



GENERAL COMMITTEE MEETING

Tuesday, September 28, 2004
7:00 P.M.
COUNCIL CHAMBERS - CITY HALL

Meeting Number G.C. 2004 - 09

Members present: Mayor Damian Goulbourne

Councillors:

D. Alexander	P. Grenier
D. Beaudoin (until 10:40 p.m.)	M.A. Grimaldi
M. Belcastro	J. Larouche
P. Chiocchio	S. O'Dell
M. Dzugan	B. Sharpe
D. Fortier	

Members of the Staff and Others Present:

City Clerk C.A. Stirtzinger
City Solicitor G. Banks
City Manager T. Fitzpatrick
General Manager Engineering, Public Works and Transportation Services D. Shantz
General Manager Financial and Corporate Services / Treasurer B. Silvestri
General Manager, Planning & Development Services D. Thorpe
Manager, Budgets & Financial Reporting/Deputy Treasurer S. Nagel (until 10:45 p.m.)
Revenue Services Co-ordinator L. Keca (until 10:45 p.m.)
Recording Secretary, Games Licensing Clerk S. Stirling

Others Present:

04-37

Mike Seguin, Industrial Sector
Jeff Kirkwood, Stelpipe
Albert Smith, Residential Sector
John Irvine, Commercial Sector
Michael Morra, Residential Sector
Jocelyn Fish, Residential Sector
Mary Jane Weatherhead, Small Multi-Residential Sector
Gregg Cousins, Atlas
Re: Ad Hoc Water and Sewer Rate Review Committee.
(FIN 2004-20 and CM-2004-36)



GENERAL COMMITTEE MEETING -- Page 2

Tuesday, September 28, 2004
Meeting Number G.C. 2004 - 09

Mayor Goulbourne called the General Committee Meeting to order at 7:20 p.m.

1. ADDITIONS/DELETIONS TO AGENDA: NIL

2. DISCLOSURE OF INTEREST: NIL

3. ADOPTION OF MINUTES OF GENERAL COMMITTEE MEETING OF SEPTEMBER 14TH, 2004

Moved by Councillor Larouche that the Minutes of the General Committee Meeting of September 14th, 2004 be and the same are hereby approved and adopted as circulated.

CARRIED

4. BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS: NIL

5. PUBLIC HEARINGS: NIL

6. DELEGATIONS AND PRESENTATIONS:

04-136 - Meeting with Ad Hoc Water and Sewer Rate Review Committee.

Mr. Seguin voiced his disappointment with the Committee's recommendation. He indicated to Council that this recommendation would increase the water and sewer bill of Stelpipe to \$600,000 which would have a negative impact on the already fragile industrial sector. He stated that this would, in turn, directly impact the residents of the City of Welland if it drives industry out of the City. Councillor Beaudoin inquired as to how much priority Stelpipe is giving to saving water and if they are currently in the process of finding ways to conserve. Mr. Kirkwood responded that this issue is a main priority for the company and they are investigating ways to reduce overall water consumption. Mr. Seguin stressed that, if Council passed this recommendation using 100% consumption, the City of Welland's water bills will be the highest of the municipalities in the Region and this will definitely have an impact on commercial businesses looking to relocate in this city. Councillor Fortier requested what the net increase for Stelpipe would be from tax shift to the water bill from the February 3^d resolution of Council and Mr. Seguin responded that the net result of the Ad Hoc Committee resolution would be \$100,000 based on the previous year's consumption for Stelpipe. Mrs. Keca explained that for Stelpipe the industrial portion of the taxes decreased but the commercial portion increased which has resulted in an increase in its taxes. Councillor O'Dell



GENERAL COMMITTEE MEETING -- Page 3

Tuesday, September 28, 2004
Meeting Number G.C. 2004 - 09

indicated that the residential sector is paying 90% of the water bill and only consuming 66% of the water while industry is paying for only 10% but using 44%. Mr. Smith indicated to Council that he was not personally in favour of the Ad Hoc Committee's recommendation. He voiced his concern regarding the city reimbursing the people who have already installed and paid for water meters and now the City is installing them for all residents for free. He shared with Council a recommendation he put together which allows all users to continue to be billed on a fixed cost and variable cost basis. He indicated that this method worked very well and would work even better with the installation of water meters. He stressed that his recommendation suggests that any sewage treatment charges should be on the fixed portion of the bill and not the variable portion. He explained that, if it is put on the variable portion and there was a lot of rain and a lot of water flowing into the sewage system, charges are up but the water usage is down and the city therefore loses money. If it is on the fixed portion the City would definitely recover the money. Mr. Irvine indicated his feelings that the Ad Hoc Committee was set up to fail. He stressed that industry has been buying water cheaper than other sectors and the system should be fair across the whole city. He indicated that this recommendation from the Committee was very fair to commercial business, residential and multi-residential sectors. Councillor Fortier added that the real injustice in the present system is to the multi-residential sector and Mr. Irvine agreed by adding that small multi-residences with two to five units are being hit the hardest. Mr. Morra indicated that he felt the only fair way was to charge the same amount to everyone for water. He supported the committee's recommendation but felt the 100% should be phased in. He added that he applied to be on the committee because he was under the impression it was formed to deal with the discrepancies and unfair system presently in place but found that the real interest of the committee was not to improve the system. Ms. Fish indicated that all members of the committee spent countless hours reviewing documents and meeting on this issue and she felt that the August 17th report from the City Manager trashed everything the Committee accomplished. She stressed that she felt this report should have been brought forward before the Committee was established. Ms. Fish stated that the recommendation from the Ad Hoc Committee was made with the best interest of the taxpayers and working people in the community. She stressed that the committee had fulfilled its mandate and she was now frustrated that the committee members had to come back and explain how they voted. Ms. Fish agreed with Mr. Irvine and she too felt the committee was set up to fail. Councillor Fortier explained that the report was brought to Council on August 17th but he felt, as Chair of the Ad Hoc Committee, it was best to bring the issue to Committee tonight because he did not want the recommendation passed on August 17th without debate. Mr. Fitzpatrick explained that he reviewed the report from the Ad Hoc Committee and then pointed out differences and concerns he had as his job is to provide advice to the City. Mrs. Weatherhead stated that in her research she has discovered that there are huge inequities in the City of Welland bills for water and that the more you use the less you have to pay in this City. She stressed that she felt industry has been getting a free ride for a number of years and now it must step up and pay its fair share for water. Councillor Fortier asked if Mrs. Weatherhead felt the committee would be willing to spend more time and review the recommendations suggested by the City Manager in his report. Mrs. Weatherhead replied that the recommendation from the committee was firm and she stands behind it 100%. She added that, if members of Council and the committee came to the table with open minds and not a separate agenda she would be willing to look at the four points in the report. Councillor Fortier inquired as to what the impact has been in Mrs. Weatherhead's situation between the properties she owns in Welland and the ones she owns in St. Catharines. Mrs. Weatherhead explained that the water bills in Welland were four (4) times more for the same sixplex that she owns in St. Catharines. Councillor Sharpe inquired as to whether St. Catharines water bills were based on 100% consumption and Mrs. Weatherhead indicated that it is a graduated system up to 100%. Mr. Cousins spoke on behalf of Atlas and indicated that if the company was to restart and use water at the rate it used before closing there would be an increase of \$500,000. He stressed that the company is at a tenuous stage right now and the combination of the tax and water burden will diminish the size of the business. He added that it would be extremely capital intensive to fix the



GENERAL COMMITTEE MEETING -- Page 4

Tuesday, September 28, 2004
Meeting Number G.C. 2004 - 09

current infrastructure because it is 50 years old. Councillor Sharpe indicated that the City Manager's report suggested an impact of \$686,000 on Atlas and he inquired as to what year of operation was used to come up with these figures. Mrs. Nagel responded that the year 2003 was used. Mr. Cousins stated that, if the year 2003 was used to come up with that figure then the total amount of the impact to Atlas was understated because the company closed mills and gradually wound down operations until it closed on September 30th, 2003. Councillor Fortier, Chair, stressed that the Ad Hoc Committee was essential and he wished to sit on the committee to resolve the inequities in the multi-residential sector and rectify some of the injustices in the current system. He asked Council to support the committee's recommendation because it would provide fairness and treat residential and multi-residential consumers on a fair playing field with industry. He indicated that companies and residences must look at issues of conservation. Mr. Fitzpatrick suggested that staff look at issues raised by Mr. Smith in his recommendation and bring the information back to Council in a couple of weeks. Councillor O'Dell suggested that Council support the committee's recommendation but phase it in over a two (2) year period to lessen the impact. Councillor Beaudoin agreed and a discussion took place regarding the period of phase in and the percentages per year. Councillor Grenier inquired as to whether the City's computers could even accommodate this type of phase in and Mr. Fitzpatrick replied that he would have to speak to Mr. Barnes about that matter. Councillor Beclastro asked to defer this matter to the October 19th Council Meeting when more information can be obtained from staff and brought back to Council.

Moved by Councillor Fortier

That the City of Welland amend its Water and Sewer Rate Structure to provide that 100% of costs, fixed and variable, be recovered entirely through consumption/usage rates by 2007 with a phase in as follows:

33% 2005
66% 2006
100% 2007

NOT PUT

Moved by Councillor Belcastro

That the above resolution regarding the City of Welland Water and Sewer Rate structure be referred to the October 19th, 2004 Council Meeting.

CARRIED

7. STAFF REPORTS:

(A) COMMUNITY SERVICES - Councillor S. O'Dell, Chair

Planning and Development Services

Planning Division

04-136 - Semi-Annual Subdivision Status Report – June 30, 2004.
(PDS-2004-50)



GENERAL COMMITTEE MEETING -- Page 5

Tuesday, September 28, 2004
Meeting Number G.C. 2004 - 09

Councillor Fortier inquired as to what percentage of buildings are affordable housing and Mr. Thorpe responded that the Welland is the third largest city in the Region and is second in the Region for providing affordable housing.

Moved by Councillor Fortier

That the Semi-Annual Subdivision Status Report as of June 30, 2004 be received for information.

CARRIED

(B) OPERATIONAL SERVICES - Councillor M. Dzugan, Chair

Engineering, Public Works and Transportation Services

96-58 - Snow Removal Committee Oral Report. **(Councillor Dzugan)**

Due to the late hour and time constraints this matter was not dealt with and was referred to the October 12th, 2004 General Committee Meeting.

8. **NEW BUSINESS:** **NIL**

9. **OUTSTANDING ITEMS REFERRED TO COMMITTEE**

10. The General Committee Meeting adjourned at 10:55 p.m.