions delivered	5	4
% of properties acquired by negotiation vs expropriation	60%	69%
% of insurance claims/incidents handled in-house	95%	96%
% of Site Plan and Subdivision Agreements in circulation for review within 15 business days following receipt of instructions and payment	85%	90%
Corporate training \$ spent per permanent employee	\$75	\$125
% turnover ¹	0.0%	5.0%
Number of lost time incidents	20	19
Audited Financial Statement Completion Date	May	May
Tax arrears as a percent of current year levy	6%	5.5%
Return on Investments ²	2%	3.0%

¹ (# voluntary Permanent resignations and deaths, divided by # active permanent staff, multiplied by 100) 45 voluntary departures of perm ft staff in Q4 and 908.5 headcount average for 2022.

² The portfolio achieved a realized return of 3.0%, better than the cash/budget-based target of 2.0% for the year, or an outperformance of 1.0%. The total return, including unrealized losses, was 1.59%.




ACHIEVEMENTS TO DECEMBER 31



- Completed the registration of further phases of plans of subdivision in the Hewitt's Secondary Plan Area (Blue Sky/Honeyfield, Hewitt's Gate Phase 3 (Pratt))
- Continued to work with staff in our development services, finance, and infrastructure departments on streamlining and improving the processes related to drafting and registering development agreements, as well as working with staff on updating content of the Agreements.
- Become an Employer of Choice and strive to Attract and Retain Top Talent
 - ✓ Finalized and rolled out the Hybrid Work Program after a successful pilot and enhanced and updated available resources.
 - ✓ Developed and implemented an Electronic Monitoring Policy in accordance with requirements under the Employment Standards Act.
- Deliver customer service excellence, partner with business to find solutions and work with CUPE and BFFA to maintain positive Labour Relations.
 - ✓ Streamlined and updated policies and procedures.
 - ✓ Meet and greet with BPPFA president, vice president and Fire Chief.
- Modernize HR technology, streamline processes, create efficiencies and leverage metrics to meet existing and emerging needs.
 - ✓ Staff became White Belt Certified in Lean Six Sigma.
 - ✓ Implemented several efficiencies in the hiring process.
 - ✓ Implemented automated file transfers between our Health and Safety software and SAP for reduced manual work.
 - ✓ Replaced manual forms process with DocuSign for our pension enrollment, saving significant staff time.
 - ✓ Updated the organizational chart software to allow departments to view a position-to-position view as requested by operational departments.
 - ✓ Began improving the HR Onboarding Process.
 - ✓ Continued to modernize HR's filing system by digitizing employee files.
 - ✓ Began the implementation of an HR Dashboard to display HR data and metrics.
- Ensure the Safety, Health and Total Wellness of our Employees.
 - ✓ Development of a corporate Wellness Strategy, and creation of a Psychological Health and Safety Committee and Wellness Ambassador committee to increase resilience and implement the National Standard for Psychological Health and Safety.
 - ✓ Developed a Wellness calendar of events for 2023.
 - ✓ Held numerous events to encourage staff to participate and improve their Wellness, and support the community at the same time (e.g., Lace Up to End Diabetes).
 - ✓ Conducted initial review and gap analysis for Safety Management System for worker health and safety (Certificate of Recognition – COR).
 - ✓ Development and implementation of an in-house Safety Data Sheet (SDS) online library.
 - ✓ Updates to designated substances programs, sound level surveys and related training.
 - ✓ Onboarded several new union elected Joint Health and Safety Committee members.
- Enhance employee engagement and build leadership strength.
 - ✓ Coordinated the Leading Together session in partnership with Innisfil and Simcoe County.
 - ✓ Developed and delivered various in-house training sessions offered through the corporate training calendar.

-
- Foster a culture of inclusion, diversity and accessibility to promote a sense of belonging for all staff.
 - ✓ Developed an annual inclusion calendar of events.
 - Conducted additional Integrated Project Delivery billable rate audits to verify project costs and ensure value for the City.
 - Performed an audit required by the Ministry of Transportation for the City's Driver Certification Program to allow for our own driver training and testing.
 - Oversight of the City's whistleblowing reporting program which resulted in improvements to internal controls and increased compliance with City policies and procedures.
 - In Q4 2022, budget preparation continued for the 2023 budget, including drafting of budget binder and public consultation through the Budget Allocator Tool.

Community and Corporate Services

Strategic Plan Area	Key Division Service Delivery Initiatives	Performance Measures
	Promote a vibrant, healthy, active, culturally diverse, and safe community through excellence in the delivery of recreational, cultural, courts, fire and emergency, and enforcement services and programming	<ul style="list-style-type: none"> • Use of public spaces • Road Response Time • Fire and Building Code Inspections • Emergency Call Processing Time • Average time to trial • Ice Utilization Rate (Prime Time) • RecACCESS Participation Rate • Registered Programming Occupancy Rate • Average time to complete a Property Standards File • Average time to complete a Yard Maintenance File
	Develop a comprehensive process to meet facility asset management and capital planning needs based on information from Facility Condition Assessments and updated master planning documents	<ul style="list-style-type: none"> • City Facility Condition Index • % of Capital Project Expenditure to Budget
	Contribute to an environmentally sustainable and cost-effective community through the design, maintenance, rehabilitation/renewal and construction of strategic and operational facilities projects	<ul style="list-style-type: none"> • % of GHG Emission Plan Initiatives Started • Annual Utility Cost Avoidance

KEY PERFORMANCE INDICATORS

	Annual Target	2022 Actual
Use of public spaces - Usage of waterfront beaches and Meridian Place ³	175,000	475,000
City Facility Condition Index ⁴	7%	7%
Percentage of Greenhouse Gas Emission Plan Initiatives Started ⁵	20%	31%
Road Response Time- % of the time less than 6 minutes for all emergency types	90%	87%
Fire and Building Code Inspections	3,500	2,881
Emergency Call Processing Time - % of time less than 60 seconds	95%	95%
Annual Utility Cost Avoidance ⁶	\$453,685	\$219,043
Capital Project Expenditure of Available Budget as percentage ⁷	85%	40%
Average time to trial - Part I charges (months)	9 Months	Approx 8-9 months

³ Increase is due to return of Kempenfest festival, larger-than-anticipated attendance for Canada Day fireworks, 22 permitted events at Meridian Place, and warm weather resulting in a high number of residents and visitors at Centennial and Johnson Beaches (165,000).

⁴ A consultant has been engaged to complete audits of various City assets with the project kick-off scheduled in June 2022. Based on the workplan developed, it is not expected that this data will be available until at least Q1 2023.

⁵ Six of nineteen strategies identified under 'Big Moves' within the GHG plan have been initiated.

⁶ Cost avoidance KPI was reduced to impacts of energy usage and cost associated with the 29 Sperling facility, otherwise 2022 cost avoidance activities trended slightly below targets.

⁷ KPI is determined on an annual basis. Capital project budgets are trending lower than planned KPI as most of the project procurement occurred in Q1/Q2 and was limited due to resourcing. Several capital budgets required additional funding requests due to the ongoing influences on the construction industry by the pandemic. A number of in-year, unplanned project have added to FPD's workload.

	Annual Target	2022 Actual
Average time to complete a Property Standards File	35 days	40 days
Average time to complete a Yard Maintenance File	12 days	16 days
Ice Utilization Rate (Prime Time) ⁸	65%	58%
RecACCESS Participation Rate as a % of Low-Income Population	10.5%	9.7%
Registered Programming Occupancy Rate	75%	84%

ACHIEVEMENTS TO DECEMBER 31



Recreation and Culture Services is working collaboratively across all branches and with external stakeholders to provide facility space, programs, and resources to meet the needs of residents by:

- Continued development of existing and innovative recreational and sport programming that will meet the existing and emerging needs of residents.
- Financially supporting Inclusion Services programming and the recACCESS financial assistance program to provide opportunities for all Barrie residents to participate in recreational activities.
- Maintaining the department's HIGH FIVE Accreditation. The verification process was completed in November.
- Administer the Recreation and Sport Community Grant process and evaluate the success of funded initiatives.
- Collaborating with the development of a Sports Tourism Strategy for the City.
- Active participation in the review of the Performing Arts Centre Task Force recommendations related to a new Performing Arts Centre (PAC) through the selection of a consultant to evaluate the PAC's design that best suits the needs of the City and the cultural sector in Barrie.
- Building strong partnerships with recreation and cultural community groups to maximize participation and usage of recreation centres and theatre venues.

Staff are actively working on completing updated Facility Condition Assessments for the Recreation Facility portfolio. Development of an updated process in collaboration with Corporate Asset Management has been delayed due to COVID-19 resourcing constraints.




The Energy Management Branch is actively participating in a number of construction projects to embed environmental and low carbon considerations, including the Transit Hub, Operation's Centre Renewal, Wastewater Maintenance Building, Wastewater Treatment Facility Membrane Upgrade Project and the Anne Street Booster Station upgrade.

⁸ Based on available hours outside of facility closures due to COVID-19.

Access Barrie

Strategic Plan Area

Key Division Service Delivery Initiatives

  	Initiate Barrie Transit's network redesign planning activities for the relocation of the main terminal to the new Allandale Transit Mobility Hub
	Develop and launch a new external website (barrie.ca)
	Expand the IT Security Program and Digital Transformation initiatives

KEY PERFORMANCE INDICATORS

	Annual Target	2022 Actual
% Of Customer Interactions in Service Barrie that are resolved at first contact ⁹	70%	76%
% Of Customer Satisfaction rates as moderately high to high ¹⁰ (ranked as 9 or 10 out of 10)	85%	83%
% Of positive/neutral media coverage ¹¹	80%	91.7%
Transit On Time Performance	86%	87%
Annual Ridership ¹²	2.4M	2.8M
Transit Revenue to Cost Ratio ¹³	20%	26%
Technology Condition Index (Computers, Servers, switches, and other hardware) ¹⁴	75	74
Application Systems Condition Index (Applications and Standard Software) ¹⁵	75	75
Digital Transformation Project Delivery (Degree IT projects meet Ontario Digital Service Standards, 2021) ¹⁶	75	75

⁹ We have exceeded our target for first contact resolution – some of the increase can be attributed to being the main point for more topics in Q1 due to the pandemic. Ongoing review and updating of processes as well as an improved knowledge base within the Citizen Experience Management has also assisted in increasing this number.

⁵ Customer Satisfaction netted out at 83%. The satisfaction rate reported on the email channel was the lowest and is directly attributed to significant yard waste delays in Q4 – residents were marking based on the lack of pickup rather than the interaction of reporting it with Service Barrie. Overall great feedback though with majority of scores being 9 or 10 out of 10.

¹¹ We have exceeded our annual target for positive media coverage in 2022. Some noteworthy stories include: Drinking water getting perfect score for quality, Spring into Clean event, a number of provincial funding announcements, City's stable AA+ Credit rating, launch of new mobile app, Barrie making list of top 10 places to live in Canada, Kidd's Creek project completion, Bill Gosling Outsourcing relocating headquarters to Barrie, New 'aligned' Council setting priorities for the next four years, Canadian tire Jumpstart building new playground in Barrie, Launch of new website, Communities in Bloom, Bike the night event, Brightening Barriers program, City ranked 'overall best' for approving, developing new housing, Funding announcement for electric buses, Support a local restaurant and have your ticket cancelled program during COVID.

¹² COVID-19 and remote learning at Georgian College has resulted in reduced ridership. Ridership increased in September with the return of full-service levels and students back on campus.

¹³ With the return to full service in September, revenues improved and were higher than originally anticipated in the budget.

¹⁴ With longer lead times for replacement equipment, some hardware is staying in service slightly longer than planned cause the slight drop in the index. Equipment for 2023 has already been ordered so we expect to have the index back to the targeted 75 by mid-2023.

¹⁵ The new applications added during COVID have kept this number at 75. Some existing applications need updates and will be the focus for 2023.







¹⁶ Several successful IT projects in 2022 have demonstrated the benefits of the digital transformation approach defined by the Ontario Digital Service Standard – including the accelerated implementation of the new City of Barrie mobile app. Future improvements will be realized through the continued development of an ongoing project assessment program.

ACHIEVEMENTS TO DECEMBER 31



- The City of Barrie is building a blueprint for growing our existing transit system to best meet the needs and goals of today's city, while developing a long-term plan for a future network. Barrie's Transit Vision focuses on creating:
 - A New Transit Network Plan in coordination with the timelines for the new Allandale Mobility Hub;
 - Future Network Phases to ensure a long-term transit outlook; and,
 - A Bus Stop Infrastructure Plan to place stop amenities when and where they are needed.
- 2022 saw the launch of the City's new Mobile App and new Website making things easier for residents, businesses and visitors to access information from the City.
- The IT Security program will be enhancing the security of end user authentication across City systems through the expansion of Single Sign On (SSO) that ensures consistent application of City's systems access and authentication policies. SSO also simplifies the user experience by reducing the number of different passwords needed as well as the number of times they are prompted for authentication.
- In 2022, the IT Security Program focused on Cyber Incident Response. The incident response plan was overhauled to include inter-department partners and align more closely with the City's Emergency Operations plans. The new Cyber Incident Response plan was tested and refined through tabletop exercises.
- IT's Digital Transformation and User Experience is leading and supporting over a dozen projects and initiatives to improve hardware and technology architecture, implement new application systems, and to collaborate with operating departments to improve services by identifying and implementing technology to better support these processes.
- As a digital highlight - Service Barrie in partnership with IT, launched the portal servicebarrie.ca in 2022, enhancing the way citizens engage with the City and providing a convenient option for citizens to access City services. Citizens can submit detailed service requests, receive real time updates, and be notified when their service request or concern has been resolved. These services range from reporting a pothole to applying online for pre-authorized payment plans. In 2022, the online portal saw over 29,000 visits with over 4,800 cases created by citizens. More options and services continue to be added as Service Barrie continues to grow and onboard various departments.

Infrastructure and Growth Management

Strategic Plan Area	Key Division Service Delivery Initiatives	Performance Measures
	To develop a vibrant downtown economic corridor	<ul style="list-style-type: none"> • Maintain an “open for business approach” to Permits and supports • Maximize funding and programming to sustain businesses • Support to facilitate business resilience • Improved position as a premier economic investment destination
	Facilitate continued emergence of a diverse and sustainable arts and cultural sector	<ul style="list-style-type: none"> • Facilitate investment in diverse and sustainable initiatives • Improve the customer/stakeholder experience
	Proactively manage the Infrastructure & Growth Management Capital Plan	<ul style="list-style-type: none"> • Average time to between approval and registration to first building permit • Average travel time saved from improvements
	Finalize and implement key policy and strategy documents	<ul style="list-style-type: none"> • Number of Approved Developments that received a building permit within one year • Reduce the effects of climate change by increasing the urban tree canopy via trees planted through Community Planting Partnerships • Amount of Environmental Protection and Open Space land designated • Demonstrated effectiveness of the Waste and Circular Economy framework through the reduction in Waste Generation Rate • A reduction in the corporation’s environmental risk through the reduction in reactivity to environmental obligations • An increasing corporate culture of continuous improvement as demonstrated by the increase in the number of process improvement/value creation initiatives proposed
	Deliver quality operation and maintenance activities across road and park assets	<ul style="list-style-type: none"> • Frequency of collisions per Barrie’s total population • Ensure safe and efficient travel for vehicle and pedestrians by maintaining the projected winter maintenance service level compliance • Amount of new length constructed active transportation routes that include bicycle lanes, paved shoulders, sidewalk, and multi-use paths
	Advance the corporate Lean Six Sigma program including training, project prioritization, process review and implementation support	<ul style="list-style-type: none"> • White Belt Certification – 150 City staff • Yellow Belt Certification – 18 City staff • Green Belt Certification – 1 City staff

KEY PERFORMANCE INDICATORS

	Annual Target	2022 Actual
Number of Approved Developments that received a building permit within one year	3	0
Average time, in number of days, between approval and registration to first building permit	12 days	N/A
Frequency of collisions per Barrie's total population of 157,884	2,410	654
Amount of new length constructed active transportation routes that include bicycle lanes, paved shoulders, sidewalk, and multi-use paths (in kilometres)	18.9 km	18.9 km
Maintain an open for business approach by ensuring that issuance of PERMITS complies with provincially mandated timeframes.	80	86.52
Maintain an open for business approach by ensuring that INSPECTIONS are completed within provincially mandated timeframes	95	97.47
Improve the customer experience by providing educational information in the form of builder and resident bulletins	8	7
Maintain City-wide road condition as noted by the average network pavement condition index	74	76
Reduced risk to the public and environment due to flooding through increased percentage of major culverts meeting City design standard requirements	63	63
Improve the City's ability to deliver capital projects with cost and schedule certainty by eliminating annual carry over Capital Plan funds into 2023 (\$)	\$0	\$103 Million
Protect the quality of Lake Simcoe by eliminating non-compliant/sewage discharges to environment (occurrences)	0	0
Develop a positive legacy with water customers by attaining high level of Customer Satisfaction (Index (%))	80%	17
A more supported and resilient business community through increased number of businesses receiving service, support, or engaged in programs and initiatives of the Economic and Creative Development Department	1,250	5,500
Improved positioning as a premiere economic investment destination through increased square footage of Building Permit issued space by investment/development projects facilitated/supported by Economic and Creative Development	300,000	277,841
A stronger and more sustainable arts and culture sector by increasing the total Non-Municipal Public Funding leveraged by City Cultural Grant Program Recipients	\$2.5 Million	\$4.1 Million ¹⁸
Ensure safe and efficient travel for vehicles and pedestrians by maintaining the projected winter maintenance service level compliance	97%	95%
Reduce the effects of climate change by increasing the urban tree canopy via trees planted through Community Planting Partnerships	750	1,405
Demonstrated effectiveness of the Waste and Circular Economy framework through the reduction in Waste Generation Rate (kg/household)	630 kg/hhld	624 kg/hhld
A reduction in the corporation's environmental risk through the reduction in reactivity to environmental obligations	40%	55%
An increasing corporate culture of continuous improvement as demonstrated by the increase in the number of process improvement/value creation initiatives proposed	2	18

¹⁷ We conducted a survey of over 1,200 respondents to gauge Customer Satisfaction with the City's drinking water. Water Operations is currently compiling and reviewing results and will develop an action plan.

¹⁸ The sector has experienced significant increases in other public sector funding over the pandemic.

ACHIEVEMENTS TO DECEMBER 31



- Delivered \$92 million of capital projects including the completion of
 - Mapleview Drive ROW improvements – From Madeline Drive to Yonge Street
 - Big Bay Point Road ROW improvements– From Bayview Avenue to Huronia road
 - Kidd's Creek improvement and Dunlop Street West ROW Replacement – From Eccles Street to Toronto Street
 - Lovers Creek Bridge at Tollendal Mill Road
 - Bell Farm Road ROW Expansion - St. Vincent Street to Duckworth Street
 - Road Resurfacing Program – completed 13.6km with expenditures of \$6.7M
 - Tennis court rehabilitation, playground revitalization, city wide cycling network improvements, traffic calming measures, traffic safety and signal improvements
 - Fleet replacement expenditures of \$6M including two electric ice resurfacing units
- Attained 100% score in compliance audit of the Water System by the Ministry of the Environment Conservation and Parks
- Completed the New Official Plan for adoption by Council and submission to the Province for approval
- Ranked first among sixteen municipalities in the GTA Municipal Benchmarking Study prepared by Altus Group on behalf of Building Industry and Land Development Association (BILD)
- Successful completion of the Starter Company Plus program with 16 graduates and 10 companies successfully receiving \$5,000 in provincially funded grants
- Business and Employer Data Survey completed with response rate of 75%, engaging 4,376 businesses encompassing 59,409 jobs – a 9% increase vs. 2021
- Manufacturing Innovation Summit (MIS) presented by Invest Barrie and the County of Simcoe, MIS was held at Georgian College attracting 150 attendees
- Issued 2465 building permits valued at \$865 million and completed 97% of building inspections within the provincially mandated timelines
- Completed the Wastewater Asset Management Plan

APPENDIX E

Updated for 2023 User Fees By-Law: Schedule N – Environmental Services

ITEM	2023 Approved Fee	2023 Proposed Fee	% CHANGE
SECTION 3: WATER SERVICE FEES			
Stop and Drain Replacement	\$224.64 for service plus overtime, if applicable	\$233.63 for service plus overtime, if applicable	4.00%
Gate Valve Installation	\$99.12	\$103.08	4.00%
Pool Fills	\$446.59	\$464.45	4.00%
Service Calls - General (For all Water hourly rate fees in section 3: Overtime is charged at time and half Mon-Fri after 4pm and all day Saturday. Overtime charged at double time on Sunday)	\$105.48	\$109.70	4.00%
Missed Appointment	\$105.48 / hour	\$109.70 / hour	4.00%
Plumbing Not Ready	\$105.48 / hour	\$109.70 / hour	4.00%
Leaking Meter (false alarm)	\$105.48 / hour	\$109.70 / hour	4.00%
Water on/Water off	\$105.48 / hour	\$109.70 / hour	4.00%
Financial Turn Off/On	\$150.00	\$150.00 / hour	0.00%
3.2. FIELD SERVICES CO-ORDINATION			
Inspection and Commissioning	\$105.48/hr/operator plus materials and overtime if applicable	\$109.70/hr/operator plus materials and overtime if applicable	4.00%
3.7. WATER METER CAPITAL CONTRIBUTION CHARGES - A charge assessed to the owners of newly constructed homes or buildings serviced with municipal water that is based upon water-metre size. Water meter size same as domestic water service size.			
Smartpoint Capital Contribution Charge - A charge assessed to the owners of newly constructed homes or buildings serviced with municipal water	\$160.00	\$172.00	7.50%

APPENDIX F

Financing Leases as at December 31, 2022

LEASE	Operating or Capital	Total
Barrie Fire Station 5 - King Street	Operating Lease	\$ 1,941,518.48
POA Barrie, 45 Cedar Point- Europro	Operating Lease	\$ 3,658,716.75
POA Orillia 575 West Street - Don Mills MF Holding formerly 2511765 Ontario Inc.	Operating Lease	\$ 102,765.00
Legislative Services (Printer)	Operating Lease	\$ 46,936.79
Suez Water Technologies Inc.	Contract	\$ 1,245,900.00
Holly Library Satellite Location	Operating Lease	\$ 795,963.08
Total		\$ 7,791,800.10