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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, June 11, 2024

A regular meeting of the Finance & Administration Committee was held on Tuesday, June 11, 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 Carter*
Councillor Crawford
Councillor Wotten*

Absent: Councillor Schummer was absent due to personal matters

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
D. Bertrim, Deputy Chief, DRPS*
A. Bridgeman, Solicitor, CAO's Office - Legal
B. Bridgeman, Commissioner of Planning & Economic Development
C. Chu, CIO, Corporate Services - IT
S. Ciani, Committee Clerk, Corporate Services – Legislative Services
T. Fetter, Director, Business Services, DRPS*
L. Fleury, Deputy Clerk, Corporate Services – Legislative Services
S. Gill, Director, Economic Development and Tourism
B. Goodwin, Commissioner of Corporate Services*
A. Harras, Regional Clerk/Director of Legislative Services*
P. Hines, Manager, Diversity, Equity and Inclusion
W. Holmes, General Manager, DRT*
K. Hornburg, Deputy General Manager, DRT
J. Hunt, Regional Solicitor/Director of Legal Services, CAO's Office – Legal
R. Inacio, Systems Support Specialist, Corporate Services – IT
J. Kilgour, Deputy General Manager, Maintenance, DRT
N. Pincombe, Director, Business Planning & Budgets

M. Simpson, Director, Risk Management, Economic Studies and Procurement
P. Uthayakumar, Program Manager, DRT
V. Walker, Committee Clerk, Corporate Services – Legislative Services

2. Declarations of Pecuniary Interest

There were no declarations of interest made.

3. Adoption of Minutes

Moved by Councillor Lee, Seconded by Councillor Leahy,
(36) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, May 14, 2024, be adopted.
CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Presentations

- 5.1 Kris Hornburg, Deputy General Manager, Durham Region Transit, Pri Uthayakumar, Program Manager Sustainability and Strategic Initiatives, Durham Region Transit and Nicole Pincombe, Director, Business Planning & Budgets, re: E-Mission Zero – Approval to Execute an Agreement with PowerON Energy Solutions LP for Durham Region Transit's Electrification Infrastructure (2024-F-14) [Item #8.2 c)]
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K. Hornburg, P. Uthayakumar and N. Pincombe provided a PowerPoint presentation on the E-Mission Zero – Approval to Execute an Agreement with PowerON Energy Solutions LP for Durham Region Transit's Electrification Infrastructure.

Highlights from the presentation included:

- Overview and Background
- Why PowerON
- Framework Agreement Structure
- Cost Overview
- Benefits and Opportunities
- Value Comparison (PowerON vs. DBOM)

Staff responded to questions from Committee members with respect to pivoting from PowerON to a 'homegrown' system; other alternatives; types of contracts (fixed rate and incentives); contract savings through piggybacking; shared resources; PowerON's work with other transit agencies; and potential risks with change orders.

6. Delegations

6.1 Mr. Glass, Durham resident (In-Person Attendance), re: Property Taxes

Mr. Glass, Durham resident appeared before the Committee with respect to Property Taxes, with the aid of a PowerPoint presentation. Highlights of the delegation included:

- Unsustainable Spending and Property Taxes
- Here to appeal to you to fight for Durham residents
- My property taxes for 11 years (2012 to 2022) – increase is manageable
- My property taxes last 2 years (2023 & 2024) – increase is not sustainable
- Compounding with a 3% average (to 2051)
- What unprecedented population growth?
- It's spending that is out of control and not population growth
- Actual Capital Budget Spend (2017 to 2024)
- Growth of the Capital Budget vs Population
- Brutal Capital Budget Forecasting (examples)
- What you must do
 - Limit total property tax increases to 3% average annually
 - Limit spending on expenditures to meet 3% mark
 - If the private sector, Provincial or Federal governments demand more than 3%, tell them we are not prepared to fund it
- Questions from the delegate regarding budgets and property taxes:
 - What will the 2025 property tax rate be and what will it average out to through 2051
 - Commit to no longer using Strong Mayors Powers going forward
- Appendix - Accountability

Chair Ashe and Regional Chair Henry responded to the questions set out by Mr. Glass in the delegation.

Moved by Councillor Lee, Seconded by Councillor McDougall,

(37) That the delegation from Mr. Glass regarding property taxes be referred to Regional Council.

CARRIED

7. Administration

7.1 Correspondence

There were no communications to consider.

7.2 Reports

A) Community Safety and Well-Being (CSWB) Plan Update ([2024-A-9](#))

Report #2024-A-9 from E. Baxter-Trahair, Chief Administrative Officer, was received.

Staff responded to questions with respect to the number of applications for the first stream; if there are more funds available; strategies to assist with social isolation; and responding to complaints regarding Durham Region Transit services.

Moved by Councillor Leahy, Seconded by Councillor Woo,
(38) That Report #2024-A-9 of the Chief Administrative Officer be received for information.

CARRIED

B) Business Plans and Budget Process and Procedural By-law Updates ([2024-A-10](#))

Report #2024-A-10 from B. Goodwin, Commissioner of Corporate Services and N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to what would happen if a member did not adhere to the dress code; whether members of the public would be held to a dress code; and why there is a difference between the proposed dress codes for Committee meetings and Council meetings.

Comments were made with respect to members being able to conduct business effectively, regardless of what they are wearing and the proposed dress code provisions being restrictive and not inclusive.

Additional comments were made in support of budget deliberations being conducted at Committee of the Whole (COW) meetings and noting that it will provide the opportunity for all members to discuss the business plans for the various business units.

Staff stated that considering the budgets at COW meetings will simplify the process for members of the public who wish to speak to the budget and provide an opportunity to consider all Council priorities together.

Staff responded to additional questions with respect to whether meetings will be longer if the budget is considered at COW meetings instead of at the Finance & Administration Committee; why terms of reference were created for the Standing Committees and COW; why the notice of motion procedure is being changed; and whether the budget deliberation process that is being proposed is common in other municipalities.

Moved by Councillor Lee, Seconded by Councillor McDougall,

(39) That we recommend to Council:

- A) That Procedural By-law #64-2022 be repealed and replaced with an updated Procedural By-law generally in the format included as Attachment #1 of Report #2024-A-10 of the Commissioner of Corporate Services and the Commissioner of Finance;
- B) That the amendments to the Transit By-law #27-2021 reflecting the budget deliberation process outlined in Sections 2.1 through 2.9 of Report #2024-A-10 be presented to Regional Council for approval;
- C) That the 2022 to 2026 Regional Council and Committee Meeting Schedule be amended to include Special Committee of the Whole meetings for budget deliberations as outlined in Appendix E to the Procedural By-law included as Attachment #1 of Report #2024-A-10; and
- D) That the Regional Clerk, in consultation with the Regional Solicitor, be granted the authority to amend any other By-law or Policy of the Region that may speak to the Budget Deliberation Process to give effect to these recommendations.

CARRIED AS AMENDED
(See Following Motion)

Moved by Councillor Lee, Seconded by Councillor Garrod,

- (40) That Part A) of the main motion (39) of Councillors Lee and McDougall be amended by removing sections 13.2 and 17.6 (a) iii) (dress code provisions) from the proposed Procedural By-law.

CARRIED

- C) Extension of Managed Services and Maintenance Contracts for Voice Equipment (2024-A-11)
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Report #2024-A-11 from B. Goodwin, Commissioner of Corporate Services, was received.

Staff responded to questions with respect to whether the annual costs are in addition to the \$1.4 million or included within that amount; and whether the existing Voice over Internet Protocol (VoIP) telephone system is still operating effectively.

Moved by Councillor Lee, Seconded by Councillor Leahy,

(41) That we recommend to Council:

- A) That the Managed Services and Maintenance Contracts with Telus Communications Company (Telus) be extended for 24 months, commencing August 2024 to August 2026 at a total estimated cost of \$1,400,000 to ensure consistent support during the evaluation of the Region's current and future telecommunications infrastructure; and

- B) That the Commissioner of Finance be authorized to execute the necessary contracts and any ancillary documents.

CARRIED

8. Finance

8.1 Correspondence

There were no communications to consider.

8.2 Reports

- A) Tile Drainage Loans on behalf of the Township of Uxbridge for Margaret and Walker Kydd (14130 Uxbridge Brock Townline, Concession 8 Lot 30, Sunderland, ON) and (14130 Uxbridge Brock Townline, Concession 8 Lots 31-33, Sunderland, ON) ([2024-F-12](#))
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Report #2024-F-12 from N. Taylor, Commissioner of Finance, was received.

Moved by Councillor Garrod, Seconded by Councillor McDougall,
(42) That we recommend to Council:

- A) That funds in the amount of \$17,900 be advanced to the Township of Uxbridge with respect to a loan application pursuant to the Tile Drainage Act, R.S.O., 1990, c. T. 8 (the "Act") for Margaret and Walker Kydd (14130 Uxbridge Brock Townline, Concession 8 Lot 30, in the Sunderland area of the Township of Uxbridge);
- B) That funds in the amount of \$8,300 be advanced to the Township of Uxbridge with respect to a loan application pursuant to the Tile Drainage Act, R.S.O., 1990, c. T. 8 (the "Act") for Margaret and Walker Kydd (14130 Uxbridge Brock Townline, Concession 8 Lots 31-33, in the Sunderland area of the Township of Uxbridge); and
- C) That the requisite by-laws be approved by Regional Council.

CARRIED

B) Hannover Messe 2025 – Financial Commitment ([2024-F-13](#))

Report #2024-F-13 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to the availability of reimbursement grants; the importance of being at the trade show; and investment readiness.

Moved by Councillor Leahy, Seconded by Councillor Woo,
(43) That we recommend to Council:

- A) That a sole source award be approved in advance of the exhibition for a leading/preferred Europe-based booth vendor offering design and construction services as recommended by the trade fair with experience and expertise in delivering booths for the Hannover Messe trade fair and at the discretion of the Commissioner of Planning and Economic Development; and
- B) That subject to the approval by the Planning and Economic Development Committee to participate in the Trade Fair, one-time funding of up to \$590,000 be provided from any available savings in the 2024 Planning and Economic Development Business Plans and Budget, with the balance from the Economic Development Reserve Fund.

CARRIED

- C) E-Mission Zero – Approval to Execute an Agreement with PowerON Energy Solutions LP for Durham Region Transit’s Electrification Infrastructure (2024-F-14)
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Report #2024-F-14 from N. Taylor, Commissioner of Finance and B. Holmes, General Manager, Durham Region Transit, was received.

Staff responded to questions with respect to when the first electric buses will be delivered; when the infrastructure will be in place to use them; and the plan for transit network growth.

Moved by Councillor Lee, Seconded by Councillor McDougall,
(44) That we recommend to Council:

- A) That the negotiated Principal Agreement with PowerON Energy Solutions LP (“PowerON”), a subsidiary of Ontario Power Generation Inc., for engineering, procurement and construction of electrification infrastructure (the “EPC Work”), associated operating and maintenance services (the “O&M” Work); and the services related to the ongoing management of the electrification program and assets (the “Program Management Work”), aligned with the attached confidential Term Sheet (Attachment #1 to Report #2024-F-14 of the Commissioner of Finance and the General Manager, Durham Region Transit), to support the Durham Region Transit Fleet Electrification Plan, be approved. The framework of the Agreement includes the following:
 - i. A Principal Agreement that defines the relationship between the parties, electrification program requirements, fee structure, financial management, terms and conditions; and
 - ii. Supplementary Project Forms, initiated on an as-needed basis for approved electrification capital projects with prior approved financing, which, when completed, detail the scope of work,

workplan, and cost for EPC Work, O&M Work and Program Management Work to be provided under the Principal Agreement;

- B) That the Commissioner of Finance be authorized to execute the Principal Agreement for the provision of EPC Work, O&M Work and Program Management Work with PowerON and any ancillary documents, subject to the following requirements:
- i. That the initial term be for five years, with the option to renew for an additional three, five-year terms, (for a total period of up to 20 years), subject to compliance with terms under the Principal Agreement and future funding approvals;
 - ii. That the Principal Agreement aligns with the confidential Term Sheet (Attachment #1 to Report #2024-F-14) and the partnership framework outlined in Recommendation A) of Report #2024-F-14; and
 - iii. Terms being satisfactory to the General Manager of Transit and the Regional Solicitor; and
- C) That the Commissioner of Finance, in consultation with the General Manager of Transit, be authorized to execute any supplementary Project Forms to the Principal Agreement, as completed, subject to:
- i. Prior Council approval of the capital project and associated financing; and
 - ii. Scope of work falling entirely within Schedule A of the Term Sheet (Attachment #1 to Report #2024-F-14) for the initial five-year term of the Principal Agreement.

CARRIED

- D) Recommended Amendment to Regional Development Charges By-law #42-2023 to Remove Phase-in Rates Effective July 1, 2024 ([2024-F-16](#))

Report #2024-F-16 from N. Taylor, Commissioner of Finance, was received.

M. Simpson explained the rationale for the report, including Bill 185 receiving Royal Assent and the need to change the effective date on the by-law so that all Development Charge (DC) increases flow through on the same day.

Staff responded to questions with respect to the financial benefit to the Region as a result of the changes being implemented due to Bill 185; and whether there is a benefit to re-doing the DC study.

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

- A) That subject to a 2/3rds majority vote, the recommendations contained in Report #2024-F-10 of the Commissioner of Finance, as approved by Regional Council on May 29, 2024, be reconsidered and amended to read as follows:
- i. That the phase-in provisions of the Regional Development Charges (DC) By-law #42-2023 as set out in the amending by-law (Attachment #1 to Report #2024-F-16 of the Commissioner of Finance) and the Regional Transit DCs under By-law #39-2022, be effective as of July 1, 2024;
 - ii. That the Regional Solicitor be instructed to prepare the requisite amendment to the DC By-law for presentation to Regional Council for passage;
 - iii. 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;
 - iv. 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 July 1, 2024 be given the option of being processed under the policies and rates of the current DC By-Law #42-2023 (i.e. without the changes recommended in the amending by-law) or the proposed amended DC 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
 - v. 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 of July 1st, 2024 (September 30th, 2024), otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the amended DC 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 DCs for Sanitary Sewerage, Water Supply and Regional Roads received; and
 - Insurance Certificate received
- vi. That the Regional Treasurer be instructed to prepare the requisite DC pamphlet pursuant to the Development Charges Act, 1997 (DCA) and related materials;
- vii. That the Regional Clerk be instructed to follow the notification provisions pursuant to subsection 19 (1.4) of the DCA; and
- viii. That a copy of Report #2024-F-16 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

Moved by Councillor Leahy, Seconded by Councillor Lee,
(46) That the meeting be closed to the public in order to consider Confidential Report #2024-F-15 regarding a Proposed or Pending Acquisition or Disposition of Land with respect to Property in the Town of Whitby for Durham Regional Police Service Purposes.

CARRIED

[Refer to the Closed Meeting minutes of June 11, 2024]

10.1 Reports

- A) Confidential Report of the Commissioner of Finance regarding a Proposed or Pending Acquisition or Disposition of Land with respect to Property in the Town of Whitby for Durham Regional Police Service Purposes (2024-F-15)

Confidential Report #2024-F-15 from N. Taylor, Commissioner of Finance, was received.

Comments were made with respect to needing to understand the future forecasting needs of the Durham Regional Police Service (DRPS) for budget planning purposes. T. Fetter advised that DRPS is in the process of completing a facilities study and will likely present the report to the Durham Regional Police Service Board (DRPSB) in September.

In response to a question from the Committee, T. Fetter advised that a 10-year forecast report is expected be ready early next year and will be similar to what Durham Region Transit previously prepared.

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

That the recommendations contained in Option 1 of Confidential Report #2024-F-15 of the Commissioner of Finance be adopted.

CARRIED

11. Other Business

There was no other business to be considered.

12. Date of Next Meeting

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, September 10, 2024 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

Moved by Councillor Leahy, Seconded by Councillor Lee,
(49) That the meeting be adjourned.

CARRIED

The meeting adjourned at 11:26 AM

Respectfully submitted,

K. Ashe, Chair

L. Fleury, Deputy Clerk