

This report is subject to ratification at the Regional Council Meeting of May 6, 2004.
Following ratification, a link to Council Report will be added.

THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE AND FINANCIAL SERVICES COMMITTEE

REPORT 11-2004

Minutes of a meeting of the Corporate and Financial Services Committee held in Committee Room 4, Regional Municipal Building, Thorold, Ontario, on Wednesday, April 28, 2004, commencing at 10:00 a.m.

ATTENDANCE

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

Staff: Mr. Trojan, C.A.O.; Mr. Bacchus, Commissioner, Corporate Services; Mr. Lockyer, Treasurer; Ms. Reilly, Legislative Assistant.

Staff
(Part-time): Mr. Banting, Director, Legal Services; Mr. Brcic, Director, Water & Wastewater Services; Ms. Chamberlain, Fixed Assets Analyst; Mr. Diakow, Director, Corporate Information Systems; Mr. Roach, Manager, Financial Services, P.W.; Ms. Williams, Senior Financial Analyst.

PRESENTATION

98. Niagara Falls Chamber of Commerce
Re: Industrial Tax Rates

Carolyn Bones, President and Jeff Wallace, Chairman, Industry Committee, Chamber of Commerce, Niagara Falls, attended to provide a presentation on Industrial Tax Rates. Ms. Bones advised that in 1998, the Chamber initiated several tax meetings with the City of Niagara Falls, Regional Municipality of Niagara and Province of Ontario with a view toward lowering industrial tax rates. She commented that to date, they have not gained the ground that they had hoped for. She advised that in 1998 – 8 of the 10 highest rate municipalities in Ontario were located in Niagara with Niagara Falls ranking sixth in the top ten. In 2003 – 7 of the 10 highest rate municipalities in Ontario are located in Niagara with Niagara Falls ranking fourth in the top ten in the industrial tax classification. In 2003 – 5 of the 10 highest rate municipalities in Ontario are located in Niagara with Niagara Falls ranking sixth in the top ten. Mr. Wallace highlighted the distribution of 2002 total assessed property values and municipal taxes in Niagara Falls, noting that industrial represents only 1.6% of total property values and 4% of total city tax revenues.

The presenters asked that the Region support their request to the Province of Ontario to reverse Bill 282-98 which changed many commercial businesses to

an industrial tax classification and assessment and to look at reducing industrial taxes in Niagara, so that Niagara can be successful at maintaining and attracting existing and new industry.

The presenters were advised that the Region has been pursuing the Province to consider the recommendations in the Beaubien Report which addresses their issues and other outstanding tax issues and concerns.

Mr. Bacchus advised that a report is being prepared on these matters, in consultation with the Area Treasurers and Municipal Finance Officers Association (MFOA), and will be presented to Committee and Council when completed.

CORPORATE SERVICES DEPARTMENT

99. Sub-Class for Permanent Trailers

Moved by Councillor Saracino
Seconded by Councillor Burroughs

That Report CSD 65-2004, April 28, 2004, respecting Sub-Class for Permanent Trailers, be received.

That Regional Council request the Minister of Finance to consider creating a residential sub-class for permanent trailers.

That this report be circulated to the Area Municipal Councils.

Carried.

(Refer to staff direction on page CFS 63.)

PRESENTATION (continued)

100. Tax Policy and Tax Rates

Mr. Bacchus, Commissioner, Corporate Services, together with Debbie Williams, Senior Financial Analyst, presented a comprehensive overview of 2004 Tax Policy and Tax Rates.

Mr. Bacchus highlighted the factors under consideration in developing tax policy and tax rates and the impact of Provincial regulations and strategies. The Commissioner also apprised Committee of the Region's tax ratios and the mandatory levy restriction that applies to force tax ratios down towards the Provincial threshold ratio. Niagara's industrial tax ratios are above provincial

threshold ratio. Municipal levy increases can not be passed to property classes that have a tax ratio above the Provincial Threshold Ratio.

The Five Year Tax Mitigation Plan was presented and it was noted that for 2004, residential assessment growth of \$2.7 million is insufficient to fund impact of a \$7.8 million levy increase to this class. Mr. Bacchus detailed the impact due to reassessment, changes in value due to base year update and the tax shifts that may occur. The adoption of revenue neutral ratios can offset these tax shifts. Also detailed, are the tax ratio comparisons for multi-residential, commercial, residual and industrial classes. The 2003 Municipal Tax Study concludes that Niagara's industrial class remains uncompetitive and Niagara's residential class is approaching the survey average for bungalows and is high for condos and executive homes.

Mr. Bacchus advised that an analysis of optional tax ratios and the resulting tax rates for 2004 property tax policy decisions has been prepared. Seven options are presented for consideration and the impact of each provided relative to the Region's tax plan, the 2003 Municipal Tax Study and the Province's legislative requirements. The Commissioner advised that Report CSD 64-2004 recommends Scenario F, which utilizes both of the residential relief measures introduced by the Province, while mitigating the corresponding impact on other classes of property.

Moved by Councillor Eke
Seconded by Regional Chair Partington

That the presentation from Mr. Bacchus, Commissioner, Corporate Services, and Report CSD 64-2004 respecting 2004 Tax Policy and Tax Rates, be referred for consideration at a Committee of the Whole meeting on Thursday, May 6, 2004, at 4:00 p.m.

Carried.

ADMINISTRATION

101. Connecting Niagara Services

Moved by Councillor Leavens
Seconded by Councillor Saracino

That Report CAO 9-2004, April 28, 2004, respecting Connecting Niagara Services Agreement, be received.

That the Regional Chair and Acting Regional Clerk be authorized to sign a services and funding agreement with Business Education Council of Niagara (BEC) to provide an electronic community portal and municipal based online applications.

That the Acting Regional Clerk prepare the necessary by-law to authorize the above.

Carried.

OTHER BUSINESS

102. Wastewater Billings – Niagara Falls

Mr. Brcic, Director, Water and Wastewater Services, provided an oral report on an error in the Region's calibration measurement of wastewaters flows from the years 2000 to 2003. The error came as a result of a recent audit conducted by the Region that revealed that between June 2000 and June 2003, the City's wastewater flows were reported assuming it was Imperial gallons as opposed to U.S. gallons which resulted in about a 20% over billing. Prior to June 2000 and after June 2003 the flows were measured correctly. Mr. Brcic advised that the Region has implemented some changes in best practices and other improvements to address this situation.

Moved by Councillor Leavens
Seconded by Councillor Eke

That the oral report from Mr. Brcic, Director, Water and Wastewater Services, respecting Wastewater Billings in Niagara Falls, be received.

Carried.

CORPORATE SERVICES DEPARTMENT

103. Summary of Quotations, Tenders and Authorizations
First Quarter 2004

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 58-2004, April 28, 2004, respecting Summary of Quotations, Tenders and Authorizations First Quarter 2004, be received for information.

Carried.

104. Expropriations – Roberts Street Gateway Project
City of Niagara Falls

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 60-2004, April 28, 2004 (PWA 74-2004, April 27, 2004), respecting Expropriations - Roberts Street Gateway Project, City of Niagara Falls, be received.

That Regional Council refer the matter of the expropriation of 5248 Roberts Street, Niagara Falls, to the Chief Inquiry Officer pursuant to the Expropriations Act;

That Regional Council approve the expropriation of 5086 Roberts Street, Niagara Falls and authorize staff to obtain and register an expropriation plan and pursue the remaining steps in the expropriation process;

That the Regional Clerk be requested to ensure the necessary by-laws are prepared and presented to Council to authorize these steps.

Carried.

105. Capital Budget Allocation By-law For the
2004 Niagara Regional Housing Capital Program

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 61-2004, April 28, 2004, respecting Capital Budget Allocation By-law for the 2004 Niagara Regional Housing Capital Program, be received.

That financing be approved for the 2004 Niagara Regional Housing Capital Program for \$2,108,275 gross and \$1,064,620 net as per Appendix 1.

That the financing for the projects include \$1,064,620 of debenture financing (1-10 years).

That the Regional Clerk be directed to ensure that the appropriate by-law(s) are prepared for presentation to Regional Council.

Carried.

106. Capital Budget Allocation By-law for Projects
In the 2004 Buildings and Equipment Capital Program

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 62-2004, April 28, 2004 (PWA 76-2004, April 27, 2004) respecting Capital Budget Allocation By-law for Projects in the 2004 Buildings and Equipment Capital Program, be received.

That Debenture financing (1-10 years) be approved for Project ZGD0203 Building Improvement Program for Regional Facilities included in the 2004

Buildings and Equipment Capital Program for \$550,000 gross and net amounts.

That Capital Levy financing be approved for Project ZGD0403 Ontario Disabilities Act Renovations included the 2004 Buildings and Equipment Capital Program for \$250,000 gross and net amounts.

That Capital Levy financing be approved for Project ZRE0310 Wind Power EA Implementation included in the 2004 Buildings and Equipment Capital Program for \$75,000 gross and nets amounts.

That the Regional Clerk be directed to ensure that the appropriate bylaw(s) are prepared for presentation to Regional Council on May 6, 2004.

Carried.

107. Initiation of 2004 Niagara Peninsula Conservation Authority Capital Budget

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 63-2004, April 28, 2004, respecting Initiation of 2004 Niagara Peninsula Conservation Authority Capital Budget, be received.

That financing of \$715,000 gross and net for project ZCA0401, Conservation Area Development and \$327,500 gross and net for project ZCA0402, Watershed Management be approved, as submitted in the 2004 Capital Budget.

That financing for the projects include \$542,500 debenture financing (1-10 years).

That the Regional Clerk be directed to ensure that the appropriate by-law(s) are prepared for presentation to Regional Council.

Carried.

108. Glass Grinding System

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 66-2004, April 28, 2004 (PWA 77-2004, April 27, 2004), respecting Glass Grinding System, be received.

That staff enter into negotiations with Niagara Recycling to develop the terms and conditions for a draft partnership agreement to own and operate a new glass grinding system to manage recyclable glass from Niagara and possibly from outside the Region.

That the details of these negotiations and the draft agreement between the Niagara Region and Niagara Recycling be presented to Council for their approval.

Carried.

CORRESPONDENCE

109. Moved by Councillor Saracino
Seconded by Regional Chair Partington

That the following communications be received:

CFS 16-2004 Peter Senese, Director of Community and Corporate Services/City Treasurer (April 16th, 2004) to Mr. Bacchus, Commissioner, Corporate Services, respecting Corporate Services Division Director's Report No. 2004-14, Sherkston Resorts Assessment for 2004.

CFS 17-2004 Peter Senese, Director of Community and Corporate Services/City Treasurer (April 16, 2004) to The Honourable John Gerretsen, respecting Corporate Services Division Director's Report No. 2004-14 Sherkston Resorts Assessment for 2004.

CFS 18-2004 Lori Tuinstra, Fenwick, ON, (March 1, 2004) to Mr. Bacchus, Commissioner, Corporate Services, respecting Regional Tax Ratios.

CFS 19-2004 Peter Senese, Director of Community and Corporate Services/City Treasurer, (April 16th, 2004) to Canadian Corps Association, respecting Request for Exemption from Taxation Canadian Corps Association.

CFS 20-2004 Peter Senese, Director of Community and Corporate Services/City Treasurer, (April 16th, 2004) to Royal Canadian Legion Branch 56, respecting Request for Exemption from Taxation Royal Canadian Legion.

CFS 21-2004 Email from L. Tuinstra and letter from Shafee Bacchus, Commissioner, Corporate Services, regarding Regional Tax Ratios.

CFS 22-2004 J. S. Burke, Deputy Minister, Ministry of Municipal Affairs and Housing providing an update on the province's current plan regarding municipal costs incurred in response to the power outage of August 14, 2003.

Carried.

MINUTES

110. Report 1-2004

Moved by Councillor Burroughs
Seconded by Regional Chair Partington

That Report 1-2004, being the minutes of the Audit Committee meeting of April 14, 2004, be approved.

Carried.

CLOSED SESSION

111. Moved by Councillor Burroughs
Seconded by Councillor Eke

That this Committee do now meet in Closed Session for purposes of receiving information of a confidential nature relating to legal matters.

Carried.

112. Wastewater Billing – City of Welland

Moved by Councilor Burroughs
Seconded by Councillor Eke

That the proposed settlement for the Wastewater billing error in the City of Welland, be approved.

Carried.

113. Major Outstanding Litigation Matters

Moved by Councillor Eke
Seconded by Councillor Burroughs

That Report CSD 59-2004, April 28, 2004 respecting Major Outstanding Litigation Matters, be received for information.

Carried.

114. Moved by Councillor Saracino
Seconded by Councillor Burroughs

That this Committee do now rise with report.

Carried.

STAFF DIRECTION

That staff be directed to:

- (i) Forward a letter from the Regional Chair to the Minister of Finance, explaining the situation of Sherkston Shores and other campgrounds and request they move expeditiously to address this matter. (Refer to minute item 99.)

ADJOURNMENT

Committee adjourned at 12:40 p.m. to meet on Wednesday, May 12, 2004, at 10:00 a.m. in Committee Room 4, Regional Headquarters.

Doug Martin
Chair

Gail Reilly
Legislative Assistant

Pam Gilroy
Acting Regional Clerk