



Special Council Meeting Revised Agenda

Thursday, November 28, 2024, 7:00 p.m.

Council Chambers

Whitby Town Hall

This meeting will be available for viewing through the Town's **live stream feed** while the meeting is in progress. Please visit whitby.ca/CouncilCalendar for more information about the live stream and archived videos.

This meeting will be held in a hybrid in-person and virtual format. In accordance with Section 8.1 of Procedure By-law # 8081-24, Members of Council may choose to attend in-person or participate virtually.

Should you wish to provide comments regarding a matter being considered below, please submit written correspondence and/or a Delegation Request Form.

- **To submit written correspondence**, please email your correspondence to the Office of the Town Clerk at clerk@whitby.ca by noon on the day of the meeting. Correspondence must include your full name, address, and the item on the agenda that your correspondence is related to.
- **To speak during the Council meeting either in-person or virtually**, please submit a Delegation Request Form online to the Office of the Town Clerk by 8 a.m. on the day of the meeting. Should you be unable to access a computer, please call 905.430.4315 to speak with a Staff Member in the Office of the Town Clerk.

A Revised Agenda may be published on a later date. Late items added or a change to an item will appear with an asterisk beside them.

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1. **Call To Order: The Mayor**
 2. **Call of the Roll: The Clerk**
 3. **Declarations of Conflict of Interest**
 4. **Delegations**
 - *4.1 Steven Godwin and Mike Wingrove, Residents (In-Person Attendance)
Re: Council Amendments to the 2025 to 2027 Strong Mayor's Budget
 5. **Items for Consideration**

- *5.1 FS 48-24, Financial Services Department Report
Re: Reporting Requirement Per Ontario Regulation 284/09 – 2025 Budget

Recommendation:

1. That Report FS 48-24 be received;
2. That the full accrual accounting amounts identified in Report FS 48-24 be approved and included as budget figures in the December 31, 2025 audited financial statements; and,
3. That the Treasurer be authorized to make the required amendments to the budget figures in the Town's audited financial statements for any technical adjustments or amendments to the Town's 2025 budget adopted by Council.

6. Council Amendments to the 2025 to 2027 Strong Mayor's Budget

For more information on the 2025 Budget, please visit connectwhitby.ca/budget

- 6.1 Reduce Proposed 2025 Budget Asset Management Contributions by \$0.545 million

Moved by Councillor Shahid
Seconded by Councillor Cardwell

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2025 to 2027 Budget currently includes additional funding for Asset Management in the amounts of \$1.45 million in 2025, \$1.85 million in 2026, and \$2.6 million in 2027;

Whereas Council has heard from residents that a \$99 property tax increase in 2025 on the Town's portion of the property tax bill, for an average Whitby homeowner, related to the Proposed Budget is unaffordable;

Now therefore, be it resolved:

1. That the Proposed 2025 Budget be amended to remove \$0.545 million in the proposed addition for Asset Management (from \$1.45 million to \$0.905 million in 2025) to reduce the 2025 budget impact to an average Whitby homeowner from \$99 to \$89 on the Town's portion of the property tax bill; and
2. That if the Town has incremental 2025 assessment growth following the Municipal Property Assessment Corporation's return of the assessment roll, the incremental revenues be allocated towards the Town's 2025 Asset Management program which will maintain the \$89 impact for an average Whitby homeowner.

6.2 Council Expenses Budgets for Regional Councillors and Mayor

Moved by Councillor Mulcahy
Seconded by Councillor Shahid

Recommendation:

Whereas the Town of Whitby's business expense budget is \$13,695 per Councillor per year for Councillors and \$17,890 per year for the Mayor in the Proposed Budget for 2025;

Now therefore, be it resolved:

1. That \$22,500 be removed from the Town of Whitby's business expense budgets for the five Regional Councillors (including the Mayor) as follows:
 - a. Remove \$7,500 (or \$1,500 per Regional Councillor) from the Proposed 2025 Budget;
 - b. Remove \$7,500 (or \$1,500 per Regional Councillor) from the Proposed 2026 Budget; and,
 - c. Remove \$7,500 (or \$1,500 per Regional Councillor) from the Proposed 2027 Budget.

*6.3 Gateway Maintenance Program

Note: This motion has been withdrawn by the Mover.

6.4 Reduce Proposed 2025 Budget Asset Management Contributions by \$0.95 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2025 Budget currently includes additional funding for Asset Management in the amount of \$1.45 million in 2025;

Now therefore, be it resolved:

1. That the Proposed 2025 Budget be amended to remove \$0.95 million in the proposed additional funding for Asset Management (from \$1.45 million to \$0.5 million in 2025); and
2. That if the Town has incremental 2025 assessment growth following the Municipal Property Assessment Corporation's return of the assessment roll, the incremental revenues be allocated towards the Town's 2025 Asset Management program.

6.5 Reduce Proposed 2025 Budget Asset Management Contribution by \$0.7 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2025 Budget currently includes additional funding for Asset Management in the amount of \$1.45 million in 2025;

Now therefore, be it resolved:

1. That the Proposed 2025 Budget be amended to remove \$0.7 million in the proposed additional funding for Asset Management (from \$1.45 million to \$0.75 million in 2025); and
2. That if the Town has incremental 2025 assessment growth following the Municipal Property Assessment Corporation's return of the assessment roll, the incremental revenues be allocated towards the Town's 2025 Asset Management program.

6.6 Reduce Proposed 2025 Budget Asset Management Contribution by \$0.45 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2025 Budget currently includes additional funding for Asset Management in the amount of \$1.45 million in 2025;

Now therefore, be it resolved:

1. That the Proposed 2025 Budget be amended to remove \$0.45 million in the proposed additional funding for Asset Management (from \$1.45 million to \$1.0 million in 2025); and
2. That if the Town has incremental 2025 assessment growth following the Municipal Property Assessment Corporation's return of the assessment roll, the incremental revenues be allocated towards the Town's 2025 Asset Management program.

6.7 Proposed 2025 Budget - Remove Phase-out of Elexicon Dividend Revenue

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

That the phase-out of the Elexicon Dividend Revenue be removed from the Proposed 2025 Budget and revenue budget be increased by \$0.22 million.

6.8 Proposed 2025 Budget - 3.99% Overall

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

1. That the Proposed 2025 Budget be amended to reflect an overall budget shortfall or levy increase of 3.99%; and,
2. That Staff be authorized to adjust the budget expenditures and revenues to reflect a 3.99% net levy increase.

6.9 Reduce Proposed 2026 Budget Asset Management Contribution by \$1.35 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2026 Budget currently includes additional funding for Asset Management in the amount \$1.85 million in 2026;

Now therefore, be it resolved that the Proposed 2026 Budget be amended to remove \$1.35 million in the proposed additional funding for Asset Management (from \$1.85 million to \$0.5 million in 2026).

6.10 Reduce Proposed 2026 Budget Asset Management Contribution by \$1.1 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2026 Budget currently includes additional funding for Asset Management in the amount \$1.85 million in 2026;

Now therefore, be it resolved that the Proposed 2026 Budget be amended to remove \$1.1 million in the proposed additional funding for Asset Management (from \$1.85 million to \$0.75 million in 2026).

- 6.11 Reduce Proposed 2026 Budget Asset Management Contribution by \$0.85 million

Moved by Councillor Leahy

Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2026 Budget currently includes additional funding for Asset Management in the amount \$1.85 million in 2026;

Now therefore, be it resolved that the Proposed 2026 Budget be amended to remove \$0.85 million in the proposed additional funding for Asset Management (from \$1.85 million to \$1.00 million in 2026).

- 6.12 Proposed 2026 Budget - Remove Phase-out of Elexicon Dividend Revenue

Moved by Councillor Leahy

Seconded by Councillor Yamada

Recommendation:

That the phase-out of the Elexicon Dividend Revenue be removed from the Proposed 2026 Budget and revenue budget be increased by \$0.22 million.

- 6.13 Proposed 2026 Budget - 3.99% Overall

Moved by Councillor Leahy

Seconded by Councillor Yamada

Recommendation:

1. That the Proposed 2026 Budget be amended to reflect an overall budget shortfall or levy increase of 3.99%; and,
2. That Staff be authorized to adjust the budget expenditures and revenues to reflect a 3.99% net levy increase.

6.14 Reduce Proposed 2027 Budget Asset Management Contribution by \$2.1 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2027 Budget currently includes additional funding for Asset Management in the amount of \$2.6 million in 2027;

Now therefore, be it resolved that the Proposed 2027 Budget be amended to remove \$2.1 million in the proposed additional funding for Asset Management (from \$2.6 million to \$0.5 million in 2027).

6.15 Reduce Proposed 2027 Budget Asset Management Contribution by \$1.85 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2027 Budget currently includes additional funding for Asset Management in the amount of \$2.6 million in 2027;

Now therefore, be it resolved that the Proposed 2027 Budget be amended to remove \$1.85 million in the proposed additional funding for Asset Management (from \$2.6 million to \$0.75 million in 2027).

6.16 Reduce Proposed 2027 Budget Asset Management Contribution by \$1.6 million

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

Whereas the Town's Asset Management Plan currently outlines a shortfall of \$10.8 million of annual funding to repair and replace aging municipal infrastructure;

Whereas the Proposed 2027 Budget currently includes additional funding for Asset Management in the amount of \$2.6 million in 2027;

Now therefore, be it resolved that the Proposed 2027 Budget be amended to remove \$1.6 million in the proposed additional funding for Asset Management (from \$2.6 million to \$1.0 million in 2027).

6.17 Proposed 2027 Budget - Remove Phase-out of Elexicon Dividend Revenue

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

That the phase-out of the Elexicon Dividend Revenue be removed from the Proposed 2027 Budget and revenue budget be increased by \$0.22 million.

6.18 Proposed 2027 Budget - 3.99% Overall

Moved by Councillor Leahy
Seconded by Councillor Yamada

Recommendation:

1. That the Proposed 2027 Budget be amended to reflect an overall budget shortfall or levy increase of 3.99%; and,
2. That Staff be authorized to adjust the budget expenditures and revenues to reflect a 3.99% net levy increase.

7. Confirmatory By-law

Recommendation:

That leave be granted to introduce a by-law and to dispense with the reading of the by-law by the Clerk to confirm the proceedings of the Council of the Town of Whitby at its special meeting held on November 28, 2024 and the same be considered read and passed and that the Mayor and the Clerk sign the same and the Seal of the Corporation be thereto affixed.

8. Adjournment

Recommendation:

That the meeting adjourn.

Town of Whitby

Staff Report

whitby.ca/CouncilCalendar



**Report Title: Reporting Requirement Per Ontario Regulation 284/09
– 2025 Budget**

Report to: Council

Date of meeting: November 28, 2024

Report Number: FS 48-24

Department(s) Responsible:
Financial Services Department

Submitted by:

Fuwing Wong, Commissioner, Financial
Services/Treasurer

**Acknowledged by M. Gaskell, Chief
Administrative Officer**

For additional information, contact:

Fuwing Wong, 904.430.4314

1. Recommendation:

1. That Report FS 48-24 be received;
2. That the full accrual accounting amounts identified in Report FS 48-24 be approved and included as budget figures in the December 31, 2025 audited financial statements; and,
3. That the Treasurer be authorized to make the required amendments to the budget figures in the Town's audited financial statements for any technical adjustments or amendments to the Town's 2025 budget adopted by Council.

2. Highlights:

- The Town of Whitby is required, under the Public Sector Accounting Board rules, to prepare financial statements on the full accrual basis of accounting, which includes recording the costs of Tangible Capital Assets ("TCA") and related amortization, post-employment retirement benefits, and solid waste landfill closure and post-closure expenses.

- Ontario Regulation 284/09 authorizes municipalities to continue to prepare their annual budgets on the fund accounting basis. However, the Regulation requires that a report be prepared, prior to Council's approval the budget, to advise Council of the anticipated full accrual accounting impact of the revenues and expenses proposed in the budget.
- The proposed 2025 Budget adjusted for full accrual basis of accounting is estimated to result in a \$115.7 million increase in the Town's accumulated surplus. This is higher than other years mainly due to the Town's investment in the Whitby Sports Complex (~ \$155 million capital project).
- The full accrual figures in this report, based on the proposed budget, will be used as 2025 budget figures in the 2025 financial statements.
- The Treasurer will adjust the full accrual basis of accounting budget figures in the Town's 2025 financial statements to reflect any Council approved adjustments to the Town's 2025 budget and for any required technical adjustments to the budget.

3. Background:

The Town prepares two main financial documents; an annual budget and annual financial statements.

Generally accepted accounting principles for local governments is set by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Public Sector Accounting Board regulations requires that municipalities prepare annual financial statements using the full accrual basis of accounting. Prior to 2009, municipal budgets and financial statements were prepared on the fund basis of accounting where revenues and expenditures are balanced, tangible capital asset expenditures are not capitalized, and amortization (previously referred to as depreciation) expense was not accounted for.

Starting in 2010, municipal financial statements were required to be prepared on the full accrual basis of accounting which is similar to the private sector. However, Ontario Regulation 284/09 allowed municipalities to continue to budget on the fund accounting basis. Continuing to budget on a fund accounting basis allows municipalities to communicate, in an easy-to-understand fashion, increases in expenditures and revenues and any necessary property tax increases related to municipal budgets (i.e. "balanced budget"). The Regulation requires the municipality to disclose the full accrual impact of the proposed budget prior to Council's adoption of the budget. The regulation specifically requires the following adjustments:

- costs of Tangible Capital Assets and related amortization;
- post-employment retirement benefits; and
- solid waste landfill closure and post-closure expenses

Like most municipalities in Ontario, the Town of Whitby continues to prepare budgets on a fund accounting basis and prepares an Ontario Regulation 284/09 report prior to Council's approval of the budget.

4. Discussion:

The Public Sector Accounting Board has several requirements for financial reporting that all municipalities have to comply with, from 2009 onward after the introduction of PSAB Section 3150 – Tangible Capital Assets.

In addition to other full accrual accounting calculation and disclosure, the PSAB financial reporting requirements for the 2009 and future reporting periods incorporate the capitalization of Tangible Capital Assets (“**TCA**”) and amortization expenses in the financials for municipalities. Tangible capital assets include land, buildings, vehicles, equipment and all road related infrastructure owned and assumed by the Town.

Given that the recording of TCA and related amortization are non-cash items, there is no financial impact from the exclusion of these items from operating and capital budgets prepared on the fund accounting basis.

The Town of Whitby, like many municipalities, continues to prepare budgets on the traditional fund basis of accounting. That is, a budget based on the fund accounting is adopted annually where revenues and expenses must balance and any net revenue shortfalls (after identifying budget pressures, efficiencies, and other offsetting revenues) requires a property tax increase. The tax rate is set based on a Fund basis of accounting and therefore does not include the non-cash items described above.

As per Ontario Regulation 284/09, Ontario municipalities may continue to exclude TCA amortization, post post-employment retirement benefits, and solid waste landfill closure and post-closure costs for budget purposes but must annually prepare a report to Council to inform Council of the impacts of these items before the budget is adopted by Council.

In accordance with the adjustments required under Ontario Regulation 284/09, the change in the estimated accumulated surplus of the Town of Whitby resulting from the exclusion of the remaining expenses from the budget is \$115.7 million as summarized below:

	2025 (\$ thousands)
2025 Proposed Budget (Fund Accounting)	
2025 Proposed Operating Budget Revenues	\$187,218
2025 Proposed Operating Budget Expenditures	(\$187,218)
2023 Operating Budget Surplus/(Shortfall) – Fund Accounting basis	\$0
PSAB Additions to Budget Expenses (Full Accrual Accounting Adjustments)	
Tangible Capital Asset Amortization	(\$32,778)
Post-Employment Benefits	(\$2,224)
Total PSAB Additions to Expenses	(\$35,002)
PSAB Reductions to Budget Expenses (Full Accrual Accounting Adjustments)	
Tangible Capital Asset Acquisitions (incl. Whitby Sports Complex)	\$117,100
Debt Principal Payments	\$833
Transfer to Reserves (net budget)	\$32,761
Total PSAB Reduction to Expenses	\$150,694
Estimated Increase/(Decrease) Impact on ending 2025 Accumulated Surplus (under PSAB or Full Accrual Accounting)	\$115,692

There are no adjustments above related to the Town's obligation for closed landfill sites as these costs are included within the proposed 2025 budget.

5. Financial Considerations:

There is no financial impact on the tax levy from the adjustments required to determine the impact of the fund accounting budget to the financial statements (prepared on a full accrual basis of accounting).

The estimated increase to the accumulated surplus (on the full accrual financial statements) for 2025 is higher than projected in previous years mainly due to the capital investment in the Whitby Sports Complex. The total approved project is \$154.9 million and amortization is not projected to start until 2026. During growth periods when assets are assumed or when significant capital projects occur, an increase in accumulated surpluses can be expected. Increases in assets also increases the annual levels of amortization and investments are required to maintain the Town's assets.

The full accrual figures noted in this report were calculated based on the proposed 2025 Budget and, subject to any further amendments to the proposed budget prior to budget adoption, will be used as the budget figures in the Town's 2025 financial statement reporting. As part of the budget process, Council may amend the proposed budget. It is recommended that the Treasurer be authorized to make required amendments to the full accrual basis of accounting budget figures as a result of any approved budget amendments or based on required technical adjustments to the budget.

This report excludes forecasts for 2026 and 2027, which are part of the Town's first multi-year budget, as each year will be reviewed and considered by the Mayor and Council for adoption. Accordingly, a similar Ontario Regulation 284/09 report will be provided to Council prior to budget adoption as part of the 2026 and 2027 budget process.

6. Communication and Public Engagement:

N/A

7. Input from Departments/Sources:

N/A

8. Strategic Priorities:

N/A

9. Attachments:

N/A