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## **The Regional Municipality of Durham**

### **MINUTES**

#### **FINANCE & ADMINISTRATION COMMITTEE**

**Tuesday, December 12, 2023**

A regular meeting of the Finance & Administration Committee was held on Tuesday, December 12, 2023 in the Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby, Ontario at 9:30 AM. Electronic participation was offered for this meeting.

#### **1. Roll Call**

Present: Councillor Ashe, Chair  
Councillor Leahy, Vice-Chair  
Councillor Garrod  
Councillor Lee  
Councillor McDougall  
Councillor Schummer\*  
Councillor Woo\*  
Regional Chair Henry

Also

Present: Councillor Carter\* attended for part of the meeting  
Councillor Chapman  
Councillor Collier  
Councillor Crawford attended for part of the meeting  
Councillor Dies\*  
Councillor Mulcahy\* attended for part of the meeting  
Councillor Nicholson\* attended for part of the meeting  
Councillor Pickles\* attended for part of the meeting  
Councillor Roy\* attended for part of the meeting  
Councillor Wotten\*

Staff

Present: S. Austin, Executive Director, Strategic Initiatives  
E. Baxter-Trahair, Chief Administrative Officer  
B. Bridgeman, Commissioner of Planning & Economic Development  
A. Burgess, Director, Communications & Engagement  
A. Chung, Systems Support Specialist, Corporate Services – IT  
S. Danos-Papaconstantinou, Commissioner of Social Services  
J. Dixon, Director, Business Affairs and Financial Management, Social Services Department  
C. Dunkley, Director, Corporate Infrastructure and Strategic Business Services, Works Department  
T. Fetter, Director, Business Services, DRPS  
L. Fleury, Legislative Officer and Deputy Clerk Pro Tem, Corporate Services – Legislative Services

S. Gill, Director, Economic Development & Tourism  
B. Goodwin, Commissioner of Corporate Services  
A. Harras, Regional Clerk/Director of Legislative Services  
A. Hector-Alexander, Director, Diversity, Equity, and Inclusion  
W. Holmes, General Manager, DRT  
M. Hubble, Director, Environmental Services  
J. Hunt, Regional Solicitor/Director of Legal Services, CAO's Office – Legal  
R. Jagannathan, Acting Commissioner, Works  
Dr. R.J. Kyle, Commissioner & Medical Officer of Health  
L. O'Dell, Director, Human Resources  
N. Pincombe, Director, Business Planning & Budgets  
N. Prasad, Assistant Secretary to Council, Corporate Services – Legislative Services  
S. MacLellan, Chief Administrative Officer, DRPS  
J. Maiorano, Interim Deputy Chief, DRPS  
N. Taylor, Commissioner of Finance

## **2. Declarations of Pecuniary Interest**

There were no declarations of pecuniary interest made.

## **3. Adoption of Minutes**

Moved by Regional Chair Henry, Seconded by Councillor Lee,  
(93) That the minutes of the following meetings be adopted:

- Regular Finance & Administration Committee meeting held on November 14, 2023; and
- Closed Finance & Administration Committee meeting held on November 14, 2023.

CARRIED

## **4. Statutory Public Meetings**

There were no statutory public meetings.

## **5. Presentations**

- 5.1 Elaine Baxter-Trahair, Chief Administrative Officer, Nancy Taylor, Commissioner of Finance & Treasurer, and Nicole Pincombe, Director - Business Planning & Budgets, re: 2024 Property Tax Budget Revised Guideline (2023-F-35) [Item 8.2 d)]
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E. Baxter-Trahair, N. Taylor, and N. Pincombe provided a detailed PowerPoint presentation on the 2024 Property Tax Budget Revised Guideline.

Highlights from the presentation included:

- Revised Guideline
- 2024 Budget Pressures

- Strategic Investments – Core Service Areas
- Durham Regional Police Service (DRPS)
- Projected Debt and Reserve/Reserve Fund Financing
- Fiscal Sustainability – New Financial Framework
- Conclusion

Staff responded to questions from the Committee with respect to if there are increased draws from reserves next year, what the total remaining reserves would be; debt charges; asset management; changes to capital plans as a result of the lower guideline; revisiting priorities to lower the guideline; leveraging reserves to lower the operational increase in the tax base; funding for asylum seekers and refugees; costs for mental health, addiction and housing supports; recidivism costs; budget timelines; opportunities for private funding agreements with the Province; base budget requirements; operating costs for 1635 Dundas Street; conflicting budget priorities and potential trade offs; what the savings would be for taxpayers from reducing the guideline by various percentages; impacts from Provincial legislation; what other municipalities are doing with respect to the impacts of Bill 23; what is the overall guideline that is being proposed; funding items that are not Regional responsibilities; and, how can DRPS keep up with changes and the need for growth without the budget to do it.

- 5.2 Nancy Taylor, Commissioner of Finance, Nicole Pincombe, Director - Business Planning & Budgets, and Mike Hubble, Director - Environmental Services, re: 2024 Business Plans and Budget and Nine-Year Capital Forecast for the Consolidated Water Supply and Sanitary Sewerage Systems (2023- F-36) [Item 8.2 e)] and Recommended 2024 Water and Sanitary Sewer User Rates (2023-F-37) [Item 8.2 f)]
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N. Taylor, N. Pincombe and M. Hubble provided a detailed PowerPoint presentation on the 2024 Business Plans and Budget and Nine-Year Capital Forecast for the Consolidated Water Supply and Sanitary Sewerage Systems and Recommended 2024 Water and Sanitary Sewer User Rates.

Highlights from the presentation included:

- 2024 User Rates
- Details of the 2024 Business Plans and Budget
- Overview of the Capital Program
- Details of the 2024 Capital Budget
- Summary

N. Taylor provided a summary of the deliberations at the Works Committee and Special Works Committee meetings with respect to the Works Department portion of the Water and Sewer Budget and advised that the Works Committee approved the Works Department portion of the budget and recommended some suggested revisions to the budget process for this Committee's consideration.

Staff responded to questions from the Committee with respect to the possibility of a sanitary trunk sewer from Halls Road to Lakeridge Road; what are the options if the 2.5% allocated for the Bill 23 and Bill 134 impacts are not included in the user rates; how declining water usage affects costs; housing growth pledges; the recommendations from the Works Committee; what does a 1% increase on the water bill equate to for the Region; capital project financing; work on the Beaverton Water Supply Plant; if the rates were reduced how would the impact be apportioned; projected future user rate increases; how debt payments are financed; temporary draws from reserve funds to lower the rate increase; fixed and variable costs on the water/sewer bills; are changes to the fixed portion of the user rates being proposed; can capital projects be delayed; staff dealing with plant expansion and improvement pressures while maintaining operations; what percentage of Development Charge funds go towards water and sewer projects; work on the Duffins Creek Water Pollution Control Plant; if the budget is not approved as presented, how does that affect existing partnership agreements; front-ending costs; and staffing requirements and organizational efficiencies.

## **6. Delegations**

### **6.1 Greg Milosh, Oshawa resident [In-person Attendance], re: 2024 Property Tax Budget Revised Guideline (2023-F-35)**

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Greg Milosh, Oshawa resident, appeared before the Committee with respect to the 2024 Property Tax Budget Revised Guideline.

G. Milosh stated that during the September 12, 2023 meeting, the Commissioner of Finance gave an overview of Report #2023-F-22 pertaining to property taxes, which described a scenario of potential double digit rate increases for multiple years, which from G. Milosh's point of view as a taxpayer is unacceptable and probably unprecedented in the 50 year history of Regional government. G. Milosh stated that it was right to ask staff to come back with a revised report with lower and more palatable rate increases.

G. Milosh asked to what degree were the reserves used to mitigate the severity and magnitude of the proposed rate increases; to what degree were the unallocated portion of the reserves considered as a source of relief; what is the value of the reserves; to what degree, if any, was the general levy stabilization reserve fund used to lessen the proposed tax increases; and to what degree was the interest income from the investment portfolio used to lessen the proposed tax increase.

G. Milosh stated that the suggestion of a core service review would not achieve a reduction to the proposed tax increases to 2 to 3% and added that the only way to achieve significant savings is by partial or selective hiring freezes, wage freezes and much more stringent collective bargaining.

G. Milosh stated that the suggested scale of tax increases is a recipe for taxpayer anger and revolt and noted that in Oshawa they receive an interim tax bill, so the

entirety of the tax increase is applied in the last six months of the year, which will make the increase look even more pronounced.

G. Milosh stated that if Council approves these rate increases, they do so at their own political peril in the 2026 municipal election.

G. Milosh responded to questions from the members of Committee.

The Committee recessed at 12:19 PM and reconvened at 12:43 PM.

A roll call was conducted after the recess and all members of Committee were present.

## **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 the Works Committee, re: Works Department – 2024 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets (2023-W-50)
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Moved by Councillor Leahy, Seconded by Councillor Lee,  
(94) That the Memorandum from the Works Committee, re: Works Department – 2024 Water Supply and Sanitary Sewerage Systems Business Plans and Budgets (2023-W-50) be referred to consideration of Report #2023-F-36.

CARRIED

- B) Correspondence from Linda Gasser, Whitby resident, re: 2024 Water Supply and Sanitary Sewerage Systems Business Plans and Budget
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Moved by Councillor Leahy, Seconded by Councillor Lee,  
(95) That the Correspondence from Linda Gasser, Whitby resident, re: 2024 Water Supply and Sanitary Sewerage Systems Business Plans and Budget be referred to consideration of Report #2023-F-36.

CARRIED

### **8.2 Reports**

- A) 2023/2024 Annual Risk Management and Insurance Update (2023-F-32)
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Report #2023-F-32 from Nancy Taylor, Commissioner of Finance, was received. This matter was deferred until later in the meeting so that questions could be raised during Closed Session. (See the Closed Finance & Administration Committee minutes of December 12, 2023 and Item 8.2 A) on Page 14 of these minutes)

B) 2024 Interim Regional Property Tax Levy (2023-F-33)

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Report #2023-F-33 from Nancy Taylor, Commissioner of Finance, was received.

Moved by Councillor Lee, Seconded by Councillor McDougall,  
(96) That we recommend to Council:

- A) That a 2024 interim regional property tax levy be imposed on the lower-tier municipalities for all property tax classes;
- B) That the amount due from each lower-tier municipality is estimated to be equivalent to 50% of their respective share of the regional property taxes collected in 2023;
- C) That the 2024 interim regional property tax levy be paid by the lower-tier municipalities seven calendar days subsequent to the instalment due dates established by each lower-tier municipality for the collection of their respective interim municipal property taxes;
- D) That the 2024 Regional supplementary property taxes be paid by the lower-tier municipalities seven calendar days subsequent to the instalment due dates established by each lower-tier municipality for the collection of their respective supplementary municipal property taxes;
- E) That 25 per cent of the previous year's Regional payments-in-lieu of taxation, railway and utility lands and payments related to universities/colleges and public hospitals be remitted by the lower-tier municipalities by March 31, 2024;
- F) That an interest rate equivalent to the prevailing prime interest rate shall be charged for late payments of the amounts described in Recommendations A) to E) of Report #2023-F-33 of the Commissioner of Finance;
- G) That the Regional Clerk be requested to advise the lower-tier municipalities of the imposition of the 2024 interim regional property tax levy for all property tax classes and the due dates for remittance to the Region; and,
- H) That approval be granted for the requisite by-law.

CARRIED

C) Temporary Borrowing By-Law for 2024 (2023-F-34)

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Report #2023-F-34 from Nancy Taylor, Commissioner of Finance, was received.

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

- A) That the Regional Chair and the Treasurer be authorized in 2024 to borrow funds not to exceed \$500 million to meet current expenditures and liabilities until such time as the general tax revenues and other revenues of the Region are received; and
  - B) That approval be granted for the requisite by-law(s).
- CARRIED

Moved by Councillor Lee, Seconded by Councillor Leahy,  
(98) That the order of the Agenda be altered to consider Report #2023-F-36 and Report #2023-F-37 at this time.

CARRIED

E) 2024 Business Plans and Budget and Nine-Year Capital Forecast for the Consolidated Water Supply and Sanitary Sewerage Systems (2023-F-36)

Report #2023-F-36 from Nancy Taylor, Commissioner of Finance, was received.

Moved by Councillor Lee, Seconded by Councillor Leahy,  
(99) That we recommend to Council:

- A) That the 2024 Business Plans and Budget for the Water Supply System, with a total gross expenditure of \$231.33 million (net user rate supported expenditure of \$135.23 million) and related financing as set out below, be approved:

	2023 Gross Budget (\$ 000's)	2024 Gross Budget (\$ 000's)	Variance Incr/(Decr) (\$ 000's)
<b><u>EXPENDITURES</u></b>			
Operations:			
Watermain Cleaning and Repairs	3,481	3,678	197
Valves and Hydrants	3,129	3,118	(11)
Water Connections	4,405	4,715	310
Water Meter Repair and Testing	590	601	11
Depot Operations	7,181	8,360	1,179
Water Supply Plants - Plants East	3,498	3,539	41
Water Supply Plants - Plants Central	15,492	15,938	446
Water Supply Plants - Plants North	3,316	3,582	266
Sun Valley Co-Operative Water System	30	35	5
Engineering and Staff Support	8,804	8,970	166
Facilities Management	8,535	8,833	298
Administration	370	412	42
Headquarters Shared Costs	1,203	1,376	173
Utility Finance	3,620	3,774	154
Share of Regional Corporate Costs	13,495	18,537	5,042
Subtotal Operations	77,149	85,468	8,319
Capital/Debt Charges:			
TCA Capital	23,320	8,700	(14,620)
Construction of Municipal Services	120,878	134,305	13,427
Debt Charges	1,312	2,860	1,548
Subtotal Capital/Debt Charges	145,510	145,865	355
<b>TOTAL EXPENDITURES</b>	<b>222,659</b>	<b>231,333</b>	<b>8,674</b>
<b><u>FINANCING</u></b>			
Contributions from Reserve Funds:			
Residential Development Charges - Growth Related Capital	68,205	40,431	(27,774)
Residential Development Charges - Debt Charges	-	622	622
Commercial Development Charges - Growth Related Capital	2,462	1,552	(910)
Commercial Development Charges - Debt Charges	-	19	19
Industrial Development Charges - Growth Related Capital	-	2,545	2,545
Industrial Development Charges - Debt Charges	415	441	26
Institutional Development Charges - Debt Charges	22	26	4
Seaton Development Charges - Growth Related Capital	-	3,978	3,978
Seaton Development Charges - Debt Charges	-	56	56
Water Rate Stabilization Reserve Fund	3,644	15,183	11,539
Asset Management Reserve Fund	5,763	15,774	10,011
Servicing of Employment Lands	-	-	-
Capital Project Reserve	-	420	420
Equipment Replacement Reserve	40	40	-
Fees and Service Charges	3,521	3,529	8
Financing From Others:			
Region of York - Construction of Municipal Services	-	188	188
Contribution from Developers	-	11,200	11,200
Debenture Proceeds:			
Depot Rationalization - Ajax Depot Expansion	1,667	-	(1,667)
Depot Rationalization - New Oshawa/Whitby Depot	12,667	-	(12,667)
Depot Rationalization - New Sunderland Depot	1,333	-	(1,333)
<b>Financing From Non-User Revenue Sources</b>	<b>99,739</b>	<b>96,004</b>	<b>(3,735)</b>
<b>User Revenues Financing (includes \$101 in 2024 frontage charges)</b>	<b>122,920</b>	<b>135,329</b>	<b>12,409</b>
<b>TOTAL FINANCING</b>	<b>222,659</b>	<b>231,333</b>	<b>8,674</b>



- B) That the Nine-Year Capital Forecast for 2025 to 2033 inclusive, in the amount of \$2.27 billion, including project debenture financing of \$417.87 million, as detailed in the Water Supply System Capital Budget, be received for information;
- C) That the 2024 Business Plans and Budgets for the Sanitary Sewerage System with a total gross expenditure of \$365.44 million (net user rate supported expenditure of \$135.52 million) and related financing as set out below, be approved:

	2023 Gross Budget (\$ 000's)	2024 Gross Budget (\$ 000's)	Variance Incr/(Decr) (\$ 000's)
<b><u>EXPENDITURES</u></b>			
Operations:			
Cleaning, Repairs and Maintenance Holes	2,208	2,274	66
Sewer Connections	3,388	3,401	13
Depot Operations	3,612	4,234	622
WPCPs and Pumping Stations	26,393	27,171	778
Duffin Creek WPCP	46,580	50,271	3,691
Regional Environmental Laboratory	3,053	3,055	2
Engineering and Staff Support	8,439	8,763	324
Facilities Management	10,243	10,571	328
Administration	373	415	42
Headquarters Shared Costs	1,203	1,376	173
Utility Finance	3,620	3,774	154
Share of Regional Corporate Costs	16,767	21,984	5,217
Subtotal Operations	125,879	137,289	11,410
Capital/Debt Charges:			
Duffin Creek WPCP - TCA Capital	2,007	3,076	1,069
Regional Environmental Lab - TCA Capital	703	491	(212)
TCA Capital	18,484	7,192	(11,292)
Construction of Municipal Services	126,309	204,399	78,090
Debt Charges	12,094	12,988	894
Subtotal Capital/Debt Charges	159,597	228,146	68,549
<b>TOTAL EXPENDITURES</b>	<b>285,476</b>	<b>365,435</b>	<b>79,959</b>
<b><u>FINANCING</u></b>			
Contributions from Reserve Funds:			
Residential Development Charges - Growth Related Capital	36,203	38,203	2,000
Residential Development Charges - Debt Charges	7,758	8,316	558
Commercial Development Charges - Growth Related Capital	2,609	4,041	1,432
Commercial Development Charges - Debt Charges	815	731	(84)
Industrial Development Charges - Growth Related Capital	1,874	1,396	(478)
Industrial Development Charges - Debt Charges	509	566	57
Institutional Development Charges - Debt Charges	7	18	11
Seaton Development Charges - Growth Related Capital	-	3,978	3,978
Seaton Development Charges - Debt Charges	-	56	56
Sanitary Sewer Rate Stabilization Reserve Fund	442	8,439	7,997
Asset Management Reserve Fund	11,107	9,507	(1,600)
Servicing of Employment Lands	-	934	934
Capital Project Reserve	-	465	465
Equipment Replacement Reserve	40	40	-
Regional Environmental Lab Equipment Replacement Reserve	475	400	(75)
Fees and Service Charges	7,639	8,050	411
Financing From Others:			
Region of York - TCA	1,692	2,395	703
Region of York - Construction of Municipal Services	38,999	57,544	18,545
Region of York - Operating	35,821	38,897	3,076
Region of York - Environmental Lab Operations	349	46	(303)
Debenture Proceeds:			
Depot Rationalization - Ajax Depot Expansion	1,667	5,250	3,583
Depot Rationalization - New Oshawa/Whitby Depot	12,667	-	(12,667)
Depot Rationalization - New Sunderland Depot	1,333	-	(1,333)
West Whitby Sub Trunk - Dundas Street Whitby	-	11,943	11,943
Sanitary Sewer Kingston Road Pickering	-	9,163	9,163
Sanitary Sewer Kingston Road Pickering	-	4,332	4,332
Uxbridge Water Pollution Control Plan Optimization Study	-	4,769	4,769
Newcastle Water Pollution Control Plant	-	10,412	10,412
<b>Financing From Non-User Revenue Sources</b>	<b>162,006</b>	<b>229,891</b>	<b>37,683</b>
<b>User Revenues Financing (includes \$26 in 2024 frontage charges)</b>	<b>123,470</b>	<b>135,544</b>	<b>12,074</b>
<b>TOTAL FINANCING</b>	<b>285,476</b>	<b>365,435</b>	<b>79,959</b>

- D) That the Nine-Year Capital Forecast for 2025 to 2033 inclusive, in the amount of \$2.711 billion, including project debenture financing of \$290.63 million, as detailed in the Sanitary Sewerage System Capital Budget, be received for information;
- E) That capital project approval be granted for expenditures and financing for the 2024 capital projects detailed in the 2024 Capital Project Appendices within the 2024 Consolidated Water Supply and Sanitary Sewerage Systems Business Plans and Budget, where contract awards are compliant with the Region's Budget Management Policy;
- F) That the Growth Related Water Infrastructure Reserve Fund and the Growth Related Sanitary Sewerage Infrastructure 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 water supply or sanitary sewerage surplus up to the maximum amount of the estimated 2023 water supply or sanitary sewerage development charge shortfall be allocated to the Growth Related Water Infrastructure Reserve Fund and the Growth Related Sewer Infrastructure Reserve Fund;
- G) That the necessary By-laws for the establishment of the recommended Growth Related Water Infrastructure Reserve Fund and the Growth Related Sanitary Sewerage Infrastructure Reserve Fund be presented to Regional Council;
- H) That \$1,658,000 from the Water Treatment Plant / Rate Stabilization Reserve Fund and \$871,000 from the Sanitary Sewer Treatment Plant / Rate Stabilization Reserve Fund be transferred to the Equipment reserve to support the ongoing sustainability of the reserve for fleet equipment replacement;
- I) That the necessary By-laws with respect to the 2024 Business Plans and Budget for the Consolidated Water Supply and Sanitary Sewerage Systems be presented to Regional Council; and
- J) 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.

CARRIED

F) Recommended 2024 Water and Sanitary Sewer User Rates (2023-F-37)

Report #2023-F-37 from Nancy Taylor, Commissioner of Finance, was received. N. Taylor provided clarification with respect to the recommendations from the Works Committee. N. Taylor responded to questions with respect to what the future projected user rates could be; options to mitigate rate increases; and impacts of Bill 23.

Comments were made that not increasing the rates this year will result in higher rate increases moving forward.

Moved by Councillor Garrod, Seconded by Councillor Leahy,  
(100) That we recommend to Council:

- A) That the 2024 Regional Water Rates increase by 7.3 per cent (including 2.5 per cent for Bill 23 and Bill 134 impacts) and the Sanitary Sewer User Rates increase by 7.4 per cent (including 2.5 per cent for Bill 23 and Bill 134 impacts) from the 2023 approved user rate levels, effective January 1, 2024 (a combined increase of 7.4 per cent, including 2.5 per cent for Bill 23 and Bill 134 impacts, for an average residential customer), as set out in Attachment #1 and Attachment #2 of Report #2023-F-37 of the Commissioner of Finance respectively;
- B) That the 2024 Raw Water rates for the Whitby raw water customer be increased by 7.3 per cent as set out in Attachment #1 of Report #2023-F-37, effective January 1, 2024;
- C) That the 2024 water charges for the Sun Valley Heights Homeowners Co-operative Water System be as set out in Attachment #3 of Report #2023-F-37, effective January 1, 2024;
- D) That the 2024 Regional Water and Sanitary Sewer Systems Miscellaneous Fees and Charges be as set out in Attachment #4 of Report #2023-F-37, effective January 1, 2024
- E) That the 2024 fee schedule for laboratory services at the Regional Environmental Laboratory located at the Duffin Creek Water Pollution Control Plant be as set out in Attachment #5 of Report #2023-F-37, effective January 1, 2024; and
- F) That the Regional Solicitor be instructed to prepare the necessary by-laws to implement the foregoing recommendations.

CARRIED

Moved by Councillor Leahy, Seconded by Councillor McDougall,

- (101) That the meeting be closed to the public in order to consider the security of the property of the Regional Corporation as it relates to Report #2023-F-32, personal matters about an identifiable individual as it relates to Confidential Attachment #3 to Report #2023-F-35, and labour relations or employee negotiations as it relates to Confidential Report #2023-A-19.

CARRIED

The Committee recessed at 1:01 PM and reconvened at 1:05 PM.

[Refer to the Closed Meeting minutes of December 12, 2023]

Chair Ashe advised that during the closed session there was discussion regarding cyber security, and Durham Regional Police Service operations. There was no discussion with respect to Confidential Report #2023-A-19. There were no motions made or directions given during the closed session.

A) 2023/2024 Annual Risk Management and Insurance Update (2023-F-32)

Report #2023-F-32 from Nancy Taylor, Commissioner of Finance, was received. This matter was also considered during the Closed Session (See the Closed Meeting minutes of December 12, 2023).

Staff responded to questions regarding increased insurance rates.

Moved by Councillor Lee, Seconded by Councillor McDougall,  
(103) That we recommend to Council:

That staff be directed to continue to pursue effective strategies to mitigate risk and maximize opportunities with the Durham Municipal Insurance Pool to ensure that the Region's assets are adequately protected and to ensure the financial stability of the Region.

CARRIED

D) 2024 Property Tax Budget Revised Guideline (2023-F-35)

Report #2023- F-35 from Nancy Taylor, Commissioner of Finance, was received. Attachment #3 to the report was also considered during the Closed Session (See the Closed Meeting minutes of December 12, 2023).

Staff responded to questions with respect to investing in growth; future budget projections; and what the impact would be on the property tax bill for various guideline scenarios.

Moved by Councillor Leahy, Seconded by Councillor Lee,  
(104) That we recommend to Council:

A) That the following detailed direction and guidelines for the 2024 Business Plans and Budget for Regional Departments, Conservation Authorities and other Outside Agencies (excluding Durham Regional Police Services Board) be approved:

- i. The 2024 Property Tax Guideline not exceed an overall property tax impact of 4.0 per cent compared to the 2023 approved budget which includes a minimum of 0.50 per cent dedicated to fund anticipated property tax impacts resulting from Provincial Bill 23, More Homes

Built Faster Act, 2022, and the guideline increases for Conservation Authorities as detailed in recommendation A (ii);

- ii. The 2024 Operating Budget for each Conservation Authority not exceed an increase of 2.5 per cent, plus or minus any current value assessment adjustments, and the 2024 Special Benefitting Programs Budget for each Conservation Authority not exceed an increase of 1.5 per cent, plus or minus any current value assessment adjustments, compared to the 2023 approved budget;
- B) That the following detailed direction and guideline for the 2024 Business Plans and Budget for the Durham Regional Police Services Board be approved:
- i. The 2024 Business Plans and Budget for the Durham Regional Police Services Board not exceed \$263.879 million, an increase of 6.6 per cent compared to the 2023 approved budget for the Durham Regional Police Service, which translates to an overall budgetary property tax impact of 2.0 per cent;
- C) That the requested funding by Oak Valley Hospital for the Uxbridge Hospital redevelopment under the Region's Community Investment Grant Program be approved up to a maximum of \$10.0 million subject to the execution of a funding agreement with terms satisfactory to the Commissioner of Finance that include milestone payments and performance deliverables;
- D) That Regional Council provide a letter of support to Community Care Durham for their Health and Wellness Centre project;
- E) That a moratorium be placed on the acceptance of any funding submissions/requests under the Region's Community Investment Grant Program until the current Council approved funding commitments have been fully funded from within the current annual funding envelope - which is to be 2027 at the earliest, subject to future budget approvals, and further that staff be directed to review the Region's Community Investment Grant policy and bring forward recommended changes for Council's consideration that reflect the service delivery challenges facing the Region and the alignment of provincial and municipal funding;
- F) That the 2024 budget reflect Council approved priorities including the base pressures, legislative impacts, ten-year service plans for transit and paramedics, climate change initiatives, housing and homelessness, GO East extension matters, and organizational effectiveness as the priority focus for the 2024 budget year;
- G) That the preliminary timetable for the 2024 Regional Business Plans and Budget be approved as outlined in Attachment #4 to Report #2023-F-35 of the Commissioner of Finance, which includes the following key dates:

- i. December 20, 2023 – final Regional Council approval of the 2024 Water Supply and Sanitary Sewerage Business Plans and Budget;
  - ii. March 19, 2024 – Finance and Administration Committee consideration of the staff report recommending adoption of the proposed 2024 Property Tax Supported Business Plans and Budget;
  - iii. March 27, 2024 – final Regional Council approval of the entirety of the 2024 Property Tax Supported Business Plans and Budget;
- H) That Council support AMO's call for a Social and Economic Prosperity Review and the Federation of Canadian Municipalities call for a new framework for raising municipal revenue;
- I) That Council support the CAO's initiative on rotating service delivery reviews by Department and/or division with funding for the reviews to be provided from the Operating Impact Reserve Fund;
- J) That Council request the Ministry of Long-term Care further increase the construction subsidies to be applied to all Long-Term Care projects currently approved in order to reduce debt incurred by the Region impacting future tax levy increases;
- K) That Council request the federal government expedite the implementation of the permanent public transit funding, a new sustainable transit funding model scheduled to be implemented in 2026 – 2027;
- L) That Council advocate for additional 100% funding from the Ministry of Health for ongoing public health costs associated with COVID vaccines, increased inspections resulting from COVID and recovery of critical public health services;
- M) That Council advocate for continued sustainable funding for housing and homelessness supports from both the federal and provincial governments; and
- N) That a copy of Report #2023-F-35 of the Commissioner of Finance be forwarded to the Durham Regional Police Services Board, Durham Region Transit Commission, Conservation Authorities, Durham Regional Local Housing Corporation, and other Outside Agencies to guide the development of detailed 2024 Business Plans and Budget.

CARRIED AS AMENDED  
ON A RECORDED VOTE  
LATER IN THE MEETING  
(See Following Motions)

Moved by Councillor Woo, Seconded by Councillor Lee,

- (105) That Part B) i) of the main motion (104) of Councillors Leahy and Lee be amended so that the overall budgetary property tax impact for Durham Regional Police Services (DRPS) is 2.5%.

MOTION DEFEATED ON A RECORDED VOTE  
LATER IN THE MEETING

Discussion ensued with respect to the DRPS portion of the property tax impact; what is included in the base budget for DRPS; the increase as proposed in the staff recommendations and not wanting to increase that amount further.

The amending motion (105) of Councillors Woo and Lee was then put to a vote and DEFEATED ON THE FOLLOWING RECORDED VOTE (TIE VOTE DEEMED IN THE NEGATIVE):

Yes

Councillor Ashe, Chair  
Councillor Woo  
Councillor Lee

No

Councillor Garrod  
Councillor Leahy  
Councillor McDougall

Members Absent: Regional Chair Henry  
Councillor Schummer

Declarations of Interest: None

Further discussion ensued with respect to a 4% increase not being enough to deal with the current issues and that future year increases will be higher if the increase is not sufficient this year.

Moved by Councillor Lee, Seconded by Councillor McDougall,  
(106) That the main motion (104) of Councillors Leahy and Lee be amended so that the 2024 Property Tax Guideline not exceed an overall property tax impact of 5.9 per cent compared to the 2023 approved budget.

MOTION DEFEATED ON THE FOLLOWING  
RECORDED VOTE (TIE VOTE DEEMED IN THE  
NEGATIVE):

Yes

Councillor Garrod  
Councillor Lee  
Councillor McDougall

No

Councillor Ashe, Chair  
Councillor Leahy  
Councillor Woo

Members Absent: Regional Chair Henry  
Councillor Schummer

Declarations of Interest: None

Moved by Councillor Leahy, Seconded by Councillor Lee,  
(107) That the main motion (104) of Councillors Leahy and Lee be amended so that the 2024 Property Tax Guideline not exceed an overall property tax impact of 5.0 per cent compared to the 2023 approved budget.



CARRIED ON THE FOLLOWING RECORDED  
VOTE:

Yes

Councillor Ashe, Chair  
Councillor Leahy  
Councillor Lee  
Councillor McDougall

No

Councillor Garrod  
Councillor Woo

Members Absent: Regional Chair Henry  
Councillor Schummer

Declarations of Interest: None

The main motion (104) was then put to a vote and CARRIED AS AMENDED ON  
THE FOLLOWING RECORDED VOTE:

Yes

Councillor Ashe, Chair  
Councillor Garrod  
Councillor Leahy  
Councillor Lee  
Councillor McDougall

No

Councillor Woo

Members Absent: Regional Chair Henry  
Councillor Schummer

Declarations of Interest: None

- E) 2024 Business Plans and Budget and Nine-Year Capital Forecast for the  
Consolidated Water Supply and Sanitary Sewerage Systems (2023-F-36)

Report #2023-F-36 from Nancy Taylor, Commissioner of Finance, was considered  
earlier in the meeting. See Item 8.2 E) on Pages 7 to 12.

- F) Recommended 2024 Water and Sanitary Sewer User Rates (2023-F-37)

Report #2023-F-36 from Nancy Taylor, Commissioner of Finance, was considered  
earlier in the meeting. See Item 8.2 F) on Page 13.

**9. Advisory Committee Resolutions**

There were no advisory committee resolutions to be considered.

**10. Confidential Matters**

10.1 Reports

- A) Confidential Report of the Commissioner of Corporate Services - Labour Relations/Employee Negotiations with respect to Ontario Nurses Association ("ONA"), Local 51 (2023-A-19)
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Confidential Report #2023-A-19 from Barb Goodwin, Commissioner of Corporate Services, was received.

Moved by Councillor Leahy, Seconded by Councillor Lee,  
(108) That we recommend to Council:

That the recommendations contained in Confidential Report #2023-A-19 of the Commissioner of Corporate Services be adopted.

CARRIED

## **11. Other Business**

- 11.1 Motion Requesting The Region of Durham to Prepare a Detailed Report Outlining Incremental Operating and Capital Expenses Incurred by The Region of Durham

The following motion was referred to the Finance & Administration Committee at the November 29, 2023 Regional Council meeting:

Whereas The Region of Durham has burdened residents and taxpayers with property tax increases to fund capital and operating costs of facilities and services which are, by definition, the responsibilities and/or the direct cause of actions by either The Province of Ontario or The Government of Canada; and

Whereas the ongoing funding of these facilities and services are causing undue and unbalanced stress on the residents of Durham Region; and

Whereas by the continuing trend of this indirect downloading of provincial or federal responsibilities the property taxes of all Ontario residents are under undue and unbalanced stress;

Therefore, be it resolved that Council request staff to prepare a detailed report outlining incremental operating and capital expenses incurred by The Region of Durham on an annual basis since 2010 and furthermore that this resolution be forwarded to AMO to request all Ontario municipalities to prepare similar reports; and furthermore that AMO be asked to use this information to open and further discussions with The Province and Federal Government for a serious analysis and realignment of funding for non-municipal responsibilities in order to avert a possible financial crisis inflicted on municipalities and the property tax system as a whole as a result of indirect downloading of provincial or federal responsibilities.

Moved by Councillor Lee, Seconded by Councillor McDougall,  
(109) That the motion referred to the Finance & Administration Committee at the November 29, 2023 Regional Council meeting with respect to

preparing a detailed report outlining incremental operating and capital expenses incurred by The Region of Durham on an annual basis since 2010, and opening further discussions with The Province and Federal Government for a serious analysis and realignment of funding for non-municipal responsibilities, be received for information.

CARRIED

In response to a question with respect to what will happen if the motion is received for information, N. Taylor advised that the province is already being lobbied by various groups for increased funding.

Councillor Lee thanked staff for all of their hard work with the budget process to-date and Chair Ashe thanked the Committee.

**12. Date of Next Meeting**

The next regularly scheduled Finance & Administration Committee meeting will be held on Tuesday, January 16, 2024 at 9:30 AM in Council Chambers, Regional Headquarters Building, 605 Rossland Road East, Whitby.

**13. Adjournment**

Moved by Councillor Leahy, Seconded by Councillor Lee,  
(110) That the meeting be adjourned.  
CARRIED

The meeting adjourned at 2:31 PM

Respectfully submitted,

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K. Ashe, Chair

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L. Fleury, Legislative Officer