



Finance, Administration and Operations Committee

Tuesday, June 20, 2017, 4:15 pm
City Hall, Council Chambers

Committee Members

Councillor L. Bursey,
Chair
Councillor T. Blanchard
Councillor P. Deery
Councillor J. Fullarton
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Clerk's Office	CRCA
Environmental Services	Cemetery
Finance Department	Health Unit
Fire Department	Joint Services Committee
Human Resources Dept.	PLMG
Operations Department	Police Services Board
Airport Commission	Safe Communities Coalition
Arena Advisory Board	St. Lawrence Lodge Management Board
Brockville	Volunteer Awards
Municipal Accessibility Advisory Committee (BMAAC)	
	All legal matters [excepting the purchase and sale of land]

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AGENDA

Disclosure of Interest

Delegations and Presentations

1. Aquatarium
Mr. Tony Barnes

Mr. Barnes will present the yearly report to the Committee.

2. Spring Valley Homes Ltd.
Mr. Michael Veenstra

Mr. Veenstra will address the state of residential building activity and what is required to keep our industry from imploding.

Correspondence & Communications

Nil.

Reports from Boards and Committees

Nil.

Staff Reports

- | | |
|---------|---|
| 5 - 7 | <p>1. 2017-066-06
2017-2018 Insurance RFP</p> <p><i>THAT Council accept the May 18, 2017 proposal from Jardine Lloyd Thompson Canada Inc. (Halpenny Insurance) for the City's insurance policy for the period of July 1, 2017 to December 30, 2018 as received in the amount of \$372,347 (excluding applicable P.S.T).</i></p> |
| 8 - 10 | <p>2. 2017-065-06
Update on "Waste Free Ontario Act"</p> <p><i>THAT this report be accepted for information on the Waste Free Ontario Act.</i></p> |
| 11 - 34 | <p>3. 2017-067-06
Backflow Prevention By-law</p> <p><i>THAT Council authorize the enactment of a by-law to protect the City's drinking water system through the use of a backflow prevention by-law in the City of Brockville, as attached to staff report 2017-067-06.</i></p> |
| 35 - 37 | <p>4. 2017-068-06
Water Treatment Plant
Backwash Water System</p> <p><i>THAT Council approve funding in the amount of One Hundred and Fifty Thousand dollars (\$150,000.00) for the design and construction of a backwash water system at the City's Water</i></p> |

Treatment Plant; and

THAT the funds in the amount \$24,834.00 be allocated from a surplus in the 2014 Water Equipment/Construction Capital account 9403010- 9940365; and

THAT the remaining funds be allocated from the Water Rate Long Term Capital Asset Reserve.

- 38 - 47 5. 2017-070-06
Routine Disclosure Policy

THAT Council receive Staff Report 2017-070-06, Routine Disclosure Policy, (Schedule A to Report 2017-070-06) for information; and

THAT the Routine Disclosure Policy be implemented for the release of certain types of information without requiring a formal Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) request.

- 48 - 66 6. 2017-064-06
Vacancy Rebate Program Review

THAT the City of Brockville provides the appropriate resolution to the Ministry indicating that the City will be opting out of the Vacancy Rebate Program at the end of 2017.

- 67 - 73 7. 2017-072-06
Hospital Financing

THAT Council approves the financing requirement of the expansion of the Brockville General Hospital from the building permit and plumbing fees and development charges in the approximate amount of \$325,000 and through the incremental increase to fiscal policy and arena reserves in each of 2018, 2019, 2020 and 2021 in the amount of \$4,435,000.

New Business - Reports from Members of Council

Nil.

FAO - Consent Agenda

Adjournment

THAT the Finance, Administration and Operations Committee adjourn its meeting until the next regular meeting scheduled for July 18, 2017.

JUNE 9, 2017

REPORT FOR FINANCE & ADMINISTRATION COMMITTEE – JUNE 20, 2017

2017-066-06

**2017 CORPORATE INSURANCE
SERVICES**

**D. DICK
DIRECTOR OF CORPORATE SERVICES
L. WHITE
MANAGER OF STRATEGIC INITIATIVES**

RECOMMENDED

THAT Council accept the May 18, 2017 proposal from Jardine Lloyd Thompson Canada Inc. (Halpenny Insurance) for the City's insurance policy for the period of July 1, 2017 to December 30, 2018 as received in the amount of \$372,347 (excluding applicable P.S.T);

PURPOSE

To request Council approval for the acceptance of the City's insurance policy for an eighteen month period.

BACKGROUND

In April 2007, Council and staff agreed that a request for proposal (RFP) for insurance coverage should be issued every five years to determine if pricing might be less expensive with another insurer. From 2007 to 2012, the City was insured through BFL Canada and then with JLT from 2012 to present. In April of this year, the City issued a new Request for Proposal.

ANALYSIS

Four proposals were received:

BFL	\$492,780 plus taxes
Frank Cowan	\$474,797 plus taxes
JLT	\$372,347 plus taxes (incumbent)
AON	\$334,999 plus taxes

For comparison purposes, at the time of the last renewal with JLT, the City paid \$493,644 (including taxes) for 18 months.

The proposals from JLT and AON were reviewed as the pricing from BFL and Frank Cowan did not warrant including them in the review. It should be noted that each of the proponents has worked hard to present their proposals that are extensive and professionally produced. All four proponents are well recognized and credible providers of municipal insurance programs in Canada and all have significant portfolios of

municipal clients and all are providing insurance covers with 'A' rated licensed Canadian insurers.

Although the Aon premium is lower by \$37,348, there may be potential increased cost of risk as Aon's coverage differs from JLT's coverage, specifically with respect to deductibles.

The table below is a summary of some of the coverages:

Item	Aon	JLT
Sewer Back Up	Deductible of \$50,000 per occurrence	Deductible \$10,000 per claimant
Environmental Liability	\$50,000 Deductible, \$3,000,000 per claim and \$6,000,000 aggregate	\$50,000 Deductible, \$5,000,000 per claim and \$5,000,000 Aggregate
Wrongful Dismissal	\$5,000 Deductible not limited to defence cost. The original proposal stated the deductible was \$50,000 but this was revised.	\$5,000 Deductible, defence cost only.
Conflict of Interest	Deductible of \$50,000, limit of \$250,000	No deductible, \$100,000 limit
Legal Expense Reimbursement	Deductible of \$50,000. Coverage of up to \$250,000. Only applies if suit is found groundless by a court of law or arbitration proceeding.	No Deductible. Coverage of up to \$100,000 or \$500,000 Aggregate.
Property / Equipment	\$50,000 deductible.	\$50,000 deductible except for Fire Arts & Computer Equipment where the deductible is \$2,500.
Auto replacement coverage	\$10,000 deductible	\$10,000 deductible

Staff has reviewed the proposals and recommends that that JLT has met all of the requirements of the RFP, while providing for lower deductibles for several different coverages. Staff notes that the two renewals with JLT over the last five years resulted in no significant cost increase over the previous policy and while future increases cannot be projected, staff is assured that the Broker will continue to work on the City's behalf to keep increases at a minimum

While JLT did not deliver the lowest quote, the savings over the last policy's costs are significant. Staff contacted an independent Insurance Consultant to discuss the RFP results and his comments are: "When considering a change in provider where a lower cost is quoted, my experience has generally been to recommend a change only where the savings is more than 10%. That is on the understanding that the coverage and service level of the incumbent provider has been good. In this case the premium savings of Aon over JLT is 10.03%...However, the City must also recognize the lowest cost option with a further saving of 10.03% and determine if this saving must drive the final decision of the award".

POLICY IMPLICATONS

The City of Brockville's Purchasing Policy allows for the "The Municipality to have the exclusive rights to determine which Proposal is the most advantageous to the Municipality and which decision shall not necessarily be based on the lower cost bidder".

FINANCIAL IMPLICATIONS

The acceptance of the proposal from JTL will result in substantial savings in the corporate insurance costs of over \$115,000 for the 18 month term (approximately \$80,000 per annum).

The savings will represent a savings of approximately \$40,000 in 2017 and a reduction of \$80,000 for insurance costs will be incorporated into the 2018 budget.

It should be noted that there is a significant of staff time required to change insurance providers.

CONCLUSIONS

Although previous Insurance providers, Frank Cowan and BFL have both provided the City with excellent service over the years, the proposals received did not merit review based on their cost.

Staff has received exceptional service from the staff at Halpenny Insurance, Brokers for JLT.



L. White
Manager of Strategic Initiatives

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D. Dick
Director of Corporate Services

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B. Casselman
City Manager

*Mr. Dick and Mr. Casselman have approved this report.
A signed copy will be available on Monday.

June 6, 2017

REPORT TO FINANCE, ADMIN., AND OPERATIONS COMMITTEE – June 20, 2017

**2017-065-06
UPDATE ON
'WASTE FREE ONTARIO ACT'**

**P. RAABE, P.ENG.

DIRECTOR OF ENVIRONMENTAL
SERVICES
L. D'ENTREMONT
SOLID WASTE OFFICER**

RECOMMENDED

THAT this report be accepted for information on the Waste Free Ontario Act.

PURPOSE

The purpose of this report is to provide a brief overview of the new legislative framework to manage solid waste in Ontario and examine its potential impacts on the City of Brockville.

BACKGROUND

In November 2015, the Minister of the Environment and Climate Change (MOECC) introduced a new legislative framework for managing waste in Ontario under Bill 151, Waste Free Ontario Act (WFOA). The legislation is comprised of two Acts, the Resource Recovery and Circular Economy Act (RRCEA), and the Waste Diversion Transition Act (WDTA). Accompanying the proposed legislation was a document titled, Strategy for a Waste Free Ontario: Building the Circular Economy. The WFOA aims for full producer responsibility for designated waste materials, meaning the producers of these materials would need to manage the recycling or end-of-life processes, or cover 100% of the costs associated with managing the waste.

Bill 151 received Royal Assent in June 2016 and was later proclaimed in November 2016, and subsequently, the final version of the Strategy was released on February 28, 2017.

Currently, the Province is now operating under the Waste Diversion Transition Act that includes a stipulation which essentially states that all waste diversion programs will continue as they were under the previous Waste Diversion Act, 2002 until the WDTA ultimately "wind-ups" (terminates) the existing waste diversion programs and the industry funding organizations (IFOs) that operate them, and the RRCEA comes into effect. The programs to be wound up include the tire stewardship program (estimated wind up in 2017; Minister has already written to the current tire stewardship to submit wind up plans), waste electronics and electrical equipment (estimated wind up in 2018), municipal hazardous and special waste (estimated wind up by 2020), and lastly, the blue box program. The blue box program is estimated to be wound up by 2022, however, the Association of the Municipalities of Ontario (AMO) is pushing to have that program wound up quicker in order to incrementally work towards the 100% coverage of costs.

ANALYSIS/OPTIONS

The general intent of the Acts is to move the financial responsibility of collecting and processing designated waste materials from municipalities to the producers and to stimulate a circular economy.

The Province will prescribe diversion targets to producers of specified materials or products but will not dictate how they are to meet the diversion targets. This leaves a number of options for the producers. For example: they can create their own depots to capture materials; they can operate their own curbside collection programs; or they can continue to rely on municipal collection systems and pay the municipalities a set rate or 100% of the collection and processing costs. The new Acts do not legally obligate municipalities to manage any designated materials, but there is an option to participate and be compensated fully if the producers choose to do so.

It is the hope of AMO that the Act should also aim to include Industrial, Commercial and Institutional (IC&I) wastes into the scope of producer responsibility, as the current programs focus mainly on residential wastes.

POLICY IMPLICATIONS

Municipalities will have to align policies and by-laws for any future changes.

FINANCIAL CONSIDERATIONS

Currently, the City mainly utilizes two of the waste diversion programs slated for "winding up"—the municipal hazardous and special waste (MHSW) program and the blue box program. The City operates a one day a year event to collect MHSW from residents. Some of the materials collected are covered under industry funded organizations (IFOs) to recover the costs of collecting and processing the materials. These materials include paints, antifreeze, oil containers & filters, batteries, propane tanks, etc. The total cost for the MHSW depot day in 2016 was \$47,359 and a total of \$21,715 was recovered through the IFOs for the designated materials. The blue box program is designed so that producers of designated blue box materials pay into Stewardship Ontario for a total of approximately 50% of the total residential blue box related costs (previous years have been less than 50% and the amount is regularly disputed by the producers and sent to arbitration). The municipalities are then reimbursed for blue box costs (including collection, processing, administration, promotion and education, etc.) based on their Datacall submissions. Datacall is submitted to the Resource Recovery & Productivity Authority, RPRA (formerly Waste Diversion Ontario). The reimbursement amount is estimated to be approximately 50% of the total gross residential blue box costs, however additional money is awarded based on the municipality's best practice score. In 2016, the City received \$123,380 based on the total gross residential costs of \$199,316 as submitted for Datacall of 2014.

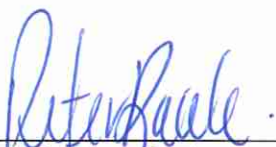
At this time, these programs are not expected to wrap up completely in 2017 or 2018. There is no indication of how these programs will wind down, or what the new

regulations for these materials will include. The ideal outcome of a full producer responsibility system would be that, if municipalities continue to operate collection/processing programs, 100% of the above costs would be paid for by the producers, however, it is not clear how the producers will proceed at this time.

There are still questions that remain for municipalities, including how to deal with current collection contracts, how to manage and be compensated for designated materials that still end up in the waste stream, promotion and education for residents, ensuring compliance with the new programs, how diversion targets are set and enforced, etc. These questions have not yet been answered but will continue to be monitored.

CONCLUSION

At this time, the understanding and implications of the legislation are largely unknown, and virtually all of the substantive details on the Acts and Strategy will be accomplished from future regulations. There are many questions from municipalities still remaining unanswered. Municipalities have been the sole providers of waste collection for residents for many decades and residents will continue to look to municipalities for answers during the transitional period. Staff will continue to monitor any changes and will attend any consultations or workshops during the transition.



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



L. d'Entremont
Solid Waste Officer



D. Dick, CPA, CA
Director of Corporate Services

B. Casselman
City Manager

June 09, 2017

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – JUNE 20, 2017

**2017-067-06
BACKFLOW PREVENTION
BY-LAW**

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

RECOMMENDED

THAT Council authorize the enactment of a by-law to protect the City's drinking water system through the use of a backflow prevention by-law in the City of Brockville, as attached to staff report 2017-067-06.

PURPOSE

The Backflow Prevention By-law is intended to prevent the backflow of contaminated water into the City's water supply from buildings connected to the City's drinking water system.

BACKGROUND

Over the past number of years the Ministry of the Environment and Climate Change (MOECC) annual inspection report of the City's Water Treatment Plant has recommended the City implement a Backflow Prevention By-law in accordance with the Ministry's Guide for Drinking Water Systems Owners Seeking to Undertake a Backflow Prevention Program, as a best management practice.

And, the City's 2017 Drinking Water Quality Management System annual external audit identified the implementation of a Backflow Prevention By-law as an opportunity for improvement.

Most municipalities in Ontario now either have or are in the process of developing a backflow prevention by-law. City staff has used other municipalities' by-laws as a template in the development of the proposed attached by-law.

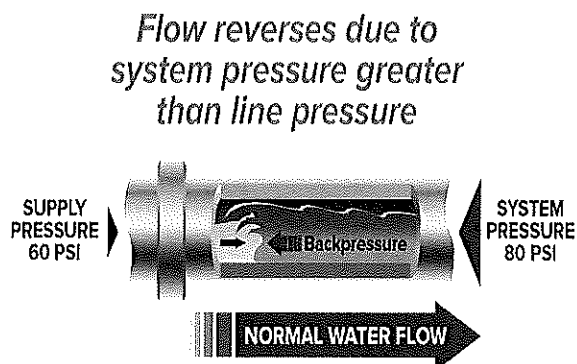
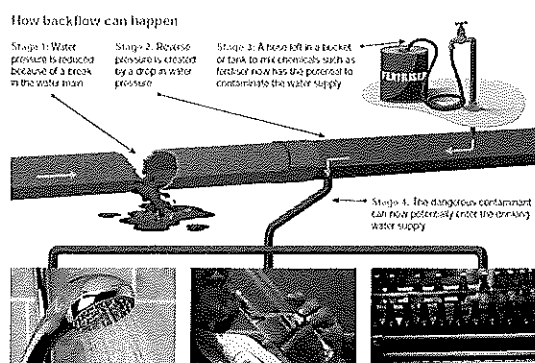
What is Cross-connection and Backflow

A cross-connection is an actual or potential connection between a potable water system and any environment that would allow other substances to enter the water system, such as chemicals, water products, steam, water from other sources, and any matter that could change the quality, color, taste or odour to the water.

Backflow is the mechanism through which those other substances enter the potable water system as a result of a cross-connection. Backflow can occur as a result of back siphonage (when negative pressure exists within the water system) or back pressure (when the building water pressure is greater than the water system pressure).

Report 2017-067-06
Backflow Prevention
By-law

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ANALYSIS/OPTIONS

The proposed Backflow Prevention By-law is to apply to all existing and future industrial, commercial, institutional and multi-residential buildings with the following exceptions. Buildings that are used for residential occupancies, business and personal services occupancies, mercantile occupancies or medium or low hazard industrial occupancies that are three or fewer storey in building height and have a building area not exceeding 600 m² (6,500 ft²) are exempt.

A review of the City's customer's accounts indicates that there will be approximately 300 customers that will have to comply with the proposed by-law. It is anticipated that a good number of them will already have backflow prevention devices in place and will only be required to complete the Cross Connection Control Survey and the Backflow Prevention Device Test Report.

The following is a short description of how the process will work:

Step One – The City of Brockville will contact the building owner and have them complete a Cross Connection Control Survey (CCCS) of their plumbing system. The survey is to be completed by qualified and approved personnel at the owner's expense and submit it to the City within 60 days of receiving the request.

Step Two – If the CCCS identifies a Degree of Hazard as severe, the owner has 30 calendar days from identifying the hazard as severe to install a backflow prevention device. If the CCCS identifies a Degree of Hazard as moderate or minor, the owner has 90 calendar days to install a backflow prevention device.

Step Three – Before the backflow prevention device is installed, the owner must obtain a plumbing permit from the City's Building Division. Once the plumbing permit has been obtained, the qualified person contracted by the property owner (at the owner's expense) will install and test the backflow prevention device. The qualified person will

then complete and submit a Backflow Prevention Device Test Report to the City confirming the backflow device has been installed, tested and is operating properly.

Step Four – Upon receipt of the test report, the City will inspect the backflow device to ensure all code and by-law requirements have been met.

Step Five – After completion of a successful inspection, the City will notify the owner that the device has been installed to an acceptable state.

Maintenance – The backflow device must be tested annually by a qualified person (at owner's expense) to ensure it is in good working condition. When a device is tested, a copy of the test report is to be provided to the City within 14 days. All backflow devices tested are to have a City of Brockville Test Tag affixed to the device.

POLICY IMPLICATIONS

The proposed by-law would be in support of the Safe Drinking Water Act, the Ontario Building Code, and the City's Strategic and Sustainability Plans.

FINANCIAL CONSIDERATIONS

It is expected that the implementation of the backflow prevention device program can be achieved within City staff's current work load with very little or no additional cost to the City.

However, there will be a cost to the building owner for the following:

- completion of the Cross Connection Control Survey
- obtaining a plumbing permit
- installation of the backflow prevention device
- purchasing of the backflow prevention device
- completion of the Backflow Prevention Device Test Report
- annual testing and reporting

The estimated cost of a backflow prevention device ranges from \$600 for a 50 mm one to \$3,200 for a 150 mm one, not including the cost for installation.

CONCLUSION

In summary, there is a strong public safety, regulatory and technical basis upon which to implement a Backflow By-law for the City of Brockville.

Report 2017-067-06
Backflow Prevention
By-law


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



D. Richards
Supervisor Water Systems



D. Dick, CA, CPA
Director of Corporate Services

B. Casselman
City Manager

City of Brockville Ontario, Canada



A By-Law to Provide for the Regulation of Backflow Prevention and Cross Connection Control, for the City of Brockville - Brockville Drinking Water System

Back Flow Prevention By-Law No. XXX-2017

Consolidated Copy

Enacted by Council ????????

THE CORPORATION OF THE CITY OF BROCKVILLE
By-law Number xxx-2017

A By-Law to Provide for the Regulation of Backflow Prevention and Cross Connection, for the City Of Brockville / Brockville Drinking Water System

WHEREAS Section 8 of the Municipal Act, R.S.O. 2001, S.O. 2001, as amended ("*the Municipal Act, 2001*"), provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under the Act;

AND WHEREAS Section 9 of *the Municipal Act, 2001*, provides a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS Section 10 (2) of *the Municipal Act, 2001*, S.O. 2001, provides that a single-tier municipality may pass By-laws respecting matters within the spheres of jurisdiction set out therein including, inter alia, public utilities;

AND WHEREAS Section 80 (1) of *the Municipal Act, 2001*, S.O. 2001, provides that a municipality may enter onto land to which it supplies a public utility to inspect, repair, alter or disconnect the service pipe or wire, machinery, equipment and other works used to supply the public utility;

AND WHEREAS Section 11 of the Safe Drinking Water Act, requires every owner and operator of a municipal drinking water system to ensure that all water provided by the system meets the requirements of drinking water quality standards and that the drinking water system is operated in accordance with the Safe Drinking Water Act;

AND WHEREAS at a meeting held on xxx the Council of the Corporation of the City of Brockville deemed it expedient to enact a By-law to establish authority for regulating cross connections for the prevention of drinking water contamination.

AND WHEREAS it is essential to the citizens of the City of Brockville to have a reliable, safe supply of drinking water;

NOW THEREFORE the Council of the Corporation of the City of Brockville enacts as follows:

1.0 DEFINITIONS

For the purposes of this By-law, the following terms shall have the corresponding meanings:

- a) "Authorized Functions List" means the list of functions and the persons authorized to carry out such functions as set out as Schedule "A" of this By-law, in conjunction with the City's pre-qualification program;
- b) "auxiliary water supply" means any water source or system, other than the City's municipal drinking water system, that may be available in a building or on any property;
- c) "backflow" means the flowing back of or reversal of the normal direction of flow of water;
- d) "backflow prevention device" means a device or method that prevents backflow;
- e) "building" shall have the same meaning as set out in the Building Code Act, S.O. 1992, c. 23, as amended;
- f) "City" means The Corporation of the City of Brockville and includes its employees, servants and agents;
- g) "cross connection" means any actual or potential connection between a potable water supply or system (including the municipal drinking water system) and any source of pollution or contamination and includes any by-pass, jumper connection, removable section of pipe, swivel or changeover device and any other temporary or permanent connection arrangement through which backflow may occur;
- h) "cross connection survey" means a report which must include existing backflow prevention devices, cross connections discovered, corrective measures and recommendations on the standard City of Brockville cross connection control survey, as amended from time to time;
- i) "CSA Standard" means the document entitled CANICSA-

B64.10-94 & Amendments Manual for the Selection, Installation, Maintenance and Field Testing of Backflow P Prevention Devices published in 1994 by the Canadian Standards Association or any successor thereof;

- j) "fire hydrant" means an upright pipe with a nozzle or spout for drawing water from a water main for the purpose of fighting fires and other municipal operational uses;
- k) "minor hazard" means an existing connection or potential connection between the domestic water pipe and any pipe, vat or tank intended for carrying or holding potable water, which has a low probability of becoming a moderate hazard;
- l) "moderate hazard" means an existing connection or potential connection between the domestic water pipe and any pipe, vat or tank intended for carrying or holding potable water; or a cross connection or potential cross connection involving any substance which has a low probability of becoming a severe hazard and would constitute a nuisance or be aesthetically objectionable if introduced into the municipal drinking water system;
- m) "municipal drinking water system" means the City's system of works, excluding plumbing, that is established for the purpose of providing users of the system with drinking water, and that includes:
 - a. Anything used for the collection, production, treatment, storage, supply or distribution of water;
 - b. Anything related to the management of residue from the treatment process or the management of the discharge of a substance into the natural environment from the treatment system; and
 - c. A well or intake that serves as the source or entry point of raw water supply for the system.
- n) "Owner" means the registered owner of the lands and premises or the person or his authorized agent in lawful control of the premises, building or occupancy and who permits the operation or maintenance of any business;

- o) "person" includes any individual, Corporation, partnership, company, association or party and the heirs, executors, administrators, or other legal representative of such person, to whom the context can apply according to law; shall include any group of persons comprising a society or other organization and shall include the plural wherein the context requires. Wherever the word "he" or "him" is used, it shall mean and include the feminine or neuter gender wherever the context so requires;
- p) "plumbing system" means a system for water and wastewater not on the City right of ways and easements, separate from the municipal drinking water system as defined in the Building Code Act; as amended;
- q) "potable water" means water that is safe for human consumption;
- r) "premises" means any real property and the buildings it contains
- s) "premise isolation" means isolation of the water located within a building or structure from the municipal drinking water system;
- t) "private fire hydrant" means an upright pipe with a nozzle or spout that is situated on private property for drawing water from a water main for the purpose of fighting fires
- u) "severe hazard" means an existing connection or potential connection between the domestic water pipe and any pipe, vat or tank intended for carrying or holding potable water; or a cross connection or potential cross connection involving and substance in sufficient concentration to cause death, spread disease or illness, or contain any substance which has a high probability of causing such effect;
- v) "source isolation" means isolation of the water located within or having flowed through a source or potential source of contamination within a building or structure including a device, machine, water system or the like, from any potable water system;
- w) "structure" means anything constructed or built permanently or temporarily which is provided with a source of potable water;

- x) "Backflow Prevention Device Test Report" means a standard City of Brockville cross connection control test report, as amended from time to time;
- y) "Backflow Prevention Device Test Tag" means a standard City of Brockville cross connection control test tag, as amended from time to time;
- z) "Certified tester" means an individual who has been certified as a tester by the Ontario Water Works Association;
- aa) "water meter" means device installed within a premises to record the amount of water supplied to such premises; and
- bb) "zone isolation" means the isolation of the water located within an area of a building or structure from any potable water system located within such building or structure.

2.0 INTERPRETATION

2.1 In this By-law:

- a) words importing the singular number or the masculine gender only, include more persons, parties or things of the same kind than one and females as well as males and the converse;
- b) a word interpreted in the singular number has a corresponding meaning when used in the plural; and
- c) "Subsection" when used without reference to another section, refers to a subsection contained in the same section in which the phrase is used.

2.2 It is declared that if any section, subsection or part or parts thereof be declared by any court of law to be bad, illegal or ultra vires, such section, subsection or part or parts shall be deemed to be severable and all parts hereof are declared to be separate and independent and enacted as such.

3.0 APPLICATION OF BY-LAW

- 3.1 This By-law applies to all existing and future industrial, commercial, institutional and multi- residential buildings and structures, except buildings of residential occupancies as described in Division A, Article 1.1.2.4 of Ontario Regulation 350/06 (Building Code Act) or any successor thereof.
- 3.2 In addition to and notwithstanding Section 3.1 of this By-law, this By-law applies where a condition exists in any building or structure that may be hazardous or detrimental to the municipal drinking water system.
- 3.3 In addition to and notwithstanding Section 3.1 of this By-Law, this By-law applies to plumbing in residential occupancies having connections to the municipal drinking water system *and* any auxiliary water supply, lawn sprinkler or irrigation system, or fire protection system (except for a residential full flow through fire sprinkler system).

4.0 GENERAL PROVISIONS

- 4.1 In addition to any other provisions of this By-law, the City may at any time order an owner to conduct tests, provide reports and undertake any other measures required for the prevention of backflow or protection of a cross connection.
- 4.2 Where a time frame is prescribed in this By-law, the City may extend the time for compliance provided such extension is reasonably required and is acceptable to the City.
- 4.3. All cross connection surveys and Backflow Prevention Device Test Reports are to be submitted to the City of Brockville
- 4.4 Schedule "A" shall form part of this By-law.

5.0 BACKFLOW PREVENTION AND PROTECTION FROM CONTAMINATION

- 5.1 No owner, shall connect, cause to be connected, or allow to remain connected to a plumbing system which is connected to the municipal drinking water system or any other potable water system any piping, fixture, fitting, container, appliance, vehicle, machine or the like, in a manner which may under any circumstances, allow any liquid including but not limited to water, untreated or otherwise, waste water, or any source of pollution or any other liquid, chemical, gas or other substance to enter the municipal drinking water system or any other potable water system.
- 5.2 In accordance with the provisions of this By-law, every owner of property to which this By-law applies shall ensure that a backflow prevention device is installed in respect of premise isolation, source isolation and/or zone isolation in every building or structure where a municipal drinking water system or other potable water exists.
- 5.3 No owner shall connect, cause to be connected, or allow to remain connected; any auxiliary water supply to the municipal drinking water system.

6.0 REQUIRED SURVEYS

- 6.1 Every owner of a building or structure as set out in Section 3 of this By-law shall cause to be carried out a cross connection survey of the plumbing system associated with each of his or her buildings and structures and shall ensure that such survey is undertaken by approved personnel pursuant to the Authorized Functions List (see Schedule "A") at the Owner's expense.
- 6.2 The cross connection control program survey shall be in the standard City of Brockville cross connection control survey format, as amended from time to time, and shall be completed along with a Backflow Prevention Device Test Report (if required), which shall include existing backflow prevention devices, cross connections discovered, corrective measures, recommendations and a schedule of work to be completed. The survey and report shall be submitted

to the City within 60 days of the date of the request.

6.3 A cross connection control program survey shall be completed at a frequency of:

- a) every 5 years from the date of the first survey requested;
- b) upon change of ownership or change of use or as otherwise required by the City

6.4 Upon identification of Severe Hazard, the approved company or person as prescribed in the Authorized Function List and/or Owner, within 24 hours shall notify the City in writing.

7.0 APPLICATION OF STANDARDS AND SELECTION OF METHODS

7.1 Except as otherwise set out in this By-law, the installation, maintenance, and field testing of backflow prevention devices shall be in accordance with CSA Standard.

7.2 Every owner shall ensure that every backflow prevention device required for premise isolation on his or her property is a testable device and is the proper device to be used pursuant to Section 5.2 of this By-law.

7.3 The backflow prevention devices whether it be for premise isolation, source isolation or zone isolation shall be determined by a professional engineer or master plumber using the Building Code, as amended or any successor thereof; and the CSA Standard, as amended or any successor thereof.

7.4 Despite Section 5.2 of this By-law, where a source isolation backflow prevention device has been previously installed by the manufacturer of equipment, the cross connection is required to be reviewed by an approved company or person as prescribed in the Authorized Functions List to determine if the backflow prevention device meets the selection specifications. These cross connections are to be clearly indicated on the cross connection survey.

8.0 INSTALLATION OF BACKFLOW PREVENTION DEVICES

8.1 Every person installing a backflow prevention device shall ensure that:

- a) such device is installed in accordance with acceptable engineering practices and the requirements of the Building Code Act, as amended or any successor thereof; this By-law, and the CSA Standard or any successor thereof; such device is installed in a building or structure;
- b) such device is located in such a manner so that in the event of backflow the device prevents contamination of the municipal drinking water system and any other potable water system;
- c) where such device is installed in respect of premise isolation, such device is located within a maximum of 3.0 meters downstream of the water meter, except where circumstances require the device to be installed upstream of the water meter and such location is to the satisfaction of the City;
- d) where such device is installed in respect of premise isolation, all piping between the water meter and such device is clearly and permanently labelled "no connections permitted";
- e) where such device is installed in respect of source or zone isolation, all piping between the point of potential contamination and the point at which the device is located is clearly and permanently labelled "non-potable water" and no new connection shall be permitted unless authorized by the City; and
- f) where such device is installed in a public pool as defined in the Building Code Act, as amended; all exposed water piping within the water treatment service room shall be colour coded by means of:

- i. painting the entire outer surface of the piping, or
- ii. coloured bands at least 25mm (1 inch) in width that are spaced along the piping at intervals of not more than 1200mm (4 feet 1 inch);
- iii. colour coding referred to in (i) and (ii) shall be yellow for chlorine and green for potable water.

8.2 Every owner of property upon which a backflow prevention device is installed shall ensure that such device is maintained in proper working order at all times.

8.3 Where in the opinion of the City, a risk of possible contamination of the municipal drinking water system exists, an owner on notice from the City, shall install premise isolation in addition to any other source of protection devices on the premise.

9.0 MAINTENANCE AND FIELD-TESTING OF CROSS CONNECTION CONTROL METHODS

9.1 Every person who tests a backflow prevention device shall carry out such testing in strict accordance with this By-law and the CSA Standard.

9.2 Notwithstanding Section 6.3.1 of the CSA Standard, every person who tests a backflow prevention device shall enter the results of such test on a Backflow Prevention Device Test Report.

9.3 Every person who tests a backflow prevention device shall:

- a) be a certified tester by the OWWA, in addition to meeting the requirements listed on the Authorized Functions List in Schedule "A" of this By-law;
- b) within 14 days of carrying out such a test, provide a legible Test

Report to the City;

- c) upon completing such test, complete and affix a standard City of Brockville Backflow Prevention Device Test Tag to the device or immediately adjacent to the device on the piping connected thereto; and
- d) upon finding that such device is malfunctioning or otherwise not maintained in proper working order, immediately notify the owner of the premises and the City in writing of such condition.

9.4 Every owner who has a backflow prevention device located on his or her property shall ensure that:

- a) such device is tested by a qualified tester when it is first installed and annually thereafter and/or upon request by the City and also when it is cleaned, repaired, overhauled, or relocated;
- b) when such device is tested that a Backflow Prevention Device Test Report is provided to the City within 14 days; and
- c) in the event that such device is malfunctioning or otherwise not in proper working order, the device is immediately repaired or replaced, and the City is notified.

9.5 If an owner fails or neglects to make the appropriate repairs or replace the defective device immediately after a failed test, the City may issue a notice as described in Section 13 of this By-law or may discontinue the supply of water from the municipal drinking water system to the plumbing system on the premise.

9.6 If an owner fails or neglects to have a backflow prevention device tested, the City may notify the person that the backflow prevention device must be tested within a specified time.

- 9.7 If an owner fails to have a backflow prevention device tested within the time frame specified on the notice, the City may discontinue the supply of water from the municipal drinking water system to the plumbing system on the premise until the backflow prevention device has been tested and approved as required by Section 9 of this By-law.

10.0 BACKFLOW TEST EQUIPMENT MAINTENANCE

- 10.1 Where required by CSA Standard B64.10.1 as amended; all equipment used to test backflow prevention devices shall be verified and/or calibrated for accuracy.
- 10.2 Proof of such verification and/or calibration shall be presented to the City upon request, and in conjunction with the submission of Backflow Prevention Devices Test Reports.

11.0 REMOVAL OF BACKFLOW PREVENTION DEVICES PROHIBITED

- 11.1 No owner of a building or structure in which a backflow prevention device is installed shall cause or permit the removal of such device or part thereof unless such removal is to replace the device with another device that meets or exceeds the provisions of this By-law.

12.0 INSPECTION FOR CROSS CONNECTIONS –ACCESS

- 12.1 The City shall be permitted access, within 24 hours of providing notice, to any premises that are connected to the municipal drinking water system for the purpose of performing inspections to verify compliance with this By-law.
- 12.2 Where in the opinion of the City, a risk of possible contamination of the municipal drinking water system exists; the City shall be permitted immediate access to any premises that are connected to the municipal drinking water system. In such instances, the City may require a routine cross connection inspection of the premises to be performed by an approved company or person as described in

the Authorized Functions List (see Schedule "A"). Should an unsafe and/or undocumented cross connection be found during said inspection, the cost of the inspection shall become the responsibility of the owner.

- 12.3 Upon failure to permit access as prescribed in Section 12.1 or 12.2, a written notice by the City may be issued, prescribing the time frame within which access must be provided. If access is not provided within the prescribed time frame, the City may order the supply of water from the municipal drinking water system to the plumbing system on the premises to be discontinued until such time as access is provided.

13.0 ORDER TO CORRECT CROSS CONNECTION

- 13.1 Should a condition be found to exist which is contrary to Section 5 of this By-law, the City, at its sole discretion may:
- a) Give notice to the owner to correct the fault at their expense within a specified time period and if the notice is not complied with, the City may then discontinue the supply of municipal water to the plumbing system; and/or
 - b) Issue an unsafe order under 'unsafe requirements' in accordance with the Ontario Building Code Act if a condition exists that could be hazardous to the health or safety of persons in the normal use of the building, persons outside the building or persons whose access to the building has not been reasonably prevented, and/or
 - c) Without notice to the owner, discontinue the supply of municipal water to the plumbing system, where the City, at its discretion, has determined that an immediate severe hazard exists that could result in contamination of the municipal drinking water system that may endanger public health or safety.

14.0 PERMITTED PERSONS AND AUTHORIZED FUNCTIONS

- 14.1 Only those persons listed in the Authorized Functions List (see Schedule "A") and pre-qualified with the City of Brockville shall carry out the corresponding functions set out in such list.
- 14.2 The Water Systems Division will administer a pre-qualification program for persons listed in the Authorized Functions List (see Schedule "A")

15.0 HYDRANTS

- 15.1 No person shall connect, cause to be connected, or allow to remain connected, any piping, fixture, fitting, container or appliance to a City owned, or private fire hydrant in a manner which, under any circumstances may allow water, wastewater or any liquid or substance of any kind to enter the municipal drinking water system.
- 15.2 With the exception of water used for fire-fighting and municipally approved maintenance or operations, any other use of a City owned, or private fire hydrant for water supply is prohibited without first acquiring approval from Environmental Services Department, Water Systems Division.
- 15.3 Any hydrant situated within the road allowance is the property of the City and shall be maintained by the City.
- 15.4 All private hydrants are the responsibility of the property owner and must be installed and maintained according to:
- a) City of Brockville standards as amended from time to time;
 - b) The Fire Prevention and Protection Act as amended;

- c) The Building Code Act as amended; and
- d) NFPA 24 - Installation of Private Fire Service Mains and Their Appurtenances as amended.

16.0 IMPLEMENTATION AND COMPLIANCE

16.1 Installation of backflow prevention devices shall occur within the timeframes below, for the degree of hazard;

Degree of Hazard

Compliance Date

Severe

No later than 30 calendar days from the date of identification of the hazard as severe

Moderate and Minor

No later than 90 days from the date of notification of the hazard as moderate or minor

16.2 Cross connection control program surveys as required in Section 6 of this By-law shall be submitted to the City within 60 calendar days of request of survey by the City or within 60 calendar days of notification by the City of the requirement.

17.0 ENFORCEMENT

17.1 The By-law shall be enforced by a building inspector employed by the City of Brockville; or any person appointed by the Chief Building Official; any Staff from the Water Systems Division or any person appointed by the Director of Environmental Services; or any Municipal By-law Enforcement Officer of the City of Brockville.

18.0 FEES

- 18.1 All user fees that may apply to this By-law are non-refundable and are indicated in the City of Brockville's Fees By-law as amended.

19.0 PENALTY

- 19.1 Every person who contravenes any of the provisions of any section of this By-law and every Director or Officer of a Corporation who knowingly concurs in the contravention of a By-law by the Corporation is guilty of an offence under the provisions of *the Municipal Act 2001, s 429*.
- 19.2 For the purpose of continuous offences, every person who contravenes any provision of this By-law and every Director or Officer of a Corporation who knowingly concurs in the contravention of a By-law by the Corporation is guilty of an offence and liable on conviction to a penalty not exceeding \$10,000, exclusive of costs under the provisions of *the Municipal Act 2001, s. 429*, as amended. Despite paragraph 1, the total of all daily fines for the offence is not limited to \$100,000.
- 19.3 For the purpose of multiple offences, every person who contravenes any provision of the By-law and every Director or Officer of a Corporation who knowingly concurs in the contravention of a By-law by the Corporation is guilty of an offence and liable on conviction to a penalty not exceeding \$10,000, exclusive of costs under the provisions of *the Municipal Act 2001, s, 429 (1)* (3) as amended. Despite paragraph 1, the total of all daily fines for the offence is not limited to \$100,000.

20. ENACTMENT

20.1 This by-law shall be known as the "Backflow Prevention and Cross Connection By-Law" of The Corporation of the City of Brockville.

20.2 THAT this By-law shall come into force and effect on the date of passage.

Given under the Seal of the Corporation
of the City of Brockville and Passed this
xxth day of xx, 2017

Mayor

City Clerk

Authorized Functions List
Schedule "A" By-law xxx-2017

<i>ITEM</i>	<i>FUNCTION</i>	<i>Professional Engineer with OWWA Tester's Certificate</i>	<i>*Certified Engineering Technologist with OWWA Tester's Certificate</i>	<i>Licensed Master Plumber with Contractor's License and OWWA Tester's Certificate</i>	<i>**Journeyman Plumber with OWWA Tester's Certificate</i>	<i>***Apprentice Plumber with OWWA Tester's Certificate</i>	<i>Fire System Sprinkler Fitter with OWWA Tester's Certificate</i>	<i>Certified Water Operator with OWWA Tester's Certificate</i>
1.	Carry out Cross Connection Survey	✓	✓	✓	✓			
2.	Install, relocate or replace backflow prevention device			✓	✓	✓		
3.	Repair of Backflow Prevention Device	✓	✓	✓	✓	✓		
4.	Test Backflow Prevention Device	✓	✓	✓	✓	✓		

Authorized Functions List
Schedule "A" By-law xxx-2017

ITEM	FUNCTION	Professional Engineer with OWWA Tester's Certificate	*Certified Engineering Technologist with OWWA Tester's Certificate	Licensed Master Plumber with Contractor's License and OWWA Tester's Certificate	**Journeyman Plumber with OWWA Tester's Certificate	***Apprentice Plumber with OWWA Tester's Certificate	Fire System Sprinkler Fitter with OWWA Tester's Certificate	Certified Water Operator with OWWA Tester's Certificate
5.	Items 1, 2, 3, & 4 above in respect of Fire Protection Systems	✓	✓	✓	✓	✓	✓	
6.	Item 3 & 4 above in respect of lawn Sprinkler Systems	✓	✓	✓	✓	✓		
7.	Item 2, 3 & 4 above in respect to the Municipal Water System	✓	✓	✓	✓	✓		✓

* Required to be under the direction of a Professional Engineer

** Required to be employed by a Licensed Plumbing Contractor

*** Required to be employed by a Licensed Plumbing Contractor and under the direct supervision of a Journeyman Plumber or Master Plumber

June 09, 2017

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – JUNE 20, 2017

**2017-068-06
WATER TREATMENT PLANT
BACKWASH WATER SYSTEM**

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

RECOMMENDED

THAT Council approve funding in the amount of One Hundred and Fifty Thousand dollars (\$150,000.00) for the design and construction of a backwash water system at the City's Water Treatment Plant; and

THAT the funds in the amount \$24,834.00 be allocated from a surplus in the 2014 Water Equipment/Construction Capital account 9403010- 9940365; and

THAT the remaining funds be allocated from the Water Rate Long Term Capital Asset Reserve.

PURPOSE

The purpose of this report is to get Council's approval to proceed with a project to direct all backwash water at the City's Water Treatment Plant to the City's sanitary sewer system and to approve sufficient funding to complete the work.

BACKGROUND

On February 28, 2017, an enforcement officer from Environment Canada's Enforcement Branch conducted an unannounced inspection at the City's Water Treatment Plant. During the course of the inspection, the officer noted that a portion of the WTP's backwash water was being deposited into the St. Lawrence River. The officer took a sample of the backwash water and noted that there was chlorine present at a concentration of 0.46 mg/l. As a result, the officer directed the City to stop the operation immediately. According to the inspector's report, the City was depositing a deleterious substance in water frequented by fish that is not authorized under the Fisheries Act.

Since February 28, the Water Division has devised a temporary method to de-chlorinate any of the backwash water that is directed to the St. Lawrence River while the majority of it is discharged to the City's sanitary sewer system. Unfortunately, this is only a temporary solution and is not practicable over the long term. The City has made the Ministry of Environment Energy and Climate Change (MOECC) aware of these changes and has obtained their approval to do so.

By July 1, 2017, the City is required to submit a report to Environment Canada outlining how the City intends on addressing the issue over the long term.

ANALYSIS/OPTIONS

Raw water from the St. Lawrence River is pumped from the low lift station to flocculation tanks. The raw water then leaves the flocculation tanks and goes through the plant's granular activated carbon filter beds where larger particles and suspended solids are filtered out. The raw water then proceeds to the clear wells and reservoir where it is chlorinated and stored until it is pumped into the City's water distribution system.

The backwash water is created from the cleaning process of the granular activated carbon filter beds. Chlorinated water from the reservoir is pumped in the opposite direction of the filtering process. Any particles or matter trapped in the media is removed by the water moving in the reversed flow direction. This backwash (dirty) water then goes to a settling tank where the heavier particles precipitate out to the bottom of the tank. This sludge on the bottom of the tank is then pumped to the City's sanitary sewer system while the upper supernatant water is discharged to the river.

Staff has come up with three (3) viable options to correct the problem.

The first option would be to discontinue any discharge to the St. Lawrence River and direct it all to the sanitary sewer system. However, the system currently in place is not able to take the total amount of wastewater over the course of normal working hours. In order to utilize the existing forcemain, staff would be required to work additional hours. This could be achieved two ways. The first would be to have a staff person work 4 hours of overtime each day as required. This would cost approximately \$25,000/yr. The second way would be to have a staff person cover the work as part of their daily shift (no overtime). This would not have any direct additional cost but would however have an impact on the efficiency of the work being complete during normal working hours which would ultimately have a cost.

The second option considered would be to design and construct a proper de-chlorination system inside the plant. This would require engineering work, new pumps, tank modifications, piping modification, new controls and the installation of a new de-chlorination system. The down side to this option is that it adds another process to the system which has to be operated and maintained on an on-going basis and is not risk free. Should the process operation fail or the plant experience a mechanical failure, there is a risk that chlorinated water could be discharged to the river. It is estimated that the cost of such a system is in the order of \$50,000 to \$100,000.

The third option considered and the one being recommended is to install new pumps, reconfigure the wastewater piping within the plant and construct a new forcemain so that all wastewater is directed to the sanitary sewer. This option is the most expensive

option but has no risk to the City. It is estimated that the cost of this type of system is approximately \$150,000.

Regardless of the option selected, the City will still have to obtain approval from the MOECC and notify Environment Canada.

POLICY IMPLICATIONS

Council's authorization is required to complete the project and utilize funds from a reserve account and surpluses from another capital project.

FINANCIAL CONSIDERATIONS

There are sufficient funds in the Water Rate Long Term Capital Asset Reserve of approximately \$2.1 million and from the surplus of a 2014 capital project which has just been recently completed to accommodate the estimated \$150,000 to complete the project.

CONCLUSION

It is recommended that Council approve staff to proceed with the design and construction of a new backwash water system including new pumps, piping, controls and forcemain at an estimated cost of \$150,000.



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



D. Richards
Supervisor Water Systems



D. Dick, CA, CPA
Director of Corporate Services

B. Casselman
City Manager

May 29, 2017

Report To Finance Administration and Operations Committee – June 20, 2017

2017-070-06

Routine Disclosure Policy

S. MacDonald
City Clerk
L. Murray
Deputy City Clerk

Recommended

THAT Council receive Staff Report 2017-070-06, Routine Disclosure Policy, (Schedule A to Report 2017-070-06) for information; and

THAT the Routine Disclosure Policy be implemented for the release of certain types of information without requiring a formal Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) request.

Purpose

To allow the public easier access to the City's information and records by offering guidelines for information that can be routinely disclosed.

Background

One of the key principles of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) is that information should be available to the public. MFIPPA provides for a right of formal access to records through filing an access request to the Clerk's office. However, MFIPPA also allows the City to provide information through routine disclosure when there is nothing in the Act to prevent the City from giving access to information. Routine disclosure is a cost-effective and customer-friendly way of providing information to the public, directly by program areas, without a formal access request, which tends to be time consuming and can be costly.

All City departments are covered by MFIPPA.

Analysis/Options

The benefit of having a Routine Disclosure Policy in place allows the City to:

- provide easier access to City records;
- streamline access to information;

**Report 2017-070-06
Routine Disclosure Policy****Page 2**

- provide greater accountability and transparency in its day-to-day operations;
- ensure a balance between providing greater access to City information while at the same time protecting personal and confidential information; and
- reduce staff time in responding to formal requests for information, resulting in greater cost efficiencies.

The policy was circulated to all city departments and there were no concerns.


Policy Implications

Council approval of this policy is in alignment with the Strategic Plans core value of "Communications and Transparency" - sharing information between council, staff and citizens.

Financial Considerations

There are no direct financial considerations related to this report.

S. MacDonald, CMO
City Clerk



L. Murray
Deputy City Clerk



D. Dick, CPA, CA
Director of Corporate Services

B. Casselman
City Manager

Appendix A

Sections 6(1), 7(1), 8 (1)(2) of the Municipal Freedom of Information and Protection of Privacy Act R.S.O., 1990 c. M. 56

6. (1) A head may refuse to disclose a record,
 - (a) that contains a draft of a by-law or a draft of a private bill; or
 - (b) that reveals the substance of deliberations of a meeting of a council, board, commission or other body or a committee of one of them if a statute authorizes holding that meeting in the absence of the public.
7. (1) A head may refuse to disclose a record if the disclosure would reveal advice or recommendations of an officer or employee of an institution or a consultant retained by an institution.
8. (1) A head may refuse to disclose a record if the disclosure could reasonably be expected to,
 - (a) interfere with a law enforcement matter;
 - (b) interfere with an investigation undertaken with a view to a law enforcement proceeding or from which a law enforcement proceeding is likely to result;
 - (c) reveal investigative techniques and procedures currently in use or likely to be used in law enforcement;
 - (d) disclose the identity of a confidential source of information in respect of a law enforcement matter, or disclose information furnished only by the confidential source;
 - (e) endanger the life or physical safety of a law enforcement officer or any other person;
 - (f) deprive a person of the right to a fair trial or impartial adjudication;
 - (g) interfere with the gathering of or reveal law enforcement intelligence information respecting organizations or persons;
 - (h) reveal a record which has been confiscated from a person by a peace officer in accordance with an Act or regulation;
 - (i) endanger the security of a building or the security of a vehicle carrying items, or of a system or procedure established for the protection of items, for which protection is reasonably required;

- (j) facilitate the escape from custody of a person who is under lawful detention;
- (k) jeopardize the security of a centre for lawful detention; or
- (l) facilitate the commission of an unlawful act or hamper the control of crime. R.S.O. 1990, c. M.56, s. 8 (1); 2002, c. 18, Sched. K, s. 14 (1).

Idem

- (2) A head may refuse to disclose a record,
 - (a) that is a report prepared in the course of law enforcement, inspections or investigations by an agency which has the function of enforcing and regulating compliance with a law;
 - (b) that is a law enforcement record if the disclosure would constitute an offence under an Act of Parliament;
 - (c) that is a law enforcement record if the disclosure could reasonably be expected to expose the author of the record or any person who has been quoted or paraphrased in the record to civil liability; or
 - (d) that contains information about the history, supervision or release of a person under the control or supervision of a correctional authority. R.S.O. 1990, c. M.56, s. 8 (2); 2002, c. 18, Sched. K, s. 14 (2)

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Accessibility Plan and Policies		AD
Agendas of Council, Committee of the Whole, Coordinated Committee and Advisory Committees	Excludes Closed Session Materials.	AD
Assessment Rolls	Ownership information can be viewed at the Municipal Office but is not provided over the phone to the public. Information is provided to government or law enforcement organizations upon request.	AD
Agreements and Contracts	Excludes draft agreements. Approved agreements are provided via the Council agenda when passed by By-law.	AD Approved Agreements RD Signed Agreements
Emergency Plan	Excludes confidential information contained within the plan.	AD
Emergency Service Calls/Reports	General statistics provided via the Community Services agenda. Reports may be provided to affected property owners insurance company upon request.	AD Statistics RD Reports
Employment Agreements and Contracts	Excludes draft agreements and individual employment contracts. Contracts and Agreements with Unions are provided.	RD

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Facility Rental Contracts	Copies are provided to the signing parties.	AD
Audit Reports		AD
Bids and Tenders	Unofficial & Official Bid Results released on request and in public reports to Council as required. Public information, often announced publicly at bid or tender openings.	AD through Reports RD
Budgets	Operating and Capital	AD
BMA Study		AD
Bylaws	Frequently requested regulatory By-laws are posted on the City's website. By-laws under consideration to be passed are posted as part of the Council agenda for approval. Final signed copies can be made available upon request.	AD Regulatory and Proposed RD signed
Committee of Adjustment Notices and Decisions	Released in accordance with the Planning Act requirements	AD/RD
Corporate Policies and Procedures	Policies directly affecting the Public are available on the City's website. All other policies can be made available upon request.	AD Public RD All others
Corporate structure / Organizational Charts		RD
Economic Development Statistics	Information on investing in the City of Brockville, resources for businesses, real estate listing and reports	AD/RD

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Employment and salary statistics	The City's pay grid can be made available upon request. The specific salary of an individual staff member is not released, however the wage range for the position is. Councillor remuneration is made available upon request.	RD
Expenses - Councillor		RD
Expenses - Departmental	Provided through departmental variance reporting	AD
Freedom of Information Requests	Identity and/or any identifiable information of the requester is not provided.	RD
Heritage property register & List of designated properties		AD
Land – Sales and Acquisitions	General information provided in the required By-law after the transaction is complete	AD
Legal Proceedings – Outcomes and status reports	Excludes draft reports, draft decisions and any records subject to solicitor client privilege	RD
Maps	Excludes any maps subject to external copyright. General mapping already utilized for City purposes are publicly available. Fee may apply to reproduce maps.	AD General RD

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Minutes of Council, Standing Committees, Boards, Committees and Adhoc Committees	Excludes Closed Session Minutes	AD
Permits (Building, Planning, Pool, Sign etc.)	Permit application forms are released to property owner or their representative. Permit application forms with information of owner removed are released upon request.	RD
Planning Applications	Formal comments from internal departments or external agencies are posted as part of Standing Committee agendas.	AD
Planning Policy Documents	Official Plan, Secondary Plan, Zoning By-law, Site Plan Approval process manual and more. Related background information may be provided on request. Small fee may apply to reproduce copies.	AD
Plans and Drawings	As constructed building plans, construction specifics, site servicing, grading, subdivision plans etc. Records can be viewed on request. Copyright Act applies to some drawings and plans.	RD
Plans (site plans and related information)	Site Plans for institutional, commercial, industrial are released for viewing on request. Residential site plans are released to property owner or representative only. No correspondence with other members of the public to be released.	RD
Receipts	Payment receipts are provided to account holder.	RD

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Reports <ul style="list-style-type: none"> - Staff Reports to Council, Standing Committees, Boards, Committees or Adhoc Committee - Building, Fire and Property Standards Inspections - Sewer or water main lateral condition inspections – residential - Animal Control Incidents - Incident / Accident - Playground, Sidewalk & Facility Inspections 	<ul style="list-style-type: none"> - Available publicly via the committee agendas - Photos and inspection reports released to property owner or representative only. Verbal confirmation of orders issued and the status of an investigation is provided on request. - Sewer or water main back-up inspection reports released to property owner or their representative. - Witness statement of incident provided to witness and pet owner. Personal information about witness to be removed from pet owner's copy. Animal Control officer's notes and report may be provided to parties involved. - Copies of reports can be provided to individual involved or parent/guardian if identity and relationship verified. Copies will be provided to municipal insurer on request. - Shared with municipal insurer as needed. Confirmation of inspections completed. 	<p style="text-align: center;">AD</p> <p style="text-align: center;">AD Owner RD</p> <p style="text-align: center;">RD</p> <p style="text-align: center;">RD</p> <p style="text-align: center;">RD</p> <p style="text-align: center;">RD</p>

APPENDIX "B"
Schedule of Records for Routine Disclosure and/or Active Dissemination

Type of Record	Notes / Conditions on Release of Records	Routine Disclosure (RD) or Active Dissemination (AD)
Security Camera footage	Provided to law enforcement organizations in accordance with the City's Video Surveillance Policy.	RD
Staffing	Human Resource policies, organizational reviews	RD
Taxes - Property (Statement of account)	Released to property owner or their representative. A fee may apply.	RD
Tax Certificates and Municipal Records Search	A fee may apply	RD
Voters' List	Available for viewing during and immediately prior to the election. Not available at any other time. Copies are provided to candidates during election period for election purposes only.	AD
Water – Annual Quality Reports		AD
Water & Sewer - Account	Released to property owner or their representative. A fee may apply.	RD

June 7, 2017

REPORT TO COUNCIL – June 13, 2017

2017-064-06

VACANCY REBATE PROGRAM REVIEW

**D. Dick, Director of Corporate Service
L. Ferguson, Manager of Finance
S. Faber, Revenue Supervisor/Tax Collector**

RECOMMENDATION

That the City of Brockville provides the appropriate resolution to the Ministry indicating that the City will be opting out of the Vacancy Rebate Program at the end of 2017.

BACKGROUND

The Vacancy rebate program dates back to 1998 and the abolition of the business occupancy tax that was charged directly to tenants. The 30% (commercial) and 35% (industrial) rebates were seen as a trade-off for the landlords expanded property tax liability.

The 2016 provincial budget announced changes to the vacancy rebate program allowing municipalities flexibility in how they manage the program going forward in 2017. A number of cities in the province have been lobbying the province to remove this program for a number of years. At the present time, Ontario is the only province that allows for a vacancy rebate. Other provinces provide for the recognition of vacancies through the annual assessment process recognizing property values on annual basis. The Ontario current value assessment cycle is completed every four years with increases phased in over the next four years and decreases realized in the next taxation year. Although the cycle is every four years, taxpayers retain the right to have their properties reassessed at any time through the ARB or through requests for reconsideration.

In response to municipal and other stakeholder lobbying efforts, the Province is moving forward with providing the necessary powers at the local level to design and tailor vacancy programs that suit their specific needs. Municipal councils must notify the Ministry of the intent to change or alter the program through this increased flexibility by providing all details of proposed changes along with a required council resolution. The Province has provided a checklist to all municipalities to follow to ensure that the business community has been engaged with these proposed changes and the checklist along with the resolution must be submitted by July 1, 2017. (The Province had provided for earlier dates for submission including March 1 and April 1, 2017).

These requirements include:

- Engagement of the local business community

VACANCY REBATE PROGRAM REVIEW

- Outline of the proposed changes to the local program
- Council resolution approving these changes

DISCUSSION

On June 6th an open house was held with interested community members to discuss the vacancy rebate program as well as a number of potential options should council elect to alter the program. (See attachment 1) As noted above, this consultation is a requirement of the Province should changes at the municipal level be proposed. Staff had forwarded a letter to all industrial and commercial property owners inviting them to the open house as well as requesting responses to the attached questionnaire. (Attachment 2) Approximately 12 taxpayers attended the open house to listen to staff and provide their thoughts on the vacancy program as it presently exists as well as discussion on alternative they would like to have considered.

Although the sample size would have been primarily from the downtown business owners, the consensus from this group would be to eliminate the program or limit the time frame that properties can access the rebate program. Given the relatively small sample size, the responses could not be considered a representative sample of the Brockville business community. Staff did encourage any of those in attendance to complete the questionnaire if they hadn't done so already. We have provided a summary of the responses received to June 7th in Attachment 3.

Total responses received	57
Those providing more than one response	7
Remove program	18
Remove over 2 years	4
Reduce % from 30/35	3
Limit to geographic area	2
Limit time	11
Leave program as it is	26

The total respondents' requesting that the program remain as it presently exists includes 17 property owners who have received the rebate more than once.

Other Municipal responses to date

- County of Lambton recommends scrapping the program in an effort to ensure predictable and stable funding moving forward
- City of London is considering allowing a rebate in the first year a building is vacant (or partially) and discontinuing after that.
- Town of Gananoque is considering phasing out the program over four (4) years

VACANCY REBATE PROGRAM REVIEW

- City of Ottawa has opted to phase out the program by 2018.
- City of Peterborough is considering four (4) options including:
 - Changing the eligibility requirements
 - Phasing out the program
 - Eliminating the program
 - Leaving the program as is
- Town of Smiths Falls is considering phasing out the program
- Town of Port Hope has voted to remove the program
- City of Sarnia has provided council with a number of options including keeping the program and eliminating it completely.

The City, as have all municipalities participated in the vacancy rebate program since inception. Specific financial highlights have been presented in Attachment 1 providing specific financial details on how the program has impacted the City. The Province is allowing Municipalities to develop their own program subject to the needs of the community. This allows for creativity in determining what kind of program the city can maintain if the City elects to continue some form of rebate program.

Options for consideration can include:

- Maintain existing format allowing vacancy rebates to continue at 30 and 35%
- Continue to allow for vacancy rebates at existing rates but change the vacancy period from 90 to 180 days
- Continue to existing program but reduce rates to 10% (commercial) and 15% (industrial)
- Provide vacancy rebates at existing rates but only on issue of building permit related to renovation and for a restricted time period (1 year)
- Continue the existing program but limit it a geographic area
- Continue the existing program but limit it to a specific taxpayer group
- Continue the program but charge an administration fee
- Phase out the program over a specified time frame
- Eliminate the program entirely
- A combination of any of the above
- Removal of vacancy rebate program but provide a reduction in the commercial and industrial ratios to the equivalent of \$242,000.

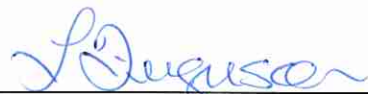
VACANCY REBATE PROGRAM REVIEW

- Removal of vacancy rebate program but provide a reduction in the commercial and industrial ratios to the equivalent of \$242,000.

CONCLUSION

The Province is allowing municipalities the opportunity to eliminate, alter or maintain the vacancy rebate program after community consultations and council resolution if changes are to be made. Given the history of the program and the impact it has had on the community as well as the feedback we have received, staff is recommending that the program be discontinued in 2018 and that council forward a resolution to the ministry outlining this change and the appropriate checklist be forwarded to the Ministry providing the details required of the community consultations. The elimination of the rebate program averaging approximately \$242,000 can be returned to the business community through a reduction in the ratio applied to these tax groups. Although the impact is minimal, the reduction will benefit the entire business community rather than a select few.


S. Faber, Revenue Supervisor/Tax Collector


L. Ferguson, CPA, CGA, Manager of Finance


D. Dick, CPA, CA, Director of Corporate Services


Bob Casselman, City Manager

Attachment # 1

City of Brockville
June 6th, 2017

Vacancy Rebate

Vacancy Rebate

In Ontario (only province in the country), property owners have been entitled to a rebate of taxes based on all or a portion of the property being vacant.

The rate of application is 30% for commercial properties and 35% for industrial properties.

The properties have to be vacant for a period of at least 90 consecutive days and the rebate can be collected in perpetuity.

It is not a requirement that the property be capable of being leased.

Seasonal and leased properties are not eligible.

Vacancy Rebate

The province instituted this program in 1998 as a tradeoff for abolishing the business occupancy tax.
Continued over time as an incentive during tough economic times.

Vacancy Rebate

Critics of the existing system argue that it is unfair for all other taxpayers to compensate benefitting taxpayers for keeping their properties vacant.

Properties that are in a state of disrepair are eligible for the rebate under the existing rules. Is there an incentive to clean up the property.

MPAC accounts for vacancies as a factor in assessment values. Does this open the door for double dipping for property owners. Administration of program does require resources.

Proponents argue the value in reducing costs for long-term vacancies and the refund may facilitate renovation costs for future tenants.

History of program in Brockville

34 properties have received annual rebates dating back to 2008
13 properties have received annual rebates dating back to 2010
4 properties have received annual rebates dating back to 2013

	Properties	Annual Rebate
2015	63	\$203,214
2014	59	\$271,894
2013	65	\$234,767
2012	65	\$317,796
2011	56	\$186,068
2010	56	\$183,032

Vacancy Rebate going forward

A number of municipalities have been pushing the provincial government to change the vacancy rebate rules notably the larger cities in the province.

The province has proposed changes in 2017 and forward to allow for flexibility in how this program is administered.

Municipalities will now be able to develop programs to suit their individual needs.

Options are varied but can include leaving program as it or eliminating it entirely or a program that meets somewhere in the middle.

The deadline for resolution from council to the Ministry is July 1st, 2017

Example of options available to the city

- Maintain program in current state (30% and 35%)
- Change the time frame from 90 days of vacancy to 180 days or some other time frame
- Reduce vacancy rebate to 10% (Com) and 15% (Ind)
- Allow rebate for 1 year based on issuance of a building permit
- Geographic specific (Downtown vs Uptown)
- Tax group specific (Industrial vs Commercial)
- Eliminate program in 2017
- Phase out elimination over specified time frame (2 year phase out)
- Combination of any of the above

What others are proposing

Hamilton considering a number of options – keep rebate and discount program, limiting years of eligibility, eliminate the program completely

Toronto is considering phasing out the program

North Bay no changes to present program but planning to review before a decision is made

Sault Ste. Marie, Newmarket and Mississauga have scheduled public meetings to discuss the options.

City of Sarnia has provided council with a number of options including keeping the program and eliminating it completely

City of Windsor is looking at eliminating the program

What others are proposing

County of Lambton is recommending scrapping the program

City of London is recommending allowing a rebate for the first year a building is vacant

Town of Gananoque is considering phasing out the program over four years

City of Ottawa is phasing out by 2018

City of Peterborough is considering four options including changing the eligibility requirements, phasing out the program, eliminating and maintaining the program as is.

Town of Smiths Falls is considering phasing out the program

Town of Port Hope has voted to remove the program

Attachment # 2



1 King Street West, P.O. Box 5000
Brockville, Ontario. K6V 7A5

May 2017

Attention All Business Owners

The City of Brockville Review of the Vacancy Rebate Program

If you have applied for our Vacancy Rebate Program in the past and are receiving a rebate from the City of Brockville, this may change.

Until now, the Vacancy Rebate Program has been mandatory for all municipalities in Ontario. The Province of Ontario is moving forward with providing municipalities increased flexibility with their program. The City must make application to the Province by July 1 of intended changes.

The Vacancy Rebate Program is:

- a program that commercial and industrial properties are eligible for (upon application to the City of Brockville) 30% for Commercial/35% for Industrial
- the city receives approximately 110 requests from 65 plus properties annually
- on average, approximately \$242,000 are rebated to business owners annually
- more than half the properties are recurring each year

The City of Brockville is considering a number of options regarding the Vacancy Rebate Program, such as:

- Phasing out the program
- Reducing the rebate percentage
- Eliminating it by 2018
- Limiting to geographical areas
- Limiting the number of applications per property
- Leaving the program as status quo

The reasons the City of Brockville would eliminate this program are:

- vacancy is already factored into lower tax assessments
- vacant properties have a negative impact on neighbourhoods
- concerns that the rebate program may actually encourage a lack of property development
- reduced commercial/industrial assessments and increased appeals.

The City of Brockville is asking for feedback from business owners to help make an informative decision. Final recommendations will be made after gathering information from the business owners throughout the city. This decision would only affect 2018 taxes and beyond.

You have the following options with which to express your thoughts.

Complete the attached Questionnaire:

- send it via email to vacancy@brockville.com by June 6, 2017,
- drop it off in person at Brockville City Hall, 1 King St E., Brockville,
- by mail to the City of Brockville, PO Box 5000, Brockville, ON, K6V 7A5
- attend an Open House on June 6, 2017 from 6 p.m. to 7 p.m. in the Council Chambers of City Hall.

VACANCY REBATE PROGRAM QUESTIONNAIRE

Please complete and return to City Hall by June 6, 2017

1. Are you a business owner? ____ Yes ____ No
2. Do you presently have a Vacancy Rebate Application filed for 2016?
3. Do you anticipate filing an application for the 2017 Tax Year?
4. Have you made application(s) for the Vacancy Rebate in the last 5 years?
5. The City of Brockville is considering making changes to the Vacancy Rebate program. Please check the option(s) that you feel the City should consider.

- ☐ Remove the program
- ☐ Phase out the program over two years
- ☐ Reduce the percentage of annual rebate amounts
- ☐ Limit to Geographic Area
- ☐ Time Limit – 2 years of applications within a 5 year period
- ☐ Program remains status quo

6. Comments:

- To Submit:
- By email to vacancy@brockville.com
 - Drop off in person at City Hall, 1 King St E., Brockville, ON
 - Mail to City of Brockville, PO Box 5000, Brockville, ON K6V 7A5
 - Drop off at the Open House on June 6, 2017 at City Hall between 6:00 and 7:00 p.m.

Attachment # 3

RESPONSE #	DATE	REMOVE PROGRAM	2 YR PHASE OUT	REDUCE %	LIMIT GEOGRAPHIC AREA	TIME LIMIT	STATUS QUO	COMMENTS
1	MAY29/17	X				X		I understand the rebate does assist some owners when they are unable to find a viable tenant to fill the space, however I feel that it doesn't give an incentive to fill the vacant unit. It also reflects on the area and surrounding business having so many vacant units for a long time. If the rebate isn't removed, I think there should at least be a limit on how long or how many times you can apply for the rebate.
2	MAY29/17	X						
3	MAY29/17	X						
4	MAY29/17	X						
5	MAY29/17						X	Feel very strongly about this.
6	MAY29/17	X						I feel the program reduces the incentive for owners to rent out vacant properties.
7	MAY30/17						X	
8	MAY30/17						X	Our entire lower floor is vacant and this rebate helps to offset the property taxes.
9	MAY30/17						X	We would not intentionally have a vacant building. I does not make economic sense.
10	MAY30/17						X	Many landlords struggle to rent properties. I don't believe that the program encourages landlords to neglect renting a property as the operating cost and taxes are just a loss.
11	MAY31/17	X						
12	MAY31/17					X	X	
13	MAY31/17	X						No incentive to rent, promotes slum landlords.
14	MAY31/17		X					
15	MAY31/17						X	
16	MAY31/17			X				
17	MAY31/17						X	High taxation in Brockville in industrial, commercial properties is a negative factor in renting. Lowering taxes in these properties would make them more attractive and result in less vacancy and more revenue for Brockville.
18	MAY31/17				X		X	Industrial and Commercial landlords never want to see their premises vacant. This program assists landlords while they are trying to find a tenant to fill the vacancy. Situation in Downtown is different where buildings have been sitting empty and landlords are not even trying to rent or upgrade to demolish. For that reason, consider this program for Commercial and Industrial businesses only.
19	MAY31/17						X	
20	JUNE1/17						X	See letter attached.
21	JUNE1/17	X						Let the market do it's work. I pay full taxes.
22	JUNE1/17						X	
23	JUNE1/17						X	Commercial tenants are difficult to secure. The desired intent is to fill vacant space. The rebate does not provide an incentive to promote vacancy. Limiting to geographic area would be arbitrary.
24	JUNE1/17					X		
25	JUNE2/17						X	A loss is a loss. A 30% property tax rebate is not an incentive to lose less! Our income tax system allows business losses. Perhaps City should lobby Ottawa to cancel write offs for losses altogether. Cancelling the local 30% rebate is not going to help what you think it is.
26	JUNE2/17						X	Brockville is not exactly booming. Real estate (Commercial) is seriously effected. Perhaps if a property owner will not entertain any offers below list price is because list price is already rock bottom!
27	JUNE2/17						X	
28	JUNE2/17						X	

RESPONSE #	DATE	REMOVE PROGRAM	2 YR PHASE OUT	REDUCE %	LIMIT GEOGRAPHIC AREA	TIME LIMIT	STATUS QUO	COMMENTS
29	JUNE2/17				X	X		It is helpful, but should not be taken advantage of by landlords who do not obviously attempt to rent out property (old Woolworth's store location)
30	JUNE2/17	X						
31	JUNE2/17			X		X		The rebate program can be of great assistance to businesses in need due to loss of tenant, loss of business/bankruptcy etc. Your correspondence indicates more than half of the properties are recurring annually. Limiting the years of applications within a 5 year period, I believe would help eliminate complacency with the program.
32	JUNE2/17						X	The Vacancy rebate was originally established in recognition of the fact that business taxes, which were previously charged to the individual business owner, were rolled into property taxes. To now remove this small concession would be unfair to property owners and place an unreasonable burden there on.
33	JUNE2/17					X	X	I have not used it but would appreciate rebate if a vacancy occurs. Perhaps limit habitual users.
34	JUNE2/17						X	
35	JUNE5/17					X		There should be something in place. It should not be phased out.
36	JUNE5/17	X						People are purchasing vacant land and holding for a potential profit in the future - speculating on its increase. Unfortunately most don't maintain these properties and it makes the neighbourhoods look unsightly and effects property values. If you buy a property, you should be prepared to build within a reasonable time period.
37	JUNE5/17					X		Should be two consecutive years (24 months) maximum or renewable on request with City approval every year period. (would be 3, 4 or 5).
38	JUNE5/17					X		The Rebate program is an excellent benefit to assist local land owners when experiencing vacancy but a two year limit is very reasonable and would encourage more development with the cap.
39	JUNE5/17						X	
40	JUNE5/17	X						I am in support of eliminating this program for the reasons outlined in the DBIA presentation. Also, this program is subsidized by other tax payers in Brockville.
41	JUNE5/17			X				
42	JUNE6/17						X	Having a vacant property is not the owner's intention. Having tried so hard to make investment at this property but seems failed. Leaving or closing of businesses from downtown and lack of parking spaces, etc., make those property owners really hard to maintain. Rebates will and definitely can offset their burden.
43	JUNE6/17	X						
44	JUNE6/17					X		
45	JUNE6/17						X	Property taxes are already excessive. Some relief required.
46	JUNE6/17					X		
47	JUNE6/17		X					
48	JUNE6/17						X	
49	JUNE6/17	X						
50	JUNE 6/17	X						Reinvest the rebates (that would be paid out) to improve the business districts i.e., improve CIP ; purchase downtown public parking, (Regionals Building) and give the rebate to a new tenant of a previously vacant building for 1 year.
51	JUNE 6/17		X					Far too much is being spent by the city for NO incentives for growth or sustainability. These \$ should be put towards attracting, supporting and growing a healthy business community. The current rebate does nothing to support the greater community here in Brockville.
52	JUNE 6/17	X	X					I hope to see the city make the right choice to foster business development & new growth, through the reduction & elimination of this program. A vibrant & full downtown & city as a whole is a proactive choice & the right one to make.

RESPONSE #	DATE	REMOVE PROGRAM	2 YR PHASE OUT	REDUCE %	LIMIT GEOGRAPHIC AREA	TIME LIMIT	STATUS QUO	COMMENTS
53	JUNE 6/17	X						City investment of \$1/4 M and no return or guarantee on owners doing anything
54	JUNE 6/17	X						Remove the Program entirely. If an owner is interested in renting, lower the rent. Don't allow demolition permits for any owner who is collecting a rebate.
55	JUNE 6/17	X						This program encourages empty buildings.
56	JUNE 6/17						X	
Totals		18	4	3	2	11	25	

June 14, 2017

REPORT TO FINANCE, ADMINISTRATION, OPERATIONS COMMITTEE – June 20, 2017

2017-072-06

HOSPITAL FINANCING

D. Dick, Director of Corporate Service

RECOMMENDATION

THAT Council approves the financing requirement of the expansion of the Brockville General Hospital from the building permit and plumbing fees and development charges in the approximate amount of \$325,000 and through the incremental increase to fiscal policy and arena reserves in each of 2018, 2019, 2020 and 2021 in the amount of \$4,435,000.

BACKGROUND

City Council at the April 25th council meeting approved the financing request of the Brockville General Hospital in the amount of \$4,760,000 to be the local share of the hospital expansion plans. During council debate and discussions on this funding request, staff was given the direction to return to council with recommended financing options associated with this multiyear funding request. The staff report provided a number of financing options for council's consideration including:

- Fund the entire amount through debt financing
- A separate hospital levy
- Inclusion in the regular levy
- A redistribution of existing funds in annual levy
- Combination of any of the above

DISCUSSION

Debt Financing

As previously reported, the City has sufficient capacity within its borrowing limits to finance the entire \$4.7M as requested by the Hospital. The Annual Debt Repayment Limit as provided by the Ministry provides for the following debt capacity and annual repayment limit:

Term	5%	7%
20 years	\$125,486,000	\$106,700,000
15 years	\$104,500,000	\$91,711,000
10 years	\$77,800,000	\$70,700,000
5 years	\$43,600,000	\$41,300,000

The annual debt repayment limit calculation for 2017 is \$10,069,374. The debt repayment schedule based on 2016 long term debt indicates 2017 P&I payments of

\$3,269,145. This provides the City with ample capacity for additional borrowings and repayments on an annual basis to cover the financing costs associated with the Hospital expansion as well as City assets projected under our ten year capital plan.

Given the adequacy of our borrowing and repayment limits, borrowing to satisfy the full ask is well within our capacity. Attachment 1 provides details on various levels of borrowing over different time frames and rates. (It should be expected that rates will in fact increase relative to the strength of the economy with most economists indicating rate increases beginning in 2018.)

Separate Hospital Levy

As with many other municipalities, the financing of the hospital request could be provided through a separate hospital levy that is distinct and separate from the traditional municipal levy. This would be disclosed as part of the overall tax bill but would be disclosed separately and would clearly provide the annual cost of the hospital expansion costs paid for directly through the tax bill.

As discussed at the council meeting, the expected completion date of construction is expected to be in the fall of 2020. This allows the City to begin funding our commitment in 2018 and accumulating these funds in a reserve fund until distribution to the hospital in 2020/21. As discussed at the April meeting, the commitment made by the City should be met at that time suggesting that additional borrowing will be necessary. Subject to the amounts (if any) provided for in each of 2018, 19 and 20, the City will need to finance the balance in late 2020 or early 2021, with a continuation of the separate hospital levy financing any charges beyond 2020/21.

Attachment 2 provides an example showing the total cost associated with a separate hospital levy at 1%, 1.25% and a 1.5%. The schedule assumes the levy commences in 2018 and the balance remaining would be financed and repaid through a continuation of the levy over the required time frame.

Included in the Annual Levy

Similar in nature to the separate hospital levy with the only difference being that it is not disclosed separately on the annual tax bill. The disadvantage of including the funding of the expansion plans as part of the regular levy is the annual increase would now include both the operational need increase as well as the hospital need providing a tax rate increase that would exceed rate increases of our comparator groups and may lead to a comparative disadvantage for future economic development opportunities. (Say the annual operational increase is 2% plus the incremental increase representing the funds needed to finance the hospital ask of 1.25% would suggest a tax rate of at a minimum of 3.25%)

Redistribution of existing budgetary items

On the surface this would be the most difficult alternative to funding our commitment. The annual budget process is vetted by staff and council and this detailed level of review leaves little room for cuts in expenditures at either the operational or capital level. Council could instruct staff to reduce annual expenditures and or increase revenues to accommodate some or all of the hospital request understanding that any expenditure reduction could impact service levels or decrease our level of competitiveness. Council could also direct staff to reduce the expenditure on capital recognizing that the existing infrastructure gap would continue to grow. Council could consider an alternative that could provide some or all of the required funding through a redistribution of the annual levy. This alternative would be to reallocate the annual incremental appropriation to fiscal policy and the arena reserve to a special reserve for the hospital expansion. In each of the past 5 (fiscal Policy) and 3 years (arena) council has incrementally increased funding to these reserves by \$100,000. In 2017 the allocation was \$500,000 to fiscal policy and \$400,000 to the arena. If this practice continues, the annual allocation for the next three years would be \$1.1, \$1.3 and \$1.5M totaling \$3.9M. If the 2021 appropriation is included, the full funding requirement of \$4,760,000 would be met in 2022 leaving \$860,000 available to contribute to either or both of these reserves. Attachment 3 has been provided for illustration purposes. Council could choose to provide the full funding request by 2021 or can choose any level of this appropriation along with debt financing to accommodate the request.

Use of Combination of above noted option

Unless council elects to continue the incremental appropriation to reserves and allocate 100% of these funds to the hospital, all other options will require some form of debt financing. Council has approved the funding request of \$4,760,000 and given the construction timetable of fall 2020, it is expected that the full balance would be provided at that time. Any carrying costs of financing would then become the responsibility of the taxpayer.

OTHER CONSIDERATIONS

Included in the overall estimate of construction costs of \$162,000,000 is an estimate for development fees and various permit fees. Upon issue of the building permit, these fees (Approximately \$325,000), that are considered eligible expenditures and funded 90:10 can be used as an initial down payment representing part of the commitment to the hospital. Should council agree to provide this funding to the hospital upon issue of the building permit, the remaining obligation would be approximately \$4,435,000. Should council agree to provide this funding, any debt requirements as shown in the attachments would be reduced accordingly.

The recent announcement of the closing of P&G will have a significant impact on taxation revenues going forward. The taxes collected in 2016 approximated \$800,000

with a decrease due to a reassessment in 2017 to approximately \$510,000. It should be expected that this will decrease further until the plant is closed in 2021.

CONCLUSION

That council continues the incremental increases to both the fiscal policy and arena reserves by \$100,000 in each of 2018, 2019, 2020 and 2021.

That Council approves the return of all building; plumbing and sewer permit fees as well as development charges to the Brockville General Hospital representing approximately \$325,000 after issue of the building permit.

That Council provide the necessary net requirement to the hospital fundraising campaign of approximately \$4,435,000 through the annual incremental appropriations to the fiscal policy and arena reserves in full in 2018, 2019 and 2020 and the remaining requirement of approximately \$835,000 in 2021 representing the full commitment to the fundraising campaign.

That council provides the balance of the annual incremental appropriations to fiscal policy and the arena reserve in the approximate amount of \$382,500 to each reserve in 2021.



D. Dick, CPA, CA, Director of Corporate Services



B. Casselman, City Manager

Debt Financing

Amount Borrowed	Time Frame	Interest Rate	Annual Repayment	Total Repayment
\$ 4,760,000	10 years	2.49%	\$ 531,425	\$ 5,314,250
\$ 4,760,000	15 Years	2.90%	\$ 386,781	\$ 5,801,715
\$ 3,000,000	10 years	2.49%	\$ 339,208	\$ 3,392,080
\$ 3,000,000	15 Years	2.90%	\$ 246,975	\$ 3,704,625
\$ 2,000,000	10 years	2.49%	\$ 226,139	\$ 2,261,390
\$ 2,000,000	15 Years	2.90%	\$ 164,588	\$ 2,468,820

Separate Hospital Levy

	1% levy	1.25% levy	1.5% levy
2018	350,000	437,500	525,000
2019	350,000	437,500	525,000
2020	350,000	437,500	525,000
	<u>1,050,000</u>	<u>1,312,500</u>	<u>1,575,000</u>
Balance of requirement	3,710,000	3,447,500	3,185,000
Years	13	9	6.5
Annual Payment	343,000	428,000	531,000
Total Cost	5,507,602	5,164,266	5,027,989

Creation of special hospital expansion reserve

	Fiscal Policy	Arena	BGH	Total
2013	100,000	-	-	100,000
2014	200,000	100,000	-	300,000
2015	300,000	200,000	-	500,000
2016	400,000	300,000	-	700,000
2017	500,000	400,000	-	900,000
2018	-	-	1,100,000	1,100,000
2019	-	-	1,300,000	1,300,000
2020	-	-	1,500,000	1,500,000
2021	<u>420,000</u>	<u>420,000</u>	<u>860,000</u>	<u>1,700,000</u>
	<u>1,920,000</u>	<u>1,420,000</u>	<u>4,760,000</u>	<u>8,100,000</u>