

THE REGIONAL MUNICIPALITY OF NIAGARA

CORPORATE SERVICES COMMITTEE

REPORT 15-2006

Minutes of a meeting of the Corporate Services Committee held in Committee Room 4, Regional Municipal Building, Thorold, Ontario, on Wednesday, November 1, 2006, commencing at 9:10 a.m.

ATTENDANCE

Committee: Councillors Martin, Co-Chair; Collins, Co-Chair; Partington, Regional Chair; Angelone; Burroughs; Casselman; Harry; Leavens; Saracino; Zimmerman.

Staff: Messrs. Trojan, Chief Administrative Officer; Mr. Bergsma, Commissioner, Corporate Services; Mr. Nicol, Commissioner, Human Resources; Mr. Lockyer, Treasurer/Director, Financial Management & Planning; Ms. Gilroy, Regional Clerk; Ms. Reilly, Legislative Assistant.

Staff

Others: Administration: Mr. McQueen, Director, Administration.
Corporate Services: Mr. Bendell, Financial Analyst; Mr. Bernard, Manager, Court Services; Mr. Murphy, Manager, Policy and Development; Ms. M. Murphy, Associate Director, Budgets and Reporting; Ms. Williams, Senior Financial Analyst.
Others: Mr. Neville, Commissioner, Public Works; Mr. Atack, Coordinator Information Management & Special Projects.

OPERATIONS (STATUS REPORTS)

262. Corporate Communications Update
CAO 21-2006

Moved by Councillor Collins
Seconded by Councillor Burroughs

That Report CAO 21-2006, November 1, 2006, respecting Corporate Communications Update, be received for information.

Carried.

263. Physician Recruitment & Retention Services
CAO 22-2006

Moved by Councillor Saracino
Seconded by Councillor Leavens

That Report CAO 22-2006, November 1, 2006, respecting Physician Recruitment & Retention Services, be received.

That Regional Council continue with the existing contract arrangement with Heart Niagara Inc. for the delivery of Physician Recruitment Services at a cost of \$98,000 for 2007.

That consideration for an additional funding amount of \$3,000 for 2007 be referred to the 2007 Budget process.

Carried.

264. Hosting of Web GIS for Haldimand County
CSD 137-2006

Moved by Councillor Collins
Seconded by Councillor Zimmerman

That Report CSD 137-2006, November 1, 2006, respecting Hosting of Web GIS for Haldimand County, be received.

That the Regional Municipality of Niagara agree to host a web-based mapping and Geographic Information System (GIS) for Haldimand County using staff and assets of the GeoSmart Niagara project.

That the Regional Clerk and Commissioner of Corporate Services be authorized to execute the services agreement on behalf of the Regional Municipality of Niagara with Haldimand County covering a period of approximately three years from November 15, 2006 to December 31, 2009 with a provision for extension.

That the value of the contract be credited over the period of the agreement to the GeoSmart Niagara cost-centre 1441 in the amount of \$31,000.

Carried.

265. Investment Policy Review
CSD 138-2006

Moved by Regional Chair Partington
Seconded by Councillor Harry

That Report CSD 138-2006, November 1, 2006, respecting Investment Policy Review, be received.

That the attached amended guidelines for governing investments of Regional and Trust funds not currently being used be approved and adopted.

Carried.

PRESENTATION

266. Wind Energy Project

Mr. Bergsma, Commissioner, Corporate Services, advised that the purpose for the presentation on the Wind Energy Project is to discuss financing and investment implications. He commented that Corporate Services went through a substantial due diligence process and concluded that the Wind Energy Project is a viable investment but there are new issues that need to be addressed:

- 1) Finance Minister Flaherty's regulations with respect to income trust.
- 2) The assumption was a 50/50 debt ratio, approximately \$6 million from each partner. The ratio and dollar amount could change.

Mr. Bergsma commented that a more comprehensive review of the financing for this project needs to be undertaken.

Mr. Neville, Commissioner, Public Works, advised that the Region's annual cost for electricity and natural gas is \$12.5 million, not including fuel costs. The Commissioner apprised Committee of Bill 21, the Energy Conservation Responsibility Act (2006) and Niagara's five point plan. The Council Business Plan on Green Energy and Sustainable Use of Resources was highlighted. Mr. Neville provided background information regarding the Niagara Wind Energy Public Private Partnership with Rankin Construction from 2002 to the present. He noted that the first bid failed to be taken up by the Province in the initial allocation in 2004.

The Commissioner outlined the changes since the 2004 Bid as follows:

- Province's new approach will use Renewable Energy Standard Offer Contract at 11 cents per kilowatt hour for projects under 10 Megawatts.
- New Business Plan has been prepared.
- Region has completed due diligence review of current project and related business plan.

The project benefits (direct and indirect):

- Return on investment can be used to offset existing energy costs;
- Reduction of 5,000 tonnes per year of greenhouse gases;
- Potential for further economic opportunities in Niagara and associated job creation;
- Potential for development of a Niagara Centre for Sustainable Energy;
- Region by example will be seen as a national leader in promoting use of renewable wind energy.

Mr. Bergsma highlighted the Renewable Energy Standard Offer Contract:

- Provincial commitment to provide 2,700 megawatts of renewable energy by 2010;
- Ontario Power Authority to pay 11 cents per kilowatt hour for renewable energy;
- Maximum project size is 10 megawatts;
- Contracts will be for 20 years (financial analysis has been done on that basis);
- Proposals to be accepted after November 10th. Mr. Bergsma commented that this is an informal date that everyone has been working towards but the date has not been confirmed.

Mr. Bergsma apprised Committee of the due diligence process of the Business Plan, which included the hiring of an expert in wind energy and a review of the technical and financial assumptions. It was concluded that the rate of return for this project is expected to be good.

Next Steps:

- Joint proposal to be submitted to the Ontario Power Authority;
- Include funding provision in 2007 capital budget;
- Establish a corporate entity for Wind Energy Niagara.

Rankin Construction Inc.

Mr. Thomas Rankin, President, Rankin Construction Inc. attended to provide background information on why his company pursued a public/private partnership with the Niagara Region with respect to the Wind Energy Project. He apprised Committee of the environmental study that was completed. Mr. Rankin outlined the due diligence process that his company undertook, commenting that he believes they can build the five windmills economically. Mr. Rankin outlined the benefits to the Region, noting that while the Wind Energy project is not only viable with good returns expected on the investment, the Region will, by example, be a leader among municipalities across Canada in promoting the use of a renewable source of energy wind. He urged Council's approval for the project as the submission to the province is imminent and they need to act swiftly.

CLOSED SESSION

267. Moved by Councillor Zimmerman
Seconded by Councillor Harry

That this Committee do now meet in Closed Session for purposes of receiving information of a confidential nature relating to personnel, property and legal matters.

Carried.

268. A Matter Concerning the Security of the Municipality's Property
CSD 143-2006(PWA 189-2006) (Confidential)

Moved by Councillor Zimmerman
Seconded by Councillor Leavens

That Confidential Report CSD 143-2006 (PWA 189-2006), November 1, 2006, respecting A Matter Concerning the Security of the Municipality's Property, be received and the recommendations contained therein be adopted **in principle, as amended, that a provision be made in the 2007 Capital Budget for the funding of Niagara's equity shared in this initiative, subject to a full review of the financing for this project at the Committee of the Whole Council meeting on November 9, 2006.**

Carried.

269. Moved by Councillor Harry
Seconded by Councillor Saracino

That this Committee do now rise with report.

Carried.

OPERATIONS (Continued)

270. Substitution of Long-Term Financing on Capital Projects
CSD 139-2006

Moved by Councillor Harry
Seconded by Councillor Angelone

That Report CSD 139-2006, November 1, 2006, respecting Substitution of Long-Term Financing on Capital Projects, be received.

That transfers of \$20,001,132 from the Wastewater Reserve fund and \$19,625,001 from the Water Reserve Fund be approved to fund long-term financing substitutions as detailed in Appendix 1.

That this report be circulated to the Planning and Public Works Committee for information.

Carried.

271. Closure of Capital Projects
CSD 140-2006

Moved by Councillor Harry
Seconded by Councillor Angelone

That Report CSD 140-2006, November 1, 2006, respecting Closure of Capital Projects, be received.

That total net transfers of \$720 to the Capital Levy Reserve (0035-0960) be approved to accommodate the closure of Public Health, Planning, Corporate and Technology, Buildings and Equipment capital projects as shown in Appendix 1.

That total net transfers of \$23,076 to the Niagara Transportation Reserve Fund (0030-0975) be approved to accommodate the closure of Corporate and Technology capital projects as shown in Appendix 2.

That total net transfers of \$20,447 to the Niagara Regional Housing Owned Units Reserve Fund (0030-0967) be approved to accommodate the closure of Niagara Regional Housing capital projects as shown in Appendix 2.

That total net transfers of \$5,281 to the Police Equipment Replacement Reserve Fund (0030-0946) be approved to accommodate the closure of Regional Police capital projects as shown in Appendix 2.

That total net transfers of \$1,925,029 to the Wastewater Operations Capital Reserve Fund (0030-0961) be approved to accommodate the substitution of previously approved debenture financing and the closure of Wastewater capital projects as shown in Appendix 3.

That total net transfers of \$1,996,258 to the Water Operations Capital Reserve Fund (0030-0962) be approved to accommodate the substitution of previously approved debenture financing and the closure of Water capital projects as shown in Appendix 3.

That total net transfers of \$26,369 from the Solid Waste Reserve Fund (0030-0970) be approved to accommodate the closure of Waste Management capital projects as shown in Appendix 3.

That project closures be completed as indicated in Appendix 1, 2 and 3.

That a copy of this report be circulated to Planning and Public Works and Public Health and Social Services Committees for information purposes.

Carried.

272. Tender Award for Contract RN 06-31
For the Lagoon Aeration System Upgrade
At the Niagara-on-the-Lake Wastewater Treatment Plant
In the Town of Niagara-on-the-Lake
Project: ZSW0301/SW0633
CSD 141-2006(PWA 188-2006)

Moved by Councillor Harry
Seconded by Councillor Angelone

That Report PWA 188-2006 (CSD 141-2006), November 1, 2006, respecting the Tender Award for Contract RN 06-31, For the Lagoon Aeration System Upgrade At the Niagara-on-the-Lake Wastewater Treatment Plant, In the Town of Niagara-on-the-Lake, Project: ZSW0301/SW0633, be received;

That approval be given to initiate Long Term Financing (1 – 10 years) in the amount of \$200,000.00 for Project ZSW0301 Emergency Equipment Replacement at Wastewater Facilities from the Approved 2005 Capital Budget for Project SW0633 Lagoon Aeration System Upgrade;

That approval be given to transfer Wastewater Capital Reserve financing in the amount of \$570,000.00 from Project ZSW9305/SW0126 Smithville Forcemain and Trunk Sewer to Project ZSW0301/SW0633 Lagoon Aeration System Upgrade;

That Contract RN 06-31 for the Lagoon Aeration System Upgrade at the Niagara-on-the-Lake Wastewater Treatment plant (WWT) in the Town of Niagara-on-the-Lake be awarded to Infrastructure Development and Management (iDM) at their bid price of \$659,617.00;

That a contingency amount of \$51,000.00 be provided for this project;

That Hydromantis Inc. be appointed for additional engineering services for an amount of \$23,580.00;

That the Regional Clerk be directed to ensure that the appropriate by-laws are prepared for submission to Regional Council authorizing the Regional Chair and Regional Clerk to execute the contract on behalf of the Regional Municipality of Niagara; and

That the cost associated with this project be charged against Project ZSW0301/SW0633 NOTL Lagoon Aeration System Upgrade.

Carried.

(Please note that Report CSD 141-2006 (PWA 188-2006) can be found behind the JNT RPTS Blue Book Tab)

273. Additional Council Meeting in December after the Inaugural
CSD 146-2006

Moved by Councillor Saracino
Seconded by Regional Chair Partington

That Report CSD 146-2006, November 1, 2006, respecting Additional Council Meeting in December after the Inaugural, be received.

That no additional regularly-scheduled Committee or Council meetings be held after the Inaugural Meeting of Council on December 14, 2006.

That a special or emergency meeting, as defined in Parts 4.3 and 4.4 of Procedural By-law 120-2005, be called, only if deemed necessary by the Regional Chair, in consultation with the CAO.

Carried.

INFORMATION

274. Summary of Quotations, Tenders and Authorizations
Third Quarter 2006
CSD 145-2006

Moved by Councillor Leavens
Seconded by Councillor Harry

That Report CSD 145-2006, November 1, 2006, respecting Summary of Quotations, Tenders and Authorizations Third Quarter 2006, be received for information.

Carried.

CORRESPONDENCE

275. Moved by Councillor Saracino
Seconded by Councillor Angelone

That the following communications be received for information:

CSC 71-2006 Deb Morton, Executive Director, Regional Municipality of Niagara Police Services Board re: Niagara Police Services Board – Facilities – 110 James Street Project – Request for Furniture Acquisition C.258.2006

CSC 72-2006 Deb Morton, Executive Director, Regional Municipality of Niagara Police Services Board re: Niagara Police Services Board – NRPS Variance Report – to August 31, 2006 167.2006.

CSC 73-2006 Deb Morton, Executive Director, Regional Municipality of Niagara Police Services Board re: Niagara Regional Police Service Project ZPO0501 Network Upgrades – Funding Initiation 163.2006.

CSC 74-2006 Michael Bryant, Attorney General, (September 28, 2006) providing an update on ongoing initiatives to develop strategies for expediting the resolution of charges under the Provincial Offences Act.

Carried.

276. Moved by Councillor Burroughs
Seconded by Regional Chair Partington

That the following communications be received and dealt with as noted in these minutes:

CSC 75-2006 Ernie Hardeman, M.P.P., Progressive Conservative Critic for Municipal Affairs (September 25, 2006) requesting the Council of the Regional Municipality of Niagara pass a resolution requesting the provincial government to expedite the promised Provincial-Municipal Fiscal and Service Review.

--Received.

CSC 76-2006 Memorandum from Gord Lockyer, Treasurer/Director Financial Management & Planning, regarding Update: Provincial-Municipal Fiscal and Service Delivery Review.

--Received and supported.

Carried.

OTHER BUSINESS

277. Newspaper Article-Tax Issue

Councillor Leavens apprised Committee of a newspaper article that blamed municipalities for high taxes that are “killing small firms”, noting municipalities are being blamed for Provincial tax policies. Councillor Burroughs commented that the issue was regarding education tax in the industrial sector. The Regional Chair was asked to send a letter in response to this article.

CLOSED SESSION

278. Moved by Councillor Leavens
Seconded by Councillor Burroughs

That this Committee do now meet in Closed Session for purposes of receiving information of a confidential nature relating to personnel, property and legal matters.

Carried.

279. Oral Report: Personnel Issue

Ms. Ellen Wodchis, Director, Chronic Disease, provided an oral report regarding a Personnel Issue.

Moved by Councillor Collins
Seconded by Councillor Leavens

That the oral report from Ellen Wodchis, Director, Chronic Disease, regarding a Personnel Issue, be received.

Carried.

280. A Matter of Security of the Property of the Municipality
CSD 142-2006 (Confidential)

Moved by Councillor Harry
Seconded by Councillor Zimmerman

That Confidential Report CSD 142-2006, October 24, 2006, respecting A Matter of Security of the Property of the Municipality, be received; and

That the recommendation in the executive summary, **as amended in the revised report**, be approved.

Carried.

(Revised Confidential Report CSD 142-2006 has been distributed under separate cover.)

281. A Matter of Solicitor/Client Advice
CSD 144-2006 (Confidential)

Moved by Councillor Leavens
Seconded by Councillor Zimmerman

That Confidential Report CSD 144-2006, November 1, 2006, respecting A Matter of Solicitor/Client Advice, be received.

Carried.

282. Moved by Councillor Leavens
Seconded by Councillor Zimmerman

That this Committee do now rise with report.

Carried.

ADJOURNMENT

Committee adjourned at 11:25 a.m. to meet again in Committee of the Whole on Thursday, November 23, 2006 in Council Chambers, Regional Headquarters.

Doug Martin
Co-Chair

Gail Reilly
Legislative Assistant

Michael Collins
Co-Chair

Pam Gilroy
Regional Clerk