

The Corporation of the City of Kawartha Lakes
Agenda
Budget Committee Meeting

Thursday, September 12, 2024

1:00 P.M.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Councillor Dan Joyce

Deputy Mayor Charlie McDonald

Councillor Tracy Richardson

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1.	Call to Order	
2.	Administrative Business	
2.1	Adoption of Agenda	
2.2	Declaration of Pecuniary Interest	
2.3	Adoption of Minutes from Previous Meeting	3 - 8
3.	Deputations	
4.	Presentations	
4.1	BC2024-03.4.1	
	Operating Budget and Corporate Items Presentation Sara Beukeboom, Director of Corporate Services	
4.2	BC2024-03.4.2	
	Departmental Budget Presentation - Engineering and Corporate Assets Juan Rojas, Director of Engineering and Corporate Assets	
4.3	BC2024-03.4.3	
	Departmental Budget Presentation - Corporate Services Sara Beukeboom, Director of Corporate Services	
5.	New Business	
6.	Other Business	
7.	Adjournment	

The Corporation of the City of Kawartha Lakes
Minutes
Budget Committee Meeting

BC2024-02

Tuesday, September 3, 2024

2:00 P.M.

Council Chambers

City Hall

26 Francis Street, Lindsay, Ontario K9V 5R8

Members:

Councillor Dan Joyce

Deputy Mayor Charlie McDonald

Councillor Tracy Richardson

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1. Call to Order

Chair C. McDonald called the meeting to order at 2:01 p.m. Budget Committee members T. Richardson and D. Joyce were in attendance.

CAO R. Taylor, Director of Corporate Services S. Beukeboom, Director of Engineering and Corporate Assets J. Rojas, Manager of Corporate Assets A. Found, Senior Accountant J. Hood, Executive Assistant Corporate Services N. Bloomfield, Manager of Communications, Advertising and Marketing C. Davidson and Executive Assistant to Mayor and Council C. Ellison were also in attendance in Council Chambers.

2. Administrative Business

2.1 Adoption of Agenda

Moved By Councillor Richardson

Seconded By Councillor Joyce

That the Agenda for the Budget Committee Meeting of Tuesday, September 3, 2024, be adopted as circulated.

Carried

2.2 Declaration of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

2.3 Adoption of Minutes from Previous Meeting

Moved By Councillor Joyce

Seconded By Councillor Richardson

That the Minutes of the Budget Committee Meeting of Tuesday, August 6, 2024, be received and adopted.

Carried

3. Deputations

There were no deputations.

4. Correspondence

4.1 BC2024-02.4.1

Mayoral Memos regarding the Mayor's Priorities for the 2025 Budget

Deputy Mayor McDonald

CAO R. Taylor explained the budget process, that items will be brought to the Budget Committee for deliberation, and that the Committee will then recommend the 2025 Budgets to the Mayor and Council. Items may be sent from the Mayor or other Councillors for consideration in the upcoming Budget.

Moved By Councillor Joyce

Seconded By Councillor Richardson

That the correspondence from Mayor Doug Elmslie, **Memo 01-2024 and Memo 02-2024**, be received; and

That Memo 01-2024 be referred to staff for costing and a report back on both bridges; and

That Memo 01-2024 be referred to staff for costing and a report back on where each road is on the 5-Year Plan.

Carried

4.2 BC2024-02.4.2

Letter from Councillor Perry

Deputy Mayor McDonald

Moved By Councillor Richardson

Seconded By Councillor Joyce

That the correspondence from Councillor Mike Perry, **Ward 3 Roads - Budget 2025**, be received; and

That it be referred to staff for costing and a report back on where each road is on the 5-Year Plan.

Carried

5. **New Business**

5.1 BC2024-02.5.1

Capital Budget Education and Overview

Adam Found, Manager of Corporate Assets

Manager Found presented an overview of the Capital Budget process from a Staff perspective, touching on legislative requirements, types of assets, types of expenditures and funding vs. financing. The City is still working through a list of deferred Capital projects, the completion of which will help to stabilize our Long-Term Financial modelling plans.

The Long-Term Financial Plan created in 2022 was based on pre-Covid assessments and is no longer accurate due to a number of factors, including significant cost inflation, growth-related pressures, increased borrowing costs, and unplanned capital projects. Staff are looking to refine this plan and part of the strategy is to ensure our Asset Management Reserve is sustainable by 2031. This is achievable by increasing the annual special tax levy to 2.5% beginning in 2026.

The proposed 2025 Tax-Supported Capital Budget will see an investment of \$84.3M for State-of-Good-Repair projects and a further \$57.5M investment in Expansionary Capital projects. Approximately 60% of the Capital Budget is allocated to roads and bridges each year.

The proposed 2025 Water-Wastewater Capital Budget will see an investment of \$11.7M for State-of-Good-Repair projects and a further \$9.6M in Expansionary projects.

It should be noted that State-of-Good-Repair requirements are legislated and are considered essential needs for our residents. This is the largest Capital Budget that has been proposed due to a large number of deferred and expansionary projects as well as inflationary costs.

5.2 BC2024-02.5.2

Capital Financing Overview and Information

Sara Beukeboom, Director of Corporate Services

Director Beukeboom spoke in conjunction with Manager Found regarding the Proposed 2025 Tax-Supported Capital Budget (part of the same presentation in 5.1). She noted that the Housing Facilities line in the Budget were already approved by Council to take advantage of grant funding. She also explained the impact of deferred projects on staff's ability to properly forecast future debt as it relates to the process of debenture. Debenturing does not begin until projects are complete, so knowing when a project will be closed is important in forecasting our debt models.

5.3 BC2024-02.5.3

Early Start Capital and Special Projects

Adam Found, Manager of Corporate Assets

Manager Found explained the reasoning behind the four early-start capital projects (a continuation of the presentation in 5.1).

The ambulances are being offered to the City at a favourable price through the sole vendor of these vehicles; the majority are replacements, one is an expansionary acquisition.

The full-sized buses are being purchased from the City of Peterborough, as they are surplus and are "demo" quality. The City of Peterborough requires the money from CKL in order to reimburse their financier.

The King Street Bridge Expansion Joints are to replace an older system of joints that have an average life of 5-7 years; the newer joint system will have a longer life, and staff are pursuing grant funding for the project.

The Ice Pad System for the Omemee Arena can be funded through a grant, which staff are pursuing.

5.4 BC2024-02.5.4

Debt Strategy Overview

Jessica Hood, Supervisor of Budget and Financial Planning

Jessica Hood spoke about the Debt Strategy for the City (a continuation of the presentation in 5.1). She emphasized that staff are still working to a debt servicing ration of 10% per Council Resolution CR2021-344. Staff would like to see the City debenturing only those projects that cannot be financed through the Asset Management Reserve. There was a discussion as to the feasibility of keeping to a debt servicing ration of 10% when some projects are now costing \$50M, such as the Paramedic Headquarters. It was noted that some projects may be debentured for up to 30 years, instead of the 10 years that we currently use, and this may be a way to alleviate some of those pressures, but re-visiting the 10% cap may also be warranted. Staff are monitoring the debt loads and will advise if this is advantageous.

Moved By Councillor Richardson

Seconded By Councillor Joyce

That the Draft Proposed 2025 Capital Budgets presentation be received.

Carried

6. Other Business

Councillor Joyce asked about other potential revenue streams for the City including MAT tax, Vacancy tax and the selling of surplus lands. CAO Taylor responded that these are certainly options to pursue for future budgets, rather than for the 2025 Budget process, and can be recommended to Council as potential revenue streams. He also noted that the City has embarked on a project to sell surplus land, which has been successful in gaining short term revenue, but cannot be assumed as a reliable revenue stream. While the City does own land, much of it is rural and often is not desirable for development.

The meeting ended with a note from Manager Davidson that her team has created a Budget page on the City's website for engaging the public in the Budget process. A schedule of meetings and other information will be available there for ease of access.

7. Adjournment

Moved By Councillor Richardson

Seconded By Councillor Joyce

That the Meeting adjourn at 4:45 p.m.

Carried