



Budget Committee of the Whole Meeting

Minutes

BCW#01-22

Tuesday, June 28, 2022, 1:30 p.m.

Council Chambers

225 East Beaver Creek Road

Richmond Hill, Ontario

An electronic hybrid Budget Committee of the Whole meeting, pursuant to Section 238(3.3) of the *Municipal Act, 2001*, of the Council of the City of Richmond Hill was held on Tuesday, June 28, 2022 at 1:30 p.m. in Council Chambers via videoconference.

Council Members present in Council Chambers:

Mayor West
Regional and Local Councillor DiPaola

Council Members present via videoconference:

Councillor Beros
Councillor Muench
Councillor Liu
Councillor Sheppard
Councillor Cilevitz
Councillor Chan

Council Member Regrets:

Regional and Local Councillor Perrelli

Staff Members present in Council Chambers:

D. Joslin, Interim City Manager
S. Adams, Commissioner of Corporate and Financial Services
K. Kwan, Commissioner of Planning and Infrastructure
T. Steele, Acting Commissioner of Community Services

G. Li, Director of Financial Services and Treasurer
R. Ban, Deputy City Clerk
S. Dumont, Council/Committee Coordinator
C. Connolly, Legislative Services Assistant

Staff Members present via videoconference:

P. Masaro, Executive Director, Infrastructure and Engineering Services
A. Dimilta, City Solicitor
B. Burbidge, Fire Chief
A. Iannucci, Chief Transformation Officer
S. Huycke, City Clerk
D. Hearn, Director, Recreation and Culture
R. Jones, Director, Information Technology/CIO
N. Kalyvas, Director, Facility Management
N. Khan, Director, Building Division and Chief Building Official
P. Lee, Director, Policy Planning
D. Terzievski, Director, Infrastructure Planning and Development Engineering
C. Treacy, Director, Human Resources
I. Treiger, Supervisor, Development Finance
D. Beaulieu, Manager, Development Subdivisions
S. Beukeboom, Manager, Fiscal Planning and Strategy
M. Dobbie, Manager, Park and Natural Heritage Planning
A. Nichols, Manager, Public Works Support Services
J. Concepcion, Financial Management Advisor
H. Leung, Financial Management Advisor
B. Yu, Financial Management Advisor

1. Adoption of Agenda

Moved by: Councillor Cilevitz

That the agenda be adopted as distributed by the Clerk.

Carried Unanimously

2. Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures of pecuniary interest by members of Council under the *Municipal Conflict of Interest Act*.

3. Delegations

There were no delegations.

4. Scheduled Business

4.1 SRCFS.22.011 - Year-End Operating Results as of December 31, 2021

Gigi Li, Director, Financial Services and Treasurer, provided introductory remarks regarding the staff reports brought forward at the meeting. She thanked Finance staff for their efforts, recognized the leadership and guidance that David Dexter, former Treasurer, had provided over the years, and introduced Sara Beukeboom, the new Manager of Fiscal Planning and Strategy.

G. Li reviewed the 2021 Year End Operating results, highlighting the Business As Usual surplus and the positive and negative contributors to the 2021 Covid-related deficit. She reviewed the Safe Restart Agreement funding, noting that it will offset the 2021 Covid-related deficit, and advised of the total remaining funds. G. Li provided an overview of the 2021 budget carryforwards, the Water, Wastewater and Stormwater Fund results, Library Fund results, and concluded by reviewing the recommendations of the staff report.

Moved by: Councillor Cilevitz

- a) That the 2021 Operating Results overview be received for information purposes;
- b) That the 2021 Operating Budget carryforward items of \$340,200 listed in Appendix "B" be approved and carried over to the 2022 Operating Budget;
- c) That the 2021 Operating Fund Covid-related deficit of \$2,773,900 be fully funded from Safe Restart Agreement monies; and
- d) That the surplus allocation detailed in Appendix "C" be approved:
 - i. 2021 Operating Fund Surplus of \$2,806,700 be transferred to the Tax Rate Stabilization Reserve
 - ii. 2021 Water & Wastewater Related Surplus of \$3,405,500 be transferred to the Water Rate Stabilization Reserve (\$1,702,800) and the Water Quality Protection Reserve Fund (\$1,702,700)
 - iii. 2021 Stormwater Related Surplus of \$131,200 be transferred to the Water Quality Protection Reserve Fund

A recorded vote was taken:

In favour: (8): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Muench, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (1): Regional and Local Councillor Perrelli

Carried Unanimously

4.2 SRCFS.22.014 – 2021 Investment Portfolio Results

Gigi Li, Director, Financial Services and Treasurer, advised Council of the City's Investment Policy and its core objectives. She described the economic conditions and financial markets in 2021, shared the investment portfolio results, and provided a comparison of the 2021 results to those of 2020. She compared the breakdown of the 2021 year-end portfolio to that of 2020, provided an outlook for the remainder of 2022 and beyond, noting that staff will continue to monitor the market conditions and adjust accordingly to balance risks and opportunities to preserve capital and realize competitive returns.

Moved by: Mayor West

a) That staff report SRCFS.22.014 regarding 2021 Investment Portfolio Results be received for information purposes.

A recorded vote was taken:

In favour: (7): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (2): Regional and Local Councillor Perrelli, Councillor Muench

Carried Unanimously

4.3 SRCFS.22.022 - 2021 Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds Statement

Gigi Li, Director of Financial Services and Treasurer, shared development charges (DCs) highlights, including how much DCs were collected and used to fund capital expenditures in 2020. She compared DC revenues and expenditures from 2017 to 2021, and showed a quarter-by-quarter

comparison of DC revenues, noting that they experienced a small spike in DC collections in 2021. She provided historical data to compare DC revenue forecasts to actual collection, and a summary of Cash in Lieu of Parkland revenues and expenditures from 2017 to 2021. G. Li advised of Section 37 payments collected and expended, noting that Section 37 of the *Planning Act* would be repealed by the Community Benefits Charge once in place.

Moved by: Councillor Chan

a) That Council receive staff report SRCFS.22.022 for information purposes; and

b) That the 2021 Development Charges, Cash in Lieu of Parkland and Section 37 Community Benefits Reserve Funds Statement be made available to the public on the City of Richmond Hill website as outlined in the report.

A recorded vote was taken:

In favour: (8): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Muench, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (1): Regional and Local Councillor Perrelli

Carried Unanimously

4.4 SRCFS.22.015 - 2021 Reserve and Reserve Fund Status

Gigi Li, Director of Financial Services and Treasurer, reviewed the purpose of Reserves and Reserve Funds, advised of the Reserves and Reserve Funds status as at December 31, 2021 and compared the 2021 results to those of 2020. G. Li reviewed the purpose of Obligatory and Discretionary Reserve Funds, noted the funds within both categories, advised of the 2020/2021 year-end variance of both Funds, and how interest was allocated within the methodology. G. Li also advised that financial sustainability was paramount and that staff would continue to inform Council regularly on the status of the City's Reserves and Reserve Funds.

Moved by: Mayor West

a) That staff report SRCFS.22.015 regarding 2021 Reserve and Reserve Fund Status be received for information purposes.

A recorded vote was taken:

In favour: (8): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Muench, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (1): Regional and Local Councillor Perrelli

Carried Unanimously

4.5 SRCFS.22.012 - 2022 Operating Forecast

Gigi Li, Director of Financial Services and Treasurer, advised of the continued impact of COVID-19 and economic pressures that impacted the Operating Forecast, and noted that the forecast was based on information known today in an environment that was constantly changing. G. Li advised of the 2022 Operating forecast projected deficit and provided a comparison to the 2022 COVID Budget, further noting the reasons for the unfavourable changes. An Operating Forecast was provided for Public Works Operations, Recreation, and Water, Wastewater and Stormwater Management. G. Li also reviewed City-wide favourable and unfavourable changes to the 2022 Operating Forecast.

Moved by: Councillor Cilevitz

a) That staff report SRCFS.22.012 regarding 2022 Operating Forecast be received for information purposes.

A recorded vote was taken:

In favour: (7): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (2): Regional and Local Councillor Perrelli, Councillor Muench

Carried Unanimously

4.6 SRCFS.22.017 – 2023 Capital & Operating Budget Strategy

Gigi Li, Director of Financial Services and Treasurer, advised of high-level guidelines staff were following in the preparation of the 2023 Capital Budget. She reviewed the 2023 Operating Budget Strategy, noted the current and new budget pressures, and highlighted the potential tax

increase for Business as Usual, and impact on Recreational programs. G. Li advised of the 2023 Water, Wastewater and Stormwater Budget Strategy, and noted the possible mitigating measures staff would be considering when preparing the 2023 Budgets to minimize tax levy increases and service impacts.

Moved by: Mayor West

- a) That report SRCFS.22.017 be received;
- b) That staff present a 2023 Draft Capital Budget & Forecast that:
 - i. Continues to manage the City's capital program reflective of corporate priorities;
 - ii. Maximizes all funding from external sources, development charges and reserve funding;
 - iii. Incorporates Capital Sustainability Committee Outcomes;
 - iv. Continues to leverage the Enterprise Asset Management / Asset Management Plan to help inform the prioritization of core asset investment needs; and
 - v. Incorporates fiscal responsibility in addressing the City's Infrastructure funding gap.
- c) That staff present a 2023 Draft Operating Budget that:
 - i. Supports Council priorities; and
 - ii. The operating budget considerations outlined in report SRCFS.22.017 be used as a guideline in the development of the 2023 Operating Budget.
- d) That staff present a 2023 Draft Water, Wastewater & Stormwater Budget that reflects the wholesale rate increase from Region of York and reflects approved factors from the Water/Wastewater Financial Plan as well as the Stormwater Financial Plan and Rate Update; and
- e) That staff be directed to proceed with the 2023 Budget process in accordance with the timetable outlined in Appendix "A" and guidelines described in SRCFS.22.017.

A recorded vote was taken:

In favour: (7): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (2): Regional and Local Councillor Perrelli, Councillor Muench

Carried Unanimously

4.7 SRCS.22.14 - Monitoring of Lake Wilcox Park Pay Parking

Moved by: Councillor Beros

a) That Staff Report SRCS.22.14 regarding monitoring of the pay parking system at Lake Wilcox Park be received.

A recorded vote was taken:

In favour: (7): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (2): Regional and Local Councillor Perrelli, Councillor Muench

Carried Unanimously

4.8 SRCFS.22.018 – Tariff of Fees Update

Gigi Li, Director of Financial Services and Treasurer, advised that the Tariff of Fees update was an annual review process, and outlined the considerations and guidelines for the fees update. She reviewed the fee categories, and provided details on a proposed mid-year amendment to the By-law that would be effective July 1, 2022. G. Li shared further information on the Tariff of Fees review process, the basis for the update, internal direction provided regarding updating fees, and the additional revenues anticipated in 2023. G. Li further reviewed Recreation and Culture fees and introduced the new fees that were being included as part of the Tariff of Fees update.

Moved by: Councillor Beros

a) That the amended fees for Recreation & Culture Services Schedule C Section B Outdoor Parks and Sports Fields and for Community Standards

Division Schedule E set out in draft By-law 98-22 (Appendix “B”) be adopted.

b) That the proposed fees set out in draft By-law 83-22 (Appendix “F”) be adopted.

c) That the proposed fees be subject to an additional convenience fee in line with charges incurred, for online payments where applicable.

A recorded vote was taken:

In favour: (7): Mayor West, Regional and Local Councillor DiPaola, Councillor Beros, Councillor Liu, Councillor Sheppard, Councillor Cilevitz, Councillor Chan

Opposed: (0): None

Absent: (2): Regional and Local Councillor Perrelli, Councillor Muench

Carried Unanimously

5. **Adjournment**

Moved by: Councillor Chan

That the meeting be adjourned

Carried

The meeting was adjourned at 3:06 p.m.