

Finance Committee Meeting Agenda

October 15, 2019

5:45 p.m.

Council Chambers, City Hall

	Pages
1. Call to Order	
2. Confirmation of Minutes	
2.a June 10, 2019	1 - 6
3. Disclosure of Pecuniary Interest	
4. Reports and Communications	
4.a Report CLSFS19-044 Preliminary 2020 Budget Update	7 - 9
5. Other Business	
6. Next Meeting - December 9, 2019	
7. Adjournment	

Finance Committee Minutes

City of Peterborough

June 10, 2019

Roll Call Councillor Akapo
 Councillor Baldwin
 Councillor Beamer
 Councillor Clarke
 Councillor Pappas, Chair
 Councillor Parnell
 Councillor Riel
 Mayor Therrien
 Councillor Vassiliadis
 Councillor Wright
 Councillor Zippel

Staff Sandra Clancy, Chief Administrative Officer
 Cynthia Fletcher, Commissioner of Infrastructure and Planning Services
 Richard Freymond, Commissioner of Corporate and Legislative Services
 John Kennedy, Clerk
 Bill McDougall, Budget and Operations Analyst
 Yvette Peplinskie, Manager of Financial Services
 Brendan Wedley, Manager of Communication Services

Call to Order

The meeting was called to order at 4:45 p.m. in the Council Chambers, City Hall.

Confirmation of Minutes

Moved by Gary Baldwin

That the Finance Committee minutes of May 22, 2019 be approved.

Carried

Disclosure of Pecuniary Interest

There were no disclosures of Pecuniary Interest

Consent Agenda

Moved by Councillor Vassiliadis

That items 5.b, 5.c and 5.e be approved as part of the Consent Agenda.

Carried

Management Letter and Verbal Audit Findings Report for the year ended December 31, 2018

Report CLSFS19-026

Moved by Councillor Vassiliadis

That Council approve the recommendation outlined in report CLSFS19-026 dated June 10, 2019, of the Commissioner of Corporate and Legislative Services as follows:

That the audit of the December 31, 2018 Financial Statements Letter (Management Letter) appended to report CLSFS19-026 and the Verbal Audit Findings Report presented by Baker Tilly KDN Kawartha LLP for the year ended December 31, 2018 be received as information.

Carried

Audit of the Consolidated Financial Statements of the City of Peterborough - Acknowledgement Letter

Report CLSFS19-024

Moved by Councillor Vassiliadis

That Council approve the recommendations outlined in report CLSFS19-024 dated June 10, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) **That the Acknowledgement Letter Audit of the Consolidated Financial Statements of the City of Peterborough be received.**

- b) That the Mayor and Chair of the Finance Committee be authorized to sign the Acknowledgement Letter.**

Carried

Reduction of Property Tax Arrears for 511 Romaine Street

Report CLSFS19-029

Moved by Councillor Wright

That Report CLSFS19-029 be referred to a future closed session meeting.

Carried

Tax Adjustments under Section 356 and Tax Appeals under Sections 357, 358 and 359 of the Municipal Act, 2001

Report CLSFS19-027

Moved by Councillor Vassiliadis

That Council approve the recommendations outlined in report CLSFS19-027 dated June 10, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) That tax reductions in the amount of \$143,318.25 calculated in accordance with Sections 357, 358 and 359 of the Municipal Act, 2001 and attached to report CLSFS19-027 as Appendix A be received.**
- b) That land apportionments under Section 356 of the Municipal Act, 2001 be received.**

Carried

Treasurer's Report, 2018 Consolidated Financial Report, 2018 Trust Funds Financial Statement and Five-Year Review

Report CLSFS19-025

Moved by Councillor Vassiliadis

That Council approve the recommendations outlined in report CLSFS19-025 dated June 10, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) **That Report CLSFS19-025, Treasurer's Report, 2018 Consolidated Financial Report, the 2018 Trust Funds Financial Statement, Five Year Review and presentation be received as information.**
- b) **That the underlying accounting policies as detailed in the Notes to the Financial Statements be approved.**
- c) **That the Treasurer's Report, 2018 Consolidated Financial Report and 2018 Trust Funds Financial Statement, as presented and received, be submitted to the Province of Ontario.**

Carried

2020 Budget Guidelines

Report CLSFS19-030

Moved by Councillor Parnell

That Council approve the recommendations outlined in Report CLSFS19-030, dated June 10, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

- a) **That the Draft 2020 Operating Budget reflect an estimated 1.75% all-inclusive (Municipal, Education, Sanitary Sewer Surcharge) increase for general Operating Budget impacts.**
- b) **That the Draft 2020 Operating Budget reflect an additional 0.59% all-inclusive budget provision for support to the capital program comprised of:**
 - i) **A budget provision of \$620,000 (0.36%) for Stormwater Protection,**
 - ii) **An increase in the Sewer Surcharge rate to provide the equivalent of \$350,000 (0.23%) in Sanitary Sewer revenues, and**
- c) **That the revised Tax Ratio Reduction Program continues for the 2020 Draft Budget and reflects reductions:**
 - i) **to the Commercial and Industrial Class Tax Ratios but not the Multi-residential Class, and**
 - ii) **at the reduced rate established through the 2016 Budget process.**

- d) **That the increase in the Police Services portion of the draft 2020 Operating Budget reflect no more than the Operating portion of Net Tax Levy increase (estimated to be 2.78%), and any increase in the net Police Services budget beyond the estimated Operating Portion of the Net Tax Levy increase be addressed by Council as part of the detailed 2020 Budget deliberations to occur in November of 2019.**
- e) **That Council commit, in principle, to leveraging the Investing in Canada Infrastructure Program federal and provincial funding, subject to annual budget approvals, by funding the municipal share of the projects estimated to be approximately \$22 million over the next eight years, or an average of \$2.75 million per year, to maximize the available grants.**

At the meeting of June 20, 2019, Committee added item f) as follows:

- f) **Unless new, sustainable funding becomes available from another level of government or outside source, no new services are to be added to our municipal tax base for the 2020 budget.**
- g) ~~That Council direct the CAO to consider, as part of the 2020 Draft Budget process, to analyze any new full-time, permanent staff positions and,~~
~~As per our practice, the CAO will report to Council, any income streams or savings associated with a new hire.~~

The following motion was withdrawn:

- h) That staff communicate to the City's agencies, boards and commissions, that City Council requests that their 2020 budget request include no new fulltime staff positions unless the position is required to deliver new services that are mandated by legislation or it can be clearly demonstrated through a business plan that the position can generate sufficient revenue or cost reductions to cover its salary and benefits.

Moved by Mayor Therrien

That recommendation b), be amended by adding iii), as follows:

\$856,000 (0.50%) related to the Capital Financing Policy to support debt principal and interest payments.

Lost

The Chair separated the recommendations for vote.

Upon recommendation a), the motion carried.

Upon recommendation b), the motion carried.

Upon recommendation c), the motion carried.

Upon recommendation d), the motion carried.

Upon recommendation e), the motion carried.

Upon recommendation f), the motion carried.

Upon recommendation g), the motion lost.

Item h) was withdrawn.

Other Business

There were no items of Other Business.

Next Meeting - October 28, 2019

Adjournment

Moved by Councillor Akapo

That this meeting adjourn at 6:49 p.m.

Carried

John Kennedy

City Clerk

Councillor Pappas

Chair



City of
Peterborough

To: Members of the Finance Committee

From: Richard Freymond
Commissioner of Corporate and Legislative Services

Meeting Date: October 15, 2019

Subject: Report CLSFS19-044
Preliminary 2020 Budget Update

Purpose

A report to provide an update on the 2020 budget.

Recommendation

That the Finance Committee approve the recommendation outlined in Report CLSFS19-044, dated October 15, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

That this report be received for information.

Budget and Financial Implications

There are no budget and financial implications to receiving this report.

This report supplements Report CLSCLK19-021 which recommends a delay in the timeline for the 2020 Budget. The new schedule will allow staff time to receive other information from the Province and review the cost increases in other areas of the budget and make mindful recommendations that reduce one-time adjustments and impacts to levels of service as much as possible.

Background

The City is facing significant budget pressures for 2020 as a result of recent Provincial government announcements and increasing municipal costs.

Provincial announcements throughout 2019 have had significant impacts on the City's draft 2020 budget. These announcements require time for staff to incorporate the related changes into the draft budget. As recently as the week of September 26, 2019, staff received positive information about the Peterborough County-City Paramedics 2020 funding from the Province, and more announcements about other programs are anticipated from the Province in the remaining months of 2019 that may impact the City's 2020 budget.

Changes in Provincial funding formulas, program requirements and decreased grant funding have effectively created downloads to the City for the services provided by the Peterborough Public Health Unit, the Peterborough County-City Paramedics, Fairhaven Long Term-Care, Police, Children's Services, Social Services, Social Housing and Waste Management. Staff estimate that for 2020 the net effects of these downloads total approximately \$1.6 million.

In a letter sent to Heads of Council on May 27, 2019, Premier Doug Ford references the \$15 billion annual deficit and \$347 billion long-term debt that the Provincial government is attempting to clean up and is quoted as saying "We also believe that every government needs to step up and do its part; there is only one taxpayer, and the job of finding savings while protecting core services rests with every elected official in Ontario." Municipalities have been asked to find efficiencies that will ensure the sustainability of our shared public services.

The City is also facing significant cost increases for current levels of service in Winter Control, Waste Management, Information Technology, and Transit. Staff estimate that the net cost increases in these areas over the approved budget guideline total approximately \$2.4 million.

As a result of these pressures, staff are requesting deferring the 2020 budget timeline as detailed in Report CLSCLK19-021, also presented on October 15, 2019, to allow more time to balance the budget and incorporate any new information from the Province into the draft budget.

Budget Timeline

The following are the next steps in the budget process, under the recommendations of Report CLSCLK19-021:

- December 9, 2019 - Documents presented to Finance Committee
- Until January 13, 2020 - Committee Members review documents individually
- January 13, 2020 - Public Input Meeting

- January 13 (after the Public Meeting) to 16, 2020 - Finance Committee Reviews
- January 27, 2020 - 2020 Budget Approval

Summary

The City is facing significant pressures in the 2020 budget as a result of cost increases and Provincial announcements that impact Municipal programs. Changing the schedule will give staff more time to give all the pertinent information from the Province and to recommend a draft budget with sustainable changes and as little one-time adjustments and reductions to levels of services as possible and still have an approved 2020 budget by the end of January 2020.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

Contact Name:

Richard Freymond
Commissioner of Corporate and Legislative Services
Phone: 705-742-7777 Ext. 1863
Toll Free: 1-855-738-3755 Ext 1863
Fax: 705-876-4607
E-mail: rfreymond@peterborough.ca