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## **The Regional Municipality of Durham**

### **MINUTES**

#### **FINANCE & ADMINISTRATION COMMITTEE**

**Tuesday, June 11, 2019**

A regular meeting of the Finance & Administration Committee was held on Tuesday, June 11, 2019 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM

Present: Councillor Foster, Chair  
Councillor Collier, Vice-Chair  
Councillor Ashe  
Councillor Drew attended the meeting at 9:31 AM  
Councillor Leahy  
Councillor Mulcahy attended the meeting at 9:33 AM  
Councillor Nicholson  
Regional Chair Henry

Also

Present: Councillor Wotten

Staff

Present: G. Asselin, Economic Analyst 2, Financial Planning, Finance Department  
S. Austin, Director, Corporate Policy & Strategic Initiatives, Office of the CAO, attended for part of the meeting  
D. Beaton, Commissioner of Corporate Services  
B. Goodwin, Director, Financial Solutions and Business Development, Finance Department  
J. Hunt, Director, Legal Services, Corporate Services – Legal  
D. Nagy, Manager, Design, Construction & Asset Management, Works Department  
S. Rashad, Systems Support Specialist, Corporate Services - IT  
N. Taylor, Commissioner of Finance  
L. Fleury, Legislative Officer, Corporate Services – Legislative Services

**1. Declarations of Interest**

There were no declarations of interest.

**2. Adoption of Minutes**

Moved by Regional Chair Henry, Seconded by Councillor Leahy,  
(93) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, May 14, 2019, be adopted.

CARRIED

Moved by Regional Chair Henry, Seconded by Councillor Leahy,  
(94) That the minutes of the Closed Finance & Administration Committee meeting held on May 14, 2019, be adopted.

CARRIED

**3. Statutory Public Meetings**

There were no statutory public meetings.

**4. Delegations**

**4.1 Colin Thomson, Unit Leader, Pickering Auxiliary Rescue Association (PARA) re: 2018 Year in Review and 2019 Strategic Plan Report**

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Colin Thomson, Unit Leader, Pickering Auxiliary Rescue Association (PARA) was not able to attend the meeting, Clint Scott attended in his place. Jennifer McGuinty, Treasurer, PARA, was also in attendance.

Clint Scott advised that PARA has been operating for more than fifty-years in the Region and they are currently on their 4<sup>th</sup> vessel which has an estimated life-span of another 8 to 10 years.

Clint Scott provided a PowerPoint presentation, highlights of which included:

- 2018 Highlights
  - Operational Metrics
  - Key Performance Indicators
  - General Comments
- Historical Tasking (Mission) Summary
- 2019 – 2021 Strategic & Business Plan
  - Strengthen the organization
  - Develop our crews
  - Ensure Search and Rescue (SAR) readiness
  - Planning for the future

- Planning the Future – Goals
  - Community Awareness
  - Asset Management (including primary vessel replacement)
  - Succession Planning
  - Financial Strength

Moved by Regional Chair Henry, Seconded by Councillor Leahy,  
(95) That Mr. Scott be granted a one-time two minute extension in order to finish his delegation.

CARRIED

Clint Scott continued with his PowerPoint presentation as follows:

- Call to Action
  - Maintain Financial Strength and Sustainability
  - Maintain and execute a viable Asset Management Strategy
  - Broaden SAR Partner engagement to other partners

Clint Scott responded to questions from the Committee members.

Moved by Councillor Ashe, Seconded by Councillor Collier,  
(96) That the delegation from the Pickering Auxiliary Rescue Association (PARA) be received for information, with thanks.

CARRIED

## **5. Presentations**

There were no presentations.

## **6. Administration**

### **6.1 Correspondence**

There were no communications to consider.

### **6.2 Reports**

- A) Appointment of New Members to the Durham Accessibility Advisory Committee (AAC) ([2019-A-23](#))
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Report #2019-A-23 from S. Austin, Director of Corporate Policy and Strategic Initiatives, was received.

Moved by Councillor Collier, Seconded by Councillor Leahy,  
(97) That we recommend to Council:

- A) That the following people be appointed to the Durham Accessibility Advisory Committee (AAC):
- Ms. Rosanne Purnwasie – Community member;
  - Ms. Lori Schisler – Agency member; and
- B) That the successful nominees be advised of their appointment to the AAC for the remainder of the 2019 – 2022 term of Council.

CARRIED

- B) Proposed Agricultural Sector Climate Adaptation Strategy, “Growing Resilience: Durham Region Agricultural Sector Climate Adaptation Strategy” (2019-A-24)

Report #2019-A-24 from S. Austin, Director of Corporate Policy and Strategic Initiatives, was received.

Chair Foster suggested that a Gantt chart be prepared showing the objectives/deliverables of the strategy.

Moved by Councillor Leahy, Seconded by Councillor Drew,  
(98) That we recommend to Council:

- A) That “Growing Resilience: Durham Region Agricultural Sector Climate Adaptation Strategy” dated April 2019 (Attachment #1 to Report #2019-A-24) be approved in principle;
- B) That the Durham Region Agricultural Sector Climate Adaptation Strategy be referred to local municipal councils for their review and approval in principle;
- C) That Regional Staff be directed to incorporate the relevant elements of the Durham Region Agricultural Sector Climate Adaptation Strategy into ongoing Regional initiatives (including the DCCAP, Durham Community Energy Plan, Regional Agricultural Strategy, Regional Broadband Strategy, Smart Cities initiatives, Source Protection, Official Plan etc.), as appropriate;
- D) That Regional Staff be authorized to further develop the objectives in the Durham Region Agricultural Sector Climate Adaptation Strategy and bring them forward to Council for individual approval to proceed with implementation; and,
- E) That a copy of Report #2019-A-24 and the attached Durham Region Agricultural Sector Climate Adaptation Strategy be shared electronically with stakeholders that participated over the course of the project.

CARRIED

## 7. Finance

N. Taylor introduced B. Goodwin, Director, Financial Solutions and Business Development.

### 7.1 Correspondence

There were no communications to consider.

### 7.2 Reports

#### A) 2019/2020 Annual Risk Management and Insurance Report (2019-F-21)

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Report #2019-F-21 from N. Taylor, Commissioner of Finance, was received.

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

- A) That the Commissioner of Finance be authorized to enter into a contract of insurance with the Frank Cowan Company for insurance coverages related to the Durham Region Transit for the period July 1, 2019 to June 30, 2020 at an estimated cost of \$1,531,039 plus applicable taxes;
- B) That the Commissioner of Finance be authorized to enter into the contract of insurance with the Frank Cowan Company for non-pooled insurance coverages specific to Durham Region for the period July 1, 2019 to June 30, 2020 at an estimated cost of \$229,063 plus applicable taxes;
- C) That the Commissioner of Finance be authorized to retain consulting services for the continued implementation of a fulsome Enterprise Risk Management Framework at the Region of Durham at a cost not to exceed \$75,000 to be funded from the Region's Insurance Reserve Fund; and
- D) That the fundamentals of the Region's Risk Management Program continue to be supported in principle to ensure that the Region's assets are adequately protected and to ensure the financial stability of the Region.

CARRIED

#### B) Confirmation of the Region's Triple "A" Credit Rating Moody's Investors Service (2019-F-22)

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Report #2019-F-22 from N. Taylor, Commissioner of Finance, was received.

N. Taylor responded to questions with respect to how long the Region has maintained a Triple "A" credit rating, the Region's practices around reserve funds, and the financial benefits of the Triple "A" rating.

Councillor Nicholson asked for the names of the other Canadian municipalities with a Triple “A” credit rating as referenced in the report. N. Taylor advised that she will provide Councillor Nicholson with the names.

Moved by Councillor Leahy, Seconded by Councillor Drew,  
(100) That Report #2019-F-22 of the Commissioner of Finance be received for information.

CARRIED

C) Final Recommendations Regarding Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges (2019-F-23)

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Report #2019-F-23 from N. Taylor, Commissioner of Finance, was received.

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

- A) That pursuant to Section 10(1) of the Development Charges Act, 1997, the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges Background Study dated April 9, 2019 be adopted (with the amended pages provided in Appendix #1 to Report #2019-F-23), including the forecasts of anticipated development, the underlying capital forecasts, the development charges calculations and policies contained in the Background Study, and further, that the approval of the capital forecasts in the Background Study indicate Regional Council's intention to ensure that such an increase in need for services will be met as required under paragraph 3 of Section 5(1) of the Development Charges Act, 1997 and Section 3 of Ontario Regulation 82/98;
- B) That the Seaton Residential Development Charges for Water Supply and Sanitary Sewerage as indicated in Table 1 below be imposed, effective July 1, 2019:

**Table 1**

<b>Region of Durham</b> <b>Recommended Seaton Residential Development Charges</b> <b>\$ Per Dwelling Unit</b>			
<b>Service Category</b>	<b>Single Detached &amp; Semi-Detached</b>	<b>Medium Density Multiples</b>	<b>Apartments</b>
<b>Sanitary Sewerage</b>	\$	\$	\$
(i) Seaton Landowners Constructed Works	5,125	4,049	2,358
(ii) Regional Constructed Works	1,863	1,472	857
(iii) Regional Attribution	2,751	2,174	1,266
Subtotal – Sanitary Sewerage	<b>9,739</b>	<b>7,695</b>	<b>4,481</b>
<b>Water Supply</b>			
(i) Seaton Landowners Constructed Works	2,452	1,937	1,128
(ii) Regional Constructed Works	5,752	4,544	2,646
(iii) Regional Attribution	4,064	3,210	1,869
Subtotal – Water Supply	<b>12,268</b>	<b>9,691</b>	<b>5,643</b>
<b>Total Development Charges</b>	<b><u>\$22,007</u></b>	<b><u>\$17,386</u></b>	<b><u>\$10,124</u></b>

- C) That the Seaton Institutional Development Charges as indicated in Table 2 below be imposed, effective July 1, 2019:

**Table 2**

<b>Region of Durham</b>  <b>Recommended Seaton Institutional Development Charges</b>  <b>\$ Per Square Foot Of Gross Floor Area</b>	
<b>Service Category</b>	<b>\$</b>
<b>Sanitary Sewerage</b>	
(i) Seaton Landowners Constructed Works	0.52
(ii) Regional Constructed Works	0.19
(iii) Regional Attribution	0.63
Subtotal – Sanitary Sewerage	<b>1.34</b>
<b>Water Supply</b>	
(i) Seaton Landowners Constructed Works	0.09
(ii) Regional Constructed Works	0.20
(iii) Regional Attribution	0.44
Subtotal – Water Supply	<b>0.73</b>
<b>Total Development Charges</b>	<b><u>\$2.07</u></b>



- D) That the Seaton Non-Institutional Development Charges for each service as indicated in Table 3 below be imposed, effective July 1, 2019:

**Table 3**

<b>Region of Durham</b>  <b>Recommended Seaton Non-Institutional Development Charges</b>  <b>\$ Per Square Foot Of Gross Floor Area</b>	
<b>Service Category</b>	<b>\$</b>
<b>Sanitary Sewerage</b>	
(i) Seaton Landowners Constructed Works	1.49
(ii) Regional Constructed Works	0.55
(iii) Regional Attribution	1.84
Subtotal – Sanitary Sewerage	<b>3.88</b>
<b>Water Supply</b>	
(i) Seaton Landowners Constructed Works	0.25
(ii) Regional Constructed Works	0.57
(iii) Regional Attribution	1.26
Subtotal – Water Supply	<b>2.08</b>
<b>Total Development Charges</b>	<b><u>\$5.96</u></b>

- E) That the Seaton Prestige Employment Land Area Development Charges as indicated in Table 4 below be imposed, effective July 1, 2019:

**Table 4**

<b>Region of Durham</b>  <b>Recommended Seaton Prestige Employment Land Area</b>  <b>Development Charges</b>  <b>\$ Per Net Hectare</b>	
<b>Service Category</b>	<b>\$</b>
<b>Sanitary Sewerage</b>	
(i) Seaton Landowners Constructed Works	72,380
(ii) Regional Constructed Works	26,489
(iii) Regional Attribution	87,796
Subtotal – Sanitary Sewerage	<b>186,665</b>
<b>Water Supply</b>	
(i) Seaton Landowners Constructed Works	12,114
(ii) Regional Constructed Works	27,474
(iii) Regional Attribution	60,559
Subtotal – Water Supply	<b>100,147</b>
<b>Total Development Charges</b>	<b><u>\$286,812</u></b>

- F) That the Development Charge policies for the Seaton Water Supply and Sanitary Sewerage Area Specific Development Charges as contained in the proposed By-law (Appendix #4 to Report #2019-F-23), including those related to collection policy, indexing, the broadening of exemptions for secondary units and industrial expansions be approved;
- G) That the Seaton Well Interference Policy as provided in Appendix #2 to Report #2019-F-23 be adopted effective July 1, 2019;
- H) That any complete submission for the preparation of a subdivision agreement received by the Development Approvals Division of the Regional Works Department on or by June 30, 2019 be given the option of being processed under the policies and rates of the current Seaton Area Specific Development Charges By-Law #19-2013 or the proposed replacement by-law, where a complete submission requires all of the following to have been submitted to the Development Approvals Division in a form satisfactory to the Region:
- i) Ministry of the Environment, Conservation and Parks approval is received;

- ii) Detailed cost estimate received;
- iii) Three (3) copies of the proposed Final Plan (M-Plan) received;
- iv) Regional Planning approval of the Final Plan received;
- v) Three(3) copies of all proposed Reference Plans (R-Plans) received;
- vi) Three (3) copies of approved General Plan of Services received (signed by the Local Municipality and the Region); and
- vii) Regional Subdivision Agreement Information Checklist.

Subdivision agreements which have been processed according to By-Law #19-2013 must be executed within three months following the termination of By-Law #19-2013, otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the replacement by-law, where execution requires all of the following to have been submitted to the Regional Legal Department in a form satisfactory to the Region:

- i) signed Subdivision Agreement received, including all schedules;
  - ii) payments of fees identified in the agreement received;
  - iii) securities identified in the agreement received;
  - iv) prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads received; and
  - v) Insurance Certificate received.
- I) That the existing complaint procedure as provided in Regional By-law #52-2014 continue for the purpose of conducting hearings, regarding complaints made under Section 20 of the Development Charges Act, 1997;
- J) That Section 12(3) of the Development Charges Act, 1997 requires Regional Council to determine whether a further public meeting is necessary when changes are made to a proposed development charges by-law following a public meeting, and whereas changes were made (see Section 2.0) to the Seaton proposed development charge by-law following the public meeting on April 24, 2019, it is recommended that Regional Council resolve that a further public meeting is not necessary and therefore Council indicate that a second public meeting is not required prior to the passage of the recommended Seaton Development Charge By-law;
- K) That the Director of Legal Services be instructed to finalize the proposed Seaton Development Charge By-law for presentation to Regional Council and passage;
- L) That the Director of Legal Services be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that such revised by-law(s) be presented to Council for passage;

- M) That the Regional Clerk be instructed to follow the notification provisions pursuant to the Development Charges Act, 1997; and
- N) That the Treasurer be instructed to prepare the requisite development charge pamphlet pursuant to the Development Charges Act, 1997 and related materials.

CARRIED

D) Annual Development Charges Reserve Fund Statement (2019-F-24)

Report #2019-F-24 from N. Taylor, Commissioner of Finance, was received.

N. Taylor responded to questions with respect to Section 59.1 of the Development Charges Act; the impacts of Bill 108; the differences between “soft” services and “hard” services; the return-on-investment for development charge reserves; and details around the deferral of development charge payments.

N. Taylor advised that a memo regarding the impacts of Bill 108 is being prepared and will be circulated to members of Council.

Chair Foster questioned whether charts could be included in these types of reports to illustrate the status of development charges and development charge reserves. N. Taylor advised that more fulsome details including trend lines and graphics can be provided in future decision reports on development charges.

Moved by Councillor Leahy, Seconded by Councillor Collier,  
(102) That we recommend to Council:

That the balance of the Carruthers Creek Water Supply Area Specific Development Charge Reserve Fund (\$222,423) as shown in Schedule 6 of Report #2019-F-24 be transferred to the Regional Residential Water Supply Development Charge Reserve Fund, given that:

- i. All water supply infrastructure works required to serve the Carruthers Creek Service Area have been completed and no further costs will be incurred; and
- ii. The corresponding Carruthers Creek Water Supply Area Specific Development Charge By-law (#18-2013) expired on June 30, 2019 and was not renewed as all commitments under the front-ending agreement were completed.

CARRIED

E) 2019 Provincially Mandated Business Protection Program (Capping Program) and 2019 Provincial Education Tax Rates (2019-F-25)

Report #2019-F-25 from N. Taylor, Commissioner of Finance, was received.

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

- A) That for the 2019 mandated Provincial Business Protection Program (Capping Program), the Region of Durham adopt the following municipal capping options, consistent with options selected for 2018, in an effort to expedite the achievement of full Current Value Assessment (CVA) level taxation in the non-residential property classes:
- i) Set the minimum annual increase at 10 per cent of total CVA level property taxation for properties that are provided protection;
  - ii) Set the maximum percentage increase in property taxation due to reassessment at 10 per cent of the previous year's taxes;
  - iii) Set the "billing" increase threshold at \$500, such that any capped property components whose taxation amount under the mandated Provincial Business Protection Program is within \$500 of its CVA level taxation be required to pay its full CVA property taxation amount;
  - iv) Permanently exclude any property components from the Capping Program if the property component was at CVA level taxation in 2018 or 2019 or moves from a "clawback" to a "capped" property in 2019;
  - v) Include any property components in the Capping Program if the property component moves from a "capped" to a "clawback" property in 2019;
  - vi) Exclude the 2016 reassessment related increases from the capping calculations; and
  - vii) Continue the phase-out of the Capping Program over four years (2018-2021) for the broad commercial and industrial property tax classes such that all properties within these property tax classes will achieve full CVA level taxation by 2021;
- B) That the cost of capping reassessment property tax increases, pursuant to the 2019 mandated Provincial Business Protection Program, be financed by withholding a portion of the reassessment related decreases owing to other properties within the corresponding broad property tax class; and
- C) That approval be granted for the requisite by-laws for the 2019 Provincial Business Protection Program.

CARRIED

F) Sole Source Purchase of Oracle PeopleSoft Enterprise ePerformance Software Module Including User Licenses & Support Services (2019-F-26)

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Report #2019-F-26 from N. Taylor, Commissioner of Finance and D. Beaton, Commissioner of Corporate Services, was received.

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

- A) That a sole source purchase of user licenses and support services for the PeopleSoft Enterprise ePerformance software module be negotiated with Oracle Canada ULC (Oracle) at an upset cost not to exceed \$325,000 and annual support services costs of approximately \$40,000 beginning in year 2, to be funded from the 2019 approved project budget; and
- B) That the Commissioner of Finance be authorized to execute the necessary user licences and support services agreements/amendments.

CARRIED

G) Multi-Year Governance Agreement for Joint Procurements Facilitated by Metrolinx (2019-F-27)

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Report #2019-F-27 from N. Taylor, Commissioner of Finance, was received.

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

- A) That Durham Region Transit (DRT) participate in joint competitive Request for Proposals (RFP) for the procurement of transit related vehicles, equipment, technologies, facilities and related supplies and services in conjunction with Metrolinx and other participating transit agencies in the province for a five-year period beginning in 2019 and ending 2024, with an option to renew until 2029;
- B) That to meet Metrolinx's requirements, the Deputy General Manager, Maintenance, or a designate, be DRT's representative in the process; and
- C) That the Commissioner of Finance be authorized to execute the necessary agreements.

CARRIED

H) Radio Communications System: One Year Extension of Contract with Metrolinx (2019-F-28)

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Report #2019-F-28 from N. Taylor, Commissioner of Finance, was received.

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

- A) That negotiation of a one-year extension from January 1, 2020 to December 31, 2020 to the existing contract with Metrolinx for Durham Region Transit (DRT) to continue to use Metrolinx's radio communication systems at an estimated annual operating cost of \$310,000 to be financed from DRT's 2020 annual Business Plans and Budgets; and
- B) That the Commissioner of Finance be authorized to execute the necessary agreements.

CARRIED

- I) Funding for Central East Division Chiller Replacement and Initial Funding for Regional Reporting Centre Structural Improvement (2019-F-29)

Report #2019-F-29 from N. Taylor, Commissioner of Finance, was received.

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

That \$750,000 approved property tax supported debenture financing be reallocated from the Durham Regional Police Service Operations Training Centre capital project to the following Durham Regional Police Service capital projects:

- i) \$684,000 to the Central East Division Chiller Replacement Project; and
- ii) \$66,000 to the Regional Reporting Centre Structural Improvement (with an estimated total cost of \$300,000).

CARRIED

## **8. Advisory Committee Resolutions**

### **8.1 Accessibility Advisory Committee**

- A) Appointment to the Transit Advisory Committee (TAC)

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

That Mike Roche be appointed as the Accessibility Advisory Committee representative to the Transit Advisory Committee.

CARRIED

## **9. Confidential Matters**

There were no confidential matters to be considered.

**10. Other Business**

There was no other business to be considered.

**11. Date of Next Meeting**

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, September 10, 2019 at 9:30 AM in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

**12. Adjournment**

Moved by Councillor Nicholson, Seconded by Councillor Collier,  
(109) That the meeting be adjourned.

CARRIED

The meeting adjourned at 10:07 AM

Respectfully submitted,

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A. Foster, Chair

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L. Fleury, Legislative Officer