

**MINUTES OF COUNCIL
OF
THE REGIONAL MUNICIPALITY OF YORK**

June 28, 2001

The Regional Council met at 1:15 p.m. in the Council Chambers, York Region Administrative Centre, 17250 Yonge Street, Newmarket, with Chair Fisch presiding.

The following were present at this Meeting:

Mayor: Bell, Black, Cousens, Emmerson, Holec, Jones and Young.

Regional Councillor: Barrow, Di Biase, Hogg, Humeniuk, Landon, Scarpitti, Wheeler and Wong.

Staff: Carlyle, Cartwright, Davidson, Jaczek, Schipper, Simmons, Tuckey and Wells.

163 MINUTES

It was moved by Mayor Emmerson, seconded by Mayor Bell, that the Minutes of the Council meeting held on the June 7, 2001 be confirmed in the form supplied to the Members.

Carried.

164 PRESENTATION

York Region “Celebration of the Arts”

Mr. Lee Jarvis, Advertising Manager of the York Region Newspaper Group, made a presentation regarding "Celebration of the Arts". This will be a showcase of professional and amateur talent from York Region that will be held on the evening of Sunday, October 28, 2001. Mr. Jarvis requested that the Region sponsor a suitable display such as a “Wall of Fame”.

It was moved by Regional Councillor Wheeler, seconded by Regional Councillor DiBiase, that staff be directed to undertake discussions with Mr. Ian Proudfoot, Publisher of the York Region Newspaper Group, regarding a suitable display area, and report back to the Planning and Economic Development Committee.

Carried.

COMMUNICATIONS

Council proceeded to consider the following communications:

165 King City Servicing

1. Jane Underhill, June 20, 2001, forwarding her presentation to the Transportation and Works Committee meeting held on June 14, 2001
2. Linda Lord, June 19, 2001, with attached letter addressed to Dr. Jaczek, June 19, 2001, from the Concerned Citizens of King Township.
3. Leah Werry, Councillor, Township of King, June 22, 2001.
4. R. J. Martin, June 21, 2001.
5. Edward Tsang, June 22, 2001.
6. Susan Swail, Councillor, Township of King, June 21, 2001.
7. Linda Lord, June 22, 2001, requesting deputant status.
8. Dorothy Zajac, Councillor, Township of King, June 22, 2001, requesting deputant status.
9. Chris Somerville, Clerk, Township of King, June 26, 2001, forwarding extracts from the Council Minutes of June 25, 2001.
10. David Estrin, Gowling, Lafleur Henderson LLP, June 26, 2001.
11. Linda Pabst, Councillor, Township of King, June 26, 2001, requesting deputant status.
12. Linda Pim, Conservation Policy Coordinator, Federation of Ontario Naturalists, June 26, 2001
13. Gillian Watt, June 25, 2001.
14. Jennifer Harrison, June 11, 2001.
15. Margaret Coburn, June 20, 2001.
16. William J. Salter, June 21, 2001.
17. Vaughan Goettler, June 21, 2001
18. Bruce Craig, President, King City Preserve the Village, June 21, 2001.

19. Marjory Weldon, June 27, 2001.

It was moved by Councillor Di Biase, seconded by Mayor Bell, that these communications be received, and that deputant status be granted to Councillor Zajac, Township of King.

Carried.

166 Spadina-York Subway Extension

20. Councillor Mario G. Racco, Chair, Spadina-York Subway Extension Committee, June 22, 2001, forwarding a copy of the Business Case for the Spadina-York Subway Extension.

It was moved by Regional Councillor Di Biase, seconded by Mayor Bell, that this communication be received and referred to staff.

Carried.

DEPUTATION

Council received the following deputation:

167 King City Servicing

1. Dorothy Zajac, Councillor, Township of King.

(Councillor Zajac provided a copy of her presentation to the Regional Clerk and it was distributed to the Members of Council. A copy of the presentation is on file with the Regional Clerk.)

It was moved by Regional Councillor Humeniuk, seconded by Mayor Bell, that this deputation be received and referred to the discussion of the Committee and staff reports related to the King City servicing matter.

Carried.

168 REPORTS

[Report No. 2 of the Audit Committee](#)

Report No. 7 of the Finance and Administration Committee

Report No. 1 of the Fire Services Committee

Report No. 6 of the Health and Emergency Medical Services Committee

Report No. 6 of the Planning and Economic Development Committee

Report No. 7 of the Transit Committee

Report No. 8 of the Transportation and Works Committee (King City Public Meeting)

Report No. 9 of the Transportation and Works Committee

Report No. 2 of the Commissioner of Community Services and Housing

Report No. 5 of the Chief Administrative Officer

Report No. 4 of the Commissioner of Transportation and Works

Report No. 2 of the Chief Administrative Officer and Commissioner of Finance
Report No. 1 of the Commissioner of Corporate and Legal Services and the Commissioner of Finance

Report No. 1 of the Commissioner of Transportation and Works, Commissioner of Finance, Commissioner of Planning & Development and Commissioner of Corporate & Legal Services

Report No. 1 of the Commissioner of Corporate and Legal Services, Commissioner of Planning and Development Services, Commissioner of Transportation and Works, Commissioner of Finance and Treasurer and Commissioner of Health Services and Medical Officer of Health (King City Servicing)

It was moved by Regional Councillor Humeniuk, seconded by Regional Councillor Barrow, that the reports be received and that Council resolve itself into Committee of the Whole to consider them.

Carried.

Chair Fisch chaired the Committee of the Whole.

The Committee of the Whole rose after making the following recommendations:

Report No. 2 of the Audit Committee, be adopted, without amendment;

Report No. 7 of the Finance and Administration Committee, be adopted, with the following amendment:

Clause 5 be amended to include the following recommendation:

“4. That the Policy respecting organizations similar to registered charities be reviewed to determine the exemption for Royal Canadian Legion properties in 2002.”

Report No. 1 of the Fire Services Committee, be adopted, without amendment;

Report No. 6 of the Health and Emergency Medical Services Committee, be adopted, without amendment;

Report No. 6 of the Planning and Economic Development Committee, be adopted, without amendment;

Report No. 7 of the Transit Committee, be adopted, without amendment;

Report No. 8 of the Transportation and Works Committee, be adopted, without amendment;

Report No. 9 of the Transportation and Works Committee, be adopted, without amendment;

Report No. 2 of the Commissioner of Community Services and Housing, be adopted, with the following amendment:

Clause No. 4 relating to “Child Care Matters”, the York Region Child Care Service Plan, be amended by adding the following recommendation:

- “2. (a) that York Region M.P.P.’s be advised of the low level of funding for Child Care as outlined in the document “Child Care Matters”;
- (b) that York Region asks for their assistance in adjusting this disparity; and
- (c) that York Region asks them for a report to the Region on what action they are undertaking to correct this inequity.”

Report No. 5 of the Chief Administrative Officer, be adopted, without amendment;

Report No. 4 of the Commissioner of Transportation and Works, be adopted, without amendment;

Report No. 2 of the Chief Administrative Officer and Commissioner of Finance, be adopted, without amendment;

Report No. 1 of the Commissioner of Corporate and Legal Services and the Commissioner of Finance, be adopted, without amendment;

Report No. 1 of the Commissioner of Transportation and Works, Commissioner of Finance, Commissioner of Planning & Development Services, and Commissioner of Corporate & Legal Services, be adopted, without amendment;

Report No. 1 of the Commissioner of Corporate and Legal Services, Commissioner of Planning and Development Services, Commissioner of Transportation and Works, Commissioner of Finance and Treasurer, and Commissioner of Health Services and Medical Officer of Health, be adopted, with the following amendment:

That Recommendations 1, 2 and 3 be adopted and Council adopt the following further recommendation:

“Bill No. 72, being a By-law (No. S-0060-2001-071) to declare a proposed sewer system to be a trunk sewer system and to assume the trunk sewer system from The Corporation of the Township of King, be given First and Second Reading-- and Third Reading be delayed until after the Transportation and Works Committee meeting (August 29, 2001) and Report; and

this provide an opportunity for a York Region Committee to meet with King Council and appropriate staff to identify time schedules, collective proposals and timing implications.”

It was moved by Regional Councillor Scarpitti, seconded by Regional Councillor Di Biase, that Council adopt the recommendations of the Committee of the Whole.

Carried.

169 BY-LAWS

It was moved by Mayor Black, seconded by Regional Councillor Holec, that certain Bills be introduced and approved in the form as noted on the Agenda and enacted as By-laws.

- | | |
|---------------------------------|---|
| By-law No. RD-0494-2001-059 | To dedicate certain lands for the purposes of public highways |
| By-law No. RD-0495-2001-060 | To dedicate certain lands for the purposes of public highways |
| By-law No. R-1257-2001-061 | To authorize the Commissioner of Transportation and Works to temporarily close a portion of Warden Avenue (Y.R. 65), Kennedy Road (Y.R. 3) and Major Mackenzie Drive East (Y.R. 25), in the Town of Markham |
| By-law No. R-1258-2001-062 | To prohibit or regulate parking and stopping on Regional Roads |
| By-law No. R-0549(fo)-2001-063 | To amend By-law No. R-549-77-112 to prescribe maximum rates of speed on certain Regional Roads |
| By-law No. A-0293-2001-064 | A by-law to provide tax assistance to certain seniors and disabled residents who are owners of real property in The Regional Municipality of York |
| By-law No. A-0254(b)-2001-065 | A by-law to amend By-law No. A-0254-98-102, being a by-law to provide for tax rebates for organizations similar to eligible charities |
| By-law No. A-0250- (b)-2001-066 | A by-law to amend By-law No. A-250-98-80, being a by-law to provide for tax rebates for registered charities |
| By-law No. A-0294-2001-067 | A by-law to delegate the authority to approve plans of subdivision and condominium descriptions to the Commissioner of Planning and Development Services |
| By-law No. D-0152-2001-068 | To amend By-law Nos. D-115-92-80, D-116-92-81 and D-117-92-82, to increase, in the year 2002, the sums to be raised for deposit into a retirement fund |

By-law No. D-0097(a)-2001-069 To amend By-law No. D-97-90-148, to increase, commencing in the year 2002, the amount to be raised for deposit into a sinking fund in each year thereafter

By-law No. A-1259-2001-070 To assume the Jane-Rutherford Sanitary Trunk Sewer and the Connecting Sewer in the City of Vaughan

Carried

By-law No. S-0060-2001-071 A by-law to declare a proposed sewer system to be a trunk sewer system and to assume the trunk sewer system from The Corporation of the Township of King

received Two Readings—See Minute No. 168)

170 OTHER BUSINESS

Long-Term Water Project—York/Peel Water Servicing Partnership

It was moved by Mayor Bell, seconded by Regional Councillor Wheeler, that the Report from the Transportation and Works Committee meeting held on June 20, 2001 be made public and the following recommendations contained in the Report be adopted:

1. Staff be directed to complete an inter-regional water servicing agreement between York Region and Peel Region in accordance with the principles outlined in the Report (June 19, 2001) from the Chief Administrative Officer, Commissioner of Transportation and Works, and the Commissioner of Finance;
2. Committee and Council approve in 2001 a payment of \$17,464,127 as the first instalment of the “buy-in” to the Peel Water Supply;
3. The Regional Chair and the Clerk be authorized to execute the agreement on behalf of the Region; and
4. Upon execution of the agreement, the Durham West option for water supply not be pursued.
5. Subject to agreement on scope and budget, Earth Tech Canada be retained to complete optimization work to identify required infrastructure and timing within York Region necessary to service growth to 2031 as outlined in this report.
6. Work on the Joint Optimization Study with the City of Toronto be continued, to identify further potential capital cost savings.

Carried.

171 MOTION

**Lake Simcoe Region Conservation Authority - Expansion of Jurisdiction
Within the Township of Oro-Medonte**

It was moved by Mayor Holec, seconded by Mayor Young, that:

WHEREAS the Region has received a letter from the Township of Oro-Medonte regarding the Lake Simcoe Region Conservation Authority and the expansion of jurisdiction within the Township of Oro-Medonte; and

WHEREAS the letter requested that every participating municipality completely or partly within the jurisdiction of the Lake Simcoe Region Conservation Authority be requested to appoint a specific number of representatives, in accordance with a formula set out in the Conservation Authorities Act, to attend a meeting to consider the expansion of the Authority; and

WHEREAS the specified municipalities were requested to provide their respective choices for representation at a meeting in September to consider expansion of the Authority to include Oro-Medonte; and

WHEREAS responses have been received from all the specified municipalities;

THEREFORE BE IT RESOLVED THAT the following representatives be appointed to attend the meeting to consider the expansion of the Authority in accordance with the information received from the respective area municipalities:

Town of Aurora	Councillor Betty Pedersen Councillor David Griffith
Town of East Gwillimbury	Mayor James Young Councillor Jack Hauseman
Town of Georgina	Councillor John Hastings Harold Lenters Stan Armstrong (Alternate)
Township of King	Mayor Margaret Black Councillor Dorothy Zajac Councillor Leah Werry (Two of the three to attend)
Town of Newmarket	Councillor Dave Kerwin Councillor Bob Scott Ian Scott

Town of Richmond Hill

Regional Councillor Hogg
Councillor Lynn Foster
Councillor Vito Spatafora

Town of Whitchurch-Stouffville

Two representatives to be named

AND BE IT FURTHER RESOLVED THAT the Chair of Regional Council be authorized to appoint representatives upon receipt of information from the Town of Whitchurch-Stouffville, which shall name its representatives at its Council meeting in July 2001;

AND BE IT FURTHER RESOLVED that the Regional Clerk advise the Lake Simcoe Region Conservation Authority and the Township of Oro-Medonte of the appointments.

Carried.

172 PRIVATE SESSION

It was moved by Regional Councillor Scarpitti, seconded by Regional Councillor Wheeler, that Council resolve into Private Session to consider a legal matter.

Council met in Private Session in the Council Chambers at 2:55 p.m. and reconvened in Public Session at 3:37 p.m.

It was moved by Mayor Jones, seconded by Regional Councillor Barrow, that Council reconvene in public session.

Carried.

173 Expropriation of Land—Town of East Gwillimbury

It was moved by Regional Councillor Di Biase, seconded by Regional Councillor Landon, that Council adopt the recommendations contained in Report No. 2 of the Chief Administrative Officer and Commissioner of Corporate and Legal Services, as follows:

1. Authority be granted for approval to expropriate:
 - (a) a fee simple interest in
Parts 1 and 2 on Reference Plan 65R-13535 save and except those lands included in Plan 65municipality-2760.
2. The Regional Solicitor be authorized to serve and publish Notice of Application as required by the *Expropriations Act*.

3. The Regional Solicitor be authorized to forward to the Chief Inquiry Officer, pursuant to the provisions of the *Expropriations Act*, any requests for hearing that may be received.
4. The Regional Council, as approving authority, approve of the expropriation of the lands described in Recommendation 1, provided there is no hearing of necessity.
5. Authority be granted for the introduction of the necessary bills in Council to give effect to the foregoing
6. The Director of Realty Services be authorized to execute and serve any notices required by the *Expropriations Act*.

174 CONFIRMATORY BY-LAW

It was moved by Mayor Jones, seconded by Regional Councillor Scarpitti, that the following by-law be enacted to confirm the proceedings of this meeting of Council.

By-law No. M-0666-2001-072 To confirm the proceedings of Council at its meeting held on June 28, 2001.

Carried.

The Council meeting adjourned at 3.40 p.m.

Regional Clerk

Minutes confirmed and adopted at the meeting of Regional Council held on the 6th day of September, 2001.

Regional Chair

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 2
OF THE REGIONAL
AUDIT COMMITTEE
MEETING HELD ON JUNE 14, 2001**

**For Consideration by
The Council of The Regional Municipality of York
on June 28, 2001**

Present: Mayor T. Jones, Vice-Chair

Members: Mayor M. Black
Regional Councillor B. O'Donnell
Regional Chair B. Fisch, ex-officio

Staff Present: Brown, Carlyle, Cartwright, Duggan, Hill, Shaw, Wells

Also Present: Bob Correll, KPMG

The Audit Committee began its meeting at 12:00 p.m. on June 14, 2001.

**1
2000 FINANCIAL STATEMENTS AND AUDITORS REPORT**

The Audit Committee recommends the adoption of the recommendation contained in the following report, May 30, 2001, from the Commissioner of Finance and directed staff to provide continuous updates:

1. RECOMMENDATIONS

It is recommended that:

1. The attached 2000 Financial Statement and Auditors Report, along with schedules and explanatory notes be received.

2. PURPOSE

In accordance with Section 83 of the Municipal Act, this report is provided to the Audit Committee and Council.

3. ANALYSIS AND OPTIONS

3.1 Significant Changes in Year End Balances

The 2000 Financial Statement reflects the financial health of the Regional Corporation. The overall Municipal Position increased to \$48.7 million, the majority of which is attributed to the activity in Reserves and Reserves Funds. Capital Reserves for water and wastewater increased \$9.4 million and \$3.6 million respectively. The Social Housing and Social Assistance Reserves increased by \$3.4 million and \$10.0 million respectively. The Working Capital Reserve increased by \$6.0 million.

For the years 1997, 1998 and 1999, the Region received the CANFR award for its financial statements from the Government Finance Officers Association (GFOA). For 1998 and 1999, the Region voluntarily prepared its financial statements in accordance with the standards established by the Public Sector Accounting Board (PSAB) of the Institute of Chartered Accountants. The financial statements for 2000 must be prepared in accordance with PSAB requirements by all Ontario municipalities.

The most significant change in the 2000 statements is in the reporting of development charges. They were previously reported in the Reserves and Reserve Funds section of the Consolidated Statement of Financial Position. Under PSAB requirements, development charges are now shown under the liabilities section as Deferred Revenue – Obligatory Reserves. The balance in development charges at December 31, 2000 is \$326.3 million.

4. FINANCIAL IMPLICATIONS

The operating surplus of \$20.5 million was largely attributed to \$11.0 million in supplementary taxes. At December 31st, in accordance with Council policy, these funds were allocated to the Capital Reserve. Subsequently, as part of the 2001 Business Plan and Budget, funds were reallocated in the following manner:

Social Assistance Reserve	\$10,000,000
Social Housing Reserve	\$ 5,000,000
Working Capital Reserve	\$ 5,000,000

An additional amount of \$1.0 million was transferred to the new reserve established by Council for Greenlands procurement. At the time of the transfer, the surplus was estimated to be greater than \$21.0 million. Therefore, \$.5 million related to the 2000 surplus and \$.5 million was from the funds contained in the Capital Reserve prior to the 2000 year end.

5. LOCAL MUNICIPAL IMPACT

There is no impact on local municipalities associated with this report.

6. CONCLUSION

The 2000 financial statements are presented in accordance with the Municipal Act. The format is consistent with the reporting requirements of the Public Sector Accounting Board of the Institute of Chartered Accountants which will qualify the statements for consideration for the CANFR award presented by the Government Finance Officers Association.

This report has been reviewed by the Senior Management Group.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Audit Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

2
AUDIT SERVICES BRANCH REPORT

The Audit Committee recommends:

- 1. The presentation of Paul Duggan, Director, Audit Services, be received;**
- 2. The adoption of the recommendation contained in the following report, June 6, 2001, from the Chief Administrative Officer:**

1. RECOMMENDATION

It is recommended that:

1. This report be received for information by the Audit Committee and Regional Council.

2. PURPOSE

This report provides an update on the activities of the Audit Services Branch.

3. BACKGROUND

On October 11, 2000, the Audit Committee approved to develop the Internal Audit Function by approving the report of the Chief Administrative Officer. Specifically, the Recommendation 4.1 proposing a Balanced Audit Plan was approved. This recommended the hiring of a full time head of Internal Audit and Internal Audit drawing on externally contracted resources.

At this meeting, as part of the same report to the Audit Committee, the three-year Audit Plan (see *Attachment 7*) was presented and approved. Subsequently, Regional Council at its meeting of October 26, 2000 approved the recommendations contained in Report No. 4, Clause No. 1 of the Audit Committee.

4. ANALYSIS AND OPTIONS

4.1. Audit Plan Execution

As part of the execution of the 2000 Audit Plan, 4 additional reports have been issued:

- Accounts Payable and Payroll Data Integrity Review (*attachment 3*)
- Review of Disaster Recovery Planning (*attachment 4*)
- Network Security Assessment (*attachment 5*)
- Review of Court Administration Branch (*attachment 6*)

4.2. Pre-qualifications of Audit Consultants

As part of the Balanced Audit Plan approach, Internal Audit will make use of audit consultants to assist in the execution of the approved Audit Plan. In January 2001, Audit Services issued a request for Pre-qualified Audit Consultants. Twenty-six firms or sole practitioners responded to the request. A vendors' list has been completed (*Attachment 2*) with the assistance of Supply and Services. An evaluation committee reviewed and evaluated all the proposals. The prequalified vendors represent a good mix of full service firms, smaller firms and independent consultants. In total, there are 15 pre-qualified audit vendors.

4.3. Consulting Projects/Audit plan execution

The current projects, which Audit Services are currently working on either directly or through the use of prequalified audit consultants, are presented in *Attachment 1*.

5. FINANCIAL IMPLICATIONS

The approved 2001 Budget includes an amount of \$150,000 for the outsourcing of specific audit assignments.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact as this report is for information purposes only.

7. CONCLUSION

Internal Audit is continuing to make its presence known throughout the organization through involvement in various projects, steering committees and execution of the approved Audit Plan.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Audit Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

**3
UPDATE - COMMITTEE PROCEEDINGS**

The Audit Committee advises Council of the following matters having been considered by the Audit Committee with the corresponding action as noted:

PRESENTATIONS

1. Ken Hill, Director of Financial Services & Deputy Treasurer, made a presentation on the 2000 Financial Statements. Overhead slides used in the presentation are on file in the Office of the Regional Clerk. **Received.**
2. Bob Correll of KPMG presented an Auditors Briefing. Overhead slides used in the presentation are on file in the Office of the Regional Clerk. **Received.**

COMMUNICATION

3. R. T. Correll, Partner, KPMG, May 30, 2001, regarding the completed examination of the financial statements of The Regional Municipality of York for the year ended December 31, 2000. **Received.**

The Committee meeting adjourned at 1:40 p.m.

Respectfully submitted,

**June 15, 2001
Newmarket, Ontario**

**T. Jones
Vice Chair**

(Report No. 2 of the Audit Committee was adopted, without amendment, by Regional Council at its meeting on June 28, 2001.)

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 7
OF THE REGIONAL
FINANCE AND ADMINISTRATION COMMITTEE
MEETING HELD ON JUNE 14, 2001**

**For Consideration by
The Council of The Regional Municipality of York
on June 28, 2001**

Chair: Mayor D. Cousens, Chair

Members: Mayor W. Bell
Mayor M. Black
Mayor W. Emmerson
Mayor T. Jones
Mayor T. Taylor
Regional Chair B. Fisch, ex officio

Also Present: Regional Councillor B. Hogg Mayor J. Holec

Staff Present: Brown, Carlyle, Cartwright, Davidson, Duggan, Greene, Hankins, Hill,
Jaczek, Norton, Simmons, Tuckey, Webster, Wilson, Woolhead

The Finance and Administration Committee began its meeting at 9:09 a.m. on Thursday,
on June 14, 2001.

**1
COMPENSATION PROGRAM MAINTENANCE**

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, May 15, 2001, from the Commissioner of Human Resource Services with the addition of the following to Recommendation No. 3:

“ and to report those findings to the Committee prior to December 31, 2001.”

1. RECOMMENDATIONS

It is recommended that:

1. Committee endorse the changes to regional employee compensation programs effective May 1, 2001 as part of the Region’s ongoing maintenance commitments.
2. Committee authorize the Region to undertake an independent market review of its non-union, union and elected officials salary ranges against comparator municipalities (with the addition of the City of Ottawa) to determine competitiveness. Subsequent reviews of a similar nature to be undertaken every two (2) years and the results included in annual budgets.
3. Committee grant the Region authority to adjust specific salary ranges in response to findings of point 2 above, subject to budgetary funds being approved.

2. PURPOSE

The purpose of this report is to advise the Finance and Administration Committee that the Region will be making some minor changes to selected salary ranges as maintenance of its compensation program.

The purpose of the market survey is to identify our compensation “position” to determine if the Region is still maintaining its salary policy of 60th to 70th percentile of its comparator group.

3. BACKGROUND

In May of 1999, Regional Council authorized William M. Mercer Ltd. to conduct a comprehensive review of compensation for The Regional Municipality of York. The elements of that undertaking were a Job Evaluation review and a market survey of pay practices against its nine (9) comparator organizations.

As a result of the compensation review, the Region established a salary policy position to achieve and maintain salary ranges based on the 60th percentile of its comparator organizations.

Since the implementation of the Compensation review, several of the Region’s comparator organisations followed suit and adjusted their salary ranges. Additionally, many of the Region’s comparator organizations have negotiated economic adjustments that are greater than the Regions.

A few problems have become apparent and need addressing immediately to respond to recruitment and retention difficulties for specific positions and/or to address salary compression issues between Supervisors and subordinates.

4. ANALYSIS AND OPTIONS

The following will describe each problem area:

4.1 Specialist / First-Level Supervisory Positions

These are positions predominantly in Pay Grades G and H and include professional/specialist positions such as Policy Analysts, Financial Administrators, Office Administrators and Project Supervisors. This is the area where we have the largest recruitment and retention difficulties. For example, several of these positions were advertised twice and in several mediums to obtain acceptable candidates. Nearly all candidates chosen took some degree of a pay cut, ranging from \$2,000 - \$12,000 per annum.

Additionally, this level includes Water and Wastewater Supervisors who have the supervisory responsibility of water and sewage treatment and well maintenance. These positions are experiencing salary compression between themselves and Lead Operator positions in the union. With opportunities for overtime, in some cases, salary of Lead Operators inclusive of overtime, has exceeded the Supervisor. Additionally, with the profile and importance of water and sewage treatment brought to the forefront as a result of the Walkerton crisis, more municipalities are hiring these types of positions. Demand appears to be out-stripping supply and the Region is becoming less competitive. Concern has been expressed by the management of that area that we may not be able to replace the staff that we are losing to other municipalities and that this puts a strain on the water/wastewater system as a whole.

4.2 Public Health Inspectors

There is currently a shortage of Certified Public Health Inspectors across Ontario. We are now competing for qualified staff with Cities and Municipalities that are not typically competitive such as Sudbury and Peterborough, who have now surpassed our wages. A market review of our Regional comparators confirms we are trailing the market.

In addition, the mandated health programs in the City of Toronto have required a hiring blitz and salary levels for Public Health Inspectors have been increased leaving the Region of York with significant difficulties in recruiting and retaining staff.

4.3 Technologist Positions

The Region of York has established a job classification of Technologist which includes staff within the Transportation and Works Department that have a three-year college diploma in

Civil Engineering Technology and are eligible for certification as a CET (Certified Engineering Technologist).

A review of the external market with our nine (9) Municipal comparators has indicated that our wages have fallen behind. As an example, through the transfer of Transit Services we have had to red-circle employees in the Technologist classification.

4.4 CUPE Pay Grades 11, 12, 13 and 14 – Schedule 1

Schedule 1 of the CUPE 905 pay structure should typically include our professional classifications within the bargaining unit such as Senior Financial Analyst, Accountant, Architectural Co-Ordinator and Development Review Engineer. The current structure of the pay bands is compressed and therefore does not allow for adequate pay differentials between pay grades. As a result these professional classifications are currently paid “off schedule” to achieve these pay differentials. The integrity of the pay schedule will be eroded over time as more positions are accommodated “off schedule” to ensure competitive salaries.

Broadbanding Pay Grades 11 and 12, and 13 and 14 together will allow more flexibility in placing positions on Schedule 1 rather than “off schedule”. Amendments as described in 4.3 and 4.4 above would require negotiation with the Union.

5. FINANCIAL IMPLICATIONS

- a) Adjustment of annual salary ranges for Pay Grades F, G, and H by \$1,100; \$1,600; \$2,000 respectively (or \$0.60; \$0.88; \$1.10 per hour respectively); total cost \$133,500. (See attached chart).
- b) Adjustment of Public Health Inspector salary range by \$0.80 per hour; total cost \$33,500.
- c) Adjustment of Technologist job classification by \$2.00 per hour; total cost \$33,500.
- d) Combining CUPE Pay Bands 11 and 12 together and 13 and 14 together to rationalize grade-to-grade movement; total cost \$53,500.

Grand total not to exceed \$254,000, representing less than one (1%) of payroll.

Salary survey of comparator organisations cost is expected to be approximately \$15,000 to \$20,000.

6. LOCAL MUNICIPAL IMPACT

There would be no direct impact on local municipalities. In addition, local municipalities tend to compare their salaries primarily with those of other lower-tier municipalities of

similar size/proximity. The inclusion of the Region in their comparator groups is but one of several comparators and these particular adjustments are minor and should have little affect.

7. CONCLUSION

Addressing these compensation problem areas and moving forward to re-survey our salary position is consistent with the commitment made to our employees to maintain a reasonable level of competitiveness against our comparator organizations.

Small adjustments now will limit the need for a major salary overhaul in future.

This report has been reviewed by the Senior Management Group.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

2

CORPORATE AND ADMINISTRATIVE STAFF REQUESTED FOR 2001

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, May 4, 2001, from the Commissioner of Human Resource Services:

1. RECOMMENDATIONS

It is recommended that:

1. This report and its attachments be received for information.

2. PURPOSE

The purpose of this report is to provide a report on the numbers of new Regional positions to be hired and the impact of collective agreements and other recruitment market pressures.

3. BACKGROUND

At its meeting of March 22, 2001, the Finance and Administration Committee requested as part of the approval of the 2001 Budget that staff report back on the numbers of staff to be hired with specific emphasis on administrative positions. Regional Council at its meeting of April 12, 2001 adopted the 2001 Budget and directed that each committee review additional requirements prior to hiring except for those positions deemed essential by the Regional Chair and the Chief Administrative Officer.

4. ANALYSIS AND OPTIONS

As part of the preparation for this year's budget submission consideration was given by Department Heads to ensure that the numbers of staff additions, and the type of employment was both efficient and effective to meet Regional program needs. Since last year, the Region has assumed responsibility for Transit from five of the Local Municipalities, Social Housing from the Province, as well as the need to provide services and infrastructure to an increasing number of Regional residents (approximately 41,000 more). New By-laws e.g. no smoking, also increased demand for enforcement staff. Changes in Provincial Legislation also requires the Region to address higher levels of water and wastewater monitoring. We are also required to continue to meet provincial standards for response time for EMS. While the need for front-line staff to support service delivery to our residents increases, these resources also require a reasonable administrative support internally to administer our legal requirements of their work.

There were approximately 232.20 new FTE's identified for fiscal 2001 as shown below:

<u>Committee</u>	<u>Increased Service</u>	<u>Transferred Service</u>	<u>Emergency & Protective Service</u>	<u>Total</u>
Community Services & Housing	(7.0)	44.5	0.0	37.5
Finance & Admin.	22.5	6.0	5.5	34.0
Health & EMS	51.7	0.0	47.0	98.7
Planning & Economic Development	7.0	0.0	0.0	7.0
Transportation & Works	14.0	41.0	0.0	55.0
Total	88.2	91.5	52.5	232.20

Six administrative positions have been offered up as a reduction by the Region and approved by Regional Council.* Essential positions have also been identified. Of these approximately 178 may be identified as unionized positions. As part of our current collective agreement there is a requirement to advertise all union positions internally first to give existing staff an opportunity for advancement before looking externally for resources. In accordance with other articles contained in the collective agreement it states that an individual may be deemed to be a full time employee **after six months** with the exception of individuals filling in during maternity leaves. In addition, there are many cases where the nature and type of the positions may make the ability of finding qualified employees difficult. A case in point would be the Paramedic. There are only so many trained individuals who would qualify for these jobs. The Region could not operate these Provincially mandated services with any break in staff availability.

There were approximately 48 positions, which are identified as non-union. While non-unionized positions have no restrictions on how they are hired, the Region employs modern

* The above-noted chart contains these positions for reference purposes.

recruitment measures and good management practices to attract the highest calibre staff for the money paid. Job postings normally occur internally first to give qualified staff a chance for a promotion. Failing any suitable candidate the job is posted externally.

A strong potential exists that attempting to recruit on contract for the vast majority of non-union jobs will not save costs. If no candidate is found then re-advertising costs ensue as well as lost productivity for Supervisors. Costs for national papers are in the range of \$5,500 per advertisement if we advertise externally. Candidates approached to accept a job on contract may want higher salaries to offset loss of benefits and security of tenure. The use of contractors would definitely exceed what we would pay staff salaries.

The GTA job market is reflective of the national situation and is extremely competitive for qualified knowledge workers (IT specifically). Term appointments may signal that there is no future therefore we will not be attractive as a long-term employer. We may fail to attract any resources to key jobs and thereby jeopardize service to the residents – some for key or critical care services.

Recruitment of a full time employee, while not the only method, was deemed to be the most cost-effective method of hiring to demonstrate responsible management of our authorized budget. Conventional methods to address staff layoffs if and when necessary are available. The Region has approved reasonable policies which cover severance payments for its employees.

5. FINANCIAL IMPLICATIONS

The cost to recruit its work force is incorporated into Regional operating budgets that cover staff professionals who co-ordinate the recruitment process as well as the costs for external advertising. The use of search firms is minimal to reduce the costs of recruitment and recruit in the most cost effective. Typically these search firms ask for 30% of the first year's salary as payment. The internal administrative costs to recruit still offer a better value on a cost per resident basis.

6. LOCAL MUNICIPAL IMPACT

None directly. The proposed staff will, for the most part, not fill positions which are similar to jobs at the area municipal level. There may be some exceptions for administrative positions in areas such as Finance, Human Resources or Information Technology, however the resource pool is broader than just area municipalities.

7. CONCLUSION

The Region must recruit qualified resources on a timely basis to carry on business in a manner expected by the residents and taxpayers of York Region. It will carry out its mandate as expected, using modern management principles and mindful of employment law in Ontario which governs standard terms and conditions of employment. The Employment Standards Act provides for and governs reasonable notice provisions for current employees

should the Region decide to eliminate or reduce any of its business units or functions. In addition, Collective Agreements also afford a process to address job loss.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

3

CUSTOMER SERVICE STRATEGY

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 7, 2001, from the Chief Administrative Officer:

1. RECOMMENDATIONS

It is recommended that Regional Council endorse the Customer Service Strategy contained in the Report from the Randolph Group.

2. PURPOSE

The purpose of this report is to seek Council's endorsement of the Region's Customer Service Strategy.

3. BACKGROUND

The Region's Multi-Year Corporate Plan was approved by Regional Council on March 11, 1999. One of its strategic directions is "Developing an Effective Communications-Customer Service Strategy". During the course of the work on the Multi-Year Corporate Plan, it became evident that the Communications and Customer Service Strategies, although linked, were of such importance that they should each be treated as distinct initiatives. Council considered and received the Communications Strategy on April 20, 2000.

Since then, priority has been given to developing a Customer Service Strategy. The Strategy will form a "blueprint" for the delivery of customer service by the Region. Significant staff time and resources have been allocated to formulating the Customer Service Strategy. We have also sought the assistance of external resources, as contemplated by the Multi-Year Corporate Plan, in the form of the Randolph Group. The Report ("the Report") from the Randolph Group outlines the Region's Customer Service Strategy. A synopsis of the Report follows.

3.1 Process

As the Report indicates, there have been a number of components to the process of developing the Customer Service Strategy. Customer Service was the theme of the April, 2000 Management kick-off of the 2001 Business Plan and Budget. A Customer Service Strategy Team, comprised of 15 staff members representing all Regional Departments, was formed in June, 2000. The Randolph Group was hired in October, 2000 to assist with various aspects of the Strategy.

Subsequently, meetings were held with every Department in order to conduct a strategic assessment of the Region's customer service practices. These practices were inventoried on a Department-by-Department basis. There were interviews with the Regional Chair and the Chief Administrative Officer. A consultation session was held with Members of Council in February, 2001.

One month later, in March, 2001, we conducted an extensive Employee Customer Service Survey of all Regional employees. 687 out of the Region's 1,568 employees (44%) responded to the Survey. The employees provided almost 250 suggestions for improvements in customer service. Focus groups were then held with 37 "front-line" Regional employees to determine their particular challenges in serving our customers.

The theme of the 2001 Business Plan and Budget that Council adopted on April 12, 2001 was "Focusing on Customer Service". The 2001 Business Plan and Budget contained a number of customer service initiatives and provided funding for these as part of the overall budget. Customer Service was also a main theme of the Management kick-off to the 2002 Business Plan and Budget which was held on May 29, 2001.

Over the past year, with the preparation of the Customer Service Strategy being such a major corporate priority, the topic of customer service has been on various Senior Management Group and departmental Agendas. There has also been ongoing research on Best Practices in Customer Service in both the public and the private sector.

The Customer Service Strategy contained in the Report follows an extensive process. It takes into account Best Practices, the results of the comprehensive Employee Survey, and the numerous employee suggestions for improving the Region's customer service. The Strategy will be reviewed on an annual basis to take into account emerging trends, the results of public and service-specific surveys, and further employee surveys.

4. ANALYSIS AND OPTIONS

4.1 Strong Foundation

As the Report indicates, Customer Service is at the root of everything we do at the Region, whether it is serving our communities or serving our individual customers. The corporate commitment to customer service is set out in the Corporate Mission Statement, which reads: “York Region staff are committed to providing cost effective, quality services that respond to the needs of our rapidly growing communities.” The Customer Service Strategy is an important mechanism for re-enforcing the Corporate Mission Statement.

The Report states that the success of the Customer Service Strategy will inevitably depend on the commitment of Council, Management and Staff. In this regard, there is a very strong foundation for customer service at the Region. This foundation has been built on the emphasis that Council, the Regional Chair, the Chief Administrative Officer, the Senior Management Group and Management in general have placed on customer service. It has been demonstrated by various programs and initiatives that Council has approved over the past number of years. It is noteworthy that 84% of the staff at York Region believe that Management is committed to good customer service.

Management’s message has clearly been communicated to staff. Staff’s commitment, in turn, is shown by the strong response to the Customer Service Survey and by the number of suggestions for improving the Region’s customer service. In fact, 99% of staff responding to the Survey indicated that they feel that providing excellent customer service is an important component of their job.

The Report confirms that there is a strong foundation for customer service at the Region. It reviews emerging trends toward greater emphasis on customer service in the public sectors of Great Britain, the United States and Canada. It notes that there is a need to knit the Region’s various customer service initiatives together and to have a consistent and progressive customer service program on a Region-wide basis.

4.2 Areas for Improvement

The Report sets out a number of areas for improvement of the Region’s customer service. It states that there is a need to increase public and staff awareness of the Region and the services it provides. It notes that the Region should develop a better understanding of its customers’ needs through regular surveying and consultation. The Region should look to improving the accessibility of its services through longer regular business hours and improved telephone systems and parking facilities.

The Report also suggests that the Region should equip staff with the necessary tools to provide excellent customer service. It should increase staff training and orientation. It should set specific service standards for telephone, e-mail, mail and facsimile transmissions. It should harness the benefits of technology to support customer service. The Region should develop an organizational culture that values, reinforces and continuously improves customer service. The Report states that research has shown that changing corporate culture is typically a 4- to 8- year process.

4.3 Customer Service Strategies

The Report contains a 40-Point Plan of strategic customer service initiatives under five main headings. These are: 1. Leadership; 2. Customer Voice; 3. Staff Development; 4. Access and Information Systems; and 5. Service Standards and Consistency. An outline of the recommended initiatives follows.

4.3.1 Leadership

The Report indicates that the success of the Customer Service Strategy will depend on the continued leadership of Council and Senior Management and other “Champions” of the Strategy. Management as a whole will need to act as role models for excellent customer service. In this way we will be able to foster an organizational culture that continuously promotes excellent customer service.

The Report recommends that the Region follow the example of other progressive organizations and establish a position to provide ongoing leadership and co-ordination of the Customer Service Strategy and its implementation. (The position of Customer Service Manager was placed in the 2001 Business Plan and Budget for this purpose.) It also recommends that the Region establish a cross-departmental Customer Service Leadership Network, reporting to the Senior Management Group, to be a further conduit for two-way communication about customer service best practices and implementation of initiatives. The existing Customer Service Strategy Team can continue to fulfil an important role in this regard.

Leadership will also come in the form of continuous planning for customer service improvement in the Region’s corporate and business planning processes. Customer Service should continue to be a principal theme in the Region’s Mission Statement, Multi-Year Corporate Plan, and annual Business Plan and Budget. As part of the annual Business Plan and Budget process, Departments should identify one or more areas for customer service improvement and set these out in a Service Improvement Plan.

4.3.2 Customer Voice

An integral part of any successful Customer Service Strategy is determining your customers’ needs. In this regard, the Report recommends that the Region conduct an annual general survey of the public to determine their needs. We will be reviewing whether it would be

more effective to do this together with or separately from the Region's current surveying program (Environics). Likewise, every Department should conduct service-specific surveys on an ongoing basis so that customers in each service area are surveyed at least once every three years. As the Report indicates, some of the Region's Departments have already embarked on this initiative. Surveys will enable us to establish benchmarks and to review and amend our Customer Service Strategy to reflect the ongoing needs of our customers.

The surveys would be complemented by a system that ensures we give customers an opportunity to provide instant feedback. At a minimum there would be customer survey cards placed at all public locations in much the same way as some hotels and department stores do now. We have had survey cards at the Information Kiosk in the Administrative Centre for the past year. We would also develop feedback mechanisms by telephone (e.g. a Customer Service "Hotline"), web and e-mail.

The survey system would be supplemented by a Complaints Resolution System. We would attempt to model this on some of the other systems that have come into place in the public sector in recent years.

4.3.3 Staff Development

Excellent customer service is provided by people who are backed up by systems and support mechanisms that enable them to provide excellent service. This ultimately depends in part on human resources systems that support staff development.

The Report recommends that "customer focus" be a core competency for all Regional employees. All job descriptions, interview questions, reference checks, and performance evaluations would contain a customer service component. In this way, potential employees and incumbent employees can be measured for "customer focus" during all stages of their "employment life cycle" at the Region.

Likewise, the Region's employee orientation program would be strengthened to contain an "Orientation to York Region". This would give new employees valuable information about the Region, its municipalities and communities, the services provided by the Region and the area municipalities, elected officials, key management staff, Regional policies and values, and customer service tips. These would be set out in an "Employee Toolkit" which is being designed and which will be available this fall in both hard-copy and electronic versions. In this way, new and long-standing employees will be able to learn and refresh their memories about many aspects of the Region and thereby provide better information and customer service.

Orientation would be supplemented by further training. The Report recommends that there be mandatory customer service training for all Regional staff to be phased in over the next two years. (84% of staff responding to the Customer Service Survey supported mandatory customer service training.) There would also be a training program on the effective use of telephone and computer systems to support customer service. This could probably be done

as part of the customer service training. Telephone training, in particular, is very important as so many of the Region's interactions with customers occur over the phone.

Positive recognition of excellent customer service is also an important part of the Strategy. In this regard, the Report recommends that the Region's "Commitment to Excellence" program be reviewed and strengthened.

4.3.4 Access and Information Systems

The Report also recommends that the Region strengthen its access and information systems, in the form of its communications, telephone and information technology, and physical facilities. In this way, the Region will make itself more accessible to its customers.

It is very difficult for the Region's taxpayers to be customers if they don't know what services the Region provides to them. The Report recommends that the Region's Communications Strategy play a key role in building public awareness of the Region and its services. It also recommends that the Region communicate its service standards to the public. This is something that has been done very effectively in both Great Britain (Citizen Charters) and the United States. It would give our customers an indication of what they can expect in terms of Regional service and would also give Regional employees a set of publicized standards to meet.

There is a continuing need to look at strengthening the Region's phone systems as part of the Strategy. We have been upgrading these systems as part of an ongoing program over the past number of years, and will need to continue to do so to address customers' needs. The number of distinct lines and telephone numbers for accessing the Region and the "long-distance" nature of so many calls from our communities continue to be challenges in this regard.

Accordingly, the Report recommends that the Region continue its ongoing review of its telephone systems, including internal re-directs to "live people" as opposed to "dead-end" voice-mail. It also recommends that we review the potential of a Regional Call Centre with single-number access. The Region of Halton, for instance, as part of its "Access Halton" program, has undertaken a program to re-deploy staff and phase-in single number access over the next three years.

The Report also indicates that the Region's employees be given access to more electronic information in order to serve our customers better. It suggests that we create an internal database of services and facilities in the Region in order to help staff to re-direct calls more effectively. This database could be developed in much the same way as the YorkLink service directory. It also recommends that employees be given better access to computers where they need them (e.g. public health nurses) and that the Region's Intranet site be used more in order to convey information to our employees.

There is also a need to increase the quality and quantity of information available to the public on the Region's Web site. This is an ongoing process with the various Departments.

Likewise, the Report recommends that we evaluate the potential for E-Government solutions similar to initiatives being undertaken by other municipalities (e.g. Ottawa, Markham).

Access to Regional facilities is a continuing concern as the Region's services and population continue to increase. Thus the Report recommends that the Region continue to investigate opportunities to improve parking at our facilities. It also recommends that we continue our program to improve signage at our facilities and to maintain and improve the comfort of our reception areas.

4.3.5 Service Standards

The Report also recommends that the Region set and monitor consistent customer service standards. This would be along the same lines as the Ontario Government's fairly recent initiative in this regard.

One of these standards would be the extension of the Region's core business hours during which external customers can be served. Many of the Region's Departments have already extended their public access hours to 8:00 a.m. to 5:00 p.m. by effective implementation of Compressed Work Week and Flex Time policies. We will be giving serious consideration to doing this on a Region-wide basis in order to better serve our customers. There will also be a review of our after-hours service.

In addition, the Report recommends that the Region set standards whereby all customers telephoning the Region during its regular business hours be given access to a "live person" via voice mail messages and use of the zero-out option on the telephone system. It states that the Region should continue to investigate strategies for providing services in languages other than English in order to serve the increasing number of Regional customers for whom English is not the first language. This is already increasingly being done by the Health and EMS and Community Services and Housing Departments.

The Report states that the Region should create a standard whereby all of its front-line employees wear first-name name tags. This is currently being reviewed and will be beneficial for both customer service and security purposes.

Specific minimum time standards for responding to customers are also a main thrust of the Report. All telephone calls would have to be returned within one business day. Mailed and faxed correspondence requiring a response would have to be answered within 15 business days. E-mails requiring a response would be acknowledged within 2 business days and responded to within 15 business days. Complaints would also be acknowledged within 2 days and responded to within the time set out in the acknowledgement, depending on the nature of the complaint. Walk-in customers would be served in order and told the expected waiting time, in much the same way as they are in Passport offices.

Many Regional employees already comply with these standards as part of the way they do business. It is expected that much like the Ontario Government, which set these standards

as part of its Quality Service initiative, we will need to develop systems for monitoring compliance and enforce these systems on a phased-in approach.

4.3.6 Summary of Recommendations

The 40 recommendations contained in the Report are intended to provide a comprehensive direction and standards for maintaining and improving customer service on a Region-wide basis. Many of these recommendations reflect current customer service practices in individual departments that have been part of the annual business planning and budgeting process.

As the Report indicates, each Department faces unique challenges in implementing some of the proposed changes, and it is not anticipated that the recommendations are all achievable at once. The Customer Service Strategy would be implemented on an ongoing basis as part of the way the Region does business. Technology-dependent initiatives such as reviewing the potential of a Regional Call Centre and of E-Government would be the subject of separate reports to Council in the future.

5. FINANCIAL IMPLICATIONS

All of the programs provided for in the Region's annual Budget and Business Plan relate to the provision of service to the Region's customers. All funding for Region-wide and Departmental customer service initiatives would be part of the ongoing review of the Region's annual Business Plan and Budget.

6. LOCAL MUNICIPAL IMPACT

Local municipalities may also benefit from the Customer Service Strategy as Regional staff are given more tools for determining which services are provided by the Region and area municipalities. There may also be opportunities to harmonize customer service programs between the Region and the area municipalities.

7. CONCLUSION

The Customer Service Strategy is based on best practices, the results of an extensive Employee Survey, and the large number of suggestions put forward by the Region's employees for improving customer service. It provides a "blueprint" for standardizing and continuously improving the provision of service by the Region to its customers. It can be amended in the future as more information about the needs of the Region's customers becomes available. The Customer Service Strategy is a comprehensive plan for supporting the Region's main purpose—We Are Here to Serve Our Customers.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

4

TAX POLICY FOR RESIDENTIAL AND FARM PROPERTIES IN 2001

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 11, 2001, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that the 2001 taxes for properties in the Residential and Farm, Farmlands, and Managed Forest classes include the full impact of any changes due from the 1999 current value reassessment.

2. PURPOSE

The purpose of this report is to provide recommendations with respect to tax policy for the Residential and Farm, Farmlands, and Managed Forest property classes.

3. BACKGROUND

3.1 Current Value Assessment

The assessment system used in York Region prior to 1998 resulted in many properties with similar market values paying significantly different property taxes, even within the same municipality. In 1998, the Province introduced a new property valuation system based on current value assessment (CVA). CVA represents the estimated market value of a property at a certain point in time, in this case, as at June 30, 1996. As a result of this change, many residential property owners experienced significant property tax increases or decreases.

Regional Council expressed its support for the new system of assessment and the principle of equity by allowing increases and decreases resulting from its implementation in 1998 to flow through to property owners. Other factors considered by Council included the inter-municipal shifts of tax dollars that would be created by a phase-in program and the difficulty in transferring tax dollars between local municipalities as a result of its previous decision to delegate tax ratio setting responsibility.

The legislated timetable for province-wide updates to current value assessments is identified in Table 1 below. Property taxes in 2001 will reflect the impacts of current value reassessment from June 30, 1996 to June 30, 1999 values.

Table 1
Timetable for Current Value Assessment Updates

Taxation Year	Date of Current Value Assessment
1998, 1999, 2000	June 30, 1996
2001, 2002	June 30, 1999
2003	June 30, 2001
2004	June 30, 2003
2005	Average of values at June 30, 2003 and June 30, 2004
2006 and beyond	Rolling average of values at June 30 of the three previous years.

3.2 Continued Protection for Taxpayers Act, 2000 (Bill 140)

Bill 140 permits Regional Council to establish a permanent program for phasing-in all property tax changes that occur in the year of a reassessment.

Highlights of the phase-in legislation are as follows:

- For the purposes of a phase-in program, the Residential and Farm class, the Farmlands class, and the Managed Forest class are deemed to be one property class;
- Any revenue shortfall resulting from a phase-in would be shared by both the Region of York and its local municipalities;
- The Province does not share the cost of any shortfall in education tax revenues;
- Phase-in thresholds may be established based on percentages or dollar amounts;
- The phase-in may be applied over a period of up to eight years for any or all of the property classes;
- The cost of phasing-in property tax increases may be funded, all or in part, through non-tax revenues such as reserves, a general tax rate increase across all classes, or by phasing-in property tax decreases; and,
- The phase-in may include municipal budgetary increases.

3.3 Golf Courses

At Council's meeting of April 26, 2001, Mr. Bill MacWilliam, Chairman of the National Golf Course Owner's Association of Ontario's Tax Committee, addressed Council regarding property tax ratios in York Region and outlined the difficulties that golf courses are having with significant tax increases for 2001.

The *Assessment Act* provides that golf course lands are included in the Residential and Farm property class, while certain portions of the property such as a clubhouse or pro-shop, are included in the Commercial property class for assessment purposes.

By including the vast majority of the associated lands in the Residential and Farm class, golf course properties are already subject to the lowest tax rate (excluding Farmlands and Managed Forest classes) available to taxpayers in York Region. With respect to clubhouses and pro-shops, these are taxed in York Region at only 1.1 times the Residential and Farm rate. Furthermore, that portion of the golf course property which is in the Commercial class will also benefit from the mandatory 5% cap on property tax increases for 2001 and onward.

Regional staff met with representatives from the Ontario Property Assessment Corporation (OPAC) and were advised that the methodology for valuing golf courses for the 2001 taxation year was reviewed, in part, due to the large number of appeals received from golf courses/operators related to the 1996 reassessment. Staff were also advised that this review was done in consultation with both golf course associations and individual stakeholders. As a result of the review, OPAC determined that the cost approach was vastly undervaluing golf course properties in the Greater Toronto Area (GTA). For the 2001 taxation year, OPAC changed its valuation methodology for golf courses in the GTA from the “cost approach” to the “income approach” to more accurately estimate the market values. The income approach to valuation was determined to be consistent with the valuation approach used by the industry when buying and selling these properties. In December 2000, OPAC issued amended assessment notices to golf courses that reflected the change in valuation methodology.

Provincial legislation does not provide municipalities with any tax mitigation "tools" to target tax relief to specific industries, such as golf courses. However, a local M.P.P. recently requested the Minister of Finance to establish a separate property class, such as “recreational commercial”, to permit municipalities to set a separate tax rate for golf course properties. It should be noted, however, that any savings that might result for properties in this new class would have to be funded through increases in others, particularly the Residential and Farm class.

April 2, 2001, Marcel Beaubien, MPP submitted a report requested by the Minister of Finance entitled “Review of the Property Assessment Process”. In his report Mr. Beaubien made the following two recommendations with respect to golf courses:

- Conduct a review of the assessment of golf courses in consultation with OPAC, golf course owners, and independent valuation experts to determine which assessment methodology most appropriately reflects the current value of golf courses;
- Pending the conclusion of this review, it is recommended that the original assessments of golf courses that were prepared for 2001 based on bulk land rates (prior to the issuance of amended notices of assessment which applied the new income methodology) should be restored.

While some of the recommendations from the above-noted report were not addressed in the 2001 Ontario Budget presented by the Minister of Finance on May 9, 2001, the recommendations pertaining to the treatment of golf courses was not.

4. ANALYSIS

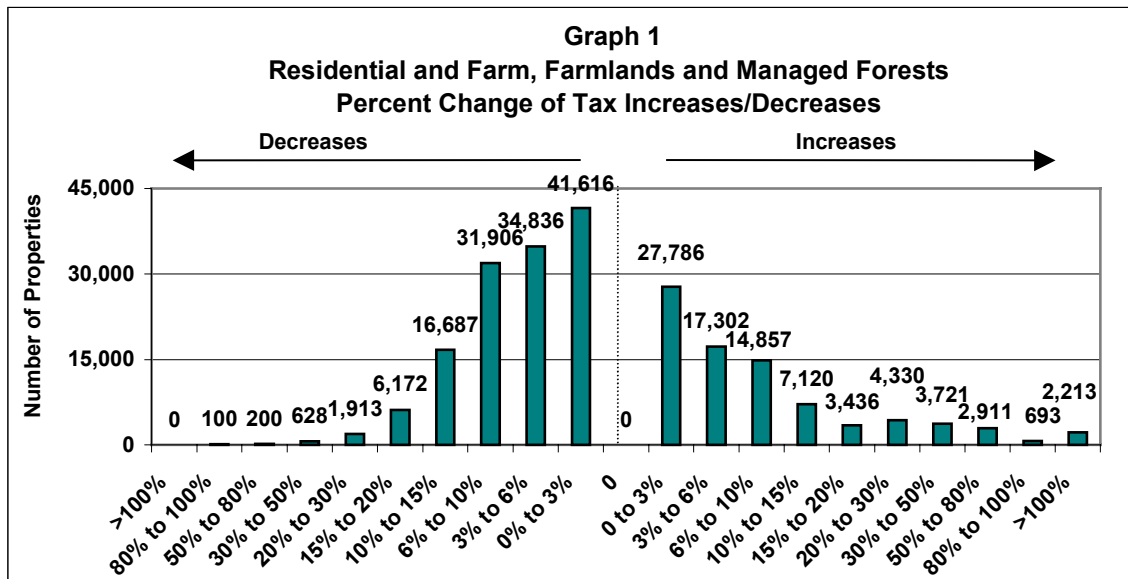
4.1 Impact of Reassessment

Property taxes for regional, local municipal, and education services are calculated based on a property's current value assessment times the applicable tax rates. Consequently, property tax increases and decreases occur upon regular reassessments of property values.

As identified in Table 1, the implementation of assessment valuation based on current market values commenced in 1998. At that time, property owners in the Residential and Farm, Farmlands, and Managed Forest classes absorbed tax increases and decreases reflecting significant changes in tax policy and the change in assessment valuation methodology. Given this earlier reassessment, the tax impacts of the recent reassessment of properties from 1996 to 1999 current values are significantly less in 2001 than what occurred in 1998.

It is projected that for the 2003 taxation year, property tax impacts resulting from future scheduled reassessments (listed in Table 1) will diminish, since the relevant market value changes will have occurred over a shorter period of time. Further, commencing in the 2005 taxation year, current value assessment will be determined based on rolling averages which would negate the need for future residential phase-in programs.

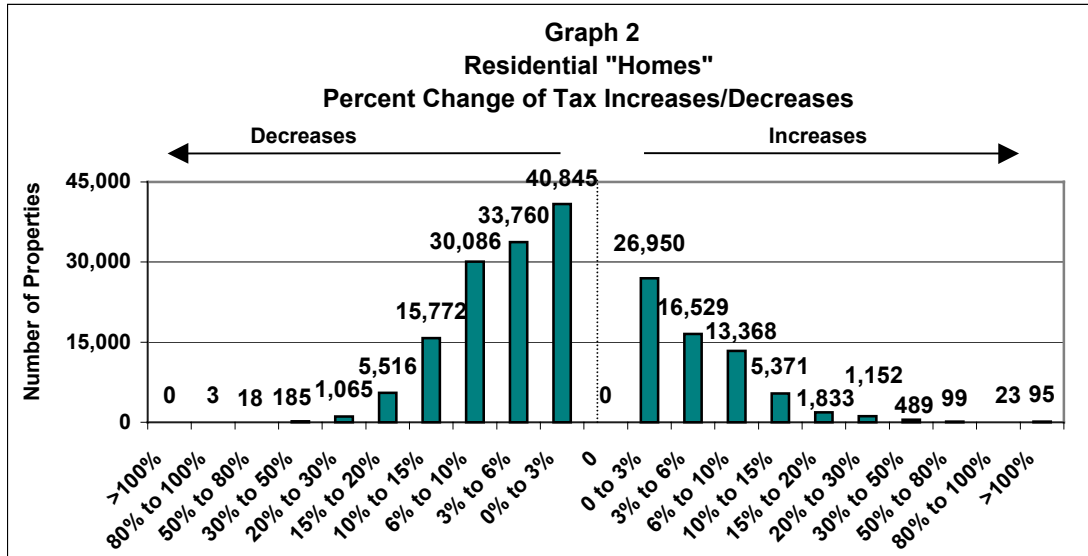
Since Bill 140 requires that the Residential and Farm, Farmlands, and Managed Forest classes be deemed to be one property class for the purpose of a residential phase-in program, the tax impact for these classes resulting from the 1999 reassessment have been combined on Graph 1.



As indicated by the graph above, the recent reassessment resulted in property tax decreases for 134,058 properties and property tax increases for 84,369 properties in the Residential and Farm, Farmlands and Managed Forest classes. Approximately 17,300 (8%) of the properties experienced property taxes increases greater than 15%, of which more than 11,000 were vacant residential and vacant recreational properties.

4.2 Residential Dwellings/Homes

The tax impact of the recent reassessment on those properties which would normally be considered as dwellings or homes is shown on Graph 2.



As indicated by the graph, approximately 127,250 residential homes would experience tax decreases as a result of the recent reassessment, while 65,909 properties would experience tax increases. Further, approximately 94% of the property owners experiencing tax increases would incur increases less than 15% over the tax paid last year.

Table 2 below indicates the average percentage increase and decrease in property taxes due to reassessment for each local municipality.

Table 2
Residential Homes/Dwellings
Tax Impacts Due to Reassessment of Current Values

Municipality	Tax Decreases			Tax Increases		
	# of Properties	Average Decrease		# of Properties	Average Increase	
		\$	%		\$	%
Aurora	7,093	147	4	4,200	135	5
East Gwillimbury	3,327	180	6	2,395	200	8
Georgina	7,084	182	7	5,787	157	10
King	1,623	275	6	3,241	231	6
Markham	39,201	241	6	13,948	149	5
Newmarket	12,046	108	4	5,659	171	6
Richmond Hill	21,441	340	8	13,028	175	6
Vaughan	31,657	212	6	15,581	224	6
Whitchurch Stouffville	3,778	242	6	2,070	271	6
Region of York	127,250	228	6	65,909	183	6

The Region-wide average increase to residential homes of \$183 or 6% suggests that the average homeowner would not be adversely affected by the recent reassessment. The most significant percentage increase on homes occurred in the Town of Georgina, where market demand has significantly increased the value of waterfront homes.

4.3 Farmlands

Provincial legislation requires that properties in the Farmlands class be taxed at 25% of the Residential and Farm tax rate. In York Region, the total current value assessment for the Farmlands class is \$680,457,124 and comprises approximately 2,923 properties. The average assessed value of a farmland property is \$232,800. Total annual property taxes, including Regional, local municipal, and education taxes, for an average property in the Farmlands class is \$704.

Farmlands are assessed based on market values as a result of land sales from bona-fide farmer to bona-fide farmer, which is driven, in part, by farm production rates. Table 3 below compares the 1996 current values to the 1999 current values per acre assessed as "Class 1" farmland.

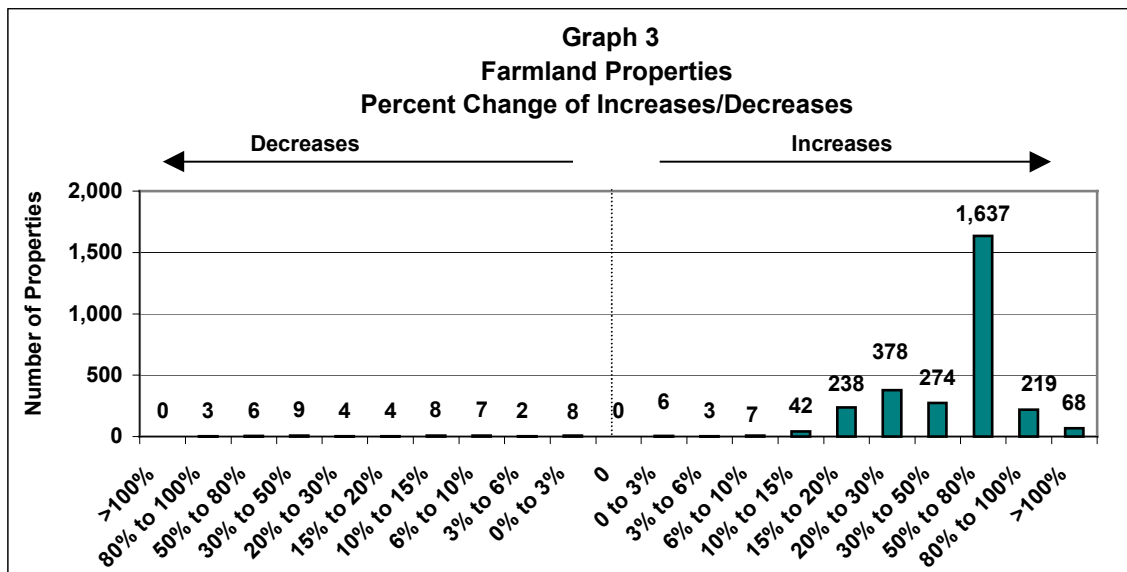
**Table 3
Farmlands Class
Comparison of 1996 to 1999 Current Value Assessments**

Location	96 CVA per acre *	99 CVA per acre *	Increase in CVA	Increase in Taxes per Acre
Holland Marsh	\$10,000	\$13,000	30%	\$ 9
Georgina	1,800	2,500	39%	\$ 2
East Gwillimbury	2,200	4,000	82%	\$ 5
King, Aurora, Newmarket, Stouffville	2,400	4,500	88%	\$ 6
Markham, Vaughan, Richmond Hill	3,000	6,000	100%	\$ 9

* Source: Ontario Property Assessment Corporation

Although the increase in CVA per acre of farmland in the Holland Marsh has been driven by actual market sales between bona-fide farmers, Table 3 also shows the increase in current value assessments where the land is be considered ready for development. The supporting sales data reflects, in part, the increase in market value as driven by sales between “investor farmer” to “investor farmer”. In fact, since the eligibility of a property for inclusion in the favourably taxed Farmlands class is dependent, in part, upon the farmer’s affiliation with the Ontario Federation of Agriculture, regional and local municipal staff have requested OPAC to revisit some of the properties in the Farmlands class to ensure that they are still being actively farmed.

Graph 3 below reflects the impact, by percentage change, of the recent reassessment on properties in the Farmlands class.



As indicated by the graph, properties assessed within the Farmlands class experienced significant percentage increases in property taxes as a result of reassessment.

Table 4 below indicates the average increase and decrease in property taxes as a result of reassessment for each local municipality.

Municipality	Tax Decreases			Tax Increases		
	# of Properties	Average Decrease		# of Properties	Average Increase	
		\$	%		\$	%
Aurora	1	177	22	39	371	58
East Gwillimbury	8	346	29	445	273	62
Georgina	5	72	21	391	104	24
King	14	177	25	927	214	58
Markham	3	375	24	203	374	77
Newmarket	1	2,370	73	10	516	108
Richmond Hill	4	70	6	64	468	73
Vaughan	7	276	38	330	436	108
Whitchurch Stouffville	8	125	27	463	205	64
Region of York	51	245	27	2,872	253	63

While it is recognized that many properties within the Farmlands class incurred significant percentage increases in their property taxes as a result of reassessment, the lower tax rates applicable to the Farmlands class results in much less significant dollar increases. Most of the farmland properties in York Region would incur tax increases less than \$300, being the most widely used threshold by other municipalities that have opted to apply residential phase-in programs. There are currently no legislative provisions available for municipalities to target tax increase mitigation measures to the Farmlands class alone.

4.4 Golf Courses

There are approximately 52 golf courses in York Region with a total CVA of \$316,302,500 in 2001. As a result of the reassessment of properties from 1996 to 1999 current values and the change in property valuation methodology from the “cost approach” to the “income approach”, many golf courses experienced significant increases to their property assessments. In fact, 18 golf courses in York Region experienced assessment increases ranging from 100% to 346%.

OPAC has identified that these mostly "higher-end" golf course properties were significantly undervalued using the “cost approach” to valuation that was applied with respect to taxation in 1998, 1999, and 2000. The recent change in valuation methodology to the “income approach” reflects true market value based on industry sales.

Currently, there are no legislative provisions available to target tax relief specifically to golf course properties. Further, current provincial legislation does not permit “bonusing” for particular industry segments. Should the Province to establish a separate property class for golf course properties, it would be necessary to establish criteria which would determine what property types would fall in this class. Other commercial enterprises such as ski hills, tennis clubs, and marinas would potentially request similar tax treatment. Given that the majority of the golf course lands are already assessed within the Residential and Farm class and taxed using the same rates as homes, there is little opportunity or justification to reduce the tax ratio for golf courses and subsequently increase the tax rates for all other property classes.

A further option would be to request that the Province treat golf course properties currently within the Residential and Farm class as vacant commercial land which would recognize its business nature. The municipal tax rate for this sub class is slightly lower than farm equivalent residential property, but to be truly beneficial, the Province would have to exempt golf courses from the education portion of property tax. In York Region, this would reduce the tax paid on an average golf course by 47% from what would otherwise be required for 2001.

Any change to taxation or assessment legislation or policies to provide more favourable property tax treatment to golf course properties would automatically shift the equivalent tax burden to other property classes.

5. OPTIONS

Subject to further changes in provincial legislation, the major broad “tool” available to municipalities to mitigate tax increases in the Residential, Farm and Managed Forest classes is a phase-in of tax increases over a period of up to eight years. The legislation permits Regional Council to establish a residential phase-in program up until December 31 of the taxation year. However, it is desirable to make tax policy decisions before the issuance of final tax bills which are normally issued in June.

Other tax relief measures for specific groups permitted by provincial legislation, such as low-income seniors, low-income disabled persons, and charitable organization are discussed in separate reports.

5.1 Optional Phase-In Program

Should a residential phase-in program be established in York Region, the recommended application would impose minimum threshold amounts equal to \$300 and 10% of tax increases to ensure the viability of the program. Also, recognizing that the 2003 taxation year will require new tax policy decisions relevant to the next scheduled reassessment of property current values, it would be prudent to limit any phase-in program in 2001 to a period of two years, requiring the property owner to pay taxes based on their true market values in 2002.

In York Region, approximately 84,370 residential property owners will experience tax increases totalling \$30.3 million and approximately 134,000 residential property owners will experience tax decreases totalling \$32.0 million, as a result of the recent reassessment.

However, a program which only phased-in tax increases greater than \$300 and 10% would mitigate tax increases for approximately 13,136 property owners and would require approximately \$21.6 million of funding.

Phasing-in property tax increases may be funded through any of the following funding sources or a combination thereof:

- Municipal non-tax revenues, such as reserves.
- Municipal budgetary allocations resulting in general tax rate increase across all property classes
- Phasing-in property tax decreases

Table 5 identifies the funding requirements associated with a program to phase-in tax increases >\$300 and >10%.

Table 5				
Phase-in of Property Tax Increases >\$300 and >10%				
Estimated Funding Requirements				
Government	Cost		Funding	
	\$ millions		\$ millions	
Education	9.5	44%		
Region	7.8	36%	14.0	65%
Local Municipalities	4.3	20%	7.6	35%
Total	21.6	100%	21.6	100%

Any shortfall in phase-in funding requirements would be shared proportionately by the Region and the local municipalities. The Province does not share the cost of any shortfall in education tax revenues resulting from a phase-in program.

Budgetary allocations to fund the cost of any phase-in program would generate a general tax rate increase across all property classes. Funds have not been provided in the Region's or the area municipalities 2001 Business Plan and Budget for the purposes of funding a residential phase-in program. Further, Regional Council set its property taxation rates for the 2001 tax year on May 25, 2001.

The most practical means of funding the potential cost of phasing-in property tax increases is through the phasing-in of property tax decreases. In order to fund the \$300 and 10% phase-in program, municipalities would be required to withhold approximately 67.5% of the decreases expected by residential taxpayers in 2001.

The inter-municipal shift of tax dollars inherent to this phase-in program is listed in Table 6 below.

Table 6
Phase-in of Property Tax Increases >\$300 and
>10%

Local Municipality	Beneficiary/(Funder)
Aurora	\$15,730
East Gwillimbury	\$37,127
Georgina	(\$84,493)
King	\$164,063
Markham	(\$1,253,646)
Newmarket	\$55,876
Richmond Hill	(\$963,271)
Vaughan	\$1,861,784
Whitchurch-Stouffville	\$166,830
Total	\$0

5.2 Consideration for No Phase-In

The decision not to implement a residential phase-in program would result in all property tax increases and decreases due to the recent reassessment impacting property taxpayers 2001.

The benefits of not implementing a phase-in program are listed below:

- Represents property taxation based on true market value
- Allows similar tax treatment for similar properties
- Allows approximately 134,000 property owners experiencing tax decreases in 2001 to receive their entire decrease
- Consistent fair tax treatment to those taxpayers who absorbed their entire tax increase due to reassessment in the 1998 taxation year
- Property tax bill is easily calculated and understandable to the taxpayer
- Avoids the administrative and technical burdens associated with phase-in programs, including any cash flow implications resulting from potential delays in the issuance of final tax bills
- Avoids any inter-municipal shift of tax dollars resulting from a phase-in program which must be applied Region-wide
- Does not generate a tax rate increase for other property classes.

5.3 Other Municipalities

Table 7 following provides a list of comparable tax policies at other municipalities in the Greater Toronto Area.

Table 7
Other Municipalities
Option to Phase-In Tax Increases in 2001

Region	Decision
Durham	<ul style="list-style-type: none">• No decision as yet
Halton	<ul style="list-style-type: none">• 2 year residential phase-in of tax increases• tax increase must be >\$300 and >15%• municipal cost of the phase-in program will be funded by 2001 budgetary allocations• Chair is requesting Minister of Finance to fund the education portion
Peel	<ul style="list-style-type: none">• No phase-in
Toronto	<ul style="list-style-type: none">• 3 year residential phase-in of tax increases and decreases• tax increase must be >\$300• total cost of the phase-in program will be funded by withholding decreases >\$150.

6. FINANCIAL IMPLICATIONS

The recommendation not to phase-in property tax increases for the Residential and Farm, Farmlands, and Managed Forest classes is consistent with Regional Council's policy with respect to recognizing the full impact of CVA.

This report identifies that any change in the assessment or tax legislation or policies to provide more favourable treatment for golf course properties would result in a general tax rate increase across all property classes.

7. LOCAL MUNICIPAL IMPACT

Local municipalities administer the issuance of property tax bills and collection for Regional, local, and education taxes. There is no impact to local municipalities associated with the recommendation not to phase-in property tax increases for the Residential and Farm, Farmlands, and Managed Forest classes.

8. CONCLUSION

The York Region Area Municipal Treasurers have reviewed the tax impacts associated with the reassessment of properties from 1996 to 1999 current values in the Residential and Farm, Farmlands, and Managed Forest classes, as well as the options available to Council to satisfy any need for tax mitigation measures in 2001. In consideration of the review and

analysis contained in this report, it is recommended that a residential phase-in program not be established for reassessment impacts applicable to the 2001 taxation year.

Table 6 identifies the inter-municipal shifts which would occur should Council implement a phase-in of tax increases greater than \$300 and 10%.

This report has been reviewed by the Committee of York Region/Area Municipal Treasurers.

5 TAX REBATES FOR REGISTERED CHARITIES AND "SIMILAR" ORGANIZATIONS

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 8, 2001, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional tax policy regarding "Rebates to Registered Charities" be amended as follows:
 - (a) Commencing with the 2001 taxation year, a rebate be provided at a rate equal to 40% of the organization's current year's taxes payable;
 - (b) One half of the estimated amount of the rebate be paid to the qualifying charity within 60 days of receipt of the charity's application and the balance of the rebate be paid within 120 days of the receipt of the application.
2. The Region's Tax Policy providing "Rebates to Organizations "Similar" to Registered Charities" be amended as follows:
 - (a) Commencing with the 2001 taxation year, a tax rebate for organizations "similar" to registered charities will be available to only those organizations that received a tax rebate for the year 2000;
 - (b) Tax rebates for those "similar" organizations will be equal to the amount received for the year 2000, for a period of three years or until such time as the organization vacates the subject property, whichever occurs the earliest.
3. The Regional Solicitor be authorized to amend By-law No. A-250-98-80, to rescind By-law No. A-0254-1998-102, and to prepare a new by-law as required to reflect the changes as recommended above.

2. PURPOSE

The purpose of this report is to update the Region's existing policy regarding property tax rebates to registered charities and organizations "similar" to registered charities as a result of recent provincial legislation, contained in *The Continued Protection for Property Taxpayers Act, 2000* (Bill 140).

3. BACKGROUND

3.1 *Protection for Small Business and Charities Act, 1998 (Bill 16)*

Prior to property tax reform and the implementation of current value assessment in 1998, charitable organizations situated in commercial and industrial buildings were assessed as being in the residential class for property tax purposes. This in effect exempted such properties from paying Business Occupancy Taxes which were discontinued at the same time as CVA and the new provincial policy were implemented. Commencing in 1998, these organizations were subject to full commercial and industrial property tax rates. To mitigate the impact of potential property tax increases to charitable organizations the Province enacted Bill 16 which mandated that municipalities provide a minimum tax rebate of 40% of the property taxes payable to registered charities. The legislation also gave municipalities the option to provide tax rebates in any amount to organizations "similar" to registered charities. Bill 16 required that rebates be paid in advance for the year to the qualifying charities through two instalments, on January 15 and June 30.

The cost of the property tax rebate is shared between the Region, local municipalities and school boards on the basis of their respective share of taxation.

Council met the requirements of Bill 16, with By-law No. A-250-98-80 which provided tax relief of 40% of new taxes payable to registered charities. Council also enacted By-law No. A-0254-1998-102 which provided the same relief to "similar" organizations.

3.2 *Fairness for Property Taxpayers Act, 1998 (Bill 79)*

Subsequently, Bill 79 was enacted which required that municipalities cap property tax increases for commercial and industrial properties at 10% in 1998, 15% in 1999, and 20% in 2000. The cap also applied to individual tenants such as charities which leased space within these properties. Recognizing that the 40% rebate provision of Bill 16 would far exceed any additional taxes that these organizations would now bear, the Province amended the legislation to require that tax rebates to registered charities and similar organizations be applied only to the reassessment related property tax increase. As a result, Council approved By-laws No. A-250(a)-1999-029 and No. A-0254 (a)-1999-030 which lowered the tax relief equal to 40% of the increase from 1997 level taxes for each of the years 1998, 1999 and 2000.

Since the provisions of Bill 79 expired at the end of the 2000 taxation year, the rebate requirements revert back to the 40% of new taxes payable contained in the 1998 legislation.

3.3 Continued Protection for Property Taxpayers Act, 2000 (Bill 140)

Bill 140 continues the protection offered by Bill 79 in that it requires that annual tax increases resulting from reassessment be limited to no more than 5% for the Commercial, Industrial, and Multi-Residential classes for the 2001 taxation year and beyond. Yet, the legislation does not address the 40% minimum tax rebate that must be paid to charities. As a result the current 40% tax rebate provisions must be applied to total taxes payable rather than reassessment-related tax increases, and as indicated before, significantly exceeds any additional property taxes that charitable organizations now bear as a result of property tax reform.

4. ANALYSIS AND OPTIONS

On May 25, 2001, Regional Council lowered the tax rate for the Commercial and Industrial classes to 1.1 and 1.3 times the Residential and Farm respectively. Notwithstanding, the mandatory 40% rebate of taxes payable contained in Bill 16 will result in registered charities paying significantly lower taxes in 2001 than similarly assessed homes in the Residential and Farm class.

4.1 Registered Charities

Table 1 below lists the tax rebates issued to registered charities in 2000 as well as the corresponding tax rebates that could apply in 2001 for those same charities. This table does not include the potential increase in applicants anticipated as a result of the increased value of the tax rebate.

Local Municipality	Number of Qualifying Applicants *	Total Rebates Paid 2000	Potential Rebate 40% 2001
Markham	3	\$1,396	\$ 8,795
Richmond Hill	3	666	4,196
Vaughan	10	4,068	25,630
Total	16	\$6,130	\$38,621

** No qualifying applicants in 2000 in Aurora, East Gwillimbury, Georgina, King, Newmarket, and Whitchurch-Stouffville*

In compliance with Bill 16, the Region's tax policy must be amended to provide a rebate to registered charities situated in commercial or industrial properties equal to at least 40% of taxes paid. Further, Bill 140 requires that municipalities issue half of the rebate payment to a charity within 60 days after the receipt of the charity's application and the balance within 120 days of the receipt of the application.

Table 2 provides an example of the tax rebate applicable to a registered charity situated in a commercial property. An example of taxes applicable to a similarly-assessed residential property is included for comparison purposes.

Table 2			
Example: Tax Rebate to Registered Charity			
Example Property	2001 Taxes	Mandatory 40% Rebate	2001 Net Taxes
Registered Charity *	\$3,750	\$1,500	\$2,250
Residential Property	\$3,000	0	\$3,000

** Tax increases were capped for the period 1998 to 2001.*

4.2 Organizations “Similar” to Registered Charities

Considering that the impacts of property tax reform and reassessment related increases for the commercial and industrial properties have been mitigated as a result of the mandatory tax cap and the Region of York’s already low tax rates for these classes, the need for Council to provide additional relief to "similar" organizations has been greatly reduced.

Further the Committee of York Region/Area Municipal Treasurers expressed concerns of the significant costs of the tax rebate associated with an indeterminate volume of applicants.

The following additional concerns were also raised:

- It is anticipated that the number of applicants could increase significantly as a result of the increased value of the tax rebate
- Determining the not-for-profit status of many of these organizations is problematic (not all are incorporated)
- The use of tax dollars to fund organizations that individual taxpayers may or may not otherwise support (the cost of the program must be funded through the general tax rate)
- Some of the “similar” organizations may support profit-oriented businesses.

As a result of the above-noted concerns, the Treasurers recommend that tax rebates to organizations "similar" to registered charities be eliminated. However, to mitigate the consequences, the Treasurers further recommend that a tax rebate still be given to those “similar” organizations which received tax rebates at 2000 at the same dollar amount as was provided in 2000, for a period of three years commencing in 2001 or until the organization vacates the subject property, whichever occurs first.

Table 3 below lists the tax rebates issued to “similar” organizations in 2000 in each area municipality as well as the proposed 2001 tax rebates for those same charities.

Table 3
Tax Rebates for "Similar" Organizations

Local Municipality	Number of Qualifying Applicants	Total Rebates Paid 2000	Potential Rebate 2001/2/3
Aurora	2	\$ 673	\$ 673
Richmond Hill	1	345	345
Vaughan	1	1,939	1,939
Total	4	\$2,957	\$2,957

** No qualifying applicants in 2000 in East Gwillimbury, Georgina, King, Markham, Newmarket, and Whitchurch-Stouffville*

4.3 Other Municipalities

Table 4 following provides a list of comparable tax policies at other municipalities in the Greater Toronto Area.

Table 4
Rebates for Registered Charities and "Similar" Organizations
Tax Policy – Other Municipalities

Municipality	Tax Rebate – Registered Charities	Tax Rebate – "Similar" Organizations
Durham	40%	0%
Halton	40%	0%
Peel	40%	0%
Toronto	40%	0%

5. FINANCIAL IMPLICATIONS

Since the Ontario Property Assessment Corporation (OPAC) no longer monitors property assessments applicable to charitable organizations that are situated in commercial and industrial properties, it is difficult to estimate the potential total cost of the mandatory 40% tax rebate for 2001.

Table 5 lists the estimated costs of a 40% tax rebate based on assessment data provided by OPAC in 1998. The Region's share of the estimated cost rebates to registered charities is \$67,110.

Table 5
Estimated Potential Cost of Tax Rebates for Registered Charities
in 2001

Local Municipality	Regional Tax Share	Local Tax Share	Education TaxShare	Total Rebate
Aurora	\$5,259	\$2,922	\$6,428	\$14,609
East Gwillimbury	2,104	1,169	2,571	5,844
Georgina	10,519	5,844	12,856	29,219
King	6,311	3,506	7,714	17,531
Markham	21,038	11,688	25,713	58,438
Newmarket	13,674	7,597	16,713	37,984
Richmond Hill	6,311	3,506	7,714	17,531
Vaughan	1,683	935	2,057	4,675
Whitchurch-Stouffville	210	117	257	584
Total	\$67,110	\$37,283	\$82,023	\$186,416

The proposed tax rebate to organizations “similar” to registered charities in the same dollar amounts as those provided to the respective organization in 2000 will total \$2,957 in each of 2001, 2002, and 2003. The Region’s share of this cost is approximately \$1,065 each year.

Funds have been allocated for the purposes of tax rebates to charitable organizations, as identified in Table 5 above, in the Region of York 2001 Budget.

6. LOCAL MUNICIPAL IMPACT

The local municipalities administer tax rebates for registered charities and “similar” organizations. The estimated local municipal share of funding tax rebates to registered charities is approximately \$37,280 as identified in Table 4 above.

The cost to local municipalities of providing tax rebates to “similar” organizations that received rebates in 2000 is approximately \$600 in each of 2000, 2001, and 2002.

7. CONCLUSION

The Committee of York Region/Area Municipal Treasurers have reviewed the implications of Bill 140 with respect to the Region’s policy providing tax rebates for charitable organizations. In order to comply with provincial legislation, this report contains recommendations to amend the tax rebate amount for registered charities to 40% of taxes payable, half of which is to be paid within 60 days after receipt of the application and the balance of which is to be paid within 120 days of receipt of the application.

In consideration of the tax capping provisions contained in Bill 140, which also apply to individual tenants, and the Region’s favourable commercial and industrial tax rates, the Treasurers further recommended that tax rebates to organizations “similar” to registered

charities be discontinued. However, a “grandfathering” provision would extend tax rebates equal to the same amount of rebate paid in 2000 to only those “similar” organizations that received tax rebates in 2000 for a period of three years or until such time as the organization vacates the subject property.

This report has been reviewed by the Committee of York Region/Area Municipal Treasurers.

(Regional Council at its meeting on June 28, 2001, amended the foregoing Clause as follows:

- “4. That the Policy respecting organizations similar to registered charities be reviewed to determine the exemption for Royal Canadian Legion properties in 2002.”)*

6

TAX DEFERRAL PROGRAM FOR LOW INCOME SENIORS AND DISABLED HOMEOWNERS

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 11, 2001, from the Commissioner of Finance

1. RECOMMENDATIONS

It is recommended that:

1. The Tax Deferral Program for Low-Income Seniors and Low-Income Disabled Persons be amended as follows:
 - (a) The tax deferral available to seniors aged 65 years and older not be restricted due to income and be calculated as the increase in current property taxes billed for the year in which the reassessment applies over the total taxes for the prior year;
 - (b) The tax deferral available to eligible low-income seniors, as defined by the existing policy, from 55 to 64 years of age be the amount in excess of \$300 after calculating the increase in the current property taxes billed for the year in which the reassessment applies over the total taxes for the prior year;
 - (c) The tax deferral available to low-income disabled persons, as defined by the existing policy, be calculated as the increase in current property taxes billed for the year in which the reassessment applies over the total taxes billed for the prior year;

- (d) The applicant or their spouse must own the property on January 1st of the taxation year of reassessment for which the deferral has been requested; and
 - (e) Tax deferrals resulting from this program for the 1999 and subsequent reassessments be interest free; and
2. The Regional Solicitor be authorized to amend By-law No. A-0266-1999-018 as required to give effect to the above-noted recommendations.

2. PURPOSE

The purpose of this report is to provide both policy and technical amendments to the Tax Deferral Policy for Low-income Seniors and Low-income Disabled Persons commencing with the 2001 taxation year as a means to further assist seniors and low-income disabled persons and to comply with *The Continued Protection for Property Taxpayers Act, 2000* (Bill 140) and *The Responsible Choices for Growth and Accountability Act, 2001* (Bill 45).

3. BACKGROUND

3.1 Historical Background

To mitigate tax increases resulting from the implementation of current value assessment (CVA) in 1998, provincial legislation required municipalities to provide property tax relief to low-income seniors and low-income disabled persons. The eligibility criteria, the amount of relief, and the form of relief were at the discretion of each upper-tier and single-tier municipality.

3.2 Existing Policy

In 1999, Council enacted By-Law No. A-249-98-76 to provide for a deferral of tax increases resulting from the implementation of current value assessment in the 1998 taxation year for low-income seniors and low-income disabled persons.

A summary of the existing Tax Deferral Policy is as follows:

- Amount of taxes eligible for deferral is equal to tax increases greater than \$300, resulting from the implementation of CVA in 1998
- An eligible senior is defined as a person over 55 years of age with a gross household income of less than \$23,000 in the case of a single person, or \$40,000 in the case of a family of two or more persons
- An eligible disabled person is defined as a person with disabilities who is eligible to claim a disability amount under the *Income Tax Act* (Canada), with a gross household income of less than \$23,000 in the case of a single person, or \$40,000 in the case of a family of two or more persons

- The subject property must be within the Region of York and must be the principal residence of the eligible person and owned by that person or their spouse on January 1, 1998
- The tax deferral does not accrue interest until December 31, 2005, after which time the accumulated deferral will be subject to interest at the rate of the bank prime plus ½%.
- The cumulative amount of deferred and outstanding taxes, including interest, would not exceed 75% of the assessed value of the property
- All deferred taxes and applicable interest, if any, will become due upon the disposition or transfer of the property
- The application for the deferral of property taxes must be made to the municipality by June 1 of the subject tax year.

3.3 Recent Events

The Continued Protection for Property Taxpayers Act, 2000 amended the *Municipal Act* to make the relief a permanent requirement upon each reassessment. It also expanded the eligible amount of relief by requiring municipalities to provide relief from all tax increases in the year of a reassessment, including both reassessment-related tax increases and municipal levy increases. The amount eligible for relief is to be calculated each year based on the previous year's annual taxes.

The Responsible Choices for Growth and Accountability Act, 2001 received second reading on May 30, 2001. If enacted, Bill 45 will prohibit a municipality from charging interest on tax deferrals for low-income seniors and low-income disabled persons for the taxation years 2001 and beyond.

4. ANALYSIS AND OPTIONS

4.1 Tax Deferral Policy

Table 1 below summarizes the participation in the existing tax deferral program for low-income seniors and low-income disabled persons in 2000.

Area Municipality	Number of Applicants	Amount Deferred \$
Aurora	3	704
East Gwillimbury	-	-
Georgina	1	2,510
King	-	-
Markham	19	8,546
Newmarket	4	2,837
Richmond Hill	23	6,021
Vaughan	2	666

Whitchurch- Stouffville	4	877
<u>Total</u>	<u>56</u>	<u>22,166</u>

Technical amendments must be made in order to comply with Bill 140. For the 1999 and subsequent reassessments, the amount eligible for deferral must be based on the difference between the total property taxes billed for the year in which the reassessment applies and the total taxes billed for the prior year. Bill 45 states that interest cannot be applied to any amount eligible for tax deferral as a result of the 1999 and subsequent reassessments.

In addition, seniors have expressed their concerns with of the existing tax deferral program to local municipal staff, citing the following concerns:

- The \$300 threshold restricts many seniors from the eligibility requirements and does not wholly alleviate any undue hardship which may result for some seniors experiencing tax increases resulting from reassessment;
- Seniors dislike incurring the debt associated with property tax deferrals;
- Seniors felt that the tax deferral should be interest free; and
- Seniors dislike the administrative requirements to determine their income eligibility for the tax deferral as it related to their personal finances.

In response to the concerns expressed by taxpayers, the Committee of York Region/Area Municipal Treasurers reviewed the effectiveness of the existing tax deferral policy and identified the need to enhance it.

It was recognized that seniors over age 65 have reached normal retirement age and are generally subject to the greatest financial hardship which might result from any significant increases in taxes due to reassessment. To further assist seniors, it is proposed that all seniors over age 65, regardless of their income, be permitted to defer their entire tax increase in a year of reassessment for the 2001 taxation year and beyond. However, it is recommended that the current eligibility requirements and threshold amounts for low-income seniors aged 55 to 64, as defined by the existing policy, should be maintained for the 2001 taxation year and beyond.

Low-income disabled persons, as defined in the existing policy, will also benefit as they now have the opportunity to defer their entire tax increase in a year of reassessment for the 2001 taxation year and beyond.

4.2 Municipal Elderly Residents' Assistance Act

Local municipalities are permitted to provide property tax relief to seniors under the provisions of the *Municipal Elderly Residents' Assistance Act*. The tax relief is in the form of a uniform credit in an amount determined by the council of the municipality. Further, the local municipality may restrict the credit to only those seniors in receipt of the Guaranteed Income Supplement under the *Old Age Security Act* (Canada).

5. FINANCIAL IMPLICATIONS

In York Region, 66% of home owners will experience property tax decreases and 34% of home owners will experience property tax increases with an average increase of 6% in 2001 due the recent reassessment. Consequently, it is anticipated that relatively few seniors and low-income disabled persons would have a need for deferral of tax increases in 2001.

The cost of property tax deferral is the foregone interest. Since the *Municipal Act* requires that the Region, the local municipality, and the Province each maintain the accounts receivable for its share of the tax deferrals, the cost of property tax deferral is shared respectively.

6. LOCAL MUNICIPAL IMPACT

The local municipalities administer the property tax deferral program for low-income seniors and low-income disabled persons. The proposed amendments to the existing Tax Deferral Policy are in response to the needs and concerns voiced by local taxpayers.

7. CONCLUSION

In response to concerns expressed by taxpayers, the Committee of York Region/Area Municipal Treasurers reviewed the effectiveness of the existing tax deferral policy for low-income seniors and low-income disabled persons. This report contains recommendations to enhance the existing tax deferral policy to further assist seniors and low-income disabled persons. Also, this report contains recommendations for technical amendments to the tax deferral policy to comply with recent provincial legislation contained in Bill 140 and Bill 45.

This report has been reviewed by the Committee of York Region/Area Municipal Treasurers.

7

TAX PROTECTION FOR BUSINESS PROPERTIES IN 2001

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 11, 2001, from the Commissioner of Finance

1. RECOMMENDATIONS

It is recommended that:

1. The cost of the mandatory 5% cap on tax increases in the Multi-Residential, Commercial and Industrial property classes be funded by withholding an equivalent amount of the available tax decreases within each of the respective classes;

2. The Regional Treasurer be authorized to determine the amount of tax decreases to be withheld to fund the cap for each of the protected classes; and
3. The Regional Solicitor be authorized to prepare any by-laws associated with the implementation of the property tax capping provisions contain in *The Continued Protection for Taxpayers Act, 2000* (Bill 140).

2. PURPOSE

The purpose of this report is to provide information regarding the mandatory tax protection for properties in the Commercial, Industrial, and Multi-Residential property classes and to provide the Regional Treasurer and the Regional Solicitor with the authority to perform the necessary acts to implement the provisions of Bill 140.

Subject to the recommendations contained in this report, receipt of complete assessment data from the Province that is satisfactory to both the Regional and local municipal treasurers, will permit local municipalities to proceed with 2001 property tax bills for the protected classes.

3. BACKGROUND

3.1 Historical Background

In 1998, the Province enacted *The Fairness for Property Taxpayers Act, 1998* (Bill 79). This legislation required that, for each commercial, industrial, and multi-residential property, area municipalities “cap” property tax reform related increase at 10% in 1998, 15% in 1999, and 20% in 2000.

For the 1998, 1999, and 2000 taxations years, the amount of property taxes to be capped was measured against the amount paid in 1997 based on a comparable 1997 assessed value. To administer the calculations required for the cap, local municipalities were required to maintain a frozen 1997 assessment listing (FAL), which is updated for property additions, deletions, reconsiderations, appeal decisions of the Assessment Review Board (ARB), and changes in vacancy status. The Province provided a business application called the Ontario Property Tax Analysis (OPTA) system to assist municipalities to maintain the FAL.

To meet the funding provisions of the 10-5-5% cap, Council passed a by-law to fund the “capped” increases with a portion of available property tax decreases, based on a Region-wide “clawback percentage”. Subsequently, Council passed a by-law to enable the Region to make the necessary inter-municipal tax adjustments.

3.2 Recent Events

Property taxes in 2001 will reflect property tax increases and decreases resulting from the recent reassessment of properties from 1996 to 1999 current values.

Bill 140 requires that Council establish a permanent program to limit any annual tax increase resulting from reassessment to no more than 5% for the Commercial, Industrial, and Multi-Residential classes, excluding farmland awaiting development, for the 2001 taxation year and beyond.

However, the Region and the local municipalities are permitted to levy municipal budgetary increases over and above-the 5% “cap” limit.

The legislations permits municipalities to recover all or part of the cost of the “cap” through any of the following funding sources, or a combination thereof:

- Withholding a portion of property tax decreases, commonly referred to as a “clawback”;
- Municipal non-tax revenues, such as reserves; and/or
- Municipal budgetary allocations resulting in a general tax rate increase across all property classes.

The Region continues to be responsible for performing a “bankering” role with respect to the transfer of funds between local municipalities that may be required for region-wide funding neutrality.

4. ANALYSIS AND OPTIONS

The most practicable means of funding the potential cost of the 5% cap is through “clawing back” a portion of property tax decreases.

As indicated in Tables 1 -3, the cost of the mandatory 5% cap is estimated to be \$34.7 million for the 3 capped classes. Budgetary allocations to fund the cost of the mandatory 5% tax cap would generate a general tax rate increase across all property classes, including the unprotected classes, and are not considered a feasible funding source. No funds have been provided in the 2001 Regional and area municipal budgets for the purpose of funding the mandatory 5% cap.

Although the legislation permits funding of the 5% cap, in part or in whole, through the use of non-tax revenues, Regional reserves and reserve funds have been set aside for specific purposes by Council and do not contain sufficient funds to be considered as a funding source.

For the 2001 taxation year, the amount of property taxes to be capped must be measured as the difference between 2001 calculated taxes and the amount of taxes paid in 2000. OPTA, in consultation the Ontario Property Assessment Corporation (OPAC), has not yet completed adjustments to the 2000 tax base to reflect property additions, deletions, reconsiderations, appeal decisions of the Assessment Review Board (ARB), and changes in vacancy status. Consequently, the analysis provided in this report is based on the preliminary data available at this time.

With respect to the Commercial property classes, Table 1 below shows the estimated cost of funding the mandatory 5% cap in 2001, as well as the total estimated tax decreases by local municipality.

Municipality	Estimated Cost of Cap	Estimated Tax Decreases	Preliminary Clawback
	\$	\$	
Aurora	507,532	1,388,418	
East Gwillimbury	103,519	248,379	
Georgina	239,314	974,927	
King	236,189	191,415	
Markham	10,885,288	11,500,330	
Newmarket	2,930,222	1,765,615	
Richmond Hill	4,149,082	5,159,388	
Vaughan	7,576,115	12,283,403	
Whitchurch-Stouffville	584,731	541,328	
Region of York	27,211,993	34,053,203	80%

* Assessment data provided by OPTA as at May 24, 2001

As indicated by the table, it is estimated that a “clawback” of property tax decreases in the range of 75-85% may be required to fund the cost of the mandatory 5% cap in the Commercial property class.

With respect to the Industrial property classes, Table 2 below shows the estimated cost of funding the mandatory 5% cap in 2001, as well as the total estimated tax decreases by local municipality.

Municipality	Estimated Cost of Cap	Estimated Tax Decreases	Preliminary Clawback
	\$	\$	
Aurora	88,186	1,266,686	
East Gwillimbury	112,638	162,792	
Georgina	70,658	69,695	
King	94,892	63,251	
Markham	2,433,694	2,545,953	
Newmarket	215,526	690,627	
Richmond Hill	917,260	1,021,164	
Vaughan	3,160,651	7,457,780	
Whitchurch-Stouffville	57,090	355,575	
Region of York	7,150,595	13,633,523	52%

** Assessment data provided by OPTA as at May 24, 2001*

As indicated by the table, it is estimated that a “clawback” of property tax decreases in the range of 47-57% may be required to fund the cost of the mandatory 5% cap in the Industrial property class.

With respect to the Multi-Residential property classes, Table 3 below shows the estimated cost of funding the mandatory 5% cap in 2001, as well as the total estimated tax decreases by local municipality.

Municipality	Estimated Cost of Cap	Estimated Tax Decreases	Preliminary Clawback
	\$	\$	
Aurora	18,775	9,748	
East Gwillimbury	3,209	10,873	
Georgina	47,818	21,148	
King	0	574	
Markham	61,577	129,167	
Newmarket	83,783	72,595	
Richmond Hill	74,588	120,971	
Vaughan	15,584	7,660	
Whitchurch-Stouffville	11,675	1,894	
Region of York	317,008	374,630	85%

** Assessment data provided by OPTA as at May 24, 2001*

As indicated by the table, it is estimated that a “clawback” of property tax decreases in the range of 80-90% may be required to fund the cost of the mandatory 5% cap in the Industrial property class.

5. FINANCIAL IMPLICATIONS

There would be no direct cost to the Region since the analysis of the preliminary data currently available from the Province indicates that sufficient tax decreases will be available to fund the cost of the mandatory 5% tax cap within each of the Commercial, Industrial, and Multi-Residential property classes. The Regional Treasurer, in consultation with the local municipal treasurers, will determine the assessment "cut-off" date, at which time the date required from OPTA is considered to be fully updated for the purposes of calculating the 2001 clawback rates. Bill 140 requires the Region to act as “banker” for inter-municipal adjustments.

6. LOCAL MUNICIPAL IMPACT

The Region's role as a banker for the implementation of the 5% tax cap will ensure that the local municipalities do not experience any shortfalls or surpluses with respect to issuing of the 2001 tax bills.

7. CONCLUSION

Bill 140 requires that property taxes increases for the Commercial, Industrial, and Multi-Residential property classes be capped at 5% for the 2001 taxation year and beyond. This report provides preliminary estimates of the funding requirements to implement the mandatory 5% cap, and recommends that the cost be funded through withholding tax decreases, known as the "clawback" method.

This report has been reviewed by the Committee of York Region/Area Municipal Treasurers.

8

IMPLEMENTATION AND TESTING OF THE INFORMATION TECHNOLOGY SERVICES DISASTER RECOVERY PLAN

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 7, 2001, from the Commissioner of Finance

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the implementation of the Information Technology Services Disaster Recovery Plan as set out in this report.
2. Council approve an annual test of the Information Technology Services Disaster Recovery Plan.
3. The Regional Treasurer be authorized to acquire the necessary hardware, software and services required to implement and test the plan, through existing agreements with vendors.

2. PURPOSE

In October, 2000, Regional Council awarded a Request for Proposal to SunGard Planning Solutions to prepare an Information Technology Disaster Recovery Plan (ITS DRP). The preparation of an ITS DRP was a subject in the management letter from the Region's external auditors resulting from the 1999 financial audit. The purpose of this report is to set out a plan to ensure that Regional services, which depend on technology, will continue to be

available in the event that the computer and/or telephone rooms or systems at the Administrative Centre become unusable for whatever reason. An annual test of the plan is a key factor in ensuring that the goal continues to be achievable.

3. BACKGROUND

The analysis required to produce this report confirms that sufficient funds have been allocated to the implementation and testing of the ITS DRP in the approved 2001 budget.

This report addresses the response to an event, such as a fire, bomb or chemical spill at or near the Administrative Centre at 17250 Yonge Street, Newmarket which renders unusable or inaccessible the following resources which are located at the centre:

- ✓ Voice communications
- ✓ Hubs for the Wide-Area-Network (WAN) and Local-Area-Network (LAN) (refer to definitions in Section 4.2)
- ✓ Corporate Data Centre - application servers and data storage for corporate and business unit information systems

The ITS DRP is only intended to ensure the rapid resumption of critical technology services at an alternate location. The plan complements the Regional Municipality of York Emergency Plan. Police and 911 technology services are outside the scope of the ITS DRP. Recovery of these services is addressed in other emergency plans.

The practices that have been adopted by ITS provide a reasonable degree of protection to accommodate routine system problems which result in the unavailability of information technology services for some or all of the Region's business units. This report proposes how to respond to a major system outage.

All regional program areas will be involved in the development of business continuity plans by the end of 2002 under the guidance of the Emergency Measures Office. The ITS DRP will require revision, where necessary, as business unit plans are developed. The recovery location of key business functions will be a critical factor in telecommunications network recovery plans but the overall recovery proposed in this report will provide core voice communication, telecommunications networks and application services recovery.

In 2000, the Region completed the first phase of the implementation of the Enterprise Resource Planning (ERP) information system to manage human resources and financial information following which a standard post-implementation audit was performed. The audit, performed by Deloitte Touche, reported that, while this information system provided significant operational improvements to the Region, there is a major risk to providing uninterrupted service to the community because there is no ITS DRP. As a result, ITS developed a procedural framework for the ITS DRP in collaboration with representatives of all Regional program areas. The work group developed the ITS DRP and held a walkthrough of the plan in October 2000. The Region's Internal Audit Services performed an independent high level review of the draft plan as part of the annual internal audit and

reported that a process for testing the plan needed to be established. This report proposes a strategy to implement and test the information technology infrastructure for the ITS DRP.

3.1 The ITS 2001 Business Plan

The requirement for an ITS DRP was proposed in the 2001 business plan. The following objectives and work initiatives were presented in the business plan:

Security, Reliability, Quality Assurance, Data Protection and Recovery

- ✓ Development test and backup database and Internet servers
- ✓ Disaster Recovery Plan (DRP) implementation, testing and maintenance
- ✓ DRP product replacement services
- ✓ Offsite ERP database recovery logs

Continue to consolidate communication and information processing systems for improved functionality, capacity and economy:

- ✓ York Region South Services Centre (YRSSC) building voice systems with backup, disaster plan support and service pooling for increased levels, reliability and long distance savings

4. ANALYSIS AND OPTIONS

The most significant process in establishing an ITS DRP is to assess the information services that are being used and assign to each service a recovery priority and a recovery time. This provides the major criteria for assessing the various options available to recover voice communications, information technology infrastructure and application services. The following table presents the results of discussions with regional program areas:

ITS Service	Recovery Priority	Recovery Required Within:
Access to telephone lines Call Centres Voice Mail Telecommunications networks Applications and data bases to be restored within 24 hours E-mail	1	24 hours
Applications and data bases to be restored within 48 hours	2	48 hours
Applications and data bases to be restored within 5 days	3	3 - 5 Days
Applications and data bases to be restored within 10 days	4	6 - 10 Days
All other applications and data bases	5	Beyond 10 days

This report is based on using the YRSSC under construction at 20 High Tech at Yonge Street and Highway 7 in Richmond Hill as the recovery site for ITS staff, the data centre and telecommunications hub.

To meet the needs as outlined by program areas, the timing of the ITS DRP is presented in the following table.

ITS DRP	Stage of Recovery
Within 6 hours	Declare that the ITS DRP is to be invoked
Within 8 hours	ReDirect Telephone numbers Main number Emergency Operations, Community & Housing, Health Call Centres, ITS Help Desk 1-800 numbers
Within 24 hours	WAN and LAN hub at the YRSSC data centre applications and data bases to be restored within 24 hours voice mail e-mail
Within 48 hours	applications and data bases to be restored within 48 hours
Days 3 – 5	applications and data bases to be restored within 5 days
Days 6 - 10	applications and data bases to be restored within 10 days
Days 11 – 30	All other applications and data bases operate in degraded mode assess the timing to return to permanent quarters and the risk to continued operations
Days 31 – end	Operate as if the major outage had not occurred
End	Return to permanent quarters

4.1 Corporate Data Centre “Warm” Recovery Site

As part of the development of the ITS DRP, an assessment was made of the alternatives for a recovery site where ITS staff, the recovery data centre and hubs for the Wide-Area-Network (WAN) and Local-Area-Network (LAN) could be located.

For recovery purposes, sites may be established within the organization or contracted as a service. The types of recovery sites available to the Region, the recovery time and an estimate of annual cost are presented below:

Type of Recovery Site	Description of Recovery Site	Recovery Time	Estimated Annual Cost
Cold	working space is available with the requirements for electricity and telecommunications but all equipment must be acquired and set-up at the time of the major outage	More than 1 week A cold site was rejected because it would not meet the required recovery times.	\$30,000
Warm	working space is available with the core equipment in operation which must be set-up and expanded at the time of a major outage additional equipment would require a “quick-ship” agreement which provides the rapid shipment to the recovery site of up-to-date servers and workstations, fully configured to customers’ specifications	1 – 6 days	\$420,000
Hot	working space is always available with equipment that is continuously kept in sync with the production environment	0 – 48 hours	\$2,000,000

4.1.1 Recommended Strategy

The following alternatives for data centre recovery were considered:

1. Enter into a contracted service for data centre recovery
2. Build a facility for data centre recovery
3. Enter into a “Quick-Ship” agreement

A “Quick-ship” agreement provides for the rapid shipment of up-to-date servers and workstations, fully configured to customers’ specifications, to any designated location. Distributors, as well as commercial recovery vendors can provide this service.

Following a review of the alternatives, the recovery times for the most critical applications and cost, it is proposed that a combination of alternatives 2 & 3 be used. A warm-site strategy be used for those ITS services which must be recovered within 48 hours and a “quick-ship” strategy for the balance.

In addition, an assessment was performed for the disposition of ITS staff in the event of a major outage. The alternatives considered were:

1. Alternative Facilities
2. Commercial Recovery Facilities
3. Working from Home

The Region has a significant number of facilities to re-locate ITS staff. It is proposed that alternative regional facilities for ITS staff provides the Region with the most control, meets immediate and long-term recovery timing requirements and can be fully tested at minimal expense.

4.1.2 Current Practices

There is no current recovery site for ITS staff, the data centre, hub for WANs or LANs.

4.1.3 Proposed Solution

The equipment required to meet recovery priorities 1 and 2 would be acquired and a “Quick-Ship” agreement negotiated to acquire the remaining equipment at the time of the disaster. A corporate data centre “warm” site would be established to provide work space for key ITS staff, to function as the hub for WANs and LANs and as the corporate data centre. It is proposed that the YRSSC be the "warm" site for the ITS DRP..

4.2 Recovery WAN and LAN

The Region’s Wide Area Network (WAN) connects regional facilities throughout the Region to the servers operated by ITS. The majority of the connections use direct fibre connections. In addition, the Region’s Administrative Centre links five of the Region’s Newmarket buildings to the WAN. Attempts to resume ITS services from an alternate facility in the event of a major outage will sever the connection of these five Newmarket sites to the WAN.

The LAN directly connects the Administrative Centre to the data centre. Damage localized to the ITS data centre, located on the 3rd floor of the Administrative Centre, would prevent business units elsewhere in the Administrative Centre from accessing their information services even if the data centre were relocated to an alternative site.

4.2.1 Recommended Strategy

Alternative telecommunication lines and data traffic equipment at the South Services Centre would provide alternate access to the network for all administrative centres other than the Newmarket Administrative Centre. Business units from the Newmarket Administrative Centre will be relocated to other locations as part of the development of business unit business continuity plans. Staff located at any other York Region centres would automatically have access to the network.

4.2.2 Current Practices

Individual line or equipment failures are handled as routine day-to-day failures. The Region currently contracts network services from two suppliers. This arrangement provides routine alternative services for Internet access. There is no current method to handle the relocation of the WAN hub located at the Administrative Centre.

There is no current method to connect the Administrative Centre LAN to the data centre if the data centre had to be relocated to an alternative site.

4.2.3 Proposed Solution

The South Services Centre can be provisioned with fibre telecommunications lines and network equipment that would allow it to function as the network hub in the event of a major outage at the Administrative Centre.

Backup equipment would be acquired to connect the Administrative Centre LAN if damage was localized to the ITS data centre.

4.3 Recovery Voice Communications

The Region has 4 main telephone numbers and a number of business units have call centres and emergency operations that are to be recovered within 24 hours. The recovery plans for 911 emergency calls are outside the scope of this plan. There are eight 1-800 numbers which provide access from outside the local calling area. There is a tie line to Scarborough that provides Newmarket with local calling to 416.

Telephony services for the Administrative Centre are provided by a switch, which supports 1500 extensions and 900 lines. The Region's system has basic Automatic Call Distribution services to call centres operated by Health Services, Emergency Services and the ITS Help Desk. Additional management of call centre incoming calls is provided. Voice Mail services track and manage calling patterns.

4.3.1 Recommended Strategy

The South Services Centre has been provisioned with equipment that will handle the day-to-day voice communications requirements of the centre and can be commissioned to operate for the entire Region in the event of a major outage at the Administrative Centre.

Bell Canada offers Switch ReDirect and Emergency Route services for critical telephone numbers and 1-800 numbers respectively.

4.3.2 Current Practices

By the fall 2001, the provisioning of voice communications services at the South Services Centre will provide the ability to handle a major outage at the Administrative Centre.

The main telephone numbers, call centre numbers and 1-800 numbers are re-directed to other numbers within Newmarket whenever the telephone lines go down. The Police Services use of these services is outside the scope of this plan.

4.3.3 Proposed Solution

Establish the necessary procedures to switch voice communications systems to the facilities at the South Services Centre.

Designate telephone numbers at the South Services Centre for re-directing and re-routing call centre and 1-800 numbers.

For a temporary period, departments located at the Tannery and Woodbine would have long distance charges to 416 calls because the existing link to the Scarborough tie line would be lost.

For up to 30 days, there would be a standard voice mail greeting concerning the outage for the Region's main numbers and call centre numbers rather than the individualized greetings for each number until basic operations have stabilized.

4.4 Operations Recovery Procedures

The Information Technology Services (ITS) Branch supports the internal infrastructure that connects the Wide-Area-Network (WAN) services. ITS also supports Local-Area-Networks (LAN's) within the Region's facilities, the corporate data centre and manages the access to the Internet, the Region's Intranet and e-mail. The data centre houses and manages the information systems and data assets for more than 100 applications, which support Corporate and Legal Services, Human Resource Services, Finance, Community Services and Housing, Health Services, Planning and Development Services, and Transportation and Works. ITS protects the application software and data assets of the Region by backing up these resources twice daily and sending tapes off-site to a backup/recovery service.

The bulk of the effort of a DRP involves designing, planning, documenting and testing procedures to recover the above facilities at an alternative recovery site. The bulk of effort to prepare this report has been to estimate the costs and effort that will be required to perform these tasks.

4.4.1 Recommended Strategy

Document the operating procedures that will be required to recover voice communications, the WAN, the Administrative Centre LAN, the data centre and the applications and data bases.

Provide the necessary training and orientation for staff regarding the plan. Plan and document an annual test of the recovery plan consisting of a full simulation of a disaster.

Some benefits from testing the ITS disaster recovery plan include:

- Verifying the compatibility of backup facilities
- Determining the feasibility of the recovery process.
- Ensuring the adequacy of procedures relating to the various teams working in the recovery process.
- Identifying deficiencies in existing procedures or processes.
- Identifying areas of the plan that need modification or enhancement.
- Training of team members.
- Demonstrating the ability of ITS to recover.
- Providing a mechanism for maintaining and updating the plan.

Since the proof of a plan's effectiveness is in the testing, it is important that as much care be exercised in testing the plan as in developing it.

No matter how well designed and completely thought out the plan may seem, a realistic test will reveal items and situations that will require further attention.”

4.4.2 Current Practices

There are no current operations recovery procedures for a major outage at the Administrative Centre.

4.4.3 Proposed Solution

Perform the following activities to prepare for operating from a recovery site at the South Services Centre:

1. Install the necessary network and data centre equipment
2. Document the necessary preparation and recovery procedures
3. Provide orientation sessions for all business units about the ITS DRP
4. Train ITS staff and business unit staff that will have a direct role in the recovery
5. Perform an annual test of the plan starting with the first test in 2002 Q1

5. FINANCIAL IMPLICATIONS

The cost of implementing and testing the ITS Business Resumption plan has been included in the approved budget for 2001. The following table presents the major cost items that would be incurred. Some costs will be one-time preparation costs, some will be ongoing costs for equipment leases and telecommunications services and some costs will only be incurred in the event of a major outage. The cost summary is presented in the following table.

Cost for:	One-time Set-up Costs	Annual Costs	In Event of Outage (ITS only)
Leases of Equipment	-	264,000	29,500
Software	35,000	6,000	-
Telecommunications	1,500	70,000	3,500
Implementation Assistance	170,000	80,000	27,000
	206,500	420,000	60,000

Not all costs have been identified in the column “In Event of Outage”. This column includes equipment leases and vendor assistance costs that have been estimated in relation to the design alternatives that have been considered. The costs for additional resources, vendor assistance and staff overtime have not been estimated as these items would be determined by the severity of the disaster. The impact of a major outage would be in the ability of program areas to continue to operate and the additional costs that business units would incur to continue to operate without information technology services. These have not been estimated. The “In Event of Outage” costs are significantly less with a planned and tested ITS DRP that without one.

Implementation of the plan requires 363 days (1.5 FTE’s) of staff time to plan and document the procedures to support the plan. Testing the plan will require 83 days (0.4

FTE's) of staff time annually. A total of 363 days represents approximately 4% of the staff complement of ITS.

6. LOCAL MUNICIPAL IMPACT

In the event of a major outage at the Administrative Centre the community would continue to be able to use the call centres established for emergencies, would be able to access the Region's Internet web page, and expect only moderately degraded services from business units.

The major impact on the community would be dependent on the recovery of business units, which will be addressed through the implementation of Business Continuity Plans by the end of 2002.

7. CONCLUSION

Implementing the recommendations of this report will ensure that the critical information technology services, including voice communications, will be recovered in a timely manner following an event such as a fire, bomb or chemical spill at or near the Administrative Centre at 17250 Yonge Street, Newmarket.

This report has been reviewed by the Senior Management Group.

9

GO TRANSIT DEVELOPMENT CHARGES DRAFT CONSOLIDATED DEVELOPMENT CHARGE BACKGROUND STUDY

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 11, 2001, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council receive the Draft Joint GO Transit Development Charge Background Study dated June 8, 2001 prepared by C.N. Watson and Associates; and
2. Staff be directed to proceed with the necessary actions to establish a Regional Development Charge for GO Transit services in accordance with Council's prior approval dated May 24, 2001 including holding the statutory Public Meeting on October 11, 2001, with the proposed date being adjusted if required.

2. PURPOSE

The purpose of this report is to present the Draft Development Charge (“DC”) Background Study prepared by C.N. Watson and Associates for the Regions of Durham, Halton, Peel and York and for the Cities of Hamilton and Toronto. This report further outlines the proposed preliminary financial implications and sets out the detailed process for the enactment of a Regional DC By-law for GO Transit.

3. BACKGROUND

Upon its formation on January 1, 1999, the Greater Toronto Services Board (“GTSB”) assumed the responsibility for GO Transit services from the Province, with funding provided on an annual basis from the Regions of York, Durham, Halton and Peel, and the Cities of Hamilton and Toronto. The capital costs associated with GO Transit are apportioned to these municipalities based on an approved cost sharing formula. Development charges are a key source of financing growth-related capital costs, as they serve to recover growth-related capital costs from the new development that creates the need for these services. The current legislation does not permit the GTSB to enact a development charge to recover growth-related capital costs. Therefore, the municipalities that fund GO Transit services must enact separate development charge by-laws to recover their share of growth-related capital costs for GO Transit, or fund these growth-related costs through non-growth sources.

4. ANALYSIS AND OPTIONS

4.1 Establishment of a GO Transit Development Charge

On February 9, 2001, the GO Transit Board approved a ten year growth and expansion capital program of \$1.034 billion. This capital program was approved by the GTSB on March 2, 2001. As approximately \$55 million of capital works have already been committed for construction in 2001 and 2002, and a component of these costs would be eligible for recovery from development charges, it is important to proceed with the enactment of a development charge by-law for GO Transit. This way, municipalities can start collecting development charges required to fund these capital costs. On May 24, 2001, Regional Council authorized staff to proceed with the establishment of a Regional development charge for GO Transit services.

The Regions of York, Durham, Halton and Peel, and the Cities of Hamilton and Toronto engaged the firm of C. N. Watson and Associates to undertake a background study required for the establishment of a development charge by-law for GO Transit. The draft background study is attached for information as Attachment 1. This joint study will be used by each municipality in the process to enact individual development charge by-laws.

Discussions between the Urban Development Institute, the Greater Toronto Homebuilders Association and the participating municipalities regarding the implementation of a GO Transit development charge have been ongoing.

4.2 Revised Timetable for DC By-law

In the May 24, 2001 Council report, a proposed timetable was outlined which identified key milestone dates to establish a DC By-law for GO Transit. This included a Public Meeting to be held on October 11, 2001, and proposed enactment of a DC By-law on October 25, 2001.

Regional staff is currently undertaking several infrastructure Master Plan updates, including long term water supply and wastewater servicing, and transportation services (including transit). These reviews will potentially have an impact on the current DC By-law. A Public Meeting and an amendment to the DC By-law would be required to incorporate the costs associated with the revised capital Master Plans. It is anticipated that results from these reviews will be available in approximately the same timeframe as the proposed GO Transit DC schedule. In order to streamline the DC amendment process, it is proposed that the Public Meeting scheduled in October for GO Transit infrastructure also include the results of the infrastructure Master Plans. It may be necessary to adjust the proposed date of this Public Meeting based on the completion dates of the various Master Plans.

As staff are currently updating major master plans for water, wastewater and transportation (including transit) services, it is proposed that one public meeting be scheduled in the fall of 2001 to review regional capital infrastructure provided for in the DC By-law and GO Transit. The Regional Solicitor has indicated that Council, at its discretion, may elect to amend the Region DC By-law to update for water, wastewater and transportation infrastructure and to enact a separate By-law for GO Transit. A separate DC by-law for GO Transit would be of assistance in the event of an appeal from the development industry.

5. FINANCIAL IMPLICATIONS

The draft DC background study completed by C. N. Watson and Associates identifies the GO Transit growth-related capital costs that are eligible for recovery from development charges for each contributing municipality. Based on the approved capital cost sharing formula, York Region's share of the \$1.034 billion GO Transit ten year growth and expansion capital program totals \$47.6 million. This is based on two-thirds funding being provided from senior levels of government. The draft background study indicates that, in accordance with the Development Charges Act, 1997, \$19.2 million of York Region's share of capital costs would be eligible for recovery from development charges. This would have an impact on the residential single-family dwelling DC rate of approximately \$271 per unit. The attached table shows the estimated rates proposed in the DC Background Study for the various municipalities (Attachment 2). The balance of York Region's share of capital costs (\$28.4 million) would be funded from non-growth sources (i.e. tax levy).

6. LOCAL MUNICIPAL IMPACT

Implementing development charges for GO Transit will have the effect of reducing the financial burden on existing residents, as a portion of the capital costs will now be recovered

from new development. This will also facilitate the construction of GO Transit capital projects that will benefit existing and future York Region residents.

An amendment to the DC By-law to incorporate revised capital costs resulting infrastructure Master Plan updates will reduce the financial impact on York Region residents, as costs identified as being attributable to growth will be borne by the new development that created the need for the infrastructure.

7. CONCLUSION

On May 24, 2001, Regional Council authorized staff to proceed with the establishment of a DC By-law for GO Transit capital costs. In accordance with the Development Charges Act, 1997, a background study must be completed which analyzes the capital costs associated with GO Transit. A draft background study completed by C. N. Watson and Associates is attached to this report. The draft report indicates that a development charge for GO Transit would impact the single-family dwelling rate by approximately \$271 per unit.

As the Region is currently updating infrastructure Master Plans for water, wastewater, and transportation services, it is proposed that one Public Meeting be held in accordance with the Development Charges Act, 1997 that reviews the impact of GO Transit and regional infrastructure on the Region's development charge.

(A copy of the attachment referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

10 ACCOUNTS RECEIVABLE STATUS REPORT

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, May 31, 2001, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council receive for information accounts summarized in Attachment No. 1 which were approved for write-off by the Regional Treasurer in 2000 in accordance with By-law No. A-184-95-139.
2. Council receive for information the status of Accounts Receivable as at December 31, 2000 as reported in Attachment No. 2.

2. PURPOSE

The purpose of this report is to provide information to Regional Council regarding the write-off of uncollectible accounts and to report on the status of accounts receivable that are covered under the Region's Collection By-law as at December 31, 2000.

3. BACKGROUND

The Region's collection policy, as adopted through the enactment of By-law No. A-184-95-139 requires that Regional Council approve the write-off of uncollectible accounts receivable in excess of \$6,000.00. The policy also provides authority to the Regional Treasurer to approve accounts with a value of up to \$6,000.00 for write-off where they have been deemed uncollectible or not cost effective to pursue. A summary of accounts written off in the previous fiscal year must be reported to Regional Council.

Collection of General Accounts Receivable accounts is conducted by the Finance Department. The Finance Department also provides assistance to operating departments in collection of accounts for which they are responsible. In accordance with the Region's Council approved collection policy, the Region engages the services of an outside collection agency to further enhance the overall collection of accounts.

In addition, the policy requires that the Regional Treasurer report annually to Regional Council the status of outstanding accounts receivable as at the end of the fiscal year.

4. ANALYSIS AND OPTIONS**4.1 Accounts Approved for Write-off by Regional Treasurer**

In 2000 accounts totalling \$7,975 were approved for write-off by the Treasurer in the categories of General Accounts Receivable, Health Services and Police Services as summarized in Attachment No. 1.

4.2 Status of Accounts Receivable

In accordance with the Regional Collection Policy, a summary of the Region's Accounts Receivable status as at December 31, 2000 is provided in Attachment No. 2.

The "over 90 days" column includes \$1,926,470 relating to water and wastewater billings. An account of \$234,370 outstanding at December 31, 2000 has now been paid. Another account in the amount of \$811,440 is in dispute. Staff of the Transportation and Works Department are reviewing the file to determine the next course of action. Corporate total receivables reduced from \$13,482,190 in 1999 to \$6,981,973 in 2000 due to the settlement of area municipal water and wastewater billings that were outstanding at the end of 1999.

5. FINANCIAL IMPLICATIONS

The cost of accounts receivable write-offs in 2000 was \$7,975. An allowance for doubtful accounts in the amount of \$7,935 was previously accounted for in 1999. Therefore the net impact in year 2000 operations is \$40.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact associated with this report.

7. CONCLUSION

Through adherence to the Region's collection policies, the amount of the write-offs were held to a modest amount. No single account in excess of \$6,000 required write-off. The write-offs approved by the Treasurer in 2000 totalled \$7,975.

(A copy of the attachments referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

11

2000 DEVELOPMENT CHARGE RESERVE FUND STATEMENT

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 1, 2001, from the Commissioner of Finance subject to Schedule 6 being replaced:

1. RECOMMENDATIONS

It is recommended that:

1. The 2000 Development Charge Reserve Fund Statement prepared in accordance with the provisions of The Development Charges Act, 1997 be received; and,
2. The 2000 Development Charge Reserve Fund Statement be forwarded to the Minister of Municipal Affairs and Housing, Area Municipalities, the Urban Development Institute (York Region Chapter), the Greater Toronto Homebuilders Association, and other interested parties for information purposes.

2. PURPOSE

The purpose of this report is to provide detailed financial information regarding 2000 development charge ("DC") collections and capital expenditures in accordance with the reporting requirements outlined in The Development Charges Act, 1997 ("The DC Act, 1997"), and to provide a year end summary of reserve balances established under the DC Act, 1997.

3. BACKGROUND

3.1 Development Charge Reporting Requirements

In March 1998, the Provincial government enacted The Development Charges Act, 1997 (“the DC Act, 1997”), which revised existing development charge legislation. The DC Act, 1997 outlines reporting requirements for DC reserves. In accordance with s.33 and s.43 of the DC Act, 1997 the following is required:

- A municipality that has passed a development charge by-law shall establish a separate reserve fund for each service to which the development charge relates, and may be spent only for eligible capital costs.
- The Treasurer of the municipality shall give to Council a financial statement relating to development charge by-laws and reserve funds established.

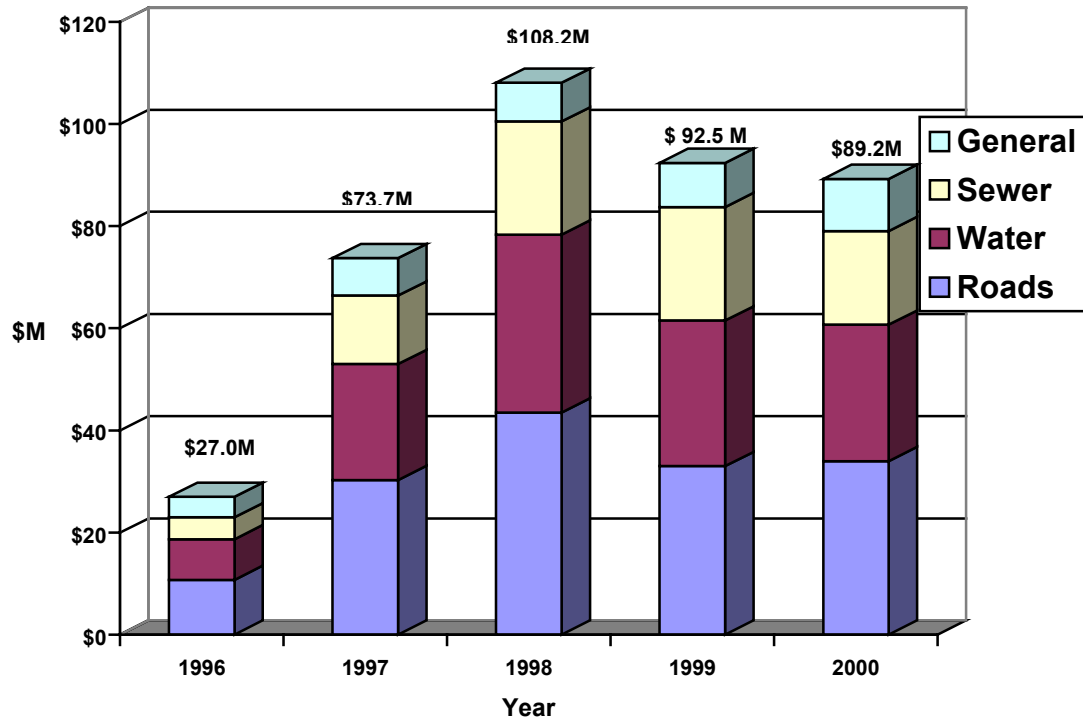
Reporting requirements also include identifying all other sources of funding applied to each project funded with development charges, and providing a detailed summary of activity for each development charge reserve for the year.

4. ANALYSIS

4.1 2000 Development Charge Collections (five-year comparative analysis)

The following table compares the 2000 development charge collections to the previous four years collections.

Table 1
 Regional Municipality of York
Development Charges Collected by Service Component

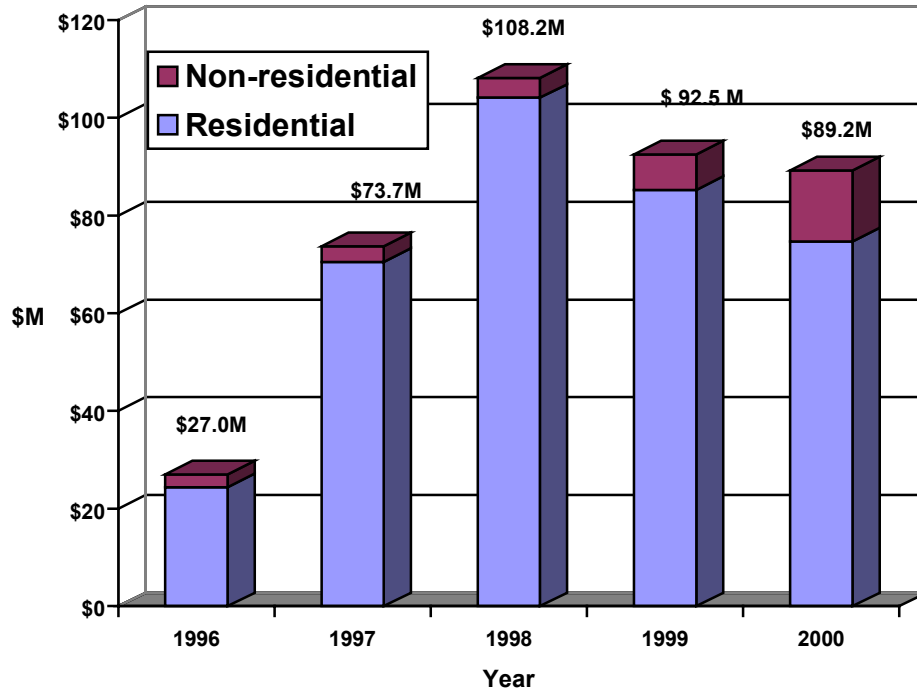


(\$millions)

Favourable locational attributes (e.g. Highways 400, 404 and 407) and a continued strong economic climate have contributed to the rapid growth rate occurring in the Region of York. York Region's population increased by 41,000 people in 2000, the largest increase since 1987. As in the previous three years, the rapid rate of growth experienced in York Region has resulted in a large number of subdivision registrations and building permit issuances in 2000. In 2000, 12,699 residential building permits were issued in York Region, 1.6% less than the near-record number of permits issued in 1999. Development charge collections have remained at a consistently high level over these years.

As shown in Table 2, non-residential development accounted for 16% of 2000 development charge revenue due to a number of reasons including Council's favourable non-residential DC rate policy and pre-1991 lot of record exemption policies. It is important to note that non-residential collections increased by 100% from 1999 collections, and continues to grow as part of the Region's overall DC collections.

Table 2
 Regional Municipality of York
Development Charges Collected – Residential/Non-residential
 (\$millions)



4.2 2000 Development Charge Detailed Activity Statements

Total development charges required to fund the 2000 Regional capital program totalled \$68.4 million. The summary table below outlines the expenditures by service category:

Table 3
 Regional Municipality of York
 2000 Development Charge Expenditures
 (\$millions)

Service	Expenditures
Roads	\$28.3 M
Water	10.6 M
Wastewater	25.4 M
General	4.1 M
Total	\$68.4M

Attached to this report are four schedules:

-
- Schedule 1- The detailed reserve fund statement for development charge reserves established under authority of the DC Act, 1997, and the DC By-law (including a summary of DC credits issued).
 - Schedule 2 - The prescribed capital project addendum, which details 2000 capital project expenditures and development charge funds transferred to each project.
 - Schedule 3 - A detailed analysis of Regional capital road program development charge expenditures for 2000.
 - Schedule 4 - A detailed analysis of Regional capital water program development charge expenditures for 2000.

4.3 Pre-1991 Development Charge By-law Lot Levy Reserve Fund

The pre-1991 development charge by-law lot levy reserves were established prior to DC legislation and are used to fund growth-related capital requirements occurring as building units are registered and built out. The inception of DC legislation replaced the collection of lot levies. Both the pre-1991 development charge lot levy reserve and the DC reserve are being used for the same purpose.

The DC Act, 1997 permits a municipality to allocate capital reserves into a reserve established under the Act. On August 31, 2000, Regional Council approved the allocation of the lot levy reserves into the DC reserve effective year end 2000, for administrative purposes. Attached is a detailed schedule regarding the Pre-1991 Development Charge By-law (Lot Levy) reserve funds (Schedules 5) prior to the incorporation of these reserves into the DC reserve. The pre-DC lot levy reserves have cumulatively funded \$29.3 million over the period 1992 to 2000 inclusive, in order to sustain regional DC capital program expenditures.

5. FINANCIAL IMPLICATIONS

5.1 Development Charge – Capital Expenditure Commitments

Capital commitments to the DC reserves per the 2001 Budget and 10 year capital forecast are outlined as shown in Schedule 6. The 2001 Budget commitment from development charge reserves is \$141 million. In addition, the proposed ten-year capital program, particularly for roads, water and sewer, is substantial, in order to accommodate the significant growth within the Region of York.

Development charge revenue shortfalls attributable to reduced development charge rates, rate phasing and exemptions as approved by regional Council, must be continually monitored through the annual budget approval process to ensure DC reserve balances are consistent with capital expenditures. This will ensure that the infrastructure required for

growth is provided in a fiscally responsible manner, in accordance with Financial Growth Management policies adopted in the Regional Official Plan.

6. LOCAL MUNICIPAL IMPACT

Development charges are an important revenue source for constructing growth-related infrastructure which benefits all municipalities in York Region.

7. CONCLUSION

The 2000 Development Charge Reserve Fund Statement is provided pursuant to the reporting requirements of the Development Charges Act R.S.O. 1997 and Regional DC By-law no. DC 3-98-77.

(A copy of the attachments referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk. A copy of the revised Schedule 6 is included with this report and is also on file in the Office of the Regional Clerk.)

12
INFORMATION REPORT
LAKE SIMCOE REGION AND TORONTO AND AREA
CONSERVATION AUTHORITIES

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 12, 2001, from the Commissioner of Finance and the Chief Administrative Officer and directed staff to report on its review to Regional Council at the Council meeting scheduled for June 28th, 2001:

1. RECOMMENDATIONS

It is recommended that:

1. Council receive this report for information.
2. Staff further review additional funding requests for the Conservation Authorities in conjunction with the 2002 Business Plan.

2. PURPOSE

The purpose of this report is to provide Council with information regarding the 2001 funding for Lake Simcoe Region Conservation Authority (LSRCA) and the Toronto and Region Conservation Authority (TRCA).

3. BACKGROUND

On May 30, 2001 Roy Bridge, Chair of the Lake Simcoe Region Conservation Authority Board, Gayle Wood, Chief Administrative Officer and Mike Walters, Manager, Environmental Services, Lake Simcoe Region Conservation Authority made a presentation to the Planning Committee regarding the LSRCA 2001 Budget as it relates to the Lake Simcoe Environmental Management Strategy (LSEMS) and Landowner Assistance Program (LEAP). LEAP provides financial assistance for landowners within the Lake Simcoe watershed. LEAP represents a continuing effort by the Conservation Authority to achieve the LSEMS goal to restore a self-sustaining coldwater fishery by improving the water quality of Lake Simcoe.

The Committee received the presentation, endorsed the strategy and referred the issue of costs and cost allocation to staff for a report to Finance and Administration Committee. This report has been prepared in response to this request.

4. ANALYSIS AND OPTIONS

4.1 Summary of 2001 Funding and Comparison to 2000 Funding

For 2001, the Regional Municipality of York has committed funding to the Conservation Authorities in the amount of \$3,165,000, which represents a 30% increase over 2000 funding levels. Funding of \$1,133,000 was provided for the LSRCA and \$2,032,000 was provided for the TRCA.

A summary of the details of funding to the LSRCA and TRCA is provided in Attachment #1. The funding identified in Attachment #1 was based upon funding operating programs and key capital projects within major program areas as identified by the Conservation Authorities. It is important to note that 2001 was the first year when the Authorities jointly developed a ten-year strategic plan, which identified significant funding requirements.

At the Planning Committee presentation on May 30, 2001, the LSRCA requested funding beyond the 2001 commitment from the Region of \$311,200 for LEAP and \$63,200 for LSEMS. As the budget has been finalized, any additional funds in 2001 would exceed the Council approved budget.

As funding to the LSRCA has increased significantly from 2000 levels, the LSRCA may wish to meet with Regional Water and Wastewater staff to reallocate committed funds within the 2001 Regional funding contribution and examine funding options for 2002.

4.2 Cost Sharing Methodology

The current cost sharing methodology is based on the Current Value Assessment, which is applied across the province. The eight partners in Lake Simcoe are assessed under this method resulting in the Region being apportioned 72.1% of the total cost; current methodology is based on land area within the Lake Simcoe watershed. An analysis will be completed by LSCRA to review various alternative cost sharing methodologies; however it is

expected that ratios will not change significantly. The LSRCA is actively seeking to increase the number of partners from the Lake Simcoe area.

5. FINANCIAL IMPLICATIONS

In recognition of the important work of the Conservation Authorities, a 30% increase in funding was granted as part of the 2001 Business Plan and Budget, with LSRCA receiving a 46% increase. Total funding provided to Conservation Authorities is \$3,165,000 for 2001. LSRCA requested additional funding of \$373,646 for the LEAP and LSEMS projects beyond agreed upon funding for 2001. Any additional contributions have not been included in the 2001 Business Plan and Budget.

6. LOCAL MUNICIPAL IMPACT

Stewardship of the environment is an important issue to both the Region and area municipalities within York.

7. CONCLUSION

York Region has made a substantial commitment to the conservation and greening initiative with a view to improving the quality of life of its residents. York Region is currently contributing \$1,133,000 in funding to the LSRCA and \$2,032,000 in funding to the TRCA. Additional funding for the LEAP and LSEMS projects could be reallocated within the existing allotment provided to the LSRCA or additional funding could be considered as part of the 2002 Business Plan.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 21, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

13
CODE OF CONDUCT POLICY

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 7, 2001, from the Commissioner of Human Resource Services and Commissioner of Corporate and Legal Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council endorse the attached policy entitled Code of Conduct.

2. PURPOSE

The purpose of the report is to inform Council of the policy of The Regional Municipality of York and to seek endorsement for the policy.

3. BACKGROUND

The Region has corporate policies in place on the topics of Entertainment and Gifts, Harassment, Media and Public Relations and Use of Regional Property. As a result of the ongoing initiative to review and update corporate policies, staff identified the need for policies dealing with a number of related topics, including conflict of interest and confidentiality. Staff also felt that both the corporation and individual employees could benefit from having such policies consolidated into a comprehensive Code of Conduct.

4. ANALYSIS AND OPTIONS

While the current policies may stand alone it was felt that an “omnibus” approach would be preferable as it provides prospective and current employees with a consolidation of the policies which guide their conduct through the course of their employment with the Region. Many key elements that an employee must be aware of and observe would be contained in one comprehensive policy. Breach of this policy carries significant potential implications, up to and including discipline and discharge for serious violations. Consequently, it is imperative that those governed by the Code of Conduct have a clear understanding of the expectations imposed upon them and the consequences of failing to abide by those obligations. As an employer, the Region has an obligation to provide this information to its employees in an accurate and accessible manner.

If endorsed by Regional Council, the Code of Conduct would be incorporated into each new employee’s offer of employment and would become a condition of employment. The Code of Conduct would also be rolled out to current employees in a manner which ensures the employees and their supervisors understand the rights and obligations prescribed in the Code and the consequences of breaching terms and conditions contained therein.

The development of the proposed Code of Conduct included a review of all applicable and common law to ensure that the policy is inclusive of and consistent with the requirements governing public employees. It has also been reviewed from a perspective of fairness, to ensure that it balances the rights of employees with the employer’s need to ensure the integrity of its workforce.

5. FINANCIAL IMPLICATIONS

None directly

6. LOCAL MUNICIPAL IMPACT

None directly

7. CONCLUSION

This policy clearly and concisely outlines the expectations of the employer and defines acceptable conduct for Regional employees. This ensures that the public, taxpayers and residents of the Region will receive the highest standard of professionalism from staff employed with The Regional Municipality of York.

(A copy of the attachment referred to in the foregoing has been forwarded to each Member of Council with the June 14, 2001, Finance and Administration Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)

14 SALE OF SURPLUS PROPERTY GREEN LANE (YR 19) TOWN OF EAST GWILLIMBURY

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, May 28, 2001, from the Commissioner of Corporate and Legal Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council declare surplus and give notice of its intention to sell the lands designated as Parts 3, 4 and 5 on Reference Plan 65R-21770, 1.156 ha (2.857 acres), subject to an easement over Part 5.
2. The lands designated as Part 3 on Reference Plan 65R-21770 be stopped up and closed in accordance with the notice and hearing requirements of the *Municipal Act*.
3. Notice be given of Council's intent to sell these lands to the abutting land owner, subject to confirmation from all Regional departments, the Region of York Housing Corporation and the York Regional Police that they have no interest in the property.
4. The Director of Realty Services be directed to conduct an appraisal of the property, the cost of which shall be paid in advance by the purchaser, and to commence negotiations, for the sale of the property, and present the results to Council for consideration.
5. An administration fee of \$1,500.00, together with all costs in connection with this transaction such as advertising, legal and any necessary utility relocations are to be paid for by the purchaser in advance of any expenditure by the Region.

2. PURPOSE

The purpose of this report is to obtain Council's approval to:

1. Declare the lands described in Recommendation 1 above as surplus to the Region's requirements.
2. To do all acts necessary to stop up and close those lands that form part of the road described as Part 3 on Reference Plan 65R-21770.
3. To obtain an appraisal of these lands and to negotiate the sale of the property with the abutting owner to the north and to report back to Council with the selling price.

3. BACKGROUND

Regional Council, at its meeting held on June 26, 1997, adopted By-law R-1126-97-67, which authorized the widening and reconstruction of Green Lane (YR 19) from Yonge Street (YR 1) to Leslie Street (YR 12) in the Town of East Gwillimbury. Part of the project involved the relocating of Green Lane (YR 19), between Second Concession and Leslie Street (YR 12), to the south of its original location in order to save the old bridge over the Holland River (*see Attachment No. 1*).

Dorothy Tidman owns the property located at 1150 Green Lane and has requested the Region to convey to her the property that is between her front lot line and the boundary of the relocated Green Lane. Her property has a frontage of 434.34 metres (1425 feet) on the original Green Lane road allowance and an area of 17.49 ha (43.22 acres) and is on the north side of the road between the CNR tracks and Leslie Street. The land under consideration is described as Parts 3, 4 and 5 on Reference Plan 65R-21770 (*see Attachment No. 2*). Part 3 has an area of 7112 square metres (1.757 acres) and is part of the original road allowance. Part 4 has an area of 1641 square metres (0.41 acres) and Part 5 an area of 2800 square metres (0.69 acres). Part 5 is encumbered by an easement in favour of Ontario Hydro. The total is 2.857 acres. Parts 4 and 5 are strips of land that are located on the south side of the original road. The lands described as Parts 3, 4 and 5 on Reference Plan 65R-21770 are long strips of land that cannot be sold as separate entities due to their shape and size.

Prior to the relocation of Green Lane Mrs. Tidman's property fronted directly onto a travelled road allowance and her driveway was 300 feet long. She had entrance pillars with motion detectors that alerted her to any vehicle that drove into her driveway from the road. Her property was professionally landscaped with decorative hedging and underground water sprinkler systems in front of her home. Because of the relocation of the road Mrs. Tidman now has an additional 300 feet of driveway maintenance and snow clearance over and above her original 300-foot driveway. A new entrance with motion sensors has been constructed on the extended driveway for security reasons. Mrs. Tidman has been maintaining the Region's lands by grass cutting and has spent \$30,000.00 for fencing and paving of the additional driveway. This cost was borne entirely by Mrs. Tidman. The fence and additional driveway are located on the property that Mrs. Tidman wishes to purchase. Mrs. Tidman

wishes to purchase the land between her property and the new road to add to the remainder of her holdings.

The conveyance of the lands would eliminate the irregular road boundary and also relieve the Region of grass and weed maintenance.

Although the regulations under section 193 (6) of the *Municipal Act* exempt the requirement of an appraisal when the lands being transferred are part of a road, an appraisal will be necessary since part of the lands being conveyed are not part of the road allowance.

The Commissioner of Transportation and Works has indicated that these lands are surplus to the road needs.

4. CONCLUSION

It is recommended that Regional Council declare these lands surplus and give authority to stop up and close Part 3 on Reference Plan 65R-21770. The Director of Realty Services will have an appraisal prepared of the lands and enter into negotiations with Mrs. Tidman for the sale of the lands described as Parts 3, 4 and 5 on Reference Plan 65R-21770.

(A copy of the attachments referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

15 SALE OF SURPLUS PROPERTY JANE STREET AND RUTHERFORD ROAD CITY OF VAUGHAN

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, June 4, 2001, from the Commissioner of Corporate and Legal Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize the conveyance to Northwest Jane Rutherford Realty Inc. the lands designated as Part 9 on Reference Plan 65R-14842, 2740.5 m² (0.677 acres), less those lands designated as Part 20 on Reference Plan 65R-23294, 48.6 m² (0.01 acres) that are required for the .3 metre reserve, for the sum of \$249,400.00.
2. The appropriate Regional officials be authorized to do all acts necessary to give effect to the foregoing.

2. PURPOSE

The purpose of this report is to obtain Regional Council's authorization to convey surplus property described as Part 9 on Reference Plan 65R-14842, less Part 20 on Reference Plan 65R-23294 to Northwest Jane Rutherford Realty Inc. at the 1998 appraised value of \$249,400.00.

3. BACKGROUND

On November 27, 1997, Regional Council declared as surplus lands the property at the intersection of Jane Street (YR 55) and Rutherford Road (YR 73), (*see Attachment 1*), designated as Part 9 on Reference Plan 65R-14842 less the land required for .3 metre reserve across the Regional road frontages.

The lands that are the subject of this sale are Part of Lot 16, Concession 5 in the City of Vaughan and are located in the north-west corner of the intersection of Jane Street (YR 55) and Rutherford Road (YR 73.) They were purchased in 1978 by the Town of Vaughan for road widening and intersection improvement and were dedicated as road. Rutherford Road has since been transferred to the Region and the intersection of Rutherford Road and Jane Street has been relocated to the south of its previous location. Part 9, that formed part of the intersection, is no longer needed and has been stopped up and closed. Northwest Jane Rutherford Realty Inc., the owner of the adjacent lands, approached the Region in 1997 to purchase the property. The approval to convey the lands was subject to .3 metre reserve across the Regional road frontage being reserved by the Region. The Region is now in possession of a survey of the required reserve described as Part 20 on Reference Plan 65R-23294, (*see Attachment No. 2*).

An appraisal was prepared in March 1998 that estimated the value of the property at \$375,000.00 per acre. Based on this appraisal the surplus property, after the adjustment for the land required for the .3 metre reserve, has a value of \$249,400.00. In 1998 the Region identified future road widening requirements across the Rutherford Road frontage of Northwest Jane Rutherford Realty Inc.'s property. It was agreed at that time that the Region would sell the surplus property at the appraised value set in March 1998 and that Northwest Jane would sell to the Region its future requirements at the same rate. Northwest Jane Rutherford Realty Inc. is now in the process of dedicating the requirements at no cost to the Region. The sale of the property could not be completed until a survey of the .3 metre reserve was prepared by the purchaser. This was recently done as part of the overall development plan on the purchasers remaining property. The Region is now in a position to convey the lands described as Part 9 on Reference Plan 65R-14842 less Part 20 on Reference Plan 65R-23294.

An appraisal update of the property was prepared for the Region in March 2001 which estimates the range in value at \$550,000 to \$650,000 per acre for this property. Based on the appraisal update the surplus property has a current range in value of \$365,750.00 to \$432,250.00.

4. ANALYSIS AND OPTIONS

At the time Regional Council declared the lands surplus in 1997, the appraised value for the property was \$249,400.00, based on an appraisal of \$375,000.00 per acre. This appraisal, prepared by D. Bottero & Associates Limited, has been reviewed by the Director of Realty Services and appears to be fair and reasonable. The proceeds from the sale of this property will be deposited into the Region's Capital Reserve.

5. CONCLUSION

It is recommended that the property be sold to Northwest Jane Rutherford Realty Inc. at the appraised value of \$249,400.00 (Two Hundred and Forty-Nine Thousand, Four Hundred Dollars).

(A copy of the attachments referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)

16

ESTABLISHMENT OF THE PROPERTY SERVICES BRANCH

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, June 12, 2001, from the Commissioner of Finance

1. RECOMMENDATIONS

It is recommended that:

1. The proposed reorganization, which amalgamates the regional Accommodation Planning, Real Estate, Facilities Maintenance & Operations and Facilities Capital Projects functions together within a new Property Services Branch, reporting to the Commissioner of Finance be approved.
2. Authorization be granted to create four positions in the Property Services Branch within the Finance Department to be filled in 2001 and that funds be reallocated to the Finance 2001 budget for these positions.

2. PURPOSE

The purpose of this report is to outline a new organizational structure that will provide a focused and co-ordinated approach to property issues which will, over time, result in reduced accommodation costs, increased revenue generation and enhanced service delivery. This will be achieved through a re-allocation of existing resources, complemented by the addition of specific skill sets lacking in the present organization.

3. BACKGROUND

The Regional Municipality of York has experienced significant growth in both population and service delivery responsibilities over the last few years, and this has resulted in increased pressure on the Region's ability to provide appropriate accommodation (land and buildings) in which to ensure proper delivery of its numerous programs.

Real property is a substantial cost for the Region. Realty resources are relatively inflexible, and available accommodation space at a reasonable cost is difficult to obtain. Real property is therefore an important corporate resource which should be strategically planned for in an effective manner, in the same way we plan for all our resources, including Human Resources, Legal Services and Information Technology.

While the Region has continued to provide for its basic accommodation needs, the need for a co-ordinated approach requires a number of issues to be addressed if we are to provide quality, customer-oriented service to all departments, which in turn will result in enhanced program delivery to the taxpayers of the Region.

3.1 Strategic Approach to Accommodation

The Region presently does not have a framework for an accommodation planning process that both facilitates strategic resource planning at the departmental level, while meeting strategic portfolio and business planning requirements at the corporate level.

Accommodation issues often result in last minute "rushes" to find space or to provide facility management services. This in turn leads to increased costs as the Region is unable to take advantage of ever-changing market and economic conditions.

3.1.1 Departmental Accountability

There are opportunities for departments to more efficiently manage their space requirements. Real property is an important resource, however reliance on outdated space and furniture standards has resulted in the true cost of accommodation not being realized. Updated standards, together within a consistently applied internal space chargeback system will result in individual departments becoming more accountable for the space that they occupy, and the realization of space efficiencies.

3.1.2 Breaking Down The "Silos"

Each department has been responsible for planning its own accommodation requirements, generally in isolation of one another. This has resulted in a need for an effective management of the supply and demand at the corporate level which leads to maximization of real property opportunities. Integration of accommodation planning into the Business Planning Process is critical.

3.1.3 Defining Our Core Business

A clearer definition of responsibilities between corporate support service departments and direct service delivery departments with respect to accommodation issues is required. In many cases, individual departments have taken on full responsibility for projects which takes line departmental staff away from their own core businesses. This has been most prevalent in the leasing and non-infrastructure design and construction areas where inconsistent approaches can result in cost overruns, time delays, liability issues and missed corporate opportunities. Core competencies which clearly define responsibilities between corporate support and direct service delivery departments are required. These should be supplemented by a strong policy and procedural framework and service level agreements. (Refer to Attachment 2 – Core Competencies).

3.1.4 Required Skill Sets

For the Region to take a more professional, business-like approach to its real property, there is a need to provide the required skill sets at the corporate level. There is currently a shortage of leasing, strategic accommodation planning, asset management, energy management and project management expertise within the organization. Prudent allocation or re-allocation of resources in these areas will result in considerable cost savings, increased revenue generation and enhanced program delivery.

4. ANALYSIS AND OPTIONS

4.1 Organizational Structure

The proposed reorganization consists of four functional areas: Accommodation Planning; Real Estate; Facilities (Maintenance and Operations); and Facilities (Capital Projects). (Refer to Attachment 1 – Property Services Branch organization chart).

4.1.1 Accommodation Planning

Accommodation planning is the cornerstone to effectively achieving the Region's land and building requirements over the next 10-20 years. The Accommodation Planning function would fulfil a number of needs. It would assist departments to integrate their accommodation needs into the multi-year business cycle to ensure effective long range accommodation planning. It would further manage the development, implementation and maintenance of a strategic Master Accommodation Plan. It would also perform a portfolio review function to analyse property from a "highest and best use" perspective, and identify surplus property that could be marketed to generate additional revenue. Other objectives include tracking and reporting on real estate assets and establishing, for the first time, a centralized inventory. In addition, the unit would provide a much needed policy function as many of the required policies and procedures are either outdated or non-existent.

The unit would also provide a centralized lease administration service. At present, there is no consistency in the way leases are handled. Real Estate, Facility Management, Legal and some direct service delivery departments have been negotiating, signing and administering their own leases. A centralized lease management function would not only better protect the

Region from a liability perspective and provide consistency in dealing with the market, it would allow staff from the client departments to fully concentrate on their own core businesses.

4.1.2 Merging of Real Estate and Facility Management Functions

Presently, the two primary property functions within the Region - Real Estate and Facilities Management, report through two separate departments. Many synergies exist between these two disciplines. As strategic property decisions affect both land and buildings, it is important that these disciplines are under one area of responsibility to maximise market opportunities, facilitate resource allocation, and provide a focused co-ordinated approach to property issues that will result in significant cost savings for the Region.

The Real Estate area remains unchanged. Its primary function is the acquisition of land through negotiation and/or expropriation that is required for regional programs. However, it is anticipated that we will see increased activity in the sale of surplus property as we identify such property through the portfolio review process. To ensure consistency and legal compliance, it is recommended that all Real Estate transactions be approved by the Regional Solicitor.

The Facilities Management function is comprised of two components: the maintenance and operations of buildings; and the project management of new construction, renovation and large capital maintenance projects. Presently, these functions report to one Manager. The proposed reorganization divides this responsibility between two Managers to reflect the complexity and volume of work.

4.1.3 Energy Management

The Regional Municipality of York continues to show leadership in energy conservation and greening initiatives. With respect to facilities management, there are opportunities for cost savings in bulk purchase of utilities as well as operating efficiencies. The appointment of an Energy Co-ordinator to conduct energy building audits, implement action plans (Green Fleets, Green Procurement, Re-use/Re-cycle) and negotiate bulk purchase utility contracts would lead to considerable savings.

4.1.4 Capital Projects

On the capital side, there has been a significant increase in the number of projects. There are 80 active projects underway or planned for 2001, having a total estimated budget of \$3.7 million. This has placed significant pressure on existing resources (3 staff), and has resulted in some projects being delayed, deferred or in some instances being project managed directly by client departments. One specific and significant challenge is our ability to accurately forecast these projects on a multi-year basis. A capital planning priority system is required that would enable the Corporation to not only plan and allocate appropriate resources, but would assist in determining whether the project is viable on a business case basis, related to the overall asset value.

Additional pressures on the capital program arise from the assumption of the social housing portfolio from the Provincial Government and Council's direction to pursue the delivery of

an additional 100 assisted housing units. While property maintenance is clearly a core business of the Community Services and Housing Department, there are a number of advantages in incorporating the capital housing program into the corporate facilities group. Such a merger would create one pivotal point for capital construction and capital maintenance activities, and consolidate all business decisions with respect to the Region's capital program. Resource allocation for capital projects would be based upon common criteria for both the residential and administrative portfolios. In addition, economies of scale in procurement practices, shared human and physical resources, and streamlined processes in project and construction management would result in more effective management of the capital construction program.

In addition to the foregoing, there are a number of new construction projects identified in future years that (subject to Council's approval) will require a higher level of project management expertise than presently exists within the regional staff complement. The proposed Emergency Operations Centre, Regional Fleet Management Depot, EMS Deployment Strategy and Assisted Housing Projects are more complex and have significant financial implications. They require appropriate resources in order to be completed on time and within budget.

It is proposed that the new position of Manager, Capital Projects be created to develop and manage the Capital Construction Program and Budget, implement a Capital Planning Priority System, and manage a number of the more complex projects. In addition, the merging of the Housing and Corporate Facilities capital programs requires a dedicated resource to work with Community Services and Housing to develop and coordinate the Housing Capital Program. This position would be filled on a contract basis.

5. FINANCIAL IMPLICATIONS

The financial implications outlined in this report are minimal. The two proposed positions in the Accommodation Planning unit (Accommodation Co-ordinator and Senior Portfolio & Policy Planner) are presently being filled on a temporary basis by staff from other departments.

The Manager, Capital Projects position will require an in-year budget allocation of \$47,000 for 2001, with an annualized budget allocation of \$94,000 for 2002 (salary and benefits).

The Energy Co-ordinator position requires an annualized budget allocation of \$76,000 (salary and benefits). It is anticipated that this position will pay for itself within one year through energy savings.

These positions will be funded through reallocations within the 2001 Budget and Business Plan.

The proposed Project Co-ordinator (Housing) will be a contract position directly charged back to the Community Services and Housing Department.

6. LOCAL MUNICIPAL IMPACT

There are no negative municipal impacts associated with this proposed reorganization. There are opportunities for partnering with local municipalities within the Region, particularly in terms of establishing joint capital planning priority systems.

7. CONCLUSION

The proposed reorganization of the Region's real estate and property management functions will provide a focused, customer-oriented, corporate support service that will reduce accommodation costs, generate additional revenues, and enhance the delivery of client programs.

The new Property Services Branch will result in more effective management of the Region's real property and will provide flexibility to address new initiatives such as reviewing alternative service delivery options and implementing internal programs such the accommodation chargeback system.

17

UPDATE - COMMITTEE PROCEEDINGS

The Finance and Administration Committee advises Council of the following matters having been considered by the Finance and Administration Committee with the corresponding action as noted.

Presentations

1. Gayle Wood, Chief Administrative Officer and Roy Bridge, Chairman, Lake Simcoe Region Conservation Authority made a presentation on the 2001 Budget as it relates to the Lake Simcoe Environmental Management Strategy (LSEMS) program. **Received.**
2. Customer Service Strategy presented by Denis Kelly, Regional Clerk. **Received.**
3. Tax Policy Reports presented by Sandra Cartwright, Commissioner of Finance and Ed Hankins, Director of Policy, Risk and Treasury. **Received.**
4. 2002/03 Business Plan - Program Areas to be presented by Commissioners. **Deferred to Committee meeting scheduled for September 13, 2001.**

Communications

5. Gayle Wood, Chief Administrative Officer, Lake Simcoe Region Conservation Authority, May 29, 2001, forwarding a resolution passed at its meeting on May

25, 2001, regarding the 2001 Lake Simcoe Region Conservation Authority Budget and Municipal Levy. **Received.**

6. Roy Bridge, Chair, Lake Simcoe Region Conservation Authority, May 23, 2001, thanking the Region for its support and forwarding an editorial from the Era Banner regarding the health of Lake Simcoe and its importance to the entire Region. **Received.**
7. Craig Mather, Chief Administrative Officer, Toronto and Region Conservation Authority, May 14, 2001, forwarding the 2001 Operating and Capital Budget together with the levy apportionment for the member municipalities. **Received.**
8. Louise Gartshore, City Clerk, City of Woodstock, May 15, 2001, forwarding a resolution adopted by the City of Woodstock at its meeting on May 3, 2001, regarding the Funding from the Province for Budget Requirements to Offset Municipal Tax Increases. **Received.**
9. Norm Lemke, Clerk, County of Renfrew, May 18, 2001, forwarding a resolution regarding the placement of natural gas pipelines in municipal right of ways. **Received and referred to staff for a report.**

At 10:55 a.m., the Committee resolved into Private Session to consider a personnel matter.

The Committee resumed into Open Session at 11:18 a.m. and reported with the recommendation to Council of the adoption of the report set out in Clause No. 16.

The Finance and Administration Committee meeting adjourned at 11:18 a.m.

Respectfully submitted,

**June 14, 2001
Newmarket, Ontario**

**D. Cousens
Chair**

(Report No. 7 of the Finance and Administration Committee was adopted, as amended, by Regional Council at its meeting on June 28, 2001.)