2022 Budget – Council Follow-up

As a follow up to the Corporate Services, Strategy, Risk and Accountability meeting on November 3 additional information with respect to the 2022 proposed budget was requested by members of council. As well, since the meeting additional budget questions were forwarded to the Finance Department. The following is a consolidation of all the questions and responses. Where appropriate, page numbers from the Proposed 2022 Budget book have been referenced.

Budget General

Item: **Overtime costs**

Question: Provide the overtime budgets broken down by service

Response: The breakdown is as follows:

Services	2019 Actual	2020 Actual	2021 Budget	2021 Year End Projection	2022 Base Budget	COVID Impact	2022 Total Proposed Budget
Animal Services	$ 33,668	$ 19,284	$ 30,000	$ 30,000	$ 30,000	$ -	$ 30,000
Arts and Culture	$ 11,458	$ 996	$ 10,700	$ 13,900	$ 12,500	$ -	$ 12,500
Building Code Permits and Inspection	$ 70,389	$ 19,644	$ 49,418	$ 35,000	$ 49,418	$ -	$ 49,418
By-law Enforcement and Licensing	$ 2,030	$ 24,592	$ 16,000	$ 24,000	$ 2,000	$ 14,000	$ 16,000
Cemetery	$ 5,894	$ 1,455	$ 2,000	$ 2,000	$ 2,000	$ -	$ 2,000
Community Design and Development Review	$ 8,015	$ 20,822	$ 9,000	$ 22,600	$ 9,000	$ -	$ 9,000
Corporate Communications and Engagement	$ 2,044	$ 3,856	$ 500	$ 500	$ 1,500	$ -	$ 1,500
Corporate Customer Experience -Service Burlingto	$ 2,680	$ -	$ -	$ 4,500	$ -	$ -	$ -
Corporate Legal	$ 372	$ 283	$ -	$ -	$ -	$ -	$ -
Corporate Strategy	$ -	$ 4,214	$ -	$ -	$ -	$ -	$ -
Emergency and Continuity Management	$ -	$ 1,704	$ -	$ 3,500	$ -	$ -	$ -
Environment and Energy	$ -	$ 1,725	$ -	$ -	$ -	$ -	$ -
Facilities and Buildings Design and Constructior	$ 1,082	$ 383	$ 800	$ 800	$ 400	$ 400	$ 800
Financial Management	$ 906	$ 2,557	$ -	$ 3,000	$ -	$ -	$ -
Fire Protection and Prevention	$ 584,614	$ 809,293	$ 465,500	$ 842,250	$ 461,500	$ 145,000	$ 606,500
Fleet Management	$ 28,711	$ 9,458	$ 24,000	$ 24,000	$ 24,000	$ -	$ 24,000
Geographic Information and Mapping	$ -	$ -	$ -	$ -	$ 9,000	$ -	$ 9,000
Human Resources	$ 1,132	$ 16,459	$ -	$ 15,500	$ -	$ -	$ -
Information Technology	$ 25,871	$ 17,675	$ 13,500	$ 25,000	$ 30,275	$ -	$ 30,275
Legislative Services	$ 1,027	$ 859	$ 1,000	$ 5,900	$ 1,000	$ -	$ 1,000
Mayor and Council	$ 792	$ 4,223	$ 400	$ 400	$ 700	$ (300)	$ 400
Organized Sport Support	$ 52,785	$ 29,484	$ 34,875	$ 50,602	$ 35,975	$ -	$ 35,975
Parking Management	$ 683	$ 4,639	$ 750	$ 750	$ 750	$ -	$ 750
Parks and Open Space Design and Development	$ 122	$ -	$ -	$ -	$ -	$ -	$ -
Parks and Open Space Maintenance	$ 96,772	$ 32,739	$ 51,500	$ 61,000	$ 60,000	$ -	$ 60,000
Recreation	$ 84,020	$ 58,694	$ 68,800	$ 88,752	$ 74,900	$ -	$ 74,900
Road and Sidewalk Maintenance	$ 409,866	$ 148,013	$ 280,860	$ 355,675	$ 333,300	$ -	$ 333,300
Road and Structure Design and Construction	$ 52,601	$ 12,819	$ 8,000	$ 13,500	$ 8,000	$ -	$ 8,000
Shared Costs	$ 28,401	$ 23,795	$ 16,150	$ 17,660	$ 20,000	$ -	$ 20,000
Signs Production	$ -	$ -	$ -	$ 128	$ -	$ -	$ -
Specialized Transit	$ 100,000	$ 57,336	$ 34,300	$ 85,200	$ 45,000	$ -	$ 45,000
Surface Water Drainage	$ 1,078	$ 487	$ 750	$ 750	$ 750	$ -	$ 750
Traffic Operations Management	$ 10,237	$ 3,174	$ 6,500	$ 5,000	$ 3,000	$ -	$ 3,000
Transit	$ 1,115,275	$ 884,791	$ 420,739	$ 1,212,400	$ 509,700	$ -	$ 509,700
Transportation Planning	$ 1,419	$ 3,390	$ 850	$ 20,000	$ 850	$ -	$ 850
Urban Forestry	$ 37,207	$ 25,202	$ 21,500	$ 55,000	$ 20,000	$ -	$ 20,000
	$ 2,771,151	$ 2,244,045	$ 1,568,392	$ 3,019,267	$ 1,745,517	$ 159,100	$ 1,904,617

Item: **0.51% tax impact from 2021 Budget deferrals**

Question: Provide a breakdown of the 0.51% tax impact resulting from the deferral of items in the 2021 budget

Response: The following list of items impacting the 2022 budget. The first four items were expenses which were either deferred or only partially included in the 2021 budget. The last item was one-time funding used to lower the tax increase as a result of lower than anticipated assessment growth in 2021.

Item	Amount	Tax Impact
Annualization of 2 partially funded positions approved in 2021 budget	$144,000	0.08%
Specialized Transit Vehicle Operating Expenses	$134,960	0.07%
City View Pavilion Operating Expenses	$162,000	0.09%
Tansley Woods Splash Pad Operating Expenses	$30,000	0.02%
One-time funding to offset low Assessment Growth	$450,000	0.25%
Total	**$920,960**	**0.51%**

Item: **Tax Rate**

Question: What is the dollar value of each 0.5% decrease in the tax rate?

Response: A total of $915,500 in savings would be required to achieve each 0.5% reduction to the proposed tax increase.

Item: **Non-union HR increase**

Question: Provide the non-union increase included in the 2022 base budget

Response: An average 3% increase for non-union staff has been included in the 2022 proposed base budget.

Item: **COVID-19 Related Costs**

Question: In some departments the COVID related costs are very small, in some cases much larger. How were these determined, and would it be feasible/strategic to increase the COVID one-time to offset costs, till we have a better handle on what might be permanent? Also helps in our request for increased funding from the province to ensure we have a number that fully reflects COVID impacts.

Response: The smaller COVID related costs mentioned are one-time operational savings Services have identified to mitigate the one-time COVID impacts the city is experiencing corporately. These are reflected as a negative expense on the Service

Resource Summaries where these savings were found. These were determined as part of the CFO base budget line-by-line reviews, in discussion with the respective Service Leads. COVID restrictions have led to temporary savings in some line items, for example, opportunities for professional development or seminars are lower as a result of virtual learning opportunities. These savings are reflected as one-time COVID impacts.

The larger COVID related costs, for example in Organized Sport Support controllable revenues are shown as negative one-time revenues. These revenue impacts were determined in collaboration with Organized Sport Support staff, through estimating reduced user volumes.

Both entries are shown in the Program Resource summaries as negative figures. It is important to note: the negative change in expenses are savings and the negative changes under revenues are increased costs to the bottom line.

The ongoing base budget does not reflect any temporary COVID impacts. Shifting any of the base budget ongoing costs to one-time will result in an impact to the 2023 budget and may be denied as claims when we report on our use of Safe Restart funding.

Item: **Service Business Plans (KPI's)**

Question: In the former budget books we used to get service reports/KPIs in terms of "how much did we do" "how well did we do it"? And "is anybody better off?" I recognize some of that was covered in the series of workshops, but they didn't have the detail by service area we used to get in our budget books. Will we be getting any further details/KPIs/service reports like we used to?

Response: Service Business Plans which include KPIs have recently been published to the City's website. They can be found here: https://www.burlington.ca/en/your-city/city-service-delivery.asp

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Item: **CFO Review Savings**

Question: Please provide a summary of the CFO review savings totalling $1.35M

Response: The following table summarizes the budget adjustments made during the CFO base budget review that total the $1.35M.

CFO Review Budget Adjustments

	Amount	
Human Resources	$	84,109
Operating/Minor Capital Equip.	$	(155,137)
Purchased Services	$	(342,186)
Corp. Expenditures/Provisions	$	-
Internal Charges & Settlements	$	12,149
TOTAL EXPENDITURES	**$**	**(401,066)**
Controllable Revenues	$	(714,443)
General Revenues & Recoveries	$	(241,730)
TOTAL REVENUES	**$**	**(956,173)**
TOTAL	**$**	**(1,357,239)**

Item: **Inflationary Pressures (Pg. 30)**

Question: What is the dollar value impact of CPI on our capital program? Are there increased costs for delivery of the same services? Can we save money by procuring from Canada to avoid US currency?

Response: Inflationary pressures are very dependent on the project and in particular the materials being used, where supply is coming from and exposure to energy cost increases. In addition to direct cost increases for materials and supplies, supply chain issues are causing majoring scheduling impacts in particular on our facilities projects which is also resulting in increased costs due to longer duration to complete projects. For facility builds we have seen an increase of 20% over cost estimates last year. It is anticipated that these price increases will persist through 2022 with the expectation that that prices will come down as supply chain issues get resolved, but it is not anticipated that they will come back to pre-pandemic levels.

Energy cost is the other variable impacting both commodities such as asphalt directly and also indirectly through increased transportation costs. Where there is a choice we have been procuring locally however many of the items are sourced through our local general contractors and are only available from sources outside Canada or have components from outside Canada.

With respect to the delivery of services, there are increased costs for the delivery of the same services as commodities rise as well as the cost and availability of labour.

We are unable to dictate where we procure from in general. We are able to prequalify suppliers but cannot discriminate on source of the material or product received. Typically, if the product is available in Canada, the price will dictate the successful low bid.

Item: **City's Asset Portfolio (Pg. 31)**

Question: 70% of the 10-year capital program addresses renewal needs; is the balance beyond the 10-year window?

Response: The $829.5 million 10-year capital program (2022-2031) is categorized into four expenditure types as noted below. Approximately 70% of all costs included in the 10-year program have been identified as addressing infrastructure renewal types of projects. The remaining expenses reflect investment in green initiatives, growth projects (largely funded by development charges) and the creation of new infrastructure. The following table provides a summary of each expenditure type and their portion of the 10-year capital program.

Expenditure Type	Value	Percentage
New/ Enhanced	$105,965	12.8%
Infrastructure Renewal	$568,423	68.5%
Growth	$124,892	15.1%
Green	$30,216	3.6%
Total	**$829,496**	

Item: **Reserves and Reserve Funds (Pg. 32)**

Question: Provide a summary of the budgeted draws from the tax rate stabilization reserve fund in the 2022 proposed budget

Response: The following draws from the Tax Rate Stabilization Reserve Fund have been included in the 2022 Proposed Budget:

Item	Amount
Gypsy Moth Control Program (2022-065)	$110,000
Additional By-law Officers (2022-066)	$232,000
Funding to offset COVID-19 temporary impacts (page 23)	$2,311,962
One-time funding to address lower than projected assessment growth in 2022 (page 36)	$280,000
Total	**$2,933,962**

Item: **Reserves and Reserve Funds (Pg. 32)**

Question: Have we ever benchmarked our reserve levels to other municipalities? How do we compare? What is the difference between Reserves and Reserve Funds?

Response: Reserves and Reserve Funds are established by Council to assist with long-term financial stability and financial planning. They are monies set aside by Council to finance future expenditures for which it has authority to spend money, to defend the City against an unbudgeted or unforeseen event that may result in a budget deficit such as an economic downturn, to smooth out future program expenditures which may fluctuate from one year to the next, or to accumulate funds for future capital requirements or contingent liabilities.

The main difference between Reserves and Reserve Funds is that earnings from the investment of Reserve Funds must be allocated to and form part of the reserve fund, while earnings from Reserves flow to the Operating Budget as investment revenue. In addition, Reserve Funds are restricted to fund specific purposes set out by bylaws, legislation or agreements.

There are two types of reserve funds: obligatory reserve funds and discretionary reserve funds.

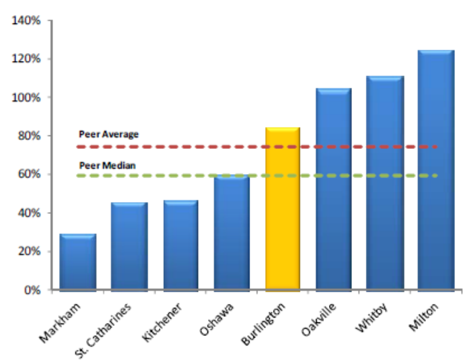
Obligatory reserve funds are created whenever a statute requires revenue received for special purposes to be segregated from the general revenues of the municipality. (Eg. Development Charges, Park Dedication)

Discretionary reserve funds are created under Section 417 of the *Municipal Act*. Discretionary reserve funds are established whenever a municipal council, local board or other entity wishes to earmark revenues to finance a future expenditure for which it has the authority to spend money, and physically set aside a certain portion of any year's revenues so that the funds are available as required.

In July 2019, Council received report F-29-19 BMA Financial Condition Assessment. The analysis in this report included a comparison of Burlington's results against recognized industry standards, provided historical trend information, as well as a comparison to seven peer municipalities, being Oakville, Milton, Markham, Whitby, Oshawa, Kitchener and St. Catharines. The data is representative of the 2017 BMA study.

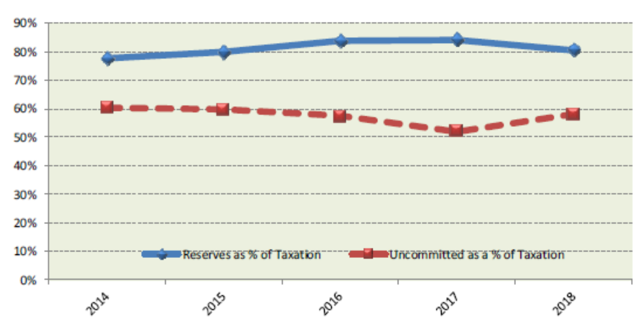
As shown in figure 30/31 from the report, the City of Burlington's discretionary reserves as a percentage of taxation were above the peer survey average but growth in the reserves has been less than inflation and trending downward in relation to taxation.

Figure 31—2017 Reserves/RF as a % of Taxation



Source: FIRs

Figure 30—Reserves as a % of Taxation



Source: Reserve Statements, year end balances and uncommitted balances

Item: **Reserves and Reserve Funds (Pg. 32)**

Question: What was the reserve balance requirement prior to the revaluation of $5.2b replacement value? What is the total (committed and uncommitted) value of reserves/reserve funds?

Response: Prior to the revaluation, the asset value was $3b while the capital reserve balance requirement was $60m (reflecting 2% of asset replacement value). This value is reported quarterly as part of the Financial Status Report. The most recent Financial Status report presented to Council reflected values as of June 30, 2021 (F-29-21). In this report it identified an uncommitted capital reserve fund balance of $31.5m

<table>
<tr><th>Capital Reserve Funds</th><th colspan="2">Recommended Balance</th><th>June 30 Uncommitted Balance</th></tr>
<tr><td>Vehicle and Equipment Reserve Funds</td><td rowspan="4">The target balance for the consolidated capital reserve fund balance is a minimum of 2% of the asset replacement value.</td><td rowspan="4">The City's 2016 Asset Management Plan has total asset replacement value at approximately $3 billion. Based on this amount the recommended balance is $60 million.</td><td rowspan="4">$31.5 million</td></tr>
<tr><td>Parks & Recreation Infrastructure Reserve Funds</td></tr>
<tr><td>Transit Related Reserve Funds</td></tr>
<tr><td>Other Capital Reserve Funds</td></tr>
</table>

Council received the 2021 Asset Management Plan on November 15th at the Environment, Infrastructure, Community services committee meeting. As part of the discussion, it was raised how reserve funds contribute to the overall financing plan. Capital related reserve funds are an integral component to the long-term planning of our city's assets and work in conjunction with the dedicated infrastructure levy, to provide predictability and sustainability to the program. The revenues that support these reserve funds extend beyond just the city's tax base and in some cases are supported by other sources. A few examples are user fees in the case of Parks & Recreation infrastructure reserve funds, Burlington Hydro dividends and interest, Vehicle Depreciation Reserve Funds and parking reserve funds. These contributions are important to note, as they work along side all other revenue sources to provide a holistic approach to the overall financing of the asset management plan.

Risk Mitigation Measures

Item: **Base Budget Increase (Pg. 43)**

Question: The 2022 base Budget Increase Net Cost Impact is listed as $4,514,000
On page 36, the base impact is listed as $4,512,345. Can you reconcile these numbers/charges?

Response: The 2022 Base Budget Increase is $4,512,345 (as shown on page 36). The amount of $4,514,000 on page 43 is incorrectly stated and will be corrected when the approved budget book is created. This correction will not impact the tax increase.

Item: **Dedicated operations space for Building inspection and By-law staff (Pg. 67)**

Question: Where are they proposed to be housed? Where do they need to be located (i.e. do they need to be in the West End/Aldershot, or can they be anywhere) and is there an alternative location in an existing city facility to save $100k?

Response: Space requirements for the Building and By-law staff include a dedicated space to allow for ease of access to vehicles and associated charging stations. 22 workstations are required with capacity to increase to 30. 30 plus parking spaces are required to accommodate staff and visitors.

The construction environment that staff frequently visit is muddy and location of the office space should not be in close proximity to general public. Location of the leased space does not have to be in the West end as staff are accessing sites across the city. Centrally located would be best. A review of existing city facilities was undertaken to see if a space could accommodate the Building and By-Law staff. Aldershot arena was a good location for a temporary space. Other facility spaces could not accommodate the staff workstation, parking requirements and remain centrally located. The Manager of Realty Services will be reviewing available spaces in December 2021 and will be looking at all options preferably centrally located.

A City that Grows

Item: **Building Code Permits and Inspection – Service Business Plan (Pg. 75-84)**

Question: A customer service satisfaction survey accompanies every building permit. Can we get the results of these please? How many filled out? What people said?

Response: Since the start of the pandemic (March 2021), we have received 2 customer satisfaction surveys. The detailed responses from each are outlined below:

1) Received October/2020 (Building permit for a new finished basement)
   Was our staff prompt, helpful and courteous? Yes
   Did our service meet your expectations? Yes
   Comments: Quick service. Thank you
   Suggestions: None

2) Received June/2021 (Building permit for a new deck, complaint is more directed towards the pre-building permit approvals/process)
   Was our staff prompt, helpful and courteous? Yes
   Did our service meet your expectations? No
   Comments: 3 months ½ to get my permit (no objection letter from Halton Conservation, pre-building permit, building permit). Significant delay to get the pre-building permit (zoning department): application sent on March 4, 2021. Processing time communicated by email: 4 to 6 weeks. Approval received on May 13, 2021. Processing time: 10 weeks. File #21-004474.
   Suggestions: Hire more resources. Provide a more accurate processing time when the application is submitted.

Item: **Community Design and Development Review – Service Business Plan (Pg. 92-100)**

Question: The service business plan lists the risk “a major downward shift in the pace of growth generated through intensification.” Explain? Our planning department has never been busier in receiving and processing applications.

Response: Development Services is exceptionally busy and will continue to be for the foreseeable future. However, we always need to consider a potential downward shift in the pace of growth as a potential risk however unlikely that may be. These risks can manifest through uncontrollable external forces such as another pandemic, an economic crash, or banking interest rates rising dramatically.

Question: The service business plan lists the risk “conflicting priorities such as recommendations of the RTRC taskforce vs adding technical requirements for development.” Explain why these are opposed to each other?

Response: This risk is intended to identify the potential conflict between decisions intended to improve the development process through the RTRC taskforce recommendations and decisions related to current technical requirements that require immediate maintenance to administer the portfolio of Development Services.

Question: The service business plan lists the risk “service expectations and commitment may not be sufficiently supported through revenue streams.” This department is predominantly fee for service. Why aren’t resources simply added and paid for through fee-based revenue streams? This is a risk that can be controlled if not eliminated, correct?

Response: A Planning Application Fee review is currently underway to ensure full cost recovery through Development Services. This initiative will be completed shortly and makes the risk less relevant.

Question: The waterfront hotel study is listed for completion for June 2022. Is there a revised completion date?

Response: Staff are currently reviewing options and working towards concluding the Waterfront Hotel Planning Study in Q1 2022.

Item: **Legislated Development Charge Exemptions (Pg. 106)**

Question: The description speaks to “development of land that is exempt” in the DC bylaw. What land would that be? Is this related to the automatic 10% discount for “benefit to existing” residents?

Response: This project funds Development Charges exemptions as defined by the city’s DC bylaw (non-statutory exemptions). Examples of these non-statutory exemptions can be found in the City’s DC by-law (29-2019) under “Other Exemptions”. For example, this references the development of lands, buildings or structures used or to be used for the purpose of hospitals, hospices and places of worship to name a few. In a given year, the development of exempted structures/buildings must be funded from non-growth funds. In the case of these exemptions, development charges shall not apply. As per legislation the city is required to fund the share of growth costs resulting from exempt developments from non-development charge funding sources. The funding set aside in this project allows us to do so.

A City That Moves

Item: **Parking Management - Service Business Plan (Pg. 113-117)**

Question: The service business plan lists the risk "increased parking availability" due to city staff working from home. Can you provide a breakdown of how many staff used to park downtown that are now fully or partly working from home? Can you provide the resulting lower amount transferred to the reserve in light of the reduced city staff parking? It used to be about $225k per year. What is it now?

Response: All staff that had active downtown permits at the beginning of 2021 continue to do so. Staff permits were not cancelled / revoked throughout the work from home period. Transfer to the reserve fund will be finalized as part of the 2021 year-end close. For 2022, Employee Parking expenses has a base budget of $260,000 with a one-time COVID impact reflecting a reduction of $160,000 reflecting the continuation of remote work by many employees.

An ongoing reduction to this expense line item (which would result in an on-going reduction to the provision to the reserve fund) will be incorporated into a future budget when the volume of staff choosing remote work after pandemic restrictions have been lifted can better be determined.

Question: Can we get some KPIs related to parking. For example, number of tickets issued, number of complaints received (to the parking service directly, or through customer service window). In addition, how much was revenue received due to the Beachway paid parking program? How many exemptions were issued to Halton residents during the summer period?

Response: The total number of tickets issued City-wide to date is approximately 17,226. As a benchmark for a "normal" year, 2019 had 34,025 tickets issued.

To date for 2021, the total number of cases created for parking services through CRM is 11,040. For context, 2019 when CRM was first implemented, there were 7,551 cases.

The Beachway paid parking program yielded gross revenue of $101,569 ($97,558 net after processing fees) from operations for the period of May to September and 2,945 exemptions were issued for the same timeframe.

Three additional performance measures can be reviewed at https://www.burlington.ca/en/your-city/resources/How_We_Operate/2022-Business-Plans/Parking-Management-2022.pdf

Item: **Specialized Transit - Service Business Plan (Pg. 130-133)**

Question: Can we get some KPIs related to Specialized Transit. For example, how many trips were not able to be accommodated? What is the increase in ridership? What is the increase in Demand (including rides not able to be fulfilled)?

Response: The growth in total registrants between 2017 and 2020 is 23%.

Number of unaccommodated trips: Phone denials are not tracked in the system. Schedulers estimate there are approximately 50 denials per month and attempt to accommodate customers by placing them on taxis, especially in the case of a medical trip. Web booking reports indicate that customers are attempting multiple times in a day to book a trip. We are aware that based on this information customers are not getting their preferred trip times.

	2017	2018	2019	2020
Number of Total Registrants	3,999	4,359	4,734	4,935
% Change		9%	9%	4%
Number of Completed Trips	46,800	48,646	51,143	30,397
% Change		4%	5%	-41%
Number of New Applicants		633	662	363

Item: **Traffic Operations Management – Service Business Plan (Pg. 135-137)**

Question: The city completed year two of the lawn sign road safety campaign. How many signs were delivered? Did it achieve the desired effect of slowing down traffic? Any other metrics on the program?

Response: Staff provided Council with report TS-09-19 in December 2019 with a follow-up to year one of the program and recommending we continue the program based on having a quantity of signs remaining. Since that time, the program has been paused and restarted at various times throughout the pandemic. At this point, there are approximately 700 lawn signs remaining. In terms of their effectiveness, there is no evidence that they have or have not achieved the desired effect of slowing down traffic.

Question: When will data be available to report to council on the Travel Time System?

Response: Staff have already begun to use the outputs from the Travel Time system in our business plan metrics. Specifically, the latest data within the graphs showing travel time for Lakeshore Rd and New Street corridors were based on data acquired from this system. Future reporting capabilities are being considered however; the primary uses of the travel time system is to detect real-time delays in traffic flow allowing staff to respond with localized traffic signal timing adjustments to minimize delay.

Item: **Transit Signal Priority - Technology on Buses (Pg. 159)**

Question: The transit signal priority technology on buses is going to be tested. When does the testing begin? (majority of buses noted to be outfitted in 2021/2022.)

Response: The Transit Signal Priority (TSP) project has started. In 2021, Transit worked with a vendor to develop a TSP strategy and implementation plan for Burlington. They are currently in the process of completing the RFP for TSP technology for traffic signals and buses. It is anticipated that the RFP will be released this year, with a closing date for mid to late January. Review, Negotiations and Vendor selection should be finalized by April/May of 2022. Depending on the technology and complexity, it is anticipated that equipment on the ground and on the buses will be completed sometime late 2022 or early 2023. This project is largely funded by ICIP (Investing in Canada Infrastructure Program), in which funding will take us to 2024.

Item: **Transit Bus Expansion (Pg. 162/164)**

Question: Are the transit expansion bus operating impacts included in the 2022 budget?

Response: These positions are not reflected in the 2022 budget and have instead been listed in the items unable to be accommodated (pg. 654). Similar to the approach used in the 2021 budget the operating expenses of the new buses (operators, fuel, equipment) will be deferred to the year after the capital purchase. This approach reflects the length of time it takes to procure these vehicles and get them ready for service (nearly a year). These deferrals will put additional pressure on the 2023 budget which has been reflected in the multi-year simulation.

Item: **Walkers Line (Fairview Street to Dundas Street) Renewal (Pg. 177)**

Question: Sections of Walkers Line were identified in 2015 to be transferred to the city, but that hasn't been done. Why not?

Response: As part of a five-year update on the classification of the arterial road network by the Region of Halton, it was recommended that Walkers Line from Fairview Street to Dundas Street (Regional Road 5) be transferred from the City of Burlington to the Region once all planned capital improvements have been completed. The update was brought forward in a 2015 report (Roads Rationalization) to Regional Council, however local consent has not been finalized due to the previously proposed development not proceeding. The City is working off the assumption that Walkers Line will be transferred to Region of Halton, however until that time the City will continue to monitor and maintain the road.

Walkers Line from Lakeshore Road to Fairview Street is the section that would be retained by the City and has been forecasted for construction in 2025. The project will include road resurfacing with the possibility of full depth asphalt removal in selected areas, localized rehabilitation of storm drainage system, replacement of deficient curbs and sidewalks, traffic signal upgrades, functional improvements to address any safety/operational issues and modifications to support active transportation.

Item: **South Service Road Construction (Aldershot GO Station to Development Boundary) (Pg. 188)**

Question: What is the Estimated Completion date for the QEW prosperity corridor study?

Response: Staff anticipate Q4 2022 for the completion of the study. This study is a joint initiative project with the MTO and the Halton Region.

Item: **Structure Condition Assessments and Inspections (Pg. 191)**

Question: There is a detailed visual inspection of bridges and culverts every 2 years. Could Council receive a summary of the findings and recommendations?

Response: The 2021 bridge management plans and inspection reports are available in the GIS@Work portal within the Engineering Services Viewer. If the 'Structures' layer is turned on and a structure is selected, the window will display the structure attributes and a link titled 'OSIM Report'. A summary of the bridge and structural culvert condition information is reported within the asset management plan.

Item: **James Street and Martha Street Reconstruction (Pg. 203)**

Question: Transportation Services will be leading a study to assess the intersection of Martha/James. What is the timing of the study? What is the public engagement on this intersection? Will the study include options/opportunities for beautification? Are there opportunities for pedestrian crossovers in the vicinity (Eg. James/Pearl)? This intersection is at least as well travelled as the one near the No Frills at Caroline/John, which has received stop signs/ painted crosswalks.

Response: Transportation Services will retain a Consultant in 2022 to undertake a study of the area. The public engagement will align with the statutory requirements outlined in the Municipal Class Environmental Assessment process. Staff anticipate that the recently approved Downtown Streetscape Guidelines will be utilized for the project. Appropriate traffic control will be analyzed and confirmed through the study and may include the recommendation for crossovers at adjacent intersections.

Item: **Electric Vehicle Charging Stations – Downtown (Pg. 232)**

Question: Staff have applied for upper government funding for the level 3 and level 1 chargers. What is the total amount of the chargers, and how much has been sought from government funding? The capital project shows only the reserve fund commitment of $100k.

Response: The intention is to install one Level 3 and two Level 2 chargers in 2022. An application for $172,000 in Federal funding has been submitted, and an additional $100,000 budgeted in 2022 to fund the supply and installation of the electric vehicle chargers.

Item: **Future Downtown Public Off-Street Parking Facilities (Pg. 235)**

Question: This project notes a feasibility study being conducted in 2022 for future downtown public off street parking facilities. There is nothing in the capital budget for this. Is this study going to be funded from existing resources?

Response: The study will be funded through the parking reserve fund with prior approved funding. The study will not be initiated until the effects of COVID have stabilized, this will ensure the data is representative and accurate.

Item: **Pride (Rainbow) Crosswalks (Pg. 238)**

Question: What was the actual spend for the 3 pride crosswalks in 2021? $45k is budgeted for 2022. Will all of that be needed?

Response: The competitive bid process resulted in a cost of $27,324 for crosswalk markings at the 3 locations. An additional cost of $32,000 was realized as a result of repaving required at 2 of 3 locations in order to maintain integrity of the markings. Crosswalks installed in 2022 will require another competitive bid process with the likelihood that costs will differ from those in 2021. Staff do not recommend reducing the current $45k in the capital budget.

Item: **Annual Traffic Studies Program/ Traffic Calming Projects (Pg. 242-243)**

Question: Do staff do follow up studies to determine whether traffic calming measures that have been installed work to slow traffic? If so, can we get those reports back?

Response: For every traffic calming project, staff collect speed data both before and one year after the measures are installed. The review of before and after data determines the overall effectiveness of the measure(s) and if further measures need to be installed. In most cases, there has been a demonstrated reduction in vehicle speeds. The results for each traffic calming project are shared in a letter to the area residents and ward Councillor.

Item: **New Traffic Signal/Intersection Pedestrian Signal (Pg. 244)**

Question: Where are Intersection Pedestrian Signals planned for in 2022 (and where were they installed in 2021)?

Response: There were no Intersection Pedestrian Signals installed in 2021, primarily based on traffic data studies being suspended as a result COVID and the significant changes in traffic patterns. A key location being reviewed for an IPS in 2022 includes the multi-use pathway crossing on Guelph Ln south of New St.

A Healthy and Greener City

Item: **Organized Sport Support – Service Business Plan (Pg. 264-270)**

Question: The Parks Recreation and Culture Master Plan isn't due for completion till 2023. That will be too late to inform the work being done on the Major Transit Station Areas and the need to include appropriate parks/recreation/culture programs into the MTSA planning. Any way to advance this? The capital project on pg. 344 (Parks, Recreation and Cultural Facilities Master Plan) notes $200k for the study. Can it be completed in 2022 given this funding?

Response: Several background policy pieces are planned for 2022, including the park provisioning section in 2022 and will assist as background information for the Parks, Recreation and Culture Master Plan. It would be advantageous for the recreation facility provision study to be done at the same time as the park provisioning study. RCC staff will request representation in the MTSA to represent the needs of Recreation, Community, and Culture. If council would like this work to happen sooner, an investment in additional consulting dollars will be required as $200,000 only covers the cost for the park provisioning study and does not include recreational facilities. A re-prioritization of work would also be required as RCC staff are focused on COVID recovery and other corporate projects, and do not currently have capacity to work with a consultant on this study.

Item: **Organized Sport Support – Service Resource Summary (Pg. 271)**

Question: What are the purchased services increase of $368k for?

Response: The primary driver for the changes from the 2021 Budget to the 2022 Budget is the inclusion of one-time impacts of COVID in the 2021 Budget, which significantly decreased expenses and reduced revenues in RCC. In most areas, the 2022 budget represents a return to baseline and adjusting will not impact the tax rate.

In this Cost Element grouping, the 2021 Budget included a reduction for the community use of school board gyms and playfields expenses, which was offset with revenue decreases due to COVID.

A secondary driver is that the 2022 Budget includes operating expenses for the new City View Pavilion.

Question: What is the reduction of $286k in general revenues/recoveries for? Could this potentially be COVID related?

Response: The driver for the decrease is the COVID impact that was included in the 2021 Budget submission, with 2022 representing a return to baseline. Adjusting this will not impact the tax rate.

The 2021 Budget included a transfer of funds from the arena reserve to support the arena debt repayment, as budgeted revenues for 2021 were not sufficient to cover the cost.

The secondary driver is the new operating model for Tyandaga per report RCC-01-21 which reflects the loss of $25k of overhead recoveries to RCC from the golf course.

Item: **Recreation – Service Business Plan (Pg. 285-291)**

Question: What was the revenue from the LaSalle and Beachway parking? How many free Halton passes were issued for Beachway? How many reservations were booked at Lowville?

Response: Net Revenues for LaSalle & Beachway, less processing fees were approximately $11,676 & $97,558 respectively. From May 1 to September 30, 2021. A total of 2,945 exemptions (free Halton passes) were issued from May to September for Beachway. 16,029 reservations were booked at Lowville from June to October.

Item: **Recreation – Service Resource Summary (Pg. 292)**

Question: What is the increase of $120k in purchased services for? Why is only $2k of that COVID?

Response: This increase is for contracted services and preventative maintenance driven by two of RCC's net zero operations, the Waterfront and Tyandaga, based on the needs of these older facilities and meeting health and safety requirements.

The $2,000 increase for COVID is for bus transportation costs for camps offset with savings for staff working from home e.g., savings in mileage and meeting expenses.

Adjusting this would not decrease the tax rate.

Question: What is the increase of $406k in corporate expenditures/provisions for?

Response: The driver for the increase is the COVID impact that was included in the 2021 Budget submission, with 2022 representing a return to baseline and typical reserve contributions. Adjusting this will not impact the tax rate.

The reserve contributions were removed from the 2021 Budget for Paletta & LaSalle and decreased for the Waterfront and Marketing.

Question: What is the increase in the fee assistance? Can we get a breakdown of how many people applied and used it, and how much was actually spent last year? Can some of this be costed to COVID (since that was partially the intent to enhance the program, given some families who had lost income due to COVID)?

Response: Increase is based on the historical demand (pre-COVID).

In 2020, 55 families and individuals used it at a cost of $10K which is significant considering closures, capacity limits, and decrease in program offerings.

In 2019, 119 families and individuals used it at a cost of $54K with a budget of $30K. Funds were transferred from the Fee Assistance GL to cover the expenses.

This increase better aligns budget to community need.

Item: **Urban Forestry – Service Business Plan (Pg. 299-303)**

Question: The service business plan speaks to 5 FTE required for the Forest Protection Branch. We are not scheduled to review the private tree bylaw to seek efficiencies till March 2022 but would benefit from the information in the 2022 budget discussions, particularly if there is a streamlined process, possible not all staff would be required. What would be the savings if a streamlined bylaw results in less need for staffing enforcement? Can we get the proposed private tree bylaw changes in time for budget discussions? Can some of these positions be transitioned into Grid Pruning, which is not sufficiently resourced

Response: At this time staff are preparing a council workshop on Nov. 22 which will include a high-level update on process efficiencies and public feedback to the proposed bylaw changes. These changes are still under review and the requested info will not be ready in time for budget discussions. Grid pruning is currently a contracted service and not performed by staff. Transitioning these positions to support grid pruning is not possible as they are different skill sets.

Item: **Urban Forestry – Service Resource Summary (Pg. 304)**

Question: Purchased services increase by $101k. Is this all for the rental of an Aerial truck?

Response: The additional $101K is made up of a one-time increase of $78K for the rental of an aerial truck and $23K to accommodate inflationary increases in contract services.

Question: Revenues for the tree bylaw are lower than expected; have costs similarly been decreased?

Response: Changes in program delivery are pending finalization of the private tree bylaw in 2022. Program administration may increase or decrease pending this review and therefore no cost adjustments have been made at this time.

The following table outlines permit volumes for 2020 and 2021 YTD:

	2020	2021
Tree Permit Applications	1,268	1,616
Tree Permits w/fees	370	352
Tree Permits w/o fees (clearance)	584	656
Tree Permit Applications Cancelled or Withdrawn	84	60
Tree Permit Applications in Progress / Hold	230	548

Item: **Urban Forestry - Private Tree By-law (Page 304)**

Question: Were there additional forestry staff related to increasing the performance of the Private Tree By-law? In the budget book on pg. 304 it refers to new forestry staff being hired and equipped.

What is the entire budget/cost of private tree by-law staff, benefits, operating cost, purchased services, etc in the 2022 budget?

How much of the budget will be removed by implementing the full savings provided by the approved motion to redesign the Private Tree By-law back in the spring.

Response: The 2021 budget included additional forestry staff and these staff were not related to the private tree by-law.

The following provides an outline of staffing changes in the overall Urban Forestry Service in recent years.

2020 Budget (Business Case 2020-003)

- 5 additional staff hired as part of the new Private Tree By-law
  - 1 Supervisor Forest Protection
  - 3 Tree By-law Field Service Technicians
  - 1 Urban Forestry Coordinator

2021 Budget (Business case 2021-076)

- 3 Additional Arborist positions (required to address general forestry workload – not related to private tree by-law)
  - All 3 positions are general arborists (including some additional one-time funding to equip these staff with safety gear)
  - Also approved in the capital budget was a new forestry crew truck

2022 Budget (Entire Urban Forestry Service)

- No requests for additional forestry staff.
- Reference on page 304 to the reduction of the operating / minor capital equipment is the removal of the expense and funding related to the previous year's one-time funding of the safety gear.
- New one-time funding for a rental truck required as the forestry crew truck approved in the 2021 budget has been ordered but is significantly delayed due to global vehicle production shortages.

2022 Private Tree By-law budget (Program)

Total Expenses = 612,768 (Includes 5 staff, and operating expenses such as equipment usage)
Total Revenues = $300,000
Net = $312,768

The $300,000 in budgeted revenues reflects a $100,000 reduction from 2021 in anticipation of changes to the private tree by-law fee structure. There have been no adjustments made to staffing.

Also included for 2022 is a further $100,000 one-time reduction in revenues as a result of the continuation of COVID-19 impacting revenues across the organization. This adjustment is offset by the COVID-19 funding plan (Safe Restart Agreement funding and Tax Rate Stabilization RF and does not impact the city tax increase).

Item: **Sherwood Community Centre Facility - Renewal / Enhancements (Pg. 311)**

Question: Is the $3.5m in "external" funding the contribution from the joint ventures?

Response: Yes, if there is uptake with our community partners. There is no formal commitment to date.

Item: **Energy Conservation Initiatives (Pg. 313)**

Question: Are the energy conservation initiatives capital investments offset by reduced costs? Where would that be shown?

Response: These savings have been reflected in corporate wide utility budgets across a variety of services as well as forecasted within the utility assumptions as part of the multi-year budget simulation.

Item: **General Brock Surplus School Land Park Construction (Pg. 331)**

Question: This project notes that public engagement will take place in 2020/2021 to establish a park name and develop a park plan. What is the new timing for that, given 2021 almost over?

Response: Currently on hold until 2023.

Item: **Leash Free Parks (Pg. 331)**

Question: What has been the public engagement to date on leash free park areas? Where are the selected sites? Any opportunity to advance the funding from 2023 to 2022?

Response: In 2019 city wide engagement took place about leash free areas, which resulted in an adjustment to the leash free area criteria and with a process to establish new leash free areas (report PR-12-19). To date 1 new leash free park has been added at Colin Alton Parkette. As part of the engagement process for major park renewals, communities are engaged on what amenities they would like to have in their park, including leash free areas where applicable. Engagements to date are for Queensway Park and Leighland Park. Queensway Park engagement is currently underway and Leighland Park received a notable amount of requests to add a leash free area to the park. Also, part of the leash free area process introduced through PR-12-19, 1 application has been received in 2021, and is under consideration in the downtown.

Item: **Lansdown Park (Pg. 340)**

Question: What is the 2022 work being done for Lansdown Park? Only the 2023 is noted in the book.

Response: Lansdown Park – 2022 is design (previously approved design funds in 2020 budget) and 2023 will be for construction. Funding in 2022 and 2023 is for summer 2023 construction.

Item: **School Playground Improvement Strategy (Pg. 346)**

Question: Can we collect any funding from the school board for the improvement of school playground on their property?

Response: In 2008 the City moved to paying 100% of capital and maintenance costs of playgrounds on 17 public elementary school sites since in many cases, the play equipment on the school property is the only playground equipment available to area residents. It was a way to ensure a consistent and equitable level of service throughout the City.

Item: **Tyandaga Golf Club – Repair and Renewal (Pg. 349)**

Question: Tyandaga Golf Club is operated as net zero cost, with revenues from fees. It is showing a $100k capital expenditure. Wouldn't this come from the reserve set aside for this purpose?

Response: As per report RCC-01-21 the Tyandaga Golf Course is being phased from net-zero operation to tax-based support between 2022 and 2024. The first phase is to shift capital needs to the tax base. Included in the "Additional Base budget Items" is a $150,000 impact in the 2022 budget. This reflects an additional $125,000 of annual tax supported capital funding for the golf course as well as the removal of a $25,000 recovery the Recreation Department used to charge the course as an overhead.

Item: **Rambo Creek Erosion Control (Pg. 386/393)**

Question: Rambo Creek notes that the parking area at the rear of 895 Brant Street is at risk along Rambo Creek. This project is listed as Priority 34 in the 2020 Creek Inventory and Erosion Assessment Report. But renewal is not planned till 2027. Is funding already available for detailed design? By contrast, the erosion control for Rambo Creek Victoria to Emerald (Project #118, p 386) is scheduled for detailed design in 2023 construction 2026, one year earlier than project #132, even though it is lower on the priority list (Priority 43). Should the project higher on the priority list (i.e. #132) come first, before project #118?

Response: The Stormwater Capital program can be revised to change the schedules of these 2 projects. Rambo Creek @ 895 Brant St. will be rescheduled for construction in 2026 and Rambo Creek (Victoria Ave to Emerald Cres.) will be rescheduled for construction in 2027. Since these projects are not being initiated in 2022, the reprioritizations can be dealt with in the 2023 Capital Budget.

A Safe City

Item: **Fire Dispatch Centre - Equipment Replacement (Pg. 513)**

Question: Do we get any funding from the other two municipalities for the fire dispatch? Currently, it shows the funding coming from reserve funds.

Response: Burlington recovers costs from other municipalities based on the initiative (project); some initiatives may be specific to one or two or three of the municipalities. The $100K funding in 2022 is a Burlington only project for network improvements for Burlington only.

Item: **Next Generation 911 (Pg. 517)**

Question: Do we receive money from other municipalities for this cost?

Response: This mandatory project is multi-year funded with a total of $1.5M in funding being estimated. At the time the budget was submitted for review the two other municipalities are waiting their own budget approval. The plan is to offset all costs for NG 9-1-1 project with a 1/3 share, or a net impact to Burlington of $500K. Until funding is approved by the other municipalities, the external funding is not included in the proposed cost estimate.

Item: **Park Access Control (Pg. 518)**

Question: In 2022, where are the park access gates being installed?

Response: This would be implemented at City Parks first followed by Community Parks as funding allows.

Enabling Services

Item: **Customer Relationship Management (CRM) (Pg. 624)**

Question: Provide a detailed breakdown of what’s included in the $1m capital costs? The narrative just provides a summary but not costs per category. Is this the last major CRM investment or is there more to come in future years?

Response: Implementation of the CRM is transitioning to operations. The key to this transition is the addition of resources in the operating budget to sustain and support the system and clients using the system, support system enhancements, and work on future implementations. The workplan for 2022 includes Building and By-law Enforcement implementation and preparing for RCC implementation in 2023. If the resources are included in the 2023 operating budget, this would limit any future capital requests for implementation cost for additional departments beyond 2022. The breakdown of the 2022 capital request is outlined below:

Item	Amount
Staffing Mar/22 - Dec/23	$636,000
Technical. licenses + website	$300,000
Contingency	$0
Implementation & Professional Services – implementation for By-law Enforcement and preparation for RCC – including AMANDA integration	$64,000
Total	**$1,000,000**

Additional Analysis

Item: **Provision to Vehicle Depreciation Reserve Fund VDRF (Pg. 633/642)**

Question: Why is Vehicle Depreciation Reserve Fund going up so much? Can it be removed/deferred? Same for provision to contingency and for insurance. Is the total tax impact of all three 0.2%?

Response: The $249,865 total city increase to VDRF is found in 2 areas of the budget. Corporate Expenditures and City Services.

- $197,506 of this increase is budgeted for in Corporate Expenditures and is made up of 2 components:
  1. Annually the corporate VDRF base funding is increased by 4% to ensure long-term sustainability of the reserve funds for existing vehicle and equipment replacements. This impact is $152,506.
  2. A $45,000 increase has been included to reflect an annual life-cycle renewal cost for expansions to the corporate fleet and equipment in the 2022 capital program. Additional vehicles and equipment are included in Parks, Roads, Cemetery, Fire.

- $52,359 of this increase is budgeted in City Services and is made up of 2 components:
  1. Tyandaga reflects a 4% increase to base funding similar to the Corporate VDRF. This impact is $3,680.
  2. Transit and Handi-van reflect a 4% increase to base funding similar to the Corporate VDRF. This impact is $48,679.

Excluded are the VDRF impacts in Transit for the 2022 expansion buses and handi-van as those operating impacts are deferred to 2023.

Removal of these adjustments will negatively affect the 10-year reserve fund continuity schedule by $2M and bring it into a negative position 1 year earlier. This also negatively impacts the City's Asset Management Plan.

Traditionally the insurance and contingency reserves are each increased by $100,000 annually to ensure long-term sustainability of these funds. In the 2021 budget the insurance reserve provision was flat-lined. For 2022 the increase was reduced to $50,000. These impacts were included in the multi-year simulation and Framework report.

The total of all three items does reflect a 0.2% tax impact.

Item: **Assessment Growth Funding (Pg. 643)**

Question: Why is assessment funding reported twice, as a draw from tax rate ($280k) and as an add back cost from 2021 ($450k?)

Response: As part of the 2021 Budget $450K of one-time funding (revenue) from Tax Rate Stabilization Reserve Fund was used to offset assessment growth that came in lower than anticipated. The one-time funding lowered the 2021 tax increase by 0.25%. The reversal of this one-time revenue creates a $450K impact on the 2022 budget of a 0.25% tax increase.

For the 2022 budget a one-time funding of $280K is included in the budget to offset lower assessment growth. The one-time funding lowers the 2022 tax increase by 0.15%. When this one-time revenue is reversed in 2023 it will have an impact of increasing taxes that year by 0.15%.

Item: **Phased funding for Job Evaluation system (Pg. 643)**

Question: What is the $300k for the job evaluation funding for? Can this be deferred?

Response: The $300k is to start the implementation of the non-union job evaluation project. It is likely this will take at least 3 years to implement and will require additional financial resources which have been incorporated into the multi-year simulation. As described to council in July one of the City's biggest risks is the attraction and retention of skilled employees and the job evaluation project is a significant tactic to help reduce that risk. Deferring this item will delay the phased implementation of this initiative and increase the impacts to future years in the budget simulation.

Item: **Halton Court Services revenue impact (Pg. 643)**

Question: Is there a reduction in costs to offset the reduction in revenue for Halton Court Services? If the reduction in costs can be shown to be related to COVID (eg fewer people committing crimes because more people home = fewer charges = less revenue for us) can this not be shifted to the one-time COVID impacts?

Response: In the past, the Halton Court Services stabilization reserve fund has been used to maintain the revenues distributed to the partner municipalities (Region, Burlington, Oakville, Milton and Halton Hills) at a steady amount, regardless of actual performance. However, in 2020 the HCS stabilization reserve fund was almost depleted to make up for the shortfall in revenues (largely a result of COVID) in order to maintain revenue sharing at the level that had been budgeted which at the time did not take into account COVID impacts. It will take several years to get the operation back to pre-COVID levels. As such, budget revenues have been lowered and reflect what the partners can reasonably expect in terms of their individual share of net revenue over the foreseeable future.

Item: **Debt Charges (Pg. 643)**

Question: What were the actual debt charges for 2021. Is there a need for an increase based on actuals?

Response: Actual tax supported debt charges for 2021 year-end are estimated to be $7.7 million. Any difference between actual debt charges and budget is used to support capital projects. As an example, this funding was used in the 2021 Budget to support the new cycling infrastructure being developed on Plains Road.

The 2022 budget proposes an increase to the city's debt charges budget by $100,000 to $8.5 million. Annually, with respect to debt; the city approves additional debt through the capital budget process, repays outstanding debt and issues debt for approved capital projects and strategic opportunities. The city's proposed increase is required in the near term due to strategic opportunities including new facility development on the horizon, and the expected risk of increased interest rates. These debt issuances will increase our annual debt charge requirements.

Item: **National Day for Truth and Reconciliation (Pg. 643)**

Question: Can you please provide a breakdown of the charges for the National Day for Truth and Reconciliation?

Response: The following table outlines the impact by Department:

Item	Amount
Fire Statutory Holiday Pay	$130,466
Overtime pay Transit CUPE 2723	$64,000
Overtime in Roads, Parks and Forestry CUPE 44	$13,300
Overtime in CUPE 1540	$9,000
Additional pay Parks and Recreation	$4,600
Additional pay School Crossing Guards	$4,300
Total	**$225,666**

Item: **Private Tree By-law (Pg. 643)**

Question: Why is the reduction in revenues for the tree bylaw being recorded as a cost of $100k? Can this be removed?

Response: The 2022 budget includes $300,000 in budgeted private tree by-law revenues. This reflects a $100,000 reduction from the 2021 budget in anticipation of changes to the fee structure. Reductions to budgeted revenues have the same effect as increases in expenses to the budget and as such are shown in the same manner.

Additional Questions Received after November 19

Item: **Staff Gapping**

Question: What is the value of any/all planned 2022 budget gapping including new staff positions such as was the case in 2021?

Response: The estimated value of the planned gapping for the new positions in the 2022 budget is $190,000. This includes the anticipated savings for new positions proposed in the budget between January 1 and the time estimated to fill the position.

Gapping dollars have been assumed for:

- the 4 new positions recommended as part of DEOO (BC 2022-040) – 3 months
- new Specialized Transit operator (from the 2021 Handi-van purchase) – 1 month
- Orchard Community Hub staffing – 6 months

For the items deferred in 2021 (excluding the Specialized Transit operator mentioned above) there are no forecasted budget savings.

- Annualization of 2 partially funded positions approved in 2021 budget – these staff have now been hired and will incur their full budgeted salary
- City View Pavilion Operating Expense – assumed to be operational by January 1st so no anticipated savings
- Tansley Woods Splash Pad Operating Expenses – assumed to be operational in 2022, no staffing costs, only water. Anticipate full budget required for 2022
- One-time funding to offset lower Assessment Growth- anticipate that 2021 Safe Restate Funding will be used to offset this one-time expense.

Corporately the city budgets $625,000 of gapping each year to account for vacancies.

Question: What are the gapping dollars/savings projected for 2021, given the 60+ current vacant positions?

Response: The city is currently projecting a favourable variance of $1,782,778 in total HR costs. Of this $1.7M is the result of savings in Part-time staffing costs. These savings are being used to mitigate the 2021 COVID revenue losses. While staff vacancies have been higher than normal this year the city is also incurring an unfavourable variance of

$1.4M in overtime costs. Much of this unfavourable overtime variance can be attributed to staff vacancies and front-line staffing who require coverage while they are self-isolating during possible COVID exposure.

Item: **Non-union HR increase**

Question: With the understanding that the 2022 budget is proposing a non-union staff increase of 3% and realizing that the base budget is 2.46%. Please provide what the base budget would be if the non-union staff received the following increases: 2.00%, 2.25%, 2.50%, 2.75%

Response: Each 0.25% adjustment to the budgeted increase for non-union staffing is approximately $160,000.

The 3% average increase reflects both a market adjustment and merit increase (actual salary increase will vary by person). Only 4 employees are at job rate. The non-union comp ratio is currently at 86%.

Question: A question was asked in regard to Non-Union HR increases and the response was that a 3% increase for non-union staff has been included in the 2022 proposed budget.

Please provide a better understanding of the HR increases for the following departments that are posting larger than 3% increase:

- Arts and Culture 6.9%
- Animal Services 3.2%
- Emergency Management 3.5%
- Corporate Strategy 3.2%
- Audit 10.2%
- Legislative Services 3.4%
- Asset Management 6.1%
- Customer Service 3.5%
- Facilities 3.2%
- Cemetery 7.5%
- Environment and Energy 3.3%
- Finance 3.4%
- Fleet Management 12.6%
- Roads and Sidewalks 9.9%
- Roads and Structures 3.4%
- Traffic Operations 3.1%
- Transit 3.8%
- Parks and Open Spaces 3.4%
- Parks Maintenance 4.6%
- Recreation 13.6%
- Engineering Surface Drainage 3.3%
- Urban Forestry 5.5%

Not included are departments like Building, Planning, Organized Sport Support or Specialized Transit where the increased HR costs are attributed to new positions.

Response: The figures quoted above reflect salaries, benefit increases and overtime costs. Benefit increases for 2022 are approximately 10% over 2021. As well a number of these services include a high percentage of unionized staff. Recreation is reflecting a high % increase as a result of the reversal of the temporary part-time staffing savings budgeted in 2021 to offset COVID revenue losses. This reversal does not impact the city tax increase as it was one-time in nature.

Question: Of these departments that are not unionized staffing, nor supporting new positions based on Developing the Organization what would be the HR savings if each department was kept to a firm 3% HR increase?

Response: Given the response to the question above, non-union departments would need to reduce the estimated increase below 3% to offset the increases in benefits.

Item: **Operating Budget Actuals**

Question: What is the projected surplus at the 2021 year-end, after COVID impacts are accounted for?

Response: As included in the monthly Financial Update provided at the November 15 EICS meeting, the City is not forecasting a surplus and will require a further draw on Safe Restart funding of $1,142,380.

2021 Year End Projections for COVID-19 pandemic

Estimated Year End Net Financial Impact	
Revenue Impact (Tax Supported)	$ 1,296,997
Revenue Impact (Non-Tax Supported)*	$ 580,686
COVID Related costs	$ 1,614,841
Total Revenue Impacts and COVID related costs	**$ 3,492,525**
COVID Part time staffing savings	$ 1,737,387
Other Operational Savings	$ 32,072
Total City-Initiated Mitigation Measures	**$ 1,769,459**
Projected Position	**$ (1,723,066)**
Additional Safe Restart Funding Required	**$ 1,142,380**
Draws from Non-Tax Supported Reserve Funds	**$ 580,686**
Net Year End Position	**$ -**
** Impact from Non Tax supported Revenues is supported by City's Reserve Funds*	

Item: **Overtime costs**

Question: Provide some context on the $3M projected 2021 overtime.

Response: The city is incurring an unfavourable variance of $1.4M in overtime costs. Much of this unfavourable variance can be attributed to staff vacancies and front-line staffing who require coverage while they are self-isolating during possible COVID exposure.

Returning people back to work from longer term sick leave has been difficult as there isn't accommodation type of work to provide them during COVID. Disability management has focused on pandemic related staff policies as opposed to disability management.

Item: **Hybrid Workforce Model**

Question: How many employees have chosen the hybrid workforce model for 2022? What is this in terms of # of employees and % of employees? What are the corporation wide costs that would normally be incurred to have people in the workplace (equipment, furniture, mileage, hospitality, travel, etc) that won't be incurred because of the work at home choice. Can we expect that across the entire corporation that could be in the hundreds of thousands of dollars in savings, assuming this is a permanent state of affairs.

Response: Of the city's 1694 employees, 623 are eligible for remote work. Of the 623 eligible employees, 51% (318) have chosen anchored while 49% (305) have chosen remote. When eligible staff identified their preferred working model it was for the next 6-12 months. While the city's Hybrid Work Policy is intended to be long-term, staff will have ongoing flexibility to change their preferred model. Until such time as the city is well past pandemic related restrictions it is difficult to determine how many employees will choose remote work over the long term. As such any savings resulting from remote work have been identified in the 2022 budget as temporary/one-time (and used to partially mitigate one-time revenue losses). Longer term, the City will be required to purchase equipment regardless of work location as each staff member will be provided sufficient equipment (computer, monitors, office supplies, etc) to outfit one work location (either remote or anchored). Additionally, staff will continue to be reimbursed for mileage if they need to attend offsite meetings such as those at the Region. As a result, it is difficult to anticipate long-term savings resulting from remote work at this time.

Item: **Safe Restart Funding (Pg. 21-22)**

Question: $2.46M are COVID funds from Upper level government that are used in the 2022 budget. If more funds are needed in the 2022 budget are there more funds available in the "Safe Restart" account?

Response: To date nearly $19.8 million in Senior government funding has been announced under the Safe Restart Agreement. $6.9M of this funding was used to offset the 2020 year-end position while $6.7M was included to balance the 2021 COVID budget. Further safe restart funding will be used to offset 2021 impacts and it is our understanding that unused funds may be carried over into 2022.

- $6.9M was used as part of 2020 year end
- $6.7M was included in the 2021 COVID budget

- 2021 $2.18M is proposed to be used to repurpose the infrastructure levy back to capital
- 2021 $0.45K is proposed to be used to offset the one-time Tax Rate Stabilization Reserve Funding as per the staff direction to include this in our safe restart submission to the province
- 2021 $1.14M which is our most recent year end projection for additional safe restart funding (Nov 15 EICS monthly financial update).

This totals $17.37M which potentially leaves $2.42M to carry forward into next year to fund the 2022 COVID Budget.

Item: **Reserves and Reserve Funds (Pg. 32)**

Question: What is the total amount of reserve increases over and above the 2021 contributions to reserves, as well as the tax impact, ~~-~~excluding infrastructure levy? What is the tax impact if these increases are removed, and the contribution to these reserves held at 2021 amounts?

Response: The following reserve fund provisions have increased over the value budgeted in 2021.

Provisions to Reserve Funds

	2021 Budget	2022 Base Budget	One time COVID Impact	Total Proposed Budget $	Change	Tax Impact %
Provision for Contingency	$ 2,138,445	$ 2,188,445	$ -	$ 2,188,445	$ 50,000	0.03%
Provision for Insurance	$ 3,550,000	$ 3,600,000	$ -	$ 3,600,000	$ 50,000	0.03%
Provision for Strategic Land Acquisition	$ 120,000	$ 270,000	$ -	$ 270,000	$ 150,000	0.08%
Provision for VDRF	$ 4,435,739	$ 4,685,604	$ -	$ 4,685,604	$ 249,865	0.14%
					$ 499,865	0.27%

Item: **Gypsy Moth Control Program (Pg. 47-48)**

Question: Over the last 10 years how many times has spraying of gypsy moths taken place?~~.~~

Response: Spraying was done in 2008, 2019, 2021. The 2022 budget includes one-time funding for a spraying program.

Item: **Operationalization of Bus Cleaning Pilot (Pg. 63-66)**

Question: Purchased services shows a negative $229,970. Please provide the details?

Response: This reflects the savings realized from no longer utilizing the external contract for cleaning services previously performed by an outside company.

Item: **Parking Management - Service Resource Summary (Pg. 118)**

Question: Regarding employee parking, it has been -mentioned that reducing the contribution to reserve this year to $160K from the usual $225K because of work from home. Is the $225K still in the budget? What is the tax impact to reduce this contribution on a go forward basis to $160K or whatever amount reflects the number of employees who have chosen the work from home option and don't need parking anymore.

Response: The base budget for employee parking is $260,000 with a one-time budgeted reduction of $160,500 to reflect continued remote work resulting in a 2022 proposed budget of $99,500. If this $160,500 reduction were assumed to be permanent the tax impact would be a reduction of 0.05%.

Under the Hybrid Work Policy, eligible employees have the flexibility to determine the number of days they work remotely vs. on site. As such although an employee may have identified as remote they still may come to City Hall to work a few days each week. Additionally, even those employees who work fully remote may still be required to come into the office on occasion. As such parking will continue to be provided for these staff and a taxable benefit obligation will continue.

Item: **Urban Forestry – Service Resource Summary (Pg. 304)**

Question: Please clarify what internal charges and settlement charges are in the Urban Forestry operating budget.

Response: These are the costs associated with vehicles and equipment that the service uses. They are reflected as an expense within the Urban Forestry service and a revenue to the Fleet service resulting in a net zero impact to the City corporately (no tax impact).

Item: **Energy Conservation Initiatives (Pg. 313)**

Question: Do we know (estimate) what savings are expected and what are the ongoing operating costs? Ex: vandalisms/metering/repair

Response: The 2022 proposed budget includes utility savings of approximately $125,000 reflecting implementation of previous energy conservation initiative projects. The multi-year simulation adjusts future utility cost estimates to reflect the planned works in 2022 and beyond. As these are works done to existing facilities we do not anticipate any future operating cost increases associated with these types of projects.

Item: **Earnings on Investment (Pg. 634)**

Question: Can the $5.3 million revenue be increased in the 2022 Budget?

Response: The current low interest rate environment has negatively impacted the City's ability to generate investment income for 2021. This has put a substantial reliance on capital gains to achieve budget. It is not recommended to increase investment income for

2022 as expectations continue to be for interest rates to remain low well into the next year. There are many risks that continue as part of the economic recovery and as a result this will continue to impact the City's ability to generate investment income. Once market conditions stabilize, increases to investment income will be made prudently in future budgets.

Item: **National Day for Truth and Reconciliation (Pg. 643)**

Question: What other options are available in lieu of it being a Statutory Holiday pay?

Response: The decision to apply this new Federal holiday to all staff was approved by Council in September and would require a reconsideration vote.

Item: **Phased funding for Job Evaluation system (Pg. 643)**

Question: When will the job evaluation be complete? When are the expected adjustments going to take place (eg. Q1, Q2, Q3, Q4). Can the 2022 changes as a result of job evaluation be funded from 2021 gapping dollars till we have an actual figure, and the total amount be added to 2023 budget rather than this year?

Response: It is anticipated that the non-union job evaluation process will be complete by Q2 of 2022. The intention is to provide a mid-year salary increase to reflect the job evaluation and as such the full $300K will be required in 2022. Rough estimate from the consultant is that we may require an approximate increase of 12% to non-union salaries (approximately $6M). As per the question above regarding staff gapping, we are not forecasting any gapping savings for 2021.

Item: **Rates and Fees**

Question: If recreation rates and fees Report F-35-21, Appendix A, pp 18-27 (minus Community Garden and Tyandaga) and pp 29-32 for 2022 were increased by inflation (2%) and remove cap on fee funding assistance, what would be the impact? Is this revenue adjusted by a factor related to lower capacity for likely the early part of 2022?

Response: Impact would be an increase to revenues of $85,000

- The majority of rates in RCC increase in September, for the Fall session. A few exceptions such as rates related to the Outdoor Pools. Sport fields, and Arena Floors increase in April
- Reminder that facility renters received rate discounts since the start of COVID so a return to baseline will already feel like an increase

Revenues for 2022 were reduced in anticipation of lower capacity; staff also factored in customer buying behaviour data from 2021