



## Finance Department Report

If this information is required in an alternate accessible format, please contact the Accessibility Coordinator at 905-623-3379 ext. 2131.

---

**Report To:** Special General Government Committee

**Date of Meeting:** January 29, 2018

**Report Number:** FND-001-18      **Resolution:** #GG-061-18, #C-028-18 & #C-029-18

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

**Report Subject:** 2018 Operating and Capital Budget

---

### Recommendations:

1. That Report FND-001-18 be received;
2. That Council approve the 2018 Operating Budget as outlined in Attachment #1, at an estimated tax levy impact of 1.15% (exclusive of tax policy impacts), as directed in FND-001-18;
3. That Council approve the 2018 Capital Budget as outlined in Attachment #1, at an estimated tax levy impact of 2.2%;
4. That Council provide direction on the remaining items listed as Priority "B" for consideration, as itemized in Attachment #2;
5. That Council provide direction on the grants for external agencies per their requests itemized in Attachment #3, at an estimated tax levy impact of 0.26%;
6. That the external agencies, referred to in Attachment #3, be advised of Council's decision regarding their grant request and be thanked for their delegation on January 26<sup>th</sup>, as appropriate;
7. That attachments outlining Reserve and Reserve Fund Contributions and new Reserve/Reserve Funds be approved as shown in the 2018 Draft Budget binder;
8. That approximately \$800,000 be drawn from the Rate Stabilization Reserve Fund to offset the tax rate impact;
9. That the financing of Capital projects, as outlined in the attached documents be approved;

10. 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;
11. That Report FND-001-18 be adopted by resolution in accordance with provisions of Ontario Regulation 284/09 of the Municipal Act, 2001;
12. That, subject to Council approval of the Streetlight LED replacement and the Parking Lot Rehabilitation Programs, identified in the 2018 Draft Capital Budget to be financed from debenture financing, that the Director of Finance/Treasurer be authorized to make application to the Region of Durham for the necessary debenture, such terms at the discretion of the Director of Finance/Treasurer; and
13. That the appropriate By-laws to levy the 2018 tax requirements for Municipal, Regional and Education purposes be forwarded to Council for approval, once final tax policy information is available.

## Report Overview

The purpose of this report is to provide necessary information to Council in order to approve the 2018 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 2018 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.

### 1. Overview

- 1.1 The 2018 Budget is outlined in detail in the Draft Budget documents circulated in conjunction with this report with important information summarized in the attachments to this report. The approximate 2018 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 1.25% is after assessment growth (growth is estimated at 3.05%). Every 1% increase in the Budget results in a tax increase of approximately \$13.76 for the average residential taxpayer for the local portion of the tax bill (based on average value of \$348,700). A 1% increase also translates to \$535,000 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 2018 returned roll, Clarington assessment splits sit at 91% for residential, farm and multi-residential and 9% for commercial and industrial properties.
- 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 2018, the net annual draw on reserves and reserve funds is approximately \$22.7 million (2017 - \$18.9 million) including \$800,000 drawn from the Rate Stabilization Reserve Fund to offset the tax levy. This includes capital and operating. The summaries for the reserves and reserve funds are included in the front section of the 2018 Draft Budget binder.
- 1.6 In our continued efforts to enhance public understanding and assist Council in their communications efforts regarding budget changes, there are a few additional attachments of note. Attachment #4 is the chart designed to show where tax levy funds are spent based on categories that reflect services provided rather than by department name. The chart is entitled "How each \$100 of the Clarington local levy is allocated in the

2018 Draft Budget". It does not include the Region of Durham or Education portion of the tax bill. For ease of understanding, the chart includes all base requirements and Option B and full external agency requests. The chart will be amended to reflect final budget decisions.

- 1.7 Attachment #5 is some comparative taxation information based on the final BMA study data.

## **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 remain for 2018. We have had stable financial results so the Rate Stabilization Reserve Fund continues to support this practice. It is too early to determine final financial results for 2017.

## **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 2018 update is anticipated to be presented to Regional Council in February 2018. 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. Some topics likely to be referenced include multi-residential properties, capping changes and vacancy rebates due to recent Provincial announcements in these areas and a reduced tax rate for the first \$50,000 of assessment on small-scale value-added commercial activities on farms.
- 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 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 been reduced for 2018. This results in tax policy impacts of lost revenue to Clarington of approximately \$96,500 which will be incorporated into the final tax rate by-law.

## **4. Staffing**

- 4.1 The Municipality has been and will continue to experience significant growth. Any staffing decisions need to have regard to the challenges and opportunities that come with this growth. Investments in staff should only be made after due consideration of the desired level of service and the economic impact of hiring a new staff member (ie. is there a business case that demonstrates greater efficiencies, increased revenues and/or reduced costs).
- 4.2 This year, Department Heads requested that a total of 13 new positions be added to the 2018 Operating budget. Planning Services, Engineering Services, Finance and Legal requested no additional staff.

- 4.3 At the Special Council meeting on November 17, 2017, the CAO indicated that he would be recommending that eight (8) of the 13 positions (four (4) full time and four (4) part-time) be included in the 2018 budget. As a result of the recently completed service delivery review for Animal Shelter Services, one (1) part-time position that was included in the November 2017 list is no longer recommended. The remaining seven (7) positions are as follows: IT Business Development Supervisor (Corporate Services), Community/Customer Services Manager (Community Services), two (2) Light Equipment Operators (Operations), part-time Building Services I (Operations), part-time Clerk II (Operations) and part-time Clerk II (Clerks).
- 4.4 The rationale for the creation of four (4) new full time positions and three (3) part-time positions is set out in Attachment #6 of this Report. The other five (5) positions that were requested but are not recommended are four (4) full time firefighters and one (1) full time IT Security Specialist.
- 4.5 The total cost of the recommended new staffing including salary and benefits is \$474,374. This represents a 1.1% increase to the overall cost of staffing.

## **5. Capital Budget Commentary**

- 5.1 The recommended impact on the tax base of the proposed Capital Budget is \$1,175,132 and is included partially in the Base Requirements in Attachment #1 and partially in Priority B in Attachment #2. It falls under the various categories due to the criticality of some of the individual capital items that make up the increase for 2018. The overall increase translates to a 2.2% tax levy impact. 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 3.61%, over 60% of the recommended increase is devoted to capital.
- 5.2 For Rural Roads, \$400,000 has been included with \$200,000 under base requirements as part of the Operations capital increase and \$200,000 has been included under Priority B. Should Council not select item #4 of Attachment #2, the \$200,000 in Attachment #1 would remain and result in a 0.37% increase dedicated to rural roads.
- 5.3 The capital recommendations are incorporated into the detailed Budget pages and details of capital projects, by department, are found in the Draft Budget binder.
- 5.4 Federal gas tax proceeds have been incorporated into the Draft Capital Budget at \$2,692,935. 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 \$1,162,894. This will increase to \$1,797,935 for the 2019 budget.
- 5.5 At the time of writing of this report, details on Phase II of the Investing in Canada Infrastructure Plan are not sufficiently available to incorporate projects at this time.

- 5.6 Finally, worthy of discussion pertaining to capital are two (2) projects where debenture financing is recommended, the Parking Lot Rehabilitation Program and the Streetlight LED retrofit. The parking lot rehabilitation program is a multi-year plan for which Council has approved base tax levy funding over the last several years. Due to the size of the work related to the RRC parking lot and fire station #1, it would take a number of years of the base tax levy funding having to be accumulated before any project could proceed. The recommendation is to debenture this large project and use approximately one half of the current base funding to repay the debenture, allowing the other half of the base funding to deal with smaller projects. With respect to the streetlight LED retrofit project, the return on investment on energy savings will ultimately fund the debenture required to undertake the project. There may be a time lag between the project work and the energy savings commencing that will have a tax levy impact until the full savings are implemented.
- 5.7 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. Also of note is utility costs. The Operating Budget impacts are detailed in Attachment #1 to this report. The first year known impact of Bill 148 has been incorporated for things like the minimum wage increase. The first year impact is estimated at \$305,000. There will be subsequent impacts in future budget years for the second phase of the minimum wage increase as well as the evolution of the other legislative changes as identified in COD-001-18 that was on the January 2, 2018 General Government Committee Agenda.
- 6.2 The election costs have also been incorporated into the 2018 budget with the corresponding funding from the Election Reserve set up for this purpose.
- 6.3 During Council budget deliberations in the 2017 budget, Council commenced contributing \$125,000 into a reserve fund for future staffing. Under Priority B, Council has the option of applying this towards 2018 staffing or generally towards the 2018 budget overall by reducing this contribution to the reserve fund. Council can also leave it as is whereby the contribution will continue into the reserve fund until a future decision is made.
- 6.4 Staff have endeavoured to find offsetting revenue increases and expense decreases to alleviate the tax levy impact. These efforts are reflected in items #1 through #32 of Attachment #1.
- 6.5 Several items have been referred to the 2018 Budget during the latter part of 2017. These are reflected on Attachment #2 and include item #18– Micro dog fencing and gates, item #19 – Tooley’s Mill Park electronic sign and item #13 – quench buggy rental, for Council’s consideration. All other items have been addressed through reports to Council.

- 6.6 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. Revenue increases for many departments, where possible, have been factored in and are reflected in Attachment #1.
- 6.7 For 2018, the Budget is reflecting no change to the Veridian dividends.
- 6.8 On the expense side, other items approved in 2017 having a direct bearing on the 2018 Budget is the position change approved per the IT Strategic Plan report in the amount of \$17,038 (item #38), the Clarington Board of Trade increase of \$9,900 (item #43 and memo under the CAO tab of the budget binder) and the last phase of the impact of the move to the ActiveNet software for recreation and facility booking of approximately \$59,200.
- 6.9 Also worthy of specific note is the Development Charges by-law incentives that need to be incorporated into the Budget due to uptake, particularly on the multi-residential side (item #54).

## **7. Debt Status**

- 7.1 Current projected annual debt repayment obligations for 2018 Budget purposes total \$3,403,277. This is comprised of debentures issued for Bowmanville Indoor Soccer, Garnet B. Rickard Recreation Complex, Community Care Durham space, the Newcastle Branch library (balloon year), 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 The total principal amount outstanding at January 1, 2018 is \$17,065,755. Anticipated new debentures in the course of 2018 based on Council approval would be an additional \$5,010,000. This is well below the Municipality's debt limit prescribed by the Ministry of Municipal Affairs.
- 7.3 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. Reserves 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 2018, there are several increases to the contributions that are recommended on Attachment #2.
- 9.2 The proposed transfers are items #5 through #9 and are focussed on fleet and facilities deficiencies.
- 9.3 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. They are summarized in Attachment #3 to this report. The increase in Budget requests for external agencies total \$138,505 for 2018 which is a 0.26% total municipal levy increase. Individual percentages vary widely from the 2017 approved grants. The agencies will be provided the opportunity to address Council on their 2018 requests on Friday, January 26<sup>th</sup>, 2018. A ten (10) year history of requests versus grants was circulated under separate cover.

## **11. Mayor's Golf Tournament and "For the Love of Art" Events**

- 11.1 As approved in the 2015 Budget, for the remaining term of Council, the net proceeds of the Mayor's Golf Tournament are to be directed to the Bowmanville Hospital Foundation in 2018. The "For the Love of Art" event net proceeds are divided equally between the Clarington Visual Arts Centre and The Gift of Art.

## **12. Citizen Survey for 2018 Budget**

- 12.1 As Council is aware, our first ever budget survey was undertaken in the fall of 2017 to obtain public input on priorities for the 2018 budget. It is important to note that the survey was specific to budget priorities rather than a typical satisfaction survey. The survey did not include an exhaustive list of services, but rather tried to focus on those most visible to the public. We also had to determine larger scale services for which we could track financially on a standalone basis.



- 12.2 Significant attempts were made to engage the public through many communication tools. There were 78 respondents. This is not a statistically valid result but is intended to generally inform Council. For future years, we hope to build momentum in participation as well as further enhance the level of detail for the types of services to be included in the survey.
- 12.3 Survey results were provided to Council at the Special General Government Committee meeting of November 17, 2017. Overall the public were very pleased to have the opportunity to participate in the survey. Strong support was shown in maintaining spending across the categories included in the survey. Those categories receiving the highest priority for increasing spending included roads maintenance, winter roads maintenance, recreation facilities and parks maintenance. You will see references for these service areas reflected in the 2018 staffing requests as detailed in Attachment #6.

### 13. 2018 Accrual Based Budget for PSAB per Ontario Regulation 284/09

- 13.1 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.
- 13.2 Accrual based expenses that are excluded from the 2018 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.
- 13.3 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 2018, but there are longer term implications.
- 13.4 The estimated change to the accumulated surplus at the end of 2018 resulting from the above items is as follows:

#### PSAB Additions to the 2018 Budget

Tangible Capital Asset Amortization	\$19,134,549
Post-employment Benefit Estimate	<u>\$ 512,111</u>
Total PSAB Additions	<u>\$19,646,660</u>

#### PSAB Reductions to the 2018 Budget

Tangible Capital Asset Acquisitions	(\$26,084,308)
Debt Principal Payments	<u>(\$ 2,983,855)</u>
Total PSAB Reductions	<u>(\$29,068,163)</u>

(Increase)Decrease in Accumulated Surplus (\$ 9,421,503)


## 14. Conclusion

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 2018 year.

## 15. Strategic Plan Application

The recommendations contained in this report conform to the Strategic Plan.

Submitted by:   
Nancy Taylor, BBA, CPA, CA,  
Director of Finance/Treasurer

Reviewed by:   
Andrew C. Allison, B. Comm, LL.B  
CAO

---

Staff Contact: Nancy Taylor, Director of Finance/Treasurer, 905-623-3379 ext. 2601 or  
ntaylor@clarington.net

### Attachments:

Attachment #1 – 2018 Base Requirements

Attachment #2 – Priority B Items for Consideration

Attachment #3 – External Agencies 2018 Requests

Attachment #4 - How each \$100 of the Clarington local levy is allocated in the 2018 Draft Budget

Attachment #5 – Comparable BMA Study Statistics

Attachment #6 – New Staff Recommendations for 2018

Municipality of Clarington  
 2018 Draft Budget  
 2018 Base Requirements

Attachment #1  
 to Report FND-001-18

Description	Amount
Revenue Increases:	
1	Preliminary Assessment Growth (1,629,477)
2	Increase in Investment Income (175,000)
3	Increase to Supplementary Taxation Revenue (50,000)
4	Increase in Linear Rights of Way Taxation Revenue (50,000)
5	Legal- increase in planning agreement fees (8,000)
6	Increase in Revenue re: OPG (5,000)
7	Net increase in Building Division Revenue (54,452)
8	Increase in Entrance Culvert Revenue (5,000)
9	Seniors Snow Clearing Fee Increase (4,500)
10	Facilities Revenue Increases (31,401)
11	Aquatic Program Revenue Increase (91,100)
12	Fitness Program Revenue Increase (40,000)
13	Recreation Programs Revenue Increase (37,000)
14	Sports Hall of Fame net Revenue Increase (14,300)
15	Increase to Planning Revenues (105,625)
16	55+ Program revenue increase (23,900)
17	Records Maintenance contribution from reserve (70,000)
18	Rural Road Signage contribution from reserve (293,740)
19	IT Risk Assessment contribution from reserve (40,000)
20	Election Reserve Transfer (294,474)
21	Increase in Parking R/F transfer for online payment charges (5,000)
	<hr/> (3,027,969)
Expense Decreases:	
22	Reduction in Energy Master Plan Savings transfer to R/F (1,137)
23	Reduction in transfer to tax write off reserve (50,000)
24	Reduction in transfer to election reserve (65,000)
25	Reduction in transfer re: health and safety documentation (2,500)
26	Reduction in transfer to ASO Reserve Fund (398,250)
27	Various communications and tourism savings (24,400)
28	NEER Surcharge removal (38,600)
29	Catch basin/guiderail/small reno savings (42,000)
30	Planning reduction in tax levy support to growth studies (55,000)
31	Reduction to Fire Maintenance accounts (10,000)
32	Minor Adjustments to Various Line Items (53,413)
	<hr/> (740,300)

Municipality of Clarington  
 2018 Draft Budget  
 2018 Base Requirements

Attachment #1  
 to Report FND-001-18

Description	Amount
Revenue Losses:	
33 Net Loss of Rental Revenue 132 Church St	10,031
34 Reduction in Penalty and Interest on Taxes	50,000
35 Reduction in Recovery from 407/Blackbird oper misc revenue	23,877
36 Reduced Rentals at RRC during floor replacement	26,500
	110,408
Expense Increases:	
37 Salary Negotiations, Grid Changes	788,964
38 Position changed approved per IT Strat Plan Report	17,038
39 Statutory Benefits	215,921
40 Extended Health	419,073
41 Municipal Election Salaries and Wages	147,328
42 Bill 148 Estimated Impact	305,000
43 Clarington Board of Trade Increase	9,900
44 Heat	1,033
45 Hydro	325,195
46 Water/Sewer	38,381
47 Debt Charges to match actual	18,000
48 Streetlighting Hydro and Maintenance	150,000
49 Playing Field Lighting	15,000
50 IT Capital	19,500
51 Engineering Capital	230,252
52 Operations Capital	417,000
53 Various Other Capital	40,880
54 DC Bylaw Incentives	100,000
55 Mayor and Council Travel	17,230
56 Communications community engagement application	580
57 Legal- tax levy share of OP Appeal costs	10,000
58 Post Employment Benefits	25,000
59 HR Legal	15,000
60 HR Service Charges	39,900
61 IT Software Maintenance- MS 365	108,000
62 IT Risk Assessment to be funded from reserve	40,000
63 Clerk's records digitization project funded from reserve above	70,000
64 Bylaw Enforcement costs for Trulls road location	9,500
65 Election Expenses net of salaries	147,146

Municipality of Clarington  
 2018 Draft Budget  
 2018 Base Requirements

Attachment #1  
 to Report FND-001-18

Description	Amount
66 Bank Service Charges	17,500
67 Fire Dispatch Contract	12,500
68 Fire Communications/Radio	10,000
69 Traffic Signal Regional increase	40,000
70 Annual Building Condition Assessments	10,000
71 Goose Management Program	15,000
72 Parks Grass Cutting	7,100
73 Parks Waste Disposal	13,000
74 Orono Arena Elevator Maintenance	4,500
75 Flame Resistant Textile Treatment at Hall Boards	10,000
76 Office modifications in Engineering and Finance	10,000
77 Emergency Tree Removal Increase	15,000
78 Forestry Block Pruning Increase	20,000
79 Seniors Snow Clearing Program	30,000
80 Line Painting- growth and bike lanes	20,000
81 Rural Road Signage funded from reserve	293,740
82 Community Services ActiveNet transaction fees	59,200
	4,328,361
Grand Total	670,500
Tax Levy Impact on Percentage Basis	1.25%

January-15-18

DN: Finance Admin/2018budget/2018 rate increase summary.xlsx

Municipality of Clarington  
2018 Draft Budget  
Priority B Items for Consideration

Attachment #2  
to Report FND-001-18

1 Reduction in transfer to Future Staff Reserve Fund	(125,000)
2 New Staffing Proposals	474,374
3 Engineering Capital	267,500
4 Operations Capital	200,000
5 Community Services Transfer to R/F	25,000
6 Increase to Municipal Capital Works Reserve Fund	40,000
7 Increase to Fire Equipment Reserve Fund	50,000
8 Increase to Facilities Maintenance Reserve Fund	25,000
9 Increase to Operations Equipment Reserve Fund	25,000
10 Engineering Admin Studies-tax levy component- North newc drainage :	18,500
11 Engineering- Safe Roads/Active transportation program	13,500
12 Dust Control Increase	6,000
13 Quench Buggy Rental	20,000
14 Fleet GPS Update	7,000
15 Canada Day Event and Fireworks	31,500
16 Various Community Improvement Program Changes	4,000
17 Heritage Grant Incentive	1,000
18 Micro Dog fencing and gates	12,000
19 Tooley's Mill Park Electronic Sign	28,000
	<hr/>
	1,123,374

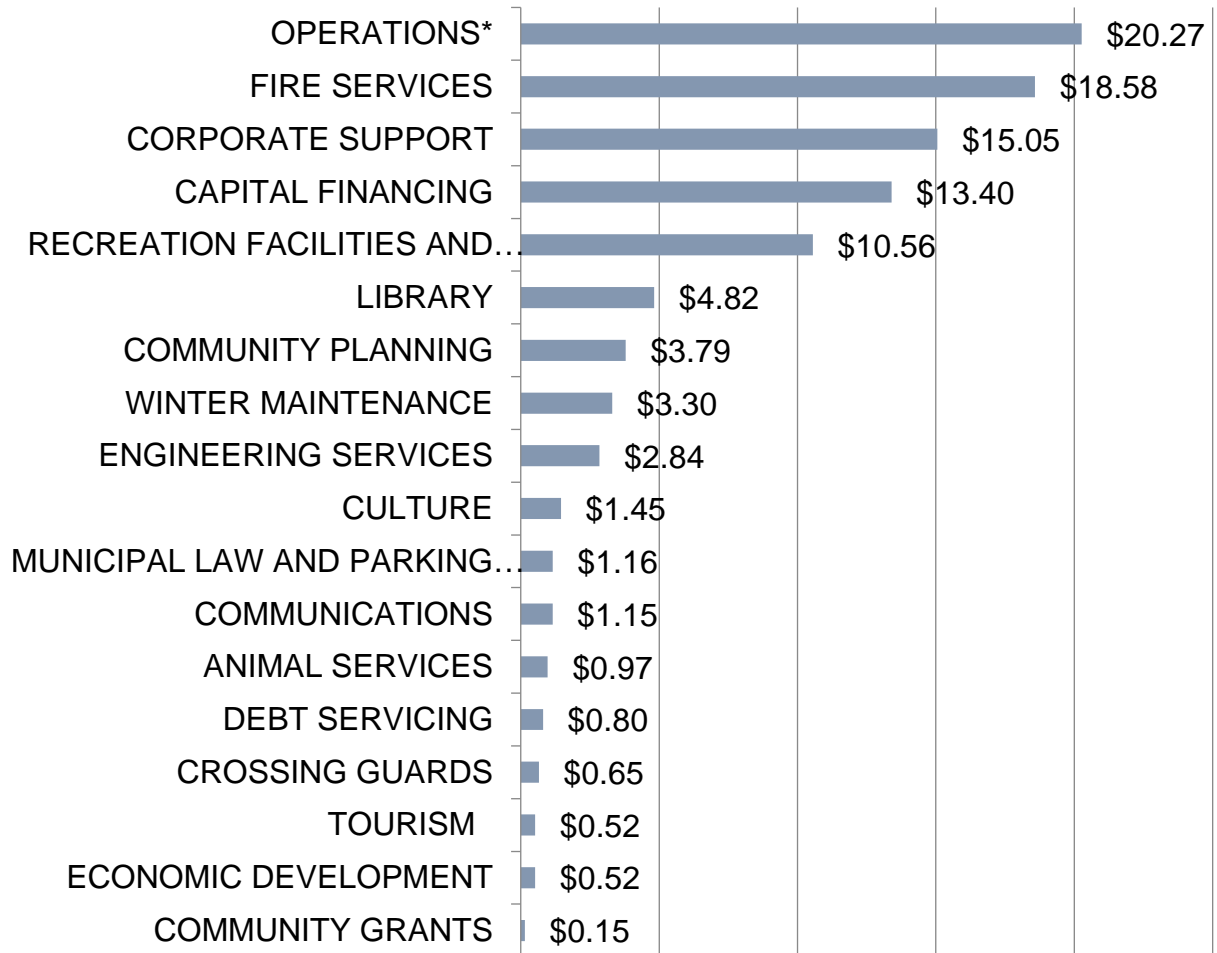
January-15-18

DN: Finance Admin/2018budget/2018 rate increase summary.xlsx

Municipality of Clarington External Agencies - 2018 Requests				
	2017 Approved	2018 Request	Increase (\$)	Increase (%)
Clarington Public Library	3,016,710	3,084,313	67,603	2.24%
Clarington Library- Capital Tax Levy	114,176	114,176	-	0.00%
Bowmanville Older Adult Association	260,100	314,502	54,402	20.92%
Clarington Museums	282,643	282,643	-	0.00%
Visual Arts Centre	210,848	210,848	-	0.00%
John Howard Society / Firehouse Youth	61,200	65,200	4,000	6.54%
Community Care Durham	40,500	50,000	9,500	23.46%
Newcastle Community Hall	22,000	20,000	(2,000)	-9.09%
Orono Cemetery Board	10,000	15,000	5,000	50.00%
	4,018,177	4,156,682	138,505	
Percentage Increase on Municipal Tax Levy			0.26%	

dn: FinanceAdmin/2018 budget/2018 rate increase summary.xls  
15-Jan-18

### How Each \$100 of Clarington Local Levy is Spent in 2018 DRAFT Budget



\* INCLUDES ROADS, PARKS, CEMETERIES, BUILDINGS,  
STREETLIGHTS & SIDEWALK MAINTENANCE ETC.



## Property Taxes as a Percentage of Income

Municipality	2017 Average Residential Taxes	% of Household Income	Relative Ranking
Milton	\$3,433	2.7%	Low
Halton Hills	\$4,162	3.2%	Low
Caledon	\$4,931	3.6%	Low
Newmarket	\$4,461	3.6%	Low
Clarington	\$4,139	3.7%	Mid
Whitby	\$4,925	3.9%	Mid
Niagara Falls	\$3,118	4.0%	Mid
Pickering	\$5,157	4.2%	High
Oshawa	\$4,399	4.9%	High

## Property Tax Comparisons Detached Bungalow – 2017

Municipality	2017 Property Taxes	Relative Tax Burden
Milton	\$3,192	Mid
Niagara Falls	\$3,259	Mid
Clarington	\$3,402	Mid
Halton Hills	\$3,503	Mid
Newmarket	\$3,748	High
Caledon	\$3,824	High
Whitby	\$4,307	High
Oshawa	\$4,390	High
Pickering	\$4,947	High
Average – overall	\$3,346	Mid
Average – population 30,000-99,999	\$3,500	
GTA Average	\$4,035	

## Property Tax Comparisons 2 Storey Home – 2017

Municipality	2017 Property Taxes	Relative Tax Burden
Milton	\$3,763	Low
Caledon	\$4,380	Mid
Clarington	\$4,432	Mid
Niagara Falls	\$4,551	Mid
Halton Hills	\$4,583	Mid
Newmarket	\$4,737	Mid
Whitby	\$5,134	High
Oshawa	\$5,220	High
Pickering	\$5,581	High
Average – overall	\$4,503	
Average – population 30,000 - 99,999	\$4,716	
GTA Average	\$4,808	

## Property Tax Comparisons Senior Executive Home - 2017

Municipality	2017 Property Taxes	Relative Tax Burden
Milton	\$4,645	Low
Clarington	\$5,398	Low
Caledon	\$5,405	Low
Newmarket	\$5,983	Mid
Niagara Falls	\$6,018	Mid
Halton Hills	\$6,338	Mid
Oshawa	\$6,421	Mid
Whitby	\$6,495	High
Pickering	\$6,949	High
Average – overall	\$6,267	
Average – population 30,000 - 99,999	\$6,143	
GTA Average	\$6,683	

## **New Staff Recommendations for 2018**

### **Corporate Services Department**

#### **IT Business Development Supervisor (Full Time - \$103,222 salary and benefits)**

This new position was identified in the “Recommended 2017 Restructured IT Division” shown in the Information Technology Strategic Plan (2017 – 2022). The primary responsibilities of the position would include large system project management, business analysis, process and workflow documentation and software contract management. It is recommended that this position be filled for the following reasons (most of which were identified in the IT Strategic Plan):

1. There is pent-up demand for new technology solutions. Legacy applications, work-arounds, spreadsheet and paper-based manual processes no longer meet corporate needs or expectations.
2. There is no formal process for documenting and prioritizing IT projects. To date, solutions have been sought by individual departments, often with little awareness of similar needs in other departments.
3. IT is acting as a utility provider, but not as a partner in the identification and optimization of technology. Departments want advice on new technologies, but the IT resource has little time for research and strategizing.
4. The consultants noted that the “problem for Clarington is that the demand for major business systems exceeds the current capability and capacity of the IT organization to support the research, acquisition, implementation and sustainment of big systems”.
5. The consultants identified the following as key areas for solutions that will enable business improvements:
  - Complete Upgrades in Flight – GP 2016 Financials, Active Net Recreation Management, CityWide Works
  - Planning, Engineering (LDO), Licensing and By-law System, Document Management System – workflow and mobile
  - Automations – purchasing, accounts payable, accounts receivable, staff scheduling
  - Customer Relationship Management – customer service and issues tracking

6. The new position is needed to successfully implement these major business systems in a timely and coordinated manner which will promote greater efficiencies across the entire organization.

### **Operations Department**

#### **Two (2) Light Equipment Operators (Full Time – \$70,173 each salary and benefits)**

Report OPD-001-18 provided most of the rationale in support of the request for two (2) additional Light Equipment Operators. Essentially that report described how these two (2) positions will enable the Municipality to maintain service at the level required by Ontario's Minimum Maintenance Standards.

With residential expansion in Courtice, Bowmanville and Newcastle and the addition of 40 kilometers of roads over the past four (4) years and the addition of 24 new kilometers by 2019, staff are recommending two (2) additional Light Equipment Operators. With this expansion of the road network, one (1) winter maintenance route needs to be added in early 2018 and a second one by October 2018 will have to be incorporated to meet our existing service levels. These new positions would therefore not reduce overtime during the winter months since they would be part of the winter maintenance response network.

These new staff could assist with Emerald Ash Borer, pruning and forestry requests, ditching, patching, park related activities, cemetery activities, shoreline emergency response and community rinks start up. There will be opportunities to reduce overtime in the cemetery and park maintenance from May to November with flex scheduling.

#### **Part-time Building Services I (\$29,366 salary and benefits)**

The Building Services Division has evolved with the growth of the Municipality over the last 25 years. Increased work load that has affected the Division as follows:

- Newcastle Branch Library - previous site was leased - no building envelope or plant requirements prior
- Newcastle Fire Station 2 - previous site was part-time, new site is full time and has full complement of various HVAC, BAS, fire and life safety systems
- Depot 42
- Clarington Fields
- 2611 Trulls Road - previously leased
- Asbestos Management program as legislated under OHSA - management and maintenance of 22 sites
- AODA
- PAD program coordination for 20 sites
- Safe Drinking Water act and regulations
- Working at Heights certifications

- Staffing increases at MAC - 25% which results in more support requests
- Addition of service contracts for elevators - CBC, Orono Arena, Solina Community Centre
- Management of photo IDs/access cards for five (5) sites - 300 plus employees
- Space management at the MAC

Future demands on the Division will include those in relation to the Camp 30 property.

The addition of a part-time Building Services I employee would create the following efficiencies:

- Increased capacity to complete work in house
- Small roof replacements
- Reassignment of one (1) employee back to Parks
- City Wide implementation
- Security and access control system administration of municipal buildings
- Reduction in overtime by an estimated \$6,000
- Meet demands of new space if approved
- Meet demands of Camp 30 property when it is transferred (funded through the Camp 30 agreement)
- All building structures would fall under Building Services

#### **Part-time Clerk II (\$34,465 salary and benefits)**

The current Clerk II has been assigned with developing and implementing new software and will be required to dedicate their time to City Wide; Active Net; Workforce and Sign Reflectivity. We also require their expertise in claims handling.

A new Clerk II would be relieving duties such as:

- Accounts Payable for roads division, including processing of Master Card statements and employee expense claims. This involves review of invoices, verify amounts and assign account number for approval.
- Preparation of e-requisitions as required by Supervisors.
- Prepare spreadsheets to track winter sand/salt; gravel; etc.
- Accounts Receivable for winter snow clearing invoicing to developers as well as MVA's.
- Electronic filing of worksite inspection forms from Supervisors.
- Provide assistance to Supervisors as requested by typing letters, notices, photocopying, filing, etc.

All four (4) of the above recommended positions will allow the Department to maintain a high level of customer satisfaction.

## **Community Services Department**

### **Community/Customer Services Manager (Full Time - \$132,510 salary and benefits)**

The Community Services Department has maintained its current management structure since 2003. At that time, Recreation Services was responsible for Aquatic, Youth and Fitness programming only, with 127 part time staff, approximately \$700,000 in municipal program revenues, and operating expenses of approximately \$950,000.

Over the years, additional responsibilities were assigned to Recreation Services, which include Community Development, Customer Service, ACTIVE Recreation Software, Municipal Special Events, Sponsorship Program, Financial Aid Program and Older Adult Programming.

By comparison, the Recreation Services portfolio is currently responsible for approximately 260 part time staff, generates approximately \$2.2 million in revenues and has operating expenses of approximately \$3.1 million. This demonstrates significant growth not only in volume but in added responsibilities that have been assigned to the Department over the last 15 years.

There is no reason to expect this trend to change as Recreation Services continues to experience unprecedented growth year after year. Participatory statistics indicate registrations are increasing by the thousands each year, and as our community continues to evolve, pressure for more recreational and social programming will prove more prevalent.

The proposed Community/Customer Services Manager will assume responsibility for all aspects of Community Development in addition to Customer Services initiatives, specifically identified as follows:

#### **Community Development**

Sponsorships / Grants  
Special Events / Workshops  
Community Group Support  
Inclusion  
Diversity  
Integration  
Financial Aid

#### **Customer Services**

ACTIVE Recreation Software  
Customer Services Desks  
Community Guides  
Facilities Permitting  
Clerical Support Services

The Department restructuring and resulting creation of this new position provides a platform to accommodate the Department's growth into the foreseeable future, and realigns departmental responsibilities into a more realistic structure.

## **Clerk's Department**

The Clerk's Department initially requested that two (2) part-time positions be filled, but recognized that one (1) of the positions was dependent upon the outcome of the service delivery review for Animal Shelter Services. The results of that review are set out in Report CAO-001-18. Based on the review, it was determined that efficiencies could be obtained through a reclassification and reorganization within the Department. These changes will eliminate the need to hire additional staff in Animal Shelter Services at this time.

### **Part-time Clerk II (\$34,465)**

The Clerk's Department is having difficulty providing reception coverage at the MAC, especially at lunch times and during sick or vacation days. It is difficult to provide counter coverage and while meeting *Employment Standards Act* and collective agreement requirements regarding breaks and lunches. These challenges are primarily due to three (3) reasons: increase in volume of counter and telephone interactions, shift to two (2) standing committees of Council, and the MLE Division move to Trulls Road location.

The number of service interactions (at the counter or on the telephone) at the MAC is increasing. There was a 43% increase between 2016 and 2017.

Where the Committee Coordinator historically had provided regular daily counter and telephone support, since the shift to the two (2) standing committee structure, the increased workload for Committee related work has resulted in the Coordinator only being available to assist in extreme circumstances.

There was already an increased volume of customer service encounters (phone calls and counter work) prior to Municipal Law Enforcement moving to Trulls Road, however there were three (3) clerks (Vital Statistics Clerk; Lottery Licensing Clerk; and By-law Clerk) for coverage when everyone was in the same building. Despite the three (3) staff, there were still instances where the Committee Coordinator or the Administrative Assistant to the Clerk was called upon to assist with coverage.

The Department is experiencing a similar situation in the Municipal Law Enforcement Division at Trulls Road, where there are no other clerical persons other than the two (2) By-law Clerks (as the expectation is that the officers should be performing their enforcement duties out of the office as much as possible). If one (1) of the By-law Clerks is away sick or on vacation, the result is that the other Clerk ends up working all day with no breaks or lunch. To mitigate this, we have been trying to "lend" the Lottery Licensing Clerk to cover lunches at Trulls Road, however there is a cascading effect on the MAC coverage which results in pulling the Committee Coordinator off her duties to assist with coverage.

Vacation coverage at the MAC needs to happen for 35 days out of the year and 30 days at the Trulls Road location.

Hiring a part-time Clerk II (24 hours per week) will provide coverage between 10:00 AM and 2:30 PM Monday to Thursday, and 10:30 to 4:30 on Fridays (typically the busiest day for marriage licenses, etc.). The person would primarily provide coverage at the MAC for lunches. Additionally, the person would shift over to Trulls Road to provide coverage where needed there. This will free up the Committee Coordinator and Administrative Assistant to focus on Council/Committee related duties.