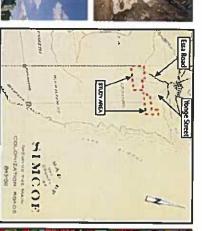
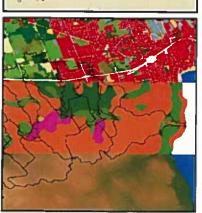
Secondary Plan and Master Plans **Presentation to General Committee** April 22, 2014 City of Barrie Fiscal Impact Analysis



Building Barrie





Introduction

- This is the same presentation made to the Stakeholders on January 31, 2014 (as revised).
- As the negotiations have proceeded with the developing landowners in the annexed lands, minor refinements have been made which will be highlighted during the presentation. These would include:
- Timing of hard services;
- Cost of land to be included in DC's vs. dedication;

Minor Cost adjustments to hard service projects as known;

- Timing of growth;
- Discounting of Water and Wastewater Debt Principal; and
- Existing/anticipated wastewater debt to be issued
- The above has made minor difference to the overall impact on the City and have not altered the final recommendations on the need for cash flow assistance and the capital contribution from the landowners



Introduction

The fiscal impact analysis is based on the following studies:

- Salem Rd. Secondary Plan Draft OPA, February 2013.
- Hewitt's Secondary Plan Draft OPA, February 2013.
- Draft Infrastructure Master Plans related to:
- Transportation;
- Water Storage and Distribution;
- Wastewater Collection;
- Water and Wastewater Treatment; and
- Stormwater Management.
- Interviews with municipal staff on a service-by-service associated with developing the preferred growth option basis regarding capital and operating requirements

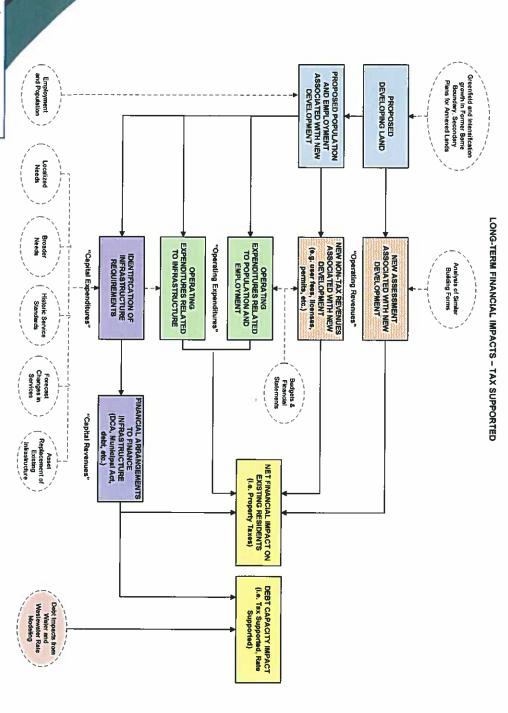


Introduction

- The Fiscal Impact Assessment (FIA) addresses the following:
- The growth forecast for both the former City limits and Annexed
- Replacement Plan; Plans, the City's Capital Forecast, and the City's Asset Preferred Growth Option and corresponding Infrastructure Master Total capital costs associated with growth within the former City limits and the Annexed Area to 2031 in accordance with the
- Assessment of net operating impacts for the City of Barrie to 2031;
- Impact on tax and water/wastewater reserve balances
- Impact assessment on water/sewer rates for the City of Barrie;
- Impact assessment on tax rates for the City of Barrie; and
- Impact on the City's debt capacity.

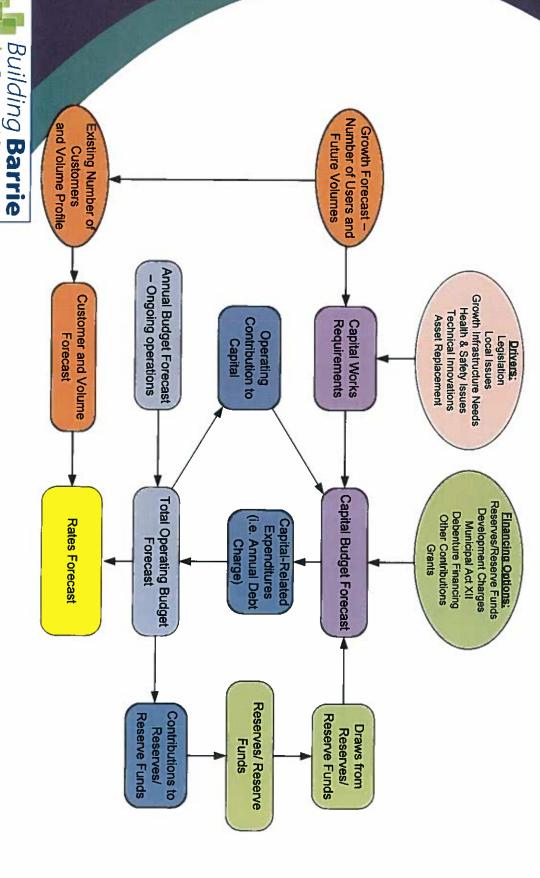


Assessing the Fiscal Impacts of Growth - Tax Supported



Building Barrie
Framework for the Future

Growth – Water & Wastewater Rates Assessing the Fiscal Impacts of



Framework for the Future

City of Barrie Growth Forecast

- The City of Barrie is planning to accommodate 210,000 persons⁽¹⁾ and 101,000 employees² by the year 2031.
- By 2031, the City of Barrie Annexed Lands will accommodate approximately 40,700 persons¹ and 10,400 jobs
- By 2031, the former City of Barrie Municipal Boundary will accommodate approximately 28,200 persons¹ and 22,700 jobs.

	Residential	ential	Non-Res	Non-Residential
Development Location	Net Population Increase 1	Housing Unit	Gross Floor Area Increase (ft²)	Employment ²
Former City of Barrie Municipal Boundary	28,200	18,100	13,238,600	22,700
Annexed Area	40,700	15,800	6,277,300	10,400
Total	68,900	33,900	19,515,900	33,100

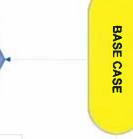
Source: Derived from Salem Secondary Plan Draft OPA, February 2013, Hew itt's Secondary Plan Draft OPA, February 2013

² Includes employment related to work at home and no fixed place of work



¹ Population includes net Census undercount of approx. 4%

Overview of Model Approach



- 100% of the City's asset.
 replacement plan;
- growth related capital;
- other minor asset replacements; non-growth related works.

Scenario 1

A) Reduced Capital Spanding to meet growth needs & minimum acceptable levels of asset replacement.

B) Deferral of project timing over forecast period.

 C) Development Charge's Collected for all services at time of Building Permit Issuance.



- Financing alternatives to minimize impact on:
- · Tax rates;
- Water and wastewater rates; and

Debt capacity.

Scenario 2:

Refinements as per Scenario

Accelerated timing of

1A & 1B

Development Charge payment (at subdivision) for Water, Wastewater, Stormwater, and

 Assumes all growth-related capital costs are front-ended by developer in Annexed Lands associated with Water, Wastewater, Stormwater, and Road Services.

Scenario 4:

- Assumes Scenario 3
- Assumes a capital contribution to the Development Charge of \$4,500 per housing units in Annexed Lands (collected at time of Building Permit issuance)



Base Case

- Base Case \$3.61 billion in capital costs (excluding \$0.55 billion debt charges for W/WW plants) from 2012 to 2031 based on secondary plan studies, capital budget/forecast, asserreplacement and other refinements provided by staff, including:
- Water and Wastewater Master Plan
- Drainage and Stormwater Management Master Plan
- Transportation Master Plan
- Other City Master Plans Fire, Parks and Recreation, Solid Waste Management
- Staff interviews for remaining soft services
- Property Tax asset replacement needs
- Water & Wastewater rate asset replacement needs



Asset Replacement Component Base Case: Existing

- Asset Replacement Costs = \$1.6 B or \$88.7 M annually
- Includes both back log projects and life cycle investment
- Back log projects \$449.3 M or \$24.96 M annually
- Projected Replacement Needs 2014-2031 \$1.13 B or \$62.88 M annually (excluding back log)

Asset Replacement Plan

\$87,844,031	\$62,881,958	\$24,962,073	Average Annual (18 Years)
\$1,581,192,560	\$1,131,875,244	\$449,317,316	Total
208,134,891	178,260,584	29,874,307	Wastewater
65,595,216	57,617,800	7,977,416	Water
\$1,307,462,453	\$895,996,860	\$411,465,593	Tax
Total	2014-2031 Needs	Backlog	

infrastructure replacement, small equipment/gear, etc.) Note: Amounts above do not include minor asset replacement (e.g. library collection materials, IT



Base Case: Capital by Service

100%	\$3,610,911,259	\$1,834,174,720	\$800,932,237	\$1,033,242,483	\$1,776,736,538	\$1,776,736,538 \$1,033,242,483 \$800,932,23
	508,416,714	211,115,319	131,506,357	79,608,962	297,301,395	Total Rate-Supported Services
9.6%	347,028,856	117,496,460	79,798,242	37,698,218	229,532,396	Wastewater (*)
4.5%	161,387,858	93,618,859	51,708,115	41,910,744	67,768,999	Water (3)
	3,102,494,545	1,623,059,401	669,425,880	953,633,521	1,479,435,143	Total Tax-Supported Services
4.8%	171,972,691	,		-	171,972,691	Minor Asset Replacement & Other Non-Growth Related Works (2)
36.2%	1,307,462,453	t	4		1,307,462,453	Tax Supported Asset Replacement (1)
2.3%	82,898,323	82,898,323	14,500,000	68,398,323		Stormwater/Drainage
0.1%	1,885,000	1,885,000	1,089,200	795,800		Development Services
0.4%	15,502,136	15,502,136	7,751,068	7,751,068		Ambulance
1.6%	58,215,580	58,	50,439,690	7,775,890		Police
0.0%	273,000		138,000	135,000		Fire - Equipment
0.1%	1,940,953		650,000	1,290,953		Fire - Vehicles
0.7%	26,859,064	26,859,064	13,082,490	13,776,574		Fire - Facilities
3.1%	110,261,645	110,261,645	13,458,766	96,802,879		Engineering Services - Transit
0.2%	7,716,252		2,051,535	5,664,717		Engineering Services - Parking*
0.1%	2,831,213	2,831,213	2,070,000	761,213		Engineering Services - Vehicles & Equipment
0.6%	22,510,000	22,510,000	21,025,000	1,485,000		Engineering Services - Facilities
0.1%	4,745,270	4,745,270	0	4,745,270		Engineering Services - Traffic Lights & Services
1.5%	52,672,286	52,672,286	7,561,775	45,110,510		Engineering Services - Sidewalks
25.2%	910,632,266	910,632,266	274,057,850	636,574,416		Engineering Services - Roads and Related
1.0%	36, 155, 273	36,155,273	36,155,273	1		Engineering Services - Landfill
4.4%	160,421,000	160,421,000	120,763,780	39,657,220		Parks & Recreation - Recreation Facilities
0.1%	2,212,000	2,212,000	1,475,000	737,000		Parks & Recreation - Parks & Recreation Vehicles & Equipment
1.6%	57,067,904	57,067,904	42,363,800	14,704,104		Parks & Recreation - Parkland Development
0.5%	18,371,602	18,371,602	14,600,000	3,771,602		Arts & Culture
1.4%	49,888,635	49,888,635	46,192,652	3,695,983		General & Administration - General Government
Total	Grand Total	Related	Growth	Limits Growth	Works (1)	Service
Grand		Total Growth	Annexed Lands	Former City	Growth Realted	
% of					Management & Other Non-	
			Growth Related		Asset	

Includes 2014-2031 Projected Needs, 2013 & Prior Years Backlog for major infrastructure including roads, facilities, fleet, stormwater, parks features, parking, etc.



Include replacement of library collection materials, IT infrastructure, small equipment/gear, non-growth related studies and other non-growth related city initatives

nese capital costs do not include the debt principal & interest for Water however, they do include minor asset replacement and other non-growth realted works

Glossary of Terms

- based on criteria including economic, social, environmental and service delivery impacts probability and consequence of failure. The consequence of failure is assigned to assets Extreme, High, Medium and Low based on risk exposure which is calculated using the **Asset Replacement** – Replacement of existing City assets. They have been categorized as
- DC Development Charges.
- DCA Development Charges Act, 1997
- Existing Benefit Portion of Capital Costs that will benefit existing residents/businesses
- Hard Services for the purpose of this presentation Water, Wastewater, Stormwater, and
- Non-Eligible/Exempt Services Services not eligible for inclusion in the DC based on restrictions/limitations of the DCA
- Over Service Standard Capital costs required to service growth that are in excess of the required by the DCA upper limit allowable to be included in the DC based on the historic service calculations
- Post Period Benefit Portion of Capital Costs that will benefit development post 2031
- Soft Services All services except Water, Wastewater, Stormwater, Roads & Related, Fire and Police
- Statutory Reduction The mandatory 10% deduction to DC calculations related to "soft services" based on the DCA



Base Case: Capital Funding Overview

TOTAL	APPROXIMENT OF	-	The state of the s	Wastewater	Water	SUB-TOTAL - Include	Wastewater	Water	SUB-TOTAL - Non-Water & Wastewater	Non-Growth Related Works	Development Services	Ambulance	Police	Fire	Engineering Services	Parks & Recreation	Parks & Recreation	Parks & Recreation	Parks & Recreation	Arts & Culture/Library	General & Administration	Service							
	Debi (interest - Discounted)	Debt (interest - Discounted)	wood (maryan)	Debt (Bricinal)	Debt (Principal)	SUB-TOTAL - Including Water & Wastewater	Wastewater Services	Water Services	inter & Wastewater	brks Lifecycle - Asset Management	Development Services	Ambulance	Police	Fire	Drainage/Stormwater	Transit	Parking*	Vehicles & Equipment	Facilities	Roads and Related	Landiil	Studies/Miscellaneous	Marine	Recreation Facilities	Parks & Recreation Vehicles & Equipment	Parkland Development	Arts & Culture/Library	on General & Administration	Description
4,161,039,569	112,947,409	109,280,160	151,871,845	176,028,894		3,610,911,261	347 028,857	161 387,859	3,102,494,548	1,307,462,453	1,885,000	15,502,136	64,807,042	33,415,196	150,577,502	116,071,400	9,176,449	6,460,981	22,510,000	968, 166,788	40,191,089	300,000	695,000	170,087,217	8,237,022	62, 166, 622	24,233,292	80,549,355	Cosi 2012-2031
1,789,796,438						1.789.796.438	229,532,398	80,827,897	1,479,436,143	1,307,462,453			6,591,462	4,342,179	67,679,180	5,809,755	1,460,197	3,629,768		20,416,986	4,035,816		695,000	9,686,217	6,025,022	5,098,718	5,861,690	30,660,720	Related Capital Exp.
2,371,509,066	112,947,409	109,280,160	151,871,845	176,028,894		1.821.380.767	117,496,459	80,824,897	1,623,059,401		1,885,000	15,502,136	58,215,580	29,073,017	82,898,323	110,261,645	7.716,252	2,631,213	22,510,000	967,749,822	36,155,273	300,000		160,421,000	2,212,000	57,067,904	18,371,602	49,889,635	Related Capital Exp.
60,042,005			L		and an inches	80.042.006			68,042,006												35,533,728							22,508,278	Etgible/Exempt Services under DCA
67,984,980					21,000,000	67 994 940			67,984,980							4,297,483	1,25 878			41,893,711						10,375,000	166,908		Other
51.869.716					01,0000,10	81 800 748			51,869,716							50,984,334											885,381		Senice Standard
145.586.592					760,000,07	140 202 901	19,915,281	27,788,180	101,883,631		192,340	1,550,214	2,859,592	2,774,098	2,900,000	2,562,177		414,000	4,159,500	49,273,937				24,276,560	295,000	6,397,760	2,920,000	1,308,354	Period Benefit
499 881 133		13			97,001,133	AND 1111 1171	29,060,261	8,253,121	462,567,761	,	110,700		41,256,000	10,067,631	41,050,758	24,711,570	4,442,178	30,796	1,267,000	272,478,266	621,546			35,914,700	255,352	4,836,490	209,896	25,314,869	Benefit Deduction
24 469 077			,		110,000,02	24	11,471,966	(8,665,802)	21,662,913		125,550	134,428	193,725	193,725	[1,265,389]	1,418,185				16,999,445				1,993,621		1,993,621	(123,999)		Reserve Fund Adjustment
1 529 575 161	112,947,409	109,280,160	151,871,845	176,028,894	3/3,046,554		57,048,950	53,449,398	869,048,606		1,456,410	13,617,495	13,906,263	16,037,563	40,212,953	26,287,896	2,022,196	2,386,417	17,083,500	587,104,462		300,000		98,236,119	1,661,648	33,465,032	14,313,417	757,134	Growth-Refated Capital Exp.
10 755 076					13,755,675				19,766,876		158,196	1.395,192				2,770,608	202,220	V S				1000		10,022,974	166,165	3,545,865	1,418,942	75,713	Reduction
4 500 040 004	112,947,409	109,280,160	151,871,845	176,028,894	369,790,979		57,048,950	53,449,398	849,292,630		1,298,214	12,422,303	13,906,263	16,037,563	40,212,953	23,517,288	1,819,976	2,386,417	17,083,500	587, 104, 462		300,000		89,213,145	1,495,483	29,919,167	12,894,475	681,421	Eligible Capital Exp.

Idand Funding for Parkland Acquisition Needs
unding from Provincial & Federal Grants/Share of Project

Growth Related Amount that is in excess of the service standard maximum limit allowed under the Development Charges Act to parking would be included in the 2014 DC Update.



Refer to page 1-3 of Watson & Associates Economists Ltd., Long-Term Fiscal Impact Assessment of Growth - Capital Forecast Detail and Summary `, January 23, 2014

City's Financial Framework Considerations

Debt Targets

- Principal and interest not to exceed 20% of City's own source revenues
- Ņ Principal and interest for tax-supported debt not to exceed 10% of City's net property tax levy requirement

Budget Targets

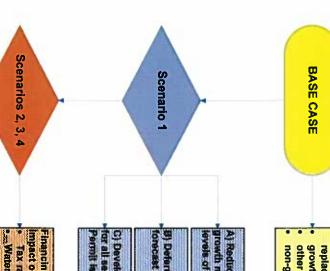
- Municipal taxes levied not to exceed 4% of average household income
- Average water and wastewater costs not to exceed 2.5% of average household income

'n

Base Case	Fiscal Scenario	
46%	Principal and interest must not exceed 20% of own source revenues	
41%	Principal and interest for tax supported debt not to exceed 10% of the City's net levy requirement	Financial
5%	Municipal Taxes Levied do not exceed 4% of Average household income	Financial Framework
0.9%	Average water and wastewater costs do not exceed 2.5% of average household income	The state of the s



Overview of Model Approach



replacement plan; growth related capital; 100% of the City's asset.

- other minor asset replacements; non-growth related works.

A) Reduced Capital Spending to meet growth needs & minimum acceptable evels of asset replacement.

forecast period. B) Deferral of project fighing over

C) Development Gharge's Collected for all services at time of Building ermit issuance,

mpact on: rinancing atternatives to minimize

- Tax rates;
- -Water and wastewater rates, and Debt capacity.

Scenario 3:

Scenario 2:

Refinements as per Scenario

Accelerated timing of

1A & 1B

Wastewater, Stormwater, and (at subdivision) for Water, Development Charge payment

- Assumes Scenario 1 + "former Barrie" Scenario 2 for Growth in
- Wastewater, Stormwater, and capital costs are front-ended Assumes all growth-related Lands associated with Water, by developer in Annexed

Scenario 4:

- Assumes Scenario 3
- \$4,500 per housing units in Assumes a capital contribution time of Building Permit Annexed Lands (collected at to the Development Charge of



Fiscal Impact Scenario Development Scenario 1

- Scenario 1- \$3.1 Billion (excluding water & wastewater debt charges) in capital costs and assumes:
- Reduction in rate-supported (wastewater) and tax-supported annual asset replacement capital projects to be funded over the
- Reduction in growth-related transit buses (to match the Base Service Plan with a total of 68 buses by 2031 vs. 128) and reduction in transit facility expansions
- Adjustments to timing of roads, sidewalks, the South West Expansion projects Community Centre and the Allandale Recreation Centre
- Updates to water and wastewater capital projects and timing of the projects as identified by staff and engineers
- Development charges for all services collected at time of BP **issuance**



Fiscal Impact Scenario Development

- Scenario 1 Assumes all changes as previously mentioned in slide 16
- Scenario 2 Assumes Scenario 1 and accelerated timing of hard building permit) of Barrie Municipal Boundary and Annexed Lands (subdivision vs service DC payment by three years. Applies to lands within former City
- Scenario 3 Assumes Scenario 1, Scenario 2 for growth in "former ended by developer water, wastewater, stormwater and roads for Annexed Lands are front-Barrie" and assumes all growth-related capital costs associated with
- Scenario 4 Assumes Scenario 3, plus assumes a capital contribution time of BP issuance) to the DC of \$4,500 per housing unit for Annexed Lands (collected at



Scenario: Capital by Service

Scenario 1: Capital by Service

	1					Includes 2014-2031 Adjusted (Beduced) Needs 2012 & Barry Park Includes 2014-2031
100%	\$3.124.631.483	\$1,762,931,308	\$794,127,269	\$968,804,039	\$1,361,700,175	Grand Total Capital
	508,416,714	211,115,319	131,506,357	79,608,962	297,301,395	lotal Rate-Supported Services
11.1%	347,028,856	117,496,460	79,798,242	37,698,218	229,532,396	vvastewater
5.2%	161,387,858	93,618,859	51,708,115	41,910,744	67,768,999	Water 4
	2,616,214,769	1,551,815,989	662,620,912	889,195,077	1,064,398,780	Water (3)
5.5%	170,422,472				1/0,422,4/2	Total Tax Company & Commencer works
0.0.0%	090,970,300				170 400 470	Minor Asset Replacement & Other Non-Growth Related Works (2)
769 66	803 076 308				893, 976, 308	Tax Supported Asset Replacement (1)
2 7%	82.898.323	82,898,323	14,500,000	68,398,323		Stormwater/Drainage
0.1%	1,885,000	1,865,000	1,089,200	795,800		Development Services
0.5%	15,502,136	15,502,136	7,751,068	7,751,068		Ambulance
1.9%	58,215,580	58,215,580	50,439,690	7,775,890		Police
0.0%	273,000	273,000	138,000	135,000		rire - Equipment
0.1%	1,940,953	1,940,953	650,000	1,290,953		Tire - Venicies
0.9%	26,859,064	26,859,064	13,082,490	13,776,574		rile - racilities
1.4%	42,978,198	42,978,198	7,212,766	35,765,432		Engineering Services - Iransit
0.2%	7,716,252	7,716,252	2,051,535	5,664,717		Engineering Services - Parking"
0.1%	2,831,213	2,831,213	2,070,000	761,213		Engineering Services - Vehicles & Equipment
0.7%	22,510,000	22,510,000	21,025,000	1,485,000		Engineering Services - Facilities
0.2%	4,745,270	4,745,270		4,745,270		Engineering Services - Traffic Lights & Services
1.6%	48,900,640	48,900,640	7,001,644	41,898,996		Engineering Services - Sidewalks
29.1%	910,443,946	910,443,946	274,059,013	636,384,933	,	Engineering Services - Roads and Related
1.2%	36,155,273	36,155,273	36,155,273	•		Engineering Services - Landfill
5.1%	160,421,000	160,421,000	120,763,780	39,657,220		Parks & Recreation - Recreation Facilities
0.1%	2,212,000	2,212,000	1,475,000	737,000		Parks & Recreation - Parks & Recreation Vehicles & Equipment
1.8%	57,067,904	57,067,904	42,363,800	14,704,104		Parks & Recreation - Parkland Development
0.6%	18,371,602	18,371,602	14,600,000	3,771,602		Arts & Culture
1.6%	49,888,635	49,888,635	46,192,652	3,695,983		General & Administration - General Government
Total	Grand Total	Related	Growth	Limits Growth	Works (1)	Service
Grand		Total Growth	Annexed Lands	Former City	Growth Realted	
% of					Other Non-	
					Management &	
			Growth Related		Asset	

Includes 2014-2031 Adjusted (Reduced) Needs, 2013 & Prior Years Backlog for major infrastructure including roads, facilities, fleet, stormwater, parks featrues, parking, etc.

e capital costs do not include the debt principal & interest for Wastewater however, they do include minor asset replacement and other non-growth realted works writing is an eligible service under the Development Charges Act however, the City does not currently impose a DC for parking, the Fiscal Impact assumes that Parking will be collected under the



and Scenario 1 relating to reduced capital spending. Amounts highlighted indicate where changes have occurred between the Base Case (slide 11)

Include replacement of library collection materials, IT infrastructure, small equipment/gear; non-growth related studies and other non-growth related city initatives

tese capital costs do not include the debt principal & interest for Water however, they do include minor asset replacement and other non-growth realted works

Scenarios: Capital Funding Overview

Service	Description	Capital Cost	Non-Growth Related	Growth	3	Other	Ower Service	Post Period	Existing Benefit	2012 DC Reserve Fund	Net Growth-Related	Statutory Reduction	Elgible CC
General & Administration	General & Administration	80,549,355	30,680,720	49,888,635	22,508,278		Control	1,308,354	25,314,869	The Control of the Co	757 134	75.713	681,421
Arts & Cultura/Ubday	Ans & Culture/Library	24,233,292	5,861,690	16.371 602		166,906	885,381	2,920,000	209,896	(123,998)	14.313.417	1,418,942	12,894,475
Parks & Recreation	Parkland Development	62,166,622	5,098,718	57 067 904		10.375.000		6.397.760	4.836.490	1.983.621	33.465.032	3545.865	29 919 167
Parks & Recreation	Parks & Recreation Vehicles & Equipment	8,237,022	6,025,022	2,212,000			- are 2-0	295,000	255,352		1,661,648	166,165	1, 495, 483
Parks & Recreation	Recreation Facilities	170,087,217	9,666,217	160,421,000				24,276,560	35,914,700	1,993,621	98, 236, 119	10,022,974	88,213,145
Parks & Recreation	Marina	695,000	695,000			8000000							
Engineering Services	Studies/Miscellaneous	300,000		300,000							300,000		300,000
Engineering Services	Landill	40,191,089	4,035,816	36,155,273	35,533,728				621,546				
Engineering Services	Roads and Related	982,656,604	18,866,747	963 789 856		41,893,711		49,162,143	272,251,372	16,989,445	583,483,185		583, 483, 185
Engineering Services	Facilities	22,510,000		22,510,000	765			4,159,500	1,267,000		17,083,500		17.083.500
Engineering Services	Vehicles & Equipment	6,460,981	3,629,768	2,831,213				414,000	30,796		2,386,417		2 386 417
Engineering Services	Parking*	9,176,449	1,460,197	7,716,252		1,251,878			4,442,178		2,022,196	202,220	1,819,976
Engineering Services	Transit	48,787,953	5,809,755	42,978,198		4,297,483	4,552,856	1,310,626	8, 136, 323	1,418,185	23,262,724	2,468,091	20,794,633
Engineering Services	Drainage/Stormwater	150,577,502	67,679,180	82,896,323				2,900,000	41,050,758	1,265,389	40,212,953		40,212,963
Fire	Fire	33,415,196	4,342,179	29,073,017				2,774,098	10,067,631	193,725	16,037,563		16,037,563
Police	Police	64,807,042	6,591,462	58,215,580				2,859,592	41,256,000	193,725	13,906,263		13,906,263
Ambulance	Ambulance	15,502,136		15,502,136				1,550,214		134,428	13.817,495	1.395.192	12,422,303
Development Services	Development Services	1,865,000		1,885,000		,		192,340	110,700	125,550	1,456,410	158,196	1 298 214
Non-Growth Related Works	Assel Replacement	893,976,308	893,976,308			- 2							
SUB-TOTAL - Non-Water & Wastewater	ewater	2,616,214,769	1,064,398,780	1,561,816,989	59,042,006	67,984,980	5,438,237	100,620,186	445,765,610	21,662,913	862,402,057	19,463,368	842,948,698
Water	Water Services	161,387,858	80,450,961	80,936,897				27,788,180	8,253,121	(8,665,802)	53,561,398		53 561 399
Wastewater	Wastewater Services	347,028,857	229,532,398	117,496,459				19,915,281	29,060,261	11,471,966	57,048,951		57,048,951
SUB-TOTAL - Including Water & Wastewater	Wastewater	3,124,631,484	1,374,382,139	1,780,249,346	58,042,005	67,984,980	5,438,237	148,223,647	483,078,992	24,469,077	973,012,406	19,463,368	963, 569, 047
Water	Debt (Principal)	176,028,894		176,028,894			,				176,028,894		176 028 894
Apothweller	Debt (Principal)	151,871,845		151,871,845							151,871,845		151,871,845
Water	Debt (Interest - Discounted)	109.280.160		109,280,160							109,280,160		109,280,160
Windowski or	Debt (Interest - Discounted)	112,947,409		112,947,409							112,947,409		112,947,409
- Total		3,674,789,792	1,374,382,139	2,300,377,663	68,042,006	67,964,980	6.438.237	148 223 647	483 078 997	24.459.077	1 623 140 714	59 463 368	1,503,687,366

and Funding for Parkland Acquisition Needs

ding from Provincial & Federal Grants/Share of Project

with Reladed Amount that is in excess of the service standard maximum limit allowed under the Development Charges Act
Tearing under the Development Charges Act however, the City does not currently impose a DC for parking. It is assumed that parking would be included in the 2014 DC Update.



DC-Related Capital Costs Comparison (2012\$)

(in Millions)

		(III MIIIIOIIS)	
	Base Case	Scenario 1*	Difference
Total Capital Costs, 2012-2031	\$3,610.9	\$3,124.6	\$486.3
Plus: Existing growth-related debt (water & wastewater)	\$550.1	\$550.1	
Less: Non-Growth-Related Capital Expenditures	\$1,821.4	\$1,374.4	
Growth-Related Capital Expenditure (included existing			
growth-related water & wastewater debt)	\$2,339.7	\$2,300.4	
Other Recovery	\$58.0	\$58.0	ļ
Over Service Standard	\$51.9	\$5.4	
Post Period Benefit	\$149.6	\$148.2	
Existing Benefit Deductions	\$499.9	\$483.1	
2012 DC Reserve Fund Adjustment	\$24.5	\$24.5	
Non-DC Eligible/Exempt Services	\$58.0	\$58.0	
Net Growth-Related Capital Expenditures	\$1,497.8	\$1,523.1	
Statutory Deduction	\$19.8	\$19.5	:
Net Growth-Related Capital Expenditures	\$1,478.1	\$1,503.7	
Approximately 65% of total growth-related capital costs are DC-eligible within the 2012-2031 forecast period		(6% additional in the post-2031 period).	od)



Summary of Asset Replacement Included in Base vs. Scenarios

	>	Amount Included	ğ	Perce	Percent of Needs Included	luded
Scenario	Water	Wastewater	Tax	Water	Wastewater	Tax
Base Case						
High & Extreme	18,601,674	55,508,834	847,855,104	100%	100%	100%
Medium & Low	46,993,542	152,626,057	459,607,349	100%	100%	100%
Total	\$65,595,216	\$208,134,891	\$65,595,216 \$208,134,891 \$1,307,462,453	100%	100%	100%
Scenarios 1 - 4						;
High & Extreme	18,601,674	55,508,834	847,855,104	100%	100%	100%
Medium & Low	46,993,542	152,626,057	46,121,204	100%	100%	10%
Total	\$65,595,216	\$65,595,216 \$208,134,891	\$893,976,308	100%	100%	68%

small equipment & gear, etc.) Amounts above do not include minor asset replacement (e.g. library collection materials, IT equipment,



Capital Reserves

- 2014 Opening Balance in:
- Property Tax Capital Reserve \$5.87 million;
- Water Reserve \$5.1 million; and
- Wastewater Reserve <u>negative</u> \$9.4 million
- Property Tax Capital Reserve:
- Property Tax Capital Reserve Fund Balance an annual minimum balance of \$5.875 million is maintained over the forecast period
- Average annual Tax-supported Capital spending (2012-2031) is \$130.8 million.
- The minimum reserve balance is = 4.5% of the average annual capital budget
- This provides a risk to the City in the event of a large event (e.g. breakdown of a large asset, weather event causing damage to assets, etc.).
- Provides low flexibility for changing capital priorities.
- Water and Wastewater Capital Reserves:
- Water Reserve Balance \$11.4 million by end of 2031; and
- Wastewater Reserve Balance \$4.73 million by end of 2031



Development Charge Comparison

	Calculated DC Charge	Existing DC Charge
Single/Semi Detached	44,303	30,707
Non-Residential - Commercial Retail (per sq.ft.)	22.28	16.77
Non-Residential - Industrial (per sq.ft.)	22.28	11.28
Non-Residential - All other Non-Residential (per sq.ft.)	22.28	13.61

service standards and capital needs. Over the forecast period the DC amount will increase based on changes to

Note: Council has requested that the industrial rate be reduced.



Capital Contribution Calculation

The capital contribution represents only growth DCA. related costs which are not recoverable as per the

\$4,500	Amount Assumed for Modelling Purposes
\$5,241	Per Unit Charge
15,824	Total Annexed Area Units
\$82,933,601	Total
\$22,508,278	Updates
	Exempt Services - City Hall Expansion, Network
\$35,533,728	Exempt Services - Landfill
\$19,453,358	Statutory Reduction
\$5,438,237	Over Service Standard



Summary of Capital Funding of Works by Phase (Scenario 4)

Funding/ Growth Grants/ DC Funding/ Realted Subsidies/ Front End Capital Other Non-Growth Financing Contribution Recoveries Related Debt 5 155,793,439 18,216,000 40,834,405 176,395,517 1 414,333,800 33,228,000 - 115,456,174 7 391,108,917 17,082,000 - 296,590,477 3 358,421,890 2,682,000 - 125,405,008 6 1,319,658,046 71,208,000 40,834,405 713,847,177	100%	4%	12%	26%	19%	1%	2%	36%			% Total
Growth Grants/ Direct Tax Direct Water/ Capital Capita	3,682,478,986	140,637,028	453,302,812	942,991,518		40,834,405	71,208,000	1,319,658,046	3,692,478,986	3,124,631,483	Grand Total
Growth Grants/ Direct Water/ Capital Capital Contribution Financing Contribution Financing Contribution Recoveries Tot.,793,439 18,216,000 40,834,405 176,395,517 110,625,127 61,710,212 37,808,294 1414,333,800 33,228,000 - 115,456,174 214,199,260 35,079,595 33,547,781 391,108,917 17,082,000 - 296,590,477 214,933,565 100,811,000 34,773,347 1		34,507,605	255,702,005	403,233,565	125,405,008	,		358,421,890	1,179,952,073	888,491,251	Total 2027-2031
Capital Contribution Recoveries Contribution Contributio	1,055,299,307	34,773,347	100,811,000	214,933,565	296,590,477		17,082,000	391,108,917	1,055,299,307	872,170,945	Total 2022-2026
Pringing Growth Grants/ DC Funding/ Realted Subsidies/ Subsidies/ Capital Other Non-Growth Capital Capital Contribution Recoveries Related Debt Contribution Contribution (Fed. & Prov.) To 155,793,439 18,216,000 40,834,405 176,395,517 110,625,127 61,710,212 37,808,294	845,844,611	33,547,781	35,079,595	214,199,260	115,456,174		33,228,000	414,333,800	845,844,611	763,727,869	Total 2017-2021
DC Funding/ Growth Grants/ Front End Capital Other Non-Growth Capital Contribution Financing Contribution Recoveries Related Debt Contribution	601,382,995	37,808,294	61,710,212	110,625,127	176,395,517	40,834,405	18,216,000	155,793,439	611,382,995	600,241,418	Total 2012-2013
Front End Capital Other Non-Growth Capital Front End Capital Other Non-Growth Capital Capital	Total Funding	(Fed. & Prov.)	Contribution	Contribution	Related Debt	Recoveries	Contribution		(inflated \$)	(2012 \$)	:
DC Funding/ Realted Subsidies/ Direct Tax		Gas Tax	Capital	Capital	Non-Growth	Other	Capital	Front End	Expenditures	Expenditures	
Grants			Wastewater	Direct Tax		Subsidies	Realted	DC Funding/	Grand Total	Grand Total	
Funding			Direct Water/			Grants/	Growth				
Funding											
				ding	Fundi						



Recovery of Growth Related **Costs by Scenario**

SUMMARY OF PERCENTAGE OF RECOVERY FROM GROWTH FOR GROWTH RELATED CAPITAL

70/0	1,160,110,000	0	ľ	10,00	ı	, ,,200,000 ;	.,000,000,000		l		
750/	1 723 110 003	70%	279 5.CC 877	7083	1 574 895 356	71 208 000	2 300 377 653 1 503 687 356 71 208 000		58 042 005	2 242 335 648	Scenario 4
72%	1,651,911,003	7%	148,223,647	65%	1,503,687,356		1,503,687,356	2,300,377,653	58,042,005	2,242,335,648	Scenarios 2 & 3
72%	1,651,911,003	7%	148,223,647	65%	1,503,687,356	,	1,503,687,356	2,300,377,653	Г	2,242,335,648	Scenario 1
70%	1,659,506,279	6%	149,586,992	64%	1,509,919,287	,	1,529,675,163	2,371,509,066	Г	2,313,467,061	Base Case
(2012-Post 2031)	DCs (Post 2031) (2012-Post 2031) (2012-Post 2031)	DCs (Post 2031)	Benefit	(2012-2031)	(2012-2031)	Contribution	(3)	Related Costs	Г	3	Scenario
Costs	Recoverable	through future Recoverable	Post Period	Related	Recoverable	Capital	Total Growth- DC Recoverable	Total Growth-	Related Costs Related Costs	Related Cost	
Growth-Related	Total	Recoverable		of Growth-	Total				Growth-	Growth-	
Recoverable of		Percentage		Recoverable					Eligible	DC Eligible	
Total Percentage		Additional		Percentage					Non-DC		

^{.))} The grown related costs or not include non-DC eligible grown related works such as expansions to City. Hall and related it equipment as well as Landill infrastructure.



⁽²⁾ Includes \$35.53 million for Landfill, \$22.51 million for expansion to City Hall and related IT equipment

⁽³⁾ Frontending of works in Scenarios 3 & 4 would increase cash flow but not the DC percentage recoverable. Front ending of water capital \$51.33 million, wastewater capital \$62.14 million & Tax supported (roads & stormwater) of \$208.76 million. Total Front Ending Value \$322.22 million.

Summary of Fiscal Impact Analysis Relative to City Budgeting Targets

Fiscal Scenarios	Municipal Taxes Levied do not exceed 4% of average household income	Municipal Taxes Levied do not exceed 4% of average household income Average water and wastewater costs do not exceed exceed 2.5% of average household income
Base Case	5.0%	0.9%
Scenario 1	4.4%	0.8%
Scenario 2	4.3%	0.8%
Scenario 3	4.3%	0.8%
Scenario 4	4.2%	0.8%

continues to be until the end of 2014. It is also assumed that the water Note that the current DC water reserve is currently in a deficit position and rates will cash flow the 2013 growth-related debt payment and the DC reserve will pay back the water rates over the 2015-2018 forecast period.



Average Annual Tax and Water/ Wastewater Increases

Scenario 4	Scenario 3	Scenario 2	Scenario 1	Base Case	Scenario
3.9%	4.1%	3.5%	4.1%	5.9%	Average Annual Tax increase 2012-2017 2018-203
2.1%	2.0%	2.3%	2.3%	1.7%	ge Annual Tax Increase
\$135	\$142	\$118	\$143	\$210	Average Year over Year Residential Tax Bill Increase Based on Average Assessment of 293,300 for a Single Detached Unit (2012-2017)
Volume Charge 4.7%	Base Charge 2% Volume Charge 4.7%	Base Charge 2% Volume Charge 4.7%	Base Charge 2% Volume Charge 4.7%	Base Charge 2% Volume Charge 4.6%	Average Annual Water Rate Increase
Volume Charge 4.7% Volume Charge 2.1%	Base Charge 2% Volume Charge 2.1%	Base Charge 2% Volume Charge 2.1%	Base Charge 2% Volume Charge 2.1%	Base Charge 2% Volume Charge 2%	ater Rate Increase
Volume Charge 7.1% Volume Charge 2.5%	Volume Charge 2.1% Volume Charge 7.1% Volume Charge 2.5%	Polume Charge 7.1% Volume Charge 2.5%	Base Charge 2% Base Charge 2% Volume Charge 7.1% Volume Charge 2.5%	Base Charge 2% Volume Charge 10%	Average Annual Wastewater Rate Increase
Volume Charge 2.5%	Base Charge 2% Volume Charge 2.5%	Base Charge 2% Volume Charge 2.5%	Base Charge 2% Volume Charge 2.5%	Base Charge 2% Volume Charge 2%	Wastewater Rate ease 2018-2031
\$31	\$31	\$31	\$31	\$38	Average Year over Year Residential Water & Wastewater Bill Increase (2012-2017) Based on Average annual volume of 180m ³
\$166	\$173	\$148	\$173	\$248	Total Average Change in Bill (Tax & Water/ Wastewater)



Debt Capacity

- Municipalities are limited in the levels of debt they can issue
- Debt charges cannot exceed 25% of total net revenues (Legislated by Province)
- The City's Council-approved policy is not to for unforeseen events exceed a 20% limit in order to preserve capacity



Summary of Fiscal Impact Analysis Debt Targets

	Financial Policy Fran	Financial Policy Framework: Debt Targets
Fiscal Scenarios	Principal and interest must not exceed 20% of own source revenues	Principal and interest for tax supported debt not to exceed 10% of the City's net levy requirement
New Base Case	46%	41%
Alternative Scenario 1	27%	26%
Alternative Scenario 2	22%	22%
Alternative Scenario 3	22%	20%
Alternative Scenario 4	20%	19%



Relates to Legislated and Council Directed Summary of Fiscal Impact Analysis as it **Fiscal Thresholds**

Revised Capital Program + accelerated payments + front- ending+ capital contribution	Revised Capital Program + accelerated payments + front-ending	Revised Capital Program + accelerated payments	Revised Capital Program	Base Case	Fiscal Scenario
\$3.12	\$3.12	\$3.12	\$3.12	\$3.61	Capital Spending Plan Excluding Existing Debt Charges (billion\$)
4%	4%	4%	4%	5%	Legislate Municipal Taxes Levied do not exceed 4% of Average household income
0.8%	0.8%	0.8%	0.8%	0.9%	d and Council Average water and wastewater costs do not exceed 2.5% of average household income
20%	22%	22%	27%	46%	Legislated and Council Directed Fiscal Thresholds Average water and raceed ocosts do not exceed exceed exceed werage usehold income income Average average average income Average average average income Average average income
19%	20%	22%	26%	41%	Principal and interest for tax supported debt not to exceed 10% of the City's net levy requirement



Refinements since January 2014

- For Cash Flow purposes:
- Upgrades to the timing of roads, water and wastewater (IIP) projects as outlined in the Infrastructure Implementation Plan
- Minor upgrades to costing of projects where known (as per
- Potential reduction of roads/water/wastewater costing related to land requirements
- Growth Forecast has been refined to reflect:
- Initiation of development in annexed lands beginning in early 2017
- Growth in Former Barrie Municipal Boundary to reflect actual permit data for 2012 & 2013
- Refinements to Debt (see next slide)



Refinements to Debt

- Refinements to Debt to recognize discounting and actual F A: requirements for 2014 vs. amount anticipate during 2012 wastewater debt issuance in 2013 & updated balance of debt
- 2013 Actual/2014 anticipated vs. FIA assumptions = by 2024). minor reduction to debt capacity (20% cap is still reached (undiscounted) – Results in a reduction to the DC and a reduction of \$45.275 million in debt principal payments
- FIA assumed full principal and discounted interest costs reduction to the DC vs. discounted principal and interest costs - Results in a



Refinements to DC for Water, Wastewater & Roads

- Refinements to DC Calculations for Water, Wastewater & Roads DC (per SDU):
- Roads Reduced by \$747
- Water (including Debt) Reduced by \$3,061
- Wastewater (including Debt) Reduced by \$2,514
- Total DC reduction = \$6,322
- Total DC as per FIA was calculated at \$44,303, revised total \$37,981 with reductions identified above as per cash flow analysis





Questions