



TO: FINANCE AND CORPORATE SERVICES COMMITTEE

SUBJECT: COUNTY OF SIMCOE CAPITAL CONTRIBUTIONS

WARD: ALL

PREPARED BY AND KEY CONTACT: J. KUEHL, MANAGER OF BUSINESS PLANNING AND BUDGET, EXT. 4425
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SUBMITTED BY: C. MILLAR, MBA, CPA, CGA, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

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

RECOMMENDED MOTION

1. That the Report to the Finance and Corporate Services Committee dated November 16, 2021 concerning the County of Simcoe Capital Contributions, be received for information purposes.

PURPOSE & BACKGROUND

Report Overview

2. The purpose of this report is to address Council motion 21-G-163 which was approved on June 14, 2021
 - i) “That staff in the Finance Department report to back to the Finance and Corporate Services Committee with a breakdown of capital contributions by the City of Barrie to the County of Simcoe over the past five years, and the currently forecast capital requests by the County for the next five years, with specific identification of contributions by the City to County capital projects and the locations of those projects.”
3. The County of Simcoe provides services related to Long Term Care facilities, Paramedic Services, and various social assistance programs (Ontario Works, Children and Community Services and Social Housing Services). This is based on a Municipal Services Agreement (“Agreement”) between the City of Barrie, City of Orillia, and County of Simcoe.
4. The County’s budget request to the City of Barrie is prepared based on the Agreement.
5. Appendix A provided by County Staff, shows all the projects by service, by location and provides historical actual costs and future forecast costs. Forecasts are from the County’s recently updated Long-Range Financial Plan. It should be noted that the forecasted future costs for Major Facility Construction projects will be paid over ten years, as per the current agreement between the County, Orillia and the City of Barrie.

ANALYSIS

The Municipal Services Management Agreement spreads out the Major Facility Construction costs

6. The Agreement was approved by Council and came into effect on January 1, 2018.
7. There are four main areas within the Agreement. One of these areas, the Service Costs section, considers the costs for each service that the County provides. These are made up of
 - i) Operating costs
 - ii) Administrative costs
 - iii) Major Facility Construction (MFC) costs, and
 - iv) Other Capital costs
8. Previous Councils for the cities of Barrie and Orillia had expressed concern with the allocation of capital contributions based on the timing of the actual costs incurred by the County. The reason for this was that it resulted in large swings for capital contributions from year to year.
9. Based on these concerns the County investigated opportunities to smooth the capital contributions.
10. It was proposed that costs associated with MFC projects would be spread over ten years. This became part of the 2018 Agreement.

Historical costs have been steady, as a result of smoothing capital costs

11. The following table shows that the annual capital contributions the City has made to the County have been fairly level at around \$3 million in recent years, as a result of the MFC projects being billed to the City over a 10 year period:

(in Millions)						
Description	2016	2017	2018	2019	2020	Total
City of Barrie Capital Contribution	\$ 2.92	\$ 3.41	\$ 3.30	\$ 2.45	\$ 3.04	\$ 15.12

12. Over this same period, the total payments to the County would have swung from a high of almost \$11 million in 2019, down to \$4.3 million in 2020, if smoothing the capital cost of MFC projects was not in place starting in 2018:

(in Millions)						
Description	2016	2017	2018	2019	2020	Total
Long Term Care	\$ 0.10	\$ 0.04	\$ 0.07	\$ 0.14	\$ 0.28	\$ 0.63
Paramedic Services	\$ 1.65	\$ 1.97	\$ 3.12	\$ 4.67	\$ 1.35	\$ 12.76
Social Housing	\$ 1.14	\$ 1.40	\$ 4.57	\$ 6.01	\$ 2.67	\$ 15.80
Ontario Works	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ 0.02
Total	\$ 2.92	\$ 3.41	\$ 7.76	\$ 10.82	\$ 4.30	\$ 29.21

Smoothing will also help with the higher expected future capital costs

13. For the next 5 years, there are even larger swings forecast with over \$22 million in capital costs planned for 2023 (refer to paragraph 14), whilst less than a third of this is expected in 2021. However, as the following table shows, the expected billings to the City increase at a more linear and predictable rate:

Description	(in Millions)					Total
	2021	2022	2023	2024	2025	
City of Barrie Capital Contribution	\$ 4.34	\$ 6.45	\$ 8.12	\$ 9.31	\$ 9.58	\$ 37.79

14. Without the smoothing of MFC project costs, the annual capital requests each year would be as follows:

Description	(in Millions)					Total
	2021	2022	2023	2024	2025	
Long Term Care	\$ 0.97	\$ 2.31	\$ 7.83	\$ 3.36	\$ (0.00)	\$ 14.46
Paramedic Services	\$ 0.62	\$ 1.88	\$ 3.30	\$ 2.63	\$ 1.62	\$ 10.04
Social Housing	\$ 4.28	\$ 12.99	\$ 11.27	\$ 6.62	\$ 7.98	\$ 43.13
Lake Simcoe Regional Airport	\$ 0.38	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.40
Total	\$ 6.25	\$ 17.19	\$ 22.39	\$ 12.61	\$ 9.59	\$ 68.03

City's Capital Reserve for County projects is under pressure

15. The contribution to the City's County of Simcoe Capital Reserve was \$3 million dollars in the 2021 budget and is recommended to increase by an additional \$750 thousand in the 2022 budget. However, with the updated Long Range Financial Plan from the County, the reserve contributions will need to be increased at a greater rate in future years due to additional cost pressures in the updated County plan.
16. As shown in paragraph 13, expected billings to the City will increase to over \$9 million in 2024 and 2025. Approximately 21% of the costs from 2021 to 2025 are related to growth and covered by Development Charge (DC) Reserves. However, the remaining 79% will need to be drawn from the City's County of Simcoe Capital Reserve. This means the current annual contribution to the capital reserve of \$3 million, and \$3.75 million proposed in 2022, will fall well short of covering the payments required in the current and upcoming years.
17. The County of Simcoe Capital Reserve is forecast to have a \$1 million deficit at the end of 2021. This deficit will grow quickly unless contributions to the reserve are significantly increased each year for the next five years in order to reach a sustainable level.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

18. There are no environmental and climate change impact matters related to the recommendation.

ALTERNATIVES

19. As this Staff Report is being presented for information purposes only, no alternatives are presented.



FINANCIAL

20. There are no financial implications for the Corporation resulting from the proposed recommendation.

LINKAGE TO 2018–2022 STRATEGIC PLAN

21. The recommendation(s) included in this Staff Report are not specifically related to the goals identified in the 2018-2022 Strategic Plan.



APPENDIX "A"

City of Barrie's Portion of County of Simcoe Capital Projects

Long-term Care

Project	Location	Actual Costs						Forecast					
		2016	2017	2018	2019	2020	Total	2021	2022	2023	2024	2025	Total
Sunset Manor	Collingwood	27,307	1,761	21,813	20,217	51,871	122,970	107,665	43,456	137,305	44,298	24,025	356,750
Georgian Manor	Penetanguishene	2,510	1,460	3,714	2,798	51,478	61,960	343,832	27,652	-	-	-	371,484
Georgian Village	Penetanguishene	-	-	-	-	-	-	-	-	32,034	62,629	21,027	115,690
Long-term Care Administration Centre	Springwater	-	-	146	4,088	-	4,234	-	-	-	-	-	-
Simcoe Manor	New Tecumseth	31,330	23,938	29,084	51,790	75,750	211,891	500,366	2,184,186	7,651,798	3,179,489	(91,372)	13,424,466
Trillium Manor	Orillia	42,362	10,409	17,369	63,336	100,180	233,656	19,311	51,706	4,311	75,005	42,135	192,467
Total		103,508	37,569	72,126	142,229	279,279	634,711	971,175	2,307,000	7,825,448	3,361,420	(4,185)	14,460,858

Ontario Works

Project	Location	Actual Costs					Forecast						
		2016	2017	2018	2019	2020	Total	2021	2022	2023	2024	2025	Total
Ontario Works Work Stations	Barrie	24,199	-	-	-	-	24,199	-	-	-	-	-	-

Lake Simcoe Regional Airport

Project	Location	Actual Costs					Forecast						
		2016	2017	2018	2019	2020	Total	2021	2022	2023	2024	2025	Total
Lake Simcoe Regional Airport	Oro Medonte	-	-	-	-	-	-	383,606	15,000	-	-	-	398,606



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Paramedic Services

Project	Location	Actual Costs					Total	Forecast					Total
		2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	
Alliston Paramedic Station	New Tecumseth	160,741	9,769	-	-	-	170,510	-	-	-	-	-	-
Angus Paramedic Station	Essa	-	-	779	284,862	-	285,642	11,705	-	-	-	-	11,705
Barrie Simcoe Emergency Campus	Barrie	504	541,768	1,831,455	3,219,240	610,466	6,203,433	-	-	-	-	-	-
Beeton Paramedic Station	New Tecumseth	150,066	2,394	33	-	-	152,493	-	-	-	-	-	-
Bradford Paramedic Station	Bradford West Gwillimbury	-	-	-	-	1,514	1,514	104,937	596,000	-	-	-	700,937
Central East Barrie Paramedic Post	Barrie	-	1,181	1,391	99,589	57,605	159,766	-	-	-	-	-	-
Central West Barrie Paramedic Post	Barrie	-	-	-	-	-	-	-	-	381,696	393,597	-	775,293
Collingwood Paramedic Station	Collingwood	192,536	212,574	667,825	6,978	-	1,079,913	-	-	-	-	-	-
Craighurst Paramedic Station	Oro Medonte	-	1,116	(1,116)	2,373	1,697	4,071	8,143	-	-	-	-	8,143
Elmvale Paramedic Station	Springwater	-	-	92,980	460,115	29,360	582,455	-	-	-	-	-	-
Innisfil/Alcona Paramedic Station	Innisfil	-	-	-	-	-	-	-	-	-	572,544	887,748	1,460,292
Medical Equipment	Not Applicable	512,048	3,218	14,066	-	202,933	732,266	111,493	383,000	340,803	297,931	-	1,133,227
Midland Paramedic Station	Midland	-	-	-	218,069	-	218,069	-	-	37,152	-	-	37,152
Orillia Paramedic Station	Orillia	241,723	726,714	58,694	1,471	311	1,028,913	-	-	-	-	-	-
Paramedic Administration Centre	Not Applicable	-	-	-	15,195	-	15,195	-	-	-	-	-	-
Severn Paramedic Station	Severn	-	-	-	-	-	-	-	133,594	885,310	-	-	1,018,904
Site Improvements	Multi-location	-	-	-	-	-	-	-	-	44,480	29,263	57,382	131,125
Software	Not Applicable	855	31,442	5,402	-	17,018	54,717	-	-	7,410	-	-	7,410
Southwest Barrie Paramedic Station	Barrie	1,033	591	-	-	-	1,623	-	-	-	-	-	-
Springwater South Paramedic Post	Springwater	-	-	-	-	2,401	2,401	-	220,000	145,178	-	-	365,178
Stayner Paramedic Station	Clearview	-	5,554	-	-	-	5,554	-	-	-	-	-	-
Tiny Paramedic Post	Tiny	-	-	-	-	-	-	-	-	-	-	76,339	76,339
Vehicles	Not Applicable	385,963	435,322	451,415	358,838	418,327	2,049,865	352,218	513,000	563,044	588,808	597,295	2,614,365
Wasaga Beach Paramedic Station	Wasaga Beach	-	-	-	-	-	-	-	-	138,963	747,917	-	886,880
Washago Paramedic Station	Severn	-	-	-	-	8,747	8,747	29,263	-	-	-	-	29,263
Waubashene Paramedic Station	Tay	-	-	-	-	-	-	-	30,536	751,423	-	-	781,959
Total		1,645,468	1,971,643	3,122,925	4,666,731	1,350,378	12,757,145	617,760	1,876,129	3,295,459	2,630,060	1,618,764	10,038,172



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Social Housing

Project	Location	Actual Costs					Total	Forecast					Total
		2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	
Albert Street Housing	Collingwood	15,134	8,316	-	686	22,126	46,262	-	12,102	-	-	-	12,102
Barrie Housing Development	Barrie	-	-	-	-	1,248	1,248	-	16,381	243,197	5,585,739	7,115,222	12,960,539
Bay Street Housing	Midland	23,653	15,018	998	6,848	-	46,517	-	6,751	-	-	-	6,751
Blake Street Housing	Barrie	38,043	25,730	11,248	26,571	29,548	131,140	-	9,640	-	-	-	9,640
Bradford Affordable Housing	Bradford West Gwillimbury	-	-	-	-	3,820	3,820	133,861	3,192,000	3,905,602	-	-	7,231,463
Brock Street (Barrie) Housing	Barrie	15,576	-	-	-	-	15,576	-	-	-	-	-	-
Brock Street (Stayner) Housing	Clearview	-	-	-	25,513	-	25,513	-	27,544	-	-	-	27,544
Brooks Street Housing	Barrie	850,590	89,744	-	(5,313)	68,539	1,003,559	0	42,000	-	-	-	42,000
Burton Street Housing	Barrie	55,174	-	28,038	6,176	-	89,388	18,855	-	-	-	-	18,855
Collingwood Housing Development	Collingwood	41,062	875,247	3,509,819	2,398,947	99,810	6,924,886	0	-	-	-	-	0
Cook Street Housing	Barrie	20,550	-	-	26,220	-	46,770	0	17,750	-	-	-	17,750
Flos Crescent Housing	Springwater	-	2,580	10,304	15,046	-	27,930	-	-	-	-	-	-
Gignac Drive Housing	Penetanguishene	-	-	25,505	9,718	19,039	54,263	-	-	-	-	-	-
Harriet Street Housing	Penetanguishene	-	-	9,819	508	15,722	26,048	-	17,628	-	-	-	17,628
High Street Housing	Barrie	-	-	-	-	6,521	6,521	-	-	-	-	-	-
Innisfil Housing Rebuild	Innisfil	12,149	-	-	-	-	12,149	0	-	-	-	-	0
King Street Housing	Midland	-	-	-	63,308	60,403	123,712	65,320	-	-	-	-	65,320
LTP Housing	Multi-location	-	-	-	-	-	-	0	-	859,468	1,031,388	860,090	2,750,946
Maria Street Housing	Penetanguishene	-	-	-	-	-	-	39,712	67,290	-	-	-	107,002
Matthew Way Housing	Collingwood	-	55,562	14,538	17,563	1,890	89,553	0	19,363	-	-	-	19,363
Midland Avenue Housing	Midland	-	3,610	30,737	22,662	-	57,009	-	17,077	-	-	-	17,077
Miller Park Avenue Housing	Bradford West Gwillimbury	-	36,975	-	17,650	37,062	91,687	18,169	8,263	-	-	-	26,432
Napier Street Housing	Barrie	-	12,034	2,130	50,279	(0)	64,443	-	51,032	-	-	-	51,032
Nelson Street Housing	Barrie	-	17,436	12,718	-	214,999	245,153	-	-	-	-	-	-
Orillia Affordable Housing	Orillia	-	-	-	-	92,452	92,452	3,745,762	9,171,000	6,263,061	-	-	19,179,823
Oxford Street Housing	Orillia	5,172	21,882	50,045	-	10,927	88,026	16,202	37,805	-	-	-	54,008
Peter Street Housing	Orillia	7,766	-	-	-	12,102	19,868	13,237	-	-	-	-	13,237
Regent Street Housing	Orillia	15,479	17,393	22,641	22,729	875	79,117	85,462	6,481	-	-	-	91,943
Seventh Lane Housing	Wasaga Beach	-	-	-	1,078	14,460	15,538	45,956	129,460	-	-	-	175,416
Seventh Street Housing	Wasaga Beach	-	31,422	-	-	-	31,422	-	-	-	-	-	-



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		2016	2017	2018	2019	2020		2021	2022	2023	2024	2025		
Sophia Street Housing	Barrie	-	-	-	-	1,109	1,109	25,151	-	-	-	-	-	25,151
St. Paul Street Housing	Collingwood	-	-	8,019	-	22,718	30,737	-	10,126	-	-	-	-	10,126
Tay Affordable Housing	Tay	-	-	66,813	957,805	1,231,270	2,255,888	-	-	-	-	-	-	-
Tecumseth Street (New Tecumseth) Housing	New Tecumseth	-	-	1,833	16,060	14,518	32,411	-	-	-	-	-	-	-
Tecumseth Street (Orillia) Housing	Orillia	19,703	-	-	-	-	19,703	-	-	-	-	-	-	-
Tecumseth Street Housing	New Tecumseth	-	-	-	-	18,251	18,251	-	-	-	-	-	-	-
Victoria Street Housing	Innisfil	-	75,097	-	-	-	75,097	-	56,270	-	-	-	-	56,270
Wasaga Beach Housing Development	Wasaga Beach	-	115,955	757,686	2,327,845	658,944	3,860,431	-	-	-	-	-	-	-
Wellington Street West Housing	New Tecumseth	-	-	-	-	-	-	18,903	37,410	-	-	-	-	56,313
Yonge Street (Elmvale) Housing	Springwater	14,638	-	-	-	-	14,638	35,931	23,331	-	-	-	-	59,262
Yonge Street (Midland) Housing	Midland	9,552	-	5,653	3,398	11,548	30,151	14,513	11,618	-	-	-	-	26,131
Total		1,144,241	1,404,001	4,568,544	6,011,297	2,669,901	15,797,984	4,277,033	12,988,325	11,271,328	6,617,127	7,975,312	43,129,125	

	Actual Costs					Total	Forecast					Total
	2016	2017	2018	2019	2020		2021	2022	2023	2024	2025	
Grand Total	2,917,416	3,413,213	7,763,595	10,820,257	4,299,558	29,214,039	6,249,574	17,186,454	22,392,235	12,608,607	9,589,891	68,026,761