



Staff Report for Committee of the Whole Meeting

Date of Meeting: November 6, 2024

Report Number: SRCFS.24.054

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.24.054 - Dissolution of Capital Sustainability Steering Committee (CSSC)**

Purpose:

The Capital Sustainability Steering Committee (CSSC) has been instrumental in guiding the City of Richmond Hill's Capital Budgeting process since its establishment in 2019 and the subsequent reinstatement in 2023. This report recommends the dissolution of the CSSC, as City staff have acquired sufficient direction and guidance from the Committee members and will continue implementing a comprehensive Financial Sustainability Strategy that ensures fiscal responsibility in a sustainable and community-focused manner as part of the annual Capital Budget process.

Recommendation(s):

- a) That staff report SRCFS.24.054 be received.
- b) That the Capital Sustainability Steering Committee (CSSC) be dissolved.
- c) That staff proceed with the development and implementation of a comprehensive Financial Sustainability Strategy based on the guidance provided by CSSC as part of the annual Capital Budget process.

Contact Person(s):

- Muhammad Raza, Manager Fiscal Strategy and Long-Term Planning, ext. #6307
- Gigi Li, Director Financial Services and Treasurer, ext. #6435
- Sherry Adams, Commissioner of Corporate & Financial Services, ext. 2521

Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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Key Messages:

- The CSSC has successfully provided necessary guidance and direction to staff for the development of the City's Financial Sustainability Strategy.
- Dissolving the CSSC will streamline the decision-making process, ensuring all Council Members are consulted for the City's key Capital Budget decisions.
- Going forward, staff will provide Council with regular updates through the annual Capital Budget development process and will focus on implementing a Financial Sustainability Strategy that aligns with Council's direction.

Background:

The Capital Sustainability Steering Committee (CSSC) was established on February 25, 2019, following the approval of the Committee of the Whole's recommendation. The CSSC's mandate was to evaluate opportunities to deliver long-term capital investments that are in line with community expectations and fiscal sustainability.

During its initial term, the CSSC held six meetings throughout 2019 and early 2020. The Committee reviewed financial impacts on various Master Plans and Strategies, including the Fire Master Plan, IT Strategic Plan, Parks and Trails, and David Dunlap Observatory Master Plan, among others. Several key recommendations were approved and forwarded to Council, focusing on aligning Capital spending with available funding, updating plans and strategies, and adjusting the timeframe for facility projects.

In October 2020, CSSC approved a Financial Sustainability Strategy, which paved the path for recommending an increase to the Capital Asset Sustainability Levy (CASL) from 1% to 1.5% and considering debt financing as part of the financial toolkit.

In 2023, CSSC was reinstated to tackle emerging challenges, such as the legislative impacts of Bill 23 and economic instability post pandemic. The Committee's expanded mandate included establishing sustainable long-term capital investment and funding strategies. The CSSC held six meetings in 2024, the work plan included reviewing and providing recommendations on various plans and strategies, such as the Parks Plan, Recreation and Culture Plan, the Asset Management Plan and the 2025 Budget Strategy.

Discussion:

Since its inception, the CSSC has played a crucial role in guiding City staff and providing much needed direction on various Capital Budget items. The Committee's efforts have been instrumental in developing the 2025 Capital Budget and the nine-year forecast from 2026 to 2034.

In 2024, the Committee members provided valuable guidance on key strategic initiatives such as the Parks Plan and Recreation and Culture Plan. The remaining work plan

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items are currently being worked on and staff will provide an update to City Council once they are final.

The draft Capital Budget for 2025 is approximately \$87 million, with a Capital Forecast of \$1.7 billion from 2026 to 2034. With the prevailing funding situation, staff are projecting a significant funding shortfall if all forecasted projects are approved. Additionally, legislative changes, such as those introduced by Bill 23, have further impacted the City's ability to fund growth-related capital expenditures, exacerbating the funding shortfall.

Considering that CSSC's decisions have lasting financial impacts on the City, staff will continue to monitor capital funding shortfalls and Operating Budget pressures simultaneously before making strategies and recommendations to Council.

With the CSSC having provided sufficient guidance, it is now appropriate to dissolve the Committee and direct staff to focus on implementing the Financial Sustainability Strategy. Going forward, staff will continue to seek guidance from Council for all Capital Budget related matters through the Budget Committee and Committee of the Whole. This approach will ensure all Council Members contribute towards the City's financial planning and decision-making processes.

Staff remain committed to upholding fiscal responsibility while addressing the community's needs. This dedication will also steer us in executing a financial sustainability strategy that aligns the City's financial plan with the broader objectives of community well-being and sustainable growth.

Financial Implications:

There are no immediate financial implications associated with dissolving the CSSC. However, the development and implementation of the financial sustainability strategy will have long-term financial implications, which will be addressed in future reports.

Relationship to Strategic Plan 2024-2027:

The dissolution of the CSSC and the subsequent direction of the Council to staff to focus on updating the Financial Sustainability Strategy aligns with Pillar 3, Strengthening our Foundations, specifically, Priority 1 where the City aims to enhance financial sustainability, customer experience, and operational efficiency through strategic investments, best practices, and an aligned management framework.

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Report Approval Details

Document Title:	SRCFS.24.054 - Dissolution of Capital Sustainability Steering Committee (CSSC).docx
Attachments:	
Final Approval Date:	Oct 22, 2024

This report and all of its attachments were approved and signed as outlined below:

Gigi Li - Oct 21, 2024 - 10:04 PM

Sherry Adams - Oct 22, 2024 - 8:35 AM

Darlene Joslin - Oct 22, 2024 - 9:38 AM