

2. CONSERVATION AUTHORITIES – 2018 LEVIES

PRÉLÈVEMENTS 2018 DES OFFICES DE PROTECTION DE LA NATURE

COMMITTEE RECOMMENDATION

That Council approve the 2018 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1 and outlined in this report.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve les prélèvements de 2018 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, Corporate Services Department, dated 9 April 2018 (ACS2018-CSD-FIN-0008).

Rapport de la Trésorière municipale adjointe, Finances municipales, Direction générale des services organisationnels, daté le 9 avril 2018 (ACS2018-CSD-FIN-0008).

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
1 May 2018 / 1er mai 2018**

**and Council
et au Conseil
9 May 2018 / 9 mai 2018**

**Submitted on April 9, 2018
Soumis le 9 avril 2018**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2018-CSD-FIN-0008

SUBJECT: CONSERVATION AUTHORITIES – 2018 LEVIES

**OBJET: PRÉLÈVEMENTS 2018 DES OFFICES DE PROTECTION DE LA
NATURE**

REPORT RECOMMENDATION

That the Finance and Economic Development Committee recommend Council approve the 2018 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1 and outlined in this report.

RECOMMANDATION DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil d'approuver les prélèvements de 2018 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 (City) is located in the watersheds of three rivers, each of which have an established Conservation Authority: the Rideau Valley Conservation Authority (RVCA), the Mississippi Valley Conservation Authority (MVCA) and the South Nation Conservation Authority (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 and 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's share of the general levy is apportioned on the basis of the assessment for the City 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, an example of which would be 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 in the next section of this report.

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 \$476,526 in special levies for the 2018 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 2017 total costs amounted to \$795,783, which is slightly lower than in the previous years due to above average temperatures. As a result, the 2018 levy request is reduced by \$229,684.

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. 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. If this year's request is approved, the City's contributions since 2010 will total \$90,000.

Flood and Erosion Control – The request of \$23,500 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 Hearts 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 \$1.9 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 SNCA 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. The surplus also funded part of the 2017 program expenses, which resulted in a reduced 2017 request of \$95,273. The 2018 request is back at the original annual amount of \$200,000.

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, 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 2018 include monitoring and data analysis to support the development of the North Castor River Catchment Report. This report provides vital data to support the City's Sub-watershed Study for this catchment area.

Forested Land Purchase – As part of its ongoing Land Acquisition Program, the SNCA is requesting \$287,513 to address the issue of increasing forest depletion within the South Nation River watershed including the City. The City's share of this levy is \$226,439.

Emerald Ash Borer Program – In response to the damage caused by the Emerald Ash Borer, the SNCA will develop a pilot program for property owners in the City to manage the impact of the Emerald Ash Borer. This program will provide technical support to landowners to assess tree condition and cost-share funding to assist landowners with proper removal and replacement of infected trees.

DETAILS OF CAPITAL LEVIES

Mississippi Valley Conservation Authority

Mississippi Valley New Office Capital Costs – New office space requirement was identified several years ago. 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 SNCA 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 per cent, 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 \$60,790 including principal and interest (1.75 per cent).

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 Storm Water Services Branch of the Public Works and Environmental Services Department based on documentation supplied by the Conservation Authorities.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments required by an advisory committee for this report.

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 \$11,469,833, which represents an increase of \$337,132 or 3.03 per cent for both inflation and assessment growth over 2017. Based on the staff recommendations contained in the "2018 Tax Ratios and Other Tax Policies" report, it is estimated that the tax rates for Conservation Authority purposes will result in a \$1 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; stewardship programs, advice on land use planning, undertake efforts to restore fish and wildlife habitats, restore shorelines and reduce water pollution.

TERM OF COUNCIL PRIORITIES

The work of the Conservation Authorities supports the Term of Council Strategic Priority – Sustainable Environmental Services, 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 2018 Share is an attachment to this report. (*Held on file with the City Clerk*)

DISPOSITION

Corporate Finance 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, in cooperation with Corporate Services Department, will prepare the appropriate by-laws.