

**THE REGIONAL MUNICIPALITY OF NIAGARA
BUDGET REVIEW COMMITTEE OF THE WHOLE
MINUTES - OPEN SESSION**

**BRCOTW 3-2020
Thursday, November 26, 2020
Council Chamber / Video Conference
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee Members Present in the Council Chamber: Bradley (Regional Chair), Zalepa (Committee Chair)

Council Members Present via Video Conference: Butters, Bylsma, Campion, Chiocchio, Darte, Diodati, Disero, Edgar, Fertich, Foster, Gale, Gibson, Heit, Huson, Insinna, Ip, Junkin, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen (Committee Vice Chair), Witteveen

Absent/Regrets: Bellows, Easton, Greenwood, Jordan

Staff Present in the Council Chamber: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, R. Cheung, Senior Budget Analyst, M. Elia, Technology Support Analyst, R. Fleming, Senior Tax & Revenue Analyst, T. Harrison, Commissioner/Treasurer, Corporate Services, M. Murphy, Associate Director, Budget Planning & Strategy, A.-M. Norio, Regional Clerk, C. Sportel, Supervisor, Corporate Budgets, R. Tripp, Acting Chief Administrative Officer, B. Zvaniga, Interim Commissioner, Public Works

Staff Present via Video Conference: D. Giles, Acting Commissioner, Planning and Development Services, C. Habermehl, Director, Waste Management Services, S. Hendrie, Chief Information Officer, A. Jugley, Commissioner, Community Services, P. Lambert, Director, Infrastructure, Planning & Development Engineering, E. Prpic, Associate Director, Waste Disposal Operations and Engineering, C. Ryall, Director, Transportation Services, J. Tonellato, Director, Water & Wastewater Services, M. Trennum, Deputy Regional Clerk, D. Woiceshyn, Chief Executive Officer, Niagara Regional Housing, N. Wolfe, Director, Construction, Energy, and Facilities Management

1. CALL TO ORDER

Committee Chair Zalepa called the meeting to order at 6:32 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

See Minute Item 5.2.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 CSD 65-2020

2021 Water and Wastewater Operating and Rate Requisition Budget -
REVISED

Helen Chamberlain, Deputy Treasurer/Director, Financial Management & Planning, provided information respecting 2021 Water and Wastewater Operating and Rate Requisition Budget. Topics of the presentation included:

- Key Themes - 2021 Water & Wastewater Operating Budget
- 2021 Budget Process
- Operating Budget Summary
 - 2021 Budget Pressures & Mitigations
 - 2021 Water & Wastewater Capital Financing
- 2021 Water and Wastewater Requisition
 - Methodology
 - Cost per Household
- Risks and Opportunities
- Next Steps

There being no objections, Report CSD 58-2020 (Agenda Item 5.3), respecting 2021 Capital Budget, was considered at this time.

5.3 CSD 58-2020

2021 Capital Budget

Moved by Councillor Rigby

Seconded by Councillor Bylsma

That Report CSD 58-2020, dated October 15, 2020, respecting 2021 Capital Budget, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2021 Capital Budget for the Niagara Regional Departments and Agencies, Boards and Commissions of \$501,505,722 as per Appendix 1 to Report CSD 58-2020, **BE APPROVED** pending final by-law approval anticipated to be brought forward to the Council meeting being held January 21, 2021;
2. That an incremental transfer to the Capital Levy Reserve of \$2,046,910, or 1.00% of the departmental share of the levy, **BE REFERRED** to the 2021 Operating budget;
3. That \$5,300 for the incremental operating costs of capital projects as per Appendix 7 to Report CSD 58-2020, **BE REFERRED** for consideration as part of the 2021 Operating Budget to be funded from Assessment Growth;
4. That \$5,230,000 for the incremental operating costs of capital projects as per Appendix 7 to Report CSD 28-2020, **BE REFERRED** for consideration as part of the 2021 Rate Budget;
5. That financing in the amount of \$215,130,104 gross and \$182,450,742 net **BE INITIATED** upon approval of the 2021 Capital Budget and **BE ALLOCATED** to the projects as summarized in Appendix 4 to Report CSD 58-2020; and
6. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration to coincide with the approval of the operating budget.

Recorded Vote:

Yes (26): Butters, Bylsma, Campion, Chiocchio, Darte, Diodati, Edgar, Fertich, Foster, Gale, Gibson, Heit, Huson, Insinna, Ip, Junkin, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa.

No (0).

Carried

Councillor Information Request(s):

Provide information respecting the projected assessment growth associated with the South Niagara wastewater treatment plant project. Councillor Sendzik.

Committee considered Report CSD 65-2020 (Agenda Item 5.1), respecting 2021 Water and Wastewater Operating and Rate Requisition Budget - REVISED, at this time.

That Report CSD 65-2020 – REVISED, dated November 26, 2020, respecting 2021 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2021 Water & Wastewater net operating base budget increase of \$1,229,624 or 1% for Operating and \$1,229,417 or 1% for Capital Financing over the 2020 operating budget **BE APPROVED** in accordance with the 2021 budget planning strategy;
2. That the 2021 Water Operations gross operating budget of \$47,038,985 and net budget in the amount of \$46,656,372 as outlined in Appendix 7 of Report CSD 65-2020 for the Water Budget, Rates and Requisition **BE APPROVED**;
3. That the proposed fixed water requisition shown in Table 4 of Report CSD 65-2020, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
4. That the Region's proposed 2021 variable water rate of \$0.611, shown in Table 5 of Report CSD 65-2020, to be effective January 1, 2021 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
5. That the 2021 Wastewater Operations gross operating budget of \$81,409,557 and net budget in the amount of \$78,774,320 as outlined in Appendix 7 of Report CSD 65-2020 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;

6. That the proposed 2021 fixed wastewater requisition as shown in Table 6 of Report CSD 65-2020, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;
7. That the 2021 wastewater monthly bills **INCLUDE** the reconciliation for the 2019 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 7 of Report CSD 65-2020;
8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
9. That a copy of Report CSD 65-2020 **BE CIRCULATED** to the Local Area Municipalities.

Moved by Councillor Redekop
Seconded by Councillor Insinna

That staff **REDUCE** the capital program by \$1 million to accommodate keeping the Combined Sewer Overflow (CSO) program whole.

Carried

The Committee Chair called the vote on the motion, as amended, as follows:

That Report CSD 65-2020 – REVISED, dated November 26, 2020, respecting 2021 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition, **BE RECEIVED**, and the following recommendations **BE APPROVED**:

1. That the 2021 Water & Wastewater net operating base budget increase of \$1,229,624 or 1% for Operating and \$1,229,417 or 1% for Capital Financing over the 2020 operating budget **BE APPROVED** in accordance with the 2021 budget planning strategy;
2. That the 2021 Water Operations gross operating budget of \$47,038,985 and net budget in the amount of \$46,656,372 as outlined in Appendix 7 of Report CSD 65-2020 for the Water Budget, Rates and Requisition **BE APPROVED**;

3. That the proposed fixed water requisition shown in Table 4 of Report CSD 65-2020, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
4. That the Region's proposed 2021 variable water rate of \$0.611, shown in Table 5 of Report CSD 65-2020, to be effective January 1, 2021 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
5. That the 2021 Wastewater Operations gross operating budget of \$82,409,557 and net budget in the amount of \$78,774,320 as outlined in Appendix 7 of Report CSD 65-2020 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
6. That the proposed 2021 fixed wastewater requisition as shown in Table 6 of Report CSD 65-2020, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2021, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;
7. That the 2021 wastewater monthly bills **INCLUDE** the reconciliation for the 2019 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 7 of Report CSD 65-2020;
8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
9. That a copy of Report CSD 65-2020 **BE CIRCULATED** to the Local Area Municipalities.

Carried

5.2 CSD 66-2020

2021 Waste Management Operating and Rate Requisition Budget

Helen Chamberlain, Deputy Treasurer/Director, Financial Management & Planning, provided information respecting Waste Management Operating Budget & Requisition. Topics of the presentation included:

- Key Themes - 2021 Waste Management Operating Budget
- 2021 Budget Process
- Operating Budget Summary
 - 2021 Budget Pressures & Mitigations
 - 2021 Waste Management Reserves
- Requisition to Municipalities
 - Methodology
 - Cost for typical residential property
- Risks and Opportunities
- Next Steps

Councillor Heit declared an indirect pecuniary interest with Report CSD 66-2020, respecting 2021 Budget-Waste Management Services Operating Budget and Requisition as it deals the Tip Fee Exemption program for charitable organizations, and his wife works for a local charitable organization.

Moved by Councillor Bylsma
Seconded by Councillor Steele

That Report CSD 66-2020, dated November 26, 2020, respecting 2021 Budget-Waste Management Services Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2021 Waste Management Services net operating budget increase of \$1,548,984 or 3.99% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2021 Waste Management Services gross operating budget of \$62,677,760 and net budget of \$40,370,586 as per Appendix 3 of Report CSD 66-2020, **BE APPROVED**;
3. That the net budget amount of \$40,370,586 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 1 of Report CSD 66-2020;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of Report CSD 66-2020 **BE CIRCULATED** to the Local Area Municipalities.

Moved by Councillor Witteveen
Seconded by Councillor Sendzik

That the Tip Fee Exemption program for Charities **BE ADDED** back into the 2021 Waste Management Services Operating Budget with a total increase of \$200,000.

Carried

The Committee Chair called the vote on the motion, as amended, as follows:

That Report CSD 66-2020, dated November 26, 2020, respecting 2021 Budget-Waste Management Services Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2021 Waste Management Services net operating budget increase of \$1,745,162 or 4.50% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2021 Waste Management Services gross operating budget of \$62,873,938 and net budget of \$40,566,763 as per Appendix 3 of Report CSD 66-2020, **BE APPROVED**;
3. That the net budget amount of \$40,566,763 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 1 of Report CSD 66-2020 as amended;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of Report CSD 66-2020 **BE CIRCULATED** to the Local Area Municipalities.

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 BRC-C 1-2020

Councillor Information Requests from October 15, 2020 Budget Review Committee of the Whole

Moved by Councillor Ugulini
Seconded by Councillor Nicholson

That Correspondence Item BRC-C 1-2020, being a memorandum from T. Harrison, Treasurer/Commissioner, Corporate Services, dated November 26, 2020, respecting Councillor Information Requests from October 15, 2020 Budget Review Committee of the Whole, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

There were no items of other business.

8. NEXT MEETING

The next meeting will be held on Thursday, December 10, 2020 at 6:30.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 9:52 p.m.

Councillor Zalepa
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk