

5. CONSERVATION AUTHORITIES – 2017 LEVIES

PRÉLÈVEMENTS 2017 DES OFFICES DE PROTECTION DE LA NATURE

COMMITTEE RECOMMENDATION

That Council approve the 2017 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1, as outlined in this report.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve les prélèvements de 2017 pour l'Office de protection de la nature de la vallée de la rivière Rideau, la Société d'aménagement de la rivière Nation-Sud et l'Office de protection de la nature de la vallée de la rivière Mississippi tels qu'ils sont présentés dans le document 1, et exposés dans le présent rapport.

DOCUMENTATION/DOCUMENTATION

1. Deputy City Treasurer's report, Corporate Finance , dated 25 April 2017 (ACS2017-CSD-FIN-0007)

Rapport de la Trésorière municipale adjointe, finances municipales daté le 25 avril 2017 (ACS2017-CSD-FIN-0007)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
2 May 2017 / 2 mai 2017**

**and Council
et au Conseil
10 May 2017 / 10 mai 2017**

**Submitted on April 25, 2017
Soumis le 25 avril 2017**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2017-CMR-FIN-0007

SUBJECT: CONSERVATION AUTHORITIES – 2017 LEVIES

**OBJET: PRÉLÈVEMENTS 2017 DES OFFICES DE PROTECTION DE LA
NATURE**

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve the 2017 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1, as outlined in this report.

RECOMMANDATION DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil d'approuver les prélèvements de 2017 pour l'Office de protection de la nature de la vallée de la rivière Rideau, la Société d'aménagement de la rivière Nation-Sud et l'Office de protection de la nature de la vallée de la rivière Mississippi tels qu'ils sont présentés dans le document 1, et exposés dans le présent rapport.

BACKGROUND

The City of Ottawa is located in the watersheds of three rivers, all of which have an established Conservation Authority; the Rideau Valley (RVCA), Mississippi Valley (MVCA) and South Nation (SNCA). The taxation requirement by the Conservation Authorities has been excluded in the City's budget as they have a separate levy on the tax bill.

The *Conservation Authorities Act* provides that Conservation Authorities shall apportion administrative/maintenance costs amongst participating municipalities in accordance with the benefits derived. The City primarily acts as the tax collector on behalf of the Conservation Authorities and collects the amount in the same manner as municipal taxes for general purposes. Consequently, Council has no discretion over the amounts listed under the general levy. Council, however, does have discretion over the special and capital projects portion of their levy.

In accordance with Section 312 of the Municipal Act, the municipality shall, each year, pass a by-law levying the separate tax rates for this purpose. Approval of this report will establish the levy requirements.

DISCUSSION

Levy rates are calculated based on the budgets as attached in Document 1, submitted by each Conservation Authority.

The City of Ottawa's share of the general levy is apportioned on the basis of the assessment for the City of Ottawa relative to the total assessment within the watershed. The relative amount can change from year to year depending on the growth in Ottawa as compared to the other contributing municipalities.

There is some discretion on amounts identified as special and capital levies. In the past, funding requests for certain projects that specifically benefitted the City were identified as special levies and these programs are generally supported by staff and through Council approvals as they complement City initiatives resulting in staff partnering with the Conservation Authorities to deliver these programs. In some instances, the Conservation Authorities are able to leverage provincial funding for some of the projects such as the Ice Management Program.

The Capital Levy funds offset capital costs related to the design and renovation of new offices for two of the conservation authorities which do not fall within the definition of an administration or maintenance cost for inclusion in the general levy under the *Conservation Authorities Act* but which are classed as general benefitting and allocated to all member municipalities. Details on the special and capital levies are provided below.

DETAILS OF SPECIAL LEVIES

Rideau Valley Conservation Authority

Rideau River Ice Management – There is a longstanding arrangement between the RVCA and the City concerning Rideau River Ice Management. By Council approval on June 8, 2005 (ACS2005-PWS-SOP-0003), the RVCA is to fund the full cost of Rideau River Flood Control through their special levy, beginning in 2006. In conformity with this direction, the RVCA is requesting \$706,210 in special levies for the 2017 program.

Requests are usually based on the previous year's actual cost and factors in any resulting adjustment that may be required for that year. The 2016 total costs amounted

to \$461,431, which is a little lower than in the previous years which experienced above average cold winters. As a result, the 2017 levy request is reduced by \$138,290.

As this is a preventive flood control measure, the RVCA is able to access provincial funding for this program.

Ottawa Infrastructure Reserve – In 2010, when the Conservation Authorities' budgets were approved, Council also established the Water Control Capital Asset Reserve proposed by the RVCA. This reserve is to be funded annually through a \$10,000 special levy contribution by the City of Ottawa. It is intended to cover the City's share of unexpected operating and maintenance costs, preventive maintenance and emergency repairs that exceed annual allowances for routine operation and maintenance of aging RVCA-owned flood and erosion control infrastructure in the City of Ottawa. If this year's request is approved, the City's contributions since 2010 will total \$80,000.

Flood and Erosion Control – This request is for routine operation and maintenance of flood and erosion control structures at Brewer Park, Windsor Park, Graham Creek, Borden Farm, Sawmill Creek, Still Water Creek and Heart's Desire.

South Nation Conservation Authority

Ottawa Rural Clean Water Program - The Rural Clean Water Program provides grants to rural residents to undertake projects that improve water quality. Since the program's inception in 2000, more than one thousand projects have been supported with more than \$1.8 million in grants. Landowners have invested an additional \$8 million in these environmental stewardship projects.

A renewed 2016-2020 Program was approved by Council in September 2015 based on a review of the 2011-2015 Program (ACS2015-COS-ESD-0016). The 5 year program provides for a special levy of \$200,000 per year to the South Nation Conservation Authority to deliver the program in partnership with the RVCA and the MVCA. There was no special levy for 2016 as the cumulative surplus from the 2011-2015 program of \$303,827 was used for program expenses in 2016 and will also fund part of the 2017 program expenses. Consequently, the 2017 request is \$95,273.

Eastern Ontario Water Resources Program - The Eastern Ontario Water Resources Program works cooperatively to implement the recommendations of the Eastern Ontario

Water Resources Management Study. The membership includes municipalities, conservation authorities, provincial ministries, the University of Ottawa, and farming groups. As of 2015, the former Eastern Ontario Water Resources Committee now operates as a Program under South Nation's Clean Water Committee. Initiatives to be funded in 2017 include, assessing stormwater facilities, assessing infrastructure for climate change resilience and collecting data to support sub-watershed studies.

Forested Land Purchase – As part of its ongoing Land Acquisition Program, the SNCA is requesting \$278,258 to address the issue of increasing forest depletion within the South Nation River watershed including the City. The City of Ottawa's share of this levy is \$220,405.

Forested Conservation Initiative – In response to the decline of forest cover throughout the region, which has fallen below Environment and Climate Change Canada's minimum guideline, a Forest Cover Committee was established by the SNCA in 2017. The SNCA Forest Cover and Trends Analysis (2008-2014) Report highlights the status of forest cover and the environmental impacts in the region, which includes the City of Ottawa. \$100,000 is requested to help the agricultural-based Committee come up with recommendations for the SNCA Board and 16 member municipalities. Funding will be used to implement early actions of the Committee. The City of Ottawa share of this levy is \$50,000.

Navan Wetland Boardwalk Special Levy – A habitat restoration project is proposed on City of Ottawa property in Navan and includes the construction of shallow habitat ponds aimed at increasing natural biodiversity. In addition to the habitat ponds, a new boardwalk is proposed to allow for access to the site and the new habitat ponds. The \$200,000 special levy requested by SNCA includes the design and construction of a boardwalk approximately 500 meters in length and this project would be delivered by SNCA.

DETAILS OF CAPITAL LEVIES

Mississippi Valley Conservation Authority

Mississippi Valley New Office Capital Costs – New office space requirement was identified several years ago and, since 2009, the City has contributed an average of \$271,659 per year towards the design and construction of the new administrative office. The City's 2017 assessed share is \$250,820.

South Nation Conservation Authority

Finch Building Capital Cost Repayment – The South Nation Conservation Authority moved into their new headquarters in October 2008. Total cost of the renovations was \$1,246,752, of which, \$1,012,051 was the assessed portion that was to be recovered from the City. That year, South Nation gave its member municipalities the option of paying it off in full or amortizing it over twenty years. The City opted for the twenty-year amortization period and, based on an interest rate of 3.36%, the City's 2008 amortized share was calculated at \$65,752. SNCA reviews the interest rate each year and adjusts the annual amortization amount. For 2017, the capital repayment cost is \$59,341 including principal and interest (1.75%).

RURAL IMPLICATIONS

Many of the Conservation Authority Programs such as the Rural Clean Water Program directly benefit the rural residents and agricultural operations of the City. The Authorities also support environmental objectives, stewardship and education in the rural area through ownership and management of conservation lands, operation of the landowner resource centre, and other initiatives with direct benefits to the rural area.

CONSULTATION

Budgets for Conservation Authorities are co-ordinated with the Parks, Forestry and Surface Water Management Services Branch of the Public Works and Environmental Services Department based on documentation supplied by the Conservation Authorities.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management impediments to implementing the recommendations of this report.

FINANCIAL IMPLICATIONS

Per Council direction, the City's share of the funding requirements for the Conservation Authorities is raised through the establishment of separate tax rates applied to the various property classes within the City of Ottawa. Based on the requirements submitted in this report, the Conservation Authorities are requesting a total of \$11,332,701, which represents an increase of \$512,603 or 4.74% over 2016. Based on the staff recommendations contained in the "2017 Tax Ratios and Tax Policy" report, it is estimated that the tax rates for Conservation Authority purposes will result in a \$2 increase on the property tax bill for an average residential homeowner.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

ENVIRONMENTAL IMPLICATIONS

The Conservation Authorities are key conservation partners with the City. Their programs assist in watershed planning and management and protecting the health of the watersheds. Programs funded through the general and special levy of the Authorities result in direct efforts to protect, monitor and report on watercourse conditions, and improve water quality. The authorities provide advice on land use planning, provide stewardship programs and undertake efforts to restore fish and wildlife habitat, restore shorelines and reduce water pollution.

TERM OF COUNCIL PRIORITIES

The work of the Conservation Authorities is critical in achieving The Term of Council Strategic Priority - Environmental Stewardship, and especially, several of the objectives

including subwatershed planning; enhancing and protecting the natural environment – its biodiversity and ecosystems; and source water protection to maintain and ensure a supply of safe drinking water.

SUPPORTING DOCUMENTATION

Document 1 – General, Special and Capital Levies for Conservation Authorities, City of Ottawa 2017 Levy Requirements. *(Held on file with the City Clerk)*

DISPOSITION

The Finance Department will calculate the property tax rates to generate the levies required, collect the funds and forward it to the Conservation Authorities. The City Clerk and Solicitor Department will prepare the appropriate by-laws.