

Budget Committee Minutes

Meeting No. 1

October 1, 2021, 9:00 AM - 12:00 PM

Live streamed

Members	Councillor Amanda Collucci, Chair Councillor Andrew Keyes, Vice-Chair Mayor Frank Scarpitti (ex-officio) Deputy Mayor Don Hamilton Regional Councillor Jack Heath	Councillor Keith Irish Councillor Reid McAlpine Councillor Karen Rea Councillor Khalid Usman
Regrets	None	
Roll Call	Regional Councillor Joe Li Regional Councillor Jim Jones Councillor Alan Ho Councillor Isa Lee Andy Taylor, Chief Administrative Officer Trinela Cane, Commissioner, Corporate Services Arvin Prasad, Commissioner Development Services Claudia Storto, City Solicitor and Director of Human Resources Joel Lustig, Treasurer Bryan Frois, Chief of Staff Kimberley Kitteringham, City Clerk Adam Grant, Fire Chief Mary Creighton, Director of Recreation Services Biju Karumanchery, Director of Planning and Urban Design Graham Seaman, Director, Sustainability & Asset Management	Catherine Biss, Chief Executive Officer Morgan Jones, Director, Operations Lisa Chen, Senior Manager, Financial Planning & Reporting, Financial Services Jay Pak, Senior Financial Analyst Alison , Senior Financial Analyst Jemima Lee, Senior Financial Analyst Veronica Siu, Senior Business Analyst Laura Gold, Council and Committee Coordinator Mary-Jane Courchesne, Acting Council/Committee Coordinator Eddy Wu, Director, Environmental Services Alice Lam, Director of Operations Stephanie DiPerna, Director, Building Standards Richard Fournier, Manager, Parks & Open Space Development Heena Mistry, Senior Financial Analyst Germaine D'Silva, Senior Financial Analyst

1. CALL TO ORDER

The Budget Committee convened at 9:02 AM with Councillor Amanda Collucci, Budget Chief in the Chair.

The Budget Chief provided opening remarks on the 2022 Budget.

2. DISCLOSURE OF PECUNIARY INTEREST

There was no disclosure of pecuniary interest.

3. BUDGET PRESENTATION

3.1 2022 BUDGET OVERVIEW

Lisa Chen, Senior Manager of Financial Planning & Reporting provided the “2022 Budget” overview presentation.

Committee provided the following feedback on the “2022 Budget” overview presentation:

Economic Trends and Legislative Impacts

- Asked if the *Accessibility for Ontarians with Disabilities Act (AODA)* requires both new, and existing playground surfaces to be crumb rubber;
- Discussed possible factors causing higher gas prices;
- Asked whether the unemployment figure includes people who choose not to work;
- Asked if the impact of the carbon tax on the City’s operations has been reviewed.

Capital Budget

- Asked whether the 0.5% infrastructure annual investment is still required;
- Asked if greater funds were transferred into the Corporate Stabilization Fund than were taken from the fund in 2021 to offset a tax rate increase and to balance the budget;
- Asked whether funds from the federal Restart Program could be used to address the 2022 Budget shortfall;
- Requested that a presentation be prepared by Sustainability & Asset Management on the Mount Joy Net Zero Study and other Community Centres.

COVID-19 Projected Impact

- Asked for clarification on the costs associated with maintaining the City’s Recreational Facilities while they remained closed.

Operating Budget

- Inquired about the water and wastewater rate increase;
- Agreed that a 5.36% tax increase was too high, but suggested a smaller increase of 1% or 2% may be better than having a large increase in the future;
- Supported leveraging technology to improve the efficiency of City services, but noted that it should not impact service levels;
- Requested a breakdown of the percentage of residential taxpayers per property type

Staff provided the following responses to inquiries from the Committee:

Economic Trends and Legislative Impacts

Playground Surfaces

Staff advised that all new playgrounds will be built with a crumb rubber surface going forward. Existing playgrounds must comply with this AODA requirement by 2025. A report will be brought forward to the General Committee on this matter.

Gas Tax

Staff could not comment on why gas prices are high.

Unemployment Figure

The unemployment figure does not include people who can work who choose not work. This number is reflected in a different figure.

Carbon Tax

Staff advised that a report will be brought forward to General Committee on the impact the carbon tax will have on the City's operating costs, and ways to mitigate the impact.

Trinela Cane, Commissioner of Corporate Services, advised that Graham Seaman, Director of Sustainability & Asset Management, can provide a presentation on the Mount Joy Net Zero Study and other Community Centres, as part of the budget process.

Capital Budget

Life Cycle Reserve

Staff advised that City's annual infrastructure investment of 0.5% is required to ensure the Life Cycle Reserve is adequately funded for the next 25 years based on known inflows and outflows.

Corporate Rate Stabilization Reserve

Staff confirmed that the \$3.6M transferred from the Corporate Stabilization Reserve to balance the 2021 Budget, was transferred back to the reserve from the 2020 Budget surplus.

Safe Restart Program

Staff advised that the one-time Federal and Provincial funds that were received from the Safe Restart Program were given to municipalities to address the additional financial pressures of the pandemic that were above any beyond the City's base operating budget.

COVID-19 Projected Impact

Recreational and Cultural Facilities

Staff advised that both the loss of recreation/culture revenue and the fixed costs of maintaining facilities, resulted in a significant shortfall, even with personnel savings.

Operating Budget

Water and Wastewater Rate

Staff advised that a report will be brought forward to the General Committee on City's water and wastewater rate on October 18th.

Breakdown of Residential Taxpayers per Property Type

Staff will provide Committee with a breakdown of the percentage of residential taxpayers per property type.

Mayor Frank Scarpitti thanked staff for the presentation and for their work on the 2022 Budget. The Mayor advised that residents and businesses will continue to contend with impacts of the pandemic for sometime, and that a 5.36% tax increase cannot be passed on at this point in time. The Mayor provided the following direction to staff:

- 1) Review the operating budget and look for ways to mitigate the 2022 tax rate increase, suggesting the following be explored:
 - leveraging efficiencies through the investment in technology to the greatest extent possible;
 - Realign services to leverage value in the City's operations (learn from the City's COVID experience).
- 2) Work to reduce the 2022 tax rate, ideally to 0%;
- 3) Investigate if there is an opportunity to use the Corporate Rate Stabilization Reserve to fund the 2022 0.5% infrastructure investment and replenish through the 2021 surplus.
- 4) Close the \$3.6M budgetary gap from the 2021 operating budget over the next 3-4 years;

Councillor Amanda Collucci, Budget Chief, supported keeping the tax rate low, emphasizing that the City is not completely out of the pandemic and that many businesses did not survive the pandemic and those that did are barely surviving.

The following deputation was made:

Lisa Giammarco

- Expressed concern on the past and current capital expenditures regarding the Wismer Commons community.
- Asked whether the City has set aside funds to benefit the community of Wismer Commons.
- Requested for a comparison of funds spent on the communities of William Berczy versus Wismer Commons.

The Mayor advised that staff had conducted a comparison on all aspects of parks including the maintenance of sports fields, tree planting and other additional enhancements a few years ago to identify any discrepancies. The Mayor was prepared to meet with the Deputant to review the findings of the park and amenities analysis.

Councillor Karen Rea noted that one of issue is that the Wismer community is divided amongst two Wards: Ward 4 and Ward 6 and that the large park is in Ward 6. Councillor Rea also suggested that standards of both Wismer Commons and Berczy Village should be the same.

4. NEW BUSINESS

There was no new business.

5. NEXT MEETING DATE

The next meeting of the Budget Committee will be held on October 6, 2021 at 9:00 AM.

6. ADJOURNMENT

The Budget Committee adjourned at 11:26 AM.