

## 2019 Budget – Council Question and Answers

### 1. Question (D. McIntosh):

On page one of the Budget Document it is stated:

“In 2019, there is an \$18.5 million budget for winter road maintenance, up from \$17 million in 2018. Additionally, \$1.1 million is budgeted for sidewalk snow clearing.”

- a) Could you please clarify the total budgeted for all snow removal for both roads and sidewalks?
- b) How much was budgeted for sidewalk snow removal in 2018?

Answer:

- a) The total budget for all winter road maintenance is \$18.5 million, up from \$17 million. Of this, the budget for sanding & salting which includes snow plowing totals \$7.3 million and winter sidewalk maintenance totals \$1.1 million. Winter road maintenance includes other activities such as winter ditching, snow removal, street sweeping, and miscellaneous maintenance (ie. asphalt patching).
- b) The 2018 budget for winter sidewalk maintenance was \$1.0 million.

### 2. Question (D. McIntosh):

Referencing the Water/waste Water 2019 Budget summary on page 367. Can you please explain the significant changes to the budget between 2017 and 2018/2019?

Answer:

During 2018, The Roads and Water/Wastewater divisions were restructured to better align services within the Growth and Infrastructure Department. New divisions were created for Linear Infrastructure Services, Capital Infrastructure Services, and Treatment and Compliance. The cost of water/wastewater services are split up amongst these new divisions. However in order to ensure that the City properly captures the cost of water/wastewater to properly determine the rates, internal recoveries were set up to transfer all costs back to the Water/Wastewater division. There was no change to the net levy as a result of this restructuring.

### 3. Question (D. McIntosh):

Do we have any rebate programs on our water/waste water billings for those who can demonstrate need? If not, would it be possible to tag this to the property tax rebate program?

Answer:

Currently the City does not have a rebate program for water/wastewater billing for those who can demonstrate need. Section 19 of the Water/WW By-law allows for Discretionary Adjustments. The City is currently using this section to adjust customers accounts due to a high water/ww bill caused by a plumbing problem. The City credits from 50% to a maximum of 100% of the extra metered consumption. This is a “one time only” reduction. A formal policy outlining the details will be presented to Council in the spring of 2019. A formal policy will be presented to Council in the spring of 2019. The current property tax rebate only applies to seniors in receipt of the Guaranteed Income Supplement (GIS).

### 4. Question (D. McIntosh):

Community Improvement Plans (pg 220): What is the status of the amounts approved for 2018?

Answer:

- A- Approved Budget: \$600,000

- B- Total (Revised) Projected\*: \$498,243
- C- Amount paid out thus far: \$58,618
- D- Remaining to be paid (B-C)\*\*: \$493,625
- E- Anticipated Surplus (A-B): \$101,756

\* Some projects elected not to proceed. In other cases actual grant amounts were less than estimated.

\*\* The agreements for these investments require that the work be completed by December 31, 2019.

**5. Question (R. Kirwan):**

**Page 235 contains a business case for the Science North Renewal and Expansion. This is a business case that would be an additional enhancement that would increase the 2019 tax levy if approved.**

**On Page 163, this is showing no 2019 Budget Impact.**

**As per resolution CC2018-212, City Council approved the request of \$750,000 to the Science North Big Change, Big Impact renewal and expansion project, with the full amount - and the timing of payment(s) - subject to approval as part of the 2019 Municipal Budget". The proposed distribution of these funds over three years is as follows: \$250,000 in 2020, \$250,000 in 2021 and \$250,000 in 2022.**

**If City Council approves this specific Business Case, what is the implication for the 2019 budget; for the 2020 budget? Will it be up for consideration again, or will it form part of the base for 2020 and beyond?**

Answer:

At this time, Science North is working to confirm funding sources for this project, including at senior levels of government. Given this ongoing work, and based on discussions with staff at Science North, staff recommend that this Business Case remains "Not Recommended" for the 2019 budget. It could be brought forward as part of 2020 Budget deliberations. This means there will be no impact on the 2019 budget. The status of the file, including an update about Science North's ongoing fundraising efforts, will be reported to Council in Q3 2019.

If City Council approves this specific business case as part of the 2020 Budget, and when Science North is able to confirm all other funding sources, the municipal grant of \$750,000 is anticipated to be funded in the amount of \$250,000 each year for three years beginning in 2020. This would result in an increase to the 2020 base operating budget of \$250,000 resulting in approximately 0.1% tax levy increase. This request would then form part of the 2020, 2021, and 2022 base budgets, and the 2023 base budget will see a reduction of \$250,000 in the grant category.

**6. Question (R. Kirwan):**

**On Page 246 there is a business case for an enhanced service level of \$1.5 million, which is a one-time cost, but which would result in a tax levy increase for 2019 that would raise our tax base by \$1.5 million per year moving forward.**

**The total project cost would be \$24 to \$26 million, which would include the detailed design cost of \$1.5 million. I would like to know why we are not using this project as one of our capital priorities under our new capital priority plan? By including it as part of a service enhancement, it is not a one-time increase. It will increase our tax base by \$1.5 million per year, which is about the amount of debt financing that we will need for the twin pads.**

**From a financial position, the cost of capital investment to keep the three current arenas operating for the next ten years is estimated to be \$6.7 million. The next twenty years will therefore require in the neighbourhood of \$14 million of capital investment. Also, the city can save almost \$400,000 per year in operating costs by opening up the new twin pad arena. Over the next 20 years, that would mean a savings of \$8 million in operating costs. None of these calculations take inflation into consideration.**

**So when you look at this from a financial point of view, to do nothing and simply pour money into our older facilities would cost the city \$14 million in today's dollars plus another \$8 million in extra operating expenses for a total of \$22 million.**

**We can build a new twin-pad arena for \$24 to \$26 million.**

**So, if we look at saving \$670,000 per year in capital for the existing three arenas; plus \$400,000 per year in operational savings; we would be saving \$1.07 million per year. If we calculate the cost of financing a \$26 million arena over 30 years, the actual net cost to the city would be around \$250,000 per year (not counting for**

**increased capital maintenance costs due to inflation and increased material and labour costs). There is actually a case to be made that building the new arena might result in a net "reduction" for the city, especially when you consider the cost of a new twin pad arena 10, 20 or 30 years from now.**

**My question is why are we not proposing this as a capital investment and including the detailed design as part of the total cost of the twin pad arena? Why are we not approving the entire capital project rather than just a detailed design?**

Answer:

At the Community Services Committee meeting of July 9, 2018 Council directed staff to prepare a business case for detailed design work only. At this time, the project in whole has not been approved by Council.

The City is in the process of confirming programming and conducting community consultation. Once this work is complete, staff will bring forward an additional report to Community Services with the results and options for advancing the project.

**7. Question (J. Landry-Altman):**

**How much it would cost to remove all snow banks across the City? What would the resulting tax impact be for this service?**

Answer:

A report was brought to Operations Committee on November 18, 2013 analyzing a number of enhancements to service levels. The results of this report showed a cost of approximately \$5 million annually for additional snow removal services (once a year) on all urban local roadways and all rural roadways. This estimate would need to be inflated to 2019 dollars.

Assuming a cost of \$5 million, this service level increase would result in an additional 1.9% property tax levy increase for the 2019 budget.