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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, May 14, 2024

A regular meeting of the Finance & Administration Committee was held on Tuesday, May 14, 2024 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 Ashe, Chair
Councillor Leahy, Vice-Chair
Councillor Garrod
Councillor Lee*
Councillor McDougall
Councillor Woo*
Regional Chair Henry
***denotes Councillors participating electronically**

Also

Present: Councillor Neal
Councillor Pickles*

Absent: Councillor Schummer was absent on municipal business

Staff

Present: G. Asselin, Economic Analyst – Financial Planning
B. Bridgeman, Commissioner of Planning & Economic Development
C. Chu, Chief Information Officer, Corporate Services - IT
C. Dunkley, Director, Corporate Infrastructure and Strategic Business Services, Works Department
L. Fleury, Deputy Clerk, Corporate Services – Legislative Services
A. Harras, Regional Clerk/Director of Legislative Services*
A. Hector-Alexander, Director, Diversity, Equity, and Inclusion
W. Holmes, General Manager, DRT
J. Hunt, Regional Solicitor/Director of Legal Services, CAO's Office – Legal attended the meeting at 9:46 AM
R. Inacio, Systems Support Specialist, Corporate Services – IT
R. Jagannathan, Commissioner of Works
N. Pincombe, Director, Business Planning & Budgets
J. Sarwar, Acting Commissioner of Corporate Services
M. Simpson, Director, Risk Management, Economic Studies and Procurement

K. Smith, Committee Clerk, Corporate Services – Legislative Services
N. Taylor, Commissioner of Finance
A. Wakeford, Senior Solicitor, CAOs Office – Legal, left the meeting at
9:46 AM
V. Walker, Committee Clerk, Corporate Services – Legislative Services
* **denotes staff participating electronically**

2. Declarations of Pecuniary Interest

There were no declarations of pecuniary interest made.

Chair Ashe advised that the Region has won the 2024 International Association of Business Communicators (IABC) Ovation Award for the 2023 Budget Communications Strategy and Campaign. Chair Ashe added that the award recognizes significant efforts to modernize and embed public engagement within our annual business planning and budget process. Chair Ashe congratulated staff on the award and thanked the Committee for their continued support in budget engagement efforts.

3. Adoption of Minutes

Moved by Councillor Leahy, Seconded by Councillor Garrod,
(28) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, April 9, 2024, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Presentations

There were no presentations.

6. Delegations

There were no delegations.

7. Administration

7.1 Correspondence

There were no communications to consider.

7.2 Reports

A) Upgrades of Existing Bell Internet and Wide Area Network Speed and Internet Edge Firewalls (2024-A-8)

Report #2024-A-8 from B. Goodwin, Commissioner of Corporate Services, was received.

Staff responded to questions with respect to the reasons for the unbudgeted costs.

Comments were made with respect to this being an investment, as it allows the Region to attract employees from further distances and provide more training for staff.

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

- A) That staff be authorized to negotiate and execute an amendment to the existing agreement with Bell Canada for the upgrade of the Region's Internet and wide area network services at Regional Headquarters from 1 gigabit per second (Gbps) to 10 Gbps, including the distributed denial of service protection, at an estimated one-time capital cost of \$42,000 and estimated annual operating costs of \$459,000, to accommodate the increasing Internet usage from various digital initiatives and demand for high-quality content (audio, 4K video, collaboration, etc.);
- B) That the 2024 unbudgeted costs for the upgrade of the Region's Internet and wide area network services at Regional Headquarters estimated at \$501,000 (including \$459,000 in annual operating costs) be approved with funding to be provided at the discretion of the Commissioner of Finance, with future annual costs to be included in the Region's annual Business Plans and Budgets; and
- C) That the 2024 unbudgeted costs for the replacement of the two Internet Edge Cisco firewalls estimated at \$404,000 (including \$148,000 in annual operating costs) be approved with funding to be provided at the discretion of the Commissioner of Finance, with future annual costs to be included in the Region's annual Business Plans and Budgets.

CARRIED

8. Finance

8.1 Correspondence

- A) Correspondence from The Township of Brudenell, Lyndoch and Raglan, re: Resolution passed at their Council meeting held on May 1, 2024, in support of the resolution by the Town of Bracebridge regarding the request to the Province of Ontario for New Provincial-Municipal Fiscal Framework
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Councillor Neal advised that he requested that this item be pulled from the Council Information Package and presented to the Committee in the hopes

that the Committee would endorse the resolution from the Town of Bracebridge.

N. Taylor advised that the Region previously endorsed the same recommendation and is working hard to advocate for provincial funding, and that the Association of Municipalities of Ontario (AMO) is also active in this endeavour.

Moved by Councillor Lee, Seconded by Councillor Leahy,
(30) That we recommend to Council:

That the resolution from the Town of Bracebridge regarding the Province of Ontario committing to undertaking with the Association of Municipalities of Ontario a comprehensive social and economic prosperity review to promote the stability and sustainability of municipal finances across Ontario, be endorsed.

CARRIED

8.2 Reports

A) Final Recommendations Regarding Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges (2024-F-9)

Report #2024-F-9 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to whether the phased-in Development Charge (DC) provisions are being removed in anticipation of Bill 185 being enacted; whether Bill 185 will also impact the phase-in provisions in other Regional DC By-laws; if this will assist with the Region's budget shortfall due to a lack of DC revenue; if Bill 185 is not enacted, will the phase-in of DCs remain; if Bill 185 is not passed by July 1st can any of the Seaton water and sewer costs be recovered; and, why a 2nd public meeting is not required prior to the passage of the Seaton Area Specific DC By-law. It was noted that the Definitions section of the proposed By-law should reference the King rather than the Queen.

Moved by Councillor Leahy, Seconded by Councillor Garrod,
(31) That we recommend to Council:

- A) That pursuant to Section 10(1) of the Development Charges Act, 1997, the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges Background Study dated March 12, 2024 be adopted, including the forecasts of anticipated development, the underlying capital forecasts, the development charges calculations and policies contained in the Background Study, and further, that the approval of the capital forecasts in the Background Study indicate Regional Council's intention to ensure that such an increase in need for services will be met as required under

paragraph 3 of Section 5(1) of the Development Charges Act, 1997 and Section 3 of Ontario Regulation 82/98;

- B) That the Seaton Residential and Non-residential Development Charges for Water Supply and Sanitary Sewerage be imposed, effective July 1, 2024, as set out in one of the following two sets of schedules depending on the timing of the Royal Assent for Bill 185 (Cutting Red Tape to Build More Homes Act, 2024):
 - i. If Bill 185 (Cutting Red Tape to Build More Homes Act, 2024) does not receive Royal Assent prior to June 30th 2024:

Table 1
Region of Durham
Recommended Seaton Residential Development Charges
\$ Per Dwelling Unit

Service Category	Phase In	Single Detached & Semi-Detached	Medium Density Multiples	Apartments
Sanitary Sewerage		\$	\$	\$
(i) Seaton Landowners Constructed Works	80%	6,165	4,870	2,836
(ii) Regional Constructed Works	80%	1,832	1,447	842
(iii) Regional Attribution	80%	2,120	1,675	975
Subtotal – Sanitary Sewerage		10,117	7,992	4,653
Water Supply				
(i) Seaton Landowners Constructed Works	80%	2,129	1,682	979
(ii) Regional Constructed Works	80%	5,529	4,368	2,543
(iii) Regional Attribution	80%	4,302	3,398	1,978
Subtotal – Water Supply		11,960	9,448	5,500
Total Development Charges (July 1, 2024 to June 30, 2025)	80%	<u>\$22,077</u>	<u>\$17,440</u>	<u>\$10,153</u>
July 1, 2025 to June 30, 2026 (85%)	85%	23,456	18,532	10,788
July 1, 2026 to June 30, 2027 (90%)	90%	24,835	19,621	11,425
July 1, 2027 to June 30, 2028 (95%)	95%	26,216	20,712	12,058

Table 2
Region of Durham
Recommended Seaton Institutional Development Charges
\$ Per Square Foot Of Gross Floor Area

Service Category	Phase In	\$
Sanitary Sewerage		
(i) Seaton Landowners Constructed Works	80%	0.68
(ii) Regional Constructed Works	80%	0.22
(iii) Regional Attribution	80%	0.58
Subtotal – Sanitary Sewerage		1.48
Water Supply		
(i) Seaton Landowners Constructed Works	80%	0.09
(ii) Regional Constructed Works	80%	0.22
(iii) Regional Attribution	80%	0.54
Subtotal – Water Supply		0.85
Total Development Charges (July 1, 2024 to June 30, 2025)	<u>80%</u>	<u>\$2.33</u>
July 1, 2025 to June 30, 2026	<u>85%</u>	2.47
July 1, 2026 to June 30, 2027	90%	2.62
July 1, 2027 to June 30, 2028	95%	2.77

Table 3
Region of Durham
Recommended Seaton Non-Institutional Development Charges
\$ Per Square Foot Of Gross Floor Area

Service Category	Phase In	\$
Sanitary Sewerage		
(i) Seaton Landowners Constructed Works	80%	2.05
(ii) Regional Constructed Works	80%	0.66
(iii) Regional Attribution	80%	1.76
Subtotal – Sanitary Sewerage		4.47
Water Supply		
(i) Seaton Landowners Constructed Works	80%	0.26
(ii) Regional Constructed Works	80%	0.64
(iii) Regional Attribution	80%	1.64
Subtotal – Water Supply		2.54
Total Development Charges (July 1, 2024 to June 30, 2025)	<u>80%</u>	<u>\$7.01</u>
July 1, 2025 to June 30, 2026 (85%)	<u>85%</u>	7.45
July 1, 2026 to June 30, 2027 (90%)	90%	7.89
July 1, 2027 to June 30, 2028 (95%)	95%	8.32

Table 4

Region of Durham Recommended Seaton Prestige Employment Land Area Development Charges \$ Per Net Hectare		
Service Category	Phase In	\$
Sanitary Sewerage		
(i) Seaton Landowners Constructed Works	80%	107,931
(ii) Regional Constructed Works	80%	34,155
(iii) Regional Attribution	80%	89,211
Subtotal – Sanitary Sewerage		231,297
Water Supply		
(i) Seaton Landowners Constructed Works	80%	13,229
(ii) Regional Constructed Works	80%	32,766
(iii) Regional Attribution	80%	86,657
Subtotal – Water Supply		132,652
Total Development Charges		<u>\$363,949</u>
July 1, 2025 to June 30, 2026	(85%)	386,696
July 1, 2026 to June 30, 2027	(90%)	409,443
July 1, 2027 to June 30, 2028	(95%)	432,188

- ii. If Bill 185 (Cutting Red Tape to Build More Homes Act, 2024) receives Royal Assent prior to June 30th, 2024 and eliminates the phase in of development charge rates:

Table 5
Region of Durham
Recommended Seaton Residential Development Charges
\$ Per Dwelling Unit

Service Category	Single Detached & Semi-Detached	Medium Density Multiples	Apartments
Sanitary Sewerage	\$	\$	\$
(i) Seaton Landowners Constructed Works	7,706	6,088	3,545
(ii) Regional Constructed Works	2,290	1,809	1,053
(iii) Regional Attribution	2,650	2,094	1,219
Subtotal – Sanitary Sewerage	12,646	9,991	5,817
Water Supply			
(i) Seaton Landowners Constructed Works	2,661	2,102	1,224
(ii) Regional Constructed Works	6,911	5,460	3,179
(iii) Regional Attribution	5,377	4,248	2,473
Subtotal – Water Supply	14,949	11,810	6,876
Total Development Charges	<u>27,595</u>	<u>21,801</u>	<u>12,693</u>

Table 6
Region of Durham
Recommended Seaton Institutional Development Charges
\$ Per Square Foot Of Gross Floor Area

Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	0.85
(ii) Regional Constructed Works	0.27
(iii) Regional Attribution	0.73
Subtotal – Sanitary Sewerage	1.85
Water Supply	
(i) Seaton Landowners Constructed Works	0.11
(ii) Regional Constructed Works	0.27
(iii) Regional Attribution	0.68
Subtotal – Water Supply	1.06
Total Development Charges	<u>2.91</u>

Table 7

Region of Durham Recommended Seaton Non-Institutional Development Charges \$ Per Square Foot Of Gross Floor Area	
Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	2.56
(ii) Regional Constructed Works	0.82
(iii) Regional Attribution	2.20
Subtotal – Sanitary Sewerage	5.58
Water Supply	
(i) Seaton Landowners Constructed Works	0.33
(ii) Regional Constructed Works	0.80
(iii) Regional Attribution	2.05
Subtotal – Water Supply	3.18
Total Development Charges	<u>8.76</u>

Table 8

Region of Durham Recommended Seaton Prestige Employment Land Area Development Charges \$ Per Net Hectare	
Service Category	\$
Sanitary Sewerage	
(i) Seaton Landowners Constructed Works	134,914
(ii) Regional Constructed Works	42,694
(iii) Regional Attribution	111,514
Subtotal – Sanitary Sewerage	289,122
Water Supply	
(i) Seaton Landowners Constructed Works	16,536
(ii) Regional Constructed Works	40,957
(iii) Regional Attribution	108,321
Subtotal – Water Supply	165,814
Total Development Charges	<u>454,936</u>

- C) That the Development Charge policies for the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges as contained in the proposed By-law as Appendix #3 to Report #2024-F-9 of the Commissioner of Finance, including those related to collection policy and indexing be approved;
- D) That the Seaton Well Interference Policy as provided in Appendix #1 to Report #2024-F-9 be adopted as of July 1, 2024;

- E) That any complete submission for the preparation of a subdivision agreement received by the Development Approvals Division of the Regional Works Department on or by June 30, 2024 be given the option of being processed under the policies and rates of the current Seaton Area Specific Development Charges By-Law #19-2019 or the proposed replacement by-law, where a complete submission requires all of the following to have been submitted to the Development Approvals Division in a form satisfactory to the Region:
- Ministry of the Environment, Conservation and Parks approval is received;
 - Detailed cost estimate received;
 - Three (3) copies of the proposed Final Plan (M-Plan) received;
 - Regional Planning approval of the Final Plan received;
 - Three (3) copies of all proposed Reference Plans (R-Plans) received;
 - Three (3) copies of approved General Plan of Services received (signed by the Local Municipality and the Region); and
 - Regional Subdivision Agreement Information Checklist;
- F) Subdivision agreements which have been processed according to By-Law #19-2019 must be executed within three months following the termination of By-Law #19-2019, otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the replacement by-law, where execution requires all of the following to have been submitted to the Regional Legal Services in a form satisfactory to the Region:
- Signed Subdivision Agreement received, including all schedules;
 - Payments of fees identified in the agreement received;
 - Securities identified in the agreement received;
 - Prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads received; and
 - Insurance Certificate received;
- G) That the existing complaint procedure as provided in Regional By-law #52-2014 continue for the purpose of conducting hearings, regarding complaints made under Section 20 of the Development Charges Act, 1997;
- H) That Section 12(3) of the Development Charges Act, 1997 requires Regional Council to determine whether a further public meeting is necessary when changes are made to a proposed development charges by-law following a public meeting, and whereas changes were made to the Seaton proposed development charge by-law following the public meeting on March 27, 2024, it is recommended that Regional Council

resolve that a further public meeting is not necessary and therefore Council indicate that a second public meeting is not required prior to the passage of the recommended Seaton Area Specific Development Charge By-law;

- I) That the Regional Solicitor be instructed to finalize the proposed Seaton Area Specific Development Charge By-law for presentation to Regional Council for passage and be authorized to modify the by-law if minor changes are required to accommodate the implications of Bill 185;
- J) That the Regional Solicitor be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that such revised by-law(s) be presented to Council for passage;
- K) That the Regional Clerk be instructed to follow the notification provisions pursuant to the Development Charges Act, 1997; and
- L) That the Treasurer be instructed to prepare the requisite development charge pamphlet pursuant to the Development Charges Act, 1997 and related materials.

CARRIED

B) Recommended Amendments to Regional Development Charges By-law #42-2023 to Remove Phase-in Rates (2024-F-10)

Report #2024-F-10 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to how much additional funding the Region may receive with the elimination of the Development Charge phase-in.

Moved by Councillor Leahy, Seconded by Councillor McDougall,
(32) That we recommend to Council:

- A) That the Regional Development Charges (DC) By-law #42-2023 be amended to remove the phase-in provisions as set out in the amending by-law (as contained in Attachment #1 to Report #2024-F-10 of the Commissioner of Finance) and the Regional Transit DCs under By-law #39-2022 return to the full rates both at a future date as set out in Part B);
- B) That the Commissioner of Finance and the Regional Solicitor be instructed to prepare the requisite amendment to the DC By-law for presentation to Regional Council for passage upon Schedule 6 of Bill 185, Cutting Red Tape to Build More Homes Act, 2024 coming into force to give effect to Part A), with the full rates coming into effect five business days after Council approves the amending By-law;

- C) That the Regional Solicitor be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that any such revised by-law(s) be presented to Council for passage;
- D) That any complete submission for the preparation of a subdivision agreement received by the Development Approvals Division of the Regional Works Department on or prior to the effective date of Schedule 6 of Bill 185 be given the option of being processed under the policies and rates of the current Development Charges By-Law #42-2023 (i.e. without the changes recommended in the amending by-law) or the proposed replacement by-law, where a complete submission requires all of the following to have been submitted to the Development Approvals Division in a form satisfactory to the Region:
- Ministry of the Environment, Conservation and Parks approval is received;
 - Detailed cost estimate received;
 - Three (3) copies of the proposed Final Plan (M-Plan) received;
 - Regional Planning approval of the Final Plan received;
 - Three (3) copies of all proposed Reference Plans (R-Plans) received;
 - Three (3) copies of approved General Plan of Services received (signed by the Local Municipality and the Region); and
 - Regional Subdivision Agreement Information Checklist;
- E) Subdivision agreements which have been processed according to By-Law #42-2023 (i.e. without the changes recommended in the amending by-law) must be executed within three months following the date when the Region re-instates the full rates, otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the replacement by-law, where execution requires all of the following to have been submitted to the Regional Legal Services in a form satisfactory to the Region:
- signed Subdivision Agreement received, including all schedules;
 - payments of fees identified in the agreement received;
 - securities identified in the agreement received;
 - prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads received; and
 - Insurance Certificate received;
- F) That the Regional Treasurer be instructed to prepare the requisite DC pamphlet pursuant to the Development Charges Act, 1997 (DCA) and related materials;
- G) That the Regional Clerk be instructed to follow the notification provisions pursuant to the DCA, should it be required; and

- H) That a copy of Report #2024-F-10 of the Commissioner of Finance be forwarded to the area municipalities.

CARRIED

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

10.1 Reports

- A) Confidential Report of the Commissioner of Finance – Regarding a Proposed or Pending Acquisition of Land with respect to Additional Debenture Financing to Support Land Acquisition for the New Oshawa/Whitby Depot Project (2024-F-11)
-

Confidential Report #2024-F-11 from N. Taylor, Commissioner of Finance, was received.

Moved by Councillor Leahy, Seconded by Councillor McDougall,
(33) That we recommend to Council:

That the recommendations contained in Confidential Report #2024-F-11 of the Commissioner of Finance be adopted.

CARRIED

11. Other Business

11.1 Impacts of Bill 23

Regional Chair Henry questioned whether the Province recognizes the financial challenges faced by the Region because of Bill 23 and whether there will be any cost recovery from the Province as a result.

N. Taylor confirmed that Finance staff conducted extensive re-modelling exercises for each scenario related to Bill 23 and advocated to the Province regarding the negative impacts to the Region as a result. N. Taylor stated that they do not believe there will be an opportunity to recoup costs and there have been no formal announcements made in this regard by the Province.

N. Taylor advised that the Region currently has a number of ongoing advocacy files with the Province on various issues including funding for housing and homelessness, and will want to ensure that whatever messaging is sent to the Province regarding Bill 23 does not negatively impact the other advocacy work.

Moved by Councillor McDougall, Seconded by Councillor Leahy,
(34) That we recommend to Council:

That the Regional Chair be authorized, on behalf of Regional Council, to write a letter to the Province with respect to reimbursement (being made whole) as a result of the loss of Development Charge revenue the Region experienced due to the phase-in of Development Charges resulting from Bill 23.

CARRIED

11.2 Regional Headquarters Modernization

Councillor Leahy requested information regarding the Regional Headquarters modernization project including: the original budget, what has been spent to-date, what is projected to be spent, and how many people are working in the building. Councillor Leahy questioned who is using the swing space at Consumers Drive and how much was spent on that location.

Councillor Leahy further questioned whether updating the Headquarters building is the best use of resources and if the renovations should be paused.

N. Taylor stated that the Headquarters building has had higher occupancy since April 1st due to the Hybrid Teleworking Policy which suggests that staff work a minimum of two days a week in the office; and includes regular mandatory in-person team meetings and full department meetings.

Chair Ashe requested that information on the costs and usage for Regional Headquarters be compiled and provided to the Committee.

12. **Date of Next Meeting**

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, June 11, 2024 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. **Adjournment**

Moved by Councillor McDougall, Seconded by Councillor Leahy,
(35) That the meeting be adjourned.

CARRIED

The meeting adjourned at 10:09 AM

Respectfully submitted,

K. Ashe, Chair

L. Fleury, Deputy Clerk