



Finance and Corporate Services

Committee Minutes

**December 13, 2021, 10:00 a.m.
Electronic Meeting**

Present:

Mayor B. Vrbanovic
Councillor S. Davey
Councillor D. Schnider
Councillor J. Gazzola
Councillor C. Michaud
Councillor K. Galloway-Sealock
Councillor P. Singh
Councillor B. Ioannidis
Councillor M. Johnston
Councillor D. Chapman
Councillor S. Marsh

Staff:

D. Chapman, Chief Administrative Officer
M. May, General Manager, Community Services and Deputy
Chief Administrator
V. Raab, General Manager, Corporate Services
J. Readman, General Manager, Development Services
J. Lautenbach, Chief Financial Officer, Financial Services
D. McGoldrick, General Manager, Infrastructure Services
L. MacDonald, City Solicitor
M. Seiling, Director, Building
G. St.Louis, Director, Utilities
B. Lam, Director, Sanitary and Stormwater Utility
K. Kugler, Director, Sport
B. Rowland, Director, Corporate Communications and Marketing
N. Lobley, Director, Parks and Cemeteries
P. McCormick, Manager, Parking Enterprise
D. Mange, Committee Administrator
D. Saunderson, Manager, Council and Committee
Services/Deputy Clerk
S. Goldrup, Committee Administrator

1. Commencement

The Finance and Corporate Services Committee held an electronic meeting this date, commencing at 10:04 a.m., Chaired by Councillor S. Davey.

2. Discussion Items

2.1 FIN-2021-62 - 2022 Final Budget

The Committee considered Financial Services Department report FIN-2021-62, dated December 7, 2020, related to the 2022 Budget, which is primarily intended to provide updates on the Operating and Capital Budget presentations and provide information required by the Municipal Act. The Committee was also in receipt of Issue Paper BD 14 entitled " 2022 Budget Public Input" including all the feedback received through the online survey related to the budget, a Council Report containing draft resolutions related to the 2021 Budget for consideration this date, as well as a written submission from D. Truman, Cycle WR, including comments on the 2022 Budget.

a. Overview

Jonathan Lautenbach provided opening remarks, noting the overall Operating Budget includes a proposed tax rate increase of 1.9%, which represents a \$21/year annual impact to the taxpayer. J. Lautenbach noted the City's tax levy increase is lowest of all of the municipalities within the Region.

Mayor B. Vrbanovic and Councillor K. Galloway-Sealock entered the meeting at this time.

In response to questions, J. Lautenbach noted staff could review the budget package information and for future years to include highlight information on the proposed budget increase slide, and consider including the financial impacts of cycling infrastructure and sidewalk maintenance on the City's budget.

Ryan Hagey stated any recommendation arising from the Finance and Corporate Services Committee meeting would be forwarded to Special Council later this date, which will conclude the 2022 Budget process and establish the final tax levy rate and will take into consideration any adjustments made throughout the meeting.

b. Boards

a. Kitchener Public Library

M. Chevreau and A. Riddell, Kitchener Public Library (KPL), were in attendance to respond to questions from the Committee.

On motion by Councillor K. Galloway-Sealock

it was resolved:

“That the 2022 budget for the Kitchener Public Library be approved, as presented”

Carried

b. Centre in the Square

R. Sonoda and D. Daub, Centre in the Square (CITS), were in attendance to respond to questions from the Committee.

On motion by Councillor K. Galloway-Sealock

it was resolved:

“That the 2022 budget for the Centre in the Square be approved, as presented”

Carried

c. Enterprise Operating Budgets

a. Building Enterprise

The Committee considered Issue Paper BD 01 entitled "Building Rate Increase Scenarios" including information showing possible rate increases that would improve the Building's projected deficit in 2022, noting the Building fees for 2022 remain unchanged as approved by Council in consideration of the user fees outlined in Financial Services Department report FIN-2021-57.

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Building Enterprise be approved, as presented”

Carried

b. Golf Enterprise

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Golf Enterprise be approved, as presented”

Carried

c. Parking Enterprise

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Parking Enterprise be approved, as presented.”

Carried

d. Gas Utility

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Gas Utility be approved, as presented.”

Carried

e. Water Utility

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Water Utility be approved, as presented.”

Carried

f. Sanitary Utility

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Sanitary Utility be approved, as presented.”

Carried

g. Stormwater Utility

On motion by Councillor B. Ioannidis

it was resolved:

“That the 2022 budget for the Stormwater Utility be approved, as presented.”

Carried

d. Capital Budget

The Committee considered Issue Papers BD 02 entitled "Additional Funding for Affordable Housing/Other Capital Options", Issue Paper BD 03 entitled "Affordable Housing Reserve & Development Charges Grant" and Issue Paper BD 04 entitled "Reducing the City's Facilities Infrastructure Gap", which were requested by Council during the Finance and Corporate Services Committee meeting on November 29, 2021.

R. Hagey provided opening remarks related to the Capital Budget, noting the proposed Capital budget remains unchanged from the details presented at the Finance and Corporate Services Committee meeting on November 29, 2021.

J. Readman provided an overview of Housing for All, the affordable housing strategy that was approved by Council in December 2020. J. Readman provided a summary of the initiative the City can play a role in addressing the housing crisis. It was noted the Housing for All Strategy includes 43 actions and 7 priority areas. J. Readman further advised the most effective way the City of Kitchener can incentivize supportive and affordable housing is through Development Charge reimbursement for not-for-profit housing projects. J. Readman indicated as part of the 2022 Budget deliberation, Council has an opportunity to allocate funding to the Development Charge reserve to address affordable housing initiatives. J. Readman stated staff anticipated reporting back in early 2022 on a DC policy for supportive and affordable housing.

It was noted the 2022 Capital Budget also includes options for Council to make additional investments in three priority areas. Options in a) affordable housing, b) reducing the City's facilities infrastructure gap, and c) community trails are provided at the funding levels of \$250,000, \$500,000 and \$1,000,000. As part of the Capital Budget discussions in November, Council asked staff to find additional funding for these priority areas. Staff have accomplished this and identified nearly \$1.8M of additional funding that could be invested.

Councillor B. Ioannidis brought forward a motion to allocate \$2M. to affordable housing, \$500K to community trails and \$250K to the City's facilities infrastructure gap.

Mayor B. Vrbanovic questioned whether it would be possible to approve the proposed funding, but delay the allocation of \$750K until further announcements are made by the Federal Government, as there is a possibility that items such as community trails and the City's facilities infrastructure gap would be identified to receive funding supports through other programs.

J. Lautenbach stated if it was Council's will, \$750K could be held in reserves and allocated at a later date.

Mayor B. Vrbanovic noted he would be willing to approve the funding but defer its allocation until following the approval of the federal governments budget.

In response to questions J. Readman indicated it is anticipated that staff will be reporting back in early 2022 on the Development Charges Policy for supportive and affordable housing. In response to further questions, J. Readman stated staff can follow up with Council to provide additional information the funding that has currently been allocated to support a Better Tent City.

In response to questions, Denise McGoldrick stated if the funding was not allocated by Council today, it could possibly impact staffs ability to complete some of the projects in 2022. D. McGoldrick noted the complexity and stage of the project is what would impact whether the funding allocation would have impact on the projected work. In response to further questions, D. McGoldrick stated if \$250k of funding was allocated to community trails it would allow that work to be completed in 2022.

Councillor K. Galloway-Sealock brought forward an amendment to Councillor Ioannidis's motion to allocate \$2M. to affordable housing, \$250K to community trails and \$500K to the City's facilities infrastructure gap.

Councillor P. Singh declared a pecuniary interest with respect to Capital Projects Mill St and Courtland Avenue, Second Avenue, Connaught Street and Franklin Street as members of his family own property in the vicinity of the subject projects. Accordingly, he did not participate in any discussion or voting regarding those matters.

Councillor J. Gazzola brought forward a further amendment to allocate \$1M to affordable housing, \$1M to reduce the 2022 tax levy and \$250K for affordable housing.

In response to questions, J. Lautenbach noted \$500K of the identified is Federal Gas Tax Funding and would not be eligible to be transferred towards the tax levy.

Councillor Gazzola requested a recorded vote.

Councillor Gazzola's amendment was then voted on and **LOST** on a recorded vote, with Councillors D. Chapman and J. Gazzola voting in favour; and, Mayor B. Vrbanovic and Councillors S. Marsh, M. Johnston, B. Ioannidis, P. Singh, K. Galloway-Sealock, C. Michaud, D. Schnider and S. Davey voting in opposition.

Councillor K. Galloway-Sealock's amendment to allocate \$2M. to affordable housing, \$250K to community trails and \$500K to the City's facilities infrastructure gap was then voted on and **LOST** on a recorded vote, with Mayor B. Vrbanovic and Councillor K. Galloway-Sealock voting in favour; and, Councillor D. Chapman, J. Gazzola, S. Marsh, M. Johnston, B. Ioannidis, P. Singh, C. Michaud, D. Schnider and S. Davey voting in opposition.

The following motion was then voted on and was **Carried** on a recorded vote, with Mayor B. Vrbanovic and Councillors S. Marsh, D. Chapman, M. Johnston, B. Ioannidis, P. Singh, K. Galloway-Sealock, C. Michaud, D. Schnider and S. Davey voting in favour; and, Councillor J. Gazzola voting in opposition.

Moved by Councillor B. Ioannidis:

it was resolved:

"That the Capital Investment Funding Option be allocated as follows:

- * \$2M allocated to Affordable Housing Reserve & DC Grants;
- * \$250K Facility Infrastructure Gaps; and,
- * \$500K Community Trails."

The Committee was then requested to vote on the creation of an Affordable Housing Reserve, noted as resolution #3 on the Draft Resolution sheet.

Councillor J. Gazzola requested a recorded vote.

Moved by Councillor M. Johnston

it was resolved:

"That the Affordable Housing reserve (with terms of reference to be determined at a later date) be approved."

Carried unanimously on a recorded vote.

e. Tax Supported Operating Budget

R. Hagey noted the Operating Budget remains unchanged, but projected deficit has been reviewed and updated since the November 15, 2021 Finance and Corporate Services Committee meeting - Operating Budget Day. R. Hagey further advised the operating portion of the agenda does also include a number of issue papers that were requested of staff from Council on that date for consideration.

a. **BD 07 – Neighbours Day Funding Increase**

The Committee considered Issue Paper BD 07 - Neighbours Day Funding Increase related to identifying ways that the City could enhance Neighbours Day coming out of the pandemic, if the budget was permanently increased to \$50,000.

On motion by Councillor P. Singh

it was resolved:

"That the total budget for Neighbours Day operations, be increased from \$30,000 to \$50,000 funded by the tax levy."

Carried

b. **BD 08 – House of Friendship Food Distribution at Community Centres**

The Committee considered Issue Paper BD 08 - House of Friendship Food Distribution at Community Centres related to a letter received from the House of Friendship on December 2, 2021 the House of Friendship requesting additional funding to support food distribution at our community centres.

On motion by Councillor D. Chapman

it was resolved:

"That the House of Friendship be provided one-time \$50,000 grant allocation in 2022 funded by the tax levy, as outlined in Issue Paper BD 08."

Carried

c. **BD 09 - Social Development Centre Waterloo Region Funding Request**

The Committee considered Issue Paper BD 09 entitled Social Development Centre Waterloo Region Funding Request related to their grant funding request in the amount of \$63,200.

Councillor D. Chapman requested a recorded vote.

Mayor B. Vrbanovic requested the funding request and staffs recommendation to work with the Social Development Centre Waterloo Region to assist in advancing their work be voted on separately.

The Social Development Centre Waterloo Region was then voted on and was **LOST** on a recorded vote with Councillors S. Marsh and D. Chapman voting in favour and Mayor B. Vrbanovic and Councillors S. Davey, D. Schnider, J. Gazzola, C. Michaud, K. Galloway-Sealock, P. Singh, B. Ioannidis, M. Johnston voting in opposition.

The following recommendation was then voted on.

On motion by Councillor D. Chapman

it was resolved:

"That staff be directed to work with the Social Development Centre Waterloo Region on a grant submission request to the Region of Waterloo or other funders to further develop the Civic Hub Program and Eviction Prevention Work; and further,

That research on the feasibility and implications of a tenant assistance policy conducted by City of Kitchener staff include engagement with the Social Development Centre and other local not for profits."

In Favour (11): Mayor B. Vrbanovic, Councillor S. Davey, Councillor D. Schnider, Councillor J. Gazzola, Councillor C. Michaud, Councillor K. Galloway-Sealock, Councillor P. Singh, Councillor B. Ioannidis, Councillor M. Johnston, Councillor D. Chapman, and Councillor S. Marsh

Carried unanimously (11 to 0)

- d. BD 10 - Resources to Explore Planning Policies to Accelerate Purpose-Built

Councillor P. Singh brought forward a motion to approve the recommendation outlined in BD 10 - Resources to Explore Planning Policies to Accelerate Purpose-Built.

It was noted the Committee would need to recess and the balance of the discussion related to this matter would be addressed once the Committee reconvened.

The Committee recessed at 12:48 p.m. and reconvened at 1:34 p.m., Chaired by Councillor S. Davey with all members present.

In response to questions, J. Readman advised if the position is hired later in the year it would impact the incentivization of these purpose-built development applications.

Councillor D. Chapman brought forward a motion to approve the recommendation outlined in BD10 as a one-year pilot project to further assess rental-units outside of the affordable housing category.

Councillor Chapman requested a recorded vote.

Councillor Chapman's amendment was then voted on and was **LOST** on a recorded vote with Councillor D. Chapman voting in favour; and, Mayor B. Vrbanovic and Councillors S. Marsh, M. Johnston, B. Ioannidis, P. Singh, K. Galloway-Sealock, C. Michaud, J. Gazzola, D. Schnider and S. Davey voting in opposition.

The following motion was then voted on, on a recorded vote.

On motion by Councillor P. Singh

it was resolved:

"That an additional Full Time Equivalent (FTE) and associated operating budget be approved, to fund a Project Manager with the Planning Division that is focused on accelerating purpose-built rental development applications."

In Favour (11): Mayor B. Vrbanovic, Councillor S. Davey, Councillor D. Schnider, Councillor J. Gazzola, Councillor C. Michaud, Councillor K. Galloway-Sealock, Councillor P. Singh, Councillor B. Ioannidis, Councillor M. Johnston, Councillor D. Chapman, and Councillor S. Marsh

Carried unanimously (11 to 0)

e. BD 11 - Heritage Planning Resource

The Committee considered Issue Paper BD 11 - Heritage Planning Resource related to the possibility/need to hire an additional Heritage Planner to implement the work of Heritage Kitchener subcommittees.

Councillor D. Chapman moved the recommendation outlined in BD 11 - Heritage Planning Resource.

Councillor Chapman's motion was voted on and was **LOST**.

f. BD 12 - Downtown Snow Clearing

The Committee considered Issue Paper BD 12 - Downtown Snow Clearing including additional information about expanding the Downtown area for winter sidewalk maintenance by the City of Kitchener to improve access to the Market District and light rail transit (LRT).

g. BD 13 - Change the Mileage Requirements

The Committee considered Issue Paper BD 13 - Mileage & Per Diem rates including a comparison of the current mileage and per diem rates used by local municipalities.

On motion by Councillor B. Ioannidis

it was resolved:

"That effective January 1st of each year, the City of Kitchener adopt the CRA prescribed mileage rate for that year as the City's per kilometre reimbursement rate. For 2022, the mileage rate will be \$0.59/km for the first 5,000 kilometres driven, and \$0.53 for each additional kilometre; and further,

That the City of Kitchener's per diem rates remain at \$70/day (\$15 for breakfast, \$20 for lunch, \$35 for dinner)."

Carried

f. Resolutions

Councillor P. Singh declared a pecuniary interest with respect to Capital Projects Mill St and Courtland Avenue, Second Avenue, Connaught Street and Franklin Street as members of his family own property in the vicinity of the subject

projects. Accordingly, he did not participate in any discussion or voting regarding those matters.

The Capital Projects subject to the declared pecuniary interest were then voted and were **Carried**.

The following motion was then voted and was **Carried**.

On motion by Councillor B. Ioannidis

it was resolved:

“That the balance of the recommendations related to the 2022 Capital and Operating Budget be approved, as outlined in the draft resolution sheet circulated to members of Council this date.”

Carried

3. Adjournment

On motion, this meeting adjourned at 2:06 p.m.

Dianna Saunderson
Manger, Council and Committee Services/
Deputy Clerk