

# The Corporation of the City of Kawartha Lakes

## Agenda

### Special Council Meeting

CC2020-13

Tuesday, December 1, 2020

Open Session Commencing at 9:00 a.m. - Electronic Public Participation

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

#### Members:

Mayor Andy Letham

Deputy Mayor Patrick O'Reilly

Councillor Ron Ashmore

Councillor Pat Dunn

Councillor Doug Elmslie

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

**Note: This will be an electronic participation meeting and public access to Council Chambers will not be available. Please visit the City of Kawartha Lakes YouTube Channel at <https://www.youtube.com/c/CityofKawarthaLakes> to view the proceedings.**

Accessible formats and communication supports are available upon request. The City of Kawartha Lakes is committed to accessibility for persons with disabilities. Please contact [AgendaItems@kawarthalakes.ca](mailto:AgendaItems@kawarthalakes.ca) if you have an accessible accommodation request.

1.	<b>Call to Order</b>	
2.	<b>Adoption of Agenda</b>	
3.	<b>Disclosure of Pecuniary Interest</b>	
4.	<b>Deputations</b>	
5.	<b>Correspondence</b>	
6.	<b>Reports</b>	
6.1.	CORP2020-019	4 - 8
	<b>Proposed 2021 Operating Budget Update</b> Jennifer Stover, Director of Corporate Services	
	<b>That Report CORP2020-019, Proposed 2021 Operating Budget Update,</b> be received.	
6.2.	CORP2020-018	9 - 12
	<b>Options for Disposition of 2019 Surplus</b> Ron Taylor, Chief Administrative Officer Jennifer Stover, Director of Corporate Services	
	<b>That Report CORP2020-018, Disposition of 2019 Surplus,</b> be received; and	
	<b>That</b> the 2019 Surplus of \$2,999,743 be maintained in the Contingency Reserve for the purpose of funding community, economic, and corporate pandemic recovery initiatives.	
6.3.	PUR2020-032	13 - 15
	<b>Single Source for Contract Administration and Site Inspection for the Downtown Reconstruction Phase III</b> Linda Lee, Buyer Corby Purdy, Supervisor, Infrastructure, Design, Construction	

**That Report PUR2020-032, Single Source – CIMA Canada Inc. for the Contract Administration and Site Inspection for the Downtown Reconstruction Phase III, be received;**

**That Council authorize the single source purchase to CIMA Canada Inc. for the contract administration and site inspection for Phase III of the downtown Lindsay reconstruction for the total amount of \$484,228.00 not including HST;**

**That the budget for the roads component of the Downtown Reconstruction project 983210300 be reduced by \$732,571 with \$659,314 returned to the Capital reserve and \$73,257 returned to the Roads Development Charge Reserve;**

**That the budget for the water and sewer component of the Downtown Reconstruction project 998210300 be reduced by \$570,153 with \$146,375 returned to the Sewage Development Charges Reserve, \$170,393 reduction in the SCF Grant, and \$253,385 reduction in debenture; and**

**That the Procurement Division be authorized to issue a purchase order.**

**7. Proposed 2021 Tax-Supported Capital Budget**

7.1. CC2020-13.7.1

**Review of the 2021 Tax Supported Capital Budget**

7.2. CC2020-13.7.2

**Decision Units - 2021 Tax-Supported Capital Budget**

**8. Confirming By-Law**

8.1. CC2020-13.8.1

A By-Law to Confirm the Proceedings of the December 1, 2020 Special Council Meeting

**9. Adjournment**

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## Council Report

Report Number CORP202-019

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**Meeting Date:** December 1, 2020  
**Title:** Proposed 2021 Operating Budget Update  
**Author and Title:** Jennifer Stover, Director of Corporate Services

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### Recommendation(s):

That Report CORP2021-019, **Proposed 2021 Operating Budget Update**, be received;

Department Head: \_\_\_\_\_

Financial/Legal/HR/Other: \_\_\_\_\_

Chief Administrative Officer: \_\_\_\_\_

## **Background:**

The typical budget process would involve Council and the public receiving a budget document which includes all of the City's budgets in advance of any deliberations occurring.

The 2021 budget was originally proposed to follow the normal process with the complete budget document being issued in December 2020 followed by deliberations in the first quarter of 2021.

As a result of the pandemic, many capital projects, that were approved and funded in 2020, were delayed and will therefore be ongoing in 2021. It therefore became apparent to staff that the City was not going to have sufficient resources to proceed with a full capital program 2021. The uncertainty of the duration of the pandemic and the impact it would have on City operations in 2021 also made it prudent to not over commit the 2021 capital program.

Adopting the Capital program prior to the end of the year provides the advantage of being able to tender early which can garner more competitive bids. Staff were able to compile a proposed capital program for 2021 quicker than anticipated, and therefore the budget schedule was amended to allow for the 2021 Tax Levy Supported Capital Budget to be approved prior to year end.

The 2021 Proposed Tax Levy Supported Capital Budget was made available to Council and the Public on November 6, 2020. At the Special Council meeting of November 12, staff provided Council with an overview of the program, and provided a status of the long term financial plan.

This report provides an overview of the 2021 Tax Levy Supported Operating Budget to ensure that Council has an awareness of the City's tax supported pressures prior to deliberating the 2021 Capital budget.

## **Rationale:**

The Operating Budget is comprised of three key components: the revenues and expenditures that support day to day operations; transfers to reserves to support capital or future needs; and the tax levy.

Any increase in operating expenditures and/or transfers to reserves that are not offset by operating revenues require a tax levy increase.

The key pressures for the 2021 budget are as follows:

Key Driver	2021 Budget Impact (in Millions)
Increased Expenditures:	
Salaries and Benefits	\$2.1
Winter Control	\$0.5
Waste Management	\$1.5
Victoria Manor *	\$0.8
HKPR Health Unit	\$0.4
Reduced Revenues:	
Arena and Hall revenue *	\$0.2
Investment Income *	\$0.6
Transit Fees *	\$0.1
Landfill Tipping Fees	\$0.1
<b>Total Operating Pressure</b>	<b>\$6.3</b>
Increased Revenue	
Tax Levy Adjustments	(\$1.5)
<b>2021 Tax Levy Requirement</b>	<b>\$4.8</b>

The items asterisked (\*) above are, in whole or in part, related to the pandemic.

Staff continue to review the budget with the goal of reducing the operating budget to tax levy impact in the 3% to 3.5% range as in previous years.

It is important to note that none of the key drivers noted above relate to an increase in the transfer to reserves, or more specifically, an increase to the Capital Reserve. Included in the base operating budget is a transfer of approximately \$9.1 million to the Capital Reserve. This is the reserve that is used as a main source of funding for the capital budget each year.

As there is not an increase in the transfer to the Capital reserve, there is also not a tax levy impact to the proposed Tax Supported 2021 Capital Budget. All of the tax levy increase for 2021 is being attributed to the Operating Budget.

At the Special Council meeting on November 12, staff identified that the Long Term Financial Plan proposed regular and ongoing increases to the Capital Reserve in order to sustain the City’s capital assets. Pressures in the operating budget have annually exceeded the need that was forecasted in the long term plan and therefore the projected increase in Capital Reserve contributions have not kept pace. This is not ideal, and will need to be addressed in the update to the Long Term Financial Plan.

**2020 Operating Budget and Pandemic Impact**

Prior to considering the 2021 budget, it is also important for Council to understand the 2020 financial position. At the Council meeting of July 28, 2020 the Chief Administrative Officer was directed to target a year end zero deficit budget. The forecast to year end is still projecting zero deficit however there are two unknowns that could impact that result. Winter control has historically been over budget in previous years. The 2020 year end forecast includes a contingency for winter control and staff remain hopeful that the contingency is sufficient to support any overage. The additional unknown is any further impacts that the pandemic may have however, with one month left in the year, staff are not expecting a major impact on the year end position.

In August, the City received commitment for \$4.8 million from the Federal and Provincial governments under the Safe Restart Agreement. These funds are to address the operating pressures and local needs of the City. To date, the impact of the pandemic on City operations has exceeded \$5 million. Staff are required to report back to the Province on the use of these funds, including the City's overall 2020 financial position, in March 2021. At this time, staff will also report to Council on the status of these funds.

More recently, the City was allocated \$391,279 through the COVID-19 Resilience Infrastructure grant. Eligible projects for this grant include infrastructure to support physical distancing, social infrastructure, active transportation and disaster mitigation projects. Staff will be making an application to the Province in the coming weeks to secure these funds, and will report back to Council upon acceptance of the application.

### **Other Alternatives Considered:**

No other alternatives are being recommended.

### **Alignment to Strategic Priorities**

This report aligns with the strategic priority of Good Government.

### **Financial/Operation Impacts:**

As noted above, the proposed 2021 Tax Supported Capital Budget will not result in a tax levy impact for 2021. Any proposed increase in the tax levy is currently being fully allocated to the operating budget.

**Consultations:**

Senior Management Team

Treasurer

Manager, Capital Assets

**Department Head E-Mail: [jstover@kawarthalakes.ca](mailto:jstover@kawarthalakes.ca)**

**Department Head: Jennifer Stover, Director of Corporate Services**



## Council Report

Report Number CORP2020-018

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**Meeting Date:** December 1, 2020  
**Title:** Options for the Disposition of 2019 Surplus  
**Author and Title:** Ron Taylor, Chief Administrative Officer  
Jennifer Stover, Director of Corporate Services

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### Recommendation(s):

**That** Report CORP2020-018, **Disposition of 2019 Surplus** be received; and

**That** the 2019 Surplus of \$2,999,743 be maintained in the Contingency Reserve for the purpose of funding community, economic, and corporate pandemic recovery initiatives.

Department Head: \_\_\_\_\_

Financial/Legal/HR/Other: \_\_\_\_\_

Chief Administrative Officer: \_\_\_\_\_

## Background:

At the Council Meeting of September 15, 2020 Council adopted the following resolution:

### CR2020-259

**That** Report CORP2020-008, 2019 Surplus Disposition Report, be approved as circulated;

That the financial statements for 2019 be approved as circulated;

That Council authorizes the transfer of the 2019 Surplus of \$2,999,743 to the Contingency Reserve committed for Council; and

That staff report back to Council during the 2021 budget deliberations on options for disposition of the 2019 surplus.

At the Council Meeting of October 20, 2020 Council adopted the following resolution:

### CW2020-134

**That** Council direct staff to review the option of utilizing the 2019 budget surplus, in its entirety, for a one-time rebate on the 2021 tax bills for all ratepayers; and

**That** staff report back to Council on the result that the proposed tax rebate will have.

This report addresses the direction of these two resolutions.

## Rationale:

A one-time rebate on the 2021 tax bills for all ratepayers has been analyzed. As property taxes are calculated based on the weighted assessment of the property by class, the same methodology was used to calculate the rebate.

Using the 2020 weighted assessment, the table below highlights the average rebate per property type.

Property Type	Average Rebate
Residential	\$65.61
Farm	\$4.93
Commercial	\$160.92
Industrial	\$115.81

The actual amount of rebate that would be provided to an individual owner would be dependent on the assessed value of their property. For residential properties, as an example, the rebate would be from a low of \$0.05 to a high of \$600.

The challenge with providing a rebate is that it is one-time. The following year, each property owner will be faced with not only the tax levy increase of that year, but also the increased impact of no longer having a tax rebate. To the property owner, this may feel like a double increase.

Another option for the almost \$3 million of 2019 surplus is to use the funds to support pandemic recovery initiatives. Residents and businesses alike have been impacted by the effects of the pandemic, and the duration of this situation continues to be unknown. Rather than provide one-time modest relief to each property owner, it is recommended that the funds be used to assist property owners more broadly through support to the community and the local economy.

At the Committee of the Whole meeting on November 3, 2020 Council received presentations from the Economic Recovery Task Force, and the Community Recovery Task Force. Both of these groups brought forward a number of recommendations that would require financial support from the City for implementation. Council subsequently received and adopted these recommendations.

Additionally, the City has deferred some capital programs to 2022 that would have otherwise been completed in 2021. This includes projects that were aimed at revitalizing our downtown corridors.

Given the two options above, it is recommended that the 2019 surplus be retained in the Contingency Reserve and used for the purpose of supporting pandemic recovery initiatives. It is believed that this would have a greater long term benefit to community recovery than a one-time tax rebate.

### **Other Alternatives Considered:**

Should Council wish to proceed with providing property owners with a rebate on their 2021 tax bill the following resolution is suggested:

That Council direct staff to dispose of the 2019 surplus of \$2,999,743 as a one-time rebate to all property owners on their 2021 final tax bill calculated on weighted assessment.

An alternative option to those noted above would be for Council to leave the funds in the Contingency Reserve and refrain from committing any of these funds for a specific purpose.

## **Alignment to Strategic Priorities**

The recommendations of this report align with all four of the strategic priorities:

1. Healthy Environment
2. An Exceptional Quality of Life
3. A Vibrant and Growing Economy
4. Good Government

## **Financial/Operation Impacts:**

The 2019 surplus is currently in the Contingency Reserve per Council direction and is not committed for any purpose. The use of these funds for the recommended purpose is a financially responsible solution to an unforeseen and uncertain situation.

**Department Head E-Mail: [rtaylor@kawarthalakes.ca](mailto:rtaylor@kawarthalakes.ca)**

**Department Head: Ron Taylor, CAO**



## Council Report

Report Number PUR2020-032

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**Meeting Date:** December 1, 2020

**Title:** Single Source for Contract Administration and Site Inspection for the Downtown Reconstruction Phase III

**Author and Title:** **Linda Lee, Buyer**  
**Corby Purdy, Supervisor/Infrastructure, Design, Construction**

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### Recommendation(s):

**That** Report PUR2020-032, **Single Source – CIMA Canada Inc. for the Contract Administration and Site Inspection**, be received;

**That** Council authorize the single source purchase to CIMA Canada Inc. for the contract administration and site inspection for Phase III of the downtown Lindsay reconstruction for the total amount of \$484,228.00 not including HST;

**That** the budget for the roads component of the Downtown Reconstruction project 983210300 be reduced by \$732,571 with \$659,314 returned to the Capital reserve and \$73,257 returned to the Roads Development Charge Reserve;

**That** the budget for the water and sewer component of the Downtown Reconstruction project 998210300 be reduced by \$570,153 with \$146,375 returned to the Sewage Development Charges Reserve, \$170,393 reduction in the SCF Grant, and \$253,385 reduction in debenture; and

**That** the Procurement Division be authorized to issue a purchase order.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

On September 15, 2020 Council approved Report Number CA2020-003 that identified certain capital projects for which early start approval is considered essential. Reconstruction of Downtown Lindsay, Phase 3 which includes Kent Street from William Street to Victoria Avenue and Cambridge Street from Russell Street to Peel Street were identified within Report CA2020-003.

PUR2017-049 approved Downtown Lindsay design work to be completed by CIMA Canada Inc. Road sections included in the design assignment are: Peel Street, Russell Street, Kent Street West, Cambridge Street, William Street, York Street and Lindsay Street South. During the design process CIMA Canada Inc. and staff conducted two (2) public meetings with local residents and businesses.

PUR2019-009 approved Phase 1 Contract Administration and Site Inspection to be awarded to CIMA Canada Inc.

ENG2020-004 approved Phase 2 Contract Administration and Site Inspection to be awarded to CIMA Canada Inc.

Phase 3 construction was released and advertised in accordance with the Purchasing Policy, and was awarded to New Alliance. Construction is expected commence in January 2021.

## **Rationale:**

CIMA has been involved throughout the design process and are very familiar with the site and project details. Given the size and complexity of this project, it may require clarification and/or minor design adjustment during construction. CIMA Canada Inc. has specialty staff to inspect and administer all aspects of the project. It would be beneficial to have CIMA Canada Inc. to undertake the Contract Administration and Inspection Services for the entire project.

Staff recommends that CIMA Canada Inc. of Bowmanville, be awarded the Contract Administration and Inspection Services for Kent and Cambridge Street Reconstruction for the quoted amount of \$484,228.00 not including HST, plus 20% contingency of \$96,845.60 for a total of \$581,073.60.

## **Other Alternatives Considered:**

No other alternatives are being considered as the City's Purchasing Policy allows for a single source to ensure standardization and compatibility with existing services.

## Alignment to Strategic Priorities

The recommendation set out in this Report, conserve our resources for actions that would support the following priorities in the Strategic Plan:

1. An Exceptional Quality of Life
2. A Vibrant and Growing Economy
3. Good Government

## Financial/Operation Impacts:

Project Number	Project Budget	Other Committed Funds *see below	Project Balance	Purchase Amount (excl. HST)	20% Contingency	HST Payable	Total Amount	Project Balance
983210300	\$6,760,000	\$5,731,779	\$1,028,221	\$242,114	\$48,423	\$5,113	\$295,650	\$ 732,571
998210300	\$3,375,000	\$2,509,197	\$865,803	\$242,114	\$48,423	\$5,113	\$295,650	\$ 570,153
<b>Totals</b>	<b>\$10,135,000</b>	<b>\$8,240,976</b>	<b>\$1,894,024</b>	<b>\$484,228</b>	<b>\$96,846</b>	<b>\$10,227</b>	<b>\$591,300</b>	<b>\$ 1,302,724</b>

\*Other committed funds include construction, internal staff labour charges, advertising, and geotechnical inspections.

\*Portions of the proposed construction limits have not been excavated for over 100 years. Surprises are expected, thus an increased contingency has been added to account for unknowns and for any additional inspections and administration for items such as street furniture, street sign names, garbage receptacles, and potential for land improvements.

Any remaining surplus or deficit will be dealt with through the capital close report presented to Council by the Treasury Department in accordance with the Capital Close Policy.

## Consultations:

Junior Accountant

**Department Head E-Mail:** [jrojas@kawarthalakes.ca](mailto:jrojas@kawarthalakes.ca)

**Department Head:** Juan Rojas, Director of Engineering and Corporate Assets

# The Corporation of the City of Kawartha Lakes

## By-law 2020-XXX

### A By-Law to Confirm the Proceedings of a Special Meeting of Council, Tuesday, December 1, 2020

#### Recitals

1. The Municipal Act, 2001, S.O. 2001 c. 25 as amended, provides that the powers of a municipal corporation are exercised by its Council.
2. The Municipal Act, also provides that the Council's powers must be exercised by by-law.
3. For these reasons, the proceedings of the Council of The Corporation of the City of Kawartha Lakes at this meeting should be confirmed and adopted by by-law.

**Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this By-law 2020-XXX.**

#### Section 1.00: Confirmation

- 1.01 The actions of the Council at the following meeting:

#### **Tuesday, December 1, 2020, Open Session, Special Council Meeting**

and each motion, resolution and other action passed or taken by the Council at that meeting is, except where prior approval of the Ontario Municipal Board is required, adopted, ratified and confirmed as if all such proceedings had been expressly embodied in this By-law.

- 1.02 The Mayor and the proper officials of the City are authorized and directed to do all things necessary to give effect to the actions of the Council referred to in Section 1.01 of this By-law. In addition, the Clerk is authorized and directed to affix the corporate seal to any documents which require it.

#### Section 2.00: General

- 2.01 This By-law shall come into force on the date it is finally passed.

By-law read a first, second and third time, and finally passed, this 1 day of December 2020.

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Andy Letham, Mayor

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Cathie Ritchie, City Clerk