

# THE REGIONAL MUNICIPALITY OF NIAGARA

## CORPORATE SERVICES COMMITTEE

### REPORT 14-2006

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Minutes of a meeting of the Corporate Services Committee held in Committee Room 4, Regional Municipal Building, Thorold, Ontario, on Wednesday, October 11, 2006, commencing at 9:10 a.m.

#### ATTENDANCE

Committee: Councillors Martin, Co-Chair; Collins, Co-Chair; Partington, Regional Chair; Angelone; Bentley; Burroughs; Casselman; Harry; Heit, Hildreth; Leavens; Saracino.

Staff: Messrs. Trojan, Chief Administrative Officer; Mr. Bergsma, Commissioner, Corporate Services; Mr. Nicol, Commissioner, Human Resources; Mr. Lockyer, Treasurer/Director, Financial Management & Planning; Ms. Reilly, Legislative Assistant.

Staff

Others: Corporate Services: Mr. Kaas, Capital Analyst; Mr. Murphy, Manager, Policy and Development; Ms. M. Murphy, Associate Director, Budgets and Reporting; Ms. Williams, Senior Financial Analyst.

Human Resources: Ms. Elliott, Director, Organizational Development & Compensation Services; Ms. Fontana, Director, Corporate Health Services & Employee Relations; Ms. Herbai, Coordinator, Employee Benefits.

Others: Mr. Brcic, Director, Water & Wastewater Services Division; Mr. Roach, Manager, Public Works Financial Services; Mr. Ventresca, Director, Seniors Services.

Others: Mr. Cherney, Director of Financial Services, Pelham; Mr. Tripp, Public Works, Fort Erie; Mr. Silvestri, Treasurer, Welland.

#### PRESENTATIONS

##### 244. Property Tax Increases

Mr. Barrie Taylor, resident, St. Catharines, together with Mr. Stan Gray, attended to express their concerns regarding property tax increases and the tax burden placed on the taxpayer, most specifically, the retired, low income and fixed income property owner.

Mr. Taylor presented the following possible solutions to address those concerns:

- Allow taxpayers to deduct property taxes from income prior to determining Federal and Provincial taxes;
- 80:20 rule. 80% of tax is based on cost of services, 20% is based on market assessed value of house;
- Freeze taxes for those on fixed or low income and pay the outstanding balance that would have been owed when the property is sold;
- Impose an annual cap on all residential property. The cap will remain in place until the property is sold to a new buyer then the cap would be based on the sale price for the new owner;
- Place an annual assessed value cap of 3% on owner declared principal residence. This cap will remain in effect until the property is sold.

The presenter identified his preferred recommendation as the 3% annual cap which he believes is proportional to house value and easy to administer. He advised that he has a petition of approximately 3,000 signatures supporting the recommendation. The presentation was concluded with charts prepared by Mr. Taylor regarding property tax forecasts and fluctuations

Moved by Councillor Collins  
Seconded by Councillor Hildreth

That the presentation by Mr. Barrie Taylor regarding Property Tax Increases, be referred to the Ad Hoc Committee of Council on Property Assessment and Taxation Reform.

Carried.

245. Water and Wastewater Rate Setting  
and Cost Recovery Methodology Review  
**CSD 136-2006 (PWA 180-2006)**

Mr. Bruzzese, BMA Consulting Inc., provided an overview of the water and wastewater rate setting and cost recovery review, identifying the current issues and evaluation criteria used. The study was broken down in two sections, Budgeting and Financing (which focuses on the Region's inputs to generate the cost recoveries) and Alternative Rate Setting (which focuses on different methods to recover the costs at the local levels). The recommendations presented modify the Region's budgeting and financing strategies as well as implement a new water and wastewater cost recovery methodology. It is anticipated that these changes will provide more stability and predictability in water and wastewater charges to the area municipalities, improve fairness and equity in the cost allocations and minimize any shifts among the area municipalities in respect to the recommended changes. The consultant outlined the next steps for 2007 and onward, which are to review models and options annually to reflect new budgetary information; maintain working group to review budgeting, financing and rate setting options; and to monitor the affordability of water/wastewater costs based on the benchmark set out in this

report. A Council report will be prepared to identify Council's clear intention that commencing in 2007, excess capacity growth related capital costs will be paid for by future development charges.

Moved by Councillor Hildreth  
Seconded by Councillor Leavens

That Report CSD 136-2006 (PWA 180-2006), October 11, 2006, respecting the Water and Wastewater Rate Setting and Cost Recovery Methodology Review, be received;

That the Water and Wastewater Rate Setting and Cost Recovery Review recommendations contained in this report be approved in principle.

That the Region amend its policy of pay-as-you-go financing for water and wastewater capital projects to provide for debt financing to be used to fund growth related capital costs not recovered from Regional development charges and that consideration also be given for the use of debt financing for the funding of larger capital projects which are deemed to significantly benefit future generations such as the construction of Combined Sewer Overflow control tanks.

That until a new Development Charges By-law is passed, in accordance with Section 66 of the Development Charges Act, that Council identify its intention that excess capacity growth related capital costs will be paid for by future development charges.

That Staff be directed to investigate the sources and magnitude of Development Charge revenue loss and report back to Committee and Council with appropriate recommendations.

That Rate Stabilization Reserves be established for Water and Wastewater at 10% and 5% of annual rate revenues respectively and that these target levels be phased in over the next 5 years.

That a Capital Replacement Reserve be established for Water and Wastewater at \$16 million and \$20 million respectively and that these target levels be phased in over the next 5 years.

That Regional water costs be recovered from the area municipalities based on the following methodology:

Debt servicing costs be recovered from area municipalities based on their proportionate share of the Region's Meter Equivalency total;

Meter Equivalency Totals for each Area Municipality will be provided annually to the Region by the municipality's Public Works Official;

Regional water costs (less debt servicing costs) be recovered from the area municipalities based on actual metered water flows multiplied by the Region's annually set uniform water rate.

That Regional wastewater costs be recovered from the area municipalities based on the following methodology:

Debt servicing costs be recovered from area municipalities based on their proportionate share of the Region's Meter Equivalency total;

Meter Equivalency Totals for each Area Municipality will be provided annually to the Region by the municipality's Public Works Official;

Regional wastewater costs (less debt servicing costs) be recovered from the area municipalities based on 3 year average historical wastewater flows multiplied by the Region's annually set uniform wastewater rate.

That the recommended method of allocating Regional water and wastewater costs to Area Municipalities be adopted commencing for the 2007 budget year.

That this report be circulated to the Area Municipalities for information.

Carried.

(Refer to staff direction on page CS 134.)

*(Please note that Report CSD 136-2006 (PWA 180-2006) can be found behind the JNT RPTS Blue Book Tab)*

### **OPERATIONS (STATUS REPORT)**

246. Niagara Regional Housing – Redirecting Federal Funding Payments and Allocation of Interest to Niagara Regional Housing Reserve Funds  
**CSD 128-2006**

Moved by Councillor Angelone  
Seconded by Councillor Bentley

That Report CSD 128-2006, October 11, 2006, respecting Niagara Regional Housing – Redirecting Federal Funding Payments and Allocation of Interest to Niagara Regional Housing Reserve Funds, be received.

That the Ministry of Municipal Affairs and Housing continue to direct the payments of Federal funds directly into the Regional Municipality of Niagara's Royal Bank account.

That the Regional Municipality of Niagara redirect the Federal funds payments to the Niagara Regional Housing Royal Bank account within two business days. The redirection of Federal fund payments to begin by October 1, 2006.

That the method of allocating interest earnings to the Niagara Regional Housing reserve funds not be modified.

Carried.

247. Capital Budget Allocation and Financing Approval  
For Automated Resident Care and Trust  
**CSD 131-2006 (COM 59-2006)**

Moved by Councillor Hildreth  
Seconded by Councillor Angelone

That Report CSD 131-2006, October 11, 2006 (COM 59-2006, October 10, 2006) respecting Capital Budget Allocation and Financing Approval for Automated Resident Care and Trust, be received.

That budget allocations in the gross and net amount of \$340,000 be approved for project ZGC0303 Resident Care Plans and Trust Systems as submitted in the 2005 Corporate Information Systems Capital Budget.

That long term debenture financing for the project be approved in the amount of \$340,000.

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

Carried.

*(Please note that Report CSD 131-2006 (COM 59-2006) can be found behind the JNT RPTS Blue Book Tab)*

248. Low-Income Seniors and Low-Income  
Disabled Homeowners Deferral – Revisions  
**CSD 132-2006**

Moved by Councillor Angelone  
Seconded by Councillor Heit

That Report CSD 132-2006, October 11, 2006, respecting Low-Income Seniors and Low-Income Disabled Homeowners Deferral-Revisions, be received.

That Regional Council adopt and approve the new by-law to establish criteria for applications for tax deferrals by low-income seniors and low-income disabled persons attached as Appendix B to this report to take effect on January 1, 2006.

That the Regional Clerk be directed to make the necessary arrangements to ensure this by-law is implemented in accordance with applicable laws.

That this report be received and circulated to the Councils of the Area Municipalities and local school boards for information.

Carried.

249. Tender Award for Contract RN 06-29  
Fielden Avenue Water Booster Pumping Station Upgrade  
City of Port Colborne, Project ID CW0402  

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**CSD 133-2006 (PWA 177-2006)**

Moved by Councillor Saracino  
Seconded by Councillor Hildreth

That Report CSD 133-2006, (PWA 177-2006) October 11, 2006, respecting Tender Award for Contract RN 06-29, Fielden Avenue Water Booster Pumping Station Upgrade, City of Port Colborne Project ID CW0402, be received.

That contract RN 06-29, Fielden Avenue Water Booster Pumping Station Upgrade, in the City of Port Colborne, be awarded to Nortuk Contracting at their bid price of \$496,900.00.

That a contingency amount of \$60,000.00 be provided for this project.

That long term financing in the amount of \$500,000.00 be transferred from Project ZCW0204/CW0529, Welland WTP Improvements, Phase 2 to Project ZCW0402/CW0402, Fielden Reservoir Avenue Water Booster Pumping Station Upgrade.

That the Regional Clerk be directed to ensure that the appropriate by-laws are prepared for submission to Regional Council authorizing the Regional chair and Regional Clerk to execute the contract on behalf of the Regional Municipality of Niagara.

That the costs associated with this project be charged against Project ZCW0402/CW0402.

Carried.

*(Please note that Report CSD 133-2006 (PWA 177-2006) can be found behind the JNT RPTS Blue Book Tab)*

250. Capital Budget Allocation By-law for  
Roads Capital Program Budgets  
**CSD 134-2006 (PWA 178-2006)**

Moved by Councillor Angelone  
Seconded by Councillor Harry

That Report CSD 134-2006 (PWA 178-2006), October 11, 2006, respecting the Capital Budget Allocation By-law for Roads Capital Program Budgets, be received;

That financing be approved in the amount of \$3,221,000 gross and net from the approved 2005 and 2006 Roads Capital Program Budgets and allocated to the individual projects, as summarized in Appendix A.

That approval be given to fund the projects with financing consisting of \$820,000 Capital Levy, \$300,000 Niagara Transportation Superbuild Reserve Fund, and \$2,101,000 Long Term Financing (1-10 years).

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

Carried.

*(Please note that Report CSD 134-2006 (PWA 178-2006) can be found behind the JNT RPTS Blue Book Tab)*

251. Tender Award for Contract RN 06-16  
Oxford Atlas Wellington Sanitary Sewer – Phase 1  
In the City of Welland, Project ZSW0204/SW0416  
**CSD 135-2006 (PWA 179-2006)**

Moved by Councillor Leavens  
Seconded by Regional Chair Partington

That Report CSD 135-2006 (PWA 179-2006), October 11, 2006, respecting the Tender Award for Contract RN 06-16, Oxford Atlas Wellington Sanitary Sewer – Phase 1 In the City of Welland, Project ZSW0204/SW0416, be received.

That Contract RN 06-16, Oxford Atlas Wellington Sanitary Sewer, be awarded to the low tenderer, McNally Construction Inc., at their bid price of \$11,822,172.00.

That a contingency allowance in the amount of \$800,000.00 be provided for this contract.

That approval be given to increase the engineering budget of Associated Engineering by \$404,455.00 to reflect the additional scope of work for design changes, construction administration and inspection for phase 1 of this project.

That financing in the amount of \$4,223,000.00 gross and \$1,723,000.00 net be approved for Project ZSW0204/SW0416 Oxford Atlas Wellington Sanitary Sewer – Phase 1 in the City of Welland from the approved 2006 Capital Budget Program.

That approval be given to fund this allocation with \$2,500,000.00 Long Term Financing (1-10 years) and \$1,723,000.00 Millennium Partnership Initiative subsidy.

That approval be given to transfer and initiate Long Term Financing (1-10 years) in the amount of \$500,000.00 gross and net from Project ZSW0414 Ontario Street Pumping Station and Forcemain Extension to Project ZSW0204/SW0416 Oxford Atlas Wellington Sanitary Sewer – Phase 1.

That approval be given to transfer and initiate Wastewater Capital Reserve financing in the amount of \$3,100,000.00 gross and net from Project ZSW0204/SW0416 Oxford Atlas Wellington Sanitary Sewer – Phase 1.

That the Regional Clerk be directed to ensure that the appropriate by-laws are prepared for submission to Regional Council, including authorizing the Regional Chair and Regional Clerk to execute the contract on behalf of the Regional Municipality of Niagara.

Carried.

*(Please note that Report CSD 135-2006 (PWA 179-2006) can be found behind the JNT RPTS Blue Book Tab)*

### **INFORMATION**

252. Outstanding Financing Lease Obligations  
As of December 31, 2005  
**CSD 127-2006**

Moved by Councillor Angelone  
Seconded by Councillor Heit

That Report CSD 127-2006, October 11, 2006, respecting Outstanding Financing Lease Obligations as of December 31, 2005, be received for information.

Carried.

253. Capital Project Budget Transfers  
**CSD 129-2006**

Moved by Councillor Harry  
Seconded by Councillor Leavens

That Report CSD 129-2006, October 11, 2006, respecting Capital Project Budget Transfers, be received for information.

Carried.

254. Forecast of Year-End Results and Budget to  
Actual Comparison for the Month Ended August 31, 2006  
**CSD 130-2006**

Moved by Councillor Saracino  
Seconded by Councillor Heit

That Report CSD 130-2006, October 11, 2006, respecting Forecast of Year-end Results and Budget to Actual Comparison for the Month Ended August 31, 2006, be received for information.

Carried.

### **MINUTES**

255. Regional Development Charges Task Force  
Report 2-2006

Moved by Councillor Harry  
Seconded by Councillor Hildreth

That Report 2-2006, being the minutes of the Regional Development Charges Task Force meeting of Tuesday, September 26, 2005, be received and that the recommendations contained therein be approved.

Carried.

### **CORRESPONDENCE**

256. Moved by Councillor Bentley  
Seconded by Councillor Leavens

That the following communication be received for information:

CSC 70-2006                      Memorandum from Gord Lockyer, Treasurer/Director  
Financial Management & Planning (September 28,  
2006) respecting PATR/Tax Fairness Committee Update

Carried.

### **CLOSED SESSION**

257. Moved by Councillor Harry  
Seconded by Councillor Hildreth

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

Carried.

*Councillor Martin vacated the Chair and Councillor Collins chaired the remainder of the meeting.*

258. Elimination of Mandatory Retirement:  
Policy and Benefit Plan Amendments  
**Confidential HR 27-2006**

Moved by Councillor Hildreth  
Seconded by Councillor Leavens

That Confidential Report HR 27-2006, October 11, 2006, respecting Elimination of Mandatory Retirement: Policy and Benefit Plan amendments, be received for information; and

That the following human resources policies and practices be approved to achieve legislative compliance and to align with Council's strategic objective of enriching quality of work life:

- Continue all benefit coverage for eligible and enrolled employees at age 65 as of December 12, 2006 with the exception of Long Term Disability Insurance.
- Amend all employment related policies, practices and related forms to ensure that internal and external candidates 65 years of age or older are considered for employment with the Corporation.

Carried.

Councillor Heit wished to be recorded as opposed to the foregoing motion.

259. Personnel Item – Follow Up to Staff Direction

Mr. Nicol, Commissioner, Human Resources, provided an oral report as a follow up to a staff direction on a personnel item.

Moved by Councillor Hildreth  
Seconded by Councillor Heit

That the oral report by the Commissioner of Human Resources regarding the follow up to a staff direction on a personnel item, be received.

Carried.

260. Request for Information – Councillor Bentley

Councillor Bentley provided an oral report on a personnel matter and staff was directed to provide information on this matter as requested.

261. Moved by Councillor Angelone  
Seconded by Councillor Bentley

That this Committee do now rise with report.

Carried.

### **STAFF DIRECTION**

Staff was directed to:

- (i) Prepare a chart comparing Niagara's development charges with other regions, illustrating how these charges have (or have not) impacted economic development in each area. (Refer to minute item 245).

### **ADJOURNMENT**

Committee adjourned at 11:05 a.m. to meet again on Wednesday, November 1, 2006, at 9:00 a.m. in Committee Room 4, Regional Headquarters.

Doug Martin  
Co-Chair

Gail Reilly  
Legislative Assistant

Michael Collins  
Co-Chair

Pam Gilroy  
Regional Clerk