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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, January 14, 2020

A regular meeting of the Finance & Administration Committee was held on Tuesday, January 14, 2020 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM

Present: Councillor Foster, Chair
Councillor Collier, Vice-Chair, left the meeting at 11:20 AM due to municipal business
Councillor Ashe
Councillor Drew
Councillor Leahy attended the meeting at 9:35 AM
Councillor Mulcahy
Councillor Nicholson
Regional Chair Henry

Also

Present: Councillor Crawford left the meeting at 11:19 AM
Councillor Dies
Councillor Lee

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
J. Austin, Deputy General Manager, Business Services, DRT
D. Beaton, Commissioner of Corporate Services
C. Drimmie, Manager, Corporate Initiatives, Office of the CAO, attended for part of the meeting
W. Holmes, General Manager, DRT
J. Hunt, Director, Legal Services, Corporate Services – Legal
R. Inacio, Systems Support Specialist, Corporate Services - IT
T. Lavery, Manager, Corporate Communications
J. Nielsen, Manager, Information Management, Corporate Services – Legislative Services, attended for part of the meeting
M. Simpson, Director, Financial Planning & Purchasing
N. Taylor, Commissioner of Finance
R. Walton, Regional Clerk/Director of Legislative Services
A. Wismer, Economic Analyst, Financial Planning & Purchasing
T. Fraser, Committee Clerk, 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 Ashe,

(1) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, December 10, 2019, be adopted.

CARRIED

3. Statutory Public Meetings

There were no statutory public meetings.

4. Delegations

4.1 Paul Allore, CAO, Township of Scugog, Mark Majchrowski, CAO, Kawartha Conservation Authority, Pat Bunting, Director for the Lake Scugog Enhancement Program, Scugog Lake Stewards Inc., and Rob Messervey, President, Scugog Lake Stewards Inc., re: Lake Scugog Enhancement Project

Moved by Councillor Nicholson, Seconded by Councillor Mulcahy,

(2) That the Rules of Procedure be suspended in order to provide Rob Messervey and Pat Bunting 20 minutes for their delegation.

CARRIED on a 2/3^{rds} Vote

Councillor Drew advised that the Lake Scugog Enhancement Project (LSEP) is an environmental improvement and dredging project for Port Perry Bay that benefits the entire Lake. She also advised that the LSEP is a key strategic priority of Scugog Council and that the project is fully supported by scientific studies and the community as a whole. Councillor Drew introduced the members of the Healthy Lake Scugog Steering Committee in attendance at the meeting.

Rob Messervey and Pat Bunting provided a PowerPoint presentation with an overview of the Lake Scugog Enhancement Project (LSEP). Highlights of their presentation included:

- Lake Scugog Enhancement Project (LSEP) Overview
- Project Genesis
- The Lake Scugog Watershed as Natural Capital
- Lake Scugog is vital to the local economy
- Lake Scugog is Challenged
- The Problem
- The Solution
- Wetland Benefits
- LSEP Benefits

- LSEP Risks
- Protecting Lake Scugog aligns with strategic directions
- LSEP Support

Moved by Councillor Drew, Seconded by Councillor Leahy,

- (3) That the Rules of Procedure be suspended in order to give Rob Messervey and Pat Bunting an additional 5 minutes to finish their delegation.

CARRIED on a 2/3rds Vote

- LSEP Schedule
- LSEP requires funding
- LSEP Funding Strategy
- We Need Your Support

P. Bunting advised that the fundraising target is \$5.25 million, and the fundraising strategy involves four stages. He also advised that their target is for stage 1 (government) to provide 80% of the funding. He stated that they see Durham Region funding as a cornerstone for the Lake Scugog Enhancement Project funding strategy and he noted that a business case has been submitted to the Region under the Community Investment Grant Fund requesting \$2 million.

R. Messervey and P. Bunting responded to questions from the Committee.

Moved by Councillor Drew, Seconded by Councillor Leahy,

- (4) That the presentation on the Lake Scugog Enhancement Project and request for a financial commitment from the Region of Durham Community Investment Grant Fund in the amount of \$2 million be referred to staff for a future recommendation to Finance and Administration Committee.

CARRIED LATER IN THE MEETING
(See Following Motion)

Moved by Councillor Drew, Seconded by Councillor Collier,

- (5) That the Rules of Procedure be suspended in order to allow debate on the foregoing referral motion of Councillors Drew and Leahy.

CARRIED on a 2/3rds Vote

N. Taylor responded to questions with respect to whether the request meets the criteria for the Community Investment Grant Fund; the anticipated timing for a report to the Finance and Administration Committee; Regional reserve fund balances; and funding opportunities from the federal and provincial governments. Discussion ensued with respect to the project; waterfront issues in other municipalities; and area municipal funding constraints.

The main motion (4) of Councillors Drew and Leahy was then put to a vote and CARRIED.

The Committee recessed at 10:22 AM and reconvened at 10:28 AM.

5. Presentations

There were no presentations.

6. Administration

6.1 Correspondence

There were no communications to consider.

6.2 Reports

A) Information Management Policy (2020-A-1)

Report #2020-A-1 from D. Beaton, Commissioner of Corporate Services, was received.

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

That the Information Management Policy, included as Attachment #1 to Report #2020-A-1 of the Commissioner of Corporate Services, be approved.

CARRIED

B) Update Personal Information Privacy Policy and Associated By-law (2020-A-2)

Report #2020-A-2 from D. Beaton, Commissioner of Corporate Services, was received.

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

A) That the Region's Personal Information Privacy Policy, (Attachment 1 to Report #2020-A-2), as revised to comply with the requirements of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Information Protection Act (PHIPA) be adopted; and

B) That, after consultation with the Health Information Custodian for the Social Services Department, the Director of Legal Services be requested to prepare a by-law to designate the Regional Clerk as the Contact Person for each of the Region's Health Information Custodian functions, except for the Health Department.

CARRIED

- C) Approval and execution of Contraventions Transfer Payment Agreement with Attorney General of Ontario (2020-A-3)
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Report #2020-A-3 from D. Beaton, Commissioner of Corporate Services, was received.

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

That Regional Council approve and authorize the execution of the Contraventions Transfer Payment Agreement with the Attorney General of Ontario. Further, that Regional Council authorize the Commissioner of Corporate Services to give such instructions and to take any and all such actions as are required to carry out the execution of the Contraventions Transfer Payment Agreement.

CARRIED

- D) Corporate Records Retention By-law (2020-A-4)
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Report #2020-A-4 from D. Beaton, Commissioner of Corporate Services, was received.

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

That Records Retention By-law #56-2018, be repealed and replaced with the Records Retention By-law in the form included as Attachment #1 to Report #2020-A-4 of the Commissioner of Corporate Services.

CARRIED

7. Finance

7.1 Correspondence

- A) Correspondence from The Town of Whitby re: Resolution passed at their Council meeting held on November 25, 2019, regarding Gas Tax Funds
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Moved by Councillor Collier, Seconded by Councillor Leahy,
(10) That we recommend to Council:

That correspondence from the Town of Whitby, re: resolution passed at their Council meeting held on November 25, 2019, regarding Gas Tax Funds, be endorsed.

CARRIED

7.2 Reports

A) 2020 Transit Strategic Issues and Financial Forecast Report (2020-F-1)

Report #2020-F-1 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to public consultation on the proposed transit fare strategy; the transition to PRESTO and elimination of tickets; approval process for the proposed U-PASS increase; DRT's revenue cost ratio; how DRT's revenue cost ratio compares to other transit services; opportunities to re-engage school boards and student transportation; other sources of revenue; the last increase to cash fares; the availability of PRESTO cards for social assistance recipients; revenue from the U-PASS, provincial gas tax and federal gas tax; and whether an analysis has been completed related to fare changes and impact on ridership.

Discussion ensued with respect to the proposed transit fare increases; DRT's revenue cost ratio; the transition to PRESTO electronic fare payment; and the Transit Executive Committee reporting process. Councillor Collier clarified that all members of Regional Council are members of the Durham Region Transit Commission and may attend Transit Executive Committee meetings.

It was suggested that staff speak to Kingston Transit about their experiences related to increasing ridership and revenues by lowering transit fares.

Councillor Nicholson asked staff to provide him with a copy of the previous approvals provided by Regional Council related to the PRESTO Agreement with Metrolinx.

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

- A) That the 2020 Transit Strategic Issues and Financial Forecast Report be approved and forwarded to the 2020 Business Planning and Budget deliberations;
- B) That, effective May 1, 2020, the following transit fare increases be implemented, estimated to generate approximately \$270,000 in new fare revenue in 2020 based on DRT's ridership forecast of 11.25 million:
 - i) The Adult single-ride PRESTO and Ticket fares to increase by \$0.05 from \$3.20 to \$3.25;
 - ii) The Youth single-ride PRESTO and Ticket fares to increase by \$0.05 from \$2.85 to \$2.90;
 - iii) The Senior and Child (if applicable subject to recommendation C) single-ride PRESTO and Ticket fares to increase by \$0.05 from \$2.10 to \$2.15;

- iv) The Adult and Youth Cash fare to increase by \$0.25 from \$3.75 to \$4.00; and
- v) The Senior and Child (if applicable subject to recommendation C) Cash fare to increase by \$0.25 from \$2.50 to \$2.75;
- C) That the requirement for children riding free to be accompanied by a fare paying customer be removed, allowing all children 12 years of age and younger to ride transit free of charge effective March 1, 2020;
- D) That, as a result of Kids Ride Free being made permanent and subject to the requirement for children riding free to be accompanied by a fare paying customer being removed, all Child Ticket and Pass sales, PRESTO Child fares and the Ride-to-Read program be eliminated effective May 1, 2020; and
- E) That the Treasurer and General Manager of Durham Region Transit be authorized to execute a one-year extension to the existing U-Pass agreement with Durham College, Ontario Tech University and Trent University (Durham Campus), including a two per cent increase in the fee per eligible student from \$139.00 per semester to \$141.75 per semester for the period of September 1, 2020 to August 31, 2021.

CARRIED LATER IN THE MEETING
(See Following Motion)

Moved by Councillor Nicholson, Seconded by Councillor Ashe,

- (12) That the fare increases outlined in Part B) of the main motion (11) of Councillor Collier and Regional Chair Henry be deferred for a minimum of 12 months to allow for a full public information and participation process on the fare strategy and further that staff undertake a fare impact review that will identify the impact on ridership of various higher and lower fare scenarios.

DEFEATED ON THE FOLLOWING
RECORDED VOTE:

Yes

Councillor Nicholson

No

Councillor Ashe
Councillor Drew
Regional Chair Henry
Councillor Leahy
Councillor Mulcahy
Councillor Foster, Chair

Members Absent: Councillor Collier

Declarations of Interest: None

The main motion (11) of Councillor Collier and Regional Chair Henry was then put to a vote and CARRIED.

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 Allocation of Property Taxes

Councillor Nicholson inquired if there are any plans to look at the impacts of changes to tax sharing between the upper and lower tier municipalities. He advised that the share of taxes collected between the upper and lower tier municipalities has changed over the years and the Regional share of the tax bill has increased, resulting in the majority of funds collected going to the Region. He stated his opinion that this is putting some severe pressure on lower-tier municipalities to meet their long-term goals.

N. Taylor advised that there is no allocation process for upper and lower tier taxation. She explained that the proportionate shares are related to each entity's budget decision-making annually, accumulated over time. She also explained that a lower tier municipality will occupy a proportionate share of the local tax bill based on their local approvals, long term financial planning and service level decisions. The Region's proportionate share of the pie is determined based on Regional Council's decisions around service levels to be provided and how funds are allocated across on a service perspective. She added that there is no pre-determined allocation and there is no mechanism under the legislation to enforce a pre-determined allocation. A Regional taxpayer no matter where they live in the Region of Durham pays their equivalent allocated share of taxation based on their assessed value.

N. Taylor advised that staff is working on a report that looks at the shifts in the composition of the tax base including trends with respect to the shrinking non-residential property tax classes that are, in part, the result of changes in the commercial and industrial economy. These trends may have potential implications on the long-term fiscal capacity.

11. Date of Next Meeting

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, February 11, 2020 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

12. Adjournment

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

CARRIED

The meeting adjourned at 11:33 AM

Respectfully submitted,

A. Foster, Chair

T. Fraser, Committee Clerk