March 25, 2015

Special Meeting

**Council Members Present:**

- Mayor L. Jeffrey *(Chair)*
- Regional Councillor E. Moore – Wards 1 and 5
- Regional Councillor M. Medeiros – Wards 3 and 4
- Regional Councillor G. Miles – Wards 7 and 8
- City Councillor G. Dhillon – Wards 9 and 10

**Staff Members Present:**

- Mr. J. Corbett, Interim City Manager
- Mr. P. Simmons, Chief Corporate Services Officer
- Ms. M. Ball, Chief Planning and Infrastructure Services Officer
- Mr. D. Cutajar, Chief Operating Officer
- Mr. J. Patteson, Chief Public Services Officer
- Mr. P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services

**Others Present:**

- Regional Councillor Palleschi – Wards 2 and 6
- City Councillor J. Bowman – Wards 3 and 4
- Mr. D. Wilson, Executive Director, Human Resources, Corporate Services
- Mr. M. Palladina, Director, Corporate Development and Strategy, Office of the Chief Administrative Officer
- Mr. D. Sutton, Director, Financial Planning and Budgets, Corporate Services
- Mr. P. Fay, City Clerk, Corporate Services
- Ms. S. Pacheco, Legislative Coordinator, Corporate Services
The meeting was called to order at 9:03 p.m. and adjourned at 10:34 p.m.

After due consideration of the matters placed before this Committee, the members beg leave to present its report as follows:

**Item  Recommendation**

A. BU020-2015  Approval of Agenda

B. Declarations of Interest under the Municipal Conflict of Interest Act

C. Consent

D. Announcements

E. Delegations

F. Staff Presentations

F 1. BU021-2015  2015 Budget Scenarios

F 2. BU022-2015  Staff Report Item G 3 – Potential Salary and Wage Expenditure Impact of a “Freeze” for Non-Union Staff

G. Reports

G 1. BU023-2015  Budget Committee Meeting Schedule – March 30, 31 and April 2, 2015 (File EH.x)


G 3. BU022-2015  Potential Salary and Wage Expenditure Impact of a “Freeze” for Non-Union Staff (File FA.a)

H. Other/New Business

I. Deferred/Referred Matters

J. Notices of Motion

K. Correspondence

L. Councillors Question Period
Minutes
Budget Sub-Committee

M. Public Question Period

N. Closed Session

O. BU025-2015 Adjournment

Mayor L. Jeffrey, Chair
A. **Approval of Agenda**

BU020-2015 That the agenda for the Budget Sub-Committee Meeting of March 25, 2015 be approved, as printed and circulated.

Carried

B. **Declarations of Interest under the Municipal Conflict of Interest Act**

1. Regional Councillor Miles declared a conflict of interest with respect to (i) the non-union compensation portion of the Transit Division, Public Services Department budget, as her daughter is an employee of this division, and (ii) the Brampton Safe City Association, as her spouse is the Executive Director of this organization.

C. **Consent**

The following items listed with an asterisk (*) were considered to be routine and non-controversial by the Committee and were approved at one time.

(nil)

D. **Announcements** – nil

E. **Delegations** – nil

F. **Staff Presentations**

F 1. Presentation by J. Corbett, Interim City Manager, P. Simmons, Chief Corporate Services Officer, and P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, re: **2015 Budget Scenarios**.

The subject presentation was distributed at the meeting.

J. Corbett, Interim City Manager, presented an overview of the 2015 Budget Scenarios, as follows:

- Context
- Scenario 1
- Scenario 2
Minutes  
Budget Sub-Committee

- Scenario Comparisons
- Operating Budget Scenario 1
  - Meeting Objective
  - 2015 Operating Budget – Scenario 1
  - Operating Budget – Department Breakdown
  - Operating Budget –Category Breakdown
  - Operating Budget –Staff Requirements
  - Staffing History – 10 Year Trend
  - 2015 Total Tax Bill Scenario 1
- Operating Budget Scenario 2
  - Meeting Objective
  - 2015 Operating Budget – Scenario 2
  - Operating Budget
  - Operating Budget – Department Breakdown
  - Operating Budget –Category Breakdown
  - Operating Budget –Staff Requirements
  - 2015 Total Tax Bill Scenario 2
- Decision Point

P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, presented an overview of the 2015 Capital Budget, as follows:
- 2015 Capital Budget
- 2015 Capital Budget Scenario
- 2015 Capital Budget Highlights

Committee Members expressed disappointment that the presentation material was distributed at the meeting, and that they were not given adequate time to review the information in order to make an informed decision.

Committee discussion took place with respect to the following:
- Clarification that the information to be provided in the 2015 Budget Binders is based on Scenario 1
- Consideration of Scenarios 1 and 2, as outlined in the presentation, including the impact of each scenario on Brampton residents
- Questions regarding how budget decisions will be reflected in each scenario
- Confirmation from staff that a wage freeze for non-union employees has not been incorporated in the scenarios
  - Staff provided details on the budget impact of a wage freeze for all non-union employees and all non-union employees at the management level and higher

There was Committee consensus that further review of the information provided by staff was required prior to making a decision.
The following motion was considered.

BU021-2015 1. That the presentation by J. Corbett, Interim City Manager, P. Simmons, Chief Corporate Services Officer, and P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, to the Budget Sub-Committee Meeting of March 25, 2015, re: 2015 Budget Scenarios be received; and,

2. That the staff presented budget scenarios (Scenario 1 and Scenario 2) be forwarded, without recommendation, to the Budget Committee, which shall serve as the basis for:

   (i) public input and consideration of the 2015 budget by the Budget Committee at its scheduled meeting on March 30, 31 and April 2, 2015; and,

   (ii) submission of final recommendations to Council at its scheduled Special Meeting on April 8, 2015.

Carried

F 2. Presentation by J. Corbett, Interim City Manager, re: Staff Report Item G 3 – Potential Salary and Wage Expenditure Impact of a “Freeze” for Non-Union Staff.

The subject presentation was distributed at the meeting.

Item G 3 was brought forward and dealt with at this time.

M. Palladina, Director, Corporate Development and Strategy, Office of the Chief Administrative Officer, provided a presentation on a Core Services Review, as follows:

- Overview
- Current Situation
  - Perception
  - Growth of Brampton’s Operation
  - 2013 Public Sector Disclosure (“Sunshine List”)
    - Comparisons with other municipalities
  - Summary
- Non-Union Wage Freeze
  - Impact of Non-Union Wage Freeze
- Core Services Review
  - Staff Rationalization and Reduction Strategy – Workforce Planning
  - Balanced Administration
Committee discussion took place with respect to the following:

- Cost of living adjustments (COLA) and how they are reflected in the budget
- Clarification regarding merit increases and “bonuses” for non-union employees
- Request for information on:
  - the number of staff that have car allowances
  - the number of staff at the top of their salary grid, the number of “bonuses” paid to those staff based on performance, and the value of those “bonuses”
  - the number of “bonuses” issued to staff over the last five years
  - position remuneration comparator information from a 2013 review
- The potential impact of not implementing a wage freeze, which may result in further salary discrepancies
- Clarification regarding how the staff reduction target of 12% by 2017 was established
- Questions regarding the 2013 Public Sector Disclosure chart (Slide 7 of the presentation), specifically relating to the inclusion of certain sections of the City of Toronto’s staff
- Reference in the report from Jim McCarter, Interim Auditor General, that over 90% of total property tax revenues fund the City’s payroll costs
- Potential negative impact of a wage freeze on staff morale and the ability to conduct a competitive recruitment process to fill vacancies
- Information from staff that:
  - a wage freeze will have a minimal impact on the property tax base
  - the City’s cost to operation ratio is similar to other municipalities
  - the City’s growth significantly impacts demand for services
  - the City’s labour costs are less than that of the City of Mississauga
  - at least 30% of labour costs are not covered by the property tax base but rather by other sources of revenue (e.g. user fees, gas tax funds)
  - a salary band analysis and comparison are underway
  - the results of the Core Services Review will be ready for the 2016 budget
The need to conduct and complete the Core Services Review prior to issuing any further salary increases

The following motion was considered.

**BU022-2015**  
1. That the presentation by J. Corbett, Interim City Manager, to the Budget Sub-Committee Meeting of March 25, 2015, re: **Staff Report Item G 3 – Potential Salary and Wage Expenditure Impact of a “Freeze” for Non-Union Staff** be received; and,

2. That the report from Executive Leadership Team, dated March 13, 2015, to the Budget Sub-Committee Meeting of March 25, 2015, re: **Potential Salary and Wage Expenditure Impact of a “Freeze” for Non-Union Staff** (File FA.a) be received; and,

3. That the Interim City Manager and Executive Leadership Team be directed to formulate a Core Services Review to reduce the non-union administration by 12% by 2017, and report back to Council; and,

4. That a wage freeze be imposed for all non-union employees at the management level and higher pending the completion and Council consideration of the Core Services Review.

Carried

**G. Reports**

**G 1. Report from P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, dated March 10, 2015, re: Budget Committee Meeting Schedule – March 30, 31 and April 2, 2015** (File EH.x).

The following motion was considered.

**BU023-2015**  
1. That the report from P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, dated March 10, 2015, to the Budget Sub-Committee Meeting of March 25, 2015, re: **Budget Committee Meeting Schedule – March 30, 31 and April 2, 2015** (File EH.x) be received; and,

2. That the following schedule for Budget Committee deliberations of the 2015 Operating and Capital budgets be approved:
Day 1 – Monday March 30, 2015

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- Introduction and Results of Community Engagement
- City Corporate Overview
- Office of the Chief Operating Officer
- Dinner Break
- Region of Peel 2015 Budget Presentation
- Outside Community Groups

Day 2 – Tuesday March 31, 2015

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- Recap Day 1
- Corporate Services
- General Government
- Planning & Infrastructure Services: Planning & Building, Engineering & Development, Business Services
- Dinner Break
- Planning & Infrastructure Services: Roads and Parks Maintenance & Operations
- Outside Community Groups

Day 3 – Thursday April 2, 2015

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- Recap Day 2
- Office of the Chief Administrative Officer
- Mayor & Council
- Follow-Up Reports
- Public Services: Facilities, Service Brampton, Business Services
- Dinner Break
- Public Services: Fire, Transit, Recreation
- Final Discussion and Recommendations

3. That the Treasurer be authorized to post the approved schedule on the City’s website.

Carried

P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, advised Committee that the subject report provides a strategy to develop multi-year capital and operating budgets for the remainder of this term of Council, and recommends a series of Council Workshops to be conducted in June and July of 2015.

The following motion was considered.

BU024-2015 1. That the report from P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, dated March 10, 2015, to the Budget Sub-Committee Meeting of March 25, 2015, re: Capital Budgets for Fiscal Years 2016, 2017 and 2018 and 2016 to 2018 Operating Budget Tax Rate Guidelines (File EH.x) be received; and,

2. That the Clerk be directed to schedule Council workshops during June and July 2015 for the purpose of development of the Capital Budgets for 2016, 2017 and 2018 through the identification and prioritization of various capital projects and for the purpose of establishing property tax increase guidelines for 2016, 2017 and 2018.

Carried


Dealt with under Item F 2 – Recommendation BU022-2015

H. Other/New Business – nil

I. Deferred/Referred Matters – nil

J. Notices of Motion – nil
K. **Correspondence** – nil

L. **Councillors Question Period** – nil

M. **Public Question Period** – nil

N. **Closed Session** – nil

O. **Adjournment**

BU025-2015 That the Budget Sub-Committee do now adjourn to meet again at the call of the Chair.

Carried