

Budget Committee

Date: June 24, 2020
Time: 1:30 PM
Location: Online Video Conference

Members		
	Mayor Bonnie Crombie	Chair
	Councillor Stephen Dasko	Ward 1
	Councillor Karen Ras	Ward 2
	Councillor Chris Fonseca	Ward 3
	Councillor John Kovac	Ward 4
	Councillor Carolyn Parrish	Ward 5
	Councillor Ron Starr	Ward 6
	Councillor Dipika Damerla	Ward 7
	Councillor Matt Mahoney	Ward 8
	Councillor Pat Saito	Ward 9
	Councillor Sue McFadden	Ward 10
	Councillor George Carlson	Ward 11

Staff Present

Paul Mitcham, City Manager and Chief Administrative Officer
Gary Kent, Commissioner of Corporate Services and Chief Financial Officer
Shari Lichterman, Commissioner of Community Services
Geoff Wright, Commissioner of Transportation and Works
Andrew Whittemore, Commissioner of Planning and Building
Jeff Jackson, Director of Finance and Treasurer
Ann Wong, Senior Manager, Business Planning & Reporting
Elizabeth McGee, Manager, Financial Strategies
Mickey Frost, Director, Works Operations & Maintenance
Scott Holmes, Senior Manager, Works Admin Operations & Maintenance
Jodi Robillos, Director, Parks & Forestry & Environment
Diana Rusnov, Director of Legislative Services and City Clerk
Sacha Smith, Manager of Legislative Services and Deputy Clerk
Dayna Obaseki, Legislative Coordinator, Legislative Services Division

1. CALL TO ORDER

2:02 P.M.

2. APPROVAL OF AGENDA

Approved (Councillor J. Kovac)

3. DECLARATION OF CONFLICT OF INTEREST – Nil.**4. DEPUTATIONS****4.1 Potential Tax Savings associated with creating a Animal Care Committee**

Nikki Hayes, Resident
Martin Field, Oshawa Animal Care Advisory Committee Advocacy Group Member

Ms. Hayes, Resident and Mr. Field, spoke to benefits associated with the creation of an Animal Care Committee. Ms. Hayes provided a brief background regarding the previous request and Council decisions. Mr. Field noted the number advocacy groups that sit on the Oshawa Animal Care Advisory Committee as Members and the benefits of establishing partnerships with a variety of specialized organizations in the animal care industry. They further noted the positive financial impact pertaining to remuneration, operational fees, collecting revenue and the information being gained and provided to the community. Mr. Field requested that Council reconsider the request to establish a Mississauga Animal Care Committee.

Sam Rogers, Director, Enforcement spoke to the matter noting Council's original direction and the subsequent Council resolutions that opted for implementing a plan to tackle the feral cat issue in place of a committee. Mr. Rogers also noted the costs associated with creating a committee, such as staff resources and time.

Councillor Saito noted the City of Mississauga previously had a successful Animal Standard Care Committee that built positive relationships and established partnerships with a variety of specialized organizations in the animal industry. Councillor Saito volunteered to sit down and discuss with staff the value of establishing a committee and the accomplishments that other municipalities have achieved via their Animal Care Advisory Committees.

Direction to staff was given to research and benchmark with other Municipalities that have an Animal Care Committee in place to determine the value of the City of Mississauga establishing its own Animal Care Advisory Committee and to report back to Council at a later date.

RECOMMENDATION BC-0001-2020

Moved By Councillor P. Saito

That the deputation by Nikki Hayes and Martin Field, Residents to speak on the potential Tax Savings associated with creating an Animal Care Committee be received.

Received

4.2 The COVID-19: Financial Recovery Pillar, 2020 Financial Update and the Preliminary 2021 Operating Budget (Item 6.1 and 6.2)

Gary Kent, Commissioner of Corporate Services and Chief Financial Officer
Jeff Jackson, Director of Finance and Treasurer

Mr. Kent and Mr. Jackson provided an overview on the Impacts of COVID-19 Pandemic, the Financial Recovery Pillar, and the 2021 Budget. Mr. Kent noted the focus areas as the recovery pillars, the fundamental principles, future projections, offsetting the deficit and the echoes of the pandemic. Mr. Jackson noted the economic outlook, the budget engagement and timelines as well as the operating and capital impacts.

Discussion took place under Item 6.1.

RECOMMENDATION BC-0002-2020
Moved By Councillor S. McFadden

That the deputation and associated presentation by Gary Kent, Commissioner of Corporate Services and Chief Financial Officer and Jeff Jackson, Director of Finance and Treasurer to present the COVID-19: Financial Recovery Pillar, 2020 Financial Update and the Preliminary 2021 Operating Budget be received for information.

Received

5. PUBLIC QUESTION PERIOD - 15 Minute Limit

Chris Mackie, MIRANET asked a number of questions relating to Items 4.2, 6.1 and 6.2;

- If no financial assistance is available from the Provincial or Federal Governments, what measures does staff recommend to fund the year-end net deficit of \$63.4 million?
- The Fiscal Stability Reserve is \$53.1 million dollar, is approximately \$25 million dollars available for rate stabilization?
- The annual expenditure for the Emerald Ash Borer (EAB) program was originally approved at \$5.6 million. How is a potential saving of \$6.7 million achieved in 2020?
- Why is it advantageous for the City to complete approval of the 2021 Budget before discussions commence for the Region of Peel's Budget on December 10, 2020?
- The annualized impacts for 2021 & 2022 are driven by a shortfall of MiWay revenues (2021) and MiWay and GTAA PILT revenues in 2022. What measures are recommended to reduce the MiWay shortfall?

Gary Kent, Commissioner of Corporate Services and Chief Financial Officer, Jeff Jackson, Director of Finance and Geoff Wright, Commissioner of Transportation and Works responded to the questions from the public:

- The City would focus on specific areas, such as service levels cuts, increases in user fees and taxes as well continue to innovate in order to fund the deficit.
- The Fiscal Stability Reserve is the City's most flexible reserve, therefore is utilized for emergencies (e.g. an Ice Storm) acting as insurance reserve. Once the reserve is depleted, the City becomes more vulnerable. There are other stabilizing reserves for specific purposes, such as building permits.

- There are no listed potential savings with the EAB Program. The EAB program has been moved to 2024, a year past the expiry date. The funding was changed and in the early years the work allocation allowed for the City to have more money in the reserve fund than needed. Essentially, the program and the money was just moved around.
- Council may defer the Budget approval as it was carried out this year. However, staff prefers to focus on completing the work and to make any modifications, if needed later on. Therefore, January 1st of the following year the budget can begin implementation.
- Difficult to predict the future operations surrounding transit for the remainder of the year due to the change in current and future passenger behaviour and ridership given a number of factors, such as the current pandemic, more individuals working from home and that post-secondary students will begin their next semester online. On July 2, 2020 the MiWay fare will be reinstated and implementing mandatory face masks, which will assist with the ease of physical distancing and allow for more riders on the bus. In order to reduce cost a reduced service would be the most logical response as the focus would be to match the service with the demand.

6. **MATTERS CONSIDERED**

Items 4.2, 6.1 and 6.2 were discussed under Item 6.1.

6.1 **COVID-19: Financial Recovery Pillar**

Members of the Committee spoke to the matter and raised the following concerns:

- Federal and Provincial funding;
- The penalty of running a deficit;
- Issuance of bonds and/or borrowing from the Bank of Canada;
- Capital Expenditures and Reserve Funds;
- Labour savings;
- The impact on Transit;
- Provincial uploading versus downloading;
- Opening and the operations of Community Centres;
- Borrowing against Reserves versus Capital Projects;
- Deferring tax funded projects; and
- Deadlines.

Gary Kent, Commissioner of Corporate Services and Chief Financial Officer and Jeff Jackson, Director of Finance and Treasurer responded to the questions from the Committee.

Councillor Damerla inquired about scenario mapping regarding funding the deficit from the Municipal, Provincial and Federal government. Mr. Kent responded by noting that if Council is satisfy with the options presented in Financial Recovery Pillar report that the financial team will work towards those aspects and discuss the financial reserves options in the fall with the hopes that a funding decision will have been made by the upper levels of governments by then.

RECOMMENDATION BC-0003-2020

Moved By Councillor K. Ras

That the report of the Commissioner of Corporate Service and Chief Financial Officer dated June 17, 2020 and titled "COVID-19: Financial Recovery Pillar" be received for information.

YES (12): Mayor Crombie, Councillor S. Dasko, Councillor K. Ras, Councillor C. Fonseca, Councillor J. Kovac , Councillor C. Parrish, Councillor R. Starr, Councillor D. Damerla, Councillor M. Mahoney, Councillor P. Saito, Councillor S. McFadden, and Councillor G. Carlson

Carried (12 to 0)

6.2 Update on the Financial Impacts of COVID-19

Discussion took place under Item 6.1.

RECOMMENDATION BC-0004-2020

Moved By Councillor D. Damerla

1. That the report of the Commissioner of Corporate Services and Chief Financial Officer dated June 12, 2020 entitled "Update on the Financial Impacts of COVID-19" be received for information.
2. That staff report at the October 7, 2020 Budget Committee meeting on additional steps the City can take to fund the 2020 deficit.
3. That the 2021 budget deliberations remain as scheduled to begin on November 23, 2020 with approval if appropriate at Council on December 9, 2020.
4. That the Province be requested to eliminate the legislated 5 per cent cap specific in O.Reg 282/98 section 45.1(9) on the GTAA Payment in lieu of taxes.

YES (12): Mayor Crombie, Councillor S. Dasko, Councillor K. Ras, Councillor C. Fonseca, Councillor J. Kovac , Councillor C. Parrish, Councillor R. Starr, Councillor D. Damerla, Councillor M. Mahoney, Councillor P. Saito, Councillor S. McFadden, and Councillor G. Carlson

Carried (12 to 0)

6.3 Works in Progress Report as at May 31, 2020

No discussion took place.

RECOMMENDATION BC-0005-2020

Moved By Councillor C. Parrish

1. That the "Works in Progress Report as at May 31, 2020" report dated June 9, 2020 from the Commissioner of Corporate Services and Chief Financial Officer, including appendices 2-1 to 3-3, be approved;
2. That the Treasurer be authorized to fund and close the capital projects as identified in this report;

3. That all necessary by-laws be enacted.

YES (12): Mayor Crombie, Councillor S. Dasko, Councillor K. Ras, Councillor C. Fonseca, Councillor J. Kovac , Councillor C. Parrish, Councillor R. Starr, Councillor D. Damerla, Councillor M. Mahoney, Councillor P. Saito, Councillor S. McFadden, and Councillor G. Carlson

Carried (12 to 0)

6.4 2021 through 2029 Winter Maintenance Contract

Members of Council requested that this report be deferred to a future council date for further review and the opportunity to respond to questions posed by public member Christian Parise. Mayor Crombie inquired what the drop deadline date would be for a decision surrounding the contract. Mickey Frost, Director of Operations and Maintenance responded that the deadline would be late August 2020. The report will be deferred to the July 22, 2020 Council meeting.

RECOMMENDATION BC-0006-2020

Moved By Councillor K. Ras

That the Corporate Report from the Commissioner of Transportation and Works dated May 28, 2020 and entitled “2021 through 2029 Winter Maintenance Contract” be deferred to the July 22, 2020 Council Meeting.

YES (12): Mayor Crombie, Councillor S. Dasko, Councillor K. Ras, Councillor C. Fonseca, Councillor J. Kovac , Councillor C. Parrish, Councillor R. Starr, Councillor D. Damerla, Councillor M. Mahoney, Councillor P. Saito, Councillor S. McFadden, and Councillor G. Carlson

Carried (12 to 0)

6.5 Park Development – Use of Consultants

Councillor Saito stated she was satisfied with the report.

RECOMMENDATION BC-0007-2020

Moved By Councillor P. Saito

That the Corporate Report entitled “Park Development – Use of Consultants” dated June 9, 2020 from the Commissioner of Community Services be received.

YES (12): Mayor Crombie, Councillor S. Dasko, Councillor K. Ras, Councillor C. Fonseca, Councillor J. Kovac , Councillor C. Parrish, Councillor R. Starr, Councillor D. Damerla, Councillor M. Mahoney, Councillor P. Saito, Councillor S. McFadden, and Councillor G. Carlson

Carried (12 to 0)

7. **CLOSED SESSION - Nil.**

Gary Kent, Commissioner of Corporate Services and Chief Financial Officer thanked and applauded the Finance Team for all their hard and extra work during this crucial time.

8. ADJOURNMENT

3:59 P.M. (Councillor K. Ras)