

Report #3 of the Finance & Administration Committee

For consideration by Regional Council

March 29, 2023

The Finance & Administration Committee recommends approval of the following:

1. Durham Accessibility Advisory Committee (AAC) membership appointments (2023-A-6)

A) That the following five people be appointed as community members to the Durham Region Accessibility Advisory Committee:

- i. Aly Beach
- ii. Dawn Campbell
- iii. Rosanne Purnwasie
- iv. Sarah Sones
- v. Wayne Henshall

B) That the following three individuals be appointed as representatives from industry, association and public institutions to the Durham Region Accessibility Advisory Committee:

- i. Doreen Hume-McKenna
- ii. Heather Hall
- iii. Lorrie Houston

2. Ukrainian Humanitarian Response in Durham (2023-A-7)

A) That Regional Council approve a request for up to \$750,000 to continue to provide supports to individuals and families arriving in Durham via the Canada-Ukraine Authorization for Emergency Travel (CUAET) without independent financial means and are at risk of being precariously housed or homeless, with financing to be provided at the discretion of the Commissioner of Finance;

B) That Regional staff be authorized to amend an existing Memorandum of Understanding (MoU) with the Community Development Council of Durham (CDCD) to continue to provide the needed wrap-around supports for these individuals for the duration of the project;

C) That Regional staff be delegated authority or utilize existing delegated authorities to execute any transfer payment agreements, expend funds in accordance with the program guidelines, make any modifications to the program(s) to ensure desired outcomes are achieved, that the Purchasing

By-law and Budget Management Policy be waived for this project as applicable and to receive any federal and/or provincial funds should they become available for this response;

- D) That Regional staff be directed to pursue full recovery from federal and/or provincial levels of government for the costs associated with the Region of Durham's (Region) Ukrainian humanitarian response, and that staff report back on the outcome of this undertaking; and,
- E) That a copy of report 2023-A-7 of the Chief Administrative Officer be circulated to the Minister of Immigration, Refugees and Citizenship Canada, Durham Members of Parliament (MPs), Durham Members of Provincial Parliament (MPPs), the Federation of Canadian Municipalities and the Association of Municipalities of Ontario (AMO) for their information.
3. The Remuneration and Expenses in 2022 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 (2023-F-7)

That Report #2023-F-7 of the Commissioner of Finance be received for information.

4. 2023 Strategic Property Tax Study (2023-F-8)
- A) That for the 2023 property taxation year, the municipal property tax ratios for the following property classes and subclasses for the Regional Municipality of Durham be set as follows, consistent with the 2022 ratios, and the requisite by-law be prepared, and approval be granted,
- | | |
|-----------------------|--------|
| Multi-Residential | 1.8665 |
| 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:
 - i) update the Provincial statutory rate applicable to nuclear generating facilities;
 - ii) institute an annual mechanism to ensure the rate continues to be updated in the future, and;
 - iii) 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.
- 5. The 2023 Regional Business Plans and Budgets for Property Tax Purposes, including General Purpose, Solid Waste Management and Durham Region Transit [\(2023-F-9\)](#)

- A) That the 2023 Business Plans and Property Tax Budgets for General Purposes (excluding Durham Region Transit and Solid Waste Management) be approved, at a total net property tax requirement of \$679,862,000 as detailed within the 2023 Regional Business Plans and Budgets, which are highlighted in Report #2023-F-9 and summarized as follows:

Regional Operations

- i) Departmental Operations - excluding Long-term Care
- ii) Departmental Operations – Long-term Care
- iii) Bill 23 – More Homes Built Faster Act Provision
- iv) Regional Roads Reserve – Growth
- v) Regional Roads – Rehabilitation Reserve Fund
- vi) Regional Bridges – Rehabilitation Reserve Fund

Total Regional Operations

Police Services:

- vii) Police Services - Guideline
- viii) Police Services – Incremental Request above Guideline

Total Police Services

- ix) **Conservation Authorities**

Special Contributions:

- x) Land Conservation and Protection Reserve Fund
- xi) Durham Region Community Investment Grant

Total Special Contributions

SUBTOTAL

- xii) Deferral for Seaton Assessment Growth
- xiii) Adjustment to Assessment Base (re: Assessment under appeal)

TOTAL GENERAL PROPERTY TAX PURPOSES

2023 Tax Requirements (\$000s)	
	306,178
	56,954
	1,900
	12,549
	26,050
	5,525
	409,156
	245,840
	1,692
	247,532
	9,218
	297
	6,220
	6,517
	672,423
	7,047
	392
	679,862

- B) That the 2023 Capital Program for General Property Tax Purposes and financing (excluding Solid Waste, Durham Region Transit and Conservation Authorities' requirements), as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plans and Budgets, in the amount of \$408,039,000 be approved including up to \$15,667,000 in debenture financing;
- C) That the 2024 to 2032 Capital Forecast for General Property Tax Purposes (excluding Solid Waste, Durham Region Transit and Conservation Authorities' requirements), as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plans and Budgets in the amount of \$2,191,022,000 be received for information purposes only and be subject to future approvals.

Contributions for Regional Roads and Bridges

- D) That a 2023 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 2023 contribution of \$26,050,000 to the Regional Roads Rehabilitation Reserve Fund be authorized to assist with road rehabilitation requirements.
- F) That a 2023 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 2023 Budget for the Durham Regional Local Housing Corporation be approved at a total net property tax requirement of \$14,185,000.

Conservation Authorities

- H) That funding totalling \$6,628,702 for 2023 operations be approved for the Region's five Conservation Authorities as summarized below:
- | | |
|---|-------------|
| Central Lake Ontario Conservation Authority | \$4,380,990 |
| Kawartha Region Conservation Authority | 707,684 |
| Ganaraska Region Conservation Authority | 570,974 |
| Toronto and Region Conservation Authority | 707,600 |
| Lake Simcoe Region Conservation Authority | 261,454 |

Total Conservation Authority Operations Funding	\$6,628,702
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- I) That funding totalling \$1,752,525 for 2023 special projects be approved for the Region's Conservation Authorities as summarized below:
- | | |
|---|-----------|
| Kawartha Region Conservation Authority | \$144,130 |
| Ganaraska Region Conservation Authority | 245,871 |
| Toronto and Region Conservation Authority | 874,871 |
| Lake Simcoe Region Conservation Authority | 487,653 |

Total Conservation Authority Special Projects Funding	\$1,752,525
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- J) That funding totalling \$200,000 for 2023 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 |

Total Conservation Authority Land Management Funding	\$200,000
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- K) That the Oak Ridges Moraine Groundwater Program (ORMGP) Initiatives be continued in 2023 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 phase five of five of the Restoration Program in the amount of \$150,000;
 - b) Central Lake Ontario Conservation Authority for improvements to the washroom facilities at Enniskillen Conservation Area and Long Sault Conservation Area in the amount of \$130,000;
 - c) Central Lake Ontario Conservation Authority for Lynde Creek Floodplain Mapping in the amount of \$110,000;
 - d) Kawartha Conservation Authority for a final phase of the Watershed Planning project in the amount of \$27,300;
 - e) Kawartha Conservation Authority for phase four of five for the digitization of corporate records in the amount of \$5,408; and
 - f) Kawartha Conservation Authority for the implementation of their 10-year Environmental Monitoring Strategy in the amount of \$9,014.
- M) That the special funding request as outlined below be approved subject to securing the remainder of the project from the National Resources Canada Zero Emission Vehicle Infrastructure Program, project completion and accountability of project costs incurred:
- a) Central Lake Ontario Conservation Authority for two electric vehicle charging stations at the Central Lake Ontario Conservation Authority Administration Centre in the amount of \$30,000.
- N) That a contribution of \$297,000 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 2023 Business Plan and Budget

- O) That the 2023 Business Plan and Budget for Solid Waste Management at a net property tax requirement of \$57,821,000 be approved as detailed in the 2023 Solid Waste Management Business Plan and Budget.
- P) That the 2023 Capital Program for Solid Waste Management and financing, as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plan and Budget for Solid Waste Management, in the amount of \$1,880,000 be approved.
- Q) That the 2024 to 2032 Capital Forecast for Solid Waste Management as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plans and Budgets in the amount of

\$50,134,000 be received for information purposes only and be subject to future approvals.

Durham Region Transit 2023 Business Plan and Budget

- R) That the 2023 Business Plan and Budget for Durham Region Transit be approved at a total net property tax requirement of \$79,670,000, as detailed in the 2023 Durham Region Transit Business Plan and Budget.
- S) That the 2023 Capital Program for Durham Region Transit and financing, as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plans and Budget, in the gross amount of \$87,854,000 be approved, including up to \$19,804,000 in debenture financing (including \$12,804,000 in long-term financing from the Canada Infrastructure Bank), with the exception of the Harmony Terminal and the Windfield Farms Terminal project and associated financing of \$7,000,000 which is subject to further reporting and approval by Regional Council.
- T) That the 2024 to 2032 Capital Forecast for Durham Region Transit as outlined in Attachment 4 to Report #2023-F-9 and as further detailed within the 2023 Regional Business Plans and Budget in the amount of \$968,878,000 be received for information purposes only and be subject to future approvals.

Canada Infrastructure Bank (CIB) Credit Agreement for the Acquisition of Zero Emission Bus (ZEB) Fleet

- U) That the borrowing upon credit of The Regional Municipality of Durham of a maximum principal amount of \$62,000,000.00 for the acquisition of the ZEB Fleet, the entering into of the Credit Agreement by the Regional Chair and the Regional Clerk, and the establishment of the Credit Facility described in the Credit Agreement be approved, subject to the concurrence of the Regional Treasurer and that approval be granted for the requisite authorizing by-law.
- V) That pursuant to the authority contained in Section 23.1 and Subsection 412 (2) of the Municipal Act, 2001, as amended, the Region hereby delegates to the Regional Treasurer, in consultation with the Regional Clerk, the authority to amend the authorizing by-law by attaching additional Schedules “C”, commencing with Schedule “C-2” for the acquisition of additional ZEBs in respect of which additional Advances under the Credit Facility will be made by the CIB to the Region in accordance with the Credit Agreement. The Regional Treasurer will report the terms of any such additional Schedules “C” to Regional Council for information once every calendar year for Regional Council’s information.

- W) That the Regional Treasurer be authorized to generally do all things and to execute all other documents and papers in the name of the Region in order to carry out the long-term borrowing under the Credit Agreement.

Financial Management and Accountability

- X) That the Listing of 2023 Regional Fees and Charges, as set forth in the 2023 Regional Business Plans and Budgets be approved and made available to the public and all applicable by-laws be amended accordingly.
- Y) That the existing U-Pass agreement with Durham College, Ontario Tech University and Trent University (Durham Campus) be extended through the 2023-2024 academic year, including a 1.9 per cent increase in the fee per eligible student from \$147.25 per semester to \$150.00 per semester for the period of September 1, 2023 to August 31, 2024, an increase of \$2.75 per four month semester.
- Z) That based upon the 2023 Regional Business Plans and Budgets as recommended herein, the Commissioner of Finance be authorized to set 2023 Regional Property Tax Rates for General Purposes, Solid Waste Management and Durham Region Transit and approval be granted for the requisite By-laws.
- AA) That for any Regional program change or capital expenditure included within the 2023 Regional Business Plans and Budgets 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.
- BB) That funding totalling up to \$73,600 be approved for the Pickering Auxiliary Rescue Association with the funding to be provided from within the Finance Department's 2023 Business Plan and Budget to be administered by the Finance Department in consultation with the Durham Regional Police Service (DRPS) based upon services rendered.
- CC) That funding totalling up to \$47,245 be approved for COMRA with the funding to be provided from within the Finance Department's 2023 Business Plan and Budget to be administered by the Finance Department in consultation with the Durham Regional Police Service based upon services rendered.
- DD) That the policy approved in Report #2019-F-33 to fund the post year-end payment for 50 per cent of the unused incidental sick hours from the Employee Benefits reserve be rescinded.

- EE) 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 2023 Business Plans and Budgets (\$,000's)**

	<u>2022</u>		<u>2023</u>		
	<u>Total</u>	<u>Property</u>			
	<u>\$</u>	<u>Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>PSAS Additions to Budget</u>					
Tangible Capital Asset Amortization	162,021	98,750	29,047	36,851	164,648
Post-Employment Benefit Expense	15,354	25,863	670	768	27,301
Landfill Closure Costs - Increase/(Decrease) in Liability	(38)	(248)	-	-	(248)
Transfers from Reserves and Reserve Funds	156,495	123,847	9,447	12,065	145,359
Proceeds of Debt issued for Regional Purposes	134,300	129,549	15,667	15,667	160,883
Total PSAB Additions	<u>468,132</u>	<u>377,761</u>	<u>54,831</u>	<u>65,351</u>	<u>497,943</u>
<u>PSAS Reductions to Budget</u>					
Gross Tangible Capital Assets Acquisitions	(763,443)	(493,157)	(144,198)	(147,503)	(784,858)
Less: Tangible Capital Asset Recoveries	63,388	-	-	40,691	40,691
Net Tangible Capital Asset Acquisitions	(700,055)	(493,157)	(144,198)	(106,812)	(744,167)
Debt Principal Payments	(12,412)	(16,602)	-	(2,041)	(18,643)
Transfers to Reserves and Reserve Funds	(143,817)	(124,977)	(9,447)	(20,844)	(155,268)
Contributed Tangible Capital Assets	(21,197)	(297)	(8,972)	(10,748)	(20,017)
Total PSAB Reductions	<u>(877,481)</u>	<u>(635,033)</u>	<u>(162,617)</u>	<u>(140,445)</u>	<u>(938,095)</u>
Net Impact - (Increase) to Accumulated Surplus	<u>(409,349)</u>	<u>(257,272)</u>	<u>(107,786)</u>	<u>(75,094)</u>	<u>(440,152)</u>

Respectfully submitted,

K. Ashe, Chair, Finance & Administration Committee