MUNICIPALITY OF STRATHROY-CARADOC

MINUTES OF

COUNCIL MEETING

MONDAY, MARCH 3, 2014

6:30 P.M.

COUNCIL CHAMBER

52 FRANK STREET, STRATHROY

1. **Roll Call.** Mayor Vanderheyden requested cell phones and pagers be turned off.

   Present:
   
   Mayor Joanne Vanderheyden  
   Deputy Mayor Brad Richards  
   Councillor Marie Baker  
   Councillor John Brennan  
   Councillor Dave Cameron  
   Councillor Steve Pelkman  
   Councillor Larry Cowan  
   Councillor Steve Dausett  
   Councillor Neil Flegel

   Also present:
   
   Ralph Coe, Chief Administrative Officer  
   Angela Toth, Director of Corporate Services/Clerk  
   Mark Harris, Director of Environmental Services  
   Matthew Stephenson, Director of Building and Waste Services  
   Brad Dausett, Roads Manager  
   Andrew Meyer, Community Development Manager  
   Kerry Maloney, Deputy Clerk  
   Todd Stepanuik, President, Middlesex Hospital Alliance  
   Ken Williams, Chair, Middlesex Hospital Alliance  
   Sue Sittignton, President, Canadian Union of Postal Workers, Strathroy Local 609  
   Bridget Johnson, MYFM Radio  
   Jacob Robinson, Strathroy Age Dispatch

2. **Declaration of Pecuniary Interest.** None.
3. **Petitions and Presentations**

3.1 **Middlesex Hospital Alliance Update**
Mr. Todd Stepanuik, President, and Mr. Ken Williams, Chair, Middlesex Hospital Alliance provided an update to Council on the activities of Middlesex Hospital Alliance.

Middlesex Hospital Alliance comprises both the Strathroy and Newbury hospitals. They spoke of the accreditation with exemplary status it has received, and provided an overview of the scope of services provided at the hospitals, the many successes and achievements and challenges with investments and fiscal constraints and a list of about ten (10) priorities.

Mayor Vanderheyden thanked Mr. Stepanuik and Mr. Williams for the update.

3.2 **Sue Sitlington, President, Canadian Union of Postal Workers**
Ms. Sitlington spoke to Council regarding the impending loss of door-to-door mail delivery and the impact it will have on the community on such matters as the environment, safety and cost impacts and infrastructure. She said there is a 5-year plan to reduce door-to-door delivery. She asked for a resolution of support; however, Council agreed the Federation of Canadian Municipalities and the Association of Municipalities of Ontario will be contacted regarding their positions on the concerns about the change in service delivery. Ms. Sitlington said 17 municipalities across Canada have already adopted similar resolutions of support. Mayor Vanderheyden thanked Ms. Sitlington for her petition.

4. **Approval of Minutes**

Moved by Councillors Flegel and Brennan
**THAT**: the following minutes be approved as written:
- Regular Council Minutes – February 18, 2014. **Carried.**

5. **In Camera Report** – None.

6. **Communications**

6.1 **Masterpiece Financial**

**Re: Proposed appointment of new broker of record for group benefits plan**

The Chief Administrative Officer reviewed this matter with Council. Masterpiece Financial Inc. has entered into an alliance agreement with Selectpath Benefits Inc. (Selectpath) and is asking for Council's appointment of Selectpath as the new broker of record effective immediately. Selectpath has previously provided consulting services to the municipality through Mark Prangley. Staff recommends the
appointment of Selectpath Benefits Inc., London office, as the Broker of Record.

Moved by Deputy Mayor Richards and Councillor Cowan

THAT: Selectpath Benefits Inc., London office, be appointed the Broker of Record for the employee group benefits plan effective immediately.

Carried.

Service contact information will be communicated with staff.

6.2 Lake Huron and Elgin Area Water Supply Systems


Reference: for information.

6.3 Ministry of Community Safety and Correction Services

Re: Changes to fire safety regulations for all vulnerable occupancies.

Reference: for information, and referred to the Fire Department for action as required.

6.4 Larry McCabe, Administrative Officer, Ontario Small Urban Municipalities (OSUM)

Re: Nominations to serve on OSUM Executive Committee.

OSUM Conference registration information was provided to Council February 3, 2014.

Reference: nominations accepted until March 31, 2014 at 4:00 p.m.

6.5 Lupus Foundation of Ontario

Re: World Lupus Day, May 10th and “October is Lupus Awareness Month”. Council has a policy to not make proclamations.

Reference: for information.

6.6 Strathroy-Caradoc Family YMCA

Re: YMCA Sweat for Strong Kids Charity Cycling Event Saturday, April 5, 2014

Reference: any councillors interested in participating please contact Elaine Woods, General Manager, by email or phone as noted in the letter.

8. Reports from Departments

8.1 Strathroy-Caradoc Police Service
   a) January 2014 Activity Report;
   b) January 2014 Criminal Investigations Report and

Reference: for information.

8.2 Brad Dausett, Roads Manager
Re: Annual Bridge Inspections
The Roads Manager reviewed his report on the subject matter. All bridges
have been assessed since 2009 for structural integrity and are inspected
alternating years with the next inspection due for 2015. The County
engineer has offered the county services to inspect our bridges on a bi-
annual basis at an approximate cost of $9,265, or about $200 per
inspection for an assumed bridge inventory of 45 bridges. In 2013 this
service was provided by BM Ross and Associates for a cost of about
$4,500 plus tax. Retaining the services of BM Ross and Associates will be
a cost savings of about $4,000.

Moved by Councillors Cameron and Cowan
THAT: the services of BM Ross and Associates Limited be retained for
bridge inspections for 2014/15 in the Municipality of Strathroy-Caradoc.
Carried.

8.3 Matthew Stephenson, Director of Building and Waste Services
Re: Bluewater Recycling Contract
The Director reviewed his report on the subject matter providing a the
municipality’s history with Bluewater Recycling Association (BRA) and that
Strathroy-Caradoc re-negotiated the waste and recycling contract with
BRA in 2004 and again in 2009. The negotiated contract from 2009
expires December 31, 2014.
Staff has researched private industry that may capable of providing a
waste and recyclable collection service. Staff has been advised that
although private industry may not be able to provide the service currently
due to the lack of equipment they would be interested in bidding on the
service and if successful would purchase the necessary equipment.
If Council is interested in issuing a request for proposal, staff has received
a quote of $ 6,000 from a company to complete the request for proposal
design and third party review of submissions. The other option is to direct
staff to commence negotiations with BRA for a new contract from January
1, 2015 to December 31, 2019.
Councillors expressed concern about calling for proposals when satisfied
with the current provider and the impact of any changes in the collection
and disposal program by going with another provider. Council has received a lot of positive comments from citizens on the current system.

Moved by Councillors Dausett and Brennan
**THAT:** Staff be authorized to negotiate a costing with Bluewater Recycling Association for the garbage/recycling waste collection and disposal program for January 1, 2015 to December 31, 2019 and report back to Council. **Carried.**

8.4 Andrew Meyer, Community Development Manager
**Re:** Strathroy Railway Lands Garden Project-Request for Tender and Recommendation

The Manager reviewed his report providing history on how the project has developed. A request for tenders was issued with a deadline of February 24, 2014 with three (3) proposals received that were presented to the Progress Through Partnership Committee that recommended Firefield Landscape Supply Ltd. at a cost of $40,600 plus taxes. This project will be supported partially by a commitment of $15,000 from the Strathroy BIA and $5,000 from the Strathroy-Caradoc Horticultural Society. Funding support is also being requested of the CN Eco Connexions Program for the maximum eligible amount of $25,000 and the Municipality will receive notification from CN in mid-May this year. The balance of funding is subject to the availability of funds in the Progress Through Partnership budget. The project will be scaled back if the funding from CN is not received. The project can be done in phases if necessary based on available funding.

There is also the cost of site preparation, grading and the installation of a perimeter concrete curb to retain the garden beds and define the parking lot area at an estimated cost of $35,000 that is in the capital budget for consideration.

Moved by Councillor Pelkman and Deputy Mayor Richards
**THAT:** Council authorizes staff to award the contract to undertake the Strathroy Railway Lands Garden Project to the lowest bidder, Firefield Landscape Supply Ltd. of Strathroy, at a bid price of $40,600 plus HST subject to final approval of the 2014 operating and capital budgets and other funding opportunities; and further that the project will be scaled back if required. **Carried.**

8.5 Mark Harris, Director of Environmental Services
**Re:** 2014 Service Agreement Renewal Rates with Entegrus Powerlines Inc. for Water Meter maintenance and streetlight and traffic light maintenance

The Director reviewed his report. As part of the sale of Middlesex Power Distribution Corporation to Chatham-Kent Energy in 2005, a shared services agreement was initiated with the Municipality of Strathroy-
Caradoc to cover maintenance and installation of water meters and streetlight and traffic light maintenance. The maintenance and fee schedules have been updated to include 2014 rates and require approval of both the Municipality and Entegrus Powerlines Inc. and were provided for Council’s consideration. The 2014 rates include a 2% increase for wages and a $5.00 per hour increase for truck costs. The last increase for truck costs took place in 2006. The costs will be carried in the operating budgets. This increase will mean approximately $1,600 more in costs per year for each maintenance agreement. The possibility of LED street lighting was mentioned.

Moved by Councillors Brennan and Pelkman
**THAT:** Council waives the provisions of the purchasing policy and approves the 2014 Streetlight and Traffic Light and Water Meter Maintenance annual rates renewal with Entegrus Powerlines Inc. and further that the bylaw for this renewal be considered under the Reading of Bylaws section of this meeting. **Carried.**

8.6 Mark Harris, Director of Environmental Services

**Re: Water Billing Service Agreement with Entegrus Services Inc.**
The Director will review his report. In 2005, the Municipality entered into a water billing service agreement with Middlesex Power Distribution Corporation. The services provided under the contract include cycle meter reading, general customer service, customer billing, customer collections, mail preparation, payment collections and support for customer information system. The costs over the term of the agreement increased based on the annual Consumer Price Index (CPI). The current agreement expired on July 31, 2013. The proposed term of the new agreement will go to December 31, 2016 with rates increasing by 2% annually effective August 1st in each year of the term. Over the life of the agreement the rates have stayed in line with the CPI or more recently an annual increase of 2%. Over the term there have been two factors that created cost pressure to Entegrus which include the change from double hydro/water meter read to a single read, and mailing costs are also projected to increase in 2014.
The annual cost for the water billing service is estimated at: 2013-$259,063.20; 2014-$267,793.68; 2015-$276,658.56; and 2016-$285,657.84.
The annual cost for the sewer billing service is estimated at: 2013-$38,890.44; 2014-$40,125.60; 2015-$41,379.96; and 2016-$42,653.52. The projected annual growth for the number of water and sewer customers is 80 each.

Moved by Deputy Mayor Richards and Councillor Cameron
**THAT:** Council approves the Water Billing Agreement with Entegrus Services Inc. dated August 1, 2013 and further that the bylaw to approve
the agreement be considered under the Reading of Bylaws section of this meeting. 

Carried.

8.7 Mark Harris, Director of Environmental Services

Re: Block 3 Water and Sanitary Sewer Rates

The Director reviewed his report which is a result of a letter received from Strathroy Middlesex General Hospital (SMGH) concerning the water and sewer rate structure.

In 2012, Hemson Consulting Ltd. completed a Water Financial Plan and Water and Wastewater Rate Study. A review of the Industrial Water and Sewer Blocks at the time revealed that our Block 3 threshold and rates were low with respect to other municipalities with similar billing structures. On that basis, the Block 3 threshold was adjusted to start at 3,500 m$^3$.

Based on the concern raised from SMGH a review of the properties impacted as a result of the block change with 5 customers impacted by the block change, i.e. 2 industrial properties, 2 institutional properties and 1 residential. The largest impacts were on 1 institutional customer with a 19.70% increase in billing and 1 industrial customer with a 14.90% increase in billing.

Strathroy-Caradoc’s Block 3 rate is very low based on the comparable municipalities that obtain water from the same source at the same bulk meter rate. We purchase the water from Lake Huron Primary Water System for $0.4183/m$^3$ and selling it for $0.610/m^3$ leaving little margin for the operating, maintenance and capital costs for the distribution system.

A similar issue occurs on the sewer side of billing where the cost to operate the Sewage Treatment Plant is $0.367/m$^3$ and we are charging $0.535/m^3$ for the Block 3 rate. The adjustment of the Block 3 threshold from 2,284 to 3,500 permitted the Block 3 rate to remain low.

The following is the water usage in Block 3 before and after the block change: starts at 2,284 m$^3$/month-181,478 m$^3$/year; starts at 3,500 m$^3$/month-151,234 m$^3$/year.

The Director proposed three (3) options for consideration:

- Option 1-leave rates at current Block 3 threshold of 3,500 m$^3$/month knowing that the rates remain competitive and encourages conservation and provides estimated revenue of $219,284.71;
- Option 2-restore the Block 3 rate to 2,284 m$^3$/month, but increase the consumption component by $0.05/m$^3$ for both water and sewer and provides estimated revenue of $198,102.32; and
- Option 3-restore the Block 3 rate to 2,284 m$^3$/month, but increase the consumption component by $0.08/m^3$ for both water and sewer and provides estimated revenue of $208,175.39.

Option 2 provides the fairest Block 3 rates for industrial, institutional and multi-unit categories. It also has the smallest range of percentage increase with respect to all three categories demonstrating there is
fairness to all through the implementation of this option. The only issue with Option 2 is the reduction in revenues of about $21,000 compared to 2013 revenues. The loss in 2014 revenue will be equal to about 0.36% and is not sufficient to jeopardize the financial plan for the water system. This option also addresses the issue related to the small margin (Block 3 rate less purchase of Lake Huron water rate) in Block 3 to ensure the costs are fully recovered. The Block 3 rate will remain competitive and will require further review as part of the next rate study to ensure it is adequately recovering operational, maintenance and capital costs.

Councillor Cameron noted that 5 customers will be positively affected by option 2 and asked if there will be any negative impact on other customers going back to 2,284 m³/month to which the Director replied he does not foresee any customers being affected by the change in the threshold.

Moved by Councillors Brennan and Dausett
THAT: Council approves the adjustment of the Block 3 rate to 2,284 m³/month for water and sewer billing and that the water and sewer rates in Block 3 be increased by $0.05/m³ and further that the Water and Sewer Rates Bylaw be amended to reflect the change to the Block 3 water and sewer rates and notification of this change be provided pursuant to the municipality’s public notice bylaw. Carried.

9. Reports from Committees

Moved by Councillor Cameron and Deputy Mayor Richards
THAT: the following committee minutes be received and filed and that Council concurs with the committees’ recommendations:
- Committee of the Whole – February 24, 2014; and

10. Reading of Bylaws

10.1 Bylaw No. 12-14
Moved by Councillors Baker and Pelkman
THAT: the following bylaw receives first, second and third and final reading:
Bylaw No. 12-14
A bylaw to authorize the execution of a site plan agreement with 1822039 Ontario Ltd. (Akubitt) for the construction of an apartment building at 602 Albert Street. Carried.
Plans for this proposal will be provided.
10.2 **Bylaw No. 16-14** (from Item 8.5 of this agenda)
Moved by Councillors Brennan and Dausett
**THAT:** the following bylaw receives first, second and third and final reading:
**Bylaw No. 16-14**
A bylaw to approve the 2014 rates for traffic light, street light and water meter maintenance chargeable by Entegris Powerlines Inc. **Carried.**

10.3 **Bylaw No. 17-14** (from Item 8.6 of this agenda)
Moved by Councillors Cowan and Pelkman
**THAT:** the following bylaw receives first, second and third and final reading:
**Bylaw No. 17-14**
A bylaw to authorize the execution of a Water Billing Agreement renewal with Entegris Services Inc. **Carried.**

11. **New Business.** None.

12. **County Council Report**
The County of Middlesex created an economic development video on Parmerit Inc. /Wolfe Heavy Equipment and was viewed at the meeting through the following link: [http://youtu.be/MdL4OU1LU3E](http://youtu.be/MdL4OU1LU3E). The ongoing promotion of economic development in Middlesex County was acknowledged.

13. **Enquiries or Comments by Members**
Mayor Vanderheyden said the Farm Show is this week, and that the Battle of Longwoods Bi-Centennial celebration is taking place from March 4th to 8th. Chris Traini, County Engineer, will be representing the Southwest Zone on the Ontario Good Roads Association (OGRA) Board of Directors and said that she has learned a lot about many issues as a member of the boards of various organizations and encouraged councillors to participate if possible.

14. **Schedule of Meetings**
- Monday, March 17, 2014 – Finance Committee @ 5:30 p.m. for budget deliberations; followed by Council @ 6:30 p.m.;
- Monday, March 24, 2014 – Finance Committee @ 5:30 p.m. for budget deliberations; and
- Monday, April 7, 2014 - Council @ 6:30 p.m.; and
- Tuesday, April 22, 2014 – Council @ 6:30 p.m. (Municipal Office closed Monday, April 21, 2014 for Easter Monday)
15. **IN CAMERA**

Moved by Deputy Mayor Richards and Councillor Pelkman

**THAT:** Council moves In Camera to consider two (2) legal matters in accordance with Section 9.1.5 of Council Procedure Bylaw 23-07, and to consider approval of Council and Committee of the Whole In Camera meeting minutes in accordance with Section 9.4.2 of Council Procedure Bylaw 23-07. **Carried.**

Council proceeded to the Committee Room at 8:05 p.m.

1. **Roll Call.** Mayor Vanderheyden requested cell phones and pagers be turned off.

   Present:
   
   Mayor Joanne Vanderheyden  
   Deputy Mayor Brad Richards  
   Councillor Marie Baker  
   Councillor John Brennan  
   Councillor Dave Cameron  
   Councillor Steve Pelkman  
   Councillor Larry Cowan  
   Councillor Steve Dausett  
   Councillor Neil Flegel  

   Also present:
   
   Ralph Coe, Chief Administrative Officer  
   Angela Toth, Director of Corporate Services/Clerk  
   Kerry Maloney, Deputy Clerk

2. **Declaration of Pecuniary Interest.** None.

3. **In Camera Matters**

   Legal matters were considered, and Council and Committee of the Whole In Camera minutes were approved as written.

   Moved by Deputy Mayor Richards and Councillor Brennan  
   **THAT:** Council concludes the In Camera session. **Carried.**

   The In Camera session concluded at 8:39 p.m. and the open session resumed to adjourn the Council meeting.
16. **Adjournment**

The meeting adjourned at 8:40 p.m. on a motion by Councillors Cameron and Pelkman. **Carried.**

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Mayor      Clerk