



The Corporation of the City of Stratford Finance and Labour Relations Sub-committee MINUTES

Date: July 23, 2019

Time: 4:30 P.M.

Location: Council Chamber, City Hall

Sub-committee Present: Councillor Gaffney - Vice Chair Presiding, Councillor Clifford - Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma

Staff Present: Michael Humble - Director of Corporate Services, Jodi Akins - Council Clerk Secretary, Ed Dujlovic - Director of Infrastructure and Development Services, Joan Thomson – City Clerk, Jacqueline Mockler – Director of Human Resources

1. Call to Order

The Vice-Chair called the meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

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

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made at the July 23, 2019 Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Manager of Public Works

4.1 Purchasing Policy Exemption Request for the Purchase of Combination Plow and Sander Trucks with Wing Attachment (FIN19-025)

Staff Recommendation: THAT Council approve an exemption as per Clause 42 of the City of Stratford's Purchasing and Materials Management Policy P.5.1 to allow the purchase of two 2017 Western Start plow/sander trucks from Gradall Rental Ltd. at a cost of \$610,200 including HST.

Sub-committee Discussion: The Director of Infrastructure and Development Services advised that the plow trucks require replacement. The City's previous Fleet Supervisor sourced two used trucks, which creates a \$60,000 per truck savings over buying new and the warranties are still in place. Approval from Council is required to sole source equipment.

In response to questions, the Director stated that they may keep the 2008 plow truck as a spare and send the 2007 truck to auction. In terms of life expectancy, ten years can be expected. The current trucks have been used for 11 and 12 years respectively but repair costs and time are creating operational challenges as these are the City's primary plow and sander trucks and are used year round.

The Director stated that staff are expecting to remain under budget for equipment expenditures even with this purchase as some other purchases have been put off.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT Council approve an exemption as per Clause 42 of the City of Stratford's Purchasing and Materials Management Policy P.5.1 to allow the purchase of two 2017 Western Start plow/sander trucks from Gradall Rental Ltd. at a cost of \$610,200 including HST.

Carried

5. Report of the Director of Corporate Services

5.1 Delegating Authority on Tax Matters (FIN19-046)

Staff Recommendation: THAT the Treasurer and Supervisor of Tax Revenue be delegated authority to reduce a penalty or interest charged against a property under Section 345 of the Municipal Act, 2001 as amended, to a limit of \$250;

THAT the Treasurer and Supervisor of Tax Revenue be delegated authority to approve applications under Section 357 and 358 of the Municipal Act, 2001 as amended, to cancel, reduce or refund taxes based on specific criteria of demolition, such as fire, change in use, land has become exempt, repairs or renovations, overcharges due to a gross or manifest error that is clerical in nature but not an error in judgment;

THAT the Assessment Review Board be delegated authority to exercise the functions of Council pursuant to subsections 357 (1) and (5) with respect to applications made under Section 357(1)(d.1) of the Municipal Act, 2001 as amended for the cancellation, reduction or refund of taxes levied in the year in respect of which the application is made by any persons who are unable to pay taxes because of sickness or extreme poverty for the City of Stratford;

AND THAT Delegation of Authority By-law 135-2017 as amended, be further amended to delegate this authority to the Treasurer and Supervisor of Tax Revenue for the City of Stratford and to the Assessment Review Board.

Sub-committee Discussion: The Director of Corporate Services stated that staff are requesting delegated authority under three sections of the Municipal Act with respect to tax matters.

The first is authority under Section 345 to reduce a penalty or interest charged to a limit of \$250.

Under Sections 357 and 358, municipalities can cancel, reduce or refund taxes based on specific criteria after review by MPAC. The Director suggested that if MPAC has made a determination, that staff be delegated authority to approve applications. This would save staff time as reports to

Council would not be required. Staff could prepare a summary report at the end of the year.

The third is with respect to matters under Section 357(1)(d.1) sickness or extreme poverty. The Director suggested that these matters be referred to the Assessment Review Board (ARB). Other municipalities use their services and they are familiar with hearing and adjudicating such matters. City staff do not have sufficient knowledge or expertise to judge if someone is experiencing legitimate hardship.

In response to questions regarding costs for the ARB and whether there is an upper limit prescribed in the Municipal Act for Section 345 adjustments, the Director advised if there was legal counsel assigned for an ARB matter, it may cost the City legal fees. With respect to Section 345, the Act states that it is Council's responsibility so staff are suggesting a modest discretionary limit to staff so that every request does not have to be brought to Council.

It was suggested that \$250 seems small and it may be easier if the limit was higher. The Director advised that \$250 would cover 95% of cases.

As to whether the applications under sickness or extreme poverty happen often and whether it's necessary to refer them to the Assessment Review Board, the Director advised he has only seen two in his career, including one recently. He suggested that it is uncomfortable for the taxpayer to prove their case to Council as the taxpayer is required to disclose a lot of personal information in a public forum.

Motion by Councillor Beatty

Sub-committee Recommendation: THAT the Treasurer and Supervisor of Tax Revenue be delegated authority to reduce a penalty or interest charged against a property under Section 345 of the Municipal Act, 2001 as amended, to a limit of \$250;

THAT the Treasurer and Supervisor of Tax Revenue be delegated authority to approve applications under Section 357 and 358 of the Municipal Act, 2001 as amended, to cancel, reduce or refund taxes based on specific criteria of demolition, such as fire, change in use, land has become exempt, repairs or renovations,

overcharges due to a gross or manifest error that is clerical in nature but not an error in judgment;

THAT the Assessment Review Board be delegated authority to exercise the functions of Council pursuant to subsections 357 (1) and (5) with respect to applications made under Section 357(1)(d.1) of the Municipal Act, 2001 as amended for the cancellation, reduction or refund of taxes levied in the year in respect of which the application is made by any persons who are unable to pay taxes because of sickness or extreme poverty for the City of Stratford;

AND THAT Delegation of Authority By-law 135-2017 as amended, be further amended to delegate this authority to the Treasurer and Supervisor of Tax Revenue for the City of Stratford and to the Assessment Review Board.

Carried

5.2 Operating Budget Variance Report as at 30 June 2019 (FIN19-027)

Staff Recommendation: THAT the report of the Director of Corporate Services dated 23rd July 2019, regarding the Operating Budget Variance Report as at 30th June 2019, be received for information.

Sub-committee Discussion: The Director of Corporate Services stated that this the first variance report of the year. Overall, the City is in very decent shape on the tax supported side with a current projected surplus of \$200k.

With respect to user pay operations, Waste Management is projecting a deficit of \$240k due to the shrinking market for recyclable goods and increased costs for collection activities.

Building inspection is projecting a deficit of \$200k as permit revenue is down due to a lack of developable land. There is a reserve of \$500k to absorb this deficit.

In response to whether there is any positive news coming forward with

respect to recyclables, the Director of Infrastructure and Development Services advised that the Province is looking at producer pay but that is still a few years away. He noted that an \$18,000 bill was received for processing when previously no bill at all was received, or money was made.

Discussion took place regarding a green bin program, startup costs and long term plans for the landfill and ongoing expenditures.

Questions were raised regarding the provincial offences fines collected and the share between the City, County and St. Marys. Concern was expressed that revenue from fines is declining. It was noted by the Director that the tickets issued are fairly consistent, but the amount of fines collected continue to drop. He suggested that it was not a Police Services issue, but a court and prosecution issue. He suggested that the court manager could be requested to provide information on the POA and collection system.

In response to how often variance reports are done, the Director of Corporate Services advised that the intention is quarterly but they had a late start with the budget this year. Another one is forecasted for September, then year-end and a final one when all entries are in for 2019.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the report of the Director of Corporate Services dated 23rd July 2019, regarding the Operating Budget Variance Report as at 30th June 2019, be received for information.

Carried

Motion by Councillor Clifford

Sub-committee Decision: THAT further information be provided on provincial offences charges laid and fines collected for Stratford.

Carried

6. New Business

6.1 Update on Council Remuneration Ad-Hoc Committee

At the last Finance and Labour Relations Sub-committee meeting, an update on the Council Remuneration Ad-Hoc Committee was requested. The Director of Human Resources advised that a number of meetings have been held and a meeting is scheduled for Thursday, July 25. A report is anticipated for Council in August.

6.2 Impact of Provincial Budget

A Sub-committee member stated that the County shared a report at a Shared Services meeting with respect to provincial cuts and budget impacts and suggested it would be helpful if Stratford had a similar report.

It was also suggested that a group of councillors and staff or someone hired externally look for efficiencies in 2020.

The Director of Corporate Services stated that this budget will be challenging with the provincial cuts and service change level reports are hard to do on short notice. Staff would benefit from preliminary meetings on what Council would like to see with respect to service level changes or initiatives.

The City has received almost \$500k from the Province to assist with looking at better ways to provide services. Staff would benefit from information sharing prior to bringing forward a draft budget.

The Director confirmed that he is in constant contact with area Treasurers and looking at different approaches.

It was suggested that it would be helpful if all of Council and staff were involved in pre-budget discussions to look at where fees could be charged for services or costs cut. Two or three meetings were suggested.

Motion by Councillor Clifford

Sub-committee Decision: THAT staff be directed to bring forward a report with dates and ideas for pre-budget discussions with Council.

Carried

7. Advisory Committee/Outside Board Minutes

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee at this time.

8. Next Sub-committee Meeting

Finance Sub-committee is being cancelled for the month of August as we are unable to obtain quorum. Any staff reports will be listed on the August 12 Finance Committee agenda.

Subsequent Information: Following the Sub-committee meeting, it was decided to reinstate the Finance and Labour Relations Sub-committee meeting on Monday, August 12, 2019 at noon.

9. Adjournment

Motion by Councillor Bunting

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.

Carried

Meeting Start Time: 4:30 p.m.

Meeting End Time: 5:07 p.m.