

Present: Mayor Mitchell (Participating Electronically)
Councillor Drumm (Participating Electronically)
Councillor Leahy (Participating Electronically)
Councillor Lee (Participating Electronically)
Councillor Mulcahy (Participating Electronically)
Councillor Newman (Participating Electronically)
Councillor Roy (Participating Electronically)
Councillor Shahid (Participating Electronically)
Councillor Yamada (Participating Electronically)

Also Present: M. Gaskell, Chief Administrative Officer
S. Beale, Commissioner of Public Works
W. Mar, Commissioner of Legal and Enforcement Services/Town Solicitor
J. Romano, Commissioner of Community Services
R. Saunders, Commissioner of Planning and Development
D. Speed, Fire Chief
F. Wong, Commissioner of Financial Services/Treasurer
A. McCullough, Director of Finance/Deputy Treasurer
H. Ellis, Executive Advisor to the Mayor
C. Harris, Town Clerk
K. Narraway, Manager of Legislative Services/Deputy Clerk
K. Douglas, Legislative Specialist (Recording Secretary)

Regrets: None noted

1. Declarations of Pecuniary Interest

1.1 There were no declarations of pecuniary interest.

Moved By Councillor Roy
Seconded By Councillor Lee

That Council resolve itself into Committee of the Whole, with Councillor Lee as Chair, to consider the 2021 Budget Target.

Carried

2. Presentations

2.1 Fuwing Wong, Commissioner of Financial Services/Treasurer, Ann McCullough, Director of Finance/Deputy Treasurer, and Matt Gaskell, Chief Administrative Officer
Re: 2021 Budget Target

Fuwing Wong, Commissioner of Financial Services/Treasurer, Ann McCullough, Director of Finance/Deputy Treasurer, and Matt Gaskell, Chief Administrative Officer appeared before Council and provided a presentation regarding the Town of Whitby's 2021 Budget Target. Highlights of the presentation included:

- the Town's key priorities such as ensuring the health and wellbeing of Staff and the broader community, and minimizing the financial impact of COVID-19 on residents;
- key factors driving the budget target including a review of discretionary spending, maintaining essential services, anticipated population growth, and minimizing the tax burden on businesses and residents;
- the deferral of projects such as the Whitby Town Hall and Whitby Civic Centre Park redevelopment;
- positive community feedback received from the 2020 Community Survey and Citizen Budget Tool;
- the estimated annual cost of \$1.4 million associated with the Town's anticipated population growth in 2021;
- the estimated cost of \$1 million to maintain the Town's aging infrastructure, and \$1.9 million to maintain service delivery;
- the estimated growth in assessment revenue of \$2.7 million;
- the estimated \$3.4 million impact of COVID-19 on the 2021 budget forecast, resulting in a 1.68 percent tax pressure to the Town's portion of the municipal property tax bill;
- cost saving measures to reduce the impact of COVID-19 such as reducing discretionary costs;
- two options to reduce the Town's preliminary 2021 budget;
- the option of a one-time reduction of \$3.4 million to the 2021 Asset Management Reserve Fund contribution, fully offsetting the projected financial impact of COVID-19 and reducing the Town's 2021 tax impact to 0.55 percent of the overall property tax bill;
- a second option that includes a further reduction of \$1.6 million to the 2021 Asset Management Reserve Fund contribution, reducing the Town's 2021 property tax increase to zero percent;
- impacts these options will have on the 2022 budget forecast;
- a comparison of Durham Region municipalities preliminary and approved 2021 tax increases; and,
- next steps in the 2021 budget process.

A question and answer period ensued between Members of Council and Staff regarding:

- how the Safe Restart Phase 2 funding may help offset the financial impacts of COVID-19;
- how the \$4.1 million 2020 surplus and existing reserve funds may be reconciled with the 2021 budget target to reduce the property tax rate increase;
- the number of residents who participated in the Town's property tax rebate and other financial relief programs;
- whether the Town will offer a property tax deferral program in 2021;
- impacts that MPAC property assessments and delayed Assessment Review Board hearings will have on municipal property taxes;
- the demographics of 2020 Community Survey and Citizen Budget Tool participants;
- clarification on components of the 2021 budget target such as the municipal inflation rate, estimated assessment growth, total budget increase, and contributions to the Asset Management Reserve Fund;
- the annual growth of the Town's reserve funds;
- spreading out the impact of future property tax increases by gradually increasing the annual contribution to the Asset Management Reserve Fund;
- impacts that a zero percent tax increase could have on future budgets including the projected pressures on the 2022 budget;
- the current annual contribution to the Asset Management Reserve Fund versus the proposed annual contribution amounts for the 2021 budget;
- whether the Citizen Budget Tool will be activated to allow for additional feedback from the public between January 25, 2021 and February 14, 2021;
- how the proposed budget target rates will impact the Town's ongoing projects and initiatives;
- the status of hiring for new positions that were approved in the 2020 budget but deferred due to the COVID-19 pandemic;
- required growth in the annual contribution to the Asset Management Reserve Fund as the Town constructs new facilities, assumes additional roads, and budgets for increasing construction costs;
- how information about the 2021 budget will be communicated to residents and how Corporate Communications will promote and solicit feedback;
- the 2016 KPMG Service Delivery Review and the number of new

positions that were identified in the review in order for staff to continue to effectively deliver services to the community;

- a proposed hiring freeze in the 2021 budget and how this will affect the Town's programs and services; and,
- continued growth of the Town's population and the need to consider additional hiring in future budgets in order to maintain service levels and to continue to position the Town as a competitive and attractive employer.

Moved By Councillor Roy

That Council recess until the conclusion of the Committee of the Whole meeting at 7:00 p.m.

Carried

Council recessed at 7:03 p.m. and reconvened at 10:07 p.m.

3. Delegations

3.1 There were no delegations.

4. Items for Consideration

4.1 Financial Services Department Report, FS 04-21
Re: 2021 Budget Target

A question and answer period ensued between Members of Council and Staff regarding:

- approving a small budget increase for 2021 to reduce the impact on the 2022 budget;
- ensuring that the 2021 and 2022 budget are responsible budgets in order to limit impacts to Members of Council who may serve during the 2022-2026 term of Council;
- the ability for Council to amend policies to implement new property tax relief programs;
- the efforts of staff to make the 2021 budget lean while continuing to deliver services to the community;
- the health of the Town's various reserve funds and the ability to use the funds to support a zero percent tax increase;
- supporting businesses, especially small businesses by using all available tools during the current economic climate;
- clarification that the amount of revenue required to maintain service levels in 2021 is \$1.6 million;

- confirmation that a 0.55 percent property tax increase on the Town's portion of the property tax bill would result in a \$31 annual increase on a home assessed at \$503,000;
- the future impact to tax payers as a result of the proposed hiring freeze in 2021;
- comparator municipalities in Durham Region and their proposed property tax increases, noting that an average annual increase of \$31 would be the lowest increase in the Region;
- the Region's proposed tax increase of one percent;
- how the COVID-19 pandemic has emphasized the importance of the Town's outdoor amenities, including trails and green spaces;
- the importance of continuing to fund the Town's transition to digital and online services; and,
- the need to develop responsible budgets that provide a buffer from unanticipated financial setbacks and allow for contingencies.

Moved By Councillor Roy

1. That report FS 04-21 be received for information.
2. That having regard for the information presented, the proposed budget include: \$1.9M to maintain service delivery; \$1.0M to maintain infrastructure in a state of a good repair; \$1.4M to address growth; and \$3.4M to address the estimated ongoing impacts of Covid-19 in 2021; these pressures are offset by estimated Assessment Growth of \$2.7M.

Carried later in the meeting [See following motion]

Moved By Mayor Mitchell

The main motion be amended to add the following as Item 3:

3. That Council approve Option 1 outlined in Report FS 04-21 to offset the estimated one-time \$3.4M COVID-19 impact in 2021 with a one-time reduction in the annual contribution to the Asset Management Reserve Fund of \$3.4M in order to achieve an overall 0.55% increase to the Town's portion of the annual property tax bill, or an additional \$2.57 per month for the average Whitby residential taxpayer.

Carried

The main motion, as amended, was then carried as follows:

Moved By Councillor Roy

1. That report FS 04-21 be received for information.
2. That having regard for the information presented, the proposed budget include: \$1.9M to maintain service delivery; \$1.0M to maintain infrastructure in a state of a good repair; \$1.4M to address growth; and \$3.4M to address the estimated ongoing impacts of COVID-19 in 2021; these pressures are offset by estimated Assessment Growth of \$2.7M.
3. That Council approve Option 1 outlined in Report FS 04-21 to offset the estimated one-time \$3.4M COVID-19 impact in 2021 with a one-time reduction in the annual contribution to the Asset Management Reserve Fund of \$3.4M in order to achieve an overall 0.55% increase to the Town's portion of the annual property tax bill, or an additional \$2.57 per month for the average Whitby residential taxpayer.

Carried

4.2 Rise and Ratify the Recommendations from Committee of the Whole

Moved By Councillor Shahid

That Council rise from Committee of the Whole.

Carried

Mayor Mitchell resumed the Chair.

Moved By Councillor Lee

Seconded By Councillor Roy

That Council ratify the following recommendations from Committee of the Whole:

1. That report FS 04-21 be received for information.
2. That having regard for the information presented, the proposed budget include: \$1.9M to maintain service delivery; \$1.0M to maintain infrastructure in a state of a good repair; \$1.4M to address growth; and \$3.4M to address the estimated ongoing impacts of COVID-19 in 2021; these pressures are offset by estimated Assessment Growth of \$2.7M.
3. That Council approve Option 1 outlined in Report FS 04-21 to

offset the estimated one-time \$3.4M COVID-19 impact in 2021 with a one-time reduction in the annual contribution to the Asset Management Reserve Fund of \$3.4M in order to achieve an overall 0.55% increase to the Town's portion of the annual property tax bill, or an additional \$2.57 per month for the average Whitby residential taxpayer.

Carried later in the meeting [See following motions]

Moved By Councillor Newman
Seconded By Councillor Leahy

That the main motion be divided to consider Items 1 and 2 as a separate motion from Item 3.

Carried

Resolution # 01-21

Moved By Councillor Lee
Seconded By Councillor Roy

1. That report FS 04-21 be received for information.
2. That having regard for the information presented, the proposed budget include: \$1.9M to maintain service delivery; \$1.0M to maintain infrastructure in a state of a good repair; \$1.4M to address growth; and \$3.4M to address the estimated ongoing impacts of COVID-19 in 2021; these pressures are offset by estimated Assessment Growth of \$2.7M.

Carried unanimously on a recorded vote

	For	Against	Abstained
Councillor Drumm	x		
Councillor Leahy	x		
Councillor Lee	x		
Councillor Mulcahy	x		
Councillor Newman	x		
Councillor Roy	x		
Councillor Shahid	x		
Councillor Yamada	x		
Mayor Mitchell	x		

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Resolution # 02-21

Moved By Councillor Lee
Seconded By Councillor Roy

3. That Council approve Option 1 outlined in Report FS 04-21 to offset the estimated one-time \$3.4M COVID-19 impact in 2021 with a one-time reduction in the annual contribution to the Asset Management Reserve Fund of \$3.4M in order to achieve an overall 0.55% increase to the Town's portion of the annual property tax bill, or an additional \$2.57 per month for the average Whitby residential taxpayer.

Carried

	For	Against	Abstained
Councillor Drumm	x		
Councillor Leahy		x	
Councillor Lee	x		
Councillor Mulcahy	x		
Councillor Newman		x	
Councillor Roy	x		
Councillor Shahid		x	
Councillor Yamada		x	
Mayor Mitchell	x		
	5	4	0

5. Confirmatory By-law

5.1 Confirmatory By-law

Resolution # 03-21

Moved By Councillor Leahy
Seconded By Councillor Roy

That leave be granted to introduce a by-law and to dispense with the reading of the by-law by the Clerk to confirm the proceedings of the Council of the Town of Whitby at its special meeting held on January 18, 2021 and the same be considered read and passed and that the Mayor

and the Clerk sign the same and the Seal of the Corporation be thereto affixed.

Carried

6. Adjournment

6.1 Motion to Adjourn

Moved By Councillor Lee
Seconded By Councillor Mulcahy

That the meeting adjourn.

Carried

The meeting adjourned at 10:59 p.m.

Christopher Harris, Town Clerk

Don Mitchell, Mayor