

## 2023 Budget Overview Report F-01-23 Follow-up Questions

During and subsequent to the Corporate Services, Strategy, Risk and Accountability meeting of January 9<sup>th</sup>, 2023, a number of questions were asked in relation to the 2023 Budget Overview report and presentation (F-01-23). The following is a consolidation of all the questions and responses.

### Questions

Item: **Municipal staffing turnover comparison**

Question: Provide a comparison of other local municipal turnover rates

Response: For 2022 the following turnover statistics have been gathered from municipalities in Halton Region and from the City of Hamilton:

Town of Milton:	7.45%
Town of Halton Hills:	7.18%
Town of Oakville:	9.6%
City of Hamilton:	11.6%

Item: **Infrastructure Levy**

Question: The city is proposing an increase to the dedicated infrastructure levy to 1.60%, considering significant cost pressures brought on by inflation is this still reasonable? What are the City's options? What is the impact to the infrastructure deficit?

Response: The city proposal of 1.60% aligns with the 2021 Asset Management Financing Plan.

Impact:

- The economy has experienced inflation highs of 14.7% and more recently trending around 7%.
- Inflation alone, has substantially impacted the city's annual renewal program. The same projects are costing significantly more.
- The proposed change to the dedicated infrastructure levy assists but does not provide sufficient funds to carry out the infrastructure program at the same pace as originally planned. Infrastructure continues to be one of the most expensive costs borne by municipalities.
- Short-term impact: increased risk as more assets fall into the backlog, and deferring renewal needs into the future at higher costs, in all cases levels of service will not be met.
- Long-term impact: falling behind our sustainability objective (closing the funding gap), increasing assets falling to poor condition (increasing backlog), and reducing service standards may be required.

**Options:**

The following are the additional funding options as presented in the 2021 financing plan.

Levy (%)	Levy (\$ '000)	Incremental \$	Incremental Overall Tax Impact
1.60%	\$3,065	-	-
1.85%	\$3,544	\$479	0.12%
2.00%	\$3,832	\$766	0.19%
3.00%	\$5,748	\$2,682	0.65%

- In all approaches above, the short-term risk is present, but is reduced and better managed as funding increases. In absence of a further increase to the dedicated infrastructure levy (from 1.60%) prior to the next planned 5-year window (2028) will result in things such as higher operating and maintenance costs, lower levels of customer satisfaction (levels of service) and greater risk to asset failure.
- Asset Management financial planning is a long-term horizon (60 years), immediate increases to the levy build over time, exponentially increasing benefit in the future.
- The magnitude of inflation is substantial. The above options do not present capacity constraints. The options aid the city in covering the cost of inflation in order to not significantly impact the renewal program. Staff ensure that available funds are applied in a prioritized manner to manage the backlog.
- Any changes to the dedicated infrastructure levy require a long-term commitment to maintain and correspondingly grow the levy as required by future updates to the asset management financing plan.
- An update to the asset management financing plan will be provided as part of the 2024 framework report.

Item: **Upper Middle Road paths**

Question: What options do we have to expedite the repair/renewal of the paths on Upper Middle Rd near MM Robinson high school?

Response: The renewal of the multi-use pathways along Upper Middle Road are currently scheduled for design in 2024 and construction in 2026. Both the pathways and the road surface are presently in a poor condition state. The City intends to upgrade the pathways to provide an improved pedestrian experience and a higher order of protection for cyclists, as called for in the 2021 Council endorsed Cycling Master Plan. The Cycling Master Plan was referred to the Integrated Mobility Plan (IMP). A costing and funding strategy is anticipated to come forward with the Integrated Mobility Plan (IMP).

Engineering Services staff will review the possibility of advancing the project. Doing so will depend on available capital funding ahead of 2026, prioritizing the project against other state-of-good repair needs, and reviewing potential regional servicing requirements. Another option staff will review is delivering the project in two stages, separating out the multi-use pathways from the roadworks. Staff will undertake a feasibility and costing analysis and report back for the 2024 Capital Budget.

Item: **By-law Department**

Question: Could the 2023 proposed budget for bylaw and the end state for bylaw be compared to other local municipalities? I know that we will be close to the Oakville level of bylaw financing. What about Milton, Hamilton, others? I believe this info has been shared in some format with us already (comparator municipalities) but I don't think it showed the proposed new bylaw department.

To the extent any comparator municipalities are not an apples-to-apples comparison, please let us know.

Response: The following chart provides a comparison of the City of Burlington's current state and future state (Phase 4 - 2026) with respect to the new By-law Compliance department in relation to the following municipal comparators (Oakville, Hamilton, Milton, Kingston, Oshawa, Markham and Richmond Hill). The municipal comparators are chosen based on Appendix A of staff report BB-14-22 (Proposed New By-law Compliance department) prepared by WSCS Consulting and were selected based on population growth and urban/ rural characteristics.

	Burlington - Current State	Burlington - Future State	Oakville	Hamilton	Milton	Richmond Hill	Kingston	Oshawa	Markham	Median
Population (2021)	186,948	186,948	213,759	569,353	132,979	202,022	132,485	175,383	338,503	202,022
Officers/per capita	16,995	9,347	7,917	5,084	14,775	9,183	3,486	5,481	10,258	8,191
Total department staff/per capita	7,790	4,794	5,090	4,414	9,499	5,316	2,366	3,508	7,522	5,313
Services	byLaw enforcement, animal services*, licensing		bylaw enforcement, animal services	bylaw enforcement, animal services, licensing	bylaw enforcement	bylaw enforcement, parking, licensing	bylaw enforcement, parking, licensing	byLaw enforcement, licensing	bylaw enforcement, parking, animal services, tree preservation	

\* Animal service supports Town of Milton

The chart provides a summary for comparison purposes however, you will note the data within the chart varies based on the services provided within the respective By-law departments, and thereby it is unknown how many staff are assigned to each service, how many licensing streams exist and the number of bylaws being enforced. It is difficult to provide an apples to apples comparison, though staff have included the median of the data in the table (excluding Burlington – Future state) in an effort to capture the central value of the comparators. The four-year phased plan was recommended to provide a centralized approach to proactive enforcement that is efficient and supports customer service.

Item: **Beachway Parking Pass Halton resident Exemption**

Question: What would be the implications of continuing the Halton resident exemption? Could the revenues generated from parking at Beachway lot be reinvested in the capital development of the park?

Response: As stated in the 2022 Beachway update report, revenues would be reduced by an estimated \$84,600 with the continuation of the exemption program. This revenue reduction would impact the 2023 proposed budget as presented. A reserve fund could be established to contribute revenues from parking for future capital improvements to the park. Should this option be approved by Council this would result in a \$170,000 impact to the 2023 proposed budget.

A Halton Beach Exemption program runs counter to *Vision 2040* by having the effect of subsidizing vehicle use. Under “A City that Moves” the stated goal is to achieve “Modal split of 70% car, 15% transit, 15% active transportation and the car mode share continuing to decline”. Paid parking at Beachway encourages alternative forms of transportation.

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Item: **Higher than average Inflationary Pressures**

Question: What would be the implications of removing these costs (\$772K) from the budget?

Response: Contract modelling at the City is done in a way that is meant to protect the City from financial risk of the unknown. To that end, our typical process is a fixed first term with optional renewal terms where we negotiate costing usually to a maximum increase of CPI (all items Ontario), with appropriate documentation to support any increase requests. These renewals are again based on contract modelling, but usually cover a minimum of a 12-month period. As an example, in November of 2022, we may negotiate a renewal rate for a contract that covers December 1, 2022 – November 30, 2023.

In the past we have had many years where contractors hold their pricing year over year or ask for modest increases. Unfortunately, that has not been the case in 2022 and beyond. Many of our contractors have requested increases well beyond the inflation rate, with compelling documentation to support their requests (fuel costs, labour shortages, material costs, etc). In these cases, the procurement team focuses on negotiating to a rate that ensures vendor commitment, while maintaining the lowest possible increase.

As mentioned above, some of the City’s annual renewals occurred in the latter half of 2022 where the economic outlook was quite dire (CPI was 8.1% in June). Those increases will remain for the term of the renewal, which will be into 2023.

Therefore, although CPI may drop throughout the year, our contract modelling does not typically allow for mid contract adjustments, so the City should accommodate for the committed increases in the annual budget. In certain instances, we may allow for adjustments based on commodity pricing indexes, however this is rare, and will most likely not affect the budget outlook in an impactful way. We are hopeful that the Bank of Canada’s prediction of a substantially lower CPI and the general economic outlook for the latter half of 2023, and 2024 will assist in our ability to confirm positive renewal costing for 2024, however the current budget reflects known contracted rates for 2023 that will be incurred by the City.

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## Consulting costs

**Question:** Provide a total of consulting expenditures that have been funded from the Operating Budget in 2022.

**Response:** The following is a listing of consulting expenditures that have been funded from the Operating Budget as well as one-time sources in 2022. This list excludes any consulting costs in the capital budget

### 2022 Professional and Consulting Operating Budget Expenditures Jan 1-Dec 31

Vendor Name	Description	Amount
BUCHANAN TECHNOLOGIES LTD.	IT Support Desk and PC Deployment	\$ 190,374.12
BURLINGTON GREEN ENVIRONMENTAL	Electric Mobility Strategy	\$ 50,880.00
Watson & Associates Economists Ltd.	Planning Application Fee Review and Road Construction Fiscal Impact Studies	\$ 49,656.08
ASSOCIATED ENGINEERING (ONT.) LTD.	Climate Adaptation Plan	\$ 48,505.10
Gartner Canada Co.	Resources from Risk Management Leadership Council for Audit and Risk	\$ 41,671.74
PEACOM INC.	Support for data migrator tools; supplement due to staff vacancy	\$ 38,727.31
PROFESSIONAL SERVICES AND EVENT SUPPORT	Recreation and Parks Events	\$ 27,158.59
ESRI CANADA LTD	Project assistance to ITS for GIS related software management	\$ 25,440.00
Plug'n Drive Coalition of Ontario	2022 Sponsorship MEET Burlington	\$ 20,000.00
CIMA CANADA INC.	Peer Review of Transportation Planning Studies	\$ 19,237.73
KPMG LLP	Implementation of PS3280 Accounting Standard	\$ 18,965.52
PROSCI CANADA, ULC	BLT Training Session	\$ 16,281.60
LOOPSTRA NIXON LLP	Legal Services	\$ 13,673.48
HICKS MORLEY HAMILTON STEWART	HR legal matters	\$ 12,272.20
FILION WAKELY THORUP ANGELETTI	HR legal matters	\$ 11,909.74
Alta Planning + Design Canada Inc.	Transportation Planning consulting fees	\$ 11,651.77
VNEXT IQ INC.	Windows and SQL Cluster Assessment	\$ 11,193.60
AECOM CANADA LTD.	Cultural Heritage Evaluation	\$ 10,176.00
DESIGNABLE ENVIRONMENTS INC.	Parking and Design Standards	\$ 10,074.24
O'CONNOR MACLEOD HANNA	Legal Services	\$ 8,953.45
RITCHIE, KETCHESON HART AND BIGGART	Legal Services	\$ 8,463.89
AIRD & BERLIS BARRISTERS &	Legal Services	\$ 7,797.36
WSP E & I Canada Limited	Development services related fees	\$ 7,596.89
Boghosian + Allen LLP	Legal Services	\$ 7,184.25
DILLON CONSULTING LIMITED	Transportation Planning consulting fees	\$ 6,916.88
SGL Planning & Design Inc.	Development Review consulting fee	\$ 6,803.92
StrategyCorp Inc.	Government relations support	\$ 6,461.76
Nanette M. Cuddy	Coaching Consultant Fees	\$ 6,398.16
NEXUS ACTUARIAL CONSULTANTS LTD.	WSIB Valuation Final Report	\$ 5,952.96
NATIONAL SPEAKERS BUREAU INC.	Consultant fee for Speaker	\$ 5,948.00
C.I.S. LTD.	HR legal matters	\$ 5,782.00
<b>sub-total</b>		<b>\$ 712,108</b>

### Expenses recovered through one-time funding

Vendor Name	Description	Amount
Diamond Head Consulting Ltd.	Forestry Master Plan	\$ 183,413.60
Gallagher Benefit Services (Canada)	Job Evaluation Project	\$ 72,542.16
MOHAWK COLLEGE	Home Energy Retro Fit Feasibility Study	\$ 46,400.52
CCDI Consulting Inc.	Diversity Equity and Inclusion Project	\$ 32,777.52
WSCS CONSULTING INC.	By-law and Licensing audit and accountability project	\$ 26,349.48
ARCHAEOLOGICAL SERVICES INC	Development Services Planning related studies	\$ 24,657.98
WeirFoulds LLP	Municipal Elections Act Financial Disclosures	\$ 8,192.19
<b>sub-total</b>		<b>\$ 394,333</b>

<b>Total</b>	<b>\$ 1,106,442</b>
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**Excludes:**  
Consulting Fees paid from Contingency Reserve (Legal and Human Resources)  
Capital Budget Expenditures

\*Expenses reported are subject to finalization of YE entries

**Item:** City Benches (PO-PD-1841)

**Question:** Does this include a Centennial Path strategy?

**Response:** Yes, we will be starting work on the Bench Location Masterplan for Centennial Trail. Work is anticipated to start in the summer and will include walking the trail as part of decision-making related to future bench locations.

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**Item: Community Garden Renewal (PO-PR-1883)**

**Question:** Central Park is identified in 2025. How many years has it been since the last renewal? Is there an opportunity for capacity increase?

**Response:** The garden plots in Central Park are different ages due to the expansion in 2018. Partial renewals occurred in 2018 as required by condition assessment. Renewals in 2025 will address further replacements. As for future expansion, RCC are bringing a report this year about the community garden operating model. Unless there is more funding for staff, the program cannot be expanded.

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**Item: Park Bylaws**

**Question:** Will Council see a Scope of Work to determine an urgently needed policy on the inclusion of Privately-Owned Public Spaces (POPS)?

**Response:** Yes – through upcoming report #EICS-02-23 (March 30th, EICS agenda) which is the Park Provisioning Master Plan. As you know, Bill 23 has put forth legislation for municipalities to accept encumbered land and/or POPS as contribution towards parkland dedication. Developers will determine if they are providing land and what land is to be conveyed to the city that may or may not meet the service needs of residents. In advance of more detailed regulation coming down from the Province, the Park Provisioning Master plan will provide technical criteria or parameters around POPS. Following Council approval of the Parks Plan, it is also our goal to bring the City's Parkland Dedication Bylaw into compliance with the Planning Act (as amended by Bill 23) in Q2 2022. Legal is leading the bylaw update and will determine how POPS will be addressed in the parkland dedication bylaw update.

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**Item: Spencer Smith Park (PO-PR-1290)**

**Question:** 2023 is for design work for improvements to the splash pad and drainage. 2024 is for design work for accessibility improvements. 2025 work is to replace the artificial turf surface, drainage layer and concrete repairs in/around the splash pad area. The Dofasco Waterjet Plaza has been severely under maintained with the initial installation at a time that I cannot even remember how long ago. Splash pads are significantly more vibrant, interactive and functional in current days – when will we see a significant redesign and partnership funding plan?

**Response:** The next two years (2023 and 2024) will include community engagement and detailed design to update the splash pad area including the artificial turf surface. The early part of the project will include gathering feedback from stakeholders and understanding expectations in order to align budgets accordingly. Funding partnerships can be explored as part of this first phase of work.

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Item: **School Playground Improvement Strategy (PO-PR-133)**

Question: How will the City improve engagement on design so we do not have another situation like Tuck PS?

Response: In 2023, the Recreation Culture and Community (RCC) Department will be launching the update to the City's Park Recreation Cultural Asset Master Plan (PRCAMP). As part of this initiative, there will be an extensive community consultation engagement process where modifications to current process can be discussed/explored.

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Item: **Music Centre (FB-CC-1137)**

Question: Review JV agreement and identify any additional uses in advance of design?

Response: This project will be split in 2 phases; the first being focused on a program and services review, inclusive of Joint Venture agreement followed by a facility design concept

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Item: **Future Downtown Parking (RD-PK-87)**

Question: Can this be advanced to 2023?

Response: A parking needs study is required to be completed including statistical analysis using our parking occupancy equipment which will determine the need, location and timing of additional parking facilities.

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Item: **Downtown Streetscape Infrastructure Renewal (RD-RL-1931)**

Question: Can the internal charge to staff time be undertaken by a consultant, as there has been no movement on this initiative? Also note it includes bus shelters which should be wholly contained under transit infrastructure.

Response: In 2022 some of the project funding was utilized to replace the streetlights on Locust Street from Elgin to Ontario Street and make accessibility improvements at the Elgin and Locust intersection (total combined investment as \$175,000). The remainder of the project funding will be used to create a streetscaped connection from Lakeshore Road to Downtown Civic Square by focusing on the renewal of Locust Street from Elgin Street to Lakeshore Road. This project is currently in the early stages of design, and additional funding is forecasted in 2024 to help support the construction funds required.

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Item: **Glenwood School Drive Area (RD-RR-1468)**

Question: Noted for 2027. Please ensure a communications plan is aligned.

Response: Public Information Centres (PICs) will be held to ensure the community and property owners are aware of the project scope and timelines, as well as possible impacts related to urbanization of streets within this area.

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Item: **James/Martha/Caroline (multiple projects)**

Question: Please prepare a summary memo on the timing and scope for all projects to be distributed to stakeholders and the BIA.

Response: Staff will prepare a summary memo of the timing and scope of projects within the Downtown. The Region is currently working on their Water and Wastewater Master Servicing Plan, and the recommendations are likely to impact the scope and timing of the projects within the Downtown area. Development within the downtown area will also affect the timing and scope of projects. Downtown development sites will be monitored closely to ensure we reconstruct the roadway at the appropriate time.

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Item: **Miscellaneous Land (RD-RA-199)**

Question: Why is there an uptick in 2023?

Response: The Miscellaneous Land project account is utilized for small land purchases to support future roadway capital work. Engineering Services works closely with Legal Services to purchase land at opportune times. It is a strategic approach to carry a project account balance for the city to be prepared to make land purchases. In the past few years, the account balance and been drawn down and the budget increase in 2023 is intended to increase the balance to make land purchases more obtainable.