



Staff Report

Finance

Report To: Committee of the Whole Meeting
Meeting Date: February 15, 2022
Report Number: FAF.22.007
Title: 2022 Draft Budget – Public Comments
Prepared by: Ruth Prince, Director Finance & Information Technology Services

A. Recommendations

THAT Council receive Staff Report FAF.22.007, entitled “2022 Draft Budget – Public Comments” for information purposes.

B. Overview

This report outlines the comments from the Public Meeting for the 2022 Draft Budget, which was held on February 7, 2022 at 1:00 p.m., as well as Staff’s response to these comments.

C. Background

The 2022 Draft Budget has been reviewed by Council and the Public over a series of meetings throughout 2021 and 2022. On February 7, 2022, the Town held a Public Meeting to provide the public with the opportunity to review and comment on the 2022 Draft Budget and 2022 Draft Water and Wastewater Budget.

The timeline, as presented to Council, is to bring forward a By-law to adopt the estimates of all sums required for 2022 on February 28, 2022 for Council’s consideration.

The Town received four written comments prior to the Public Meeting and one comment during the Public Meeting. Below is a summary of the comments received from the public.

D. Analysis

The following are comments received by the public.

Larry Bentley – Mr. Bentley indicated that 8.56% increase to the budget is gross and he has serious concerns about the health of the municipality. Staff need to be challenged and provide descriptive analysis and long-term planning to support the increases.

Staff Response – Staff and Council agree that 8.56% is unacceptable for an increase. Staff continue to work with the public on the budget documents. The various plans that are

currently being undertaken (i.e. Fire Master Plan, Transportation Master Plan) will provide value information for the Town's long term plan.

John Vanderster – Mr. Vanderster indicated he would like to see an executive summary of all the departments and explanations on budget increase over 2%. Numbers do not mean much unless people understand where the increases are coming from.

Staff Response – Staff appreciate the feedback and will work on explanations so the public can understand where the increases are coming from.

Sharon Wigle – Ms. Wigle indicated she has concerns about the council compensation increases. Current council members ran for their positions fully aware of what their compensation would be. It is unfair to the taxpayers that they vote themselves large increases beyond that of inflation without the support of the voting public.

I feel the fact the townspeople have been held back from providing feedback, due to inadequate notification regarding the pay increases and due to COVID restrictions, means any such decisions should be delayed until council receives a quorum from their taxpayers (probably by re-election) who are forced to cover these wage increases.

Many businesses and employees in the TBM have been negatively impacted economically by COVID and this is an inopportune time to recommend extravagant increases in council pay.

Staff Response – Council voted not to increase the Council compensation. The 2022 Draft Budget does not include an increase other than the 1.62% Cost of Living Adjustment.

Climate Action Now Network (CANN) - CANN encourages the Town to:

1. Strengthen its commitment to the Climate Change Emergency Resolution by including a budget to initiate, in 2022, a Climate Change Impact, Mitigation and Adaptation Action Plan, which includes specific emission reductions and target dates.
2. Implement recommendations contained within the Town's approved Leisure Activities Plan (2021), particularly to reflect the trail and active transportation aspects.
3. Strongly support the training of staff and the implementation of the GHG emission inventory, and the implementation of the e-fleet for Town vehicles. We would like to see a budget allocation for electric charging stations, a training budget and a clear commitment to include the large emission producing vehicles in this inventory.
4. Increase the \$75K allocation for the Sustainability Plan, so that any climate change action items identified through the Integrated Community Sustainability Plan (ICSP) can be implemented in this fiscal year.

We have noted that the Growth Management Strategy appears to be included both in the previously approved Official Plan Review Budget (identified as part of the Request for Proposal #2022-15-P-PDS p.16), and again in this year's Corporate Administration budget for \$260K. If this amount is indeed double counted, then perhaps this could be re-allocated towards the items noted above.

CANN strongly supports the increase of recoverable materials planned for the landfill site, as well as the proposed re-use centre, and congratulates the Town and the Operations Department for the significant increase in materials diverted.

Staff Responses – The sustainability plan currently has \$75,000 unspent that can be used for action items identified in the Community Sustainability Plan (ICSP) in this 2022 year. The Growth Management Strategy is not a double count but rather separate projects.

Blue Mountain Ratepayers Association (BMRA) - At the core of the mandate for the BMRA is financial stewardship for our ratepayers. To that end, the Budget Review Committee of the BMRA presented a series of recommendations that we hoped TBM Council would apply in the development of the 2022 Town Budget. At the time of our budget deputation in summer 2021, Council sounded receptive to the input we provided. Now that the process is effectively completed, we wanted to evaluate how Council's budget efforts aligned with our input. Overall, we are disappointed with the limited extent to which our input influenced the budget developed by Town Council and Staff.

1) Responsible Budget Management

Clear and Understandable Budget Reporting and Metrics - One of our greatest frustrations with the budget document is how hard it is to draw broad, high level conclusions about such core factors as projected spending increases versus prior year actuals, total fee revenue growth, and Town spending. The absence of the Expanded Tax Budget Summary, prepared in prior years, is a step backwards in budget effectiveness. There have been significant changes in inter departmental transfers, which cloud understanding of the magnitude of department budget growth. It is difficult to discern the number of employees projected for 2022, and how that number compares with totals from the past few years. We question whether headcount increases exceed the Town's growth rate. Capturing efficiencies as the scale of Town operations expand is therefore difficult to ascertain.

The most significant concern is getting a handle on exactly how much Town spending is increasing. The budget tells us that the tax levy is increasing by +6.4%, but because of assessment growth from new development, residents will only be facing a +2.68% increase. On the surface that sounds positive, however, we also understand that TBM received roughly an extra \$850,000 through a Provincial grant which was used to offset expenses. If that is accurate, it would mean that spending actually is rising by +11%. The budget document should clearly present the anticipated change in Town operational expenses.

Another example of the challenge in getting to the core issue is seen with the Communications and Economic Development department. Its 2020 budget was \$251,000. The 2022 projection is \$732,000. Included in that is an increase in salaries from \$142,000 to \$458,000. However, due to "Interfunctional Transfers", the reported Net Cost of Service for the department is shown as just \$344,000. That clearly understates the investment being made in Communications and Economic Development. This also begs the question - shouldn't the use of communications technology allow us to limit that spending growth?

The BMRA had proposed the development of a budget scorecard, focused on the critical metrics that would provide a simple view of the Town's financial performance. As evidenced by the difficulty we experienced in drawing broad conclusions regarding the 2022 budget, that set of metrics has not been developed.

2) Planning for our Future

Human Resource Planning - Any large operating entity requires a long range HR plan that identifies areas where capabilities must be enhanced, and succession planning for major roles defined. We applaud the addition of resources to the operations / engineering group, given the infrastructure gap that must be addressed. However, there is no sense that development of a broad, future looking HR plan has been initiated.

Prudent Asset Management – An aggressive capital investment plan suggests that gaps in our infrastructure have been identified and project priorities established. The completion of the Town's Asset Management Plan ahead of the Provincially-mandated delivery date is positive, and our Finance staff is to be commended for that achievement. On the flip side, we don't yet have a clear picture of the full investment required to meet our needs for infrastructure updating and expansion. Also, the extended timeframe and budget inflation experienced with the Arthur Street parking lot project tells us that Council and Staff will need to show stronger leadership in meeting our requirements. Focused, up front public consultation must lead to definitive and timely decisions and actions. We simply cannot afford waffling and inefficient attempts at consensus building. Make the tough calls and move forward.

Grey County Strategy – The BMRA pushed for the addition of a Finance analyst whose primary focus would be evaluating Grey County finances. Today, we lack clarity as to how the County raises money from across the municipalities, and how those funds are invested back across Grey. It was surprising to us that this role has not been endorsed by Staff and all Councillors. This leaves us vulnerable to a worsening of our County financial relationship, and an inability to hold Grey accountable to TBM taxpayers.

Staff Responses – Staff appreciate the feedback from the BMRA. Staff will review possible reporting metrics and a possible "dash board" that may provide the public with a high level overview of the budget. The Inter functional Policy will be brought forward to Council with recommended changes for the 2023 Budget. A Human Resources Master Plan is included in the budget document for 2023. A Financial Analyst whose primary focus would be evaluating Grey County finances has not been included in the 2022 Draft Budget as staff have not received direction from Council to include such a position.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

N/A

G. Financial Impacts

The draft budget currently is proposed to have a tax rate increase of 2.68% or for a house assessed at \$540,000 the municipal portion annual tax increase is \$53.

If Council directed a County Financial Analyst be added to the 2022 Budget, the tax rate increase would be 3.34% or \$67 for the municipal portion of a house assessed at \$540,000.

H. In Consultation With

Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budget

I. Public Engagement

The topic of this Staff Report has been the subject of a Public Meeting which took place on February 7, 2022. Those who provided comments at the Public Meeting, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report.

Any comments regarding this report should be submitted to Ruth Prince, Director Finance & Information Technology Services directorfit@thebluemountains.ca.

J. Attached

1. Comment from Larry Bentley
2. Comment from John Vanderster
3. Comment from Sharon Wigle
4. Letter from Climate Action Now Network
5. Letter from Blue Mountain Rate Payers Association

Respectfully submitted,

Ruth Prince
Director Finance & Information Technology Services

For more information, please contact:
Ruth Prince, Director Finance & Information Technology Services
directorfit@thebluemountains.ca
519-599-3131 extension 228

Report Approval Details

Document Title:	FAF.22.007 2022 Draft Budget - Public Comments.docx
Attachments:	<ul style="list-style-type: none">- FAF.22.007 - Attachment 1.pdf- FAF.22.007 - Attachment 2.pdf- FAF.22.007 - Attachment 3.pdf- FAF.22.007 - Attachment 4.pdf- FAF.22.007 - Attachment 5.pdf
Final Approval Date:	Feb 8, 2022

This report and all of its attachments were approved and signed as outlined below:

Ruth Prince - Feb 8, 2022 - 2:16 PM

No Signature found

Shawn Everitt - Feb 8, 2022 - 2:34 PM

From: Website Committee
Sent: November 29, 2021 10:01 AM
To: Town Clerk
Subject: Webform submission from: Clerk's Office

Submitted on Mon, 11/29/2021 - 10:01

Name:
Larry Bentley

How can we help you?

Watching Council today, what a gong show. As the clerk please take action to ensure policy & process is followed. The hybrid model being utilized is a failure to citizens and does not provide opportunity to participate in the process.

8.56% increase to the budget is gross, I have serious concerns about the financial health of the municipality.

Staff need to be challenged and provide descriptive analysis and long-term planning to support these increases.

From: Simonne Vanderster
Sent: December 2, 2021 12:00 PM
To: Communications
Subject: Re: Town Monthly E-Newsletter - December Edition

Thanks for a budget. Many pages with numbers. However, I would like to see an executive summary of all the departments and explanations on budget increases above 2%. Numbers does not mean much unless people understand where the increases are coming from. The committee can be much more effective when presenting the budget to the council.

Too may pages baffles brains. No need for that

John van der ster CPA CMA

From: Website Committee
Sent: December 6, 2021 12:35 PM
To: Town Clerk
Subject: Webform submission from: Clerk's Office

Submitted on Mon, 12/06/2021 - 12:35

Name:
Sharon Wigle

How can we help you?

I have concerns about the council compensation increases.

Current council members ran for their positions fully aware of what their compensation would be. It is unfair to the taxpayers that they vote themselves large increases beyond that of inflation without the support of the voting public.

I feel the fact the townspeople have been held back from providing feedback, due to inadequate notification regarding the pay increases and due to COVID restrictions, means any such decisions should be delayed until council receives a quorum from their taxpayers (probably by re-election) who are forced to cover these wage increases.

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CANN

Climate Action Now Network (TBM)

January 31, 2022

Mayor Alar Soever and Members of TBM Council
CAO Shawn Everitt and Senior Management Team
Corina Giles, Clerk
Town of The Blue Mountains

Dear Mayor Soever and Members of Council,

RE: Input and Comments on the Town's 2022 Draft Budget

Thank you for the opportunity to provide our input to the Town's draft budget. We understand the extensive effort that Council and staff have put into this work, and we appreciate the delicate balance between keeping taxation levels low and implementing the Town's priorities.

Our comments are focused on the approach the draft Budget takes to implementing the declared Climate Change Emergency Resolution (October 21, 2019). This resolution states, in part: **"That all decision making regarding future expenditures takes into consideration climate change impacts..."** The resolution includes all aspects of Town operations. The 2022 budget provides the opportunity for this Council and staff to take climate leadership and build action plans for change in this municipality.

CANN - we are a volunteer group in Town of the Blue Mountains. Our goal is to reduce the carbon footprint of the area and work together towards a more sustainable community.

Website: www.facebook.com/climateactionnownetwork

Email: CANNTBM@gmail.com

While climate change emergency measures may be contained within this draft budget, they are rarely specifically identified. We recognize that some plans, policies and standards are being adapted to comply with external agency requirements, but we note, that few innovative or climate change measures are highlighted.

Council expects and the community has demonstrated that the Climate Change Emergency imperative must be implemented. We urge Council to review the budget and increase in a significant way the visible commitment to building a Climate Change Lens and action into the 2022 budget.

We offer the following comments, and hope that you find our input constructive and useful.

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We appreciate the opportunity to provide this input.

Respectfully submitted,

CANN - Climate Action Now Network

Blue Mountain Ratepayers Association

TBM 2022 Budget Response

February 7, 2022

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BMRA Budget Review Committee