



Finance Department Report

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Report To: Special General Government Committee

Date of Meeting: February 19, 2019

Report Number: FND-004-19 **Resolution:**

File Number: **By-law Number:**

Report Subject: 2019 Operating and Capital Budget

Recommendations:

1. That Report FND-004-19 be received;
2. That Council approve the 2019 Operating and Capital Budget "Base Level Requirements" as outlined in Attachment #1, at an estimated tax levy impact of 1.05% (exclusive of tax policy impacts), as directed in FND-004-19;
3. That Council approve the 2019 Operating and Capital Budget "Service Level Changes" as outlined in Attachment #1, at an estimated tax levy impact of 2.95%;
4. That Council approve the 2019 Operating and Capital Budget "External Agency" as outlined in Attachment #1, at an estimated tax levy impact of 1.05%;
5. That the external agencies, referred to in Attachment #1, be advised of Council's decision regarding their grant requests and be thanked for their delegations on February 15, 2019, as appropriate;
6. That Reserve and Reserve Fund contributions and new Reserve / Reserve Funds be approved as shown in the 2019 Draft Budget binder;
7. That the financing of capital projects, as outlined in the attached documents be approved;
8. That any cash flow shortfall in the Development Charges Reserve Funds be interim financed from the Municipal Capital Works Reserve Fund and General Municipal Reserve Fund, to be repaid with interest as cash flow permits;

9. That Report FND-004-19 be adopted by resolution in accordance with provisions of Ontario Regulation 284/09 of the *Municipal Act, 2001*; and
10. That the appropriate By-laws to levy the 2019 tax requirement for Municipal, Regional and Education purposes be forwarded to Council for approval, once final tax policy information is available.
11. That the proceeds from the Mayor's Golf Tournament be directed as follows:
 - 2019 – Mayor's bursary for post-secondary education for students pursuing studies in agriculture, forestry or environmental sciences
 - 2020 – Community Care Durham
 - 2021 – Clarington Hospice
 - 2022 - Bowmanville Hospital Foundation

Report Overview

The purpose of this report is to provide necessary information to Council in order to approve the 2019 Capital and Operating Budgets. The report includes a number of important components and the detailed Budget binder provides specific details. There are significant capital considerations for 2019 that further enhance the municipality's capital infrastructure. On the operating side, Council has put important long term plans in place in 2016, including a new Official Plan, a first ever Transportation Master Plan and an Enhanced Economic Development Service along with receiving an Asset Management Plan in 2017. The Budget is continuing to carry out the principles and objectives of these important Council priorities. The 2020 Capital and Operating Budget will consider these items, along with a new Strategic Plan to be adopted later this year.

1. Overview

- 1.1 The 2019 Budget is outlined in detail in the Draft Budget documents circulated in conjunction with this report with important information summarized in the attachments to the report. The approximate 2019 base requirements are detailed in Attachment #1, attached hereto and provides a summary of the contents of the Draft Budget binder. To the best extent possible, all documents have been provided in an accessible format.
- 1.2 The Chief Administrative Officer and the Director of Finance/Treasurer have worked diligently with all departments to review all areas and identify savings.
- 1.3 The base requirement impact of 1.05% is after assessment growth (growth is estimated at 3.20%). Every 1% increase in the Budget results in a tax increase of approximately \$14.14 for the average residential taxpayer, for the local portion of the tax bill based on an average value of \$367,632 (2018 - \$348,700). A 1% increase also translates to \$567,600 in total additional tax revenue for the municipality. This does not include the impact of tax policy changes determined by the Region of Durham.
- 1.4 Based on the 2019 returned roll, Clarington's taxable assessment splits sit at 91% for residential, farm and multi-residential and 9% for commercial and industrial properties. The total taxable assessment is \$14,353,852,283.
- 1.5 Clarington continues to rely on Reserves and Reserve Funds to alleviate tax levy impacts for Capital and Operating as a long term strategy. Surpluses in a given year are transferred into the Rate Stabilization Reserve Fund and then used in subsequent years to offset the levy. Contributions are made annually into Reserve Funds for future capital replacement and then drawn upon in those future years. For 2019, the draw on Reserves

and Reserve Funds is approximately \$23.7 million (2018 - \$22.7 million) including \$600,000 drawn from the Rate Stabilization Reserve Fund to offset the tax levy (2018 - \$800,000). This includes Capital and Operating. The summaries for the Reserves and Reserve Funds are included in the back section of the 2019 Draft Budget binder.

- 1.6 In our continued efforts to enhance public understanding and assist Council in their communications efforts regarding budget changes, starting in 2019, a Budget narrative document was placed on the Municipal website which summarizes the proposed Budget. This document includes information regarding the fiscal health of the Municipality, Operating Budget summaries and Capital Budget summaries.
- 1.7 Once approved a revised version of the Budget document, including summary information on the breakdown of how funds are spent, will be added to the website.
- 1.8 The slide presentation from the January 18, 2019 Budget workshop is available on the Municipality's website through the January 18, 2019 Meeting Agenda.

2. Tax Rate Stabilization

- 2.1 Historically, Clarington has drawn on our Rate Stabilization Reserve Fund approximately \$800,000 per year. This is proposed to change in 2019.
- 2.2 It is proposed that the draw to offset the tax increase be decreased by \$200,000. This will continue to be reduced until such time that the draw to fund recurring budgets is \$0. It is not prudent practice to fund recurring expenditures from the Tax Rate Stabilization Reserve Fund without annual contributions. This could eventually result in the Reserve Fund being depleted and compresses the actual funding required from the tax levy.
- 2.3 In the future, we will see specific funding coming from the Tax Rate Stabilization Reserve to better reflect that the funding is being used to smooth fluctuations rather than fund recurring expenditures.
- 2.4 Consistent with this approved, the 2019 Budget is proposing a draw of \$385,000 to offset a one-time expenditure request from Operations, to deal with urban / rural trees (accelerated replacement of trees affected by Emerald Ash Borer). It is a prudent use of the tax rate stabilization Reserve Fund to be used to smooth out one-time or unusual operating expenditures, so that it does not significantly impact a given tax year. As this project would have multiple year impacts, it is reasonable to use the Reserve Fund in this manner.
- 2.5 We have had stable financial results so the Rate Stabilization Reserve Fund supports this practice. It is too early to determine final financial results for 2018.

3. Tax Policy Changes

- 3.1 A long term strategic tax policy plan was initially approved in 2002 by the Region of Durham (who has legislative authority over tax policy), that may have an impact on final tax rates. The 2019 update is anticipated to be presented to Regional Council in March 2019. Any tax ratio changes impact upon the relative share of the total taxes that each property class pays. A copy of the Region's report will be circulated once it is available. In 2018 topics included multi-residential properties, capping changes and vacancy rebates due to recent Provincial announcements in these areas. It is anticipated that the 2019 report will include a decision on the implementation of a reduced tax rate for the first \$50,000 of assessment on small-scale value-added commercial activities on farms, which was announced by the Province in 2018.
- 3.2 Additionally, Clarington is affected by tax policy decisions made on the education side by the Province of Ontario. This stems from municipalities retaining the education portion of eligible payment in lieu (PIL) properties such as Ontario Power Generation. In the 2008 Provincial Budget, a provincially mandated reduction in the industrial education rate was announced. The rate has not been announced for 2019. This could result in tax policy impacts of lost revenue to Clarington which will be incorporated into the final tax rate by-law. In 2018, the impact was approximately \$96,000.

4. Staffing

- 4.1 The Municipality has been experiencing significant growth. This trend will likely continue for the foreseeable future. Any staffing decisions of Council need to have regard to the challenges and opportunities that come with this growth. Specifically, Council should consider investing in staff in order to maintain, restore or increase existing levels of services or where there is a business case that demonstrates greater efficiencies, increased revenues and / or reduced costs.
- 4.2 This year, Department Heads requested that a total of 16 new staff positions be added to the 2019 Operating Budget. The request breaks down as follows: 9 full time, 1 permanent part-time, 3 temporary full time, 2 seasonal full time and one 18 month contract position. In addition, Tourism is requesting that 2 part time positions be merged to create 1 full time position at nominal cost. Community Services, Finance and Legal have not requested any additional staff for 2019.

- 4.3 The Treasurer's presentation at the Special Council meeting on January 18, 2019 included the CAO's recommendation that the following positions to be included in the 2019 budget: 1 Full Time Traffic Technician (Engineering Services); 1 Full Time Development & Utility Technician (Engineering Services); 3 Temporary Workers (Operations); 2 Seasonal Workers (Operations); 1 Full Time Contract Planner 2 (Planning); and 1 permanent part time Animal Care Attendant (Clerks). The specific rationale for recommending that these new positions be included in the 2019 budget and their cost is set out in Attachment 2 to this Report. The rationale for not recommending the other 7 positions (all full time) is also set out in Attachment 2.
- 4.4 The total compensation (salary and benefits) of the recommended new staffing positions in 2019 including the levy portion (\$27,100) of the Climate Change Coordinator position approved by Council on January 14, 2019 and the estimated salary (\$87,500) for the Corporate Policy Analyst approved by Council on February 4, 2019 would be approximately \$480,000. If Council approves all of the positions recommended by staff, the net impact on the 2019 levy would be approximately \$430,000 because Planning Services budget includes \$50,568 for the extension of the contract position described in Attachment 2 which Council has not yet approved. The recommended \$125,000 contribution to the staffing reserve is not included in this amount. \$480,000 represents a 1.1% increase to the overall cost of staffing as compared to 2018 (compared to an increase of 3.2% assessment growth).

5. Capital Budget Commentary

- 5.1 The recommended impact on the tax base of the proposed Capital Budget is \$1,118,781 and is included partially in the Base Requirements in Attachment #1 and partially in Service Level Changes in Attachment #1. It falls under the various categories due to the criticality of some of the individual capital items that make up the increase for 2019. The overall increase translates to a 2.0% tax levy impact, this could be reduced if Council utilizes some of the alternatives proposed below. These recommendations reflect the importance of capital funding that will be reinforced through our Asset Management Plan work. Of the total budget increase including all Capital and Operating options of 5.05%, approximately 40% of the recommended increase is devoted to capital.
- 5.2 The Capital recommendations are incorporated into the detailed Budget pages and details of capital projects, by department, are found in the Draft Budget binder.
- 5.3 Federal gas tax proceeds have been incorporated into the Draft Capital Budget at \$2,791,328. Interest earned in the Reserve Fund due to timing differences in the receipt of funds versus invoice payments have also been incorporated into the Budget. Formula based funding under the Ontario Community Infrastructure Fund has been incorporated under the Engineering section of the Capital Budget in the amount of \$1,797,935.

5.4 The Capital Budget is presented to Council for consideration and approval. The financing for most of the projects is a combination of Reserves, Reserve Funds, Development Charges and tax levy.

6. Operating Budget Impacts

6.1 Consistent with any other major employer, as well as all other municipalities, Clarington is experiencing cost increases in areas such as wage increases, statutory benefit costs and maintenance of our significant asset base.

6.2 During Council Budget deliberations in the 2017 budget, Council commenced contributing \$125,000 into a Reserve Fund for future staffing. In 2018, Council directed that these funds be used for future firefighters. In the proposed 2019 Budget, under "Service Level Changes", Council has the option to expand the contribution to \$250,000 to the Reserve Fund. This in essence builds the second firefighter into the base. It is projected that four firefighters could be hired in 2020 as long as Council follows the approach of increasing the contribution by \$125,000 per year.

6.3 Staff have endeavoured to find offsetting revenue increases and expense decreases to alleviate the tax levy impact. These efforts are reflected in Attachment #1. User fees in Planning and interest income in Finance reflect significant areas of increased revenue, while still being conservative to ensure that the budget is flexible.

6.4 Several items have been referred to the 2019 Budget during the latter part of 2018. These are reflected on Attachment #1 include:

- Whistle Cessation (\$150,000)
- Rainbow crosswalk – included in increase to road painting
- Lakeridge Hospital expansion - \$250,000 is included to create a Reserve Fund
- Grandview Children's Centre - \$20,000 (each year for 5 years)
- Hope of Durham - \$5,000 (each year for 4 years)

6.5 Consistent with prior years, interest revenue from the Strategic Capital Funds were factored in so as to mitigate the tax levy in the amount of \$230,000. Investment income is also showing strong signs of improvement due to interest rate increases and Council's decision to participate in the High Interest Savings Account (HISA) through the One Fund sponsored by AMO and MFOA. In 2018, the Municipality used the HISA as a savings vehicle transferring over \$30,000,000 into this account. Revenue increases for many departments, where possible, have been factored in and are reflected in Attachment #1.

6.6 For 2019, the Budget is reflecting no change to the Veridian dividends.

- 6.7 Throughout the organization repairs and maintenance expenses have been increased to reflect ongoing maintenance of aging infrastructure. Where appropriate repairs and preventative maintenance are performed to optimize the time an asset is available to provide service to the public. In particular, repairs for buildings (Operations) and facilities (Community Services) has been increased to reflect aging buildings.
- 6.8 Winter control has been increased by \$338,000 to reflect the increased cost of winter maintenance in part due to climate change. Over the past several years, the winter control costs have been over budget, this change is to reflect the actual cost of providing that service.
- 6.9 Operations is proposing to increase funding to rural/urban trees in an effort to address the impact of the Emerald Ash Borer tree removal. These costs will be funded through the Tax Rate Stabilization Reserve Fund as they are one-time expenditures.

7. Debt Status

- 7.1 Current projected annual debt repayment obligations for 2019 Budget purposes total \$2,839,715. This is comprised of debentures issued for Bowmanville Indoor Soccer, Garnet B. Rickard Recreation Complex, Community Care Durham space, Green Road Grade Separation, Courtice Branch Library, the Newcastle and District Recreation Complex, as well as the retrofits/renovations required for the Municipal Administrative Centre and Pad A of the Garnet B. Rickard Recreation Complex.
- 7.2 In 2018, two debenture projects were funded internally and will be repaid through transfers between Reserve Funds. The Garnet B. Rickard Recreation Complex parking lot refurbishment will be repaid through a portion of the annual contribution to the Parking Lot Rehabilitation Reserve Fund. The LED light retrofit will be repaid through savings in electricity and maintenance costs for streetlights.
- 7.3 The total principal amount outstanding at January 1, 2019 is \$16,376,579. Anticipated new debentures in the course of 2019 based on Council approval would be an additional \$0. There is an alternative, see Section 12, which could result in approximately \$1,000,000 in debentures being issued this year for the Bowmanville Library and the Orono Town Hall. Currently these would be funded from internal borrowing. This is well below the Municipality's debt limit prescribed by the Ministry of Municipal Affairs.

7.4 As Council is aware, annual growth is required to maintain the debenture repayment obligations where they are funded from Development Charges. As previously reported, due to limited growth numbers during the economic downturn, there remains interim borrowing from prior years that will need to be repaid from Development Charges collections in conjunction with maintaining annual debt repayments. 2017 was the last year for debenture payments for the South Courtice Arena. This will then create the needed funding envelope to repay the balance of the interim borrowing starting in 2018 and lead to future indoor recreation opportunities as discussed with Council.

8. Municipal Grant and Sponsorship Programs

8.1 The Municipal Grant program and the Municipal Sponsorship Programs are administered through the Community Services Department. The Budget presented via this report includes \$60,000 for the municipal grant program and \$35,000 for the municipal sponsorship program. The funds are allocated based on Council direction when the appropriate reports are brought forward in compliance with the approved policies for the two programs.

9. Reserve and Reserve Fund Contributions

9.1 Consistent with past practice, increases in reserve fund contributions are at times deemed appropriate to bolster balances in depleting reserve funds or to begin to put aside funds for an identified need. This is an important part of our Asset Management strategies. For 2019, there are several increases to the contributions that are recommended in Attachment #1 including:

- Increase transfer to Municipal Elections Reserve, includes future ward boundary study - \$90,000
- Increase contribution to Fire Equipment Reserve Fund - \$25,000
- Increase contribution to Facilities / Parks Maintenance Reserve Fund - \$25,000
- Increase contribution to Community Services Capital Reserve Fund - \$25,000
- Increase contribution to Future Staffing Reserve Fund (firefighters) - \$125,000

9.2 Further policy work will be forthcoming with respect to Reserve and Reserve Fund requirements.

10. External Agencies

10.1 The requests from the external agencies, including the Clarington Museum, Clarington Library, Visual Arts Centre, Bowmanville Older Adults Association, etc. are detailed in the

External Agencies section of the Draft Operating Budget for Council to consider their requests, on an individual basis.

10.2 The increase in Budget requests for external agencies total \$322,189 for 2019 which is a 0.57% total municipal levy increase. Individual percentages vary widely from the 2018 approved grants. The agencies will be provided the opportunity to address Council on their 2019 requests on Friday, February 15, 2019.

10.3 The largest increase relates to the John Howard Society / Firehouse Youth. In 2019, the requested increase is for \$211,531 (0.37% tax levy increase) and relates to the increase in service from one youth centre (Bowmanville) to three youth centres (Courtice and Newcastle). In 2018, Council approved two pilot projects which provide funding for six months for the two new centres. This request continues the operations from the end of that pilot program to December 31, 2019.

11. 2019 Accrual Based Budget for PSAB per Ontario Regulation 284/09

11.1 Public Sector Accounting Board annual reporting requirements for municipal Budgets require that certain accrual based items be reported to Council in conjunction with the Budget for 2011 onwards.

11.2 Accrual based expenses that are excluded from the 2019 tax based budget include post-employment benefits and amortization of capital assets. Other items to transfer to a PSAB Budget include tangible capital asset acquisitions and accounting treatment of debt principal payments.

11.3 There is no immediate financial impact of these PSAB additions or reductions since the tax based budget approves necessary funds to provide municipal services for 2019, but there are longer term implications.

11.4 The estimated change to the accumulated surplus at the end of 2019 resulting from the above items is as follows:

11.4.1 PSAB Additions to the 2019 Budget

Adjustment	2019 Dollar Amount
Tangible Capital Asset Amortization	\$19,948,880
Post-employment Benefit Estimate	550,000
Total PSAB Additions	\$20,498,880

11.4.2 PSAB Reductions to the 2019 Budget

Adjustment	2019 Dollar Amount
Tangible Capital Asset Acquisitions	\$(28,138,369)
Debt Principal Payments	(2,393,930)
Total PSAB Reductions	\$(30,532,299)

11.4.3 Total PSAB Impact

Adjustment	2019 Dollar Amount
(Increase) / Decrease in Accumulated Surplus	\$(10,033,419)

12. Council Options

- 12.1 The proposed Budget includes all items which previously would have been known as the “A” list and “B” list. In the past items were voted off of the “A” list, and into the Budget from the “B” list. This can be seen to be inequitable and also lowers the perceived importance of the items in the “B” list. Any item making it to the Budget is important to furthering the strategic goals of the Municipality, if it wasn’t important, it would not be proposed to be included.
- 12.2 The 2019 Budget was prepared under the assumptions in place in the proposed Budget Policy which has been deferred to May 2019. The proposed Budget is within the target guidelines in this policy. Notwithstanding this, it is noted that there is a desire by Council to keep tax increases reasonable. The following section outlines proposed amendments which could be considered.

Alternatives for Council Consideration

- 12.3 Just prior to the finalization of the draft capital budget, based on Council direction, Operations provided a request for additional funding to remediate several playgrounds. This request totalled \$130,000 and for the proposed budget presented to Council was included in the tax levy. An alternative would be to fund this from the Facilities / Parks Maintenance Reserve Fund. The annual contribution into the fund is approximately \$328,000 and in the following three years estimated draws are \$155,000. The estimated ending 2019 balance of approximately \$539,000 does provide flexibility to utilize this reserve fund.
- 12.4 Accessibility upgrades to the Orono Town Hall were also added after the preliminary Capital Budget was completed. These costs, net of potential external funding, would be approximately \$207,000. This request is currently being funded from the tax levy. An alternative would be to fund this from the Facilities / Parks Maintenance Reserve Fund. As noted above the annual estimated needs over the next five years is below the annual contribution, however it would bring the estimated balance to \$202,000 which is approximately one year’s requirements. This could result in tax levy impact in the future or deferred parks or facilities projects.
- 12.5 A secondary alternative for the Orono Town Hall would be to include it, with a proposed internal borrowing debenture, with the Bowmanville Library request of approximately \$730,000. This would bring the required debt borrowing to \$937,000 which may be borrowed long-term from internal sources or from external debt.

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- 12.6 Upgrades to the Council Chambers to re-align the two front desks to provide for the much needed improved functionality for the Municipal Clerk and Recording Secretary at the front of the Chambers were added after the preliminary Capital Budget was completed. If Council wishes to remove the renovation from the tax levy, it could be funded from part of an internal borrowing debenture with the Orono Town Hall and Bowmanville branch of the Clarington Public Library or from the Tax Rate Stabilization Reserve Fund.
- 12.7 Lakeridge Health has approached Council with a request for funding a future capital expansion. Included in the budget is a contribution to create a Reserve Fund specific for future funding of a \$5,000,000 request towards this expansion. An alternative would be to provide the funding of \$5,000,000 in the future (approximately seven years) from the Strategic Capital Reserve Fund. This Reserve Fund is used for economic development activities. If this is followed I would suggest that the Reserve Fund be repaid to build it back up for potential future economic development activities, or to be used as a source of internal borrowing for other projects. This approach would provide inter-generational equity by requiring those who are benefiting from the hospital expansion to be the ones funding it (through repayments to the Reserve Fund).
- 12.8 There is a proposal to make permanent a \$25,000 budget allocation for emergency clean up. This could be removed from the Budget, if funds are required they could be allocated from the Tax Rate Stabilization Reserve Fund.
- 12.9 Included in the Capital Budget is \$50,000 for the Clarington Public Library for a study. This project actually relates to a 2020 request which was inadvertently included in the 2019 budget. This can be removed.
- 12.10 It was determined that it is possible to fund a portion of the proposed contract planner from the Building Inspection Reserve Fund as it relates to a zoning matter. Approximately 25% of the contract compensation will be funded from the Reserve Fund. This offsets the impact of hiring the Corporate Policy Analyst while maintaining the \$430,000 limit on new staff. While there is no tax levy impact, it is being highlighted here for Council's knowledge.
- 12.11 Included in the Engineering Capital is funding for a municipal-wide whistle cessation study. An alternative to Council would be to remove this study, if Council did not want to proceed with whistle cessation. The only Reserve Fund which would be reasonable to utilize to fund this expense would be the Tax Rate Stabilization Reserve Fund.

12.12 The summary of adjustments from the tax base is as follows:

Adjustment	Levy Amount	Levy Impact
Playground equipment replacement, funding from Parks / Facilities Maintenance Reserve Fund	\$130,000	(0.23%)
Orono Town Hall Accessibility upgrades from non-tax levy sources	\$207,000	(0.36%)
Remove Council Chamber upgrade (or include as internal borrowing)	\$70,000	(0.12%)
Remove creation of Lakeridge Health Reserve Fund for future funding of hospital expansion	\$250,000	(0.44%)
Remove funding for emergency clean up expenses	\$25,000	(0.04)
Remove Clarington Public Library capital project, to be requested in 2020	\$50,000	(0.09)
Remove whistle cessation study	\$150,000	(0.26)
Total Adjustments	\$882,000	(1.54)

12.13 If the above alternatives were utilized the levy impact would decrease to 3.51%, which when taken as an impact to the total tax bill would be approximately 1.16%.

12.14 Based on the above changes, the impact to the average resident for the municipal portion of the tax bill would be approximately \$49.63

13. Concurrence

Not Applicable

14. Conclusion

14.1 This report and accompanying documents are intended to provide Council with the information necessary to make strategic decisions and ultimately adopt a Budget for the 2019 fiscal year.

15. Strategic Plan Application

Not applicable.

Submitted by: 
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Attachments:

Attachment 1 - 2019 Summary of Changes

Attachment 2 - New Staff Recommendations for 2019

There are no interested parties to be notified of Council's decision.

Municipality of Clarington
2019 Draft Budget
2019 Budget Changes

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
Revenue Increases:					
Preliminary assessment growth	\$ (1,814,429)	\$ -	\$ -	\$ (1,814,429)	-3.20%
Increase in supplementary taxation revenue	(175,000)	-	-	(175,000)	-0.31%
taxation revenue and other taxation	(25,946)	-	-	(25,946)	-0.05%
Increase in investment income revenues	(250,000)	-	-	(250,000)	-0.44%
	(112,100)	-	-	(112,100)	-0.20%
Increase in Community Services' aquatic program revenues	(56,500)	-	-	(56,500)	-0.10%
Increase in Community Services' other revenues	(53,034)	-	-	(53,034)	-0.09%
Other increases in revenue	(38,225)	-	-	(38,225)	-0.07%
	<u>\$ (2,525,234)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,525,234)</u>	
Expense Decreases:					
Decrease in Legal professional fees recoverable	\$ (20,000)	\$ -	\$ -	\$ (20,000)	-0.04%
Decrease in other Corporate Services expenses	(5,350)	-	-	(5,350)	-0.01%
Decrease in HR legal and consulting expenses	(30,000)	-	-	(30,000)	-0.05%
Decrease in Clerk's postage, record retention, and livestock	(74,200)	-	-	(74,200)	-0.13%
Decrease in elections expense	(354,804)	-	-	(354,804)	-0.63%
expenses	(14,270)	-	-	(14,270)	-0.03%
Decrease in tax write-off	(100,000)	-	-	(100,000)	-0.18%

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
Decrease other Finance expenses	(8,927)	-	-	(8,927)	-0.02%
Decrease in Engineering expenses	(4,416)	-	-	(4,416)	-0.01%
Decrease in Operation's utilities	(47,852)	-	-	(47,852)	-0.08%
Decrease in Operation's park maintenance expenses	(56,880)	-	-	(56,880)	-0.10%
expense	(232,090)	-	-	(232,090)	-0.41%
overhead	(48,825)	-	-	(48,825)	-0.09%
Courtice library debt servicing costs	(559,546)	-	-	(559,546)	-0.99%
expenses	(20,045)	-	-	(20,045)	-0.04%
Remove one time funding for emergency clean-up	(25,000)	-	-	(25,000)	-0.04%
Decrease in Community Services Administration Active Net fees	(95,100)	-	-	(95,100)	-0.17%
Decrease in Community Services concession expenses to reflect change in delivery	(400,479)	-	-	(400,479)	-0.71%
Decrease in Community Services' youth centre pilot project	(50,000)	-	-	(50,000)	-0.09%
utilities	(161,178)	-	-	(161,178)	-0.28%
Decrease in other Community Service's expenses	(17,267)	-	-	(17,267)	-0.03%
expenses	(40,348)	-	-	(40,348)	-0.07%
	\$ (2,366,577)	\$ -	\$ -	\$ (2,366,577)	

Revenue Decreases

Fees	\$ 30,000			\$ 30,000	0.05%
Decrease in Finance - miscellaneous revenues	112,000			112,000	0.20%
to reflect changes in concession sales method	352,400			352,400	0.62%

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
Decrease in Community Services fitness program revenues	35,500			35,500	0.06%
Decrease in Operation's miscellaneous revenues	25,123			25,123	0.04%
Other decreases in revenue	53,600			53,600	0.09%
	\$ 608,623	\$ -	\$ -	\$ 608,623	
Expense Increases					
offs	\$ 150,000			\$ 150,000	0.26%
Increase in Mayor's department	6,665	-	-	6,665	0.01%
Increase in Council department	6,937	-	-	6,937	0.01%
<i>CAO's Office</i>		-	-	-	0.00%
Increase in other CAO expenses	35,020	-	-	35,020	0.06%
Increase in wages and benefits	36,634	-	-	36,634	0.06%
<i>Legal Services</i>		-	-	-	0.00%
Increase in wages and benefits	15,513	-	-	15,513	0.03%
Increase in expenses	500	-	-	500	0.00%
<i>Corporate Services</i>		-	-	-	0.00%
Increase in other capital (non-TCA) photocopiers		10,000	-	10,000	0.02%
Increase in wages and benefits	63,269	-	-	63,269	0.11%
Increase in other Corporate Services expenses	10,935	-	-	10,935	0.02%
<i>Clerk's Services</i>		-	-	-	0.00%
Increase in wages and benefits	109,595	-	-	109,595	0.19%
Increase other Clerk's expenses	16,800	-	-	16,800	0.03%
<i>Finance and Unclassified Admin</i>		-	-	-	0.00%
Increase in wages and benefits	58,568	-	-	58,568	0.10%
Increase in other Finance and Unclassified expenses	11,200	-	-	11,200	0.02%
Increase in professional fees	99,900	-	-	99,900	0.18%

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
<i>Emergency Services</i>		-	-	-	0.00%
Increase in wages and benefits	135,308	-	-	135,308	0.24%
Increase in other EMS expenses	49,665	-	-	49,665	0.09%
<i>Engineering Services</i>		-	-	-	0.00%
Increase in wages and benefits	68,847	-	-	68,847	0.12%
Increase in engineering studies	57,000	-	-	57,000	0.10%
Increase in debt servicing	3,029	-	-	3,029	0.01%
printing	70,000	-	-	70,000	0.12%
professional fees (MOE requirement)	21,000	-	-	21,000	0.04%
Other Engineering expenses	9,750	-	-	9,750	0.02%
<i>Operations</i>		-	-	-	0.00%
supplies	53,266	-	-	53,266	0.09%
Increase in wages and benefits	271,224	-	-	271,224	0.48%
Increase in parks grass cutting	50,000	-	-	50,000	0.09%
Increase in parks waste disposal	20,000	-	-	20,000	0.04%
Increase in parks improvements	35,000	-	-	35,000	0.06%
contract for emergency tree removal	49,000	-	-	49,000	0.09%
Increase in urban/rural trees	20,000	385,000	-	405,000	0.71%
Increase in catch basin / sewer maintenance	12,000	90,000	-	102,000	0.18%
allocation	20,000	-	-	20,000	0.04%
Increase in seniors snow clearing	20,000	-	-	20,000	0.04%
Permanent funding for emergency clean up		25,000	-	25,000	0.04%
Increase in hardtop maintenance	69,900	-	-	69,900	0.12%
supplies	338,000	-	-	338,000	0.60%
expenses	118,188	-	-	118,188	0.21%
<i>Community Services</i>		-	-	-	0.00%
Increase in wages and benefits	312,757	-	-	312,757	0.55%

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
needs	60,000	-	-	60,000	0.11%
Increase in facility admin other capital (non-TCA)	30,000	-	-	30,000	0.05%
Increase in Rickard Recreation Centre expenses	22,600	-	-	22,600	0.04%
Increase in event programming (including Canada Day)	1,800	30,000	-	31,800	0.06%
ActiveNet fees	102,414	-	-	102,414	0.18%
Increase in other Community Services expenses	92,001	-	-	92,001	0.16%
<i>Planning Services</i>		-	-	-	0.00%
Increase in wages and benefits Expenses	120,440	-	-	120,440	0.21%
	4,466	-	-	4,466	0.01%
Increase Courtice CIP		10,000	-	10,000	0.02%
Increase Orono CIP		10,000	-	10,000	0.02%
consulting	160,000	-	-	160,000	0.28%
Reserve Transfers					
reserves	713,214	-	-	713,214	1.26%
reserve	(25,000)	-	-	(25,000)	-0.04%
Increase in transfer to municipal election reserve	90,000	-	-	90,000	0.16%
		-	-	-	0.00%
Reserve Fund Transfers					
funds	215,401	-	-	215,401	0.38%
Municipal Government Enterprise reserve fund	(16,140)	-	-	(16,140)	-0.03%
Municipal Capital Works reserve fund	(75,000)	-	-	(75,000)	-0.13%
reserve fund	25,000	-	-	25,000	0.04%

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
Increase to Facilities/Parks Maintenance reserve fund	25,000	-	-	25,000	0.04%
Increase to Operating Equipment reserve fund	25,000	-	-	25,000	0.04%
Increase to Community Services Capital reserve fund	25,000	-	-	25,000	0.04%
Staffing reserve fund for future firefighters		125,000	-	125,000	0.22%
capital					
Change in Corporate Services	10,000	-	-	10,000	0.02%
Change in Clerks	(6,500)	-	-	(6,500)	-0.01%
Change in EMS	61,750	-	-	61,750	0.11%
Change in Engineering	203,883	150,000	-	353,883	0.62%
Change in Operations	219,250	-	-	219,250	0.39%
Change in Community Services	6,500	-	-	6,500	0.01%
Change in Planning	6,898	-	-	6,898	0.01%
Change in Library	60,000	-	-	60,000	0.11%
Included					
New staff		430,000	-	430,000	0.76%
Estimated health and dental benefit increase	297,952	-	-	297,952	0.52%
Summary					
Council Chamber upgrades	-	70,000	-	70,000	0.12%
Playground equipment upgrades	-	130,000	-	130,000	0.23%
Orono Town Hall accessibility upgrades (net of grants)	-	207,000	-	207,000	0.36%
Other Requests					

Description	Base Level Requirement	Service Level Changes	External Agency	Total	Change as %
Capital	-	-	5,000	5,000	0.01%
Grandview Children's Centre	-	-	20,000	20,000	0.04%
Lakeridge Hospital Reserve Fund	-	-	250,000	250,000	0.44%
External Agencies					
Clarington Public Library	-	-	69,204	69,204	0.12%
Clarington Public Library - Capital Tax Levy	-	-	-	-	0.00%
Association	-	-	11,800	11,800	0.02%
Clarington Museums	-	-	25,437	25,437	0.04%
Visual Arts Centre	-	-	4,217	4,217	0.01%
John Howard Society	-	-	211,531	211,531	0.37%
Total Expense Increases	\$ 4,881,399	\$ 1,672,000	\$ 597,189	\$ 7,150,588	
Net Levy Increase	\$ 598,211	\$ 1,672,000	\$ 597,189	\$ 2,867,400	
Basis	1.05%	2.95%	1.05%	5.05%	

ATTACHMENT 2

OPERATIONS DEPARTMENT

3 Temporary Workers (40 hours a week for 32 weeks)

Compensation: \$95,132 total for all 3 positions

These staff members would be assigned to work Friday, Saturday, Sunday and Monday from June to October and be responsible for special events. The Department currently assists with over 70 community events and 10 major sports tournaments during the summer months. Staff are required to deliver picnic tables and garbage cans, empty garbage, additional cleanup in preparation of the event and then remove the items no later than Monday, as well as field maintenance when required.

Depending on vacation schedules and workload, full time staff are reassigned to ensure that these events have the necessary equipment needed. Several times during the 2018 season, the Department was pulling staff from forestry and sports fields to help with the delivery of tables, stage and cans. Some weekends there were multiple events. The Department has spent 961 hours of regular hours, 204 overtime hours and 83 double time hours. This impacts our delivery of our performance objectives. The addition of these staff will allow the Department to maintain current levels of service within the parks division and reduce overtime costs.

These workers would be assigned to forestry the remaining three months to assist with block pruning, rural tree maintenance and other forestry services.

2 Seasonal Workers (40 hours for 16 weeks)

Compensation: \$22,288 total for both positions

The Department is requesting two seasonal student workers to assist with the ongoing maintenance of the Municipality's tree inventory. They will update the current inventory from 2012 and include trees in our parks across the municipality. They will assess each tree and recommend a maintenance program over the next 3-5 years.

A tree inventory and subsequent management plan will provide a list of trees requiring priority removal and pruning that can be carried out within the limits of budget and time. The inventory can be used to monitor trees for safety risks on a continual basis. Data collection will include location, species, diameter, condition, maintenance needs, and proximity to utility lines, traffic signs and insect and disease problems.

If time permits, they will undertake an inventory and assessment of all parks. The Department will reach out to Sir Sanford Fleming School Forestry program for potential candidates.

CLERK'S DEPARTMENT

Position: Part-time Animal Care Attendant

Compensation: \$43,608

Animal Services has been experiencing difficulty in meeting the service levels for its shelter and animal care duties with only the existing 2.5 Animal Care Attendants. This requirement was alluded to in the recent Service Delivery Review of Animal Shelter Services. In late August, staff attempted to hire a short-term part-time attendant and offered the job to three individuals – all of whom declined. A longer term commitment to a part-time position is required to attract and secure a qualified employee. On a normal working day at the shelter after 3:00 pm, the only staff in attendance are the 1 full time Animal Care Attendant and the Shelter Supervisor. The Animal Care Attendant is required to answer the phones, show residents animals for adoption, assist residents with stray animals that they bring into the shelter and also assist residents with concerns/issues/complaints that they would like to bring to our attention. Our part-time employee currently works Friday / Saturday / Sunday and assists where possible when a full time employee is away sick or on vacation. It is often difficult to cover for full time sick or vacation hours given that part time staff usually have a second part time position outside of the shelter to supplement their income. An additional part time employee is required to assist in meeting the service hours.

ENGINEERING SERVICES DEPARTMENT

Position: Full Time Traffic Technician

Compensation: \$78,205

Online statistics provided by the Communications Division show a 77% increase in traffic related inquiries in 2018 as compared to the previous year. Staff have also reviewed emails received from the public and Council which show a 42% increase in email reports of traffic-related activity. In addition to the increase in public interest, the Engineering Department has a number of new transportation and traffic related initiatives, policies and studies to undertake including:

- The Transportation Master Plan identifies several areas of transportation and traffic deficiencies as well as recommendations for improvement to existing traffic challenges;
- The Active Transportation and Safe Roads Committee (ATSRC) was formed this year with a mandate to interact with the public on active transportation initiatives and vehicular traffic challenges. While the composition of this committee is mostly Clarington residents, staff will be required to support the committee by

attending meetings, providing expertise, implementing initiatives and events, and managing the budget;

- Acting on recent changes in legislation or policies regarding Pedestrian Crossings, Red Light Cameras, Automated Speed Control and increased awareness of safety in School Zones and Community Zones (planning to add several pedestrian crossovers (PXO) in 2019)
- Conducting reviews and studies for speeding, 4-way stops, parking restrictions and implementation of traffic calming techniques;
- Realizing the full potential of new equipment, such as radar boards (currently have six boards and have completed 300 installs/take-downs since 2013), Miovision and flex signs (piloted seven locations in 2018 and received positive feedback from the public and crossing guards – we would like to expand the program in 2019). This equipment has proven to be very effective for a variety of situations, however their usefulness is limited as we only have one staff member installing, relocating and managing this equipment;
- Consideration of 40 km/hr zones and School Zone Safety;
- Relieving congestion at school zones intersections and downtown areas; and
- Improving communications regarding road closures and improving awareness of impacts to commuter routes through ideas such as the online interactive traffic map.

Position: Full Time Development & Utility Technician

Compensation: \$86,765

The need for a Development & Utility Technician arises as a result of the following:

- In the past ten years, building permit values have more doubled yet no additional staff have been added to the development review team which has remained the same with one dedicated manager and two support staff that allocate roughly half of their time to development review and follow up during construction. Additionally, in the last few years the residential development component of the new building permits has been between 80% and 90% of the total building permit value which translates into a higher demand for staff time dealing with individual residents enquiries related to their new homes. Again, to date these increases have been managed with the same resources as the last ten years. The addition of the Development & Utility Technician will assist the department in meeting the

needs of the development and utility industry while also addressing the increasing demands of the public.

- One of the recommendations from the PEP process was increased involvement from the Engineering Department in the construction stage of site plan development applications. The review and construction inspection of proposed work being completed in the municipal right-of-way requires additional internal resources. The influx of development applications during 2016 (34) and 2017 (49) are now reaching completion. At this point in the project cycle, the inspections are required and are time-sensitive due to the release of securities.
- One of the Department's main goals is to improve the quality, clarity and turnaround time of development review input as well as reducing the turnaround time for submission reviews. While process improvements will help to achieve these goals, the quantity of work and additional effort require additional resources. For example, Site Alteration has become a major component for site developments that wish to start prior to the full site plan agreement being in place. This adds another level of review as in many cases the site alteration leaves the site in an interim state that requires a better level of review. This, in many cases, adds another task that staff have to manage that would normally be addressed with the full site plan development. This extra step requires additional staff resources.
- Lot grading is an area that has taken much more time to address and is a function of the number of building permits being undertaken as well as the public's inclination to be more involved in these matters than in the past. Responding to lot grading siting plan requests has been expanded to include information to the residents regarding their street frontage and identifying the proposed location of infrastructure above and below ground (driveway locations, street trees, utility boxes, valves, street lights, etc.) to assist new homeowners in their decision-making process.
- The number of Land Division applications has been increasing, and are expected to continue increasing. This is a time consuming process, and while not much input is provided from the public prior to the application approval, there is plenty of public input and demands of staff time once a building permit is issued.
- The Municipality has seen a significant increase in Municipal Consent (MC) requests (2016 to 2017 80% increase, 2017 to 2018 increase 20%) and related Road Occupancy permits which are individually reviewed by internal staff.
- Road Occupancy permits also require restoration inspection, which have not been completed as we do not have the staff resources. Currently, work is

inspected on a periodic basis or complaint driven. The MC requests also lead to an increase in resident inquiries and concerns which must be addressed on an individual and time-sensitive basis.

- The Department anticipates that the number of MC's will continue to increase for the projected Bell program, above and beyond typical MC requests. Rogers also has plans for upgrading their service with the installation of new fibre.
- Additional staff will provide the Department more opportunity for cross training which facilitates comprehensive coverage during vacation, more efficient customer service, and better co-ordination between department groups.
- Since the introduction of social media, customer service inquiries have increased significantly resulting in a higher demand on staff resources.

PLANNING SERVICES

Position: Contract Planner 2 – Development Review – Zoning By-law Update

Compensation: \$37,928 (2019) and \$61,669 (2020)

ZONE Clarington has progressed to the point that it has released the rural portion of the new Zoning By-law and hosted three Open Houses. Work has also commenced on the four urban areas of the municipality. The Planner 2 contract position that is currently assisting with this project expires on May 15, 2019. It is recommended that this contract be extended by 18.5 months to the end of 2020.

This position was originally funded through a reserve fund to commence in October 2015, and through under-filling, with a Planner 1, has been extended to May 15, 2019. The Planning Services Department anticipates that this position will be necessary until the end of 2020.

The levy impact is 75% of the annual contract amount (75% of \$50,570 in 2019 = \$37,928; and 75% of \$82,225 in 2020 = \$61,669). The balance (25%) can be funded through the Building Inspection Reserve Fund.

CAO'S OFFICE

Position 1: Full-time Programmer (through the merger of 2 part-time positions)

Compensation: \$204 (not a misprint)

The Tourism Division has experienced many staffing changes over the last four years. Inherently the part-time Clerk positions are entry-level jobs and cyclical in nature. Inevitably these positions end up changing as staff move on and seek other

opportunities. Over the last four years, the Division has seen six people cycle through the part-time Tourism Clerk role. This inconsistency is proving to be a challenge for staff to maintain the day-to-day operations; it is especially difficult during the very busy summer Tourism season. To solve this problem, achieve operational efficiency and stability, we are proposing to merge the part-time Programmer position with one part-time Clerk position.

EMERGENCY & FIRE SERVICES DEPARTMENT

Positions (6 in total):

4 Full Time Firefighters (\$100,405 each, total of \$401,620)

Full Time Prevention Inspection (\$122,020)

Full Time Training Officer (\$151,379)

The Fire Chief is requesting additional 4 firefighters, 1 additional Fire Prevention Inspector dedicated to Fire and Life Safety Education and 1 additional Training Officer. He has provided the following background information in support of his request:

- In 1987, the Municipality began hiring firefighters, progressively staffing Station 1 (Bowmanville) and Station 4 (Courtice) with day shift firefighters.
- In 1994 an agreement between the Municipality and Ontario Power Generation required hiring additional firefighters to staff Station 1 24/7 and Station 4 12/7. In time, Station 4 would also be staffed 24/7.
- With Stations 1 and 4 staffed 24/7, the total number of firefighters was 32.
- In 2003, a formal Fire Master Plan was commissioned highlighting the growth curve in Clarington, increased residential development and increased calls for service that impacted the demand on volunteer firefighters. This, along with future growth and the need to enhance the department's depth of response, illustrated the need for an increase in staffing with both full-time and volunteer firefighters.
- In 2008, a Fire Master Plan update recognized municipal growth influenced by Holburn Bio-Medical Science Park, Courtice Energy Park, Darlington Nuclear Plant refurbishment/expansion, the ITER project, Highway 407 expansion and Go Train expansion through Clarington. The update provided recommendations projected out to 2021 that included hiring 4 firefighters annually along with the construction and staffing of an additional fire station in 2019.

- In the fall of 2011, the Association (Local 3139) recommended that Council endorse a minimum staffing clause of 4 firefighters per fire truck. The Association referred to several documents and reports including: NFPA 1710- Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations and Special Operations to the Public by Career Fire Departments, NFPA 1720- Standard of the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments, The NIST Report and Operational Planning: An Official Guide to Matching Resource Deployment and Risk from the Office of the Fire Marshal.
- Several Reports were provided to Council addressing staffing fire trucks including ESD 003-11, ESD 004-11 and ESD 006-11.
- In 2011 full-time firefighters staffed Station 1 and Station 4 24/7 with a total of 32 firefighters.
- In February 2014, a full Master Fire Plan was provided to Council providing the Municipality with several recommendations to address the Office of the Fire Marshal's Three Lines of Defence: Public Education and Prevention, Fire Safety Standards and Enforcement and Emergency Response.
- With regards to Fire Prevention, the 2014 Fire Master Plan recommended hiring 2 additional Fire Inspectors and a dedicated Fire and Life Safety Educator within the first three years of the plan (2017) and an additional Training Officer to address the demand of sustaining the skillsets of 56 full-time and 125 volunteer firefighters in offensive and defensive fire attack techniques, search and rescue, forcible entry, ventilation, salvage and overhaul, emergency medical responses, water and ice rescue, hazardous materials response, automobile rescue extrications, low level rope rescue, awareness training in confined space, trench rescue, elevator rescue etc.
- With regards to the Public Educator and Training Officer, notes from Deputy Chiefs in charge of Prevention and Training are attached.
- With regards to Firefighters, the 2014 Fire Master Plan recommended staffing Station 2 (Newcastle) with full-time firefighters. In 2015, with the rebuild of Station 2 complete, 16 firefighters were assigned to staff Station 2 24/7.
- As of 2015, Station 1 was staffed with 20 firefighters, Station 4 was staffed with 20 firefighters and Station 2 was staffed with 16 firefighters with the additional 4 firefighters to be hired in 2016. The 2016 hiring of an additional 4 firefighters is outstanding and has led to the 2019 budget request.

- It should be noted a 2014 analysis by then Deputy Chief Berney, identified that it takes on average 5.2 firefighters to minimize firefighters' overtime and staff fire trucks with 4 firefighters after taking into consideration the total of vacation time, lieu days, sick days used and fire college assignments.
- Hiring an additional 4 firefighters in 2019 would make a total of 60 firefighters providing 24/7 protection at 3 stations in the following staffing model:
 - Station 1 – 1 Platoon Chief and 4 firefighters (5) per platoon
 - Station 2 – 1 Captain and 4 Firefighters per platoon
 - Station 4 – 1 Captain and 4 Firefighters per platoon
- Along with a minimum staffing practice of 4 firefighters per fire truck, the department would only have to rely on volunteer firefighters staffing one truck to secure a depth of response equal to 16 firefighters enhancing firefighter safety, operational efficiency and effective Incident Management. It is for this reason I am strongly urging the additional 4 firefighters.
- The fire department is a composite department, with 25 volunteer firefighters approved for each station. Volunteer firefighter hiring and retention is becoming increasingly more concerning in a community where a majority of the working population travels for employment limiting both their daytime availability and hours per day availability. In 2019, we will hire approximately 20 new volunteers to fill vacancies.
- Council determines the level of fire protection service to be provided. As Fire Chief it is my responsibility to interpret the ability of the department to respond using the collective response data and report to Council the service level provided and recommend changes when warranted.
- Industry standards suggest when faced with a moderate risk fire (single family, single storey residential dwelling) a minimum of 16 firefighters is required to arrive timely, provide an effective search to rescue and suppress a fire safely. Our current model that relies equally on full-time and volunteer firefighter numbers to staff fire trucks is not adequate.
- The characteristics of Clarington (611 square kilometers, 4 urban areas, several hamlets and a large rural area) will require the use of volunteer firefighters within Fire Services for many years. A fire response model that relies on a depth of response ratio of 3 on-duty full-time fire trucks and 1 fire truck staffed by volunteer firefighters with a minimum of 16 firefighters responding is required. To achieve this, hiring 4 additional firefighters is required.

- As the Director it is my responsibility to instruct, inform and supervise workers to protect their health and safety, to appoint competent persons as supervisors and to inform a worker, or a person in authority over a worker, about any hazard in the workplace and train that worker in the handling, storage, use, disposal and transport of any equipment, substances, tools, material, etc. Hiring 1 additional Training Officer is required to effectively deliver the requirements of the Occupational Health and Safety Act as it applies to nearly 200 employees of Emergency and Fire Services.
- Finally, the first line of defense is public education. Hiring 1 Fire Prevention Inspector dedicated to fire and life safety will coordinate the department’s public education efforts across Clarington, deliver effective public education to target demographics reducing the affects and losses caused by fire.

It is not recommended that these positions be filled at this time for the same reasons as were provided to Council in 2018. However, in 2017 and 2018 Council contributed to a future staffing reserve fund. It currently has a balance of \$249,557. It is recommended that this continue in 2019. An increased contribution of \$125,000 in 2019, 2020 and 2021 to the future staffing reserve fund would allow Council to hire full time fire staff without a significant levy impact in any one year. The following chart illustrates the proposed funding:

	2018	2019	2020	2021
Opening	\$ 124,557	\$ 249,557	\$ 499,557	\$ 374,557
Contribution	125,000	250,000	375,000	500,000
Withdrawal			(500,000)	(500,000)
Ending	\$ 249,557	\$ 499,557	\$ 374,557	\$ 374,557

CORPORATE SERVICES DEPARTMENT

Full Time IT Security Specialist

Compensation: \$105,000

This position was recommended in the IT Strategic Plan to be filled in 2018. It is not recommended that this position be filled at this time for the following reasons:

1. The IT Strategic Plan (2017 – 2022) and every other strategic planning document adopted by Council (e.g. Clarington’s Strategic Plan 2015 -2018, Official Plan (OPA 107), Indoor Recreation Facilities Development Strategy (2017), Asset Management Plan (2017), Transportation Master Plan (2016) and Master Fire

Plan from 2014) do not create any financial commitments. They all set out goals and objectives that Council wishes to pursue for the benefit of the community. Prior to making any financial investment in relation to any part of any Plan or Strategy, Council needs to assess the merits of the investment at the time that it is proposed.

2. In 2017, the Municipality obtained cyber-insurance risk for the first time at a cost of \$20,000. It covers privacy liability and business interruption (limit of \$500,000). A requirement for us to maintain this insurance for 2019/2020 at or near the same premium is the creation and implementation of a business continuity policy and procedure prior to the next renewal. There is a significant amount of work involved in developing this policy and procedure. The work is being done in-house by the IT Division (but was not reflected in the IT Project / Keeping Lights On List that was recently circulated to Council).
3. Through Report FND-015-17, Council directed that \$40,000 from Clarington's share of the Durham Municipal Insurance Pool surplus be spent in 2018 on a cyber-security assessment and a further \$15,000 be spent on cyber security training and education. The assessment concluded that the Municipality has an average risk rating in terms of internal network security, but is at high risk (below average) of unauthorized access from external sources.
4. No matter the amount of investment in in-house cyber security personnel, the greatest risk to the Municipality will always be our system's users. All of the cyber-security breaches of municipalities in Ontario that we are aware of are attributable to user facilitated breaches (i.e. phishing). Education therefor needs to remain a priority.