

3. CONSERVATION AUTHORITIES – 2019 LEVIES

PRÉLÈVEMENTS 2019 DES OFFICES DE PROTECTION DE LA NATURE

COMMITTEE RECOMMENDATION

That Council approve the 2019 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 2019 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 26 April 2019 (ACS2019-CSD-FIN-0010).

Rapport de la Trésorière municipale adjointe, Finances municipales, Direction générale des services organisationnels, daté le 26 avril 2019 (ACS2019-CSD-FIN-0010).

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
7 May 2019 / 7 mai 2019**

**and Council
et au Conseil
22 May 2019 / 22 mai 2019**

**Submitted on April 26, 2019
Soumis le 26 avril 2019**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2019-CSD-FIN-0010

SUBJECT: CONSERVATION AUTHORITIES – 2019 LEVIES

**OBJET: PRÉLEVEMENTS 2019 DES OFFICES DE PROTECTION DE AL
NATURE**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council approve the 2019 levies for the Rideau Valley, South Nation and Mississippi Valley Conservation Authorities as presented in Document 1 and outlined in this report.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil d'approuver les prélèvements de 2019 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 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 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 are classed as general benefit and allocated to all member municipalities. Details on the special and capital levies are provided below.

DETAILS OF SPECIAL LEVIES

Levy Common to All Conservation Authorities

Aquatic Monitoring – A new special levy has been created by the MVCA, the RVCA and the SNCA at the request of the City of Ottawa to provide funding to conservation authorities to undertake water quality monitoring and fish and benthic invertebrate sampling at sites within the City of Ottawa previously undertaken by City staff. City staff have refocused their monitoring efforts towards municipal infrastructure and have delegated aquatic environmental monitoring to the conservation authorities who presently conduct monitoring and reporting throughout their watersheds and are all well positioned to conduct this work. The cost of aquatic monitoring varies depending on the number of monitoring sites within each watershed. The total of these special levies allocated to the conservation authorities is \$256,399.

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 \$800,403 in special levies for the 2019 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 2018 total costs amounted to \$893,014, which is a little higher than in the previous years. As a result, the 2019 levy request is increased by \$225,344.

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 \$100,000.

Flood and Erosion Control – The request of \$40,000 is for routine operation and maintenance of flood and erosion control structures at Brewer Park, Windsor Park, Graham Creek, Borden Farm, Sawmill Creek, and Still Water Creek.

Britannia Village Flood Control Project – A new special levy has been created in accordance with the MOU that was signed between the City of Ottawa and the RVCA in 2014 prior to the Britannia Village Flood Control Project being undertaken. The MOU stipulates that a "major maintenance and replacement" fund be established once the project is complete, and that the annual contribution to the fund be such that over an assumed 25 year service life, 50 per cent of replacement value will be accumulated. This annual contribution is \$21,500 each year and is to be collected from the City of Ottawa by the RVCA through a special levy.

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 South Nation Conservation Authority to deliver the program in partnership with the RVCA and the MVCA. The 2019 request is \$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, which includes the City of Ottawa within the SNC's jurisdiction. 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. The 2019 funding will complete the North Castor River Catchment Study (\$20,320), proving baseline stream condition to the City for sub-watershed planning, the remaining funding (\$29,680) will be allocated as grants to not-for-profit organizations undertaking projects that protect regional surface and groundwater resources. The funding is allocated through the SNC Clean Water Program as per established Eastern Ontario Water Resource Program guidelines.

Forested Land Purchase – As part of its ongoing Land Acquisition Program, the SNCA is requesting \$297,076 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 \$233,404.

Emerald Ash Borer Program – Launched in 2018, the Ottawa Ash Tree Replacement Program offers cost-share grants to residents removing ash trees infected with the Emerald Ash Borer and replacing them with a native tree. The SNCA delivers the program on behalf of the Conservation partners (Mississippi Valley, Rideau Valley, and

South Nation Conservation Authorities). Cost-share grant is up to \$500 per tree, to a maximum of \$5,000 per applicant.

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 2019 assessed share is \$250,518.

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 2019, the capital repayment cost is \$62,787 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 Storm Water Services Branch of the Public Works and Environmental Services Department based on documentation supplied by the Conservation Authorities.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide report and there are no comments required by ward councillors with respect to this report.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments or recommendations required by Advisory Committees for this report.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

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

FINANCIAL IMPLICATIONS

As 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 \$12,555,728, which represents an increase of \$1,085,895 or 9.47% for both inflation and assessment growth over 2018. Much of this increase is due to the adjustment required for the Rideau River Ice Management with the Rideau Valley Conservation Authority as well as the new Aquatic Monitoring Special Levy for all CA's. Based on the staff recommendations contained in the "2019 Tax Ratios and Other Tax Policies" 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 sub-watershed 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

Separately attached, Document 1 – General, Special and Capital Levies for Conservation Authorities, City of Ottawa 2019 Share. *(Held on file with the City Clerk)*

DISPOSITION

Corporate Finance Services 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