



The Regional Municipality of Durham

Finance & Administration Committee Agenda

Regional Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

Tuesday, April 9, 2019

9:30 AM

1. Declarations of Interest

2. Adoption of Minutes

- A) Finance & Administration Committee meeting – [March 19, 2019](#)

Pages 4 - 29

3. Statutory Public Meetings

There are no statutory public meetings

4. Delegations

- 4.1 Mr. Colin Thomson, Unit Leader, Pickering Auxiliary Rescue Association (PARA) re: 2018 Year in Review and 2019 Strategic Plan Report
- 4.2 Mr. Jamie Macinnis, President, City Homes re: Report #2019-F-17: Request for Regional Financial Assistance under the Regional Revitalization Program for the Development of Lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby [Item 7.2 C]

5. Presentations

- 5.1 Mr. Brian Kelly, Manager of Sustainability re: Approval in Principle of the Durham Community Energy Plan (DCEP) (2019-A-18) [Item 6.2 E]

6. Administration

6.1 Correspondence

6.2 Reports

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------|
| A) Durham Region Roundtable on Climate Change (DRRCC) 2018 Annual Report and 2019 Workplan (2019-A-14) | 30 - 42 |
| B) Recommendation to Postpone “Come into Force” date of the Construction Act (2019-A-15) | 43 - 48 |
| C) Proposed Amendment to By-law 36-2015 – Emergency Management Program (2019-A-16) | 49 - 52 |
| D) Response to Finance & Administration Motion of February 12, 2019 Regarding Corporate Pregnancy Leave Policy (2019-A-17) | 53 - 54 |
| E) Approval in Principle of the Durham Community Energy Plan (DCEP) (2019-A-18) | 55 - 60 |
| F) Appointment of Citizen Members to the Durham Region Roundtable on Climate Change (DRRCC) (2019-A-19) | 61 - 63 |

7. Finance

7.1 Correspondence

7.2 Reports

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| A) Write-off of Arrears of Former Tenants of the Durham Regional Local Housing Corporation for the Year Ended December 31, 2018 (2019-F-15) | 64 - 66 |
| B) Durham Region Water Financial Plan #003-301A (2019-F-16) | 67 - 78 |
| C) Request for Regional Financial Assistance under the Regional Revitalization Program for the Development of Lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby (2019-F-17) | 79 - 89 |

8. Advisory Committee Resolutions

8.1 Durham Region Roundtable on Climate Change

- A) Frequency of Durham Region Roundtable on Climate Change (DRRCC) Meetings 90

Recommendation: Approval and subsequent recommendation to Regional Council

9. Confidential Matters

There are no confidential matters to be considered

10. Other Business

11. Date of Next Meeting

Tuesday, May 14, 2019 at 9:30 AM

12. Adjournment

Notice regarding collection, use and disclosure of personal information:

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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, March 19, 2019

A regular meeting of the Finance & Administration Committee was held on Tuesday, March 19, 2019 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:32 AM

Present: Councillor Foster, Chair
Councillor Collier, Vice-Chair, left the meeting at 1:00 PM
Councillor Ashe
Councillor Drew
Councillor Leahy, attended the meeting at 9:36 AM
Councillor Mulcahy
Councillor Nicholson
Regional Chair Henry

Also

Present: Councillor Kerr, left the meeting at 11:22 AM
Councillor Mitchell, left the meeting at 12:57 PM
Councillor Joe Neal, left the meeting at 2:40 PM
Councillor Pickles, left the meeting at 2:48 PM
Councillor Ryan, left the meeting at 11:35 AM
Councillor Wotten

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
S. Austin, Director, Corporate Policy and Strategic Initiatives, Office of the CAO
C. Bandel, Deputy Clerk, Corporate Services – Legislative Services
D. Beaton, Commissioner of Corporate Services
B. Bridgeman, Commissioner of Planning and Economic Development
T. Chesboro, Director and Chief of RDPS, Emergency Medical Services, attended for part of the meeting
J. Demanuele, Director of Business Services, Works Department, attended for part of the meeting
J. Dixon, Supervisor, Budgets and Finance, Social Services Department, attended for part of the meeting
S. Gill, Director, Economic Development and Tourism, attended for part of the meeting
D. Holmes, Director, Business Affairs and Financial Management
J. Hunt, Director, Legal Services, Corporate Services – Legal
R. Jagannathan, Director of Transportation and Field Services, Works Department, attended for part of the meeting

M. Januszkiewicz, Director of Waste Management, Works Department, attended for part of the meeting
R.J. Kyle, Commissioner and Medical Officer of Health
J. Lanegger, Manager, Administration & Customer Services, Corporate Services - LS
T. Lavery, Manager, Corporate Communications
W. Leonard, Director, DEMO, attended for part of the meeting
G. le Riche, Director, Business Solutions, DRPS, attended for part of the meeting
L. MacDermaid, Director, Long Term Care and Services for Seniors, attended for part of the meeting
J. Moir, Deputy Chief, RDPS, attended for part of the meeting
K. O'Brien, Director, Income and Employment Support, attended for part of the meeting
V. Patterson, General Manager, DRT, attended the meeting at 9:37 AM
N. Pincombe, Director, Business Planning, Budgets and Risk Management, Finance Department
J. Presta, Director of Environmental Services, Works Department
S. Rashad, Systems Support Specialist, Corporate Services – IT
A. Robins, Director, Housing Services, attended for part of the meeting
T. Rollauer, Deputy Chief, DRPS, attended for part of the meeting
N. Taylor, Commissioner of Finance
R. Walton, Regional Clerk/Director of Legislative Services, Corporate Services – Legislative Services
L. Fleury, Legislative Officer, Corporate Services – Legislative Services

1. Declarations of Interest

Councillor Drew made a declaration of interest under the Municipal Conflict of Interest Act with respect to the following items:

- i) Item 10.1 A) Report #2019-A-9: Confidential Report of the Commissioner of Corporate Services re. Labour Relations/Employee Negotiations with respect to the Canadian Union of Public Employees 1764-04; and
- ii) Item 8.4 A): Report #2019-F-11 of the Commissioner of Finance re: The 2019 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit, as it relates to Regional operations.

She indicated that her son is an employee of the Works Department.

Councillor Collier made a declaration of interest under the Municipal Conflict of Interest Act with respect to Item 8.4 A): Report #2019-F-11 of the Commissioner of Finance re: The 2019 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit, as it relates to the Durham Region Transit U-Pass. He indicated that he has a family member that attends UOIT and utilizes the U-Pass.

Councillor Nicholson made a declaration of interest under the Municipal Conflict of Interest Act with respect to 8.4 A): Report #2019-F-11 of the Commissioner of Finance re: The 2019 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit, as it relates to the Durham Region Transit U-Pass. He indicated that he has a family member that attends Trent University Durham and is a recipient of the U-Pass.

2. Adoption of Minutes

Moved by Regional Chair Henry, Seconded by Councillor Collier,
(37) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, February 12, 2019, be adopted.

CARRIED

3. Statutory Public Meetings

There were no statutory public meetings.

4. Delegations

4.1 Mr. Chris Darling, CAO, CLOCA, re: Report #2019-F-11: The 2019 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit

Mr. Chris Darling appeared before the Committee with respect to the Central Lake Ontario Conservation Authority's (CLOCA's) budget submission for funding for a special project to establish a restoration program.

Mr. Darling stated that the need for an enhanced restoration program was identified sometime ago by CLOCA and would help them to meet their Strategic Plan goal of a healthier and more resilient watershed. He added that CLOCA has developed meaningful management plans but has had a gap in implementing these plans and require a staff position to take the lead.

Mr. Darling advised that CLOCA made a funding submission to the Region for a five-year contract position (\$150,000/year) to address the gap.

Mr. Darling noted that Regional staff are recommending that this budget submission be deferred pending a comprehensive review of conservation authority baseline funding. He recommended that the Region fund CLOCA's request for a restoration program in addition to undertaking a comprehensive review.

Mr. Darling suggested that the Region could fund the restoration project from this year's contribution to the Land Acquisition Reserve Fund.

Mr. Darling responded to questions from the Committee.

5. Presentations

There were no presentations to be heard.

6. Administration

6.1 Correspondence

There were no communications to consider.

6.2 Reports

A) Web streaming Adhoc/Non-Standing Committee meetings that are held in the Lower Level Boardroom at Regional Headquarters (2019-A-10)

Report #2019-A-10 from D. Beaton, Commissioner of Corporate Services, was received.

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

That Report #2019-A-10 of the Commissioner of Corporate Services be received for information.

CARRIED

B) The Regional Municipality of Durham's Accessibility Advisory Committee's 2018 Annual Report and 2019 Workplan (2019-A-12)

Report #2019-A-12 from E. Baxter-Trahair, Chief Administrative Officer, was received.

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

A) That Report #2019-A-12 of the Chief Administrative Officer be received for information as The Regional Municipality of Durham's Accessibility Advisory Committee's 2018 Annual Report; and

B) That the Regional Municipality of Durham's Accessibility Advisory Committee's 2019 Workplan be approved.

CARRIED

C) Code of Conduct By-law Amendment – Definition of Confidential Information (2019-A-13)

Report #2019-A-13 from D. Beaton, Commissioner of Corporate Services, was received.

Staff responded to questions with respect to the current wording in the Code of Conduct By-law in the definition for 'Confidential Information' and how, and by whom, is it determined what information is 'confidential'.

Moved by Councillor Ashe, Seconded by Councillor Leahy,
(40) That we recommend to Council:

- A) That Part D) (5) of Section 3 of the Code of Conduct By-law with respect to the definition for 'Confidential Information' be enacted; and
- B) That staff be authorized to prepare a by-law to amend By-law #09-2019 to enact this provision.

CARRIED

7. Finance

7.1 Correspondence

A) Information Report #2019-INFO-16: Contract Amendments Funded Within Approved Capital Project Budgets and Emergency Expenditures for Period from November 1, 2018 to January 31, 2019

Staff responded to questions with respect to the reasons for the increased costs for two projects.

Moved by Councillor Leahy, Seconded by Councillor Drew,
(41) That Information Report #2019-INFO-16 of the Commissioner of Finance be received for information.

CARRIED

- B) Linda Gasser, Whitby Resident, writing to Regional Councillors requesting to expand on a delegation given at the March 6, 2019 Works Committee meeting regarding Report #2019-W-25: 2019 Works Department Business Plans and Budgets. The following topics are included: the mixed waste presort pilot study – pages 5 and 37 of the Solid Waste Business Plans and Budgets booklet; the additional (also called voluntary) incinerator stack test (page 34); environmental assessment costs for incinerator expansions (page 66); and DYEC legal costs (page 8). She also provided an Interoffice Memorandum from C. R. Curtis, Commissioner of Works, dated November 20, 2009 re: Durham/York Residual Waste Study
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Moved by Councillor Ashe, Seconded by Councillor Collier,
(42) That the correspondence from Linda Gasser, Whitby resident, regarding Report #2019-W-25: 2019 Works Department Business Plans and Budgets, be referred to the March 27, 2019 Regional Council meeting.
CARRIED

7.2 Reports

A) The Remuneration and Expenses in 2018 of Members of Regional Council and Regional Council Appointees to Local Boards, as Required by Section 284(1) of the Municipal Act, 2011, S.O. 2011, c. 25 (2019-F-12)

Report #2019-F-12 from N. Taylor, Commissioner of Finance, was received.

Moved by Councillor Collier, Seconded by Councillor Drew,
(43) That we recommend to Council:

That Report #2019-F-12 of the Commissioner of Finance be received for information.

CARRIED

B) 2019 Strategic Property Tax Study (2019-F-13)

Report #2019-F-13 from N. Taylor, Commissioner of Finance, was received.

Moved by Councillor Leahy, Seconded by Councillor Nicholson,
(44) That we recommend to Council:

- A) That for the 2019 property taxation year, the municipal property tax ratios for the following property classes for the Regional Municipality of Durham be set as follows:

Multi-Residential	1.8665
New Multi-Residential	1.1000
Landfill	1.1000
Pipelines	1.2294
Farmland	0.2000
Managed Forests	0.2500

Commercial Broad Class

(including Residual, Shopping Centres, Office Buildings and Parking Lots)

Occupied	1.4500
Vacant Land	1.3050
Excess Land	1.3050

Industrial Broad Class

(including Residual and Large Industrial)

Occupied	2.1040
Vacant Land	1.8585
Excess Land	1.8585

and the requisite by-law be prepared and approval be granted.

CARRIED

C) Confirmation of the Region's Triple "A" Credit Rating by S&P Global Ratings (2019-F-14)

Report #2019-F-14 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to what the benefits of a Triple "A" Credit Rating are, and leveraging the ability to have more debt.

Moved by Regional Chair Henry, Seconded by Councillor Drew,
(45) That Report #2019-F-14 of the Commissioner of Finance be received for information.

CARRIED

8. Business Plan and Budget Review

8.1 Presentations

A) Elaine Baxter-Trahair, Chief Administrative Officer, Nancy Taylor, Commissioner of Finance, and Nicole Pincombe, Director, Business Planning, Budgets and Risk Management, re: 2019 Regional Business Plans and Budgets for Property Tax Purposes (Report #2019-F-11) and 2019 Strategic Property Tax Study (Report #2019-F-13)

E. Baxter-Trahair, N. Taylor and N. Pincombe provided a detailed PowerPoint presentation on the 2019 Regional Business Plans and Budgets and Strategic Property Tax Study. A copy of their presentation was provided as a handout. Highlights from the presentation included:

- Overview
 - 2019 Corporate Priorities
 - Guideline and Budget Priorities
 - Public Engagement
- Financial Overview
 - Business Planning Process
 - Assessment Growth
 - Declining Non-Residential Sector
 - Assessment at Risk
 - 2019 Regional Reassessment Impacts

- Provincial Policy Changes
- 2019 Proposed Gross Budget
- 2019 Regional Property Taxes – Average Home
- Regional Assets
- Major Capital Budget and Forecast
- 2019 Base Pressures
- Budget Overview
 - Police Services Budget Highlights
 - Transit Budget Highlights
 - Roads and Bridges Highlights
 - Solid Waste Management Highlights
 - Social Services Highlights
 - Public Health Highlights
 - Paramedic Services Highlights
 - Planning, Economic Development and Administration Highlights
 - External Agencies Highlights
- Summary
 - Future Budget Pressures
 - Risks and Uncertainties
 - 2019 Regional Property Tax Impacts
 - 2019 Initiatives to Modernize and Find Service Efficiencies
 - 2019 Budget – Increasing Front Line Services in our Community

N. Taylor noted that the average Regional property tax increase is 1.89% for an average residential tax increase of \$51. She added that the Regional residential property tax impact varies by municipality.

Staff responded to questions with respect to:

- The overall increase in expenditures from last year
- The amount funded from reserves
- Using reserves to fund operations and keep taxes down
- Provincial uploads
- New staff positions; and
- Vacant positions.

E. Baxter-Trahair responded to questions regarding the number of positions that have been vacant for six months or more, and when a policy around vacant positions will be developed. She advised that policies around staffing and recruitment are being reviewed and will be available during the next budget process. She further advised that a policy regarding vacant positions could be available by September.

The Committee recessed at 11:20 AM and reconvened at 11:35 AM.

8.2 Correspondence

- B) Memorandum from the Transit Executive Committee, re: 2019 Durham Region Transit Business Plan and Budget (2019-DRT-6)
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,
(46) That Report #2019-DRT-6 from the General Manager of Durham Region Transit be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- C) Memorandum from the Health & Social Services Committee, re: 2019 Health Department Business Plans and Budgets (2019-MOH-1)
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,
(47) That Report #2019-MOH-1 from the Commissioner & Medical Officer of Health be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- D) Memorandum from the Health & Social Services Committee, re: 2019 Social Services Department Business Plans and Budgets (2019-SS-3)
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,
(48) That Report #2019-SS-3 from the Commissioner of Social Services be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- E) Memorandum from the Planning & Economic Development Committee, re: 2019 Planning & Economic Development Department Business Plans and Budget (2019-P-7)
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,
(49) That Report #2019-P-7 from the Commissioner of Planning and Economic Development be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- F) Memorandum from the Works Committee, re: 2019 Works Department General Tax and Solid Waste Management Business Plans and Budgets (2019-W-25)
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,
(50) That Report #2019-W-25 from the Commissioner of Works be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- G) Memorandum from the 9-1-1 Management Board, re: Staffing Increase Request

Moved by Councillor Leahy, Seconded by Regional Chair Henry,

- (51) That the Memorandum from the 9-1-1 Management Board regarding Staffing Increase Request be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

- H) Memorandum from the 9-1-1 Management Board, re: Komutel Computer Telephony Integration (CTI) Solution
-

Moved by Councillor Leahy, Seconded by Regional Chair Henry,

- (52) That the Memorandum from the 9-1-1 Management Board regarding Komutel Computer Telephony Integration (CTI) Solution be referred to Report #2019-F-11 of the Commissioner of Finance.

CARRIED

8.3 Business Plans and Budgets

A) Conservation Authorities 2019 Business Plans and Budgets

The Committee reviewed the Conservation Authorities 2019 Business Plans and Budgets, including:

- Central Lake Ontario
- Kawartha Region
- Ganaraska Region
- Toronto and Region
- Lake Simcoe Region

C. Darling, CAO, CLOCA responded to questions with respect to the environmental restoration project. Councillor Joe Neal asked for a list of projects in Clarington. N. Taylor responded to questions with respect to the reserve fund for land acquisitions and special projects.

Moved by Councillor Collier, Seconded by Councillor Ashe,

- (53) That the one-time budget request from Central Lake Ontario Conservation Authority (CLOCA) for Ontoro Blvd/Range Road be funded from reserves.

CARRIED

Moved by Councillor Leahy, Seconded by Councillor Nicholson,

- (54) That the Region fund \$150,000 per year for 5 years in accordance with the budget request from CLOCA for an environmental restoration project, to be funded from the Land Conservation and Protection Reserve Fund annual contribution.

CARRIED AS AMENDED
(See Following Motion)

Moved by Councillor Leahy, Seconded by Councillor Nicholson,
(55) That the main motion (54) of Councillors Leahy and Nicholson be amended by deleting the words “annual contribution”.

CARRIED

The main motion (54) of Councillors Leahy and Nicholson was then put to a vote and CARRIED AS AMENDED.

L. Benson, Ganaraska Region Conservation Authority, responded to questions with respect to the Enterprise Data Management Platform.

J. McKenzie and G. Bowen, Toronto and Region Conservation Authority responded to questions with respect to land acquisition goals; the National Disaster Mitigation Program and partnerships with the Federal Government; and the Carruthers Creek mapping project.

Councillor Joe Neal asked for details regarding YPDT Ground Water Management. N. Taylor and J. McKenzie responded to questions in this regard and J. McKenzie advised that he can provide further details to Councillor Neal directly.

With respect to Special Contributions, N. Taylor responded to a question about whether the Trent University Durham funding request was included in the budget. B. Bridgeman and N. Taylor responded to questions with respect to the Spark Centre funding request. Discussion ensued on the Region’s No Grants Policy. E. Baxter-Trahair spoke to the review of the Region’s policy around special funding and advised that a report will be brought back in the 3rd quarter of this year.

Moved by Regional Chair Henry, Seconded by Councillor Collier,
(56) That the agenda be altered in order to consider Item F) Planning & Economic Development Business Plans and Budgets and Item G) Works 2019 Business Plans and Budgets next.

CARRIED

F) Planning & Economic Development 2019 Business Plans and Budgets

The Committee reviewed the Planning & Economic Development 2019 Business Plans and Budgets, including:

- Planning
- Economic Development

N. Taylor responded to a question with respect to why funds for the victim services partnership pilot are in the Planning and Economic Development budget. N. Taylor and J. Demanuele responded to questions with respect to the optimization of Regional Headquarters.

N. Taylor responded to a question about including funding for the broadband study when it is uncertain what the Federal government will do.

S. Gill responded to questions with respect to Toronto Global and in response to a request from Councillor Collier advised that reporting can be conducted quarterly, starting in June and will include the number of leads.

S. Gill responded to further questions with respect to the Region's box at the Tribute Communities Centre and advised that a report will come forward in May or June with the list of users.

G) Works 2019 Business Plans and Budgets

The Committee reviewed the Works 2019 Business Plans and Budgets, including:

- Works – General Tax
- Solid Waste Management

N. Taylor and E. Baxter-Trahair responded to questions with respect to the business plan for the anaerobic digester.

N. Taylor and J. Presta responded to questions with respect to the new permanent resources to support the delivery of capital projects.

R. Jagannathan responded to a question about Vision Zero and Councillor Ashe provided further details about potential additional resources from DRPS.

M. Januszkiewicz responded to a question about the Material Recovery Facility and the need for additional funds.

The Committee recessed at 1:00 PM and reconvened at 1:45 PM.

B) Durham Regional Police Service 2019 Business Plans and Budgets

Deputy Chief, T. Rollauer responded to questions with respect to staffing for Seaton. Councillor Ashe provided details with respect to the Human Trafficking Division.

Moved by Regional Chair Henry, Seconded by Councillor Leahy,
(57) That the agenda be altered in order to consider Item C) Durham Region Transit 2019 Business Plans and Budgets after Item H) Finance and Administration Business Plans and Budgets.

CARRIED

D) Health 2019 Business Plans and Budgets

The Committee reviewed the Health 2019 Business Plans and Budgets, including:

- Public Health
- Paramedic Services

Dr. Kyle responded to questions with respect to expanding the outreach campaign in support of vaccinations; paramedic positions for Seaton; and whether any positions that were provincially funded are no longer funded by the Province.

E) Social Services 2019 Business Plans and Budgets

The Committee reviewed the Social Services 2019 Business Plans and Budgets, including:

- Emergency Management and Program Support Services
- Social Assistance
- Children's Services
- Family Services
- Housing Services
- Long Term Care and Services for Seniors

D. Holmes responded to questions with respect to whether any positions that were provincially funded are no longer funded by the Province; how the new positions are being funded; whether there has been an increase in funding for child care subsidy; and whether there are any positions in the Social Services Department to deal with human trafficking.

H) Finance & Administration 2019 Business Plans and Budgets

The Committee reviewed the Finance & Administration 2019 Business Plans and Budgets, including:

- Regional Council
- Regional Chair's Office
- Chief Administrative Officer
- Corporate Services
- Durham Emergency Management Office
- Emergency 9-1-1 Telephone System
- Finance
- Non Departmental
- Special Contributions
- Durham Region Local Housing Corporation
- Provincial Download Service Costs

E. Baxter-Trahair responded to questions with respect to the two new positions in the CAO's office; and how many positions there are currently in the Corporate Communications Office.

E. Baxter-Trahair and W. Leonard responded to questions with respect to the new positions in DEMO.

C) Durham Region Transit 2019 Business Plans and Budgets

V. Patterson responded to questions with respect to the amount of revenue generated by children's fares; how many children travel alone; and whether there were any safety concerns with children travelling unaccompanied.

N. Taylor responded to a question with respect to how the lost revenue from children's fares would be covered.

Moved by Councillor Nicholson, Seconded by Councillor Ashe,

(58) That effective May 1, 2019, children 12 years and under shall ride free of charge on Durham Region Transit; and that Durham Region Transit staff report back on the impacts of this change prior to the 2020 budget.

CARRIED AS AMENDED

(See Following Motions)

Moved by Regional Chair Henry, Seconded by Councillor Drew,

(59) That the main motion (58) of Councillors Nicholson and Ashe be amended by adding the words, "when accompanied by an adult" after the words, "shall ride free of charge on Durham Region Transit".

CARRIED AS AMENDED

(See Following Motion)

Moved by Councillor Drew, Seconded by Regional Chair Henry,

(60) That the amending motion (59) of Regional Chair Henry and Councillor Drew be amended by deleting the words, "an adult" and replacing them with, "a fare paying customer".

CARRIED

The main motion (58) of Councillors Nicholson and Ashe was then put to a vote and CARRIED AS AMENDED.

8.4 Reports

A) The 2019 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit (2019-F-11)

Report #2019-F-11 from N. Taylor, Commissioner of Finance, was received.

Moved by Regional Chair Henry, Seconded by Councillor Leahy,

(61) That we recommend to Council:

2019 General Purpose Property Tax Business Plans and Budgets

- A) That the 2019 Business Plans and Property Tax Budgets for General Purposes (excluding Durham Region Transit and Solid Waste Management) be approved, at a total net property tax requirement of \$562,451,000 as detailed within the 2019 Regional Business Plans and Budgets, which are highlighted in Report #2019-F-11 and summarized as follows:

	2019 Tax Requirements (\$000s)
i) Regional Operations	
Departmental Operations	243,309
Regional Roads Reserve – Growth	12,549
Regional Roads – Rehabilitation Reserve Fund	26,050
Regional Bridges – Rehabilitation Reserve Fund	5,525
Total Regional Operations	287,433
ii) Police Service	206,613
iii) Provincial Download Services	51,732
iv) Conservation Authorities	8,202
v) Special Contributions	
Land Conservation and Protection Reserve Fund	565
Special Contribution - Hospitals/Post-Secondary Institutions	4,110
- Durham College	300
Total Special Contributions	4,975
SUBTOTAL	558,955
Deferral for Seaton Assessment Growth	2,039
Adjustment to Assessment Base (re: Assessment under appeal)	1,457
TOTAL GENERAL PROPERTY TAX PURPOSES	562,451

- B) That the 2019 Net Major Tangible Capital Asset Program for General Property Tax Purposes (excluding Solid Waste, Durham Region Transit and Conservation Authorities' requirements) in the amount of \$101,106,000 be approved, and the 2020 to 2028 Capital Forecast in the amount of \$800,975,000 as detailed in the following table be received for information purposes only and subject to future approvals:

GENERAL PURPOSES							
TANGIBLE CAPITAL ASSET REQUIREMENTS (\$000's)							
	Recommended	Forecast					Total
	2019	2020	2021	2022	2023	2024-2028	2020-2028
Police Service							
Operations Training Centre - Phase 2	-	-	-	-	-	25,000	25,000
Facility Repairs & Renovations	515	1,000	1,000	1,000	1,000	5,000	9,000
Clarington Police Complex Phase 2 - Regional Support Centre and Centre for Investigative Excellence	-	55,000	-	-	-	-	55,000
Durham North West Seaton	-	-	-	2,500	27,500	-	30,000
North Division Expansion	-	-	-	-	400	3,000	3,400
Central East Division	-	-	-	-	400	50,000	50,400
Police Service sub-total	515	56,000	1,000	3,500	29,300	83,000	172,800
Paramedic Service							
Ambulance Stations - Seaton	3,500	-	-	-	-	-	-
- Clarington	-	3,800	-	-	-	-	3,800
- Uxbridge	-	-	-	-	-	5,700	5,700
Ambulances & Equipment - Growth Related	458	521	292	-	292	1,064	2,169
Ambulances & Equipment - Replacement	1,678	2,395	2,767	2,052	4,607	15,993	27,814
Paramedic Service sub-total	5,636	6,716	3,059	2,052	4,899	22,757	39,483
Health & Social Services							
New Ontario Works Delivery Location	-	-	-	20,000	-	-	20,000
Sunderland Relocation and Expansion - Child Care	-	1,250	-	-	-	-	1,250
Seaton Facility	-	8,300	-	-	-	-	8,300
Health and Social Services sub-total	-	9,550	-	20,000	-	-	29,550
Headquarters - Space Optimization	450	5,950	4,000	4,000	3,500	-	17,450
Works Operations							
Regional Roads Program	94,505	114,095	129,538	127,194	135,631	695,218	1,201,676
Works Operations sub-total	94,505	114,095	129,538	127,194	135,631	695,218	1,201,676
TOTAL TCA REQUIREMENTS	101,106	192,311	137,597	156,746	173,330	800,975	1,460,959

- C) That financing for the 2019 Major Tangible Capital Asset Program for General Property Tax Purposes in the net amount of \$101,106,000 be approved as follows:

GENERAL PURPOSES
2019 CAPITAL FINANCING (\$000's)

	<u>Headquarters -</u>				
	<u>Police</u>	<u>Paramedic</u>	<u>Space</u> <u>Optimization</u>	<u>Roads</u>	<u>Total</u>
Property Taxes	515	2,987	237	6,200	9,939
Development Charges	-	2,649		35,080	37,729
Rehabilitation / Special Road Reserve Funds	-	-	-	44,175	44,175
Federal Gas Tax	-	-	-	7,500	7,500
Other ⁽¹⁾⁽²⁾	-	-	213	1,550	1,763
Total Financing	515	5,636	450	94,505	101,106

Notes:

1. Contribution from Reserves for Headquarters Space Optimization
2. Contribution from Simcoe County for Roads

Contributions for Regional Roads and Bridges

- D) That a 2019 contribution of \$12,549,000 to the Regional Roads Reserve – Growth be authorized to allow for financing of Road Capital Construction Projects;
- E) That a 2019 contribution of \$26,050,000 to the Regional Roads Rehabilitation Reserve Fund be authorized to assist with roads rehabilitation requirements;
- F) That a 2019 contribution of \$5,525,000 to the Regional Bridges Rehabilitation Reserve Fund be authorized to assist with bridge rehabilitation requirements;

Durham Regional Local Housing Corporation

- G) That the 2019 Budget for the Durham Regional Local Housing Corporation be approved in the amount \$6,879,000;

Conservation Authorities

- H) That funding totalling \$5,958,777 for 2019 operations be approved for the Region's five Conservation Authorities as summarized below:

Central Lake Ontario Conservation Authority	\$3,968,962
Kawartha Region Conservation Authority	622,011
Ganaraska Region Conservation Authority	469,271
Toronto and Region Conservation Authority	642,350
Lake Simcoe Region Conservation Authority	256,183

Total Conservation Authority Special Projects **\$5,958,777**

- I) That funding totalling \$1,673,807 for 2019 special projects be approved for the Region's Conservation Authorities as summarized below:

Kawartha Region Conservation Authority	\$143,000
Ganaraska Region Conservation Authority	231,655
Toronto and Region Conservation Authority	824,671
Lake Simcoe Region Conservation Authority	474,481

Total Conservation Authority Special Projects **\$1,673,807**

- J) That funding totalling \$200,000 for 2019 land management expenditures be approved for properties within Durham Region as outlined below:

Central Lake Ontario Conservation Authority	\$85,000
Kawartha Region Conservation Authority	15,000
Ganaraska Region Conservation Authority	37,000
Toronto and Region Conservation Authority	41,000
Lake Simcoe Region Conservation Authority	22,000

Total Conservation Authority Special Projects **\$200,000**

- K) That the York/Peel/Durham/Toronto/Groundwater Management Initiatives be continued in 2019 at a funding level of \$175,000 for ongoing groundwater protection initiatives jointly funded with the City of Toronto, Region of York and Region of Peel;
- L) That the special funding requests as outlined below be approved subject to the accountability of project costs incurred and project completion with funding to be provided from the Land Conservation and Protection Reserve Fund:
- i) Central Lake Ontario Conservation Authority for phase two of two of the Update to the CLOCA Watershed Plans in the amount of \$100,000;
 - ii) Kawartha Conservation Authority for phase one of two of the Watershed Planning project in the amount of \$40,000;
 - iii) Kawartha Conservation Authority for phase one of two for Website Design and Implementation in the amount of \$8,706;
 - iv) Kawartha Conservation Authority for phase one of five for the Digitization of Corporate Records in the amount of \$10,124;
 - v) Ganaraska Region Conservation Authority for the Enterprise Data Management Platform project in the amount of \$35,376;
- M) That the special funding requests as outlined below be approved subject to securing the remainder of the project funding from the National Disaster Mitigation Program, project completion, and accountability of project costs

incurred, with funding to be provided from the Land Conservation and Protection Reserve Fund:

- i) Central Lake Ontario Conservation Authority for the Flood Forecasting Stream Gauge Improvements/Upgrades in the amount of \$38,275;
 - ii) Toronto and Region Conservation Authority for the Pickering and Ajax Dyke Remediation Environmental Assessment in the amount of \$250,000;
 - iii) Toronto and Region Conservation Authority for the Duffins Creek Floodplain Mapping Update in the amount of \$110,000;
 - iv) Toronto and Region Conservation Authority for the Petticoat Creek Hydrology Update in the amount of \$40,000;
- N) That the special funding request from Central Lake Ontario Conservation Authority in the amount of \$25,000 for the Corbett Creek Floodplain Mapping and Drainage Study be approved with funding to be provided from the Land Conservation and Protection Reserve Fund subject to:
- i) Central Lake Ontario Conservation Authority securing the remainder of the project funding from the Town of Whitby and the National Disaster Mitigation Program;
 - ii) project completion; and;
 - iii) accountability of project costs incurred;
- O) That a contribution of \$564,794 to the Land Conservation and Protection Reserve Fund be authorized to assist in financing requests for funding received from the five Conservation Authorities to acquire environmentally sensitive lands within the Region, based on eligibility criteria per the approved Regional Land Acquisition Reserve Fund Policy;

Special Contributions

- P) That the request for one-time funding from the Spark Centre for up to a maximum of \$325,000 for the Pilot Launch phase of the Innovation Station Project be approved, with the required financing from the Special Contribution for Hospitals/Post-Secondary Education Institutions; and further that funds be released to Spark Centre at the discretion of the Commissioner of Finance subject to the due diligence and review of the Spark's Centre proposal, an executed funding agreement and a final accountability statement;
- Q) That the request for funding from Trent University Durham for up to a maximum of \$1.42 million over three years (\$474,000 per year) for expansion of Trent University Durham Campus be approved, with the required financing provided annually from the Special Contribution for Hospitals/Post-Secondary Education Institutions; and further that funds be released at the discretion of the Commissioner of Finance subject to the due

diligence and review of Trent University Durham's proposal, an executed funding agreement and the accountability of final capital costs reported upon project completion;

Solid Waste Management 2019 Business Plan and Budget

- R) That the 2019 Business Plan and Budget for Solid Waste Management at a net property tax requirement of \$48,477,000 be approved as detailed in the 2019 Solid Waste Management Business Plan and Budget;
- S) That the 2019 Major Tangible Capital Assets Program for Solid Waste Management be approved in the gross amount of \$1,803,000, and the Capital Forecast for the period 2020 to 2028 in the amount of \$207,197,000 as detailed below be received for information purposes only and subject to additional future approvals:

SOLID WASTE MANAGEMENT TANGIBLE CAPITAL ASSET REQUIREMENTS (\$000's)							
	Recommended	Forecast					Total
	2019	2020	2021	2022	2023	2024- 2028	2020- 2028
Landfill Remediation / Reclamation	253	2,901	1,690	420	1,160	4,350	10,521
Long Term Organics Management Plan	-	165,300	-	-	-	-	165,300
Durham / York Energy Centre	60	10,100	900	-	-	-	11,000
Upgrades of Equipment at Material Recovery Facility (MRF)	1,130	290	260	520	-	-	1,070
New Clarington MHSW	160	-	-	-	-	-	-
Modifications and/or New Waste Management Facilities (WMFs)	-	2,600	3,153	-	500	4,253	10,506
Seaton Waste Management Facility - Pickering	-	-	8,500	-	-	-	8,500
Long Term Waste Management Master Plan	200	-	300	-	-	-	300
TOTAL TCA REQUIREMENTS	1,803	181,191	14,803	940	1,660	8,603	207,197

- T) That financing for the 2019 Solid Waste Management Major Asset Program in the amount of \$1,803,000 be approved from property taxes;

Durham Region Transit 2019 Business Plan and Budget

- U) That the 2019 Business Plan and Budget for Durham Region Transit be approved at a total net property tax requirement of \$58,150,000, as detailed in the 2019 Durham Region Transit Business Plan and budget;
- V) That the 2019 Major Tangible Capital Assets Program for Durham Region Transit be approved in the gross amount of \$5,659,000 and the Capital Forecast for the period 2020 to 2028, totalling \$335,698,000 as summarized

below be received for information purposes only and subject to future approvals:

DURHAM REGION TRANIST														
TANGIBLE CAPITAL ASSET REQUIREMENTS (\$000's)														
Recommended			Forecast											
	#	2019	#	2020	#	2021	#	2022	#	2023	#	2024-2028	#	2020-2028
Growth Related Vehicles	7	2,750	25	13,535	17	9,615	13	7,285	21	12,005	75	42,465	151	84,905
Growth Vehicle Outfitting	39	784	90	1,553	66	1,133	50	852	82	1,413	290	4,962	578	9,913
Replacement Vehicles	4	560	34	17,350	21	11,175	20	9,495	22	10,655	111	54,500	208	103,175
Replacement Vehicle Outfitting		229		704		209		170		196		1,032	-	2,312
Facilities														
Indoor Bus Facility		-		50,500		-		-		-		37,300		87,800
Seaton		-		-		-		-		25,000		-		25,000
Raleigh		-		-		1,030		-		-		-		1,030
Other		203		650		12		-		-		25		687
sub-total - facilities		203		51,150		1,042		-		25,000		37,325		114,517
System Improvements		1,133		7,268		2,069		1,649		1,649		8,243		20,876
TOTAL TCA REQUIREMENTS	50	5,659	149	91,560	104	25,243	83	19,451	125	50,918	476	148,527	937	335,698

- W) That financing for the 2019 Major Capital Asset Program for Durham Region Transit in the gross amount of \$5,659,000 be approved as follows:

SOURCE OF FINANCING	2019 \$ (000's)
Property Taxes	1,184
Ontario Gas Tax Revenue	2,071
Development Charges	2,404
Total Financing	5,659

- X) That a capital provision of up to \$5,621,000 for bus purchases be approved subject to the completion of a business case regarding the timing on transition to articulated style buses and approval of the CAO with financing to be determined by the Commissioner of Finance;
- Y) That DRT's transit service level be approved at up to 529,911 revenue hours of service (a 0.6 per cent increase from 526,627 hours in 2018), including annualization of the 2018 service enhancements and based on service enhancements and efficiencies to be implemented in 2019;

- Z) That effective May 1, 2019, the following transit fare increases be implemented, estimated to generate approximately \$128,000 in new fare revenue in 2019 based on DRT's 2019 ridership forecast of 10.7 million riders:
- i) The Adult single-ride PRESTO and Ticket fares increase by \$0.05 from \$3.15 to \$3.20; and
 - ii) The Youth single-ride PRESTO and Ticket fares increase by \$0.05 from \$2.80 to \$2.85;
- AA) That the Treasurer and General Manager of Durham Region Transit be authorized to execute a one-year extension to the existing U-Pass agreement with Durham College, University of Ontario Institute of Technology and Trent University (Durham Campus), including an increase in the fee per eligible student from \$135.00 per semester to \$139.00 per semester for the period of September 1, 2019 to August 31, 2020;

Financial Management and Accountability

- BB) That the Listing of 2019 Regional Fees and Charges, as set forth in the 2019 Regional Business Plans and Budgets be approved and made available to the public and all applicable By-laws be amended accordingly;
- CC) That a By-law, generally in the form included as Attachment #4 to Report #2019-F-11, that amends Regional By-law 18-98 (as amended by By-laws 14-2007 and 01-2016), which establishes a tariff of fees on applications for and issuance of permits under the *Building Code Act*, 1992, effective April 1, 2019 be approved;
- DD) That a By-law, generally in the form included as Attachment #5 to Report #2019-F-11, that amends Regional By-law 19-98 (as amended by By-laws 31-98, 15-2007 and 02-2016), which establishes a tariff of fees and charges for certain services provided by the Health Department, under the *Planning Act*, effective April 1, 2019 be approved;
- EE) That based upon the 2019 Regional Business Plans and Budgets as recommended herein, the Commissioner of Finance be authorized to set 2019 Regional Property Tax Rates for General Purposes, Solid Waste Management and Durham Region Transit and approval be granted for the requisite By-laws;
- FF) That capital project approval be granted for expenditures and financing per the 2019 Capital Project Detail pages within the 2019 Regional Business Plans and Budgets where contract awards are consistent with the Regional Budget Management Policy;

- GG) That for any Regional program change or capital expenditure included within the 2019 Regional Business Plans and Budgets which is proposed to be financed in whole, or in part, from Provincial/Federal subsidies or related revenues, neither staffing, capital nor other related Regional expenditures can be committed until such time as adequate written confirmation is received from the respective provincial/federal ministry to commit to the subsidy or related revenues (Finance and Administration Committee and Regional Council will be advised accordingly, consistent with the Regional Budget Management Policy);
- HH) That all business case applications for subsidy or other related funding from senior levels of government or external organizations with respect to Region-operated programs be coordinated with the Region's Finance Department to ensure corporate financial accountability and requirements in expenditure management and financial reporting are met;
- II) That interim financing of \$14.6 million be approved pending receipt of the Federal Gas Tax revenue in 2019 and 2020 to fulfil the financing obligations for the Durham York Energy Centre;
- JJ) That any cash flow shortfall in Homes for the Aged Development Charges, which are to be used to finance the debt servicing costs for the Hillsdale Terraces debenture, be interim financed from tax levy; and further that any interim financing be repaid with interest to the General Levy Stabilization Reserve Fund as Development Charge receipts permit;
- KK) That funding totalling \$99,795 be approved within the 2019 Risk Management program of the Finance Department's 2019 Business Plan and Budget for COMRA (up to \$47,245) and the Pickering Auxiliary Rescue Association (up to \$52,550) to be administered by the Finance Department in consultation with the Durham Regional Police Service based upon services rendered;
- LL) That the reporting of the Impact of Excluded Expenses for tangible capital asset amortization, post-employment benefits and solid waste landfill closure/post-closure expenses be adopted, per requirements under the Ontario Regulation 284/09 of the *Municipal Act, 2001* and the Public Sector Accounting Board (PSAB):

**ESTIMATED IMPACT OF EXCLUDED EXPENSES
ON ACCUMULATED SURPLUS
FOR THE 2019 BUSINESS PLANS AND BUDGETS (000'S)**

	<u>2018</u>		<u>2019</u>		
	<u>Restated</u>				
	<u>Total</u>	<u>Property</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
		<u>Tax</u>			
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>PSAS Additions to Budget</u>					
Tangible Capital Asset Amortization	139,000	88,467	23,400	30,519	142,386
Post-Employment Benefit Expense	9,051	10,102	545	627	11,274
Landfill Closure Costs - Decrease in Liability	(1)	(612)	-	-	(612)
Transfers from Reserves and Reserve Funds	66,518	57,399	6,985	8,369	72,753
Proceeds of Debt issued for Regional Purposes	19,386	-	-	-	-
Total PSAS Additions	<u>233,954</u>	<u>155,356</u>	<u>30,930</u>	<u>39,515</u>	<u>225,801</u>
<u>PSAS Reductions to Budget</u>					
Gross Tangible Capital Assets Acquisitions	(318,588)	(139,229)	(114,138)	(111,352)	(364,719)
Less: Tangible Capital Asset Recoveries	14,515	-	325	24,646	24,971
Net Tangible Capital Asset Acquisitions	<u>(304,073)</u>	<u>(139,229)</u>	<u>(113,813)</u>	<u>(86,706)</u>	<u>(339,748)</u>
Debt Principal Payments	(21,260)	(16,346)	-	(5,730)	(22,076)
Transfers to Reserves and Reserve Funds	(96,763)	(85,882)	(6,692)	(10,678)	(103,252)
Contributed Tangible Capital Assets	<u>(17,896)</u>	<u>(3,432)</u>	<u>(6,628)</u>	<u>(6,209)</u>	<u>(16,269)</u>
Total PSAS Reductions	<u>(439,992)</u>	<u>(244,889)</u>	<u>(127,133)</u>	<u>(109,323)</u>	<u>(481,345)</u>
Net Impact - (Increase) to Accumulated Surplus	<u>(206,038)</u>	<u>(89,533)</u>	<u>(96,203)</u>	<u>(69,808)</u>	<u>(255,544)</u>

MM) That the one-time budget request from Central Lake Ontario Conservation Authority (CLOCA) for Ontoro Blvd/Range Road be funded from reserves;

NN) That the Region fund \$150,000 per year for 5 years in accordance with the budget request from CLOCA for an environmental restoration project, to be funded from the Land Conservation and Protection Reserve Fund; and

OO) That effective May 1, 2019, children 12 years and under shall ride free of charge on Durham Region Transit when accompanied by a fare paying customer; and that Durham Region Transit staff report back on the impacts of this change prior to the 2020 budget.

CARRIED

Moved by Councillor Leahy, Seconded by Regional Chair Henry,

(62) That the foregoing motion (61) of Regional Chair Henry and Councillor Leahy be divided in order to allow voting on Part A) i) Regional Operations as it pertains to Works Department salaries; and Part AA) as it pertains to the U-Pass separately from the remainder.

CARRIED

Part A i) was then put to a vote and CARRIED. Councillor Drew declared a conflict of interest on this item earlier in the meeting and did not vote on this item.

Part AA) was then put to a vote and CARRIED. Councillors Nicholson and Collier declared conflicts of interest on this item earlier in the meeting and did not vote on this item

The main motion (61) of Regional Chair Henry and Councillor Leahy [with the exception of Parts A) i) and AA)] was then put to a vote and CARRIED.

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

10.1 Reports

A) Labour Relations/Employee Negotiations with respect to the Canadian Union of Public Employees 1764-04 (CUPE 1764-04) (2019-A-9)

Confidential Report #2019-A-9 from D. Beaton, Commissioner of Corporate Services, was received.

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

That the recommendations contained in Confidential Report #2019-A-9 of the Commissioner of Corporate Services be adopted.

CARRIED

B) Labour Relations/Employee Negotiations with respect to the Replacement of Sick Leave Accrual and Gratuity Program for Regional Management/Exempt Staff (2019-A-11)

Confidential Report #2019-A-11 from D. Beaton, Commissioner of Corporate Services, was received.

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

That By-law 72-75, as subsequently amended by 36-79 and 26-97 be repealed.

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, April 9, 2019 at 9:30 AM in the Lower Level Boardroom (LL-C), Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

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

CARRIED

The meeting adjourned at 2:55 PM

Respectfully submitted,

A. Foster, Chair

L. Fleury, Legislative Officer



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Sandra Austin, Director of Corporate Policy and Strategic Initiatives
Report: [#2019-A-14](#)
Date: April 9, 2019

Subject:

Durham Region Roundtable on Climate Change (DRRCC) 2018 Annual Report and 2019 Workplan

Recommendations:

The Finance and Administration Committee recommends to Durham Regional Council:

- A) That report #2019-A-14, the Durham Region Roundtable on Climate Change (DRRCC) annual report and workplan, be received and approved.
-

Report:

1. Purpose

- 1.1 The Durham Region Roundtable on Climate Change (DRRCC) Terms of Reference (2018) requires the preparation of an annual report summarizing the activities undertaken during the previous year. This information report outlines the achievements of the DRRCC for 2018 and outlines the Workplan for 2019.

2. Background

- 2.1 The DRRCC was established in early 2009 with the inaugural meeting held on February 6, 2009. The vision, mission, goal and mandate statements were developed as follows:
- a. Vision – Durham Region is a carbon neutral, sustainable, prosperous and resilient community with a high quality of life.
 - b. Mission – To work with our community to develop and advocate innovative policies, strategies and actions that address the threat of climate change.
 - c. Goal – to position the Region of Durham as a leader in addressing climate change issues by preparing and recommending a comprehensive strategy with detailed actions that can be undertaken across the Region to address

climate change.

d. Mandate – The DRRCC’s mandate focuses on three areas:

- Outreach: assist all stakeholders within the Region to address climate change in their respective practices and operations;
- Advocacy: make recommendations with respect to policy positions that Regional Council could adopt and/or take forward to other levels of government and government agencies to address climate change; and
- Education: continually improve knowledge and understanding of climate change.

2.2 On Friday March 15th, 2019 the Durham Region Roundtable on Climate Change recommended to the Finance and Administration Committee and Regional Council:

- a. That the DRRCC Annual Report be received for information; and
- b. That the DRRCC 2019 Workplan be approved.

3. 2018 DRRCC meetings

DRRCC held six (6) meetings in 2018 and received presentations on the following topics:

- Durham Transportation Master Plan (2017) - Presentation by Doug Robertson, Project Manager, Transportation Infrastructure, Works Department, Region of Durham; and Chris Leitch, Principal Planner, Transportation Planning, Planning and Economic Development Department, Region of Durham, outlining the key elements of the Durham Transportation Master Plan (2017).
- Heat Reduction Standards - Presentation by Susan Hall, VP and Partner, LURA Consulting on “Heat reduction standards research and recommendations, 1. reflective roofs and roofing materials, 2. reflective pavement and pavement materials and 3. maximum allowable temperatures in rental units.”
- Municipal Comprehensive Review - Presentation by Brian Bridgeman, Commissioner of Planning and Economic Development, Region of Durham. “The Upcoming Municipal Comprehensive Review of the Durham Regional Official Plan”.
- How the Region of Durham will Address the New Provincial Organics Framework - Presentation by Mirka Januszkiewicz, Director of Waste Management, Region of Durham. “Ontario’s Food and Organic Waste Framework”.

- Storm Water Management Fee and Credit Program – Research and Recommendations Report - Presentation by Prof. Joel Baetz, Trent University. “Durham Storm Water Management Fee and Credit Program – Research and Recommendations”.
- Keeping Our Cool – Publication - Presentation by Brian Kelly, Manager of Sustainability, Region of Durham.
- Status Report on the Durham Community Energy Plan – Presentation by Brian Kelly, Manager of Sustainability, Region of Durham.
- Status Report on the Durham Community Climate Adaptation Plan - Presentation by Brian Kelly, Manager of Sustainability, Region of Durham.
- Energy Efficiency Potential of New Communities in Durham - Presentation by Celina Desbiens, UOIT Student and DRRCC Member; David Wotton, UOIT Student.
- Update and Next Steps on the Durham Community Energy Plan - Presentation by Brian Kelly, Manager of Sustainability, Region of Durham.
- Update on the New House Climate Resilience Standards - Presentation by Brian Kelly, Manager of Sustainability, Region of Durham.

4. Overview of 2018 achievements

As the project sponsor for three regional plans: 1) Durham Community Climate Change Local Action Plan (2012), 2) Durham Community Climate Adaptation Plan (2016) and 3) the Durham Community Energy Plan (currently under development), the DRRCC oversaw the following:

4.1 Durham Community Climate Change Local Action Plan (LAP)

Implementation of the LAP has been limited. Actions undertaken in 2018 include:

- Greenhouse gas emissions inventory update for 2015 using [Global Protocol for Community-scale GHG emissions \(GPC\)](#) protocols.
- Greenhouse gas reporting to the Global Covenant of Mayors for Climate and Energy.
- Durham Five Million Trees Program –The program's delivery agent, Forests Ontario, has been working with residents to support the planting of approximately 42,130 trees in 2018, well below the goal of 500,000 per year. In 2017, there was a considerable decrease in corporate

sponsorship of the program which limited the amount of subsidy offered to residents. Table 1 shows the progress of the annual tree program.

Table 1

Year	Number of trees planted
2012	22,250
2013	81,999
2014	55,074
2015	88,830
2016	83,440
2017	55,950
2018	42,130

4.2 Durham Community Energy Plan (DCEP)

Under the guidance of the DRRCC, Durham Region staff continued the development of the DCEP. Based on feedback received from energy stakeholders and the DCEP Steering Committee, the project team and the consultant produced the [Draft Durham Community Energy Plan Summary](#), the [Draft Durham Community Energy Plan](#) and the [Draft Durham Community Energy Plan Technical Document](#). The Draft DCEP outlines three future energy scenarios for Durham Region:

1. Business as Usual (BAU)
2. Business as Planned (BAP)
3. Low Carbon Pathway (LCP)

In November 2018, Durham Regional staff held a third round of stakeholder consultation sessions and hosted an online survey to gain feedback on the Draft Durham Community Energy Plan. The [Stakeholder Feedback on the Draft Plan \(2018\)](#) and the [Online Public Feedback on the Draft Plan \(2018\)](#) provide a summary of what we learned.

Six (6) program areas have been identified within the draft DCEP to pursue the Low Carbon Pathway including:

1. Durham Green Standard: Enhanced energy performance for new buildings
2. Durham Deep Retrofit Program: Transforming Existing Buildings
3. Renewable Energy Co-operative: Stimulating Local Renewable Energy Projects

4. Electric Vehicle Joint Venture: Happy Motoring
5. Education and Outreach Program: Engaging the Community
6. Co-ordinating Land-use Policies: Sustainable Growth

The DCEP is expected to be completed and ready for implementation in Spring 2019.

4.3 Durham Community Climate Adaptation Plan (DCCAP)

The DCCAP was approved in principle by Regional Council in December 2016. The DCCAP was subsequently approved in principle by all eight local municipalities, five conservation authorities and three electrical utilities in Durham in 2017.

Working Groups were formed for the Building Sector, Electrical Sector, Flooding Sector, Roads Sector, Human Health Sector and Natural Environment Sector. A Steering Committee was established consisting of representatives from Durham Region, local municipalities and conservation authorities.

Progress on developing and implementing programming within each taskforce is represented in **Table 2** below:

Table 2

DCCAP Sector	Activities
Cross-sectoral	<ul style="list-style-type: none"> • Connected with Public Health staff to support their efforts to review maximum heat health risks of outside workers. Policy is being researched and developed. • Initiated LIDAR mapping to enable more accurate, storm water management design, emergency management planning and rooftop solar PV assessment.
Building Sector	<ul style="list-style-type: none"> • Developed the Draft Durham Climate Resilience Standard for New Houses (Institute for Catastrophic Loss Reduction). • Completed reports on reflective roofs and roofing materials and reflective pavement and materials (LURA Consulting).

DCCAP Sector	Activities
Electrical Sector	<ul style="list-style-type: none"> Initiated the development of an educational video and public education campaign about climate change and the electrical sector. Will be released in 2019
Flooding Sector	<ul style="list-style-type: none"> Completed the Trent University capstone course report on Storm Water Fee and Credit Programs. (Prof. Joel Baetz). The Flooding Working Group is engaged in an ongoing process of evaluating flood contingency plans related to emergency preparedness and response. Developed and deployed the Flood Ready community education campaign. Initiated the development of an educational video and public education campaign about climate change and flooding. Will be released in Spring 2019.
Roads Sector	<ul style="list-style-type: none"> Initiated an assessment of Region-owned storm structures (culverts and bridges) (Ontario Climate Consortium). Initiated an RFP to assess hydrostatic resilience of culverts on Regional roads. The roads sector taskforce has engaged with Works Department to support ongoing initiatives to adopt resilient asphalt. Currently engaged in research to assess the effectiveness of resilient embankment strategies in Durham Region (Golder Associates).
Human Health Sector	<ul style="list-style-type: none"> Completed urban heat island mapping based on surface temperature data from Landsat satellite imagery. Completed urban heat island mapping “Keeping Our

DCCAP Sector	Activities
	<p>Cool” publication and display. Exhibited at the Region of Durham and at each of the Area Municipalities (LURA Consulting).</p> <ul style="list-style-type: none"> Completed a report on the maximum allowable temperature in rental units (LURA Consulting).
Natural Environment Sector	<ul style="list-style-type: none"> Completed research on the use of an ensemble approach to climate change modelling in Durham Region. Formed the Natural Environment Climate Change Collaborative (NECCC) to help coordinate natural heritage climate change adaptation efforts between the conservation authorities and municipalities in Durham Region. Initiated a process to update climate projections for Durham Region.
Agriculture Sector Taskforce	<ul style="list-style-type: none"> Convened the DCCAP Agriculture Sector Expert Taskforce. Completed a risk assessment of future climate to the Agriculture Sector in Durham Region as part of University of Guelph course (Prof. Kirby Calvert) Prepared the Draft Agriculture Sector and Climate Change Strategy. To be completed Spring 2019.
Food Security Taskforce	<ul style="list-style-type: none"> Convened the DCCAP Food Security Expert Taskforce. Initiated a risk assessment of climate change to food security in Durham Region as part of a Trent University Capstone course (Prof. Joel Baetz). To be completed Spring 2019 Initiated the Draft Food Security and Climate Change Strategy. To be completed Summer 2019.

Progress on implementing the programming outlined in the DCAP has slowed because of resource constraints and the expert taskforces are made up of volunteers. Many of the proposed programs require staff time and/or financial resources to be established. As a result, 5 priority programs have been selected for implementation in 2019:

1. Climate Resilience Standards for New Homes
2. Storm Water Management Fee and Credit Program
3. Natural Environment Climate Change Collaborative
4. Maximum Temperature in Rental Units Program
5. Roads Vulnerability Mapping

4.4 Outreach and advocacy

The DRRCC continued to show leadership in outreach and advocacy by sponsoring the following public events:

- “Before the Flood” video and presentations at the Regent Theatre in conjunction with the City of Oshawa.
- Durham Region staff participated in Durham Envirothon, an annual environmentally-themed academic competition for high school aged students organized by Durham Ecobusiness Network and the National Conservation Foundation.
- Durham staff represent the DRRCC on the Trent University Environmental Advisory Committee.

5. DRRCC Annual Workplan

- 5.1 Under the DRRCC Terms of Reference, the DRRCC is required to develop an annual workplan.
- 5.2 The plan for 2019 (see Attachment 1) includes work in the broad areas of education, outreach and advocacy, and policy development as well as identifying further steps in community climate adaptation and community energy planning.

6. Attachments

Attachment #1: Durham Region Roundtable on Climate Change 2019 Workplan

Respectfully submitted,

Sandra Austin
Director of Corporate Policy and
Strategic Initiatives

Recommended for Presentation to Committee

Elaine Baxter-Trahair
Chief Administrative Officer

Prepared by:

Doran Hoge – Climate Change Coordinator 905 668-4113 x2600

Brian Kelly – Manager of Sustainability 905 668-4113 x3803

Attachment #1:**Durham Region Roundtable on Climate Change 2019 Workplan**

The DRRCC was established in early 2009 with the inaugural meeting held on February 6, 2009. The vision, mission, goal and mandate statements were developed as follows:

Vision: Durham Region is a carbon neutral, sustainable, prosperous and resilient community with a high quality of life.

Mission: To work with our community to develop and advocate innovative policies, strategies and actions that address the threat of climate change.

Goal: To position the Region of Durham as a leader in addressing climate change issues by preparing and recommending a comprehensive strategy with detailed actions that can be undertaken across the Region to address climate change.

Mandate: The DRRCC's mandate focuses on three areas:

- Outreach: Assist all stakeholders within the Region to address climate change in their respective practices and operations;
- Advocacy: Make recommendations with respect to policy positions that Regional Council could adopt and/or take forward to other levels of government and government agencies to address climate change; and
- Education: Continually improving knowledge and understanding of climate change.

Committee members will undertake the following activities in 2019 with support from staff.

Outreach activities:

- Liaise with provincial and federal government agencies and municipal organizations (e.g., Federation of Canadian Municipalities, International Council for Local Environmental Initiatives, Association of Municipalities of Ontario and the Clean Air Partnership) to advance the state of climate mitigation and adaptation planning in Canada.
- Build engagement and strengthen partnerships with area municipalities, conservation authorities and utilities through outreach and education.
- Look for opportunities to partner on community education events.

Advocacy activities:

- Advocate in support of increased consideration of climate change adaptation and mitigation in official plans and other relevant planning documents.
- Make recommendations to Regional Council and local councils to advocate to provincial and federal governments on other relevant matters (e.g., economic instruments for carbon reduction, improvements to building codes, fuel switching policies, local clean energy production, infrastructure capacity development, coordinated land use policies and incentives for electric vehicles).
- Recommend appropriate review of, or changes to, Regional policies, plans and programs to promote climate mitigation and adaptation.

Durham Community Climate Change Local Action Plan (LAP):

- Connect the recommendations from the Durham Community Energy Plan to a second-generation Local Action Plan.
- Develop business cases for LAP programs as appropriate.
- Provide advice on the implementation of the programs in the Local Action Plan.
- Advocate for funding and human resources needed to implement the proposed programming contained in the LAP.

Durham Community Climate Adaptation Plan (DCCAP):

- Provide advice on the design and development of the programs in the DCCAP.
- Review and recommend program implementation proposals on:
 - Durham Climate Resilience Standards for New Homes
 - Storm Water Management Fee and Credit program
 - Natural Environment and Climate Change Collaborative
 - Maximum Temperature Regulation in Rental Units program
 - Roads Vulnerability Mapping.
- Review and recommend Climate Adaptation Plans for:
 - The Agriculture Sector
 - The Food Security Sector
 - Review the DCCAP Annual Report.
- Advocate for funding and human resources needed to implement the proposed programs contained in the DCCAP.

Durham Community Energy Plan (DCEP)

- Review and recommend the DCEP to Regional Council and the councils of the Durham area municipalities for approval.
- Provide advice on the design and development of the programs in the DCEP.
- Review and recommend program implementation proposals on:
 - The Durham Green Standard
 - Durham Deep Retrofit Program
 - Renewable Energy Co-operative
 - Electric Vehicle Joint Venture
 - Education and Outreach Program

- Co-ordinating Land-use Policies.
- Advocate for funding and human resources needed to implement the proposed programming contained in the DCEP.

Education activities:

- Monitor implementation of the province's Made-in-Ontario Environmental Plan and any other Provincial plans or programs that pertain to climate change for opportunities for Durham Region initiatives and programs.
- Monitor the development of federal climate plans and programs with respect to opportunities for Durham Region initiatives and programs.
- Receive presentations at DRRCC meetings on the following topics:
 - Development of the new Regional Official Plan
 - The Region's proposed Anaerobic Digestion plant
 - The further development of the Durham Community Energy Plan
 - Energy efficiency technologies and programs for new buildings
 - Energy savings and retrofit financing alternatives
 - Examples of renewable energy cooperatives
 - Electric vehicles: what we can expect
 - Language and climate change: what kind of language motivates citizens to act?
 - Coordinating land-use policies for sustainable growth.



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Corporate Services
Report: [#2019-A-15](#)
Date: April 9, 2019

Subject:

Recommendation to Postpone “Come into Force” date of the Construction Act

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That the Regional Chair, in consultation with Corporate Services, Legal Services Division, be authorized to write to the Attorney General and request that:
 - i the implementation of the prompt payment scheme and the implementation of a mandatory adjudication system in the Construction Act, R.S.O 1990 c. C.30 originally scheduled to come into force on October 1, 2019 be delayed until one year following the establishment of the Authorized Naming Authority; and
 - ii the Province undertake to provide Municipalities with training and/or guidance on the implementation of prompt payment and adjudication for the protection and preservation of present and future public projects.
 - B) That the Regional Clerk be directed to send this report, any related resolution of Regional Council and the Regional Chair’s letter referenced above to all area municipalities for them to endorse and/or prepare their own letters to the Attorney General in respect of delaying the implementation of the prompt payment and mandatory adjudication system.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to authorize the Regional Chair to write to the Ministry of the Attorney General, supporting the position taken up by the Association of Municipalities of Ontario (AMO) in respect of the implementation of certain changes under the *Construction Act* scheduled to come into force on October 1, 2019.

2. Background

2.1 The *Construction Lien Act* was amended heavily and in December 2017 became the *Construction Act*. The new Act included significant changes to dispute resolution in construction contracts and the changes were implemented in two phases. The first phase being technical amendments to the Act which came into force on July 1, 2018. The second phase of changes, scheduled to be proclaimed in force on October 1, 2019 will drastically change the construction contract management and dispute landscape and they include:

- A prompt payment scheme;
- Adjudication of construction disputes; and
- Lien claims against municipalities no longer being registered on title. Municipal Clerks to replace the Land Registry Office as the registrar of liens.

2.2 The introduction of prompt payment and adjudication are the most problematic for owners but potentially for public owners such as municipal governments in particular. While staff are working to ensure that they are ready for these changes when implemented, there is concern that the key elements from the Province are not in place and won't be in place until very close to the October 1 deadline, which will make it challenging for staff to respond.

2.3 The challenges include:

- A) The Act requires the Province to establish an Authorized Naming Authority (the "ANA") which will be responsible for selecting, training and rostering the adjudicators who will rule on all matters referred to adjudication. The Province has not yet established the ANA and has instead hired the law firm of Dentons LLP to run an Request for Expression of Interest to determine if there are private vendors who might fill the role of the ANA. Responses to the REOI were due on January 31, 2019. To date, no information in respect of that process has been made publicly available and it is unclear as to whether the ANA will be established in time to go live on October 1.
- B) If the ANA is established on time, there has been very little information provided from the Ministry in respect of education for the ultimate users of this new system. How the system will work in fact remains unknown at this time and it is therefore difficult for municipalities to adequately budget for appropriate staffing levels, additional software requirements or legal/consultant fees.
- C) The Province is working through technical amendments to both the Act and its draft regulations and it is not clear when they will be finalized.
- D) Municipal governments, including the Region of Durham, will require significant time after the legislation and regulations are finalized in order to establish internal processes to comply with the new prompt payment, adjudication and claims service regimes.

- 2.4 AMO has written to the Ministry of the Attorney General to advocate on behalf of all member municipalities in respect of the above noted issues and has requested that its membership echo its request for an extension of the implementation of the prompt payment and adjudication regime from October 1, 2019 to one year after the establishment of the ANA to give owners a better chance to understand and prepare for the regime changes.
- 2.5 In order to show support of AMO's position they are asking for letters of support to be sent to the Ministry and it is proposed here that the Regional Chair send such a letter as may be prepared in consultation with Corporate Services, Legal Services Division.
- 2.6 In order to increase awareness for this issue, it is recommended that this report, any related resolution of Regional Council and any letter the Regional Chair may send on this issue be shared with the area municipalities by the Regional Clerk.

3. Conclusion

- 3.1 That the Regional Chair, in consultation with Corporate Services, Legal Services Division, be authorized to write to the Attorney General and request that the implementation of the prompt payment scheme and the implementation of a mandatory adjudication system in the Construction Act, R.S.O 1990 c. C.30 originally scheduled to come into force on October 1, 2019 be delayed until February 1, 2020; and that the Province undertake to provide Municipalities with training and/or guidance on the implementation of prompt payment and adjudication for the protection and preservation of present and future public projects.
- 3.2 That the Regional Clerk be directed to send this report, any related resolution of Regional Council and the Regional Chair's letter referenced above to all area municipalities for them to endorse and/or prepare their own letters to the Attorney General in respect of delaying the implementation of the prompt payment and mandatory adjudication system.

4. Attachments

Attachment #1: Letter from AMO to MAG dated March 7, 2019

Prepared by: Arend Wakeford, Senior Solicitor, 905-668-7711, extension 2033.

Respectfully submitted,

Original signed by

D. Beaton, BCom, M.P.A.
Commissioner of Corporate Services

Recommended for Presentation to Committee

Original signed by

E. Baxter-Trahair
Chief Administrative Officer



Office of the President

Sent via email: caroline.mulroney@pc.ola.org

March 7, 2019

The Honourable Caroline Mulroney
Attorney General
McMurtry-Scott Building, 11th Floor
720 Bay Street
Toronto, Ontario M7A 2S9

Dear Attorney General Mulroney:

I would like to outline the ongoing concerns that municipal governments have with the *Construction Act, 2017*, and to reiterate my request to meet with you on this item. Without legislative amendments and support from the Ministry for implementation, we do not believe that the prompt payment and mandatory adjudication regimes will work effectively by the time the legislation is to come into force.

AMO, and our members, have always supported the principle of prompt payment, as evidenced by various municipal governments that already have policies in place that protect workers and suppliers. That is why we have played an active role in modernizing the *Construction Lien Act* since the work on prompt payment began.

While the *Construction Act* has been modernized in many respects, we recognize that the most significant pieces of legislation come into force on October 1, 2019. With that date fast approaching, AMO is asking the Ministry to consider four amendments:

1. Owners should be provided more than 14 days to publish a notice of non-payment to ensure that due diligence is done before payment of a proper invoice is required (e.g. 21 business days);
2. The time period between December 24th to January 2nd of each calendar year should be excluded from the calculation of time with respect to Prompt Payment and Adjudication, similar to the recently proposed federal legislation;
3. The date for implementing the Prompt Payment and Adjudication regimes should be postponed from October 1, 2019, to 1-year post-establishment of the Authorized Nominating Authority (ANA); and
4. That the Ministry create and communicate practice guides, interpretation bulletins, and webinars in alignment with Recommendations 97 & 98 of the [Expert Panel's Report](#) to educate owners, contractors, and subcontractors on the new regimes.

The proposed 28-day timeline for owners to pay contractors on the receipt of a “proper invoice” does not provide enough time for municipal staff to inspect and certify whether the work has been completed properly. Municipal governments require the ability to certify work before payment is remitted to protect our property taxpayer dollars. This Act essentially prohibits certification before payment, which is problematic and should be reconsidered. Otherwise, the Act leaves municipal taxpayers vulnerable to increasing construction project costs as well as legal fees.

Further, most municipal governments are closed for the holidays or maintain a much reduced staffing level during December 24th to January 2nd. It is important that municipalities are not forced into impossible timelines when those imposed by the legislation are already so tight.

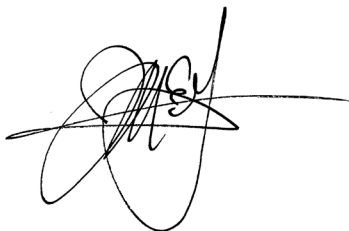
Many details about the Authorized Naming Authority (ANA) are still to be determined. We recognize that the proposed regulations have provided some clarity, and that Expressions of Interest for ANA members were released in January 2019. In order to have the ANA working by October 1st, the Province must develop a certification regime for the adjudicators, ensure that there are sufficient adjudicators to meet demand, and ensure they have all been certified. Only once these details are in place can owners, contractors and subcontractors be educated on how this mechanism will work in practice.

This Act, in its current form, makes Ontario the first jurisdiction in the world to have prompt payment and adjudication regimes run simultaneously. We all need to get it right, and owners are willing to do their part to get ready. To achieve this we strongly encourage the Ministry to create practice guides, interpretative bulletins, and webinars to communicate how to prepare for these regimes prior to coming into force.

One consideration the Ministry should explore is creating a centralized web database hosted for all construction in the province for notices and additional project information. A website commissioned by the Province could have cost-recovery fees and be more affordable than the current proposed vehicle.

I appreciate your thoughtful consideration of these issues, and look forward to meeting to discuss how we can make the *Construction Act* a success for all of Ontario. The Ministry can reach out to AMO staff to clarify any details needed.

Sincerely,



Jamie McGarvey
AMO President
Mayor, Town of Parry Sound

cc: The Honourable Steve Clark, Minister of Municipal Affairs and Housing



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Director, Emergency Management
Report: [#2019-A-16](#)
Date: April 9, 2019

Subject:

Proposed Amendment to By-law 36-2015 – Emergency Management Program

Recommendation:

That the amending by-law, generally in the form included as Attachment #1, be forwarded to Regional Council for passage.

Report:

1. Purpose

- 1.1 The purpose of this report is to inform Regional Council that By-law 36-2015 will require amendments to meet the provincial compliance requirements of the Office of the Fire Marshal and Emergency Management (OFMEM) based on the Emergency Management and Civil Protection Act (EMCPA).

2. Background

- 2.1 The Emergency Management and Civil Protection Act requires each municipality to develop, implement, and maintain an emergency management program. The Act and the associated Ontario Regulation 380/04 provide municipalities with a structure and content for their emergency management programs.
- 2.2 Regional By-law number 36-2015 is a by-law to provide for the establishment and adoption of an Emergency Management Program for the Regional Municipality of Durham.
- 2.3 The EMCPA requires that every municipality must form a committee responsible for overseeing the development and implementation of its emergency management program. At the Region, this is called the Durham Emergency Management Program Committee (DEMPC).

- 2.4 The EMCPA also requires that every municipality shall have a municipal emergency control group. This group is the Regional Control Group (RCG) in Durham Region and has the responsibility for managing and coordinating the response in an emergency.
- 2.5 At a recent compliance review meeting with the OFMEM Field Officer, we were notified that the current By-law does not meet the requirements of OFMEM as members of the Emergency Management Program Committee and Regional Control Group must be appointed by name or position by Council.

3. Proposed Amendments to By-law 36-2015

- 3.1 It is proposed that sections 2.6 and 2.10, respectively, be amended to include the appointment by Council of the Commissioner of Finance and the Commissioner of Planning and Economic Development to the Emergency Management Program Committee and Regional Control Group.
- 3.2 For section 2.11, it is proposed that the wording be amended so that the Regional Control Group may consult with other departmental and organizational representatives for their expertise to respond to an emergency as deemed appropriate by the Chair. However, these other departmental and organizational representatives are not members of the Regional Control Group.

4. Conclusion

It is respectfully recommended that the proposed update to the Emergency Management By-law outlined in Attachment 1 to this Report be approved.

5. Attachment

Attachment 1 - Proposed amending By-law to amend By-law 36-2015.

Respectfully submitted,

Warren Leonard
Director, Emergency Management

Recommended for Presentation to Committee

Elaine Baxter-Trahair
Chief Administrative Officer

By-law Number **-2019
of The Regional Municipality of Durham

Being a by-law to amend By-law 36-2015 to provide for the establishment and adoption of an Emergency Management Program for the Regional Municipality of Durham.

Whereas the Province of Ontario has directed changes to the composition of the Durham Emergency Management Working Group and the Regional Control Group.

And Whereas the Region is choosing to add all Commissioners within the Region to the Regional Control Group.

Now therefore, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. That the list contained in Section 2.6 of the by-law be removed and replaced with the following:
 - a. CAO of each local municipality in the Region,
 - b. Chief of Police,
 - c. Regional Fire Co-ordinator,
 - d. Commissioner and Medical Officer of Health,
 - e. Director/Chief, Paramedic Services,
 - f. Commissioner of Social Services,
 - g. Commissioner of Works,
 - h. Commission of Corporate Services,
 - i. Commissioner of Planning and Economic Development,
 - j. Commissioner of Finance,
 - k. General Manager, Durham Region Transit,
 - l. Director of Corporate Communications, and
 - m. Director of Emergency Management.
2. That Section 2.6 be further amended to add the sentence "The DEMPC will consult with other organizational representatives for their expertise as deemed appropriate by the Chair."
3. That the list contained in Section 2.10 be removed and replaced with the following:
 - a. Regional Chair (the Executive Authority),
 - b. CAO (RCG Manager),
 - c. Chief of Police,
 - d. Regional Fire Co-ordinator,

- e. Commissioner and Medical Officer of Health,
- f. Director/Chief, Paramedic Services,
- g. Commissioner of Social Services,
- h. Commissioner of Works,
- i. Commission of Corporate Services,
- j. Commissioner of Planning and Economic Development,
- k. Commissioner of Finance,
- l. General Manager, Durham Region Transit,
- m. Director of Corporate Communications, and
- n. Director of Emergency Management.

4. That Section 2.10 be further amended to add the sentence “Depending on the nature of the emergency, additional persons from other departments or organizations will be consulted by the RCG.”

This By-law Read and Passed on the -----th day of -----, 2019.

J. Henry, Regional Chair and CEO

R. Walton, Regional Clerk



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Corporate Services
Report: [#2019-A-17](#)
Date: April 9, 2019

Subject:

Response to Finance & Administration Motion of February 12, 2019 Regarding Corporate Pregnancy Leave Policy

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That the recommendations contained within the confidential attachment with respect to Labour Negotiations be endorsed.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to respond to the motion put forth by Councillor Nicholson at the February 12, 2019 meeting, *“that staff report back to Finance & Administration on the possibility of adding the following as a new section 2.015 to the Corporate Pregnancy Leave Policy.”*
- 1.2 The motion put forth as follows: *“That in the event an employee who is pregnant is moved to modified duties other than their usual duty or classification in order to protect their health benefits that they were receiving prior to the pregnancy and that this policy supersedes all prior directions, collective agreements or memorandums of understanding and in the event of a conflict between this policy and an existing agreement or understanding, Regional staff shall immediately contact the bargaining agents for the affected group to secure a memorandum of understanding or modifications to an existing agreement to ensure the implementation of this policy.”*

2. Background

- 2.1 Through confidential report 2016-A-7 Regional Council was informed of the bargaining trends in the Region of Durham and the Broader Public Sector, as well as establishing a plan and directing staff on the bargaining agenda for the 2016-2020 time-period. In the fall of 2019 staff will approach Committee and Council with a recommendation report for the next bargaining cycle.

- 2.2 With respect to the motion put forward by Councillor Nicholson, staff have attached a confidential attachment for your consideration and endorsement.

3. Conclusion

- 3.1 That the Finance & Administration Committee recommend to Regional Council that the recommendations contained in the confidential attachment with respect to Labour Negotiations be endorsed and forwarded to the fall report on negotiations strategy to be endorsed by Regional Council.

4. Attachments

Attachment #1: Confidential Attachment to Report 2019-A-17

Respectfully submitted,

Original signed by

D. Beaton, BCom, M.P.A.
Commissioner of Corporate Services

Recommended for Presentation to Committee

Original signed by

E. Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Sandra Austin, Director of Corporate Policy and Strategic Initiatives
Report: [2019-A-18](#)
Date: April 9, 2019

Subject:

Approval in Principle of the Durham Community Energy Plan (DCEP)

Recommendations:

That the Finance and Administration Committee recommend to Durham Regional Council:

- A) That report #2019-A-18 be endorsed to approve in principle the DCEP and that it be referred to local municipal councils and local energy utilities for their review and approval in principle;
 - B) That staff be directed to incorporate the relevant elements of the DCEP related to land-use planning into the new Regional Official Plan through Envision Durham – Municipal Comprehensive Review process; and
 - C) That staff be authorized to further develop the details of the six programs recommended in the DCEP and bring them forward for individual approval to proceed with implementation.
-

Report:

1. Purpose

The purpose of this report is to seek Council's approval in principle of the Durham Community Energy Plan (attached).

2. Background

- 2.1 On May 26, 2016 Joint Committee approved, through Report #2016-J-15, the funding and launch of the Durham Community Energy Plan, based on a successful

application for \$90,000 from the provincial Municipal Energy Plan (MEP) Program. The Provincial funds were matched by \$90,000 from the Region, the eight local municipalities and the local electrical utilities. Regional Council subsequently approved the project to produce a Durham Community Energy Plan on June 8, 2016.

2.2 On Friday March 15th, 2019 the Durham Region Roundtable on Climate Change approved in principle the DCEP, and recommended to the Finance and Administration Committee and Regional Council:

- A) That the DCEP be approved in principle and that it be referred to local municipal councils and local energy utilities for their review and approval in principle;
- B) That staff be directed to incorporate the relevant elements of the DCEP related to land-use planning into the new Regional Official Plan through Envision Durham – Municipal Comprehensive Review process; and
- C) That staff be authorized to further develop the details of the six programs recommended in the DCEP and bring them forward for individual approval to proceed with implementation.

3. Community Energy Plans in General

3.1 A CEP is a comprehensive long-term plan that serves to define community priorities around energy. It aims to improve energy efficiency, reduce energy use and greenhouse gas emissions, and foster green energy solutions at the local level, while planning ahead for future growth and development, energy generation, delivery and use in a community. A CEP helps municipalities to:

- Assess community energy use and greenhouse gas emissions;
- Identify opportunities to conserve, improve energy efficiency and reduce greenhouse gas emissions;
- Consider the impact of future growth and options for local clean energy generation; and
- Support local economic development leading to more sustainable communities.

3.2 A CEP considers long-term energy generation, consumption, infrastructure, economic growth, and land-use planning. It encompasses a community's residential, commercial and industrial sectors, as well as institutional and transportation energy use.

3.3 Benefits of developing a CEP can include:

- Identifying and addressing potential energy supply limitations;

- Articulation of a community energy vision in which others may invest;
- More stable business operations through energy cost reductions;
- Retention of energy dollars within the community;
- Reduction in air pollution and greenhouse gas emissions;
- Improved resident health through improved air quality and increased active transportation;
- Fostering local sustainable energy solutions in the community;
- A more sustainable urban form;
- Increased energy security and resilience; and
- Fostering local economic development and job creation.

3.4 Over the past five years, an increasing number of municipalities across Ontario and Canada have undertaken the development of CEPs. Early adopters in Ontario include Guelph, Burlington, East Gwillimbury, London and Markham.

Currently CEPs are completed or underway in Toronto, Kingston, Vaughan, Newmarket, Richmond Hill, Chatham-Kent, Sault Ste. Marie, Wawa, Temiskaming Shores, Woodstock, Halton Hills, Hamilton, Ottawa, Sudbury, Thunder Bay and Oakville. About two years ago, the Regional Municipality of Waterloo and Niagara Region launched CEPs in conjunction with their local municipalities and utilities.

4. The Durham Community Energy Plan Process

4.1 The development of the DCEP followed the three-stage process required by the provincial MEP Program. An additional fourth stage was also proposed, which will focus on presenting the DCEP to all partner agencies and other appropriate organizations and advancing the implementation process. The four stages are described below:

- **Stage 1: Stakeholder Engagement** – Building awareness of current energy production and use, outline a vision and energy objectives, identify energy projects and local energy champions, and secure local interest and involvement in the development of the DCEP.
- **Stage 2: Baseline Energy Study and Energy Infographics** – Identification of how and where energy is currently used within the community and analysis of opportunities for energy management and production.
- **Stage 3: Community Energy Plan Development** – Plausible local energy

futures were evaluated in the form of scenarios that were modelled and analyzed, leading to the selection of a preferred scenario. The Plan was then created including program and policy recommendations for community energy production and use, the proposed Plan highlights a number of anticipated economic, employment, environmental and social co-benefits.

- **Stage 4: Implementation Plan** – Integration of relevant DCEP policies and programs into Regional and municipal strategic plans, official plans, land use planning processes, climate plans and other development mechanisms, as appropriate.

The process to produce the DCEP was overseen by a Steering Committee composed of representatives from the 13 project partner organizations. The Steering Committee met 14 times between June 2016 and September 2018.

4.2 Stakeholder engagement sessions were held early in the process:

- September 20, 2016 - 44 participants
- February 28, 2017 - 63 participants

These sessions resulted in identification of a vision, key messages, goals and objectives for DCEP ([see the report here](#)).

Following the completion of the draft DCEP, 36 stakeholders attended a feedback session on November 22, 2018 that resulted in a [summary report](#). General public feedback on the draft DCEP was solicited through an online questionnaire. Responses were compiled in a [summary report](#).

4.3 Baseline energy data for 2015 was collected and provided to stakeholders, and utilized in the development of a Regional energy model. The data were made available in a [report](#) and in the form of an energy infographic.

4.4 The development of the Community Energy Plan involved the creation of three scenarios for Durham's energy future:

- **Business as Usual (BAU):** Current patterns of energy consumption extrapolated out until 2050, while accounting for population increases, federal fuel efficiency standards and the impacts of climate change on heating and cooling buildings.
- **Business as Planned (BAP):** Includes the assumptions in the BAU, plus projected increases in provincial building codes, a slight increase in building retrofits in the residential and commercial sectors, increased adoption of building-scale solar photovoltaic (PV) systems, an increase in electric vehicle use, and a modest increase in local large-scale solar and wind energy generation.

- **Low Carbon Pathway (LCP):** The Low Carbon Pathway is a composite of 24 ambitious actions designed to achieve Durham Region's GHG emission targets. These include new building efficiency standards, extensive building retrofit programs, installation of heat pumps, photovoltaic and wind generation, energy storage, electrification of personal, commercial and transit vehicles, land-use planning and industrial efficiencies.

These three scenarios were modelled for Durham Region and then analysed for a variety of outcomes such as energy consumption, costs, emissions, economic and employment implications. The Steering Committee selected the Low Carbon Pathway as the preferred scenario.

- 4.5 The Plan development stage resulted in two documents presenting the details of the Plan; [Part 1: The Plan](#) and [Part 2: The Technical Paper](#), and the creation of a summary document which is provided as Attachment 1 to this report and is available [here](#).

5. Financial Implications

- 5.1 The total cost of the process to produce the DCEP over three years has been \$238,000, of which \$148,000 has been provided by governments and energy utilities in Durham region.
- 5.2 The provincial Ministry of Energy's original contribution to this project was \$90,000, of which \$22,500 is outstanding pending Regional Council's approval (at least in principle) of the DCEP by April 26, 2019, per the Region's agreement with the Ministry.
- 5.3 Beyond financing the development of DCEP, its implementation is projected to bring significant economic and financial benefits to Durham Region, its residents and businesses. See the estimated investment, economic development and employment benefits outlined in the summary document in Attachment 1.

6. Next Steps

- 6.1 Following approval in principle by Regional Council, next steps in the process include:
- Referral to local municipal councils and energy utilities for review and approval in principle; and
 - Development of implementation plans for the proposed programs in the DCEP and individual program approval by Regional Council, local municipal councils and local energy utilities.

7. Conclusion

The process to produce a Durham Community Energy Plan has resulted in a future

energy path for the Region which is bold, timely and results in economic, employment, environmental and social benefits.

The recommendation regarding the new Regional Official Plan has been endorsed by the Region's Planning and Economic Development Department.

Respectfully submitted,

Sandra Austin
Director of Corporate Policy and
Strategic Initiatives

Recommended for Presentation to Committee

Elaine Baxter-Trahair
Chief Administrative Officer

Prepared by:

Doran Hoge – Climate Change Coordinator 905 668-4113 x2600

Brian Kelly – Manager of Sustainability 905 668-4113 x3803



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Sandra Austin, Director of Corporate Policy and Strategic Initiatives
Report: #2019-A-19
Date: April 9, 2019

Subject:

Appointment of Citizen Members to the Durham Region Roundtable on Climate Change (DRRCC)

Recommendation:

That the Finance and Administration Committee recommends to Regional Council:

- A) That the following citizen members be appointed to the Durham Region Roundtable on Climate Change (DRRCC):
- Bradley Cochrane - Director of Energy Management, York University
 - Gord MacPherson - Associate Director, Toronto Region Conservation Authority
 - John Koke - Vice President, Land Development, Dorsay Development Company
 - June Davies - Citizen Member
 - Kat Senyk - Project Manager, WSP
- B) That the successful nominees be advised of their appointment to the DRRCC for the 2019 – 2022 term of Council.

Report:

1. Purpose

- 1.1 The purpose of this report is to recommend citizen members for appointment to the Durham Region Roundtable on Climate Change (DRRCC), as per its Terms of Reference (2018).

2. Background

- 2.1 The DRRCC is an ad hoc committee, formed to champion and assist Durham Region in its response to climate change. The DRRCC has three main areas of focus including outreach, advocacy and education.
- 2.2 The DRRCC is composed of between 14 to 19 members including: The Regional Chair, 4 Regional Councillors, 8 - 13 citizen members (representing the community at large) and the Chief Administrative Officer (CAO) of the Region (plus a Regional staff member as an alternate).
- 2.3 On December 20, 2018 Regional Council appointed 4 Regional Councillors to the DRRCC. On January 30, 2019 Regional Council approved the appointment of 8 returning DRRCC citizen members, leaving 5 citizen member seats unfilled.

From the February 21, 2019 to March 15 the Region of Durham publicly promoted and accepted expressions of interest for the 5 vacant DRRCC citizen member positions. Regional staff reviewed citizen bios and expressions of interest to select the top 5 candidates with the appropriate mix of skills and experience needed to make a valuable contribution to the DRRCC.

3. Appointment of Citizen Members

- 3.1 As indicated in the Terms of Reference, when there is a vacancy, staff from the CAO's office will invite community members and industry leaders to volunteer for the DRRCC. In nominating citizen members to the DRRCC, the goal is to have members representing a wide range of sectors as well as the general public.

4. Conclusion

- 4.1 The nominees presented possess the skills, experience and expertise needed to make a meaningful contribution to the DRRCC. New members represent the public at large with knowledge related to: community outreach, community planning, sustainable development, natural heritage systems, building sciences and systems thinking.

It is recommended that Regional Council appoint the recommended nominees to the DRRCC for the 2019 - 2022 term of Council.

5. Attachments

Confidential Attachment #1 - DRRCC New Committee Member Biographies

Respectfully submitted,

Sandra Austin
Director of Corporate Policy and
Strategic Initiatives

Recommended for Presentation to Committee

Elaine Baxter-Trahair
Chief Administrative Officer

Prepared by:

Doran Hoge – Climate Change Coordinator 905 668-4113 x2600

Brian Kelly – Manager of Sustainability 905 668-4113 x3803



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: [#2019-F-15](#)
Date: April 9, 2019

Subject:

Write-off of Arrears of Former Tenants of the Durham Regional Local Housing Corporation for the Year Ended December 31, 2018

Recommendation:

That the Finance and Administration Committee:

- A) Approve the write-off totaling \$13,742.39 of outstanding arrears of twenty-two (22) former tenants of the Durham Regional Local Housing Corporation, whose amounts owing are less than \$10,000 each.
 - B) Recommends to Regional Council that arrears totalling \$10,134.80 of one former tenant of the Durham Regional Local Housing Corporation be written-off.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to obtain approval for the write-off of \$23,877.19 in former tenant arrears of the Durham Regional Local Housing Corporation (DRLHC) for the 2018 fiscal year.

2. Background

- 2.1 Regional policy for cancellation of accounts requires the approval of the Committee for accounts less than \$10,000. For accounts greater than \$10,000, approval of Regional Council is required, provided that all reasonable efforts have been made to collect the accounts or Legal Services is satisfied that the account is not legally enforceable.

- 2.2 Annually, outstanding accounts of former tenants who no longer occupy units at DRLHC sites and who have balances owing are recommended for write-off. The balances owing are a combination of rent arrears, charges for miscellaneous items (e.g. NSF payment charges), charges for repair of damages to the unit and additional housing charges owing due to misrepresentation of income or other circumstances.

3. Write-off of Arrears for 2018

- 3.1 This year, the total outstanding balance being recommended for write-off is \$23,877.19 representing twenty-three (23) former tenant accounts, of which twenty-two have amounts owing of less than the \$10,000 threshold and one account is over the threshold, requiring approval from Regional Council for the write-off. Twenty-two (22) tenants vacated the DRLHC units between January 1, 2018 and December 31, 2018 and one (1) vacated between January 1, 2017 and December 31, 2017.
- 3.2 For the account in excess of the \$10,000 threshold, the amount owing of \$10,134.80 consists of rent arrears that accumulated over a few months, plus Landlord and Tenant Board charges and sheriff fees.
- 3.3 It is important to note that collection activity on the accounts will continue to be pursued despite being written-off. Durham Access to Social Housing (DASH) is promptly notified when a household with arrears, charges for damages to their unit or misrepresentation of income moves out. The amount of arrears is maintained on the DASH database and should the former tenant want to access the waiting list in the future, a repayment agreement between the housing provider and the household is required. This is a Regional requirement that applies to all social housing providers in Durham. Former tenant arrears are also uploaded to the Province-wide arrears database.
- 3.4 The write-off recommended for 2018 continues to represent a very small portion of rental revenues, as reflected in the table below:

**Summary of Write-offs for Durham Regional Local Housing
Corporation
2008 to 2018**

<u>Year End</u>	<u>Rental Revenue</u> \$	<u>Write-off</u> \$	<u>Recoveries of Previous Write-offs</u> \$	<u>Net Write-off as % of Rental Revenues</u>
2008	6,089,492	62,400	43,056	0.3%
2009	6,220,147	118,045	20,132	1.6%
2010	6,193,127	71,115	14,358	0.9%
2011	6,266,563	20,348	13,484	0.1%
2012	6,487,017	59,764	12,341	0.7%
2013	6,591,574	43,831	7,883	0.5%
2014	6,665,408	37,211	7,792	0.4%
2015	6,704,793	36,629	9,389	0.4%
2016	6,820,371	28,026	6,326	0.3%
2017	7,045,457	41,983	5,028	0.5%
2018	7,143,168	23,877	4,839	0.3%

4. Conclusion

- 4.1 It is requested that the Finance and Administration Committee approve the write-off of accounts for twenty-two (22) former tenants totaling \$13,742.39 and recommend to Regional Council the write-off of one account totaling \$10,134.80.

Respectfully submitted,

Original Signed by Nancy Taylor

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed by Elaine C. Baxter-Trahair

Elaine C. Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: [#2019-F-16](#)
Date: April 9, 2019

Subject:

Durham Region Water Financial Plan #003-301A

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That in accordance with Provincial Regulation 453/07, the Water Financial Plan (Provincial #003-301A) as provided in Appendix #1, which has been prepared in the Public Sector Accounting Standards format employing tangible capital asset methodology, be approved;
 - B) That a copy of the Water Financial Plan and Council Resolution approving the plan be submitted to the Ministry of Municipal Affairs and Housing as prescribed by Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 which requires owners of municipal drinking water systems to submit a Water Financial Plan to the Province in order to obtain or maintain a Municipal Drinking Water Licence; and
 - C) That notification be placed in newspapers and on the Region's website to advise the public of the availability of Durham's Water Financial Plan, as prescribed by Ontario Regulation 453/07.
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Report:

1. Purpose

- 1.1 As part of the Province's commitment to implement all of Justice O'Connor's recommendations from the Walkerton Inquiry, the Ministry of Environment (now the Ministry of Environment, Conservation, and Parks) put in place an approvals framework (The Municipal Drinking Water Licence Program) under the Safe Water Drinking Act, 2002 (SWDA) for municipal drinking water systems. This program replaced the previous Ministry of Environment Certificate of Approval process.

- 1.2 There are five requirements under the Municipal Drinking Water Licence Program in order for a municipality to become licensed, which include:
- a) Obtaining a water works permit;
 - b) Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard;
 - c) Accreditation of the Operating Authority
 - d) Obtaining a permit to take water; and
 - e) Preparing and providing a financial plan.
- 1.3 The Province passed Ontario Regulation 453/07 in August 2007 which identified the requirements of the Financial Plan for water systems. The regulation is part of the Province's long term strategy to ensure that municipal drinking water systems are financially viable.
- 1.4 Durham Region received its municipal drinking water license in November 2009 and the Region submitted its first Water Financial Plan to Ministry of Municipal Affairs and Housing (MMAH) in June, 2010 as prescribed by the Regulation. The Region subsequently sent an updated Water Financial Plan to MMAH in May 2014, as prescribed by the Regulation, to renew its license.
- 1.5 The Region is required to submit an application to renew its municipal drinking water license by May 18, 2019. Prior to this date, the Region is to submit a Financial Plan approved by Regional Council to MMAH with a copy of the approving resolution by Regional Council accompanying the application. The purpose of this report is to satisfy these requirements in order to renew the Region's municipal drinking water licence.

2. Requirements of Financial Planning Regulation 453/07

- 2.1 The regulation requires owners of municipal drinking water systems to complete and submit Financial Plans for existing and new water systems. The Financial Plans must be developed for at least a six year period and must contain details of a system's financial position, financial operations and cash flow and be made available to the public. The regulation does not require Provincial approval of Financial Plans but the plans must be submitted to MMAH.
- 2.2 The Financial Plan must be approved by the owner (Council) and a copy of the Financial Plan and the approving resolution must be submitted to MMAH. The Financial Plan must be updated in conjunction with every application to renew a system's drinking water licence (ie. every five years).
- 2.3 The Financial Plan must include information as follows:
- o Details of the financial position of the system include:
 - Total non-financial assets;
 - Tangible capital assets acquisition;
 - Betterments;
 - Write downs;
 - Disposals; and

- Total liabilities and net debt.
 - Details of the financial operations for the system include:
 - Total revenues, itemized by water rates, user charges and other revenues;
 - Total expenses, itemized by amortization expenses, interest expenses and other expenses;
 - Annual surplus or deficit and accumulated surplus or deficit.
 - Details of the drinking water system's cash flow including receipts and payments arising from:
 - Financing activities;
 - Capital activities;
 - Investing activities;
 - Operating activities;
 - Changes in cash and cash equivalents in the period; and
 - Cash and cash equivalents at the beginning and end of period.
- 2.4 The Regulation states that for a municipality that owns and operates numerous water supply systems (like Durham with fourteen water supply systems), the municipality can prepare a single Financial Plan for all systems.
- 2.5 Asset Management Plans and the Financial Plans are also required to be integrated as Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) requires that the asset management planning be aligned with the Financial Plans related to the municipality's water assets prepared under the Safe Drinking Water Act, 2002.

3. Durham's Current Financial Planning Practices

- 3.1 Long-term financial planning is an integral part of Durham Region's Business Planning Process as Regional Council approves three annual financial and capital planning studies related to water supply and sanitary sewerage (Water Supply and Sanitary Sewerage Servicing and Financing Study, Water and Sewer User Rate Report and Asset Management Report) which identify future capital and operating costs and sources of funding (upfront funding, development charges, user rates etc.) and potential financing strategies to ensure the long-term financial viability of the systems.
- 3.2 The Region also undertakes a full review of its development charges by-law at a minimum every five years. The development charge study estimates the future population and employment growth for the Region and identifies the capital requirements to accommodate the residential and non-residential growth. Based on this information, a development charge is established for a number of Regional services including water supply. Development charges provide revenue to fund growth related capital expenditures and eases the burden on existing residents.

- 3.3 Durham Region's financial policies (pay as you go financing, use of reserves, commitment that growth-pays-for growth, and minimal debt issuance) and the use of long term financial planning which has supported the Region's strong financial position has resulted in Durham Region being rewarded with the highest credit rating of Triple "A".

4. Durham's Financial Plan #003-301A (Appendix #1)

- 4.1 Durham's Financial Plan (Appendix #1) is for an existing water supply system and has been prepared in Public Sector Accounting Standard format employing tangible capital asset methodology. The schedules are unaudited. The time period for the Financial Plan is the six-year period (2019-2024).
- 4.2 The Financial Plan provided in Appendix #1 provides the necessary schedules and information to meet the requirements of Ontario Regulation 453/07. The information provided in these schedules assumes that development charge funding will be available for a portion of the current and future growth-related capital program and debt obligations for water supply. The provincial government is exploring changes to the development charge legislation. Any changes to the development charge legislation that further restricts or eliminates the amount of development charges collected for water supply would result in higher user revenue requirements and / or the deferral of the capital program, which would impact the Financial Plan in Appendix #1.
- 4.3 The on-going work on the Region's annual Asset Management Report and the Council approved 2019 Water Supply Business Plans and Budget, 2019 Water Supply and Sanitary Sewerage Servicing and Financing Study and 2019 Water and Sewer User Rates Reports provided the data necessary to complete the Financial Plan. However, the schedules provided in the Financial Plan as mandated by the Regulation provide limited information regarding user rate pressures, age and condition of Regional infrastructure and potential shortfall in development charge funding.

5. Public Notice

- 5.1 Section 3(5) of Ontario Regulation 457/03 requires that the owner of a drinking water system must:
- a) Make the financial plans available, on request, to members of the public who are served by the drinking-water system without charge;
 - b) Make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet; and
 - c) Provide notice advising the public of the availability of the financial plans in a manner in the opinion of the owner, will bring the notice to the attention of members of public who are served by the drinking-water system.

6. Oversight Responsibilities Under the Safe Water Drinking Act

- 6.1 Under Section 19 the Safe Water Drinking Act, it states that for a municipal water system owned by a municipality, that every person (i.e. councillors and senior municipal officials) on behalf of the municipality involved in overseeing the accredited operating authority of the system or exercising decision-making authority over the system must:
- a) Exercise the level of care, diligence and skill in respect of a municipal water system that a reasonably prudent person would be expected to exercise in a similar situation; and
 - b) Act honestly, competently and with integrity with a view to ensure the protection and safety of the users of the municipal water system.
- 6.2 The Region is providing a training course on May 3, 2019 designed to inform municipal councillors and senior management of their oversight responsibilities under Section 19 of the Safe Water Drinking Act.

7. Conclusion

- 7.1 It is recommended that the Financial Plan as included in Appendix #1 be approved and provided to MMAH to fulfill the requirements for the Region to renew its Municipal Drinking Water Licence.
- 7.2 This Report has been reviewed by staff of the Works Department and the Commissioner of Works who concurs with the recommendations.

8. Appendices

Appendix #1 Financial Plan #003-301A

Respectfully submitted,

Original Signed by Nancy Taylor

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed by Elaine C. Baxter-Trahair

Elaine C. Baxter-Trahair
Chief Administrative Officer



Region of Durham

Water Financial Plan Ontario Regulation 453/07

Financial Plan #003-301A

Prepared by:

The Regional Municipality of Durham

April 2019

1.1 Purpose

Region of Durham has completed a financial plan for the time period 2019-2024 for their existing water supply systems as part of the requirements to renew their municipal drinking water license as per the *Safe Drinking Water Act, 2002*. The Region needs to submit their application to renew their municipal drinking water license by May 18, 2019, therefore a Financial Plan approved by Regional Council must be submitted to MMAH by May 18, 2019. The Financial Plan is being made available to the public, as required by Ontario Regulation 453/07. As well, a notice will be provided in the Toronto Star and local Metroland newspapers to advise the public of the availability of Region of Durham's Water Financial Plan.

1.2 Background

The Financial Plan includes capital and operating costs, acquisition and disposal of tangible capital assets including amortization costs and consideration of available funding sources. The Financial Plan complies with Ontario Regulation 453/07 for an existing water system. Although Region of Durham has 14 water supply systems, one single Financial Plan is being submitted for all systems as permitted.

Under Public Sector Accounting Standards, municipalities adopted full accrual accounting practices beginning January 1, 2009. The requirements under section PS3150 required municipalities to report additional information related to treatment of tangible capital assets and amortization costs. The information provided in the schedules comply with the public sector accounting standards.

1.3 Financial Plan

The following three unaudited schedules for Durham's Water Supply System provide the information required by Ontario Regulation 453/07:

- I. Schedule 1 is Durham's Statement of Financial Position which identifies the financial assets, liabilities, net debt and non-financial assets;
- II. Schedule 2 is the Statement of Operations which provides water revenue, expenses, annual surplus or deficit and accumulated surplus or deficit; and
- III. Schedule 3 is the Statement of Cash Flow which provides cash provided by operating transactions, cash applied to capital transactions, cash provided by investing transactions, cash applied to financing transactions and cash and cash equivalents (beginning and end of year).

Ontario Regulation 453/07 also states that details regarding the replacement of lead service pipes must be identified as it relates to the three schedules provided. The 2019 Water Supply Business Plans and Budgets approved by Regional Council includes an allowance to support the replacement of lead water service connections (\$1.0 million per year) from 2019-2028. The lead service replacement program provides for the following:

- The Region of Durham to replace the portion of lead water service connections that are found within the public right of way. The homeowners will be encouraged to replace the private side portion of the service when it is confirmed that lead material exists, which requires them to hire a qualified plumber to work on private property at their cost; and
- If a homeowner has provided confirmation to the Region of a lead water service connection on their property, staff will provide notification to homeowners in the adjacent area that they may have lead water service connections as well.

The Region of Durham will provide the household with a water filter (certified to NSF 053 International Standards) to remove lead from the water and provide testing to each property when the Region has replaced the lead water service connection on the public right of way side. This strategy will manage potential temporary increased exposure due to system disturbance. The \$1.0 million funding allowance for the replacement of lead service connections has been incorporated into the Financial Plan Schedules for 2019-2024.

Health Canada has a proposed guideline for lead in drinking water. The proposed guideline has a couple of significant changes as follows:

- Lowering the maximum acceptable concentration (MAC) for lead in drinking water from 10 ug / l to 5 ug / l; and
- Applying the proposed MAC to water samples taken at the tap.

It is important to note that when drinking water leaves a water supply plant or well, it typically contains no measurable level of lead. Lead at the water tap in homes comes mainly from the lead service lines.

In addition, plumbing components on the customer's internal private system can also contribute to lead within tap water. If Health Canada's guideline is adopted in regulation by the Province of Ontario, water utilities will have a challenge to meet "at the tap" compliance as there is limited or no access to the customer's private plumbing system. Regional staff will monitor any change in regulations for lead and update any challenges to meet potential new requirements

The following three schedules are based on the Council approved 2019 Water Supply Business Plans and Budget and have been converted into Public Sector Accounting format employing tangible capital asset methodology as required by Provincial Regulation 453/07.

Please refer to the Region of Durham's annual Servicing and Financing Study, User Rate Report and the Asset Management Report approved annually by Regional Council (i.e. Servicing and Financing Study and User Rate Report are approved in November / December and the Asset Management Report is approved in June). These studies provide the detailed information on:

- The age and condition of the Regional infrastructure and the capital requirements to address the replacement / rehabilitation needs;

- Development forecasts (residential and non-residential) and the capital requirements to meet the needs of future growth; and
- Future financing challenges including pressures on user rates and potential shortfalls in development charge funding.

The Provincially prescribed schedules do not provide the information concerning the age and condition of the Regional water supply infrastructure or the future financial challenges with respect to user rates and development charge funding, both of which are required for a complete evaluation of the financial health of a water supply system.

Contact: Nancy Taylor
Commissioner of Finance
Finance Department, Regional Municipality of Durham

Schedule 1
Regional Municipality of Durham
Statement of Financial Position – Water Supply ⁽¹⁾
Unaudited: For Financial Planning Purposes Only
2019-2024
(\$millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Financial Assets	213.7	186.5	144.9	209.7	134.0	187.5
Total Financial Liabilities	164.6	162.1	91.4	249.0	252.0	351.1
Net Financial Assets/(Debt)	49.1	24.4	53.5	(39.3)	(118.0)	(163.6)
Total Non-Financial Assets	1,405.1	1,507.2	1,645.4	1,812.7	1,953.9	2,123.8
Accumulated Surplus	1,454.2	1,531.6	1,698.9	1,773.4	1,835.9	1,960.2
Change in Tangible Capital Assets	117.8	102.2	138.1	167.4	141.2	169.9

Note:

1. This schedule has been prepared on a Public Sector Accounting basis.

Schedule 2
Regional Municipality of Durham
Statement of Operations – Water Supply ⁽¹⁾
Unaudited: For Financial Planning Purposes Only
2019-2024
(\$millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues						
Water Revenues	107.9	109.2	110.8	112.8	114.6	116.4
Other Revenues	75.9	67.0	159.9	76.4	71.3	135.8
Revenues Sub-Total	183.9	176.2	270.7	189.2	185.9	252.2
Expenses						
Operating Expenses	69.6	71.2	74.1	81.3	81.1	82.4
Amortization Expenses	23.6	26.1	28.1	31.1	34.0	37.6
Loss on Disposal	-	0.6	0.4	1.4	0.3	0.4
Interest Expenses	0.9	0.8	0.8	0.8	8.0	7.6
Expenses Sub-Total	94.1	98.8	103.5	114.6	123.4	127.9
Total Annual Surplus	89.8	77.4	167.3	74.6	62.5	124.3
Total Accumulated Surplus (End-of-Year Balance)	1,454.2	1,531.6	1,698.8	1,773.4	1,835.9	1,960.2

Note:

1. This schedule has been prepared on a Public Sector Accounting basis.

Schedule 3
Regional Municipality of Durham
Statement of Cash Flow – Water Supply ⁽¹⁾
Unaudited: For Financial Planning Purposes Only
2019-2024
(\$millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cash Provided by Operating Transactions	102.3	88.9	91.6	87.9	83.8	140.2
Cash Provided by/(Applied to) Capital Transactions	(130.4)	(115.3)	(132.4)	(167.3)	(151.9)	(161.6)
Cash Provided by/(Applied to) Financing Transactions	16.8	(0.9)	(0.9)	144.1	(7.7)	74.8
Increase in Cash and Cash Equivalents	(11.4)	(27.3)	(41.7)	64.6	(75.8)	53.4
Cash and Cash Equivalents, Beginning of Year	219.7	208.3	181.0	139.4	204.0	128.3
Cash and Cash Equivalents, End of Year	208.3	181.0	139.4	204.0	128.3	181.7

Note:

1. This schedule has been prepared on a Public Sector Accounting basis.



The Regional Municipality of Durham Report

To: Finance & Administration Committee
From: Commissioner of Finance
Report: [#2019-F-17](#)
Date: April 9, 2019

Subject:

Request for Regional Financial Assistance under the Regional Revitalization Program for the Development of Lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby

Recommendation:

That the Finance & Administration Committee recommends to Regional Council:

A) That the application submitted by the Town of Whitby, on behalf of City Homes, under the Regional Revitalization Program (RRP), requesting Regional financial assistance for the development of lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby, be approved, subject to the following conditions:

- i) The Region to provide \$190,000 for the development, with funding provided from the Regional Revitalization Reserve Fund and transferred to the Town of Whitby for distribution to City Homes, in accordance with the timing and flow of funds under the RRP:

Full building permit issued to City Homes	50%
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Framing inspection (or equivalent structural completion), passed by the area municipal building inspection authority	40%
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Occupancy permit received from the area municipal building authority or passed preoccupancy inspection of those municipalities which do not issue an occupancy permit;	10%
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- ii) City Homes must pay all applicable Regional Development Charges due at building permit issuance;

- iii) City Homes enter into a servicing agreement with the Region to construct new water and sewer connections and abandon old connections at an estimated cost of \$42,200;
 - iv) All costs associated with works for the development of the lands will be borne by the developer, City Homes, in keeping with Regional policies;
 - v) Satisfying any performance criteria outlined in agreements between the Town of Whitby and City Homes in regard to incentives (financial or other) provided under the Downtown Whitby Community Improvement Plan and applicable Town By-laws;
 - vi) The Town of Whitby enter into an agreement with City Homes, establishing a commitment by the developer to operate the proposed project as a purpose-built rental apartment building for a minimum of ten (10) years from time of occupancy permit. If, at a future date, an application for the conversion of existing residential rental units to condominium tenure is considered, conditions under ROP Policy 4.3.4 apply;
 - vii) The Town of Whitby enter into an agreement with the Region that outlines the terms and conditions for Regional financial assistance to ensure accountability for Regional funding; and,
 - viii) The Town of Whitby agrees to annual post-project reviews and audits for five years after substantial occupancy of the development of lands, in conjunction with the Region, to provide accountability and ensure effective utilization of Regional resources; and,
- B) That as per the RRP, the increased property tax revenue generated from the increased current value assessment of the development project in the Town of Whitby be used to replenish the Regional Revitalization Reserve Fund for approximately five years after substantial occupancy.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to consider a request for Regional financial assistance under the Regional Revitalization Program (RRP) for the development of lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south located in the Town of Whitby.
- 1.2 On November 26, 2018, Regional staff received an application from the Town of Whitby, on behalf of City Homes, under the RRP.

2. Key Elements of the Regional Revitalization Program

- 2.1 Regional Council established the RRP on October 8, 2008 (Report #2008-J-37) for a term of five years. The RRP was renewed indefinitely by Regional Council on March 5, 2014 (Report #2014-J-10). Key elements and application requirements of the RRP are contained in the Guideline for the Regional Revitalization Program – Region of Durham.
- 2.2 The RRP is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas that advance the goals of the Regional Official Plan and achieve positive economic and community objectives and support development that would not otherwise proceed without municipal financial assistance.
- 2.3 The RRP contains the following key elements:
- The RRP targets new projects within Community Improvement Plan (CIP) Areas as recommended by area municipalities;
 - The RRP focuses on initiatives that advance goals of the Regional Official Plan (ROP) as a basis for achieving positive economic and community objectives;
 - The RRP encourages both residential and employment growth in the Region's key urban locations, including Regional Centres and Regional Corridors, and brownfield sites throughout the Region, which are given preference;
 - The project must entail significant and substantial revitalization and/or development. Construction cannot already be underway. Examples of eligible project types are:
 - New construction
 - Additions to existing buildings
 - Redevelopment
 - Brownfield Redevelopment
 - Projects involving façade improvements are not eligible under the RRP;
 - Program eligibility is determined through the submission of an application, including a business case by the supporting area municipality, which demonstrates the benefits of the project and the need for Regional financial assistance. Area municipalities must submit an application, including a business case, to the Region's Commissioner of Finance;
 - Applications are reviewed and evaluated by the Commissioners of Planning and Economic Development, Works and Finance to ensure that program eligibility and business case requirements are addressed;
 - Recommendations regarding project selection are then presented to the Finance & Administration Committee or the Committee of the Whole and Regional Council;
 - Regional financial assistance under the RRP is not to be greater than the area municipality's financial assistance;
 - Funds for approved community improvement projects will be transferred to

the applicable area municipality at the following stages:

- Building permit issued by area municipality: 50%
- Framing inspection, or equivalent structural completion, Passed by the area municipal building inspection authority: 40%
- Occupancy permit received from area municipal building authority or passed preoccupancy inspection of those municipalities which do not issue an occupancy permit: 10%
- The participating area municipalities are required to provide relevant project information for all qualified community improvement projects approved through the RRP on an annual basis for the five years after substantial occupancy of each project;
- Funding is provided through the Regional Revitalization Reserve Fund, which is replenished through the dedication of the increased Regional property tax revenue of the RRP projects, resulting from increased current value assessment, for a time period after substantial occupancy to be determined by Regional Council at project approval; and
- Regional financial assistance operates like a grant; it is not an exemption from Regional Development Charges, a reduction in property taxes, or a contribution towards Regional infrastructure.

3. City Homes' Proposal

- 3.1 City Homes, a building/development company, is proposing to develop a six (6) storey purpose-built rental apartment building, known as the Ashbrooke, which would contain 114 residential apartment units and one (1) level of underground parking. The subject site is bounded by John Street East to the north, Ash Street to the east, Perry Street to the west and residential and commercial properties to the south. The site represents a consolidation of parcels municipally known as 215-234 Perry Street, 205 John Street East and two (2) vacant lots to the south in Downtown Whitby. The site is currently vacant and occupies a cumulative area of 0.64 hectares (1.58 acres).
- 3.2 According to the Town's application, the target demographic for the proposed project are adults, age 60 and over, "looking to downsize from their large family homes to apartment style living" The proposed project will feature 94 two-bedroom suites, 10 single bedroom units plus den, and 10 single bedroom units. According to the Town's application, the building will contain upscale apartment style rental units and will be designed to be fully accessible. The property will be managed by Acorn Properties who currently manage two other properties for City Homes.
- 3.3 The proposed project represents an infill development and is located in Downtown Whitby, wherein residents will have walkable access to a variety of mixed and commercial uses (e.g. banks, grocery stores, shops, restaurants, etc.), as well as public and cultural destinations, such as the Whitby Library central branch and Celebration Square. The project is also transit-supportive, located near Durham Region Transit's Pulse line, and GO Transit along Highway No. 2 and Brock Street.

- 3.4 According to the application, the proposed project is located in an area which has a high-water table due to the historic Ash Creek, which ran along this area of Whitby over 150 years ago. As such, extensive deep foundation work is required, which represents an extraordinary additional cost estimated by the developer to be approximately \$1.5 million.
- 3.5 According to the proposal, City Homes has submitted a Condominium application, which would be considered at a future date (see section 7 for further discussion).
- 3.6 The total construction budget for this project is approximately \$35.6 million. The land is currently owned by City Homes.

4. Project Support by the Town of Whitby

- 4.1 On October 23, 2018, the Town of Whitby (Whitby) approved the proposed City Homes project for a 50 per cent exemption from the Town's applicable development charges, as part of the Downtown Whitby Community Improvement Plan (CIP). The total estimated value of this exemption is \$715,297. In accordance with the Downtown Whitby CIP, the payment of Development Charges will be adjusted at the time of building permit issuance. The Town reserves the right to nullify any program application, which has been approved but which does not result in building permit activity within a year of building permit issuance.
- 4.2 In addition, City Homes is required to meet specific conditions related to the Town's recommendations for site plan approval, including, but not limited to:
- The proponent is required to enter into a Site Plan Agreement with the Town and be responsible for the fees associated with its preparation and registration and any related fees required for review by the Legal Services
 - The subject land municipally known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south be merged in title;
 - The proponent shall submit a revised site plan, and elevation drawings for review and be approved by the Planning and Development Department;
 - The proponent enter into a Regional Servicing Agreement with the Region of Durham;
 - That the Proponent shall provide the Building Department with written confirmation that the requirements of each of the following agencies or departments have been satisfied prior to the issuance of a Building Permit:
 - Region of Durham Works Department;
 - Whitby Planning and Development Department; and,
 - Whitby Public Works Department.

5. Request for Regional Assistance

- 5.1 On November 26, 2018, Regional staff received an application from the Town of Whitby, on behalf of City Homes, under the Regional Revitalization Program (RRP). Although the application did not request a specific amount for Regional financial assistance, City Homes indicated that their commitment to proceed with the Ashbrooke project will be based on both the incentive of the Downtown Whitby CIP and a successful application under the RRP.

6. Market Analysis and Evaluation under the RRP

6.1 Market Overview

Greater Toronto Area Apartment Market

- Housing prices in the Greater Toronto Area (GTA) have escalated over the last decade due to strong immigration and a limited supply of new housing. As people have moved into the region to take advantage of quality employment opportunities, demand for rental units and home ownership has continued to strengthen year-over-year. Accelerated housing price growth over the past decade has resulted in housing prices more than doubling, pushing many potential buyers into the rental market.
- Significant rental rate growth, combined with a relatively flat growth in rental stock suggests that the existing rental market is significantly underserved, as supply is unable to accommodate demand in the GTA. The heightened competition between renters in an ultra-low vacancy environment and double-digit rental rate growth in some market segments have created affordability concerns.
- The GTA continues to see strong demand and market absorption for new housing supply over the years. In addition, continued increases in land costs and policy direction towards higher-density types of development have made apartment and condominium apartments highly desirable for both developers and buyers who seek affordable home ownership options.
- Going forward, high land costs will likely push for higher-density forms of housing starts over the next decade. Despite many end buyers looking towards the condominium apartment sector for more affordable home ownership options, many potential home buyers are priced out of the market, due to tight mortgage lending requirements, escalating housing prices and interest rate hikes. Therefore, demand for rental properties will remain strong in the foreseeable future.

Town of Whitby Apartment Market

- In the Town of Whitby, there has been a trend toward higher density forms of housing development, likely because of policy and lifestyle preferences, as well as limited land supply and rising land costs. However, there has been limited apartment construction over the past decade in Whitby. There were no apartment starts in 2018. Of the 507 housing starts, there were 419 single detached starts and 88 townhome starts.
- Due to the GO Train extension and the 407 East extension, the Town of Whitby will continue to benefit from improving regional connectivity, which may further support high density development, especially within Strategic Growth Areas, such as Downtown Whitby and the Brock/Victoria GO Station. As such, the trend towards rental and condominium apartment forms of development may represent a greater proportion of total housing starts in the upcoming years.
- Over the past ten years, there has been extremely limited growth in the amount of rental apartment stock, while rental rates have experienced double digit growth of 26 per cent. Significant rental rate growth combined with relatively flat rental stock suggest that the existing rental market is significantly underserved, as apartment supply is unable to accommodate demand in the Town of Whitby.
- According to the Town of Whitby, vacancy rates for all rental unit types in Downtown Whitby's Secondary Plan Area have been at or below 3 per cent since 2013, and below 1 per cent since 2016. According to the Canada Mortgage and Housing Corporation, a "healthy" vacancy rate is 3 per cent.
- Overall, the Town reports that construction activity within the Downtown Secondary Plan Area has been relatively limited over the last ten years, with the exception of the development of "Whitby Village" at 310 Mary Street East, comprised of 139 purpose-built rental units for seniors; this project received funding under the Canada-Ontario Affordable Housing Program in 2012.
- However, as the Town continues to focus on downtown redevelopment, there exists an opportunity to improve apartment growth over the next decade. The success of the proposed Ashbrooke development may support additional developments in the Downtown area due to the social and economic profile of the target market.

6.2 Project Satisfies Mandatory Criteria under the RRP

6.2.1 The proposed project by City Homes satisfies several mandatory criteria for eligibility and consideration under the RRP, including:

- Project location within a designated "Regional Centre" (Downtown Whitby) and within the Town's "Downtown Whitby Community Improvement Plan";
- Project conformity with and support of ROP policies – specifically addressing

key policy objectives by providing a high-density residential development (178 units/net hectare) within a designated Regional Centre that supports higher order transit services and provides diversity in housing tenure opportunities to address the needs of residents (purpose-built rental);

- Project encourages residential growth. While the project does not specifically encourage employment growth (i.e. it does not contain commercial or mixed-uses), the proposed development constitutes intensification that supports and is compatible with land uses within Downtown Whitby;
- Project entails significant and substantial revitalization (i.e. subject lands are currently vacant), and construction has not commenced;
- Project recommendation by the Town of Whitby; and
- A financial commitment by the Town of Whitby through the waiver of 50 per cent of applicable Development Charges in the Downtown Whitby CIP (in the amount of \$715,297, approved October 23, 2018).

6.2.2 The proposed project also satisfies a fundamental objective under the Regional Council approved 'Affordable Rental and Seniors' Housing Task Force' report to increase the range of seniors' housing choices across the Region. The proposed development would also satisfy Goal 3: Greater Housing Choice - diversify housing options by type, size and tenure, under At Home in Durham, Durham Housing Plan 2014 – 2024.

6.2.3 In addition, there are expected immediate and long-term economic benefits associated with the development, including:

- Direct employment in construction and administration related to the development, as well as the spin-off employment from the demand for goods and services by those employees;
- Direct impact from the initial capital expenditures related to construction (i.e. hard construction costs);
- Employment through the operation and maintenance of the property;
- Potential synergies with new private sector residential investment on the subject site, supporting ridership of local transit and providing additional benefit to downtown businesses through increased foot traffic in the Downtown core;
- Regional Development Charges generated by the development are estimated to be \$1.85 million (at existing Regional DC rates and less Regional redevelopment DC credits); and
- Higher annual Regional property taxes generated by the development due to increased current value assessment (taxes estimated by the developer to be \$516,000 in its first year post-construction).

7. Financial Implications

- 7.1 Under the RRP, projects are required to fully pay all applicable Regional fees and charges, including Development Charges (DCs).
- 7.2 Although there are anticipated benefits during and post-construction, as identified above, there are risks associated with this project. For example, construction financing during the construction period would be limited, given that the project would be operating as an apartment rental building, thus forgoing potential upfront revenues received as deposits from the sale of condominium units. However, according to the Town's application, City Homes currently have 175 people on the waiting list for upcoming projects.
- 7.3 As mentioned earlier, according to the proposal, City Homes has submitted a Condominium application, which would be considered at a future date. As a general policy, the conversion of rental housing units to condominium tenure is discouraged (ROP Policy 4.2.3). At the time of consideration, the application for the conversion of rental units to condominium tenure shall be accompanied by an analysis indicating that the provisions of ROP Policy 4.3.4 have been met.
- 7.4 The applicable Regional DCs (based on current rates) for the proposed development are approximately \$1.85 million. This amount includes an estimated Regional redevelopment DC credit of \$155,695 (based on current DC rates) for five (5) single detached homes that were demolished on the subject lands in January of 2018. Given Regional Council's long-standing practice of neither forgiving Regional DCs nor deferring the payment of Regional DCs for projects of this nature, Regional staff recommend that a payment of \$190,000 under the Regional Revitalization Program would offset the site-specific challenges associated with this proposed project, including the estimated carrying costs of Regional DCs over an extended period of time until occupancy. This grant will assist the proposed project by providing funding to assist with the costs related to purpose-built rental apartment construction, which unlike condominium apartment construction, would not have upfront investment by future condo owners.
- 7.5 It is recommended that the application submitted by Town of Whitby, on behalf of City Homes under the Regional Revitalization Program (RRP), requesting Regional financial assistance for the development of lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby, be approved, subject to the following conditions:
- i) The Region to provide \$190,000 for the development, with funding provided from the Regional Revitalization Reserve Fund and transferred to the Town of Whitby for distribution to City Homes, in accordance with the timing and flow of funds under the RRP:

Full building permit issued to City Homes	50%
Framing inspection (or equivalent structural completion),	40%

passed by the area municipal building inspection authority

Occupancy permit received from the area municipal building authority or passed preoccupancy inspection of those municipalities which do not issue an occupancy permit 10%

- ii) City Homes must pay all applicable Regional DCs due at building permit issuance;
- iii) City Homes enter into a servicing agreement with the Region to construct new water and sewer connections and abandon old connections at an estimated cost of \$42,200;
- iv) All costs associated with works for the development of the lands will be borne by the developer, City Homes, in keeping with Regional policies;
- iv) Satisfying any performance criteria outlined in agreements between the Town of Whitby and City Homes in regard to incentives (financial or other) provided under the Downtown Whitby Community Improvement Plan and applicable Town By-laws;
- v) The Town of Whitby enter into an agreement with City Homes, establishing a commitment by the developer to operate the proposed project as a purpose-built rental apartment building for a minimum of ten (10) years from time of occupancy permit. If, at a future date, an application for the conversion of existing residential rental units to condominium tenure is considered, conditions under ROP Policy 4.3.4 apply;
- vi) The Town of Whitby enter into an agreement with the Region that outlines the terms and conditions for Regional financial assistance to ensure accountability for Regional funding; and,
- vii) The Town of Whitby agrees to annual post-project reviews and audits for five years after substantial occupancy of the development of vacant lands, in conjunction with the Region, to provide accountability and ensure effective utilization of Regional resources.

7.6 As per the RRP, it is recommended that the increased property tax revenue generated from the increased current value assessment of the proposed Ashbrooke development project located on the lands known as 215-234 Perry Street, 205 John Street East and the two (2) vacant lots to the south in the Town of Whitby be used to replenish the Regional Revitalization Reserve Fund for approximately five years after substantial occupancy.

8 Conclusion

8.1 The RRP is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas of Durham Region's area municipalities that advance the goals of the Regional Official Plan and achieve positive economic and community objectives where development would otherwise not proceed.

8.2 This report has been prepared with assistance from Corporate Services – Legal Services Division. The Commissioner of Works and the Commissioner of Planning and Economic Development concur with the recommendations.

Respectfully submitted,

Original Signed by Nancy Taylor

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed by Elaine C. Baxter-Trahair

Elaine C. Baxter-Trahair
Chief Administrative Officer

Resolutions from Advisory Committees

Durham Region Roundtable on Climate Change (DRRCC) Committee

1. Frequency of Durham Region Roundtable on Climate Change (DRRCC) Meetings

That we recommend to the Finance & Administration Committee for approval and subsequent recommendation to Regional Council:

- A) That Section 13.1 “Meeting Schedule” of the Durham Region Roundtable on Climate Change (DRRCC) Committee’s Terms of Reference be reconsidered; and
- B) That subject to Part A) being passed on a two-thirds vote, that the DRRCC Committee meeting schedule be revised to a monthly meeting schedule, and that the DRRCC Terms of Reference be amended to reflect the change.