Special City Council Meeting Agenda

Consolidated as of March 1, 2019

Tuesday, March 5, 2019 – 2:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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Changes to the original agenda have been highlighted.

Open Meeting – 2:00 p.m.

Disclosure of Pecuniary Interest and General Nature Thereof

Special Council – Council Deliberations and Approval of Tax Supported Operating Budget

CS-2019-06 **2019 Tax Supported Operating Budget**
(Referred from the February 7, 2019 Special Council Meeting – Presentation of the Tax Supported Operating Budget)
Staff Memos:

1. **2019 Tax Rate Mitigation Options – Council Consideration**
2. **2019 Proposed One-time Operating Reserve Transfers**

Correspondence:
Andy Rees
Elizabeth Fontaine
Shawn Fitzgerald, Vice-President, Procurement & Workplace Services and Barbara Turley-McIntyre, Vice-President, Sustainability & Citizenship, The Co-operators Group Limited
Susan Watson

Recommendation:

1. That the 2019 tax supported operating budget be approved with a property tax increase net of assessment growth of 3.93 per cent over 2018 and a property tax and payment-in-lieu of taxes levy of

$243,330,620 inclusive of the following:

a) a departmental base operating budget including user fee increases, totaling an increased net levy requirement of $2,427,604 or 1.04 per cent.

b) capital financing and general revenues including a 1.00 per cent dedicated infrastructure levy, totaling an increased net levy requirement of $3,867,656 or 1.65 per cent.

c) a local boards and shared services operating budget, totaling an increased net levy requirement of $1,568,904 or 0.67 per cent.

d) Council in-year decisions totaling an increased net levy requirement of $2,247,886 or 0.96 per cent.

e) Increased assessment growth revenue of $3,700,000 or 1.58 per cent.

f) Department growth budget requests totaling an increased net levy requirement of $1,274,905 or 0.54 per cent.

g) local board growth budget requests totaling an increased net levy requirement of $558,200 or 0.24 per cent.

h) department service enhancements and service review requests totaling an increased net levy requirement of $1,030,800 or 0.44 per cent.

i) a departmental base operating budget reduction for 2019 NUME compensation of $75,300 or 0.03 per cent.

j) reserve and reserve fund transfers (page 120 to 127) in the tax supported operating budget.

2. That the proposed user fees posted at https://guelph.ca/city-hall/budget-and-finance/city-budget/2019-proposed-budget/ be approved and enacted through by- law.

3. That a new Rental Property Reserve to align City-owned rental property revenue with associated maintenance and capital expenditures be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.

4. That a new Parking Capital Reserve Fund to support the Council approved Parking Master Plan financial model be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.

5. That the 2019 Downtown Guelph Business Association budget with gross expenditures of $673,910 and a total levy of $630,000 be approved.

CS-2019-36 **Budget Impacts per Ontario Regulations 284/09 and Budget Public Sector Accounting Standards Reconciliation**

Recommendation:

That report CS-2019-36 Budget Impacts per Ontario Regulation 284/09 and Budget Public Sector Accounting Standards Reconciliation be approved.

Special Resolutions

By-laws

Resolution to adopt the By-laws (Councillor Hofland)

"That By-Law Numbers (2019)-20382 to (2019) 20384, inclusive are hereby passed."

By-law Number (2019)-20382	A by-law to impose user fees or charges for services or activities relating to Public Services, Infrastructure, Development and Enterprise Services, Corporate Services and the Office of the Chief Administrative Officers.
By-law Number (2019)-20383	A by-law to adopt the budget for all sums required during the year 2019 for the purposes of the Municipality of the City of Guelph.
By-law Number (2019)-20384	A by-law to confirm the proceeds of the meeting of Guelph City Council held March 5, 2019.

Adjournment

INTERNAL MEMO

DATE	March 5, 2019
TO	**City Council**
FROM	Tara Baker, CPA, CA, City Treasurer and GM Finance
SUBJECT	**2019 Tax Rate Mitigation Options – Council Consideration**

Executive Summary

Council requested that staff review the proposed 2019 operating budget (the Budget) and present options to reduce the property tax increase. Staff has identified options for Council's consideration that do not affect current service levels. Staff does not recommend these options as they increase the amount of risk in the Budget and could result in a City deficit. The staff-proposed Budget contains an element of risk that was highlighted on page 10 of the staff report CS-2019-06 2019, entitled Tax Supported Operating Budget. The City's operating surplus has been at a responsible and reasonable level for the past three years, and any downturn in the economy could quickly see that positive variance evaporate.

As Council deliberates on the budget, it is important to remember that a thriving City administration providing excellent municipal services to the citizens comes at a cost. Service enhancements and addressing past Council decisions on capital investment cannot be limited to the cost of inflation. Council has made many decisions with a forward-looking lens in this Budget, and it is time to be bold and ensure future generations are not saddled with unreasonable tax increases.

The nine options outlined in this memo for Council's consideration could decrease the property tax levy increase to 3.38 per cent. This would mean a total tax levy and payment-in-lieu of taxes of $245,741,560, including assessment growth. The reliance on City reserves throughout the year would increase and this could have a negative impact on the City's well-earned credit rating if reserves are depleted. The table below summarizes the options for Council consideration.

	2019 Budget Adjustment	2019 Levy Impact
Historical Surpluses		
Increase supplementary taxation revenue	($105,000)	(0.04%)
Reduce Local Boards budgets	($200,000)	(0.09%)
Commodity Items		

	2019 Budget Adjustment	2019 Levy Impact
Reduce fleet fuel budget – budget fuel price at 2018 cost/litre)	($100,000)	(0.04%)
Increase commodity revenues in Solid Waste	($300,000)	(0.13%)
Corporate Revenues and Expenses		
Actual Assessment Growth	($71,060)	(0.03%)
Increase Blue Box Program Grant in Solid Waste	($41,000)	(0.01%)
Reduce Office of the CAO budget	($72,000)	(0.03%)
Corporate Legal and Insurance		
Reduce risk management expense budget	($200,000)	(0.09%)
Reduce corporate insurance expense budget	($200,000)	(0.09%)
Total Reductions for Council Consideration	**($1,289,060)**	**(0.55%)**

These options, discussed in more detail below, represent risks to the corporation that a deficit may materialize in 2019 and inadvertently cause pressure on the 2020 budget. Council needs to be aware that, if it were to approve any of these strategies and deficits occur because of these Budget lines, service provision will continue at normal levels and reserves will be utilized to fund negative variances.

Perennial Surplus Drivers

The chart below outlines the tax supported surplus position for the past five years and the third quarter projected 2018 year-end position.

Surplus/(Deficit) Summary						**Projected**
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
City Departments	($1,189,000)	($5,339,766)	($3,705,277)	($1,942,677)	502,860	$225,500
General Revenues and Capital Financing	($427,000)	1,399,035	1,292,809	2,668,753	1,628,957	$1,105,000
Local Boards	195,000	563,556	726,036	369,077	279,280	$100,000
Shared Services	2,138,000	2,282,148	2,829,555	1,984,787	1,135,098	$0
Total	717,000	($1,095,027)	1,143,123	3,079,940	3,546,195	$1,430,500
% of Net Operating Budget	0.4%	(0.6%)	0.6%	1.4%	1.0%	0.6%

It is important to note that the City has not been experiencing significant surplus budgets over the five-year history. City departments have only had two years of surplus budgets, including projected 2018, and, as a result, staff is very cautious about Budget mitigation options for the City departments. A variance of plus/minus one per cent is a very reasonable year-end position and confirms responsible budgeting practices. Staff review year-end variance positions in the development of subsequent budgets to ensure that budgets continually reflect actual experience.

In response to Council's request for mitigation options, staff has reviewed key drivers of the surpluses. Supplementary taxation revenues, Local Boards and Shared Services have resulted in positive variances over the last five years.

<u>Supplementary taxation revenue – Council could increase $105K to reduce tax levy by 0.04 per cent</u>

- The 2019 Budget was already increased by $295K bringing the total supplementary tax budget to $3.495 million. The adjustment as proposed would bring supplementary taxes to $3.6 million.
- The City tax team has been working closely with MPAC over the last three years to clean up historical issues and build a stronger assessment base. This has led to higher than normal supplementary tax revenue being realized from 2016 through 2018.
- These revenues are not sustainable and increasing the budgeted supplementary revenues should be done with extreme caution.
- Risk – If growth slows, assessment growth and supplemental taxation would also be lower, which will place further pressure on the property tax budget.

<u>Local Boards Budget – Council could reduce by $200K to reduce tax levy by 0.09 per cent</u>

- Guelph Police Services (GPS) has realized a surplus annually over the past five years and had projected a surplus of $100K as at Q3 2018. The average surplus over that time is $365K.
- Guelph Public Library (GPL) has been just under or over budget at year-end for the past five years and had projected to be on budget as at Q3 2018.
- GPS submitted a base operating budget over the target of 3 per cent as recommended by City staff to all Local Boards and Shared Services partners. GPL submitted at budget at the 3 per cent targeted level.
- Council has approved a mandated gapping target for City departments of $1.8 million (or 1.87 per cent of total tax supported compensation); Council does not require the same from the Local Boards (GPS or GPL).
- Council could make the decision to approve a gapping target for each of the Local Boards to be consistent in expectation of all service delivery agencies within City control. A 1.87 per cent gapping target for GPL would be $71,000, and for GPS it would be $550,000, for a total potential reduction of $621,000.

- Staff were unsure if this level of gapping was achievable and, therefore, included $200,000 total for the Local Boards for consideration.
- Risk – a deficit could materialize placing further pressure on future budgets and reserves.

Shared Services Budget (County of Wellington) – No change feasible

- The average surplus over the last five years is $1.8 million.
- The City strategically under-budgeted the County in 2018 by $696K and has continued to under-budget in 2019 by $450K. Further, City staff have proposed utilizing $130K of the Social Housing Contingency Reserve to reduce the 2019 tax impact of this budget.
- Pursuant to discussions with the County, changes to budgeting practices at the County will result in year-end results that are more reflective of budget. City staff believe this under-budgeting practice is not sustainable and would not support an option to further under-budget this service.

Commodity Items

Expenditures and revenues that have risk associated with them due to the fluctuating commodity market are supported through the Environment and Utility Contingency Reserve #198. The estimated 2018 year-end balance of this Reserve is $2.4 million, which is approximately $1 million underfunded based on the target approved by Council.

Fuel – Council could reduce by $100K to reduce tax levy 0.04 per cent

At the time of setting the 2019 Budget, an inflationary increase of five per cent was used for fuel, given that prices are trending higher and energy analysts are projecting higher prices at the pumps.

- Currently, as at the end of 2018, the corporate fuel cost deficit is $10,700.
- The fuel budget could be reduced by up to $200K, which would put the budgeted fuel and diesel prices at the 2018 budgeted cost per litre (unleaded fuel $1.03/litre and clear diesel $1.05/litre).
- Risk - a deficit could materialize along with increased pressure on the 2020 operating budget.
- Environmental impacts that affect fuel prices include:
    - Changes in world crude oil prices
    - Availability of supply to meet demand
    - Local competition among retailers
    - Seasonal demand, i.e., the annual spike in demand for gasoline during the summer driving season
    - Inventory levels
    - World events such as wars or severe weather disasters (e.g., hurricanes) and local events such as refinery breakdowns

Road Salt

The 2019 proposed budget is slightly lower than the five-year actual costs. Due to recent weather patterns, salt is in short supply and prices are likely to increase. Therefore, staff believe decreasing the budget for road salt would lead to a guaranteed negative variance and is, therefore, not included as a viable option.

<u>Solid Waste – Commodity Sales – Council could increase revenue by $300,000 to reduce tax levy by 0.13 per cent</u>
Council is aware that the sale of recyclable material on the open commodity market is an extremely volatile revenue stream. Due to the current international market conditions and ongoing work to retool the Material Recovery Facility to facilitate rerun strategies on the fiber and container side within current staff complement, the proposed 2019 budget has recyclable material sales budgeted at the minimum projected amount.

The City has just turned a corner at Solid Waste Resources (SWR) and the operation and budget have been right-sized. The proposed budget balances needs and risks.

Council could direct staff to budget at the 25th percentile, thus increasing the revenue budget by $300,000. Staff caution that this is very risky, and it would be imperative that Council transfer a portion of the 2018 SWR surplus to the Environment and Utility Contingency Reserve #198 to provide a funding source should the revenue not materialize and an operating deficit occur.

<u>Corporate Revenues and Expenses</u>
Corporate revenues and expenditures generally have risk associated with them due to the reliance on outside agencies, customers and economic factors. These risks are mitigated through the Tax Rate Operating Contingency Reserve #180. The estimated 2018 year-end balance of this reserve is $6 million, which is approximately $2 million underfunded based on the target approved by Council.

<u>Assessment Growth Revenue – Increase by $71,060 to reduce tax levy by 0.03%</u>
- Reflect the actual assessment revenue
- 2019 budget was estimated and entered in as $3.7 million
- Actual assessment growth in 2018 based on the 2019 assessment roll is $3,771,060

<u>Solid Waste – Blue Box Program Grant – Council could increase grant revenue by $41,000 to reduce tax levy by 0.01 per cent</u>
Stewardship Ontario pays 50 per cent of net costs and the grant payment is received based on the average of the previous three years' data submitted. Therefore, the budget was set based on the three-year average grant funding received; however, given the timing, 2018 data are now available. This revenue line could be increased by $41,000 to a total of $1.232 million to bring it in line with the updated three-year average.

There is a potential that the grant may increase in 2019 above the budgeted increase based on the most recent data call and the grant payment calculation, which is an unknown to municipalities. Budgeting on a three-year average is a sound methodology today.

CAO Budget – Council could reduce CAO Budget by $72,000 to reduce tax levy by 0.03 per cent
Historically, the budget for the CAO's Office has not been fully spent and, therefore, a reduction of $72,000 could be accommodated by adjusting existing resources. There is minimal risk with this reduction and the Executive Team is confident that projected 2019 workload can still be accommodated.

Corporate Legal and Insurance

Corporate legal and insurance costs have risk associated with them due to the unknown and variable claim experience as well as the City's insurance loss ratios. These risks are mitigated through the Legal and Insurance Reserve #193. The estimated 2018 year-end balance of this Reserve is $2.7 million, which is at the target approved by Council.

Risk Management – Council could reduce the risk management expense by $200,000 to reduce tax levy by 0.09 per cent
The purpose of this budget is to cover the cost of insurable claims that are below the City's deductible. During the 2018 budget, this line item was reduced by $100,000 to bring the budget to $416,600 because of improved claims management. The budget could be further reduced by $200,000 with the understanding that, should external insurable claims increase, the account may be over spent in any given year and a transfer from the Legal and Insurance Reserve would be required.

Corporate Insurance – Council reduce insurance by $200,000 to reduce tax levy by 0.09 per cent
Annually, the City negotiates the insurance coverage and cost with the insurance provider. The negotiations in early 2019 have provided lower insurance costs than expected and, therefore, a budget reduction of $200,000 is possible. However, insurance rates are volatile and are impacted by City loss ratios, which have been trending positive in recent years. Should the trend change, rates are likely to rise and create additional pressure in future years. In addition to local loss ratios, the cost of insurance may also be affected by regional or national events that cause increased loss ratios such as ice storms, wildfires, and flooding.

Summary of Possible Council Considerations

If Council was to approve all items discussed above, the property tax increase could be reduced by 0.55 per cent. Staff does not recommend these options to Council, given that they will increase the amount of risk in the Budget and the City may end up in a deficit at year-end. The City has done excellent work over the past several years to increase reserve and reserve funds by funding these when year-end surpluses have occurred. Many balances continue to trend below the recommended target. The City's operating surplus has been at a responsible and reasonable level for the past three years, and any downturn in the economy could quickly see that variance evaporate. Reductions in the reserve and reserve fund balances could lead to concerns about the City's credit rating as well, depending on the significance of the deficit.

If Council were to incorporate the above changes, the property tax levy increase would be reduced to 3.38 per cent. The reliance on City reserves throughout the year would increase and the risk of a year-end deficit will also increase.

INTERNAL MEMO

DATE	March 5, 2019
TO	**City Council**
FROM	Tara Baker, CPA, CA, City Treasurer and GM Finance
SUBJECT	**2019 Proposed One-time Operating Reserve Transfers**

A strategy used in the 2019 proposed tax supported operating budget to mitigate the tax levy increase was to utilize the City's contingency reserves for one-time operating expenses.

The following items totaling $1.09 million summarizes the 2019 one-time budget requests by service area that are included in the proposed tax supported operating budget. Collectively, these one-time budget requests will help improve the health and safety of the community, help the City to meet legislative requirements, support implementing strategic initiatives, respond to internal audit and service review recommendations and find efficiencies for departments.

One-time proposed	Service area	Funded from	Gross Amount of Request
Community Plan Support	CAO	Strategic Initiatives Reserve	$266,000
Compensation and Data Analyst (two-year commitment)	CS	Compensation Contingency Reserve	$136,550
Multi-year Budgeting Support	CS	Compensation Contingency Reserve	$100,000
Supervisor of Maintenance	IDE	Compensation Contingency Reserve	$126,300
Transit Route 3 half year costs (January to June)	PS	Tax Rate Operating Contingency Reserve	$175,715
Paramedic Resources (budget request 111, page 141)	PS	Tax Rate Operating Contingency Reserve	$125,650
Sergeant (Headquarter renovation)	GPS	Compensation Contingency Reserve	$159,700
Total			**$1,089,915**

In the preparation of this additional information for Council, a revision to Table 100 in the budget binder materials, pages 126 and 127 was required. The revised pages are included as attached to this memo in ATT-1.

Forecasted 2018 Operating Contingency Reserve Balances

Council may also require the following reserve balance information to support the 2019 operating budget decision on March 5, 2019.

Reserve / Reserve Fund	2018 Projected year-end balance**	Council approved target	Funded Status compared to Target
Tax Rate Operating Contingency Reserve	$6,000,000	8-10% of own source revenues less balance of all City tax supported contingency reserves. No less than $5,000,000	✗
Compensation Contingency Reserve	$5,500,000	2.5% of total tax supported salary and benefit budget	√
Environment and Utility Reserve	$2,400,000	Up to 25% of the 3-year average of hydro, winter control and fuel expenses plus 25% of the Solid Waste recycling commodity revenues.	✗
Legal and Insurance Reserve	$2,700,000	5-year average cost of legal and insurance claims.	√
Police Operating Contingency Reserve	$150,000	Not more than 1% of the Police annual operating budget.	√
Strategic Initiative Reserve	$75,000	No established maximum limit, reserve must be in a positive position.	√
Affordable Housing Reserve	$970,000	As mandated by the Affordable Housing Financial Incentive Program Framework.	✗

**Uncommitted balance before 2018 year-end surplus allocation. Does not include proposed 2019 budget contributions/reductions

Table 100, Transfer from Tax Supported Operating Reserve and Reserve Funds

Name of reserve /reserve fund	2018	2019	Change	Change	Purpose of transfer
Sleeman Centre Naming Rights Reserve	$33,160	$33,160	$0	0%	Fund expenditures related to suite rental and advertising costs.
Compensation Contingency	$239,600	$632,750	$393,150	164%	Funding of Employee Assistance Program, negotiation costs, and one-time compensation costs related to a compensation analyst, solid waste supervisor, sergeant, and multi-year budget support.
Police Sick Leave	$300,000	$400,000	$100,000	33%	Fund the sick leave liability for eligible Police staff in accordance with the collective agreement.
Municipal Election	$525,000	$0	($525,000)	(100%)	No election related costs to be funded in 2019 as funds are accumulated for the 2022 election.
Police Contingency	$0	$50,000	$50,000	n/a	Funding GPS impact from capital and one time negotiations expense.

Name of reserve /reserve fund	2018	2019	Change	Change	Purpose of transfer
Strategic Initiatives	$0	$266,000	$266,000	n/a	To fund expenses related to the Community Plan including temporary compensation costs.
Social Housing Contingency	$0	$130,000	$130,000	n/a	Funds to support social housing capital expenditures.
Tax Rate Operating Contingency	$1,370,826	$175,715	($1,195,111)	(87%)	To fund additional transit costs for Route 3 from January to June.
Total	**$2,468,586**	**$1,687,625**	**($780,961)**	**(32%)**	

From: andy rees
Sent: Thursday, February 21, 2019 9:30 PM
To: Clerks <clerks@guelph.ca>
Subject:

Hello,

While I couldn’t attend my councillors’ info session tonight on the proposed budget, I wanted to share my concerns with Council regarding the proposed property tax jump of 3.93%. Most workers like myself in Guelph are not lucky enough to have annual increases to meet inflation and so to far surpass that with our tax bill will be very challenging to many families and is not a reasonable proposition. I sincerely hope you will amend the increase to consider the financial constraints of working families in Guelph.

Thank you,

Andy Rees

From: Elizabeth Fontaine
Subject: Re: February updates
Date: February 21, 2019 at 3:25:13 PM EST

About financial data:

At end of 2018 and preparing for next federal budget and tax year, major newspaper financial features reported the following:

Seventy five (75%) percent of Canadians have income less than $57,600.00.

If we assume this % might apply to residents of Guelph, perhaps consideration when decisions are made about bus fares, parking fees, other expenses and services associated within city jurisdiction.

My municipal tax bill for freehold town home is now $5,400.00.

My roof shingle project for completion during 2019 has been estimated & quoted by a reputable local company with sales taxes comprising close to $1,000.00 of the total bill.

Whenever we shop for a service or an item we almost always pay a tax.

Respectfully submitted,

Elizabeth Fontaine

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The Co-operators Group Limited
Groupe Co-operators limitée

February 27, 2019

His Worship Cam Guthrie & Councillors of the City of Guelph
Guelph City Hall
1 Carden Street,
Guelph, ON N1H 3A1

RE: REQUEST TO RECONSIDER PROPOSED INCREASES IN PARKING PERMIT FEES

Dear Mr. Mayor and Esteemed Councillors,

We are writing on behalf of The Co-operators, the majority of whose approximately 1,200 Guelph-based staff are located downtown, to express our deep concern about the proposed increases in downtown parking permit fees. We request that Council reconsider the proposed increases—lowering the rate increases to more reasonable amounts or eliminating the increase altogether.

While we understand the need to fund improvements to parking infrastructure as well as incentivize greater use of public transit, we encourage the City to be mindful of the negative unintended economic and social consequences of its decisions on workers, employers, and residents.

Many of The Co-operators staff have no other options but to drive to work. Over 35% of them live in other communities and commute to Guelph. Regardless of where they live, to be able to work in Guelph—and bring the economic benefits of doing so—they require viable parking options. We estimate that the proposed increases, which range from 10% to 149%, would cost our employees $220,000 per year in increased parking fees—an increase that is not immaterial to many. Parking is already extremely expensive in the downtown core, and it is clear to us that implementing this substantial increase will no doubt be met with outrage from our staff members in Guelph.

In addition to the individual workers affected, the proposed increases in parking permit fees risk having a negative effect on downtown employers, including The Co-operators. Employers need spaces where their workers can park their vehicles. Over the past years, The Co-operators has advocated, both as a member of the Guelph Downtown Business Association and directly to the Mayor and Council, for the City to introduce incremental increases in parking permit fees and avoid large increases. Unfortunately, it appears this recommendation was not accepted. To remain attractive to employers, we encourage the City to phase in changes that could have a

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negative impact on workers or employers, ensuring early and ongoing communication throughout the transition.

While residents who use downtown parking lots will be directly affected by the rate increases, other residents are also likely to be indirectly affected. It is possible that the increases force some drivers who formerly parked in downtown lots to park on residential streets, risking aggravation to residents and impeding appropriate snow-clearing and traffic circulation. Further, if more people were forced to walk through the hilly downtown neighbourhoods in slippery winter conditions, this would need to be factored into snow-clearing budgets.

Guelph's employers bring social and economic vibrancy to the City and their staff need viable parking options. We encourage Council to reconsider the proposed increases in parking permit fees downtown.

Sincerely,

Shawn Fitzgerald

Barbara Turley-McIntyre
Vice-President, Sustainability & Citizenship
The Co-operators Group Limited

Shawn Fitzgerald
Vice-President, Procurement & Workplace Services
The Co-operators Group Limited

From: Susan Watson
Sent: Thursday, February 28, 2019 1:19 PM
Subject: Cost of growth needs to be part of the budget discussion

Mayor Guthrie and Members of Council:

Over the next 10 years, the cost of growth in Guelph will be subsidized to the tune of $122 million dollars of public funds - or $12.2 million dollars per year.

$50 million dollars of that amount will come directly from property taxes, while the remaining $72 million will be funded through rates and fees.

In my opinion, most of this amount will actually come directly from property taxes. $72 million from rates and fees should be going to fix aging infrastructure. When that money is instead diverted to growth, then citizens end up with a 1% compounding infrastructure levy added to their property tax bills. So citizens are paying the full freight for this amount one way or the other.

In addition, we are hitting a financing wall. The infrastructure fund is projected to be overdrawn and there is a $10.23 million shortfall. As a result, staff is recommending adding $1.25 million per year to property taxes for the next 10 years.

Council needs to take the reins on growth and discuss other options aside from simply raising taxes. These options include:

- Slow the pace of growth the meet minimum required targets
- Negotiate with developers for front-end-loaded additional capital contributions (Approach used by Milton and Barrie)
- Consider which types of growth should be prioritized

$12.2 million per year is a cool chunk of change. There are many other priorities that need to be funded aside from growth in terms of services, capital investments and infrastructure repairs.

Growth needs to be put under the microscope along with every other expenditure and we have to have the "wants versus needs" discussion when it comes to the pace of growth and the kind of growth we are approving.

Sincerely,
Susan Watson