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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, November 9, 2021

A regular meeting of the Finance & Administration Committee was held on Tuesday, November 9, 2021 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM. Electronic participation was offered for this meeting.

1. Roll Call

Present: Councillor Foster, Chair
Councillor Ashe
Councillor Drew
Councillor Leahy
Councillor Mulcahy
Councillor Nicholson
Regional Chair Henry

***all members of Committee participated electronically**

Also

Present: Councillor Hight
Councillor Smith
Councillor Wotten

Absent: Councillor Collier, Vice-Chair, was absent on municipal business

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
D. Beaton, Commissioner of Corporate Services
N. Taylor, Commissioner of Finance
J. Austin, Deputy General Manager, Business Services, Durham Region
Transit
S. Austin, Director, Strategic Initiatives
J. Cermak, Director, Financial Services
J. Demanuele, Director of Business Services, Works Department
T. Fraser, Committee Clerk, Corporate Services – Legislative Services
A. Hector-Alexander, Director of Diversity, Equity, and Inclusion
P. Hines, Manager, Diversity, Equity, and Inclusion
W. Holmes, General Manager, DRT
J. Hunt, Regional Solicitor/Director of Legal Services, Corporate Services –
Legal
R. Inacio, Systems Support Specialist, Corporate Services – IT
J. Kilgour, Director, Durham Emergency Management Office (DEMO)

N. Pincombe, Director, Business Planning & Budgets
A. Sharma, Policy Advisor, Diversity, Equity and Inclusion
P. Uthayakumar, Project Manager, DRT
R. Walton, Regional Clerk/Director of Legislative Services
L. Fleury, Legislative Officer and Deputy Clerk Pro Tem, Corporate Services
– Legislative Services

2. Declarations of Interest

There were no declarations of interest.

3. Adoption of Minutes

Moved by Councillor Drew, Seconded by Councillor Ashe,
(82) That the minutes of the regular Finance & Administration Committee
meeting held on Tuesday, October 12, 2021, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Delegations

There were no delegations.

6. Presentations

6.1 Nicole Pincombe, Director, Business Planning and Budgets, re: Update from the
2022 Virtual Budget Open House and preview of the “How is the Region of
Durham’s Budget Prepared” video

Nicole Pincombe, Director, Business Planning and Budgets provided a
presentation with respect to: Update from the 2022 Virtual Budget Open House
and a preview of the “How is the Region of Durham’s Budget Prepared” video.
Highlights of the presentation included:

- Engagement Opportunities
 - Video on How Budget is Prepared
 - Social Media Campaign
 - Frequently Asked Questions
 - Your Voice Durham webpage
 - Printed Public Notice
- Key Insights
- Areas of Focus
 - Property Tax Affordability
 - Roads and Road Safety
 - Low Income/Homelessness

- Police Services
- Regional Transit
- Other Questions
- Next Steps
 - Developing an Infographic
 - Creating Additional Videos
 - Expanding the Your Voice Durham webpage

A request was made for N. Pincombe to provide a link to members of Council so they can share the “How the Budget is Prepared” video through their social media channels.

6.2 Nancy Taylor, Commissioner of Finance, re: 2020 Financial Surplus, Optional Small Business Tax Class, and Multi-Residential Property Tax Ratio

N. Taylor, Commissioner of Finance, provided a presentation with respect to 2020 Financial Surplus, Optional Business Tax Class, and Multi-Residential Property Tax Ratio. Highlights of the presentation included:

- 2020 Financial Statements and Surplus (Report #2021-F-31)
 - Overview
 - Recommendation
- Overview of Property Tax Principles
 - Property Tax Policy Principles
- Optional Small Business Property Tax Subclass (Report #2021-F-29)
 - Overview
 - Key Considerations
 - Potential Impacts
 - Recommendation
- Multi-Residential Property Tax Class Ratio (Report #2021-F-28)
 - Overview
 - Key Considerations
 - Estimated Impacts
 - Recommendation

N. Taylor responded to questions with respect to whether decreases to the multi-residential tax ratio impact tenants; whether any consideration has been given to a phased-decrease in the multi-residential ratio; whether updated/renovated multi-residential units are taxed at the New Multi-Residential ratio; why the tax ratios in York Region are different than in Durham Region; whether the 2021 tax surplus is lower than in previous years; what other sources of funding are available for water and sewer infrastructure; and, the deferral of property value re-assessments.

6.3 Allison Hector-Alexander, Director of Diversity, Equity, and Inclusion, re: Durham Region Anti-Racism Taskforce Membership Appointments (2021-A-20) [Item 7.2 A)]

A. Hector-Alexander, Director of Diversity, Equity, and Inclusion, provided a presentation with respect to Durham Region Anti-Racism Taskforce Membership Appointments. A Hector-Alexander introduced P. Hines, Manager, Diversity, Equity and Inclusion, and A. Sharma, Policy Advisory, Diversity, Equity and Inclusion. Highlights of her presentation included:

- Purpose and Background
- Anti-Racism Taskforce Scope of Activities
- Alignment with Strategic Plan
- Membership Composition
- Membership Recruitment
- Membership Selection
- Background Checks
- Recommended Appointees
- Next Steps

A. Hector-Alexander responded to questions with respect to when the Taskforce will hold meetings and if they will be streamed and open to the public; whether there are individuals from the northern municipalities being recommended for appointment; and, whether the Taskforce will integrate with the school boards.

7. Administration

7.1 Correspondence

There were no communications to consider.

7.2 Reports

A) Durham Region Anti-Racism Taskforce Membership Appointments (2021-A-20)

Report #2021-A-20 from E. Baxter-Trahair, Chief Administrative Officer, was received.

Moved by Regional Chair Henry, Seconded by Councillor Mulcahy,
(83) That we recommend to Council:

- A) That the following individuals be appointed as Citizen Members to the Durham Region Anti-Racism Taskforce:
- i) Channon Oyeniran;
 - ii) Fatouma Ahmed;

- iii) Gail Wilson-Beier;
 - iv) Jeany Munawa;
 - v) Kevin Vieneer;
 - vi) Laura Francis;
 - vii) Shauna Bookal;
 - viii) Shrishma Dave;
 - ix) Trynee Hancock;
 - x) Zed Pickering;
- B) That the following individuals be appointed as representatives from the industry, association and public institutions to the Durham Region Anti-Racism Taskforce:
- i) Jacqueline Williamson;
 - ii) Kari Garside;
 - iii) Nikhila Samuel;
 - iv) Pita-Garth Case
 - v) Sherry Caibaiosai; and
- C) That the above individuals be advised of their appointment to the Durham Region Anti-Racism Taskforce.
- CARRIED

8. Finance

8.1 Correspondence

There were no communications to consider.

8.2 Reports

A) Multi-Residential Property Tax Class Ratio (2021-F-28)

Report #2021-F-28 from N. Taylor, Commissioner of Finance, was received. N. Taylor responded to questions with respect to whether the new multi-residential property tax class ratio was developed to incentivize new development; and if a tax redistribution would occur if the new multi-residential ratio was applied to properties currently under the multi-residential ratio. Comments were made with

respect to the uncertainty that a reduction in property taxes for multi-residential properties would benefit tenants directly; a potential shift of the tax burden to residential properties; the need to update existing multi-residential housing stock; and, having two separate ratios for the same type of properties.

Moved by Regional Chair Henry, Seconded by Councillor Mulcahy,
(84) That we recommend to Council:

That the Multi-Residential Property Tax Class Ratio remain at 1.8665 for 2022 and be reflected in the appropriate by-law.

CARRIED AS AMENDED LATER IN THE
MEETING
(See Following Motions)

Moved by Councillor Nicholson, Seconded by Councillor Ashe,
(85) That the main motion (84) of Regional Chair Henry and Councillor Mulcahy be amended by adding the following to the end of the motion as Parts B) and C), and re-lettering the main motion as Part A):

“B) That staff prepare a phased reduction plan over 5 years to bring the current Multi-Residential Property Tax Class Ratio into harmony with the New Multi-Residential Property Tax Class for consideration by Council in the 2023 Budget deliberations; and

C) That the Region of Durham ask the Province of Ontario to extend the incentive for the New Multi-Residential Property Tax Class Ratio to include those properties which undertake significant renovation and modernization.”

PART B) DEFEATED
PART C) CARRIED
(See Following Motion)

Moved by Councillor Nicholson, Seconded by Councillor Leahy,
(86) That the amending motion (85) of Councillors Nicholson and Ashe be divided in order to vote on each part separately.

CARRIED

Part B) of the amending motion (85) of Councillors Nicholson and Ashe was then put to a vote and DEFEATED.

Part C) of the amending motion (85) of Councillors Nicholson and Ashe was then put to a vote and CARRIED.

The main motion (84) of Regional Chair Henry and Councillor Mulcahy was then put to a vote and CARRIED AS AMENDED.

The main motion (84) now reads as follows:

- A) That the Multi-Residential Property Tax Class Ration remain at 1.8665 for 2022 and be reflected in the appropriate by-law; and
- B) That the Region of Durham ask the Province of Ontario to extend the incentive for the New Multi-Residential Property Tax Class Ratio to include those properties which undertake significant renovation and modernization.

B) Optional Small Business Property Tax Subclass (2021-F-29)

Report #2021-F-29 from N. Taylor, Commissioner of Finance, was received.

Moved by Regional Chair Henry, Seconded by Councillor Leahy,
(87) That we recommend to Council:

That the creation of a small business property tax subclass in the Region of Durham not be pursued at this time.

CARRIED

C) E-Mission Zero: Durham Region Transit Battery Electric Bus and Charging Infrastructure Demonstration Pilot Update (2021-F-30)

Report #2021-F-30 from N. Taylor, Commissioner of Finance, was received. Staff responded to questions with respect to why additional funds are required and when the electric bus pilot project will be operational.

Moved by Councillor Leahy, Seconded by Councillor Mulcahy,
(88) That we recommend to Council:

- A) That additional financing of \$2.0 million, from the one-time Federal Gas Tax revenues received in 2021, be approved to increase the total approved financing to \$2.9 million for the supply of electric bus charging equipment for the Oshawa Bus Depot, from Oshawa Power and Utilities Corporation (OPUC), for the purpose of DRT's electric bus pilot project;
- B) That financing for the contract being negotiated with OPUC for the operation and maintenance of the charging equipment at the Oshawa Bus Depot for a period of five years, with a mutual option to renew for up to two one-year extensions, subject to the approval of the Commissioner of Finance and Legal Services, be included in the annual Durham Region Transit Business Plans and Budget; and
- C) That a capital contribution of \$0.1 million from the one-time Federal Gas Tax revenues received in 2021 be approved to finance the design and construction of facility upgrades at the Oshawa Transit Maintenance Depot, to be performed by eCamion, necessary to implement integrated charging and energy storage equipment, for the purpose of DRT's electric bus pilot project.

CARRIED

- D) The Audited Consolidated Financial Statements for the year ended December 31, 2020 and Recommended Use of the One-Time Property Tax Surplus (2021-F-31)

Report #2021-F-31 from N. Taylor, Commissioner of Finance, was received. Staff responded to questions with respect to why more of the property tax surplus is not being used for homelessness initiatives; if funds may be used for other projects if the initial projects are under-budget; whether the projects were given priority based on Council’s direction; and, what will be done with the Material Recovery Facility (MERF) site at 4600 Garrard Road in Whitby.

Moved by Regional Chair Henry, Seconded by Councillor Mulcahy,
 (89) That we recommend to Council:

- A) That the 2020 Audited Consolidated Financial Statements for the year ended December 31, 2020 be received;
- B) That the current practice of setting aside the Supplementary Taxes received in the year in the Economic Development Reserve Fund (10 per cent of the net annual general supplementary taxation revenue) and the applicable Operating Impact Reserve Fund for General Operations, Transit and Solid Waste (balance of net annual supplementary taxes) be continued;
- C) That the following one-time initiatives that best advance the Region’s strategic priorities and relieve pressure on the 2022 Business Plans and Budgets, in the aggregate amount of approximately \$13.3 million, to be funded from the 2020 Property Tax surplus that was transferred to the Operating Impact and Capital Impact Stabilization Reserve Funds, be approved:

Project	Strategic Priority	Amount
Homelessness Initiatives	Social Investment	\$700,000
Long-Term Care Capital	Social Investment / Asset Maintenance	\$777,909
Materials Testing Lab	Environmental Sustainability / Health and Safety	\$932,223
101 Consumers Drive	Environmental Sustainability / GHG Emission Reduction	\$8,389,868

Project	Strategic Priority	Amount
Comprehensive Building Condition Assessments and Level 3 Energy Audits for Facilities	Environmental Sustainability / GHG Emission Reduction	\$2,500,000
TOTAL		\$13,300,000

- D) That the matching funding for the Materials Testing Lab be drawn at \$932,223 from each of the respective water supply rate stabilization reserve fund and the sanitary sewer rate stabilization reserve fund; and
- E) That the Commissioner of Finance be authorized to execute any required documents to put this into effect, subject to the concurrence of Legal Department as needed.

CARRIED

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

There were no confidential matters to be considered.

11. Other Business

11.1 Procedural Matters

Chair Foster asked the members to think about whether they would like to consider presentations and related reports at the same time. He also asked them to consider whether there are opportunities for the Committee to be more strategic.

12. Date of Next Meeting

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, December 14, 2021 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

Moved by Councillor Nicholson, Seconded by Councillor Leahy,
(90) That the meeting be adjourned.

CARRIED

The meeting adjourned at 11:10 AM

Respectfully submitted,

A. Foster, Chair

L. Fleury, Legislative Officer