

# The Corporation of the City of Kawartha Lakes

## Agenda

### Special Council Meeting

CC2019-30

Tuesday, December 3, 2019

Open Session Commencing at 1:00 p.m.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

#### Members:

Mayor Andy Letham

Deputy Mayor Doug Elmslie

Councillor Ron Ashmore

Councillor Pat Dunn

Councillor Patrick O'Reilly

Councillor Tracy Richardson

Councillor Kathleen Seymour-Fagan

Councillor Andrew Veale

Councillor Emmett Yeo

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1.	<b>Call to Order</b>	
2.	<b>Adoption of Agenda</b>	
3.	<b>Disclosure of Pecuniary Interest</b>	
4.	<b>Proposed 2020 Operating Budget</b> <b>That the Proposed 2020 Operating Budget be received.</b>	
5.	<b>Proposed 2020 Budget Presentation</b> Jennifer Stover, Director of Corporate Services <b>That the 2020 Operating Budget Presentation by Jennifer Stover, Director of Corporate Services be received.</b>	
6.	<b>Public Comments</b> <b>That the Public Comments regarding the 2020 Proposed Operating Budget be received.</b>	
7.	<b>Written Public Submissions</b> <b>That the Written Public Submissions regarding the Proposed 2020 Operating Budget be received.</b>	
7.1	Haliburton, Kawartha, Pine Ridge District Health Unit Board of Health - 2020 Municipal Levy	5 - 8
7.2	Haliburton, Kawartha, Pine Ridge District Health Unit Board of Health - 2020 Municipal Assessment	9 - 9
7.3	Otonabee Conservation - 2020 Operating and Capital Budget	10 - 11
8.	<b>Council Questions and Answers, 4% to 0% Budget Document - Operating Budget</b> <b>That the 2020 Operating Budget Council Question and Answer document and the 4% to 0% Budget document be received.</b>	
9.	<b>Department Budget Overviews and Extractions</b>	
9.1	Mayor, Council and Office of the CAO Ron Taylor, Chief Administrative Officer	

- 9.2 Community Services  
Craig Shanks, Director
- 9.3 Corporate Services  
Jennifer Stover, Director
- 9.4 Development Services  
Chris Marshall, Director
- 9.5 Engineering and Corporate Assets  
Juan Rojas, Director
- 9.6 Emergency Services
- 9.6.1 Fire Services  
Mark Pankhurst, Chief
- 9.6.2 Paramedic Services  
Andrew Rafton, Acting Chief
- 9.7 Human Services  
Rod Sutherland, Director
- 9.8 Public Works  
Bryan Robinson, Director
- 10. **Decision Units (Appendix C)**
- 11. **Closed Session (if required)**
- 12. **Matters from Closed Session (pending)**
- 13. **Reports**
- 13.1 CORP2019-032 Proposed 2020 Tax Supported Operating Budget 12 - 14  
Jennifer Stover, Director

**That Report CORP2019-032, Proposed 2020 Tax Supported Operating Budget** be received; and

**That** the 2020 Tax-Supported Operating budget be approved.

14. **Future Budget Directions**

15. **Confirming By-Law**

15 - 15

**A By-law to Confirm the Proceeding of a Special Meeting of Council, Tuesday, December 3, 2019.**

16. **Adjournment**

November 25, 2019

Jennifer Moore, Chief Administrative Officer, Northumberland County  
Mike Rutter, Chief Administrative Officer, County of Haliburton  
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes

Via email to:

moorej@northumberlandcounty.ca  
mrutter@county.haliburton.on.ca  
rtaylor@kawarthalakes.ca

Dear Municipal Partners,

We are writing to you today to make you aware of the dire financial circumstances the Board of Health for the Haliburton, Kawartha, Pine Ridge District Health will be facing in 2020. As our Board of Health is primarily populated by Municipal elected officials, we are acutely aware of the financial pressures our obligated municipalities are facing as they prepare their 2020 budgets knowing that we are asking for a substantial increase in our 2020 municipal levy.

### Context

We believe that it will be helpful for you for us to provide some context for this significant increase to our 2020 municipal levy.

On Thursday, April 11, 2019, the Government of Ontario presented its 2019 Budget – Protecting What Matters Most. For Ontario’s public health system, the proposals were:

- Adjust the provincial-municipal cost-sharing of public health funding;
- Establish 10 regional public health entities and 10 new regional boards of health with one common governance model by 2020 – 2021; and
- Project annual savings of \$200 million by 2021-2023.

A copy of the Medical Officer of Health’s April 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 1)

In early May, the Ministry of Health and Long-Term Care set up calls with each of the provincial health units to discuss their submitted 2019 Annual Business Plan and Budget Submission, discuss the planned changes for this year and related mitigation opportunities, and ensure this next phase of planning supported their local needs and priorities. During our Health Unit’s meeting with Ministry staff, we were verbally advised that the Ministry would be decreasing its grant to the Health Unit by \$1,200,000 for its fiscal year April 1, 2019 – March 31, 2020. To help with our transition costs we were to receive one-time funding of \$800,000. A copy of the Medical Officer of Health’s June 18, 2019 Report to the Board of Health is enclosed for your information. (Attachment 2)

On May 27, 2019, the Premier of Ontario held a news conference and announced that the “in-year cuts to public health, child-care and land ambulance will not go ahead. It was not clear whether they would proceed next year;” (CTV (May 27, 2019)). (Attachment 2)

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## PROTECTION · PROMOTION · PREVENTION

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On May 24, 2019 the Eastern Ontario Wardens' Caucus passed a resolution regarding the "restructuring of public health units, and the serious impact this could have on rural and small urban municipalities" and on May 27, 2019, the Eastern Ontario Mayors' Caucus passed a resolution regarding the "Changes to Public Health". (Attachment 2) A number of meetings were held with representatives of the Eastern Ontario Wardens' Caucus and the Medical Officers of Health for the following health units: Renfrew County & District; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington, Hastings Prince Edward; Peterborough; and Haliburton, Kawartha, Pine Ridge District. (Attachment 2)

On August 20, 2019, the Minister of Health sent correspondence to the Chair of the Board of Health regarding Ministry funding for the 2019/2020 funding year (January 2019-December 2019). A copy of the correspondence is attached. (Attachment 3) In her correspondence, the Minister stated the following:

"In order to support public health unit planning for 2020, municipalities can use a planned funding change to bring the municipal share to 30% for public health programs and services effective as of January 1, 2020. However, to help provide additional stability as municipalities begin to adapt to shifting funding models, our government will also provide one-time mitigation funding to assist all public health units and municipalities to manage this increase while we work to transform the public health system across the province over the next couple of years. While final confirmation of 2020 funding will be provided through the 2020 Budget process, we expect that all municipalities will be protected from any cost increases resulting from this cost-sharing change that exceed 10% of their existing costs."

The September 13, 2019 update (Attachment 4) from the Association of Local Public Health Agencies (aLPHa) included the following information:

"At the recent annual conference of the Association of Municipalities of Ontario (AMO) in Ottawa, Minister of Health Christine Elliott made several important announcements regarding public health modernization. These included the following:

- More time will be given to accommodate changes to the cost-sharing arrangement and changes to 2019 funding models will be paused;
- Starting on January 1, 2020, all municipalities will transition to a 70-30 provincial/municipal cost-sharing funding model. In the first year, no health unit will experience an increase of more than 10 percent of current public health costs as a result of this cost-sharing change;
- A renewed consultation with public health partners and municipalities will be launched on the province's proposed larger regional public health structure approach. This will be in addition to the work being done by already-established technical tables; and
- The consultation will include the release of a discussion paper, which will outline the Ministry's proposals for boundaries for the new regional public health entities, among other aspects."

On October 10, 2019, the Government of Ontario announced that "Jim Pine, Chief Administrative Officer of the County of Hastings and former member of the Board of Directors of the Association of Municipalities of Ontario, will serve as advisor for renewed consultations on strengthening and modernizing public health and emergency health services. Pine will play a key role in facilitating productive discussions between the Ministry of Health and public health, emergency health and municipal stakeholders." The consultations will start in Fall 2019 and are expected to conclude in 2020. (Attachment 5)

In preparation for these consultations, alPHa has developed a Statement of Principles – Public Health Modernization. (Attachment 6)

The Discussion Paper: Public Health Modernization was released on November 18, 2019. (the Discussion Paper can be access [here](#)).

Finally, alPHa intends to solicit input from Ontario health units and has developed a Member Feedback document, which includes “Questions for Discussion by Theme”. The deadline for health unit feedback is January 3, 2020 and one response per health unit has been requested. (Attachment 7)

### **Haliburton, Kawartha, Pine Ridge District Health Unit Information**

On August 20, 2019, the Health Unit received information from the Ministry of Health regarding its 2019-2020 Public Health Funding (Attachment 8 -Schedule “A” Grants and Budget - January 1, 2019 to December 31, 2019).

Our 2019 approved allocation from the Ministry is \$13,672,200. The approved allocation includes Mandatory Programs (Cost-Shared) (\$10, 966,900, which was the same allocation as for 2018) as well as 100% funded programs. The provincial Government plans to change the funding formula in 2020 from its current 75% (provincial)/25% (municipal) for cost-shared programs to 70% (provincial)/30% (municipal) for cost-shared programs and most 100% funded programs except the new Ontario Seniors Dental Care Program and a couple of other 100% funded programs.

In 2020, in addition to the \$1,200,000 reduction in base funding from the Ministry of Health, we anticipate financial pressures related to increased costs for insurance, WSIB, leasing and staffing, which we estimate will add an additional \$500,000 to our funding shortfall for a total of \$1,700,000. While we were advised by Ministry staff that we would expect approximately \$800,000 in one-time funding to help with our transition costs, we have received nothing in writing regarding this amount from the Ministry. In the Minister’s letter of August 20, 2019, we were advised that the “final confirmation of 2020 funding will be provided through the 2020 Budget process”. Historically, the earliest we have received Budget approvals has been in May, but usually we receive this information in August and on occasion as late as December in the fiscal year.

The Health Unit has faced funding challenges for a number of years due to funding freezes (2015, 2016, 2017 and 2019) in the provincial share of our cost-shared budget. While we are very appreciative of our municipalities on-going financial support of the Health Unit, with yearly funding increases in the order of 2 - 2.5 % in their portion of our cost-shared budget, the increases have not been sufficient to keep up with annual cost increases to the Health Unit. As a result of our on-going funding shortfalls, we have implemented many strategies including: closing two offices (Brighton and Campbellford); renegotiating our other leases; decreasing our staff complement; restructuring our organization; implementing Continuous Quality Improvement initiatives as well as IT and other technological initiatives; and revising our organizational Program Planning process, which will permit prioritizing initiatives at the intervention level.

Over the summer through some work with neighbouring health units (Peterborough; Eastern Ontario; Leeds, Grenville and Lanark District; Kingston, Frontenac, Lennox & Addington; and Hastings Prince Edward), we confirmed that among these six health units including our Health Unit, ours is the largest geographically, has the third largest population and the second lowest number of staff.

Jennifer Moore  
Mike Rutter  
Ron Taylor  
November 25, 2019  
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We know that we are achieving our Ministry targets and doing great work with our partners, including with our obligated municipalities as well as lower-tier municipalities in addition to our local school boards, hospitals, local health care providers, Children's Aid Societies and others. However, the significant reductions in our provincial funding that we anticipate in 2020 will negatively impact our public health programs and services and ultimately the health of the population in our many communities. Unfortunately, the estimated increases in our municipal levies for 2020 will not solve the shortfall with which we are faced.

Recently you received a letter from us requesting a 10% increase in our yearly allocation. This is not something we did lightly, but after careful examination and considering the full range of our services, and the potential negative impacts of reduced public health programs and services on the health of our population, it was our only option. We included a copy of the Minister's 2019 funding letter advising of the funding formula change and that Mandatory Programs previously funded at 100% would now only be funded at 70%. We were also advised that we should seek the additional funds from you our Municipal partners, but that the increases should not be more than 10% over the 2019 levies. (Attachment 3)

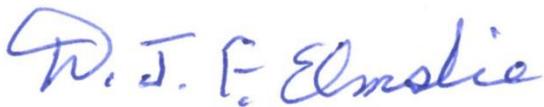
As our only sources of funding are our obligated municipalities and the Province, we find ourselves financially handcuffed, and the result is our request for a 10% increase to meet our mandated requirements.

We will be writing a similar letter to the Province, alpha, and the Eastern Ontario Wardens and Mayors Caucuses, and will send a copy to all appropriate MPPs, outlining our plight and seeking a resolution.

In the meantime, we will continue to provide you, our partners, with the many public health programs and services we are mandated to provide in order to protect and promote the health of our population and prevent disease in the most efficient and cost-effective way we can. We do seek your help and cooperation in providing us with the necessary funding to carry out our mandate. As always, we are open to discussion on this and any related issues and welcome your suggestions or any other help you might provide.

With our very best regards,

BOARD OF HEALTH FOR THE HALIBURTON,  
KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT



Doug Elmslie  
Chair, Board of Health

DE/aln/ed

CC Board of Health Members

November 14, 2019

Jennifer Moore, Chief Administrative Officer, Northumberland County  
Mike Rutter, Chief Administrative Officer, County of Haliburton  
Ron Taylor, Chief Administrative Officer, City of Kawartha Lakes

by email to:  
moorej@northumberlandcounty.ca  
mrutter@county.haliburton.on.ca  
rtaylor@kawarthalakes.ca

Dear Chief Administrative Officers

Re: 2020 Health Unit Assessment Estimate

At the Haliburton, Kawartha, Pine Ridge District Health Unit Board of Health meeting held on September 19, 2019, the Board of Health was advised that we anticipate requiring a 10% increase over the 2019 allocation from our obligated municipalities for the 2020 cost-shared budget. At the October 17, 2019 Board of Health meeting a request was made that we provide you with a dollar amount for the anticipated 10% increase.

This budget increase for our obligated municipalities is necessary in order to maintain program and service delivery with an anticipated funding reduction of approximately 9.5% in our provincial base funding in 2020 and a change in the cost-shared funding formula for public health from 75% provincial/25% municipal to 70%/30%, which includes mandated programs that the Province previously funded at 100%. Please see attached correspondence from the Minister of Health. This 10% increase to our municipal assessment results in an assessment estimate for 2020 as follows:

Municipality	2020 Assessment	2019 Assessment	% Apportionment
County of Northumberland	\$2,304,271	\$2,094,792	47.88
City of Kawartha Lakes	\$2,045,033	\$1,859,121	42.49
County of Haliburton	\$463,508	\$421,371	9.63

Please contact me if you have any questions.

Sincerely

BOARD OF HEALTH FOR THE HALIBURTON, KAWARTHA,  
PINE RIDGE DISTRICT HEALTH UNIT



Angela Vickery, CHRL, CPM  
Director, Corporate Services

AV/ed

Copy to: Dr. Lynn Noseworthy, Medical Officer of Health, HKPR District Health Unit

November 25, 2019

Mr. Ron Taylor  
Chief Administrative Officer  
City of Kawartha Lakes  
P.O. Box 9000, 76 Francis Street  
Lindsey, Ontario  
K9V 5R8

Dear Mr. Taylor:

I am writing to provide you with an explanation of the considerations that went into the preparation of the proposed 2020 Operating & Capital Budget for the Otonabee Region Conservation Authority and to request that Council provide the Authority with relief from the strict application of the municipalities' position to freeze the City's funding contribution to agencies and boards at the 2019 level.

I would first like to acknowledge we understood the City's direction to hold the 2020 funding request at or below the 2019 funding. The Board considered this direction along with the direction from other municipalities, as it instructed staff to prepare the 2020 budget.

Like municipal governments, conservation authorities are facing similar pressures with respect to transfer payments, inflation and changing regulatory requirements. Specific to the *Conservation Authorities Act*, conservation authorities are in a period of uncertainty with respect to the cost of funding new mandatory programs while providing the opportunity for municipalities to choose whether they may wish to support other programs and services that a Board feels is necessary to advance the objects of the Authority. In light of this uncertainty the Board felt it unwise to take drastic steps to address what in essence are many unanswered questions, and therefore the Board directed staff to prepare a responsible budget that dealt with known financial pressures. This could include program and service reductions and an increase to fees and the levy.

The proposed 2020 Operating and Capital Budget addresses a \$102,111 reduction in provincial transfer payments, a reduction of \$54,857 in other grants and partnership funding, and a \$39,306 inflationary increase in the cost of wages and WSIB premiums. These pressures are mitigated through a reduction in expenditures and an increase in new revenue. The resulting budget sees a 2.4% (\$63,032) reduction

The Otonabee Region Conservation Authority  
250 Milroy Drive, Peterborough, ON K9H 7M9  
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Email: [otonabeeeca@otonabeeconservation.com](mailto:otonabeeeca@otonabeeconservation.com) Website: [www.otonabeeconservation.com](http://www.otonabeeconservation.com)

in base operating expenditures and a 4.5% increase in the municipal levy (\$67,220). The levy assessed to the City increases in the amount of \$456.

The financial relationship between the City of Kawartha Lakes and Otonabee Conservation is exclusively through the levy. We do not have a special projects levy with the City nor do we have any fee for service arrangements. The City is apportioned 0.6656% of any levy assessed by the Authority. The remaining 99.334% is assessed to the other seven member municipalities. For the Authority to be compliant with the regulatory requirements for apportioning the levy, and to hold the levy assessed to the City of the Kawartha Lakes to the 2019 level, we would need to reduce the levy in the proposed 2020 budget by \$68,336. This represents an additional reduction of 2.5% in the base operating budget over and above the currently proposed reduction of 2.4%.

I would be pleased to answer any questions you may have about our request for relief from the City's freeze on funding to Otonabee Conservation and to discuss any ideas you may have to create the flexibility to respond to this type of request in the future.



Dan Marinigh  
CAO/Secretary-Treasurer

c.c. Andy Mitchell, Chair of the Board  
Tracy Richardson, Councillor, City of Kawartha Lakes

**The Corporation of the City of Kawartha Lakes  
Council Report**

**Report Number CORP2019-032**

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**Meeting Date:** December 3, 2019

**Title:** Proposed 2020 Tax Supported Operating Budget

**Author and Title:** Jennifer Stover, Director of Corporate Services

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**Recommendation(s):**

**That Report CORP2019-032, Proposed 2020 Tax Supported Operating Budget** be received; and

**That** the 2020 Tax-Supported Operating budget be approved.

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

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

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

## **Background:**

The 2020 Proposed Tax Supported Operating budget was provided to Council on November 1, 2019. Staff have provided Council with various overviews of the 2020 budget at Council meetings held on September 17 and 18 and November 13. In addition, the Agencies and Boards presented Council with their budgets on October 29.

The proposed budget, as presented, recommends a 3.93% increase to the tax levy.

On November 26 and 27 Council deliberated and approved the 2020 Tax Supported Capital Budget, the Special Projects Budget and the Water and Wastewater Operating and Capital Budget.

## **Rationale:**

The City's Long Range Financial Plan forecasted a 4% increase in the tax levy for 2020. The 2020 budget presented many challenges however, through the collective efforts of Staff, the 2020 proposed budget has been aligned with the Financial Plan.

The following are key highlights of the challenges and opportunities for 2020:

- Growth in assessment is generating an additional \$1.7 million in revenue
- Winter maintenance and waste management are increasing by approximately \$1.3 million due to contractual obligations and frequency of events
- Increased investment in the capital reserve of \$2.35 million
- Reduction in Provincial funding to Paramedic Services and Childcare Services of approximately \$600,000

It should also be noted that there was a change in the way that employee health care benefits were budgeted in 2020. The City is self-insured for employee health care benefits. On a monthly basis, the City pays the health care benefit provider based on premiums. At the end of each year, a reconciliation is performed. If the employees actual benefit usage is greater than the premiums paid, then the City pays the difference. If the employee's actual benefit usage is less than the premiums paid, then the provider refunds the City. The City has historically budgeted based on the value of the premiums. The actual employee usage has historically been less than the premiums by more than \$600,000.

Due to the significant pressures in the 2020 budget, it was determined that the budget would be prepared based on actual historic costs, rather than the premium costs. Although this approach to budgeting is consistent with all other areas of the City's budget, it is important to note as there will no longer be an inherent year end surplus being generated.

### **Other Alternatives Considered:**

Council may choose to amend the budget further based on decision units and/or extractions.

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

The City's budget was based on the approved Long Range Financial Plan which sets out the expected financial impacts of aligning future operating and capital budgets with the municipal service levels established by Council and/or legislation. The Operating Budget proposed for 2020 aligns with this plan.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

The recommendations of this report align with the following goals of the Corporate Strategic Plan:

- Goal 1 – A Vibrant and Growing Economy: An effective operating budget helps support municipal services that are essential for a prosperous and growing economy.
- Goal 2 – An Exceptional Quality of Life: An effective operating budget helps support municipal services that are essential for the quality of life of residents.
- Goal 3 – A Healthy Environment: An effective operating budget helps support municipal services that are essential for a healthy environment.

### **Consultations:**

Senior Management Team

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

**Department Head:** Jennifer Stover

# The Corporation of the City of Kawartha Lakes

## By-law 2019-XXX

### A By-Law to Confirm the Proceedings of a Special Meeting of Council, Wednesday, December 3, 2019

#### 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 2019-XXX.**

#### Section 1.00: Confirmation

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

**Wednesday, December 3, 2019, 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 3 day of December 2019.

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Andy Letham, Mayor

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Cathie Ritchie, City Clerk