

The Corporation of the City of Kawartha Lakes

Agenda

Special Council Meeting

CC2019-06

Wednesday, February 13, 2019

Open Session Commencing at 9:00 a.m.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Mayor Andy Letham

Councillor Ron Ashmore

Councillor Pat Dunn

Deputy Mayor Doug Elmslie

Councillor Patrick O'Reilly

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

Accessible formats and communication supports are available upon request.

1.	Call to Order	
2.	Adoption of Agenda	
3.	Disclosure of Pecuniary Interest	
4.	Proposed 2019 Operating Budget	
4.1	CC2019-06.4.1	
	Proposed 2019 Operating Budget Presentation	
	Ron Taylor, CAO	
	Jennifer Stover, Director of Corporate Services	
4.2	CC2019-06.4.2	
	Public Comments - Operating Budget	
4.3	CC2019-06.4.3	4 - 10
	Written Public Submissions - Operating Budget	
	<ul style="list-style-type: none"> P. Weygang 	
4.4	CC2019-06.4.4	11 - 25
	Council Questions and Answers - Operating Budget	
	That the 2019 Operating Budget Council Question and Answer document be received.	
4.5	CC2019-06.4.5	
	Department Budget Presentations	
4.5.1	Mayor and Council and Office of the Chief Administrative Officer - Ron Taylor, CAO	
4.5.2	Development Services - Chris Marshall, Director	
4.5.3	Corporate Services - Jennifer Stover, Director	
	Council Lunch Break	
4.5.4	Engineering and Corporate Assets - Juan Rojas, Director	

- 4.5.5 Fire Services - Mark Pankhurst, Chief
- 4.5.6 Paramedic Services - Derek Brown, Acting Chief
- 4.5.7 Human Services - Rod Sutherland, Director
- 4.5.8 Public Works - Bryan Robinson, Director
- 4.5.9 Community Services - Craig Shanks, Director
- 5. **Closed Session**
- 6. **Matters from Closed Session**
- 7. **Confirming By-Law**
- 7.1 CC2019-06.7.1 26 - 26
**A By-Law to Confirm the Proceedings of a Special Meeting of Council,
Wednesday, February 13, 2019**
- 8. **Adjournment**

City of Kawartha Lakes

2019 Budget

Analysis, and Commentary

Peter Weygang
Sec. C4DD

I do not believe that councilors have the time, or resources, to analyze this 218-page document. Council should list the things that THEY want to know, and stop buying the things that staff want to sell. The report would then be just a few pages, and a hundred times more useful.

Council needs to QUESTION staff on every item, to see that it provides a real service to the **people**. To that end I made this document, that I trust will provoke some though, and serious discussion.

Reserves: The psychological sham.

When a corporation has *reserves* people believe that the corporation is acting wisely by putting away some income for a rainy day emergency. This was the situation before amalgamation, when the former municipalities had a net reserve of about \$7 million. That money was spent by the amalgamated city to offset the prospect of an enormous increase in taxes.

This administration has an enormous debt. It puts some of this debt money into *reserves*, and then draws on these reserves as *revenue*! In simple terms we have Peter robbing Paul to pay Peter! This is the most bizarre, outlandish method of accounting, which goes on year after year. This, from a staff viewpoint, is much better than admitting that, once again, they have a serious fiscal management problem.

Page 6. Transfer TO Reserves: **\$19,692,644** {This is debt money}

Page 3: Transfer FROM Reserves **\$2,248,205**

While we are creating *reserves* from borrowed money, the interest on Long Term Debt Debenture is **\$1,668,148** (page 6). The total debt owed by the city is never presented by staff. It is the single most important item in any budget since it determines the overall policy of the board, in this case the Council.

We should be repaying debt as fast as possible, not creating fictional reserves to fool council, and citizens.

It is a matter of fundamental transparency that ALL debts be presented by kind, magnitude, and debt redemption contracts, as the FIRST item of the budget. This

will set the whole tone of the detailed discussions. Council should insist that this be done.

Note that tax is set to rise from:

2018: \$108,338,929: to 2019: \$114,228,463. This is a **5.5%.** increase. What happened to the 4% in the Ten Year Plan?

The Hidden Thumb Screw

On page 4 the Revenue comes to (**\$200,818,264**))

Removing the Provincial, and Federal Grants (**\$52,681,570**) reduces this to **\$148,136,694.** This should be further reduced by the transfer of debt money from the *reserve* of \$2,248,205.

The net income is really **\$145,888,489**

On page 4 the User Charges, Licenses & Fines come to \$27,533,051

They provide vital funds for paying employees' salaries, wages, and benefits.

These charges, licenses, and fines may be increased without debate by Council, or justification by staff. People are aware that charges have increased astronomically since amalgamation. I know, from personal enquiry, that the Omemee/Emily recreation arena is now too expensive to rent by the people who raised the money to build it in the first place.

There is an ethical question that must be addressed. We pay our employees very well to work for us. Their job is to process permits, issue licences, and so on. That is what they are hired to do. And then we have to pay yet again for those permits, and licences!

The **\$2,243,700** collected as **fines** is a huge, and astonishing, sum. What is it that the good citizens are doing that requires this level of monetary punishment? Staff should provide a breakdown of the breaches of municipal bylaws, and explain the amount of the penalties. We do know that an additional **\$1,107,000** is collected as **Penalties & Interest on Taxes** (page 4). I presume that this comes largely from the poorer citizens who have a hard time paying their taxes. So, **\$3,350,700** is the total collected by the city as a punitive measure. Have we become a police state,

funded by penalties? It seems likely that people are poorly informed about the city's regulations.

Employee complement.

We have something like 1400 employees, with about 650 in staff positions. This is about three times as many as prior to amalgamation.

The total of wages, salaries, and benefits comes to **\$68,029,545**. This is about 60% of the \$114,228,463 collected as taxes!

We spent **\$1,097,402** a year on training our staff. This is incomprehensible. The skills required to manage the corporation are very trivial. They were performed, with great success, by the more fiscally prudent administration that existed before administrations. Very few people had academic qualifications beyond high school. Are we hiring people who are not properly qualified to do the job, and require expensive training? If so, then this practice should stop. Council should cut that line from the budget.

However, this large expenditure, plus over one million dollars in training, is insufficient to run the corporation. We need to bolster the work force with contract employees. They cost an astonishing **\$58,393,028**. The professional fees alone are \$17,091,594. Even the CAO's office, the very mental cortex itself, needs professional aid costing \$722,000!

Do we need this when we already have Ph.Ds, and P.Eng. bureaucrats on staff? What are they doing?

In reality our extended staff costs us **\$116,422, 573 !**
(\$68.029,545+\$58,393,028.) to get the work done. This is more than the amount collected from property taxes.!

CoKL is basically a bank. It collects money, under duress, takes most of it for itself, and then contracts out the major projects. It, like banks, has rules and regulations. I did carry out some informal discussions with people in the banking business. The impression was that a relatively modest bank could handle the city finances with ease. Our engineering department contracts out work, our legal department brings in professional assistance. The human resources department, and the capital assets department, are both post- amalgamation inventions. I think that Council should explore contracting out the business, and personnel, functions of staff. There are several excellent companies, such as ADP, who would welcome the business!

Conservation Authority

- 1) The budget calls for \$1,539,359 to be given to conservation authorities. The amount for KLCA has increased to \$1,429,792. This is about 7%, and sweet music to any aspiring bureaucracy. (page 8)
- 2) The KLCA has morphed into a significant bureaucracy with, typically, the CAO getting paid a six digit salary
- 3) The grunt work is still done by volunteers.
- 4) There is no quantifiable evidence that water quality has improved, or that fish populations have increased, as a result of centralized environmental governance by the KLCA.
- 5) The KLCA replaced a 100% volunteer organization, that did the same job.
- 6) This is an example of the Second Law of Bureaucracies. *All bureaucracies shall support each other.*
- 7) The KCLA has now assumed police-like powers to enter properties without warrants, to search for misdemeanors, and lay charges. These facts have been featured in several articles in the OLA magazine.
- 8) This money would be better used by the various communities along the shoreline. They are already engaged in environmental work. This would create a real dynamic interest in the environment, truly engage the people, and get something done.
- 9) Note that we already pay \$4,142,673 for Environmental Contract Services (page 5). We also have Provincial, and Federal, bodies that are responsible for the environment.
- 10) This is time to have a referendum. At that time all the arguments against supporting the KLCA would have a proper hearing.

Fleet, etc.

The budget for the fleet of vehicles has increased by **20%**, (\$168,387/\$811.917)

The public expects that all materials, and equipment, from pencils to bulldozers, will be used **until they have completely exhausted their useful life.**

The policy of replacing equipment with new vehicles under a short timeline must be stopped. One candidate for council noted that he bought equipment at the CoKL equipment sale, then immediately used it in a contract for the city!

We are spending \$456,000 on replacing furniture which, I suspect, is better than that found in the homes of most taxpayers. Cut this amount.

Information Technology

This department has a staff of 17 people, with salary and benefits costing \$1,506,599 . Yet it still needs to contract out work to the tune of **\$1,802,535** On page 181 we see the rationale for some expenditure given as ***IT Strategy***. That is not enough detail. The council should ask '*what is this strategy?*'. The last update to the system cost millions, and lost information that I have previously located on the old website. The IT department budget calls for contracted work costing \$8,200.

Note. When I worked for the Ministry of Education the whole of the Western Region had **one** IT officer.

Library Services (pages 46,47 etc)

In the budget the salary and benefits of the library system cost us **\$1,442,913**, an increase of **\$36,659**. The lion's share of this amount goes to the salaried staff of 8. The remaining 16.48 people are part-time employees who, traditionally, have no pension benefits. These are the local librarians, who serve us directly. We have one full time supervisory staff person for every two part-time real workers! Top heavy administration, or what!

Prior to amalgamation there was no administrative cohort for libraries. A library can **not** function without a librarian working on site. A library system **can** function perfectly well without any overseeing executives. The executives are, in economic lingo, a **marginal utility**.

Council should cut this whole thing back to one executive, with a secretary. All other functions, that are of any importance to the customers, are done by the local library workers.

Page 48 summarizes the revenue, and expenses.

The total Revenue is given as **\$286,433**. The Total Expenses as **\$2,192,913**. It looks as if the taxpayer must make up the difference of **\$1,906,480** . However, the revenue includes a magical transfer of debt money from the *reserves* of **\$63,000**. So, the real cost of the library system to the taxpayer is **\$1,969,480**. You can see how the debt money in the *reserves* is used in very ingenious ways by the staff.

I can find no entry costing the proposed relocation of the Bobcaygeon Library, a proposal that was rejected in the public meeting. However, there is this entry

BP1901 9531901 Building and Property Facilities 953190111 Bobcaygeon Library Design for relocation of library to the Bobcaygeon Service Centre and expansion of capacity to meet growth-related needs.

So, I suspect that, as usual, staff are judge, jury, and executioner. The wishes of the taxpayer's are of no account. I am personally infuriated by the overbearing arrogance of the staff making decisions for a highly intelligent, well informed, populace.

Missing ?

Sale of Property. The sale of our property provides substantial revenue. I could not find this in the budget.

Staffing. There is no policy for reducing the number, and cost, of staff. This is the single largest cost to the corporation, and deserves serious attention.

Comments.

The City bureaucrats have a vision for themselves, and for the City, that can **not** be sustained by any tolerable tax base. It has been sheer irresponsible folly to assume a huge debt in order to pursue that illusion.

It is time for Council to tell staff, in unmistakable terms, that they must tighten their belts, get their heads out of the clouds, and their feet firmly back on solid ground.

Council must set quantifiable objectives for the staff.

I suggest the following:

- 1) An immediate reduction in expenditures by all departments of 3%. This is to be done without sacking any staff earning less than \$80,000 a year, or by reductions in any level of service to the public
- 2) Make this reduction a requirement of every budget for the next ten years, have a ten year plan based on this premise.
- 3) Extend the use of all materials, vehicles, computers, arenas, fire halls, etc. until they have reached the end of their useful life, as appraised by a panel of citizens.
- 4) Use Gord James' idea of having committees of citizens act as oversight controllers of all departments.

Yours sincerely
Peter Weygang

Requestor	Department	Page	Question	Answer
Councillor Ashmore	Corporate Services		<p>In your presentation last week you described the tax rate increase and the revenue that comes in as a result. Every year assessments go up in the mpac statement as the number shows the value of a property rising each year until 2021, are we not obtaining more revenue from two sources 1. from the tax increase of say 3% as a number and 2. from the higher assessments or values that each properties taxes are based on. In other words theoretically if you had a 0% tax increase you are still going to bring in more revenue even with the increased assessment.</p> <p>Is there a separation of the revenue from the graduated assessment increase and the annual tax increase each year?</p>	<p>You are correct that every 4 years, MPAC reassesses all properties and those increases are phased in equally over a 4 year period. This reassessment does not generate new tax revenue for the City.</p> <p>The reassessment only serves the purpose of ensuring that each property owner is paying their proportionate share of taxes. If the City were to implement a 0% tax levy increase, the amount of property taxes an individual property owner pays will only change if their home was assessed higher or lower than the average increase.</p> <p>The attached video prepared by MPAC does a great job of explaining why reassessment doesn't increase the amount of revenue that a municipality receives. https://www.youtube.com/watch?v=xgGbLotF_QQ</p> <p>The only way that the City can generate new revenue without increasing property taxes is if new homes or businesses are built. You will recall in my presentation that I discussed that there was 1.5% assessment growth added in 2019. This was the result of new assessment that occurred in 2018 being added to the assessment rolls for 2019.</p>
Councillor Ashmore			Is the Ontario gas tax matched by the federal gas tax? What is the federal gas tax amount we receive?	The Ontario Gas Tax is for Transit and the Federal Gas Tax, which is administered through AMO, is for Infrastructure projects in Roads, Water and Wastewater, etc. The City receives approximately \$4.5 Million in Federal Gas Tax and with Council approval, fully utilizes it in the capital roads infrastructure program. The Federal Gas Tax has nothing to do with the Transit. The Federal and Provincial Gas Tax have different criteria entirely.
Councillor Ashmore			<p>The Ontario gas tax was announced today. Our share in KL is \$574,021. Is this money designated to existing transit in the City of Kawartha Lakes ie Lindsay Transit and Lindsay mobility?</p> <p>Or is it a fund that can be used for other types of transit outside of Lindsay?</p> <p>What is the timing on receiving this new funding?</p>	<p>This funding is received annually and is not new. The gas tax funding can be used for transit within the City of Kawartha Lakes and is not specific to Lindsay. The funds must be used to fund new initiatives above a certain base line, which was established in the early 2000's. The City is responsible to fund the base operations for transit but the gas tax funding can be used to finance new routes and the costs involved in them. We did fund the rural transit pilot a few years ago from this money. The Transit Advisory Committee would make recommendations as to any new routes. Interestingly this money is for the 2018/2019 year and should be received shortly.</p>

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Deputy Mayor Elmslie	Corporate Services		I was at a meeting and the Minister of Labour spoke and indicated effective Jan, 1, WSIB rates had been reduced by 30%. If I recall this was one of the budget pressures for 2019. Will this change affect us in a positive manner?	<p>WSIB allows businesses to elect to be a Schedule 1 or a Schedule 2 organization. Schedule 1 employers operate under a collective liability insurance principle. Schedule 1 employers pay a monthly premium and WSIB pays all the costs associated with accident claims. Schedule 1 employers whose costs in a year exceed the premiums paid are sent a bill for the difference. With Schedule 2, rather than pay a monthly premium, the employer is fully responsible for the full cost of the accident claims filed by their employees. The City is a Schedule 2 employer.</p> <p>The reduction in WSIB rates will not have an impact on the City's 2019 proposed budget. Analysis was completed to ensure that, with the new rates, it is still more cost effective for the City to remain as a Schedule 2 employer. The City's WSIB costs have ranged between \$750,000 and \$1.1 million over the past three years as a Schedule 2 employer, using the 2019 rates, the City's WSIB costs would be approximately \$1.4 million if we were to become a Schedule 1 employer.</p>
Councillor Dunn	Corporate Services		While I am familiar with Interfunctional Adjustments, every plus needs a minus please be prepared to have a general discussion on these line items.	Interfunctional adjustments are required for accounting purposes to transfer funds from one budget to another. You are correct that for every plus there must be a minus such that the transfers net to zero. In the 2019 budget the interfunctional adjustments total (\$1,413,487). This indicates that there are approximately \$1.4 million in net expenses being transferred from the operating budget to another budget. As an example, included in the \$1.4 million interfunctional adjustment is a transfer to/from the Water Wastewater budget and KLHHC.
Mayor Letham	CAO		BIA has requested \$10,000 more for their parking issues/person downtown. Please advise where this would be applied in the budget should council choose to go there?	This would be a decision unit as it was requested by the BIA. If Council chose to approve this, the budget would be added to the MLEO budget (contracted services) and would require an increase to the tax levy.
Mayor Letham			Contracted services seems to jumping all over, up in one area and down in another? I assume when we get our department overviews, this will be clarified?	As an organization, contracted services are increasing approximately \$2.5 million. The department overviews will provide some insight into the reasoning for the proposed request. In summary, the key drivers are roads operations (\$307,787); winter control (\$408,699) and waste management (\$833,370); and community

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Councillor Ashmore	Corporate Services / Human Services		<p>Contributions to Organizational Health Care:</p> <p>Transfer to Health Unit \$1,877,349</p> <p>What are we receiving out of this in return as there is no revenue return on this ?</p> <p>We also contribute to Dr Recruitment which is needed but where does this large tax supported contribution of \$1,877,349 go to?</p>	<p>The primary provincial statute relating to boards of health and public health funding is the Health Protection and Promotion Act. Funding for health units in Ontario includes direct funding from the Province as well as a mandated municipal share. The City's required funding is included in the City's annual operating budget. The projected 2019 contribution to the Haliburton Kawartha Pine Ridge District Health Unit is \$1,877,349.</p> <p>The City's contribution to the Kawartha Lakes Health Care Initiative (KLHCI) for 2019 includes \$50,000 to the City's Doctor Recruitment Reserve (to support return of service agreements with new family physicians) and \$66,143 in operating funding. There is also a Decision Unit to provide an additional \$36,000 to KLHCI to establish a physician professional development program.</p>
Councillor Yeo Councillor Dunn	Development Services		<p>A new GIS Specialist position is proposed. When this started a few years back it was as a special project that would have an end date. Then it came back as one position and we were going to partner with others, (KRCA, Fleming, etc) and keep our files current, and now we need to expand? Please explain.</p>	<p>The volume of work and demand for mapping/GIS integration into other functions and software systems is growing exponentially. Existing staff are required to work excessive overtime to keep up with demand. The cost to contract out like-work exceeds the cost to hire an in-house specialist, and will provide redundancy and back-up to maintain systems. This resource would allow for expansion to the system, including the establishment and maintenance of a GIS browser on our website that the public and stakeholders (including real estate agents and developers) could use to get property information.</p> <p>We have explored contracted work and possible Fleming College partnerships. This has been done where possible, but not cost-effective or available for overall system maintenance and expansion.</p>
Deputy Mayor Elmslie	Corporate Services	6	<p>Sales - The actual for 2017 was 1.8 million and we are only budgeting 1.1 million, why the drop?</p>	<p>The key driver in the 2017 actual of \$1.8 million, was land sales of \$1.2 million. In contrast, the budget for land sales in 2017 was \$600,000. Staff do not believe that a budget for land sales could be sustained at the 2017 level, and therefore have not increased the budget.</p>
Deputy Mayor Elmslie	Corporate Services	8	<p>Why do we pay MPAC?</p>	<p>Under Section 12 of the Municipal Property Assessment Act, each municipality, other than a lower tier municipality, is required to pay for MPAC's services. Each municipality is required to pay their proportionate share of MPAC's operating costs based on a prescribed formula.</p>

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Deputy Mayor Elmslie	Community Services	9	Community Services Admin and Building and Property budget are increasing by \$1.54 million collectively. Please explain what is driving this increase.	This is explained in the Overview of the Department and pressures on page 36. Most of this is explained by the new and existing facilities now being budgeted within Community Services. Approximately \$660,000 is for the 322 Kent St, 12 Peel St and 68 Lindsay St facilities. \$150,000 is reflected in Special Projects increases also mentioned on page 36 for staff re-locations in regard to these buildings. Other costs include the new Fleet Charges as a result of the new Fleet Policy (\$67,000) and the reduction in Reserves used to fund the VRTC Trails Maintenance Special Project (\$100,000). The inclusion of the Crossing Guard Program (\$112,000) in the Community Services Admin budget is also new. Finally the new Collective Agreement (with inclusion of Seasonal and PT employees into the Union) and Pay Equity results see an increase in \$390,000 across the Dept for staff wages. The shifting of the Special Projects budget (included in various increases above) from the PRC Admin to Community Services Admin impacts the specific line items while not impacting the bottom-line request. All of these items totals approximately \$1.479 which explains the \$1,394 increase, in fact seeing the balance and majority of the Community Services budget reflecting a slight decrease.
Deputy Mayor Elmslie	Corporate Services	11	Public Works shows a figure beside Total of 516,261, what does it represent?	At the bottom of page 11, in the 2017 actual column there is an amount of \$516,261. This represents the City's surplus position for 2017.
Deputy Mayor Elmslie	CAO	27	What is the Other Recoveries budget for?	Relates to Realty Services budget line 11450.48180. This revenue is associated with cost recovery associated with sale of land (advertising costs, external legal costs, staff time at \$1,500 per transaction, survey costs and appraisal costs associated with budget lines for Legal Fees, Appraisal Fees, Advertising, Real Estate Commission Fees, Registry Office Fees and Surveyor Fees
Councillor Dunn	CAO	27	Facilities Rentals and Leases Please advise information rationalizing the wide swings in revenue	The apparent wide swings in revenue from year to year in the "Facilities Rentals and Leases" budget line has to do with the fact that the only Actual numbers you are seeing are for 2017; the 2018 and 2019 figures are what has been budgeted, not what the actual revenues for those years are. This budget line reflects all the revenue from leasing and licensing City land, administered by Realty Services, excepting docking fees. In 2017, this total revenue was \$96,415.90. In 2018, this total revenue was \$108,951.72.
Deputy Mayor Elmslie	CAO	28	Grounds Maintenance - Is this not done by Parks and Rec.?	Maintenance of the Parking Lots, i.e plowing and sweeping costs
Councillor Dunn	CAO	28	Capital out of Operations. Please expand on this line, isn't it either Capital or Operations?	This was formerly known as Capital under \$10,000. It is a line item established to purchase minor or small capital that isn't PSAB defined, i.e. chairs, desks, etc., and is not typically within our Asset Management Plan.
Deputy Mayor Elmslie	CAO	29	What is the line Municipal Taxes?	This is the tax portion paid for the municipal parking lots in the Lindsay downtown area only.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Councillor Dunn	CAO	29	Equipment Rental Please expand on this line	Equipment Rental is photocopy - multi use machines in the CAO Office, Clerks Office, Realty Services, POA, and MLEO.
			Livestock Evaluation Claims Please expand on this line	The expense is for payments made to the applicants for livestock killed by wolves, etc., under the Livestock, Poultry Act and Protection of Honey Bee Act. Once evaluated the City submits a claim to the Province to cover the payment to the applicant. Livestock Claims estimate of \$110,000 offset by revenues (provincial funding) net budget impact is nil.
			Transfer to Reserves Which Reserves and why out of the CAO Budget?	\$600,000 for land sales property development and \$50,000 for contingency reserve for insurance, \$70,000 for election reserve and \$8,750 for contingency reserve for agriculture lease revenue. Total of \$728,750. Difference being because \$210,000 expended for 2018 election.
Deputy Mayor Elmslie	CAO	30	Is the 95,000 under Contracted Services offset in the Clerks Dept.?	No this is not offset in the Clerk's Dept. Contracted services represents the expenditures for the FCM Grant - Healthy Environment Plan. Offset with a 75% grant from FCM.
Councillor Dunn	CAO	30	Contracted Services What services and why the big jump	Interfunctional adjustments are building administrative charges - corporate service charges for Social Services, Human Service, and Paramedics. These charges are made between departments to increase provincial grants.
			Interfunctional Adjustments Please expand on this line.	
Councillor Richardson			Contracted Services	

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Councillor Dunn	CAO	24/31/32	Please provide business case for Supervisor Records Management and Municipal Law Enforcement Officer	<p>The Records Management and Archival Services Supervisor will support functions to enhance and relieve the broader arts/culture and heritage portfolios. Preliminary discussions confirm that the library and other organizations support this resource. The main function of this position will be to:</p> <ul style="list-style-type: none"> - manage and oversee the City's records centre and staff - lead the City's archival program, including paper records and artifacts - coordinate and support public library archival/records program - support/partner with museums, and other not-for-profit groups, in protecting and managing collections and historical records - City's paper and electronic records lead/liaison to departments - promote and preserve corporate and local government history <p>An additional Municipal Law Enforcement Officer (MLEO) is being requested for 2019. The Officer compliment was reduced by one in 2017, while enforcement hours had been expanded in prior years to include evenings and weekends. The number of cases are increasing annually, and the complexity of enforcement matters are also increasing. MLEO's are now enforcing approximately 70 by-laws. Through annual monitoring of activity, we estimate that one officer can manage between 200 and 250 cases within the established timelines/service levels. In 2015, there were 1756 cases. This number has grown to more than 2300 cases in 2017 and 2018. This position is required to maintain the established service levels given the volumes of activity.</p>
Councillor Dunn	CAO	32	Contracted Services in By-law Enforcement. What are the services and why the big jump?	The major driver of the increase in this budget is for snowplowing. The budget is being increased to align with actual expenditures.
Councillor Dunn Councillor Richardson	Community Services	41	Professional Fees Please expand on why the large increase in Professional Fees. General Contracted Services Why are there such big swings in services	Both of these costs are provided as pressures on page 36 as increases within the Community Services budget. This is a direct result of new facilities or old facilities budgets being located within this portfolio. Mainly, 322 Kent Street, 12 Peel Street and 68 Lindsay St N. Professional Fees increases include items such as the Special Projects budget while Contracted Services includes Janitorial/Cleaning Costs, Alarm Monitoring, General Contracted Costs, etc. Budgets also reflect the required increases to external contracts associated with Professional Fees and Generals Contract Costs as a result of inflation. There is no swing in level of service provision.
Deputy Mayor Elmslie	Community Services	41	Aren't Fuel Costs going down?	Very little fuel budgets have increased. See PW response to P129 for comment on equipment fuel costs. North Parks Water budget has increased to include a new budgetary need for the Fenelon Falls Splash Pad (\$18,750). Balance of the increase represents the new budgets for 12 Peel St (\$38,000) and 68 Lindsay St N (\$37,500) fuel and utility needs.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Deputy Mayor Elmslie	Community Services	41	Are increases in Contracted Services real or are they offset elsewhere?	Most costs are associated with other decreases in the budget. For example some of the reduction in the Building Maintenance budget on the same page covers some of this increase as budget lines are being more properly assigned to various lines with the transition to JDE. Other increases are due to items listed above such as new and old facilities now being budgeted for in Community Services.
Deputy Mayor Elmslie	Community Services	42	Why is land and Building rental up by 465,000	This budget increase specifically represents the cost to rent 322 Kent St and 12 Peel St as those budgets were never found in Community Services previously. There is an equal reduction in the PW budget and Human Services budget in these amounts.
Councillor Dunn	Community Services	42	Land and Building Rentals - please provide more details Transfer to reserves - which reserves and why?	See above for the Land and Building Rentals question (related to the rent of 322 Kent St and 12 Peel St.). Transfer to Reserves is \$20,000 decreased because 2019 will see a smaller Forest Harvest. Therefore revenues generated are less and transfer to Reserves will be \$20,000 instead of \$40,000.
Councillor Dunn	Community Services	43	Contracted Services Please provide details. Why the difference from page 41	The difference is because while the \$822,000 increase on page 43 is included in the costs under Contracted Services on page 41, so to are other Contracted Costs on the other pages (specifically page 44 and 47). The majority is explained in the 322 Kent St, 12 Peel St, 68 Lindsay St and Special Projects budget as explained in other answers and page 36 of the budget book.
Deputy Mayor Elmslie	Community Services	43	Why are Contracted Services up by 822,000	This increase is due to the change from budgeting for Community Services Special Projects in the Parks, Recreation & Culture area to the Community Services Administration. So there is a \$678,000 decrease in the Parks, Recreation & Culture budget that offsets this increase. The \$150,000 increase is explained on page 36 and related to the increase in Special Projects for office re-locations.
Councillor Richardson	Community Services	44	Contracted Services Please provide details Rents and Insurance Expenses Please provide details.	Both answers are provided in questions # 29, 31-33. All are based on 322 Kent St, 12 Peel St, 68 Lindsay St facilities now being budgeted within Community Services and specifically Building and Property. Budget also includes required funds for inflationary increases to external Professional and Contracted Fees. Rents and Insurance increases as a specific result of 322 Kent St and 12 Peel St facilities.
Deputy Mayor Elmslie	Community Services	44	Materials, Contracted Services, Rents and Insurance Expenses are up by 860,000, can you please explain?	See above answer and answer to question # 29, 31-33.
Councillor Dunn	Community Services	47	Other revenues Why the big drop? Contracted Services Why the big drop? Transfer to Agencies Please provide details	Other revenues drop of \$100,000 due to the annual VRTC Trails Maintenance Budget project not being funded in 2019 via the Trails and Forest Reserve. The Contracted Services Drop due to these funds now being budgeted for in the Community Services Administration area (so not a real decrease in budget and has an offset increase in that budget). Transfers to Agencies Budget increase due to transition from budgeting Operating Funds for Volunteer Management Committees in the Transfer to Other Boards line rather than General Maintenance Line.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Councillor Dunn	Corporate Services	59	Capital out of Operations Please provide Details	The budget is \$1,000 and is for provision for new office furniture as/when needed
Councillor Richardson	Corporate Services	60	Professional Fees	The total budget for professional services is \$519,150. Approximately \$300,000 of this budget resides in Human Resources and includes \$125,000 for legal services, \$125,000 for consulting services, and \$55,000 for disability claim management. Approximately \$90,000 of the budget resides in Information Technology for services associated with maintaining JDE the City's enterprise software and cybersecurity. The other main contributor to this budget is \$80,000 for audit services. The remaining budgets are less significant and include items such as the printing and mailing of tax and utility bills.
Councillor Dunn	Corporate Services	62	Material Supplies and Services Please explain sudden growth	There are three main drivers for the increases in this category. Postage, printing and office supplies account is increasing \$64,050. This is primarily a provision for technology related costs associated with new staff included in the budget. The Advertising budget is increasing \$107,000. This increase is required to support a Branding Strategy (\$80,000) and mobile signs (\$27,000). The mobile sign budget of \$27,000 is no longer required and can be removed from the 2019 budget. The final driver is a \$24,400 increase in Operating Materials and Supplies. This increase is for tourism direction signs.
Councillor Dunn	Development Services	68	Please provide business case and job description for Heritage Position Has this position been vetted through Arts Council because I'm not sure it's what they we're asking for	The new Heritage position is an additional resource in the City's economic development program. The Arts Council is aware and has expressed support of the proposed position. Once the position is approved a formal job description will be created. As an overview: Heritage position is being created to separate statutory heritage conservation responsibilities from the Arts Culture and Heritage (ACH) portfolio. The statutory responsibilities are time sensitive and dictated by provincial legislation which is currently detracting from the time available to work on tourism and economic development work in the cultural sector. The ACH position will retain both the arts and museum sector development work. Separating these portfolios will enhance economic development programming and ensure the statutory heritage conservation responsibilities are met. This position will: maintain the CKL Heritage register; act as the liaison and support for Municipal Heritage Committee, local not-for-profit historical society(s) and heritage district groups and Arts/Culture/Heritage programs and projects; and promote local heritage, culture and history preservation.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Mayor	Development Services	68	Consolidated zoning by-law \$100,000, we had this in last years budget and I think the year before? Please advise where this money went if not spent and if we are putting in for this year, will it get done for sure?	The Planning Department has budgeted \$100,000 in the 2019 budget for the consolidation of the Zoning Bylaws and we sent out the Request for Proposal at the end of 2018 for this work and plan to start this work in March of 2019. This will be a 2 year project. The \$100,000 has been budgeted for a number of years and not completed and this money that was not spent each year would have been included in the year end surplus.
Councillor Dunn	Development Services	69	Are there three new positions being proposed?	There are three new positions being proposed in the Development Services Department including the (1) Heritage Position, (2) GIS Specialist and (3) Part 8 Sewage Inspection Program Administrative Assistant. The organizational chart accurately indicates 2 Administrative Assistant positions in the Building Division. 1 of those 2 positions is existing to serve the building division generally, and the proposed 2nd AA position is within that same division, but specifically to support the Part 8 Sewage Inspection Program. This position is fully funded through permit fees and charges.
Deputy Mayor Elmslie Councillor Richardson	Development Services	73	Professional fees are increased by 170,00 why?	\$150,000 of this increase is from Planning and \$20,000 is from Economic Development. Plannings increase is for \$100,000 for Growth Management Study and \$50,000 for legal fees.
Councillor Dunn	Development Services	73	Capital out of Operations Please provide details Professional Fees Please provide details, two consecutive large increases	Our 2017 budget was \$465,000 which included \$100,000 in legal fees and \$365,000 in consulting fees. The actual expenditures were \$140,163 as the Planning Department was unable to initiate the Zoning Bylaw Amendment and Growth Management strategy update due to workload issues and changes in Provincial Policy. We budgeted \$317,000 in 2018 and we spent \$210,988 in 2018 as we were unable to start the Zoning Bylaw Update. In 2019 we have budgeted \$467,000 which includes consulting fees of \$300,000 for Growth Management Strategy Update (\$100,000), Zoning Bylaw Consolidation (\$100,000), Aggregate Policies and Secondary Plan policies as part of the LPAT proceedings (\$100,000). \$150,000 has been budgeted for legal services for the Secondary Plans and Aggregate appeals. The remaining \$17,000 are miscellaneous contracting services for photocopiers.
Councillor Richardson			Please provide an explanation of the Contracted Services budget.	
Councillor Dunn	Engineering	84	Transfer to Reserves Which reserve and why?	The amount of \$82,000 is to cash flow and stabilization of the tax levy impact in respect to cyclical required studies. This flat lines of cost of the studies over several years and limits potential spikes in the engineering and corporate assets' operating budget. The breakdown is attached as Appendix A
Councillor Dunn	Emergency Services	92	Transfer to reserve Which reserve and why?	Fire Service transfer to reserve is \$1,100,000 for the fire fleet asset management program. This transfer to reserves is being adjusted, as directed by Council during capital budget deliberations.

Requestor	Department	Page	Question	Answer
Councillor Dunn	Fire Services	94	Please provide Business Case for training officer, are there other duties?	<p>The Master Fire Plan 2010 to 2017 and the current Master Fire plan recommends a Training Officer to coordinate programs to ensure consistency throughout the department.</p> <p>Training guidance is required from a centralized source that can provide direction and material resources to ensure uniform content and consistency of training for all fire divisions.</p>
Councillor Yeo			Is the Training Officer FTE in fire a working position, the explanation seems to be suggesting it is another manager? What is the justification for another trainer, are we cancelling sending our troops out for training?	<p>The purpose of the position is to provide safe and efficient coordination, direction, planning and support of firefighter training programs.</p> <p>Areas of Responsibility include:</p> <ul style="list-style-type: none"> -Certification of firefighters to NFPA standards -Develop training plans and related operating guidelines, programs, learning materials and training aids consistent with NFPA and based on research into department needs. -Coordinated delivery of Fire Service training programs. -Daily functions of training within the department. -In-house trainer for selected training programs. -Prepare and update lesson plans and evaluations. -Prepare instructional materials and training as necessary. -Planning and delivery of designated training as determined by Fire Administration. -Provide input into the short, medium, and long term planning of department training and make recommendations into the budgeting process. -Oversee all audio visual equipment, teaching aids, training equipment/grounds and demonstration devices generally employed in training programs. -Evaluate and promote consistency and effectiveness of training practices throughout the department. -Prepares and administer advancement examinations -Arrange for courses and programs in accordance with qualifications, Individual Performance Plans and Levels of Service <p>The supervision, management and coordination of a training program for 20 Divisions and over 400 members is identified as being key to training program delivery. Having an in-house trainer will provide for consistency across the 400 members and result in cost avoidance from hiring a third party.</p>

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Deputy Mayor Elmslie	Fire Services	97	Contracted Services, what are they?	Contracted services for the Fire Service includes fleet maintenance, licenses, equipment maintenance and repair, safety equipment and bunker repair, Self Contained Breathing Apparatus maintenance and repair, building maintenance and repair.
Councillor Dunn	Paramedic Services	99	Is there an opportunity to phase in the hiring of 4 Paramedics over a 2/3 or 4 year term?	It takes eight paramedics to staff a 24 hour ambulance seven days a week. In order to impact response times and improve service across the entire City we need to add four paramedics to the Coboconk ambulance (staffed by four paramedics currently and therefore only able to work twelve hours a day). The additional four paramedics will allow that station to become a fully staffed ambulance overnight as well. Essentially, the phasing in of this ambulance has been happening since we put the four paramedics in Coboconk years ago. When the north is covered that leaves the ambulances in the south able to cover their area (Lindsay to Pontypool) rather than traveling north up 35 to do standby and so there is a benefit for all communities.
Mayor Letham Councillor Richardson	Human Services	109	Provincial grants \$475,320 increase? From where and does this include tentative OMPF funding that is not confirmed yet?	This does not include OMPF. Provincial Grants in the Human Services budget span almost all program areas, including Children's Services, Housing & Homelessness, Ontario Works and Victoria Manor. The increase of \$475,320 is the net result of all changes - including an increase of grants in Children's Services of almost \$1.6M, an increase of \$200,000 in Ontario Works, a decrease in grants in Housing of \$953,000, an increase of \$335,000 for Victoria Manor and a number of smaller variances.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Councillor Yeo Councillor Dunn	Public Works	124	What is the justification for hiring a FTE in fleet for trucks and coaches besides adding a few Sunday runs? Do we not have 8 techs already?	<p>In 2019 there will be additional demands on the Fleet Division due the increase in hours of Transit Services and increased equipment. It is expected that ~65% of the new Coach and Truck Technician) C&T's time will be spent working on buses. When not working on buses, this new position will take on a portion of our currently contracted work. Fleet has budgeted for a reduction in contracted services for 2019 in the amount of \$20,000 as a result of the new C&T position. The remainder of this position is being funded through Gas Tax.</p> <p>If this position is not hired, the Fleet Division would be forced to contract out additional services which would result in a net increase to the proposed operational budget by ~\$40,000.</p> <p>Currently there are 8 Coach and Truck Technicians. Approximately 1.5 FTE are dedicated to busses which have the highest maintenance requirements of all City Fleet.</p> <p>This request mirrors transit needs outlined in the Lindsay Transit Master plan for 2019. Further this request has been discussed and referenced by the Transit Advisory board in the May 10, 2018 as indicated in the resolution in part below:</p> <p>"The Customer Service Working Group of the Transit Advisory Board Resolves that: The Transit Advisory Board supports the 2019 recommendations outlined in the Lindsay Transit Master Plan; The Transit Advisory Board supports the increase in service hours to provide Sunday service in 2019; That a Coach and Truck technician be hired due to increased workload in 2019 and beyond..."</p>
Deputy Mayor Elmslie Mayor Letham	Public Works	126	General Contracted Services increased by 1,114,523, why the large increase? Contracted services increase?	<p>The figure in General Contracted Services covers all tax base divisions within Public Works. The most significant factors that contribute to the proposed increase are as follows: Roads - Lindsay Roads Depot Building Repair; Roads - several Culvert replacements for complex failed culverts under 1.2 metres; Waste Management - Changes to the Co-Gen contract management whereby Waste budgets for the full amount and Water and Wastewater reimburses per Council direction. This figure is offset by the increase in revenue found in Waste Management Other Recoveries on page 125; Waste Management - Eldon ECA - leachate system - transportation and treatment of leachate; Roads - Contract price increases Dust control (calcium chloride); Fleet - increase contract vehicle maintenance due to an increase in parts costs (transportation and tariffs); Roads Winter Control - increase to Contracted costs for Roads and Sidewalks.</p>

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Deputy Mayor Elmslie		83 91 129	Aren't Fuel Costs going down?	In 2017, the city spent \$1,260,400.70 on fuel. The budget amount for 2017 was \$750,000. In 2018 the city spent \$1,398,002.23, a 9.9% increase from 2017. The 2018 budget was \$1,250,000. In 2019 we have proposed a budget of \$1,325,000. In 2017 the average price for unleaded was \$.936. In 2018 the average price for unleaded was \$1.038, an increase of 10.8%. As pointed out, fuel prices have come down since the fall of 2018. There are several factors affecting price in the market at the moment (Brexit, supply surplus, etc.). However, the market is expected to recover for the summer driving season with average prices approaching that of 2018. The original departmental ask for 2019 based on the trend in fuel mid-2018 was \$1,450,000. This initial request was adjusted in the final proposed budget to reflect and align with actuals for 2018. Based on the above information, at this time, Staff do not recommend changing the proposed budget amount.
Deputy Mayor Elmslie	Public Works	128	Materials and Rents show a decrease, why?	Materials and Rents show a decrease resulting from transfer of the budget for the 12 Peel Street lease and building and grounds maintenance from Public Works Administration to Building and Property in Community Services (on P 9 of the proposed budget).
Mayor Letham	Public Works	131	Contracted services again and winter control salaries, wages and benefits increase by \$313,711 (13.8%) ?	Increases to contracted services in Winter Control are specific to Roads and Sidewalk contracts as approved in the last term of Council. Salaries, wages and benefits have increased due to the reorganization of the department. This includes changes such as the elimination of the Winter Operations Room, changes from seasonal to full time staff who are then available for year round maintenance. Implementation of full time routine patrol to meet MMS and crew leads were added with reductions in seasonal staff complement as ensored by previous Council.
Councillor Richardson			How does the budget look presently with current conditions? Are we over/under budget?	Operating budgets run by the calendar year and staff are still finalizing the 2018 data. For the 2018/2019 season, weather patterns in late 2018 brought snow in November and significant thaw/freeze patterns with freezing rain events in January. The cost for freezing rain events can be significantly higher due to changes in material applications and the duration of events etc. We can comment that we have a significant increase in the number of events in 2019 thus far. In January alone we had an average 8 events in the first week of January 2019 where there was an average of 11 for the entire month of January in 2018.
Councillor Dunn	Public Works	131	Please point me to the page that deals with sidewalk "Bay" repairs Please point me to the page that deals with gutter repairs	Page 131 Roads Operation section contains budget for labour, material and contract expenses. This is where costs for repairs to sidewalks (including bay replacement) and gutter repairs would be charged.

City of Kawartha Lakes
2019 Operating Budget Question and Answer

Requestor	Department	Page	Question	Answer
Mayor Letham	Public Works	133	Contracted services increase?	There are a few explanations for the increase in contracted services in Waste Management. The global market has seen a swing in commodity pricing for recycling material. Historically we received revenue for the sale of the material, but due to a fluctuating price market and contract processing fee changes the revenue is now an expense with a net change of \$357,000. As per the Eldon Landfill ECA this site now has a leachate collection system and contracts are required to transport the leachate for treatment. An increase to the Waste collection contract is due to CPI and contract negotiations for pricing for the remaining 2 years of the contract. Also included in this contract total is the operations and maintenance costs for the Lindsay Landfill flare and generator which are then offset in other recoveries as noted the response to Deputy Mayor Elmslie above.

Appendix A

Study	Required Timeframe (years)	Est Cost	Cost per year
Bridge Appraisal	2	\$ 80,000.00	\$40,000.00
Roads Needs Study	5	\$125,000.00	\$25,000.00
Asset Management	4	\$ 60,000.00	\$15,000.00
DC Study*	5	\$ 10,000.00	<u>\$ 2,000.00</u>
			\$82,000.00

* cost of DC Study is \$100,000, but only 10% is funded via general tax levy

The Corporation of the City of Kawartha Lakes

By-law 2019-XXX

A By-Law to Confirm the Proceedings of a Special Meeting of Council, Wednesday, February 13, 2019

Recitals

1. The *Municipal Act, 2001*, S.O. 2001 c. 25 as amended, provides that the powers of a municipal corporation are exercised by its Council.
2. The *Municipal Act*, also provides that the Council's powers must be exercised by by-law.
3. For these reasons, the proceedings of the Council of The Corporation of the City of Kawartha Lakes at this meeting should be confirmed and adopted by by-law.

Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2019-XXX

Section 1.00: Confirmation

- 1.01 The actions of the Council at the following meeting:

Wednesday, February 13, 2019, Open Session, Special Council Meeting

and each motion, resolution and other action passed or taken by the Council at that meeting is, except where prior approval of the Ontario Municipal Board is required, adopted, ratified and confirmed as if all such proceedings had been expressly embodied in this By-law.

- 1.02 The Mayor and the proper officials of the City are authorized and directed to do all things necessary to give effect to the actions of the Council referred to in Section 1.01 of this By-law. In addition, the Clerk is authorized and directed to affix the corporate seal to any documents which require it.

Section 2.00: General

- 2.01 This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 13rd day of February, 2019.

Andy Letham, Mayor

Cathie Ritchie, City Clerk