

THE REGIONAL MUNICIPALITY OF NIAGARA

COMMITTEE OF THE WHOLE

REPORT 9-2004

The Municipal Council of the Regional Municipality of Niagara met in the Council Chamber, Regional Municipal Building, Thorold, Ontario, on Thursday, December 2, 2004, commencing at 4:10 p.m.

ATTENDANCE

Council: Regional Chair Partington; Councillors Almas; Angelone; Bailey; Baty; Bentley; Bodner; Brock; Burroughs; Casselman; Collins; Eke; Gabriel; Goulbourne; Harry; Heit; Hildreth; Hodgson; Katzman; Leavens; Marshall; Martin; Mastroianni; Redekop; Rigby; Salci; Saracino; Smeaton; Timms; Trombetta; Zimmerman.

Staff: Messrs. Trojan, Chief Administrative Officer; Bacchus, Commissioner, Corporate Services; Cambray, Commissioner, Planning & Development; Ms. Gilroy, Regional Clerk/Associate Director of Corporate Strategy; Messrs. Sidawi, Director, Operational Support Services, P.W.; Nicol, Commissioner, Human Resources; Dr. Sider, Associate Medical Officer of Health; Chief Southall, Niagara Regional Police Service; Mr. Ventresca, Acting Commissioner, Community Services; Ms. Reilly, Legislative Assistant.

Staff

(Part-time): Mr. Bowles, Executive Assistant; Ms. Chamberlain, Fixed Assets Analyst; Mr. Cousins, Director, Transportation Services; Ms. Crowley, Current Budget Analyst; Mr. Diakow, Director, Corporate Information Services; Mr. Jones, Director, Administrative Services, P.H.; Mr. Lockyer, Treasurer/Manager, Financial & Accounting Services; Ms. Murphy, Manager, Current and Capital Budgets; Mr. Payne, Director, Waste Management Services; Mr. Roach, Manager, Financial Services, P.W.; Mr. Robson, Director, Corporate Strategy.

Others: Mr. Burt, General Manager, Niagara Peninsula Conservation Authority. Ms. George, Finance Manager, N.R.P.S.

CALL TO ORDER

43. Regional Chair Partington called the meeting to order at 4:10 p.m.

RESOLVE INTO COMMITTEE OF THE WHOLE

44. Moved by Councillor Leavens
Seconded by Councillor Martin

That this Council do now resolve into Committee of the Whole.

Carried.

45. Moved by Councillor Martin
Seconded by Councillor Harry

That this Committee do now receive presentations on Reports CAO 26-2004 and CAO 27-2004 (referred from the Budget Review Committee meeting, prior to this meeting).

Carried.

Messrs. Trojan, C.A.O. and Bacchus, Commissioner, Corporate Services, provided the following presentations, similar to those presented at the Budget Review Committee.

46. Core Service Review Process and Results to Date

Committee received a brief overview of Report CAO 26-2004 which outlines the results of the work that has been completed on the review, places the work in an appropriate environmental context and provides recommendations for next steps. Mr. Trojan highlighted the external and internal factors that created the need for a Core Services Review. The report also highlighted the environmental scan information compiled to date, community consultation efforts and the Council planning process. Staff has proposed some recommended next steps to ensure that Council's priorities identified through the most recent planning exercise are reflected in the services delivered by the Region.

47. 2005 Budget Prioritization Process Update

Report CAO 27-2004 providing the results of the work that has been completed to date, as part of the 2005 Current Budget process, was presented. Two options for achieving 2005 budget targets are included in the report for council consideration. The options have been developed

from the information available from the ongoing Core Services Review. Each scenario has identified the financial and service related impacts and risks associated with it. The other recommendation in the report related to the budget is that the multi-year financial plan be updated following adoption of any changes to the Council Business Planning document to ensure proper alignment.

The proposed adjustment schedule outlining Option 1 and 2 and the percentage impact was presented as follows:

	<u>Option 1</u> <u>Adjustments</u>	<u>%Levy</u> <u>Impact</u>	<u>Option 2</u> <u>Adjustments</u>	<u>% Levy</u> <u>Impact</u>
Tax Levy as submitted	259,563,680	10.42%	258,563,680	10.42%
CMT Adjustment Options	6,356,995*		6,754,878*	
Levy After Adjustments(%)	253,206,685	7.72%	252,808,802	7.55%
After Assess. Growth (2%)		5.72%		5.55%
No Grants Option	690,500		690,500	
Total Levy After Adjust. (%)	252,516,185	7.42%	252,118,302	7.25%
After Assessment Growth(2%)		5.42%		5.25%

*Indicates closed session items included.

Mr. Bacchus advised that the Multi-year Projects have been reviewed to reduce projected 14% increase in levy.

The next steps were outlined as follows:

- Committee of the Whole meeting to consider final budget – December 16th
- Council Business Plan reviewed – December 16th
- Bylaw to approve estimates –January 20, 2005
- Multi-Year Financial Plan re-aligned to Council Business Plan

48.

2005 CAPITAL BUDGET

Mr. Bacchus summarized the Capital Program process and the activities taken by the Capital Budget Working Team to rank Capital Projects for link to strategies, objectives and affordability. Departments have revised their 9 year forecasts and offered reductions to 2005 program in order to limit Capital Reserve Contributions impact on Levy. Mr. Bacchus highlighted the 2005 changes to the levy support programs for Roads, Buildings and Corporate & Technology for a total levy support program adjustment of \$3,712,500. Police have reduced vehicle reserve contribution and vehicle replacement program by \$600,000 and have deferred \$5 million of accommodation project to 2006 which defers issuance of debenture and debt charges. The Conservation Authority has reduced Capital Reserve contribution by \$200,000 and equivalent deferral of 2005 capital programs. Regional Housing Capital Reserve contribution will be funded with an anticipated 2004 surplus of \$285,682 rather than a 2005 budget allocation therefore no change to 2005 capital program. Mr. Bacchus outlined the impact of 2005 program changes on forecast debt charges and the current budget. The revised 2005 Gross Capital Budget is recommended at \$164,990,876 or \$144,418,401 net.

The revised 2005 Capital Budget and forecast for 2006 – 2014 =- \$1.185 billion – Associated debt = \$870 million.

49. Moved by Councillor Timms
Seconded by Councillor Harry

That the Accommodation Review matter be lifted and dealt with by this Committee at this time.

Carried.

Mr. Sidawi, Director, Operational Support Services, Public Works, provided an overview of the analysis taken on the Accommodation Review, including Police, Public Health and Community Services. It was concluded that:

- Ownership is cheaper than leasing (Police, Public Health, Community Services)
- Buy existing building for Police; and
- Build addition for Public Health and Community Services.

The rationale for the headquarter addition:

- Significant additional space required for Health (currently leasing)
- Efficiencies of central location

- Opportunity to consolidate Community Services (currently leasing as well)

The Director's further financial analysis confirmed that:

- Annually – build/own is cheaper than leasing
- In 20 years – no more payments/own
- \$17 million cost estimate is reliable
- Deferral will add to total cost
- Further utility savings with new building
- No net impact on the tax levy

The total area of recommended option is 100,511 square feet. It was noted that 15,000 sq.ft. of the basement area will be utilized for archives currently store at Collier Road. The proposed 100,511 sq. ft. will accommodate the existing staff only.

The following additional information was presented as requested at the last meeting:

“Lease to Own” Financing Option

Pros – may lower financing costs

Cons – Additional costs re: profit, taxes, development charges, etc.

“Design/Build” Construction Option

Pros – potential savings in cost; potential savings in project duration; single contract for design and construction

Cons – Less control during design phase

Other Options Considered

Purchasing existing leased facilities – Police building, Community Services building, Public Health building, and other potential facilities

Pros – Potential lower project life cycle cost; Benefit of owning the facilities

Cons – Potential higher life cycle maintenance cost; Availability of facilities; Limited parking in some areas; Further segregation of staff and operations

50. Moved by Councillor Timms
Seconded by Councillor Baty

That “lease to own” financing options be included as part of the tendering process; and

That “design/build” options be considered as part of the project construction process;

That the funding included in the 2005 Capital budget for the Accommodations Plan be approved.

Upon a recorded vote being requested, Committee was divided on the motion as follows:

Voting for the motion

Councillor Almas	Councillor Heit
Councillor Angelone	Councillor Heit
Councillor Baty	Councillor Katzman
Councillor Bentley	Councillor Leavens
Councillor Bodner	Councillor Marshall
Councillor Collins	Councillor Rigby
Councillor Gabriel	Councillor Salci
Councillor Goulbourne	Councillor Timms
Councillor Harry	

(17)

Voting against the motion

Councillor Bailey	Councillor Hodgson
Councillor Brock	Councillor Martin
Councillor Burroughs	Councillor Redekop
Councillor Casselman	Councillor Saracino
Councillor Eke	Councillor Trombetta
Councillor Hildreth	

(11)

Upon a recorded vote being taken, the Regional Chair declared the motion carried.

(Refer to staff direction on page CW 35.)

The Committee of the Whole recessed at 6:05 p.m.

The Committee of the Whole resumed its meeting at 6:50 p.m.

51. **2005 CAPITAL BUDGET** (continued)

Mr. Bacchus outlined the recommendations for the proposed 2005 Capital Budget for Committee's approval.

Committee reiterated their concerns on the road projects removed and the importance of continuing to improve Niagara's road infrastructure.

Moved by Councillor Casselman
Seconded by Councillor Redekop

That Regional Council restore \$1 million into the Roads Budget.

Carried.

52. Moved by Councillor Martin
Seconded by Councillor Collins

That the following recommendations be approved as amended.

1. That the proposed 2005 Capital Budget be approved.
2. That the \$15 million of capital forecast identified for Police in 2006 be subject to a detailed review and analysis in 2005 by staff and Niagara Regional Police Services.
3. That the 2005 capital levy contribution of \$7.9 million from the current budget be approved.
4. That the Wind Farm Project be subject to recommendations contained in confidential report PWA 174-2004 dated September 28, 2004.
5. Should Gas Tax Revenue be received in 2005 those projects reduced or deferred be reconsidered
6. That the Clerk be requested to prepare the necessary By-laws for approval at its regularly scheduled meeting of January 20, 2005.

Carried.

RISE FROM COMMITTEE OF THE WHOLE

53. Moved by Councillor Martin
Seconded by Councillor Collins

That this Council do now rise from Committee of the Whole.

Carried.

STAFF DIRECTIONS

That staff be directed to:

- (i) That staff provide a list of all road projects removed from list. (Minute item 50.)
- (ii) That staff provide the economical impact of putting road projects back into the budget. (Minute item 50.)

ADJOURNMENT

The Committee of the Whole adjourned at 7:40 p.m. to meet again on Thursday, December 16, 2004 at 4:00 p.m. in Committee of the Whole.

Peter Partington
Regional Chairman

Gail Reilly
Legislative Assistant

Pam Gilroy
Regional Clerk/Associate Director
of Corporate Strategy