

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

**BRCOTW 9-2019
Thursday, November 28, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Butters, Bylsma, Campion, Chiocchio, Darte, Easton, Edgar, Fertich, Foster, Heit, Huson, Insinna, Ip, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen (Committee Vice Chair), Witteveen, Zalepa (Committee Chair)

Absent/Regrets: Bellows, Diodati, Disero, Gale, Gibson, Greenwood, Jordan, Junkin

Staff: B. Brens, Associate Director, Reporting & Analysis, H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, T. Cimino, Associate Director, Water & Wastewater Engineering, M. Evely, Legislative Coordinator, R. Fleming, Senior Tax & Revenue Analyst, C. Habermebl, Director, Waste Management Services, P. Hamilton, Program Financial Specialist, T. Harrison, Commissioner/Treasurer, Corporate Services, M. Murphy, Associate Director, Budget Planning & Strategy, A.-M. Norio, Regional Clerk, J. Tonellato, Director, Water & Wastewater Services, R. Tripp, Commissioner, Public Works/Acting Chief Administrative Officer

1. CALL TO ORDER

Committee Chair Zalepa called the meeting to order at 6:30 p.m.

There being no objection, the order of the agenda was amended to consider Confidential Report PW 69-2019 (Agenda Item 8.1) immediately following the presentation respecting Report CSD 70-2019 Revised (Agenda Item 5.2).

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 CSD 71-2019

2020 Budget – Water and Wastewater Operating Budget, Rate Setting and Requisition

Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, provided information respecting 2020 Budget - Water and Wastewater Operating Budget, Rate Setting and Requisition. Topics of the presentation included:

- 2020 Water and Wastewater Budget Process
- 2020 Water and Wastewater Capital Financing and Sustainability Plan
- Municipal Comparators
- Average Cost per Household
- Water Requisition
 - Methodology
 - Volume Analysis
- Water and Wastewater Operating Budget - Risks and Opportunities

Moved by Councillor Witteveen

Seconded by Councillor Huson

That Report CSD 71-2019, dated November 28, 2019, respecting 2020 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2020 net Water & Wastewater operating base budget increase of \$2,340,055 or 2.00% over the 2019 operating budget **BE APPROVED** in accordance with Council approved budget planning direction;
2. That the 2020 net Water & Wastewater operating budget increase of an additional 3.15% over the 2019 operating budget **BE APPROVED** to accommodate enhanced Capital financing contributions in accordance with Council approved Safe Drinking Water Act Financial Plan as follows:
 - a. \$1,350,459 or 1.16% over the 2019 operating budget representing an increase in capital financing contributions for water; and
 - b. \$2,332,479 or 1.99% over the 2019 operating budget representing an increase in capital financing contributions for wastewater;

3. That the 2020 gross Water Operations operating budget of \$46,300,620 and net budget in the amount of \$45,920,957 as outlined in Appendix 6 of Report CSD 71-2019 for the Water Budget, Rates and Requisition **BE APPROVED**;
4. That the proposed fixed water requisition shown in Table 3 of Report CSD 71-2019, 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, 2020, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
5. That the Region's proposed 2020 variable water rate of \$0.602, shown in Table 4 of Report CSD 71-2019, to be effective January 1, 2020 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**;
6. That the 2020 gross Wastewater Operations operating budget of \$80,504,266 and net budget in the amount of \$77,020,694 as outlined in Appendix 6 of Report CSD 71-2019 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
7. That the proposed 2020 fixed wastewater requisition as shown in Table 5 of Report CSD 71-2019, 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 Local Area Municipalities starting January 1, 2020, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;
8. That the 2020 wastewater monthly bills **INCLUDE** reconciliation for the 2018 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 6 of Report CSD 71-2019;
9. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
10. That a copy of Report CSD 71-2019 **BE CIRCULATED** to the Local Area Municipalities.

Carried

Moved by Councillor Fertich
Seconded by Councillor Sendzik

That Report CSD 71-2019 **BE REFERRED** to staff to provide a revised report substituting 0.5% in Recommendation 2a and 1.5% in Recommendation 2b.

Councillor Rigby rose on a point of order stating that the referral motion was not in order; however, the Committee Chair ruled that the referral motion was in order. Councillor Rigby challenged the ruling of the Chair and the following motion was considered:

That the ruling of the Chair **BE SUSTAINED** to permit the referral motion.

Recorded Vote:

Yes (17): Bradley, Butters, Chiocchio, Dart, Easton, Fertich, Huson, Ip, Nicholson, Redekop, Sendzik, Steele, Ugolini, Villella, Whalen, Witteveen, Zalepa.

No (7): Bylsma, Campion, Edgar, Foster, Heit, Insinna, Rigby.

Carried

The Committee Chair called the vote on the motion to refer Report CSD 71-2019.

Recorded Vote:

Yes (11): Butters, Campion, Chiocchio, Dart, Easton, Fertich, Nicholson, Redekop, Sendzik, Ugolini, Whalen.

No (13): Bradley, Bylsma, Edgar, Foster, Heit, Huson, Insinna, Ip, Rigby, Steele, Villella, Witteveen, Zalepa.

Defeated

The Committee Chair called the vote on the original motion as follows:

That Report CSD 71-2019, dated November 28, 2019, respecting 2020 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2020 net Water & Wastewater operating base budget increase of \$2,340,055 or 2.00% over the 2019 operating budget **BE APPROVED** in accordance with Council approved budget planning direction;

2. That the 2020 net Water & Wastewater operating budget increase of an additional 3.15% over the 2019 operating budget **BE APPROVED** to accommodate enhanced Capital financing contributions in accordance with Council approved Safe Drinking Water Act Financial Plan as follows:
 - a. \$1,350,459 or 1.16% over the 2019 operating budget representing an increase in capital financing contributions for water; and
 - b. \$2,332,479 or 1.99% over the 2019 operating budget representing an increase in capital financing contributions for wastewater;
3. That the 2020 gross Water Operations operating budget of \$46,300,620 and net budget in the amount of \$45,920,957 as outlined in Appendix 6 of Report CSD 71-2019 for the Water Budget, Rates and Requisition **BE APPROVED**;
4. That the proposed fixed water requisition shown in Table 3 of Report CSD 71-2019, 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, 2020, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
5. That the Region's proposed 2020 variable water rate of \$0.602, shown in Table 4 of Report CSD 71-2019, to be effective January 1, 2020 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**;
6. That the 2020 gross Wastewater Operations operating budget of \$80,504,266 and net budget in the amount of \$77,020,694 as outlined in Appendix 6 of Report CSD 71-2019 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
7. That the proposed 2020 fixed wastewater requisition as shown in Table 5 of Report CSD 71-2019, 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 Local Area Municipalities starting January 1, 2020, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;
8. That the 2020 wastewater monthly bills **INCLUDE** reconciliation for the 2018 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 6 of Report CSD 71-2019;

9. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
10. That a copy of Report CSD 71-2019 **BE CIRCULATED** to the Local Area Municipalities.

Recorded Vote:

Yes (19): Bradley, Butters, Bylsma, Campion, Dart, Easton, Edgar, Foster, Heit, Huson, Insinna, Ip, Nicholson, Rigby, Steele, Ugolini, Whalen, Witteveen, Zalepa.

No (5): Chiocchio, Fertich, Redekop, Sendzik, Villella.

Carried

Councillor Information Request(s):

Provide a graph illustrating wastewater requisition volume analysis.
Councillor Redekop.

5.2 CSD 70-2019 - REVISED

2020 Budget - Waste Management Services Operating Budget and Requisition

Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, provided information respecting 2020 Budget - Waste Management Services Operating Budget and Requisition. Topics of the presentation included:

- 2020 Waste Management Operating Budget
- 2020 Budget Pressures and Mitigation
- Historical Perspective
- 2020 Waste Management Reserve Projections
- Waste Management Requisition
 - Methodology
 - Requisition for Typical Residential Property
 - Comparison to Prior Year
- Risks and Opportunities

8. CLOSED SESSION

Moved by Councillor Nicholson
Seconded by Councillor Huson

That this Committee **DO NOW MOVE** into Closed Session for the purposes of receiving information of a confidential nature respecting:

A Matter of Commercial and Financial Information, supplied in confidence to the municipality, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization - Financial Information Supporting Waste Management Collection Contract Procurement Process - Pricing of Successful Proponents to Manage Diaper Waste Under Every Other Week Garbage Collection.

Carried

Committee resolved into closed session at 8:44 p.m.

9. BUSINESS ARISING FROM CLOSED SESSION

Committee reconvened in open session at 9:03 p.m. with the following individuals in attendance:

Committee: Bradley (Regional Chair), Butters, Bylsma, Campion, Chiochio, Dart, Easton, Edgar, Fertich, Foster, Heit, Huson, Insinna, Ip, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen (Committee Vice Chair), Witteveen, Zalepa (Committee Chair)

Absent/Regrets: Bellows, Diodati, Disero, Gale, Gibson, Greenwood, Jordan, Junkin

Staff: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, T. Cimino, Associate Director, Water & Wastewater Engineering, M. Evelyn, Legislative Coordinator, R. Fleming, Senior Tax & Revenue Analyst, P. Hamilton, Program Financial Specialist, T. Harrison, Commissioner/Treasurer, Corporate Services, M. Murphy, Associate Director, Budget Planning & Strategy, A.-M. Norio, Regional Clerk, J. Tonellato, Director, Water & Wastewater Services, R. Tripp, Commissioner, Public Works/Acting Chief Administrative Officer

9.1 Confidential PW 69-2019

Financial Information Supporting Waste Management Collection Contract Procurement Process - Pricing of Successful Proponents to Manage Diaper Waste Under Every Other Week Garbage Collection

Moved by Councillor Rigby
Seconded by Councillor Edgar

That Confidential Report PW 69-2019, dated November 28, 2019, respecting A Matter of Commercial and Financial Information, supplied in confidence to the municipality, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization - Financial Information Supporting Waste Management Collection Contract Procurement Process - Pricing of Successful Proponents to Manage Diaper Waste Under Every Other Week Garbage Collection, **BE RECEIVED**; and

That staff **BE DIRECTED** to provide weekly curbside collection or diapers and medical waste only on a year-round basis (Option 2 of Confidential Report PW 69-2019).

Carried

5.2 CSD 70-2019 – REVISED

2020 Budget - Waste Management Services Operating Budget and Requisition

Moved by Councillor Edgar
Seconded by Councillor Rigby

That Report CSD 70-2019 **REVISED**, dated November 28, 2019, respecting 2020 Budget – Waste Management Services Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the net 2020 Waste Management Services operating base budget increase of \$75,657 or 0.2% plus \$1,814,083 or 5.13% for the new curbside collection contract net of stabilization reserve funding **BE APPROVED**;
2. That an additional net increase of \$1,603,551 or 4.5% for the negative revenue pressures related to end market recyclables **BE APPROVED**;
3. That the total 2020 gross Waste Management Services operating budget of \$57,225,193 and net budget amount of \$38,821,604 as per Appendix 1 of Report CSD 70-2019 REVISED as amended, **BE APPROVED** with optional services;

4. That the net budget amount of \$38,821,604 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 2 of Report CSD 70-2019 REVISED as amended;
5. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
6. That a copy of Report CSD 70-2019 **BE CIRCULATED** to the Local Area Municipalities (LAM) for information.

Moved by Councillor Insinna
Seconded by Councillor Edgar

That \$154,000 in funding for compensation and staff related costs respecting support for the service level changes as outlined in Report CSD 70-2019 REVISED **BE REMOVED** from the Waste Management Services Operating Budget.

Defeated

The Committee Chair called the vote on the original motion and declared it,

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 BRC-C 10-2019

Councillor Information Requests - October 10, 2019, Budget Review Committee of the Whole

Moved by Councillor Easton
Seconded by Councillor Campion

That Correspondence Item BRC-C 10-2019, being a memorandum from H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, dated November 28, 2019, respecting Councillor Information Requests October 10, 2019 Budget Review Committee of the Whole, **BE RECEIVED** for information.

Carried

7. OTHER BUSINESS

There were no items of other business.

10. NEXT MEETING

The next meeting will be held on Thursday, December 5, 2019 at 6:30 p.m. in the Council Chamber, Regional Headquarters.

11. ADJOURNMENT

There being no further business, the meeting adjourned at 9:24 p.m.

Councillor Zalepa
Committee Chair

Mark Evely
Legislative Coordinator

Ann-Marie Norio
Regional Clerk