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**THE REGIONAL MUNICIPALITY OF NIAGARA**  
**CORPORATE AND FINANCIAL SERVICES COMMITTEE**

**REPORT 7-2004**

Minutes of a meeting of the Corporate and Financial Services Committee held in Committee Room 4, Regional Municipal Building, Thorold, Ontario, on Wednesday, February 25, 2004, commencing at 10:20 a.m.

**ATTENDANCE**

Committee: Councillors Martin, Chair; Partington, Regional Chair; Burroughs; Goulbourne; Heit; Leavens; Saracino.

Staff: Mr. Trojan, Chief Administrative Officer; Mr. Bacchus, Commissioner of Corporate Services; Mr. Lockyer, Treasurer; Ms. Reilly, Legislative Assistant.

Staff  
(Part-time): Mr. Bernard, Manager, Court Administration; Ms. Gilroy, Acting Regional Clerk; Mr. J. Murphy, Manager, Policy & Development; Mr. Robson, Director, Corporate Strategy; Ms. Williams, Senior Financial Analyst.

Others: Councillor Harry.

**PRESENTATION**

49. Municipal Study 2003  
BMA Management Consulting Inc.

Mr. Bacchus, Commissioner, Corporate Services, advised that the 2003 Municipal Tax Study was commissioned to determine whether Niagara's five year tax mitigation plan has had a positive impact on the targeted classes of property. The study provides an analysis of how the Niagara Region is doing compared to 61 municipalities across Ontario. The results would indicate that the Region's tax plan has been successful in reducing tax burden. The year 2004 is the last year of the 5 year tax plan and a post mitigation plan does not appear to be necessary.

Mr. Jim Bruzzese, together with Ms. Minshull of BMA Management Consulting Inc., attended to provide an overview of the 2003 Municipal Study. The study was based on 61 municipalities but the presentation focuses on 19 municipalities. The presentation included: Municipal Profile, Municipal Financial information; User Fees; Tax Policies and Tax Rates; Comparison of

Relative Taxes; Water and Sewer Comparisons and Taxes as a percentage of  
Income.

### Niagara Summary

Mr. Bruzzese made the following comments:

- Region is growing at a slow pace
  - Significantly lower population growth over the past 10 years
  - Below average assessment growth
  - Lower building permit activity
- Competitive development charges and building permit fees
- Typically debt costs are lower in Niagara
- Typically lower reserves available
- Good revenue recovery for a number of services including waste disposal and long term care
- Typically higher tax rates
  - Higher than average municipal spending
  - Low assessment base

### Tax burden by class (in general)

Residential – Mid-High

Multi-Residential – Low-Mid

Commercial – Low-Mid

Industrial – Mid-High

Water/Sewer costs vary but tend to be high in the majority of Niagara municipalities.

Typically higher burden on average resident in Niagara.

### Next Steps

- Review may be required of the water/sewer rate structures and fees in accordance with new legislation
- May want to consider undertaking a Financial Condition assessment.
- Financial Condition can be best described as a municipality's ability to finance its services on a continuing basis. It refers to a municipality's ability to:
  - Maintain required service levels
  - Withstand local and regional economic disruptions
  - Meet the demands of natural growth, decline and change
- Involves undertaking trend analysis on a number of financial indicators
- Some of the standard questions addressed in Evaluating a Municipality's Financial Condition are:
  - Can the municipality continue to pay for the services they currently provide?
  - Are there sufficient reserves available for financial emergencies?
  - Is there sufficient financial flexibility to adjust for change?

- Is the municipality currently covering the full cost of its operation or subsidizing it by other means?
- Is it postponing those costs to a future period when revenues may not be available to cover costs?

Committee asked that this study be communicated to area Municipal Treasurers and C.A.O.s, along with the Municipal Tax Study-2003 Report. Mr. Bacchus advised that the Area Treasurers have already received the Executive Summary of the study. Mr. Trojan advised that he would share this information with the C.A.O.s at their meeting next week. It was suggested that the study be sent to all Councillors electronically.

### **CORPORATE SERVICES DEPARTMENT**

50. Municipal Tax Study – 2003

Moved by Councillor Burroughs  
Seconded by Councillor Saracino

That Report CSD 36-2004, February 2, 2004, respecting Municipal Tax Study – 2003, be received for information.

Carried.

51. Further Information Regarding Encumbrance  
For Smoking By-law Legal Costs

Moved by Councillor Burroughs  
Seconded by Regional Chair Partington

That Report CSD 32-2004, February 25, 2004, respecting Further Information Regarding Encumbrance for Smoking By-law Legal Costs, be received for information.

Carried.

### **CLERK'S DEPARTMENT**

52. 2003 Year End Report for  
Provincial Offences Court Operations

Moved by Regional Chair Partington  
Seconded by Councillor Goulbourne

That Report CLK 04-2004, February 25, 2004, respecting 2003 Year End Report for Provincial Offences Court Operations, be received.

Carried.

**CORPORATE SERVICES DEPARTMENT**

53. Development Charge Reserve Funds  
January 1, 2003 to December 31, 2003

Moved by Councillor Leavens  
Seconded by Councillor Heit

That Report CSD 29-2004, February 25, 2004, respecting Development Charge Reserve Funds January 1, 2003 to December 31, 2002, be received for information.

Carried.

54. Conditions of 2004 Community Reinvestment Fund Allocation

Moved by Councillor Heit  
Seconded by Councillor Saracino

That Report CSD 31-2004, February 25, 2004, respecting Conditions of 2004 Community Reinvestment Fund Allocation, be received.

That the Council of the Regional Municipality of Niagara acknowledges its intent to use the CRF Allocations it will receive for the direct benefit of taxpayers; and accepts the 2004 Community Reinvestment Fund allocations in accordance with the terms and conditions (Conditions of Community Reinvestment Fund Allocations) attached to the letter of December 19<sup>th</sup>, 2003 from the Deputy Ministers of Finance and Municipal Affairs and Housing to Municipal Treasurers/Clerk-Treasurers.

Carried.

55. Update on the Use of the Reduction Relief Reserve  
And Creation of New Reserve for Improvement Initiatives

Moved by Councillor Goulbourne  
Seconded by Councillor Leavens

That Report CSD 30-2004, February 25, 2004, respecting Update on the Use of the Reduction Relief Reserve and Creation of New Reserve for Improvement Initiatives, be received.

That this eighth report on the use of the Reduction Relief Reserve be received for information.

That, as a housekeeping matter, the remaining balances of the Reduction Relief Reserve and Reserve for Efficiency Improvement be combined into one reserve and renamed the Reserve for Improvement Initiatives, and

That withdrawals from the newly created reserve be subject to criteria similar to those in place for the former Reduction Relief Reserve, namely i) to be used for various unbudgeted improvement initiatives, ii) as approved by CMT and iii) with periodic reporting of actual expenditures to Committee and Council for information.

Carried.

56. Annual Financing Lease Report

Moved by Councillor Goulbourne  
Seconded by Councillor Leavens

That Report CSD 33-2004, February 25, 2004, respecting Annual Financing Lease Report, be received for information.

Carried.

57. Request for Capital Budget Allocation and Financing Approval for Project ZSS0401 Vehicle and Equipment Replacement

Moved by Councillor Goulbourne  
Seconded by Councillor Leavens

That Report CSD 34-2004, February 25, 2004 (PWA 34-2004, February 24, 2004), respecting the Request for Capital budget Allocation and Financing Approval for Project ZSS0401 Vehicle and Equipment Replacement, be received.

That the budget allocation in the gross and net amount of \$1,746,470 from the 2004 Capital Budget be approved for Project ZSS0401, Vehicle and Equipment Replacement Program with financing from the Consolidated Equipment Reserve Fund – Fleet;

That the Public Works Department be authorized to advertise forthwith for equipment recommended for replacement on Schedule "A" attached to this report.

That the Regional Clerk be directed to ensure the appropriate bylaw(s) are prepared for presentation to Regional Council.

Carried.

58. Request for Capital Budget and Financing Approval  
For Public Health Capital Project ZGR0502 –  
Ambulance & Related Equipment

Moved by Councillor Goulbourne  
Seconded by Councillor Leavens

That Report CSD 37-2004, February 25, 2004 (PHD 14-2004, February 23, 2004) respecting Request for Capital Budget and Financing Approval for Public Health Capital Project ZGR0502 – Ambulance & Related Equipment, be received.

That the budget allocation from the approved 2004 Public health Capital Budget in the gross amount of \$850,000 and net amount of \$425,000 be approved for Capital Project ZGR0502 – Ambulance & Related Equipment;

That the debenture financing (1-5 years) of \$360,806 for Capital Project ZGR0502 – Ambulance & Related Equipment be approved; and

That the Regional Clerk be directed to ensure that the appropriate by-laws are prepared for presentation to Regional Council.

Carried.

### MINUTES

59. Report 1-2004

Moved by Councillor Saracino  
Seconded by Regional Chair Partington

That Report 1-2004, being the minutes of Regional Development Charges Task Force meeting of January 26, 2004, be approved.

Carried.

60. Report 2-2004

Moved by Councillor Saracino  
Seconded by Regional Chair Partington

That Report 2-2004, being the minutes of the Regional Development Charges Task Force meeting of February 9, 2004, be approved.

Carried.

**CORRESPONDENCE**

61. Moved by Councillor Heit  
Seconded by Councillor Leavens

That the following Communications be received:

- CFS 6-2004 Gary Zalot, Executive Director, Niagara District Health Council (January 30, 2004) enclosing a cheque in the amount of \$381.05 being the balance of the Niagara Physician Recruitment and Retention Project 2003 to be paid to the Region as detailed in the financial statements.
- CFS 7-2004 Carl Isenburg, Vice-President, Customer Relations, MPAC (February 4, 2004) providing background information on the assessment of trailers.

Carried.

**ADJOURNMENT**

Committee adjourned at 11:30 a.m. to meet again on March 10, 2004 at 10:00 a.m. in Committee Room 4, Regional Headquarters.

Doug Martin  
Chair

Gail Reilly  
Legislative Assistant

Pam Gilroy  
Acting Regional Clerk