

1. 1998 PLANNING AND ENVIRONMENT BUDGET REVIEW

COMMITTEE RECOMMENDATIONS AS AMENDED

That Council approve:

1. **The Planning and Development Approvals Department 1998 Capital and Operating Budgets, amended by the Budget Review Board report dated 31 March 1998, as amended by the following:**
 - i) **That the Capital Budget for Project No. 912-13409 Greenhouse Gas Emission Reduction be reduced to \$50,000 for 1998.**
2. **The Environmental Services Section's 1998 Capital and Operating Budgets, amended by the Budget Review Board report dated 31 March 1998 and a revised page 185 (as tabled with the Planning & Environment Committee on 28 April 1998), as amended by the following:**
 - i) **That \$195,000 be advanced into 1998 from 2001 to allow for the design work to be completed for the Capital Project No. 932-42020 Leitrim Pumping Station, Forcemain & Gravity Sewer.**
 - ii) **That the construction portion of Capital Project No. 922-41823 Kilborn Ave to Smyth Rd Feedermain Link be moved from 1998/1999 to the 1999/2000 budget year.**

DOCUMENTATION:

1. 1998 Draft Estimates - Planning and Environment Committee and 1998 Draft Capital Estimates and 10 Year Capital forecast as tabled with Regional Council 11 Feb 98 - All Committees previously issued.
2. Committee Coordinator's report dated 14 Apr 98 is immediately attached.
3. Extract of Draft Minutes, 28 Apr 98 immediately follows the report and includes a record of the vote.
4. Replacement Page 185 of the Planning and Environment Committee 1998 Draft Operating Estimates attached at Annex A.

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. **03 07-98 0119**
Your File/V/Réf.

DATE 14 April 1998

TO/DEST. Chair and Members of Planning and Environment Committee

FROM/EXP. Co-ordinator, Planning and Environment Committee

SUBJECT/OBJET **1998 PLANNING AND ENVIRONMENT BUDGET REVIEW**

REPORT RECOMMENDATION

That the Planning and Environment Committee recommend that Council approve the 1998 Draft Operating and Capital budget estimates for the Planning and Environment Committee, as tabled with Council 11 February 1998.

BACKGROUND

The 1998 Draft Operating and Capital budget estimates were tabled at the Regional Council meeting of 11 February 1998. The 1998 Draft Operating and Capital budget estimates for the Planning and Environment Committee are before you at this time for your consideration.

Approved by
Kim Johnston

cc. Commissioner, Planning and Development Approvals Department
 Commissioner, Environment and Transportation Department

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1. 1998 PLANNING AND ENVIRONMENT BUDGET REVIEW
 - 1998 Draft Estimates as tabled with Regional Council 11 Feb 98
 - Committee Coordinator's report dated 14 Apr 98

Nick Tunnacliffe, Commissioner, Planning and Development Approvals Department (PDA), gave a PowerPoint slide presentation overview of the PDA Department's component of the Planning and Environment Committee 1998 Draft Operating Estimates, as amended by the Budget Review Board's Report dated 31 March 1998 (on file with the Regional Clerk). A copy of the presentation was distributed to the Committee.

Councillor van den Ham noted the presentation indicated a reduction in 12 FTE's over the course of 1997, however, page 7 of the Draft Operating Estimates shows 130 FTE's for 1997 and 124 FTE's for 1998, a reduction of only 6. Mr. Tunnacliffe explained the Department started 1997 with 136 FTE's, however, approximately 6 members of staff left between June and December 1996 which accounts for the other 6 FTE's that have been eliminated from the Department.

Councillor Bellemare, referring to the Economic Planning Unit 1998 Work Plan and the point: "*support for projects led by others e.g. Fab Plant, Research Park*", asked for clarification regarding the Ottawa-Carleton Research Institute (OCRI) putting the Research Park project on hold. Rob McCallum, Advisor, Economic Planning Unit, PDA explained the project is being led jointly by the Region, OCRI and the Ottawa Economic Development Corporation (OED), however, the prime responsibility for the project rests with OCRI. He informed the Councillor, he had met several times over the last month with OCRI and attempted to redefine how the project should proceed. He explained the primary interests of the Region will be in the land aspects of the project and the Region will deal with the necessary approvals, infrastructure, etc.

Responding to questions from Councillor Bellemare on what needs to be done this year from the Region's point of view, Mr. McCallum explained there will be work to define a site, however, it will depend on how quickly the project proceeds, which is a decision of OCRI.

Councillor Bellemare observed it has been some time since the Committee received an update on the status of the new Convention Centre and felt it would be unlikely this project would proceed in the next 12 months given economic circumstances and provincial downloading. He asked what staff envision regarding expenditures for this initiative and what needs to be done in 1998.

Mr. Tunnacliffe advised the Department is proposing the Capital Program for the Convention Centre and Linkages be approved by the Corporate Services and Economic Development Committee (CSED) as it is an economic development project. He noted what is required next for this project is to resolve the problems related to each site, leading to a choice of site, and in parallel, funding must be determined both by private sector

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contributions and the different levels of government. He advised Council's last directive to staff was to determine funding, which is proving difficult without knowing the site.

Chair Chiarelli updated the Committee on the Convention Centre project. He met with both proponents on a number of occasions, Minto and Viking Rideau, who indicated their continued interest in proceeding with a centre as originally proposed. He asked the proponents if they would be interested in coming back to CSED and/or Council for a briefing and suggested that the Region look at a process to consider selecting one of proponents, not committing any funds, conditional on the parties being able to arrange satisfactory financing and site plan approvals. He noted in his discussions with other levels of government it was indicated it would be inappropriate to make application for funding to upper levels without a specific proponent or site selected. In summary, the notion at present is to advance the agenda by having the proponents come forward, make their submissions again to CSED and Council, select one of the proponents conditional on Council agreeing on a site plan later in the process and Council and the other levels of government explore all financing availability which may or may not include the Region in terms of funding the capital.

In response to Councillor Legendre's question regarding the 1997 figures on page 7 for the Net Requirement, and the reasons for the 1997 forecast being significantly higher than the 1997 budget, Mr. Tunnacliffe explained when the Draft Operating Estimates were developed in August/September 1997, the recoveries were not known and indicated the 1997 forecast net requirement for the Department is actually under budget at 6.547 million. He added the 1997 recoveries were 1.195 million.

Councillor Legendre asked for clarification regarding the Net Requirement for 1998 showing a 9.5 percent increase, yet the Total Gross Expenditures showed a decrease of 4%. Mr. Tunnacliffe explained the 9.5 % increase is due to the difference in the recoveries amount (1,659 million for 1997 and 836 million for 1998). He further noted that the Budget Review Board had asked the department to increase the recoveries for 1998 to 1,236 million in their report to Council of 31 March 1998.

Mr. Tunnacliffe explained the recoveries added to the budget for the Policy and Infrastructure Planning Division by the Budget Review Board should be realized through charge backs for work staff do on various approved capital projects.

In response to questions posed by Councillor van den Ham regarding page 7, Salaries, Wages & Benefits line and the difference between the 1997 forecast and the 1998 estimate, a gap of about \$800,000, Mr. Tunnacliffe explained many positions were not staffed for all of 1997, particularly in the Geomatics Division where it was difficult to find qualified staff, resulting in the 1997 budget being underspent.

Committee Chair Hunter turned the Committee's attention to pages 10-12, Administration and Economic Planning.

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Councillor Bellemare pointed out both the Commissioner/Dept. Admin and Economic Planning lines in the budget on page 11 were showing an 11.3% and 7% increase over the 1997 budget and questioned why. He felt these line items should remain with a zero percent increase and would be moving motions to that effect. He related his disappointment that some areas of the budget were showing significant increases, however, he noted some were also showing significant decreases. He felt the Corporation had known for some time that provincial downloading would burden the 1998 budget and a zero increase guideline should have been set at the beginning of the year.

Mr. Tunnacliffe advised the Economic Planning Unit budget is exclusively for three staff and the expenditure was down in 1997 as one position was vacant until late in the year. As noted on page 12, Mr. Tunnacliffe pointed out one of the positions was reclassified from a Technical Analyst to a Planner, approved by the CAO, which accounts for most of the increase showing for 1998. He noted some training was also added to that account.

Regarding the Commissioner/Dept. Admin increase, Mr. Tunnacliffe explained there are three components: 1. some staff have retired and have been replaced by younger staff who are eligible for increments within their salary range; 2. with the department increasing in size there is a substantial increase in the Internal Cost Redistribution, charges from other departments for telephones, computers, etc.; and 3. fixed assets have been increased to purchase programs, supplies, etc. for the increased number of staff. These numbers represent the transition to a much larger department.

Councillor Legendre stated his opinion that the Economic Planning Unit should not be in the PDA Department but would more appropriately be located at OED. He felt this was the wrong direction for the Region to go in and this Unit should not be part of a bureaucracy. He stated he will put forward a motion that this activity be moved to OED.

Councillor Beamish agreed with Councillor Legendre and felt that the Region does not need two economic development departments. He asked Mr. Tunnacliffe if there would be any efficiencies in combining the two, OED and Economic Planning Unit in PDA. He felt the funds could be combined either under PDA or OED.

Mr. Tunnacliffe disagreed and explained his reasoning. He stated OED is set up primarily to promote and market the Region which is not a function of the Economic Planning Unit. He felt there is no overlap in those areas at all and one of the benefits for having a small group within the Corporation is to change the culture of the Corporation to make it less bureaucratic and expose it to ideas around economic development. He noted the Unit may not be in the right department but felt it was necessary in the Corporation and is not duplicative of OED.

In response to questions posed by Councillor Bellemare regarding salary increases, Mr. Tunnacliffe explained the increases are due to staff eligible for salary increments into the

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next level in their salary range and increases as a result of union negotiations. He noted the increases are mandatory and have been approved by Council. Mr. Kent Kirkpatrick, Deputy Treasurer, Finance Department explained there is no discretion in terms of rates of pay; all collective bargaining units have a job evaluation system in place which includes the non-unionized group which rates all jobs and assigns a salary range for each position. He pointed out for the first time in approximately six years, a small increase in rates of pay was negotiated with the unions and approved by Council which is reflected in the 1998 budget. He noted departments were given direction to achieve a freeze in their net tax requirement; in effect departments were asked to find within their programs efficiencies sufficient enough to accommodate the increased staffing costs.

Speaking to Councillor Bellemare's motion, Councillor Stewart indicated that while she felt the intent of the motion was good, she found it difficult to support. She noted that if Committee approved the budget based on the forecast or actual numbers, they risked staff attempting to use all funds budgeted when the current practice is not such.

Speaking to Councillor Legendre's motion regarding moving the Economic Planning Unit, Councillor Stewart felt she could not support the motion and agreed with where the unit is currently located.

Mr. Tunnacliffe, in clarifying the effect of Councillor Bellemare's motion for Councillor Munter, explained the result would be the elimination of one staff position with associated benefits.

Councillor Hill, referring to page 11 of the Draft Operating Estimates, agreed with Councillor Legendre that this Unit is another example of duplication and overlap which governments are attempting to identify and correct in these times of financial constraints. Referring to the list of Activity Counts on page 10, the Councillor requested Mr. Tunnacliffe explain the work of the Unit.

Mr. Tunnacliffe noted that most of this Unit's work is reported to CSED. He explained much work has been done with OED on data collection and analysis which goes to support OED's marketing and promotion functions. He informed the Councillor that work has been done regarding the airport systems in Ottawa-Carleton and a report will be coming forward to Committee which will define a role for the Carp Airport.

Councillor Hill reiterated her view the Unit is duplicative and would be supporting any motion for reduction or removal of this item from the budget.

Councillor Munter noted there has been a lot of valid discussion surrounding economic development. He agreed with this item in the budget as he felt if the Region is going to work on projects, such as the Convention Centre, and put an economic development filter on work done at the Region, then funds need to be invested to make economic development a priority. He informed the Committee, the President of OED had expressed

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to him their support of this line in the budget and they do not view it as duplicative of the work they do. OED expressed to Councillor Munter the type of background work and information that this Unit produces is key to a lot of OED's work. In Councillor Munter's opinion the Unit does fulfill a useful purpose and he was not prepared to eliminate it from the budget.

Chair Chiarelli spoke in support of retention of this Unit for most of reasons suggested by Councillor Munter. He also indicated his agreement with Councillor Hill's comments. He noted the Region needs to refocus its economic development and assess how the economic development agencies work together and whether the funds are being well spent. He observed the Region needs independent advice and resources accountable and loyal to the Region and the Region's agenda. He pointed out OED has an independent board with representation from the Region, however, he agreed the Region needs some independent in house expertise research capability so Committee Chairs, the Chief Administrative Officer and Regional Chair's office can call on this Unit for resources and information. He suggested this Unit was important and be retained.

Chair Chiarelli agreed with Councillor Hill in that the Region needs to look at budgets and coordination of economic development functions and suggested through this budget process, possibly at CSED, the Region do a full analysis of these economic development agencies and how funds can be saved.

Based on the preceding discussions, Councillor Bellemare asked that his motion be divided.

There being no further discussion, the Committee considered Councillor Bellemare's motions.

Moved by M. Bellemare

That the Commissioner/Dept. Admin. line on page 11 (Planning and Development Approvals, Administration/Economic Planning, 1998 Draft Operating Estimates) be reduced to \$1,305,000 for a zero percent increase.

LOST

NAYS: Chair Chiarelli, P. Hume, G. Hunter, A. Munter, W. Stewart...5
YEAS: D. Beamish, M. Bellemare, B. Hill, J. Legendre, R van den Ham...5

Moved by M. Bellemare

That the Economic Planning line on page 11 (Planning and Development Approvals, Administration/Economic Planning, 1998 Draft Operating Estimates) be reduced by \$14,000 for a zero percent increase.

LOST

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NAYS: Chair Chiarelli, P. Hume, G. Hunter, A. Munter, R. van den Ham....5
YEAS: D. Beamish, M. Bellemare, B. Hill, J. Legendre, W. Stewart...5

Committee Chair Hunter read Councillor Legendre's motion, that the Economic Planning activity be moved to the Ottawa Economic Development Corporation (OED), and ruled it out of order. He suggested the motion should be referred to prepare a report to come forward either to Planning and Environment Committee or CSED Committee, where the grant to OED is approved. He noted the Councillor could bring the motion forward at a regular Committee meeting.

Chair Chiarelli suggested the motion be referred to the CSED Committee.

Moved by Chair Chiarelli

That Councillor's Legendre's motion, that the Economic Planning activity be moved to the Ottawa Economic Development Corporation (OED), be referred to the Corporate Services and Economic Development Committee.

CARRIED

Councillor Bellemare brought forward another motion to reduce the Commissioner/Dept. Admin. line to 1.386 million dollars, which takes into account the internal cost redistribution.

Committee Chair Hunter reviewed the notes on page 12 which explain the reasons for the increase in this particular area. He felt he could not support Councillor Bellemare's motion when, in his view, there are satisfactory explanations as to why the increases are necessary. He noted this area has taken on staff from other departments, accounting for some of the increase, and there are corresponding decreases in the other department's budget.

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Moved by M. Bellemare

That the Commissioner/Dept. Admin. line on page 11 (Planning and Development Approvals, Administration/Economic Planning, 1998 Draft Operating Estimates) be reduced to \$1,386,000 to take into consideration unavoidable internal cost redistribution.

LOST

NAYS: D. Beamish, Chair Chiarelli, P. Hume, G. Hunter, W. Stewart,
R. van den Ham...6

YEAS: M. Bellemare, B. Hill, J. Legendre, A. Munter...4

The Committee then carried pages 10 to 12 as presented.

The Committee then turned their attention to pages 14 to 18, Policy and Infrastructure Planning Division and carried the pages as presented.

Referring to pages 20 to 24, Development Approvals Division, Mr. Tunnacliffe explained the increase of 2.4% for the Land Division Committee was entirely due to union negotiated salary increases in response to questions from Councillor Bellemare.

Councillor Hume inquired why the revenues were not listed to show the net program cost. Mr. Tunnacliffe explained the custom had been revenues received from processing fees go into the consolidated revenue fund. He further noted in the last three years Land Division Committee had generated \$67,000, \$79,000 and \$78,000, about 65% of actual and Development Approvals had generated \$146,000, \$184,000 and \$156,000, about 25% of actual.

Councillor Hume asked if areas where individuals apply to the Region are 100% cost recovery, such as an Official Plan Amendment. Mr. Tunnacliffe stated areas processing Regional Official Plan Amendments and subdivisions were 100% cost recovered, however, there are no fees charged for local Official Plan Amendments or site plans.

Mr. Tunnacliffe clarified the revenues were not shown on page 23 as they will increase and decrease depending on the economy and number of submissions per year. He noted in that case, when revenues increase the area shows a profit, however, if revenues decrease the budget item would show a loss.

The Committee then carried pages 20 to 24 as presented.

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Referring to pages 26 to 30, Geomatics, Councillor van den Ham requested clarification regarding the difference, on page 29, of \$750,000 between the 1997 forecast and 1998 budget. Mr. Tunnacliffe explained the positions were difficult to fill and remained vacant for a good portion of 1997 due to the nature of the work involved.

In response to questions from Councillor van den Ham regarding the possibility of gapping monies to provide savings for the 1998 budget, Mr. Kirkpatrick explained most departments include a gapping provision in their budgetary estimates. Councillor Hunter felt it would be helpful for Council to be informed of any possible gapping funds available for the 1998 budget in light of the hiring freeze.

Councillor Hume, noting the recoveries of \$836,000 on page 29, asked where these recoveries would be realized. Mr. Tunnacliffe indicated recoveries are received from Regional Capital Programs. The Councillor inquired where revenue received from the City of Ottawa for surveys and mapping contract work would show up.

Louis Shallal, Director, Geomatics Division explained the work being done for the City of Ottawa is revenue neutral and not reflected in the budget. He added the Region is providing the supervision of a Regional Surveyor as the City's survey staff cannot work legally unless they are under the supervision of an Ontario Landsurveyor.

Councillor Munter asked for clarification on the Municipal Applications Partnership with SHL Systemhouse. Mr. Tunnacliffe indicated the monies referred to in the presentation from Argentina, Florida and Vancouver will go to SHL Systemhouse, who manages the Partnership, to do more work which will benefit the Region. He added the Region will be financing, through the capital program, the development of a product by SHL Systemhouse which they will make available on a leased basis to other municipalities who may join the partnership and add modules to it.

Councillor Munter understood this program would be profitable to the Region in developing breakthrough technology.

Mr. Shallal explained the Region and area municipalities, along with SHL Systemhouse, put funds into this partnership. SHL Systemhouse provided the resources and software license so they can market the product later on and build more partners. He explained as new partners are added, they may have requirements that could not have been done as part of the current budget. These funds will enlarge the scope of the partnership and enable the Region to receive other applications without spending additional funds.

Mr. Tunnacliffe further explained the Region will receive from their investment the fundamental building blocks, as noted in the slide presentation, plus additional applications and other modules which will be developed for other partners at no cost.

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Councillor Munter asked for a status report on this project and indicated his desire to come back to Committee at a later date to discuss the services provided and technology developed by the Region and see what opportunities are available for generating revenues from those sources.

In response to questions from Councillor Hill, Mr. Tunnacliffe confirmed that an extensive report outlining the SHL Systemhouse partnership program was approved by Council in December 1995 when the partnership was established.

There being no further discussion, the Committee then carried pages 26 to 30 as presented.

The Committee then turned their attention to pages 14 to 18, Policy and Infrastructure Planning Division and carried the pages as presented.

The Committee then carried the entire PDA Department's 1998 Operating Budget, as amended by the Budget Review Board's report dated 31 March 1998, as presented (Councillor Hill dissented).

The Committee then turned their attention to the Planning and Development Approvals Capital Budget. Mr. Tunnacliffe, referring to a memo to the Committee Chair, indicated that some of the capital projects will be dealt with at CSED and Transportation Committees.

Mr. Kirkpatrick explained, with respect to the direction to reduce all capital projects by 5%, those reductions will form part of a report to be dealt with at the Council Budget meeting of 13 May 1997 as some projects may be reduced by more than 5% and some less than 5% to achieve the across the board 5% reduction.

Referring to page 42, Green House Gas Emission Reduction, Chair Hunter noted the accompanying IPD on the agenda for this project.

Councillor van den Ham inquired if the initiation of the program could be postponed for a year or two. Mr. Tunnacliffe felt the Region may be seen as delaying this type of work. He noted staff are proposing to start quite modestly as noted in the expenditure and felt staff needed to explore what the opportunities are and this should be done in the first two years. In his opinion the Region needs to back up Council's commitment to join in FCM's 20% Club.

Ms. Pamela Sweet, Director, Policy and Infrastructure Planning Division, indicated her agreement with reducing this project, however, a consultant has been hired committing \$20,000 and she expressed her concern if the project were reduced to zero.

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Councillor van den Ham indicated he will be moving a motion to reduce this project to \$50,000.

Councillor Stewart spoke against a motion to reduce this program. She felt this initiative needs to begin now to make a difference to the quality of air in the Region and asked the Committee to support the capital program as presented. Councillor Munter also indicated his support of the budget as presented.

Moved by R. van den Ham

That the Capital Budget for Project No. 912-13409 Greenhouse Gas Emission Reduction be reduced to \$50,000 for 1998.

CARRIED

YEAS: D. Beamish, M. Bellemare, Chair Chiarelli, P. Hume, G. Hunter,
R. van den Ham....6

NAYS: J. Legendre, A. Munter, W. Stewart....3

The Committee then carried page 44, Studies - Servicing and Economic Analysis (Councillor Hume dissented), page 46, Integrated Resource Management Tools and page 54, Surveys and Mapping Program as presented.

With respect to page 56, Geographically Referenced Information Systems (GIS), Councillor Bellemare declared a conflict of interest and removed himself from the Committee table during consideration of this item.

Councillor Munter introduced a motion recommending that Committee and Council approve the authority for \$790,000 for the G.I.S. Project, but that the spending plan not be approved at this time; and that these funds be released following a report from staff on renegotiate the terms of RMOC's participation in this project to ensure the Region earns a satisfactory rate of return on its investment. Speaking to his motion, Councillor Munter indicated his desire to take a second look at the terms of the agreement. He indicated his understanding of the project was that it would be a financial opportunity for the Region. He felt before the next 1.657 million dollars are spent, a report come back on Council's latitude in terms of renegotiating the terms of the Region's participation.

Councillor van den Ham agreed with Councillor Munter that an update to Committee or Council in terms of the benefits to be received by the Region and a status report on what is currently happening with respect to this project is necessary.

Councillor Munter, in light of the discussion, divided his motion.

There being no further discussion, the Committee then considered Councillor Munter's motions.

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Moved by A. Munter

That the Planning and Environment Committee and Council approve the authority for \$790,000 for the G.I.S. Project.

CARRIED

Moved by A. Munter

That the spending plan for the G.I.S. Project on page 54 (1998 Draft Capital Estimates) not be approved at this time; and that these funds be released following a report from staff on renegotiating the terms of RMOC's participation in this project, to ensure the Region earns a satisfactory rate of return on its investment.

LOST

NAYS: D. Beamish, Chair Chiarelli, B. Hill, G. Hunter, R. van den Ham....5
YEAS: P. Hume, J. Legendre, A. Munter, W. Stewart....4

The Committee then carried page 56, Geographically Referenced Information Systems (GIS), page 68, Environmental Resources Areas Acquisition Program (Councillors Hill, Hunter and van den Ham dissented), page 210, Flow Management Strategy (Councillor Hill dissented) and page 276, Water and Wastewater Strategic Planning (Councillor Hill dissented).

Having completed their review of the Planning portion of the 1998 budget, the Committee Chair thanked PDA staff for their hard work in preparing the budget and adjourned the meeting for 1 hour at 11:40 a.m.

The Committee reconvened at 12:40 p.m. to begin discussion of the Environmental Services portion of the 1998 budget.

Joanne Yelle-Weatherall, Director, Finance and Administration, Environment and Transportation Department (ETD), gave a PowerPoint slide presentation overview of the Water Environment Protection Division (WEPD) ETD component of the Planning and Environment Committee 1998 Draft Operating Estimates, as amended by the Budget Review Board's Report dated 31 March 1998 (on file with the Regional Clerk). A copy of the presentation was distributed to the Committee. Ms. Yelle-Weatherall introduced Ms. Nancy Schepers, Director, Water Environment Protection Division and Mr. Greg Tokessy, Coordinator Finance/Human Resources, Finance and Operations Support Division to answer questions from the Committee.

Mr. Mike Sheflin, Commissioner, ETD explained the gross savings achieved in the cogeneration project was 1.1 million dollars and the \$600,000 in cogeneration savings as

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noted in the presentation is net of any costs, in response to Councillor van den Ham's questions.

In response to questions posed by Councillor Munter regarding grants in lieu of taxes, Mr. Sheflin explained grants in lieu of municipal taxes are paid on those areas that operate as a utility, such as ROPEC and the water purification plants, and confirmed that non-utility assets are not taxable.

The Committee then carried the Water Environment Protection Division Operating Budget as presented.

Ms. Yelle-Weatherall then gave a PowerPoint slide presentation overview of the Water Division's Operating Budget portion of the ETD component of the Planning and Environment section of the 1998 Draft Operating Estimates (on file with the Regional Clerk). A copy of the presentation was distributed to the Committee. Ms. Yelle-Weatherall subsequently introduced François Leury, Acting Manager, Finance and Operations Support (Water), Finance and Operations Support Division, and André Proulx, Director, Water Division to answer questions from Committee.

Councillor van den Ham, referring to the staff presentation, noted the overall operating costs for the Water Division had been reduced by a little over one million dollars, and asked if a recommendation to reduce water rates would be forthcoming.

The Commissioner said he would not, at this time, recommend that rates be reduced. He said staff had presented Committee with what was believed to be appropriate. Mr. Sheflin noted another area of recommendation with respect to the fire supply charge and the Capital could be addressed during Capital Budget discussions. He said there would be a reduction in the customer's cost on both the sewer side and the water side if the recommendations were accepted, but would be on the tax levy side, not on the rate side. The Commissioner noted rates were reduced last year by almost four per cent, and that the industrial/commercial sewer surcharge was down 30%. He believed this was putting the Region's economic development in a good position.

Mr. Sheflin also confirmed for the Councillor that the water fund is totally funded by revenue and user fees, and that with the elimination of the sewer levy, the same will apply for the sewer in proceeding years. He added the fire supply charge is a charge for the Capital that is provided to fight fires, therefore it would not be recovered on a use basis; it is based on a capital investment basis; on the hydrants, the lines to the hydrants, and such.

Mr. Kirkpatrick brought to Committee's attention that while the Division had been successful in reducing the costs of operating the system, it had also been successful in its water demand management program, and noted the revenue from the sale of water was dropping. This was why the meter rate could not be reduced.

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Responding to a question from Councillor Legendre regarding losses of revenue due to unaccounted-for water in the distribution system, Mr. Proulx explained that currently, for example, if a water meter is bypassed, the Region has no knowledge of it. He said a report would be forthcoming between June and September recommending plans of action to deal with such possible issues.

The Committee then carried the Water Division Operating Budget as presented.

Ms. Yelle-Weatherall then gave a PowerPoint slide presentation overview of the Solid Waste Division's Operating Budget portion of the ETD component of the Planning and Environment section of the 1988 Corporate Budget (on file with the Regional Clerk). Following the presentation, Ms. Yelle-Weatherall introduced Jane Clark, Manager, Finance and Operations Support, Solid Waste, Infrastructure Maintenance, Finance and Operations Support Division, and Pat McNally, Director, Solid Waste Division, to answer questions.

Referring to the Commissioner's report dated 27 Apr 98, *Solid Waste Collection Service to Zone C - Implications for 1998 Draft Estimates*, Councillor Munter said he understood part of this year's leaf and yard waste collection costs would be paid by the Provincial Government as a result of it being Ice Storm cleanup. He noted these revenues were not found in the report.

Mr. McNally explained the Budget as presented included no costs for Ice Storm cleanup. He believed those costs were being tracked separately. He confirmed the special 12-15,000 tonne collection in January and February and the current collection; both in terms of the costs and revenues had not been included in the Budget.

Responding to questions from Councillor Munter, the Commissioner said the Region would be requesting the additional funding, and that the Province had indicated its support. He estimated the cost of Ice Storm cleanup at approximately one million dollars.

Councillor Legendre inquired as to the expected lifetime of the Trail Road Landfill site, and Mr. McNally replied the department would be bringing forward an optimization report at the end of May. He said that based on information the department had as it put the Budget together, the Capital work to start on replacement of the Trail Road Landfill site had been moved out two years in the Capital Budget, showing some of the benefits of increased diversion.

Responding to a question from the Councillor regarding the Division's benchmarking process, the Commissioner explained the Division looked at who was the best at a particular process, e.g., billing, plant processes, etc., and benchmarked against them. This was performed in three ways; the Division had contracts with firms specializing in the process; staff benchmarked with utilities and private companies identified as "best-in-

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class"; and under the QualServ program, had people from four different public and private utilities come in, who reviewed and reported on all of the Division's activities.

Councillor van den Ham noted the Division had, as part of its annual operating program, to implement a pilot reclamation project, that if successful, could extend the life of the landfill site. He asked if this could provide any opportunities for savings in the annual operating costs, and asked why this would not be a Capital project?

Mr. McNally said it was a Capital project, there being some overlap between the two. He said, with respect to the Trail Road operations, that a landfill mining project under the Capital Budget at the landfill would impact on the day to day operations at the landfill, so the funding for that work is in the Capital Budget.

Responding to a query from the Councillor whether, in terms of setting aside money for a new landfill site, there was an opportunity to withdraw some of the money needed on an annual basis, Mr. Sheflin noted that the compensation clause originally set a \$20.00 compensation fee, at the time, adjusted by inflation. During negotiations, the Division was aware it was going to be able to extend the life of the landfill, so a \$16.00 fee was set, not tied to inflation. The Commissioner said the Division had already adjusted its annual costs by so doing.

Councillor van den Ham referred to an Ontario Municipal Board (OMB) decision regarding the setting of compensation fees, and asked if Council had authority to adjust them.

Mr. Sheflin said the compensation fee was a negotiated agreement with the private sector, and did not believe it would be a hard thing to negotiate.

Clarifying, at Councillor Legendre's request, Mr. McNally outlined that in the 27 April 98 report handed out at the meeting, Annex B replaced page 185 in the Budget, and Annex A was intended to be a breakdown of the collection costs, for information purposes.

Mr. Kirkpatrick also noted that page 18 of the Budget Review Board (BRB) package contained proposed adjustments for the Solid Waste Division, on the revenue side.

The Committee then carried the Solid Waste Division's Operating Budget as amended by a revised page 185 (as tabled with the Committee on 28 April 1998).

Ms. Yelle-Weatherall gave a final PowerPoint presentation overview of the Environmental Services Section's Capital Budget portion of the Environment and Transportation Department's segment of the 1988 Corporate Budget (on file with the Regional Clerk). Following the presentation, Ms. Yelle-Weatherall then introduced Jim Miller, Director, Engineering Division, and Doug Shannon, Manager, Finance and Operations Support,

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Executive Office, Engineering and Mobility Services, Finance and Operations Support Division, to answer questions.

The Committee then turned their attention to the Environmental Services Capital Budget.

Committee Chair Hunter indicated he will be referring to the page numbers for each capital project using the index (blue pages) on page 18.

Referring to page 212, Regional Contribution to Area-Wide Drainage Systems, Mr. Sheflin explained to Councillor Hume the Region is responsible for maintaining the storm sewers and ditches along Regional Roads and have always contributed funds.

Mr. Miller explained the funds are for coordination of utility projects. He noted it is envisioned to completely rebuild the utilities in these projects coordinated with the local municipalities, therefore, this capital project is to pay for the storm sewer component on Regional Roads.

Mr. Tim Marc in response to Councillor Munter, indicated storm sewer works on private property, that have not yet been assumed by the municipality, would be the responsibility of the developer. He added the long term objective would be to have the area municipality assume responsibility for the storm sewer.

The Committee then carried pages 212 to 218 as presented.

Referring to page 220, Leitrim Pumping Station, Forcemain and Gravity Sewer, Councillor Beamish put forward the following Motion:

That \$195,000.00 be advanced into 1998 to allow for the design work to be completed for the Leitrim Sanitary Sewer (Project No. 932-42020).

He explained there is a proposal from the developers who wish to move forward with the building of that sewer. They are looking at different options for financing but first the design work needs to be completed. He noted the developers are under the impression with the change in the economy, it may be profitable for them to build the sewer in advance of the date that we have in our budget, the year 2002.

Committee Chair Hunter indicated his support of the motion on the understanding that there would be further reports would come forward to Committee.

Councillor Beamish agreed and explained only the design money is to be advanced. If the developer's, after completing the design work, would like the construction advanced it will be up to them to bring a proposal forward to Committee and Council to that effect.

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Councillor Munter felt the Region should be cutting back the Capital Budget. He said if the developers were willing to up-front the cost of \$6.6 million dollars to do this work, he felt that asking them to do \$195,000.00 of design work did not seem particularly onerous. He noted he would rather entertain this kind of proposal than increase the Capital Budget.

Councillor van den Ham said he supported the principle of a developer coming forward, even though the budget expenditure was earmarked for future years, and asked, should conditions be favourable and a developer feel the market would come on stream faster, the developer have the opportunity to come before Committee to present his case.

Mr. Sheflin confirmed that although the final decision was with Regional Council, this had occurred in the past.

Citing potential traffic problems, Councillor Hume said he would not support moving the money ahead. He said his community had told him they do not want to see any more development in the south, in advance of transportation infrastructure, to facilitate the development of Leitrim Village before the year 2002.

Referring to page 221, Councillor Legendre wondered if there were other potential costs for additional requirements which were not included in the budget numbers (e.g., a Pumping Station, Project 417-37), including Capital costs that would have to be moved forward if the actual project and not just the design, were being moved forward as well. He also noted other costs could include transportation, roads, and waterworks.

Mr. Miller said there would be a requirement for a supply main from the Ottawa South Reservoir to the Leitrim area.

Councillor Beamish said the Regional Official Plan (97) had identified capacity in the pumping station as well as in the road network to service between 1500 and 1750 units before upgrades were necessary. He said the design of the sanitary sewers was different from the upgrade of a water pump station, and that this work did not have to be done concurrently; this was why the pumping station was budgeted for 2003-2007, several years after the development started.

Mr. Sheflin said the water would probably connect with the River Ridge Feedermain, and estimated total costs, including a station upgrade and the main, at about a million dollars.

The Councillor asked if this figure would logically also have to be moved forward if the \$6.6 million dollars worth of sewer work went ahead.

The Commissioner confirmed this, and said there were expenditures totaling about \$5 million starting in 1999 in the River Ridge area.

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Speaking to the Motion, Councillor Legendre felt the Region should not be taking on additional Capital works that could possibly be held off, as the Region still had unsettled business with the Province for the upcoming year, noting the next year would also include a massive exercise to do with the reassessment system.

Mr. Kirkpatrick confirmed for Chair Chiarelli that if Councillor Beamish's motion carried, there would be no impact on the Operating Budget.

With respect to Committee's discussion regarding the rest of this project being advanced and the impact on the Operating Budget, Councillor Beamish indicated the project is funded from rate-supported funds and will not impact on the general mill rates.

There being no further discussion, the Committee considered Councillor Beamish's motion.

Moved by D. Beamish

That \$195,000 be advanced into 1998 from 2001 to allow for the design work to be completed for the Capital Project No. 932-42020 Leitrim Pumping Station, Forcemain & Gravity Sewer.

CARRIED

YEAS: D. Beamish, M. Bellemare, Chair Chiarelli, B. Hill, G. Hunter, W. Stewart,
R. van den Ham....7

NAYS: P. Hume, J. Legendre, A. Munter...3

The Committee then carried page 220, Leitrim Pumping Station, Forcemain and Gravity Sewer as amended and pages 222 and 224 as presented.

Referring to page 226, Ottawa River Sub-Trunk/Trim Road Sewer, Councillor Hume inquired if the work to be done in 1998 is to facilitate expansion development which Mr. Miller confirmed and noted is one of the few growth projects in the Capital Budget. He added for 1998 the designs and engineering work would be done.

Councillor Hume questioned why the design work will be done in 1998 when construction would only be in 2001. Mr. Miller replied this is a parcel of property that has a watermain and is adjacent to Route 174. He felt the potential is there that it may move forward quicker than anticipated.

The Committee then carried pages 226 to 230 as presented with Councillors Hume and Munter dissenting on page 224, Ottawa River Sub-Trunk/Trim Road Sewer and Councillor Munter dissenting on page 228, River Ridge Trunk Sewer.

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In response to questions posed by Councillor Hunter regarding page 232, Central Storage Tunnel and Interceptor Control System, Mr. Sheflin indicated although this was a local responsibility (City of Ottawa) the Region is looking at the opportunity to solve some of the trunk sewer problems over and above the local sewer problems in the project. This project is to address issues within the core of the sanitary system which includes both our trunk collectors and the local component of the system benefiting the entire system.

In response to Councillor Stewart's questions, Mr. Miller noted that he and Ms. Schepers spoke with City of Ottawa staff last week, and they have dedicated reserve funds for this project and are continuing to allocate funds from their sewer surcharge.

Mr. Miller indicated the estimated total cost for this project is in the order of \$60 - 70 million. He noted the Region is looking, at this point, at about one-third; however, it all relates to how much of the benefit is received, and that is yet to be negotiated.

The capital projects from pages 232 to 264 were then carried by the Committee as presented with Councillor Hume dissenting on page 250, Cumberland Trunk Sewer.

Councillor Munter, referring to page 266, WEPD Cost Optimization, noted there is still spending to go on this year, of authority from a previous year, as well as new authority next year. The Councillor felt it seems quite clear that the issue of contracting out that facility is over and questioned why the budget cannot be cancelled.

Mr. Sheflin explained staff will have the particular firm that did the analysis come forward and speak to Committee. He added Council has directed that the process be stopped

Councillor Hume put forward a motion deleting this item from the Capital Budget.

Moved by P. Hume

That the WEPD Cost Optimization Capital Budget, page 266 be deleted for a savings of \$1,057,000.

LOST

NAYS: D. Beamish, M. Bellemare, G. Hunter, J. Legendre, R. van den Ham....5
YEAS: B. Hill, P. Hume, A. Munter, W. Stewart....4

The Committee then carried page 266 as presented.

The Committee then carried pages 268 to 340 as presented with Councillor Hill dissenting on page 276, Water and Wastewater Strategic Planning and Councillor Hume dissenting on page 334, East Urban Community Feedermain Needs.

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Councillor Hume introduced a motion to move the construction portion of the Capital Project, Kilborn Avenue to Smyth Rd Feedermain Link from 1998-1999 to 1999-2000. He noted it is not his intention to move any other portion of the project but to move the construction so that the environmental assessment and planning issues are completed.

Councillor Munter noted in the explanation that the enhanced feedermain will provide greater water supply and reliability to the major community facilities that include the Children's Hospital of Eastern Ontario and the General Hospital. He noted this Committee and Council had unanimously voted that the Region would not put pipes and services in the ground to the Hospitals for the expansion of those sites until there was a cost sharing agreement. The Councillor recognized that this is the smallest piece of the whole infrastructure required, but the fact is, this is the Region's leverage.

Mr. Sheflin explained this work is required with or without any change to the hospital complex to ensure the security of the system. He advised this is a particular area where there is a slight problem in the servicing of this area and this link is needed.

Mr. Proulx confirmed the quantity of water supply available now would adequately supply the potential growth with respect to the hospitals; this is strictly a reliability issue on the system.

The Committee then considered Councillor Hume's motion.

Moved by Councillor Hume

That the construction portion of Capital Project 922-41823 - Kilborn Avenue to Smyth Road Feedermain Link be moved from 1998-1999 to the 1999-2000 budget year.

CARRIED

Page 342 was then carried by the Committee as amended.

The Committee then carried pages 344 to 370 as presented with Councillor Munter dissenting on page 344, River Ridge Feedermain.

Referring to page 372, Mr. McNally indicated the 1.5 million dollars to be spent in 2000 are for a full environmental assessment and noted this capital project is on the assumption that the Region is not successful in optimizing the existing landfill site.

He further noted in response to Committee's questions, the next two pages (page 374 and 376) outline the environmental assessment process that staff hope to undertake with respect to the existing site, which is now referred to as a "scoped EA". If the Region is successful in scoping an optimization of the landfill site, the project on page 375 will look

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after the approval process; and the funding on pages 372 and 373 to implement some of those changes.

Councillor Legendre inquired if in the meantime, staff have been taking measures to lengthen the life of the Trail Road site, and those dollars are in some other line item in the budget.

Mr. McNally replied the steps taken primarily relate to the blue box program, the increased leaf and yard waste collection and there have been some operational enhancements made with respect to trying to increase compaction; but he noted those are all within the operational programs.

The Committee then carried pages 372 to 380 as presented.

The budget portion of the meeting was completed at 3:30 p.m. and Committee Chair Hunter, on behalf of the Committee, thanked Mr. Sheflin and his staff for their excellent efforts in preparing and presenting the budget.

The following summarizes the motions approved.

That Planning and Environment Committee recommend that Council approve:

- 1. The Planning and Development Approvals Department 1998 Capital and Operating Budgets, amended by the Budget Review Board report dated 31 March 1998, as amended by the following:**
 - i) That the Capital Budget for Project No. 912-13409 Greenhouse Gas Emission Reduction be reduced to \$50,000 for 1998.**
- 2. The Environmental Services Section's 1998 Capital and Operating Budgets, amended by the Budget Review Board report dated 31 March 1998 and a revised page 185 (as tabled with the Planning & Environment Committee on 28 April 1998), as amended by the following:**
 - i) That \$195,000 be advanced into 1998 from 2001 to allow for the design work to be completed for the Capital Project No. 932-42020 Leitrim Pumping Station, Forcemain & Gravity Sewer.**
 - ii) That the construction portion of Capital Project No. 922-41823 Kilborn Ave to Smyth Rd Feedermain Link be moved from 1998/1999 to the 1999/2000 budget year.**

CARRIED as amended

ANNEX A

1998 DRAFT OPERATING ESTIMATES

DEPARTMENT:	<i>ETD - SOLID WASTE DIVISION</i>	PROGRAM GROUP:	<i>COLLECTION ACTIVITIES</i>
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RESOURCE REQUIREMENT	1997		1998	%
	FORECAST	BUDGET	ESTIMATE	VAR.
SUMMARY OF PROGRAMS	\$000	\$000	\$000	%
Garbage Collection	18,004	17,476	20,201	15.6
Total Gross Expenditures	18,004	17,476	20,201	15.6
Recoveries	(9)	0	(914)	0
Total Net Expenditures	17,995	17,476	19,287	10.4
Revenues	2,535	4,375	2,723	(37.8)
Net Requirement	15,460	13,100	16,564	26.4

BY EXPENDITURE TYPE				
• Salaries, Wages & Benefits	516	484	1,247	157.6
• Purchased Services	17,321	16,723	18,051	7.9
• Internal Cost Redistribution	74	67	819	1,122.4
• Materials & Supplies	93	199	81	(59.3)
• Fixed Assets	2	2	2	0
• Transfer Payments				
• Financial Charges				
Total Gross Expenditures	18,004	17,476	20,201	15.6

FULL TIME EQUIVALENTS	10	41
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