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The Regional Municipality of Durham

MINUTES

FINANCE & ADMINISTRATION COMMITTEE

Tuesday, September 12, 2023

A regular meeting of the Finance & Administration Committee was held on Tuesday, September 12, 2023 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 Ashe, Chair
Councillor Leahy, Vice-Chair
Councillor Garrod
Councillor McDougall
Councillor Schummer*
Councillor Woo
Regional Chair Henry
***denotes Councillors participating electronically**

Also
Present: Councillor Barton
Councillor Carter
Councillor Crawford
Councillor Pickles attended for part of the meeting
Councillor Roy attended for part of the meeting

Absent: Councillor Lee

Staff

Present: E. Baxter-Trahair, Chief Administrative Officer
L. Fleury, Legislative Officer and Deputy Clerk Pro Tem, Corporate Services – Legislative Services
B. Goodwin, Commissioner of Corporate Services
N. Taylor, Commissioner of Finance
A. Chung, Systems Support Specialist, Corporate Services - IT
A. Hector-Alexander, Director, Diversity, Equity, and Inclusion
W. Holmes, General Manager, DRT
J. Hunt, Regional Solicitor/Director of Legal Services, CAO's Office – Legal
J. Kilgour, Director, Emergency Management
N. Pincombe, Director, Business Planning & Budgets
N. Prasad, Assistant Secretary to Council, Corporate Services – Legislative Services
V. Walker, Committee Clerk, Corporate Services – Legislative Services

2. Declarations of Interest

There were no declarations of interest made.

3. Adoption of Minutes

Moved by Councillor Leahy, Seconded by Councillor Garrod,
(54) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, June 13, 2023, be adopted.

CARRIED

4. Statutory Public Meetings

There were no statutory public meetings.

5. Presentations

5.1 Elaine Baxter-Trahair, Chief Administrative Officer, Nancy Taylor, Commissioner of Finance, and Nicole Pincombe, Director, Business Planning and Budgets, re: 2024 Regional Business Plans and Property Tax Supported Budget Guideline (2023-F-22) [Item 8.2 f)]

E. Baxter-Trahair, N. Taylor, and N. Pincombe provided a detailed PowerPoint presentation on the 2024 Regional Business Plans and Property Tax Supported Budget Guideline.

E. Baxter-Trahair provided introductory remarks and stated that the guideline includes a continuation of commitments from last year, along with pressures that continue to evolve, and noted that these challenges are being experienced by all municipalities with responsibilities for essential services. E. Baxter-Trahair advised that the recommended property tax cap for 2024 is 9.75% which represents approximately a \$301 annual increase for an average residential property owner for the Regional share of the property tax bill. E. Baxter-Trahair added that in order to achieve the recommended guideline the Region will continue to draw significantly on reserves and reserve funds, development charges and any other funding sources that can be determined.

Highlights from the presentation included:

- Purpose and Use of the Guideline
- 2024 Budget Pressures
- Strategic Investments
 - Region of Durham Paramedic Services
 - Durham Region Transit
 - Housing and Homelessness
- Durham Regional Police Service
- Future Pressures
- Projected Debenture Financing Requirements
- Embedding Enhanced Public Engagement

E. Baxter-Trahair provided concluding remarks and noted that the Region will continue to leverage every opportunity for provincial and federal funding, work collaboratively with others who share similar issues and pressures, and will make all efforts to address demands within the overall guideline.

Staff responded to questions with respect to:

- finding operational efficiencies;
- the increase to the tax levy due to Bill 23;
- the reduction in Transit Development charges because of Bill 23;
- paying for the infrastructure and services required as a result of Bill 23;
- if the decision to fund the growth related to Bill 23 is with Council or is it Provincially mandated;
- the status of the transfer of planning responsibilities to the local municipalities;
- the projected property tax increase year-over-year once assessment growth is factored in;
- the number of new staff positions included in the proposed guideline;
- the reallocation of reserve funds to lower the budget guideline;
- revisiting previously approved servicing plans to reduce costs;
- the need for funding from the federal and provincial governments to assist with supporting asylum seekers who have come to Durham Region; and whether the “bill” has been submitted to the other levels of government for the provision of services for asylum seekers;
- the cost implications of offender management;
- the need for funding from the Federal government for challenges related to homelessness;
- the number of homeless people registered in Durham Region;
- what projects would be affected (no longer able to go forward) if reserves were reallocated;
- receiving funds through carbon taxes to “green” the Region’s fleets; and
- the Durham Regional Police Services (DRPS) core services review

Discussion ensued with respect to whether it is possible to account for all of the services that the Region provides that were never designed to be paid for through property taxes, and whether the Treasurers, CAO’s and the Mayors and Regional Chairs group (MARCO) are having conversations about the concerns of municipalities funding services that are not municipal responsibilities.

6. Delegations

- 6.1 Mark Murphy, Senior Director Capital and Planning, Lakeridge Health, re: 2024 Regional Business Plans and Property Tax Supported Budget Guideline as it relates to the Lakeridge Health Bowmanville Redevelopment (2023-F-22)
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Mark Murphy, Senior Director Capital and Planning, Lakeridge Health appeared before the Committee with respect to 2024 Regional Business Plans and Property Tax Supported Budget Guideline as it relates to the Lakeridge Health Bowmanville Redevelopment.

M. Murphy provided a PowerPoint presentation and outlined the following:

- Background – Bowmanville Hospital Redevelopment
- Case for Support – Bowmanville Hospital
- Current Status
- Our ask for the Bowmanville Hospital
- Concluding Context

M. Murphy responded to questions from the Committee.

Moved by Councillor McDougall, Seconded by Councillor Leahy,
(55) That the Committee recess for 10 minutes.

CARRIED

The Committee recessed at 10:53 AM and reconvened at 11:03 AM.

7. Administration

7.1 Correspondence

There were no communications to consider.

7.2 Reports

A) The Regional Municipality of Durham 2022 Accessibility Report (2023-A-11)

Report #2023-A-11 from Elaine Baxter-Trahair, Chief Administrative Officer, was received.

Moved by Councillor McDougall, Seconded by Councillor Woo,
(56) That we recommend to Council:

That the Regional Municipality of Durham 2022 Accessibility Report be received for information.

CARRIED

B) Appointment of new members to the Durham Accessibility Advisory Committee (AAC) (2023-A-12)

Report #2023-A-12 from Elaine Baxter-Trahair, Chief Administrative Officer, was received.

Moved by Councillor McDougall, Seconded by Councillor Leahy,
(57) That we recommend to Council:

That the following people be appointed to the Durham Accessibility Advisory Committee:

Ms. Priya Chandwani – Professional from the stakeholder community; and

Mr. Lyle Williams – Person with a disability.

CARRIED

C) Durham Region Anti-Racism Taskforce Cohort 2 Workplan (2023-A-14)

Report #2023-A-14 from Elaine Baxter-Trahair, Chief Administrative Officer, was received.

Moved by Councillor Leahy, Seconded by Councillor McDougall,
(58) That we recommend to Council:

That the Durham Region Anti-Racism Taskforce Cohort 2 Workplan, as outlined in Attachment #1 of Report #2023-A-14 of the Chief Administrative Officer, be approved.

CARRIED

8. Finance

8.1 Correspondence

A) Information Report #2023-INFO-67 of the Commissioner of Finance, re: 2022 Annual Investment Report

Staff responded to questions with respect to whether the Region will see an increase in investment returns given the higher rate environment; and how much of the surplus in investment earnings could be allocated to offset property taxes.

Moved by Councillor Woo, Seconded by Councillor Leahy,
(59) That Information Report #2023-INFO-67 of the Commissioner of Finance, re: 2022 Annual Investment Report be received for information.

CARRIED

8.2 Reports

A) Tile Drainage Loans on behalf of the Township of Brock for Ms. Candice Greer (C845 Concession Road 11, Lot 10, Cannington, ON) and Mr. Jason Creighton (C845 Concession Road 11, Lot 9, Cannington, ON) (2023-F-17)

Report #2023-F-17 from Nancy Taylor, Commissioner of Finance, was received.

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

- A) That funds in the amount of \$50,000 be advanced to the Township of Brock with respect to a loan application pursuant to the *Tile Drainage Act*, R.S.O., 1990, c. T. 8 (the “Act”) for Ms. Candice Greer (C845 Concession Road 11, Lot 10) in the Cannington area of the Township of Brock;
- B) That funds in the amount of \$20,500 be advanced to the Township of Brock with respect to a loan application pursuant to the *Tile Drainage Act*, R.S.O., 1990, c. T. 8 (the “Act”) for Mr. Jason Creighton (C845 Concession Road 11, Lot 9) in the Cannington area of the Township of Brock; and
- C) That the requisite by-laws be approved by Regional Council.
CARRIED

B) Update of Regional Commodity Price Hedging Agreements: Statement of Policies and Goals (2023-F-18)

Report #2023-F-18 from Nancy Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to what will change with the updated policy; and how has this policy benefited the Region in the past.

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

- A) That the proposed September 2023 update to the Region’s Commodity Price Hedging Agreements: Statement of Policies and Goals contained in Attachment #1 of Report #2023-F-18 of the Commissioner of Finance be approved with the following key elements:
 - i) That the Region of Durham (the Region) will continue to consider commodity price hedging agreements as a means of fixing, directly or indirectly, or enabling the Region to fix the price or range of prices to be paid by the Region for the future delivery of some or all of the commodity or the future cost to the municipality of an equivalent quantity of the commodity, where it is advantageous for the Region to do so;
 - ii) That the Commissioner of Finance and Treasurer for the Region will continue to be the designated person responsible for administrative matters pertaining to commodity price hedging and will delegate certain administrative duties and responsibilities to internal staff and external agents. In addition, the Commissioner of Finance and Treasurer, or their designate, will continue to be authorized to enter into contracts for the purpose of engaging a Contract Agent in accordance with the Region's Purchasing Policies;
 - iii) That the Statement of Policies and Goals: Commodity Price Hedging Agreements be further broadened to consider a wider range of appropriate risk control measures for particular

commodity price hedging agreements, which may include, but not be limited to, the potential for limiting credit exposure based on a degree of regulatory, oversight and/or on the regulatory capital of the other party to the agreement;

- iv) That the Statement of Policies and Goals: Commodity Price Hedging Agreements be updated to reflect current staff responsibilities and accountabilities for reviewing and recommending commodity price hedging transactions; and
- v) That in accordance with the requirements of Ontario Regulation 653/05 under the Municipal Act, 2001, the Commissioner of Finance and Treasurer continue to annually prepare and provide a report to Regional Council with respect to any and all commodity price hedging agreements in place for the prior fiscal year.

CARRIED

C) By-law for the Appointment of Municipal Auditor (2023-F-19)

Report #2023-F-19 from Nancy Taylor, Commissioner of Finance, was received.

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

That the Legal Department be directed to submit the appropriate by-law for the appointment of Deloitte LLP as Municipal Auditor for a five (5) year term for the 2023 to 2027 fiscal years.

CARRIED

D) Additional Allocation and Revision of Canada Community- Building Fund Program Funds to Road Rehabilitation Projects (2023-F-20)

Report #2023-F-20 from Nancy Taylor, Commissioner of Finance, was received.

Staff responded to a question with respect to whether this is an annual funding allocation.

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

- A) That in order to fully utilize Canada Community-Building Fund (CCBF) Program Funds, an additional allocation of \$3.3 million be approved for the following road rehabilitation projects, replacing the previously approved Road Rehabilitation Reserve Fund financing:

Main Street Uxbridge / Concession Road 7 (Project R2216) \$1,900,000

Lake Ridge Road from north of Regional Road 5
to south Chalk Lake Road (Project R1718)

\$1,400,000

Total \$3,300,000:

- B) That the Commissioner of Finance be authorized to adjust the split between the CCBF and other financing for the roads rehabilitation projects as required to ensure that the full CCBF funding is utilized prior to the expiry of the applicable expenditure period.

CARRIED

- E) Requesting a Share of Ontario's Harmonized Sales Tax (HST) for Ontario Municipalities (2023-F-21)
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Report #2023-F-21 from Nancy Taylor, Commissioner of Finance, was received.

A question was raised with respect to why the recommendation in Report #2023-F-21 does not ask for a share of the Harmonized Sales Tax from the federal government as well as the provincial government. It was the consensus of the Committee to amend the recommendation to include the federal government.

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

That the Province of Ontario and Federal Government be requested to provide municipalities with a share of their portions of the Harmonized Sales Tax (HST) to ensure sustainable municipal revenues and sufficient financial capacity for increasingly complex programs and services.

CARRIED ON THE FOLLOWING
RECORDED VOTE:

Yes

No

Councillor Ashe, Chair
Councillor Garrod
Regional Chair Henry
Councillor Leahy
Councillor McDougall
Councillor Schummer
Councillor Woo

None

Members Absent: Councillor Lee

Declarations of Interest: None

- F) 2024 Regional Business Plans and Property Tax Supported Budget Guideline (2023-F-22)
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Report #2023-F-22 from Nancy Taylor, Commissioner of Finance, was received.

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

- A) That the following detailed direction and guidelines for the 2024 Business Plans and Budget for Regional Departments, Conservation Authorities and other Outside Agencies (excluding Durham Regional Police Services Board) be approved:
- i. The 2024 Property Tax Guideline not exceed an overall property tax impact of 7.25 per cent compared to the 2023 approved budget including 0.50 per cent dedicated to fund anticipated property tax impacts resulting from Provincial Bill 23, More Homes Built Faster Act, 2022, and the guideline increases for Conservation Authorities as detailed in recommendation A (ii);
 - ii. The 2023 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 2024 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 2023 approved budget;
- B) That the following detailed direction and guideline for the 2024 Business Plans and Budget for the Durham Regional Police Services Board be approved:
- i. The 2024 Business Plans and Budget for the Durham Regional Police Services Board not exceed \$267.966 million, an increase of 8.26 per cent compared to the 2023 approved budget for the Durham Regional Police Service, which translates to an overall budgetary property tax impact of 2.50 per cent;
- C) That the requested funding by Oak Valley Hospital for the Uxbridge Hospital redevelopment, under the Region's Community Investment Grant Program, be approved up to a maximum of \$10.0 million subject to the execution of a funding agreement with terms satisfactory to the Commissioner of Finance that include milestone payments and performance deliverables;
- D) That the requested funding by Lakeridge Health for the Bowmanville Hospital Expansion, under the Region's Community Investment Grant Program, be approved up to a maximum of \$37.5 million subject to the execution of a funding agreement with terms satisfactory to the Commissioner of Finance that include milestone payments and performance deliverables;
- E) That a moratorium be placed on the acceptance of any funding submissions/requests under the Region's Community Investment Grant Program until the current Council approved funding commitments have been fully funded from within the current annual funding envelope - which is to be 2026 at the earliest, and further that staff be directed to review the Region's Community Investment Grant policy and bring forward recommended changes for Council's consideration that reflect the service

delivery challenges facing the Region and the alignment of provincial and municipal funding;

F) That the February 2024 Finance and Administration Committee meeting be moved from February 13, 2024 to February 21, 2024 and the preliminary timetable for the 2024 Regional Business Plans and Budget be approved as outlined in Attachment #1 to Report 2023-F-22 of the Commissioner of Finance, which includes the following key dates:

- i. December 20, 2023 – final Regional Council approval of the 2024 Water Supply and Sanitary Sewerage Business Plans and Budget;
- ii. February 21, 2024 – Finance and Administration Committee consideration of the staff report recommending adoption of the proposed 2024 Property Tax Supported Business Plans and Budget;
- iii. February 28, 2024 – final Regional Council approval of the entirety of the 2024 Property Tax Supported Business Plans and Budget; and

G) That copies of Report #2023-F-22 of the Commissioner of Finance 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 2024 Business Plans and Budget.

CARRIED AS AMENDED LATER IN THE
MEETING ON A RECORDED VOTE
(Parts D) and E) were REFERRED TO STAFF)
(See Following Motions)

Moved by Regional Chair Henry, seconded by Councillor Leahy,
(66) That the main motion (65) of Regional Chair Henry and Councillor Leahy be amended by adding a new Part H) as follows:

H) That staff be requested to report on the impact of limiting the tax cap at 6.25% and 5.25% for Regional Departments and related agencies; and

That the Durham Regional Police Services Board (DRPSB) be requested to provide a scenario of an overall budgetary property tax impact of 2% for Council's consideration.

CARRIED LATER IN THE MEETING
(See Following)

E. Baxter-Trahair advised that staff will report in November on what the impact would be of reducing the Regional divisions and related agencies allocation by 1%, which would mean an overall property tax impact of 6.25%, and by 2%, which would mean a 5.25% impact. Discussion ensued with respect to the level of detail to be included in the report. The

Committee requested that staff provide the specific impacts of changes to the guideline and options for Council to consider.

Discussion ensued with respect to whether Council can ask the Durham Regional Police Services Board (DRPSB) to revisit their budget and come back with a reduced request for funding, and the ability for DRPSB to appeal the amount allocated to them by the Region if they do not feel it is appropriate.

Staff responded to questions with respect to:

- the impact of in-year pre-budget approvals;
- conducting core services reviews;
- the “gross spend” for operating and capital costs;
- making long-term projections for potential future tax impacts;
- competing Regional priorities;
- impact of additional provincial funding commitments received after Regional budget approval;
- what the projected tax increase would have been if contemplated last year; and
- the impact of Bill 23.

The amending motion (66) of Regional Chair Henry and Councillor Leahy was then put to a vote and CARRIED.

Moved by Councillor Woo, seconded by Councillor McDougall;

(67) A) That Part D) of the recommendations contained in Report #2023-F-22 of the Commissioner of Finance be amended to read as follows:

“D) That the requested funding by Lakeridge Health for the Bowmanville Hospital Expansion, under the Region’s Community Investment Grant Program, previously approved at \$37.5 million be increased by \$17.7 million to a new maximum of \$55.2 million subject to the execution of a funding agreement with terms satisfactory to the Commissioner of Finance that include milestone payments and performance deliverables; and that final payment be satisfactory to the Commissioner of Finance; and“

B) That Part E) of the recommendations contained in Report #2023-F-22 be amended by replacing “which is to be 2026 at the earliest” with: “which is to be 2027 at the earliest, subject to future budget approvals” so that it now reads as follows:

“E) That a moratorium be placed on the acceptance of any funding submissions/requests under the Region’s Community Investment Grant Program until the current Council approved funding commitments have been fully funded from within the current annual

funding envelope - which is to be **2027** at the earliest, **subject to future budget approvals**, and further that staff be directed to review the Region's Community Investment Grant policy and bring forward recommended changes for Council's consideration that reflect the service delivery challenges facing the Region and the alignment of provincial and municipal funding;"

REFERRED TO STAFF
(See Following Motion)

Staff responded to questions with respect to how current and future requests for Community Investment Grant Program funding will be handled if the moratorium is in place.

Moved by Regional Chair Henry, Seconded by Councillor Leahy,
(68) That Parts D) and E) of the recommendations contained in Report #2023-F-22 of the Commissioner of Finance, along with the amending motion (67) by Councillor Woo and Councillor McDougall, be referred to staff for a report back to the November 2023 Finance & Administration Committee meeting.
CARRIED

The main motion (65) of Regional Chair Henry and Councillor Leahy was then put to a vote and CARRIED AS AMENDED ON THE FOLLOWING RECORDED VOTE:

Yes

Councillor Ashe, Chair
Councillor Garrod
Regional Chair Henry
Councillor Leahy
Councillor McDougall
Councillor Schummer
Councillor Woo

No

Councillor Schummer

Members Absent: Councillor Lee

Declarations of Interest: None

9. Advisory Committee Resolutions

There were no advisory committee resolutions to be considered.

10. Confidential Matters

- 10.1 Confidential Report of the Commissioner of Corporate Services – Labour Relations/Employee Negotiations with respect to Ontario Nurses Association ("ONA"), Local 16 (2023-A-13)
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Confidential Report #2023-A-13 from Barb Goodwin, Commissioner of Corporate Services, was received.

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

That the recommendations contained in Confidential Report #2023-A-13 of the Commissioner of Corporate Services be adopted.

CARRIED

11. Other Business

There was no other business to be considered.

12. Date of Next Meeting

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, October 10, 2023 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

13. Adjournment

Moved by Councillor Leahy, Seconded by Councillor McDougall,
(70) That the meeting be adjourned.

CARRIED

The meeting adjourned at 12:24 PM

Respectfully submitted,

K. Ashe, Chair

L. Fleury, Legislative Officer