

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

19 MARCH 1996

3:00 P.M.

PRESENT

Chair: P. Clark

Members: M. Bellemare, B. Hill, P. Hume, G. Hunter, A. Loney, B. McGarry,
W. Stewart, R. van den Ham

CONFIRMATION OF MINUTES

That the Corporate Services and Economic Development Committee confirm the Minutes of the 05 March 1996 meeting.

CARRIED

REGULAR ITEMS

ENVIRONMENT AND TRANSPORTATION

ENVIRONMENTAL SERVICES

1. Robert O. Pickard Environmental Centre
Primary Treatment Expansion, Phase II
Contract No. CG-164, Digester Gas Utilization - Engineering Design Services
- Environment and Transportation Commissioner's report dated 22 Feb 96

That the Corporate Services and Economic Development Committee and Council approve for the next phase to Contract CG-164 with CH2M Gore and Storrie Ltd. (Ottawa), to provide Engineering Design services for a Cogeneration Facility at the Robert O. Pickard Environmental Centre in the amount of \$296,100.00, bringing the revised total contract provision to \$368,940.

CARRIED

2. Supply of Water Soluble Polyelectrolytes
Tender 0885-70-T1/95 - Tender Award
- Environment and Transportation Commissioner's report dated 08 Feb 96

That the Corporate Services and Economic Development Committee and Council approve the award of Tender 0885-70-T1/95 for the supply of polyelectrolytes at the Robert O. Pickard Environmental Centre to Canada Flocculants Inc., Willowdale, for a total contract provision of \$1,423,167 for the period of 1 March 1996 to 31 December 1998.

CARRIED

3. Carlsbad Springs Alternative Standard Water Supply
Contract No. CW-6006 - Supply of Materials HDPE Pressure Pipe
- Environment and Transportation Commissioner's report dated 21 Feb 96

That the Corporate Services and Economic Development Committee and Council approve the acceptance of the tender from KWH Pipe (Canada) Ltd., (Mississauga), for the supply of polyethylene pressure pipe for the Carlsbad Springs Alternative Standard Water Supply System in the amount of \$374,800.

CARRIED

TRANSPORTATION

4. 1995 Intersection Modification Programme
(Phase 1) - Contract 95-525 _____
- Environment and Transportation Commissioner's report dated 28 Feb 96

That the Corporate Services and Economic Development Committee and Council approve a scope change to Contract 95-525 to Arnone Paving, Nepean in the amount of \$45,000.00, bringing the revised total contract provision to \$256,052.79.

CARRIED

5. Supply of Traffic Signal Lamps -
Tender 0285-32-T1/96 - Contract Award
- Environment and Transportation Commissioner's report dated 04 Mar 96

That the Corporate Services and Economic Development Committee and Council approve the award of Tender 0285-32-T1/96, Supply of Traffic Signal Lamps to Duro-Test Canada Inc., Rexdale, Ont., for a total contract provision of \$66,673.32.

CARRIED

FINANCE

6. 1996 Mill Rates, Regional Levy Requisitions
Transit and Sewer Service Areas
- Finance Commissioner's report dated 11 Mar 96

That the Corporate Services and Economic Development Committee and Council approve the following recommendations:

- 1. 1996 Mill Rates and corresponding Area Municipality requisitions for Regional Sewer and Transit purposes as detailed on Annexes A and B;**
- 2. Preparation and submission to Regional Council of the necessary by-laws for enactment.**

CARRIED

7. Sewer Service Area
- Finance Commissioner's report dated 21 Feb 96

That the Corporate Services and Economic Development Committee and Council approve that the Regional Regulatory Code, Part 5.1 be amended to include the areas identified in the map attached to this report.

CARRIED

8. Tender 0615-00-T1/95 Systems Contract for the Supply of Office Supplies and Stationery Items
- Finance Commissioner's report dated 11 Mar 96

That the Corporate Services and Economic Development Committee and Council approve the award of the Region's portion of Tender 0615-00-T1/95 for a Systems Contract for the Supply of Office Supplies and Stationery Items to Grand and Toy Limited, Ottawa for a two (2) year period, with an estimated cost of \$325,000.00 per year.

CARRIED

9. 1996 Debenture Issue
- Finance Commissioner's report dated 07 Mar 96

That the Corporate Services and Economic Development Committee and Council approve:

1. **The Finance Commissioner be given authority to undertake a public debenture issue in an amount not to exceed \$50.0 million and an "internal" debenture issue in the amount of \$3.5 million to finance various capital projects;**
2. **The Finance Commissioner be authorized to execute and deliver all documentation and to incur and pay all costs associated with the undertakings;**
3. **A confirmation report and debenture by-laws be submitted to Regional Council at a meeting prior to the issue settlement date.**

CARRIED

10. Cash Investments and Loans Receivable
- Finance Commissioner's report dated 26 Feb 96

That the Corporate Services and Economic Development Committee and Council receive this report for information.

RECEIVED

11. Disposition of Assets and Liabilities
- Police and Solid Waste Services
- Finance Commissioner's report dated 04 Mar 96

Councillor van den Ham referenced Schedule 1 of the report and the liability to be assumed from the City of Ottawa in the amount of \$1,670,675. The Councillor explained he understood the Region was legislated to assume the area municipal assets and liabilities relating to police, however, he believed the municipalities were also responsible for a balance budget at year end. He questioned the large deficit shown for the City of Ottawa.

J. LeBelle, Finance Commissioner, agreed the municipalities were required to produce balanced budgets under the normal course of events. However, speaking to the City of Ottawa, Mr. LeBelle continued to explain the accumulated operating deficit was comprised of a 1994 operating deficit of \$558,676 and losses in 1993 and 1994 grants-in-lieu of taxes from the federal government of \$1,111,999. Mr. LeBelle explained the latter figure applied to revenues in the police area prior to 1994 and, therefore, it was agreed the best method to reflect this portion was as part of the police settlement of assets and liabilities. In closing, Mr. LeBelle noted this issue could not have been contemplated by the City of Ottawa at the time of approving its budget for 1994.

In response to a question from Councillor van den Ham, Mr. LeBelle confirmed under the terms of the legislation, the Region must assume the municipalities police assets and liabilities. He added as the legislation was unclear in terms of specifics, it was necessary to rely on fundamental accounting principles used in the municipal sector to create definitions for "assets" and "liabilities". In closing, Councillor van den Ham reiterated his concern with assuming this large liability and the fact it would be picked up by the remainder of the Region.

Referencing Schedule 2 of the report, Chair Clark pointed out the amount of the non-financial assets received was very close in number to the amount of unfunded liabilities received, therefore, providing some balance.

The Committee then voted on the staff report as follows:

That the Corporate Services and Economic Development Committee and Council approve:

- 1. the determination of assets and liabilities related to the former area municipality police and solid waste collection services as presented in Schedules 1, 2 and 3, attached;**
- 2. the disposition of financial assets and liabilities as set out in this report;**

3. **the delegation of authority to the Finance Commissioner to effect any adjustments to the final settlements with the area municipalities necessary to address timing issues.**

CARRIED

REGIONAL CLERK

12. Grants Request Outside Regular Grants Process
 - Ottawa International Jazz Festival
 - Regional Clerk's report dated 12 Mar 96
 - Letters of support received from numerous organizations

The following representatives spoke to the Committee on the grant request from the Ottawa International Jazz Festival: *Mr. Jeff Polowin, Board Representative, Mr. Maurizio Ortolani, Executive Director and Ms. Elizabeth Hanna, Director of Marketing.*

Mr. Polowin expressed his support for the Jazz Festival and reviewed the benefits it provided to the Regional Municipality. In referencing the corporate sponsors, he pointed out the excellent partnerships established between the Festival and their sponsors. With regard to the problems experienced by the Festival in 1995, Mr. Polowin spoke about the quick response and action taken by the Festival to amend the situation. In closing, Mr. Polowin reviewed the necessity for a strong communications plan and strategy to be in action in order to gain the corporate sponsorship required.

Mr. Ortolani reviewed the Festival's cultural and economic impact on the Region. With regard to the crisis experienced in 1995 and their financial status, Mr. Ortolani explained the Festival discovered an operating deficit of \$122,000 in the fall of 1995. In order to correct the situation, they met with its creditors, and made a proposal which was ratified unanimously and approved by the Ontario Courts. Mr. Ortolani reported that of the five major creditors, four had entered into new partnership agreements for 1996 with negotiations continuing with the fifth creditor. As a result, Mr. Ortolani emphasized the corporate sector's belief in the success and viability of the Festival for 1996. With regard to marketing and sponsorship, Mr. Ortolani introduced Ms. Elizabeth Hanna, who was responsible for the marketing programs designed for 1996. In order to increase revenue, Mr. Ortolani stated two new programs had been instituted; a membership campaign, and fund-raising benefit concerts. He added they had received an increase in ticket and pass sales. In closing, Mr. Ortolani acknowledged the recognition that the reliance on public funding must be decreased, and reviewed the reduction in grants received from the Ontario Arts Council and the City of Ottawa.

In response to a question from Councillor Hume, Mr. Ortolani reviewed the repayment schedule to the creditors. With regard to the grant request, Mr. Ortolani explained the grant was viewed as seed money to allow the Festival to establish a component of the sponsorship package. He added the same project would be marketed to a corporate sponsor in subsequent years.

Councillor Stewart referenced the Economic Development Grants Program, and expressed concern with setting a precedent for other unsuccessful applicants to return with a further request. C. Sage, Arts Manager, reviewed the criteria necessary for a grant request to be considered outside the budget process or granting programs, as outlined in the report in Annex B. With regard to the Jazz Festival, Ms. Sage reported the exceptional circumstances involved the Festival's extremely difficult financial situation and circumstances that would probably result in the non-production of the event if it were not funded.

With regard to the reduction of expenditures made to the Festival's budget, Councillor Stewart inquired if it was realistically possible to achieve. Mr. Ortolani explained they had the flexibility based on the fact the Festival was a one-stage production which allowed for expenditures to be curtailed without compromising programming. Mr. Ortolani reported the increased earned revenue was derived around productions and the concert pass sales.

Councillor Hunter questioned why the payroll expenses totalled \$100,000 for a ten day event. Mr. Ortolani explained there were fixed human resource costs year round, such as programming, Executive Director and marketing functions. Ms. Hanna, Director of Marketing, added it was necessary to work 12-18 months in advance to secure partnership arrangements, corporate sponsors and marketing.

Ms. Hanna reviewed the strategic media program to be used in the Communications 96 project. In response to a question from Councillor Hunter, Ms. Hanna stated they planned to advertise in the Citizen, the Ottawa Xpress and Le Droit. Councillor Hunter pointed out the project was not targeted to outside audiences and would not bring in the tourists stated. Mr. Ortolani added the project was also essential to secure the corporate sponsorships, which in turn and in subsequent years, would allow the Festival to develop a tourism package. Mr. Polowin noted the Festival had been successful since 1980 and visitors returned each year, often through day visits. K. Lambert, Ottawa Tourism and Convention Authority, reported the Festival was the third largest festival promoted by the Authority, and noted it was a major component to the tourism package for the summer of 1996.

Ms. Hanna explained the sponsorship package offered a corporation the opportunity to sponsor a particular series of the festival and, in turn, was buying visibility both on site and through the media. Councillor Hunter inquired why the Region was not offered the same privilege, rather than requesting an unconditional grant. The Councillor stated unconditional grants were not beneficial to the RMOC, and suggested the Corporation should promote regional services or a regional message through their sponsorship.

Ms. Hanna pointed out the Region and other funding partners were recognized both on-site in signage and in the programming material and print media. She emphasized the Region was very visible in all the promotional tools used.

Councillor van den Ham referenced the reduction in donated services for 1995, and suggested the community and corporate sponsors were decreasing their support. Mr. Ortolani pointed out an error in the Statement of Revenue, Expenses and Accumulated Deficit prepared by KPMG, and stated that with regard to corporate partners, the festival had already surpassed the 1995 level. Regarding donated services, Mr. Ortolani explained they would be secured in April and May, and represent services related to the site, airline carrier, and hotel partner. He added they were presently on track for 1996.

Councillor Hume requested information on the policy to review grants outside the budget process. Ms. Sage reviewed the criteria and the original project application submitted under the Economic Development Grants Program. She pointed out the panel believed if a large amount of funding was to be provided to the Jazz Festival, it should be for a venture that would ensure the production of the Festival in 1996.

Councillor Bellemare pointed out there was a balance of \$16,400 in the Economic Development Grants Program that was not allocated. He suggested using these funds to allocate towards the grant. K. Kirkpatrick, Deputy Treasurer, explained the balance, if not spent, would be returned to the Region Wide Fund. The Councillor moved a motion that \$16,400 be funded from the Economic Development Grants Program and the remaining \$8,600 be funded from the Provision for Unforeseen.

Councillor Hill referenced the numerous other applications that were not successful under the Economic Development Grants Program, and the precedent approving the grant request would set. She expressed concern other requests would be submitted in an attempt to obtain funding.

Chair Clark pointed out that due to the crisis situation experienced in 1995, the original application made under the Economic Development Grants Program lacked important financial information and the creditors proposal. He stated the Festival was a key attraction and generated excellent economic activity for the Region.

Councillor Hunter pointed out the body of the report also recommended the grant be paid in two instalments, the first upon Council approval of the grant, and the second at the beginning of the Festival in mid-July to ensure the Festival would, in fact, be produced in 1996. Councillor Hunter inquired if this should not also be included in the Departmental Recommendation to be considered by Committee and Council. Councillor Bellemare amended his motion to include these payment conditions.

Moved by M. Bellemare

That the Corporate Services and Economic Development Committee and Council approve:

1. **A grant request of \$25,000 to the Ottawa International Jazz Festival, with funds in the amount of \$16,400 to be provided from the balance remaining in the Economic Development Grants Program budget and \$8,600 to be provided from the Provision for Unforeseen;**
2. **The grant be paid in two instalments, 50% upon Council approval of the grant, and the balance in mid-July.**

CARRIED

YEAS: M. Bellemare, P. Hume, G. Hunter, A. Loney, W. Stewart, P. Clark6
NAYS: B. Hill, B. McGarry, R. van den Ham3

INFORMATION PREVIOUSLY DISTRIBUTED

REGIONAL CLERK

1. Economic Development Grants Report
- Chair, Economic Development Grants Panel's memorandum dated 11 Mar 96
2. Record of Tender Openings
For the Month of February 1996
(As Per Corporate Policy Manual Section 4.6.6.)
- Regional Clerk's memorandum dated 05 Mar 96

CONFIDENTIAL INFORMATION DISTRIBUTED

LEGAL

1. Carlsbad Springs Alternative Standard Water Supply
Contract No. CW-6006 - Supply of Materials HDPE Pressure Pipe
(Reference Item No. 3 on Regular Agenda)
- Regional Solicitor's legal opinion dated 13 Mar 96

CONFIDENTIAL AGENDA

LEGAL

1. Environmental Charges in Relation to Contamination of Poole Creek
- Deputy Regional Solicitor's report dated 12 Mar 96

That the Corporate Services and Economic Development Committee receive this report for information.

RECEIVED

ADJOURNMENT

The meeting adjourned at 3:55 p.m.

COORDINATOR

CHAIR