



Finance, Administration and Operations Committee

Wednesday, April 10, 2013, 4:15 pm.
City Hall, Council Chambers

Committee Members

Councillor D. LeSueur,
Chair
Councillor D. Beatty
Councillor L. Bursey
Councillor J. Earle
Councillor J. Fullarton
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Clerk's Office
Environmental Services
Finance Department
Fire Department
Human Resources Dept.
Operations Department
Airport Commission
Arena Advisory Board
Brockville Municipal
Accessibility Advisory
Committee (BMAAC)

CRCA
Cemetery
Health Unit
Joint Services Committee
PLMG
Police Services Board
Safe Communities Coalition
St. Lawrence Lodge
Management Board
Volunteer Awards

All legal matters [excepting
the purchase and sale of
land]

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AGENDA

DISCLOSURE OF INTEREST

STAFF REPORTS

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1. 2013-045-04
2013 Tax Ratio Options (File:F22-42D)

THAT Council authorize the tax ratios for all classes as per the attached schedule for the 2013 tax year; and

THAT Council authorize the passing of a By-law to set the tax ratios for all classes for 2013. (Attachment #1 to Report 2013-045-04).

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2. 2013-046-04
2013 Capping and Threshold Options (File: F22-50)

THAT the cost of mandatory capping for the multi-residential, commercial and industrial classes be revenue-neutral; self-financing within the property class; and

THAT the capping percentage for the multi-residential class remain at 5% of the previous years annualized taxes; and

THAT the capping percentage for the industrial class remain to 5% of the previous years annualized taxes; and

THAT the capping percentage for the commercial class be set at 10% of the previous years annualized taxes; and

THAT the threshold change option be continued at \$150 for multi-residential, commercial and industrial classes; and

THAT when a property reaches full current value assessment it is removed from the capping/clawback system; and

THAT Council authorizes the passing of a By-law to adopt the 2013 Capping Options for the Protected Property Classes (Attachment #1 to Report 2013-046-04).

- 13 - 25 3. 2013-048-04
Auditor's Communication Letter to Completion of 2012 Audit

THAT Council receive the letter of communication prior to completion of the 2012 Audit from Bennett lewis McMahon Stillar, Chartered Accountants, our City auditors. (Attachment #1 to Report # 2013-048-04).

- 26 - 27 4. 2013-047-04
Quotation Q2013-04 - Ice Resurfacer & Ice Edger

THAT the quotation from Resurfice Corp., Elmira, Ontario in the amount of one hundred, six thousand and thirty-three dollars and fifty-five cents (\$106,033.55) for the purchase of one 2013 Olympia Millennium Ice Resurfacer and Battery Operated Ice Edger be accepted; and

THAT the necessary funds be expensed from the Fleet Capital Account 9101010-9902072-9361.

- 28 - 29 5. 2013-050-04
1000 Islands & Seaway Cruises - Changes to Lease Areas

THAT to lease with 1000 Islands & Seaway Cruises (1082233 Ontario Limited) be amended to include the main lobby at the James A.C. Auld Harbour Services Building, and to exclude the current cruise line office and Customs Building.

- 30 - 41 6. 2013-044-04
Water & Wastewater Systems
Quarterly Report
(Jan.-Mar. 2013)

THAT Report 2013-044-04 Water & Wastewater Systems Quarterly Report (Jan. - Mar. 2013) be received for information purposes.

DELEGATION(S) AND PRESENTATION(S)

- 42 - 44 1. Brockville Police Service
(Mr. King Yee Junior, Chair and Police Chief John Gardiner)

Mr. King Yee Junior and Police Chief Gardiner will make a presentation to the Committee.

- 45 - 54 2. Citizens Offering Police Support
(Ms. Louise Severson, Chair)

Ms. Severson, Chair will speak to the Committee regarding Brockville Police Services.

3. Contract Policing
Sergeant Paul Legault and Sergeant Mike Milner,
Ontario Provincial Police

Sergeant Paul Legault and Sergeant Mike Milner have been invited to provide Members of Council information on the framework for the provision of police services under the Police Services Act and the process undertaken to provide a cost estimate.

CORRESPONDENCE

1. Nil.

NEW BUSINESS

- 1 Ontario Provincial Police Costing
(Mayor Henderson)
(Referred from the FAO meeting of November 20, 2012)

Ontario Provincial Police Costing

(Mayor Henderson)

Moved by: Councillor Fullarton

THAT Brockville City Council direct City Manager Bob Casselman to proceed with obtaining an Ontario Provincial Police costing for the provision of police services to the City of Brockville.

REFERRED

Amendment to Motion

Moved by: Councillor Fullarton

THAT the Ontario Provincial Police Costing matter be referred to the Finance, Administration and Operations Committee meeting of April 2013.

CARRIED

FAO - CONSENT AGENDA

ADJOURNMENT

1.

THAT the Finance, Administration and Operations Committee adjourn its meeting until the next regular meeting scheduled for May 21, 2013.

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – APRIL 10, 2013

March 27, 2013

**2013-045-04
2013 TAX RATIO OPTIONS
FILE: F22-42D**

**D. DICK, CA
DIRECTOR OF CORPORATE SERVICES
L. FERGUSON
MANAGER OF FINANCE
D. SMITH, TAX COLLECTOR**

RECOMMENDATION

That Council authorize the tax ratios for all classes as per the attached schedule for the 2013 tax year; and

That Council authorize the passing of a By-law to set the tax ratios for all classes for 2013. [Attachment #1 to Report 2013-045-04].

PURPOSE

As per Section 308 of *Municipal Act*, 2001 Council must enact a by-law each year to establish the tax ratios for that year for the municipality.

BACKGROUND

In 1998 when assessment and taxation reform was introduced, the Province provided transition ratios. The initial ratio was a reflection of the tax burden of each property class prior to tax reform. It kept the taxes expected from each class "status quo".

The municipal portion of the tax rate of each property class is set in relation to the residential class. The residential ratio is always 1. A change in the ratio of any property class will shift the tax burden borne by all property classes.

ANALYSIS

In 2012 the City reduced both the commercial and industrial tax ratios.

At this time, Brockville is below the Provincial average (as defined by the Ministry of Finance) for all the protected classes. For the commercial property class, the Provincial average is 1.98; in 2009 our commercial ratio was reduced to 1.958715, in 2010 it was reduced to 1.958 and in 2012 it was again reduced to 1.948210.

The Provincial average for the industrial class is 2.63 in 2012 our industrial rate was reduced to 2.613109 from 2.627561.

This year is the first year of the four year phase in for the 2012 base year reassessment, updated from the 2008 base year. Assessment increases are phased in

equally over the four year period; assessment reductions take place 100% in the first year.

The percentage change in value from the 2008 base year to 2012 is 14.42% for the residential class, 25.81% for the multi-residential class, 3.2% for the commercial class and 2.77% for the industrial class.

As there has been a larger increase in the residential and multi-residential classes and since any change in ratio would affect these classes by the greatest amount; it is recommended that the ratios for all property classes remain unchanged for 2013.

FINANCIAL CONSIDERATIONS

The Provincial Government has decreased the education tax rates for residential, multi-residential, farm, managed forests and pipeline classes in 2013. The commercial and industrial classes have remained at 2012 rates. These education rates, as listed, will help to mitigate tax increases due to reassessment.

There is no financial consideration to the City of Brockville's budget. Ratio changes do not change the amount of taxes collect but just shift the burden from one class to another.


CONCLUSION

The tax ratio is one of the components necessary for setting the annual tax rate. The Province has given single tier municipalities some input into determining their tax ratios. This allows individual municipalities the flexibility they need to influence the impacts of reassessment being attentive of the provincial rules with regards to levy restrictions and tax shifts.



D. Smith, Revenue Accountant

D. Dick, CA
Director of Corporate Services

L. Ferguson, Manager of Finance

B. Casselman, City Manager

THE CORPORATION OF THE CITY OF BROCKVILLE
By-law Number

By-law to Set Tax Ratios for the City of Brockville for the Year 2013

WHEREAS it is necessary for the Council of the City of Brockville, pursuant to *Municipal Act*, 2001, Section 308 to establish the tax ratios for 2013 for the City of Brockville; and

WHEREAS the tax ratios determine the relative amount of taxation to be borne by each property class; and

WHEREAS the property classes have been prescribed by the Minister of Finance under the Assessment Act as amended by Bill 140, the Continued Protection for Property Tax Payers Act, 2000 and Regulations thereto; and

WHEREAS the City of Brockville has deemed it expedient not to adopt optional classes as part of the Province's originally suggested tools; and

WHEREAS the City of Brockville has adopted the mainline classes of Residential/Farm class, Multi-Residential class, Commercial class, Industrial class, Pipelines class, Farmlands class and Managed Forest class and established the New Multi-Residential Property class as part of its Affordable Housing Program;

NOW THEREFORE be it enacted that:

1. The ratios for these classes be adopted as follows:
 - a) the residential/farm property class is 1.000000
 - b) the new multi-residential property class is 1.000000
 - b) the multi-residential property class is 1.770000
 - c) the commercial property class is 1.948210
 - d) the industrial property class is 2.613109
 - e) the pipelines property class is 1.813224
 - f) the farmlands property class is 0.250000
 - g) the managed forest property class is 0.250000
2. That the ratios for the sub classes as shown on the assessment roll be adopted at the ratios as follows:
 - a) the commercial office building property class is 1.948210
 - b) the commercial shopping centre property is 1.948210
 - c) the parking lot property class is 1.948210
 - d) the large industrial property class is 2.613109

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3. For the purposes of this By-Law the tax ratio for
- a) vacant land, vacant units and excess land subclasses, which are commercial property, is 70% of the commercial property class tax ratio (1.363747);
 - b) vacant land, vacant units and excess land subclasses which are industrial property, is 65% of the industrial property class tax ratio (1.698521);
 - c) the industrial property class includes all large industrial property.

This By-Law shall come into force and take effect upon final passing.

Given under the Seal of the
Corporation of the City of Brockville
and passed this day of

Mayor

City Clerk

REPORT TO THE FINANCE & ADMINISTRATION COMMITTEE – APRIL 10, 2013
March 28, 2013

2013-046-04
2013 CAPPING AND
THRESHOLD OPTIONS
FILE: F22-50

D. DICK, CA
DIRECTOR OF CORPORATE SERVICES
L. FERGUSON
MANAGER OF FINANCE
D. SMITH, TAX COLLECTOR

RECOMMENDATION:

THAT Council adopts the following measures for the 2013 tax year:

1. THAT the cost of mandatory capping for the multi-residential, commercial and industrial classes be revenue-neutral; self-financing within the property class; and
2. THAT the capping percentage for the multi-residential class remain at 5% of the previous years annualized taxes; and
3. THAT the capping percentage for the industrial class remain to 5% of the previous years annualized taxes; and
4. THAT the capping percentage for the commercial class be set at 10% of the previous years annualized taxes; and
5. THAT the threshold change option be continued at \$150 for multi-residential, commercial and industrial classes; and
6. THAT when a property reaches full current value assessment it is removed from the capping/clawback system; and

THAT Council authorizes the passing of a By-law to adopt the 2013 Capping Options for the Protected Property Classes [Attachment #1 to Report].

PURPOSE

As per Section 329.1 of *Municipal Act*, 2001, Council must enact a by-law each year to establish the capping percentage and threshold for the protected classes.

BACKGROUND

In December 1998, the Provincial government passed Bill 79, The Fairness for Property Taxpayers Act. This Act, commonly known as 10-5-5, retroactively capped 1998 assessment related increases at 10% over 1997 levels in the commercial, industrial and

multi-residential classes. Future increases were also capped at an additional 5% for 1999 and 5% for 2000.

Municipalities can determine how the capping program is to be financed through either;

- (a) self-financing within each property class, that is clawing back assessment related decreases on properties to pay for assessment related increases; or
- (b) to add the expense of the capping program onto the budget.

In the past, Brockville has chosen the self financing option, however in 2009 there was a shortfall in the industrial class. This shortfall of \$296 was added to the municipal levy.

In 2001, the Province passed Bill 140, the Continued Protection for Property Taxpayers Act. This continued the legislation of Bill 79 and limited the property tax increases to 5% per year until full current value assessment (CVA) is attained in each municipality.

As part of the 2004 Provincial budget process, legislation for 2005 tax years and beyond was authorized in Bill 83. This Bill allows municipalities more flexibility in the capping tools they choose to use for the protected classes.

Capping options currently available to municipalities include:

1. To continue with the current 5% increase of the prior year's annualized taxes
2. To increase the capped amount from 5% up to a maximum of 10% of the prior year's annualized taxes.
3. In addition, municipalities can impose a threshold. If the capped taxes are within \$1 to \$250 (as determined by municipality) of CVA taxes the property is taxed at CVA

These tools may be used on their own or in combination. They may also be applied differently to each of the protected tax classes. The options can change annually.

ANALYSIS

Capping

One ratepayer's gain is always at the expense of an offsetting ratepayer in regard to the capping options. A move toward full CVA is the ultimate goal. Full current value assessment allows the true value of the property, which is determined by MPAC, to set the taxes and does not continue the protection (cap) of some at the cost of others (clawback).

In 2009, Brockville determined that once a property reaches CVA it is removed from the capping/clawback process. In 2010, the multi-residential and industrial properties are at

full CVA. For 2013, if the capping and thresholds are not changed from 2012, the capped and clawback properties drop from 83 accounts to 53 accounts.

Threshold

In addition to capping percentages, the Municipality may pass a by-law to move capped properties whose revised taxes falls within \$250 (or a lower specified amount) of current value assessment to full CVA.

Threshold changes allow some property owners who were previously being clawed back to retain more of their dollars but it lessens the buffer of those facing higher increases. For each person that could benefit by the introduction of thresholds, another will be at a disadvantage.

No change is recommended in the \$150 threshold.

FINANCIAL CONSIDERATIONS

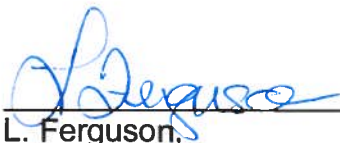
There are no financial implications for the municipality.

CONCLUSION

Capping and thresholds are another component necessary for setting the annual tax rate. The Province has allowed municipalities flexibility in the use of these tools. With properties coming to full current value assessment it is hoped that in the next few years, barring any massive changes in legislation, that capping will become unnecessary.



D. Smith, Revenue Accountant



L. Ferguson,
Manager of Finance



D. Dick, CA
Director of Corporate Services



B. Casselman, City Manager

THE CORPORATION OF THE CITY OF BROCKVILLE
By-Law Number*By-law to adopt the 2013 Capping option for the Protected Property Classes*

WHEREAS the Province of Ontario introduced property tax capping options for 2005 and future years in the 2004 Ontario Budget;

AND WHEREAS it is necessary for the Council of the City of Brockville pursuant to Section 329.1 of the Municipal Act and accompanying regulations to establish a Capping threshold for The Protected Property Classes of Commercial, Industrial and Multi-Residential property classes;

NOW THEREFORE be it enacted that:

1. The 2013 annual cap for industrial and multi-residential classes will be set at 5% (five percent) of the previous year's annualized taxes; and
2. THAT the 2013 annual cap for the commercial class will be set at 10% (ten percent) of the previous year's annualized taxes and
3. THAT in the commercial, industrial and multi-residential classes that the CVA Threshold for capped properties whose 2013 revised taxes fall within \$150.00 of the current years' CVA tax will be moved to full current value assessment; and
4. THAT in the commercial, industrial and multi-residential classes that the CVA Threshold for clawed back properties whose 2013 revised taxes fall within the \$150.00 of the current years' CVA tax will be moved to full current value assessment; and
5. THAT any insufficiency in the self-financing cap shall be added to the 2013 levy; and
6. THAT when a property in the protected classes of commercial, industrial or multi-residential class reach full current value assessment (CVA) it is removed from the capping and clawback system. and

This by-law shall come into force and take effect immediately following third reading.

Given under the Seal of the
Corporation of the City of Brockville
and passed this day of

MAYOR

CLERK

April 2, 2013

REPORT TO FINANCE, ADMINISTRATION & OPERATIONS COMMITTEE – APRIL 10, 2013

2013-048-04

AUDITOR'S COMMUNICATION

LETTER PRIOR TO COMPLETION OF 2012 AUDIT

FILE: C01- 07

DAVID DICK, CA

DIRECTOR OF CORPORATE SERVICES

L.FERGUSON

MANAGER OF FINANCE

RECOMMENDATION

THAT Council receive the letter of communication prior to completion of the 2012 Audit from Bennett Lewis McMahon Stillar, Chartered Accountants, our City Auditors. [Attachment 1 to Report # 2013-048-04]

PURPOSE

Auditors are required by Canadian generally accepted standards for audit engagements to communicate specific information with regard to the audit prior to its completion. Canadian Auditing Standards (CAS) 260 Communication with Those Charged with Governance states that:

“The auditor shall communicate with those charged with governance an overview of the planned scope and timing of the audit.”

BACKGROUND/ANALYSIS

Bennett Lewis McMahon Stillar, Chartered Accountants - the City Auditors – will soon be commencing their audit for the year ending December 31, 2012. This process is not expected to differ significantly from those completed in the past. Special attention will be given as part of this year's audit to the specific module of the new financial system that was implemented in 2012, specifically the water and wastewater billing system.

As a result of the CAS 260 requirement, Bennett Lewis McMahon Stillar, Chartered Accountants are submitting their letter of communication.

POLICY IMPLICATIONS

There are no policy implications with this report.

FINANCIAL CONSIDERATIONS

There are no financial considerations associated with this report.

CONCLUSION

As a result of this requirement Bennett Lewis McMahon Stillar, Chartered Accountants are submitting their letter of communication. Mr. Alvin Bennett will be in attendance to answer any questions which Committee or Council members may have.



Lynda Ferguson, Manager of Finance



David Dick, CA
Director of Corporate Services



Bob Casselman, City Manager

**Bennett
Lewis
McMahon
Stillar**

Chartered Accountants

46-48 King Street East
PO Box 459 Stn Main
Brockville ON K6V 5V6

Telephone (613) 342-8424
Telefax (613) 342-1714

2013-048-04
Attachment #1

(Letter of Communication from City Auditors)

Corporation of the City of Brockville
Victoria Building
Brockville, ON K6V 3P5

April 2, 2013

To the Finance, Administration and Operations Committee:

We have been engaged by the Members of Council to audit the consolidated financial statements of the Corporation of the City of Brockville (the "Municipality") for the year ending December 31, 2012. Canadian generally accepted standards for audit engagements require that we communicate the following information to you in relation to the audit of the Municipality's consolidated financial statements.

The Members of Councils' Responsibility for Governance

The Members of Council should ensure, through oversight of management, the integrity of the Municipality's accounting and financial reporting systems and that internal controls are in place, including those for monitoring risk, financial reporting and compliance with the law.

Management's Responsibilities

Management has the primary responsibility for the accurate recording of transactions and the preparation of financial statements in accordance with generally accepted accounting principles. This includes the design of internal control systems, maintaining accounting records, selecting and applying accounting policies, safeguarding assets, and preventing and detecting error and fraud. Management needs to set the proper tone, create and maintain a culture of honesty and high ethics, and establish appropriate controls to prevent and detect fraud and error within the entity.

Management is responsible for assessing the effectiveness of the Municipality's internal control systems and control environment in safeguarding of assets and preventing and detecting fraud and error. In making their assessment there are a number of risk factors management should consider. We will provide a sample of risk factors that management should consider in assessing the risk of fraud or error resulting in the consolidated financial statements being materially misstated. We will obtain a written representation as to management's assessment of the risk.

Our Responsibility as Auditor

Our responsibility as auditor of the Municipality is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows and changes in net financial assets, of the Municipality in accordance with Canadian generally accepted accounting principles.

An audit is performed to obtain reasonable but not absolute assurance as to whether the consolidated financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the consolidated financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

Our audit includes:

- Assessing the risk that the consolidated financial statements may contain misstatements that, individually or in the aggregate, are material to the consolidated financial statements taken as a whole; and
- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements.

As part of our audit, we will obtain a sufficient understanding of the activities and the internal control structure of the Municipality to plan the audit. This will include management's assessment of:

- The risk that the consolidated financial statements may be materially misstated as a result of fraud and error; and
- The internal controls put in place by management to address such risks.

Our audit of the consolidated financial statements does not relieve management or the Finance, Administration and Operations Committee of its responsibilities with respect to those financial statements.

Finance, Administration and Operations Committee Responsibilities

The Finance, Administration and Operations Committee, along with its other duties established by Council, is to act in an objective, independent capacity as a liaison between the auditor, management and the members of Council to ensure the auditor have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Finance, Administration and Operations Committee's responsibilities with regards to the financial reporting process include:

- Being available to assist and provide direction in the audit planning process when and where appropriate
- Meeting with the auditor as necessary and prior to release and approval of consolidated financial statements to review audit, disclosure and compliance issues
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management, and reporting back to the auditors their findings
- Making known to the auditors any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the consolidated financial statements or auditor's report
- Providing guidance and direction to the auditor on any additional work they feel should be undertaken in response to issues raised or concerns expressed
- Making such enquiries as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls
- Reviewing the draft consolidated financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and approving same to be forwarded to the members of Council for approval.

Independent Auditor's Report

Unless unanticipated difficulties are encountered, our independent auditor's report will be substantially in the following form:

To the Members of Council, Inhabitants and Ratepayers
Corporation of the City of Brockville

We have audited the accompanying financial statements of the Corporation of the City of Brockville, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations, change in net financial liabilities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2012 and the results of its operations changes in its net financial liabilities and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Audit Approach

Outlined below are certain aspects of our audit approach, which are intended to help the committee in discharging their oversight responsibilities. Our general approach to the audit of the Municipality's consolidated financial statements is to assess the risks of material misstatement in the consolidated financial statements and then respond by designing audit procedures.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our audit procedures, including tests of your accounting records, are limited to those considered necessary in the circumstances and would not necessarily disclose all illegal acts, fraud, intentional misstatements or errors should any exist. We will conduct the audit under Canadian generally accepted auditing standards (GAAS), which include procedures to consider (based on the control environment, governance structure and circumstances encountered during the audit), the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor would they necessarily detect such acts or recognize them as such, even if the effect of their consequences on the consolidated financial statements is material. However, should we become aware that an illegal or possible illegal act or an act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate this information directly to the audit committee.

It is management's responsibility to detect and prevent illegal actions. If such acts are discovered or members of the Finance, Administration and Operations Committee become aware of circumstances under which the Municipality may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

Materiality

Materiality in an audit is used to:

- Guide planning decisions on the nature and extent of our audit procedures;
- Assess the sufficiency of the audit evidence gathered; and
- Evaluate any misstatements found during our audit.

Materiality is defined as the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission from or misstatement in the consolidated financial statements would influence or change a decision. Materiality is a matter of professional judgment in the particular circumstances.

We plan to use a materiality of \$520,000, which is approximately 1% of total revenues. The materiality for last year's audit was \$500,000.

Risk-based Approach

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the consolidated financial statements to an appropriately low level.

This is achieved by evaluating the risk that:

- misstatements could occur in the first place due to the nature of the Municipality's activities (inherent risk) and
- the Municipality's internal control systems won't prevent misstatements from occurring (control risk).

This means that we focus our audit work on areas that have a higher risk of being materially misstated.

In addressing the risk of material error in the 2012 financial statements we considered the impact, if any, on internal controls during the period following the elimination of the position Director of Finance (which included part of 2012 and part of 2013 when the 2012 financial statements are prepared). Based on our discussions with Management and other preliminary audit planning, we concluded that Management oversight that was conducted by the Acting Treasurer and the CAO and that will be conducted by the Director of Corporate Services, will mitigate any internal control risks that might have arisen.

Major risk factors include:

- the adequacy of internal controls
- the nature of transactions (for example and the number and dollar volumes)
- the nature of the activities
- human resources, including the experience of management and staff, turnover, technical competence, and the degree of delegation
- the adequacy of senior management oversight and monitoring; and
- the adequacy of oversight and monitoring provided by Council and the Finance, Administration and Operations Committee.

Based on our knowledge of the Municipality's activities and our past experience, we have identified the following areas that have a potentially higher risk of a material misstatement:

Accuracy of consolidation of capital transactions and reserve fund balances and preparation of the year-end consolidated financial statements

Your general ledger and accounting processes are organized with a view to providing appropriate financial information for the management of the departmental operations and capital projects. There is considerable detail that has to be summarized and interdepartmental transactions and balances between funds need to be eliminated in order to prepare financial statements in accordance with Canadian generally accepted accounting principles.

Our approach to this area will be as follows:

- review accumulation of detailed general ledger accounts into summary trial balance
- examining significant journal entries made during financial statement preparation
- review reconciliation of inter fund transactions during the year and ensure all inter fund balances reconcile and are properly eliminated upon consolidation
- review the disclosure of changes in fund balances during the year in the year-end consolidated financial statements

Implementation of new accounting system during the year and impact on year-end financial statement

In March 2012, water/waste water module of the new information system was implemented.

We will need to test the implementation of the new module to ensure the accuracy of the year-end financial information.

Our approach to this area will be as follows:

- review with management the process of implementing the module
- review management tests performed on the conversion of data from the previous financial system and the transfer of information into the new system
- update documentation of the system processes due to the new system and perform test of transactions as necessary.

Other

We have set out in Appendix I our audit approach to the following financial statement areas that include significant balances and / or volumes of transactions:

- Completeness and accuracy of taxation revenue
- Completeness of user charges revenue transactions
- Completeness and accuracy of accounts payable and accrued liabilities
- Completeness and accuracy of payroll and related expenditures

Appendix I also describes procedures for other financial statement items.

In responding to our risk assessment, we will use a combination of tests of controls, tests of details and substantive analytical procedures. The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

Appendix II provides definitions as well as examples of these tests.

Management's Representations

Transactions and estimates reflected in the accounts and in the consolidated financial statements are within the direct control of management. Accordingly, the fairness of the representations made in the consolidated financial statements is an implicit and integral part of management's responsibility. During the course of our audit, we obtain representations from management in the form of answers to our audit enquiries. We obtain a formal representation letter from management at the conclusion of the audit.

Use of Specialists

The Municipality engages an actuary to review and determine their liability for employee future benefit costs. We review the information provided to the actuary and the report received from them.

Planned timing of audit services

We have completed some preliminary audit work in the March. At this time we will review and test your internal controls and assess the impact of any processing changes and of management's assessment of the risk of fraud and error, on our year-end audit procedures.

Your finance staff anticipate that their year-end work in preparation for the audit will be completed in April and May.

As a result we expect that the audit work will be conducted during the month of April and May to facilitate the completion of the Financial Statements and presentation to your committee in July.

We will review and discuss the year-end consolidated financial statements and our audit findings report with the Finance, Administration and Operations Committee prior to presentation of the consolidated financial statements to Council.

Please feel free to contact us if any member of the Finance, Administration and Operations Committee has questions pertaining to the information discussed in this letter. We wish to point out that this communication is prepared solely for the information of the Finance, Administration and Operations Committee and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We are available to attend the next meeting of the Finance, Administration and Operations Committee at your request.

Yours truly,



Bennett Lewis McMahon Stillar
Chartered Accountants, Licensed Public Accountants

Appendix I – Audit Approach to Significant Financial Statement Areas

Completeness and accuracy of taxation revenue

Based on the nature of taxation revenue, we do not consider this area of high risk for a material misstatement; however it is the Municipality's most significant source of revenue.

Our approach to this area will be as follows:

- review, test, and document the Municipality's internal controls for processing taxation revenue and arrears outstanding
- enquire of management how they addressed, if any, changes in the taxation legislation from the preceding year
- check calculation of property taxes billed for the year and reconcile to the amounts recorded in the general ledger
- confirm taxation from other governments and agree to tax assessment changes for the year
- confirm sample of tax arrears outstanding with taxpayers

Completeness of user charges revenue transactions

The Municipality has a significant volume of small dollar transactions in a number of different areas.

Our approach to this area will be as follows:

- at the request of Treasury, we will examine, document and test the internal controls over billings at the arenas and the Arts Centre
- review internal controls and processing controls over water billings
- confirm a sample of other accounts receivable and water receivables outstanding with users of municipal services
- review management's departmental variance analysis comparing actual to budget and relating significant variances to supporting evidence such as departmental statistical reports
- compare revenue and receivables to preceding year and discuss significant variances with management

Completeness and accuracy of accounts payable and accrued liabilities

Our approach to this area will be as follows:

- review internal controls over processing of accounts payable
- review internal controls over processing of expense accounts
- verification of amounts recorded as accounts payable at year-end to invoices and supporting documentation
- perform a search for unrecorded liabilities and unpaid invoices for the period from the year-end date to the audit report date
- review management's estimate of solid waste landfill closure and post-closure liability, compare it to current expenditures and to preceding year and enquire of management of any significant changes in assumptions in determining estimate

Completeness and accuracy of payroll and related expenditures

Based on the Municipality's internal controls over processing of payroll, we do not consider this area of high risk for a material misstatement; however it is a significant expenditure for the Municipality.

Our approach to this area will be as follows:

- review, test, and document the Municipality's internal controls for processing payroll and related costs
- check the calculation of retro-active payroll adjustments for contract settlements
- perform analytical procedures for payroll related costs
- review year-end cut-off for payroll and related costs
- enquire of human resource personnel and management as to any outstanding contract settlements at year-end and test year-end calculations of accrual for unsettled wage contracts based on discussion with management as to estimate of expected settlement amounts
- review material submitted to actuary in relation to other audit evidence obtained and review actuarial report for reasonableness of accrued employee future benefits liability and agree the amounts to the related note to the consolidated financial statements
- review the Municipality's variance analysis of actual payroll expenses to budget

If we discover any significant errors or deficiencies in your system of internal controls over processing of payroll we will notify management immediately.

Audit Procedures for other Financial Statement Items

We plan to perform "tests of details" to the following financial statement balances:

- cash and short-term investments
- accrued liabilities, accrued interest on long-term liabilities, deferred development charges fees, and net long-term liabilities
- government grants, contributions from developers, investment income, donations, sale of property and equipment
- general fund and capital fund expenditures (including acquisition of tangible capital assets)

We will perform substantive analytical procedures in the following areas:

- compare inventories of supplies, prepaid expenses and deferred revenue to prior years
- user charges revenue utilizing written actual vs. budget variance explanations prepared by department heads and senior management
- penalties and interest on taxes in relation to change in tax arrears during the year
- review managements variance analysis and explanations of variances of actual to budget and significant variances contributing the year's surplus or deficit

Appendix II – Definition of Terms

Internal Controls

Auditors obtain an understanding of internal control relevant to the audit. It is a matter of the auditor's professional judgment whether a control, individually or in combination with others, is relevant to the auditor's considerations in assessing the risks of material misstatement and designing and performing further procedures in response to assessed risks.

Tests of controls are activities performed by auditors in gathering evidence as to the effectiveness of operation of a client's control procedures. We will perform tests of controls for water and sewer revenue and payroll and employee benefits.

Tests of Details

The term "tests of details" refers to a collection of certain evidence-gathering activities auditors perform during the substantive stage of the audit and that have as their objective the gathering of substantive evidence i.e. evidence relating to the completeness, validity and/or accuracy of individual account balances and underlying classes of transactions.

Although some of the following activities may be performed during other audit stages, it is only where they are performed in the substantive testing stage to gather substantive evidence that they are referred to as "tests of detail". Tests of details include the following activities:

- vouching of information relating to an account balance or class of transactions with supporting documentation (vouching is the process of matching documentary evidence with the details recorded in accounting records and provides evidence as to the completeness, validity or accuracy of an account balance or underlying class of transaction)
- physical examination of assets
- confirmation of the existence of an asset/liability/equity or the occurrence of a transaction
- recalculation of a total, spreadsheet, reconciliation, etc.
- inquiry of employees of the client
- cut-off tests relating to either or both of the completeness and/or validity of account balances and/or classes of transactions (cut-off tests gather evidence that transactions are recorded in the period to which they refer)
- verify information in the notes to the consolidated financial statements.

Substantive Analytical Procedures

When performing substantive analytical procedures, an auditor develops an expectation about a current financial statement amount using other data, such as comparable to prior years' amounts and/or budgeted amounts. The auditor then compares the expectation to the current amount and investigates any significant differences that resulted.

Substantive analytical procedures are generally more applicable to large volumes of transactions that tend to be predictable over time. The application of substantive analytical procedures is based on the expectation that relationships among data exist and continue in the absence of known conditions to the contrary. The presence of these relationships provides audit evidence as to the completeness, accuracy and occurrence of transactions captured in the information produced by the entity's information system.

02APR2013

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – APRIL 10, 2013

2013- 047-04

QUOTATION Q2013-04

ICE RESURFACER & ICE EDGER

C.J. COSGROVE, P.ENG.

DIRECTOR OF OPERATIONS

C. G. MCCANN

FLEET SUPERVISOR

C.E. MOORE

ARENA AND FACILITIES SUPERVISOR

A.J. ROSSETTI

FINANCIAL ADMINISTRATIVE ANALYST

RECOMMENDED

THAT the quotation from Resurface Corp., Elmira, Ontario in the amount of one hundred, six thousand and thirty-three dollars and fifty-five cents (\$106,033.55) for the purchase of one 2013 Olympia Millennium Ice Resurfacer and Battery Operated Ice Edger be accepted and;

THAT the necessary funds be expensed from the Fleet Capital Account 9101010-9902072-9361.

BACKGROUND

The purchase of an ice resurfacer and ice edger for the Facilities Division is an approved item in the Fleet Management Program, Item 6.1 in the 2013 Capital Budget.

ANALYSIS/OPTIONS

Resurface Corp. and Zamboni Company Ltd. are the only two manufacturing companies that can supply a propane powered ice resurfacer and ice edger that meet the requirements of the Operations Department - Facilities Divisions. The current request for a quotation was of a universal approach to allow manufactures to provide a bid for their specific model.

Quotations were received as follows:

1. Resurface Corp., Elmira, ON (ice resurfacer, including trade-in & ice edger) \$106,033.55
2. Zamboni Company Ltd., Brantford, ON Declined to submit an offer

The amounts quoted include taxes (HST). Quotations have been verified and meet City specifications.

Unfortunately, Zamboni declined to submit a quote to the City for consideration.

POLICY IMPLICATIONS

As per Purchasing By-Law 090-2005, Council approval is required where three bids have not been received.


FINANCIAL CONSIDERATIONS

The approved Capital Budget was \$100,000 for the replacement of the ice resurfacer and \$5,100 for the replacement of the ice edger for a total budget amount of \$105,100. The low quotation submitted by Resurface Corp., Elmira, Ontario was \$95,486.50 net cost including \$4,000 allowance for the trade-in of a 1995 Olympia Ice Resurfacer after tax rebates. Therefore a cost savings of \$9,613.50 will be realized for the 2013 year.

CONCLUSION


Therefore, the recommendation from the Operations Department - Fleet & Logistics Division is to purchase the 2013 Olympia Millennium Ice Resurfacer and Battery Operated Ice Edger from Resurface Corp.


C. J. Cosgrove
Director of Operations


C. G. McCann
Fleet, Supervisor


D. Dick, CA
Director of Corporate Services


C. E. Moore
Arena & Facilities Supervisor


A. J. Rossetti
Financial Administrative Analyst


B. Casselman
City Manager

03APR2013

REPORT TO FINANCE, ADMIN. & OPERATIONS COMMITTEE – APRIL 10, 2013

2013- 050-04

**1000 ISLANDS & SEAWAY CRUISES
CHANGES TO LEASE AREAS**

**C.J. COSGROVE, P.ENG.
DIRECTOR OF OPERATIONS**

RECOMMENDED

THAT the lease with 1000 Islands & Seaway Cruises (1082233 Ontario Limited) be amended to include the main lobby at the James A.C. Auld Harbour Services Building, and to exclude the current cruise line office and Customs Building.

PURPOSE

To change the area being leased by 1000 Islands & Seaway Cruises.

BACKGROUND

1000 Islands & Seaway Cruises has proposed to lease the main lobby at the James A.C. Auld Harbour Services Building for the cruise line office, ticket sales and gift shop. They desire more space to expand their inventory of souvenirs and gifts, and believe this location would be complementary to their operation of the canteen under a separate contract with the City.

ANALYSIS

The Director of Operations met with representatives from 1000 Islands & Seaway Cruises and the Brockville and District Chamber of Commerce Tourism Office to discuss this proposal.

The Tourism Office plans to fully staff the Blockhouse Island tourism centre with tourism ambassadors during peak hours for the 2013 summer season.

It was agreed that the following locations would meet the needs of each group conducting operations at the harbour:

- 1000 Islands & Seaway Cruises – Harbour Services Building Main Lobby
- Tourism – current cruise line office
- Harbour Staff – Customs Building

Staff have been considering renovations to the Harbour Services Building to expand the harbour office area. The Customs Building provides the additional space required.

The public washrooms at the Harbour Services Building would be accessed from the external door on the south side of the building.

POLICY IMPLICATIONS


Council approval is required to amend the lease with 1000 Islands & Seaway Cruises.

FINANCIAL CONSIDERATIONS


This proposal would result in a small net addition to the space leased by 1000 Islands & Seaway Cruises, with the additional lease revenue to the City to be \$260 for 2013.

CONCLUSION


The proposed amendment to the area leased by 1000 Islands & Seaway Cruises meets the interests of all parties involved.



C. J. Cosgrove
Director of Operations



D. Dick, CA
Director of Corporate Services



B. Casselman
City Manager

April 1, 2013

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – APRIL 10, 2013

2013-044-04

**WATER & WASTEWATER SYSTEMS
QUARTERLY REPORT
(JAN. – MAR. 2013)**

**PETER RAABE, P. ENG.
DIRECTOR OF ENVIRONMENTAL SERVICES
ED MALCOMSON
SUPERVISOR - WASTEWATER SYSTEMS
DON RICHARDS
SUPERVISOR - WATER SYSTEMS**

RECOMMENDED

THAT Report 2013-044-04 Water & Wastewater Systems Quarterly Report (Jan. – Mar. 2013) be received for information purposes.

PURPOSE

This report covers the months of January, February and March 2013. The intent of the report is to keep the Committee, Council, and the public current with performance and major operational aspects of the Water Treatment Plant, Water Distribution System, Water Pollution Control Centre (wastewater treatment system), and Wastewater Collection System, including any notable highlights, MOE inspections and adverse conditions.

BACKGROUND

This report is submitted quarterly, and represents the first quarter of 2013.

ANALYSIS/OPTIONS

A. WATER TREATMENT PLANT AND WATER DISTRIBUTION SYSTEM

The Brockville Drinking Water System 2012 Annual Water Quality Report was approved by Council, submitted to the Medical Officer of Health, and Elizabethtown-Kitley Township and posted on the City's website.

The City continues to be in compliance with the Water Treatment Plant's Municipal Drinking Water Licence and Drinking Water Works Permit, in addition to the Ontario Safe Drinking Water Act and Regulations. Please refer to Attachment #1 – Brockville Drinking Water System Performance Assessment Report to review the treatment and bacteriological sampling results.

Items of Note:**1. Main Treatment Plant**

- Annual maintenance completed on chlorine gas disinfection equipment.
- Vibration analysis completed on all pumps and motors.
- Annual overhead crane inspections completed.
- Raw water chlorine analyzer failure, unit replaced.
- Main plant vacuum compressor failure – unit refurbished.
- New engine controller installed on main plant diesel engine #2 (2012 capital) – project in progress.
- Main plant lighting replacement (2013 capital) - project commenced.
- Main plant #3 pump and motor refurbishment (2013 capital) - project completed.
- Main plant diesel engines #1 & #2 check valve replacement (2013 capital) - project commenced.
- Weigh scale for fluoride chemical feed system failure - new corrosion resistant scale ordered.
- Thermographic scanning of all Motor Control Centre (MCC) units and electrical panels - completed.

2. Booster Stations & Parkedale Reservoir:

- Vibration analysis completed on all pumps and motors Problem with Zone 1 diesel driven pump – unit will be scheduled for maintenance in April/May 2013 .
- Parkedale Reservoir inspected, cleaned and disinfected.
- Parkedale Programmable Logic Controller (PLC) – program modifications for disinfection chemical feed pump speed control operation.
- Sunset Booster Station pump #2 failure – new pump and motor ordered.
- Thermographic scanning of all Motor Control Centre (MCC) units and electrical panels completed.

3. Filters:

- Granulated Activated Carbon (GAC) filter media samples taken and sent to Calgon for analysis to determine if filter media replacement is required.
- Annual inspection of filters for mud-balling and media uniformity completed.
- Annual maintenance of filter surface wash agitators completed.
- Filter PLC program modifications for filter lead/lag operation completed.

4. Overhead Tank:

- No items to report.

5. Low Lift Pump Station:

- New engine controller installed on Low Lift diesel engine (2012 Capital) – project in progress.

-
- Pump #3 Variable Frequency Drive (VFD) (2013 Capital) – project commenced.
 - Thermographic scanning of all Motor Control Centre (MCC) units and electrical panels completed.
6. Drinking Water Quality Management System:
- NSF External Audit conducted on February 4th & 5th, 2013 – Full Scope Accreditation achieved (see Attachment #2).
7. MOE Inspections:
- An unannounced MOE inspection was conducted on January 8th & 9th, 2013 for the Brockville Drinking Water System and the Elizabethtown-Kitley Water Distribution System. Both systems achieved 100% compliance inspection ratings (see Attachment #3 – complete reports available at the Water Treatment Plant).
8. Regulatory Sampling
- All regulatory weekly bacti sampling for Brockville and Elizabethtown-Kitley completed.
 - All regulatory quarterly sampling for THM's Nitrate, Nitrite for Brockville and Elizabethtown-Kitley completed.
 - Regulatory lead sampling unable to achieve Standard Lead Sampling requirements. The City has been unable to meet the number of samples required by provincial legislation. As a result, staff has made an application for lead sampling relief to the MOE.
9. Trunk Water Distribution:
- Transmission main condition assessment (2009 & 2013 Capital Projects) – project commenced.
10. Elizabethtown-Kitley Distribution:
- Service line repair, 1245 Hwy #2.
 - Vibration analysis completed on booster station pumps and motors. Problem with pump #2 – unit removed from service, pump and motor refurbished.
11. Local Water Distribution:
- Water Main Breaks:
 - JAN 2013
 - Stowger Boulevard – 200 mm cast iron “shear”
 - Windsor Drive – 300 mm ductile iron pipe “hole”
 - Reynolds Drive – Hydrant flange
 - Brock Street – 200 mm cast iron “shear”
 - Church Street – 300 mm cast iron “shear”

- FEB 2013

- North Augusta Road – 300 mm cast iron “shear”
- John Street – 150 mm cast iron “hole”
- Schofield Avenue – 150 mm cast iron hydrant connection “shear”
- Church & Gilmour Streets – 100 mm cast iron “shear”
- Schofield Avenue, Perth Street & Stewart Boulevard - 150 mm cast iron “shear”

- MAR 2013

- Brighton Crescent – 150 mm cast iron “shear”
- Sherwood Street – 200mm cast iron “shear”
- Peden Boulevard – 200 mm cast iron “shear”
- Hartley Street - 200 mm cast iron “shear”
- Windsor Drive – 100 mm valve repair

- Flushing Program:

- Nothing to report.

- Service Repairs / Replacement:

- Thaw numerous frozen services (internal plumbing).
- Service line bleeder valve activation completed.
- Repaired broken service at 104 Pearl Street West.
- Repaired broken service at 16 Loyalist Place.

- Valve / Hydrant Inspection / Leak Detection:

- Extensive snow removal from hydrants.
- Brighton Crescent – hydrant replacement.
- Replaced damaged hydrant – Parkedale Avenue East.
- Replace damaged hydrant flags.
- Sherwood Street – Hydrant replacement.

- Capital Projects WD:

- Installation of new isolation valves on Sherwood Street in preparation for McCready Street watermain replacement project.

12. Adverse Water Quality Incidents:

- No incidents to report.

B. WASTEWATER TREATMENT PLANT AND COLLECTION SYSTEM

The 2012 WPCC Annual Summary Report for Council was approved by Council and submitted to the MOE in February 2013. A copy was also posted on the City's website.

The plant is currently meeting or exceeding all MOE effluent discharge requirements and the first quarter Effluent Acute Toxicity test was completed with zero (0) mortality.

Please refer to Attachment #4 – Brockville WPCC Sewage Plant Performance Assessment Report for all Operational Data for the quarter.

Items of Note:

1. Main Plant:

- Primary Clarifiers #1, #2 and #3 are currently offline due to extreme low flow conditions and the new process.
- New Boiler #505 is in service but still has outstanding deficiencies.
- 2013 Lifting Device Inspections completed.
- MOE Plant Inspection was conducted February 21st, 2013. The final report has been received. The City was in compliance with the exception of Condition 11 where the MOE Inspector noted that several pieces of equipment that were installed as part of the secondary upgrade project were not included on the approved C of A. The City has subsequently made application to the MOE to have these pieces of equipment added to the C of A.

2. Main Pumping Station:

- Bypasses: no bypasses to report.
- Vibration analysis and thermal imaging was completed on all pumps, motors and control panels.
- Pump #2 mechanical seal rebuilt.

3. Pumping Stations:

- WPCC staff responded to ten (10) mechanical pump calls. No issues to report.
- Wet wells at Chelsea Street and Georgina Street Pumping Stations were cleaned.

4. Power Outages:

- There were two power outages, one at Broome Pumping Station and one at Georgina Street Pumping Station. No issues to report.

5. Wastewater Collection System:

- 48 blocked sewer/camera inspections.
- 1 blocked main response.
- 0 sanitary sewer lateral dig-up and repair.

POLICY IMPLICATIONS

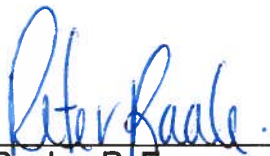
No policy implications at this time.

FINANCIAL CONSIDERATIONS

No financial considerations at this time.

CONCLUSION

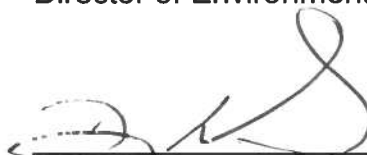
It is recommended that Council receive the report for information purposes.



P. Raabe, P. Eng.
Director of Environmental Services



E. Malcomson
Supervisor – Wastewater Systems



D. Richards
Supervisor - Water Systems



B. Casselman
City Manager

BROCKVILLE DRINKING WATER SYSTEM PERFORMANCE ASSESSMENT REPORT

Month 2013	CITY OF BROCKVILLE				ELIZABETHTOWN-KITLEY		BACTERIOLOGICAL SAMPLING		
	Total Volume Treated (ML)	Avg. Daily Flow (ML/d)	Avg. FI2 Residual (mg/L)	WDS Avg. FCR (mg/L)	Total Flow (ML)	Avg. Daily Flow (ML/d)	BROCKVILLE WDS		
							EC	TC	HPC
JAN	343.44	11.08	0.47	1.11	5.78	0.19	45 45 out of 45 safe	45 45 out of 45 safe	20 20 out of 20 safe
FEB	318.37	11.37	0.39	1.16	5.04	0.18	35 35 out of 35 safe	35 35 out of 35 safe	16 16 out of 16 safe
MAR	320.41	10.34	0.37	1.15	5.43	0.18	36 36 out of 36 safe	36 36 out of 36 safe	16 16 out of 16 safe

FCR - Free Chlorine Residual
WDS - Water Distribution System
EC - E. coli
TC - Total Coliform
HPC - Heterotrophic Plate Count
ML - Million Litres



ATTACHMENT #2

NSF International Strategic Registrations

789 North Dixboro Road, Ann Arbor, Michigan 48105
(888) NSF-9000 | www.nsf-isr.org

Certificate of Registration

This certifies that the Quality Management System of

The Corporation of the City of Brockville

1 King Street West
Brockville, Ontario, K6V 7A5, Canada

has been assessed by NSF-ISR and found to be in conformance to the following standard(s):

Ontario's Drinking Water Quality Management Standard

Scope of Registration:

Brockville Drinking Water System, OAP 152, Entire Full Scope Accreditation

Certificate Number:	C0120910-DWQ2
Certificate Issue Date:	19-FEB-2013
Registration Date:	14-FEB-2013
Expiration Date *:	13-FEB-2016

William Niedzwiecki,
President & General Manager,
NSF-ISR, Ltd.



NSF International Strategic Registrations

789 North Dixboro Road, Ann Arbor, Michigan 48105
(888) NSF-9000 | www.nsf-isr.org

Certificate of Registration

This certifies that the Quality Management System of

The Corporation of the City of Brockville

1 King Street West
Brockville, Ontario, K6V 7A5, Canada

has been assessed by NSF-ISR and found to be in conformance to the following standard(s):

Ontario's Drinking Water Quality Management Standard

Scope of Registration:

Elizabethtown-Kitley Distribution System, OAP 657, Entire Full Scope Accreditation

Certificate Number:	C0120932-DWQ1
Certificate Issue Date:	19-FEB-2013
Registration Date:	14-FEB-2013
Expiration Date *:	13-FEB-2016

William Niedzwiecki,
President & General Manager,
NSF-ISR, Ltd.

ATTACHMENT #3

**Ministry of
the Environment**Safe Drinking Water
BranchKingston District Office
1259 Gardiners Road, Unit 3
PO Box 22032
Kingston ON K7M 8S5**Ministère de
l'Environnement**Direction du contrôle de la qualité de
l'eau potableBureau du district de Kingston
1259, route Gardiners, unité 3
C. P. 22032
Kingston (Ontario) K7M 8S5

January 30, 2013

Sent by Email: bcasselman@brockville.comThe Corporation of the City of Brockville
1 King St. W., PO Box Delivery 5000
Brockville, Ontario
K6V 7A5Attention: Mr. Bob Casselman, City Manager, City of Brockville

Dear Mr. Casselman:

Re: Drinking Water Inspection Program – 2012/2013 Inspection Report
Brockville Drinking Water System - Inspection Number 1-9XVQB

The enclosed report documents findings of the inspection that was performed at the Brockville drinking-water system on January 8 and 21, 2013.

Two sections of the report, namely “Actions Required” and “Recommended Actions” cite due dates for the submission of information or plans to my attention.

Please note that “Actions Required” are linked to incidents of non-compliance with regulatory requirements contained within an Act, a Regulation, or site-specific approvals, licenses, permits, orders, or instructions. Such violations could result in the issuance of mandatory abatement instruments including orders, tickets, penalties, or referrals to the ministry’s Investigations and Enforcement Branch.

“Recommended Actions” convey information that the owner or operating authority should consider implementing in order to advance efforts already in place to address such issues as emergency preparedness, the fulsome availability of information to consumers, and conformance with existing and emerging industry standards. Please note that items which appear as recommended actions do not, in themselves, constitute violations.

In order to measure individual inspection results, the ministry has established an inspection compliance risk framework based on the principles of the Inspection, Investigation & Enforcement (II&E) Secretariat and advice of internal/external risk experts. The Inspection Rating Record (IRR), included as Appendix E of the inspection report, provides the ministry, the system owner and the local Public Health Units with a summarized quantitative measure of the drinking water system’s annual inspection and regulated water quality testing performance. Please note the IRR methodology document, included as Appendix F, describes how the risk rating model was improved to better reflect the health related and administrative non-compliance found in an inspection report. IRR ratings are published (for the previous inspection year) in the ministry’s Chief Drinking Water Inspector’s Annual Report. If you have any questions or concerns regarding the rating, please contact Jim Mahoney, Drinking Water Program Supervisor, at 613-548-6902.

New to the inspection report layout this year is the inclusion of a *Stakeholder Support* appendix (Appendix “A”). This addition has been made to promote awareness of the Drinking Water Ontario website at www.ontario.ca/drinkingwater with particular reference to key outreach publications that are downloadable free-of-charge. While the twelve publications specifically cited in the appendix are those that are most frequently accessed by owners and operators of municipal residential drinking water systems, you will find many other useful support materials available through the website.

Thank you for the assistance afforded to me during the conduct of the compliance assessment. Should you have any questions regarding the content of the enclosed report, please do not hesitate to contact me.

Yours truly,

Heather Cumpson
 Inspector / Provincial Officer, Badge # 1588
 Drinking Water Compliance
 Safe Drinking Water Branch
 Kingston District Office
 Tel. Direct Line: 613-548-6934
 Tel. Toll Free: 1-800-267-0974 ext. 2666
 Fax: 613-540-6876
heather.cumpson@ontario.ca
 HC

Enclosure

cc:

- Peter Raabe, Director, Environmental Services Department, City of Brockville, 1 King St. W., PO Box 5000, Brockville, ON, K6V 7A5, Email: praabe@brockville.com
- Don Richards, Supervisor Water Systems, Environmental Services Department, City of Brockville, 1 King St. W., PO Box 5000, Brockville, ON, K6V 7A5, Email: drichards@brockville.com
- Jason Barlow, Chief Operator Water Systems, Environmental Services Department, City of Brockville, 1 King St. W., PO Box 5000, Brockville, ON, K6V 7A5, Email: jbarlow@brockville.com
- Jane Lyster, Director, Health Protection, Leeds, Grenville and Lanark District Health Unit
 458 Laurier Boulevard, Brockville, Ontario, K6V 7A3, Email: jane.lyster@healthunit.org
- Joan Mays, Manager of Community Health Protection, Leeds, Grenville and Lanark District Health Unit, 458
 Laurier Boulevard, Brockville, Ontario, K6V 7A3, Email: joan.mays@healthunit.org
- Rob McRae, Project Manager, Source Water Protection, Cataraqui Region Conservation Authority, PO Box 160,
 1641 Perth Road, Glenburnie, ON K0H 1S0, Email: robmcrae@cataraqui.on.ca

c: File SI-LG-BR-RI-540 (2012) – Brockville Drinking Water System

ATTACHMENT #4

BROCKVILLE WATER POLLUTION CONTROL CENTRE SEWAGE PLANT PERFORMANCE ASSESSMENT REPORT

MUNICIPALITY: BROCKVILLE
PROJECT: BROCKVILLE
WORKS NUMBER: 120000122

DESCRIPTION: As of August 1, 2012 a Secondary Treatment Facility, complete with two anaerobic digesters, two centrifuges for sludge thickening and two RDT's for sludge co-thickening and utilizing Alum for phosphorus removal and UV for effluent disinfection

YEAR: 2012/2013
WATER COURSE: ST. LAWRENCE RIVER
DESIGN CAPACITY: 21.800 x 1000m3/day
PEAK DESIGN CAPACITY: 62.500 X 1000m3/day

MONTH	FLOWS			BOD/CBOD			SUSPENDED SOLIDS				PHOSPHORUS				TOTAL AMMONIA NITROGEN				E. COLI
	TOTAL FLOW 1000M3	AVG DAY FLOW 1000M3	MAX DAY FLOW 1000M3	AVG RAW BOD (mg/L)	AVG EFF CBOD (mg/L)	TOTAL LOADING EFF CBOD (kg/day)	AVG RAW SS (mg/L)	AVG EFF SS (mg/L)	TOTAL LOADING EFF SS (kg/day)	PERCENT REMOVAL	AVG RAW PHOS. (mg/L)	AVG EFF PHOS. (mg/L)	TOTAL LOADING EFF PHOS. (kg/day)	PERCENT REMOVAL	AVG RAW TAN (mg/L)	AVG EFF TAN (mg/L)	TOTAL LOADING EFF TAN (kg/day)	PERCENT REMOVAL	E. Coli (Org/100 ml) (GEOMEAN)
MAR 13	537.40	17.336	34.291	104.89	4.79	83.04	111.70	6.93	120.14	93.8	2.27	0.66	11.44	70.9	13.30	10.37	179.77	22.0	2
FEB 13	396.69	14.167	18.124	158.64	6.50	92.09	146.64	6.31	89.39	95.7	2.84	0.78	11.05	72.5	9.75	9.94	140.82	-1.9	7
JAN 13	545.28	17.590	36.924	128.62	7.33	128.93	119.92	12.35	217.24	89.7	2.45	0.60	10.55	75.5	16.70	2.38	41.86	85.7	2
DEC 12	412.25	13.298	27.413	171.33	4.50	59.84	155.00	9.43	125.40	93.9	2.94	0.56	7.45	81.0	18.90	1.65	21.94	91.3	1
NOV 12	329.79	10.993	11.961	200.83	2.94	32.32	168.17	6.44	70.79	96.2	3.60	0.60	6.60	83.3	18.50	0.64	7.06	96.5	1
OCT 12	381.52	12.307	17.176	165.57	2.83	34.83	163.17	7.35	90.46	95.5	3.39	0.61	7.51	82.0	15.05	0.53	6.56	96.5	1
SEP 12	358.96	11.965	18.239	170.00	2.43	29.07	164.13	5.37	64.25	96.7	3.34	0.40	4.79	88.0	16.07	0.09	1.08	99.4	1
AUG 12	404.12	13.036	17.045	166.08	2.38	31.03	169.41	4.06	52.93	97.6	3.43	0.39	5.08	88.6	13.08	0.17	2.27	98.7	1
JUL 12	394.19	12.716	17.809	176.73	41.00	521.36	202.18	30.92	393.18	84.7	3.84	0.63	8.01	83.6					9
JUN 12	449.67	14.989	18.109	165.17	45.67	684.55	174.46	38.09	570.93	78.2	3.59	0.79	11.84	78.0					
MAY 12	536.42	17.304	21.651	147.82	51.46	890.46	165.09	36.09	624.50	78.1	3.01	0.74	12.80	75.4					
APR 12	493.49	16.450	22.566	165.50	64.40	1059.38	193.00	41.09	675.93	78.7	3.53	0.92	15.13	73.9					
AVG		14.346		160.10	19.69	282.41	161.07	17.04	244.39	89.90	3.19	0.64	9.18	79.40	15.17	3.22	50.17	73.52	3
MAX			36.924	200.83	64.40		202.18	41.09		97.60	3.84	0.92			18.90	10.37			
OLD CRITERIA		21.800			35.00	763.00		45.00	981.00			1.00	22.00						N/A
NEW CRITERIA		21.800			25.00	545.00		25.00	545.00			1.00	21.80			18.0 (Nov. 1 to Apr. 30) 16.0 (May 1 to Oct. 31)	392 (Nov. 1 to Apr. 30) 349 (May 1 to Oct. 31)		200

MONTH	TOTAL LOADINGS		
	TOTAL RAW BOD (kg/day)	TOTAL RAW SS (kg/day)	TOTAL RAW PHOS. (kg/day)
MAR 13	1,818	1,936	39
FEB 13	2,247	2,077	40
JAN 13	2,262	2,109	43
DEC 12	2,278	2,061	39
NOV 12	2,208	1,849	40
OCT 12	2,038	2,008	42
SEP 12	2,034	1,964	40
AUG 12	2,165	2,208	45
JUL 12	2,247	2,571	49
JUN 12	2,476	2,615	54
MAY 12	2,558	2,857	52
APR 12	2,722	3,175	58
AVG	2,255	2,286	45
MAX	2,722	3,175	58

COMMENTS:



Brockville Police Service

Presentation to the Finance and Operations Committee
Wednesday, April 10, 2013

Presentation and remarks by Mr. King Yee Jr., Chair, Brockville Police Services Board
John S. Gardiner, Chief of Police, Brockville Police Service

Background

November 20, 2012

- Original Motion

"THAT the Brockville Council direct City Manager Bob Casselman to proceed with obtaining an Ontario Provincial Police Costing for the provision of police services to the City of Brockville"

- Amended Motion

"THAT the Ontario Provincial Police costing matter be referred to the Finance, Administration and Operations Committee meeting of April, 2013"

Process

- Brockville Police Service Board created a sub-committee to review and consider cost savings
- Brockville Police Service created an internal committee – members from across the organization
- Resulting in 13 Cost Saving and Revenue generating ideas
- Joint meetings between BPS Board Sub-Committee and Police Executive
- Recommendations to Board (In-Camera Meeting) March 28, 2013

Approved Plan

- Plan includes administrative and operational changes
- Plan shows significant potential savings of \$872,272
- Potential budget savings of 11.79%
- Plan will create revenue generating opportunities

Option B	2013	2014	Total
Cost	\$0 (\$117,856)	\$193,609	(\$311,465)
Savings	\$0 (\$106,111)	\$766,161	(\$872,272)

Conclusion

- Co-operation between Brockville Police Service Board and Brockville Police Service resulting in:
 - Operational and Administrative changes
 - Opportunities for Expansion of Services
 - Opportunities for Revenue Generation
 - BPS to run at very high level of efficiency

Citizens Offering Police Support

C.O.P.S



A Review of Brockville Police Service vs OPP

Chair Person:
Louise Severson

Phone Number:
613-342-3184

Purpose:

The purpose of this presentation is to examine and summarize the policing service options for the City of Brockville utilizing the information which has been gathered from open sources on the Internet and publicly available documents from the City of Brockville and various applicable provincial legislations and organizations. The goal is to provide information to the public regarding the advantages of keeping the Brockville Police Services utilizing this information and the experiences other municipalities have incurred throughout Ontario.

History of the Brockville Police Service:

In 2012 the Brockville Police Service celebrated 180 years of policing in this community and is largely considered the oldest police service in the province of Ontario. The Brockville Police Service was formed in 1832 when the hamlet became a Police Village under a Board of Police.

In 1876 Henry Mitchell became the first Chief of Police of the Brockville Police Service and presided over the small local force.

Chief Wilmot Young was Brockville's longest serving Chief, serving some 30 years from 1938-1968 and was instrumental in his work in helping create the Ontario Police College with other Chief's from across the province. The City of Brockville has recognized his contributions by naming a city street in his honour.

Today's Brockville Police Service:

Today the Brockville Police Service is comprised of 42 sworn police officers who are supported by 23 civilian staff for a total combined staff of 65.

Sworn member duties are divided amongst the patrol division, criminal investigations branch, community services, K9, and the court bureau. The

majority of these members provide front line response to the citizens of Brockville through their duties as members of the Patrol Division.

In 2011, the Brockville Police Service responded to 12,250 calls for service and had an exemplary clearance rate of 80%.

City of Brockville characteristics (Source: Statistics Canada)

The population of the City of Brockville in 2011 was 23,354 which is a 1.1% decrease from 23,620 in 2006. (Mayor Henderson likes to refer to the MPAC numbers for Brockville of 19, 204 when he tries to inflate the cost of policing. This has been a dispute for many years)

The population is contained with 27.24 square kilometres resulting in a high population density among our comparators of 857.3 people per square kilometre possibly contributing to our higher calls for service.

Brockville is located on Canada's busiest highway the 401, between two international bridges, is the seat of the United Counties of Leeds and Grenville Court, houses a provincial jail, and has on its borders a large psychiatric facility and secure regional treatment centre.

Brockville Police Service in the Community:

Members of the Brockville Police Services are involved in over 50 Community Policing initiatives including:

- Adopt a cop
- Bike Patrols
- Drug Awareness sessions for students
- Criminal Record Checks
- High Risk Offender Management
- Alternative Measure for Youth Justice

- Forensic Identification and Scenes of Crime
- K-9
- Marine Safety Patrol
- RIDE programs
- Selective Traffic Enforcement Program (STEP)
- VIPP Program
- Crime Stoppers
- Safe Communities Coalition
- VEP Program

Our members are also involved in the community being engaged and volunteering their time for numerous community organizations for raising awareness of mental illness, domestic violence and numerous service clubs to volunteering their time in many youth activities and sporting organizations.

Resource Material:

1) The Auditor General's Report on the OPP:

The OPP provides policing to 322 municipalities in the province of Ontario at an annual cost to municipal taxpayers of \$ 362 Million dollars. The reports details escalating police costs at the same time as crime rates are not growing. It further notes that Ontario has the highest per capita policing costs in the country.

Some of the key excerpts:

- Rising cost of policing with decrease in crime: Over the past 5 years calls for service to the OPP have remained relatively stable. By contrast net recoveries from municipalities increased by 27% over the same period of time.
- Need to update the staff deployment model: it has been more than 10 years since the (staff deployment model) was used to assess the deployment of some 1,550 ... officers that provide other front line policing.

Accordingly officers face different workloads depending on where they are assigned. Some detachments handled an average of 54% to 137% more calls than other detachments

- Unmeasured Response Times: OPP does not analyze either its officer's availability to immediately respond to a call or the time it takes to respond both key factors in deployment.
- Shift Scheduling: Current shift arrangements result in overstaffing during slow early morning hours compared to the busy afternoon hours. Eg. On Sundays they calculated 20% overstaffing of officers based on citizen calls for service
- Use of Civilians: OPP could assign more corporate services work and non-policing work to lower paid civilians to free up officer time for policing duties.
- Overtime: up by 60% to \$53 million for 2011-12
- Cost to municipalities and billing methods: Overall cost of OPP Services to Municipalities from 2007 to 2011 increased an average of 29% for those with contracts and 19% for those without up to 3 times the annual inflation rate. The cost per officer during this time increase from \$122,200 in 2007 to \$144,000 in 2011 or 18%. (BPS: \$103,300 in 2012 and \$108,251 in 2013)
- Other Financial Matters: municipalities should expect changes to the Provincial Service Usage (PSU) credits which make up for the time officers in detachments spend performing provincial police duties or working outside the detachment area. On average over the past 5 years municipalities have received \$23 million in credits. It is suggested this be reviewed in concert with the Policing Service Grant component of the Ontario Municipal Partnership Fund.

- The report also includes OPP commentary confirming that it is considering a per capita costing methodology. If implemented province wide such a change would significantly shift the policing cost burden across municipalities. It would have implications for contract and non-contract police communities and service enhancements which some pay a premium for.

(Source: Auditor General's Report 2012 and the AMO)

2) Brockville Police and OPP Agreements:

Brockville residents currently receive as a result of paying provincial taxes the following specialized services the OPP offers when requested by the Brockville Police as per our agreement with the OPP:

- Tactics and Rescue Unit
- Explosives Disposal Unit
- Underwater Search and Recovery Unit
- Public Order Unit
- Major Incident Command
- Collision Reconstruction
- Polygraph Unit
- Forensic Identification (works with our Forensic Identification Officer)
- Electronic Interception
- Surveillance: Physical, Video and Audio
- Major Case Management

3) Court Security (Municipal Responsibility)

Court Security is a municipal responsibility and not necessarily the responsibility of the police service. Court Security costs are currently part of the Brockville Police Service budget and as of January 2012 there is an agreement between the City and the Province to recover portions of the cost for providing court security.

However whether the Brockville Police Service provides policing to the City or any other policing service does this will be an expense to the City of Brockville.

4) Flawed Costing Process

When the OPP do a municipal police costing, they most often use the accounting firm of KPMG. Their conclusions have been brought into question by a number of municipalities including Port Hope and Midland for excluding certain revenues, the choice of comparative communities.

In addition the costing process doesn't take into account the current budget of the Brockville Police Service. For example the Brockville Police Service has included as part of their budget such municipal responsibilities as court security (recovered from the province), and human resource fees which are generally not included in the costing estimates provided by the OPP.

When we went through this in the 1990's all parties agreed on the models to be estimated and what was to be included in the estimation.

Further the City of Brockville has not attempted to provide an estimate on the cost to taxpayers to "shut down" the Brockville Police Service and pay severance to its employee's and break any current contractual commitments.

5) Mayor's Coalition:

The Mayor Coalition for Affordable, Sustainable, and Accountable Policing is a consortium of concerned municipalities who have formed a temporary coalition of elected representatives seeking to address the need for a complete shift from current policy in order to act on the unsustainable cost. These 114 Municipalities are primarily OPP policed communities in Ontario although there are some municipal policed communities.

Brockville is not one of the communities in the coalition.

As part of their lobbying efforts they state:

"Under the Provincial/OPP model; municipalities:

- Have no direct control over how the money they collect is spent;
- No direct accountability back to the municipality paying the bill;
- No control over policing strategy beyond general stakeholder consultation;
- No way to maintain their legal obligation under the Municipal Act to provide accountability back to the public about their money and paid services”

6) Municipalities who rejected the OPP:

There are communities who for their own individual circumstance have rejected OPP takeovers to keep their own forces. They include; Espanola, Gananoque, Innisfil, Port Hope and Sarnia.

7) Ontario Association of Police Services Boards opposition:

The Ontario Association of Police Services Boards (OAPSB) calls upon the provincial government to change Section 10 Police Services Act contracts regarding the provision of OPP services.

The OAPSB calls upon the provincial government to:

- Collaboratively establish a deployment and costing model that is more transparent, rational, equitable, understanding and acceptable to customers (such as a per capita costing model)
- Require each local Police Services board in Ontario to be a party to all Section 10 contracts regarding the provision of OPP Services and receive informational copies of all related invoices; and
- Limit annual increases in both contractual and actual Section 10 costs for basic policing services to the annual increase in the consumer price index.

8) Section 10 (OPP) Police Services Board vs Section 31 (Municipal) Police Services Board:

Section 10 (9) Role of Board:

- Participate in the selection of the detachment commander
- Generally determine objectives and priorities of police services after consultation with the detachment commander
- Establish after consultation with the detachment commander any local policies with respect to service
- Monitor the performance of the detachment commander
- Receive Regular reports from the detachment commander
- Review the detachment commander's administration of the complaints system

Section 31 (1) responsibilities of boards:

- Appoint members of the municipal police force
- Generally determine after consultation with the Chief; objectives and priorities with respect to policing services in the municipality
- Establish policies for the effective management of the force
- Recruit and appoint the Chief of Police and Deputy Chief and annually determine their remuneration and working conditions
- Direct the Chief and monitor his or her performance
- Establish policies respecting the disclosure by chiefs of personal information about anyone
- Receive regular reports from the chief
- Establish legal indemnification guidelines for members of members under Section 50
- Establish guidelines for dealing with complaints
- Establish guidelines for dealing with complaints
- Review Chief's administration of the complaints system

In other words; municipalities have a much greater role and control over a Section 33 municipal police service board than a Section 10 OPP board.