

THE REGIONAL MUNICIPALITY OF NIAGARA

CORPORATE SERVICES COMMITTEE

REPORT 7-2010

Minutes of a meeting of the Corporate Services Committee held in Council Chambers, Regional Municipal Building, 2201 St. David's Rd., Thorold, Ontario, on Wednesday, May 26, 2010 commencing at 9:35 a.m.

ATTENDANCE

Committee: Councillors Augustyn, Co-Chair; Martin, Co-Chair; Partington, Regional Chair; Baty; Bentley; Burroughs; Bylsma; Casselman; D'Angela; Garcia, Greenwood; Heit; Lepp; Saracino.

Staff: Mr. Trojan, Chief Administrative Officer; Mr. Bergsma, Commissioner, Corporate Services; Ms. Pilon, Deputy Regional Clerk; Ms. Reilly, Legislative Assistant.

Staff

Others: Corporate Services: Ms. Brens, Tangible Capital Assets Analyst; Ms. Elliott, Director, Human Resources; Mr. Hughes, Director, Properties Management; Ms. Learn, Director, Employee Service Centre; Mr. Lockyer, Treasurer/Director, Financial Management; Ms. Maleszyk, Purchasing Manager; Mr. Moffat, Manager, Properties Management; Ms. Murphy, Associate Director, Current & Capital Budgets; Mr. Roach, Manager, Financial Services (P.W.); Mr. Pilon, Associate Director, Service Quality & Improvement; Ms. Sandwell-Lavergne, Lead, Finance Operations; Ms. Yarnell, Capital Accounting Analyst.
Integrated Community Planning: Ms. Swigger, Student.
Public Works: Mr. Cousins, Director, Transportation Services; Mr. Janas, Associate Director, Water.

PRESENTATION

90. Regional Chair-for-a-Day

Regional Chair Partington introduced this year's Regional Chair-for-a-Day, Brittany Dennie. This is the seventeenth annual Chair-for-a-Day event, which is part of Niagara Region's ongoing participation in the Adopt-a-School Partnership with Kernahan Park Secondary School. Brittany was chosen by her teachers because she is a strong student, has a positive rapport with her peers and is a natural leader. She is a member of the student leadership group, "The Pink Panthers", which promotes safe school policies, anti-bullying campaigns and fundraising. Brittany will tour Regional facilities and enjoy a lunch at Linhaven Home for the Aged. She will also attend the next Regional Council meeting on June 3rd.

91. 2010 Debenture Issue

Mr. Steven Hashimoto, CIBC Global Markets and Mr. Grant Berry, RBC, the Region's Fiscal Agents, attended to provide an update on the Canadian Debt Market highlighting the economic environment; Canadian dollar and net purchases of C\$ Bonds; Government of Canada Yield Curve; Interest Rate Forecasts; Provincial and Municipal Credit Spreads and Municipal Market Themes. Mr. Hashimoto advised that the overall market tone indicates primary issuance has been difficult in the past few weeks as general market conditions have deteriorated and sentiment remains highly volatile resulting in fewer launch platforms. Despite the relative strength of the Canadian economy and fiscal position, global events will continue to impact domestic market and the market is very sensitive to news headlines coming out of Europe. Provincial and municipal borrowers have elevated borrowing requirements resulting in increased competition. Committee received information on Indicative Pricing with respect to recent Municipal Issuance; Interest Rate Forecast and Domestic Primary Issuance.

(A copy of the Fiscal Agents presentation on the Canadian Debt Market is attached to the minutes.)

Moved by Councillor Burroughs
Seconded by Councillor Bentley

That the presentation by Mr. Steven Hashimoto, CIBC Global Markets and Mr. Grant Berry, RBC, being an update on the Canadian Debt Market, be received.

Carried.

92. Communication CSC 11-2010

Moved by Councillor Saracino
Seconded by Councillor Augustyn

That Communication CSC 11-2010, a letter from Ed Birmingham, St. Catharines (May 22, 2010) expressing his concerns regarding the Niagara Region's debt load discussions and urging the Region to reduce debt instead of increasing it, be received.

Carried.

ITEMS FOR CONSIDERATION

93. 2010 Debenture Issue
CSD 56-2010

Moved by Regional Chair Partington
Seconded by Councillor Heit

That Report CSD 56-2010, May 26, 2010, respecting the 2010 Debenture Issue, be received and approved, as **amended**:

That the Region be authorized to negotiate the sale of debentures for financing requirements in 2010 for the Region and certain area municipalities;

That the amount to be debentured shall not exceed \$165M and that the timing, term and interest costs be determined by the Region's Commissioner of Corporate Services in consultation with the Region's Chief Administrative Officer, the Regional Chair and the Co-Chairs of the Corporate Services Committee;

That the term and percentages be presented to Regional Council for information upon finalization of the issue;

That the Region's Commissioner of Corporate Services execute an agreement on behalf of the Regional Municipality of Niagara for the issue and sale of these debentures;

That the terms for long-term financing be amended as per Schedule B, in order to match the useful life of Niagara Region's capital assets;

That the unbudgeted interest payments of \$1.5M (Levy) and \$1.7M (Rate) be paid from the Contingency Reserve and from Water and Wastewater Reserve Funds respectively; and

That the Regional Clerk ensure that the necessary by-law(s) be prepared to effect the sale and issue of the debentures and that the by-law(s) be presented to Regional Council for approval.

Moved by Councillor D'Angela
Seconded by Councillor Burroughs

That Report CSD 56-2010, May 26, 2010, regarding the 2010 Debenture Issue, be referred to staff for further information.

Defeated.

Upon a vote being taken, the original motion, as **amended**, was carried.

Carried.

Councillor D'Angela wished to be recorded as opposed to the foregoing motion.

(Refer to Councillor Information Requests.)

94. Communication CSC 10-2010

Moved by Councillor Bentley
Seconded by Councillor Lepp

That Communication CSC 10-2010, a letter from Peter Fonesca, Minister of Labour (May 13, 2010) regarding the Region's lobby day at Queens Park and matters of importance to the people of the Niagara Region, be received.

Carried.

95. Resolution – Arbitration Awards

Moved by Councillor Augustyn
Seconded by Councillor Bentley

WHEREAS, Niagara Region's concerns respecting the due consideration of taxpayer affordability in arbitration awards was raised to the Minister of Labour during the 2010 Niagara Week; and

WHEREAS, the Minister of Labour is open to working with Municipalities on this issue and open to a solution;

WHEREAS, the Province of Ontario has determined to freeze non-union wages for two years;

NOW THEREFORE, BE IT RESOLVED:

That Regional staff be directed to engage the Emergency Services Steering Committee (a working committee under the direction of CAO's of MARCO, LUMCO and OAPSB) to ensure the consideration of taxpayer affordability in arbitration awards through supportive guidance to the Province to ensure policy and legislation is deployed with equity and consistency.

Carried.

96. Closure of Capital Projects
CSD 60-2010

Moved by Councillor Burroughs
Seconded by Councillor Heit

That Report CSD60-2010, May 26, 2010, respecting Closure of Capital Projects, be received for information.

That total net transfers of \$3,764,959 to the Capital Variance Reserves – Levy Supported (CVRLEV) be approved to accommodate the closure of various levy-supported Capital Projects as shown in appendix 1, pages 1 and 2.

That project closures be completed as indicated in Appendix 1.

That a copy of this report be circulated to Integrated Community Planning, Public works and Public Health and Social Services standing committees for information purposes.

Carried.

97. Transfer from Capital Variance Reserve and
Tender Award 2010-T-101 (RN 10-01)
Reconstruction of Regional Road 20 from 300m east of
Cataract Road to 300m east of Hansler Road
In the City of Thorold
CSD 53-2010 (PWA 39-2010)

Moved by Councillor D'Angela
Seconded by Councillor Baty

That Report CSD 53-2010, May 26, 2010 (PWA 39-2010, May 25, 2010) regarding Transfer from Capital Variance Reserve and Tender Award 2010-T-101 (RN 10-01) Reconstruction of Regional Road 20 from 300m east of Cataract Road to 300m east of Hansler Road in the City of Thorold, be received.

That Tender 2010-T-101 (RN 10-01), Reconstruction of Regional Road 20 from 300m east of Cataract Road to 300m east of Hansler Road, in the City of Thorold, be awarded to the low tenderer, Rankin Construction Inc., at the bid price of \$ 4,212,681;

That a contingency allowance in the amount of \$ 420,000 be provided for this contract;

That the Engineering Agreement with the consulting firm of AMEC Earth & Environmental be extended to include contract administration and inspection services of \$191,100, with the engineering fees being calculated on a time plus disbursements basis;

That the Regional Clerk be directed to ensure that the necessary by-laws, including the by-law authorizing the Regional Chair and Regional Clerk to execute the contract on behalf of The Regional Municipality of Niagara, are presented to Regional Council on June 3, 2010;

That funding, in the amount of \$3,608,995, be transferred from the Capital Levy Variance Reserve to Project ZRC0626/RC1035, Reconstruction of Regional Road 20, from 300m east of Cataract Road to 300m east of Hansler Road; and

That all project costs be charged against Capital Works Project ZRC0626/RC1035.

Carried.

(Please note that Report CSD 53-2010 (PWA 39-2010) can be found behind the Joint Reports Blue Book Tab)

98. Water Financial Plan
CSD 54-2010 (PWA 43-2010)

Moved by Councillor Bylsma
Seconded by Councillor Heit

That Report CSD 54-2010, May 26, 2010 (PWA 43-2010, May 25, 2010) regarding Water Financial Plan, be received for information.

That the following statements included in the Water Financial Plan be approved in accordance with O.Reg. 453/07:

- Pro Forma Statement of Financial Position – Water
- Pro Forma Statement of Financial Operations – Water
- Pro Forma Statement of Cash Flow/Cash Receipts – Water

Carried.

(Please note that Report CSD 54-2010 (PWA 43-2010) can be found behind the Joint Reports Blue Book Tab)

99. Year End Results and Final Report on Required Transfers
For the Year Ended December 31, 2009 – Current Operations
CSD 55-2010

Moved by Regional Chair Partington
Seconded by Councillor Greenwood

That Report CSD 55-2010, May 26, 2010, respecting Year End Results and Final Report on Required Transfers for the Year ended December 31, 2009 – Current Operations, be received.

That Corporate Services Committee recommends to Council that:

- A) Of the tax account surplus of approximately \$2.1 million:
 - a. \$1.4 million be transferred to the Year End Transfer Reserve in order to fund the “Prior Year Surplus” amount in the approved 2010 budget, and
 - b. \$0.73 million be transferred to the Reserve for Future Hospital Contribution (to complete the financing arrangements for the Region’s commitment to the new Niagara Health System facility as per CSD 75-2009),
- B) Of the investment revenue surplus of \$5.4 million:
 - a. \$1.975 million be transferred to the Year End Transfer reserve to fund the Police Interim Facilities plan, as per the 2010 Budget deliberations,
 - b. \$3.1 million (as calculated in the 2010 Budget Guidance presentation –i.e. \$1.1 million for ODSP costs and \$2.0 million for Ontario Works costs), be transferred to the Social Assistance Reserve Fund to fund that portion of the budgeted 2010 draws from the Reserve Fund,
 - c. \$0.2 million be transferred to the Year End Transfer Reserve to fund the “Emerald Ash Borer” business case as per the approved 2010 budget, and
 - d. \$0.1 million be transferred to the Year End Transfer Reserve to fund estimated Development Charge Waivers as approved in the 2010 budget,
- C) Of the Ontario Municipal Partnership Fund (OMPF) reconciliation surplus of \$2.1 million for 2008:
 - a. \$0.6 million be transferred to the Year End Transfer reserve to fund a component of the Niagara Emergency Medical Services (NEMS) 2010 budget shortfall of \$0.9 million (as reported in “2010 Land Ambulance Grant” report PHD 23-2010 /CSD 50-2010, May 5, 2010), leaving a remaining shortfall of \$0.3 million, and

- b. \$1.5 million be used to offset the Community Services net deficit of the same amount, which is caused by higher than normal Social Assistance spending which resulted from the economic downturn in 2009,
- D) That the remainder of the NEMS 2010 funding shortfall of \$0.3 million, noted above, be funded from the \$0.3 million which remained unallocated from the "Reserve Rationalization" process, which was undertaken during the 2010 budget deliberations,
- E) Of the Public Health surplus of \$0.36 million, \$0.22 million and \$0.14 million be transferred to the Reserve for Improvement Initiatives and Year End Transfer reserves respectively,
- F) Of the Niagara Regional Housing (NRH) surplus of \$1.6 million:
 - a. \$0.9 million be transferred to the General Capital Levy Reserve in order to provide funding for the approved 2010 Capital Budget for NRH, and
 - b. \$0.7 million be transferred to the Reserve for Rent Supplements to extend the duration of Rent Supplement Programs,
(as requested in the attached correspondence from the NRH board dated April 8, 2010),
- G) That various transfers totaling a net transfer to reserves of approximately \$9 thousand be implemented in order to deal with the overall Police surplus of an equivalent amount (as requested in the attached correspondence from the Police Services Board dated March 3, 2010), and
- H) As in prior years, the net results from various long-term spending areas or rate funded programs, be transferred to or from the appropriate reserves or reserve funds as indicated by final operating results.

Carried.

100. Extension of Schedule D to the Purchasing By-law No. 56-2009
CSD 58-2010

Moved by Councillor Casselman
Seconded by Councillor Heit

That Report CSD 58-2010, May 26, 2010, respecting Extension of Schedule D to the Purchasing by-law No. 56-2009, be received.

That this Committee recommends to Regional Council that, effective June 19, 2010:

That Subsection 3 (e) of the Purchasing By-law No. 56-2009 be repealed and replaced with the following:

“From the date this By-law comes into force until December 31, 2010, the Purchasing Authorities and Document Execution Authorities set out in Schedule “D” shall apply to all purchases of Goods and Services by the Public Works Department of the Corporation”; and

That Subsection 3 (f) of the Purchasing By-law No. 56-2009 be repealed and replaced with the following:

“Despite Subsection 3 (e), the Purchasing Authorities and Document Execution Authorities set out in Schedule “D” shall continue to apply to all purchasing processes commenced by the Public Works Department before December 31, 2010.”

Carried.

CLOSED SESSION

101. Moved by Councillor Baty
Seconded by Regional Chair Partington

That this Committee do now meet in Closed Session for purposes of receiving information of a confidential nature relating to Matters of Security of Municipality’s Property, Solicitor-Client Advice and in Respect of Which a Board May Hold a Closed Meeting under another Act, namely the Police Services Board under the *Police Services Act* –Professional Design Services Fort Erie NRPS/EMS Facility and Initiation of Capital Project ZGR1002 and Proposed Acquisition of Land by the Municipality, Reconstruction of Stanley Avenue at Lyons Creek Road in the City of Niagara Falls.

Carried.

102. A Matter of the Security of Municipal Property and Confidential
Police Matters – Initiation of Capital Project ZPO0619
Confidential CSD 57-2010

Moved by Regional Chair Partington
Seconded by Councillor Baty

That Confidential Report CSD 57-2010, May 26, 2010, respecting A Matter of the Security of Municipal Property and Confidential Police Matters – Initiation of Capital Project ZPO0619, be received; and

That the recommendations contained therein be approved.

Carried.

103. Matters of Security of the Municipality's Property, Solicitor-Client Advice and in Respect of Which a Board May Hold a Closed Meeting under another Act, namely the Police Services Board under the Police Services Act – 2010-RFP-19 Professional Design Services Fort Erie NRPS/EMS Facility and Initiation of Capital Project ZGR1002

Confidential CSD 59-2010

Moved by Regional Chair Partington
Seconded by Councillor Baty

That Confidential Report CSD 59-2010, May 36, 2010, respecting Matters of Security of the Municipality's Property, Solicitor-Client Advice and in Respect of Which a Board May Hold a Closed Meeting under another Act, namely the Police Services Board under the Police Services Act – 2010-RFP-19 Professional Design Services Fort Erie NRPS/EMS Facility and Initiation of Capital Project ZGR1002, be received; and

That the recommendations contained therein be approved.

Carried.

104. Proposed Acquisition of Land by the Municipality Reconstruction of Stanley Avenue at Lyons Creek Road City of Niagara Falls

Confidential CSD 61-2010 (PWA 47-2010)

Moved by Councillor Saracino
Seconded by Councillor Greenwood

That Confidential Report CSD 61-2010, May 26, 2010 (PWA 47-2010, May 25, 2010), respecting Proposed Acquisition of Land by the Municipality Reconstruction of Stanley Avenue at Lyons Creek Road City of Niagara Falls, be received; and

That the recommendations contained therein be approved.

Carried.

105. Moved by Councillor Casselman
Seconded by Councillor Baty

That this Committee do now rise with report.

Carried.

COUNCILLOR INFORMATION REQUESTS

That staff:

- (i) Provide further information on internal financing; the use of \$280 million of reserves to fund capital needs (long term for Water & Wastewater) and a list of reserves and reserve funds. (Committee members) Refer to minute item 93.)

ADJOURNMENT

Committee adjourned at 11:40 a.m. to meet again on Wednesday, June 16, 2010, at 9:30 a.m. in Council Chambers, Regional Headquarters.

Dave Augustyn
Co-Chair

Gail Reilly
Legislative Assistant

Doug Martin
Co-Chair

Janet Pilon
Deputy Regional Clerk