

## **Appendix F – Budget Inquiries from Council**

### **Tax-supported**

1. Why is the tax-supported Asset Replacement Fund (ARF) increase only a 1% levy?

It is a challenge to meet the Council target (tax increase of less than 3%) with a larger ARF increase. In the past, ARF levy increases have been less than 1% to assist in meeting the target. The tax-supported ARF requires additional funding that will be dealt with as part of the ARF and Fiscal Strategies in May/June 2020.

2. What is the donated park?

It is actually 2.4 hectares open space in the Glenway area and not a Marianneville Park. The land is currently in the process of being conveyed (donated) to the Town.

3. Why did the growth allocation for Decision Packages increase? What is the criteria?

The growth allocation for Decision Packages is the amount remaining after all other requirements have been met. When the CYFS requirement was decreased, the allocation could be increased; however, only requests with a sufficiently high rating are considered. As a result of the application of evaluation criteria, not all of the funds were allocated - \$23,000 will be going to the Growth Reserve.

4. Replacing contracts with staff – general question and specifics on Facility capital position.

Replacing contract position with permanent full-time position is to avoid service interruption causing by frequent turn-over which has happened many times in the past few years. Facility capital position -Project Manager would allow for the increased efficiency in identifying and resolving maintenance issues and renovations needs for continued improvement to our operations and development of all Town facilities. The project manager would act as the intermediary person between the various Town's department involved to ensure all parties' expectations and needs are met during the various stages of renovation projects.

5. What is the criteria for determining whether a Decision Packages will be recommended, pending or deferred?

All Decision Packages are rated and the ratings are reviewed by Finance staff to ensure consistency. Initially, projects are “recommended” based on available funding with priority given to higher ranked requests. The Operational Leadership Team (OLT) does a reasonability test and may make adjustments. Any requests not recommended are considered to be “deferred” for reconsideration in future years.

The pending list is new this year. These are requests, most of which are for additional staff, that should not be initiated without considering the results of our service delivery review, REY IT Up, As these results will not be known and reviewed

until next year, it is appropriate to provide for these requests but to have final approval deferred.

6. What is the general approach to requests for new staffing?

In general, requests for new staff should align with departmental plans and be reviewed with Human Resources. Usually the goal is to maintain existing service levels or to realize cost savings.

7. Why has the Decision Package for Inclusion Support - Camps & Programs been deferred?

This need has been addressed elsewhere and this item is no longer required.

8. For Building security, why does this require a fulltime person?

In a Crime Prevention Through Environmental Design (CPTED) review of our facilities at 395 Mulock, Full-time security was suggested by York Regional Police and accepted by the Senior Leadership Team for implementation. The report suggested 24 hours security but we feel evening security (4pm-12pm) will address our business needs.

### **Rate-supported**

1. Water Rates moving to the Regional Average – Can we provide more information about what other municipalities are doing about full cost recovery and reserves? What portion of our expenses reflect the direct billing costs to the Region?

All municipalities are moving towards full cost recovery and building reserves but progress is uneven. This is a complex issue and there is insufficient time to do a comparative analysis at this time.

.Regional charges account for 61.5% of the water and wastewater expenses.

2. Water/Wastewater increases are 4.9% or \$60 for the average homeowner. Does this rate include or account for growth?

The 4.9% or \$60 does not account for growth. Growth is an increase in consumption and does not apply to individual users. The revenue projection includes a 1.15% volume increase, equal to about \$320,000.

3. Building Division Reserves – Expenses appear to be over \$1M more than revenues for the past 2 years. How can we address this now so that we are not facing a situation 5 years from now that requires significant increases in fees etc. to make up for lost revenue/higher expenses? .

Over the last 8 years (2011 to 2018) annual Building Division revenues have fluctuated from a low of \$1.7 million to a high of \$3.5 million – with an average of \$2.5 million. The budget is very conservative and used the low end of the range. If the budget had been based on the annual revenues, the projected reserve fund balance show a slower decline – to 153% of expenses at the end of 2020 and it would be several years before it becomes an issue. 2019 experienced extremely low building fee revenue (\$490,000 collected year to date November). The projected year-end Building reserve is \$3.7 million, which is 137% of annual operating expenditures in Building division. Staff is proposing 2.5% increase in Building Permit fees in 2020 and will continue to monitor the situation and propose appropriate fee increase in future years if necessary.

4. Regulations relating to drains – what impact do the new regulations have on our budget?

The 2018 budget included an additional \$600,000 in expenses for Stormwater Management Facility Maintenance Program and Catch Basin Cleaning. These items had not been included in the 6-year financial plan approved by Council in 2017.

5. Rev It Up – are we getting good suggestions?

There are many good ideas. They will require further review and analysis. It is too early to estimate what their budget impact could be.

## **Capital**

1. Criteria around deferred items list – e.g. deferring fleet replacement... how much money will we have to put into operational upkeep if we are not replacing fleet and how will this impact service levels?

There would be some operational impact but it is difficult to estimate.

2. Gas Tax additional “top up” funding – how can the money be used?

Gas Tax funds can be used for the following eligible project categories:

1. Local roads and bridges, including active transportation
2. Public transit
3. Drinking water
4. Wastewater
5. Solid waste
6. Community energy systems
7. Capacity building
8. Short-sea shipping
9. Short-line rail
10. Regional and local airports

11. Broadband connectivity
12. Brownfield redevelopment
13. Sports
14. Recreation
15. Culture
16. Tourism
17. Disaster mitigation

3. How will we communicate to residents if an approved project that received public input/feedback is subsequently deferred? Also asked how will Councillors know and when their project has been deferred?

On a go forward basis, there will be regular reports, perhaps quarterly, that will track the progress of the capital program. Recommendations will be made, but Council will continue to have the final say on the deferral or projects.

4. If we defer the demolition of the Hollingsworth arena, how does that impact the Town's plans?

The project has been moved to the Recommended List.

5. How do we set up a "triage" process where Council members can bring forward capital projects that may be reflected on the deferred list for discussion and possible inclusion on the approved list?

Appendix E - Capital Project Inquiries from Council is a first attempt at this. In the future, this will be addressed with regular progress reports and input during the budget process.