



## The Regional Municipality of Durham

### Finance and Administration Committee Agenda

Tuesday, April 9, 2024, 9:30 a.m.

Regional Council Chambers

Regional Headquarters Building

605 Rossland Road East, Whitby

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2054.

Note: This meeting will be held in a hybrid meeting format with electronic and in-person participation. Committee meetings may be [viewed via live streaming](#).

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Sole Source Approval of Standing Agreements for the Purchase of Proprietary Durham Region Transit Bus Parts, Farebox and Associated Parts, and Extended System Warranty and Support for the GFI Fare Collection System

**9. Advisory Committee Resolutions**

There are no advisory committee resolutions to be considered

**10. Confidential Matters**

10.1 Reports

- a. Report #2024-A-6  
Confidential Report of the Commissioner of Corporate Services – Labour Relations/Employee Negotiations with respect to CUPE, Local 1785  
  
Under Separate Cover

**11. Other Business**

**12. Date of Next Meeting**

Tuesday, May 14, 2024 at 9:30 AM

**13. Adjournment**

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**The Regional Municipality of Durham**

**MINUTES**

**FINANCE & ADMINISTRATION COMMITTEE**

**Tuesday, March 19, 2024**

A regular meeting of the Finance & Administration Committee was held on Tuesday, March 19, 2024 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\* left the meeting at 11:14 AM  
Councillor Garrod  
Councillor Lee  
Councillor McDougall  
Councillor Schummer  
Councillor Woo  
Regional Chair Henry

Also

Present: Councillor Brenner\* attended for part of the meeting  
Councillor Carter\* attended for part of the meeting  
Councillor Cook\* attended for part of the meeting  
Councillor Crawford  
Councillor Kerr  
Councillor Mulcahy\* attended for part of the meeting  
Councillor Pickles\* attended for part of the meeting  
Councillor Roy  
Councillor Wotten  
**\*denotes Councillors participating electronically**

Staff

Present: S. Austin, Director, Strategic Initiatives  
C. Bandel, Deputy Clerk, Corporate Services – Legislative Services  
E. Baxter-Trahair, Chief Administrative Officer  
B. Bridgeman, Commissioner of Planning & Economic Development  
A. Burgess, Director, Communications & Engagement  
T. Cheseboro, Chief, Region of Durham Paramedic Services, Health  
S. Danos-Papaconstantinou, Commissioner of Social Services  
J. Dixon, Director, Business Affairs and Finance Management, Social Services

- C. Dunkley, Director, Corporate Infrastructure and Strategic Business Services, Works Department
  - A. Evans, Director of Waste Management Services
  - T. Fetter\*, Director, Business Services, DRPS
  - L. Fleury, Deputy Clerk, Corporate Services – Legislative Services
  - S. Gill\*, Director, Economic Development and Tourism
  - C. Goodchild, Director of Planning
  - B. Goodwin, Commissioner of Corporate Services
  - 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
  - R. Inacio, Systems Support Specialist, Corporate Services – IT
  - R. Jagannathan, Acting Commissioner of Works
  - J. Kilgour, Acting Deputy General Manager – Maintenance, DRT
  - R.J. Kyle, Commissioner and Medical Officer of Health
  - N. Pincombe, Director, Business Planning & Budgets
  - K. Smith, Committee Clerk, Corporate Services – Legislative Services
  - N. Taylor, Commissioner of Finance
- \* **denotes staff participating electronically**

## 2. **Declarations of Interest**

Councillor Woo made a declaration of interest under the Municipal Conflict of Interest Act with respect to Item 9.4 B) Report #2024-F-3: The 2024 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit, as it pertains to Departmental Operations. He indicated that he has a relative that works in the Social Services Department.

Councillor Ashe made a declaration of interest under the Municipal Conflict of Interest Act with respect to Item 9.4 B) Report #2024-F-3: The 2024 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit, as it pertains to Departmental Operations. He indicated that his son works in the Works Department.

## 3. **Adoption of Minutes**

Moved by Councillor Lee, Seconded by Councillor McDougall,  
(6) That the minutes of the regular Finance & Administration Committee meeting held on Tuesday, February 13, 2024, be adopted.

CARRIED

## 4. **Statutory Public Meetings**

There were no statutory public meetings.

**5. Presentations**

There were no presentations.

**6. Delegations**

6.1 Jeff Gray, President, Unifor Local 222, re: Transit Long-Term Service and Financing Strategy

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J. Gray, President, Unifor Local 222 appeared before the Committee with respect to the Transit Long-Term Service and Financing Strategy.

J. Gray stated that the Region is experiencing explosive growth and the post-pandemic return of Durham Region Transit (DRT) ridership has exceeded expectations.

J. Gray noted that the Ontario Tech University and Durham College campus is continually expanding.

J. Gray advised that they represent student associations for both the University and College and that the student associations have been discussing enhanced transit to improve the student experience. J. Gray stated that there is a need to protect students and help them complete their education by providing effective transit.

J. Gray further advised that recently Del Monte announced the closure of their Oshawa operations which means there are now 71 former employees looking for work, most of whom do not drive and rely on transit to enable them to get to work.

J. Gray stated that new Canadians are being marginalized, and that transit needs to be inclusive and support those who need transit the most.

J. Gray responded to questions from the members of Committee.

6.2 Ian Sinnott, Chair, Unifor Local 222, re: Transit Long-Term Service and Financing Strategy

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I. Sinnott, Chair, Unifor Local 222 appeared before the Committee with respect to the Transit Long-Term Service and Financing Strategy.

I. Sinnott stated that studies have indicated that transit services are relied on more by marginalized populations. I. Sinnott added that the population of Durham is growing, and the forecasted population number does not take into account growth in the student population and that there will also be new greenfield developments that will require transit services.

I. Sinnott advised that a study was conducted by the Toronto Board of Trade which recommends 10-minute transit frequency throughout the GTA. I. Sinnott

stated that the DRT 900 series achieves 15-to-30-minute frequency and is ranked last compared to the nearest comparators; is not investing as much per capita into transit; and is ranked last in revenue hours per capita.

I. Sinnott stated that there has been a large increase in ridership since the pandemic, but due to funding limitations, DRT can not keep up with the increased demand, buses are at full capacity and targets are not being met. I. Sinnott added that the expansion of the GO train will also impact service.

I. Sinnott stated that the 2024 budget guideline has resulted in a 1.6% tax levy for DRT which means DRT will need to reduce the planned increase in service, and since the Transit Service and Finance strategy is a multi year strategy, DRT will need to makeup for less funding this year in future year's budgets.

I. Sinnott stated that transit use will exceed ridership forecasts by up to 15% and the Region needs a viable transit service. I. Sinnott asked that Council support a 2% tax levy increase for Transit.

I. Sinnott responded to questions from the Committee members.

6.3 Shayne Fields, Unifor National Representative for the DRT Unit, Unifor Local 222 (In-Person Attendance), re: Transit Long-Term Service and Financing Strategy and Current Durham Region Budget Discussions

S. Fields, Unifor National Representative for the DRT Unit, Unifor Local 222 appeared before the Committee with respect to the Transit Long-Term Service and Financing Strategy and current Durham Region budget discussions.

S. Fields stated that they represent workers across Canada and recounted a story about being in Oshawa as a young child and taking the bus, and questioned how many kids can safely take the bus by themselves now.

S. Fields stated that the Region is growing fast and the demand for transit is there, but the proposed budget does not deliver on the Transit Service and Financing strategy that was approved.

S. Fields stated that Council needs to be held accountable and that they have made a commitment for transit and need to honour it.

S. Fields advised that they have heard from students who do not feel like they are getting what they paid for with DRT and have concerns about overcrowded, late buses, that are not accessible.

S. Fields responded to questions from the Committee members.

6.4 Colin Thompson, Unit Leader, PARA Marine Search and Rescue (In-Person Attendance), re: Annual Report and Strategic Plan

C. Thompson, Unit Leader, and Clint Scott, Community Development Officer, Pickering Auxiliary Rescue Association (PARA) Marine Search and Rescue appeared before the Committee with respect to PARA's Annual Report and Strategic Plan.

C. Scott stated that PARA undertook a project this past winter in which they identified the need to start looking into obtaining funding for a new vessel to be purchased within the next couple of years. C. Scott added that they recently used \$300,000 from savings to update their current vessel.

C. Scott advised that the number of operations that they have been involved with has increased significantly since the pandemic.

C. Scott advised that PARA is requesting that the Region and the local area municipalities fund one or two full time employees or consultants to help with developing a strategy on how to raise \$2 million for a new vessel which would cost approximately \$100,000 to \$150,000 per year, and would be a short-term funding request for the next couple of years.

C. Thompson and C. Scott responded to questions from the Committee members.

- 6.5 Tyler Smale, Durham resident (In-Person Attendance) re: The 2024 Regional Business Plans and Budgets as it pertains to Durham Region Transit [Refer to Item 9.4 b)]
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T. Smale, Durham resident, did not attend the meeting.

## 7. Administration

### 7.1 Correspondence

There were no Communications to consider.

### 7.2 Reports

There were no Administration reports to be considered.

## 8. Finance

### 8.1 Correspondence

- A) Memorandum from Alison Burgess, Director of Communications and Engagement, re: Senior Government Funding
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A. Burgess provided background information regarding the memorandum.

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

Whereas Durham Region along with other regional governments in Ontario were excluded from major new federal and provincial infrastructure programs to enable housing; namely the Housing Accelerator Fund and the Building Faster Fund;

Whereas regional governments are responsible to deliver costly infrastructure to enable growth such as water and sewer infrastructure and transit investments;

Whereas there is a homelessness, housing affordability and supply crisis;

Whereas there is currently a gap in senior government infrastructure funding programs and new funding commitments are required to close the gap in a timely fashion;

Whereas Durham Region residents deserve a fair share of investment from senior level government;

Be it therefore resolved that Durham Region request the federal and provincial government to include regional governments in any new infrastructure program to enable growth and that new major infrastructure programs are established urgently;

And further that a copy of this resolution be sent to the Prime Minister, Premier of Ontario, Durham MPs and MPPs, the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM).

CARRIED

## 8.2 Reports

- A) The Remuneration and Expenses in 2023 of Members of Regional Council and Regional Council Appointees to Local Boards, as Required by Section 284(1) of the Municipal Act, 2001, S.O. 2001, c.25 (2024-F-1)

Report #2024-F-1 from N. Taylor, Commissioner of Finance was received.

Moved by Councillor McDougall, Seconded by Councillor Garrod,  
(8) That we recommend to Council:

That Report #2024-F-1 of the Commissioner of Finance be received for information.

CARRIED

- B) Region of Durham Paramedic Services (RDPS) Logistics Vehicle to Support Community Programs (CP) (2024-F-4)

Report #2024-F-4 from N. Taylor, Commissioner of Finance was received.

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



That the purchase of a new Logistics Delivery vehicle, at an estimated upset limit of \$95,000 and financed 100 per cent from reallocation of surplus Provincial funding, be approved to better assist with delivery of supplies to address the need of our enhanced workload related to Community Programs (CP).

CARRIED

## **9. Business Plan and Budget Review and Property Tax Study**

### **9.1 Presentations**

- A) Elaine Baxter-Trahair, Chief Administrative Officer, Nancy Taylor, Commissioner of Finance, Barb Goodwin, Commissioner of Corporate Services and Nicole Pincombe, Director, Business Planning and Budgets, re: The 2024 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit (2024-F-3) and the 2024 Strategic Property Tax Study (2024-F-2)
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E. Baxter-Trahair, N. Taylor, B. Goodwin and N. Pincombe provided a detailed PowerPoint presentation on the 2024 Regional Business Plans and Budgets and the 2024 Strategic Property Tax Study.

Highlights from the presentation included:

- Overview of the 2024 Budget
- Overview of the Chief Administrative Officer's Budget
- Overview of the Corporate Services Department Budget
- Regional Property Tax Supported Budget
- 2024 Property Tax Impacts: Average Home
- 2024 Property Tax Impacts: Regional
- 2024 Property Tax Impacts: Overall
- 2024 Property Tax Policy
- Base Budget Pressures
- Fiscal Sustainability – New Financial Framework
- Significant Investments in Critical Service Areas
  - Housing and Homelessness
  - Regional Transit
  - Paramedic Services
  - Police Services
  - Climate Action
  - Other
- Potential Social Housing Development/Redevelopment Projects
- 2024 Capital Budget and Nine-Year Forecast
- Bill 23 Impacts
- Items Deferred/Phased
- Looking forward: 2025 – 2033 Forecast

- Engagement Opportunities and Insights
- Overview of the 2024 Budget

Staff responded to questions with respect to what the 2023 surplus is projected to be; new staffing for the CAO's office; cyber-security; long-term budget forecasting; deferred/phased implementations for certain items; financing from the tax levy for capital projects; funding to support the transit service and financing strategy; inflation rates; the variance between gross funding and net property tax impact; social housing rebuild costs; the Durham Built standard; subsidies for electric buses; the emotional model of care; the federal Zero Emissions Transit Fund grant funding; autonomous buses; downloading of social housing in Ontario; AMOs call for an economic prosperity review; and the application of additional reserve and reserve fund financing.

Staff was asked to bring forward information at a future meeting with respect to cyber-security.

## 9.2 Correspondence

- A) Memorandum from the Transit Executive Committee, re: 2024 Durham Region Transit Business Plans and Budget (2024-DRT-05)
- B) Memorandum from the Health & Social Services Committee, re: 2024 Health Department Business Plans and Budget (2024-MOH-2)
- C) Memorandum from the Health & Social Services Committee, re: 2024 Social Services Department Business Plans and Budget (2024-SS-2)
- D) Memorandum from the Planning & Economic Development Committee, re: 2024 Planning and Economic Development Department Business Plans and Budget (2024-P-7)
- E) Memorandum from the Works Committee, re: 2024 Works Department General Tax and Solid Waste Management Business Plans and Budget (2024-W-6)
- F) Memorandum from the 9-1-1 Management Board, re: 9-1-1 Emergency Service System 2024 Business Plans and Budget
- G) Memorandum from the Durham Regional Local Housing Corporation, re: 2024 Durham Regional Local Housing Corporation Business Plans and Budget
- H) Memorandum from the Durham OneNet Inc. Board, re: 2024 Durham OneNet Inc. Regional Broadband Business Plans and Budget

Moved by Councillor Lee, Seconded by Councillor Schummer,

- (10) That Correspondence Items A) to H) be referred to Item 9.4 b), Report #2024-F-3 of the Commissioner of Finance.

CARRIED

9.3 Business Plans and Budgets

A) Conservation Authorities 2024 Business Plans and Budgets

The Committee reviewed the Conservation Authorities 2024 Business Plans and Budgets, including:

- Central Lake Ontario
- Kawartha Region
- Ganaraska Region
- Toronto and Region
- Lake Simcoe Region

Staff responded to questions with respect to the Province's long term plans for Conservation Authorities; who is responsible for managing erosion in coastal and flood risk areas; and funding for Conservation Authorities.

B) Durham Regional Police Service 2024 Business Plans and Budget

The Committee reviewed the Durham Regional Police Service 2024 Business Plans and Budget.

C) Durham Region Transit 2024 Business Plans and Budget

The Committee reviewed the Durham Region Transit (DRT) 2024 Business Plans and Budget.

Staff responded to questions with respect to what would be required in the budget if the request for a 10-minute transit frequency was to be met (per Toronto Board of Trade Study); the status of the viability of hydrogen buses; the potential for a full grid-pattern transit system; the possibility of bus routes to the Ontario Tech and Durham College campuses that use alternate routes, rather than Simcoe Street; and using airports as a driver for transit.

D) Health 2024 Business Plans and Budget

The Committee reviewed the Health 2024 Business Plans and Budget, including:

- Public Health
- Paramedic Services

E) Social Services 2024 Business Plans and Budget

The Committee reviewed the Social Services 2024 Business Plans and Budget, including:

- Emergency Management and Program Support Services
- Social Assistance
- Children's Services
- Family Services
- Housing Services
- Long Term Care and Services for Seniors

Staff responded to questions with respect to the operating costs for the new long term care facility in Pickering; and the differences in costs and efficiencies depending on the size of the facility.

F) Planning & Economic Development 2024 Business Plans and Budget

The Committee reviewed the Planning & Economic Development 2024 Business Plans and Budget, including:

- Planning
- Economic Development and Tourism
- Rapid Transit and Transit Oriented Development Office

Staff responded to questions with respect to whether the province has approved the Region's Official Plan yet, and would anything change in the budget if it is not approved; the impact of reduced participation by the Region in trade shows; potentially hosting a technology event; and the measures of economic development success.

Moved by Councillor McDougall, Seconded by Councillor Lee,  
(11) That the Committee recess for lunch.

CARRIED

The Committee recessed at 11:55 AM and reconvened at 12:20 PM

A roll call was conducted following the recess and all members were present with the exception of Councillor Leahy.

G) Works 2024 Business Plans and Budget

The Committee reviewed the Works 2024 Business Plans and Budget, including:

- Works – General Tax
- Solid Waste Management

H) Finance & Administration 2024 Business Plans and Budgets

The Committee reviewed the Finance & Administration 2024 Business Plans and Budgets, including:

- Regional Council
- Office of the Regional Chair
- Office of the Chief Administrative Officer
- Legal Services and Legal POA
- Corporate Services
- 9-1-1 Emergency Service System
- Finance
- Corporate Items
- Regional Headquarters
- Durham Regional Local Housing Corporation
- Durham OneNet Inc.
- Listing of Fees and Charges

Staff responded to questions with respect to whether the debenture is paid off for the Regional Headquarters building and if not, what the annual contribution to the debenture is; whether the majority of fees charged by the Region are charged to Durham residents and what percentage are charged to non-residents; and whether there is an opportunity to charge higher fees to non-residents for some services.

#### 9.4 Reports

##### A) 2024 Strategic Property Tax Study (2024-F-2)

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Report #2024-F-2 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to the two municipalities with nuclear power plants and the status of their stranded debt to the Independent Electricity System Operator; if the Bruce Nuclear Power Plant is considered private; the non-residential versus the residential share of Regional property taxes and what could change as a result of the next Municipal Property Assessment Corporation (MPAC) reassessment; whether the increase in the non-residential share of the property taxes in 2011 was driven by market conditions and if that scenario can be replicated; what can be done to increase the share of other property tax classes so that the residential classes do not make up such a large majority of the tax base; and whether there are any organizations/think tanks looking into modelling the implications of the upcoming MPAC reassessment.

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

- A) That for the 2024 property taxation year, the municipal property tax ratios for the following property classes and subclasses for the Regional Municipality of Durham and its area municipalities be set as follows, consistent with the 2023 ratios, and the requisite by-law be prepared, and approval be granted,

Multi-Residential	1.8665
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New Multi-Residential	1.1000
Landfill	1.1000
Pipelines	1.2294
Farmland	0.2000
Managed Forests	0.2500

**Commercial Broad Class**

(Including Shopping Centres, Office Buildings, Parking Lots and Residual)

Occupied	1.4500
Vacant Land	1.4500
Excess Land	1.4500
On Farm	1.4500

**Industrial Broad Class**

(Including Large Industrial and Residual)

Occupied	2.0235
Vacant Land	2.0235
Excess Land	2.0235
On Farm	2.0235

- B) That to achieve greater fairness and equity in the Current Value Assessment (CVA) system and property taxation policy, the Province be requested to:
- update the Provincial statutory rate applicable to nuclear generating facilities;
  - institute an annual mechanism to ensure the rate continues to be updated in the future, and;
  - redirect proxy property tax payments currently paid by the Region’s two nuclear generating facilities to the Ontario Electricity Financial Corporation (OEFC) for the Ontario Hydro stranded debt to the host municipalities and the Region following retirement of the stranded debt.

CARRIED

- B) The 2024 Regional Business Plans and Budget for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit (2024-F-3)

Report #2024-F-3 from N. Taylor, Commissioner of Finance, was received.

Staff responded to questions with respect to what is driving the 2023 surplus; what the \$450,000 transfer to the Climate Change Mitigation and Environmental Reserve Fund is for; and when will the report regarding losses in Development Charge revenues due to Bill 23 and related legislation be provided.

Discussion ensued with respect to advocating for reform in Development Charge legislation.

Concerns were raised with respect to the impacts on future budgets from deferring projects, the losses in Development Charge revenue due to Bill 23, and increases in property tax funding requirements for capital projects due to a lack of infrastructure funding grants. An additional concern was raised with respect to factors impacting the property tax budget that were not intended to be funded through property taxes including asylum seekers, homelessness issues; recidivism; and carbon taxes on fuel for transit.

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

**2024 General Purpose Property Tax Business Plans and Budget**

- A) That the 2024 Business Plans and Property Tax Budget for General Purposes (excluding Durham Region Transit and Solid Waste Management) be approved, at a total net property tax requirement of \$746,567,000 as detailed within the 2024 Regional Business Plans and Budget, which are highlighted in this report and summarized as follows:

	<b>2024 Tax Requirements (\$000s)</b>
<b>Regional Operations</b>	
i) Departmental Operations - excluding Long-term Care	333,627
ii) Departmental Operations – Long-term Care	69,416
iii) Bill 23 – More Homes Built Faster Act Provision	5,558
iv) Regional Roads Reserve – Growth	12,549
v) Regional Roads – Rehabilitation Reserve Fund	26,050
vi) Regional Bridges – Rehabilitation Reserve Fund	5,525
<b>Total Regional Operations</b>	<b>452,725</b>
vii) <b>Police Services</b>	267,966
viii) <b>Conservation Authorities</b>	9,383
<b>Special Contributions:</b>	
ix) Land Conservation and Protection Reserve Fund	394
x) Durham Region Community Investment Grant	6,220
<b>Total Special Contributions</b>	<b>6,614</b>
<b>SUBTOTAL</b>	<b>736,688</b>
xi) Deferral for Seaton Assessment Growth	9,879
<b>TOTAL GENERAL PROPERTY TAX PURPOSES</b>	<b>746,567</b>

- B) That the 2024 Capital Program for General Property Tax Purposes and financing (excluding Solid Waste, Durham Region Transit and Conservation Authorities’ requirements), as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plans and Budget, in the amount of \$281,936,000 be approved including up to \$46,833,000 in debenture financing;
- C) That the 2025 to 2033 Capital Forecast for General Property Tax Purposes (excluding Solid Waste, Durham Region Transit and Conservation Authorities’ requirements), as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plans and Budget in the amount of \$3,782,409,000 be received for information purposes only and be subject to future approvals.

**Contributions for Regional Roads and Bridges**

- D) That a 2024 contribution of \$12,549,000 to the Regional Roads Reserve – Growth be authorized to allow for financing of Road Capital Construction Projects;



- E) That a 2024 contribution of \$26,050,000 to the Regional Roads Rehabilitation Reserve Fund be authorized to assist with road rehabilitation requirements;
- F) That a 2024 contribution of \$5,525,000 to the Regional Bridges Rehabilitation Reserve Fund be authorized to assist with bridge rehabilitation requirements.

**Durham Regional Local Housing Corporation**

- G) That the 2024 Budget for the Durham Regional Local Housing Corporation be approved at a total net property tax requirement of \$14,991,550.

**Conservation Authorities**

H) That funding totalling \$6,963,838 for 2024 operations be approved for the Region’s five Conservation Authorities as summarized below:

Central Lake Ontario Conservation Authority (including transitioning the 2019-2023 Restoration pilot program to a permanent program in 2024)	\$4,620,240
Kawartha Region Conservation Authority	729,104
Ganaraska Region Conservation Authority	658,597
Toronto and Region Conservation Authority	724,800
Lake Simcoe Region Conservation Authority*	231,097
<b>Total Conservation Authority Operations Funding</b>	<b>\$6,963,838</b>

\*The 2024 operating budget provision for Lake Simcoe Region Conservation Authority includes all Category 1 Corporate Services costs.

I) That funding totalling \$1,679,259 for 2024 special projects be approved for the Region’s Conservation Authorities as summarized below:

Kawartha Region Conservation Authority	\$146,100
Ganaraska Region Conservation Authority	249,559
Toronto and Region Conservation Authority	994,371
Lake Simcoe Region Conservation Authority	289,229
<b>Total Conservation Authority Special Projects Funding</b>	<b>\$1,679,259</b>

J) That funding totalling \$200,000 for 2024 land management expenditures be approved for properties within Durham Region as outlined below:

Central Lake Ontario Conservation Authority	\$85,000
Kawartha Region Conservation Authority	15,000
Ganaraska Region Conservation Authority	37,000
Toronto and Region Conservation Authority	41,000
Lake Simcoe Region Conservation Authority	22,000

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<b>Total Conservation Authority Land Management Funding</b>	<b>\$200,000</b>
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- K) That the Oak Ridges Moraine Groundwater Program (ORMGP) Initiatives be continued in 2024 at a funding level of \$175,000 for ongoing groundwater protection initiatives jointly funded with the City of Toronto, Region of York and Region of Peel;
- L) That the special funding requests as outlined below be approved subject to the accountability of project costs incurred and project completion:
  - a) Central Lake Ontario Conservation Authority for improvement to the entrance at Enniskillen Conservation Area and Russ Powell Nature Centre in the amount of \$120,000;
  - b) Kawartha Conservation Authority for updates to their Watershed Planning in the amount of \$30,500;
  - c) Kawartha Conservation Authority for phase five of five for the digitization of corporate records in the amount of \$5,446; and
  - d) Kawartha Conservation Authority for the implementation of their 10-year Environmental Monitoring Strategy in the amount of \$9,077;
- M) That the special funding request from the Central Lake Ontario Conservation Authority as outlined below be approved subject to securing the remainder of the project funding from the National Adaptation Strategy and Hydrologic Prediction and Innovation Program, project completion and accountability of project costs incurred:
  - a) LiDAR base mapping for the Central Lake Ontario Conservation Authority watershed to assist with floodplain mapping programs in the amount of \$80,000;
- N) That the approval for the special funding request from the Central Lake Ontario Conservation Authority for a Sustainable Neighbourhood Action Plan Pilot Project (SNAP) in the amount of \$120,000 be delegated to the Commissioner of Finance pending final review of the pilot project selected and its alignment with Regional responsibilities and priorities. The advancement of any funding approved for this special request will be subject to project completion and accountability of project costs incurred;
- O) That a contribution of \$393,977 to the Land Conservation and Protection Reserve Fund be authorized to assist in financing requests for funding received from the five Conservation Authorities to acquire environmentally sensitive lands within the Region, based on eligibility criteria per the approved Regional Land Acquisition Reserve Fund Policy.

**Solid Waste Management 2024 Business Plan and Budget**

- P) That the 2024 Business Plan and Budget for Solid Waste Management at a net property tax requirement of \$60,075,000 be approved as detailed in the 2024 Solid Waste Management Business Plan and Budget;
- Q) That the 2024 Capital Program for Solid Waste Management and financing, as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plan and Budget for Solid Waste Management, in the amount of \$4,732,000 be approved;
- R) That the 2025 to 2033 Capital Forecast for Solid Waste Management as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plans and Budget in the amount of \$242,030,000 be received for information purposes only and be subject to future approvals.

**Durham Region Transit 2024 Business Plan and Budget**

- S) That the 2024 Business Plan and Budget for Durham Region Transit be approved at a total net property tax requirement of \$92,816,000, as detailed in the 2024 Durham Region Transit Business Plan and Budget;
- T) That the 2024 Capital Program for Durham Region Transit and financing, as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plans and Budget, in the gross amount of \$342,336,000 be approved, including up to \$63,095,000 in debenture financing (including \$20,230,000 in long-term financing from the Canada Infrastructure Bank) subject to federal funding approval for applicable projects;
- U) That the 2025 to 2033 Capital Forecast for Durham Region Transit as outlined in Attachment 5 to Report #2024-F-3 of the Commissioner of Finance and as further detailed within the 2024 Regional Business Plans and Budget in the amount of \$1,028,132,000 be received for information purposes only and be subject to future approvals;
- V) That staff report back to the Transit Executive Committee and Finance and Administration Committee in advance of the 2025 Business Plan and Budget should sufficient senior government funding not be forthcoming to support the implementation of Durham Region Transit's fleet electrification strategy and forecasted service enhancements, with recommendations on updating the Transit Service and Financing Strategy (2023 – 2032) to reflect funding realities.

**Financial Management and Accountability**

- W) That the Listing of 2024 Regional Fees and Charges, as set forth in the 2024 Regional Business Plans and Budget be approved and made available to the public and all applicable by-laws be amended accordingly;
- X) That a transfer of \$450,000 to the Climate Change Mitigation and Environmental Reserve Fund from savings in the Region's natural gas hedging account be approved;
- Y) That a transfer of \$3,068,880 to the Equipment Reserve from the Capital Impact Stabilization Reserve Fund be approved to support the ongoing sustainability of the reserve for fleet equipment replacement;
- Z) That the Growth Related General Infrastructure (Property Tax) Reserve Fund be established to finance the shortfall in development charge receipts from the mandatory phase-in, freezing, exemptions and discounts introduced through Bill 23, More Homes Built Faster Act, 2022, Bill 134, Affordable Homes and Good Jobs Act, 2023 and related legislation, and that for 2023, any property tax surplus up to the maximum amount of the estimated 2023 development charge shortfall for property tax services be allocated to the Growth Related Property Tax Infrastructure Reserve Fund;
- AA) That the necessary By-laws for the establishment of the recommended Growth Related General Infrastructure (Property Tax) Reserve Fund be presented to Regional Council;
- BB) That the Region continue to advocate directly and jointly with our municipal partners and associations for senior government funding for shortfalls in development charge funding resulting from Bill 23, More Homes Built Faster Act, 2022, Bill 134, Affordable Homes and Good Jobs Act, 2023 and related legislation as well as for the unplanned and accelerated infrastructure needs to meet the provincial housing targets;
- CC) That Council support the Federation of Canadian Municipalities call on the Government of Canada for urgent investment in infrastructure and commitments to enhancements to the Canada Community Building Fund, establishing a permanent Public Transit Fund and enhanced investment in Reaching Homes funding;
- DD) That the Province of Ontario be requested to provide stability and certainty to the Provincial Gas Tax program to support transit operations and capital priorities;
- EE) That based upon the 2024 Regional Business Plans and Budget as recommended herein, the Commissioner of Finance be authorized to set 2024 Regional Property Tax Rates for General Purposes, Solid Waste Management and Durham Region Transit and approval be granted for the requisite By-laws;

- FF) That for any Regional program change or capital expenditure included within the 2024 Regional Business Plans and Budget which is proposed to be financed in whole, or in part, from Provincial/Federal subsidies, grants or related revenues, neither staffing, capital nor other related Regional expenditures can be committed until such time as adequate confirmation, to the satisfaction of the Commissioner of Finance/Treasurer, is received from the respective provincial/federal ministry to commit to the subsidy, grant or related revenues in accordance with the Regional Budget Management Policy;
- GG) That funding totalling up to \$83,250 be approved for the Pickering Auxiliary Rescue Association with the funding to be provided from within the Finance Department's 2024 Business Plan and Budget to be administered by the Finance Department in consultation with the Durham Regional Police Service, based upon services rendered;
- HH) That funding totalling up to \$52,160 be approved for COMRA Marine Rescue Association with the funding to be provided from within the Finance Department's 2024 Business Plan and Budget to be administered by the Finance Department in consultation with the Durham Regional Police Service, based upon services rendered;
- II) That the Commissioner of Finance be delegated authority, for purposes of the Region's Humanitarian response to asylum-seekers and refugees, to extend the Region's agreement with Community Development Council Durham to June 30, 2024, execute any transfer payment agreements, expend funds up to a maximum of an additional \$5,528,000 in accordance with the program guidelines, make any modifications to the program(s) to ensure desired outcomes are achieved, receive any federal and/or provincial funds for this response, and waive the Region's Purchasing By-law and Budget Management Policy as required for this response; and that any costs associated with the extension of this agreement not reimbursed under the federal Interim Housing Assistance Program or the provincial Homelessness Prevention Program or any other federal or provincial funds be funded at the discretion of the Commissioner of Finance;
- JJ) That the federal government be requested to urgently reimburse the Region of Durham for all costs incurred to date and anticipated to be incurred up to June 30, 2024 for the Region's Humanitarian response to asylum-seekers and refugees and establish an ongoing funding program from July 1, 2024 onward to cover the costs of providing settlement services for asylum-seekers and refugees to prevent the cancellation of any programs offered by the Region of Durham after June 30, 2024;

- KK) That the Region continue to advocate for sustained senior government funding for growth related capital infrastructure to support the housing goals within the Region of Durham;
- LL) That staff be directed to prepare a 10-year Housing Service and Financing Strategy to be brought forward to Council in conjunction with the 2025 Business Plans and Budget;
- MM) That the reporting of the Impact of Excluded Expenses for tangible capital asset amortization, post-employment benefits and solid waste landfill closure/post-closure expenses be adopted, per requirements under the Ontario Regulation 284/09 of the Municipal Act, 2001 and the Public Sector Accounting Board (PSAB);

**Estimated Impact of Excluded Expenses on Accumulated Surplus  
 For the 2024 Business Plans and Budgets (\$,000's)**

	<u>2023</u>		<u>2024</u>		
	<u>Total</u>	<u>Property Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b><u>PSAS Additions to Budget</u></b>					
Tangible Capital Asset Amortization	164,648	104,174	29,860	36,776	170,810
Post-Employment Benefit Expense	27,301	43,820	738	890	45,448
Asset Retirement Obligation - Increase/(Decrease)	(248)	1,317	161	86	1,564
Transfers from Reserves and Reserve Funds	145,359	246,889	31,417	19,785	298,091
Proceeds of Debt issued for Regional Purposes	160,883	109,928	-	45,868	155,796
Total PSAS Additions	497,943	506,128	62,176	103,405	671,709
<b><u>PSAS Reductions to Budget</u></b>					
Gross Tangible Capital Asset Acquisitions	(784,858)	(628,307)	(143,006)	(215,158)	(986,471)
Less: Tangible Capital Asset Recoveries	40,691	-	-	60,172	60,172
Net Tangible Capital Asset Acquisitions	(744,167)	(628,307)	(143,006)	(154,986)	(926,299)
Debt Principal Payments	(18,643)	(18,589)	(695)	(2,802)	(22,086)
Transfers to Reserves and Reserve Funds	(155,268)	(152,579)	(9,836)	(20,773)	(183,188)
Contributed Tangible Capital Assets	(20,017)	(1,270)	(9,360)	(13,396)	(24,026)
Total PSAS Reductions	(938,095)	(800,745)	(162,897)	(191,957)	(1,155,599)
<b>Net Impact - (Increase) to Accumulated Surplus</b>	(440,152)	(294,617)	(100,721)	(88,552)	(483,890)

- NN) That sections of this resolution be forwarded to each relevant party to inform them of their approved funding and/or Council's position on the appropriate matter.

CARRIED LATER IN THE MEETING  
 (See Following Motions)

Moved by Regional Chair Henry, Seconded by Councillor Lee,  
(14) That the main motion (13) of Councillor Woo and Regional Chair Henry be divided in order to allow voting on part A i) Departmental Operations – excluding Long-term Care, separately from the remainder.

CARRIED

Part A) i) was then put to a vote and CARRIED ON THE FOLLOWING RECORDED VOTE. Councillors Ashe and Woo declared conflicts of pecuniary interest on this item earlier in the meeting and did not vote on this item:

Yes

No

Councillor Garrod  
Regional Chair Henry  
Councillor Lee  
Councillor McDougall

Councillor Schummer

Members Absent: Councillor Leahy

Declarations of Interest: Councillor Ashe, Chair  
Councillor Woo

The main motion (13) of Councillor Woo and Regional Chair Henry [with the exception of Part A) i)] was then put to a vote and CARRIED ON THE FOLLOWING RECORDED VOTE:

Yes

No

Councillor Ashe, Chair  
Councillor Garrod  
Regional Chair Henry  
Councillor Lee  
Councillor McDougall  
Councillor Woo

Councillor Schummer

Members Absent: Councillor Leahy

Declarations of Interest: None

## 10. **Advisory Committee Resolutions**

There were no advisory committee resolutions to be considered.

## 11. **Confidential Matters**

There were no confidential matters to be considered.

**12. Other Business**

There was no other business to be considered.

**13. Date of Next Meeting**

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, April 9, 2024 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

**14. Adjournment**

Moved by Councillor Woo, Seconded by Councillor Lee,  
(15) That the meeting be adjourned.

CARRIED

The meeting adjourned at 1:01 PM

Respectfully submitted,

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K. Ashe, Chair

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L. Fleury, Deputy Clerk





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# Prudent Investor Standard: Adoption and Next Steps

Finance and Administration Committee

Tuesday, April 9, 2024

# Agenda

- Path to Prudent Investor Standard
- Recommended Governance Structure
- Financial Considerations
- Next Steps
- Investment Policy Update
- Conclusion

# Path to Prudent Investor Standard (PI)

- On October 12, 2021, an information report on PI was provided to F&A Committee ([#2021-F-25 Eligible Investments & Portfolio Update](#))
- On March 1, 2023, Council instructed staff to investigate alternatives for transitioning to the PI Standard and assess its suitability for the Region's portfolio ([#2023-F-4 Investment Portfolio Update](#))
- On October 25, 2023, Council approved the adoption of the PI Standard and instructed staff to determine the most suitable governance structure, proceed with next steps as required and report back on status as feasible ([#2023-F-23 Prudent Investor: Options Analysis and Next Steps](#))
- Staff presented to Area Municipality Treasurers in November 2023 on options for adopting PI Standard and discussed opportunities to collaborate
- Staff conducted research and analysis with other municipalities and ONE Investment in late 2023 and early 2024

# **Recommended Governance Structure:**

## **Join ONE Joint Investment Board (ONE JIB)**

# Governance Structure Considerations

## Options

- i. Transition to PI and establish an independent Investment Board (IB);
- ii. Transition to PI and establish a Joint Investment Board (JIB) with one or more other municipalities (e.g., Durham Region JIB); or
- iii. **Transition to PI and invest through an existing JIB (i.e., ONE JIB).**

# Governance Structure Considerations (cont'd)

## Challenges of establishing an IB or JIB

- Complex, costly and extended implementation period
- May require Ontario Securities Commission (OSC) exemption required to invest on behalf of other municipalities
- Extensive support required from internal staff and external resources
- Inability to leave any JIB established by the Region
- Limited appetite for a “Durham Region JIB” amongst local area municipalities

# Governance Structure Considerations (cont'd)

## Merits of Joining ONE JIB

- Commitment to service excellence and responsible financial management
- Demonstrated leadership and collaborative role in the sector
- Enhanced diversification and opportunity to improve long-term returns
- Cost effective, efficient method for adopting PI with established JIB consisting of investment and municipal experts
- ONE JIB is an established PI solution, investing for municipalities since 2020
- Regional Treasurer expected to be appointed to the JIB in May
- Shorter implementation period and limited regulatory approvals
- Competitive fee structure across a range of investment products
- Collaboration with an Outsourced Chief Investment Officer (OCIO)
- Retain flexibility to investigate alternative governance structures in the future

# Governance Structure Considerations (cont'd)

## Outsourced Chief Investment Officer – PH&N

- ONE Investment undertook competitive process to identify OCIO
- PH&N is chosen as OCIO to act as a sub-advisor on behalf of ONE JIB
- PH&N has a competitive fee structure versus alternative service providers
- PH&N is one of Canada's largest asset management firms with 98 Canadian OCIO clients with over \$24.5B in Assets Under Management (AUM)
- PH&N invests on behalf of numerous municipalities in British Columbia
- Ability to leverage enhanced levels of dedicated staffing, external investment expertise and risk management capabilities
- Asset allocation study completed to assist in development of Region's asset mix and Investment Plan



# Financial Considerations

- Money Not Required Immediately (MNRI), or long-term funds, not required within three years, is estimated to be \$2.1B and will be managed by ONE JIB
- Money Required Immediately (MRI), or short-term funds, under three years, will continue to be managed internally
- MNRI will be recalculated at least annually to reflect regional priorities and operating requirements
- Estimated upfront and annual savings of \$2.0M and \$1.5M, respectively
- Estimated annual investment management and governance fees of 0.28%, offset by increased returns
- Investment management fees will increase with higher equity allocations and decrease as AUM achieves certain thresholds

## Next Steps

**If partnership with ONE JIB is approved, next steps would include:**

- Council approval of updated Investment Policy (April)
- Passage of irrevocable by-law to authorize adoption of PI (April)
- Approval by ONE JIB for the Region of Durham to become a participating municipality (May)
- Development of, and ONE JIB approval of, Investment Plan and Transition Plan (April/May)
- Regional Treasurer appointment to ONE JIB (May)
- Execution of required legal agreements to join ONE JIB (May/June)
- Confirmation of Prudent Effective Date (May/June)
- Transfer of long-term funds and/or investments to ONE JIB (Starting July)
- Development and execution of Communication Plan (April to Sept)

# Investment Policy Statement (IPS) update

- Defines and assigns responsibilities for investment of MRI and MNRI
- Requirements for transition to PI Standard
- Council maintains de facto control through the IPS
- Identifies objectives and risk tolerance for short and long-term funds to inform asset mix
- Establishes constraints to be observed by ONE JIB
- Required to review IPS at least annually, and update if required
- Reporting provided by ONE JIB at least annually to ensure compliance with IPS

# Conclusion

- Adopting PI Standard through ONE JIB is the most suitable governance structure for the Region
- Enhanced opportunity for diversification and potential for higher risk-adjusted long-term returns
- Customized asset mix based on regular review and update of Region's cash flow forecasting, risk tolerances, investment objectives and constraints
- Competitive fee structure given the size and complexity of portfolio
- Greater influence as a board member of ONE JIB
- Option open for a "Durham Region JIB" solution in the future but cannot move back to Legal List



# Thank You

Duane Ramkisson, CPA, CMA  
Manager, Investment Portfolio  
365-688-9753

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[durham.ca/50years](https://durham.ca/50years) | [@RegionofDurham](https://durham.ca)



If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2009



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Chief Administrative Officer  
Report: #2024-A-4  
Date: April 9, 2024

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**Subject:**

The Regional Municipality of Durham 2023 Accessibility Report

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**Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

That the Regional Municipality of Durham 2023 Accessibility Report be received for information.

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**Report:**

**1. Purpose**

1.1 The purpose of this report is to present the 2023 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, and both acts are still in effect.

2.2 Under the above-mentioned legislation, provincial and municipal governments and key broader public-sector organizations are required to prepare an annual accessibility status report outlining steps to prevent and remove barriers to accessibility for people with disabilities. These steps also must fit within the requirements of AODA.

2.3 In response, an annual status report has been produced on the progress of the Region of Durham's accessibility achievements. This document reports on the progress of actions as outlined in the Multi-Year Accessibility Plan for that year.

### **3. Process**

- 3.1 The 2023 Accessibility Report is an annual update on the implementation of standards and timelines outlined in the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) and the 2022-2025 Multi-Year Accessibility Plan. The AODA legislation supports the identification, removal, and prevention of accessibility barriers throughout the organization's provision of goods and services, facilities, and employment. The attached report reviews the progress on actions moving forward as outlined in this 2022-2025 Multi-Year Accessibility Plan.
- 3.2 The development of the report was led by the office of the Chief Administrative Officer, in consultation with representatives from each regional department and the Accessibility Advisory Committee. Each department's representative sought information from their perspective staff to prepare updates for the Region of Durham's 2023 Accessibility Report.

### **4. Next Steps**

- 4.1 After the Regional Council receives the 2023 Accessibility Report, it will be made available to the public and posted on the Region of Durham website. The Report will also be made available in various accessible formats upon request.

### **5. Attachments**

Attachment #1: The Regional Municipality of Durham 2023 Accessibility Report

Respectfully submitted,

Original Signed By:

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



# 2023 Durham Region Accessibility Report





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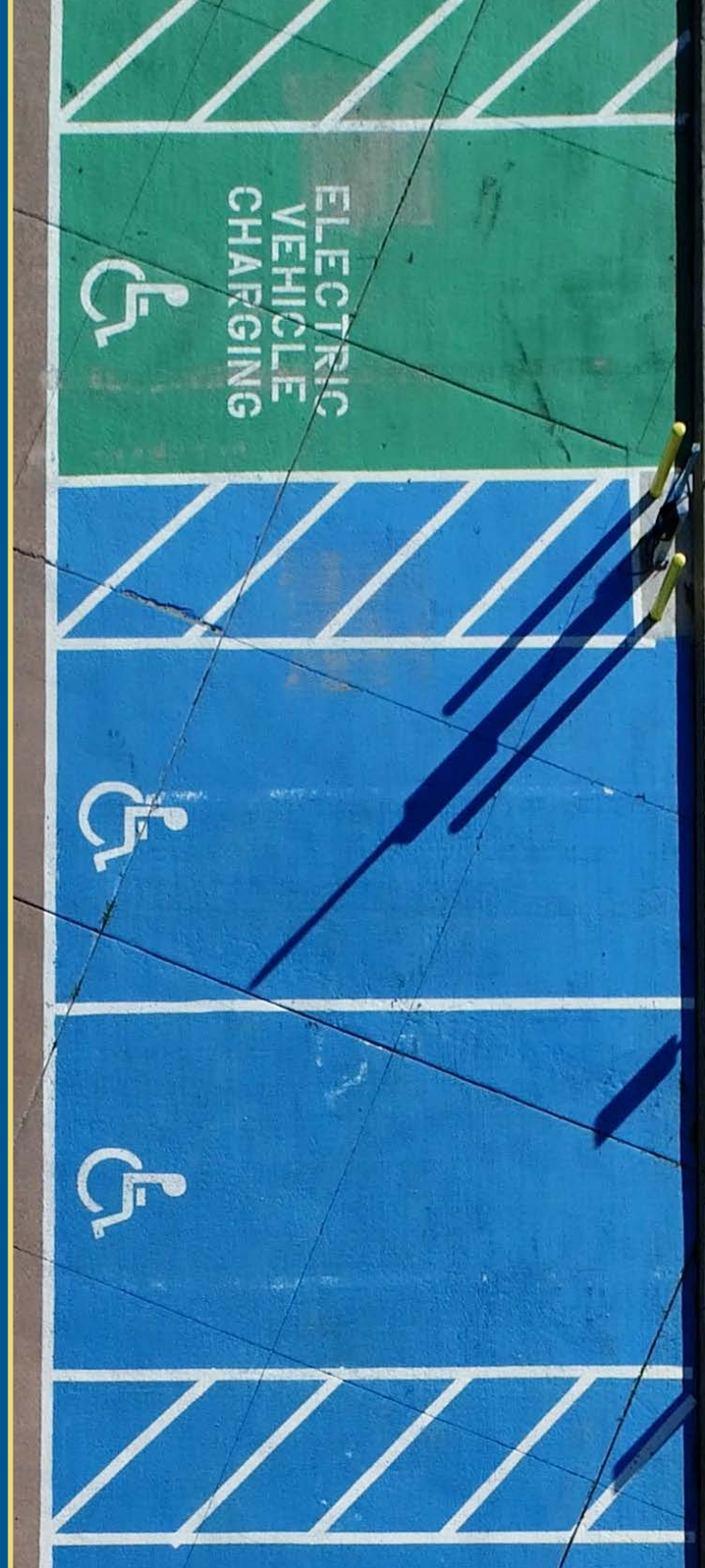
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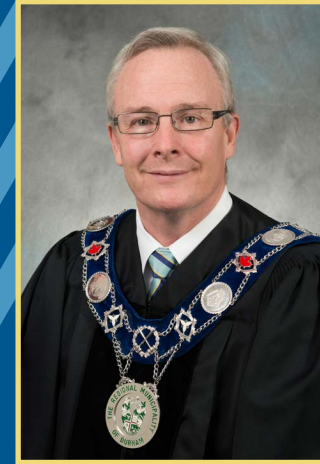
# Land Acknowledgement

The Region of Durham exists on lands that the Michi Saagiig Anishinaabeg inhabited for thousands of years prior to European colonization. These lands are the traditional and treaty territories of the Nations covered under the Williams Treaties, including the Mississaugas of Scugog Island First Nation, Alderville First Nation, Hiawatha First Nation, Curve Lake First Nation, and the Chippewa Nations of Georgina Island, Beausoleil and Rama.

We honour, recognize, and respect Indigenous Peoples as rights holders and stewards of the lands and waters on which we have the privilege to live. In our efforts towards reconciliation, we continue to build and strengthen relationships with First Nations, as well as the large Métis communities and growing Inuit communities here in Durham. We commit to learning from Indigenous values and knowledge, building opportunities for collaboration, and recognizing that we are all connected.



# Message from the Regional Chair and Chief Administrative Officer



In Durham Region, we believe in the importance of building bridges. It's symbolic of new opportunities where pathways are created that can lead to life-changing interactions, and shape inclusive communities where people thrive, connect and contribute.

We believe that living in an accessible community goes beyond the borders of physical space. It requires creating a culture where everyone feels welcomed and supported.

In 2023, we continued to invest in infrastructure and community services to make the Region more accessible and welcoming.

We know there is still more to do. It's a journey that wouldn't be possible without the invaluable advice that the Accessibility Advisory Committee (AAC) provides to Regional Council.

This past year we had several achievements to highlight. We launched Durham Region Transit's Get Moving with On Demand project, a program that helps older adults navigate the transportation system. We rolled out a new, self-directed online Accessible Resources portal for employees. We introduced virtual options for case co-ordinators working with Ontario Works clients. We created safer intersections by retrofitting 16 pre-existing accessible pedestrian signals and installing 13 new ones.



We also conducted an internal Equity Audit, with the support of an external consultant. This process provided insight into our organizational culture, policies and systems to ensure we are creating equitable opportunities for all staff. We have begun implementing recommendations and have secured an Implementation Specialist to lead this work.

We were thrilled to host the 2023 Ontario Parasport Games. This amazing event brought together more than 500 participants who competed in 11 sporting competitions, at venues across the region.

We are also proud of our local partnerships! We supported the second annual Accessibility Conference, which educated various stakeholders about the power of inclusion in the workplace. Working with Abilities Centre and Durham District School Board, we launched Project Search, a unique school-to-work internship program for students with developmental disabilities, offering 10 internships across several Regional divisions. These internships will help participants earn competitive work and employability skills.

We continued the LEAD Canada process, started in 2022. This process helps us to objectively analyze how we are implementing accessibility and inclusion strategies in every division across the Region. As a measurement of effectiveness, it helps to keep us accountable to our accessibility goals. This process also empowers staff to confidently provide accessible and inclusive services to all clients.

We look forward to celebrating even more achievements in 2024.

Through collaboration and innovation, we can ensure Durham Region is a place where everyone is welcomed, supported, and feels they belong.



# Message from the Chair, Durham Region Accessibility Advisory Committee

It has been an absolute pleasure to serve our community on the Accessibility Advisory Committee this past year as Chair; and in previous years as a fellow committee member. I am privileged to serve alongside strong vocal advocates who are passionate about breaking down accessibility barriers, as well as enhancing the “language” of accessibility in our Region.

Although we said goodbye to some committee members this past year, their contribution to our community was invaluable. I know that they are continuing through advocacy and participating in enhancing accessibility in their respective communities. At the same time, we welcomed new committee members who add to, and reflect the diversity of the committee and the Region. Our personal experiences and efforts contribute to fostering a more inclusive and accessible Durham Region.

As a committee, we have held our six annual meetings in a hybrid format, allowing committee members to be online when necessary and in-person at other times. In our role, we provide both lived experience and foresight in accessibility accommodations—through consultations

with Regional departments, when they begin new initiatives or are undergoing upgrades. We regularly connect with the Planning and Economic Development, and we have committee representatives on various Regional committees, including Durham Region Transit.

We also partner with the Diversity, Equity, and Inclusion Division. Our contribution this year is too much for me to mention here, so I encourage you to look closely through the report. I hope that everyone in our communities can access all aspects of our community for business, home, play, recreation, and sport with no barriers. We are better when we really are included.

**Rosanne Purnwasie  
Chair**



# Accessibility Advisory Committee (AAC)

The Durham Region Accessibility Advisory Committee was established as a requirement of the Accessibility for Ontarians with Disabilities Act, 2005 (AODA). The AAC has been making contributions to our communities, and all the services the Region of Durham provides by sharing their expertise and input on projects, establishments, and services. One notable contribution was partnering with Durham Region to recognize significant contributions towards accessibility and inclusion in the community.

The ACC organizes the Joint AAC awards annually with representatives from the Region of Durham. This informative and collaborative function brings partners and community members together to celebrate excellence in inclusion and accessibility for those living with disabilities. Each year, the AAC nominates individuals, businesses, or organizations based on their efforts in identifying, removing, and preventing barriers for individuals living with a disability. Accessibility champions are honoured with an Accessibility Award, to recognize their dedication to making the Region more accessible for people of all abilities.

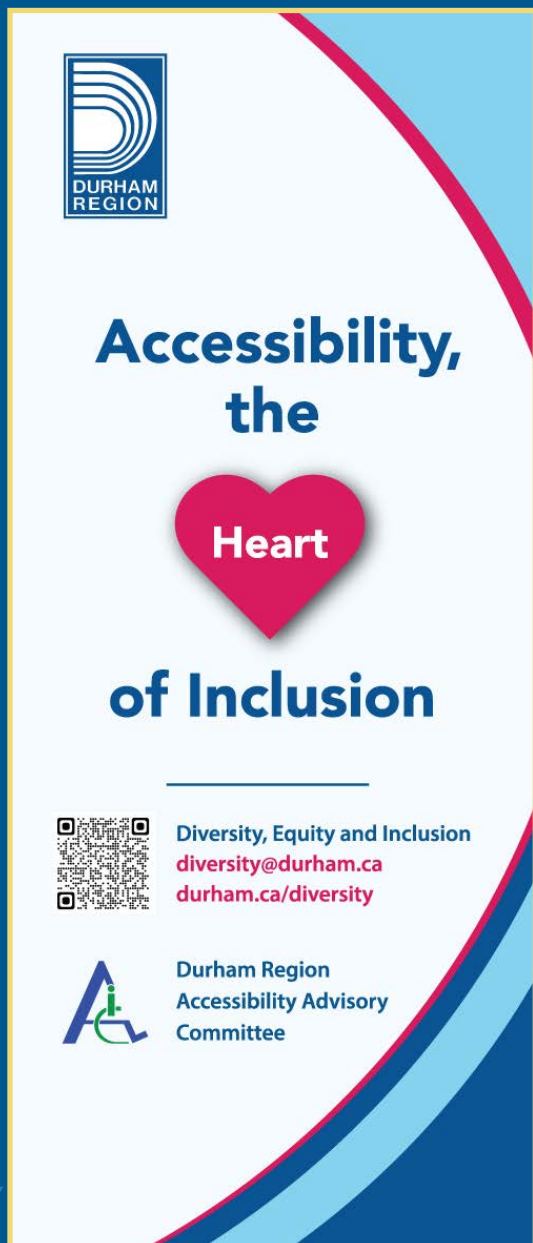


## Highlights of contributions made by the AAC in 2023 include:

- Partnership in the development of the Durham Design Standard. This document outlines the building standards for Region projects, such as new buildings and renovations.
- Support and consultation in the creation of the 2022 Accessibility Report.
- Identified areas for improvement and made recommendations to service offered by Durham Transit, including Sepcialized Transit.

The ACC's main goal is to advise Regional Council on the preparation, implementation, and revision of the annual accessibility plan and other accessibility-related issues within the Region.

# Durham Region Accessibility Report



The Region of Durham presents this report to highlight and celebrate our successes; built on the foundation of inclusion. Inclusion is an important value and action for the Region of Durham—both as an employer and a service provider to our residents and visitors.

The Region’s accessibility goals are defined in the Multi-Year Accessibility Plan 2022-2025, which aligns with the Durham Region Strategic Plan; the Diversity and Inclusion Strategy; and our Age-Friendly Durham Strategy and Action Plan. This report demonstrates the work done in 2023 towards accomplishing these goals.

This document also serves as a status report, as required under the Accessibility for Ontarians with Disabilities Act, 2005 (AODA). The Act was created in recognition of the discrimination against persons with disabilities in Ontario. It aims to implement standards to achieve accessibility for all Ontarians concerning goods, services, facilities, accommodation, employment, buildings, structures, and premises by January 1, 2025.

Visit [durham.ca/AccessibilityReports](https://durham.ca/AccessibilityReports) to review The Regional Municipality of Durham 2022 to 2026 Multi-Year Accessibility Plan and previous accessibility reports.

# Accessibility Success Highlights 2023

This section will highlight our accessibility and inclusion successes, by department and, in some cases, by division.



## Office of the Chief Administrative Officer

The Office of the Chief Administrative Officer (CAO) is responsible for strategic leadership, co-ordination, operational oversight, intergovernmental relations, budget and organizational development. This department celebrates the following accessibility successes.



## Diversity, Equity, and Inclusion (DEI) Division

The DEI Division creates programs and strategies to celebrate our cultural identity, race, gender identity, sexual orientation, ability, religious affiliation, age and any other identified parts of self not listed. The division is focused on building a region where diversity is embraced and each of us feels valued and included. In 2023, the division accomplished the following:

- Awarded the Seniors Community Grant, in partnership with Durham Region Transit (DRT), to support the creation of a resource guide for older adults and seniors. This resource guide was created to increase awareness of essential housing, health, legal, and social/recreational programs and services available to older adults and seniors. The goal is for the resource guide to reach at least 2,300 individuals. This fund also supported DRT to launch the “Get Moving with On Demand” project, which provides targeted assistance to older adults seeking support navigating the transportation system.
- Launched “Project Search Durham” in partnership with Abilities Centre and Durham Catholic District School Board. Project SEARCH is a unique school-to-work internship program for students with developmental disabilities, creating opportunities for them to acquire competitive work and employability skills. Ten interns were recruited to be hosted by various divisions throughout the Region.
- Supported the “Senior Buddies” initiative, through the Community Safety and Well-Being fund, which connects youth volunteers with older adults residing in long-term care homes. This program aims to foster positive relationships and create a sense of community for people of all ages.

Project Search launch event





- The Region of Durham conducted an Equity Audit, with the support of an external consultant, to measure how employees found the Region to be doing in terms of fair and equitable process relating to how employees are hired, promoted, and treated generally by the Region as an employer. The findings suggest that although we have some strong policies and practices, there is still work to be done to achieve inclusion and equity for all employees. To assist with achieving inclusion for all employees, the decision was made to hire an implementation specialist in January 2024. This person will lead the process of implementing the recommendations.
- Through the Region's Age-Friendly Durham initiative, and supported technology donations to Brock Township Public Library and Scugog Public Library, DEI was able to address the communication, participation and learning needs of seniors and other groups vulnerable to social isolation.
- The Diversity Equity and Inclusion Initiatives survey was launched. This collected 552 residents' perceptions and recommendations on topics related to social connection, immigration, and diversity, equity and inclusion.
- Hosted a panel discussion on the needs and experiences of newcomers with disabilities. Co- led by the Durham Local Immigration Partnership and the Toronto East Quadrant Local Immigration Partnership, the Newcomer Accessibility Council (NAC) hosted the event to learn how newcomers with disabilities are accessing settlement services and disability support services. The panel was composed of individuals with lived experience and service providers who support this population. The forum was held at the University of Toronto Scarborough and attended by more than 20 service providers from Durham and Scarborough.
- The How Can I Help resource tool was created in partnership with the Durham Regional Police Service (DRPS) and Lakeridge Health, to provide direction for residents experiencing acute mental illness, housing challenges, or for vulnerable community members who need advice.
- The LEAD Canada process for the Region of Durham started in 2022 and continued into 2023. This process is resulting in the organization successfully embedding accessibility and inclusion strategies across the Region. This process allows staff to feel confident in providing accessible and inclusive services to all.
- An internal Accessible Resources portal was launched in fall 2023. This self-directed, online portal acts as a guide for the creation of accessible documents; allowing staff to find answers quickly, at any time. It has proven to be a valuable resource, especially for newly hired employees. This document will be continuously updated to reflect changes in accessibility standards and organizational need.

- At every opportunity, we ensure that divisional staff are aware of accessible documents and know how to make documents accessible by current standards. Courses were consistently updated and offered to aid in the creation of Accessible Documents.
- The second annual Accessibility Conference was held virtually by the Region of Durham, in partnership with Abilities Centre, on May 30, 2023. The theme was the Power of Inclusion: Moving Accessibility from Awareness to Action. The goal was met. It brought together business community members to discuss and gain knowledge on the power of inclusion in the workplace.
- Our accessible documents expert collaborated with other municipalities to facilitate training on accessible documents. This collaboration will continue into 2024.
- We built awareness through education and events for Regional employees and our local community partners:
  - International Day of Persons with Disabilities recognition event.
  - Flag raising for Autism Day.
  - Guest speakers sharing lived experiences with disabilities.
- In 2023, the Region of Durham hosted the 43rd Ontario Parasport Games. This event spanned 3 days and several venues, including Abilities Centre and Durham College Campuses. The weekend started with an inspirational and motivating opening ceremony that included a parade of athletes ready to participate. The audience was encouraged to cheer loudly or to “Be the Roar!”
- The DEI Division took part in multiple ways, allowing community interaction and providing visibility and connection with participants and other community members. Involvement included:
  - Attending opening ceremonies to cheer on athletes and participate in a monumental event for the community.
  - DEI staff members volunteered their time to support various aspects of the games, including assisting with game operations.
  - Our Accessibility team provided input around accessibility at game venues.



## Corporate Services Department



The Corporate Services Department supports the operation of the Region by providing administrative, financial, technological, legal and communication services.



## Human Resources Division

Human Resources renewed their commitment to embedding accessibility in their practices through these strategies:

- Blended and hybrid learning continue to be offered, to align with operational needs and allow employees to learn in place. This has enabled people to learn in an environment that best suits them.
- Continued to produce and provide information in a variety of formats, including video, scripts, and eLearning.

In 2023, new practices developed by Human Resources include tools that make career advancement more accessible to all:

- Launched “Strategies for Success” eLearning module for employees to assist all candidates to be better prepared for job competitions.
- Rolled out a Mentorship program for employees through an online portal. Mentorship fosters relationships that support, encourage and motivate persons interested in professional growth and development. Our mentorship program allows mentees and mentors to sign up online, identify their areas of interest, and then choose from available mentors or mentees.

Increasing accessibility one service at a time:

- Human resources reduced barriers by creating self-service tools for employees to access via The Insider (internal website). Examples include an evaluation guide, retirement resources, and pension information.

## Abilities Management

In 2023, Disabilities Management changed its name to Abilities Management while remaining committed to providing support to all staff through the accommodation process.

- Development of a workshop and eLearning for managers about medical leaves and accommodation.
- Mental health, addictions resources and sick credit expiry tool were added to The Insider.

## Durham Regional Transit (DRT)



Durham Regional Transit provides bus service throughout the region, connecting communities within Durham and beyond in neighbouring regions, such as Toronto. This service operates a fleet of vehicles with accessibility features allowing use by those with wheelchairs and other mobility devices. The service includes fixed routes and specialized services for those with disabilities. In 2023 these accessibility milestones were achieved:



- Mobile COVID-19 vaccination clinics continued into 2023. The Region of Durham Paramedic Services realized the operational value of a vehicle, with the ability to treat multiple patients at once and brought services to people within their community.
- In 2023, the Safety and Training unit launched a new Health and Safety Check-in campaign, which focused on a specific monthly safety topic. In March, DRT highlighted its commitment to promoting a respectful environment in which all employees and customers are treated fairly. DRT recognizes and values the diversity, self-worth and human rights of its employees and customers. It will not tolerate, ignore, or condone workplace discrimination, harassment, and violence by or against anyone.
- Starting in late June 2023, DRT Ambassadors began work to enhance engagement within local communities. Some of this work included: providing travel training to residents who want to build their confidence using DRT and public transit; engaging with customers at key stations on the network; and participating in various events and forums to promote DRT services, answer questions, and build relationships.
- DRT launched a pilot program, to help evaluate the effectiveness of the new Social Services Department's Outreach program. This initiative supports those who are experiencing homelessness. DRT is funding the equivalent of two outreach workers who specifically assist individuals interacting with, or accessing, transit. It's a program designed to prioritize the well-being of all individuals accessing transit. This includes community members who face additional barriers in accessing vital services. It will also enhance support to DRT staff; allowing safe and effective service to customers who are encountering increasingly challenging situations.
- As of November 2023, customers can pay for transit with PRESTO in Google Wallet by tapping their Android smartphone or smartwatch on a fare payment device. PRESTO in Google Wallet enables customers to make changes (load funds or pay for transit), and see them reflected instantly on their PRESTO accounts balance and transaction history. Additionally, PRESTO in Google Wallet provides customers many of the same benefits as the traditional payment cards.

## Health Department

The Durham Region Health Department offers a range of services aimed at promoting and protecting public health in the region. These services include prevention and disease control, health promotion and emergency preparedness. In 2023, we continued our progress in providing accessible services.

The Health Department continues to meet our community members where they are. This means having in-person clinics with more accessible features and offering health services to patients in their homes. New for 2023, the Health Department visited long-term care homes to provide oral care to residents.

The Health Department also ensures documents they create are accessible and that alternate formats of documents can be requested, as needed. The number of staff trained to provide support in ensuring documents are accessible, increased in 2023.

The New Health community clinic, which opened in the Oshawa Centre, shares its space with the Breastfeeding clinic and Immunization program. This offers multiple services from the same easy-to-access location by transit.





## Social Services Department



### **Income, Employment and Homelessness Support Division**

The Income, Employment and Homelessness Support Division (IEHSD) is a dynamic and ever-changing division that strives to be as inclusive, accessible and equitable as possible. Case co-ordinators now have the option to use Microsoft Teams for video calls with client interactions. This allows Ontario Works (OW) clients to use Microsoft Teams features, which includes accessibility features, such as closed captioning. This also increases non-verbal communication with video features for example facial cues, lip reading, or hand gestures.

In January 2023, e-signature capability was introduced, allowing people to sign documents electronically. MyBenefits was enhanced to allow OW applicants to upload documents electronically, rather than attending in-person. Both these enhancements provide an additional options for clients with limited access to transportation.

All IESHD staff were trained in Mental Health First Aid, building on training in Non-Violent Crisis Intervention and counselling skills to ensure staff can support people facing crises, health conditions, and barriers to service.



The division continued offering the Accessing Affordable Technology Temporary Program. This program provides eligible Ontario Works clients with laptops and Chromebooks to assist with their employment and education goals. This program aimed to increase equitable access to technology for low-income clients.

Each IEHSD office has also been equipped with iPads at their public-facing front counter to make service delivery more accessible.

IEHSD continued to assist with cellphone issuance to connect individuals facing multiple barriers and safety risks from oppressive and harmful situations such as, human trafficking or domestic violence, homelessness or precarious housing, social isolation, and mental illness.

The Income Employment and Homelessness Support Division continues to increase efforts to ensure all documents are accessible. The committee dedicated to forms (Forms Committee) continues to work diligently to ensure all client-facing forms and letters are available in an accessible format. The workshop team ensures that workshop materials are presented in advance of workshops and available in multiple formats, allowing facilitators to meet the needs of participants with diverse identities.



## Long-Term Care Division

This division of the Durham Region oversees and manages long-term care homes that provide essential services and support to individuals facing complex health and care needs. The residents benefit from accommodation, personal care, nursing services, and recreational activities geared to their needs and preferences. While still exceeding the regulatory standards of the province for long-term care, we continued to make accessibility a priority in 2023.

In our long-term care homes, we consider all abilities to optimize inclusive living and working in all spaces. Considerations range from making patio doors wider and making outdoor spaces more usable with wheelchair-accessible concrete pads and picnic tables, to enlarging entryways for libraries. The removal of bumpy interlocking stones, and the installation of concrete for a smoother, safer surface for those who use mobility aids, have fostered independence for some residents by allowing assistance-free access to areas.

We purchased 80 bigger beds and mattresses that fit larger and or taller bodies. This resulted in a significant increase in comfort for these individuals and enabled more accessible nursing care.



Meal tracking was improved with the implementation of new software. The new software was installed, along with tablets for dining room staff, to show each resident their options for a meal and then document their choice. This information is instantly accessible by those preparing or serving the meals, resulting in more timely patient centred service.



## Planning, Economic Development and Tourism Department

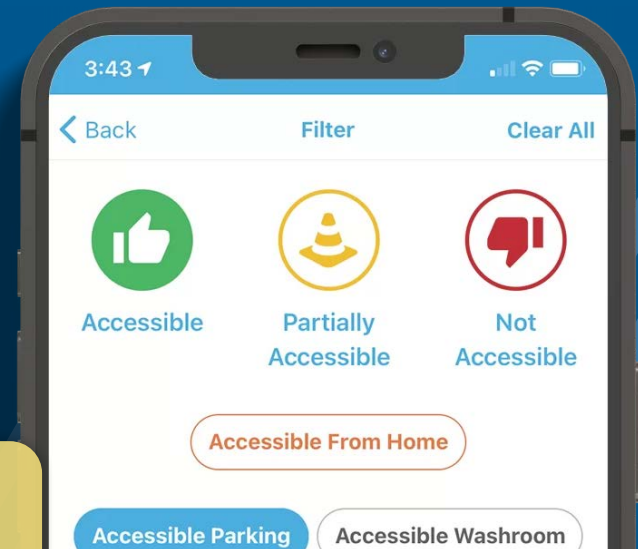
The Planning, Economic Development and Tourism Department focuses on fostering sustainable growth, economic prosperity, and vibrant communities within the region. This department is responsible for long-term planning for the growth and economic prosperity of the region. Below is an overview of their accessibility triumphs achieved in 2023.

From February 3 to 5, Durham Region hosted the 2023 Ontario Parasport Games. We welcomed over 400 participants and showcased 11 parasport competitions and four demonstration sports at nine venues across five municipalities. Special events included an Opening Ceremony at Abilities Centre. The Games Organizing Committee, led by Economic Development and Tourism, and comprising Regional staff and volunteers, collaborated with the Ontario Ministry of Tourism, Culture and Sport and partners to organize and execute the event.

Community support was tremendous throughout planning and execution, including sponsorship, volunteerism, headband knitting, and athlete support through the “Be The Roar” campaign. In addition, the Region received \$145 579 in post game legacy funds that will be distributed for various initiatives mostly related to adaptive sports and recreation.

As part of preparations for hosting the Durham Region 2023 Ontario Parasport Games (Games), Durham Region partnered with AccessNow to become a leader in accessibility mapping of spaces to increase inclusion confidence for residents and visitors. This free app, available on Google Play and the Apple App Store, allowed users to discover accessible and non-accessible pinned locations in 35 countries around the world. All 2023 Games venues were added to the app. The Region and its eight municipalities also committed to mapping all their facilities. Durham businesses were encouraged to add their accessibility information to the app.

Residents and visitors to our community can search, rate, and discover municipal facilities, local restaurants, hotels, shops, and attractions on AccessNow.





## Durham Regional Police Service

The Durham Regional Police Service (DRPS) plays a critical role in maintaining public safety and security within Durham Region; working with the community to ensure safe and thriving environments for all residents.

The DRPS Training Centre is upgrading its entry and bathroom doors, in addition to some desks, to ensure accessibility. Online training modules were created, using accessible features, such as scripts and alternate (alt) text descriptions for pictures and closed captioning. Older training modules will be reviewed and upgraded to meet required accessibility standards.

DRPS continues to operate units, such as the Mental Health Response Unit (a Police Constable partnered with a Registered Nurse who has extensive experience in mental health), Vulnerable and Autistic persons registries and Seniors Support. These initiatives that have grown into region-wide programs, help the DRPS to meet specific needs of diverse populations in the community. This department continues to have representation at community engagement tables, such as the Durham Elder Abuse Network.





## Works Department

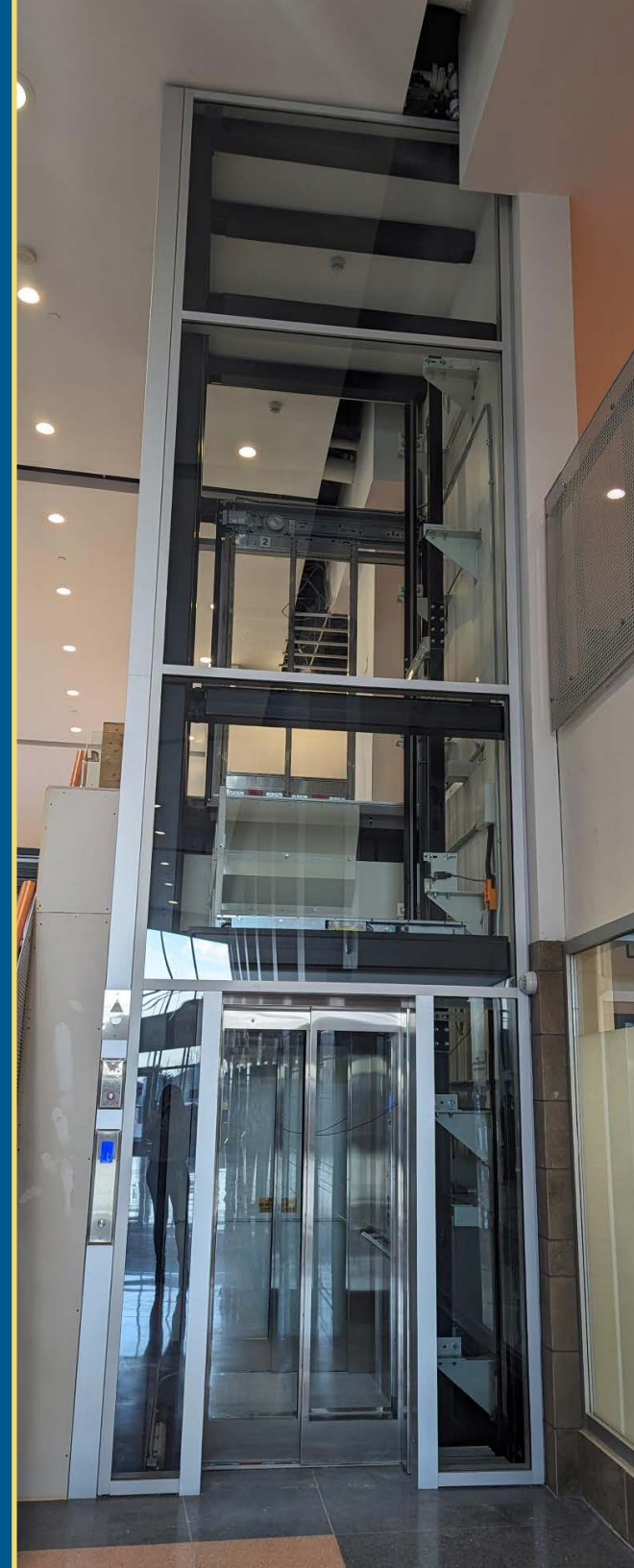
The Region's Works Department oversees services and infrastructure, including roads and transportation, water and waste management, environment sustainability, capital projects and emergency response. These important developments highlight the dedication of ensuring comfort and ease of use for everyone.

### **Transportation and Field Services (Traffic Engineering and Operations) Division**

As of December 2023, the Region has 224 traffic control signal locations equipped with accessible pedestrian signals. These features allow for safer intersection use. Features include audible notifications and longer times for people to navigate intersections. In 2023, the division retrofitted 16 pre-existing signals and installed 13 new ones.

### **Facilities Division**

Our Facilities Division continued with office modernization of our Regional Headquarters. The most notable change was the interior office modernization of the fourth and fifth floors, including automatic door operators at secure doors. Modernization also included construction beginning on a passenger elevator, connecting the Lower Galleria to the Upper Galleria, with plans for completion in 2024. New workstations were installed to offer maximum flexibility, including a sit-stand mechanism at all desks, adjustable monitor arms, standardized technology connections, and a standard ergonomic chair with the greatest available range. These added features have increased the adaptability of our workstations and feelings of inclusion and acceptance. In 2024, we will be able to announce the completion of many projects, including three all gender washrooms at our headquarters, located at 605 Rossland Road East in Whitby.



# Joint Accessibility Advisory Awards

Each year, Accessibility Awards are presented to champions for accessibility within the Region. These awards acknowledge a person, business or organization that has made considerable effort to incorporate accessibility into their operations or everyday life. Nominations are sought from each of the eight area municipalities. In 2023, awards were presented to:

## Town of Ajax

Community Living Ajax-Pickering-Whitby Supported Employment Program

## Township of Brock

St. Joseph's Parish

## Municipality of Clarington

Newcastle Griddle

## City of Oshawa

David McKay

## City of Pickering

Tammy Lyle-Gravlev

## Township of Scugog

The Piano Inn Café

## Township of Uxbridge

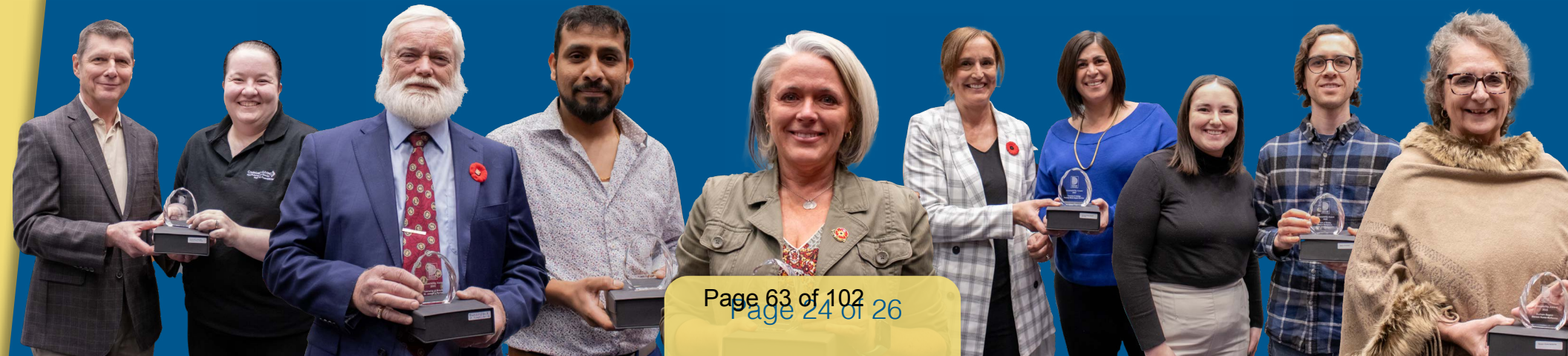
Precious Minds Support Services

## Town of Whitby

Melly's Place

## Region of Durham

Doreen Hume-McKenna



# Conclusion

This report contains many new accessibility accomplishments that the Region of Durham has achieved to eliminate barriers, in alignment with legislative requirements and regional policies.

We continue to look for new and innovative ways to meet our accessibility targets. We continue evaluating our systems and practices to ensure we uphold our commitments to make sure everyone feels included, welcomed and valued.

This way of thinking allows us to embed empathy and compassion in the ongoing and collaborative journey to building and sustaining a region, where people living with disabilities can fully participate.

Courtney Gilmour, Comedian







# Contact information

We welcome your feedback. Please let us know what you think about the Regional Municipality of Durham 2023 Accessibility Report.

## Mail:

Diversity, Equity and Inclusion Division  
The Regional Municipality of Durham  
605 Rossland Road East  
Post Office Box 623  
Whitby, Ontario L1N 6A3

## Phone:

905-668-4113 extension 2009 or  
1-800-372-1102 or 311

## By email:

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

If you require this information in an accessible format, please contact the Accessibility Coordinator by emailing [accessibility@durham.ca](mailto:accessibility@durham.ca) or calling 311 extension 2009.



Meenu Sikan  
Assistant Deputy Minister for Seniors & Accessibility -  
Government of Ontario



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Corporate Services  
Report: #2024-A-5  
Date: April 9, 2024

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**Subject:**

Redacting Public Records Policy

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**Recommendation:**

That the Finance and Administration Committee recommends to Regional Council:

That the Redacting Online Public Records Policy generally in the form included as Attachment #1 to this report, be approved.

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**Report:**

**1. Purpose**

1.1 To introduce and approve a policy on Redacting Online Public Records.

**2. Background**

2.1 A number of municipalities have implemented policies with respect to the Redaction of Online Public Records to provide a formal framework to allow individuals to submit requests to remove their personal information from public websites.

2.2 The Region does not currently have a policy for the redaction of online public records. The Regional Clerk's office has recently received requests from individuals who do not want their personal information shared online after participating in a public meeting held by the Region. As such, a policy in this regard is beneficial and will provide a formal method to submit requests for redaction of information.

2.3 In the development of the new Redacting Online Public Records Policy, a review of other municipal policies was conducted, and stakeholder consultations occurred with staff throughout the organization including the Communications and Engagement, Access & Privacy Office, Corporate Services – IT, and Legal Services divisions.

### **3. Discussion**

- 3.1 The Redacting Online Public Records Policy clarifies that only information that is considered to be 'personal information' under the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) may be redacted. Personal information under MFIPPA includes address numbers, contact information (e.g. email addresses, telephone numbers), and signatures.
- 3.2 The Region collects personal information for the delivery of various programs and services. This policy only applies to information collected to form part of the public record for Committee and Council meetings. Individuals are advised through disclaimers on the Region's website, standard emailed responses to delegation requests, and on posted signage that the personal information they submit will be posted online and will become part of the public record.
- 3.3 Information will only be redacted from the copies of the records that are on the Region's website. Personal information contained in official original versions of documents, audio and video recordings will not be redacted. Physical copies of official meeting documentation held by Legislative Services will not be redacted, and may be viewed at the request of any member of the public in accordance with the Municipal Act.
- 3.4 Individuals who would like their personal information redacted from public records on the Region's website must complete the form included within the policy. .
- 3.5 Requests to redact personal information that is included in audio or video recordings of public meetings posted to the Region's website may also be submitted using the form included with the policy.
- 3.6 In considering whether the information should be redacted, Regional employees will consider the nature of the personal information posted, whether there are statutory provisions requiring disclosure of the information, and if there are alternative solutions available that promote public transparency while protecting the individual's privacy.
- 3.7 The Region cannot guarantee that the redaction of public records from the Region's website will eliminate the online presence of their personal information entirely. If the Region amends its website content in response to a request from an individual to redact public information, the Region will not take any further action to redact the information from any other external source, such as internet search engines. Any further action of this nature must be undertaken by the individual.

#### **4. Relationship to Strategic Plan**

4.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 5: Service Excellence. Objective: To provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable service delivery.
  - 5.3 Demonstrate commitment to continuous quality improvement and communicating results
  - 5.4 Drive organizational success through innovation, a skilled workforce, and modernized services

#### **5. Conclusion**

5.1 In order to provide a method for individuals to request redaction of their personal information from public records posted to the Region's public website, it is recommended that the Redacting Online Public Records Policy be approved.

5.2 For additional information, contact: Alexander Harras, Regional Clerk, at 905-668-7711, extension 2100.

#### **6. Attachments**

Attachment #1: Redaction of Public Records Policy Draft

Prepared by: Leigh Fleury, Deputy Clerk, at 905-668-7711, extension 2020.

Respectfully submitted,

Original signed by

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Barb Goodwin, MPA, CPA/CGA,  
B.Comm, CPM, CMMIII  
Commissioner of Corporate Services

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



<b>Title: Redacting Online Public Records</b>		
<b>Policy #: CS-RED-1</b>	<b>Issued: April 24, 2024</b>	<b>Page #: 1 of 3</b>
<b>Revised:</b>		
<b>Approved by: Regional Council</b>		
<b>Responsibility: Regional Clerk</b>	<b>Section: Corporate Services</b>	

## **1. Policy**

- 1.1 The Region will redact certain personal information from public records posted on its website if a written request is received to redact the information.
- 1.2 The Regional Clerk holds overall responsibility for this policy and is the primary point of contact.
- 1.3 This policy applies, but is not limited to, personal information submitted to the Region in relation to public meetings.
- 1.4 Legislative Services will take all necessary precautions to limit the inclusion of personal information of meeting participants in official public records, unless there is a statutory requirement to do so.

## **2. Purpose & Scope**

- 2.1 This policy guides the process for requests from the public for redaction of personal information from records of public meetings on the Region’s website.
- 2.2 The policy does not apply to official copies of public records held in physical format by Legislative Services, and such original unredacted public records shall be made available to any member of the public on request in accordance with the Regional Clerk’s statutory obligations under the *Municipal Act, 2001*.

## **3. Definitions**

- 3.1 “Personal information” as defined in the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), means recorded information about an identifiable individual, including but not limited to address, phone number, medical history, or email address.
- 3.2 “Region” means the Regional Municipality of Durham.
- 3.3 “Regional Clerk” means the Clerk of The Regional Municipality of Durham, or that person’s designate.

3.4 “Region’s Website” means durham.ca.

## **4. Background & Preamble**

4.1 The Region’s website contains personal information collected and maintained for the purpose of creating records that are available to the general public (e.g. Committee/Council material, Planning matters).

4.2 Although the personal information is properly collected in accordance with governing legislation and is properly used and disclosed under the provisions of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), it is recognized that there may be situations where it is appropriate to remove certain personal information from public records on the Region’s website.

## **5. Procedure to Request a Redaction**

### **5.1 Written Request**

An individual who would like to request redaction of certain personal information from public records on the Region’s website shall submit a written request to the Regional Clerk using the assigned form. Upon receiving a request from an individual, the Regional Clerk shall consider redacting from any document that is posted to the website:

- i) address number (save and except for statutory requirements);
- ii) email address;
- iii) telephone number; and/or
- iv) signature

### **5.2 Information that will not be redacted**

The following types of information will not be redacted:

- Names;
- Written or verbal comments submitted for the public meeting process including statements and opinions of meeting participants; and
- Image or likeness of the individual as it appears on a video recording.

### **5.3 Identify the Information**

The individual must clearly identify what information they would like redacted by specifying where the information is found, such as by the meeting date and the particular entry/entries (e.g. paragraph number ‘x’ on page number ‘y’), or a screen capture with the portion of text highlighted.

## **6. Procedures for Review of Redaction Requests**

6.1 All requests shall be considered on an individual basis.

- 6.2 A broad request to remove personal information shall not be considered.
- 6.3 The Region shall consider the nature of the personal information posted and whether there are statutory provisions requiring disclosure of the information, and if there are alternative solutions available that promote public transparency while providing personal privacy protection. Examples include abbreviating names or removing specific address numbers for an identifiable road or street.

## **7. Internet Search Engines**

- 7.1 If the Region amends its website content in response to a request from an individual to redact personal information, the Region shall not take any further action regarding the redaction of the personal information from any other external source including internet search engines. Any further action of this nature must be undertaken by the individual.

## **8. Application**

- 8.1 Individuals requesting redaction of public information must complete the application form (link to form here)

## **9. Inquiries**

- 9.1 For additional information regarding this policy please contact the Regional Clerks office at [clerks@durham.ca](mailto:clerks@durham.ca).

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2303.



# The Regional Municipality of Durham Report

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To: Finance & Administration Committee  
From: Commissioner of Finance  
Report: #2024-F-6  
Date: April 9, 2024

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**Subject:**

Prudent Investor: Adoption with ONE Joint Investment Board & Investment Policy update

**Recommendation:**

That the Finance & Administration Committee recommends to Regional Council:

- A) That the proposed Investment Policy Statement, attached to the Prudent Investor Enabling By-law, be approved;
- B) That the Commissioner of Finance/Treasurer be authorized to execute the ONE Joint Investment Board Agreement, attached to Prudent Investor Enabling By-law, subject to the final form and content being to the satisfaction of the Commissioner of Finance/Treasurer and the Regional Solicitor;
- C) That the draft Investment Plan (“IP”) attached to this report be received for information; and
- D) That the Prudent Investor Enabling By-law be enacted to authorize investing under the Prudent Investor standard as required by Ontario Regulation 438/97 and authorize execution of the ONE Joint Investment Board Agreement delegating control and management of the Region’s money not required immediately to the ONE Joint Investment Board.

**Report:**

**1. Purpose**

- 1.1 This report recommends a suitable governance structure and investment management services provider to facilitate adoption of the Prudent Investor (“PI”) standard for the investment of long-term funds.



- 1.2 This report proposes an updated Investment Policy Statement (“**IPS**”) to reflect the new investment powers conveyed to the Region under Section 418.1 of the Municipal Act, 2001, as amended.

## 2. Previous Reports and Decisions

- 2.1 On October 26, 2023, Council approved the adoption of the Prudent Investor Standard and instructed staff to determine the most suitable governance structure, proceed with next steps and report back as required ([#2023-F-23 Prudent Investor: Options Analysis and Next Steps for Adoption](#)).

## 3. Background

- 3.1 To identify a suitable governance structure, staff explored the potential for establishing a Durham Region Joint Investment Board (“**Durham JIB**”) with the local area municipalities. A presentation was made to the Area Treasurers in November 2023 describing the characteristics of the PI standard, communicating the Region’s intentions to pursue adoption and presenting the option to partner together to build a solution for all Durham municipalities. Ultimately, due to conflicting priorities, and varying levels of surplus funds and investment program sophistication, there was insufficient interest to establish a JIB. Regional staff will continue to gauge interest with the local municipalities for a Durham JIB in the future.
- 3.2 Establishing an Investment Board (“**IB**”) presents many of the same challenges and complexities as JIB. Given the material upfront and ongoing cost estimates, prolonged implementation period and extensive support required from internal staff and external resources, the business case for creating an IB was not deemed to be the optimal governance structure.
- 3.3 Staff worked closely with ONE Investment to understand the value proposition and fee structure of the ONE Joint Investment Board (“**ONE JIB**”) and PH&N Institutional (“**PH&N**”) as their Outsourced Chief Investment Officer (“**OCIO**”). After a series of meetings, it was determined that joining ONE JIB as a participating municipality was a cost effective, efficient way to adopt PI.
- 3.4 As part of the requirements to transition to PI through ONE JIB, an updated Investment Policy Statement is required to identify investment objectives for the short-term portfolio, managed internally and comprised of money required immediately (“**MRI**”), and the long-term portfolio, managed externally by the JIB and comprised of money not required immediately. These terms are part of the Regulation as outlined in 2023-F-23 and are not to be interpreted as surplus funds but rather an exercise to match the timing of funds with planned/forecasted expenditures.

#### 4. Definitions

- 4.1 Founding Municipalities: the municipalities of The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka, and The Corporation of the Town of Whitby, who established ONE JIB pursuant to the Regulation and the Initial Formation Agreement.
- 4.2 Initial Formation Agreement: the agreement between the Founding Municipalities dated as of May 19, 2020, under which ONE JIB was formed.
- 4.3 Investment Plan (IP): the investment plan developed by an IB or Joint Investment Board and applicable to long-term funds investments under the Regulation, as amended.
- 4.4 Investment Policy Statement (IPS): the investment policy applicable to the Municipality's investments adopted and maintained by the Council for long-term funds under the Regulation, and for short-term funds, as the same may be amended from time to time.
- 4.5 Joint Investment Board (JIB): a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.
- 4.6 Legal List securities: the securities, other investments and financial instruments that are included from time to time in Part I of the Regulation.
- 4.7 Money Not Required Immediately (MNRI): the long-term funds that will be invested in accordance with the Prudent Investor standard.
- 4.8 Money Required Immediately (MRI): short-term funds or money to be used to meet financial obligations within the next 36 months.
- 4.9 Outsourced Chief Investment Officer (OCIO): the full or partial outsourcing of MNRI to an asset management firm or investment consultant through a JIB based on the Council approved IPS.
- 4.10 Ontario Securities Commission (OSC): an independent Crown agency that regulates Ontario's capital markets by making rules that have the force of law and by adopting policies that influence the behaviour of capital markets participants.
- 4.11 Participating Municipality: refers to the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.
- 4.12 Prudent Effective Date: means the agreed upon effective date of the Municipality's authorization of the application of Section 418.1 of the Act to it on which the Prudent Investor Standard applies to the Municipality.

- 4.13 Prudent Investor (PI) standard: applies when a municipality invests MNRI under section 418.1 of the Act. It requires a Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise when investing and does not restrict the securities in which a municipality can invest.

## **5. Recommended Governance Structure**

- 5.1 Staff have reviewed the resources, costs, regulatory requirements and implementation time of the governance options listed below and concluded that joining the ONE JIB is the optimal solution for transitioning to PI.
- i. Transition to the PI and establish an independent IB;
  - ii. Transition to the PI and establish a JIB with one or more other municipalities (e.g., Durham Region JIB); or
  - iii. Transition to the PI and invest through an existing JIB (e.g., ONE JIB).
- 5.2 Under PI, control and management of cash and investments qualifying as MNRI will be delegated to ONE JIB to manage long-term investments (i.e., control of day-to-day investing) and ensure that municipalities utilizing PI have long-term investment decisions made by qualified external experts. MRI will remain under the authority of the Region with investment activities undertaken through current staffing and reporting requirements.
- 5.3 This structure provides an opportunity to collaborate with an OCIO to access and leverage enhanced levels of dedicated staffing, external investment expertise and risk management capabilities.

## **6. Rationale for Joining ONE JIB**

- 6.1 Service excellence is one of the pillars of the Region's current strategic plan. By partnering with ONE Investment to adopt PI and investing through ONE JIB, it exemplifies a dedication to implement best practices and effectively manage resources to deliver exceptional services and value.
- 6.2 The Region is also demonstrating leadership in the public sector by illustrating our value, promoting collaboration, prudently investing taxpayer dollars, and paving the way for other municipalities by being the first regional municipality to participate in ONE JIB's OCIO model under PI. Durham Region staff have collaboratively worked with ONE Investment and external legal counsel to lead policy development and advocated for other municipalities during the development of the "ONE JIB (OCIO)" model. As a participating member of ONE JIB, the Region would be removing barriers to entry and lowering management fees to ensure investing under PI is accessible to all interested Ontario municipalities.
- 6.3 As the Region's investments are aggregated with other participating municipalities, it will create economies of scale, decreasing investment management costs across a broad array of investment products, and providing additional opportunities to enhance diversification and earn higher risk adjusted returns.

- 6.4 Fixed costs are shared by all participating municipalities which makes it a more affordable option.
- 6.5 Through a competitive process, ONE Investment has chosen PH&N as their OCIO to act as a sub-advisor on behalf of ONE JIB and support the asset management needs of municipalities. PH&N is one of Canada's largest asset management firms and exclusively implements OCIO client portfolios through their extensive offering of internal investment products overseen by the firm and its affiliates. At the end of 2023, PH&N managed 98 Canadian OCIO clients accounting for over \$24.5B in Assets Under Management (“AUM”), including several municipalities in British Columbia through The Municipal Finance Authority of BC.
- 6.6 [ONE JIB board members](#) are primarily investment professionals with some representation from municipalities (limited by Regulation). ONE Investment is in the process of obtaining final approvals to amend the ONE JIB terms of reference to expand the board to 12 members. This change was undertaken to provide an opportunity for the Region of Durham Treasurer to join in 2024, prior to the Region’s Prudent Effective Date. The Regional Treasurer would be one of only three municipal treasurers/deputy treasurers on the Board with board members appointed for three-year terms, up to a maximum of nine years. No other municipal staff or elected officials are permitted to be appointed to a JIB by virtue of provincial legislation. Concurrently with this appointment, the Region of Durham Treasurer would need to step down as a member of the ONE Investment Board as a representative appointed by the Municipal Finance Officers’ Association to ensure there are no concerns over conflict of interest between the two boards.
- 6.7 ONE JIB was established in 2020 and provides an opportunity to leverage the knowledge and experience of a proven PI solution. At the end of 2023, there were 11 municipalities investing \$665.5M collectively through ONE JIB. These municipalities were the Towns of Aurora, Aylmer, Bracebridge, Huntsville, Innisfil and Whitby, Cities of Kenora, Quinte West, Thunder Bay, Municipality of Neebing and District Municipality of Muskoka.
- 6.8 ONE Investment’s ONE JIB (OCIO) model can also be utilized by the local Durham municipalities to facilitate their transition to PI. Interested local municipalities can request approvals at the same time with the Region or make a transition decision at a later date.
- 6.9 As a participating municipality that is not one of the founding members of ONE JIB, the Region retains the flexibility to transition away from ONE JIB in the future to create its own IB or Durham JIB without jeopardizing other participating municipalities. For example, if the long-term portfolio experiences sustained periods of sub-optimal performance versus benchmarks and/or comparators or if there was strong interest from local Durham municipalities to establish a Durham JIB. Partnership with ONE Investment does not preclude the Region from assessing alternative service providers or setting the foundation for a Durham JIB to realize the benefits described in Council report #2023-F-23. However, Durham

cannot choose to return to investing solely in Legal List securities once PI is authorized.

- 6.10 Establishing an independent IB or Durham JIB requires an extended implementation period and is costly in terms of the initial set-up and ongoing maintenance, requiring additional staff support and resources, acquisition of outside expertise, significant reporting obligations, a more “hands on” approach to investing and additional institutional layers for management and monitoring. ONE Investment needed around two years to set up its JIB, reflecting the legal complexity of creating a structure suitable for multiple municipalities.
- 6.11 Acquiring regulatory approval via an exemption from the Ontario Securities Commission (“OSC”) to provide advice to municipal investors represents a significant challenge to establishing a Durham JIB. ONE Investment experienced a lengthy period before the OSC approved its exemption, incurring legal fees over that period and is required to provide annual reporting to maintain exemption status. There is no guarantee that the OSC will grant another exemption as they have already allowed for the PI opportunity through the ONE JIB.

## **7. Money Not Required Immediately managed by ONE JIB**

- 7.1 The Region’s definition of MNRI is deemed to be funds not required within the next three years. This is a reasonable estimate given the nature, size and scope of regional infrastructure projects, the delay between budget approvals and actual expenditures and the critical need for capital plans and forecasts to meet demands upon infrastructure in the currently evolving municipal context. The Region would continue to have investment oversight for MRI under PI, i.e., short-term funds, required for operating purposes or imminent capital project financing up to three years.
- 7.2 After analyzing a combination of historical and forecasted reserve and reserve fund balances, staff have made the determination that MNRI is approximately \$2.1B, based on a three-year threshold, which is comprised of approximately \$225.6M invested with ONE Investment at the end of 2023, cash deposits, proceeds from investments and other in-kind securities. A transition plan will be developed in collaboration with ONE Investment and included in the final IP to ensure an orderly transfer of securities and cash deemed as MRNI.
- 7.3 The Region’s Strategic Plan and [Long-Term Financial Planning Framework](#) will inform the identification of funds deemed to be not required immediately. The calculation of MNRI will be updated at least annually to ensure it reflects current regional priorities and operational requirements. In addition, the Region will have an ability to withdraw up to a maximum of 25 percent of the invested funds with the ONE JIB at any time during the year should the need arise. The Region would still have custody and access to MRI as well to adjust to changing circumstances.

## 8. Requirements to join ONE JIB

8.1 The following documents have been prepared to help guide the Region and ONE JIB in setting objectives and investment strategies that will be fully compliant with legislation:

- A. The Municipal Client Questionnaire
- B. The Investment Policy Statement
- C. Investment Plan
- D. ONE JIB Agreement
- E. Prudent Investor Enabling By-law

8.2 ONE JIB will adopt an IP for the Region based on the investment objectives, risk tolerance, liquidity requirements, and other priorities for MNRI described in the IPS and MCQ, including an applicable asset mix. Allocations to riskier securities, such as equities, or alternative assets, such as infrastructure and real estate, can be adjusted over time to reflect shifting priorities or changing risk tolerances.

### A. Municipal Client Questionnaire (“MCQ”)

8.3 The MCQ attached to the Prudent Investor Enabling By-law is a “know your client” document developed by ONE Investment to identify money and investments not required immediately, in accordance with the Regulation. The MCQ will be updated annually and based on the projected cash flow needs and client risk tolerance, identified in the MCQ, ONE JIB can advise on investment allocations, create an IP and manage investments effectively on an ongoing basis.

8.4 The MCQ also facilitates the development of the Region’s Investment Policy Statement (“IPS”). Staff have completed the MCQ, as approved by the Treasurer, and such approved MCQ will be used by ONE JIB in conjunction with the IPS to develop the IP.

8.5 The MCQ also helps define an overall risk tolerance level. This will be used to inform risk tolerance on a portfolio basis in the IPS. The Region has indicated a willingness to accept low to moderate risk, including some risk of loss of capital over the short-term, for potentially higher returns over the longer term. It is critical to note that the objective of PI is to increase the risk adjusted returns of the portfolio to provide relief to taxpayers and assist in enhanced financing of capital plans. However, with enhanced returns comes enhanced risk. There is no guarantee that global shocks such as COVID or the global financial crisis in 2008/9 will not reoccur in some form over future years. Council needs to be prepared for fluctuations in the value of the investment portfolio over time and the need to keep focus on a long-term viewpoint.

**B. Investment Policy Statement**

- 8.6 The IPS attached to the Prudent Investor Enabling By-law is a comprehensive statement of The Region's investment program and constitutes Council's investment directions for the Region's funds in which it has a direct or indirect interest including, without limitation, its MRI and MNRI.
- 8.7 The proposed IPS has been drafted by staff and it is through this document that Council ultimately controls investment of MNRI. Council can review and modify the IPS at any time if deemed necessary due to a change in circumstances. As per the Regulation, Council must conduct a review of the IPS at least annually, and, if necessary, update it accordingly. It is the Region's responsibility to notify ONE JIB of any changes to the IPS so that the IP can be updated accordingly.
- 8.8 The Regulation requires that ONE JIB prepare an investment report annually, or more frequently, if specified by Council. ONE Investment will provide monthly portfolio statements in addition to any investment reports required for Council review. The standard reporting provided by ONE JIB will be fully compliant with municipal legislation.

**C. Investment Plan**

- 8.9 The IP is a detailed document which outlines ONE JIB's overall investment approach as well as the asset mix for each of the Region's investment outcomes, or objectives. The adoption of an IP is the responsibility of ONE JIB, as required by the Regulation.
- 8.10 A draft IP, provided in Appendix A, has been prepared by ONE Investment staff based on the IPS and MCQ developed by regional staff. This draft demonstrates the connection between the IPS, MCQ and the IP. The responsibility for adopting an IP will ultimately rest with ONE JIB and will be finalized and adopted at a subsequent meeting of ONE JIB. At that meeting, ONE JIB will review, modify, if necessary, and adopt the IP. The Treasurer has reviewed a copy of the draft IP and is satisfied with its content.
- 8.11 The Region's investment objectives identified in the IPS have been grouped by investment horizon (short, medium and long-term) based on risk tolerance and need for liquidity. This information is used to develop the account structure, portfolio constraints and target asset allocations in the IP.
- 8.12 Staff will continue to work with ONE Investment to finalize the IP based on the approved IPS and MCQ. This includes allocating the \$2.1B of MNRI managed by ONE JIB amongst investment outcomes and products.

**D. ONE JIB Agreement**

- 8.13 The ONE JIB Agreement attached to the Prudent Investor Enabling By-law was prepared by WeirFoulds LLP and reviewed by the founding municipalities, ONE

Investment and ONE JIB. The ONE JIB Agreement has also been reviewed to the satisfaction of the Treasurer and Regional Solicitors Office.

- 8.14 The ONE JIB Agreement sets out the basis on which the founding and participating municipalities investing through ONE JIB will be able to do so. It establishes the relationship between ONE JIB, the founding and participating municipalities and ONE Investment.
- 8.15 Municipalities adopting PI by investing through ONE JIB are required to have its Council authorize the execution of the ONE JIB Agreement.
- 8.16 The ONE JIB Agreement provides the detailed framework related to the transfer of control and management of money and investments that are not required immediately to ONE JIB. The ONE JIB Agreement also addresses the following major areas:
- Appointment, composition and governance of ONE JIB, including a Code of Conduct and Integrity Commissioner responsibilities;
  - Roles and responsibilities of the municipalities;
  - Roles and responsibilities of ONE JIB;
  - Reporting requirements;
  - Fees; and
  - Withdrawal from ONE JIB.
- 8.17 Oversight and proper operation of the ONE JIB is a key consideration to protect the management of municipal funds. Pursuant to the ONE JIB Agreement, the founding municipalities have established a Code of Conduct for ONE JIB and appointed an Integrity Commissioner and Closed Meeting Investigator.

#### **E. Prudent Investor Enabling By-law**

- 8.18 The Prudent Investor Enabling By-law requires adoption by Council to authorize the following:
- (a) the completion of Region's MCQ, which provides ONE Investment and the ONE JIB with critical information about the municipality's MNRI, investment objectives and risk tolerance;
  - (b) the approval of an IPS, which will be informed by the MCQ;
  - (c) the entering into of an agreement with ONE JIB under which ONE JIB will invest on behalf of The Regional Municipality of Durham;
  - (d) the application of section 418.1 of the Act after the ONE JIB Agreement has been signed by the Municipality, ONE JIB and ONE Investment; and
  - (e) other various documents, specific agreements and delegation of certain powers and duties.



## 9. Financial Considerations

- 9.1 PI provides an opportunity to enhance long-term returns and mitigate risk by building stronger, more diverse investment portfolios. Alternative revenue sources for municipalities are limited and investments returns can be a critical component of revenues to help fund future capital requirements while limiting tax implications for residents.
- 9.2 Participating in the ONE JIB (OCIO) model will save the time and costs otherwise spent on creating, implementing and operating a PI solution. ONE Investment incurred upfront expenses of approximately \$2.0M across two years for legal, technology, consulting (e.g., asset allocation studies), custodial, compliance, manager research and JIB recruitment costs, etc. in the establishment of ONE JIB. The startup costs incurred by the City of Toronto to establish its own IB were also significant. Conservative estimates indicate the City of Toronto spent over \$1.1M in out-of-pocket costs setting up its IB, in addition to ongoing costs such as board member remuneration and City staff support.
- 9.3 Up to \$1.5M in estimated annual operating expenses to satisfy insurance, audit, tax, regulatory, staffing and JIB remuneration requirements etc. could be saved by joining ONE JIB based on discussions with ONE Investment and the Cities of Toronto and Ottawa.
- 9.4 Investment portfolios are subject to management fees and other expenses. During ONE Investment's RFP process to appoint an OCIO, PH&N provided the lowest fees versus competitors, in addition to no additional advisory fees. Fees will be deducted from outstanding investment balances and are not borne directly by the Region. Management fees will be variable and should decline as a percentage of assets as aggregate AUM increases and additional municipalities join the program. To maintain confidentiality requirements, the PH&N fee schedule cannot be published in this Council report. However, the Regional Treasurer has reviewed the PH&N fee schedule in addition to analysis prepared by staff, estimating annual investment management fees to be in the area of \$5.1M which will be significantly offset by increased investment returns. Based on best assumptions, this is calculated to be a very competitive embedded cost given the size and complexity of the Region's portfolio.
- 9.5 ONE Governance Fees are charged in addition to PH&N investment management fees to cover the direct costs of operating the PI program including governance, staff, reporting, administration, compliance, legal etc. As a not-for-profit entity, ONE Investment structures fees to recover its operating costs and set aside appropriate reserves for future investment. Fees are tiered, and cumulative, based on each participating municipality's AUM balance up to \$1.0B. No additional fees are charged on asset balances over \$1.0B. Based on Appendix B: ONE Governance Fees, the Region's governance fees are projected to be \$0.7M annually.

- 9.6 If approved, the ONE JIB (OCIO model) will require ongoing staff time, costs and resources to support requirements after implementation of the completed structure. This includes efforts to update the IPS, assess risk tolerance, enhance cash flow forecasts, participate in asset allocation studies, provide feedback on the IP and acquire independent legal or consulting advice, as required.

## **10. Conclusion**

- 10.1 After careful consideration of the costs, merits and limitations of the potential governance options, staff recommend joining ONE JIB's OCIO model to implement the PI Standard and comply with regulatory requirements to expand investment opportunities. The Region will benefit from professional investment advice, experienced portfolio management services and funds managed by PH&N, customized investment solutions and the potential for risk reduction and better returns than under the current Legal List.
- 10.2 The asset mix for long-term funds developed in consultation with PH&N and ONE Investment and overseen by ONE JIB will be invested by professionals who will aim to maximize risk-adjusted returns in an environment where there are many more opportunities to diversify investments.
- 10.3 As a participating municipality, the Region has potential for direct participation as a member of ONE JIB, and more influence over new PI product offerings, and governance decisions, such as the selection of future ONE JIB members.
- 10.4 There is insufficient interest at this time to warrant the establishment of a Durham JIB based on discussions with the local municipalities, and the costs and implementation time of creating an IB or JIB are prohibitive in the short-term. A JIB solution for Durham municipalities can still be pursued in the future should the need arise.
- 10.5 A number of attachments have been included to provide more detailed information as back up documentation, understanding the significant nature of the direction by Committee.

## **11. Relationship to Strategic Plan**

- 11.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Service Excellence Goals 5.1 and 5.4 – This report demonstrates the commitment to effective, responsible financial management and provision of exceptional value to Durham taxpayers by optimizing resources and partnerships to deliver exceptional quality services and value, and identifying opportunities to drive organizational success through innovation, a skilled workforce, and modernized services.

**12. Attachments**

Attachment #1: Appendix A: Draft Investment Plan

Attachment #2: Appendix B: ONE Governance Fees

Respectfully submitted,

Original Signed By

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Nancy Taylor  
Commissioner of Finance/Treasurer

Recommended for Presentation to Committee

Original Signed By

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Elaine C. Baxter-Trahair  
Chief Administrative Officer

## Appendix A – Draft Investment Plan

### Account Structure

3 – 5 Years	Risk tolerance is low (5% max annual loss)	95.20 MM
6 – 10 Years	Risk tolerance is low to moderate (7.5% max annual loss)	63.79 MM
10+ Years	Risk tolerance is low to moderate (10% max annual loss)	1,892.85 MM

### Portfolio Constraints

<b>Maturity</b>	<b>Constraints</b>
3 – 5 Years	No equities No Canadian Core Real Estate No Global Infrastructure
6 – 10 Years	30% maximum in equities No Canadian Core Real Estate No Global Infrastructure
10+ Years	30% maximum in equities No Canadian Core Real Estate No Global Infrastructure

### Allocations

<b>Maturity 3 -5 Years</b>	
<b>Asset Classes</b>	<b>Target Weight</b>
<b>Fixed Income</b>	
Short-Term Bonds	50%
Corporate Bonds	20%
Private Placement Corporate Debt	5%
Commercial Mortgages	5%
High Yield Bonds	5%
Global Multi-Asset Credit	15%
<b>Total</b>	<b>100%</b>

<b>Maturity 5 -10 Years</b>	
<b>Asset Classes</b>	<b>Target Weight</b>
<b>Fixed Income</b>	
Short-Term Bonds	35%
Private Placement Corporate Debt	10%
Commercial Mortgages	10%
Global Multi-Asset Credit	15%
<b>Total</b>	<b>70%</b>
<b>Equities</b>	
Canadian Equities	7.5%
Canadian Low Volatility Equities	7.5%
U.S. Equities	5%
U.S. Low Volatility Equities	5%
International Equities	5%
<b>Total</b>	<b>30%</b>
<b>Total</b>	<b>100%</b>

<b>Maturity 10 + Years</b>	
<b>Asset Classes</b>	<b>Target Weight</b>
<b>Fixed Income</b>	
Short-Term Bonds	17.5%
Universe Bonds	17.5%
Private Placement Corporate Debt	10%
Commercial Mortgages	10%
Global Multi-Asset Credit	15%
<b>Total</b>	<b>70%</b>
<b>Equities</b>	
Canadian Equities	7.5%
Canadian Low Volatility Equities	7.5%
U.S. Equities	5%
U.S. Low Volatility Equities	5%
International Equities	5%
<b>Total</b>	<b>30%</b>
<b>Total</b>	<b>100%</b>

## Appendix B – ONE Investment Governance Fees

<b>Tier</b>	<b>Municipal AUM</b>	<b>Base bps</b>	<b>Tier Discount bps</b>	<b>Net Fee bps</b>
1	\$0 - \$10,000,000	25	0	25
2	\$10,000,001 - \$50,000,000	25	2	23
3	\$50,000,001 - \$100,000,000	25	6	19
4	\$100,000,001 - \$200,000,000	25	15	10
5	\$200,000,001 - \$500,000,000	25	19	6
6	\$500,000,001 - \$1,000,000,000	25	20	5
7	\$1,000,000,001 and above	25	25	0



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: #2024-F-7  
Date: April 9, 2024

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**Subject:**

Region of Durham Water Financial Plan #003-301A

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**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council:

- A) That in accordance with Provincial Regulation 453/07, the Water Financial Plan (Provincial #003-301A) as provided in Appendix #1, which has been prepared in the Public Sector Accounting Standards format employing tangible capital asset methodology, be approved;
  - B) That a copy of the Water Financial Plan and Council Resolution approving the plan be submitted to the Ministry of Municipal Affairs and Housing as prescribed by Ontario Regulation 453/07 under the Safe Drinking Water Act, 2002 which requires owners of municipal drinking water systems to submit a Water Financial Plan to the Province in order to obtain or maintain a Municipal Drinking Water Licence; and
  - C) That notification be placed on the Region's website and on the Public Notification section of the Metroland website to advise the public of the availability of Durham's Water Financial Plan, as prescribed by Ontario Regulation 453/07.
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**Report:**

**1. Purpose**

- 1.1 As part of the Province's commitment to implement all of Justice O'Connor's recommendations from the Walkerton Inquiry, the Ministry of Environment (now the Ministry of Environment, Conservation, and Parks) put in place an approvals framework (The Municipal Drinking Water Licence Program) under the Safe Drinking Water Act, 2002 (SDWA) for municipal drinking water systems. This program replaced the previous Ministry of Environment Certificate of Approval process.

- 1.2 There are five requirements under the Municipal Drinking Water Licence Program for a municipality to become licensed, which include:
  - Obtaining a water works permit;
  - Acceptance of the operational plan for the system based on the Drinking Water Quality Management Standard;
  - Accreditation of the Operating Authority;
  - Obtaining a permit to take water; and
  - Preparing and providing a financial plan.
- 1.3 The Province passed Ontario Regulation 453/07 in August 2007 which identified the requirements of the Financial Plan for water systems. The regulation is part of the Province's long term strategy to ensure that municipal drinking water systems are financially viable.
- 1.4 The Region of Durham received its municipal drinking water license in November 2009 and the Region submitted its first Water Financial Plan to the Ministry of Municipal Affairs and Housing (MMAH) in June 2010 as prescribed by the Regulation. The Region subsequently sent an updated Water Financial Plan to MMAH in both May 2014 and May 2019, as prescribed by the Regulation, to renew its license.
- 1.5 The Region is required to submit an application to renew its municipal drinking water license by May 18, 2024. Prior to this date, the Region is required to submit a Financial Plan aligned with the requirements of Ontario Regulation 453/07 that has been approved by Regional Council to MMAH along with a copy of the approving resolution by Regional Council. The purpose of this report is to satisfy these requirements in order to renew the Region's municipal drinking water licence.

## **2. Previous Reports and Decisions**

- 2.1 On April 24, 2019 Regional Council, through [Report #2019-F-16](#) approved the 2019 – 2024 Water Financial Plan # 003-301A under Ontario Regulation 453/07.

## **3. Requirements of Financial Planning Regulation 453/07**

- 3.1 The regulation requires owners of municipal drinking water systems to complete and submit Financial Plans for existing and new water systems. The Financial Plans must be developed for at least a six-year period and must contain details of a system's financial position, financial operations and cash flow and be made available to the public. The regulation does not require Provincial approval of Financial Plans but the plans must be submitted to MMAH.
- 3.2 The Financial Plan must be approved by the owner (Council) and a copy of the Financial Plan and the approving resolution must be submitted to MMAH. The Financial Plan must be updated in conjunction with every application to renew a system's drinking water licence (i.e., every five years).



### 3.3 The Financial Plan must include the following information:

- Details of the projected financial position of the system including:
  - Total financial assets;
  - Non-financial assets that are tangible capital assets, tangible capital assets under construction, inventories of supplies and prepaid expenses;
  - Changes in tangible capital assets that are additions, donations, write downs and disposals;
  - Total liabilities; and
  - Net debt.
- Details of the projected financial operations for the system including:
  - Total revenues, itemized by water rates, user charges and other revenues;
  - Total expenses, itemized by amortization expenses, interest expenses and other expenses;
  - Annual surplus or deficit; and
  - Accumulated surplus or deficit.
- Details of the drinking water system's projected cash flow including receipts and payments arising from:
  - Financing activities;
  - Capital activities;
  - Investing activities;
  - Operating activities;
  - Changes in cash and cash equivalents during the period; and
  - Cash and cash equivalents at the beginning and end of period.

3.4 The Regulation states that for a municipality that owns and operates numerous water supply systems (like the Region with fourteen water supply systems), the municipality can prepare a single Financial Plan for all systems.

3.5 Asset Management Plans and the Financial Plans are also required to be integrated as Ontario Regulation 588/17 (Asset Management Planning for Municipal Infrastructure) requires that asset management planning be aligned with the Financial Plans related to the municipality's water assets prepared under the Safe Drinking Water Act, 2002.

## **4. Durham's Current Financial Planning Practices**

4.1 The Region has adopted a Long-Term Financial Planning Framework that provides an integrated and coordinated approach for the funding of Regional Council's priorities, accommodating growth, and investing in infrastructure and service levels, with property taxes and user rate increases aligned with service priorities. The plan brings together the Region's financial planning process and financial policies, which are guided by the three core principles of financial flexibility, sustainability, and affordability.

- 4.2 With this, long-term financial planning is an integral part of the Region's Business Planning Process. Regional Council approves annual business plans and budgets related to water supply and sanitary sewerage which includes a detailed ten-year capital forecast which outlines projected financing requirements. In addition, the Region's Asset Management Plan identifies projected future capital and operating costs and sources of funding (upfront funding, development charges, user rates, debt etc.) and potential financing strategies to ensure the long-term financial viability of the Region's various assets including the Region's water systems.
- 4.3 The Region is also required to complete a full review of its development charge by-law as per the Development Charges Act legislation. Previously, the reviews were undertaken at a minimum of every five years. Changes to the Development Charges Act now extend the life of development charge by-laws up to ten years. The development charge study estimates the future population and employment growth for the Region and identifies the capital requirements to accommodate the residential and non-residential growth. Based on this information, a development charge is established for a number of Regional services including water supply. Development charges provide revenue to fund a portion of the growth-related capital expenditures and ease the burden on existing residents.
- 4.4 The Region's financial policies (pay as you go financing, use of reserves, commitment that growth-pays-for growth, and minimal debt issuance) and the use of long-term financial planning has supported the Region's strong financial position and has resulted in the Region consistently achieving a Triple "A" credit rating, the highest credit rating available.

## **5. Durham's Financial Plan #003-301A (Appendix #1)**

- 5.1 The Region's Financial Plan (Appendix #1) is for an existing water supply system and has been prepared in accordance with Public Sector Accounting Standards employing tangible capital asset methodology. The schedules are unaudited and the time period for the Financial Plan is the six-year period (2024-2029).
- 5.2 The Financial Plan provided in Appendix #1 provides the necessary schedules and information to meet the requirements of Ontario Regulation 453/07. The information provided in these schedules reflects the changes to the Development Charges Act that lowers the amount of growth-related costs being funded by development charges and projected increases in user rate revenue to fund the development charge shortfalls resulting from the phase-in, freezing, exemptions and discounts of development charges resulting from Bill 23, *More Homes Built Fast Act*, Bill 134, *Affordable Homes and Good Jobs Act, 2023* and related legislation. Any further changes to development charge legislation that further restricts or eliminates the amount of development charges collected for water supply would result in higher user revenue requirements and/or the deferral of the capital program, which would impact the Financial Plan in Appendix #1.

5.3 The on-going work on the Region's Asset Management Plan and the approved 2024 Water Supply Business Plans and Budget and the 2024 Water and Sewer User Rate Report provided the data necessary to complete the Financial Plan. The schedules in the Financial Plan as mandated by the Regulation provide limited information regarding user rate pressures, age and condition of Regional infrastructure.

## **6. Public Notice**

6.1 Section 3(5) of Ontario Regulation 453/07 requires that the owner of a drinking water system must:

- Make the financial plans available, on request, to members of the public who are served by the drinking-water system without charge;
- Make the financial plans available to members of the public without charge through publication on the Internet, if the owner maintains a website on the Internet; and
- Provide notice advising the public of the availability of the financial plans in a manner in the opinion of the owner, will bring the notice to the attention of members of public who are served by the drinking-water system.

## **7. Oversight Responsibilities Under the Safe Drinking Water Act**

7.1 Under Section 19 the Safe Drinking Water Act, it states that for a municipal water system owned by a municipality, that every person (i.e., councillors and senior municipal officials) on behalf of the municipality involved in overseeing the accredited operating authority of the system or exercising decision-making authority over the system must:

- Exercise the level of care, diligence and skill in respect of a municipal water system that a reasonably prudent person would be expected to exercise in a similar situation; and
- Act honestly, competently and with integrity with a view to ensure the protection and safety of the users of the municipal water system.

## **8. Relationship to Strategic Plan**

8.1 This report aligns with/addresses the following strategic goal and priority in the Durham Region Strategic Plan:

- Goal 5: Service Excellence – Optimize Resources and Partnerships to Deliver Exceptional Quality Services and Value – by responsibly managing the Region's financial assets to deliver critical infrastructure and services for current and future generations.

## **9. Conclusion**

9.1 It is recommended that the Financial Plan as included in Appendix #1 be approved and be provided to MMAH to fulfill the requirements for the Region to renew its Municipal Drinking Water Licence.

9.2 This Report has been reviewed by staff of the Works Department and the Commissioner of Works who concurs with the recommendations.

**10. Attachments**

10.1 Attachment #1: Financial Plan #003-301A

Respectfully submitted,

Original Signed By

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N. 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



# **Region of Durham**

## **Water Financial Plan Ontario Regulation 453/07**

**Financial Plan #003-301A**

**Prepared by:**

**The Regional Municipality of Durham**

**April 2024**

## 1.1 Purpose

The Region of Durham has completed a financial plan for the time period 2024 - 2029 for its existing water supply systems as part of the requirements to renew its municipal drinking water license as per the *Safe Drinking Water Act, 2002*. The Region needs to submit its application to renew its municipal drinking water license by May 18, 2024, therefore a Financial Plan approved by Regional Council must be submitted to the Ministry of Municipal Affairs and Housing (MMAH) by May 18, 2024. The Financial Plan is being made available to the public, as required by Ontario Regulation 453/07, through the Region's website. In addition, a public notice will be provided on the Public Notification section of the Metroland website to advise the public of the availability of the Region of Durham's Water Financial Plan.

## 1.2 Background

The Financial Plan includes capital and operating costs, acquisition and disposal of tangible capital assets including amortization and accretion costs and consideration of available funding sources. The Financial Plan complies with Ontario Regulation 453/07 for an existing water system. Although the Region of Durham has 14 water supply systems, one single Financial Plan is being submitted for all systems as permitted.

Under Public Sector Accounting Standards, municipalities adopted full accrual accounting practices beginning January 1, 2009. The requirements under section PS3150 require municipalities to report additional information related to the treatment of tangible capital assets and amortization costs. In 2023, the Region also adopted PS3280 for Asset Retirement Obligations, requiring the reporting of costs related to legal obligations that will be incurred by the Region when an asset is ultimately disposed of or retired. The information provided in the schedules comply with the Public Sector Accounting Standards.

## 1.3 Financial Plan

The following three unaudited schedules for the Region's Water Supply System provide the information required by Ontario Regulation 453/07:

- I. Schedule 1 is the Region's Statement of Financial Position which identifies the financial assets, liabilities, net financial assets/debt and non-financial assets;
- II. Schedule 2 is the Statement of Operations which provides water revenue, expenses, annual surplus or deficit and accumulated surplus or deficit; and
- III. Schedule 3 is the Statement of Cash Flow which provides cash provided by operating transactions, cash applied to capital transactions, cash provided by investing transactions, cash applied to financing transactions and cash and cash equivalents (beginning and end of year).

Ontario Regulation 453/07 also states that details regarding the replacement of lead service pipes must be identified as it relates to the three schedules provided. The 2024 Water Supply Business Plans and Budgets approved by Regional Council includes a ten-year capital forecast (2024 – 2033) which

includes an annual allowance to support the replacement of lead water service connections (\$0.5 million for 2024, \$1.0 million annually for 2025 through 2027, and \$5.0 million annually for 2028 through 2033). The lead service replacement program provides for the following:

- The Region will replace the portion of lead water service connections that are found within the public right of way. The homeowners will be encouraged to replace the private side portion of the service when it is confirmed that lead material exists, which requires them to hire a qualified plumber to work on private property at their cost; and
- If a homeowner has provided confirmation to the Region of a lead water service connection on their property, staff will provide notification to homeowners in the adjacent area that they may have lead water service connections as well.

The Region will provide the household with a water filter (certified to NSF 053 International Standards) to remove lead from the water and provide testing to each property when the Region has replaced the lead water service connection on the public right of way side. This strategy will manage potential temporary increased exposure due to system disturbance. The annual funding allowance for the replacement of lead service connections, as outlined above, has been incorporated into the Financial Plan Schedules for 2024 - 2029.

Health Canada has a proposed guideline for lead in drinking water. The proposed guideline has a couple of significant changes as follows:

- Lowering the maximum acceptable concentration (MAC) for lead in drinking water from 10 ug/l to 5 ug/l; and
- Applying the proposed MAC to water samples taken at the tap.

It is important to note that when drinking water leaves a water supply plant or well, it typically contains no measurable level of lead. Lead at the water tap in homes comes mainly from the lead service lines.

In addition, plumbing components on the customer's internal private system can also contribute to lead within tap water. If Health Canada's guideline is adopted in regulation by the Province of Ontario, water utilities will have a challenge to meet "at the tap" compliance as there is limited or no access to the customer's private plumbing system. Regional staff will monitor any change in regulations for lead and update Council on any challenges to meet potential new requirements.

The following three schedules are based on the Council approved 2024 Water Supply Business Plans and Budget including the 2024 – 2033 Capital Forecast and have been converted into Public Sector Accounting format employing tangible capital asset methodology as required by Provincial Regulation 453/07.

Please refer to the Region's annual User Rate Report, Annual Water Supply Business Plans and Budget and the Region's Asset Management Report. These planning reports provide detailed information on:

- The age and condition of the Regional infrastructure and the capital requirements to address the replacement / rehabilitation needs;

- Development forecasts (residential and non-residential) and the capital requirements to meet the needs of future growth; and
- Future financing challenges including pressures on user rates and potential shortfalls in development charge funding.

The Provincially prescribed schedules do not provide information concerning the age and condition of Regional water supply infrastructure or the future financial challenges with respect to user rates and development charge funding, both of which are required for a complete evaluation of the financial health of a water supply system.

Contact: Nancy Taylor  
Commissioner of Finance  
Finance Department, Regional Municipality of Durham



**Schedule 1**  
**Regional Municipality of Durham**  
**Statement of Financial Position – Water Supply <sup>(1)</sup>**  
**Unaudited: For Financial Planning Purposes Only**  
**2024 - 2029**  
**(\$millions)**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Total Financial Assets	549.2	578.1	733.0	639.9	711.0	731.2
Total Liabilities	432.2	486.4	759.4	745.0	912.4	937.0
Net Financial Assets/(Debt)	117.0	91.7	-26.4	-105.2	-201.4	-205.8
Total Non-Financial Assets	1,796.5	2,056.4	2,381.1	2,706.4	3,052.1	3,259.0
Accumulated Surplus	1,913.4	2,148.1	2,354.7	2,601.3	2,850.7	3,053.3

**Notes:**

1. This schedule has been prepared on a Public Sector Accounting basis.
2. Columns may not add due to rounding.
3. The following schedule summarizes the annual estimated change in tangible capital assets (in \$ millions):

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Change in Tangible Capital Assets	187.4	292.3	363.8	367.3	394.8	265.1

**Schedule 2**  
**Regional Municipality of Durham**  
**Statement of Operations – Water Supply <sup>(1)</sup>**  
**Unaudited: For Financial Planning Purposes Only**  
**2024 - 2029**  
**(\$millions)**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Revenues</b>						
Water Revenues	135.2	157.4	172.8	189.7	206.3	209.4
Other Revenues	107.9	203.0	177.1	225.1	229.7	197.1
Revenues Sub-Total	243.1	360.4	349.8	414.8	436.0	406.5
<b>Expenses</b>						
Operating Expenses	79.5	91.9	99.3	111.1	123.1	125.0
Amortization Expenses	30.8	32.4	39.1	42.0	49.2	58.2
Loss on Disposal	0.1	0.5	0.8	0.5	0.5	0.5
Interest Expenses	1.0	1.0	4.1	14.5	13.8	20.2
Expenses Sub-Total	111.3	125.8	143.2	168.2	186.6	203.9
Total Annual Surplus	131.8	234.6	206.6	246.6	249.4	202.6
Total Accumulated Surplus (End-of-Year Balance)	<b>1,913.4</b>	<b>2,148.1</b>	<b>2,354.7</b>	<b>2,601.3</b>	<b>2,850.7</b>	<b>3,053.3</b>

**Note:**

1. This schedule has been prepared on a Public Sector Accounting basis.
2. Columns may not add due to rounding.

**Schedule 3**  
**Regional Municipality of Durham**  
**Statement of Cash Flow – Water Supply <sup>(1)</sup>**  
**Unaudited: For Financial Planning Purposes Only**  
**2024 - 2029**  
**(\$millions)**

	<u><b>2024</b></u>	<u><b>2025</b></u>	<u><b>2026</b></u>	<u><b>2027</b></u>	<u><b>2028</b></u>	<u><b>2029</b></u>
Cash Provided by Operating Transactions	245.3	255.3	307.3	283.1	331.4	300.5
Cash Provided by/(Applied to) Capital Transactions	-172.8	-276.9	-311.6	-344.1	-371.6	-242.1
Cash Provided by/(Applied to) Investment Transactions	1.5	1.3	0.7	1.4	1.2	1.5
Cash Provided by/(Applied to) Financing Transactions	-1.8	61.3	206.7	-14.8	127.7	-22.9
Increase in Cash and Cash Equivalents	72.1	41.0	203.2	-74.4	88.6	37.0
Cash and Cash Equivalents, Beginning of Year	347.2	419.3	460.3	663.5	589.1	677.7
Cash and Cash Equivalents, End of Year	<b>419.3</b>	<b>460.3</b>	<b>663.5</b>	<b>589.1</b>	<b>677.7</b>	<b>714.7</b>

**Note:**

1. This schedule has been prepared on a Public Sector Accounting basis.
2. Columns may not add due to roundin.



# The Regional Municipality of Durham Report

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To: Finance and Administration Committee  
From: Commissioner of Finance  
Report: #2024-F-8  
Date: April 9, 2024

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**Subject:**

Sole Source Approval of Standing Agreements for the Purchase of Proprietary Durham Region Transit Bus Parts, Farebox and Associated Parts, and Extended System Warranty and Support for the GFI Fare Collection System

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**Recommendations:**

That the Finance and Administration Committee recommends to Regional Council:

- A) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with New Flyer Industries and Prevost (Nova Bus) to continue the sole source purchases of proprietary bus parts at an estimated annual cost of \$700,000 for New Flyer Industries, and \$300,000 for Prevost, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
  - B) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival to continue to sole source the purchase, repairs, required proprietary parts and equipment for fareboxes at an estimated annual cost of \$75,000, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
  - C) That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival Inc. to continue to sole source for system warranty and support for the GFI system at an estimated annual cost of \$50,700, to be funded from the annual Durham Region Transit Business Plans and Budget be approved; and
  - D) That the Commissioner of Finance be authorized to execute the necessary agreements.
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## Report

### 1. Purpose

- 1.1 The purpose of this report is to seek approval for the extension of three sole source agreements that each exceed \$100,000. Sole source standing agreements are required with New Flyer Industries, Prevost (Nova Bus), and Garival Inc., for procurement of proprietary parts that are not available in the competitive after-market bus parts industry, are part of the Region's farebox system or are for the provision of system warranty and support for the GFI fare collection system.

### 2. Background

- 2.1 Since Durham Region Transit was formed in 2006, standing agreements have been created with various suppliers. New Flyer Industries and Nova Bus use exclusive authorized distributors for various proprietary parts respective to their bus models. Garival Inc. is the certified exclusive authorized distributor and parts/service provider for Durham Region Transit's farebox system. Standing agreements with these three vendors will continue to support efficient operation and maintenance of DRT buses.

### 3. Previous Reports and Decisions

- 3.1 Similar reports requesting sole source approval to negotiate standing agreements with New Flyer Industry Parts, Prevost and Garival were approved by Committee of the Whole ([Report #2018-COW-65](#)) on April 4, 2018, and Regional Council on April 11, 2018, and by Finance and Administration Committee ([Report #2021-F-8](#)) on May 11, 2021 and by Regional Council on May 26, 2021.

### 4. Financial Implications

- 4.1 Section 7 of the Region's Purchasing By-Law 16-2020 allows for sole source purchases and requires Council approval where the sole source purchase exceeds \$100,000. Appendix C, article 1.1 of By-law 16-2020 supports the sole source agreements to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative.
- 4.2 Continued funding for the annual expenditures under the standing agreements with New Flyer Industries (\$700,000), Prevost (\$300,000) and Garival for parts and equipment (\$75,000) and for warranty and support (\$50,700) will be provided within Durham Region Transit's annual Business Plan and Budgets.

**5. Relationship to Strategic Plan**

5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 5: Service Excellence – Optimize Resources and Partnerships to Deliver Exceptional Quality Services and Value – by responsibly managing the Region’s financial assets to deliver critical infrastructure and services for current and future generations.

**6. Conclusion**

6.1 This report seeks approval to negotiate and award a three-year extension to each of the current standing agreements to continue to sole source with New Flyer Industries, Prevost and Garival Inc. for the purchase of proprietary bus and farebox parts and for the provision of system warranty and support for the GFI fare collection system. As required by the Region’s Purchasing By-Law 16-2020, Council approval is required for sole source agreements that exceed \$100,000.

6.2 A similar report was prepared for the April 3, 2024 Durham Region Transit Executive Committee meeting.

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