

Memorandum

Office of the City Clerk
Fax: 623-5468
Telephone: 625-2230

TO: Members of Council
FROM: Krista Power, City Clerk
DATE: Friday, January 14, 2022
**SUBJECT: Additional Information
Committee of the Whole – Special Session (2022 Capital and Operating
Budget) – January 18, 2022**

**COMMITTEE OF THE WHOLE – SPECIAL SESSION (2022 CAPITAL AND
OPERATING BUDGET MEETINGS)**

Additional Information

1. Memorandum from Director – Financial Services Emma Westover, dated January 14, 2022 relative to 2022 Opening Proposed Budget Update – Growth.
2. Memorandum from Director – Financial Services Emma Westover, dated January 14, 2022 relative to Proposed 2022 Budget Amendments.
3. Memorandum from Accountant – Financial Services Kristie Sinclair, dated January 14, 2022 relative to Proposed 2022 Budget Amendment – Community Youth & Cultural Funding.
4. Memorandum from General Manager – Infrastructure & Operations Kerri Marshall, dated January 13, 2022 relative to Recommended Budget Amendment – Increase to Infrastructure Funding
5. Memorandum from Director – Engineering & Operations Kayla Dixon, dated January 13, 2022 relative to NorthShore Steelhead Association – Request for Fishway Design costs.
6. Memorandum from Director – Engineering & Operations Kayla Dixon, dated January 12, 2022 relative to Playground Equipment and Structures Funding Correction.

/kp



*Corporate Services & Long
Term Care*

Financial Services Division

807-630-1280

emma.westover@thunderbay.ca

MEMORANDUM

TO: Mayor & Council

FROM: Emma Westover, Director,
Financial Services

DATE: January 14, 2022

RE: Update: 2022 Growth

Final 2021 year-end assessment roll information has been received from MPAC identifying \$117,000 growth (0.06%) in the assessment base during 2021 from new construction less lost assessment from demolitions and appeals. At the time the 2022 Proposed Operating and Capital Budgets were prepared growth was projected at \$300,000 or a 0.15% reduction in impact to the municipal tax levy increase. As a result, the impact of this change is an increase to the municipal tax levy after of growth of 0.09%.

The reason for the lower growth is that the majority of assessment growth in 2021 was exempt assessment. In addition, the commercial class experienced negative growth due to very little construction activity and the settlement of a number of appeals during the year.

cc:

Norm Gale, City Manager
Executive Management Team
Krista Power, City Clerk



*Corporate Services & Long
Term Care*

Financial Services Division

807-630-1280

emma.westover@thunderbay.ca

MEMORANDUM

TO: Mayor & Council

FROM: Emma Westover, Director,
Financial Services

DATE: January 14, 2022

RE: Proposed 2022 Budget Amendments

New information has been received since the proposed 2022 budget was prepared. Administration recommends these changes be incorporated into the 2022 budget via the motions contained below.

The total impact of these adjustments is a reduction to the municipal tax levy of 0.15%.

Lakehead Regional Conservation Authority Board Levy

The Lakehead Regional Conservation Authority levy has been revised to \$1,585,594 which is \$700 more than the amount in the proposed budget. Administration recommends a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the Lakehead Regional Conservation Authority Board budget be increased by \$700.”

This amendment would result in no change to the municipal tax percentage.

Reclassify Capital Funding

Capital funds of \$230,000 from the Green and Inclusive Community Building Program were initially classified as “other” source revenues but should be identified as a Federal Grant. Administration suggests that a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care – Financial Services) Proposed 2022 Operating and Capital Budget we recommend moving \$230,000 from “other” revenue to “Federal Grants - Miscellaneous” in the Capital Budget.”

This amendment would result in no change to the municipal tax levy.

Additional Ontario Community Infrastructure Fund

The City’s 2022 Ontario Community Infrastructure Fund (OCIF) Provincial Grant has increased by \$4,183,900 to \$10,000,000. These funds are placed into the OCIF Obligatory Reserve Fund, where they are then used to fund core infrastructure projects in the Capital Budget. General Manager – Infrastructure and Operations will provide Council with a memo recommending capital projects to be funded by the increased funds. Administration recommends a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the Ontario Community Infrastructure Fund Provincial Grant be increased by \$4,183,900 and the provision to the obligatory Ontario Community Infrastructure Fund Reserve Fund be increased by the same amount.”

This amendment would result in no change to the municipal tax levy.

Direction of Tbaytel Excess Dividend

Report R 189/2021 (Corporate Services and Long Term Care – Financial Services) Tbaytel Dividend Model made recommendations on the use of the Fixed Annual Dividend in excess of \$17.75 million through 2023. The report directed that the excess \$250,000 be transferred to the Stabilization Reserve Fund unless its year-end uncommitted balance is greater than \$10.0 million in which case the excess funds are to be transferred to the General Capital Reserve Fund. Administration recommended the change to the direction of the excess funds in 2022 and 2023 due to the potential depletion of significant funds from the Stabilization Reserve Fund as a result of the COVID-19.

Previously the excess funds were to be transferred to the General Capital Reserve Fund, which is where they were directed in the 2022 Proposed Operating and Capital Budget. Administration recommends a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the provision to the Stabilization Reserve Fund be increased by \$250,000 and the provision to the General Capital Reserve Fund be decreased by the same amount.”

This amendment would result in no change to the municipal tax levy.

Insurance Premiums

The 2022 insurance premium information was received in late December and was lower than initially estimated. After taking into consideration recoveries from Tbaytel and other outside agencies, the gross and net budget impact is as follows:

Budget Area	Gross Budget Impact (\$)	Net Budget Impact (\$)
Tax Supported (reduces levy by 0.15%)	(449,300)	(299,400)
Waterworks	-	(28,700)
Wastewater	-	(28,500)
Solid Waste – Landfill Operations	-	(2,700)
Total Budget Impact	(449,300)	(359,300)

Administration recommends a motion be made to revise the proposed tax supported and rate supported budgets for the updated insurance premium cost.

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the tax supported budget be amended to decrease insurance premiums by \$449,300 gross and \$299,400 net;

AND THAT the rate Waterworks budget be amended to decrease insurance premiums by \$nil gross, \$28,700 net;

AND THAT the Wastewater budget be amended to increase insurance premiums by \$nil gross, \$28,500 net;

AND THAT the Solid Waste – Landfill Operations budget be amended to decrease insurance premiums by \$nil gross, \$2,700 net.”

This amendment would result in a change to the municipal tax levy of 0.15%.

Parkdale Growth Area Secondary Plan Study

R 171/2021 Request for Parkdale Trunk Sewer Extension recommended \$180,000 for consideration in the 2022 Capital Budget for the completion of the Parkdale Growth Area Secondary Plan Study and R177/2021 Parkdale Estates Subdivision report recommended this Study be completed in place of the Parkdale Additional Access Class Environmental Assessment Study. Given that the Proposed Capital Budget contained the additional access study (pg 6-31 of Tax-Supported Budget book), Administration recommends a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care – Financial Services) Proposed 2022 Operating and Capital Budget we recommend funds from the Parkdale Additional Access Municipal Class Environmental Assessment Study line item be used to fund the Parkdale Growth Area Secondary Plan Study Project.”

This amendment would result in no change to the municipal tax levy.

Over Committed Canada Community Building Fund

R 174/2021 (Infrastructure & Operations) committed \$740,000 from the Canada Community Building Fund (CCBF) for Pool 6 Dock Rehabilitation. As a result, amendments to the proposed 2022 budget to accommodate this commitment is required. The recommended adjustments include the elimination of the Pool 6 Trail project (\$500,000) and a reduction of the Waterfront Trail project by \$240,000 to \$2,590,000. Administration recommends a motion be made as follows:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the Pool 6 Trail project be removed and the Waterfront Trail project be reduced by \$240,000. As a result the Gross Tax Supported Capital Budget will be reduced by \$740,000.”

This amendment would result in no change to the municipal tax levy.

Adjustment to One-time COVID-19 for Landfill

For rate-supported operations, Administration is proposing to fund the COVID-19 impact on the Landfill from the Stabilization Reserve Fund. Administration has identified an error in the proposed operating budget for landfill where the contribution from the Stabilization Reserve Fund is \$4,100 more than required. Administration recommends a motion be made as follows to correct the error:

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the one-time transfer from the Stabilization Reserve Fund to the Solid Waste (Landfill Operations) Operating Budget be reduced by \$4,100.”

This amendment would result in no change to the landfill rates but will decrease the contribution to the Landfill reserve fund by \$4,100.

cc:

Norm Gale City Manager
Executive Management Team
Emma Westover, Director, Financial Services
Krista Power, City Clerk

MEMORANDUM

TO: Mayor & Council

FROM: Kristie Sinclair, Accountant,
Corporate Services & Long Term Care, Financial Services

DATE: January 14, 2022

RE: Proposed 2022 Budget Amendment – Community Youth & Cultural Funding

At the time the proposed budget was prepared the Community Youth & Cultural Funding (CYCF) Program had not completed its appeal process. The following amendments are recommended to the proposed 2022 budget to match the allocations that were approved by Committee of the Whole on January 10, 2022.

	Funded by the Municipal Tax Levy (excluding one time items)	COVID-19 One time Impacts funded by Stabilization Reserve Fund	Total
2022 Proposed Budget	\$2,863,900		\$2,863,900
2022 COW approved CYCF allocations	\$2,877,800	\$34,800	\$2,912,600
Recommended amendment	\$13,900	\$34,800	\$48,700

The impact of these amendments increases the municipal tax levy by 0.01% and an increase to the one time contribution from the stabilization reserve fund by \$34,800.

“WITH RESPECT to Report R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the tax supported budget be amended to increase the Community, Youth and Cultural Funding ongoing budget by \$13,900;

AND THAT the Community, Youth and Cultural funding one time budget be increased by \$34,800 with a corresponding contribution from the Stabilization Reserve Fund.”

cc:

Norm Gale City Manager
Executive Management Team
Emma Westover, Director, Financial Services
Krista Power, City Clerk

Memorandum

TO: Krista Power, City Clerk
FROM: Kerri Marshall, General Manager - Infrastructure & Operations
DATE: January 13, 2022
RE: Increase to Infrastructure Funding – Recommended Budget Amendment - Special Budget Meeting January 18, 2022

New Funding Announced

The provincial Ontario Community Infrastructure Fund (OCIF) has increased by \$4,183,941 for 2022 and represents the start of an additional five (5) year commitment of up to \$23M invested in core assets. Funding for core municipal infrastructure (roads, bridges, storm, water, and sanitary) provided annually through the OCIF for the City of Thunder Bay has increased by 71.9% from \$5,816,059 in 2021 to \$10M. A new \$400,000 provincial funding source for Thunder Bay has also been announced, Northern Ontario Resource Development Support (NORDS), that supports and shares the benefit of mining and forestry with northern municipalities. NORDS funding was made available for projects completed in 2021, or it can be carried forward, resulting in \$800,000 available in 2022. These funding announcements were received confidentially in December, 2021 and therefore were not included in the presented capital budget.

New Projects for 2022

It is recommended to fund \$800,000 of the Dawson Road – Ada Avenue to Dog Lake Road Pavement Rehabilitation project with the NORDS funding allowing funds to be reallocated. Dawson Road supports heavy truck traffic for both the forestry and mining industries.

With the combined funding of approximately \$5M it is recommended to advance the Balmoral Street reconstruction from Lithium Drive to Beverly Street from the 2023 forecast into 2022. The section of Balmoral Street from Alloy Drive to Lithium Drive is currently proposed in the budget to be completed in 2022. This will complete this major renewal project that has been ongoing since 2016 that includes asphalt renewal, construction of new storm sewers, curb and gutter and multi-use trails, which will result in an estimated increased operating expense in 2023 of \$4,000. This project is largely designed and detailed design can be finalized in time to tender this year. Any remaining funding will be allocated to Enhanced Residential Road Work.

Additional External Infrastructure Funding

Further, the City received one-time doubling of the Federal Canada Community Building Fund (CCBF, previously Federal Gas Tax) in 2019 and 2021 and has been successful in several applications to Federal

Economic Development Agency for Northern Ontario (FedNor) and Northern Ontario Heritage Fund Corporation (NOHFC) that have seen the injection of millions of dollars more into capital projects that will be planned and constructed over the next several years. In addition the City received millions of dollars of funding from the Investing in Canada Infrastructure Program (ICIP) Transit and COVID Resilience Streams that will fund pedestrian crossovers, sidewalks and trails through 2026. The City also has six more years of Disaster Mitigation and Adaptation Funded (DMAF) projects to deliver. To take advantage of the funding available and deliver on these projects, an increase in staff is required.

Design and Construction Requirements

Resources are required to plan, design, inspect and document the improvements to the City's infrastructure. Capital projects continue to become more complex with stakeholder consultation, property considerations, utility conflicts, environmental assessment requirements, regulatory requirements, environmental compliance approvals and documentation, funding outcome reporting, and new asset management reporting requirements. Two additional engineering staff are recommended for planning, design and overall project management, and two additional operational staff are recommended to maintain water and wastewater operational and compliance functions for the expanded capital program. Design costs are generally budgeted at approximately 10% of a project. With just the sustainable OCIF and NORDS funding increase of \$4,583,941 announced, this would see a design budget of \$458,000 associated with it.

The proposed complement increase will allow for more investment in infrastructure renewal and not impact the tax levy. The 2022 capital out of revenue budget will be reduced by \$195,100 to fund the engineering staff expansion. The Railway Crossing Improvements and Traffic Signal Communications capital budget line items, currently funded by capital out of revenue will instead be funded by a portion of the additional OCIF dollars. The rate supported operational staff expansion is recommended to be funded within the proposed rate budget through a reduction in overtime and other wages.

Asset Management

In December, 2021, Council approved the Asset Management Plan: Phase One, in principle. This Plan provides a comprehensive reference for the construction, maintenance, rehabilitation, disposal, and replacements of the City's core assets, and is used to support municipal planning and financial decision-making. The funding noted above will help to reduce the funding shortfall for a portion of the City's core assets; the additional staffing complement will support a reduction to the backlog of work and provide additional resourcing to perform the required lifecycle activities for core assets.

The following resolution is presented for Council's consideration:

WITH RESPECT to the Memorandum from K. Marshall, General Manager - Infrastructure & Operations dated January 13th, 2022, we recommend that \$175,000 of Railway Crossing Improvements and \$20,100 of Traffic Signal Communications be funded from the OCIF Reserve Fund instead of Capital out of Revenue;

AND THAT Dawson Rd – Ada Avenue to Dog Lake Road be partially funded with \$800,000 of NORDS funds instead of OCIF Reserve Fund;

AND THAT Balmoral St PHASE IV – Lithium to Beverly be advanced in the Road Network Improvement capital budget from 2023 to 2022 and be funded by \$4.7M from the OCIF Reserve Fund;

AND THAT \$88,800 OCIF Reserve Funds for 2022 be allocated to Enhanced Residential Road Work;

AND THAT the 2022 Capital and Operating Budgets be amended to include the addition of four FTEs to support the delivery of the expanded capital program resulting in an increase to the Engineering operating budget of \$195,100;

AND THAT any necessary By-laws be presented to City Council for ratification.

Sincerely,

A handwritten signature in cursive script that reads "K. Marshall".

Kerri Marshall
General Manager - Infrastructure & Operations

cc: EMT
Kayla Dixon, Director - Engineering & Operations
Michelle Warywoda, Director - Environment
Matt Pearson, Manager - Central Support
Emma Westover, Director - Financial Services

Memorandum

TO: Krista Power
City Clerk

FROM: Kayla Dixon, P. Eng., MBA
Director – Engineering & Operations

DATE: January 13, 2022

SUBJECT: North Shore Steelhead Association Request for Fishway Design Costs
2022 Budget Meeting - January 18, 2022

This memo provides background information on the North Shore Steelhead Association's (NSSA) request for funds to support changes to the Current River fishway to support the steelhead fishery.

At the January 10, 2022 Committee of the Whole meeting, NSSA provided a deputation which summarized results from a study that they commissioned to recommend changes that could be made to improve the steelhead fishery in the Current River.

Three recommendations that impact the City's operation of the Boulevard Lake Dam or the City's fishway were:

- Monitoring of fish usage of the fishway
- Flow regime changes
- Changes of fishway weirs to aid steelhead navigate the fishway

Administration has the ability to revise flows through the Boulevard Dam as long as targets in the Water Management Plan and Permit to Take Water are met.

Regulatory agency approvals are required in order to work in water or make changes to the fishway. As owner of the fishway, applications for these would have to come from the City. Administration does not see a conflict with dam operations and the NSSA's recommended monitoring or changes to the fishway. If Council sees benefit to this work going ahead, it is suggested that NSSA would complete the applications and Administration would submit them for comment to the regulatory bodies.

Moving forward with flow regime changes and work on the fishway will require modelling and may involve agreements with NSSA and involvement of Legal Services as well as Engineering. With the pandemic impacting the workforce and focus on essential services it is suggested that this work cannot be completed in the short term before 2022 spring freshet and spawning season.

NSSA indicated that they require \$27,000 to prepare design drawings and a tender package for the work to be completed. If Council wishes to fund this project, it is suggested that an addition to the 2022 Capital Budget in this amount be approved, or Administration be directed to include this amount in the 2023 budget submission.

KD

cc: EMT
Emma Westover – Director – Financial Services

Memorandum

TO: Krista Power
City Clerk

FROM: Kayla Dixon, P. Eng., MBA
Director – Engineering & Operations

DATE: January 12, 2022

SUBJECT: Playground Equipment & Structures Funding Correction
2022 Budget Meeting - January 18, 2022

This memo is to advise of a required correction to the Parks Renewal Program capital budget. The Playground Equipment & Structures line item currently has “Other - Other Revenue” in the amount of \$750,000 shown as a funding source. This represents the support from Canadian Tire’s Jumpstart program for the Boulevard Lake Park accessible playground construction.

It has been determined that this support is in-kind and Jumpstart will be procuring resources for their portion of the construction directly, meaning that this cost does not need to be included in the City’s budget; therefore, the budget will be revised by reducing the Playground Equipment & Structures item by \$750,000 to \$1,100,000 and removing the “Other - Other Revenue” source of financing.

WITH RESPECT to the Memorandum from K. Dixon, Director - Engineering & Operations dated January 12th, 2022, and Report No. R 1/2022 (Corporate Services and Long Term Care - Financial Services) Proposed 2022 Operating and Capital Budget we recommend that the Proposed 2022 Operating and Capital Budget be amended to reduce the 2022 Gross Capital Budget by \$750,000 and Other Revenue Canadian Tire Jump Start be removed as a source of financing of \$750,000;

AND THAT any necessary By-laws be presented to City Council for ratification.

KD

cc: EMT
Cory Halvorsen – Manager – Parks & Open Spaces
Emma Westover – Director – Financial Services