



**The Corporation of the City of Stratford  
Finance and Labour Relations Committee  
Open Session  
AGENDA**

**Date:** Tuesday, August 27, 2019  
**Time:** 4:30 P.M.  
**Location:** Council Chamber, City Hall  
**Committee Present:** Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Mayor Mathieson, Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Henderson, Councillor Ingram, Councillor Ritsma, Councillor Sebben, Councillor Vassilakos  
  
**Staff Present:** Joan Thomson - Acting Chief Administrative Officer, Tatiana Dafoe - Acting Clerk, Ed Dujlovic - Director of Infrastructure and Development Services, Michael Humble - Director of Corporate Services, Kim McElroy - Director of Social Services, Jacqueline Mockler - Director of Human Resources, David St. Louis - Director of Community Services, John Paradis - Fire Chief, Jodi Akins - Council Clerk Secretary, Eden Grodzinski - Housing Manager

Pages

**1. Call to Order**

The Chair to call the Meeting to Order.

Regrets provided by Councillor Sebben.

**2. Disclosure of Pecuniary Interest and the General Nature Thereof**

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

3. Comments from Acting CAO
4. Comments from Director of Corporate Services
5. Comments from Chair of Finance and Labour Relations Committee
6. Report of the Director of Corporate Services

#### 6.1 Preliminary 2020 Budget Discussion Reports

Direction was given at the August Sub-committee meeting for staff to prepare reports regarding

- making the Destination Marketing Fund tax mandatory
- reviewing options to expand paid parking and enforcement throughout the City, including the Cooper Site, and
- implementing red light cameras and photo radar.

Staff will begin work and will report on these to Committee as part of the budget process.

Staff request that Council indicate other priorities for staff to investigate operationally and financially at this time.

The three reports previously presented to Sub-committee are relisted for Committee to assist with discussions at this meeting.

6.1.1	Preliminary 2020 Budget Discussions (FIN19-030)	3 - 6
6.1.2	Preliminary 2020 Budget Discussions – Provincial Grant to Improve Service Delivery and Efficiency (FIN19-031)	7 - 10
6.1.3	Preliminary 2020 Budget Discussions (FIN19-032)	11 - 13

#### 7. Adjournment

Meeting Start Time:

Meeting End Time :

Motion by \_\_\_\_\_

**Committee Decision: THAT the Finance and Labour Relations Committee meeting adjourn.**



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## MANAGEMENT REPORT

**Date:** August 12, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** FIN19-030  
**Attachments:** Summary of Provincial Grant Funding Impacts

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**Title:** Preliminary 2020 Budget Discussions – Provincial Funding Reductions

**Objective:** To describe the impact of provincial grant funding reductions to the City.

**Background:**

Numerous grant and funding announcements have been made by the Provincial Government that may impact the budgets of the City of Stratford. Attached is a summary of the detail we know at the present time that may have a significant impact to the City's 2020 budget.

Emphasis is on City operations, and reports from outside Boards and Agencies will be reported by them as information becomes available.

**Analysis:**

Stratford Public Library

The Inter-Library Loan program was funded by the Province as an in-kind operation through the Southern Ontario Library Service. There was no direct financial cost to the libraries it serviced. The program was used for Perth County Information Network members to share collections between 5 Perth libraries, and the rest of the Province to move nearly 80,000 items in 2018 (72,500 within Perth County alone).

The cost for PCIN to replace this service by using Canada Post is estimated at \$150,000 for postage alone (not including staff time).

A PCIN proposal to initiate an in-house delivery solution is coming forward as part of the 2020 Stratford Public Library budget submission. Stratford's portion would represent a

capital start-up cost of \$24,923 to purchase a van, \$9,626 for annual operating cost, and a reserve contribution for future van replacement.

### Public Health

At the Municipal Shared Services Committee meeting on 20<sup>th</sup> June 2019, staff from the Perth District Health Unit discussed the consolidation of regional Health Units and the changes to funding formulas over the next three years. Mandatory programs were previously funded 75 per cent by the government and 25 per cent by member municipalities. That is changing to a 70-30 ratio. Allied programs previously funded entirely by the Province will now fall under the same ratio.

Numbers discussed were in the region of a 38% impact or \$730,000 plus capital funding costs to local municipalities.

### Paramedic Services

At the Municipal Shared Services Committee meeting on 20<sup>th</sup> June 2019, staff from Paramedic Services discussed the provincial plan to meld 59 paramedic services into 10, and the funding freeze planned for 2019 but deferred to 2020.

No financial information was immediately available and a report is expected to be forthcoming from the County in advance of 2020 budget discussions.

City-provided services are summarized on the attached worksheet.

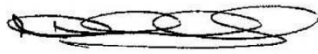
**Financial Impact:** Reductions in provincial funding will need to be addressed during the City's 2020 budget process.

Preliminary budget impacts for Social Services of "known" funding announcements are in the region of \$414,780 PLUS additional municipal costs due to changes in the provincial administrative cost sharing envelope of \$663,900.

This totals a budget impact of \$1,078,680, which is cost shared between the three municipalities. At 2019 budget allocation rates, this impact to the City of Stratford at 42.27% is \$455,960.

A further \$1,481,260 of operating funds is presently classified as "at risk" until we receive clearer information from the Province, as well as \$1,101,800 in capital funding grants.

**Staff Recommendation: THAT the report of the Director of Corporate Services dated 12<sup>th</sup> August 2019, regarding the financial impact of reduced provincial grant funding on the City's 2020 budgets be received for information.**



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Michael Humble, CPA, CGA  
Director of Corporate Services



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Joan Thomson, Acting Chief Administrative Officer

Attachment One: Summary of Provincial Grant Funding Impacts						
Department	Name of Program	Received in 2019	Amounts Receivable in 2020			Details
			Known		Unknown	
			Unaffected	Revised Amount	At Risk	
Social Services	Ontario Works Administrative Funding	1,048,300		995,880		Anticipated loss of 5% funding
Social Services	Ontario Works Employment Support Funding	551,200		523,640		Anticipated loss of 5% funding
Social Services	Ontario Works Addictions Support Funding	82,080		-		Funding ended in July 2019. Lost funding offset by staff layoff in 2019.
Social Services	Child Care Core Servcies Funding	3,424,190		3,424,190	256,810	Allowable administrative retention of this fund has been reduced from 10% of funding with no municipal share to 2.5% of funding with requirement of equal contribution from municipal shares.
Social Services	Child Care Special Purpose Funding	817,090		817,090	61,280	Allowable administrative retention of this fund has been reduced from 10% of funding with no municipal share to 2.5% of funding with requirement of equal contribution from municipal shares.
Social Services	Wage Enhancement Administrative Funding	32,600		20,380		
Social Services	Expansion Planning Funding	1,202,460		961,960	90,190	Fund went from 100% Ministry funded in 2019 to 80% Ministry/20% Municipal in 2020. Municipality must spend the additional \$240,500 in order to get the \$961,960. Also, the allowable administrative retention of this has been reduced from 10% of funding with no municipal share to 2.5% of the total funding (including Minsitry and Municipal allocations) with the requirement of equal contribution (or administrative funding) from municipal shares.
Social Services	ELCC Funding	403,390		100,850	302,540	Funding is ending in March 2020. It is unknown at this time if this will continue. Also, allowable administratvie retention ahs been reduced from 10% of fund with no municipal share to 2.5% of funding with the requirement of equal contribution from the municipal shares.
Social Services	Home for Good Operating Funding	1,571,230		392,510	1,178,720	Funding commitment is to March 2020 only. It is anticipated that this funding will continue, however there is no current formal agreement in place.
IDS	Ontario Community Infrastructure Fund	1,092,423			1,092,423	
Community Services	Seniors Active Living Centres (Capital)	9,360			9,360	
TOTAL		10,234,323	-	7,236,500	2,583,043	423,400 240,500



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## MANAGEMENT REPORT

**Date:** August 12, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** FIN19-031  
**Attachments:** MMAH Press Release

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**Title:** Preliminary 2020 Budget Discussions – Provincial Grant to Improve Service Delivery and Efficiency

**Objective:** To review opportunities for service delivery efficiencies in compliance with the broad guideline issued by the Ministry of Municipal Affairs and Housing (MMAH).

**Background:**

Service Delivery and Efficiency

In March 2019, the City of Stratford received \$497,447 from the Provincial government for the declared purpose to *"improve service delivery by finding smarter, more efficient ways to spend money. These include such things as service delivery reviews, development of shared services agreements, IT solutions, capital investments and other projects"*.

There is no formal reporting requirement.

**Analysis:**

Service Delivery and Efficiency

Projects identified by staff will come forward in the 2020 budgets and work-plans for Council consideration.

At the present time,

1. Staff has initiated an information technology (IT) needs assessment in response to a request from the Police Services Board. This analysis will inform a decision on the optimal go-forward approach to deliver IT services and support to the Stratford Police

department, so that they may receive the full complement of IT services they require in the most cost effective way.

This is underway and the budget is **\$27,500.**

2. Staff is investigating the electronic delivery of invoices and tax bills. This will lead to a significant reduction in mail and stationary costs and provide greater flexibility in delivery options for our taxpayers and customers. We already own the module in Great Plains; it only requires activation and implementation. Estimated cost is **\$15,000.**
3. Staff is proposing an online Citizen Portal – this will offer residents a personalized online experience with a single sign-on dashboard that brings all the municipal information they care about into one convenient place. Online payment services will provide better service to our customers for items like parking tickets, accounts receivable invoices, permits and fees, dog tags, property taxes, etc.

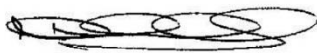
Cost will vary depending on the needs of Citizens and the number of integrations between City systems. The scope is going to be similar to a 311 type of system. It will be heavy on resource, data and integration. Estimated cost is **\$150,000**, but is scalable.

If Council has any suggestions for initiatives they would like to consider for the 2020 budget year, staff would appreciate sufficient lead time to investigate and financially review.

**Financial Impact:** The City has received \$497,447 from the Provincial Government to assist with the implementation of efficient service delivery models.

**Staff Recommendation: THAT the report of the Director of Corporate Services dated 12<sup>th</sup> August 2019, regarding the Provincial Grant to Improve Service Delivery and Efficiency, be received for information;**

**AND THAT Council indicate other priorities for staff to investigate operationally and financially.**




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Michael Humble, CPA, CGA  
Director of Corporate Services




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Joan Thomson, Acting Chief Administrative Officer



## **Ontario Invests in Small and Rural Municipalities to Improve Service Delivery and Efficiency**

*Investments Will Support Communities, Respect Taxpayer Dollars*

March 20, 2019 9:00 A.M.

INNISFIL - Ontario's government is working for the people to improve local service delivery and efficiency in the province's municipalities. Today, Steve Clark, Minister of Municipal Affairs and Housing announced a one-time investment for many of Ontario's small and rural municipalities.

Some of Ontario's small and rural municipalities may have limited capacity to plan, modernize and improve the way they provide services to their communities. With this funding, municipalities can improve service delivery by finding smarter, more efficient ways to spend money that help those who need it most while respecting taxpayer dollars.

"Taxpayers need their local government to deliver modern, efficient services that show respect for their hard-earned dollars. This funding will help small and rural municipalities improve how they deliver services and reduce the ongoing costs of providing those services," said Steve Clark, Minister of Municipal Affairs and Housing. "I look forward to continuing to work together with our municipal partners to help people and businesses in communities across our province thrive."

Ontario's government for the people was elected to restore transparency and accountability in Ontario's finances. The province undertook a line-by-line review of its own expenditures, and we have been clear that we expect our partners, including municipalities, to be taking steps to become more efficient. Examples could include service delivery reviews, development of shared services agreements, IT solutions, capital investments or other projects. Municipalities will decide how to best target funding to benefit their local communities.

"This financial support from the Province will help in our ongoing efforts to make sure we operate as efficiently as possible, as we continue to deliver the much-needed services our residents have come to expect and depend on," said Lynn Dollin, Mayor of Innisfil.

The funding supports Ontario's commitment to reduce the cost of government.

### **QUICK FACTS**

- [405 municipalities will receive funding.](#)
  - The City of Stratford will receive \$497,447.
  - To ensure investments are targeted to where they are needed most, funding will be allocated based on the number of households in a municipality and whether the municipality is urban or rural.
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**Julie O'Driscoll** Minister's Office, Ontario Ministry of Municipal Affairs and Housing

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## MANAGEMENT REPORT

**Date:** August 12, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** FIN19-032  
**Attachments:** None

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**Title:** Preliminary 2020 Budget Discussions – Strategic Priorities, New Initiatives and Potential Operational Efficiencies

**Objective:** To seek direction on 2020 work-plan projects that advance Council's strategic priorities, implement new initiatives or yield operational efficiencies by changing the way current services are provided.

**Background:** On April 29, 2019, Stratford Council formally approved its Strategic Priorities for the 2018-2022 term of Council.

A report from the CAO on 15<sup>th</sup> July 2019 reviewed a process for an implementation framework. Some major capital projects are beyond the scope of the City to pursue without funding assistance from senior levels of government and may be parked until grant opportunities become available.

However, the identification, selection and timing of specific projects, both one time in nature (capital) and ongoing delivery of service (operating) that are within the City's capacity to pursue need to be discussed and prioritized by Council, so that staff can prepare a wholesome business case and cost estimate to review during the budget process for final selection and potential inclusion.

Changing the way services are provided and implementing new services are time-consuming for staff to establish a business case and provide accurate cost estimates, and our efforts need to be focused on the specific priorities that Council wishes to address first in 2020.

**Analysis:** Announced and anticipated reductions in provincial funding models will strain municipal budgeting in 2020. Decisions will need to be made whether to maintain existing

levels of service (at higher municipal cost) or whether to reduce levels of service as provincial funding decreases.

In addition to the impact on our own Social Services department, outside Boards (Health Unit, Library) and shared services run by the County (Paramedic Services) will have significant challenges to address in the City's budgeting process.

At the same time, the provincial government is asking municipalities to investigate service delivery efficiencies and has given the City of Stratford \$497,447 for implementation.

On top of asset lifecycle replacement capital projects, there are also likely to be new initiatives desired by Council to advance pillars of the Strategic Plan, as well as major community capital investment projects.

The ways in which we provide services to our residents also needs to be dynamic and responsive to changing methods of delivery. Many ideas have been informally mentioned, and a discussion between Council and staff would be beneficial to prioritize needs for 2020 from the wants that can be addressed in future years.

The 2020 municipal budget will not be a simple continuation of existing service levels as we need to balance affordability to the taxpayer with:

- changes in provincial funding models,
- funding deficits for replacement of existing assets,
- capital needs to advance pillars of Strategic Plan,
- the guidance to seek efficiencies in service delivery.

It would be beneficial for all members of Budget Committee to discuss these matters in order to prioritize and identify projects for staff to investigate and bring forward as part of the draft 2020 budget in October 2019.

Pre-budget guidance in this manner will be the most efficient use of staff resources to focus our efforts on pre-identified priorities.

Two meeting dates are being suggested for pre-budget discussions:

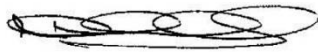
- 27<sup>th</sup> August 2019 at 4:30
- 11<sup>th</sup> September 2019 at 4:30

**Financial Impact:** New initiatives to begin implementation of Council's strategic priorities, as well as service level changes for efficiency and cost reduction both warrant sufficient time to properly review and evaluate financially. Significant benefit can be gained by affording staff time to investigate the desired direction of Council and accurately provide costs.

**Staff Recommendation: THAT the report of the Director of Corporate Services dated 12<sup>th</sup> August 2019, regarding new initiatives and services level changes for inclusion in the 2020 budget, be received for information;**

**THAT two meetings of the Finance and Labour Relations Committee be convened for 27<sup>th</sup> August 2019 and 11<sup>th</sup> September 2019 for pre-budget discussions with Staff;**

**AND THAT Finance and Labour Relations Committee provide input to identify initiatives that they wish to see included in the 2020 draft budget proposal.**



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Michael Humble, CPA, CGA  
Director of Corporate Services



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Joan Thomson, Acting Chief Administrative Officer