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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, September 15, 2020

A regular meeting of the Finance & Administration Committee was held on Tuesday, September 15, 2020 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM. Electronic participation was offered for this meeting.

1. Roll Call

Present: Councillor Foster, Chair
Councillor Collier, Vice-Chair
Councillor Ashe
Councillor Drew
Councillor Leahy attended the meeting at 9:41 AM
Councillor Mulcahy
Regional Chair Henry
***all members of Committee, except Councillor Foster and Regional Chair Henry, participated electronically**

Also

Present: Councillor Highet
Councillor Joe Neal
Councillor Wotten

Absent: Councillor Nicholson

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
D. Beaton, Commissioner of Corporate Services
N. Taylor, Commissioner of Finance
J. Hunt, Director, Legal Services, Corporate Services – Legal
R. Inacio, Systems Support Specialist, Corporate Services - IT
N. Pincombe, Director of Business Planning, Budgets and Risk Management
R. Walton, Regional Clerk/Director of Legislative Services, attended for part of the meeting
T. Fraser, Committee Clerk, Corporate Services – Legislative Services
L. Fleury, Legislative Officer and Deputy Clerk Pro Tem, Corporate Services – Legislative Services

2. Declarations of Interest

There were no declarations of interest.

3. Adoption of Minutes

Moved by Councillor Collier, Seconded by Councillor Ashe,
(65) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, July 14, 2020, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Delegations

5.1 Mike Walters, CAO, Lake Simcoe Region Conservation Authority re: 2020 Budget Companion Document

Mike Walters, participating electronically, appeared before the Committee with respect to the 2020 Budget Companion Document for Lake Simcoe Region Conservation Authority. A copy of his presentation was distributed electronically to the Committee.

Highlights of his presentation included:

- Budget Companion 2020
 - Produced annually to provide more detail regarding the approved budget,
 - Outlines all LSRCA Services Areas and programs
 - Easy to navigate, read and is transparent
 - General overview of the budget summarizing all of the 7 service areas
 - Each service area is then discussed in detail
 - Reviews the specific programs comprising each service area
 - Highlights past achievements – focuses on the year ahead
- Annual Operating Priorities (AOPs)
 - AOP's necessary to implement Strategic Plan,
 - Other AOP items based on external opportunities or pressures,
 - AOP's can span years
- Proposed AOP Activities for 2020:
 - Floodplain Emergency Mapping/Flood Relief Program
 - Climate Change Adaptation and Mitigation Strategies
 - Asset Management Plan
 - Enhance service delivery – Plan Review and Regulation
 - Scanlon Creek Operations Centre

- Fundraising for Education Centre
- Community Engagement Strategy
- Lead salt reduction strategies
- Land Disposition Policies & Strategy
- Continue restoration efforts
- Implementing the Lake Simcoe Protection Plan (LSPP)
- Draft 2021-2026 Strategic Plan

Moved by Regional Chair Henry, Seconded by Councillor Ashe,
(66) That Mike Walters be granted a one-time two minute extension to finish his delegation.

CARRIED

- Our Path Ahead Remains Clear
 - Improve water quality & quantity
 - Increase our natural heritage systems
 - Make communities safer, healthier, and more connected to the natural environment
 - Engage our communities to achieve a balance between social, economic and ecological needs
 - Achieve success through partnerships, innovation and engagement
 - Monitor & report our progress to our partners and the community

Councillor Drew noted that Mike Walters will be retiring at the end of this year after 36 years with the Lake Simcoe Region Conservation Authority. She added that he is a world-wide leader in conservation and the efforts in keeping our waterways and our environment safe; and on behalf of the Committee and the Region wished him a happy and healthy retirement.

6. Presentations

6.1 Nancy Taylor, Commissioner of Finance and Nicole Pincombe, Director of Business Planning, Budgets and Risk Management re: 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)

E. Baxter-Trahair, CAO, provided introductory remarks. She noted that the 2021 budget guideline was developed in consultation with all Regional departments, Durham Regional Police Service (DRPS) and Durham Region Transit (DRT), and through detailed review of 2021 to 2025 operating pressures and 2021 to 2030 capital priorities. She added that the risks and uncertainties facing the Region, including the COVID-19 pandemic, were also taken into consideration. She thanked staff for their hard work in developing the guideline.

N. Taylor, Commissioner of Finance and N. Pincombe, Director of Business Planning, Budgets and Risk Management, provided a PowerPoint presentation

regarding the 2021 Regional Business Plans and Property Tax Supported Budget Guideline. N. Taylor advised that the recommended Budget Guideline for 2021 is 2%. Highlights of their presentation included:

- 2021 Regional Business Plans and Property Tax Supported Budget Guideline
 - Purpose and Use of Guideline
 - Economic Overview – Indicators
 - Development Charges and Assessment Growth
 - 2021 Budget Priorities
 - 2021 Projected Base Budget Pressures
 - 2021 Preliminary Provincial Funding Impacts
 - 2021 Estimated COVID-19 Impacts
 - Potential 2021 Strategic Investments
 - Economic Prosperity
 - Environmental Sustainability
 - Social Investments
 - Community Vitality
 - Service Excellence
 - Proposed 2021 Property Tax Guideline and Next Steps
- Update on the Business Planning and Budget Review and Modernization Project
 - Project Overview
 - Review of the Current Budget Document
 - Narrative
 - Financial Schedules
 - Capital Schedules
 - Overview of a Draft 2021 Budget Document
- 2021 Business Plans and Budget – Preliminary Key Dates

Moved by Regional Chair Henry, Seconded by Councillor Collier,
(67) That the order of the agenda be altered to consider Item 8.2 A) Report #2020-F-17 at this time.

CARRIED

8.2 Reports

A) 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)

Report #2020-F-17 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to clarification on what the 2021 increase of 3% for DRPS encompasses; what type of dialogue occurred with the DRPSB when developing the budget guideline; whether there are opportunities to lower the guideline; what staffing requests have been made for 2021; the status

of the 2020 budget; which pre-budget studies have been conducted; projected development charge revenue; and budgeting for one-time items.

Staff advised that a full update on the 2020 budget status will be provided in October.

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

- A) That the following detailed direction and guidelines for the 2021 Business Plans and Budgets for the Durham Regional Police Services Board, Conservation Authorities, Regional Operations and other Outside Agencies be approved:
 - i. The 2021 Property Tax Guideline not exceed an overall tax impact of 2.0 per cent compared to the 2020 approved budget;
 - ii. The 2021 Business Plans and Budget for the Durham Regional Police Services Board not exceed \$221.16 million, an increase of approximately 3.0 per cent compared to the 2020 approved budget; and
 - iii. The 2021 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 2021 Special Benefitting Programs Budget for each Conversation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2020 approved budget;
- B) That the preliminary timetable for the 2021 Regional Business Plans and Budgets be approved, as outlined in Attachment #2 to Report #2020-F-17 of the Commissioner of Finance, which includes the following key dates:
 - i. December 16, 2020 – final Regional Council approval of the 2021 Water Supply and Sanitary Sewerage Business Plans and Budgets;
 - ii. January 27, 2021 – final Regional Council approval of all 2021 Property Tax Supported Business Plans and Budgets; and
- C) That a copy of Report #2020-F-17 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 2021 Business Plans and Budgets.

CARRIED

Moved by Regional Chair Henry, Seconded by Councillor Leahy,
(69) That the Committee recess for 10 minutes.

CARRIED

The Committee recessed at 10:59 AM and reconvened at 11:10 AM.

7. Administration

7.1 Correspondence

There were no communications to consider.

7.2 Reports

A) The Regional Municipality of Durham's 2019 Accessibility Report (2020-A-17)

Report #2020-A-17 from E. Baxter-Trahair, Chief Administrative Officer, was received.

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

That the Regional Municipality of Durham's 2019 Accessibility Report be adopted.
CARRIED

B) Fee for Providing Regional Records and Documents (2020-A-18)

Report #2020-A-18 from D. Beaton, Commissioner of Corporate Services, was received.

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

That a by-law establishing rates to be charged by the Regional Clerk for providing copies of documents or Regional records under the Region's custody or control, as generally set out in the form included as Attachment #1 to Report #2020-A-18 of the Commissioner of Corporate Services, be adopted.
CARRIED

8. Finance

8.1 Correspondence

There were no communications to consider.

8.2 Reports

A) 2021 Regional Business Plans and Property Tax Supported Budget Guideline (2020-F-17)

This Item was considered earlier in the meeting. [See Item 8.2 A) on pages 4 and 5]

- B) The Issuance of Debentures on Behalf of the City of Pickering, Town of Whitby, Municipality of Clarington, Township of Brock, Township of Uxbridge, and The Regional Municipality of Durham (2020-F-18)

Report #2020-F-18 from N. Taylor, Commissioner of Finance, was received.

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

- A) That the Commissioner of Finance be authorized to issue external debentures, in a total principal amount not to exceed \$87,186,000 on behalf of the City of Pickering, the Town of Whitby (subject to the approval of Whitby Council), the Municipality of Clarington (subject to the approval of Clarington Council), the Township of Uxbridge, and The Regional Municipality of Durham over various terms, as set out below, with such terms not to exceed 20 years and at an average net yield not to exceed 5.00 per cent relating to the financing requirements as indicated below:

	<u>Amount</u> (Not to Exceed)	<u>Term</u> (Not to Exceed)
<u>City of Pickering</u>		
Purchase of land for Seaton North Fire Station	<u>\$1,856,000</u>	10 Years
<u>Town of Whitby</u>		
400 Centre Street South – former Land Registry Office – interior and exterior renovations	\$1,720,000	20 Years*
Land Acquisition for a future fire hall, training complex and Public Works satellite facility on Cochrane Street, North of 407, Part Lot 29, Concession 6, Part 1, 40R-26098	4,895,000	20 Years*
Operations Centre Expansion – 333 McKinney Drive	7,095,000	20 Years*
Replacement of Pier #4, Port Whitby Marina, 301 Watson Street	<u>540,000</u>	20 Years*
Sub Total – Town of Whitby	<u>\$14,250,000</u>	
<u>Municipality of Clarington</u>		
New – South Bowmanville Recreation Centre	<u>\$50,000,000</u>	20 Years**
<u>Township of Uxbridge</u>		
Brock Street Culvert Replacement Project	<u>\$3,500,000</u>	15 Years
<u>The Regional Municipality of Durham</u>		
Newcastle Water Supply Plant	<u>\$17,580,000</u>	15 Years
TOTAL EXTERNAL DEBENTURE REQUIREMENTS	<u>\$87,186,000</u>	

* subject to the approval of Whitby Council on Monday September 14, 2020.

** subject to the approval of Clarington Council on Monday September 21, 2020.

- B) That authorization be given to issue an internal debenture for and on behalf of the Township of Brock in an amount of \$932,000 (the "Brock Debenture") on the basis that the Township of Brock will purchase the Brock Debenture using reserve funds of the Township of Brock as requested by the Township;
- C) That authorization be given to the Commissioner of Finance to purchase a portion of the external debentures issued in respect of the Newcastle Water Supply Plant in an amount up to \$17,580,000, using the Region's reserve funds as determined by the Commissioner of Finance;
- D) That the Commissioner of Finance be authorized to amend the proposed terms and conditions of the external debenture issue as deemed necessary by the Fiscal Agents in order to successfully market the issue to prospective investors on the basis that the Region may purchase all or part of the debentures; and
- E) That the Region of Durham be authorized to issue the external debentures through CDS Clearing and Depository Services Inc.'s "Book Entry Only" system.

CARRIED

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

There were no confidential matters to be considered.

11. Other Business

There was no other business to be considered.

12. Date of Next Meeting

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, October 13, 2020 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

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

CARRIED

The meeting adjourned at 11:15 AM.

Respectfully submitted,

A. Foster, Chair

L. Fleury, Legislative Officer