



Budget Committee of the Whole Meeting

Minutes

BCW#04-23

Tuesday, June 27, 2023, 1:30 p.m.

Council Chambers

225 East Beaver Creek Road

Richmond Hill, Ontario

A Budget Committee of the Whole meeting of the Council of the City of Richmond Hill was held on Tuesday, June 27, 2023 at 1:30 p.m. in Council Chambers via videoconference.

Council Members present in Council Chambers:

Mayor West
Regional and Local Councillor DiPaola
Councillor Davidson
Councillor Cui
Councillor Cilevitz
Councillor Shiu

Council Members present via videoconference:

Regional and Local Councillor Chan
Councillor Thompson
Councillor Liu

Staff Members present in Council Chambers:

D. Joslin, City Manager
S. Adams, Commissioner of Corporate and Financial Services
K. Kwan, Commissioner of Planning and Infrastructure
T. Steele, Commissioner of Community Services
G. Li, Director of Financial Services and Treasurer
S. Huycke, City Clerk
L. Chen, Manager, Fiscal Planning and Strategy
A. Li, Supervisor, Operating Budgets
H. Leung, Financial Management Advisory

D. Selicean, Financial Management Advisor
I. Treiger, Financial Management Advisor
B. Yu, Financial Management Advisor
R. Ban, Deputy City Clerk
S. Dumont, Council/Committee Coordinator
C. Connolly, Legislative Services Assistant

Staff Members present via videoconference:

A. Dimilta, City Solicitor
B. Burbidge, Fire Chief
D. Hearn, Director, Recreation and Culture
A. Ierrullo, Director, Economic Development and Richmond Hill Center
R. Jones, Director, Information Technology/CIO
F. Quarisa, Director, Public Works Operations
C. Treacy, Director, Human Resources
D. Oliveira, Manager Water, Wastewater and Roads
L. Conde, Manager, Strategy and Government Relations
S. Deshpande, Accounting Analyst
V. Malhotra, Financial Management Advisor
J. Concepcion, Financial Management Advisor

1. Adoption of Agenda

Moved by: Mayor West

That the agenda be adopted as distributed by the Clerk.

Carried

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.23.029 - Year-End Operating Results as of December 31, 2022

Gigi Li, Director of Financial Services and Treasurer provide introductory remarks regarding the staff reports brought forward at the meeting, and thanked Finance staff for their efforts. She advised that they had been

reporting on the financial impact of Covid-19 in 2020 and 2021, and that the City was now operating under a new normal as it emerges from the pandemic.

G. Li reviewed the 2022 Year-End Operating Results highlighting the 2022 Business As Usual surplus, and the positive and negative variance contributors. She advised of the Covid-related deficit and the largest contributors to that deficit. G. Li provided a history of how the Safe Restart Agreement (SRA) monies were allocated, and noted the recommendation that the 2022 Covid-related deficit be funded from the SRA monies, with the remaining funds allocated to the 2023 Operating Budget. G. Li shared the 2022 Water, Wastewater, and Stormwater Management results, and concluded by reviewing the recommendations of the associated staff report.

Moved by: Mayor West

- a) That the 2022 Operating Results overview be received for information purposes;
- b) That the 2022 Operating Budget carryforward items of \$212,700 listed in Appendix “B” be approved and carried over to the 2023 Operating Budget;
- c) That the 2022 Operating Fund Covid-related deficit of \$3,045,400 be fully funded from the Safe Restart Agreement funds; and
- d) That the surplus allocation as detailed in Appendix “C”, be approved:
 - i. 2022 Operating Fund surplus of \$1,059,800 be transferred to the Tax Rate Stabilization Reserve;
 - ii. 2022 Water & Wastewater Fund surplus of \$536,000 be transferred to the Water Rate Stabilization Reserve;
 - iii. 2022 Stormwater Management Fund deficit of \$1,936,400 be funded from the Water Quality Protection Reserve Fund.

Carried Unanimously

4.2 SRCFS.23.030 – 2022 Investment Portfolio Results

Moved by: Councillor Cilevitz

- a) That staff report SRCFS.23.030 regarding the 2022 Investment Portfolio Results be received for information purposes.

Carried

4.3 SRCFS.23.032 - 2022 Reserve and Reserve Fund Status

Moved by: Mayor West

- a) That staff report SRCFS.23.032 regarding the 2022 Reserve and Reserve Fund Status, be received for information purposes;
- b) That for administration purposes, the following reserve fund realignments be approved:
 - i) Performance for International Events Reserve Fund be merged with Theatre Repair and Replacement Reserve Fund;
 - ii) New Civic Building Reserve Fund be merged with 225 EBC Stabilization Reserve;
 - iii) Crosby Entrance Reserve be closed; and
 - iv) The respective by-laws be repealed and their corresponding accounts be closed.

Carried Unanimously

4.4 SRCFS.23.035 - 2022 Development Charges, Cash in Lieu of Parkland and Community Benefits Charge Reserve Funds Statement

Moved by: Councillor Cui

- a) That staff report SRCFS.23.035 regarding the 2022 Development Charges, Cash in Lieu of Parkland and Community Benefits Charge Reserve Funds Statement, be received for information purposes; and
- b) That the 2022 Development Charges, Cash in Lieu of Parkland and Community Benefits Charge Reserve Funds Statement be made available to the public on the City of Richmond Hill website as outlined in staff report SRCFS.23.035.

Carried Unanimously

4.5 SRCFS.23.034 – 2024 Capital and Operating Budget Strategy

Gigi Li, Director of Financial Services and Treasurer, outlined the components of the 2024 Budget Strategy, budget schedule and factors impacting the budget. G. Li provided an overview of the 2024 Capital Budget process, capital funding sources, Bill 23 impact on growth funding, and the proposed 2024 expenditure capping. She presented the 2024

Operating Budget outlook, budget considerations and mitigating measures, and outlined the 2024 Operating Budget Strategy. G. Li reviewed the 2024 Water, Wastewater, and Stormwater Management Budget Strategies, advised of the budget consultation that was proposed, and concluded by noting the recommendations of the associated staff report.

Moved by: Regional and Local Councillor Chan

- a) That staff report SRCFS.23.034, regarding the 2024 Capital and Operating Budget Strategy, be received;
- b) That staff present a 2024 Draft Capital Budget 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. Proposes funding not to exceed:
 - a. \$31 million from Tax Supported Reserve Funds
 - b. \$23 million from Development Charges Reserve Funds
 - c. \$9 million from Cash-in-Lieu of Parkland Reserve Fund
- c) That staff present a 2024 Draft Operating Budget that:
 - i. Supports Council priorities;
 - ii. Utilizes the budget considerations outlined in staff report SRCFS.23.034 as a guideline;
 - iii. Proposes a tax rate increase target of up to 3%, excluding the Capital Asset Sustainability Levy;
 - iv. Staff identify service level changes to meet the guideline;
 - v. Proposes a Capital Asset Sustainability Levy in the operating budget equivalent to 1.5% tax rate increase.
- d) That staff present a 2024 Draft Water & Wastewater Budget that reflects the wholesale rate increase from Region of York and approved factors from the Water/Wastewater Financial Plan;
- e) That staff present a 2024 Draft Stormwater Management Budget that reflects the new stormwater management funding and rate structure;

f) That staff be directed to proceed with the 2024 Budget process in accordance with the timetable outlined in Appendix “A” and guidelines described in staff report SRCFS.23.034.

A recorded vote was taken on Clause c) (iii):

In favour: (5): Mayor West, Regional and Local Councillor Chan, Regional and Local Councillor DiPaola, Councillor Thompson, Councillor Shiu

Opposed: (3): Councillor Davidson, Councillor Cui, Councillor Cilevitz

Absent: (1): Councillor Liu

Carried (5 to 3)

A recorded vote was taken on the remaining clauses:

In favour: (8): Mayor West, Regional and Local Councillor Chan, Regional and Local Councillor DiPaola, Councillor Davidson, Councillor Thompson, Councillor Cui, Councillor Cilevitz, Councillor Shiu

Absent: (1): Councillor Liu

Carried (8 to 0)

The complete motion to read as follows:

Moved by: Regional and Local Councillor Chan

a) That staff report SRCFS.23.034, regarding the 2024 Capital and Operating Budget Strategy, be received;

b) That staff present a 2024 Draft Capital Budget that:

- iv. Continues to manage the City’s capital program reflective of corporate priorities;
- v. Maximizes all funding from external sources, development charges and reserve funding;
- vi. Proposes funding not to exceed:
 - a. \$31 million from Tax Supported Reserve Funds
 - b. \$23 million from Development Charges Reserve Funds
 - c. \$9 million from Cash-in-Lieu of Parkland Reserve Fund

c) That staff present a 2024 Draft Operating Budget that:

- vi. Supports Council priorities;
 - vii. Utilizes the budget considerations outlined in staff report SRCFS.23.034 as a guideline;
 - viii. Proposes a tax rate increase target of up to 3%, excluding the Capital Asset Sustainability Levy;
 - ix. Staff identify service level changes to meet the guideline;
 - x. Proposes a Capital Asset Sustainability Levy in the operating budget equivalent to 1.5% tax rate increase.
- d) That staff present a 2024 Draft Water & Wastewater Budget that reflects the wholesale rate increase from Region of York and approved factors from the Water/Wastewater Financial Plan;
- e) That staff present a 2024 Draft Stormwater Management Budget that reflects the new stormwater management funding and rate structure;
- f) That staff be directed to proceed with the 2024 Budget process in accordance with the timetable outlined in Appendix “A” and guidelines described in staff report SRCFS.23.034.

Carried

5. Adjournment

Moved by: Councillor Cilevitz

That the meeting be adjourned.

Carried Unanimously

The meeting was adjourned at 3:40 p.m.