



## **The Regional Municipality of Durham**

### **Finance & Administration Committee Agenda**

Council Chambers  
Regional Headquarters Building  
605 Rossland Road East, Whitby

**Tuesday, December 10, 2019**

**9:30 AM**

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**1. Declarations of Interest**

**2. Adoption of Minutes**

- A) Finance & Administration Committee meeting  
–[November 12, 2019](#)

Pages 5 - 16

**3. Statutory Public Meetings**

There are no statutory public meetings

**4. Delegations**

There are no delegations

**5. Presentations**

- 5.1 Nicole Pincombe, Director of Business Planning, Budgets and Risk Management and John Presta, Director, Environmental Services, re: Report #2019-F-52: 2020 Current and Capital Business Plans and Budgets and Nine Year Capital Forecasts for the Water Supply and Sanitary Sewerage Systems [Item 7.2 H)]

**6. Administration**

6.1 Correspondence

6.2 Reports

- A) Renewal of Ontario Parcel Master Agreement Products  
([2019-A-35](#))

17 - 20

- B) The Regional Municipality of Durham's 2018 Accessibility Report ([2019-A-36](#)) 21 - 34

## 7. Finance

### 7.1 Correspondence

- A) Correspondence from [Mary Medeiros, Interim City Clerk, City of Oshawa re: Durham Region Hospice and VON Durham Community Corporation](#) Submitting a Funding Request for Two New Residential Hospices Recommendation: Receive for information 35 - 37

- B) Correspondence from Kevin Narraway, Manager of Legislative Services/Deputy Clerk, Town of Whitby re: Council of the Town of Whitby, at a meeting held on November 25, 2019, adopted the following as Resolution # 323-19:

1. That the Region of Durham be requested to support heritage preservation by adopting a by-law to provide a Regional property tax rebate for designated heritage properties, including those properties within heritage conservation districts; and
2. That a copy of this resolution be sent to area municipalities in the Region of Durham.

Recommendation: Refer to consideration of the 2020 Strategic Property Tax Study

- C) Direction Memorandum from Works Committee re: Works Department – 2020 Water Supply and Sanitary Sewerage Business Plans and Budgets ([2019-W-98](#)) 38

Recommendation: Refer to consideration of Report #2019-F-52 [Item 7.2 H)]

### 7.2 Reports

- A) Sanitary Sewer Surcharge Appeal by the Ministry of Natural Resources and Forestry for Darlington Provincial Park, 1600 Darlington Park Road, Bowmanville ([2019-F-45](#)) 39 - 41
- B) Temporary Borrowing By-law for 2020 ([2019-F-46](#)) 42 - 43
- C) 2020 Interim Regional Property Tax Levy ([2019-F-47](#)) 44 - 46

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|----|---|---------|
| D) | Request from the Durham Regional Police Services Board for 2020 Pre-Budget Approval for the Purchase of New Vehicles (2019-F-48)  | 47 - 52 |
| E) | Regional Agreement with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax for the Advancement of Regional Development Charge Demolition Credits for a Long-Term Care Facility, in the Town of Ajax (2019-F-49)   | 53 - 56 |
| F) | Request for Deferral of Regional Development Charges by Trillium Housing Non-Profit for a New Affordable Housing Project in the City of Pickering (2019-F-50)   | 57 - 63 |
| G) | Request for Regional Financial Assistance under the Regional Revitalization Program for the Development of Lands surrounding Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge to support the new Uxbridge Health Centre (2019-F-51) | 64 - 72 |
| H) | 2020 Current and Capital Business Plans and Budgets and Nine Year Capital Forecasts for the Water Supply and Sanitary Sewerage Systems (2019-F-52)  | 73 - 85 |
|    | <a href="#">Link to the Detailed Consolidated 2020 Business Plans and Budgets for Water Supply and Sanitary Sewerage Systems</a>  |         |
| I) | Award of RFP 240-2019 for the Rental of Multi-Functional Devices and Related Services for the Regional Municipality of Durham (2019-F-53)   | 86 - 89 |

## 8. Advisory Committee Resolutions

### 8.1 9-1-1 Management Board

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|----|--|----|
| A) | <a href="#">9-1-1 Management Board Signing Authority</a> | 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, January 14, 2020 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, November 12, 2019**

A regular meeting of the Finance & Administration Committee was held on Tuesday, November 12, 2019 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:31 AM

Present: Councillor Foster, Chair  
Councillor Collier, Vice-Chair attended the meeting at 9:34 AM  
Councillor Drew  
Councillor Leahy  
Councillor Mulcahy attended the meeting at 9:35 AM  
Regional Chair Henry

Also

Present: Councillor Crawford attended the meeting at 9:33 AM  
Councillor Kerr  
Councillor Wotten

Absent: Councillor Ashe was absent on vacation  
Councillor Nicholson was absent due to personal matters

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer  
J. Austin, Deputy General Manager Business Services, DRT  
S. Austin, Director, Corporate Policy and Strategic Initiatives, Office of the CAO, attended the meeting at 9:43 AM  
D. Beaton, Commissioner of Corporate Services  
B. Bridgeman, Commissioner of Planning & Economic Development  
J. Demanuele, Director of Business Services, Works Department  
D. Holmes, Director, Business Affairs and Financial Management, Social Services Department  
W. Holmes, General Manager, DRT  
J. Hunt, Director, Legal Services, Corporate Services - Legal  
R. Inacio, Systems Support Specialist, Corporate Services - IT  
Dr. Kyle, Commissioner & Medical Officer of Health, left the meeting at 10:00 AM  
T. Lavery, Manager, Communications  
I. McVey, Manager, Sustainability, Office of the CAO, attended the meeting at 9:43 AM  
N. Pincombe, Director, Business Planning, Budgets and Risk Management  
N. Taylor, Commissioner of Finance  
R. Walton, Regional Clerk/Director of Legislative Services

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,  
(141) That the minutes of the regular Finance & Administration Committee  
meeting held on Tuesday, October 8, 2019, be adopted.

CARRIED

**3. Statutory Public Meetings**

There were no statutory public meetings.

It was the consensus of the Committee to alter the agenda in order to consider  
the Administration Reports at this time.

**6. Administration**

**6.1 Correspondence**

There were no communications to consider.

**6.2 Reports**

**A) Legislative Services Business Continuity (2019-A-31)**

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Report #2019-A-31 from D. Beaton, Commissioner of Corporate Services, was  
received.

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

That a by-law authorizing a Deputy Clerk Pro Tem, generally in the form included  
as Attachment #1 to Report #2019-A-31 of the Commissioner of Corporate  
Services be approved.

CARRIED

**B) Esri Enterprise Agreement Extension (2019-A-32)**

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Report #2019-A-32 from D. Beaton, Commissioner of Corporate Services, was  
received.

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

- A) That an 8-month extension be executed for the Enterprise Agreement with Esri Canada Limited to July 2020 in the estimated total amount of \$305,000 plus applicable taxes, with \$205,927 paid by the Region with financing from the Corporate Services – Information Technology annual budget and the balance by the participating lower-tier municipalities and Durham Regional Police Services;
- B) That an affiliate cost sharing agreement be executed with the participating lower-tier municipalities and Durham Regional Police Services that have expressed intent to participate; and
- C) That the Commissioner of Finance be authorized to execute the Esri ELA Extension Amendment and any related agreements between the Region of Durham and Esri Canada Limited and between the Region of Durham and the local affiliates.

CARRIED

C) Appointment of Commissioner of Social Services (2019-A-33)

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Report #2019-A-33 from E. Baxter-Trahair, Chief Administrative Officer, was received.

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

That the Regional Clerk or designate prepare the necessary by-law to appoint Stella Danos-Papaconstantinou as the Commissioner of Social Services Department effective September 3, 2019.

CARRIED

D) 2018-2019 Climate Change Update (2019-A-34)

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Report #2019-A-34 from E. Baxter-Trahair, Chief Administrative Officer, was received. Staff responded to questions with respect to how the greenhouse gas inventory was conducted and whether the Region performs energy audits on all their facilities; the change in GHG emissions from Solid Waste Landfill and the Durham York Energy Centre from 2015 to 2016 and whether it was in-line with projections; and the diversion of organic material. Comments were made with respect to the number of charts and information in the report and the difficulty in determining what has been done and what is being done moving forward.

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

- A) That Regional Council receive this 2018-2019 Climate Change Update; and

- B) That Report #2019-A-34 of the Chief Administrative Officer be forwarded for information to the Durham Region Roundtable on Climate Change (DRRCC).

CARRIED

#### **4. Delegations**

##### **4.1 Don Lovisa, President, Durham College re: Durham College Whitby Expansion: Request for Regional Support**

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Don Lovisa, President, Durham College, appeared before the Committee with respect to the Durham College Whitby Expansion project and a request for Regional support. Highlights of his presentation included:

- Growth & Prosperity
- Industry & Enrolment Need
- Expansion
- Financials & Impact

D. Lovisa advised that Durham College is requesting \$2 million from the Region over 3 years and outlined the need to expand the campus with a 60,000 square foot addition to focus on skilled trades.

D. Lovisa noted that the number of applications for the trade programs outweighs the number of spaces available and added that now is the time to expand the campus to meet industry and student demand, ensuring sustainable growth throughout the Region.

D. Lovisa stated that the expansion is estimated to cost \$35 million and Durham College is applying for provincial approval to obtain a \$20 million loan and the rest will be obtained through a capital campaign.

D. Lovisa responded to questions from the Committee members.

Moved by Councillor Collier, Seconded by Councillor Drew,  
(146) That the presentation from Don Lovisa, President, Durham College re: Durham College Whitby Expansion: Request for Regional Support, be referred to the 2020 budget for consideration.

CARRIED

#### **5. Presentations**

##### **5.1 Elaine Baxter-Trahair, Chief Administrative Officer and Nancy Taylor, Commissioner of Finance, re: Report #2019-F-44: 2020 Regional Business Plans and Property Tax Supported Budget Guideline Update [Item 7.2E]**

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Elaine Baxter-Trahair, Chief Administrative Officer and Nancy Taylor, Commissioner of Finance provided a presentation with respect to Report #2019-F-44: 2020 Regional Business Plans and Property Tax Support Budget Guideline Update. Highlights of the presentation included:

- Purpose and Use of Guideline
  - Caps tax impact
  - Provides direction and assists staff in finalizing budget submissions
  - Ensures alignment with Council's tax levy expectations and service level expectations
  - Provides for base budget pressures and key strategic budget priorities
- Update – 2020 Provincial Funding Impacts
  - Funding reductions, changes in funding models, and potential downloading
  - Uncertainty
  - Opt to absorb impact through increased Regional funding, or where possible, opt to reduce service levels
- Use of Reserves and Reserve Funds
  - Servicing of Employment Lands
  - New Region of Durham Long-Term Care Home
  - Capital Improvements to DRLHC Housing Stock
  - Transit-Oriented Development Opportunities
  - Region's Share of Investing in Canada Infrastructure Program Projects
  - Growth Related Transit, Road and Transportation Capital Projects
  - Road Safety Capital Projects
  - Road and Bridge Rehabilitation and Reconstruction Capital Works
  - DRPS Education and Innovation Centre Transition Space
  - Optimize and Modernize Regional Headquarters
  - Comprehensive Master Housing Strategy
  - One-Time Operating Initiatives
- Proposed 2020 Property Tax Guideline and Next Steps
  - Line-by-line review
  - Refinement of budget estimates and priorities
  - Explore alternative funding strategies
  - Work with Province to understand 2020 funding impacts
  - Continue to monitor assessment growth
  - Review and prioritize staffing requests, budget pressures and priorities, and look for efficiencies
- Update – Budget Open Houses
  - November 12, 2019 at Regional Headquarters
  - November 13, 2019 at Scugog Community Recreation Centre

Moved by Councillor Collier, Seconded by Councillor Leahy,  
(147) That the order of the agenda be altered to consider Report #2019-F-44 of  
the Commissioner of Finance at this time.

CARRIED

## 7.2 Reports

### E) 2020 Regional Business Plans and Property Tax Supported Budget Guideline Update (2019-F-44)

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Report #2019-F-44 from N. Taylor, Commissioner of Finance, was received. Staff responded to questions with respect to whether the budget highlights document prepared for the public open houses will be made available electronically; will the amount in reserves increase for 2020 if the budget guideline is set at 2.5%; whether any further consideration has been given to using the reserves to fund more projects; whether there are any plans to cut services if the 2.5% guideline is approved; how it will be communicated what part of the proposed guideline is due to provincial downloading; how quickly the servicing of employment lands can begin and whether the funding allocated for that can be increased; what the increases in the budgets for DRPS and the Central Lake Ontario Conservation Authority are for; and how the tax rates in Durham compare to the rest of the GTA. N. Taylor noted that staff could prepare a memo for the Committee members highlighting the issues in the MBN Canada 2018 Performance report.

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

- A) That the following detailed direction and guidelines for the 2020 Business Plans and Budgets for the Durham Regional Police Services Board, Conservation Authorities, Regional Operations and other Outside Agencies be approved:
  - i) The 2020 Property Tax Guideline not exceed an overall tax impact of 2.5 per cent compared to the 2019 approved budget including an additional 0.50 per cent over the 2019 approved budget to maintain current service levels in response to provincial funding reductions, changes in provincial funding formulas and potential provincial downloading;
  - ii) The 2020 Business Plans and Budgets for the Durham Regional Police Services Board not exceed \$213.225 million, an increase of approximately 3.2 per cent compared to the 2019 approved budget; and
  - iii) The 2020 Operating Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, and the 2020 Special Benefitting Programs

Budget for each Conservation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2019 approved budget;

- B) That the preliminary timetable for the 2020 Regional Business Plans and Budgets be approved as outlined in Attachment #2 to Report #2019-F-44 of the Commissioner of Finance, which includes the following key dates:
- i) December 18, 2019 – final Regional Council approval of the 2020 Water Supply and Sanitary Sewerage Business Plans and Budgets;
  - ii) February 26, 2020 – final Regional Council approval of all 2020 Property Tax Supported Business Plans and Budgets; and
- C) That a copy of Report #2019-F-44 be forwarded to the Durham Regional Police Services Board, Durham Region Transit Commission, Conservation Authorities, Durham Regional Local Housing Corporation and other Outside Agencies to guide the development of detailed 2020 Business Plans and Budgets.

CARRIED

## **7. Finance**

### **7.1 Correspondence**

- A) Correspondence from Nick Katsoras, Ajax resident, re: Water Bill for 6 Simms Drive, Ajax, expressing concerns about a water bill that was 3 times the cost of his average bill. N. Katsoras has reached out to Councillor Crawford, as well as Mayor Collier and Regional staff. N. Katsoras is requesting a reduced water bill to the average consumption of the same period over the last 2-3 years

Moved by Councillor Collier, Seconded by Councillor Leahy,

- (149) That correspondence from Nick Katsoras, Ajax resident, re: Water Bill for 6 Simms Drive, Ajax be referred to consideration of Report #2019-F-42 of the Commissioner of Finance.

CARRIED

- B) Correspondence from Johnathan Schickedanz, President, Durham Region Home Builders' Association re: Report #2019-F-41: Authorization to Undertake a Review to Amend the Region's Development Charge By-laws and implement new Community Benefits Charges in response to Bill 108 More Homes, More Choice Act, 2019 and to implement a new Development Charge By-law for Waste Diversion Services

Moved by Regional Chair Henry, Seconded by Councillor Mulcahy,

- (150) That correspondence from Johnathan Schickedanz, President, Durham Region Home Builders' Association, re: Report #2019-F-41 Authorization

to Undertake a Review to Amend the Region's Development Charge By-laws, be referred to consideration of Report #2019-F-41 of the Commissioner of Finance.

CARRIED

## 7.2 Reports

### A) Award of Request for Proposals RFP 348-2019 for the provision of Natural Gas Consulting and Related Services for the Region of Durham (2019-F-40)

Report #2019-F-40 from N. Taylor, Commissioner of Finance, was received. Staff responded to questions with respect to the role of the consultant; and the Durham Regional Local Housing Corporation's purchasing agreement for natural gas through the Housing Services Corporation.

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

- A) That the Proposal received from Blackstone Energy Services Inc. in response to Request for Proposals RFP 348-2019 to provide natural gas consulting and related services for a three year term (with an option to extend for up to two additional one year terms) for an estimated annual fee of less than \$10,000 per year, based on the current number of Regional accounts and subject to change over the contract term, be accepted;
- B) That Blackstone Energy Services Inc. be authorized to continue to act as an agent of the Region to execute transactions for the delivery, supply and balancing of natural gas on the Region's behalf in consultation with the Commissioner of Finance; and,
- C) That the Commissioner of Finance be authorized to execute the appropriate agreements with Blackstone Energy Services Inc. and, where required, execute supply agreements with subsequently approved natural gas suppliers to enable competitive bidding.

CARRIED

### B) Authorization to Undertake a Review to Amend the Region's Development Charge By-laws and implement new Community Benefits Charges in response to Bill 108 *More Homes, More Choice Act, 2019* and to implement a new Development Charge By-law for Waste Diversion Services (2019-F-41)

Report #2019-F-41 from N. Taylor, Commissioner of Finance, was received. Staff responded to a question about whether the Region can expect to receive more, or less, revenue from Development Charges once the amendments are implemented.

Moved by Councillor Leahy, Seconded by Councillor Drew,



(152) That we recommend to Council:

- A) That a review be undertaken to amend the Region's current Development Charge By-laws and prepare new Community Benefits Charges in response to Bill 108 *More Homes, More Choice Act, 2019*;
- B) That the preparation of a new development charge by-law for waste diversion services be undertaken;
- C) That the consulting firm of Watson & Associates Economists Ltd. and legal firm of WeirFoulds LLP be retained to assist staff with this Development Charge review and preparation of the Development Charge Background Studies and By-laws and the new Community Benefits Charges at a cost of up to \$200,000, to be financed as follows:

Development Charge Studies Reserve Fund	\$124,000	62%
Property Taxes	38,000	19%
Water and Sewer User Revenue	<u>38,000</u>	19%
Total	<u>\$200,000</u>	

with the property tax and water and sewer user revenue portions to be funded at the discretion of the Commissioner of Finance; and that the Commissioner of Finance be authorized to adjust the allocation of financing, subject to any future restrictions on the use of development charges in the new legislation; and

- D) That the Commissioner of Finance be authorized to execute the necessary agreements.

CARRIED

- C) Background Information Concerning the Water and Sanitary Sewer Billing for 6 Simms Drive, Ajax (2019-F-42)

Report #2019-F-42 from N. Taylor, Commissioner of Finance, was received. Staff responded to questions with respect to whether there are any concessions for not using the sewer system; the investigation conducted at the subject property; the provision of notice when a water bill is higher than normal; whether the meter would be tested if there was another high water bill; communications to consumers about what may cause high bills; and whether the new water billing system will enable residents to view their usage online.

Moved by Councillor Leahy, Seconded by Councillor Collier,

- (153) That Report #2019-F-42 of the Commissioner of Finance be received for information.

CARRIED

D) Participation and Shareholder Agreement with HealthPro Procurement Services Inc. (2019-F-43)

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Report #2019-F-43 from N. Taylor, Commissioner of Finance, was received.

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

- A) That Participation and Shareholder Agreement be extended with HealthPro Procurement Services Inc., a Group Purchasing Organization (GPO), in which the Region of Durham currently maintains membership, for a further five (5) year period, from 2019 to 2024, with the option to extend the Agreement for a further term of up to five (5) additional one (1) year terms;
- B) That any contracts offered to the Region as a member of the GPO Healthpro continue to be leveraged, conditional on those contracts being established through a competitive method similar to that noted in the Region's By-law and through organizations that meet the requirements of the Broader Public Sector Procurement Directive and the Procurement requirements established in the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA);
- C) That where more than one supplier is identified by HealthPro through their competitive bid process, the Designated Official (under the Purchasing By-law #68-2000 (Amended)) in consultation with the user Department, may utilize one or more of the following parameters to determine a final source of supply:
  - a) The Supplier is already under contract with the Region (for other goods/services) and it has been confirmed that they can provide consistently acceptable service, favourable payment and/or contract terms;
  - b) The Supplier has proven their ability through an existing contract to meet the delivery and service requirements and/or response times of the Region's user departments, and offers the Region additional value-added incentives or customer services;
  - c) The Supplier's ability to maintain continuity of source of supply of required products and/or services;
  - d) Work with the Department to standardize on products if possible, obtain samples for review and evaluation from a functional and/or clinical performance perspective, to select which HealthPro contract best suits their needs; and

- D) That the Commissioner of Finance be authorized to execute any necessary Agreements, including any amendments with HealthPro Procurement Services Inc.

CARRIED

- E) 2020 Regional Business Plans and Property Tax Supported Budget Guideline Update (2019-F-44)
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Report #2019-F-44 from N. Taylor, Commissioner of Finance, was considered earlier in the meeting. [See Item 7.2 E) on pages 6 and 7.]

**8. Advisory Committee Resolutions**

There were no advisory committee resolutions to be considered.

**9. Confidential Matters**

There were no confidential matters to be considered.

**10. Other Business**

- 10.1 Consideration of Durham Region Transit Reports by the Finance & Administration Committee
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Councillor Collier expressed concern with respect to the Finance & Administration Committee amending recommendations in reports pertaining to Durham Region Transit (DRT) when the matter has already been considered by the Transit Executive Committee as the Finance & Administration Committee members may not be aware of what the effect of the amendments may be.

E. Baxter-Trahair advised that amendments to the Transit By-law to remove the requirement for DRT reports with a financial component to be considered by this Committee will be brought forward for Council's consideration.

- 10.2 Use of Grey Water and Rain Water
- 

Regional Chair Henry noted that the use of grey water and rain water is increasing and questioned whether any thought had been given to measuring the outflow from water catchment systems to determine the quantity that will need to be treated.

E. Baxter-Trahair advised that this will be looked at as the Region continues to advance climate change planning.

**11. Date of Next Meeting**

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

**12. Adjournment**

Moved by Regional Chair Henry, Seconded by Councillor Mulcahy,  
(155) That the meeting be adjourned.

CARRIED

The meeting adjourned at 10:49 AM

Respectfully submitted,

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A. Foster, Chair

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L. Fleury, Legislative Officer



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Corporate Services  
Report: [#2019-A-35](#)  
Date: December 10, 2019

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**Subject:**

Renewal of Ontario Parcel Master Agreement Products

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**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council that:

- A) The following four agreements with Teranet Enterprises Inc. be extended at an annual cost of \$149,376 plus applicable taxes, for each year of the agreement, for a total cost of \$746,880 plus applicable taxes for a term of 5 years: the End User Data License Agreement; Ontario Parcel Master Agreement (OPMA) Products Delivery Agreement; the General Municipal License Agreement - OPMA Ownership Mapping Data Products; and the Value Added Relicensor ("VAR") Agreement;
- B) A renewal of the Region of Durham OPMA partner cost sharing agreement with the eight participating lower-tier municipalities that have expressed interest through a letter of intent be executed;
- C) Financing for the Region's share of the agreements for 2020 and future years is allocated in Corporate Services - Information Technology Division GIS Services base budget, and;
- D) The Commissioner of Finance be authorized to execute any and all documents necessary to give effect to the actions herein approved, provided all are in a form satisfactory to the Commissioner of Finance, the Director of Legal Services and the Director of Legislative Services.

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**Report:****1. Purpose**

- 1.1 The Region of Durham and eight area municipalities all have Geographic Information Systems (GIS) in place that use the Ontario Parcel Master Agreement (OPMA) datasets as the foundation for spatial reference, linking regional, municipal information together with provincial (owner) and MPAC (assessment) parcels.
- 1.2 The products and services being offered by Teranet Inc. provide the Region of Durham and the area municipal stakeholders with the official Parcel Ownership Polygons, Parcel Assessment Polygons, a Transfer Report, Easement Report, and a plan index including scanned images of surveys within the Region, linked to the ownership parcels.
- 1.3 The Parcel Ownership Polygons provide a geographical location of parcels with ownership. The Parcel Assessment Polygons provide a geographical location of parcel assessment roll numbers. The Transfer Report provides title information such as the owner, previous owner and the sale amount of the property. The Transfer and Easement report can be linked to the parcel polygons thereby allowing GIS users to query individual parcels or multiple parcels efficiently.

**2. Background**

- 2.1 The Ontario Parcel Master Agreement began in 2002, between the then Ontario Ministry of Natural Resources (MNR), Municipal Property Assessment Corporation (MPAC), and Teranet Enterprises Inc. Effectively, Teranet became the sole supplier of the authoritative database of land parcel information in Ontario.
- 2.2 In 2014, Regional Council approved the execution of a new five-year data maintenance agreement with Teranet Inc. for monthly deliveries of the OPMA data. This agreement is due to be renewed on December 19, 2019. Under the current agreement, the local municipalities have the same rights and privileges to the data as the Region of Durham, with the Region acting as a Value Added Relicensor. Other public bodies including Durham Regional Police Services, Durham Region Non-Profit Housing Corporation, libraries, School Boards and Conservation Authorities have access only to Ownership and Assessment parcel polygons as stipulated in the OPMA.
- 2.3 The new agreement between Region of Durham and Teranet will include access to Teranet's on-demand parcel delivery, which any of the local municipalities can enable for their GIS database. This will allow data to be updated directly from Teranet on a daily basis.

### 3. Financial Implications

- 3.1 Costs for the OPMA with Teranet is paid up front by the Region of Durham, and a portion of those costs are recovered from each municipality by the Region.
- 3.2 Funds for the Region's portion is included the CS-IT GIS Services base budget for 2020 and future years, and this renewal is in line with inflation. An increase in budget will not be required due to other efficiencies found in GIS Services budget.
- 3.3 The annual cost for the new contract, which is based on a 5-year agreement from December 20, 2019 to December 19, 2024, will be \$149,376 plus applicable taxes.
- 3.4 As in previous terms of the contract, the Region of Durham will pay 50% of the fee, invoicing each municipality a portion of the remaining 50%. This portion is determined by the number of parcels in each municipality, which is the base unit of data delivered by Teranet.

- a. Table of annual fees, each year of the 5-year term, before tax, by municipality

<b>Municipality</b>	<b>Annual Fee</b>
Durham	\$74,687
Ajax	\$11,823
Brock	\$2,220
Clarington	\$12,455
Oshawa	\$17,370
Pickering	\$9,971
Scugog	\$3,408
Uxbridge	\$2,877
Whitby	<u>\$14,565</u>
<b>TOTAL</b>	<b><u>\$149,376</u></b>

- 3.5 Pursuant to the Purchasing By-Law 68-2000, as amended, negotiation is allowed where the extension of an existing contract would prove cost beneficial, and there is only a single source of the information. In this respect, Teranet is the only supplier of this data.

#### **4. Conclusion**

- 4.1 The Finance and Administration Committee recommends to Regional Council that authorization be granted to the Commissioner of Finance to execute the extension letters for the End User Data License Agreement, OPMA Products Delivery Agreement, the General Municipal License Agreement - OPMA Ownership Mapping Data Products and the Value Added Relicensor ("VAR") Agreement with Teranet Enterprises Inc., as well as amending the General Municipal License Agreement - OPMA Assessment Mapping Data Products with Municipal Property Assessment Corporation provided all are in a form satisfactory to the Commissioner of Finance, the Director of Legal Services and the Director of Legislative Services.

Respectfully submitted,

Original signed by

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

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer





# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Chief Administrative Officer  
Report: [#2019-A-36](#)  
Date: December 10, 2019

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**Subject:**

The Regional Municipality of Durham's 2018 Accessibility Report

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**Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

That the Regional Municipality of Durham's 2018 Accessibility report be adopted.

---

**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to present the 2018 Accessibility Report to the Finance and Administration Committee.

**2. Background**

- 2.1 In June 2005, the Ontario Legislature passed the Accessibility for Ontarians with Disabilities Act, 2005, (AODA). The AODA builds on the previous Ontarians with Disabilities Act, 2001. Both acts are still in effect.
- 2.2 Provincial and municipal governments and key broader public-sector organizations are required to establish a multi-year accessibility plan which outlines the organization's strategy to prevent and remove barriers to people with disabilities. These plans are to be reviewed and updated at least once every five years. In addition, the organization must prepare an annual status report on the progress of measures taken to implement this strategy. All accessibility reports and plans must be made available to the public.

**3. Process**

- 3.1 The attached report reviews the progress made on actions indicated in the 2017 Accessibility Report and the 2016-2021 multi-year plan. This progress includes removal and prevention of barriers related to attitudes, technology, policies and procedures as well as those involving physical accessibility to buildings, services and transportation.
- 3.2 The Chief Administrative Officer's office led the report's development, with consultation among representatives from each Regional department and the Accessibility Advisory Committee. The staff working group has worked with internal departments to prepare updates for the annual report.

**4. Next Steps**

- 4.1 After Regional Council approves the 2018 Accessibility Report it will be made available to the public. In addition, the Report will be available on our Regional website. It should also be noted that the Report will be made available in accessible formats upon request.

**5. Attachments**

Attachment #1: Accessibility Report

Respectfully submitted,

---

Elaine Baxter-Trahair  
Chief Administrative Officer





# The Regional Municipality of Durham 2018 Accessibility Report

## Update to the 2017 Accessibility Report

If you require this information in an accessible format, please contact the Accessibility Coordinator at [accessibility@durham.ca](mailto:accessibility@durham.ca) or **905-668-4113 ext. 2009**.



## Table of contents

A message from the Regional Chair and Chief Executive Officer .....	3
Message from the Chair, Durham Accessibility Advisory Committee (AAC) .....	4
Durham Region Accessibility Advisory Committee .....	5
Durham Region Accessibility Report 2018 .....	6
Accessibility Awards.....	7
2018 award recipients .....	7
Region of Durham's 2018 highlights on accessibility initiatives .....	8
Continuous improvements throughout the organization .....	10
National Access Awareness Week 2018 .....	10
Accessibility for Ontarians with Disabilities Act, 2005 compliance timelines.....	11
Contact information .....	12

## A message from the Regional Chair and Chief Executive Officer

When we hear from colleagues, citizens or clients about barriers they've encountered in Durham Region, we listen. We find ways to eliminate obstacles. We create new pathways to service. And, in 2018, we turned to innovation and collaboration.

Why? Because accessibility is part of our corporate mindset.

In 2018, we enhanced communications. The Durham Region Transit (DRT) website was updated with plain language, easy-to-read fonts, and an accessible design. We held accessible document training for 420 employees who produce Council reports, application forms, web pages and more. We released a step-by-step accessible document guide and checklist. Plus, we now have an accessible web publishing policy.

We looked at processes. A new, accessible procurement (purchasing) document was created; followed by training for our procurement officers. We made sure 80 per cent of DRT's stops were accessible. And now, 113 audible pedestrian signals are in place.

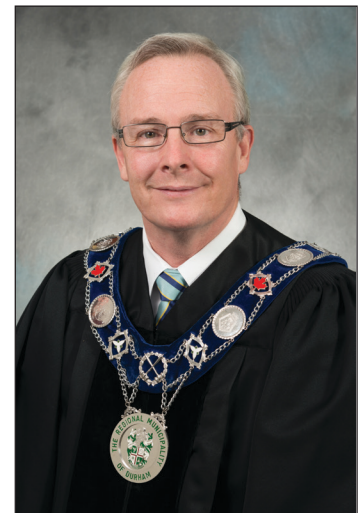
We strengthened partnerships. We worked directly with employees of Brock Township; helping to create an accessible template for their council reports.

And, we continue to strive to be an accessible and inclusive community. Because we value the diversity of our residents. To us, it's about supporting our quality of life.

The time and expertise that our Accessibility Advisory Committee, the municipal Accessibility Coordinators group, and our internal staff working group provide are vital to our efforts. It is this continuous improvement and commitment to service excellence that allows us to make our Region more accessible and inclusive.

*John Henry*

Regional Chair and CEO



## Message from the Chair, Durham Accessibility Advisory Committee (AAC)

I am honoured to be serving my second term as Chair of the Durham Accessibility Advisory Committee (AAC).

In 2018, we embraced change. We said good bye to one of our long-standing members, Councillor Joe Drumm. He has been one of our strongest accessibility advocates and champions. But, we wish him great things in his retirement.

In 2018, we had a single goal: keep moving accessibility forward in Durham Region. This was made possible due to the many opportunities presented to us. We had a chance to further educate ourselves. We provided feedback on several initiatives. Ultimately, we impacted the lived experience of members of our region's disabled community.

Opportunities included hearing from the Durham Region Paramedic Services staff, regarding procedures and training in place as they assist members of the public, of all abilities. Durham Emergency Management informed the AAC about the Rapid Notify system. We heard from Forward Movement about the Dynamic Symbol of Access. Lunch and learns continued throughout the year for staff, to help them gain knowledge on accessibility-related topics.

Our members attended the annual Metrolinx accessibility meeting and the Smart Cities Forum. There was also the well-attended annual Joint AAC Forum. That's to name just a few.

But, the initiative I am most proud of was the creation of a video showcasing our members. Who we are, and what we do as a committee, was presented to Regional Council. We were proud to help educate newly elected officials who may not be aware of our mandate.

I look forward to 2019 – seeing how we, as a community, can work together to build on the progresses and successes of 2018.

*Mary Sutherland*







## Durham Region Accessibility Advisory Committee

The Accessibility Advisory Committee (AAC) provides valuable feedback and advice to Durham Regional Council and employees. Ontario's accessibility laws require municipalities with more than 10,000 people to form an AAC. The committee advises Regional Council about accessibility plans and standards, reviews site plans and drawings, and performs other functions as specified in the regulations. Most members must be people with disabilities, come from various backgrounds, and represent an area municipality.

We thank the members of our Durham Region Accessibility Advisory Committee. Your commitment and knowledge sharing is extremely valuable.



## Durham Region Accessibility Report 2018

Durham Region believes in building communities where every person can fully participate.

The Regional Municipality of Durham 2018 Accessibility Report is our annual update on our implementation of the standards and timelines outlined in the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) and the 2016-2021 Multi-Year Accessibility Plan.

The Region of Durham is committed to creating programs, services and facilities that people of all abilities can access. Accessibility not only helps people with disabilities, it benefits everyone. Creating welcoming and inclusive communities where every person who lives, works and plays, can fully participate makes good sense for all of us. This philosophy is supported in our Strategic Plan, Diversity and Inclusion Strategy and our Age-Friendly Durham Strategy and Action Plan.

To review the Regional Municipality of Durham 2016-2021 Multi-Year Accessibility Plan and previous Accessibility Reports, please visit [durham.ca/accessibilityreports](http://durham.ca/accessibilityreports).

### Statement of organizational commitment

The Region of Durham is committed to ensuring accessibility for persons with disabilities throughout its goods, services, employment and facilities, as outlined in the Accessibility Policy. Accessibility shall be addressed in a manner that:

- Upholds the principles of dignity and independence.
- Strives to provide integrated services.
- Provides equal opportunity.





## Accessibility Awards

The Regional Municipality of Durham recognizes the importance of an accessible community it's a key goal in the Durham Region Strategic Plan. By identifying, removing and preventing barriers for individuals living with a disability, all residents have an opportunity to live independently and achieve their goals.

Accessibility awards allow the organization to celebrate the importance of accessibility, and to honor leadership in breaking down barriers. That's why the Region acknowledges individuals, services and/or businesses that have improved accessibility in their community every year.

Nominations for these awards are made by the Accessibility Advisory Committees of municipalities within Durham Region. Thanks to these committees, and the various community partners, who recommend and support the nominations.



### 2018 Award recipients

Town of Ajax – Ms. Olivia Rennie

Township of Brock – Royal Canadian Legion, Branch #135

Municipality of Clarington – Swiss Chalet 1206 Bowmanville

City of Oshawa – Marko Ivancicevic

Township of Scugog – Tara Sneath

Township of Uxbridge – Uxbridge Physiotherapy

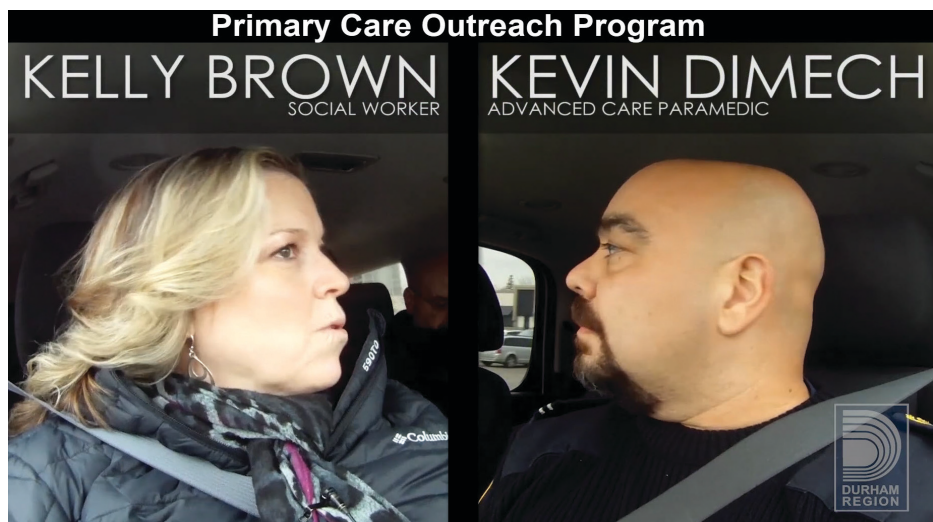
Town of Whitby – JointAction Physiotherapy & Wellness Centre

For more information about the award recipients please go to [durham.ca/accessibilityawards](http://durham.ca/accessibilityawards).

# Region of Durham's 2018 highlights on accessibility initiatives

## Pilot of the Primary Care Outreach Program

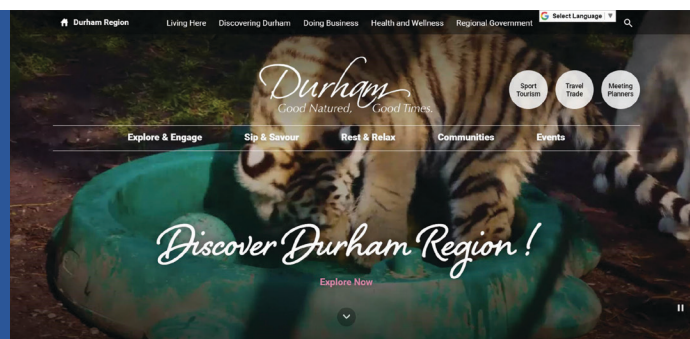
What began as a six-month pilot program, the Primary Care Outreach Program (PCOP) is now a permanent service in the Oshawa area. Through the PCOP, a paramedic and social worker provide front-line support to those who are homeless/underhoused or have mental health and addiction challenges. From July to December 2018, it led to 670 interactions, support for 198 individuals (referrals for housing, counselling and other services): and homes for 14 clients.



## Launch of new websites

The Economic Development and Tourism Division launched a new website [durhamtourism.ca](http://durhamtourism.ca)

Corporate Services: Information Technology Division and Durham Region Transit (DRT) developed a partnership in re-developing the DRT website.



## Counter loop hearing systems

Counter loop hearing systems were installed at the service counters in all five Durham Regional Police Service divisions, plus at the Information Release Office at Regional Headquarters.

## Accessible pedestrian signals

In 2018, five new signals were equipped and 14 existing traffic signals retrofitted with Accessible Pedestrian Signal equipment and AODA compliant sidewalk ramps.

## Elevator upgrade

Elevator annunciators were installed at Regional Headquarters, in all four elevators.

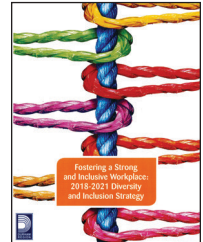


## Language in document

In the Agreement for Consulting Professional Services, language was added stating all reports produced for the Region by a consultant/company must be provided in an accessible format.

## New strategy

The Fostering a Strong and Inclusive Workplace: 2018-2021 Diversity and Inclusion Strategy was created. This document encourages employees to promote inclusion, and address barriers, while delivering Regional programs and services.

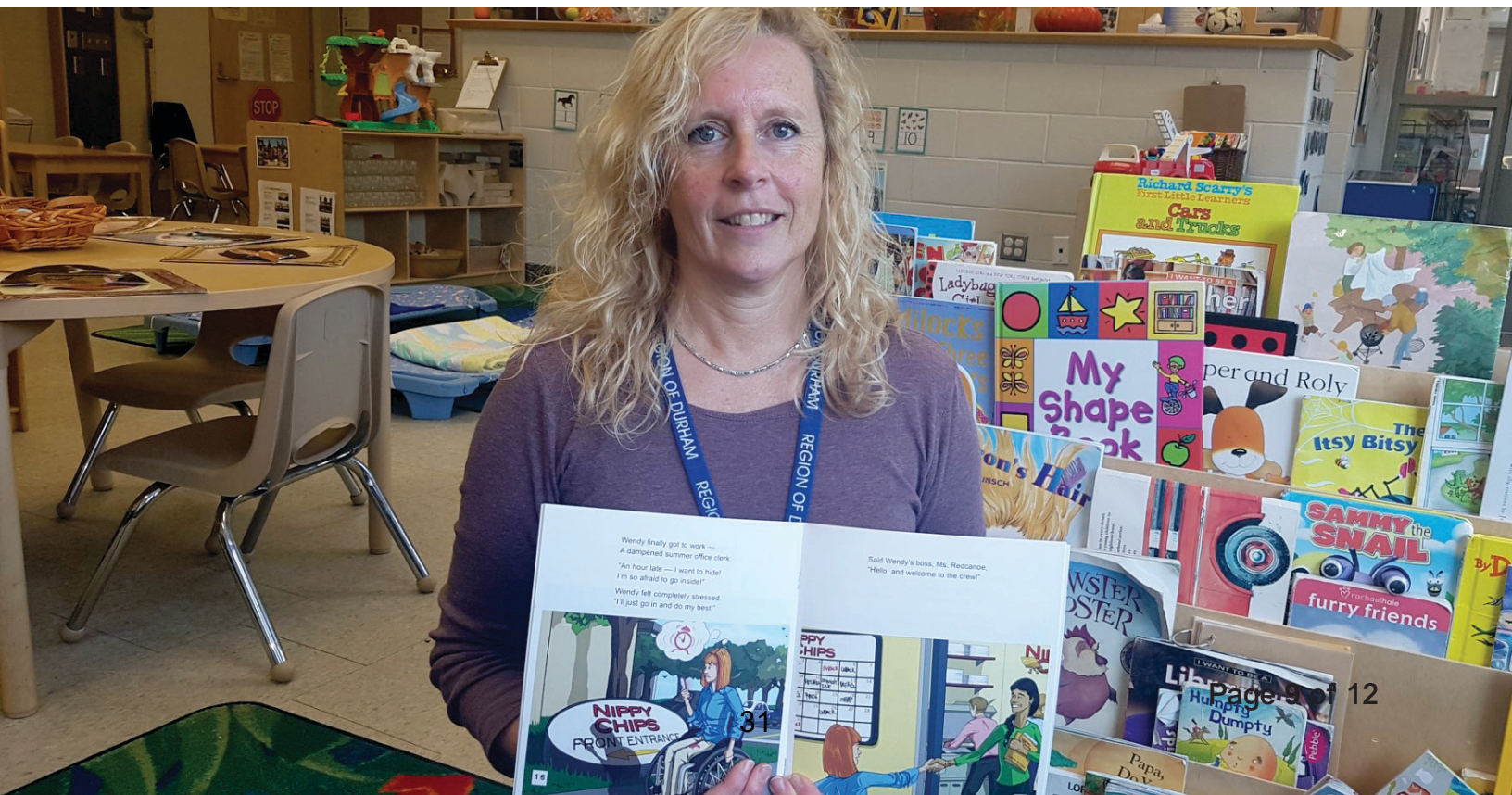


## Council on Aging

A community-wide Council on Aging was established in Durham, with administrative support from the Region, to guide the implementation of the Age-Friendly Durham Strategy and Action Plan over the next five years. Consistent with the Region's work on accessibility, the eight dimensions of age-friendly communities cut across multiple departments and program or service areas.

## Helping children build a more accessible tomorrow

Children should see possibility, rather than limitations. To help promote greater acceptance and inclusion, we introduced a series of books—from the Canadian Council on Rehabilitation and Work (CCRW)—into our seven child care centres. These stories highlight diversity, promote inclusion, challenge stereotypes, showcase positive attitudes, and celebrate individuality.





# Continuous improvements throughout the organization

- Accessible document resources were developed to assist staff in learning.
- Accessible templates were created throughout the organization and shared with our local municipal partners.
- Audits of the physical space in numerous departments were completed to find ways to increase accessibility for the public. For example, installing door openers, improving signage and clearing pathways for public access: technology was upgraded, as needed, to improve how information is presented to the public.
- Continuous learning opportunities were provided to staff on accessibility/disability related topics to increase their knowledge and understanding. One activity organized was a blind-soccer demo, which allowed staff to gain awareness of the sport, and try it out.

## National Access Awareness Week 2018

Each year, Durham Region celebrates National Access Awareness Week. The last week of May is celebrated across Canada; promoting accessibility and inclusion in our communities and workplaces. This year, the Durham Region AAC set up a display table in the Upper Galleria at Regional Headquarters—the theme was Changing Abilities over a Lifetime. A play titled, “I’m Still Here” was acted out for staff during a lunch and learn, which illuminated the realities of living with dementia and Alzheimer’s Disease. The goal of this play, is to help foster meaningful interaction and reduce unnecessary suffering among patients, caregivers and their families.



# Accessibility for Ontarians with Disabilities Act, 2005 compliance timelines

The Accessibility for Ontarians with Disabilities Act, 2005, (AODA) became law in 2005. Under the Act, organizations must meet the requirements of the AODA in the areas of information and communications, employment, transportation, design of public spaces and customer service. The summary below shows the AODA requirements that are now part of Durham Region's day-to-day operations.

## 2010-2017 requirements completed

- ✓ Provide accessible customer service.
- ✓ Provide accessible transportation services.
- ✓ Provide emergency and public safety information in accessible formats.
- ✓ Provide employees with accessible and customized emergency information.
- ✓ Create accessibility policies and a multi-year plan.
- ✓ Buy accessible goods, services or facilities.
- ✓ Make new websites accessible.
- ✓ Train employees on Ontario's accessibility laws.
- ✓ Make it easy to provide feedback, when asked.
- ✓ Make employment practices accessible.
- ✓ Make public information accessible, when asked.
- ✓ Make new or redeveloped public spaces accessible.

## 2018

No new requirements

## Future requirements

### 2021

Websites must conform to the Web Content Accessibility Guidelines (WCAG)\* Level 2.0 AA

\*WCAG - an international standard for making websites and web content accessible to a broader range of users with disabilities.

## Contact information

We welcome your feedback. Please let us know what you think about the Regional Municipality of Durham 2018 Accessibility Report.

Janet Traer, Accessibility Coordinator

### By mail:

The Regional Municipality of Durham  
605 Rossland Road East  
Post Office Box 623  
Whitby, Ontario  
L1N 6A3

### By phone:

905-668-7711 extension 2009  
Or 1-800-372-1102

### By email:

[accessibility@durham.ca](mailto:accessibility@durham.ca)



**The Regional Municipality of Durham**  
605 Rossland Rd. E., Whitby, Ontario L1N 6A3  
905-668-7711 or 1-800-372-1102  
[durham.ca](http://durham.ca)

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File: A-2100

November 19, 2019

**DELIVERED BY E-MAIL**

(clerks@durham.ca)

Region of Durham

Re: Durham Region Hospice and VON Durham Community Corporation Submitting a  
Funding Request for Two New Residential Hospices

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Oshawa City Council considered the above noted matter at its meeting of November 4, 2019 and adopted the following recommendation of the Finance Committee:

“That Correspondence FIN-19-91 from Durham Region Hospice and VON Durham Community Corporation concerning a funding request for two new residential hospices be referred to the Region of Durham for potential inclusion in funding from their hospital and health care reserve.”

Please find a copy of Correspondence FIN-19-91 attached. Oshawa City Council respectfully requests your consideration of this matter.

If you need further assistance concerning the above matter, please contact Michelle Bretherick, Manager, Financial Reporting and Planning at the address listed below or by telephone at 905-436-3311.



---

Mary Medeiros  
Interim City Clerk

/fb

Encl.

c. Finance Services  
Durham Region Hospice and VON Durham Community Corporation



City of Oshawa  
Finance and Community Services Committee  
5th Floor, Rundle Tower, City Hall  
50 Centre Street South  
Oshawa, ON L1H 3Z7

October 22, 2019

Dear Finance Committee,

As a follow up to a presentation that Durham Region Hospice delegation made on October 7, 2019 to the City of Oshawa Finance and Community Services Committee, we are submitting a formal request for financial support.

Durham Hospice and VON Durham are working collaboratively to raise \$14.3 dollars for the construction of two new residential hospice facilities. Site plans, building design and government approvals have all been completed for a 10-bed (17,300sq/ft.) residential hospice in Whitby and a 5-bed (13,400 sq./ft.) in Clarington.

The Whitby facility will be built on Crawforth Street, on land donated by the Town of Whitby. The Clarington Hospice will be built on Cobbledick Road in Newcastle, on land donated by the Municipality of Clarington.

As you know, residential hospices provides end of life care, 24 hours a day, in a home-like setting for patients and their families. Hospice care is focused on helping families cope with and prepare for their loved ones final days of life. The range of support at a hospice includes pain and symptom management, emotional and spiritual support, counseling, arts and music, and holistic healing practices. There are no costs to patients.

Despite Durham's aging and booming population, it is one of the only regions its size, in Ontario, without a residential hospice. There are several Regional Municipalities with much smaller populations that have a hospice to include; Halton, Muskoka, Niagara, and Waterloo.

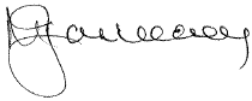
The financial need for Phase 1 of the campaign is \$12.5 million of which \$3 million is provided by the Province of Ontario. To date, \$5.7 million has been raised in the community. The campaign is now seeking lead gifts from all neighboring municipalities. Therefore, it is our hope that the City of Oshawa will consider a one-time donation or two year pledge totaling \$344,868 to help fund two new residential hospices. The financial amount that is being sought is equivalent to each Oshawa resident making a two dollar donation.

Phase II of the campaign will be is \$1.8 million to help offset operating costs for the first two years of operation.



Support from the City of Oshawa is needed and will help to bring us closer to breaking ground. We look forward to your participation in this very important and vital community project.

Sincerely,



Melodie Zarzeczny  
Chair  
Durham Region Hospice



Chris Raynor  
Chair  
VON Durham Community Corporation



## Memorandum

**TO:** Finance and Administration Committee

**FROM:** Sarah Penak, Committee Clerk

**DATE:** December 10, 2019

**RE:** Resolution adopted by the Works Committee at their meeting held on December 4, 2019

Corporate Services  
Department –  
Legislative Services

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Works Department – 2020 Water Supply and Sanitary Sewerage Business Plans and Budgets ([2019-W-98](#)) [Item 7.2 L]

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Moved by Councillor McLean, Seconded by Councillor Barton,  
That the Works Committee recommends to the Finance and  
Administration Committee for subsequent recommendation to  
Regional Council:

That the 2020 Works Department portion of the 2020 Water Supply System Budget and the 2020 Sanitary Sewerage System Budget be approved.  
CARRIED

*Sarah Penak*

S. Penak  
Committee Clerk

- c. N. Pincombe, Director, Business Planning, Economic Studies & Risk Management  
N. Taylor, Commissioner of Finance  
R. Walton, Director, Legislative Services, Regional Clerk



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-45](#)  
Date: December 10, 2019

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### **Subject:**

Sanitary Sewer Surcharge Appeal by the Ministry of Natural Resources and Forestry for Darlington Provincial Park, 1600 Darlington Park Road, Bowmanville

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### **Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

That the Sanitary Sewer Surcharge Appeal in the name of Ministry of Natural Resources and Forestry, be granted in the amount of \$21,812.53, on the basis that there is sufficient flow differential to qualify for a one-time sanitary sewer surcharge appeal.

---

### **Report:**

#### **1. Purpose**

- 1.1 The purpose of this report is to obtain approval for granting of a sanitary sewer surcharge appeal in the name of Ministry of Natural Resources and Forestry for their Darlington Provincial Park site at 1600 Darlington Park Road, Bowmanville, in accordance with the sewer system By-Law number 90-2003, as amended. Under the By-law, Regional Council approval, through the Finance and Administration Committee, is required for appeals submitted by non-residential customers.

#### **2. Background**

- 2.1 On July 4, 2019, a sanitary sewer surcharge appeal letter was received from the Acting Superintendent at Darlington Provincial Park, ("Appellant"). The Appellant requested a reduction in the sanitary sewer billing as a water line failed and required replacing at their property located at 1600 Darlington Park Road, Bowmanville. The Ministry of Natural Resources and Forestry is the provincial ministry that is responsible for this site. Additional information was received from the Appellant on August 26, 2019.

- 2.2 All water used at the property, including any water associated with the leaked volume, was recorded on the Region's water meter and the customer was billed full water and sanitary sewer charges accordingly.

2.3 Sanitary Sewer Appeal Policy

The Region's policy for sanitary sewer appeals for non-residential appellants under Section 14 of By-law 90-2003, as amended, allows for a portion of an appellant's billed sanitary sewer consumption to be rebated if the appellant can demonstrate that a sufficient volume of water did not return to the sanitary sewer system either on a one-time or on an ongoing basis.

- 2.4 A one-time adjustment is restricted to a plumbing related problem whereas an ongoing adjustment could be due to a production process whereby a material volume of water used does not return to the sanitary sewer system. Once eligibility, based on one of the two precedent conditions, has been established, the volume of water not returning to sanitary sewer must be greater than twenty per cent (20%) of the total water recorded on the Region's water meter for an appeal to be considered. The purpose of this 20% threshold is to account for the infiltration of water into the sanitary sewer system.

**3. Sanitary Sewer Appeal**

- 3.1 The Appellant's request and supporting documentation submitted in support of the appeal, as well as discussions with staff of the Region's Finance and Works Departments, indicate that two water line breaks in the Appellant's own 8 inch water line within the park resulted in a substantial volume of water leakage that did not return to the Region's sanitary sewer system. The water consumption recorded on the Region's water meter for the water and sewer of billings of June 6, 2019 and August 6, 2019 included the water leakage from the two water line breaks.
- 3.2 The Appellant is asking for relief from the sewer charges assessed on the June 6, 2019 and August 6, 2019 bills, due to the nature of the leak and the fact that the leaked water consumption did not return to the sanitary sewer.
- 3.3 Staff from the Works Department visited the property on July 9, 2019 and again on July 11, 2019 to conduct a site visit. The findings of that site visit were that the water that leaked from the water line breaks filled an excavation area and was discharged to a local creek. No water returned directly to the Region's sanitary sewer system.

**4. Financial Implications**

- 4.1 The following table indicates the consumption history and the consumption related water and sewer billing (excludes service charges) for the last two years.

<b><u>Consumption and Billing History</u></b>			
<b><u>Billing Date</u></b>	<b><u>Consumption</u></b>	<b><u>Water</u></b>	<b><u>Sewer</u></b>
	<b><u>(m<sup>3</sup>)</u></b>	<b><u>Usage Charge</u></b>	<b><u>Usage Charge</u></b>
6-Oct-17	3,480	\$3,107.76	\$5,262.81
6-Dec-17	1,370	\$1,231.97	\$2,083.04
6-Feb-18	170	\$170.21	\$279.12
6-Apr-18	115	\$122.37	\$197.12
6-Jun-18	1,055	\$1,001.27	\$1,653.18
6-Aug-18	2,590	\$2,436.50	\$4,030.90
6-Oct-18	4,610	\$4,325.20	\$7,159.88
6-Dec-18	1,580	\$1,492.15	\$2,466.41
6-Feb-19	240	\$240.84	\$396.66
6-Apr-19	340	\$336.58	\$559.79
6-Jun-19	9,520	\$8,980.30	\$15,015.25
6-Aug-19	8,550	\$8,103.24	\$13,605.48

4.2 The volume of water not returning to sanitary sewer meets the twenty per cent (20%) threshold and accordingly staff have calculated an appeal in the amount of \$21,812.53, including the infiltration allowance, and recommend that the appeal be granted, on the basis that there is sufficient flow differential to qualify for a one-time sanitary sewer surcharge appeal.

4.3 The rebate will not have a significant affect on the 2019 sewer user rate revenues.

## **5. Conclusion**

5.1 In accordance with the sewer system By-Law number 90-2003, as amended, it is recommended that the Sanitary Sewer Surcharge Appeal in the name of Ministry of Natural Resources and Forestry, be granted in the amount of \$21,812.53, on the basis that there is sufficient flow differential to qualify for a one-time sanitary sewer surcharge appeal.

Respectfully submitted,

Original Signed By

Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair  
Chief Administrative Officer



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-46](#)  
Date: December 10, 2019

---

**Subject:**

Temporary Borrowing By-Law for 2020

---

**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council that:

- A) The Regional Chair and the Treasurer be authorized in 2020 to borrow funds not to exceed \$500 million in order to meet current expenditures and liabilities until such time as the general tax revenues and other revenues of the Region are received; and
  - B) Approval be granted for the requisite by-law(s).
- 

**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to obtain approval for the Region's 2020 Temporary Borrowing By-law.

**2. Temporary Borrowing By-law**

- 2.1 Each year, Regional Council is requested to grant authority to the Regional Chair and the Treasurer to borrow, on a temporary basis, funds that may be required to meet current expenditures and liabilities of the Region prior to the receipt of the Regional property taxes and other revenues. These borrowings may be in the form of external and/or internal sources including interfund transactions.
- 2.2 The legal authority for these borrowings is pursuant to Section 407 of the Municipal Act and allows municipalities to borrow amounts between January 1st and September 30th not to exceed 50% of total estimated annual revenues and to borrow amounts between October 1st and December 31st not to exceed 25% of total estimated annual revenues.

- 2.3 Based on the level of 2019 planned expenditures, the upper borrowing limit as dictated by the Province would be no more than \$1.10 billion. Notwithstanding the Provincial limit, a review of potential Regional financial requirements for 2020 indicates that a maximum limit of \$500 million, consistent with the 2019 limit, should be adequate for all purposes including internal interfund loans.
- 2.4 Historically, it has not been necessary for the Chair and the Treasurer to exercise this authority.

### **3. Conclusion**

- 3.1 The temporary borrowing authority is a legal requirement permitting the internal lending and borrowing of funds and provides the Region with contingency borrowing capacity in the event of unknown circumstances related to the collection of the Region's revenues.
- 3.2 The proposed 2020 limit of \$500 million remains at the level approved for 2019.

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

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-47](#)  
Date: December 10, 2019

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**Subject:**

2020 Interim Regional Property Tax Levy

---

**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council:

- A) That a 2020 interim Regional property tax levy be imposed on the lower-tier municipalities for all property tax classes;
  - B) That the amount due from each lower-tier municipality is estimated to be equivalent to 50% of their respective share of the Regional property taxes collected in 2019;
  - C) That the 2020 interim Regional property tax levy be paid by the lower-tier municipalities seven days subsequent to the instalment due dates established by each lower-tier municipality for the collection of their respective interim municipal property taxes;
  - D) That the Regional Clerk be requested to advise the lower-tier municipalities of the imposition of the 2020 interim Regional property tax levy for all property tax classes; and,
  - E) That approval be granted for the requisite by-law.
- 

**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to seek authorization for the 2020 interim property tax levy in advance of the approval of the 2020 Business Plans and Budgets.



## **2. Background**

- 2.1 Section 316(1) of The Municipal Act, 2001 provides that an upper-tier municipality may requisition, prior to the adoption of the final budget, from each lower-tier municipality, an amount not exceeding 50% of the prior year's final requisition adjusted for deferrals, cancellations or other relief.
- 2.2 A by-law adopted by an upper-tier municipality may require that sums requisitioned as an interim levy are to be remitted to the upper-tier municipality on specific dates.

## **3. Payments by the Lower-Tier Municipalities**

- 3.1 Attachment #1 provides an estimate of the 2020 interim Regional property tax levy by each lower-tier municipality payable to the Region, based on 50% of the Regional property taxes requisitioned in 2019 adjusted to take into consideration the provincially mandated Business Protection Program ('Capping') adjustments.
- 3.2 In order that the lower-tier municipalities do not experience cash shortages, it is recommended that the interim amounts owing to the Region for 2020 be due seven days subsequent to the due dates for payment of property taxes by individual property owners as established by each lower-tier municipality.

## **4. Conclusion**

- 4.1 The 2020 interim Regional property tax levy is consistent with 2019 and is in line with the best practices of other Regional jurisdictions.

## **5. Attachments**

Attachment #1: Estimate of 2020 Regional Interim Property Tax Levies

Respectfully submitted,

Original Signed By

---

Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

---

Elaine C. Baxter-Trahair  
Chief Administrative Officer

## The Regional Municipality of Durham

### Estimate of 2020 Regional Interim Property Tax Levies

	<u>Oshawa</u> \$	<u>Pickering</u> \$	<u>Ajax</u> \$	<u>Clarington</u> \$	<u>Whitby</u> \$	<u>Brock</u> \$	<u>Scugog</u> \$	<u>Uxbridge</u> \$	<u>Total</u> \$
First (1st) Installment	35,587,000	28,786,000	30,102,000	21,647,000	35,044,000	2,765,000	6,159,000	7,179,000	167,269,000
Second (2nd) Installment	35,587,000	28,786,000	30,102,000	21,647,000	35,044,000	2,765,000	6,159,000	7,179,000	167,269,000
<b>Total of Installments</b>	<b>71,174,000</b>	<b>57,572,000</b>	<b>60,204,000</b>	<b>43,294,000</b>	<b>70,088,000</b>	<b>5,530,000</b>	<b>12,318,000</b>	<b>14,358,000</b>	<b>334,538,000</b>

**Note:**

- (1) Includes 2019 Mandated Provincial Business Protection Program (Capping) adjustments
- (2) Includes General, Transit and Solid Waste Management Purposes
- (3) Does not include potential effects of MPAC 2020 reassessment phase-in
- (4) Rounded to \$1,000s



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-48](#)  
Date: December 10, 2019

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### Subject:

Request from the Durham Regional Police Services Board for 2020 Pre-Budget Approval for the Purchase of New Vehicles

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### Recommendation:

That the Finance and Administration Committee recommends to Regional Council:

That the request from the Durham Regional Police Services Board for 2020 pre-budget approval for the purchase of 36 vehicles, at a total cost not to exceed \$1,612,192 be approved provided that this expenditure will be financed within the 2020 DRPS budget guideline established by Regional Council.

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### Report:

#### 1. Purpose

- 1.1 The purpose of this report is to seek Regional Council support for pre-budget approval for 36 vehicles, at a total cost not to exceed \$1,612,192, as approved by the Durham Regional Police Services Board on November 19, 2019. The Durham Regional Police Services Board has indicated that this expenditure will be financed from within the 2020 DRPS budget guideline established by Regional Council.

#### 2. Background

- 2.1 On November 19, 2019, the Durham Regional Police Services Board passed the following resolution:

*“That the Board approve the pre-budget request to purchase as soon as practicable 36 vehicles included in the Board budget which meets the Region’s guideline and before the final Regional approval of the 2020 budget, at a total cost not to exceed \$1,612,192.*”

*That the Board request the Commissioner of Finance for Durham Region, to place this request for pre-budget approval before the Committee of the Whole of Regional Council and Regional Council, at the earliest opportunity to allow the Service to make the purchases.”*

### **3. Purchase of New Vehicles**

- 3.1 A report to the Police Services Board from Chief Paul Martin is attached and provides further information regarding the pre-budget approval request to purchase new vehicles prior to the approval of the Region's 2020 Business Plans and Budgets by Regional Council on February 26, 2020 (Attachment #1).
- 3.2 The 36 vehicles requested are to replace existing vehicles that have reached the end of their economic lives.
- 3.3 As indicated in the attached report, the request from the Police Services Board for the purchase of 36 vehicles is comprised of the following:
  - 2 Marked Vans \$64,000
  - 22 Marked Patrol Vehicles \$1,118,792
  - 1 Marked Patrol Motorcycle \$38,000
  - 1 Unmarked Truck \$75,000
  - 10 Unmarked Vehicles \$316,400
- 3.4 As in previous years, the request from the Police Service Board for pre-budget approval has typically been made as the limited Police Package production cycle takes place early in each calendar year, and new car orders need to be placed prior to Regional Council's 2020 budget approval in order to ensure the orders are produced for late spring delivery.
- 3.5 This pre-budget approval will permit the early production schedule so that the vehicles can be equipped and ready for the road in the summer to replace older vehicles that are auctioned off in the late summer.
- 3.6 The attached Police Services Board report provides further information with respect to the criteria used by the Police Service in determining the replacement of vehicles.

### **4. Financial Implications**

- 4.1 The total cost of the purchase of the vehicles proposed for pre-budget approval is \$1,612,192 which is lower than the previous year.
- 4.2 Police Services Board approved this pre-budget request on November 19, 2019 and has indicated that this purchase of vehicles is within the guideline approved by Regional Council.

**5. Conclusion**

- 5.1 The recommendation contained in this report will allow the Police Services Board to proceed with the purchase of 36 new vehicles prior to the approval of the 2020 Police Services Budget by Regional Council scheduled for February 26, 2020, along with the Region's 2020 Business Plans and Budgets.
- 5.2 The funding for these purchases will be provided within the overall budget guideline as established by Regional Council for the 2020 Police Service Business Plans and Budget.

**6. Attachments**

Attachment #1: Correspondence from the Durham Regional Police Services Board requesting pre-budget approval for vehicles

Respectfully submitted,

Original Signed By

---

Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

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Elaine Baxter-Trahair  
Chief Administrative Officer



## **DURHAM REGIONAL POLICE SERVICES BOARD**

K. Ashe, Chair \* B. Drew, Vice-Chair  
P. Barnes, Member \* G. Cubitt, Member  
Steve DeBoer, Member \* K. Fisher, Member \* J. Henry, Member

Sent Via Email

November 20, 2019

Ms. Nancy Taylor  
Commissioner of Finance  
Regional Headquarters

Dear Ms. Taylor:

**Re: 2020 Police Service Budget**

At the regular Police Services Board meeting held yesterday Tuesday November 19, 2019 the following motion was passed during the public session:

**Moved by: Garry Cubitt**

**Seconded by: Steve deBoer**

**"THAT the Board approve the pre-budget request to purchase as soon as practicable 36 vehicles included in the Board budget which meets the Region's guideline and before the final Regional approval of the 2020 budget, at a total cost not to exceed \$1,612,192; and**

**THAT the Board request the Commissioner of Finance for Durham Region, to place this request for pre-budget approval before the Committee of the Whole of Regional Council and Regional Council, at the earliest opportunity to allow the Service to make the purchases."**

**Carried.**

**M397-19**

Please note that the background material relating to this motion is attached, however if you require anything further, it will be forwarded to you through the office of Mr. le Riche, Director, Business Service, DRPS.

The above is provided for action as required by Regional Finance.

Yours truly,

Anita Longo  
Executive Assistant

Cc: Mr. Giles le Riche, Director, Business Service, DRPS  
Ms. Teresa Fetter, Manager, Finance, DRPS





## REPORT TO THE POLICE SERVICES BOARD

Author: Director of Business Services – Giles le Riche

Date of Report: November 19, 2019

Subject: Vehicle Pre-budget Approval Request

Information or Decision

### Recommended Motion:

**“THAT the Board approve the pre-budget request to purchase as soon as practicable 36 vehicles included in the Board budget which meets the Region’s guideline and before the final Regional approval of the 2020 budget, at a total cost not to exceed \$1,612,192.**

**THAT the Board request the Commissioner of Finance for Durham Region, to place this request for pre-budget approval before the Committee of the Whole of Regional Council and Regional Council, at the earliest opportunity to allow the Service to make the purchases.”**

Signed: \_\_\_\_\_

Chief of Police

Date: \_\_\_\_\_

07 NOV 19

### RECOMMENDATIONS

It is recommended that the Police Services Board authorize the expenditure of \$1,612,192 to purchase a total of 36 (thirty-six) vehicles in order to replace existing vehicles which have reached the end of their useful economic lives.

### REASON FOR PRE-BUDGET APPROVAL

This pre-approval request is made each year at this time, prior to Regional Council 2020 budget approval, to ensure that the new vehicle orders are placed with the manufacturers, in order for the vehicles to be built and delivered with-in the first two quarters of the budget year. Any delay in the approval and order placement for these vehicles, may result in the Police Service not receiving the requested vehicles in the first two quarters, resulting in significantly higher fleet maintenance costs and extensive repairs to the existing Fleet. This pre-approval is further necessary to allow installation of Police equipment and deployment of vehicles by late summer, allowing for the auctioning of old vehicles.

DRPSB MEETING
DATE: Nov 19/19
ACTION: Approve
m 397-19

## EXECUTIVE SUMMARY

### Replacement Criteria:

The replacement criteria laid out in the budget are adhered to, in order to ensure that the lowest lifecycle costs are achieved, considering capital cost, disposal value, and repair costs. Cost records show that replacing patrol vehicles when they reach 6 years in age or 160,000 to 200,000 kilometers, results in the lowest lifetime expense. After that, repair costs increase, and auction proceeds decrease significantly.

### Brand and Model Choice:

The 2020 pre-approval request, is a split award between General Motors, Ford Motor Company, Fiat Chrysler Automobiles and other manufacturers. The fleet includes products from different manufacturers in order to provide the Police Service with protection against a major product failure, recall issue or supply problem with a single manufacturer.

Marked patrol vehicles must be police package, full size vehicles, according to Policing Standards and we have chosen among the available models, considering interior space and lifetime cost of ownership.

Make	Model	# of vehicles	Cost	Total
Chevrolet	Marked City Express Van	1	\$ 32,000	\$ 32,000
Chevrolet	Marked 2500 Cargo Van	1	\$ 32,000	\$ 32,000
Ford	Marked Patrol Utility PPV Hybrid	13	\$ 56,041	\$ 728,533
Ford	Marked Patrol F150 PPV Responder	4	\$ 47,781	\$ 191,124
Ford	Unmarked F350 4x4 Crew Cab	1	\$ 75,000	\$ 75,000
Dodge	Marked Patrol Charger PPV AWD	5	\$ 39,827	\$ 199,135
Harley Davidson	Marked Patrol Motorcycle	1	\$ 38,000	\$ 38,000
Various Lease buy-outs	Unmarked Various	10	\$ 31,640	\$ 316,400
Total				\$ 1,612,192





## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-49](#)  
Date: December 10, 2019

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**Subject:**

Regional Agreement with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax for the Advancement of Regional Development Charge Demolition Credits for a Long-Term Care Facility, in the Town of Ajax

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**Recommendations:**

That the Finance & Administration Committee recommends to Regional Council:

- A) That the Regional Municipality of Durham be authorized to enter into an Agreement with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax for the advancement of Regional development charge (DC) demolition credits for a Long-Term Care Facility in the Town of Ajax in order to allow the subsequent demolition of the existing facility with a letter of credit required to the satisfaction of the Commissioner of Finance and Director of Legal Services;
- B) That in order to administratively streamline and expedite the process for advancing Regional DC demolition credits for structures with planned and phased demolition and/or new facility construction commencing prior to demolition of existing structures, the Region be authorized to enter into similar future agreements with the applicable area municipality and developer to ensure the application of planned DC demolition credits to newly constructed structures at building permit issuance to be secured by a Letter of Credit, with the necessary terms and conditions to be considered and incorporated in the 2023 Regional DC By-laws and Background Study; and
- C) That the Regional Chair and the Regional Clerk be authorized to execute any necessary documents or agreements.

**Report:****1. Purpose**

- 1.1 The purpose of this report is to seek approval to enter into an Agreement with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax for the advancement of Regional development charge demolition credits for a long-term care facility, in the Town of Ajax in order to allow the subsequent demolition of the existing facility, as shown on Attachment #1.

**2. Background**

- 2.1 CSH Ballycliffe Lodge Inc. currently operates a 98-unit long term care facility on the site, and plans to build a new 224 bed (179 unit) facility. CSH Ballycliffe Lodge Inc. is proposing to demolish the existing facility in phases to ensure continued service to their residents throughout the construction stages of the new facility.
- 2.2 Phase 1 will be the demolition of 44 existing units. This will provide the space needed to build the new 224 bed, 179-unit facility (Phase 2). Once the new facility is operational, the residents of the original facility will be moved into the new facility and the remaining 54 units will be demolished (Phase 3).
- 2.3 Section 18 of the Regional Residential and Non-Residential Development Charge By-Law #28-2018 offers a reduction of development charges for redevelopment. Through the proposed phased construction CSH Ballycliffe Lodge Inc. would be eligible for a reduction in development charges for the demolition of the 44 units, however CSH Ballycliffe Lodge Inc. would be provided with a development charge credit for the remaining 54 units only if they redevelop or expand on the existing site within ten years of issuance of the demolition permit. CSH Ballycliffe Lodge Inc. are requesting the development charge demolition credits for all 98 units be applied to the new building (i.e. prior to the demolition of the 54 units).
- 2.4 In order to advance the credits so that the development is eligible for a reduction in development charges for all 98 units at the time of the new construction, an agreement with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax is required.

**3. Development Charges and Security**

- 3.1 Section 12 of the DC By-Law ascertains that the development charges imposed on a retirement residence are payable at the rate applicable to an apartment of one bedroom and smaller. The current one bedroom and smaller rate is \$12,389 per unit.
- 3.2 Under the Agreement, CSH Ballycliffe Lodge Inc. will receive a Regional development charge credit for demolishing the existing facility based on 98 units at the current rate for a total of \$1,214,122.

- 3.3 The proposed development consists of 179 units which generates a Regional development charge of \$2,217,631. Subtracting the credit above calculates the total Regional development charges at \$1,003,509, to be collected at building permit issuance.
- 3.4 The development charge amount for the 54 remaining units to be demolished in Phase 3 will be secured by a Letter of Credit. If the 54 units were not demolished, the Region would draw on the letter of credit for the development charges owing (i.e. for the value of the development charge credit provided against the 54 units).

#### **4. Conclusion**

- 4.1 It is recommended that the Regional Municipality of Durham enter into an Agreement for the advancement of the Regional development charges demolition credits with CSH Ballycliffe Lodge Inc. and the Corporation of the Town of Ajax.
- 4.2 As a temporary measure until the Regional Development Charges By-laws can be amended it is also recommended that in order to administratively streamline and expedite the process for advancing Regional DC demolition credits for structures with planned and phased demolition and/or new facility construction commencing prior to demolition of existing structures, the Region be authorized to enter into similar future agreements with the applicable area municipality and developer to ensure the application of planned DC demolition credits to newly constructed structures at building permit issuance to be secured by a Letter of Credit, with the necessary terms and conditions to be considered and incorporated in the 2023 Regional DC By-laws and Background Study.
- 4.3 This report has been reviewed by the Works Department and by the Legal Services Division of the Corporate Services Department.

#### **5. Attachments**

Attachment #1: Location Plan – CSH Ballycliffe Lodge Inc., in the Town of Ajax.

Respectfully submitted,

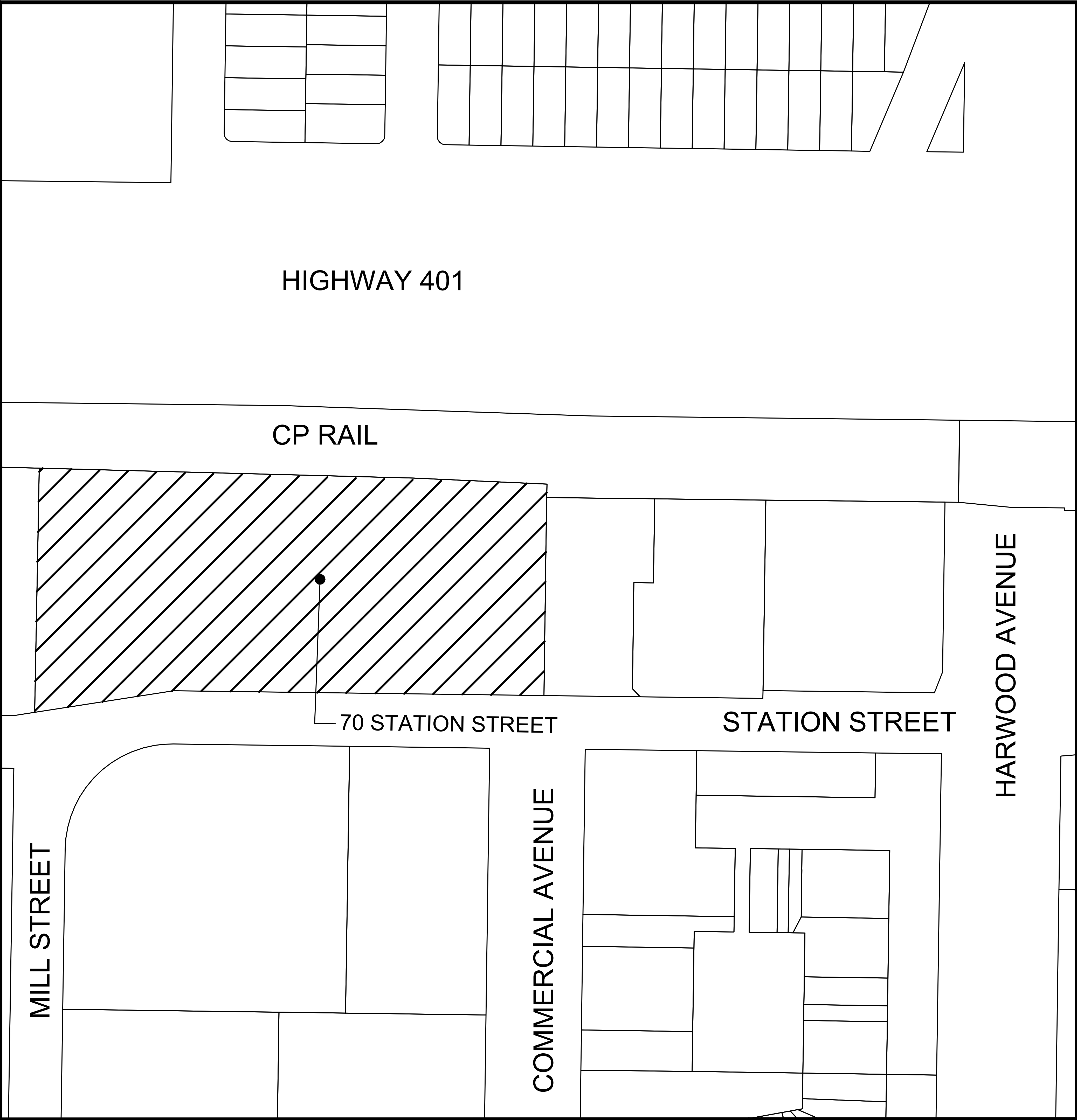
Original Signed By

Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

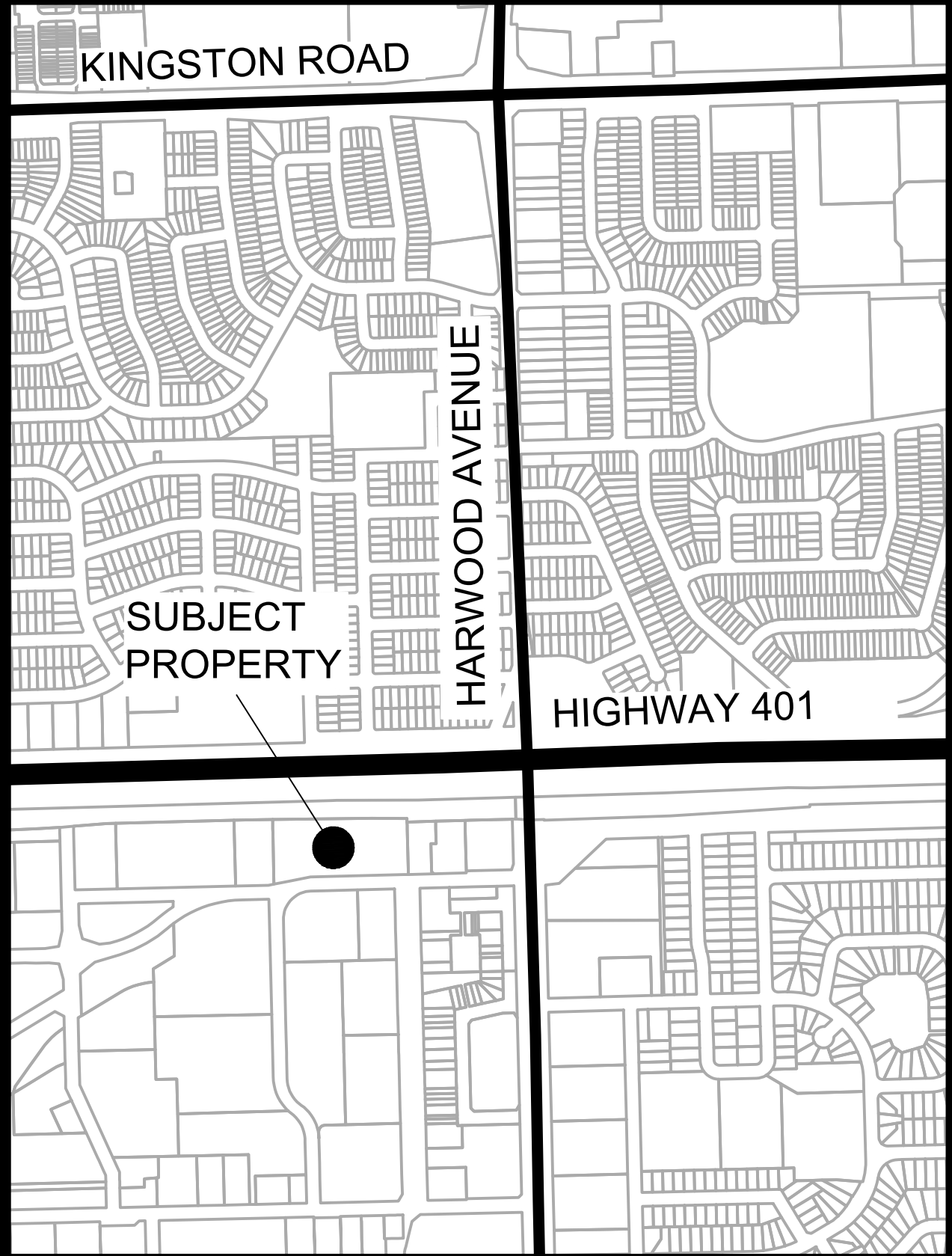
Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair  
Chief Administrative Officer



Attachment #1: 70 STATION STREET



This map has been produced from a variety of sources. The Region of Durham does not make any representations concerning the accuracy, likely results, or reliability of the use of the materials. The Region disclaims all representation and warranties. © MPAC and all its suppliers. All rights reserved. Not a plan of Survey



## The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-50](#)  
Date: December 10, 2019

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### **Subject:**

Request for Deferral of Regional Development Charges by Trillium Housing Non-Profit for a New Affordable Housing Project in the City of Pickering

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### **Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

- A) That the Region enter into an agreement with Trillium Housing Non-Profit (Trillium) for the deferral of Regional development charges from time of the first building permit issuance to twelve (12) months after occupancy for each phase of the project (two phases) for an affordable housing project in the City of Pickering and payable at the rate in effect at the first building permit of each phase;
  - B) That the agreement contain the appropriate terms and conditions to reasonably assure the Region of full payment of applicable Regional development charges for the proposed project; and
  - C) That the Commissioner of Finance be authorized to negotiate and execute the necessary agreement in a form acceptable to Corporate Services – Legal Services.
- 

### **Report:**

#### **1. Purpose**

- 1.1 The purpose of this report is to consider a request for deferral of Regional Development Charges from Trillium Housing Non-Profit (Trillium) for a new affordable housing project in the City of Pickering (Attachment #1).

## 2. Background

- 2.1 Trillium is a non-profit entity that has acquired surplus land from Infrastructure Ontario in the City of Pickering at William Jackson Road (east of Brock Road and north of Rossland Road). Trillium is a social enterprise creating housing affordability and is dedicated to investing in the development of entry level ownership housing and to providing innovative financing to enable modest-income families to own their home.
- 2.2 Trillium is proposing to develop 212 entry-level town houses to provide affordability financing for up to 100 income-eligible purchasers. The Trillium Mortgage is a share equity mortgage and is payment-free until discharge. Trillium is waiting for the City's feedback on the site plan submission and plan to launch sales early in 2020. Trillium is requesting the Region to defer the collection of Regional Development Charges for all 212 units until twelve (12) months after first occupancy for each phase (Trillium is planning two phases). The letter from Trillium indicates it is their understanding that City staff will recommend to Pickering Council the same deferral of development charges and that they will apply the cost savings to the funds available for Trillium mortgages.
- 2.3 Collection of the Regional Development Charges at time of occupancy will require the anticipated cooperation of the City as the permit process is a local responsibility.
- 2.4 In 2014 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 (refer #2014-J-16). Included in the plan under Goal 3, "Greater Housing Choices", Council endorsed exploring options with area municipalities to support affordable home ownership for low and moderate income households.

## 3. Financial Implications

- 3.1 Pursuant to section 27 of the *Development Charges Act, 1997*, a municipality can enter into a deferral agreement for development charges:
- 27 (1) A municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable.
- 27 (2) The total amount of a development charge payable under an agreement under this section is the amount of the development charge that would be determined under the by-law on the day specified in the agreement or, if no such day is specified, at the earlier of,
- (a) the time the development charge or any part of it is payable under the agreement;
  - (b) the time the development charge would have been payable in the absence of the agreement.

- 3.2 Further, pursuant to section 20(5) of the Regional Development Charges By-law #28-2018, Regional Council may enter into deferral agreements pursuant to *Development Charges Act, 1997*:

“ . . . Council may from time to time, and at any time, may enter into agreements in accordance with section 27 of the Act which provide for all or any part of a development charge to be paid before or after it would otherwise be payable.”

- 3.3 Section 20(6) of the Regional Development Charges By-law #28-2018 provides for development charge deferrals for housing services use (i.e. rental housing provided by Durham Regional Local Housing Corporation or by a non-profit housing provider), at the discretion of the Commissioner of Finance, for up to eighteen months from the date of the first building permit issuance. This project does not qualify under “Housing Services” in section 20(6) of the by-law as it is not rental housing, however this project may relieve some pressure on the rental market and satisfies Goal 3: Greater Housing Choice - diversify housing options by type, size and tenure, under At Home in Durham, the Durham Housing Plan 2014 – 2024.
- 3.4 Bill 108, More Homes, More Choices Act, 2019 received Royal Assent on June 6, 2019 and includes amendments to the Development Charges Act, 1997. These amendments include deferring development charge payment for purpose built rental and non-profit housing to occupancy with the payments to be made over five years for purpose built rental housing and twenty years for non-profit housing. These changes are not yet in force with the timing of implementation and definition of non-profit housing unknown. These amendments may apply to the Trillium development depending on the definition and transitional arrangements.
- 3.5 Trillium has requested deferral of payment of Regional development charges from building permit issuance to twelve months after occupancy for each of the two phases of the project. The implications of enacting this request include the estimated carrying costs of Regional development charges over an extended period until twelve months after occupancy (by phase).
- 3.6 Trillium has indicated that based on construction financing rates, they anticipate a savings of approximately \$500,000 which they commit to include in the funds available for Trillium Mortgages.

#### **4. Conclusion**

- 4.1 It is recommended that the Region enter into an agreement with Trillium for the deferral of Regional development charges from time of first building permit issuance to twelve months after occupancy for the affordable housing project in the City of Pickering at rates in effect at the time of first building permit issuance for each phase.

- 4.2 In addition, it is recommended that the agreement contain such terms and conditions as are necessary to reasonably assure the Region of full payment of applicable Regional development charges. Finally, it is recommended that the Commissioner of Finance be authorized to negotiate and execute the necessary agreements in a form acceptable to Corporate Services – Legal Services.
- 4.3 This report has been prepared with assistance from the Social Services – Housing Services Division, Corporate Services – Legal Services Division and the Works Department.

## **5. Attachments**

Attachment #1: Letter from Trillium

Respectfully submitted,

Original Signed By

Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair  
Chief Administrative Officer



Elaine Baxter-Trahair  
Region of Durham  
605 Rossland Road,  
Pickering, ON,  
November 7, 2019

November 14, 2019

Dear Ms Baxter-Trahair,

## **Proposal to the Region of Durham to support Housing Affordability**

The need for entry level housing is great. There is a growing affordability gap – the difference between housing prices, which have increased 75% and family incomes, which have increased only 5%, both over the past decade. Trillium Housing Non-Profit (Trillium) is a social enterprise creating housing affordability. Trillium is dedicated to investing in the development of entry level ownership housing and to providing innovative financing to enable modest-income families to own their home. We are currently proposing to develop 212 entry-level town houses at Duffin Heights (William Jackson Road, Pickering) and to provide housing affordability financing for up to 100 income-eligible purchasers. The Trillium Mortgage is a share equity mortgage and is payment-free until discharge.

We were pleased that Pickering Council unanimously passed our proposed rezoning. With no further public concerns raised, we are waiting on City feedback on our site plan submission and to launching our sales early in the new year.

There are two ways that the Region could support this project; direct investment in our Trillium Mortgages or a financial incentive, such as a Development Charge deferral to reduce development costs which will be passed on directly to eligible purchasers. We understand that the Region would prefer at this time to consider a DC deferral along the lines as being considered by the City of Pickering. A DC deferral is also in line with the current DC by-law which provides DC deferrals for other affordable housing projects. Although the current DC by-law is specific to affordable rental we believe that the affordable home ownership opportunity provided through Trillium Housing will relieve some pressure on the rental market and is in line with the spirit and intent of the current by-law.

### **Trillium Housing Directors and Principals:**

Mitchell Kosny Brigitte Witkowski Sharad Kerur Erik Koudstaal Peter Friedmann Joe Deschênes Smith Richard Owen Fred Heller

[www.trilliumhousing.ca](http://www.trilliumhousing.ca)

We propose that the Region, defer the payment of Region Development Charges until 12 months after first occupancy for each phase (we plan two phases) of the project. This will align with what we understand City staff will recommend to Pickering Council. This timeline is critical for us to realize the full value from the deferral and to maximize the increase in funding for Trillium Mortgages.

We believe the deferral will delay receipt of the DC's by only three years. This delay in the receipt of the funds would be the only cost to the Region to help us support these families. At current rates, my understanding is the Regional Development Charges for 212 stacked town houses are expected to be \$5,590,652. Based on current construction financing rates, we anticipate a project saving of approximately \$500,000 which we commit to include in the funds available for Trillium Mortgages.

We further propose that while the deferral could be approved for both phases of our project immediately, that Council provide staff the latitude to apply any future incentives for the development of affordable housing that may be available at that time.

### Outcomes

Using our project The LOOP, where we also sold stacked town homes within a comparable price range – we were able to issue 33 Trillium Mortgages and the average household income for those families was in the mid \$60,000's. Our Trillium Mortgages reduced housing costs on average by \$500 PER MONTH for our families. Our families include 32 children and 8 single-parent led families. Our goal is to achieve similar outcomes at our project in Pickering.

Yesterday we sent eligible families on our registration list an email inviting them to complete full Trillium Mortgage applications. Our mortgage broker today called it an "avalanche" of applications!

Although conditional on a large number of variables, including site plan approvals, interest rates, sales absorption, tendering, phasing, etc. Trillium Housing hopes to fund over 60 income-eligible families at the project with its own funds. The availability of the Region's deferral will increase the number and /or the amount of Trillium Mortgages.

I will venture that this will be the most cost-effective support of housing affordability in the Region's history.

I believe it is important to outline that our project has already received support from other governments. The site has been purchased by Trillium Housing Oak Non Profit under the Ontario government's Program to circulate surplus Ontario land to eligible

### Trillium Housing Directors and Principals:

Mitchell Kosny Brigitte Witkowski Sharad Kerur Erik Koudstaal Peter Friedmann Joe Deschênes Smith Richard Owen Fred Heller

[www.trilliumhousing.ca](http://www.trilliumhousing.ca)



non-profits in advance of public tendering. Part of our initial investment in the project has the backing of a Province of Ontario Loan Guarantee Pilot program - which was established to validate our new affordable housing model. I'm pleased to report that our first project under this pilot, The LOOP in Toronto, is fully occupied and we anticipate formal sales closing in January – at which time the Ontario guarantee for that project will be complete. As noted above, the average household income of families financed with a Trillium Mortgage is in the mid-\$60,000's - an outstanding result.

Our Pickering project also has support from the Federal Government. We have received a \$50,000 SEED grant and a \$200,000 SEED loan. In addition, we submitted our Trillium Housing Bond to the federal government's Innovation Fund. Our proposal was approved by the Fund's peer-review, external review committee and we have now received a term sheet from CMHC which we have under review.

Finally, Trillium Housing was instrumental in the development of the new Shared Equity Mortgage Provider (SEMP) Fund launched this summer. In August, we have applied to this new Fund for \$1.3 million specifically to finance additional Trillium Mortgages at our Pickering project. We await a reply from CMHC.

In addition to government support, we have impact investors providing financing to support this project. At our last discussion we touched on our development of a Municipal Trillium Mortgage Fund. We are moving forward with development of our Fund concept and we welcome the opportunity to review our model in the context of the Region developing a comprehensive affordable housing strategy in 2020. I look forward to discussing our proposals with Region leadership and providing any support I can with respect to the development of the strategy. As a partnership tool between municipalities, developers and non-profit, I am confident that our Municipal Trillium Mortgage Fund will be a tool that will provide the most cost-effective delivery of housing affordability possible.

We hope the work we are doing with the Region today, will lead to the delivery of housing affordability to families at our project in Pickering and for many more families in the future.

Yours,



Joe Deschênes Smith  
Trillium Housing Non Profit

**Trillium Housing Directors and Principals:**

Mitchell Kosny Brigitte Witkowski Sharad Kerur Erik Koudstaal Peter Friedmann Joe Deschênes Smith Richard Owen Fred Heller

[www.trilliumhousing.ca](http://www.trilliumhousing.ca)



## The Regional Municipality of Durham Report

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To: Finance & Administration Committee  
From: Commissioner of Finance  
Report: [#2019-F-51](#)  
Date: December 10, 2019

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### **Subject:**

Request for Regional Financial Assistance under the Regional Revitalization Program for the Development of Lands surrounding Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge to support the new Uxbridge Health Centre

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### **Recommendation:**

That the Finance & Administration Committee recommends to Regional Council:

A) That the application submitted by the Township of Uxbridge, on behalf of Uxmed Inc. under the Regional Revitalization Program (RRP), requesting Regional financial assistance for the development of lands surrounding Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge for a new physician-owned health care campus facility, be approved, subject to the following conditions:

- i) The Region to provide \$114,350 for the development, with funding provided from the Regional Revitalization Reserve Fund and transferred to the Township of Uxbridge for distribution to Uxmed Inc., in accordance with the timing and flow of funds under the RRP:

Full building permit issued to Uxmed Inc	50%
--	-----

Framing inspection (or equivalent structural completion), passed by the area municipal building inspection authority	40%
--	-----

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) Uxmed Inc. must pay all applicable Regional DCs due at building permit issuance;

- iii) Uxmed Inc. enter into a servicing agreement with the Region to construct new water and sewer connections and Uxmed Inc. will post a security in the form of a letter of credit and be responsible for 100 per cent of the servicing costs;
  - iv) All costs associated with works for the development of the lands will be borne by the developer, Uxmed Inc., in keeping with Regional policies;
  - iv) Satisfying any performance criteria outlined in agreements between the Township of Uxbridge and Uxmed Inc. regarding incentives (financial or other) provided under the Toronto Street Corridor Community Improvement Plan and applicable Township By-laws;
  - iv) The Township of Uxbridge enter into an agreement with the Region that outlines the terms and conditions for Regional financial assistance to ensure accountability for Regional funding; and,
  - v) The Township of Uxbridge 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.
- B) That as per the RRP, the increased property tax revenue generated from the increased current value assessment of the development of lands surrounding the Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge be used to replenish the Regional Revitalization Reserve Fund for five years after substantial occupancy.
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## **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 surrounding Markham Stouffville Cottage Hospital (MSCH) known as 4 Campbell Drive in the Township of Uxbridge. Key elements of the RRP are cited in Attachment #1.
- 1.2 On October 23, 2019, Regional staff received an application from the Township of Uxbridge, on behalf of Uxmed Inc., under the RRP, for a new physician-owned health care campus facility.

### **2. Uxmed Inc.'s Proposal**

- 2.1 Uxmed Inc., a development corporation, is proposing to develop and construct a new building for the Uxbridge Health Centre (UHC), which is currently located at 2 Elgin Park Drive in the Township of Uxbridge. The UHC consists of a large group of family physicians and a paediatrician. The current location of the UHC is small. The

number of physicians has effectively doubled in size over the last ten years (from five to ten) and the existing office layout is not commensurate with existing and future service delivery needs.

- 2.2 Uxmed's proposal includes the development of a new 36,532 square foot integrated medical facility to enhance quality of care and assure continued physician support. The development will be located on the current site of the Markham Stouffville Cottage Hospital at 4 Campbell Drive in the Township of Uxbridge. The new medical office building will be owned by Uxmed Inc. Uxmed Inc. was created specifically for this proposed project and solely owned by the UHC physicians. All of the shareholders of Uxmed Inc. are physicians currently working in the UHC and are moving to the new site.
- 2.3 The proposed health care campus is intended to enhance the recruitment and retention of physicians in both primary and hospital care; enhance ambulatory care programs and bring services closer to home for residents and bringing primary, hospital and long-term care to an integrated physical and functional site.
- 2.4 The lands for the building are being leased by the Markham Stouffville Cottage Hospital to Uxmed Inc. for a period of 49 years, subject to several conditions as well as one renewal term of 25 years. Approximately 60 per cent of the building will be used for commercial purposes by the Uxbridge Health Centre and 40 per cent will be used by the hospital (i.e. institutional).
- 2.5 The proposed site is located in the Township's Toronto Street Corridor Improvement Plan. The proposed building will form an extension of the existing hospital. The existing residential uses to the north will be buffered from the medical building and related service areas by the existing hospital building and landscaped open space. The office building to the east is compatible with the proposed medical building but will be separated by the hospital and related parking and landscaping. The low-density residential uses to the south will continue to be well separated and buffered from the Uxbridge Health Centre building and the hospital by parking and landscaping, as well as Campbell Drive. There is no development immediately to the west of the hospital Lands and most of the western portion of the hospital Lands will remain undeveloped, providing a significant buffer between proposed new building and related parking and the Uxbridge Brook which abuts the hospital Lands to the west. Existing low-density residential development to the south in this area is well separated from the proposed building and buffered by landscaping and surface parking.
- 2.6 The total construction budget for this project is approximately \$14.6 million.

### **3. Project Support by the Township of Uxbridge**

- 3.1 On July 15, 2019, the Township of Uxbridge (Uxbridge) approved the proposed project for financial incentives from the Toronto Street Corridor Community Improvement Plan (CIP). The total estimated value of the Township's financial commitment is \$114,350, which includes a building permit fee exemption and a

property tax grant assistance over a five-year period. In addition, the Township's development charges will be deferred for three years from the date that the Township of Uxbridge's Building Department issues an Occupancy Certificate.

#### **4. Request for Regional Assistance**

4.1 On October 23, 2019, Regional staff received an application from the Township of Uxbridge, on behalf of Uxmed Inc., under the Regional Revitalization Program (RRP). The application did not request a specific amount for Regional financial assistance.

#### **4.2 Project Satisfies Mandatory Criteria under the RRP**

4.2.1 The proposed project by Uxmed Inc. satisfies several mandatory criteria for eligibility and consideration under the RRP, including:

- Project location within a designated "Regional Centre" (Downtown Uxbridge) and within the Township's "Toronto Street Community Improvement Plan";
- Project conformity with and support of ROP policies. The subject site is within the urban area of the Township of Uxbridge and designated "Living Areas" in the ROP. Section 5.2.1 of the ROP directs health facilities (for such purposes as hospitals) to be permitted in urban areas. Within urban areas, the ROP further identifies areas designated as "Regional Centres" as the ideal locations to direct institutional uses (i.e. hospitals), but since this is an expansion of a permitted use, the proposal would conform with the policies in the plan;
- Project supports residential growth;
- Project entails significant and substantial revitalization (i.e. subject lands are currently vacant), and construction has not commenced;
- Project recommendation by the Township of Uxbridge; and
- A financial commitment by the Township of Uxbridge through incentives available under the Township's Toronto Street CIP (in the amount of \$114,350).

4.2.2 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 new businesses, including a café, emergency dental services, a patient laboratory, a physiotherapist and a pharmacy;
- 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 along the

- Toronto Street Corridor and Downtown core;
  - Regional Development Charges generated by the development are estimated to be \$431,540 (based on existing Regional DC rates and assuming the MSCH will be occupying a portion of this clinic); and
  - Higher annual Regional property taxes generated by the development due to increased current value assessment (taxes estimated by the developer to be \$65,470 in its first-year post-construction).
- 4.3 Although there are anticipated benefits during and post-construction, as identified above, there are risks associated with this project, including additional site-specific challenges, which arose through the advancement of project planning. These challenges will compromise the financial viability of the proposed project. For example, the underground diesel tank belonging to the Markham Stouffville Hospital requires a Phase 2 Environmental Assessment. In addition, the planned site of the new building requires relocation to create more space and avoid interference with the operation of the helicopter pad. As a direct result of this relocation, some underground works, which run underneath the current footprint of the planned building will need to be relocated and the existing hospital shed will need to be demolished. In addition, there will be additional costs for the requirements of a roof air intake system that shuts off when the helicopter takes off and lands.
- 4.4 Further, as a second entrance will be required to accommodate the main entry for the MSCH, a new curb needs to be cut and requires relocation of a light standard on the street, a removal of tree on the boulevard and relocation/temporary lighting for the hospital parking. Finally, there will be additional costs related to the reconfiguration and rework of the existing MSCG parking lot. The Township has requested 60 additional paid parking spots, which necessitates additional soil and hydrogeological studies on the impacted site. Parking revenue would be split between the UHC (60 per cent) and the MSCH (40 per cent).
- 4.5 The proposed project also faces short-term market challenges related to securing tenants for the commercial portion of the new facility.

## **5. Financial Implications**

- 5.1 Under the RRP, projects are required to fully pay all applicable Regional fees and charges, including Development Charges (DCs).
- 5.2 Although there are anticipated benefits during and post-construction, as identified above, there are risks associated with this project, including additional site-specific challenges, which arose through the advancement of project planning. As aforementioned, site-specific challenges compromising the financial viability of the proposed project include:
- Phase 2 Environmental Assessment related to the diesel tank removal;
  - Project location impact of the operation of the existing helicopter pad;
  - A new roof air intake system;
  - Costs related to the second entrance required to accommodate main entry for the MSCH; and



- Additional soil and hydrogeological studies related to Township's request for 60 additional parking spots and reconfiguration and rework of the existing MSCH parking lot.

5.3 Given these challenges with the project, which justify local and Regional support, and the mandatory criterion that Regional financial assistance under the RRP is not to be greater than the area municipality's financial assistance, it is recommended that the application submitted by the Township of Uxbridge, on behalf of Uxmed Inc. under the Regional Revitalization Program (RRP), requesting Regional financial assistance for the development of lands surrounding Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge for a new physician-owned health care campus facility, be approved, subject to the following conditions:

- i) The Region to provide \$114,350 for the development, with funding provided from the Regional Revitalization Reserve Fund and transferred to the Township of Uxbridge for distribution to Uxmed Inc., in accordance with the timing and flow of funds under the RRP:

Full building permit issued to Uxmed Inc	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) Uxmed Inc. must pay all applicable Regional DCs due at building permit issuance;
- iii) Uxmed Inc. enter into a servicing agreement with the Region to construct new water and sewer connections and Uxmed Inc. will post a security in the form of a letter of credit and be responsible for 100 per cent of the servicing costs;
- iv) All costs associated with works for the development of the lands will be borne by the developer, Uxmed Inc., in keeping with Regional policies;
- v) Satisfying any performance criteria outlined in agreements between the Township of Uxbridge and Uxmed Inc. in regard to incentives (financial or other) provided under the Toronto Street Corridor Community Improvement Plan and applicable Township By-laws;
- vi) The Township of Uxbridge 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 Township of Uxbridge 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.

5.4 As per the RRP, it is recommended that the increased property tax revenue generated from the increased current value assessment of the development of lands surrounding the Markham Stouffville Cottage Hospital known as 4 Campbell Drive in the Township of Uxbridge be used to replenish the Regional Revitalization Reserve Fund for five years after substantial occupancy.

## **6. Conclusion**

6.1 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.

6.2 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.

## **7. Attachments**

Attachment #1: Key Elements of the Regional Revitalization Program

Respectfully submitted,

Original Signed By

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Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

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Elaine C. Baxter-Trahair  
Chief Administrative Officer

### Key Elements of the Regional Revitalization Program

- 1.1 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.
- 1.2 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.
- 1.3 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.

If this information is required in an accessible format, please contact 1-800-372-1102, ext. 2304



## The Regional Municipality of Durham Report

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To:	Finance and Administration Committee
From:	Commissioner of Finance
Report:	<a href="#">#2019-F-52</a>
Date:	December 10, 2019

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### **Subject:**

2020 Current and Capital Business Plans and Budgets and Nine Year Capital Forecasts for the Water Supply and Sanitary Sewerage Systems

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### **Recommendations:**

That the Finance and Administration Committee recommends to Regional Council:

- A) That the 2020 Current and Capital Business Plans and Budgets for the Water Supply System, with a total gross expenditure of \$152.6 million (net user rate supported expenditure of \$111.7 million) and related financing as set out below, be approved:

	2019 Gross Budget (\$ 000's)	2020 Gross Budget (\$ 000's)	Variance Incr/(Decr) (\$ 000's)
<b><u>EXPENDITURES</u></b>			
Operations:			
Watermain Cleaning and Repairs	3,572	3,493	(79)
Valves and Hydrants	3,211	2,991	(220)
Water Connections	4,370	4,186	(184)
Water Meters	666	542	(124)
Depot Operations	5,758	5,824	66
Plants East	2,926	3,151	225
Plants Central	13,263	14,131	868
Plants North	3,026	3,080	54
Sunvalley	29	29	-
Engineering and Staff Support	7,335	7,455	120
Facilities Management	6,603	7,615	1,012
Administration	315	319	4
Headquarters Shared Costs	1,073	1,100	27
Utility Finance	3,658	3,943	285
Share of Regional Corporate Costs	11,379	12,083	704
Subtotal Operations	67,184	69,942	2,758
Capital/Debt Charges:			
TCA Capital	3,361	4,732	1,371
TCA Construction	109,973	76,209	(33,764)
Debt Charges	1,694	1,694	-
Subtotal Capital/Debt Charges	115,028	82,635	(32,393)
<b>TOTAL EXPENDITURES</b>	<b>182,212</b>	<b>152,577</b>	<b>(29,635)</b>
<b><u>FINANCING</u></b>			
Contributions from Reserve Funds:			
Residential Development Charges - Growth Related Capital	57,358	20,823	(36,535)
Commercial Development Charges - Growth Related Capital	1,769	678	(1,091)
Industrial Development Charges - Debt Charges	536	536	-
Institutional Development Charges - Debt Charges	28	28	-
Water Rate Stabilization Reserve Fund	2,000	952	(1,048)
Asset Management Reserve Fund	4,985	5,234	249
Equipment Replacement Reserve	-	35	35
Fees and Service Charges	2,791	2,910	119
Financing From Others:			
Region of York - TCA Construction	325	225	(100)
Oversizing Costs Related to Seaton/Federal Lands	4,488	7,540	3,052
Frontage Charges - Petition Recoverable	-	1,864	1,864
<b>Financing From Non-User Revenue Sources</b>	<b>74,280</b>	<b>40,825</b>	<b>(33,455)</b>
<b>User Revenues Financing (including frontage charges)</b>	<b>107,932</b>	<b>111,752</b>	<b>3,820</b>
<b>TOTAL FINANCING</b>	<b>182,212</b>	<b>152,577</b>	<b>(29,635)</b>

B) That the Nine Year Capital Forecast for 2021 to 2029 inclusive, in the amount of \$1.1 billion as detailed in the Water Supply System Capital Budget, be received for information;

- C) That the 2020 Current and Capital Business Plans and Budgets for the Sanitary Sewerage System with a total gross expenditure of \$205.5 million (net user rate supported expenditure of \$107.7 million) and related financing as set out below, be approved:

	2019 Gross Budget (\$ 000's)	2020 Gross Budget (\$ 000's)	Variance Incr/(Decr) (\$ 000's)
<b>EXPENDITURES</b>			
Operations:			
Cleaning, Repairs and Maintenance Holes	2,112	2,033	(79)
Sewer Connections	2,944	3,254	310
Depot Operations	3,198	3,228	30
WPCPs and Pumping Stations	23,236	23,999	763
Duffin Creek WPCP	35,551	37,197	1,646
Regional Environmental Laboratory	2,571	2,864	293
Engineering and Staff Support	6,769	6,886	117
Facilities Management	7,075	8,273	1,198
Administration	318	322	4
Headquarters Shared Costs	1,073	1,100	27
Utility Finance	3,658	3,943	285
Share of Regional Corporate Costs	14,333	15,199	866
Subtotal Operations	102,838	108,298	5,460
Capital/Debt Charges:			
Duffin Creek WPCP - TCA Capital	1,480	947	(533)
Regional Environmental Lab - TCA Capital	172	586	414
TCA Capital	2,409	5,673	3,264
TCA Construction	106,437	68,950	(37,487)
Debt Charges	21,761	21,011	(750)
Subtotal Capital/Debt Charges	132,259	97,167	(35,092)
<b>TOTAL EXPENDITURES</b>	<b>235,097</b>	<b>205,465</b>	<b>(29,632)</b>
<b>FINANCING</b>			
Contributions from Reserve Funds:			
Residential Development Charges - Growth Related Capital	11,859	20,013	8,154
Residential Development Charges - Debt Charges	11,499	11,521	22
Commercial Development Charges - Growth Related Capital	1,266	1,275	9
Commercial Development Charges - Debt Charges	1,439	1,552	113
Industrial Development Charges - Growth Related Capital	1,000	-	(1,000)
Industrial Development Charges - Debt Charges	-	532	532
Institutional Development Charges - Debt Charges	-	8	8
Sanitary Sewer Rate Stabilization Reserve Fund	-	952	952
Asset Management Reserve Fund	8,234	8,646	412
Equipment Replacement Reserve	-	35	35
Regional Environmental Lab Equipment Replacement Reserve	135	-	(135)
Fees and Service Charges	6,811	7,001	190
Financing From Others:			
Region of York - TCA	1,132	1,040	(92)
Region of York - TCA Construction	23,514	16,566	(6,948)
Oversizing Costs Related to Seaton/Federal Lands	13,080	-	(13,080)
Region of York - Operating	27,109	28,444	1,335
Region of York Environmental Lab Operations	-	168	168
Debenture Proceeds:			
Courtice Trunk Sanitary Sewer, Clarington	25,900	-	(25,900)
<b>Financing From Non-User Revenue Sources</b>	<b>132,978</b>	<b>97,753</b>	<b>(35,225)</b>
<b>User Revenues Financing (including frontage charges)</b>	<b>102,119</b>	<b>107,712</b>	<b>5,593</b>
<b>TOTAL FINANCING</b>	<b>235,097</b>	<b>205,465</b>	<b>(29,632)</b>

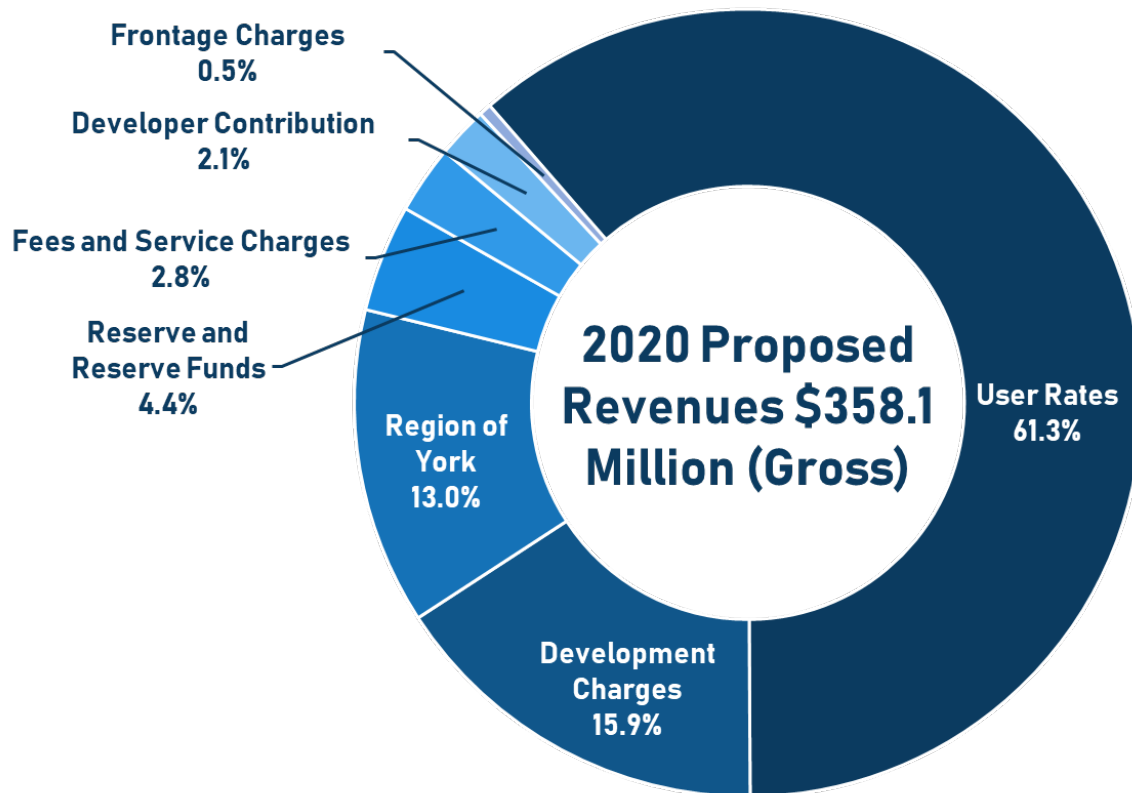
- D) That the Nine Year Capital Forecast for 2021 to 2029 inclusive, in the amount of \$1.5 billion as detailed in the Sanitary Sewerage System Capital Budget, be received for information;
  - E) That capital project approval be granted for expenditures and financing for the 2020 capital projects detailed within the 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets where contract awards are consistent with the Regional Budget Management Policy; and
  - F) That the necessary By-laws with respect to the 2020 Current and Capital Business Plans and Budgets for the Water Supply and Sanitary Sewerage Systems be presented to Regional Council.
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**Report:****1. Overview of Recommended 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets**

- 1.1 The consolidated gross 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets at \$358.1 million (\$152.6 million water and \$205.5 million sewer) are included for approval and for recommendation to Regional Council on December 18, 2019. The recommended budgets require a total of \$219.4 million in user rate revenue (\$111.7 million water and \$107.7 million sewer), consistent with the proposed water and sewer user rate increase of 3.2 per cent overall (2.3 per cent for water and 4.0 per cent for sewer).
- 1.2 The 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets, with a proposed overall user rate increase of 3.2 per cent, provides for a number of base pressures and non-discretionary items that are required for the continued operations of the water supply and sanitary sewerage systems in compliance with regulatory performance requirements. Significant strategic investments advance the implementation, support and maintenance of the new utility billing system and customer portal, new infrastructure and operations to address growth and critical renewal and replacement of capital infrastructure to address state of good repair in alignment with asset management best practices.



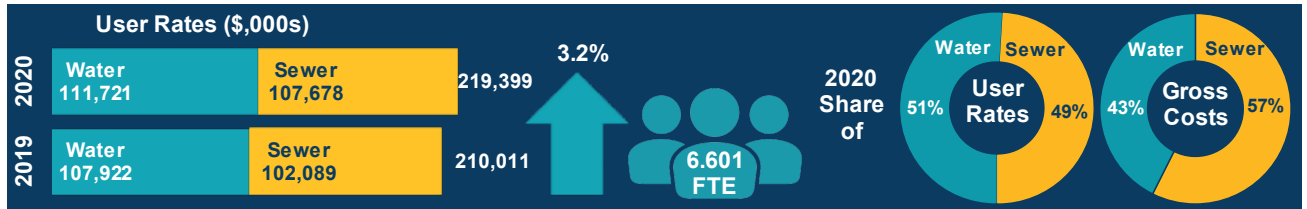
- 1.3 The following pie chart provides greater detail on the financing of the \$358.1 million Consolidated 2020 Water Supply and Sanitary Sewerage Systems Budget.



- 1.4 The 2020 Current and Capital Budgets and the Nine Year Capital Forecasts for the Water Supply and Sanitary Sewerage Systems, as recommended in this report, reflect the financial parameters of the approved user rate increase (Report #2019-COW-33).

## 2. Highlights of the 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets

### Water Supply and Sanitary Sewerage Systems



### Services:

#### Water Supply System

- Maintain and operate the Region's linear water distribution system in an efficient and cost effective manner for the Region's approximately 179,293 customers.
- Maintain all systems to meet regulations to ensure healthy water supply is delivered to the community.
- Plan, design and construct water supply infrastructure.

#### Sanitary Sewerage System

- Maintain and operate the Region's Sewage Collection Systems to ensure safe and efficient treatment of effluent for the Region's approximately 175,252 customers.
- Maintain all programs for compliance with Ministry of Environment, Conservations and Parks Acts and Regulations.
- Plan, design and construct sanitary sewerage infrastructure.

#### Utility Finance

- Set-up, maintain and issue billings for customer accounts related to Water and Sanitary Sewerage. Receive, deposit and record approximately 787,000 water and sanitary sewer payments.
- Provide customer services to water and sanitary sewer customers, including responding to over 100,000 telephone inquiries, 12,000 emails and over 3,900 customer inquiries made in person.
- Obtain water meter readings associated with residential and non-residential customer accounts, as well as investigating and assisting customers to identify water consumption problems.

## 2019 Accomplishments:

Regional water supply and sanitary sewerage systems continue to provide safe drinking water and protect the water environment. Quality and environmental management systems support and integrate operations to meet regulatory performance requirements.

- 0 Boil Water Advisory days.
- 99.97 per cent compliance of drinking water test results.
- No sanitary sewage by-pass events.
- 100 per cent compliance of wastewater effluent results to protect water environment.
- Newcastle Water Supply Plant detailed design is complete and tender ready in 2020.
- Zone 4 (Seaton) Reservoir and Water Pumping Station detailed design is complete and tender ready in 2020.
- Construction completed for 12 of the 18 projects receiving federal and provincial funding under Clean Water and Wastewater Fund (CWWF).
- Bulk Water Filling Station for Whitby/Oshawa service area has been tendered and is ready for construction.
- Newcastle Sanitary Sewerage Pumping Station detailed design is complete and is tender ready in 2020
- Plant Operations staff (Operations Challenge Team) won the Water Environment Association of Ontario (WEAO) Championship.
- A Plant Operations staff member received the 2019 Water Environment Federation (WEF) Operator Ingenuity Award.
- Ongoing modernization of data management at Duffin Creek Water Pollution Control Plant. Similar data management modernization was initiated in the Plant Operations division for other Regional water supply and sanitary sewerage service areas.
- Implemented a new modern water billing system.
- Upon launch of the web-based customer portal, "My Durham Water", in 2020 customers will have online access to their accounts to:
  - View billing information;
  - Enter meter readings online;
  - Choose from multiple payment options, including e-payments;
  - Receive bills online through paperless e-billing; and
  - Seamlessly access the Region's website for rates and other water billing information.

## Operating and Staffing:

- The proposed 2020 Operating Business Plans and Budgets for Water Supply and Sanitary Sewerage is \$178.2 million (Water \$69.9 million, Sewer \$108.3 million).
- The following is a summary of the operating prioritizes and pressures:
  - Annualization of operations and maintenance for the new utility billing system and customer portal.
  - Annualization of 4.598 positions approved in 2019.
  - Modernization of the Region's Business Planning and Budget process including system modernization.
  - Implementation of Workforce Scheduling in Depot Operations.
- Priority staffing of 8 positions, shared with Works – General Tax and Solid Waste Management (4.371 FTE in Water Supply and 2.230 FTE in Sanitary Sewerage) at a combined 2020 cost of \$390k or \$777k annualized for the Water Supply and Sanitary Sewerage Systems share. Details on the proposed position are as follows:
  - One Vehicle and Equipment Trainer in Depot Operations to provide training to vehicle and equipment operators in all Regional departments. This position is shared with General Tax (0.340 FTE), Water Supply (0.330 FTE) and Sanitary Sewerage (0.330 FTE) (Annualized cost of \$125k).
  - Two Sewer, Water, Appurtenances and Testing (SWAT) Labourers in Construction Management Services to aid with watermain disinfection, sampling and pressure testing. These positions are shared General Tax (0.716 FTE), Water Supply (0.770 FTE) and Sanitary Sewerage (0.514 FTE) (Annualized cost of \$193k).
  - One Senior Project Coordinator in Facilities Design, Construction and Asset Management to support delivery of facility related capital projects. This position is shared between General Tax (0.288 FTE), Water Supply (0.271 FTE), Sanitary Sewerage (0.386 FTE) and Solid Waste (0.055 FTE) (Annualized cost of \$117k).
  - One Works Technician 3 in Plants Central to enhance the maintenance program required for water regulation compliance. This position is solely for Water Supply (1.000 FTE) (Annualized cost of \$110k).
  - One Maintenance Operator in Plants Central to meet regulatory compliance. This position is solely for Water Supply (1.000 FTE) (Annualized cost of \$114k).
  - One Business Analyst in Utility Finance to support the Region's new utility billing system and customer portal. This position is shared between Water Supply (0.500 FTE) and Sanitary Sewerage (0.500 FTE) (Annualized cost of \$124k).
  - One Database Administrator in Utility Finance to support the Region's new utility billing system and customer portal. This position is shared between Water Supply (0.500 FTE) and Sanitary Sewerage (0.500 FTE) (Annualized cost of \$142k).

### Capital and Debt Servicing Costs:

- The proposed 2020 Capital Budget for Water Supply and Sanitary Sewerage including debt servicing costs is \$179.8 million (Water \$82.6 million, Sewer \$97.2 million) and includes construction of municipal services, vehicles, computer equipment and facility upgrades. The proposed 2020 Capital Budget is proposed to be funded from user rate revenue, development charges revenue, reserve and reserve fund contributions, developer contributions and the Region of York for their share of system improvements and other TCA capital at the Duffin Creek WPCP and the Regional Environmental Laboratory.
- In developing the Region's annual Asset Management Report, data is collected and analyzed to ensure sound and timely investments are made to maintain the Region's existing assets at a level to meet service delivery expectations and minimize the cost of assets over their lifecycles. The 2020 Capital Budget and Nine-Year Capital Forecast includes projects to address Water Supply and Sanitary Sewerage assets in poor/very poor condition, at the end of their useful life or in need of timely rehabilitation/replacement. The 2020 Water Supply and Sanitary Sewerage Strategic Issues and Financial Forecast Report (Report 2019-COW-32) provide additional information on the specific state of good repair projects.
- Table One in this Report provides detail on the major capital projects included in the proposed 2020 Capital Budget for Water Supply and Sanitary Sewerage.

### Risks, Uncertainties and Future Pressures:

- Legislative and regulatory changes from provincial and federal approval agencies.
- Potential for further reduction in water usage resulting in lower revenue, without corresponding cost reductions.
- Growth across the Region, including development of several new communities in Seaton, West Whitby, North Oshawa, Bowmanville and Newcastle Village, that will increase the demand for services to support residents and businesses as well as the operational and maintenance requirements for Regional infrastructure.
- Changing and unpredictable weather patterns impacting treatment operations as well as preventative and reactive maintenance activities for the regional water supply and sanitary sewerage linear infrastructure network.
- Annualization of new positions proposed in 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets will result in a \$387k increase (\$254k Water Supply and \$133k Sanitary Sewerage) in the 2021 Business Plans and Budgets.

### Risks, Uncertainties and Future Pressures:

- Over the forecast period there are on-going debt charge commitments for the sanitary sewerage system (\$21.0 million in 2020), mainly related to the Stage III Expansion at the Duffin Creek Water Pollution Control Plant (Bio-solids Management) and the Courtice, Port Darlington and Nonquon Water Pollution Control Plants. Additional debt financing for the sanitary sewerage system may be required over the forecast period for the Courtice Trunk Sanitary Sewer, Duffin Creek WPCP, Courtice WPCP and the Corbett Creek WPCP, which will be slightly offset by a decrease in debt charges as some existing debt related to the Duffin Creek WPCP and Courtice WPCP will be retired over the forecast period.
- There are on-going debt charges for water supply system (\$1.7 million in 2020), related to the Newcastle Water Supply Plant expansion and replacement capital project. Debt financing for the water supply system may increase over the forecast period related to the Whitby, Bowmanville and Ajax Water Supply Plant expansion projects.

**Table One**  
**2020 Major Water Supply and Sanitary Sewerage Systems Capital Program**

<b>Water Supply</b>	<b>\$million</b>	<b>Sanitary Sewer</b>	<b>\$million</b>
Watermain replacement / rehabilitation to address critical needs	18.2	Sanitary sewer replacement to address critical needs	5.6
Watermain Petition Projects:			
- Ontoro Blvd (Ajax)	1.8		
- Fielding Court (Ajax)	0.6		
Plant and Water Pumping Stations (WPS) and Reservoirs:		Plant and Sanitary Sewage Pumping Stations (SSPS):	
- Seaton Zone 4 Reservoir and Zone 5 WPS, Pickering	6.7	- Conlin Road SSPS expansion and feedermain, Oshawa (Construction of feedermain in 2020)	3.5
- Cannington New Well & Pumphouse	5.0	- Courtice Water Pollution Control Plant (WPCP) remediation works	3.5
- Oshawa Zone 4 Water Storage Facility	3.2	- Water Street SSPS upgrades, Whitby (Design and Construction)	2.6
- Zone 1 Reservoir, Newcastle	3.0	- Fuel Tank Compliance	2.0
- Whitby Water Supply Plant (WSP) Expansion (Design)	2.5	- Lake Simcoe WPCP Upgrades (Brock)	1.6
- Ajax WSP expansion (EA) and rehabilitation work	3.6	- Bayly Street SSPS Upgrades (Pickering)	1.5
- Whitby Zone 4 Water Storage facility	1.7	- Madawaska SSPS standby power (Oshawa)	1.3
- Thickson Road Zone 3 WPS expansion, Whitby	1.6	- Corbett Creek WPCP (Whitby) Expansion (EA)	1.0
- Sunderland New Well and Pumphouse (Design)	1.0	- Cannington WPCP Lagoon system (Conceptual Design)	1.0

<b>Water Supply</b>	<b>\$million</b>	<b>Sanitary Sewer</b>	<b>\$million</b>
Water filling stations	3.2	Duffin Creek Water Pollution Control Plant (WPCP):	
Replacement of water meters	3.1	- Replacement of Reactors 1 & 2 (\$20.0 million, York Share - \$14.8 million)	5.2
Replacement of lead water service connections	1.0	- Digester Mixing Improvements (\$1.0 million, York Share - \$0.7 million)	0.3
		- Environmental Lab Upgrades (\$0.4 million, York share - \$0.2 million)	0.2
		- Remedial Works (\$1.3 million, York share - \$0.8 million)	0.5
New feeder mains (growth related):		New trunk sanitary sewers (growth related):	
- Conlin Rd., Oshawa	4.2	- West Brooklin Trunk Sewer, Whitby	8.3
- Bloor St., Oshawa	1.5	- Wilmot Trunk Sewers, Newcastle	4.4
- Zone 4 feeder main from WPS to Zone 4 Reservoir, Oshawa	1.2	- Courtice Trunk Sewer (Phase 3), Courtice	2.0
		- Port Darlington Trunk Sewer, Bowmanville	1.7

### 3. Line-by-line Review

- 3.1 As part of the development of the proposed consolidated 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budget, departments completed a line-by-line review. Departments, under the guidance of the CAO and Commissioner of Finance, reviewed three years of historical actuals to identify 2020 base budget reductions that do not impact service levels.
- 3.2 The following base budget savings have been identified and are reflected in the proposed consolidated 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budget:
- A) Water Supply System - \$2.0 million
  - B) Sanitary Sewerage System - \$0.9 million
  - C) Utility Finance - \$0.1 million

### 4. Use of Development Charges, Reserves and Reserve Funds

- 4.1 Staff have identified and have included the sustainable use of reserve and reserve funds and development charges to fund one-time expenditures in the 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets while ensuring the Region's commitment to fiscal responsibility and long-term financial planning have been maintained.

4.2 The following provides a summary of the use of development charges and reserve and reserve funds utilized in the proposed 2020 budget:

- A) Capital and Construction of Municipal Services – Water:
  - Development Charges - \$21.5 million
  - Water Rate Stabilization Reserve Fund - \$0.7 million
  - Asset Management Reserve - \$5.2 million
  - Equipment Replacement Reserve - \$35.0k
- B) Capital and Construction of Municipal Services – Sewer
  - Development Charges - \$21.3 million
  - Sewer Rate Stabilization Reserve Fund - \$0.7 million
  - Asset Management Reserve - \$8.6 million
  - Equipment Replacement Reserve - \$35.0k
- C) Debt Charges – Water
  - Development Charges - \$0.6 million
- D) Debt Charges – Sewer
  - Development Charges - \$13.6 million
- E) Operating Initiatives – Water and Sewer
  - Utility Billing System Implementation Support (one-time) - \$0.5 million (\$0.25 million each from Sewer Rate Stabilization Reserve Fund and Water Rate Stabilization Reserve Fund)

4.3 Staff will continue to review the water supply and sanitary sewer rate stabilization reserve funds on an annual basis to identify potential applications of these funds to the major capital projects to minimize the debenture requirements and mitigate the impacts on user rates.

## **5. Conclusion**

5.1 The 2020 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets can be financed within the proposed overall water supply and sanitary sewerage user rate increase of 3.2 per cent and other related funding including development charges and fees/charges.

5.2 Accordingly, the 2020 Business Plans and Budgets for Water Supply and Sanitary Sewerage Systems are recommended for approval.

## **6. Attachments**

6.1 Detailed Consolidated 2020 Business Plans & Budgets for Water Supply and Sanitary Sewerage Systems are available on-line through the link provided on the December 10, 2019 Finance and Administration Committee agenda or in hard copy by contacting the Finance Department at (905) 668-7711 ext. 2305.



Respectfully submitted,

Original Signed By

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Nancy Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

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Elaine Baxter-Trahair  
Chief Administrative Officer



## The Regional Municipality of Durham Report

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To: Committee of the Whole  
From: Commissioner of Finance and Commissioner of Corporate  
Report: Services #2019-F-53  
Date: December 10, 2019

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**Subject:**

Award of RFP 240-2019 for the Rental of Multi-Functional Devices and Related Services for the Regional Municipality of Durham.

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**Recommendation:**

THAT the Finance and Administration Committee recommends to Regional Council that:

- A) Subject to a successful product evaluation, the proposal received from 4 Office Automation Ltd., in response to RFP 240- 2019 for the Rental of Multi-Functional Devices (MFD's) and Related Services for the Regional Municipality of Durham, be accepted and 4 Office Automation Ltd. (4 Office) be awarded a contract for a forty-eight (48) month term, with the option to extend for an additional 48-month term at an estimated annual cost of \$300,000, including support based on current equipment inventory and copy usage levels;
  - B) Funding be provided from departmental operating budgets as approved; and
  - C) The Commissioner of Finance be authorized to execute the agreement and any required amendments.
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**Report:**

**1. Background**

- 1.1 The Region of Durham currently rents approximately 160 multi-function devices for use throughout the organization. Approximately 11,000,000 copies are generated by the Region staff annually through these copiers. The current contract with Toshiba Tec Canada Business Solutions Inc. (Toshiba) will expire at the end of February 2020 with no further extensions available. An RFP was prepared and issued to solicit bids to replace the existing equipment.

## **2. Significant Features of the RFP**

### **2.1 RFP240-2019 included the following requirements:**

- Forty-eight (48) month term fixed pricing with the option to refresh the hardware and extend the agreement for an additional 48-month term at a negotiated price;
- Extension of the Contract at the discretion of the Region based upon an assessment of the performance of the Supplier over the initial term;
- New or upgraded MFD equipment will be charged at the fixed rate bid for hardware cost regardless of the installation date of equipment over the term, with expiry of all equipment rentals after the initial 48-month term;
- Forty-eight (48) month term fixed pricing for cost per copy with the option to extend the agreement for an additional 48-month term at a negotiated price;
- Managed Print Services including conducting assessments to analyze the Region's current printing infrastructure and help develop strategies to improve document security, reduce printing costs and increase productivity.

## **3. RFP 240-2019**

### **3.1 RFP 240-2019 for the rental of Multi-Functional Devices and services for the Regional Municipality of Durham was issued through Bids and Tenders as well as being publicly advertised. The RFP was issued on August 14, 2019 and closed on October 3, 2019. Five proposals were received with one being deemed non-compliant and disqualified. The following firms had compliant bids:**

1. Toshiba Tec Canada Business Solutions Inc
2. Xerox Canada
3. 4 Office Automation Ltd.
4. Sharp Electronics of Canada Ltd.

## **4. Evaluations**

### **4.1 An evaluation committee was established to conduct detailed evaluations of the four compliant proposals in relation to the evaluation criteria described in the RFP. The larger Regional Departments provided a representative to participate in the evaluations. The Purchasing section of the Finance Department facilitated the evaluation process.**

### **4.2 RFP 240-2019 identified the following criteria to be used for the evaluation of the proposals:**

- Product Capabilities by Machine Type

- Environmental/Sustainability Requirements
  - Company Background, Staff Experience (including any Sub-Contractors)
  - Implementation, Rollout, Acceptance Testing, and Training
  - Fleet Management
  - Managed Print Services
  - Product Testing
  - Pricing
  - References
- 4.3 Each compliant submission was reviewed and scored, and consensus evaluation scores were determined. The 4 Office Automation Ltd. submission was determined to be the highest scoring respondent through a consensus of the evaluation team.
- 4.4 The next step in the RFP process is the product testing of the models offered in the 4 Office Automation Ltd. proposal, scored as pass/fail, allowing the evaluation team to confirm the functionality parameters through a demonstration of the proposed equipment. Upon approval of the models proposed based on the product testing phase, and positive reference checks, a contract will be awarded to 4 Office Automation Ltd.
- 4.5 Awarding a contract prior to the final pass/fail product testing phase is deemed essential due to the unique requirements for the implementation of new equipment at all Regional locations currently using MFD's. While the new contract does not begin until March 1, 2020, there will be a significant amount of time required in order to ensure an organized implementation with no interruption in service for Regional departments. Early approval of the recommendation of award in this Report will allow for a structured implementation prior to contract start, ensuring a smoother transition to the new equipment.
- 5. Financial Implications**
- 5.1 Purchasing Bylaw 68-2000 (Amended)
- 5.1.1 Section 10.4 of the Region's Purchasing Bylaw 68-2000 (Amended) requires that where proposals are used and the total purchase price is greater than \$125,000, a report setting out the results and recommending an award shall be submitted to the appropriate Standing Committee and Regional Council for decision.

## 5.2 Financing

- 5.2.1 Proposed pricing was based off an estimated 215 multi-function devices, making approximately 1,000,000 impressions per month. The estimated annual cost for the provision of multi-functional devices, including support and maintenance is \$300,000. Based on proposal pricing, sufficient funds covering the provision of multi-function devices for the various locations are available within each Department's Operating Budget. This estimate includes software maintenance and licensing for the managed print services (MPS) as describe din Section 2 of the report.

## 6. Conclusion

- 6.1 The introduction of new multi-functional device technology will enable operational efficiencies though the introduction of online printing, copying, scanning and faxing as well as provide savings through lower rental and copier rates for the multi-function devices. Additional savings may result from the Managed Print Services component.

Respectfully submitted,

Original Signed By

Nancy Taylor, BBA, CPA, MA  
Commissioner of Finance

Original Signed By

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

Recommended for Presentation to Committee

Original Signed By

Elaine Baxter-Trahair, B.M. Edu, MBA  
Chief Administrative Officer

## **Resolutions from Advisory Committees**

### **9-1-1 Management Board**

#### **1. 9-1-1 Management Board Signing Authority**

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

That signing authority for the 9-1-1 Management Board be given to the 9-1-1 Technical Manager and the Finance Department Regional Staff representative.