



Town of Newmarket

Agenda

Special Council Meeting - Electronic

Date: Tuesday, May 19, 2020
Time: 2:00 PM
Location: Streamed live from the Municipal Offices
395 Mulock Drive
Newmarket, ON L3Y 4X7

***1. Notice**

At this time, the Municipal Offices remain closed to the public. This meeting will be streamed live at newmarket.ca/meetings.

Deputations

Individuals who wish to address Council in relation to an item on this agenda have 2 options available.

1. Provide comments in writing no later than 2 hours prior to the start of the meeting to clerks@newmarket.ca. These comments will be read aloud by the Mayor during the live meeting, considered with the related item, and will form part of the public record;
or,
2. Join the live meeting using the Town's videoconferencing software and verbally provide your comments over video or telephone. To select this option, you must notify clerks@newmarket.ca no later than end of day Monday, May 18, 2020 and be available to test your connection Tuesday morning before 12PM (noon).

2. Additions & Corrections to the Agenda

3. Conflict of Interest Declarations

4. Deputations

In accordance with the Notice on this agenda, individuals that have pre-registered with the Clerk to verbally provide their comments through videoconferencing or telephone will be listed here.

5. Items

5.1 Revised Workplan for 2020 and Q1 2020 Update to the Outstanding Matters List

1. That the report entitled Revised Work Plan for 2020 and Q1 2020 Update to the Outstanding Matters List dated May 19, 2020 be received; and,
2. That Council adopt the revised work plan and updated Outstanding Matters List, included as Attachment 1 to this report; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

*5.2 Financial Update

1. That the report entitled Financial Update Staff Report to Council be received; and,
2. That staff be directed to further investigate mitigating measures to lessen the financial impact of the pandemic on the Town, and to report back on the results; and,
3. That changes to the 2020 capital program, and additions to the 2021 capital spending authority be made as detailed in this report; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

*5.2.1 Written Deputation - Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group

1. That the Written Deputation from Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group regarding the Financial Update be received.

*5.3 2021 Budget Process and Target

1. That the report entitled 2021 Budget Process and Target, dated May 19, 2020, be received; and,
2. That the proposed budget schedule with a target budget adoption date of December 14, 2020 be approved; and,
3. That endorsement be given to staff to proceed with preparation of the 2021 budgets employing the structure and targets as set out in this report; and,
4. That the form and timing of budget submissions for all entities accountable to Council be subject to the process outlined in this report; and,
5. That the proposed community engagement plan for the budget be adopted; and,

6. That the Treasurer be authorized and directed to do all things necessary to give effect to these recommendations.

5.4 Preferred Timing for Blue Box Transition to Full Producer Responsibility

1. That the report titled "Preferred Timing for Blue Box Transition to Full Producer Responsibility" dated May 19, 2020 be received; and,
2. That as requested by the Association of Municipalities of Ontario (AMO), that Council confirm that the preferred date to transition to full producer responsibility for collection of Blue Box material is December 31, 2025, coinciding with the end of the current Northern Six (N6) waste collection contract; and,
3. That the Town of Newmarket, in cooperation with the Northern Six (N6) municipalities, be willing to provide Blue Box collection services on behalf of producers, through future long-term collection contracts, subject to mutually agreeable financial and operational terms; and,
4. That the resolution be forwarded to the Association of Municipalities of Ontario and to Jeff Yurek, Minister of the Environment, Conservation and Parks, Christine Elliott, MPP for Newmarket-Aurora, and to the Regional Municipality of York Region.

5.5 Regional Council Decision regarding Regional Fire Services

Note: Regional Council Decision attached for information purposes. Decision by the Town of Newmarket Council requested by May 29, 2020.

1. That the correspondence from York Region regarding Regional Fire Services be received for information.

5.5.1 Staff Report - Regional Fire Services Study

1. That the report entitled Regional Fire Services Study dated May 19, 2020 be received; and,
2. That the Town of Newmarket support participation in a Regional Fire study; and,
3. That Council's decision be forwarded to York Region; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

5.6 Ontario Small Urban Municipalities Executive Committee Nomination for 2020-2022 Term

Whereas the Town of Newmarket is a member of the Associations of Municipalities of Ontario (AMO); and,

Whereas the Town of Newmarket supports the work of AMO and wishes to support it further by approving a resolution with respect to appointment for the term of 2020 to 2022; and,

Whereas AMO is instrumental in assuring that the needs of the municipalities are considered by the Ontario Government; and,

Whereas AMO plays a pivotal role in developing policy framework that has benefits communities throughout Ontario; and,

Therefore be it resolved by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. That the Town of Newmarket Council supports Councillor Bob Kwapis to continue as a candidate for election at the AMO elections and on the Ontario Board of Directors for the Ontario Small Urban Caucus (OSUM) with previously approved terms.

5.7 Approval of Minutes

5.7.1 Special Council - Electronic Meeting Minutes of April 27, 2020

1. That the Special Council - Electronic Meeting Minutes of April 27, 2020 be approved.

***6. Closed Session**

6.1 2020 Honorary Citizen Nomination

Personal matters about an identifiable individual, including municipal or local board employees as per Section 239 (2) (b) of the Municipal Act, 2001.

7. Confirmatory By-law

1. That By-law 2020-26 be enacted.

8. Adjournment



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Revised Work Plan for 2020 and Q1 2020 Update to the Outstanding Matters List Staff Report to Council

Report Number: 2020-33

Department(s): Legislative Services

Author(s): Kiran Saini, Deputy Town Clerk

Meeting Date: May 19, 2020

Recommendations

1. That the report entitled Revised Work Plan for 2020 and Q1 2020 Update to the Outstanding Matters List dated May 19, 2020 be received; and,
2. That Council adopt the revised work plan and updates Outstanding Matters List, included at **Attachment 1** to this report; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to seek Council direction and approval on a revised work plan for items requiring Council's decision in 2020. This report also serves as a first quarter update to Council on the Outstanding Matters List.

Background

At its February 24, 2020 Committee of the Whole meeting, staff presented a [report](#) on the Procedure By-law Review for the 2018-2022 term of Council and identified that the Outstanding Matters List ("List") would now be presented on a quarterly basis instead of every Committee of the Whole meeting. Staff also advised that the List would include additional staff comments and enhanced tracking of date changes. This report serves as a first quarter update to Council.

In conjunction with the List, every department has its own work plan of items for Council decision points.

The current COVID-19 Pandemic (“Pandemic”) has resulted in staff resources being directed towards matters that were not planned for, and as a result, this has caused delay to certain projects or postponement of staff bringing certain items forward for Council’s consideration.

A revised work plan (**Attachment 1**) has been developed and is presented to Council for adoption. The items included in **Attachment 1** are only items from the Outstanding Matters List and the departmental work plans, which require Council decision or consideration. The chart does not depict other projects or work that staff continue to dedicate resources towards. It also does not include the Council-approved action items contained in the REV it Up Campaign or within the Council’s Strategic Priorities.

Discussion

Attachment 1 includes a list of projects and matters that require Council’s consideration. Both staff and information reports that are currently contemplated by staff have been included on this chart. To ensure there is clarity in where these matter originate from, there is a column indicating whether the matter was from the Outstanding Matters List or whether this was being tracked through individual department work plans.

Only items that originated from the Outstanding Matters List have dates under the ‘previous reporting timeframe’ column. These dates were the most current reported timeframe.

Corresponding item numbers have been enumerated to ensure that Council has ease of reference for specific matters should there be questions about associated timeframes or the subject matter itself.

Items with a report date still to be determined

The Pandemic has caused an impact to financial and human resources, which has caused many projects to be postponed or re-prioritized. At present, staff are not aware of when the Pandemic may be declared over, or when the state of emergency at the provincial and local level may be lifted. As a result, there a number of projects in **Attachment 1** that have not been assigned dates, as they are contingent upon a return to normalcy. The ‘additional comments’ column provides information into the rationale for why a project has not yet been assigned a reporting date. Staff are hopeful that greater details around reporting timeframes can be provided in the second quarter update to Council on the Outstanding Matters List.

Items Removed from the Outstanding Matters List

The following item has been removed from the List:

(1) 2018-2022 Council Strategic Priorities

Recommendation:

That Staff report back to Council with respect to an overall performance measurement approach intended to track and present progress.

This item was removed as Council approved, in principle, a public facing performance measurement dashboard for reporting progress on its Strategic Priorities at its meeting on April 27, 2020.

Conclusion

Upon Council approval, staff will use **Attachment 1** as a project guide for the remainder of 2020.

Business Plan and Strategic Plan Linkages

As this report highlights a revised work plan for the Corporation this report aligns with all six pillars of Council's Strategic Priorities.

Consultation

Members of the Strategic Leadership Team and Operational Leadership Team were consulted in this report.

Human Resource Considerations

There are no considerations specific to this report. However, individual projects within the work plan may have associated human resource impacts, and any such considerations will be noted in the individual reports on those matters.

Budget Impact

There are no considerations specific to this report. However, individual projects within the work plan may have associated budget considerations, and any such impacts will be noted in the individual reports on those matters.

Attachments

Attachment 1 – Revised Work Plan Requiring Council Decisions in 2020 and Update to Outstanding Matters List for Q1 2020

Revised Work Plan for 2020 and Q1 2020 Update to the Outstanding Matters List

Approval

Lisa Lyons, Director, Legislative Services/Town Clerk

Esther Armchuk, Commissioner, Corporate Services

Ian McDougall, Commissioner, Community Services

Peter Noehammer, Commissioner, Development and Infrastructure Services

Jag Sharma, Chief Administrative Officer

Contact

For more information about individual projects contained in Attachment 1, please contact the responsible Department Director or respective Commissioner.

Attachment 1 – Revised Work Plan Requiring Council Decisions in 2020 and Update to Outstanding Matters List for Q1 2020

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q2 2020						
1.	Final Tax Rates	Department Work Plan	To set the final tax rates, issue the final tax bills and set the installment dates. It is based on the approved 2020 budget, tax ratios set by the Region and tax rates from the Region and province (for the school boards). Responsible Department: <ul style="list-style-type: none">Financial Services		June 2020	This is an annual report issued by staff.
2.	Audited Financial Statements	Department Work Plan	Audited financial statements, auditor's report, and related materials, as recommended by the Audit Committee. Responsible Department: <ul style="list-style-type: none">Financial Services		June 2020	This is an annual report issued by staff.
3.	2020 Reserve Fund Budget	Department Work Plan	Based on the operating and capital budgets, with revenue projections, a budget for reserves and reserve funds. Responsible Department: <ul style="list-style-type: none">Financial Services		June 2020	This is an annual report issued by staff.
4.	2020 Budget Reconciliation	Department Work Plan	This is a consolidation of the various budgets and shows how they will be presented in the 2020 financial statements. Responsible Department: <ul style="list-style-type: none">Financial Services		June 2020	This is an annual report issued by staff.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q2 2020						
5.	Fiscal Strategy	Department Work Plan	Development of a long-term fiscal strategy for the Town, which includes but is not limited to an update of the capital financing sustainability strategy, an Asset Replacement Fund (ARF) strategy, a review of our investment and debt practices, and a budget policy. Responsible Department: <ul style="list-style-type: none">Financial Services		June 2020	This is a new initiative.
6.	Asset Replacement Fund Strategy	Outstanding Matters List	Meeting Date: Committee of the Whole - April 30, 2018 Recommendation: 1. That the Asset Replacement Fund Strategy be referred to staff for further information and be brought back to Council for consideration at a later date. Responsible Departments: <ul style="list-style-type: none">Financial Services	Q2 2020	June 2020	An Asset Replacement Fund (ARF) will be incorporated into the Fiscal Strategy.
7.	Animal Control By-law Review & Licensing Pet Stores	Department Work Plan	These matters were identified in the regulatory review for this term of Council. Responsible Department: <ul style="list-style-type: none">Legislative Services		Q2 2020	Considerations would include: 1) Presenting in June would require a different way of engaging the public. 2) Due to current Pet Store closures, new regulations could be rolled out once the stores re-open for business.
8.	Community Flag Raising	Department Work Plan	Staff were asked to consider alternative locations for community flag raisings to occur Responsible Department: <ul style="list-style-type: none">Legislative Services		June 2020	Staff will distribute an Information Report to Council to advise that the current location is preferred and recommended due to the limited number of community flag raisings.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q2 2020						
9.	Short Term Rentals & Municipal Accommodation Tax	Outstanding Matters List and Department Work Plan	<p>Meeting Date: Committee of the Whole – February 3, 2020</p> <p>Recommendations: 3. That Council direct Staff to proceed with Option 3 as described in the report.</p> <p>Option 3 would require the adoption of a Licensing By-law, presented to Council in April or May 2020 and amendments to the Zoning By-law, presented to Council by August 2020.</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> • Legislative Services • Planning and Building Services • Financial Services 		Q2 and Q3/Q4 2020 – see additional comments	<p>Licensing framework could be ready for a Workshop with Council in June 2020, with a program with zoning framework in Q3/Q4. Current considerations being given to the Pandemic and restrictions on short term rentals.</p> <p>The Municipal Accommodation Tax will need to be included with this matter, and staff will need to outline a plan to approach this item, starting with stakeholder consultations.</p>
10.	Traffic & Parking Petitions	Outstanding Matters List	<p>Meeting Date: Committee of the Whole - August 26, 2019</p> <p>Recommendations: 1. That the petition regarding Parking Restrictions on Helmer Avenue be referred to Staff; and,</p> <p>Responsible Departments:</p> <ul style="list-style-type: none"> • Engineering Services 	Q1 2020	Q2 2020	The study for Helmer Avenue has been completed, staff can proceed with this report in June 2020.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q2 2020						
11.	Planning Reports and/or Amending By-laws for Q2	Department Work Plan	<p>Staff will present the following matters for Council's consideration in Q2 2020:</p> <ol style="list-style-type: none"> 1. Glenway Davis Drive Adopting Official Plan Amendment/Zoning By-law Amendment 2. Interim Control By-law Extension 3. Final Recommendation Report regarding Forest Green Homes Subdivision 4. Servicing Allocation Annual Update 5. Newmarket Energy Efficiency Retrofit (NEER) Business Case <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services 		Q2 2020	
12.	Statutory Public Planning Matters for Q2 2020	Department Work Plan	<p>Statutory Public Planning Meetings for the following planning applications will be scheduled in Q2 2020:</p> <ol style="list-style-type: none"> 1. 292-294 Court Street Zoning By-law Amendment 2. Charles and Prospect Zoning By-law Amendment/Subdivision Plan <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services 		Q2 2020	Item 1 was originally scheduled for March 23, but had to be postponed due to the Pandemic.
13.	Heritage Practices/Options	Department Work Plan	<p>Information Report identifying options to discourage the unauthorized demolition of heritage buildings.</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services 		Q2 2020	Staff will issue an information report to Council.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q3 2020						
14.	Rate-Supported Financial Plans	Department Work Plan	Update of the financial plans for Water, Wastewater, and Stormwater. Consideration will be given to the results of the Fiscal Strategy. Responsible Department: <ul style="list-style-type: none">Financial Services		Q3 2020	This is a standard report but not necessarily annual.
15.	Second Quarter 2020 Financial Update	Department Work Plan	An update on the financial situation will be critical. If there are changes to be made to the capital plan, this may require a report to Council; otherwise this is a standard information report. Responsible Department: <ul style="list-style-type: none">Financial Services		Q3 2020	This is an annual report issued by staff.
16.	2021 Council and Committee of the Whole Schedule of Meetings	Department Work Plan	This is a routine report to identify a schedule of meetings for Council and Committee of the Whole. Responsible Department: <ul style="list-style-type: none">Legislative Services		September 2020	This is an annual report issued by staff.
17.	Parking By-law and Traffic By-law changes for London, Alexander and Bonshaw for the 2020 Active Transportation Implementation Plan (ATIP)	Department Work Plan	As part of the Council-approved Active Transportation Implementation Plan (ATIP), with the installation of new bike lanes comes parking restrictions on both sides of the road. This conforms to the Town's Council-approved Parking Policy that includes a requirement for notification of the changes. The Traffic By-law needs to be amended to include the new bike lanes. Responsible Department: <ul style="list-style-type: none">Engineering Services		Q3 2020	The Town held a Public Information Centre on February 27, 2020 outlining the project and parking changes so now the Parking By-law must be amended to include these 3 new roads.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q3 2020						
18.	Statutory Public Planning Matters for Q3 2020	Department Work Plan	<p>Statutory Public Planning Meetings for the following planning applications will be scheduled in Q3 2020:</p> <ol style="list-style-type: none"> 1. Urban Centres Technical Amendments Official Plan Amendment/Zoning By-law Amendment. 2. Established Neighbourhood Study Amendments <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services 		Q3 2020	<p>Item 1 was originally targeted for a meeting in March but had to be postponed due to the Pandemic.</p> <p>Item 2 was originally targeted for a meeting in April but had to be postponed due to the Pandemic.</p>
19.	Planning Reports and/or Amending By-laws for Q3	Department Work Plan	<p>Staff will present the following matters for Council's consideration in Q3 2020:</p> <ol style="list-style-type: none"> 1. 176 Parkview Interim Control By-law Exemption Report 2. 164 Beechwood Interim Control By-law Exemption Report 3. Final recommendation report for the Stellar Avenue Application 4. York Region Municipal Comprehensive Review Update 5. Mulock Station Area Secondary Plan <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services 		Q3 2020	

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q3 2020						
20.	Heritage Designations - York Region Administrative Building and Newmarket Canal System	Outstanding Matters List	Meeting Date: Committee of the Whole - April 30, 2018 Recommendations: <ol style="list-style-type: none"> 1. The Strategic Leadership Team/Operational Leadership Team recommend that the following be referred to staff for review and report: <ol style="list-style-type: none"> a. That the Heritage Newmarket Advisory Committee propose to the Region of York that the Administration Centre building be designated, due to its noted architect; and, b. That the Heritage Newmarket Advisory Committee recommend the Town of Newmarket designate the Newmarket Canal system. Responsible Department: <ul style="list-style-type: none"> • Planning and Building Services 	Q1 2020	Q3 2020	Additional time was needed to retain Cultural Heritage Consultant via Procurement process. Consultant retained and Designation Reports are now being prepared. Must first go to Heritage Newmarket, so tied to timing of that Committee.
21.	Construction Vibration Issues	Outstanding Matters List	Meeting Date: Committee of the Whole – March 18, 2019 Recommendations: <ol style="list-style-type: none"> 5. That staff investigate options for existing sites where construction activity will cause significant vibrations. Responsible Departments: <ul style="list-style-type: none"> • Planning and Building Services • Engineering Services 	Q2 2020	Q3 2020	Additional time needed to liaise with Legal Services and Legislative Services to ensure there is a legal means to require/enforce the recommended measures.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q3 2020						
22.	Proposed Trail from Yonge Street to Rita's Avenue	Outstanding Matters List	<p>Meting Date: Council – January 18, 2016 – Item 35</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. That staff provide alternate trail options for this area at a lower cost. 2. That Item 35 of the Council Minutes of December 14, 2015 being Joint Development and Infrastructure Services - Planning and Building Services and Engineering Services Report 2015-44 dated November 19, 2015 regarding a proposed trail from Yonge Street to Rita's Avenue be reconsidered; and, 3. That staff provide alternate trail options for this area at a lower cost, including the option of extending the trail through George Luesby Park along Clearmeadow Boulevard to Yonge Street and further connecting the trail from Flanagan Court/Rita's Avenue to the George Luesby Park Trail; and, 4. That staff also include in the report the option of installing lighting along the George Luesby Park Trail. <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services • Engineering Services 	2021	Q3 2020	With the Yonge Street Viva Bus Rapid Transit complete, staff can now proceed.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q3 2020						
23.	Derelict Properties	Outstanding Matters List	Meeting Date: Committee of the Whole - September 23, 2019 Recommendations: 1. That Staff circulate an information report related to derelict properties, including information regarding demolition requirements and any impediments that may apply. Responsible Departments: <ul style="list-style-type: none"> Planning and Building Services Legislative Services 	Q2 2020	Q3 2020	Re-prioritized to Q3 due to staff resource constraints and Pandemic.
24.	Single Use Plastics	Outstanding Matters List	Meeting Date: Committee of the Whole – June 17, 2019 Recommendation: 1. That Council direct staff to bring back a report which outlines the roles and responsibilities of the Province, the Region and the Town in relation to recycling and diversion and provides the following: <ol style="list-style-type: none"> information on what work is currently being done to address the reduction and eventual elimination of single use plastics; and, clear options for Council to consider to ensure the town is taking steps within its jurisdiction to reduce and eventually eliminate single use plastics. Responsible Departments: <ul style="list-style-type: none"> Public Works Services 	Q2 2020	Q3 2020	Staff have established a draft report and are continuing to undertake additional research and analysis. An Information Report or Action Report will be issued in Q3 of 2020.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
25.	Third Quarter 2020 Financial Update	Department Work Plan	An update on the financial situation will be critical. If there are changes to be made to the capital plan, this may require a report to Council; otherwise this is a standard information report. Responsible Department: <ul style="list-style-type: none">Financial Services		Q4 2020	This is an annual report issued by staff.
26.	2021 Fees & Charges	Department Work Plan	Approval of fees and charges for 2021 in coordination with the 2021 budget. This includes but is not limited to Water, Wastewater, Recreation and Culture. Responsible Department: <ul style="list-style-type: none">Financial Services (lead) all departments to contribute		Q4 2020	All departments will be required to factor in post-Pandemic considerations when recommending amendments to fees and charges for 2021. This is a series of annual reports issued by staff.
27.	2021 Budget Approval	Department Work Plan	Approval of the operating budgets - tax and rate-supported, and the capital budget for 2021 in advance to the commencement of the new fiscal year. Responsible Department: <ul style="list-style-type: none">Financial Services		Q4 2020	This is an annual report issued by staff.
28.	Procurement Card Policy	Department Work Plan	In coordination with the Strategic Priority - Update to Procurement Policies and Procedures - a separate P-card Policy needs to be created when it is removed from the current Procurement By-law. Responsible Department: <ul style="list-style-type: none">Financial Services		Q4 2020	

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
29.	Budget Policy	Department Work Plan	To formalize the existing budget practise and update with reference to the Fiscal Strategy. Responsible Department: <ul style="list-style-type: none">Financial Services		Q4 2020	This is a new initiative.
30.	Stormwater Billing	Department Work Plan	To be put on the utility bill (report 2020-04) and deferred to November (Financial Relief) Program. Based on the history of this charge, an information report to Council is recommended. Responsible Department: <ul style="list-style-type: none">Financial Services		November 2020	Staff will provide Council with an information report on this matter.
31.	Body Rub Parlours	Department Work Plan	This matter was identified in the regulatory review for this term of Council. Responsible Department: <ul style="list-style-type: none">Legislative Services		Q4 2020	Council would need to first amend the Zoning By-law to clarify the definition and then adopt a licensing framework for this business classification.
32.	Procurement By-law Review	Department Work Plan	New Procurement By-law is in step with one of the REV It Up initiatives to update procurement policies and procedures, as well as the estimated timeline recommended by review consultant. Responsible Department: <ul style="list-style-type: none">Legal and Procurement Services		Q4 2020	
33.	Delegation By-law Review	Department Work Plan	An update to the Delegation By-law which lists authority that Council has delegated to facilitate efficient and effective Town administration. Responsible Department: <ul style="list-style-type: none">Legal and Procurement Services		Q4 2020	

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
34.	Climate Change Resilience Assessment - Final Report	Department Work Plan	<p>Presentation or just a simple Report to Council to advise them that the work is done and what the outcome is - This relates to the Strategic Pillar on Environmental Stewardship</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> Engineering Services 		Q4 2020	
35.	Youth Engagement, Diversity and Inclusivity, and Consultation on the Environment	Outstanding Matters List	<p>Meeting Date: Committee of the Whole – June 17, 2019</p> <p>Recommendation:</p> <p>3. That staff be directed to plan a Climate Change Open House for Fall 2019 (completed) and a Spring 2020 e-Waste Collection event as part of a one-year pilot environmental consultation program and report back in 2020 with a review of this program;</p> <p>Responsible Departments:</p> <ul style="list-style-type: none"> Engineering Services Public Works Services 	Q1 2020	Q4 2020	Spring waste management forum postponed until Fall 2020 due to Pandemic, and an information report to serve as an update will be provided to Council.
36.	Established Neighbourhoods Compatibility Study	Outstanding Matters List	<p>Meeting Date: Committee of the Whole - September 23, 2019</p> <p>Recommendations: Established Neighbourhoods Compatibility Study</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> Planning and Building Services 	Q1 2020	Q4 2020	<p>Special Committee of the Whole held January 20, 2020.</p> <p>Public Meeting was scheduled for April 14 but was cancelled due to Pandemic. Must be rescheduled.</p> <p>Final recommendations to follow in Q4.</p>

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
37.	Residential Parking	Outstanding Matters List	<p>Meeting Date: (1) Committee of the Whole - November 6, 2017</p> <p>(2) Committee of the Whole – April 9, 2018 (Temporary Parking Exemption Report)</p> <p>Recommendations: (1) 1. That Development and Infrastructure Services Engineering Services and Planning and Building Services - Report 2017-45 dated November 6th, 2017 regarding Residential Parking Review be received and the following recommendations be adopted:</p> <p style="padding-left: 40px;">c. That, subject to budget approval, staff be directed to undertake a review of the Parking By-law and report back to Committee of the Whole with recommendations on improvements to parking matters discussed in this report.</p> <p>(2) 5. That the Temporary Parking Exemption Program be implemented as a pilot project and reviewed as part of the overall residential parking review scheduled for Q1/Q2, 2019</p> <p>Responsible Department:</p> <ul style="list-style-type: none"> • Planning and Building Services • Legislative Services 	Q3 2020	Q4 2020	Additional time needed to scope issues and confirm enforcement matters with By-laws.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
38.	Multi Use Pathways	Outstanding Matters List	Meeting Date: Committee of the Whole – November 4, 2019 Recommendation: 1. That Council direct Staff to report back in 2020 regarding the best practices and options for improving the signage and markings on the Tom Taylor Trail system. Responsible Departments: <ul style="list-style-type: none"> Public Works Services 	Q4 2020	Q4 2020	Staff are currently undertaking research and establishing a field inventory. An information report will be issued in Q4 of 2020.
39.	Hollingsworth Arena and Future Ice Allocation Considerations	Outstanding Matters List	Meeting Date: Committee of the Whole – April 8, 2019 Recommendations: 3. That the Town of Newmarket operate with six ice pads and report back annually on the status of ice allocations, and ability to accommodate users; and 6. That within six months staff bring back a report on any plans for public amenity use at this location; Responsible Department: <ul style="list-style-type: none"> Recreation and Culture Services 	Q1 & Q3 2020	Q4 2020	Staff will provide two information reports on this item 1) regarding the public amenity use of this facility; and 2) regarding the status of ice allocations after the needs of the organizations for the 2020-2021 season have been identified. The information reports were delayed due to operational disruptions caused by the Pandemic.
40.	Community Canvas	Department Work Plan	Rescheduled due to COVID 19 but necessary to launch project. Timing to align with return to business Responsible Department: <ul style="list-style-type: none"> Recreation and Culture Services 		Q4 2020	In Q4 2020, staff anticipate facilitating a Council Workshop to initiate the discussion on a community canvas, and to complete the Cultural Masterplan that was in place from 2008 to 2018. The community canvas discussions will continue into 2021.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in Q4 2020						
41.	Recognition of the Widdifield Family	Outstanding Matters List	<p>Meeting Date: Committee of the Whole – February 25, 2019</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. That staff be directed to investigate options that will recognize the area east of the river and west of Doug Duncan Drive, that lies between Timothy and Water St to be recognized in some format by a commemorative plaque or other option that acknowledges and demonstrates the background and history of an area known to be Widdifield Park; and, 2. That Mike Widdifield of Newmarket be notified of any proposals. <p>Responsible Department:</p> <ul style="list-style-type: none"> • Recreation and Culture Services • Public Works Services 	Q1 2020	Q4 2020	An information report was delayed due to operational disruptions caused by the Pandemic.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items with a date to be determined						
42.	Council Remuneration	Outstanding Matters List	Meeting Date: Committee of the Whole – April 9, 2018 Recommendations: 1. That Council refer the consultant and staff report to the new term of Council to be considered along with updated information at that time and to allow for phasing of any further adjustments to occur if necessary. Responsible Department: <ul style="list-style-type: none"> Office of the CAO/Human Resources 	Q1 2020	To be determined – see additional comments	Staff will present a report on Council remuneration once the Pandemic is declared over.
43.	Downtown Parking Report - 500 Water Street Parking Information Report 2018-11 (Cachet Parking Lot)	Outstanding Matters List	Meeting Date: Committee of the Whole – March 19, 2018 Recommendation: 3. That the Community Centre Lands Task Force work form the basis of a report back to Council, to be brought forward in Q1/Q2, 2019. Responsible Department: <ul style="list-style-type: none"> Innovation and Strategic Initiatives Engineering Services Community Centre Lands Task Force 	Q2 2020	To be determined – see additional comments	Staff will also provide a report to Council on downtown parking options, with recommendations to increase spaces in the downtown area. This report is currently being developed and may be presented to Council prior to the end of the year.
44.	Tax Sales	Department Work Plan	Staff will resume the process for the sale of properties where taxes have not been paid by the owner. Responsible Department: <ul style="list-style-type: none"> Financial Services 		To be determined – see additional comments	Staff will provide Council with an information report on this matter. Resuming this process will be contingent upon the Pandemic declared over.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items with a date to be determined						
45.	Parking Enforcement Initiative - Pay It Forward Program	Outstanding Matters List	Meeting Date: Committee of the Whole - November 4, 2019 Recommendation: 3. That Staff report back to Council within 18 months Responsible Department: <ul style="list-style-type: none"> Legislative Services 	Q2 2020	To be determined – see additional comments	Council previously request that staff require donations to the Newmarket CARE program, however online donations cannot be accepted. Given that resources will be committed to recovery from the Pandemic this initiative is not deemed a priority item and will be presented to Council at a future time to be determined.
46.	Traffic Calming Measures/Speed Mitigation at William Roe Boulevard and Dixon Boulevard	Outstanding Matters List	Meeting Date: Committee of the Whole – November 4, 2019 Recommendation: 1. That the petition regarding Traffic Calming Measures/Speed Mitigation at William Roe Boulevard and Dixon Boulevard be referred to Staff. Responsible Departments: <ul style="list-style-type: none"> Engineering Services 	Q3 2020	To be determined – see additional comments	The study will be deferred until the Pandemic is over and traffic is considered at normal levels, and the weather allows for the appropriate studies to be conducted.
47.	Town-Wide Mitigation Strategy - Traffic Calming Policy Public Consultation Report	Outstanding Matters List	Meeting Date: Committee of the Whole - September 23, 2019 Recommendations: 2. That Staff report back to Council in up to 12 months regarding various initiatives raised in this report. Responsible Departments: <ul style="list-style-type: none"> Engineering Services 	Q4 2020	To be determined – see additional comments	The timing of this report will depend on available traffic count information. Staff may be able to get traffic counts in Q3 and Q4 2020, and if so, a high level report can be issued in Q1 2021.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items with a date to be determined						
48.	Atkins Drive and Quick Street All-way Stop Request	Outstanding Matters List	Meeting Date: Committee of the Whole – February 24, 2020 Recommendation: 6. That the Town continue to apply Category 1 traffic calming measures to educate motorists to comply with the speed limits and that Staff explore options for Category 2 traffic calming measures; and, 7. That Staff provide Council with data regarding All-Way Stop warrants related to Bob Gapp Drive and Atkins Drive, including modelling the anticipated near-term growth; and, Responsible Departments: <ul style="list-style-type: none"> Engineering Services 	Q4 2020	To be determined – see additional comments	Staff require time to complete the fieldwork and measurements for this study. The timing of this report will depend on when traffic patterns resume back to normal after the Pandemic (i.e., if school returns to normal in September 2020). Traffic measurements will need to be a true representation of the traffic patterns to correct the field situation.
49.	Traffic & Parking Petitions	Outstanding Matters List	Meeting Date: Committee of the Whole - August 26, 2019 Recommendations: 1. That the petition regarding Traffic Calming Measures/Speed Mitigation on Flagstone Way be referred to Staff; and, 2. That the petition regarding Traffic Calming Measures/Speed Mitigation on Simcoe Street be referred to Staff. Responsible Departments: <ul style="list-style-type: none"> Engineering Services 	Q1 2020	To be determined – see additional comments	Studies for Flagstone Way and Simcoe Street will be deferred until the Pandemic is over and traffic is considered at normal levels, and the weather allows for the appropriate studies to be conducted.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items with a date to be determined						
50.	Protection of Trees on Private Property	Outstanding Matters List	Meeting Date: Committee of the Whole - June 17, 2019 Recommendations: 4. That following the internal and public consultation, issues identified in this report, together with comments from the public, and Committee, be addressed by staff in a comprehensive report to the Committee of the Whole with a draft by-law; and, Responsible Department: <ul style="list-style-type: none"> Planning and Building Services 	Q1 2020	To be determined – see additional comments	PIC at the iWonder Event completed in Fall 2019. Re-prioritized due to staff resource constraints and Pandemic.
51.	Newmarket Public Library Study Implementation	Outstanding Matters List	Meeting Date: Committee of the Whole - February 26, 2018 Recommendations: 2. That Council refer the further consideration and direction with respect to library facility needs study to the 2018 – 2022 Council Strategic Priority setting process. Responsible Department: <ul style="list-style-type: none"> Community Services/Newmarket Public Library 	Q3 2020	To be determined – see additional comments	Procurement & process planning delayed as a result of Pandemic.

Item	Subject Matter	Subject Matter Originates from:	Council Direction from Outstanding Items List Or Description from Individual Department Work Plans	Previous Reporting Timeframe	New Proposed Reporting Timeframe	Additional Comments
Items for Council consideration in 2021						
52.	Ranked Ballots	Outstanding Matters List	Meeting Date: Special Committee of the Whole – May 14, 2019 Recommendation: 3. That Staff report back to Council with respect to referendum questions for the 2022 Municipal Election; and, Responsible Departments: <ul style="list-style-type: none"> Legislative Services 	Q3 2020	Q1 2021	Staff are part of a Greater Toronto Hamilton Area working group that was organizing an election vendor fair to learn about changes/updates in the election technology industry. The fair was scheduled to take place in May, and will not given the pandemic. Staff do not know whether the fair will be rescheduled; however, a report back on an election model for the 2022 municipal election is anticipated in Q1 2021.
53.	Customer Service results and trends	Department Work Plan	Presentation to Council on year-to-date results and trends will also be included. Responsible Department: <ul style="list-style-type: none"> Customer Service 		Q1 2021	A presentation highlighting 2019 and 2020 results will be provided following issuance of annual Customer Service Department Year End Results Information Report.
54.	2020 - 2024 Economic Development Strategy	Department Work Plan	In keeping with Council Strategic Priorities (CSP) Action Plan / Timelines Responsible Department: <ul style="list-style-type: none"> Economic Development 		Q1 2021	
55.	Annual Advisory Committee Work Plan Update	Department Work Plan	This is Council's yearly update with its Advisory Committees and Boards. Responsible Department: <ul style="list-style-type: none"> Legislative Services 	Q3 2020	Q2 2021	Given the limited number of meetings Advisory Committees have had to date in 2020, it is recommended that the annual update for 2020 be merged into a 2020 and 2021 annual update.



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Financial Update Staff Report to Council

Report Number: 2020-34

Department(s): Financial Services

Author(s): Mike Mayes, Director of Financial Services

Meeting Date: May 19, 2020

Recommendations

1. That this report entitled Financial Update Staff Report to Council be received; and,
2. That staff be directed to further investigate mitigating measures to lessen the financial impact of the pandemic on the Town, and to report back on the results; and,
3. That changes to the 2020 capital program, and additions to the 2021 capital spending authority be made as detailed in this report; and,
4. That staff be authorized and directed to do all things necessary to give effect to this resolution.

Executive Summary

The figures presented in this report are the best information prepared at a certain point in time: these are estimates under the current understanding and measures in place. As the Province brings in changes to regulations during the emergency period, then costs and savings are subject to fluctuation.

The COVID-19 pandemic could create a deficit of up to \$8.5 million for the Town of Newmarket's tax-supported operating budget. Some mitigating measures can be applied to this but they have not been quantified yet.

The impacts on the rate-supported and capital budgets are expected to be much less and manageable.

Purpose

The Financial Services department prepares a quarterly Operating, Capital, Water & Wastewater, Stormwater, and Investment Summary report – now referred to as the Financial Update. The report serves the following purposes:

- Updates on year to date results and a projection of year end results for:
 - The tax-supported operating budget
 - The rate-supported operating budgets (water, wastewater and stormwater)
 - The capital budget
- Treasurer's opinion on investments

The operating budget updates will focus on the projections. The first quarter results are usually not significant and are even less so due to the pandemic, the impact of which only started mid-March.

The capital budget update will focus on recommended changes to the capital program.

Background

OPERATING BUDGETS

On December 2, 2019, Council approved the 2020 budgets. This included operating budgets with a 2.99% tax increase and a 4.92% combined water / wastewater rate increase. The budgets were balanced, as required by section 290 of the *Municipal Act*.

The COVID-19 pandemic now challenges these budgets.

Council was presented with two reports at its special electronic meeting held on April 27, 2020. Report 2020-27, Newmarket's Response to COVID-19, details the Town's response and the effects on municipal operations, activities and initiatives to date. Report 2020-28, Financial Relief Program, outlines the measures to be taken by the Town, with a projected cost of up to \$930,000.

CAPITAL BUDGET

Also on December 2, 2019, Council approved a \$37.8 million capital budget. It also introduced the concept of a capital plan which includes:

- The Capital Budget - total approved funding for annual capital expenditures and the required funding sources.
- The Capital Program - the list of projects contained within the Capital Budget.

It recognized that changing circumstances could result in projects being reduced, deferred or cancelled, and replaced by other projects for which there is adequate funding. In the regular quarterly reporting, any required changes in the Program would be requested.

Discussion

TAX-SUPPORTED OPERATING BUDGET

A tax-supported loss of up to \$9.2 million can be attributed directly to the COVID-19 pandemic. Two scenarios are presented based on a re-opening of Town services to the public. July 1 and September 1 openings are arbitrary dates and the exact dates will vary based on the staged recovery plan outlined by the Province and the specific openings and timing they feel comfortable with. These figures are estimates and represent a range of what is expected.

	July 1	September 1
Financial Relief Program	\$ 930,000	\$ 930,000
Emergency Response	725,000	990,000
Lost user fee revenues	2,000,000	2,300,000
Other operating losses	3,300,000	3,800,000
Recovery	500,000	500,000
	\$ 7,455,000	\$ 8,520,000

Financial Relief Program

The cost of the mitigating measures was outlined in report 2020-28, Financial Relief Program. The range given was \$810,000 to \$930,000 – depending on decisions to be made by York Region. York Region Council chose an option in the middle of our range; however, tax payments are 4% below of what we had projected.

As a result, \$930,000 is a reasonable estimate.

Emergency Response

The Town is tracking incremental expenses related to the COVID-19 pandemic. This is being done for accountability and potential reimbursement if emergency grants become available.

The additional costs include cleaning, protective equipment, communications, technology, and paid absences. The projection includes \$127,000 in one- time costs and \$133,000 per month.

Lost user fee revenues

Closing facilities and the deferral of construction activity during the lockdown has had a major impact on our user fee revenue. Some municipalities title this as a “burn rate” and apply a monthly average. Our business fluctuates with the seasons, so we did a line by line review.

There are some off-setting cost savings – costs directly attributable to service delivery such as casual and seasonal wages and utilities. The projections have applied these numbers.

Approximately 68% of the net loss is attributable to Recreation and Culture.

Other operating losses

In addition to reduced user fee revenue, there are some corporate revenues for which provision is being made.

Although 2019 is expected to be a profitable year for NT Power, there may be challenges in 2020 as a result of the pandemic. Therefore, the 2019 dividend, which would normally be paid in December 2020, is not guaranteed. This would normally be \$1.3 million.

The slower economy could result in some businesses not paying their property taxes. Payment of these taxes are guaranteed by our right to enforce our liens with tax sales, but we are still vulnerable to tax assessment adjustments that might occur. \$250,000 is provided for this.

The hit on our cashflow will reduce our ability to invest excess funds. Funds that can be invested will be done at a much lower rate due to the significant drop in the prime rate from 3.95% to 2.45%. As noted in the report on investments below, while our active investments are locked in at their pre-pandemic rates, our passive estimates (bank balances) are earning significantly less.

The pandemic is disrupting delivery of Town services and adding additional costs as a result. These are estimated to amount to be in the range of \$1.5 to \$2 million, depending upon how long the emergency lasts. This is addition to the costs for emergency response and recovery.

There may be mitigating measures – referenced below.

Recovery

Whether we re-open July 1 or September 1, operations are expected to take at least 3 months to return to pre-pandemic levels. This is essentially user fee revenues. In addition, there will continue to be some additional expenses – cleaning, protective equipment, education, enforcement, etc.

We do not have a comprehensive estimate for what this may cost, so have applied an allowance of \$500,000. This is based on our level of losses during the lockdown proportional to analyses done by other municipalities.

Mitigating measures

Staff are investigating options to reduce the projected 2020 deficit. These include:

- Staffing
 - Management of staff vacation time
 - Staff redeployment to critical and essential service areas
 - Restrict hiring to only essential and critical staff (hiring freeze for new and vacant positions)
- Expense reductions
 - Freeze on discretionary expenses
 - Limiting out of province travel
 - Cancelling all training not required to maintain professional accreditation;
 - Restricting conferences to board members.
- Service levels reductions, in areas such as:
 - Parks maintenance such as grass cutting (reduced frequency)
 - Playground surface repairs and maintenance and playground equipment replacement
 - Tennis court and trail rehabilitation and repair
 - Tree planting including EAB related tree removals and planting
 - Spot improvement in parks, facilities, and sidewalk
- Financial Tools
 - Use of the 2019 surplus and reserves
 - Review of our investments, including Newmarket Tay Power.

Subject to further analysis and what options are selected, potentially the deficit could be reduced by 50%.

RATE-SUPPORTED OPERATING BUDGETS

The first quarter results for water, wastewater and stormwater do not indicate that there are any issues. The pandemic is not expected to change this.

Negotiations are underway to obtain compensation from York Region for water quality issues (flushing). This could provide a significant financial benefit.

Stormwater billing will be added to the utility bills in November, 2020.

CAPITAL PLAN

The 2021 capital budget included a major change from the process of previous years. These changes are listed in the Background section of this report.

Analysis was limited during the transition. Consequently, some projects that were approved for 2019 had unanticipated residual expenditures carried over into 2020. These expenditures were previously approved by Council and have been subject to appropriate Procurement procedures. Currently, these amount to \$780,000.

Offsetting this, the Capital Project Delivery Task Force has projected that there are \$2.9 million worth of projects in the current capital program that will not be starting the procurement process until the last half of the year. It is reasonable to expect that these projects will not be completed prior to the end of 2020. There is no detailed analysis of this available yet, however, a 50% deferral of these projects to 2021 is recommended.

To summarize, the following is recommended:

1. No change in the capital budget of \$37.8 million;
2. That \$1.45 million of expenditures included in the capital program for 2020 be deferred to 2021;
3. That the above deferral be added to the capital spending authority for 2021, (i.e. be pre-approved for the budget);
4. That the space created from the above be used to accommodate \$780,000 in residual expenses from 2019;
5. That the remaining space, \$670,000, be held as an allowance for further adjustments;
6. And that the details of the changes in the capital program be reported to Council as part of the Financial Update for June 30, 2020.

The proposed process for the 2021 budget will address this issue by building a program contingency into the capital budget.

INVESTMENTS

Active investments

The Investment Summary for the three months ended March 31, 2020 provides the details of all investments held during the period.

None of our investments is subject to any variance between initial cost and market value. The average weighted yield on our reserve fund investments was 2.68 % (2019 – 2.76%) compared to a weighted average benchmark of 2.15% for the three month period. The incremental income earned, \$95,524, was higher than the \$16,250 budgeted transfer to the Tax-Supported Operating Fund, as approved by Council in the 2020 budget.

At the end of the first quarter, the reserve fund investment portfolio included:

- i) \$58,968,260 (81.7%) GIC's with major banks;
- ii) \$9,240,818 (12.8%) in non-traditional investments (internal loans)
- iii) \$4,000,000 (5.5%) principal protected notes;
- iv) \$14,212 (0.0%) loan to an external party (Newmarket Soccer Club)

In the opinion of the Treasurer, all investments made were in line with the investment policies, strategies and goals adopted by the Town.

Passive investments

We earned only \$48,000 in interest on our operating bank accounts, which was \$70,000 lower than the budget. In 3 months we have seen the rate we earn on our bank balances decrease from 2.45% to 0.95%. The interest income budget of \$785,000 will not be achieved in 2020.

Conclusion

Staff will continue to monitor our financial status, with an emphasis on pandemic related costs. The next update will be for the second quarter and is planned to be issued in August. This report will also provide an update on the options for mitigating measures. (Insert concluding comments and next steps where applicable]

Business Plan and Strategic Plan Linkages

This report supports the Council strategic pillar of Long-Term Financial Sustainability.

Consultation

This report has been prepared from information provided by the Operational Leadership Team (OLT) and the Capital Project Delivery Task Force, and reviewed by the Strategic Leadership Team (SLT).

Human Resource Considerations

Not applicable to this report.

Budget Impact

A tax-supported loss of up to \$8.5 million can be attributed directly to the COVID-19 pandemic. Other unrelated variances in revenues and/or expenses may offset some of this. In addition, there will be mitigating measures which have not been quantified yet.

The impacts on the rate-supported and capital budgets are expected to be much less and are manageable.

Attachments

Investment Summary for the Three Months Ended March 31, 2020.

Approval

Mike Mayes, Director of Financial Services/Treasurer
CPA, CGA, DPA

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

For information regarding this report, contact Mike Mayes at mmayes@newmarket.ca or 905-953-5300, ext. 2102.

Investment Summary for the Three Months Ended March 31, 2020

[illegible]

Re: Mitigating Measures: Staffing (page 5 of Report 2020-34)

“management of staff vacation time”

- What does this mean and what are the anticipated savings?

“staff redeployment to critical and essential service areas”

- How is this a savings if all permanent staff continue to be paid? Does it mean that laid-off workers will not be recalled and what are the anticipated savings?

While NTAG recognizes that certain essential staff are necessary to maintain municipal services 100% of the time, other essential staff hours should be reduced, and non-essential staff should not continue to be paid at full salary and benefits.

NTAG suggests that non-essential staff, if not redeployed, be encouraged to volunteer in the community, and if unable to do so, should have their salaries reduced to match the pay that many in the private sector have been receiving from the Canada Emergency Response Benefit.

NTAG strongly suggests that The Mayor, Senior Management and all Members of Council take a voluntary 20% pay reduction as a symbolic gesture considering that many citizens and businesses are experiencing loss or reduction of income due to the pandemic and subsequent negative effects on our economy. This reduction should be reviewed in one year and any re-instatement be based on a return to break even non deficit economic performance by the Town.

NTAG strongly feels that property taxpayers should not be shouldering a deficit and potential significant tax hike in 2021 and beyond due, in part, to the Town’s unwillingness to realistically manage staffing costs during the pandemic.



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

2021 Budget Process and Target Staff Report to Council

Report Number: 2020-35

Department(s): Financial Services

Author(s): Mike Mayes, Director of Financial Services/Treasurer

Meeting Date: May 19, 2020

Recommendations

1. That the report entitled 2021 Budget Process and Target, dated May 19, 2020, be received; and,
2. That the proposed budget schedule with a target budget adoption date of December 14, 2020 be approved; and,
3. That endorsement be given to staff to proceed with preparation of the 2021 budgets employing the structure and targets as set out in this report; and,
4. That the form and timing of budget submissions for all entities accountable to Council be subject to the process outlined in this report; and,
5. That the proposed community engagement plan for the budget be adopted; and,
6. That the Treasurer be authorized and directed to do all things necessary to give effect to these recommendations.

Executive Summary

The proposed process for the 2021 budget is the same as that of previous years. Some flexibility may be required to deal with the impact of the COVID-19 (pandemic, the resulting recovery period, and the implementation of the Fiscal Strategy (scheduled for presentation to Council in June).

Purpose

The purpose of this report is to secure Council's approval of the schedule, process and initial targets for the 2021 budget.

Background

CURRENT PRACTICE

Since 2012, Council has set budget targets to limit the property tax levy increase. In general, these targets have been achieved. Setting these targets early has facilitated efficient preparation of budgets to ensure that they meet Council's expectations.

Starting with the 2017 budget process, the following principles have been applied in building the budget:

1. The budget is divided into segments based on:
 - Operations, capital or reserves
 - Major funding source – tax-supported, rate-supported
 - Governance – Town, Central York Fire Services (CYFS), Library, Downtown Business Improvement Area (BIA)
 - Relationship to service levels – base, growth, enhancements, extraordinary
2. The Toronto Consumer Price Index (CPI) for March is used as the starting point to set a target for the base budget. An additional 0.25% to 0.50% is added to convert this index for municipal purposes.
3. Service level enhancements and extraordinary items are not included in the base budget.
4. Growth revenues are only applied to growth expenses.
5. Requests for budget increases, both operating and capital, are documented as mini business cases on forms called Decision Packages, which include all relevant budgetary impacts.
6. Each budget segment must confine its expenditures to the available funding.
7. Wherever possible, budgets will be derived from Council-approved multi-year financial plans.

The 2020 budget introduced changes to capital budgeting:

1. The Capital Budget is approved funding for annual capital expenditures with the focus on the total amount. There are two capacity tests:
 - a. Operational – that the projects can be delivered
 - b. Financial – that funding is limited to availability of each individual source

2. The Capital Program is the list of projects contained within the Capital Budget. Changing circumstances can result in projects being reduced, deferred or cancelled and replaced by other projects.
3. The Capital Spending Authority is the total of all approved capital expenditures.

During the 2020 budget process, Council pre-approved \$12.7 million in capital expenditures for 2021.

- \$6.2 million to complete the construction of the new fire station
- \$4.8 million for the 2nd phase of the Advanced Metering project (smart water meters)
- \$1.7 million for the final amounts for 2 fire vehicles

Budget Structure

The Town's budget is segregated into the following components:

- Operating budgets
 - Tax-supported operating budgets
 - Tax-supported base operating budget
 - Central York Fire Services (CYFS)
 - Newmarket Public Library (Library)
 - Newmarket Downtown Business Improvement Area (BIA)
 - Tax-supported service level enhancements
 - Tax-supported growth
 - Tax-supported infrastructure levy
 - Extraordinary items
 - Rate-supported operating budgets
 - Water
 - Wastewater
 - Stormwater
 - Building Permits
- Capital Budgets
- Reserve and Reserve Fund Budgets

APPLICABLE LEGISLATION

Section 290 of the *Municipal Act* stipulates that a local (lower tier) municipality must prepare and adopt a budget that provides estimates of expenses, including necessary provisions, and revenues, including the tax levy.

Multi-year budgets are addressed in Section 291. Budgets may be approved for up to five years (the current year plus four more), but are subject to annual review – this allows for a change in direction as may be in the case with a newly elected council.

The *Municipal Act* also requires that “... every board, commission or other body, other than an upper-tier municipality or school board, for which the municipality is required by law to levy a tax or provide money” submit a budget request to it by the date, and in the detail and form required by the municipality.” For budget purposes, those entities that require council approval of their budgets are treated similar to municipal departments.

Newmarket Public Library (Library)

The Library is governed by a management board and produces separate audited financial statements¹. However, it is regulated by the *Public Libraries Act*, which in Section 24 requires the library board to prepare annual estimates (a budget) “... on or before the date and in the form specified by the council.” Council is given the right to amend this budget.

The Newmarket Public Library Board will be recommending the budget that is submitted to Council.

Newmarket Downtown Business Improvement Area (BIA)

The BIA is also governed by a management board and also produces separate audited financial statements². However it is regulated by the *Municipal Act*, which in Section 208 requires the BIA to prepare an annual budget “... by the date and in the form required by the municipality.” Council may then “... approve it in whole or in part but may not add expenditures to it.”

The Board of Management of the Newmarket Downtown BIA should be recommending the budget that is submitted to Council.

Central York Fire Services (CYFS)

Central York Fire Services (CYFS) is a partnership with the Town of Aurora and is managed by a Joint Council Committee (JCC) consisting of three council members from each town. The Consolidated Fire and Emergency Services Agreement between the Towns of Aurora and Newmarket sets out the budget requirements in Section 6, with further elaboration of financial principles in Appendix D.

The draft operating and capital budgets are prepared by JCC in consultation with the Fire Chief. The budgets will be presented to Aurora Council for comment. From there, the budgets will be distributed to Newmarket Council who “... shall have sole authority to determine and approve the budgets.” In practice, the Fire Chief prepares the budget in consultation with Financial Services and presents it to JCC for review, revision and recommendation.

Committees

¹ Which are consolidated into the financial statements for the Corporation of the Town of Newmarket

² Which are consolidated into the financial statements for the Corporation of the Town of Newmarket

Any budget requests related to Town committees are referred to the appropriate department for consideration in their overall departmental budget.

Discussion

BUDGET SCHEDULE

Appendix A includes a proposed schedule for the 2021 budget process. Please note that the schedule for the Town for the latter part of the year is subject to change.

Some of the key dates are:

- **October 5** – the preliminary draft budgets will be presented to Committee of the Whole. This will be the first look at the operating and capital budgets.
- **October TBD** – Special Committee of the Whole meetings dedicated to review the capital and rate-supported operating budgets.
- **November TBD** – Special Committee of the Whole meetings dedicated to review the tax-supported operating budget.
- **December 14** – this is the target date for approval of the 2021 budget. Council may wish to extend this time for further deliberations.

The meetings have been spaced farther apart to allow more time for preparation of reports and presentations so that they can be distributed in advance of the upcoming meetings.

Early budget adoption has advantages as follows:

- Tenders can be prepared and processed earlier in order to avoid potential cost increases that could be experienced in a later, busier, and more competitive environment.
- Facilitates better coordination with adjustments to fees and charges.
- Provides a full year of impact for any budget changes.
- Flexibility is available to extend the process, if required.

OTHER BUDGET CONSIDERATIONS

There are a number of new factors that need to be considered for the 2021 budget. Council may wish to delay the budget process because of these. For instance, because of COVID-19, the Regional Municipality of York is adding 2 months on to its budget schedule. It is recommended that Newmarket Council not take this option at this time. The process is robust enough that staff, if allowed some flexibility, could start the process. This approach seems to be consistent with other local municipalities in York Region.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic is expected to significantly impact residents and businesses. The length of the pandemic and duration of restrictions are currently unknown. Also, it is uncertain how long it will take to recover to previous levels of economic activity and what steps may need to be taken.

The March 31 Financial Update, Report 2020-XX detailed some of the financial impact of the COVID-19 emergency in our projected 2020 results. The deficit and use of reserve funds, only estimates at this time, may challenge the 2021 budget.

Other issues to be considered in the 2021 budget are:

- Revenues may not immediately return to pre-pandemic levels. Until a vaccine is found and the community feels safe, economic activity may lag. This could include Assessment Growth.
- Mitigation measures, introduced in 2020, may be extended or enhanced.
- Some of the Financial Relief Program may be extended to 2021.
- Support may be provided for local businesses.
- The Provincial and/or Federal governments may provide stimulus funding to accelerate our capital plans.

Fiscal Strategy

The Fiscal Strategy is a long-term plan, which includes an update of the capital financing sustainability strategy, an asset replacement fund (ARF) strategy, a review of our investment and debt practices, and the development of a formal budget policy. This new initiative is scheduled to be presented to Council in June.

It may introduce some changes that can be implemented for the 2021 budget. The process would be adjusted accordingly,

REV It UP

At the Special Council meeting of April 27, 2020 an update was provided of the service delivery review – REV It Up. An update was provided on the 13 projects that are being undertaken, 7 of which have already been initiated.

These projects will be included in the 2021 budget: some will require some investment, some will start to realize savings. The budget will show them as a separate item.

TAX-SUPPORTED OPERATING BUDGETS

The net costs to maintain infrastructure and provide services are included in the operating budgets.

For the tax-supported base budget, a tax increase of 1.99% is recommended

The Base Budget is defined to be the net cost to maintain the Town's service levels for a stable population. This is net of ancillary revenues and efficiencies. Tax-supported operating budgets have property taxation as a primary funding source and are further divided according to governance such as CYFS, Library and BIA. The Town's budget covers all of the other municipal services, including the internal support services. The tax-supported component is the part of the budget that usually gets the most public attention.

The March increase in the Toronto Consumer Price Index (CPI) is, on average, a good predictor of what the September and year-end increases might be. This year the March Toronto CPI only increased 0.43% due to the pandemic and lower oil prices. If we move into a recession, it is possible that we may even see deflation. However, a 1.99% increase is still recommended as a provision for the pandemic and recovery.

For 2021, a 1% tax increase will generate property tax revenues of approximately \$625,000.

Central York Fire Services' (CYFS) 10-year financial plan projects a \$439,000 increase in Newmarket's share of the base budget

The Joint Council Committee (JCC) for CYFS approved an Asset Management Plan and 10-year financial outlook at its meeting on June 12, 2018. These plans are the starting point for CYFS's 2021 budget.

For 2021 the outlook includes a \$1.3 million increase (4.61%) in the operating budget. Newmarket's share would be \$784,000, which consists of:

- \$363,000 for the base
- \$302,000 for growth
- \$119,000 for the Asset Replacement Fund (ARF) – the 3rd of 4 annual increases per the CYFS Asset Management Plan (AMP)

There may be a shift to increase the allocation of funding from the Town of Aurora, but it is too early to project and it is not expected to be as significant.

An inflationary increase for the Newmarket Public Library would be \$17,000

The 2019 budget for the municipal grant to the Library was \$3.33 million. The Newmarket Public Library Board has adopted a multi-year budget target of inflation plus a growth factor of 1.5%. This 2.0% increase would be \$67,000; \$17,000 for the base budget and \$51,000 for growth.

Changes to the BIA's levy do not directly affect the Town's budget

The Newmarket Downtown BIA currently levies \$30,000 on its members. This amount has been unchanged since 2011. Its expenses are paid from this levy. Any surplus or deficit is transferred to/from its dedicated reserve. As a result, the BIA budget has no

impact on the Town's budget; however, the BIA does require the Town's approval of its BIA budget.

There should be no provision for service level enhancements in the 2021 budget

Enhancements are the net cost of increases to service levels. They are documented on Decision Package forms. The rate-supported and separate governance budgets may also have enhancements.

With all of the other budget challenges, it is recommended that there be no allowance in the tax-supported base budget for enhancements. Exceptions may be made to directly implement Council priorities or to invest in REV It Up initiatives.

Assessment growth revenues will be applied against growth expenditures

Growth includes the additional net cost to maintain the existing level of service for a growing community. It includes both expenses and revenues. Growth revenues are revenues earned from increases in the population. The most visible is assessment growth – incremental property taxation revenue generated from new construction. Growth-related expenses are the incremental expenses necessary to maintain service levels for a growing population.

The Town uses the sustainable practice of applying growth revenues only to growth expenses, and, to date, has been successful in limiting growth expenses to the available growth revenues.

Assessment growth for 2021 had been previously projected to be 1.30%³. To be conservative 0.65% or \$406,000. The following is the initial proposed allocation of tax-supported growth revenue:

Assessment growth at 0.65%	\$ 406,000
Expenses:	
Fire Master Plan – 2020 allocation	\$ 302,000
Incremental growth (costs that increase as the Town's population grows, including supplies and contracted services for the maintenance of roads and other infrastructure, waste management and telecommunications)	\$ 50,000
Newmarket Public Library – growth provision	\$ 51,000
Expense total	\$ 403,000
Unallocated revenue	\$ 3,000

³ Updated to reflect the work done for the 2019 Development Charges Background Study.

The amount for incremental growth is an estimate. The actual amount will be calculated and presented as part of the Preliminary Draft Budget.

The unallocated portion is available for:

- Supporting the growth-related capital program, i.e. the funding portion not covered by Development Charges (DC's)
- New growth-related operating expenses not directly related to capital, as supported by Decision Package requests
- Council Strategic Priorities, if growth-related
- Future uses, by transferring to a reserve

The preliminary draft budget will provide a comprehensive recommendation.

An infrastructure levy of \$625,000 increase in ARF contributions

The Infrastructure Levy is the change in the annual contributions to the tax-supported Asset Replacement Fund (ARF). The Capital Financing Sustainability Strategy recommended an annual increase in the tax-supported ARF contribution equal to a 1% tax increase. The goal is being updated as part of the Fiscal Strategy – this is a recommended as a starting point.

For 2021, a 1% increase equates to \$625,000. CYFS, supported by its 10-year financial plan and asset management plan, has requested \$119,000 of this.

Actual use of these funds will be determined later in the budget process.

There are two potential new extraordinary items for 2021

Extraordinary items are costs which would normally be included in the Base Budget but are considered separately because their magnitude would be too disruptive (i.e. their inclusion in the Base Budget would affect service levels). These can be new regulatory requirements or substantial increases beyond normal inflation in the cost of goods and services. They can also be significant budget reductions. The practice has been to only include items that exceed normal inflationary or growth increases by \$100,000.

At the time of writing, there are two possible extraordinary items:

1. An increase in annual insurance premiums of \$250,000
2. Provision for the scheduled market review of salaries and benefits – the impact to be determined

There may be flexibility to include these items in the base budget if sufficient efficiencies can be found.

The impact of the pandemic and recovery have not been factored into the base budget.

The starting point for 2021 is a 2.99% tax increase

Summarizing the targets noted above:

Tax-supported operating budget	Net increase in \$	% Tax increase
- Town	\$ 864,000	1.38%
- CYFS	363,000	0.58%
- Library	17,000	0.03%
- Enhancements	-	-
- Growth, net	-	-
subtotal	\$ 1,244,000	1.99%
- ARF	625,000	1.00%
Total	\$ 1,869,000	2.99%

Newmarket's tax rates continue to be competitive

Comparing property taxes between municipalities can be challenging. There are many methodologies which can lead to inconsistency and confusion. The Town's practice has been to use the Municipal Levy per Capita as reported by BMA Consulting in their annual study of Ontario municipalities. To be consistent with single tier municipalities (cities such as Toronto) and those that have different splits of authority (e.g., waste management cost allocation between regional/county and local municipalities), the calculation includes both upper and lower tier taxation.

Appendix B compares Newmarket's per capita tax levy to the average for the Greater Toronto Area (GTA). Newmarket is approximately 10% below the Greater Toronto Area (GTA) average.

RATE-SUPPORTED OPERATING BUDGETS

Rate-supported financial plans will be updated later this year

Rate-supported operating budgets – water, wastewater and stormwater are funded 100% from non-tax revenues. They have 6-year financial plans that were approved by Council in 2017. These plans will be updated in September and will be the foundation for 2021 budget requests.

Water and Wastewater rates moving towards the York Region average

Appendix C shows how Newmarket's combined water and wastewater rates⁴ compare to the York Region average. This trend should continue for the next few years. Installing smart meters and leveraging substantial reserves should result in rates being at the Region average during this term of Council.

The 6-year financial plan will be updated based on the Fiscal Strategy and rate changes due to the Financial Relief Program. They will be extended to 10 years.

Stormwater rates continues to be challenged to fund capital

The Stormwater Rate Group has had significant increases in operating costs due to regulatory changes and needs to revise its capital plan. To address these issues, the 6-year financial plan will be updated based on the Fiscal Strategy and will be extended to 10 years.

Building permit fees will continue to fund the Building Department

Building permit fees cannot be used to subsidize the tax-supported budget. Consequently revenues earned in excess of expenditure needs have been transferred to a dedicated reserve fund. The reserve fund is now within the target range and needs to be reviewed for sustainability.

CAPITAL BUDGET

The capital budget remains within the available funding envelope

This establishes the financial capacity.

This budget includes the purchase and financing of Tangible Capital Assets (TCA) for infrastructure, land, buildings, machinery, equipment and other items that provide long-term benefits; and of major corporate studies such as the Official Plan and the Development Charges Background Study.

The capital budget will continue to be separated according to major funding sources. The capital requests will be subject to the availability of funding.

⁴ Commonly referred to as just the 'water rate' including the wastewater portion.

The funding envelopes are defined as shown in the table referenced below, with the following clarifications:

Capital category	Main funding source	Availability of funding
Replacement	Asset Replacement Fund (ARF)	Limited to the allocated portion of the Asset Replacement Funds
Growth	Development Charges (DC's)	Subject to inclusion in the 2019 Development Charges Background Study, and having sufficient funding for the non-growth or exempt portion, if any ⁵
Other	General revenues and reserves funds, as appropriate	There is an annual provision in the operating budget and there are unallocated amounts in the general reserves for capital ⁶

Usually, approximately 55% to 65% of new capital requests are in the Replacement category and approximately 35% are Growth. The requests are funded 45% to 60% from ARF and 20% to 35% from DC's.

The capital budget should be set at \$32.7 million

This sets the operational capacity.

This would consist of:

- \$12.7 million for capital expenditures approved with the 2020 capital budget and allocated to 2021 (fire station, smart meter project and fire vehicles). These projects would require minimal effort from dedicated capital project staff.
- \$20 million for new projects, split between:
 - \$15 million for a specified capital program
 - \$5 million (25%) allowance to be allocated later.

\$20 million has proven to be a reasonable delivery target for new projects based on our current experience.

There are two reasons for the 25% provision, both based on our experience with capital expenditures in 2020. Firstly, as we have eliminated capital carry-overs, it allows for projects that are expected to be completed by year-end but still have some expenses in

⁵ DC's cannot fund 100% of a project if some of it is deemed to be benefiting existing (and not just new) users, and/or if there is a statutory 10% reduction. Assessment growth revenue may be used to fund the shortfall.

⁶ \$100,000 was allocated from the 2018 tax-supported operating budget surplus for this purpose.

the following year. It is a degree of tolerance for estimation errors to include these residuals.

The second reason is to allow flexibility for new projects into the program as the year progresses. This may be due to unforeseen opportunities, changing priorities, or to provide for projects that become shovel-ready during the year.

Requests to use the allowance would be reported, with details of capital expenditures on a quarterly basis. Requests for new capital projects will continue to be documented in Decision Package forms.

RESERVE AND RESERVE FUND BUDGETS

Contributions to and from Reserve Funds are derived from the Operating and Capital Budgets. Contributions to and from Reserves tend to be in response to operational surpluses or deficits, but some transfers may be included in the operating and capital budgets as well.

Because of the dependence upon the other budgets, the Reserve and Reserve Fund Budgets are not compiled until after the Operating and Capital Budgets have been approved.

Conclusion

Staff will start preparing their 2021 budgets requests based upon the process and targets set by Council as outlined in this report. The goal is to present the preliminary draft budgets on October 5, 2020 and to approve the budget before the end of the year.

The first phase of the Community Engagement process will begin in June.

Interim appropriations should not be required for 2021, if the budget is adopted on December 15, 2020 as per the proposed schedule.

Business Plan and Strategic Plan Linkages

This process is supportive of Long-Term Financial Sustainability and furthers all of Council's Priorities under that pillar:

1. Ongoing community engagement
 - Conduct ongoing public engagement related to financial planning
2. Develop a multi-year operating and capital budget that aligns with budget policies
 - Develop a comprehensive budget policy
3. Ensure ongoing continuous improvement
 - Advance REV It Up recommendations
4. Complete Asset Management Plans
 - Update the capital financing sustainability strategy

Consultation

These recommendations are the product of lessons learned from 2020 and previous budget experiences. They include recommendations that have been reviewed by the Strategic Leadership Team (SLT) and the Operational Leadership Team (OLT).

This budget plan has been discussed with the Senior Leadership Team (SLT). It is consistent with past practice.

Public Engagement for the 2021 Budget

Public engagement for the 2021 budget will continue to build on the success of previous year's virtual/online engagement. As always, community engagement will be very important in helping to shape the 2021 budget. The Town will continue to utilize traditional communications tools and tactics (Town page advertisements, media releases, website updates, e-newsletters and more), while also seeking out new and creative ways to engage and interact with the community virtually. This could include a budget-themed Facebook Live event, virtual 'drop-ins' for the community, and further interactive elements on Hey Newmarket, the Town's online engagement platform.

The communications department will be preparing a detailed communications plan, with community engagement beginning over the summer in advance of the preliminary draft budget (October). This will include a budget tool kit for Council with suggestions for how to further engage the community online.

Human Resource Considerations

Not applicable to this report.

Budget Impact

This report sets out the process for developing the 2021 operating and capital budgets.

The tax-supported budget starts with a 2.99% tax increase. Targets for the rate-supported budgets are deferred to September - the approval of their updated financial plans. The capital budget will be within its available funding envelope which has not been defined yet.

Attachments

Appendix A – Proposed Schedule for the 2021 Budget

Appendix B - Newmarket's per capita tax levy remains below GTA average

Appendix C - Newmarket's Water rates compared to Regional average

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

For more information on this report, contact: Mike Mayes at 905-953-5300, ext. 2102 or via e-mail at mmayes@newmarket.ca

Proposed Schedule for the 2021 Budget

ACTIVITY	DATE	MEETING	STATUS
Recommendations for budget process - schedule, targets. community engagement	May 19	Special Council	In process
Community Engagement Phase 1	May to September	-	
Fees & Charges for early approval – licensing, recreation	June 22	Special Council	
Approval of early Fees & Charges	June 22	Special Council	
Presentation of the Preliminary Draft budgets	October 5	Committee of the Whole	

continued . . .



Proposed Schedule for the 2021 Budget

ACTIVITY	DATE	MEETING	STATUS
Community Engagement Phase 2	October to November	-	
Consideration of the Capital and Rate-supported Budgets	TBD Oct 19- Nov 23	Special Committee of the Whole	
Consideration of the Tax-supported Operating Budget	TBD Oct 19- Nov 23	Special Committee of the Whole	
Presentation of the Draft Budgets and remaining Fees & Charges for approval	December 7	Committee of the Whole	
Approval of the Budgets and remaining Fees & Charges	December 14	Council	

continued . . .



Appendix B: Newmarket's per capita tax levy remains below GTA average



Year	Newmarket	GTA average	% below
2014	\$ 1215	\$ 1360	- 10.6 %
2015	\$ 1247	\$ 1377	- 10.7 %
2016	\$ 1277	\$ 1442	- 9.4 %
2017	\$ 1302	\$ 1464	- 11.1 %
2018	\$ 1359	\$ 1509	- 9.9 %
2019	\$ 1409	\$ 1557	- 9.5 %



Appendix C: Newmarket's Water rates compared to Regional average



Year	Newmarket	York Region average	% above
2014	\$ 914	\$ 741	23.3 %
2015	\$ 967	\$ 804	20.3 %
2016	\$ 1030	\$ 879	17.2 %
2017	\$ 1090	\$ 949	14.9 %
2018	\$ 1157	\$ 1019	13.5 %
2019	\$ 1216	\$ 1089	11.2 %





Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Preferred Timing for Blue Box Transition to Full Producer Responsibility Staff Report to Council

Report Number: 2020-31

Department(s): Public Works Services

Author(s): Amanda Romano, Waste Program Administrator

Meeting Date: May 19, 2020

Recommendations

1. That the report titled “Preferred Timing for Blue Box Transition to Full Producer Responsibility” dated May 19, 2020 be received; and,
2. That as requested by the Association of Municipalities of Ontario (AMO), that Council confirm that the preferred date to transition to full producer responsibility for collection of Blue Box material is December 31, 2025, coinciding with the end of the current Northern Six (N6) waste collection contract; and,
3. That the Town of Newmarket, in cooperation with the Northern Six (N6) municipalities, be willing to provide Blue Box collection services on behalf of producers, through future long-term collection contracts, subject to mutually agreeable financial and operational terms; and,
4. That the resolution be forwarded to the Association of Municipalities of Ontario and to Jeff Yurek, Minister of the Environment, Conservation and Parks, Christine Elliott, MPP for Newmarket-Aurora, and to the Regional Municipality of York Region.

Purpose

The purpose of this report is to provide a staff recommendation to Council on the preferred non-binding timing for the transition of the Blue Box program to full producer responsibility and to indicate the Town’s interest in remaining as a collection service provider for Blue Box material as requested by the Association of Municipalities of Ontario (AMO).

Similar reports are being provided to each Northern Six (N6) Council with respective resolutions being forwarded to York Region which will consolidate local municipal resolutions for Regional Council consideration prior to response to AMO before June 30, 2020.

Background

On August 15, 2019, the Minister of the Environment, Conservation and Parks issued direction letters to the Resource Productivity and Recovery Authority (RPRA) and Stewardship Ontario (SO) to begin to transition the management of Ontario's Blue Box program to producers of paper products and packaging (see Attachment #1).

It is proposed that all of Ontario's Blue Box programs be transitioned to full producer responsibility over a three-year period, starting January 1, 2023 and ending December 31, 2025. After this three-year period, producers will be fully responsible for Blue Box services (collection and processing) province-wide.

Currently, there are many program uncertainties including: an absence of a framework to transfer service responsibilities; establishment of province-wide service levels; and producer and municipal expectations. An Information Report dated February 3, 2020 was prepared to brief members of Council and the community on the this matter, titled "Blue Box Transition to Full Producer Responsibility" and can be found through the link: <https://www.newmarket.ca/TownGovernment/Documents/INFO-2020-05.pdf>

To assist in guiding further consultations with the Province, AMO has requested that municipal Councils provide resolutions from each municipality by June 30, 2020, outlining their non-binding preferences for:

1. Preferred year of transition to full producer responsibility (i.e. 2023, 2024, or 2025).
2. Interest in continuing to be a Blue Box material service provider to producers.
3. Rationale for the selected transition date.

Discussion

In August 2019, the Province of Ontario, through the Made-in-Ontario Environment Plan, committed to moving Ontario's existing waste diversion programs to a full producer responsibility model.

At this time, AMO has requested each municipality provide a non-binding transition date preference in order to gauge the overall picture as the Provincial Blue Box program moves towards full producer responsibility. This wide-reaching initiative is extremely complex and has significant uncertainties which will impact each municipality. Staff continue to be closely involved and are monitoring the development of this transition with a focus on cost reduction, service level maintenance/improvements, and convenience to our residents.

It is possible that a transition to full producer responsibility could have significant changes to the existing Blue Box program; however, details of such changes are not known at this time. The current waste collection contract between Green for Life Environmental Inc. (GFL) and the Northern Six municipalities (the Towns of Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch-Stouffville and the Township of King) expires on December 31, 2025, which coincides well with the latest possible transition date. Transitioning at the end of the current waste collection contract also avoids the need to negotiate with our current contractor and avoids potential contract penalties. It also provides additional time to adequately communicate changes to residents and undertake educational initiatives for better clarity in the community.

Preparation of the post-2025 waste collection contract RFP will likely begin mid-2024, as such, staff will be able to incorporate knowledge learned from early transitioned municipalities into the post-2025 waste collection contract.

While there are theoretical increases in funding to municipalities following transition to full producer responsibility from approximately 50% to 100%, the actual financial benefit is difficult to quantify. The Town of Newmarket has been receiving less than 50 percent of the costs associated with operating the Town's Blue Box program. Likewise, post transition, staff do not expect full funding to be realized.

Under the proposed program, businesses and BIA's (Business Improvement Areas) would fall under the IC&I (Industrial, Commercial and Institutional) category, which is covered under a different regulatory framework at this time, and are excluded as eligible sources for recycling collection and processing. Since the Town provides an enhanced level of waste collection services for downtown Main Street, there will be an impact to recycling collection services for this area.

Conclusion

In response to a request from AMO, staff recommend that the preferred non-binding year for transition of the Blue Box program to full producer responsibility be December 31, 2025, which coincides with the end of the current waste collection contract with GFL. Although transitioning at the end of the third transition year will forego some financial opportunities, it does provide more time to better understand and adapt to changes under a producer-led program, incorporate those changes into the post-2025 waste collection contract, and avoids potential costs of negotiating the current waste collection contract.

Staff will continue to participate in consultations on transition plans and work collaboratively with the N6, York Region, and other municipal partners throughout the evolution of Ontario's Blue Box transition to full producer responsibility. As further details on this initiative become available, staff will report back to Council.

Business Plan and Strategic Plan Linkages

This report aligns with Council's Strategic Priority regarding environmental stewardship through leading proactive planning and action related to climate change and other environmental initiatives.

Consultation

Currently, AMO is only seeking non-binding Blue Box transition year preferences from municipalities and many details remain uncertain as the Province progresses towards full producer responsibility. Once specifics are clarified, public consultation will be an important component of Councils' future Blue Box transition position.

Human Resource Considerations

Not applicable to this report.

Budget Impact

Under current legislation, producers of printed paper and packaging are responsible for 50 percent of the net costs of operating Ontario's Blue Box program. However, the process for determining actual net costs and producer obligation has been inconsistent and often results in municipalities receiving less than the full 50 percent.

Table 1 below identifies the Town's net Blue Box program costs and resulting producer funding received for the last five years:

Program Year	Blue Box Program Actual Net Costs	Blue Box Program Funding Received per Municipal Funding Allocation Model (RPRA Funding)	Percentage of Actual Net Costs Received through RPRA Funding
2019	\$951,363	\$368,163	39%
2018	\$914,772	\$332,533	36%
2017	\$959,025	\$341,660	36%
2016	\$872,088	\$383,930	44%
2015	\$900,340	\$384,491	43%

Table 1 – Blue Box Program Funding

Historically, the Town's Blue Box program accounts for 30-35% of the Town's overall solid waste budget. By transitioning early, there is a potential for some additional financial benefit. However, it is difficult to determine the exact amount as there may be collection impacts elsewhere with unknown cost implications (e.g., levied contamination penalties, uncertain collection requirements, or impacts to organics and garbage collection efficiencies).

Changes to the responsibilities of delivering Blue Box collection services will have an impact on future operating and capital budgets. Any associated costs as a result of changes including early termination to the existing contract remain unknown.

Attachments

Attachment #1 – Wind-up Direction Letters

Approval

Amanda Romano, Waste Program Administrator, Public Works Services

Mark Agnoletto, Acting Director, Public Works Services

Peter Noehammer, Commissioner, Development & Infrastructure Services

Contact

For more information on this report, contact Mark Agnoletto, Acting Director, Public Works Services, at 905-953-5300, ext. 2581 or by email at magnoletto@newmarket.ca.

Ministry of the Environment,
Conservation and Parks

Office of the Minister

777 Bay Street, 5th Floor
Toronto ON M7A 1N3
Tel.: 416-314-6790

Ministère de l'Environnement,
de la Protection de la nature et des
Parcs

Bureau du ministre

777, rue Bay, 5^e étage
Toronto (Ontario) M7A 1N3
Tél. : 416.314.6790



August 15, 2019

Mr. John Coyne
Chair
Stewardship Ontario
1 St Clair Ave. West, 7th Floor
Toronto, ON M4V 1K6

Dear Mr. Coyne:

The Blue Box program has been providing Ontarians with a convenient option for collecting and recycling printed paper and packaging for many years. In recent years, it has become apparent that the growing challenges in delivering and funding the program must be addressed. After hearing from many interested parties, I believe the time has come to modernize and improve Ontario's Blue Box services by transitioning from the existing program that provides industry funding to reimburse a portion of municipalities' costs to a full producer responsibility model where industry will be responsible for both funding and operations. The transition to producer responsibility will ensure Ontarians' experience and access to existing Blue Box services will not be negatively impacted and that there are province-wide services available, including for Northern, rural and Indigenous communities.

As a necessary complementary step to transitioning to a producer responsibility model, pursuant to Section 14 of the Waste Diversion Transition Act, 2016 (WDTA) I am directing Stewardship Ontario (SO), to develop a plan in respect of the funding program for blue box materials under the WDTA (the SO Program) and for SO itself. SO must submit the plan to the Resource Productivity and Recovery Authority (the Authority) for approval no later than June 30, 2020.

This direction will begin the process by which Ontario will implement a modern, producer-operated system that will provide consistent province-wide recovery of Blue Box materials under the Resource Recovery and Circular Economy Act, 2016, and ensure there is no disruption to Blue Box services.

The development of the plan must be conducted in accordance with this direction as well as the provisions of the WDTA and its regulations, including O. Reg. 357/17.

I am directing that the plan describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nation communities until the time they transfer responsibility for providing Blue Box services to producers. The plan will establish criteria for a three year period in which municipalities and First Nation communities will no longer be eligible to receive funding under the SO Program, starting on January 1, 2023 and ending on December 31, 2025, which is the date that SO Program will end and the new producer responsibility framework will be fully implemented.

It is in the public interest that the plan is consistent with the following principles:

Demonstrate transparent communications and meaningful consultation

- Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan.
- The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufacturers) will receive transparent and clear communications from SO on a regular basis during development and implementation of the plan.

Support competition and prevent conflict of interest

- The plan shall support competition in, and not adversely affect, Ontario's current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the transition of the program.
- SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan.
- SO's sharing of data and information to parties other than the Resource Productivity and Recovery Authority (the Authority) must be done through a fair, open and transparent process that does not result in preferential treatment of one person or group over another or release of any confidential information.

Demonstrate Fairness to Stewards and Protect Consumers

- The assets, liabilities, rights and obligations of SO related to the SO Program must be dealt with in a fair, open and transparent process in accordance with applicable law.
- All monies held in trust by SO related to the SO Program shall be treated appropriately in accordance with the WDTA and its regulations.

Maintain Program Performance

- There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or

First Nation community is no longer eligible to receive funding based on criteria established in the plan.

- Ontarians' access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program.

An addendum to this letter provides specific direction related to the details that SO must include in its plan for the SO Program and for SO.

The implementation of the plan shall begin on the date on which the Authority approves the plan. It is my expectation that the Authority will approve the plan no later than December 31, 2020.

It is expected that SO will engage and work cooperatively with the Authority in implementing any policy direction issued to the Authority pursuant to Section 29 of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). This includes ensuring that real, potential or apparent conflict of interest concerns have been addressed prior to and during the development of the plan.

If it is in the public interest to do so, I will provide further direction or clarification at a later date related to the matters set out in this direction.

Lastly, SO shall make publicly available on SO's website this direction letter, as well as the complementary policy direction letter issued to the Authority.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Yurek', with a stylized, flowing script.

Jeff Yurek
Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority

Addendum to the Minister's Direction Letter for the Blue Box Waste Diversion Program and Stewardship Ontario

Stewardship Ontario (SO) is directed to develop a plan for the funding program for blue box materials (the SO Program) under the Waste Diversion Transition Act, 2016 (WDTA) and for SO itself that includes the following:

- A description of the designated wastes that are covered in the Blue Box program.
- A description of how the SO Program will be operated while the plan is being implemented, acknowledging the following:
 - The funding for municipalities and First Nation communities to participate in the SO Program shall end over a three-year period between January 1, 2023 and December 31, 2025.
 - SO's role in transferring payments to a municipality or First Nation community under the SO Program shall end on the date that obligated producers have assumed full responsibility for the collection and management of blue box materials from that municipality or First Nations community.
 - The plan shall recognize, and be responsive to, the fact that a future regulation under the *Resource Recovery and Circular Economy Act, 2016* will set the criteria and process by which municipalities and First Nation communities will transfer to full producer responsibility.
 - The calculation of the funds due to be paid to each municipality and First Nation community under the SO Program shall be proportional to the number of months in a calendar year in which the municipality or First Nation community remains under the SO Program.
 - The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.
- A proposed timeline according to which key aspects of the plan will be implemented.
- A description of and a proposal for dealing with the assets, liabilities, rights and obligations of SO in relation to the SO Program including:
 - All monies held in trust by SO related to the SO Program pursuant to Section 35 of the WDTA.
 - An approach that outlines how SO will deal with any information technology systems related to the SO Program to ensure fair and equitable access to all users, as an alternative to disposing of these assets for fair market value.
 - Any other assets of SO related to the SO Program, including, and without limitation, any intellectual property, physical assets or real property.

- Any liabilities incurred by SO during the development and implementation of the SO Program and anticipated to be incurred during the development and implementation of the plan.
 - A detailed account of anticipated costs arising from the plan, and a detailed account of how SO will finance these costs.
 - A detailed account of how SO proposes to equitably apportion its assets, liabilities, rights and obligations among stewards of Blue Box materials.
 - The plan shall set out a proposal to deal with any residual funds after the SO Program has ended and SO has finished its final financial reconciliations for the program and organization.
- A description of all data and information that is within SO's custody or control and that is related to the operation of the SO Program since the Minister's program request letter of September 23, 2002, and a proposal for transferring all data and information to the Resource Productivity and Recovery Authority (the Authority), including:
 - The process for transferring all the data and information to the Authority within any timeframes specified by the Authority.
 - The data and information that is to be transferred to the Authority, including, but not limited to:
 - A list of all registered stewards, including their business addresses and contact information; the nature of each steward's designation under the WDTA (e.g. whether designated because the steward is a brand holder, a first importer, or other person); the type and amount of Blue Box materials supplied by the steward into the Ontario marketplace; and,
 - Other additional data and information requested by the Authority.
 - Data and information related to the SO Program that is in SO's custody or control shall not be for sale.
- A proposal for identifying confidential or personal data and information and indicating how such data and information will be supplied in confidence when transferring it to the Authority, which will assist the Authority in determining its treatment of such data and information based on applicable law and policies.
- Demonstration and documentation that any party currently having access to SO data and information only retain data that is equivalent to the information that will be shared through a fair, open and transparent process
- The procedures that SO is putting in place to ensure there is no real, potential or apparent conflict of interest in respect of the plan's development, contents or implementation. Without limiting the scope of these procedures, the plan should address:
 - Any real, potential or apparent conflict of interest in respect to SO's relationship with the Canadian Stewardship Services Alliance (CSSA)

- Any necessary steps to ensure that the CSSA does not receive preferential treatment over other potential market participants in respect of Blue Box resource recovery markets that may be created under the RRCEA.
- A description of changes to the SO Program that are anticipated to be necessary to implement the plan.

I am further directing that the plan include the following:

- A detailed report of SO's communications with affected parties and the public during the development of the plan.
- A detailed proposal for a communications plan for all affected parties and the public during the implementation of the plan, if approved, including:
 - The process by which SO will provide information to the affected parties and the public on a regular basis.
 - A description of the key steps that will be taken related to the plan and show how affected parties and the public will be affected by the transition.
- A detailed report of how SO has met the consultation requirements of subsection 14(13) of the WDTA during the development of the plan, including:
 - A list of the stewards, municipalities, Indigenous peoples, service providers and other affected parties that were consulted during the development of the plan.
 - A summary of comments received by SO from affected parties.
 - A report of how the comments were considered by SO in the development of the plan.

Ministry of the Environment,
Conservation and Parks

Office of the Minister

777 Bay Street, 5th Floor
Toronto ON M7A 1N3
Tel.: 416-314-6790

Ministère de l'Environnement,
de la Protection de la nature et des
Parcs

Bureau du ministre

777, rue Bay, 5^e étage
Toronto (Ontario) M7A 1N3
Tél. : 416.314.6790



August 15, 2019

Ms. Glenda Gies
Chair
Resource Productivity and Recovery Authority
4711 Yonge Street, Suite 408
Toronto, ON M2N 6K8

Dear Ms. Gies:

The Blue Box program has been providing Ontarians with a convenient option for collecting and recycling paper products and packaging for many years. In recent years, it has become apparent that the growing challenges in delivering and funding the program must be addressed. After hearing from many interested parties, I believe the time has come to modernize and improve Ontario's Blue Box services by transitioning from the existing program that provides industry funding to reimburse a portion of municipalities' costs to a full producer responsibility model where industry will have control of both funding and operations. The transition to producer responsibility will ensure Ontarians' experience and access to existing Blue Box services will not be negatively impacted and that there are province-wide services available, including for Northern, rural and Indigenous communities.

As a necessary complementary step to transitioning to a producer responsibility model, I have issued direction to Stewardship Ontario (SO), pursuant to Section 14 of the Waste Diversion Transition Act, 2016 (WDTA), to develop a plan in respect of the funding program for blue box materials under the WDTA (the SO Program) and for SO itself.

This direction will begin the process by which Ontario will implement a modern, producer-operated system that will provide consistent province-wide recovery of Blue Box materials under the Resource Recovery and Circular Economy Act, 2016 (RRCEA), and ensure there is no disruption to Blue Box services.

Pursuant to Section 29 of the RRCEA, I am issuing policy direction to the Resource Productivity and Recovery Authority (the Authority) with respect to its duties relating to the SO Program under the WDTA.

This policy direction is complementary to my direction letter dated August 15, 2019 to SO issued pursuant to Section 14 of the WDTA to develop a plan in respect of the SO Program and SO.

I am directing the Authority, further to its duties under the WDTA related to its oversight of the SO Program and SO; determine the amount of money required by SO to carry out its responsibilities related to the SO Program under the WDTA; and monitor the effectiveness of SO while the plan is being implemented. To undertake these duties, the Authority should conduct the following activities.

- Ensure that real, potential or apparent conflict of interest concerns have been addressed prior to and during the development of the plan.
- Review the 2020-2025 program budgets for the SO Program jointly with SO to:
 - Develop an approach to ensure sufficient funds are available in relation to the plan.
 - Review SO's proposal to apportion assets, liabilities, rights and obligations among stewards of paper products and packaging and ensure the apportionment is fair and equitable.
- Administer the Datacall, calculate the annual steward obligation, and allocate steward funding to municipalities and First Nation communities including through the administration of the Continuous Improvement Fund in such a way that reflects the following expectations and conditions:
 - While allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities shall not reduce or expand existing level of Blue Box services that are eligible for funding under the program.
 - The funding for municipalities and First Nation communities to participate in the SO Program shall end over a three-year period between January 1, 2023 and December 31, 2025.
 - SO's role in transferring payments to a municipality or First Nation community under the SO Program shall end on the date that obligated producers have assumed full responsibility for the collection and management of blue box materials from that municipality or First Nation community.
 - The plan shall recognize, and be responsive to, the fact that a future regulation under the RRCEA shall set the criteria and process by which municipalities and First Nation communities will transfer to full producer responsibility.
 - The calculation of the funds due to be paid to each municipality and First Nation community under the SO Program shall be proportional to the number of months in a calendar year in which the municipality or First Nation community remains under the SO Program.
 - The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.

To facilitate such activities, it is expected that the Authority will obtain quarterly reports from SO within four weeks of the end of each remaining quarter in 2019-2025 regarding SO's revenues and expenditures in order for the Authority to oversee SO's development of the plan and, if approved by the Authority, the implementation of the plan.

When reviewing the plan, the Authority shall assess whether it is consistent with the direction letter issued to SO and its compliance with the WDTA and its regulations.

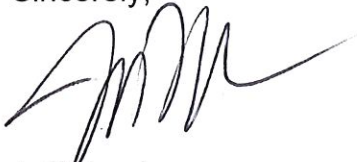
I also expect that the Authority will consult with representatives of municipalities, Indigenous peoples, stewards and other affected parties when assessing SO's proposed plan, as required by subsection 14(14) of the WDTA.

It is my expectation that the Authority shall approve the plan for the SO Program and SO no later than December 31, 2020.

I trust the Authority will engage with SO on an ongoing basis to ensure management of SO's affairs in accordance with the WDTA and its regulations, having regard to the plan for the SO Program and SO.

Lastly, the Authority shall make publicly available on the Authority's website my direction letter to SO as well as this policy direction letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Yurek', with a stylized, flowing script.

Jeff Yurek
Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Mr. John Coyne, Chair, Stewardship Ontario

Regional Fire Service

On February 27, 2020 Regional Council made the following decision on the motion by Mayor Tom Mrakas, Town of Aurora:

WHEREAS the consolidation of Aurora and Newmarket fire services into Central York Fire Service has resulted in efficiencies through enhanced levels of fire service and cost efficiencies;

WHEREAS a Regional Fire Service may achieve further operating efficiencies, improved department structure, increased service level(s), and cost avoidance opportunities;

BE IT RESOLVED THAT the Regional Clerk share this motion with local municipal Councils requesting a resolution by May 29, 2020 indicating whether they support proceeding with a study on the potential creation of a Regional Fire Service.



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Regional Fire Services Study Staff Report to Council

Report Number: 2020-32

Department(s): Central York Fire Services

Author(s): Ian Laing, Fire Chief, Central York Fire Services

Meeting Date: May 19, 2020

Recommendations

1. That the report entitled Regional Fire Services Study dated May 19, 2020 be received; and,
2. That the Town of Newmarket support participation in a Regional Fire study; and,
3. That Council's decision be forwarded to York Region; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

This report outlines some issues related to the undertaking of a study into the consolidation of municipal fire services within York Region.

There have been a number of attempts over the years to move this initiative forward with the optimism of creating a fire service that is more operationally effective and efficient while taking advantage of cost avoidance measures where appropriate.

Background

In 1996 and 2002 there were comprehensive studies undertaken to review the capabilities and statistics of the multiple fire departments within York Region. These studies were in an effort to present a vision for a consolidated fire service which were understood to provide improved levels of fire safety and emergency response to a growing region. More recently, in 2016 there was a study to review the consolidation benefits and challenges of a Richmond Hill Fire Services with Central York Fire Services.

The earlier Regional studies presented a number of options which ranged from a total consolidation of all municipal fire services with variations that included a consolidation with EMS and another that suggested the career fire services within the Region be consolidated while the composite/volunteer departments continued as independent entities.

Currently, there are eight fire services within the Region and all work towards providing the best level of fire safety education and protection to their community. There are four career fire services; Markham, Vaughan, Richmond Hill and Central York. There are three composite departments; East Gwillimbury, Whitchurch–Stouffville and Georgina and one mostly volunteer service in King. The Office of the Fire Marshal outlines three lines of defence for all municipal fire services; a) Public Fire Safety Education, b) Fire Safety Standards and Enforcement, and c) Emergency Response. All fire services regularly collaborate on messaging and approach to undertake these challenges; however, as municipally based organizations, they do so subject to their own level of staffing and funding. Fire services staff regularly discusses with other subject experts and take advantage of successful practices; nevertheless, as independent entities there is no one clear direction, as each department addresses their issues based on their local needs and circumstances.

In 2002, the Newmarket and Aurora Fire Departments were consolidated to create Central York Fire Services. Under the direction and with the support of the Joint Council Committee (JCC), CYFS meets the needs and circumstances of both communities. With the tremendous support from JCC and both municipal councils, the department has been able to undertake fleet upgrades, funding for an additional fire station and hire supplementary staff. While each community only pays a portion of the total cost, this cost sharing approach has resulted in a larger, better equipped and trained fire service.

As a consolidated fire service, CYFS provides a superior level of service to Aurora and Newmarket residents than either community would achieve with the same level of funding for independent fire services.

When there is an emergency in either municipality, CYFS is readily available to respond to meet the demands of the situation. From a fire response perspective, as there is no border between the two communities, CYFS can easily and immediately move resources to where they are needed. For each municipality to provide a similar level of service to their own community, the operating costs would increase considerably to each town.

There may be emergency situations which are beyond the capacity of the local fire service. To address this concern, all fire services in the Province participate in the Mutual Aid Program (MAP). This provincial system is designed to allow neighbouring departments to assist other jurisdictions when they are extended beyond their operational capacity. This is an effective method to address critical incidents, but it is not as timely or as effective as having one larger department with more resources available, trained to the same standard and using the same equipment. Additionally, “Automatic Aid” allows for the closest fire resources to respond to an emergency situation, regardless of municipal

boundaries. This can be an effective alternative if all services are equal in response capability. With Central York surrounded on three sides by composite and volunteer fire services, the response times would not match those of a career department.

Discussion

Opportunities

A regional fire service avoids the duplication of services which in turn will strengthen service delivery and have the potential to reduce operating costs. Fire Prevention programs will be standardized across the whole region with the ability to focus on the specific needs of communities based on their unique circumstances. The operations of the suppression division will be more standardized through training, with one command model and communication system. A consolidation offers increased safety for both residents and firefighters. By amalgamating the fire services, municipal boundaries will be eliminated within York Region. This change alone will result in the closest fire apparatus responding to each incident, resulting in reduced response times and improved outcomes. The fire service has to grow in order to continue to meet the changing needs of the community it protects.

- More effective and timely response to all types of emergencies
- Faster response, better outcomes
- Reduced duplication of dedicated services (e.g. Haz-Mat teams, High Rise response and specialty rescue teams)
- Streamline Fire Administration staff
- Municipal budget pressures reduced
- Facility Optimization
- Centralized Dispatch Centre

Challenges

While cost reduction is a key driver in the creation of a new Regional Fire Service, the immediate focus should be on the operational effectiveness and capabilities of a new fire service. Cost avoidance may be achieved with the elimination of duplicated services and increased buying power; however, there will be some significant issues to overcome in the early stages of a consolidation.

- Development of a revised governance model
- Municipal financial contributions based on level of service provided
- A larger unionized labour force with a harmonized collective agreement
- Appropriately sized management team for the third largest fire service in Ontario
- Large geographic area – span of control – variety of service levels provided
- Undertake a Master Fire Plan to review the current fire station locations

Prior to the consolidation of fire services, the study should investigate how to determine the levels of financial contribution from each participating municipality. To do this a decision on the level of response and type of service to be provided to the different areas within the Region would need to be determined. This would highlight disparities between departments, most notably between career and hybrid departments. Based on the level of service they will receive, a number of municipalities would need to upgrade at their own expense, prior to the amalgamation of fire services, to equalize the contributions. This leveling of the playing field would be necessary prior to realizing the benefits of improved response and costs savings from a regionalized service.

Conclusion

Fire service amalgamations have taken place in Toronto, Hamilton and Ottawa; however, these consolidations were also inclusive of all municipal departments and governance. It is less common to consolidate only the fire service and leave all other municipal services intact. There are lessons that can be learned from these consolidations, as the new “York Regional Fire Service” could become the third largest fire service in the Province.

In comparison, York Regional Police service (YRP) is the result of a 1971 consolidation of 14 municipal police forces. This internationally respected service has grown with the communities within York Region and continues to address the ever changing needs of all citizens regardless of where they live within the Region. YRP is a world class agency and they have shown they can adapt to meet the changing demands of community policing. Had municipally based police services been retained, they would not be as effective or as renowned in the policing world. The former municipal police services would have struggled to rise to the same level of expertise, regardless of the dedication of those in the service. Coordination under one command has enabled YRP to address all levels of community issues across the whole Region.

That is what a consolidated fire service could become.

Business Plan and Strategic Plan Linkages

This report aligns with the Town of Newmarket’s vision of being *Well Beyond the Ordinary*.

Consultation

Previous Fire Studies were consulted

Impact on the Master Fire Plan

A new organization will require a Master Fire Plan to outline the tasks going forward.

Human Resource Considerations

None at the time of this report.

Budget Impact

Unknown at this time.

Attachments

None.

Approval

Ian Laing, Fire Chief, Central York Fire Services

Jag Sharma, Chief Administrative Officer

Contact

Ian Laing, Fire Chief, Central York Fire Services

ilaing@cyfs.ca



Town of Newmarket

Minutes

Special Council Meeting - Electronic

Date: Monday, April 27, 2020
Time: 2:00 PM
Location: Streamed live from the Municipal Offices
395 Mulock Drive
Newmarket, ON L3Y 4X7

Members Present: Mayor Taylor
Deputy Mayor & Regional Councillor Vegh
Councillor Simon
Councillor Woodhouse
Councillor Twinney
Councillor Morrison
Councillor Kwapis
Councillor Broome
Councillor Bisanz

Staff Present: J. Sharma, Chief Administrative Officer
E. Armchuk, Commissioner of Corporate Services
I. McDougall, Commissioner of Community Services
P. Noehammer, Commissioner of Development & Infrastructure Services
L. Lyons, Director of Legislative Services/Town Clerk
K. Saini, Deputy Town Clerk
S. Chase, Director of Innovation & Strategic Initiatives
C. Kallio, Economic Development Officer
M. Mayes, Director of Financial Services/Town Treasurer
R. Prudhomme, Director of Engineering
C. Service, Director of Recreation & Culture
J. Unger, Acting Director of Planning & Building Services
F. Scott, Manager of Regulatory Services
N. Koopman, GIS Analyst
J. Grossi, Legislative Coordinator

A. Walkom, Legislative Coordinator

The meeting was called to order at 2:05 PM.

Mayor Taylor in the Chair.

1. Notice

Mayor Taylor recognized the tragedy in Nova Scotia and Council participated in a moment of silence in the victims' honour.

Mayor Taylor provided an update on the Town of Newmarket's response to COVID-19 and thanked the frontline workers, emergency services, Town Staff and everyone in the community for their efforts during this time.

Mayor Taylor advised that in accordance with the Municipal Emergency Act, Council was required to adopt Procedure By-law amendments to permit Council to meet using electronic communication. Accordingly, Council considered matters 4.1.1 and 4.1.2 as the first items of business.

He advised that the Municipal Offices were closed to the public and that this meeting was streamed live at Newmarket.ca/meetings. Residents who would like to provide comment on an item on this agenda were encouraged to provide their feedback in writing through email to Legislative Services at clerks@newmarket.ca. He advised residents that their comments would form part of the public record.

2. Additions & Corrections to the Agenda

The Clerk advised of the following additions to the agenda:

- Item 4.2.1: Written deputation from Kathy (Toth) Kumula, President, Newmarket Taxpayers Advocacy Group regarding Newmarket's Response to COVID-19
- Item 4.7.3: Written deputation from Kathy (Toth) Kumula, President, Newmarket Taxpayers Advocacy Group regarding the Town of Newmarket Administrative and Service Delivery Review (REV It Up Campaign)

The Clerk advised of the following correction to the agenda:

- Item 4.3: A revised version of the Financial Relief Program Staff Report was distributed to Council and published to the website

Moved by: Councillor Twinney

Seconded by: Councillor Broome

1. That the additions and correction to the agenda be approved.

Carried

3. Conflict of Interest Declarations

None.

4. Items

4.1 Procedure By-law Amendment Required by Municipal Emergency Act

4.1.1 Staff Report - Amendments to the Procedure By-law to Permit Electronic Participation during a State of Emergency

4.1.2 Procedure By-law Amendment (Attachment 1 to staff report)

Sub-items 4.1.1 and 4.1.2 were dealt with together.

Moved by: Councillor Kwapis

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the report entitled Amendments to the Procedure By-law to Permit Electronic Participation during a State of Emergency dated April 27, 2020 be received; and,
2. That the proposed amendments to the Town of Newmarket's Procedure By-law 2020-12 to permit electronic participation during a state of emergency as outlined in Attachment 1 of this report be approved; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution; and,
4. That By-law 2020-24 be enacted.

Carried

4.2 Newmarket's Response to COVID-19

Moved by: Councillor Broome

Seconded by: Councillor Bisanz

1. That the report entitled Newmarket's Response to COVID-19 dated April 27, 2020 be received for information.

Carried

4.2.1 Written Deputation - Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group

Mayor Taylor read aloud the written deputation provided by Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group regarding Newmarket's Response to COVID-19. She posed questions regarding the lunch program, training and budget impact sections of the report, and provided advice on the composition of the Town of Newmarket Business Recovery Task Force.

Moved by: Councillor Twinney

Seconded by: Councillor Woodhouse

1. That the Written Deputation from Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group regarding Newmarket's Response to COVID-19 be received.

Carried

4.3 Financial Relief Program

Moved by: Councillor Broome

Seconded by: Councillor Simon

1. That the report entitled Financial Relief Program dated April 27, 2020 be received; and;
2. That penalty and interest charges on property tax accounts be waived until January 1st 2021; and;

3. That overdue water and wastewater amounts be transferred to the appropriate property tax accounts; and;
4. The 2020 water and wastewater rate increases be reversed effective May 1 to recognize the deferral of scheduled cost increases from the Regional Municipality of York, and;
5. That 2020 Stormwater charges be deferred to November, 2020, and;
6. That other fees and charges, as detailed in this report, be waived to support and/or align with the above measures, and;
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

4.4 Emergency Measures By-law

4.4.1 Staff Report - Emergency Measures By-law

4.4.2 By-laws (Attachments 1 and 2 to staff report)

Sub-items 4.4.1 and 4.4.2 were dealt with together.

Moved by: Councillor Morrison

Seconded by: Councillor Bisanz

1. That the report entitled Emergency Measures By-law dated April 27, 2020 be received; and,
2. That the Emergency Measures By-law be introduced and adopted; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution; and,
4. That By-laws 2020-20 and 2020-21 be enacted.

Carried

4.5 Amendments to the Administrative Monetary Penalty System (AMPS) By-law

4.5.1 Staff Report - Amended AMPS By-law

4.5.2 By-law (Attachment 1 and 2 to staff report)

Sub-items 4.5.1 and 4.5.2 were dealt with together.

Moved by: Councillor Woodhouse

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the report entitled Amended AMPS By-law dated April 27, 2020 be received; and,
2. That Council approves the proposed amendments to the AMPS By-law 2019-62; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution; and,
4. That By-law 2020-22 be enacted.

Carried

4.6 2020 Budget Decision Packages

The Chief Administrative Officer provided an introduction to items 4.6, 4.7 and 4.8.

4.6.1 Presentation - 2020 Decision Package Summary

The Chief Administrative Officer provided a presentation outlining the summary of the 2020 Decision Packages and the effect on new Staff positions from the original package requests to current.

4.6.2 Staff Report - 2020 Budget Decision Packages

Sub-items 4.6.1 and 4.6.2 were dealt with together.

Moved by: Councillor Kwapis

Seconded by: Councillor Woodhouse

1. That the presentation regarding the 2020 Decision Package Summary be received; and,
2. That the report entitled 2020 Budget Decision Packages dated April 27, 2020 be received; and,
3. That the provision in the 2020 budget for decision packages be allocated as outlined in this report; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Carried

4.7 Town of Newmarket Administrative and Service Delivery Review (REV It Up Campaign)

4.7.1 Presentation - REV It Up Key Action Item Work Plan

The Director of Legislative Services/Town Clerk provided an introduction to the REV It Up Key Action Item Work Plan presentation, and explained the Administrative and Service Delivery Review process thus far.

The Director of Financial Services/Town Treasurer provided the presentation which outlined the relationship between the REV It Up initiatives and the 2018-2022 Council Strategic Priorities. He also explained thirteen of the initiatives that are currently in Staff's work plans and the five initiatives that are for future consideration.

Members of Council queried Staff regarding the initiatives identified for future consideration.

4.7.2 Staff Report - REV It Up Action Plan

4.7.3 Written Deputation - Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group

Mayor Taylor read aloud the written deputation provided by Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group regarding the Town of Newmarket Administrative and Service Delivery review (REV It Up Campaign). She expressed concern with the Performance Management and Organizational Review initiatives being identified for future consideration.

Sub-items 4.7.1, 4.7.2 and 4.7.3 were dealt with together.

Moved by: Councillor Kwapis

Seconded by: Councillor Twinney

1. That the presentation regarding the REV It Up - Action Plan be received; and,
2. That the REV It Up – Action Plan, presentation and report be received; and,
3. That the Action Plan contained in the staff presentation and included as Attachment 1, be approved in principle; and,
4. That the Written Deputation from Kathy (Toth) Kumpula, President, Newmarket Taxpayers Advocacy Group regarding the Town of Newmarket Administrative and Service Delivery Review (REV It Up Campaign) be received.

Carried

4.8 2018 - 2022 Council Strategic Priorities

4.8.1 Presentation - Council Strategic Priorities Key Action Item Work Plan

The Commissioner of Community Services provided an introduction to the Council Strategic Priorities Key Action Item Work Plan presentation by outlining the timeline of steps taken by Staff in preparing this report.

The Director of Financial Services/Town Treasurer provided a strategic pillar overview of the Long Term Financial Sustainability pillar and the four related priorities.

The Economic Development Officer provided a strategic pillar overview of the Economic Leadership & Job Creation pillar and the five related priorities.

The Director of Recreation and Culture provided a strategic pillar overview of the Extraordinary Places and Spaces pillar and the five related priorities.

The Acting Director of Planning provided a strategic pillar overview of the Vibrancy on Yonge, Davis & Mulock pillar and the five related priorities.

The Director of Engineering provided a strategic pillar overview of the Safe Streets (Transportation) pillar and the four related priorities, as well as the Environmental Stewardship and the five related priorities.

The Director of Innovation and Strategic Initiatives provided a Council with an update on the performance management of these strategic priorities and introduced the new interactive dashboard which will be updated at least twice annually.

The GIS Analyst presented a draft interactive dashboard to Council and showed how it will connect each of the strategic priorities with the current status of the action items.

Members of Council queried Staff regarding the interactive dashboard, multiyear budgeting, and supporting existing businesses. They asked for Staff to provide additional information on the Mulock Property project.

4.8.2 Staff Report - 2018-2022 Council Strategic Priorities Action Plan

Sub-items 4.8.1 and 4.8.2 were dealt with together. An alternate motion was presented and is noted below in bold.

Moved by: Councillor Broome

Seconded by: Councillor Kwapis

1. That the 2018-2022 Council Strategic Priorities – Action Plan, presentations and report be received; and,
2. **That the Action Plan and proposed public facing performance measurement dashboard approach, contained in the staff presentations and included as Attachment 1 and 2, be approved in principle, as amended; and,**
3. That staff provide regular progress reporting through bi-annual updates to Council and through a public facing dashboard to provide an overall performance measurement approach to track and present the progress of Council's Strategic Priorities.

Carried

4.9 Regional Council Decision regarding Mandated Review of Regional Composition Review

An alternate motion was presented and is noted below in bold.

Moved by: Deputy Mayor & Regional
Councillor Vegh

Seconded by: Councillor Kwapis

1. That the attached Regional Correspondence be received for information; and,
2. **That the Town of Newmarket Council support an additional member of the Regional Municipality of York Council for the City of Vaughan, with no further adjustments to be made to the composition of Council at this time; and,**
3. That the Town Clerk be directed to circulate the Town's decision to York Region and all York Region municipalities.

Carried

4.10 By-law to Amend By-law Number 2018-49 (175 Deerfield Road)

The Commissioner of Development and Infrastructure Services provided an introduction to the By-law which amends By-law 2018-49 with removal of the holding provision for 175 Deerfield Road.

Moved by: Councillor Kwapis

Seconded by: Councillor Woodhouse

1. That By-law 2020-23 be enacted.

Carried

4.11 Approval of Minutes

4.11.1 Special Council Meeting Minutes of March 18, 2020

Moved by: Councillor Morrison

Seconded by: Councillor Broome

1. That the Special Council Meeting Minutes of March 18, 2020 be approved.

Carried

4.11.2 Emergency Council Meeting Minutes of March 18, 2020

Moved by: Councillor Twinney

Seconded by: Councillor Broome

1. That the Emergency Council Meeting Minutes of March 18, 2020 be approved.

Carried

5. Closed Session

Mayor Taylor advised that there was no requirement for a Closed Session.

5.1 Approval of Closed Session Minutes

5.1.1 Special Council Meeting (Closed Session) Minutes of March 18, 2020

5.1.2 Emergency Council Meeting (Closed Session) Minutes of March 18, 2020

Closed Session sub-items 5.1.1 and 5.1.2 were dealt with together.

Moved by: Councillor Woodhouse

Seconded by: Councillor Bisanz

1. That the Special Council Meeting (Closed Session) Minutes of March 18, 2020 be approved; and,
2. That the Emergency Council Meeting (Closed Session) Minutes of March 18, 2020 be approved.

Carried

6. Confirmatory By-law

Moved by: Councillor Bisanz

Seconded by: Councillor Twinney

1. That By-law 2020-25 be enacted.

Carried

7. Adjournment

Moved by: Councillor Kwapis

Seconded by: Councillor Broome

1. That the meeting be adjourned at 5:31 PM.

Carried

John Taylor, Mayor

Lisa Lyons, Town Clerk

Corporation of the Town of Newmarket

By-law 2020-26

A By-law to confirm the proceedings of a Special meeting of Council -
Electronic – May 19, 2020

Whereas s. 5(1) of the Municipal Act, 2001, S.O. 2001, c. 25 provides that the powers of a municipal corporation shall be exercised by its Council; and,

Whereas s. 5(3) of the Municipal Act, 2001, S.O. 2001, c. 25 provides that a municipal power, including a municipality's capacity, rights, powers and privileges, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and,

Whereas the Council of the Town of Newmarket deems it advisable to pass such a by-law;

Therefore be it enacted by the Council of the Corporation of the Town of Newmarket as follows:

1. That subject to Section 3 of this by-law, every decision of Council, as evidenced by resolution or motion, taken at the meeting at which this by-law is passed, shall have the same force and effect as if each and every one of them had been the subject matter of a separate by-law duly enacted;
2. And that the execution and delivery of all such documents as are required to give effect to the decisions taken at the meeting at which this by-law is passed and the resolutions passed at that meeting are hereby authorized;
3. And that nothing in this by-law has the effect of giving to any decision or resolution the status of a by-law where any legal prerequisite to the enactment of a specific by-law has not been satisfied;
4. And that any member of Council who disclosed a pecuniary interest at the meeting at which this by-law is passed shall be deemed to have disclosed that interest in this confirmatory by-law as it relates to the item in which the pecuniary interest was disclosed.

Enacted this 19th day of May 2020.

John Taylor, Mayor

Lisa Lyons, Town Clerk