

The Corporation of the City of Kawartha Lakes

AMENDED AGENDA

SPECIAL COUNCIL INFORMATION MEETING

CC2017-23

Thursday, September 14, 2017

Open Session Commencing at 1:00 p.m.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

MEMBERS:

Mayor Andy Letham

Councillor Isaac Breadner

Councillor Pat Dunn

Councillor Doug Elmslie

Councillor Gord James

Councillor Gerard Jilesen

Councillor Brian S. Junkin

Councillor Rob Macklem

Councillor Mary Ann Martin

Councillor Gord Miller

Councillor Patrick O'Reilly

Councillor John Pollard

Councillor Kathleen Seymour-Fagan

Councillor Heather Stauble

Councillor Stephen Strangway

Councillor Andrew Veale

Councillor Emmett Yeo

Accessible formats and communication supports are available upon request.

1.	<u>CALL TO ORDER</u>	
2.	<u>ADOPTION OF AGENDA</u>	
3.	<u>DISCLOSURE OF PECUNIARY INTEREST</u>	
4.	<u>PUBLIC INFORMATION</u>	
4.1	Presentations	
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5.	<u>REPORTS</u>	
6.	<u>CLOSED SESSION</u>	
7.	<u>MATTERS FROM CLOSED SESSION</u>	
8.	<u>CONFIRMING BY-LAW</u>	
9.	<u>ADJOURNMENT</u>	

2018 Capital and Operating Budget Outlook

Corporate Assets Division

Treasury Division

Presentation to City of Kawartha Lakes Council
September 14th, 2017



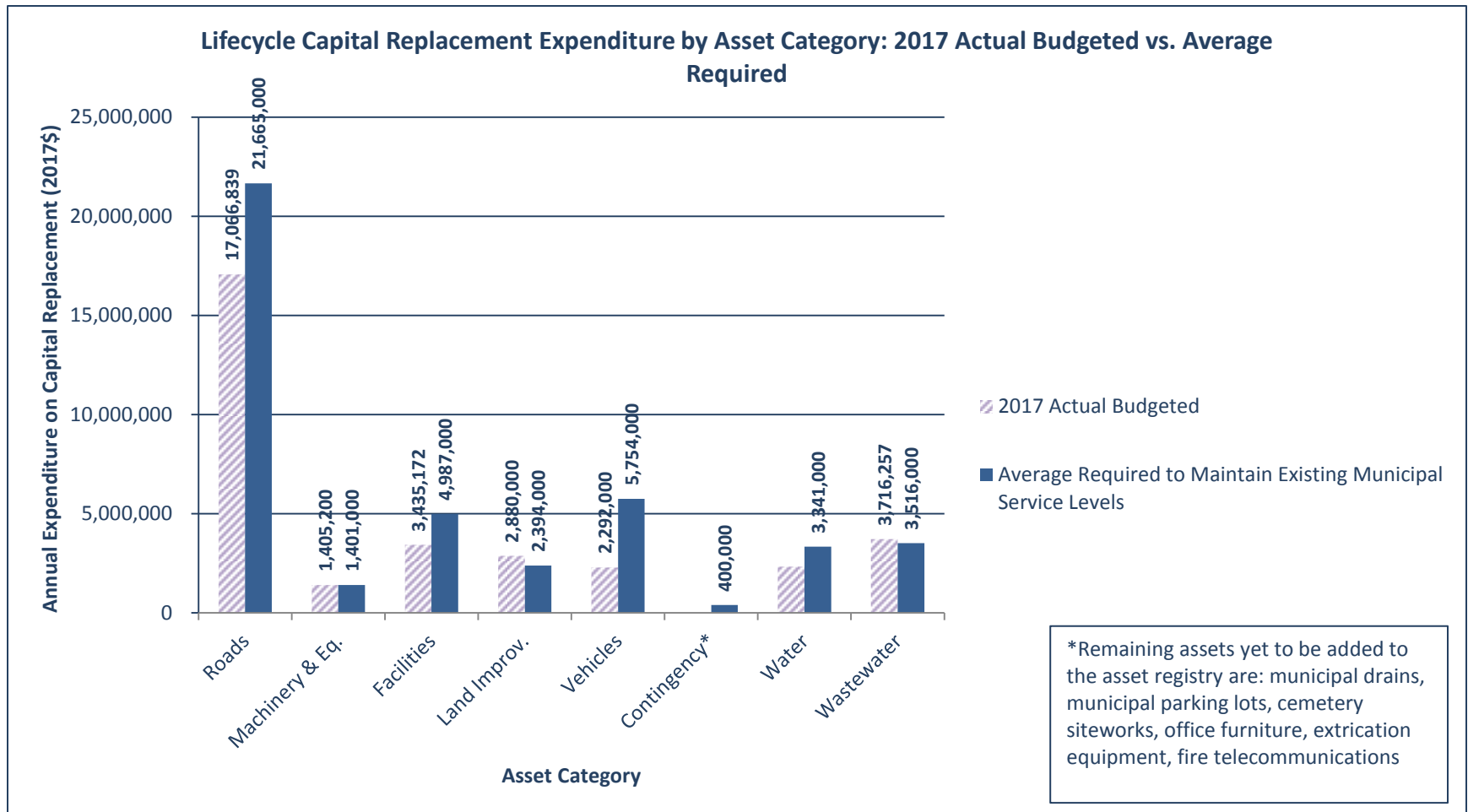
Presentation Outline

- 2018 Budget Process Schedule
- Asset Management Plan and 10-Year Financial Plan
- 2018 Capital Budget Outlook
- 2018 Operating Budget Outlook

2018 Budget Process Schedule

Date	Event
July 11	Asset Management Plan presented to Council and 10-Year Financial Plan approved by Council
September 14, 19 & 20	Budget outlook presentation and departmental operating presentations to Council
September 29	Proposed Capital Budget published electronically for public consumption
October 31- November 1	Capital Budget deliberations in Council
November 10	Adopted Capital Budget and Proposed Operating Budget published electronically for public consumption
November 20	Adopted Capital Budget and Proposed Operating Budget published in hard copy for Council
December 13-14	Operating Budget deliberations in Council

Lifecycle Capital Replacement: 2017



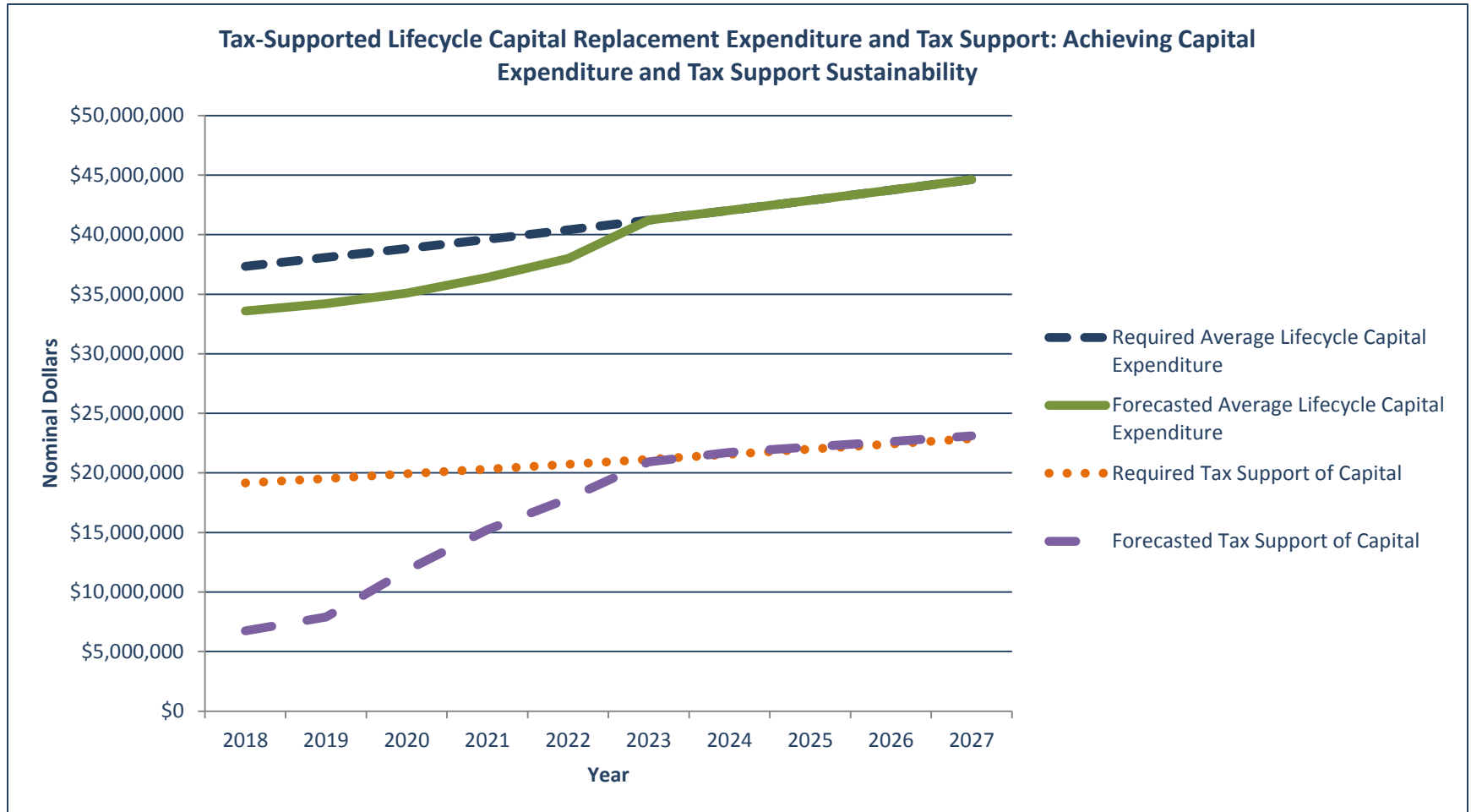
Lifecycle Capital Replacement Infrastructure Deficit: 2017

Capital Replacement Need and Expenditure Summary				
AMP Asset Category (Excluding Police)	2017			
	AMP	Budget	Deficit	Deficit Share
Roads	21,755,000	17,066,839	4,688,161	47%
Machinery & Equipment	1,641,000	905,200	735,800	7%
Facilities	4,987,000	3,435,172	1,551,828	15%
Land Improvements	2,464,000	2,880,000	-416,000	-4%
Vehicles	5,755,000	2,292,000	3,463,000	35%
Total	36,602,000	26,579,211	10,022,789	100%

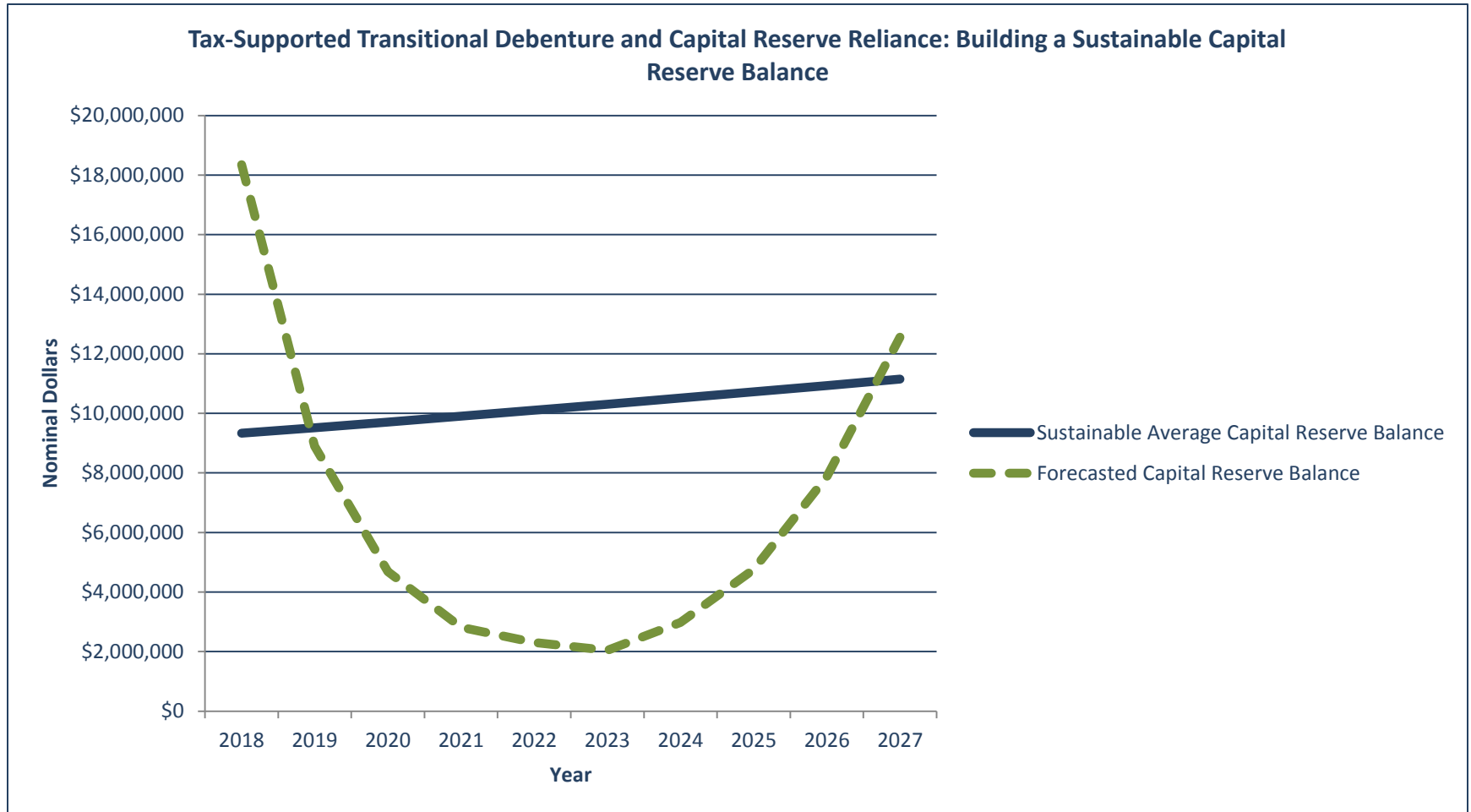
10-Year Financial Plan

- On July 11th, 2017, Council endorsed a 10-Year Financial Plan:
 - Implements the 2017 Asset Management Plan and achieves sustainability on a phased basis.
 - Addresses 2018-2019 operating cost pressures beyond inflationary increases.
- The 10-Year Financial Plan is a living document.
- Staff have updated the 10-Year Financial Plan as a natural part of the 2018 budget process:
 - Capital expenditure increases are now more front-ended to address the capital needs backlog more aggressively (e.g. arenas).
 - Timeframe for sustainability is extended to address increased operating pressures.

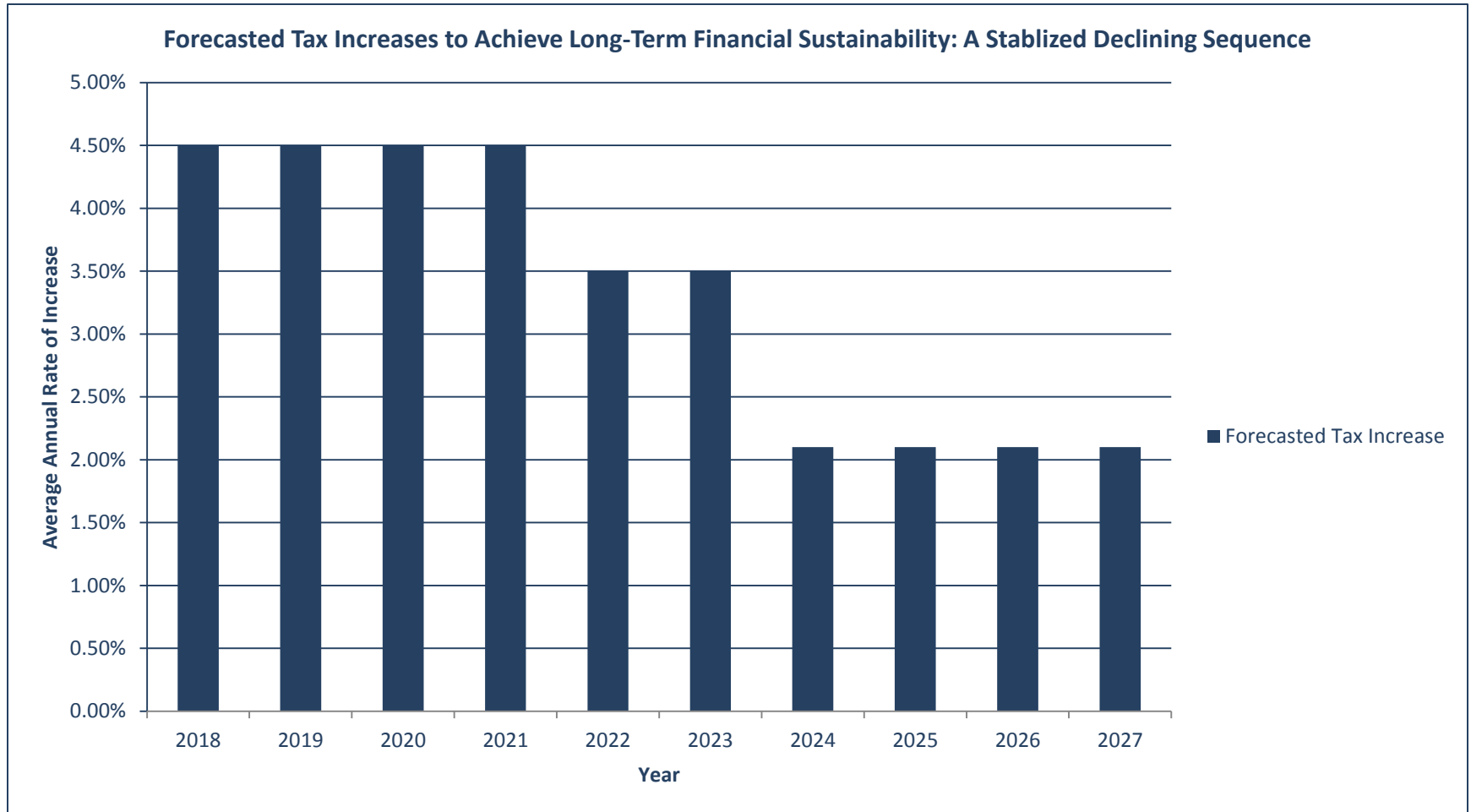
Closing the Tax-Supported Capital Gaps



Building a Robust Tax-Supported Capital Reserve



Forecasted Tax Increases



Capital Budget Summary: 2017 Actual vs. 2018 Proposed

Capital Replacement Need and Expenditure Summary							
AMP Asset Category (Excluding Police)	2017				2018		
	AMP	Budget	Deficit	Deficit Share	Financial Plan	Proposed Budget	Increase Over 2017 Budget
Roads	21,755,000	17,066,839	4,688,161	47%	20,350,814	19,934,523	2,867,684
Machinery & Equipment	1,641,000	905,200	735,800	7%	1,420,615	1,214,950	309,750
Facilities	4,987,000	3,435,172	1,551,828	15%	4,522,200	6,241,476	2,806,304
Land Improvements	2,464,000	2,880,000	-416,000	-4%	2,588,599	2,388,782	-491,219
Vehicles	5,755,000	2,292,000	3,463,000	35%	4,717,771	3,820,000	1,528,000
Total	36,602,000	26,579,211	10,022,789	100%	33,600,000	33,599,731	7,020,520

Factors Driving 2018 Operating Budget

- Overall goal of 4.5% tax levy increase is consistent with 10-Year Financial Plan
- Approximately a 2% inflationary increase for various utility accounts and supply of goods.
- Assessment growth at approximately 1%.
- Internal and external operating cost pressures (\$25M debenture is key to ensure these are addressed).

Anticipated Operating Cost Pressures

- Elimination of sale of land reliance
- WSIB premium
- Various payroll related increases
- Right-sizing fleet policy and application
- KRCA special projects
- EORN internet project
- Increase for winter control
- Increase for calcium chloride
- Ash Boar Management Plan
- Increase to sidewalk winter control contract
- Leachate collection legislation
- Office relocation – Human Services

4.50% Tax Increase Targeted for 2018

- Regular inflationary increases and one-time operating pressures amount to approximately \$7.6 Million for 2018:
 - This is prior to adjustments for assessment growth, repayment of \$25 Million debenture and operating transfer to capital.
 - Represents an approximately 7.36% tax increase.
- Incorporating the 1% estimated assessment growth and the \$2.9M/year repayment of the \$25 Million debenture brings the tax increase up to 9.12%.
- Transfer to capital from operating is reduced by approximately \$4.8 Million (or 4.62% of tax levy) to bring the tax increase down to the 4.50% target.
 - Capital financing shortfall is covered by infusion of \$25 Million debenture into the capital reserve.

Questions

- Questions?

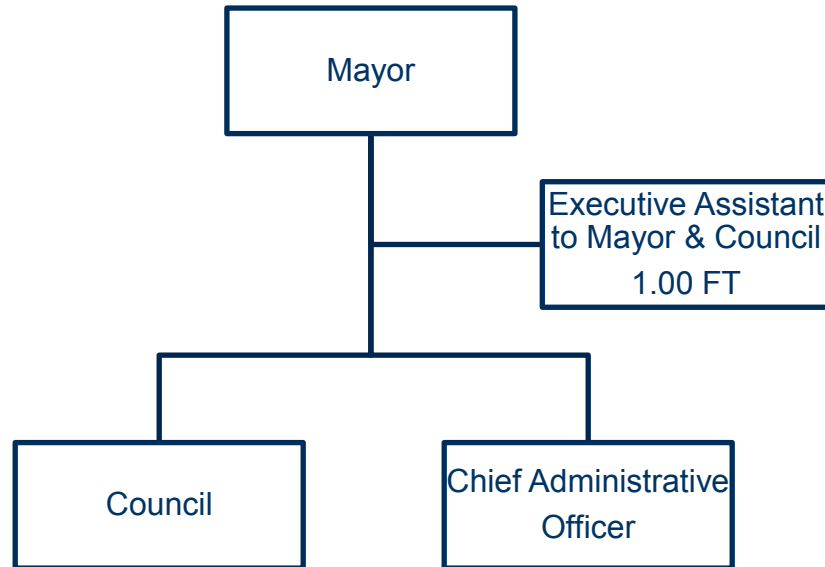
Mayor & Council Chief Administrative Officer 2018 Operating Budget



Mayor & Council, CAO Divisions

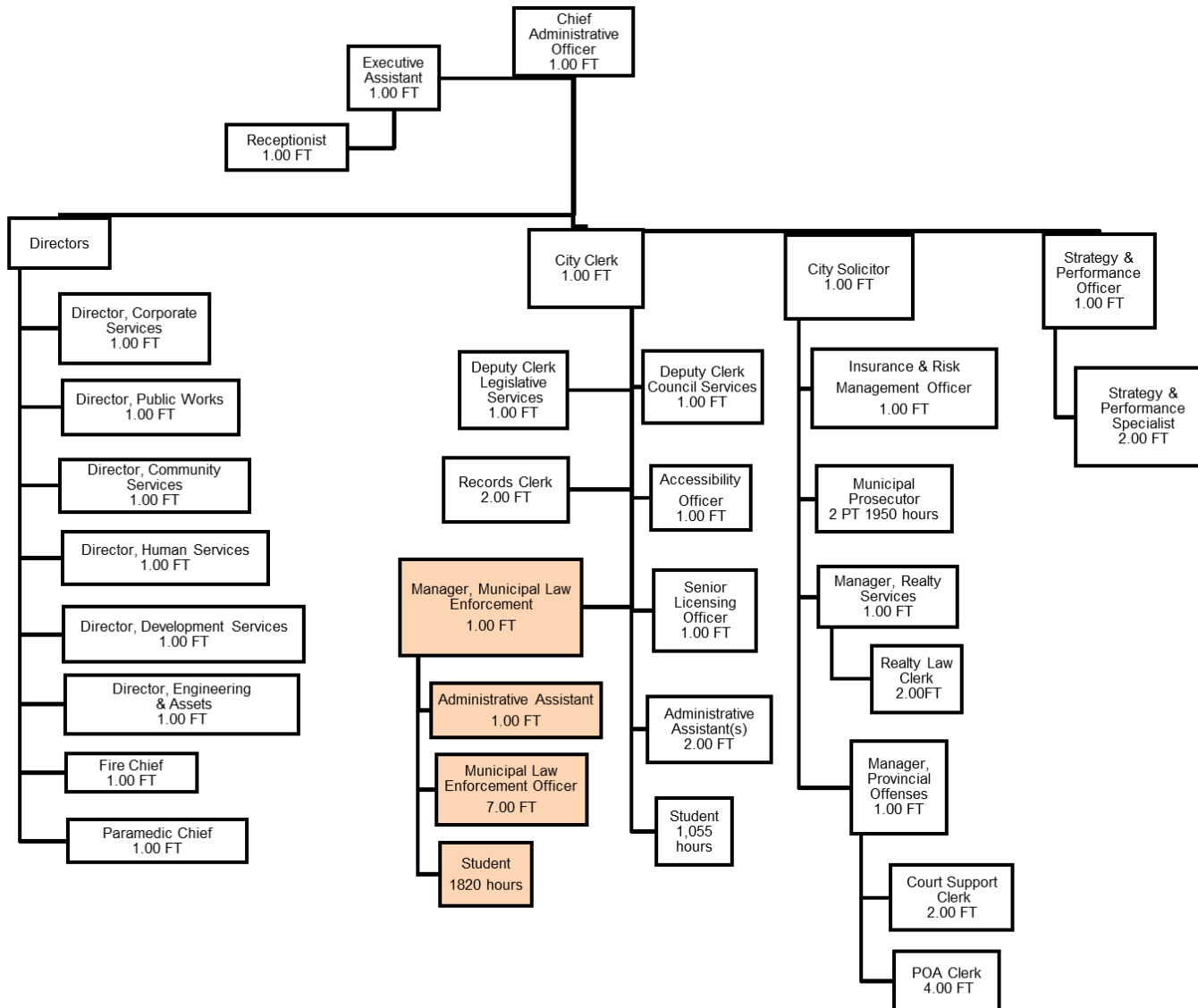
- Mayor & Council
- CAO
- Clerks
- Legal
- Strategy and Performance

Organizational Chart – Mayor & Council



Council composition to decrease from 16 Councillors and 1 Mayor to 8 Councillors and 1 Mayor effective next term of Council.

Organizational Chart - CAO



FTE Annual Comparison

Division	2018	2017	Difference
Administration	4	4	0
Clerk	19.6	9.6	10
Legal	13	13	0
Strategy & Performance	3	3	0
Total	39.6	29.6	10

Increase of 10 FTE's due to realignment of MLEO to Clerks Division.

FTE Breakdown

Type	2018	2017
Full-time	37	28
Part-time	1	1
Seasonal	N/A	N/A
Students	1.6	0.6
Project / contract	N/A	N/A
Total	39.6	29.6

Type	2018	2017
Non Union Positions	13	12
Unionized Positions	26.6	17.6

2017 Council Highlights

- Changed council composition and ward boundaries
- Implementation of the City's Strategic Plan and priorities
- Substantial completion of Core Service Review and associated decisions
- Adopted long-term budget strategy and Asset Management Plan
- Continued review and update to all Council Policies

2017 CAO Department Highlights

- Continued implementation of strategic plan and priorities
- Implementation of Electronic Document Management program
- Implementation of revised Ward Boundaries and Council composition
- Increased land sales (already exceeding 2017 sales target)
- Continued LEAN training corporate-wide
- Various licensing reviews to be completed (temporary events, short-term accommodation rentals and recreational cannabis legalization)
- Continued general insurance program with Frank Cowan Company (through 3-Year price stability agreement)

2018 Council Direction

- Complete Council policy updates and reviews
- Review Committees of Council – structure and work plans
- 2018 Municipal Election

2018 CAO Department Direction

- Shift MLEO to Clerks Division and review integration with municipal licensing program
- Manage 2018 Municipal Election
- Ongoing land sales for property and parkland reserve replenishment, and formalization of leasing and licensing programs
- Continued implementation of Strategic Plan (2018 is year 3 of 4)
- Completion of the City's Accessibility Master Plan (2018-2023)
- Ongoing review of Civic Space needs
- Continued review and facilitation of critical infrastructure investments within CKL (Broadband expansion, natural gas service, VIA rail service, for example)

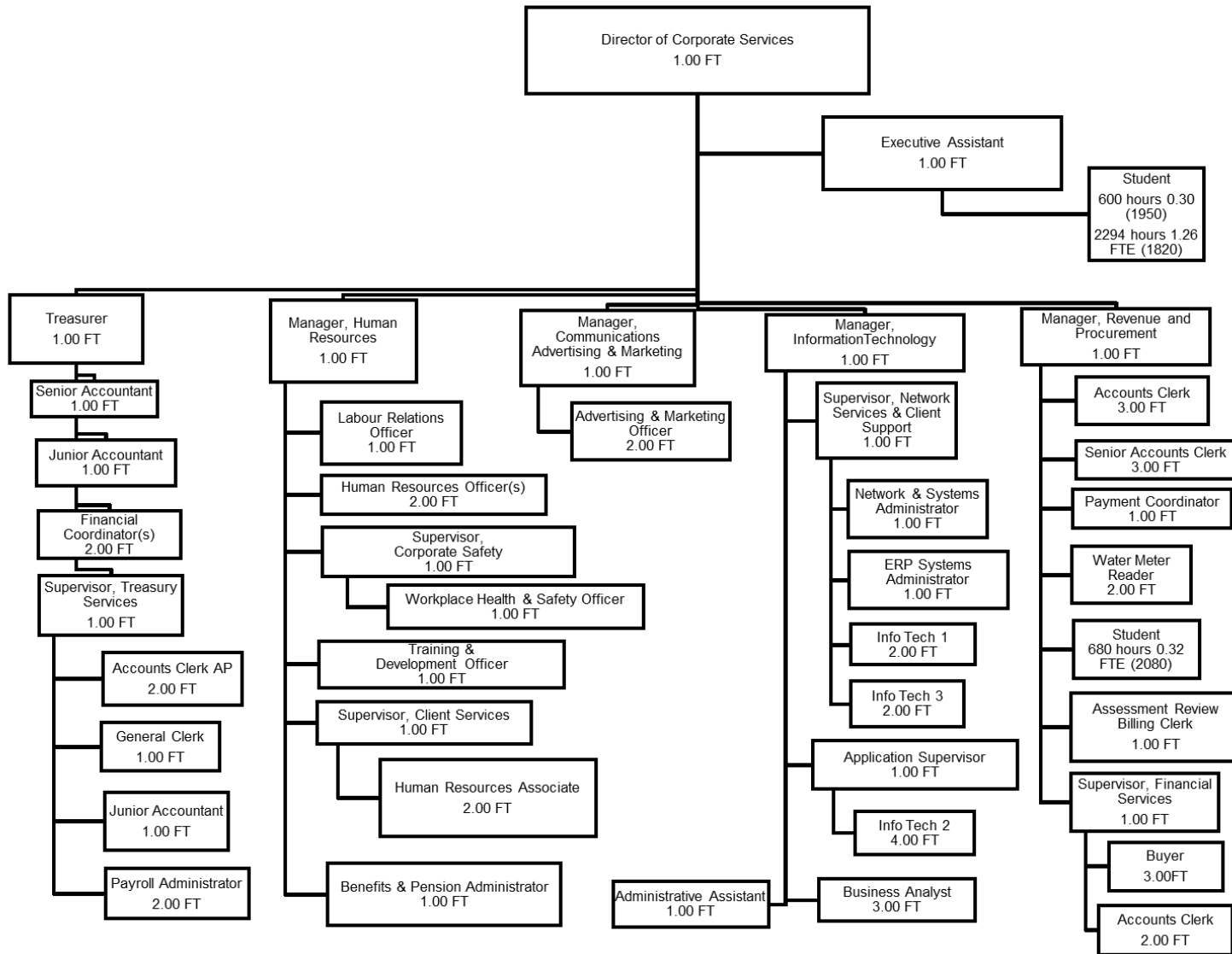
Corporate Services 2018 Operating Budget



Corporate Services Divisions

- Communication, Advertising and Marketing
- Human Resources
- Information Technology
- Revenue and Procurement
- Treasury

Organizational Chart



FTE Annual Comparison

Division	2018	2017	Difference
Administration	3.56	3.56	0
Communications	3	3	0
Human Resources	11	11	0
Information Technology	17	17	0
Revenue and Procurement	17.32	17.32	0
Treasury	12	12	0
Total	63.88	63.88	0

FTE Breakdown

Type	2018	2017
Full-time	62	62
Part-time	N/A	N/A
Seasonal	N/A	N/A
Students	1.88	1.88
Total	63.88	63.88

Type	2018	2017
Non Union Positions	22	22
Unionized Positions	41.88	41.88

2017 Highlights

Division	2017 Budget Highlights
Communications	New Websites
Human Resources	WSIB pressures
Information Technology	JDE implementation ongoing
Revenue and Procurement	Vendor Management Program
Treasury	Increased investment income potential

2018 Direction

Division	2018 Budget Direction
Communications	Further develop multiple touch points online and offline
Human Resources	WSIB pressures
Information Technology	Increased Cost of Licensing
Revenue and Procurement	Tower Read Project
Treasury	2018 overall audit decrease

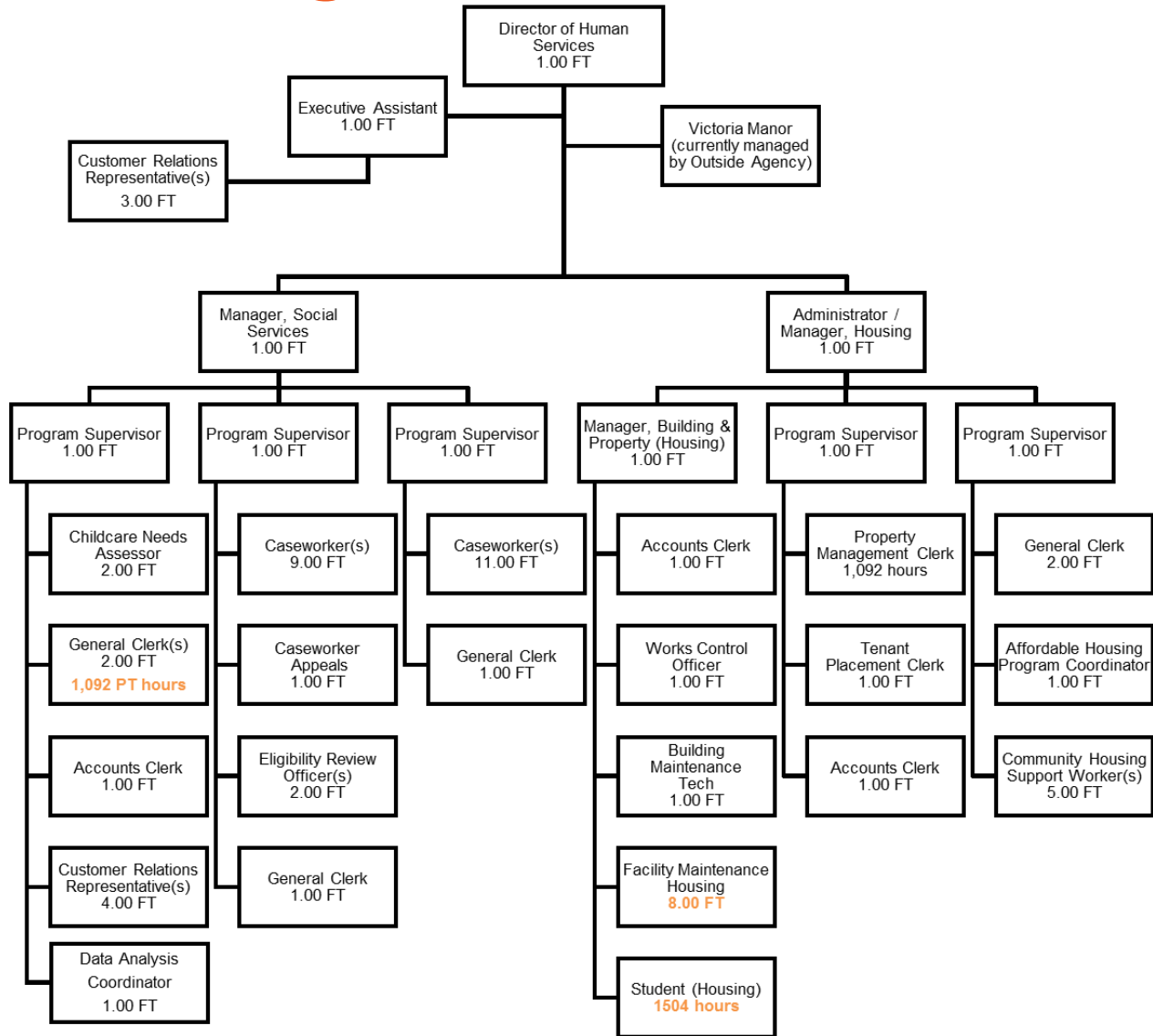
Human Services 2018 Operating Budget



Human Services Department

- Housing Help Division
- Social Services Division
 - Children Services
 - Ontario Works
- Victoria Manor
- Health Care Organizations

Organizational Chart



FTE Annual Comparison

Division	2018	2017	Difference
Administration	2	2	0
Social Services	42.6	42	0.6
Housing	26.32	26.96	-0.64
Sub total	70.92	70.96	-0.04
Victoria Manor*	125.3	125.3	0
Total	196.22	196.26	-0.04

* Victoria Manor staff are City employees, under day to day management of the Home

FTE Breakdown

Type	2018	2017
Full-time	69	70
Part-time	1.2	0.6
Seasonal	N/A	N/A
Students	0.72	0.36
Project / contract	N/A	N/A
Total	70.92	70.96

Type	2018	2017
Non Union Positions	10	10
Unionized Positions	60.92	60.96

** Excluding Victoria Manor*

2017 Highlights

Children's Services

- Transfer of Data Analysis Co-ordinator roles to Service Managers (January 2017)
- Gross budget increasing with new provincial funding: no net impact as all new funding is 100% (maintain set municipal investment)
- \$2.57M new funding since 2013
- Planning for January 2018 implementation of Child & Family Centre

2017 Highlights

Ontario Works

- 2017-2018 Service Plan
- MCSS Initiatives:
 - Human Services Integration project
 - Social Assistance Modernization initiative
 - Risk Management and Assurance framework

2017 Highlights

Housing

- Community Housing & Homelessness Steering Committee
- Homelessness Response Committee – Housing First and 20,000 Homes Campaign

2017 Highlights

Victoria Manor

- Increase in Case Mix Index
- Redevelopment application development – report with next step recommendations coming
- Management agreement review

2017 Highlights

Poverty Reduction Roundtable

- Established / strengthened connections with community planning groups
- Ontario Trillium Foundation funding to support an 11-month Co-ordinator position through Kawartha North Family Health Team
- Basic Income pilot – local planning

2018 Direction

Children's Services

- Funding and administration role for the Child & Family Centre effective 2018
- Expansion opportunities (licensed home child care)
- Increased provincial funding, but increasing fee subsidy and agency operating pressures

2018 Direction

Ontario Works

- Upload of Basic Assistance benefits to Province complete
- Caseload trends relatively stable
- Quality assurance processes
- Legislative changes: rates, asset policies

2018 Direction

Housing

- Continued focus on 10-Year Housing and Homelessness Plan goals
- 2018 Homelessness enumeration
- Development of the Affordable Housing framework

2018 Direction

Victoria Manor

- Redevelopment: detailed application options
- Capital planning co-ordination