

Municipality of Lakeshore

Regular Council Meeting Agenda



Tuesday, August 9, 2022, 5:00 PM

Electronically hosted from Council Chambers, 419 Notre Dame Street, Belle River

Pages

1. Call to Order

2. Closed Session

Recommendation:

Council move into closed session in Council Chambers at 5:00 PM in accordance with:

- a. Paragraph 239(2)(c) of the *Municipal Act, 2001* to discuss a proposed or pending acquisition or disposition of land by the municipality, relating to Stoney Point Park.

3. Return to Open Session

If the closed session is finished prior to 6:00 PM, Council will continue with the matters listed on the open session agenda and return to the public meetings at 6:00 PM.

4. Land Acknowledgement

5. Moment of Reflection

6. Disclosures of Pecuniary Interest

7. Recognitions

8. Public Meetings under the Planning Act

1. **Zoning By-law Amendment Application ZBA-9-2022, Jackie Lassaline (agent), 317 Lakeview Drive**

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Recommendation:

Approve Zoning By-law Amendment Application ZBA-9-2022 (By-law 74-2022) Municipality of Lakeshore (By-law 2-2012), to rezone the subject property from “Residential Waterfront – Lake St. Clair (RW2)” to “Residential Waterfront – Lake St. Clair Zone Exception 14 (RW2-14)” zone (Indicated on the Key Map, Attachment 1), in the Municipality of Lakeshore; and

Direct the Clerk to read By-law 74-2022 during the “Consideration of By-laws”, all as presented at the August 9, 2022 Council meeting.

2. **Giorgi Subdivision Zoning By-law Amendment Application ZBA-28-2021 and Draft Plan of Subdivision Public Meeting (347 Renaud Line)**

18

Recommendation:

Approve Zoning By-law Amendment Application ZBA-28-2021 (By-law No. 64-2022), to Lakeshore Zoning By-law 2-2012, as amended), to rezone 347 Renaud Line Road, legally described as Part of Lot 4, Concession East of Puce River, designated as Parts 2 and 3 on Plan 12R22568, Lakeshore, subject to a Right-of-Way over Part 3 on Plan 12R22568 as in R375899, being all of the Property Identifier Number 75005-1536(LT), indicated as the “Subject Lands” on the Key Map, Appendix 1 from “Residential – Low Density (R1)(h4) Zone” to “Residential – Medium Density (R2)(h4)” zone;

Direct Administration to notify the County of Essex that the Municipality of Lakeshore supports the draft plan approval for the Giorgi Subdivision Development as described in the report “Giorgi Subdivision (347 Renaud Line) Public Meeting” presented at the August 9, 2022 Council Meeting; and,

Direct Administration to forward any comments from the public meeting to the County of Essex.

9. Public Presentations

10. Delegations

1. Union Water Supply System- Restructuring

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Recommendation:

Approve and adopt the “Proposed Business Case Study for Restructuring Union Water Supply System (UWSS) into a Municipal Service Corporation” dated March 28, 2018 as presented at the August 9, 2022 Council meeting and as further described in the “Union Water Supply System Restructuring Project Financial Presentation” presented at the August 9, 2022 Council Meeting to establish a municipal services corporation pursuant to section 203 of the *Municipal Act, 2001* and which shall be known as Union Water Supply System Inc.;

Authorize the Mayor to act as a first director for Lakeshore as a shareholder in the incorporation of the municipal services corporation;

Authorize and direct the Mayor and Treasurer, in consultation with Lakeshore legal counsel, to execute such agreements, documents and instruments as may be necessary or desirable including, but not limited to, a Unanimous Shareholder Agreement, a Water Services Agreement, an Asset Transfer Agreement, a Real Property Transfer Agreement, and a Municipal Access Agreement to restructure, establish and organize the municipal services corporation and arrange for the services to be continued in accordance with the Business Case; and

Direct Administration to develop a process for Council to select a Lakeshore representative on the Union Water Supply System Inc. Board of Directors.

1. Rodney Bouchard, Union Water Supply System

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11. Completion of Unfinished Business

12. Consent Agenda

Recommendation:

Approve minutes of the previous meetings and receive correspondence as listed on the Consent Agenda.

1. July 6, 2022 Special Council Meeting Minutes

135

2. July 12, 2022 Regular Council Meeting Minutes

146

3. City of Brantford - Potential Threat to Residential Home Ownership

156

4. Township of Mulmur - Climate Emergency Declaration

158

5.	Essex Region Conservation Authority - 2021 Audited Financial Statements	159
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13. Reports for Information

Recommendation:

Receive the Reports for Information as listed on the agenda.

1.	Noise By-law Update	211
2.	Council Requested Report Tracking - July 2022	222

14. Reports for Direction

1.	Zoning By-law Amendment Application ZBA-4-2022, John Thomas and Ruth Ann Fuerth	226
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Recommendation:

Approve Zoning By-law Amendment Application ZBA-4-2022 to remove the Holding Symbol (h6) from the subject lands (indicated on the Key Plan, Appendix A); and

Direct the Clerk to read By-law 75-2022 during the “Consideration of By-laws”, all as presented at the August 9, 2022 Council meeting.

2. **Development Approval Efficiencies / Bylaw Compliance Enhancements – Award of Contract for Cloudpermit** 231
- Recommendation:**
- Direct the Corporate Leader – Chief Financial Officer to procure cloud permitting software for planning, building and by-law processes as it is in the best interest of the Municipality to do so;
- Direct the Mayor and Clerk to execute any agreements necessary to procure the system;
- Direct Administration to proceed with the implementation of digital process enhancements that support planning, building and by-law processes via cloud-based software known as Cloudpermit;
- Direct Administration to transfer \$10,000 of the Building Reserve fund to support implementation of Cloudpermit;
- Direct Administration to transfer \$30,500 from the Covid-19 Safe Restart fund for 2022 pro-rated annual subscription costs; and,
- Direct Administration to include an increase to the 2023 base budget of \$30,000 to support the annualized costs of Cloudpermit, all as presented at the August 9, 2022 Council meeting.
3. **Election Compliance Audit Committee** 238
- Recommendation:**
- Direct the Clerk to read By-law 73-2022, to adopt the terms of reference for the 2022-2026 Election Compliance Audit Committee, during the ‘Consideration of By-laws’; and
- Direct the Corporate Leader – Strategic & Legal Affairs to commence the selection process for members to be appointed to the 2022-2026 Election Compliance Audit Committee, all as presented at the August 9, 2022 Council meeting.
4. **Proposal to Relocate a cGaming Centre** 241
- Recommendation:**
- Direct Administration to schedule a public input session in September, 2022 regarding the proposed relocation of a cGaming Centre to 446 Advance Boulevard, as presented at the August 9, 2022 Council meeting.

5. Amendment to Appointments By-law

264

Recommendation:

Direct the Clerk to read By-law 78-2022, being a by-law to amend By-law 34-2019 and By-law 19-2019 during the Consideration of the By-laws, as presented at the August 9, 2022 Council meeting.

15. Announcements by Mayor

16. Reports from County Council Representatives

17. Report from Closed Session

18. Notices of Motion

1. Deputy Mayor Bailey - Temporary Speed Bumps on Caille Avenue

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Recommendation:

Whereas the Lakeview Park West Beach is a notably growing Lakeshore attraction;

And Whereas Caille Avenue continues to observe higher than normal traffic volume during the spring and summer;

And whereas portable speed bumps are a perfect choice when a temporary solution to slow vehicle traffic is needed;

And Whereas pilot projects allow an initial small-scale implementation in an attempt to prove the longer term viability;

Therefore, be it resolved that the Council of the Municipality of Lakeshore direct that temporary speed bumps be installed on Caille Avenue each year, beginning in 2022 from Spring to Fall to serve as a pilot until a longer term solution is presented.

2.	Councillor Santarossa - Notre Dame Street/West Belle River Road Landscaping	267
	Recommendation:	
	Whereas the turning circle at Notre Dame St and W Belle River Rd has required landscape replacements and improvements over the last few years;	
	And whereas the Council of the Municipality of Lakeshore wishes to lessen the long-term impact of construction on adjacent landowners as well as any replacement costs;	
	Therefore, be it resolved that the Council of the Municipality of Lakeshore direct administration to include the costs of replacing the landscaping on the turning circle and its medians at Notre Dame St and W Belle River Rd with artificial turf in the 2023 budget for Council consideration.	
19.	Question Period	
20.	Non-Agenda Business	
21.	Consideration of By-laws	
	Recommendation:	
	By-laws 64-2022, 73-2022, 74-2022, 75-2022, 76-2022 and 78-2022 be read and passed in open session on August 9, 2022.	
1.	By-law 64-2022, Being a By-law to amend By-law 2- 2012, Zoning By-law for the Municipality of Lakeshore (ZBA-28-2021)	268
2.	By-law 73-2022, Being a By-law to Establish an Election Compliance Audit Committee	270
3.	By-law 74-2022, Being a By-law to amend By-law 2-2012, Zoning By-law for the Municipality of Lakeshore (ZBA-9-2022)	273
4.	By-law 75-2022, Being a By-law to amend By-law 2-2012, Zoning By-law for the Municipality of Lakeshore (ZBA-4-2022)	276
5.	By-law 76-2022, Being a By-law to Confirm Proceedings of Council for July 6 and July 12, 2022	278
6.	By-law 78-2022, Being a By-law to amend By-law 34-2019 (Appointment By-law) and By-law 19-2019 (Committee of Adjustment)	279

22. Adjournment

Recommendation:

Council adjourn its meeting at ____ PM.

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council

From: Ian Search, Planner II

Date: July 20, 2022

Subject: Zoning By-law Amendment Application ZBA-9-2022, Jackie Lassaline (agent), 317 Lakeview Drive

Recommendation

Approve Zoning By-law Amendment Application ZBA-9-2022 (By-law 74-2022) Municipality of Lakeshore (By-law 2-2012), to rezone the subject property from “Residential Waterfront – Lake St. Clair (RW2)” to “Residential Waterfront – Lake St. Clair Zone Exception 14 (RW2-14)” zone (Indicated on the Key Map, Attachment 1), in the Municipality of Lakeshore; and

Direct the Clerk to read By-law 74-2022 during the “Consideration of By-laws”, all as presented at the August 9, 2022 Council meeting.

Background

The subject property is a 3,277.95 m² (0.81 acre) residential lot, located on the north side of Lakeview Drive, north of Broadway Street, west of Ducharme Street, known municipally as 317 Lakeview Drive (See Attachment 1). The property currently consists of a temporary/original dwelling located on the southern portion of the property, with a gross floor area of 255 m² and a height of 6.19 metres, a shed and a newly constructed dwelling.

In 2015, owners of the property applied for a building permit to allow for the construction of the new dwelling built closer to the lake. On May 27th, 2015, an agreement was entered into with the municipality that required the original dwelling to be demolished or changed to a non-residential use that complies with the permitted uses in the Zoning By-law prior to obtaining an occupancy permit for the new dwelling. Under the agreement, the owner agreed to take all steps reasonably required to ensure the building could no longer be considered a dwelling.

To date the owner has removed the kitchen facilities in the building, and Building Services is satisfied that the conversion to an accessory building is now complete. A zoning by-law amendment is required prior to Building Services finalizing their permit process for the new dwelling since accessory buildings cannot exceed a gross floor area of 55 m² or a height of 5 metres in the Residential Waterfront – Lake St. Clair (RW2) zone. As such,

they are applying for a zoning by-law amendment to recognize its existing gross floor area and height for an accessory structure. In addition, the amendment proposes to prohibit any new accessory structures on the site and the use of the accessory building as a dwelling unit.

Subject Parcel	Lot Area – 0.81 acres Existing Use – single detached dwelling Proposed Use – accessory building for personal storage proposed as an additional permitted use with a gross floor area of 255 m ² (2,744.8 ft ²) and a height of 6.19 metres (20.3 feet) Access – Lakeview Drive Servicing – municipally owned and operated piped water supply and sanitary service
Surrounding Uses	North – Lake St. Clair East – residential land uses West – residential land uses South – VIA rail right-of-way, residential land uses
Official Plan	Residential
Existing Zoning	RW2, Residential Waterfront – Lake St. Clair

Comments

Provincial Policy Statement (PPS)

There are no issues of Provincial or County significance raised by this application.

County Official Plan

The subject property is designated “Primary Settlement Area” in the County of Essex Official Plan and “Residential” in the Lakeshore Official Plan. A single detached dwelling and accessory uses/buildings are permitted on lands designated “Residential”.

Lakeshore Official Plan

The subject property is designated “Lake St. Clair Shoreline Floodprone Area” in the Lakeshore Official Plan and is located within the Essex Region Conservation Authority (ERCA) Limit of the Regulated Area. ERCA was circulated the application for comment and stated that they had no objection or concern. The applicant must obtain a permit from ERCA for the change in use of the structure from a dwelling to an accessory building.

Zoning By-law

A zoning by-law amendment is required to recognize the gross floor area and height of

the accessory building. Section 6.5 a) ix) states that an accessory building shall not exceed a gross floor area of 55 m² in the R1, R2, R3, RW1, RW2, RM or HR zone. Additionally, the by-law restricts the height of an accessory building to 5 metres unless within an Agriculture Zone.

The building has a gross floor area of 255 m² and a height of 6.19 metres. It is a two-storey building and the gross floor area includes the total floor area of each storey. The total floor area of the first storey is 127.46 m² which represents the building footprint. Since the building was constructed with dormers, Building Services has indicated the height to be the vertical distance from grade to the midpoint of the dormer.

In addition, the amendment proposes to prohibit any new accessory structures on the site and the use of the accessory building as a dwelling unit. The applicant has included these additional provisions to ensure compatibility with the neighbourhood.

The Planning Rationale Report submitted with the application indicates that the building has been converted to an accessory building for storage purposes and a parking garage. It states that the building will support the storage of recreational belongings normally associated with lakefront properties (canoes, kayaks, small motors, etc.).

Issues

The potential issues associated with this type of development application are suitability of the property for the proposed building, compatibility to surrounding residential uses, and site design.

Suitability of the Property, Compatibility with Surrounding Uses

The subject property has a lot area of 0.81 acres and a lot frontage of 30.48 metres. It is double the size of typical lots along Lakeview Drive and suitably supports the existing buildings on the site. In fact, the subject building only contributes 3.9% lot coverage, and is clearly subordinate to the very large dwelling that was constructed on the property. It is oriented away from the street as a west facing building, which is akin to accessory buildings in the area. It was constructed with high quality architectural elements that are compatible with the new dwelling. The subject building is appropriate for the lot.

There are numerous properties in the immediate area along Lakeview Drive which currently support similar two storey accessory buildings. The massing and height of these buildings resemble the subject building. Additionally, the subject building has existed in the area for approximately 10 years, including 6 years alongside the newly constructed dwelling. It is located in an area on the lot that does not result in any impacts on neighbouring properties. By-law enforcement has not received any complaints from the public with respect to this building.

The zoning by-law amendment proposes to include the prohibition of any new accessory structures on the site and the use of the accessory building as a dwelling unit. These provisions are considered appropriate. The amendment will make it clear that the subject

building can no longer be used as a dwelling. While there remains enough lot area to accommodate additional accessory structures on the site, the massing and height of the subject building is excessive and should be adequate for intended storage and parking. Introducing additional structures could impact neighbourhood character and represent overdevelopment of the site. Section 4.2.1 of the Lakeshore Official Plan states that the municipality will seek to maintain the physical design characteristics of the settlement areas and will ensure new development maintains traditional character.

Site Design

The subject building already exists on the subject property. It appears to be safe, functional and similar accessory buildings exist in the immediate area.

Others Consulted

Notice was given to agencies and the general public as required under the provisions of the *Planning Act* and Regulations for the August 9, 2022 public meeting.

Financial Impacts

There are no budget impacts resulting from the recommendation.

Conclusion

Based on the foregoing, Administration recommends that Council approve ZBA-9-2022 as per the Recommendation section of the report.

Attachments

Attachment 1 – Key Map

Attachment 2 - Elevation

Attachment 3 – Floor Plan

Report Approval Details

Document Title:	ZBA-9-2022 - 317 Lakeview Drive.docx
Attachments:	- Attachment 1 - Key Map.pdf - Attachment 2 - Elevation.pdf - Attachment 3 - Floor Plan.pdf
Final Approval Date:	Aug 4, 2022

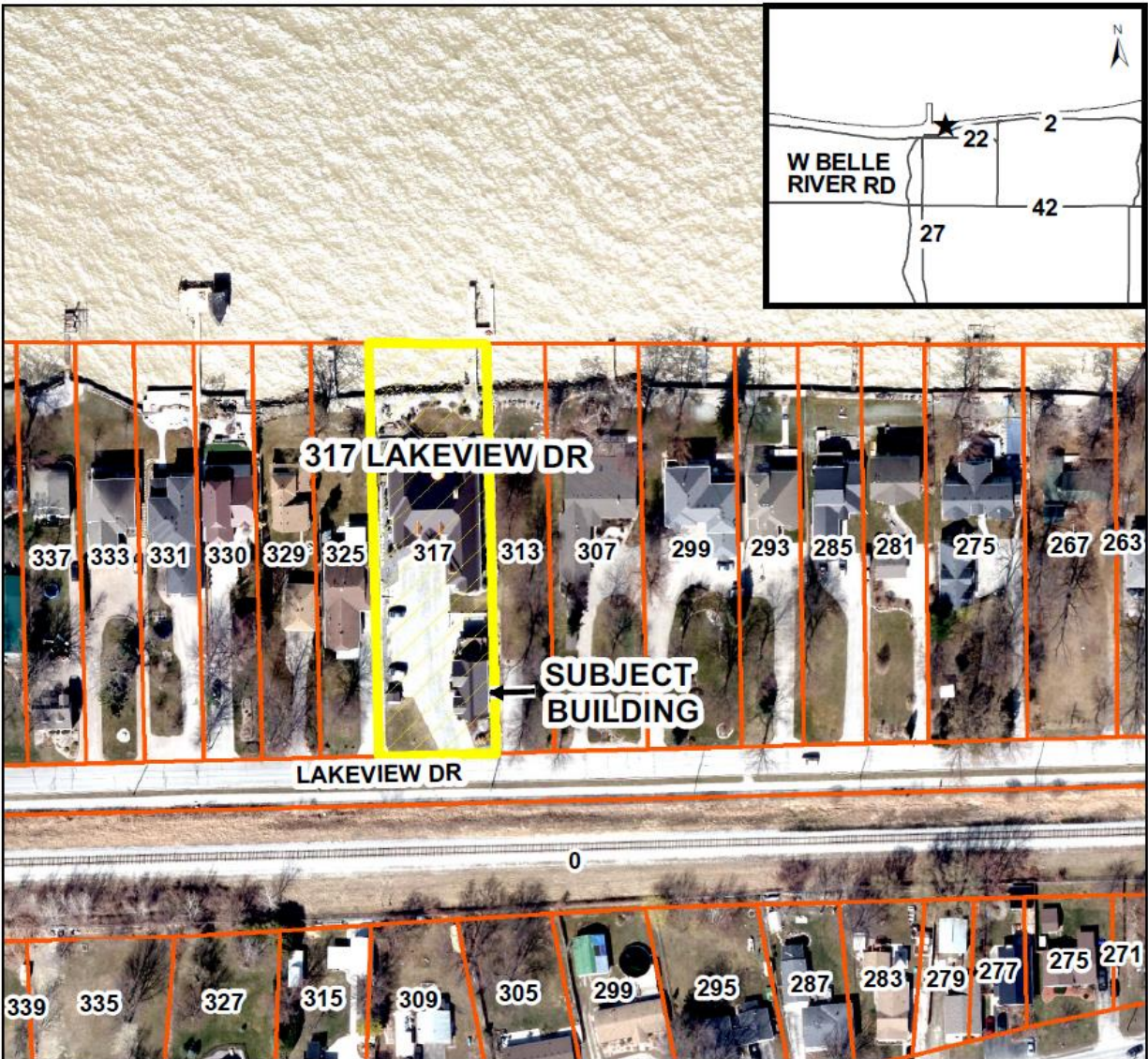
This report and all of its attachments were approved and signed as outlined below:

Prepared by Ian Search

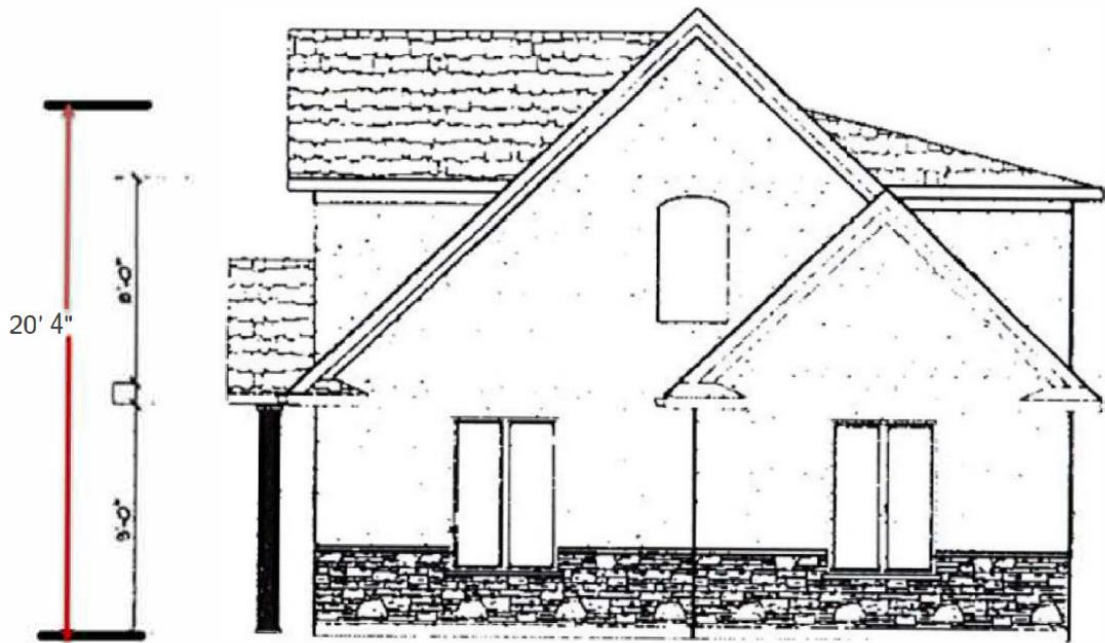
Submitted by Kristina Brcic and Tammie Ryall

Approved by Justin Rousseau and Truper McBride

Attachment 1 – Key Map

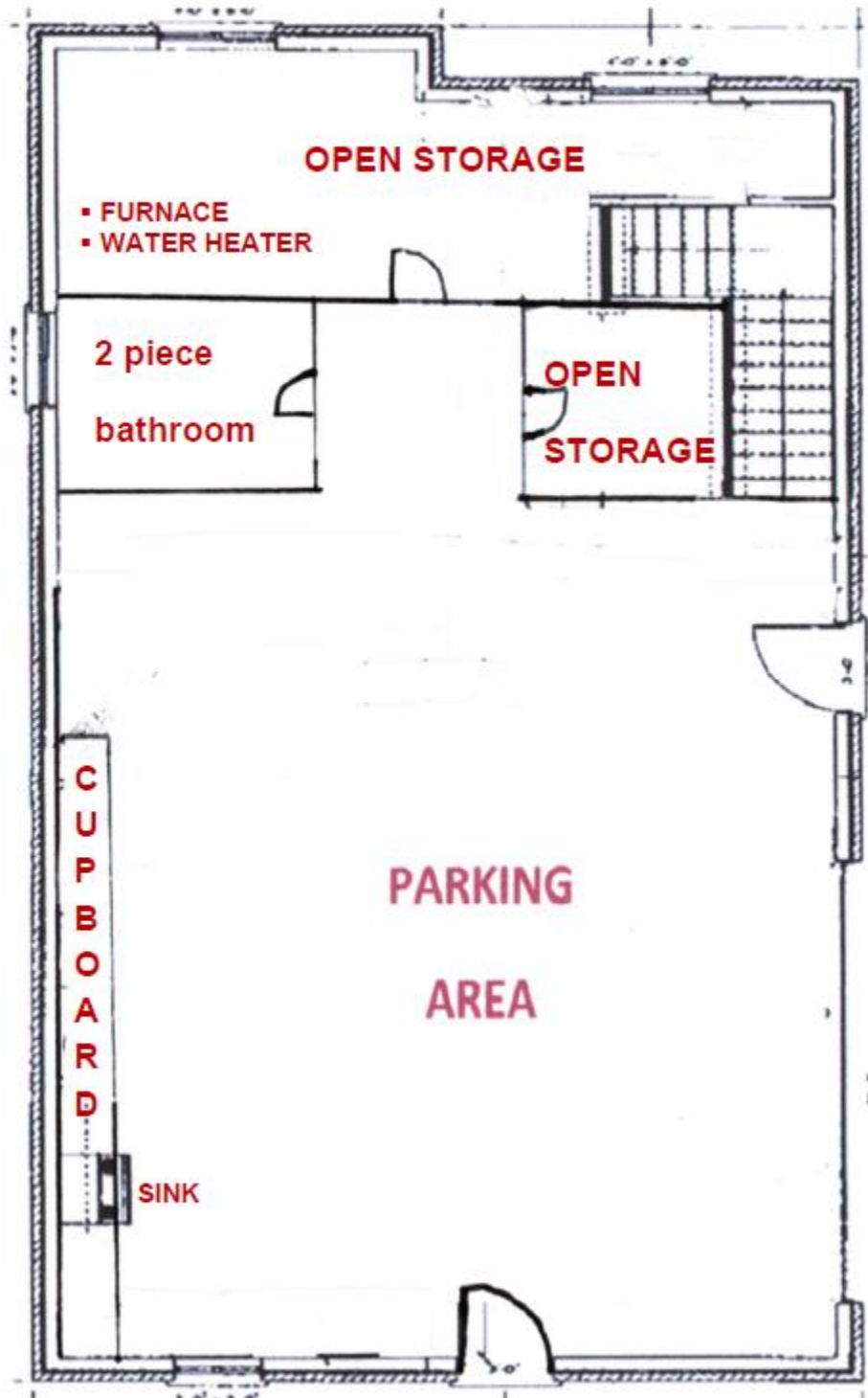


Attachment 2 – Elevation



Attachment 3 – Floor Plan

MAIN FLOOR PLAN



The floor plan illustrates the layout of the 2nd floor deck. It features several designated areas:

- OPEN STORAGE:** Multiple large open storage areas are labeled in red text throughout the plan.
- EXISTING BATHROOM:** A bathroom area is labeled in red text, containing a toilet and a sink.
- OPEN STORAGE:** A smaller open storage area is labeled in red text near the bathroom.
- DESK:** A rectangular area on the right side is labeled "D E S K" in red text.
- STAIRS:** A staircase is located adjacent to the desk area.
- CEILING:** A section of the ceiling is labeled "SLOPED CEILING 7'-8\"
- 2ND FLOOR DECK:** The entire area is labeled "2ND FLOOR DECK" in red text at the bottom.

Dimensions are provided for various sections: 3'-0" x 8'-0" at the top, 3'-0" x 8'-0" on the right, 7'-0" x 14'-0" on the left, and 14'-0" x 8'-0" at the bottom right.

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council

From: Aaron Hair, MCIP, RPP, Division Leader – Community Planning

Date: May 12, 2022

Subject: Giorgi Subdivision Zoning By-law Amendment Application ZBA-28-2021 and Draft Plan of Subdivision Public Meeting (347 Renaud Line)

Recommendation

Approve Zoning By-law Amendment Application ZBA-28-2021 (By-law No. 64-2022), to Lakeshore Zoning By-law 2-2012, as amended), to rezone 347 Renaud Line Road, legally described as Part of Lot 4, Concession East of Puce River, designated as Parts 2 and 3 on Plan 12R22568, Lakeshore, subject to a Right-of-Way over Part 3 on Plan 12R22568 as in R375899, being all of the Property Identifier Number 75005-1536(LT), indicated as the “Subject Lands” on the Key Map, Appendix 1 from “Residential – Low Density (R1)(h4) Zone” to “Residential – Medium Density (R2)(h4)” zone;

Direct Administration to notify the County of Essex that the Municipality of Lakeshore supports the draft plan approval for the Giorgi Subdivision Development as described in the report “Giorgi Subdivision (347 Renaud Line) Public Meeting” presented at the August 9, 2022 Council Meeting; and,

Direct Administration to forward any comments from the public meeting to the County of Essex.

Background

The Giorgi Subdivision proposes a development of 107 residential units: 37 being single detached dwellings, and 70 being semi-detached dwellings. The development will take place upon the property at 347 Renaud Line Rd which is currently vacant.

Primary access to the Giorgi Subdivision is through proposed Street ‘A’ which connects to Renaud Line. Street ‘B’ connects to the existing subdivision to the south. Future access to Oakwood Ave will be provided through future development of the vacant land found to the west.

Street C will provide frontage for future development opportunities for the strip of land to the north abutting Oakwood Ave which is under separate ownership.

The subject land is surrounded by residential development and is in close proximity to schools and River Ridge Park. All municipal services are available and the “Pirola” storm water retention pond next to this site has been oversized for these lands.

Property to be Developed	347 Renaud Line Rd
Overall Area	7.86 Hectares
Current Use	Vacant Land
Proposed Use	Residential subdivision
Access	Main access to Renaud Line. Rosewood Subdivision streets, to the south and future access to Oakwood Ave to the west.
Services	Full Municipal Services
Official Plan	Primary Settlement Area
Zoning By-law	R1(h4) – Residential Low Density.

Adjacent Land Uses

North	Vacant Land for future residential development
South	Rosewood Subdivision (developed and built).
West	Vacant Land for future residential development
East	Residential, Single-family dwellings

Proposed Development Details

Area of Draft plan (ha)	Total subdivision area: 7.86 ha Total residential area: 5.32 ha
Number of Proposed Lots	37 lots for Single Detached Dwellings 70 lots for Semi Detached Dwellings 107 Total Lots
Proposed Local Road ROW Width	20 Meter ROW width
Parkland	Cash in lieu of Parkland
Density (Dwellings/ha)	13.61 units per hectare
Minimum lot frontages	15.0 m – Single Detached
Required by R2 Zone	9.0 m – Semi-Detached (12.0 m for Corner Lots)
Minimum Lot areas	500 m ² – Single Detached
Required by R2 Zone	270 m ² – Semi-Detached
Zoning By-law	R2 Zone – Residential Medium Density

Comments

Provincial Policy Statement (PPS)

The proposed subdivision is located in an urban settlement area, will provide for a mix of housing types (single and semi-detached) and will make efficient use of existing municipal

services consistent with the policies of the Provincial Policy Statement (2020). Although it can be stated that the proposal supports and implements many of the document's policies, the proposed subdivision supports the following important policies which are specifically highlighted.

- Section 1.1.3.1, Settlement Areas, of the PPS states "Settlement areas shall be the focus of growth and development"
- Section 1.1.3.2(a), Settlement Areas, of the PPS states "Land use patterns...efficiently use land and resources"
- Section 1.1.3.2(b), Settlement Areas, of the PPS states "Land use patterns...are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion"
- Section 1.4.3, Housing – this section speaks to planning authorities providing for a range of housing options and densities, and this entire section is applicable.

County Official Plan (COP)

The County of Essex Official Plan designates the subject lands as a settlement area as seen in Schedule A1. Schedule A1 depicts the subject lands as a Primary Settlement area.

The proposed subdivision conforms to the COP due to the subject lands being within the urban settlement area.

Lakeshore Official Plan (LOP)

The current Lakeshore Official Plan designates the subject land as residential. The proposed plan of subdivision conforms with this designation by providing Single-detached dwellings, and Semi-detached dwellings.

The application for the Giorgi Subdivision conforms to the draft Emeryville Secondary Plan as it remains consistent with Section 2.2.2 Connecting and Internal Roads which maintains spacing for future roadway access. Future development along Oakwood Avenue will also be accessed through the subdivision right-of-ways.

Zoning By-law

The existing R1(H4), residential zoning on the lands does not permit any new development. The applicants have applied for a zoning bylaw amendment. As supported through the COP and the LOP residential designation and development of the subject lands would prove favorable. A designation under R2, residential zoning on the subject lands would permit the development of the proposed single-detached dwellings and semi-detached dwellings.

Plan of Subdivision

The draft plan consists of 37 lots for single detached residential use and 35 lots for semi-detached dwellings (70 units) (See Appendix 2). As the approval authority, the County of Essex may grant draft approval to the plan and include conditions of approval which must be fulfilled by the developer within three years.

The conditions of draft subdivision plan approval will include the developer's obligations to the Municipality, including but not limited to the following:

- Provision of performance and maintenance securities to guarantee satisfaction of the developer's obligations under the subdivision agreement;
- Provision of a mud deposit to keep Lakeshore's roads and other lands free from dirt and debris during construction;
- Provision of a payment for boulevard trees to enhance the streetscape;
- Payment of any outstanding taxes and other accounts (i.e. legal and engineering fees);
- Provision of public liability and property insurance during the period of construction;
- Allocation of sanitary sewage treatment capacity for the plan.
- Compliance with the Lakeshore Development Manual for the construction of roads, sewers, watermains, stormwater, parks, sidewalks, lighting, fencing and other services in the subdivision;
- Requirement to post on all road frontages, a subdivision map to show the lotting pattern, land uses, roadways, sidewalks etc.; and
- Requirement to submit a Construction Management Plan.

Draft Plan Considerations

Local Roads

The proposed development will include a local road network with a right-of-way width of 20.0 meters. This proposed network contains 7 unnamed streets currently classified as Streets A through G.

In accordance with Zoning By-law 2-2012, as amended, site triangles are required on all corner lots and must conform to the guidelines set out in section 6.53. Visibility triangles

are not the responsibility of the municipality and are to be maintained by the owners/occupants of the lots in which they reside.

Traffic / Signalization

No Traffic Impact Assessment was required as IBI completed an impact assessment for the creation of the Emeryville Secondary Plan to study the impact of future development within the subject area. No comments of significant concern were presented. Therefore, no future traffic assessment and considerations are needed.

Pedestrian Facilities

As per the Municipality's Development Manual, sidewalks will be required on one side of the right-of-way on all local roads (excluding cul-de-sacs) internal to the proposed subdivision.

Parkland

Under section 51 of the Planning Act the municipality may acquire up to 5% of the lands being developed through the Plan of Subdivision process for park purposes or collect the cash value of 5% of the property in lieu of parkland dedication.

Administration recommends cash-in-lieu of parkland dedication on a per unit rate, as per Lakeshore's Parkland Dedication and Cash in Lieu By-law. It should be noted that the By-law is currently being reviewed and an updated cash-in-lieu rate and by-law will be presented to Council this year.

Site Servicing

According to the proposed development location within a primary settlement area, services such as water supply and sewage disposal shall be provided. Administrative comments confirm both that municipal water supply and sanitary sewer services are available to service the subject lands. Sanitary servicing for the site will be through the existing municipal sanitary sewer system. The 2003 Oakwood Trunk Sanitary Sewer system currently allocates sanitary treatment capacity to these lands until 2023. After 2023, this agreement will expire and reserved capacity may be reallocated.

Water servicing for the site will be through the existing municipal watermain system. Detailed review will be undertaken through the submission of more detailed engineering drawings, following approval of the draft plan. Electrical distribution, telecommunications and natural gas are available for the site.

Regarding sewage capacity at the Denis St. Pierre Sewage Treatment Plan the land is subject to a cost sharing agreement – therefore this subdivision is in category “1” as described in the December 2020 report to Council, and can proceed.

Stormwater Management

To satisfy the requirements of the storm water management plan for development along Renaud Line the implementation of both quantitative and qualitative protection measure is to be constructed. Protection measures include on-site source controls, conveyance system controls, end of pipe controls, and construction period runoff quality protection. This storm water management plan will be implemented through the conditions of draft approval and the subdivision agreement. The stormwater facility that the proposed development would utilize is in the Rosewood Subdivision. During construction of the Rosewood subdivision all stormwater infrastructure and the pond were oversized to accommodate the run-off generated from this proposed development. Based on the current design and layout of the proposed subdivision, no improvements are required to the existing storm infrastructure.

Archeological Assessment

A stage 1 and 2 Archeological Resource Assessment was conducted by Archeoworks Inc. Based on their findings the proposed site is considered to have low cultural heritage value or interest, therefore requiring no further testing.

Affordable Housing

As per section 4.3.1.3 of Lakeshore’s Official Plan (2010), the Municipality will work with the County of Essex to identify targets for housing that is affordable to low and moderate income households and that the Municipality will encourage the provision of affordable housing.

Under the 2021 Official Plan (Pending County Approval), the Municipality will seek to achieve 20% of all new residential development on an annual basis, to meet the Municipality’s definition of affordable housing, which may include ownership housing or rental housing.

Affordable: in the case of housing, means:

- a) in the case of ownership housing, the least expensive of:*
 - i. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or*
 - ii. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.*

- b) in the case of rental housing, the least expensive of:*

- i) *a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or*
- ii) *a unit for which the rent is at or below the average market rent of a unit in the regional market area. (Source: PPS, 2020)*

At this time, there is no information on how the proposed subdivision will meet the affordability criteria. We assume that the lots will not be affordable. However, it is noted that semi-detached units do create a mix of housing types.

Noise and Vibration

A Noise and Vibration Impact Assessment was conducted upon the proposed site due to the proximity to the CP Rail line. Based on the report the study area is within the guideline limits set by the Ontario Ministry of the Environment, Conservation and Parks and requires no further assessments and considerations.

Others Consulted

The County of Essex has provided Lakeshore with written comments from the following agencies:

Bell Canada (No Objections) Requested the following condition:

- *"The Owner agrees that should any conflict arise with existing Bell Canada Facilities where a current and valid easement exists within the subjected area, the Owner shall be responsible for the relocation of any such facilities or easements at their own cost."*

Canada Post (No Objections)

- Canada Post will provide mail delivery service to the subdivision through centralized Community Mail Boxes (CMBs).
- If the development includes plans for (a) multi-unit building(s) with a common indoor entrance, the developer must supply, install, and maintain the mail delivery equipment within these buildings to Canada Post's specifications.

Canadian Pacific Railway Facility (No Objection) requested the following condition:

- *"Canadian Pacific Railway and/or its assigns or successors in interest has or have a railway right-of-way and/or yard located adjacent to the subject land hereof with operations conducted 24 hours a day, 7 days a week, including the shunting of trains and the idling of locomotives. There may be alterations to, or expansions of, the railway facilities and/or operations in the future, which alterations or expansions may affect the living environment of the residents in the vicinity. Notwithstanding the inclusion of any noise and/or vibration attenuating measures in the design of the development and individual dwellings, Canadian Pacific Railway will not be responsible for complaints or claims arising from the use of its facilities and/or its operations on, over, or under the aforesaid right-of-way and/or yard."*

Essex Region Conservation Authority (No Objection) Requests the following Conditions:

- *That the subdivision agreement, between the Owner and the Municipality, contain provisions, to the satisfaction of the Municipality and the Essex Region Conservation Authority, that stipulates, that prior to obtaining final approval, for any phase of the*

development, that the Owner, will finalize an engineering analysis, to identify stormwater quality and quantity measures, as necessary to control any increase in flows in downstream watercourses, in accordance with the Windsor-Essex Region Stormwater Management Standards Manual and any other relevant municipal/provincial, standards or guidelines, in consultation, with the ERCA;

- That the subdivision agreement between the Owner and the Municipality contain provisions, that requires, that the Owner, installs the stormwater management measures, for any phase of the development, identified in the final engineering analysis completed, as part of the development for the site and undertake to implement the recommendations contained therein, to the satisfaction of the Municipality and the Essex Region Conservation Authority;
- That prior to final approval the Essex Region Conservation Authority shall require a copy of the fully executed subdivision agreement between the Owner and the Municipality, in wording acceptable to the Essex Region Conservation Authority, containing provisions to carry out the recommendations of the final plans, reports and requirements noted above;
- That prior to undertaking construction or site alteration activities, any necessary permits or clearances, be received, from the Essex Region Conservation Authority, in accordance with Section 28 of the Conservation Authorities Act. If the works are located within an area, not regulated by Section 28 of the Conservation Authorities Act, then a Development Review, must be obtained from the Essex Region Conservation Authority, prior to undertaking construction or site alteration activities; and
- That 1156756 ONTARIO LIMITED, the Owner of 'the benefiting lands' to the north and the current Owner of the subject lands, enter into a separate landowner's cost sharing agreement for the construction and cost sharing for the portion of Street 'C' and other services, that benefit their respective lands, that form part of the subject lands. Further that 1156756 ONTARIO LIMITED and the Owner of the subject lands, shall provide the ERCA with written acknowledgement, advising, they have signed the aforementioned cost-sharing agreement, that it is in good standing, that the deeds have been delivered and payments made or secured, prior to the ERCA providing final clearance to the County of Essex.

The Greater Essex County District School Board (No Objections)

- That the subdivision agreement between the Owner and the Municipality contain provisions, to the satisfaction of the Greater Essex County District School Board, and the Municipality, requiring a sidewalk be provided along the internal streets within the proposed plan pursuant to standard municipal requirements to facilitate pedestrian movement, bus routing and stops, and safety of school children.
- That the subdivision agreement between the Owner and the Municipality contain provisions, to the satisfaction of the Greater Essex County District School and the Municipality, requiring notice in every agreement of purchase and sale advising purchasers of units to be aware that students may not be able to attend the closest neighbourhood school and could be bused to a distant school with available capacity.
- That prior to final approval by the County of Essex, the County is advised in writing by the Greater Essex County District School Board how Conditions 1 and 2 above have been satisfied.

Hydro One (No Objection)

Windsor-Essex Catholic District School Board

- *“The Developer and Municipality should note that families purchasing property within the proposed development may not be able to be accommodated in the Catholic school nearest to their place of residence and may require busing to a school with available capacity.”*
- *“The Developer and Municipality should note that sidewalks or recreation pathways shall be provided to facilitate bus stops, student safety and walkers to the satisfaction of the Municipality and the Windsor-Essex Catholic District School Board.”*

Fire Services has no comments for the subdivision layout as presented.

Public Notice of the Subdivision

Notice of the public meeting was sent by mail to property owners within 120m of the subject lands. In addition, a notice sign was posted on site at the principal entrance to the subject site.

As of the writing of this report, no submissions from the public have been received.

Conclusion

Based on the foregoing, Administration supports the proposed plan, as it is consistent with the Provincial Policy Statement and conforms with the policies of the County of Essex and Municipality of Lakeshore Official Plans.

If there are verbal or written comments submitted at the public meeting, Council directs administration to submit these to the approval authority, being the County of Essex.

Financial Impacts

Upon completion of the subdivision 37 single family detached dwellings and 35 semi-detached dwellings will create an estimated \$2,153,808 ($37 * \$29,914 + 35 * \$29,914$ (DC By-law 56-2022)) in development charges for the municipality. As well as additional taxation, water, and wastewater revenue.

Attachments

- Attachment 1 – Key Map
- Attachment 2 – Draft Plan of Subdivision
- Attachment 3 - Aerial Photo
- Attachment 4 – Area Map

Report Approval Details

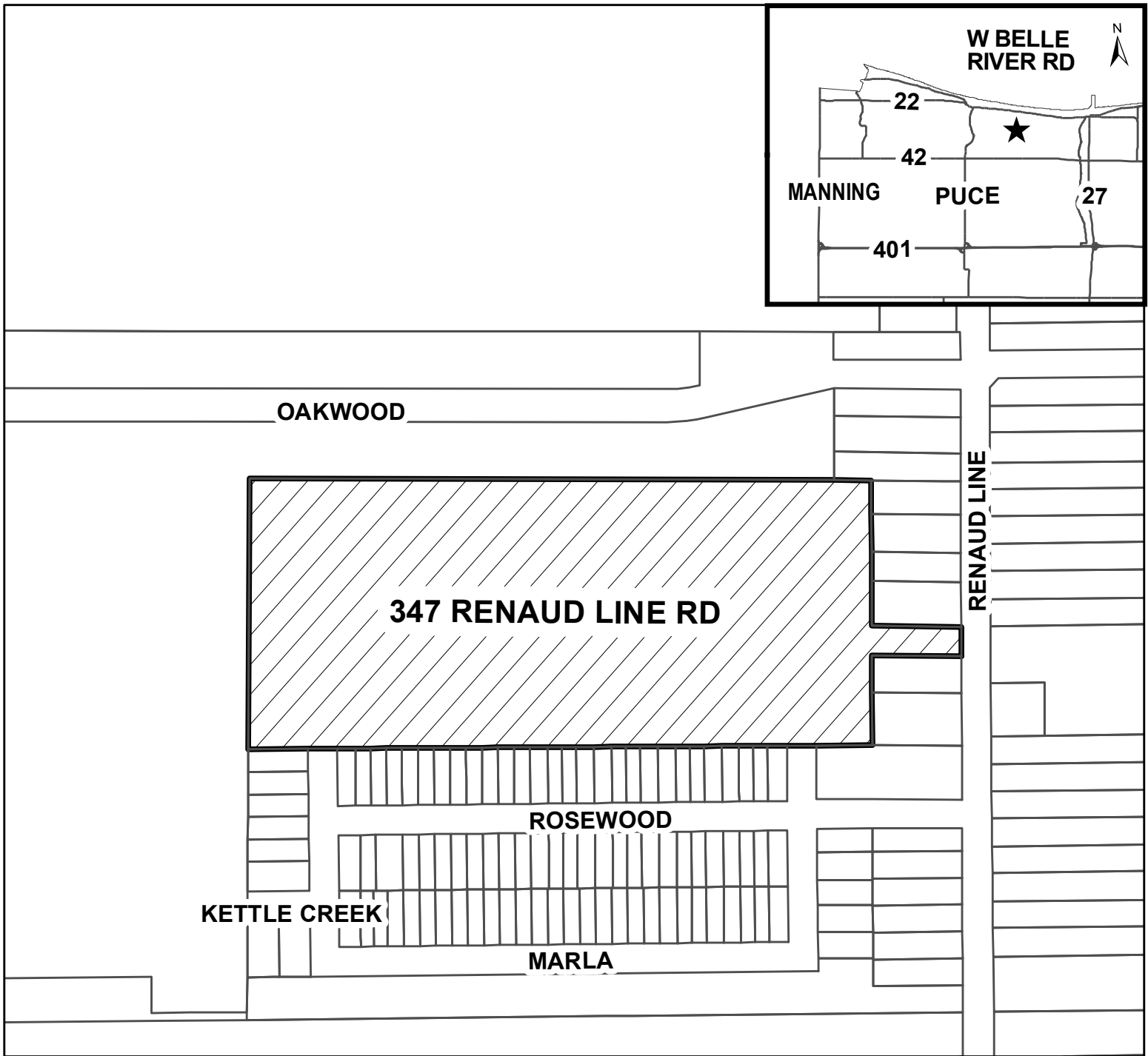
Document Title:	Giorgi Subdivision (347 Renaud Line) Public Meeting.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 – Key Map.pdf- Attachment 2 – Draft Plan of Subdivision.pdf- Attachment 3 - Aerial Map.pdf- Attachment 4 - Area Map.pdf
Final Approval Date:	Aug 4, 2022

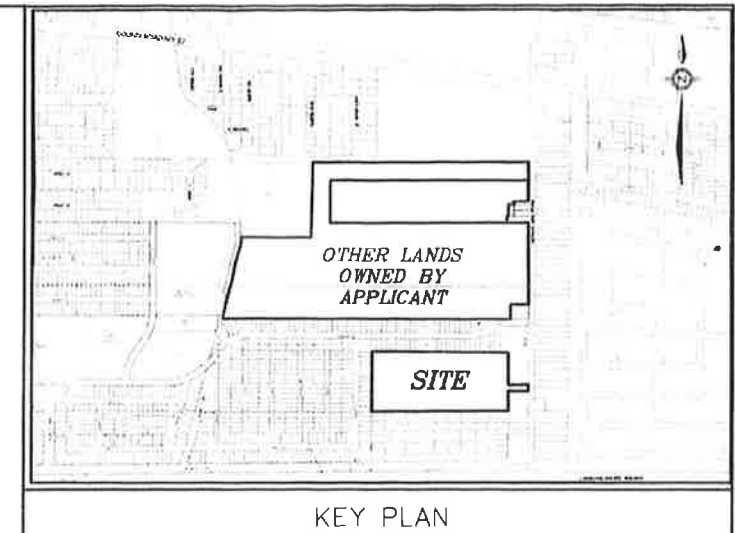
This report and all of its attachments were approved and signed as outlined below:

Prepared by Aaron Hair

Submitted by Tammie Ryall

Approved by Justin Rousseau and Truper McBride





PLAN OF SUBDIVISION
OF
PART OF LOT 4,
CONCESSION EAST OF PUCE RIVER
GEOGRAPHIC TOWNSHIP OF MAIDSTONE
NOW IN THE
TOWN OF LAKESHORE
COUNTY OF ESSEX, ONTARIO

OWNER'S CERTIFICATE

WE HEREBY CONSENT TO THE FILING OF THIS
PLAN FOR APPROVAL

DATE: April 12/22

SIGNED: RANDALL KOOP
FOR CAPITAL GROUP INC.

WE HEREBY CONSENT TO THE FILING OF THIS
PLAN FOR APPROVAL

DATE: April 23/22

SIGNED: [Signature]
FOR GEORGE DIMITRIADIS INC.

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THE BOUNDARIES OF THE LANDS TO BE SUBDIVIDED
AND THEIR RELATIONSHIP TO THE ADJACENT LANDS ARE ACCURATELY AND
CORRECTLY SHOWN ON THIS PLAN

DATE: April 11/22 SIGNED: [Signature]
ANDREW HANNA
ONTARIO LAND SURVEYOR
P.O. BOX 1000, LAKESHORE, ONTARIO N9M 1Y5
A MEMBER OF THE PROFESSION OF LAND SURVEYORS

BEARING REFERENCE

BEARINGS ARE ASTROPHOMIC AND ARE REFERRED TO THE NORTHERN LIMIT OF
PART 1, PLAN 128-8388 SHOWN AS HAVING A BEARING OF N87°26'20"W

"METRIC" DISTANCES SHOWN ON THIS PLAN ARE IN METRES AND
CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

ADDITIONAL INFORMATION REQUIRED UNDER
SECTION 51(17) OF THE PLANNING ACT

- (a) SHOWN ON PLAN
- (b) SHOWN ON PLAN
- (c) SHOWN ON PLAN
- (d) SHOWN ON PLAN
- (e) SHOWN ON PLAN
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- (u) SHOWN ON PLAN
- (v) SHOWN ON PLAN
- (w) SHOWN ON PLAN
- (x) SHOWN ON PLAN
- (y) SHOWN ON PLAN
- (z) SHOWN ON PLAN

LAND USE SCHEDULE

USE	LOTS/ PARTS	RESIDENTIAL UNITS	AREA(Ha)
RESIDENTIAL DEVELOPMENT - SINGLE DETACHED DWELLING	37	37	2.55
RESIDENTIAL DEVELOPMENT - SEMI DETACHED	35	70	2.76
RESERVE (BLOCK 73, 74 & 75)	1		0.02
R.O.W.	1		2.53
TOTAL	74	107	7.86

RENAUD LINE DEVELOPMENT

PROJECT NO
18-B12

DRAFT PLAN OF SUBDIVISION

SHEET NO
1

OF
1



Legend

- Tax Parcel
- Address Label
- WorkingParcel
- Street Centreline
- <all other values>
- CNTY
- LAK
- PRIV
- PROV

1: 4,568



Notes:

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION



- Railway
- Lake St Clair Floodprone Areas
- Significant Valley Lands (ERCA)
- Conservation Authority Jurisdiction Boundary
- Inland Floodplain Development Control
- Woodlands
- Limit of the Regulated Area

Town of Lakeshore Comprehensive Zoning By-Law

Schedule "A" - Map 19

Council Adoption – January 2012



Municipality of Lakeshore – Report to Council

Finance

Financial Planning & Analysis



To: Mayor & Members of Council

From: Justin Rousseau, Corporate Leader-Finance/Chief Financial Officer

Date: August 2, 2022

Subject: Union Water Supply System- Restructuring

Recommendation

Approve and adopt the “Proposed Business Case Study for Restructuring Union Water Supply System (UWSS) into a Municipal Service Corporation” dated March 28, 2018 as presented at the August 9, 2022 Council meeting and as further described in the “Union Water Supply System Restructuring Project Financial Presentation” presented at the August 9, 2022 Council Meeting to establish a municipal services corporation pursuant to section 203 of the *Municipal Act, 2001* and which shall be known as Union Water Supply System Inc.;

Authorize the Mayor to act as a first director for Lakeshore as a shareholder in the incorporation of the municipal services corporation.;

Authorize and direct the Mayor and Treasurer, in consultation with Lakeshore legal counsel, to execute such agreements, documents and instruments as may be necessary or desirable including, but not limited to, a Unanimous Shareholder Agreement, a Water Services Agreement, an Asset Transfer Agreement, a Real Property Transfer Agreement, and a Municipal Access Agreement to restructure, establish and organize the municipal services corporation and arrange for the services to be continued in accordance with the Business Case; and

Direct Administration to develop a process for Council to select a Lakeshore representative on the Union Water Supply System Inc. Board of Directors.

Background

Since the late 1990’s, the legal ownership of the Union Water Supply System (UWSS) was established by a transfer order issued by the Ministry of Environment. This legal ownership vested the four municipalities as tenants in common with ownership shares being proportionate to the volume of water that each municipality takes from the system. The Transfer Order provides that the ownership share is fixed for four years based on

the average supply to each municipality over the previous four years. Ownership percentages, updated January 1, 2021, are as follows:

Leamington	53.00%	Kingsville	38.72%
Essex	4.92%	Lakeshore	3.36%

The UWSS Joint Board of Management (UWSS Board) was also established in the transfer order. The UWSS Board is responsible for the oversight of UWSS notwithstanding the legal ownership of the system. The UWSS Board is responsible for regulatory compliance as well as the overall operation, maintenance, repair, construction and expansion of the system. The current UWSS Board is comprised of twelve members – 6 members from Leamington, 4 from Kingsville, 1 from Essex and 1 from Lakeshore.

The UWSS common asset listing, determined by the Provincial transfer order, includes the plant, various watermains, booster stations and water towers. Essentially all of the capital infrastructure projects built by the UWSS prior to the transfer order became assets of the UWSS. All other assets of the system are owned by the municipality in which the pipes are physically located.

UWSS is currently an unincorporated collection of assets owned as tenants in common and used collectively by the four Municipalities. There are limitations to the existing governance structure for the UWSS. Any borrowing on behalf of the UWSS must be done by the four municipalities instead of by the UWSS as a separate corporate entity. This also includes obtaining grant funding from senior levels of government. All UWSS debt must be carried on the municipal balance sheets in proportion to the system ownership share. This structure has significant limitations and as such, the four municipalities agreed to review a new structure.

Since 2017, the Administrations representing all four municipalities have been consulted in the development of this Financial Structuring Business Case as prepared by PricewaterhouseCoopers LLP's (PwC) and the UWSS General Manager.

The following resolution was passed by Lakeshore Council at the April 24, 2018 Council meeting:

That:

1. Council receive the presentation dated April 24, 2018 and report dated March 28, 2018 from the General Manager of the Union Water Supply System.
2. Council support in principle the proposed Business Case for Restructuring of the Union Water Supply System into a Municipal Service Corporation as outlined in the March 28, 2018 report.

3. Council direct Administration to proceed with an independent legal, financial and operational review on the merits of the Town of Lakeshore maintaining an ownership interest in the Union Water Supply System.

Comments

The Business Case

A newly formed corporate structure is anticipated to provide the UWSS with the ability to:

- Apply for grant funding separately from the Municipalities – no “competition” between UWSS and Municipal priorities;
- Borrow on its own to finance Board-approved capital expenditures;
- New UWSS debt is not attributed to the Municipalities, and does not affect Municipal debt capacity;
- Customers will see the UWSS portion of their water cost separately on their bill.
- Water rates will continue to be set by the Board, in accordance with Board policies and provisions of Board-approved lending agreement(s);
- UWSS, not the Municipalities, will bear the risk of volume fluctuations and uncollectible accounts;
- UWSS will pay a service fee to the Municipalities for work done by the Municipalities as agents of UWSS (billing and collection services);
- A corporate UWSS would be liable for itself and provide better liability protection to municipal shareholders; and

Section 203 of the *Municipal Act, 2001* authorizes a municipality to establish a corporation with other public entities. This is a municipal services corporation. O. Reg. 599/06 sets out how to create a municipal services corporation that regulation requires that, prior to doing so a municipality shall adopt a business case study. UWSS prepared the business case and documents needed to create and incorporate UWSS, in consultation with the various municipal administrations. The business case appears as attachment 2 to this report.

Administration has reviewed the business case and recommends establishing the new corporation for the benefits outlined in this report.

Composition of the Board

The new corporate structure, UWSS Inc., would be as follows:

- The current four municipalities which are acting jointly become shareholders of UWSS Inc. instead of operating under a joint management board structure.
- Ownership shares would be determined by water demand from each municipality. Ownership shares would consist of “tracking shares” that would be reviewed every 4 years based on water demand from each Municipality.

- UWSS Board of Directors would consist of 12 Board members. Each shareholder would appoint one Director to the UWSS Board. Shareholders would also appoint one additional Director to the UWSS Board for every 10 percent water demand for their respective municipalities.
- A maximum of two Directors appointed by each municipal shareholder would be either elected or employed municipal members. For example, the Municipality of Leamington, will be able to appoint six Directors to the UWSS Inc. Board since it is a shareholder and uses over 50% of UWSS water output. However, only two of the appointed directors may be a council member or municipal staff member. The other appointed directors would need to be independent of the municipal corporation and would be selected by a public appointment process. This is not an issue for Lakeshore as Lakeshore would only be entitled to have 1 member. If Council adopts the business case for the municipal services corporation, then Administration will prepare a further report regarding the appointment process for the Lakeshore director.
- When appointing Independent Directors, municipal shareholders shall consider the required competencies of prospective Board members including, but not limited to, legal, accounting, information technologies and engineering competencies.
- Existing UWSS “common” assets would be transferred from joint municipal ownership to UWSS Inc. ownership. All disputes on asset ownership will be reduced. A policy will be developed between UWSS Inc and municipal shareholders on any new future watermain/ transmission infrastructure in regard to finance and ownership.

The newly established corporation will not include private shareholders. The four current municipalities will remain owners however as Shareholders rather than as tenants in common.

Other Requirements

O. Reg. 599/06 also requires that the Municipality adopt and maintain a policy on asset transfers to corporations prior to transferring any assets to the corporation. Administration will finalize its review of the draft policy (attachment 3) and present to Council at an upcoming meeting.

Others Consulted

UWSS, PWC, Willis Business Law (counsel for UWSS), Municipality of Leamington, Town of Essex, Town of Kingsville.

Financial Impacts

PwC has developed the financial model and plan for the UWSS Inc. for 50 years into the future. The financial model is founded on the principles of cost recovery rather than a return on equity model (that is similar to the electricity industry). This plan accommodates the proposed UWSS Inc. capital plan for 2023-2031 that is valued at over \$120 million and includes a new reservoir #3 at the plant, replacement of some

large watermains, expansion of Cottam Booster and construction of a new membrane “peaker” treatment plant. This plan is based on a lower annual base bulk water rate increase that is currently being used in the existing approved financial plan.

The financial benefits for the UWSS Inc. that are anticipated to be realized include:

- A corporation’s ability to independently obtain grants from senior governments;
- Become a credit worthy entity with the ability to secure its own debt;
- Become financially independent from the owner municipalities;
- Develop a financial planning structure that would address future capital requirements without creating “rate shock” to the end users customers; and
- As a Government Business Entity (GBE), the UWSS Inc. financials would be proportionately reported on the municipality’s financial statements as an investment, adjusted annually by dividends (if declared) and net income (loss).

The Municipality will continue to provide billing and collection services as agents on behalf of UWSS Inc. and remit those billings back to UWSS Inc.

The main risk, although satisfied through the discussions with the UWSS Restructuring Team, relates to bad debts of the UWSS Inc. treatment portion of the water charge. Currently, the Municipality is permitted to transfer all outstanding water (treatment and distribution) bad debts (uncollected charges) to property owners as a priority lien on the property to which the supply was made. Under the new corporate structure, only the Municipality’s portion of the outstanding distribution water debt will be transferrable to property taxes. The UWSS Inc. treatment portion of the bad debt will become the responsibility of the new corporation and will be recovered through a specific customer class bad debt provision within the UWSS rates along with system losses, specific to each Municipality. The importance of the bad debts being attributable to the specific customer class and each municipality is that the typical residential customer will not be required to pay for the bad debts of the large user customer classes (commercial, industrial and greenhouse) rather similar customer class types will share the bad debts and potentially recoveries of the new corporation.

Lakeshore’s collection efforts will continue on behalf of the Municipality and UWSS Inc. The uncollectible water treatment bad debts of the UWSS Inc. will be transferred back to UWSS Inc. and then ultimately recovered through water treatment rates charged by UWSS Inc. specific to Lakeshore for that entire customer class.

The PwC report details a financial structure for UWSS Inc. that can achieve the above criteria and outlines an implementation plan and schedule for the structure. It should be noted that the PwC report stipulates that the recommended financial structure and associated benefits can only be achieved if the UWSS legally restructures into a corporate entity first.

Lakeshore current valuation of its 3.36% stake in Union Water is \$1,329,000 based on 2020 audited financial statements.

Attachments

- 1) Draft – Policy on Asset Transfers to Municipal Service Corporation
- 2) Proposed Business Case Study for Restructuring Union Water Supply System (UWSS) into a Municipal Service Corporation dated March 28, 2018
- 3) Union Water Supply System Restructuring Project Financial Presentation dated August, 2022

Report Approval Details

Document Title:	Union Water Supply System - Restructuring Report.docx
Attachments:	<ul style="list-style-type: none"> - Asset Transfer Policy.docx - Attach I UWSS Financial Structure Business Case 2018 Municipal Public Consultation.pdf - Attach II UWSS Financial Structure Business Case August 2022.pdf
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Justin Rousseau

Approved by Truper McBride



Asset Transfer Policy

Policy # [C or A] - [DI] - 00000

Date Last Reviewed:

Subject

This policy is intended to address asset transfers to Municipal Service Corporations as required under section 7 of Ontario Regulation 599/06 under the Act.

Purpose

The purpose of this policy is to permit transfers of Assets to Municipal Service Corporations incorporated by the Municipality, or Municipal Service Corporations in which the Municipality is a shareholder.

Definitions

“Act” means the Municipal Act, 2001, including Regulations made under it, as amended from time to time.

“Asset(s)” means real property and personal property of the Municipality.

“Council” means the Council of The Corporation of the Municipality of Leamington.

“Municipal Service Corporation” means a corporation incorporated in accordance with section 203 of the Act and Section 3 of Ontario Regulation 599/06 made under the Act.

“Municipality” means The Corporation of the Municipality of Leamington.

Policy

1. Upon the approval of Council, the Municipality may transfer such Assets as it sees fit to Municipal Services Corporations.



Asset Transfer Policy

Policy # [C or A] - [DI] - 00000

Date Last Reviewed:

2. Council may attach such terms and conditions to the transfer of the Asset as it deems necessary or appropriate, including but not limited to:
 - a) specifying the permitted use of the Asset;
 - b) providing for an obligation to transfer back to the Municipality the Asset upon the happening of an event or events;
 - c) restricting or prohibiting further transfers of the Asset by the Municipal Services Corporation;
 - d) attaching a purchase price of the Asset, to be paid or owed to the Municipality by the Municipal Services Corporation.
3. In considering whether to authorize a proposed transfer of an Asset to a Municipal Services Corporation, Council may have regard, among other things, to the extent to which the proposed transfer will achieve one or more of the following objectives:
 - a) optimize the use and value of Asset;
 - b) advance the Municipality's economic development and its economic competitiveness;
 - c) attract targeted industries, stimulate the creation of desirable employment, regenerate neighbourhoods and advance employment opportunities;
 - d) achieve sustainable growth and the regeneration of infrastructure and land use;
 - e) ensure stewardship of the natural environment;
 - f) support the creation of new affordable housing; and/or
 - g) achieve social objectives and an enhanced quality of life for the citizens of the Municipality.



Asset Transfer Policy

Policy # [C or A] - [DI] - 00000

Date Last Reviewed:

#	Date Revised	Author	Section	Details of Change
1	August	Justin Rousseau		Drafted Policy
2				
3				
4				

Refer policy questions to: [Position]



Union Water Supply System

P.O. Box 340, 1615 Union Avenue, Ruthven, Ontario, N0P 2G0

Tele: 519-326-1668 Fax: 519-326-3490

Email: rbouchard@unionwater.ca

www.unionwater.ca

RE: Business Case – UWSS Incorporation

I. Purpose

This document (the “**Business Case**”) was prepared in satisfaction of certain obligations requiring a municipality to adopt a business case study before it establishes a corporation either alone or with one or more other public sector entities.¹

II. Background

Union Water Supply System (“**UWSS**”) was established by the Ontario Water Resources Commission (the predecessor of the Ontario Clean Water Agency (“**OCWA**”)) in 1959, and supplies treated potable water to the municipalities of Leamington, Kingsville, Essex, and Lakeshore (collectively, the “**Municipalities**”). As evidenced by Transfer Order Union W1/1999, issued by the Ministry of Environment on January 8, 2001 (the “**Transfer Order**”), the Municipalities own UWSS as tenants in common, with each municipality owning an interest proportionate to its water consumption.

UWSS is an unincorporated collection of assets owned in common and used collectively by the Municipalities. The owners have agreed to share their joint property by voting on decisions through a group of appointed representatives (the “**Board**”). Neither UWSS nor the Board is a legal entity with all the rights and protections that come with that status. Although the Board has the power to budget, plan expenditures, and collect revenue, ultimately all decision-making authority comes from the Municipalities.

Recently, the legal structure of UWSS has been the subject of examination by the Municipalities. For the reasons that follow, the Municipalities have determined that it is advantageous to incorporate UWSS, and prepare this Business Case in support of such decision.

III. Key Legal Justifications

1. Separate Legal Entity

As indicated above, UWSS is presently unincorporated. In law, neither UWSS nor the Board is a legal entity, and lack the rights and protections that come with that status. As an unincorporated entity, UWSS is unable to issue or assume debt, and lacks the standing to sue and/or be sued in its own name. Due to these restraints, the substantial legal powers that UWSS has – such as

¹ See *O. Reg. 599/06: Municipal Services Corporations* at s. 6, made pursuant to the *Municipal Act, 2001*, SO 2001, c. 25.

contracting, buying property, and determining capital projects – are severely restricted, since UWSS cannot itself finance its own plans.

The practical impact is that the Board itself is very limited in the independent decisions it can make and implement. The essential decision-making power resides with the Municipalities, either directly through the need for financing or indirectly through the Board members appointed from their respective councils.

2. Liability

When a municipal water system is owned by a corporation other than a municipality, liability for a breach of section 19 of the *Safe Drinking Water Act* should (in theory at least) fall to the corporation as the owner of the system and its officers and directors. This should (in theory at least) protect the municipalities and their councillors from liability, except for those councillors actually on the Board of the corporation.

3. Ownership of Assets

Under the current structure, the Municipalities have a collection of assets that are used collectively, creating a number of municipal interests and financial obligations that reoccur on a regular basis, every time a financial decision must be made. Under the current structure, it is often unclear who owns and is responsible for which assets.

If UWSS were to incorporate, all assets would be owned and managed by UWSS Inc. The myriad of current municipal interests and financial obligations will need to be dealt with only once, to transfer the assets, rather than recurring every time a financial decision must be made. Thereafter the assets will be repaired, renovated, or replaced using UWSS Inc. funds and according to the priorities of the water system as determined by its officers and directors. This addresses the complex ownership issues.

Same Governance Structure

It is contemplated that the governance structure of UWSS Inc. would, to the extent that it is both legally possible and logical to do so, be modeled largely after the Transfer Order currently in place today.

The contemplated governance structure would be premised upon the following:

- “Tracking Shares” would be used to provide for each municipality ownership interest to be equal to its percentage of total water consumption as determined every four (4) years;
- Each municipality will be entitled to appoint one (1) representative to the Board, and a municipality will be able to appoint an additional representative for every 10% of the total water consumption (a municipality cannot have more than 50% of the Board positions regardless of its water consumption).

IV. Financial Justifications

Under the current structure, UWSS faces several financial challenges including:

Business Case – UWSS Incorporation

- The inability to access grants and other types of funding available for water infrastructure from senior levels of government independent of the Municipalities;
- The inability to raise its own debt independent of the Municipalities;
- A revenue model which, absent additional Municipal debt, does not accommodate large-scale capital programs; and
- The attribution of UWSS debt to the Municipalities.

Many of the above captioned financial challenges are likely to be resolved by incorporating UWSS. By incorporating, UWSS Inc. would, among other things:

- Shift volume and credit risk to UWSS's account, not that of the Municipalities;
- With the agreement of Municipal auditors, attract Government Business Entity treatment and not be fully consolidated on the Municipal accounts;
- Have capital expenditures funded by capital reserves, funds from operations and new (not the existing Sun Life) debt; and
- Set rate revenue at the greater of:
 - that which results in zero net income – no loss – for UWSS according to Generally Accepted Accounting Principles; and
 - that which enables UWSS to meet the Debt Service Coverage Ratio as agreed upon with UWSS's lenders.

Further, financial analysis indicates that:

- The proposed financial structure offers potential rate savings to municipal ratepayers, compared to rates approved for 2017 and 2018 (adjusted for inflation);
- UWSS financial metrics – in particular, those related to new debt – are projected to be robust over a 50-year projection period under the proposed financial structure; and
- Obtaining stand-alone credit-worthiness is achievable for UWSS Inc. – something critical for the success of UWSS on a go-forward basis.

V. Conclusion

For all of the reasons given above, there is a strong business case to be made in favour of incorporating UWSS. Incorporating UWSS is arguably the most effective way to mitigate the associated legal and financial risks associated with the current unincorporated structure. For these reasons, it is recommended that each municipality adopt this business case study in order to establish UWSS as a corporation.

Union Water Supply System

Financial Structuring Business Case

April 2018

*For Municipal
Consultation With The
Public*



Note to readers:

This confidential report is not to be used for any purposes other than those detailed in the terms of engagement dated June 22, 2017 and is not intended for general circulation, nor is it to be published or made available to other parties in whole or in part without PricewaterhouseCoopers LLP's ("PwC") written consent. PwC will not assume any responsibility or liability for losses suffered by the or by any other party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

This report as well as the analyses and conclusions that are presented are based on information provided by Union Water Supply System as well as industry benchmarks and data available to PwC. We did not audit the accuracy or completeness of the above financial information. PwC reserves the right, without any obligation on our part, to revise the calculations contained herein or those to which we refer and, if we judge it necessary, to revise our conclusion in light of information which existed at the date of issuance, but which is brought to our attention subsequent to the issuance of this report.

In accordance with the conditions of our mandate, our findings cannot be interpreted as estimation or as an opinion on the fair market value of Union Water Supply System. This report must be considered as a whole. Selecting portions of the report or factors considered in it without considering all factors together could create a misleading view of the process underlying our conclusions.

The individuals who prepared the report did so to the best of their knowledge, acting independently and objectively. PwC's compensation is not contingent on an action or event resulting from the use of the report.

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1. *Executive summary*

Summary of Conclusions

Union Water Supply System (“UWSS”) has operated as a bulk water supply utility owned on a “tenants in common” basis by the Towns of Leamington, Kingsville, Essex, and Lakeshore (the “Municipalities”) since a 2001 Transfer Order was issued by the Ontario Ministry of the Environment (now the Ministry of Environment and Climate Change). UWSS has no corporate existence; it cannot conduct business independent of the Municipalities. This structure gives rise to several financial challenges including:

- The inability to access grants and other types of funding available for water infrastructure from senior levels of government independent of the Municipalities;
- The inability to raise its own debt independent of the Municipalities;
- A revenue model which, absent additional Municipal debt, does not accommodate large-scale capital programs; and
- Attribution of UWSS debt to the Municipalities.

This Business Case addresses the financial challenges and proposes a new financial structure for UWSS. Legal analysis and other matters not discussed in this report are outside the scope of this Business Case. The Business Case is premised on the Municipalities establishing UWSS as a corporate entity.

In order for a new financial structure to be successful for UWSS and the Municipalities, UWSS must be credit-worthy on a stand-alone basis. Our analysis of potential credit-worthiness indicates that such stand-alone credit-worthiness is achievable for UWSS.

Also, in order for a new financial structure to be successful for UWSS and the Municipalities, UWSS and the Municipalities must achieve a commercial structure under which UWSS debt is properly accounted for as non-recourse to the Municipalities. Our accounting analysis indicates that this too is achievable.

The proposed commercial structure has the following features:

- The essential commercial relationship would be between UWSS and end-use water customers in the Municipalities (who receive UWSS bulk water);
- The Municipalities would act as agents of UWSS in facilitating this relationship;
- The Municipalities would provide billing services as agreed upon with UWSS;
- Volume and credit risk would be to UWSS’s account, not that of the Municipalities; and
- UWSS would, with the agreement of Municipal auditors, attract “Government Business Entity” (“GBE”) treatment and not be fully consolidated on the Municipal accounts.

The proposed financial structure has the following features:

- Initial capitalization: The Municipalities would convey the UWSS assets to an incorporated UWSS in return for shares in UWSS. UWSS is contemplating a share structure whereby each Municipality’s ownership will continue to be based on its consumption through the use of tracking shares. To preserve the existing UWSS ownership model under this structure, tracking shares can be incorporated into the corporate framework, and provide for each Municipality’s ownership interest to be equal to its percentage of total water consumption, adjusted every 4 years, much like the current framework;
- Approved capital expenditures would be funded by capital reserves, funds from operations and new (not the existing Sun Life) debt;
- The UWSS revenue model would set rate revenue at the greater of:
 - That which results in zero net income – no loss – for UWSS according to Generally Accepted Accounting Principles; and

- That which enables UWSS to meet the Debt Service Coverage Ratio (DSCR”) as agreed upon with UWSS’s lenders;
- UWSS operations would continue as at present, or otherwise as determined by the UWSS Board; and
- Both “source to tap” (integration of UWSS bulk water services with Municipal water distribution) and rate structures other than a uniform rate per unit volume are achievable under the proposed financial structure at the discretion of the Municipalities.

Financial analysis indicates that the proposed financial structure offers potential rate savings to Municipal ratepayers, compared to rates approved for 2017 and 2018 (adjusted for inflation). This financial analysis also indicates that UWSS financial metrics – in particular, those related to new debt – are projected to be robust over a 50-year projection period under the proposed financial structure.

Recommendations

This Business Case recommends that, if the Municipalities establish UWSS as a corporate entity, UWSS and the Municipalities:

- Adopt the proposed financial structure as set out in Sections 6 and 9;
- Adopt the proposed commercial structure as set out in Section 5; and
- Proceed to implementation as set out in Section 10.

Task or Milestone	Preliminary Timing
Financial market sounding – gauging lender interest and most likely lenders; and gaining detailed insight into the required/available provisions of key agreements	• Q1-Q2 2018
Discussion and agreement with Municipal auditors concerning commercial structure and GBE treatment; adjust commercial model if required	• Q1-Q2 2018
Development of the agreement between UWSS and the Municipalities	• Q1-Q2 2018
Development of a Master Trust Indenture, a document which will govern all new debt upon implementation. This will likely involve negotiations with key prospective lenders	• Q2-Q3 2018
Exploration (and potentially negotiation) with Sun Life concerning transfer of obligation to UWSS	• Q2-Q3 2018
Design and organization of new billing and other administrative measures required for new commercial structure	• Q2 – Q4 2018
Decision on management of Windsor Family Credit Union funds – leave invested to maturity or redeem early (possibly with an interest penalty)	• Q3 2018 or after
Updating of UWSS financial projections based on latest information (including volume outlook, investment, and debt requirements)	• Q3 2018
Development and negotiation of lending agreements for initial new debt to be issued	• Q3 2018
Execution of agreements: <ul style="list-style-type: none"> • UWSS agreement with Municipalities 	• Q4 2018

<ul style="list-style-type: none"> • Supporting service agreements between UWSS and Municipalities (as determined by final commercial structure) • Master Trust Indenture • Initial lending agreements • (Possibly) agreement concerning existing Sun Life debt 	
Funds available – new debt	<ul style="list-style-type: none"> • January 2019
Go-live for new commercial structure including billing and other administration	<ul style="list-style-type: none"> • January 2019 or before
New revenue and rate model active	<ul style="list-style-type: none"> • 2019 fiscal year

2. Background and Current Situation

This section reviews the history of Union Water Supply System (“UWSS”), and highlights the challenges faced by UWSS and its owner municipalities (Leamington, Kingsville, Essex, and Lakeshore, collectively the “Municipalities”).

Historical and Early 1990’s

Historically, the Province of Ontario (the “Province”) constructed, owned and operated selected municipal water systems, directly through the Ontario Water Resources Commission (OWRC). The Union Water System (now the Union Water Supply System, “UWSS”) was originated by the OWRC in 1960. In 1974 the Province of Ontario created the Ministry of the Environment (“MOE”, now the Ministry of the Environment and Climate Change). All assets owned and operated by the OWRC, including UWSS, were transferred to the MOE and the OWRC was subsequently dissolved.

In 1993, the Province created the Ontario Clean Water Agency (“OCWA”) to assume its water and wastewater responsibilities. In 1994, OCWA signed an agreement with the then municipalities of Essex, Gosfield North, Gosfield South, Leamington, Maidstone, Mersea, Kingsville, and Rochester; and with H. J. Heinz Company of Canada Ltd (“Heinz”). This agreement provides for matters including:

- An expansion to the shared water supply system (identified as the Union Water System);
- Ownership by OWCA and OCWA’s water supply responsibilities; and
- Rate-setting and rate payment by the signatory municipalities.

The agreement provided for an initial five year term with three optional renewals taking effect absent termination by the signatories.

The Transfer Order

The Province elected to exit ownership (but not operation) of water and wastewater systems according to a policy adopted in the late 1990’s.

Ownership of UWSS was conveyed to the Municipalities on January 8, 2001. UWSS ownership was on a “tenants in common” basis; UWSS did not and does not have a corporate existence. OCWA operates the UWSS system under contract to the Municipalities; rate-setting and budgeting for capital and operations are the responsibility of UWSS subject to Board approval.

Supply to Heinz continued according to the 1994 agreement described above.

The framework for governance of UWSS was set out in this order, and continues to the present. Ownership of UWSS was and is according to respective shares of UWSS consumption, and is reset every four years. A 12-person Board structure was established, with Board seats allocated according to ownership (with a 6-seat cap for any individual Municipality).

The UWSS rates were and are set (and approved by the UWSS Board) based on:

- Operating costs;
- Capital costs and contributions to capital reserves;
- Debt service (interest and principal); and
- Other Board-approved costs.

A special Heinz rate and area-specific rates were provided for.

Initial Financing

Ownership of UWSS was not free to the Municipalities. In order to pay OCWA for the UWSS assets, the Municipalities incurred debt of approximately \$18.5 million. This debt was arranged by MFP Structured Finance Ltd. (“MFP”), and purchased by Mutual Life Assurance of Canada (now part of Sun Life).

MFP was later found to have misrepresented the cost of this debt. In a 2006 settlement, the Municipalities received approximately \$10 million. This amount is still held for UWSS in a deposit instrument at the Windsor Family Credit Union. Debt service payments were renegotiated with Sun Life; these payments are approximately \$2.5 million per annum and the debt matures in 2026. UWSS funds the debt service.

The Municipalities have, since 2001, issued debt on behalf of UWSS, and UWSS has funded debt service. As at the end of 2016, approximately \$14.5 million of Sun Life debt is outstanding; the Municipalities have no other debt or cash related to UWSS.

Portrait of UWSS in 2016

At the end of 2016, UWSS had the following characteristics:

Characteristic	UWSS as at the end of 2016
People served	<ul style="list-style-type: none">• Approximately 65,000 across the four Municipalities
System connections	<ul style="list-style-type: none">• The Municipal water systems of Leamington, Kingsville, Essex, and Lakeshore
Principal assets	<ul style="list-style-type: none">• Non-linear assets: water treatment plant, low-lift pumping station, booster pumping station, in-ground reservoir, four water towers• Linear assets: approximately 125 km of “transmission” water main
Board seats ¹	<ul style="list-style-type: none">• Leamington: 6• Kingsville: 4• Essex: 1• Lakeshore: 1
Staff	<ul style="list-style-type: none">• Two full time (General Manager and Executive Assistant)• Legally, these staff are employed by the Town of Leamington
Operations and maintenance	<ul style="list-style-type: none">• OCWA, under contract
Asset value	<ul style="list-style-type: none">• Net book value \$41 million• Replacement cost: \$112 million
System Flow	<ul style="list-style-type: none">• Approximately 3.3 billion gallons
Sector share of flow (2013, most recent available)	<ul style="list-style-type: none">• Residential: 33%• Commercial: 13%

¹ We understand that, as of January 1, 2017, Kingsville obtained one additional Board seat, for a total of five.

	<ul style="list-style-type: none"> • Greenhouses: 37% • Canneries and other: 17%
Revenues	<ul style="list-style-type: none"> • Rate revenue: \$8.9 million • Interest income: \$0.4 million • Ancillary revenue: <\$0.1 million
Capital accounts	<ul style="list-style-type: none"> • Depreciation: \$1.2 million • Capital expenditure: \$0.6 million
Debt service	<ul style="list-style-type: none"> • Interest expense: \$1.6 million • Principal repayment: \$0.7 million • Total debt service: \$2.3 million
Rate revenue model	<ul style="list-style-type: none"> • Operations, maintenance and administrative costs; plus • Debt service (principal and interest); plus • Approved capital expenditures

Challenges

UWSS and the Municipalities face a number of challenges going forward.

The Capital Program

The UWSS approved 6-Year Capital Plan calls for over \$26 million in expenditures. This amount is thought by UWSS to exceed available cash reserves, plus the amount that could be included in annual revenue without causing “rate shock” (a sharp increase in rates from one year to the next).

Longer Term Capital Replacement and Reserves

In a water utility, assets are long-lived – a “short” life may be 15 years, while a “long” life may be 75 years. UWSS’s linear assets have an assigned life of 75 years.

At some point, all assets require replacement or renewal. If a utility has cash reserves –in Ontario, some municipal water systems do and some do not – these reserves may be used to fund renewal or replacement. If reserves are nil or insufficient, funds must be provided from another source, such as grant funding (which may not be available when needed) or municipal borrowing (recovered in rates over a period of time).

UWSS does have cash reserves:

- \$10 million in a deposit instrument maturing in 2021;
- An operating fund of \$1.7 million; and
- Approximately \$4 million in other cash capital reserves.

However, given the UWSS short-term capital plan described above, UWSS cash capital reserves will be fully depleted by the early 2030s.²

Grant Funding

As UWSS does not have a corporate existence, it cannot apply for grant funding from senior levels of government. The Municipalities must apply on UWSS's behalf. This can be a cumbersome process, and UWSS requirements would compete with other Municipal projects for available grant funding.

While this Business Case does not assume the availability of any grant funding (in the interests of conservatism, and as the availability of grant funding is unpredictable), the ability of UWSS to access available grant funding in the future is an important objective.

It is important to note that UWSS, if incorporated, could access grant funding with no change to the financial structure.

Required Revenue Determination and Rates

The revenue model of UWSS directly includes capital expenditure. This is in contrast to, for example, electrical Local Distribution Companies ("LDCs") which recover capital costs in arrears (in the case of LDCs, with a return to debt and equity).

In years in which cash reserves are not available, this model is not compatible with a large capital program in a single year – this would result in a sharp increase in required revenue and therefore rates (this is commonly referred to as "rate shock"). The nature of UWSS's business is that such large capital expenditures are required on occasion; for example, the UWSS 6-Year Capital Plan calls for expenditures of approximately \$7 million in 2019, and the same amount again in 2021.

From a rate-making standpoint, UWSS currently has a largely uniform rate per unit volume (measured at the perimeter of the UWSS system). In the past, there have been rate structures under which different users bore different costs, depending in part on what assets served each user.

Debt and Debt Attribution

As UWSS does not have a separate corporate existence, its debt is consolidated on the accounts of the Municipalities (in proportion to ownership). As Ontario municipalities have a provincially-mandated maximum debt amount (relative to receipts), debt capacity has value to municipalities.

Our consultations indicate that the existing UWSS debt is not an immediate concern for the Municipalities; however, having the existing UWSS debt attributed solely to UWSS would be desirable.

With respect to debt which may be required in the future (projections indicate this could be as early as 2019), the existing process among UWSS and the Municipalities calls for:

- Approval of the UWSS capital plan and resulting requirement for new debt;
- Approval for the new debt by each Municipality, for the applicable proportional share;
- Issuing the new debt; and
- Servicing the debt by UWSS, with cash flow to each Municipality according to its proportional share.

² A working capital and operating cash reserve of approximately \$2 million is maintained.

Consultations indicate that the potential new debt in the short term is feasible from the standpoint of the Municipalities (from a debt capacity standpoint); however, UWSS having the ability to issue new debt with recourse only to UWSS would be desirable.

Potential complexities may arise should a capital project not benefit all Municipalities equally (or at all); in this case, reaching agreement to undertake new debt may be challenging under the existing model.

“Source to Tap”

As described above, UWSS is a bulk water system with no responsibility for distribution of water to end customers. UWSS and the Municipalities have considered and rejected the potential for UWSS to assume responsibility for the Municipal water distribution systems as well as bulk supply. This is known as the “source to tap” option. UWSS and the Municipalities have required that any change to the UWSS financial structure not impede development and implementation of “source to tap” should this option be considered in the future.

The Legal Analysis

In 2015, UWSS had a legal analysis undertaken by William Willis, now the founding partner at Willis Law in Windsor. This analysis examined the option of an incorporated legal structure for UWSS and addressed such matters as:

- Liability of the Municipalities and UWSS Board members;
- Feasibility of an incorporated UWSS from a licencing standpoint;
- UWSS’s inability to issue debt and therefore finance its own operations;
- Governance and decision-making;
- Potential risks associated with separate ownership and operation of UWSS and the Municipal water systems; and
- How an incorporated Municipal Services Corporation (MSC) which would succeed UWSS – potentially “UWSS Inc.” – may be established, including the initial capitalization by conveyance of existing UWSS assets to the successor in return for shares in the new corporation.

The recommendations of this analysis were that the Municipalities:

- Establish UWSS as a Municipal Services Corporation as this is defined in Ontario legislation;
- Transfer the UWSS assets held on a “tenants in common” basis by the Municipalities to the UWSS corporate entity in return for shares;
- Consider the inclusion on the Board of industry experts as well as Municipal appointees;
- Establish UWSS’s mandate, and its delegated authority to conduct its business under Board supervision and within the Ontario legislated and regulatory environment; and
- Consider the “source to tap” option as described above.

Premise for This Business Case

The premise for this Business Case is:

- IF the UWSS shareholders undertake the adoption of a corporate structure for UWSS, broadly as set out in the legal analysis of 2015 as modified by the UWSS Board and Municipalities;
- AND if UWSS shareholders wish to explore financial structuring options to address the financial challenges described above;

-
- THEN this Business Case may be considered as a potential path forward with respect to financial structure.

3. Financial Structuring Objectives

This section describes the objectives we set in designing the proposed financial structure for UWSS.

Objectives

Given the background and challenges set out in Section 2, we set the following objectives for design of a potential new financial structure for UWSS³.

Ability to Issue New Debt

UWSS must, under a proposed financial structure, be able to issue debt to finance its operations (according to plans and budgets approved by its Board). This in turn requires that UWSS be credit-worthy – that is, its debt is attractive to lenders in the financial markets, so that UWSS may borrow as needed on reasonable terms (notably interest rates and principal repayment term).

Attribution of Debt Solely to UWSS

A proposed financial structure must support the attribution of UWSS debt solely to UWSS and not to the Municipalities:

- New debt; and if possible
- The Sun Life debt as well.

Ability to Accept Grant Funding

A proposed financial structure must be able to access grant funding if it is available. UWSS indicates that infrastructure grants from senior levels of government are available to municipalities directly, and to Municipal Services Corporations, but not to UWSS as an entity without corporate existence. At present, a grant application for UWSS would have to come from the Municipalities; this is complex and may put UWSS priorities in conflict with Municipal infrastructure grant priorities.

“Source to Tap”

A proposed structure must be compatible with “source to tap” should the Municipalities elect to take up this option in the future.

No “Rate Shock”

A proposed financial structure must minimize required rates, and avoid “rate shock” to the extent possible given the costs to be borne by UWSS in the future.

Non-Uniform Rate Structures

For purposes of this Business Case analysis, a uniform rate per unit water volume is assumed. However, a proposed financial structure must be compatible with non-uniform rate structures should UWSS and the Municipalities elect to go this route.

³ For the balance of this Business Case, UWSS will refer to an incorporated entity succeeding the existing UWSS.

Summary

The objectives described above formed the basis for design of the proposed financial structure. Achieving these objectives requires the support of two principal attributes for UWSS:

- Credit-worthiness on a stand-alone basis (as described in Section 4); and
- Commercial structuring to achieve accounting treatment as a Government Business Entity (as described in Section 5).

One potential objective is notable by its absence – a profit flow for the Municipalities. The Municipalities have never earned a return on their share of UWSS, and consultations indicate that earning a return (funds from ratepayers that would accrue to the tax base) is not an objective for a new financial structure. Accordingly, Municipal profit is not an objective driving the design of the proposed financial structure.

4. Credit-Worthiness

This section defines credit-worthiness for the purpose of this Business Case, and sets out the requirements for credit-worthiness which the financial markets will likely apply to UWSS.

What Is Credit-Worthiness for UWSS?

An entity may be considered credit-worthy if:

- It can borrow as it needs to, in order to finance its operations (and specifically its approved capital plans), under most market conditions⁴;
- The terms and conditions (notably the interest rate and principal repayment provisions) are reasonable – broadly equivalent to terms and conditions available in to comparable borrowers, and stable over time in most financial market conditions.

At present, lenders for UWSS look directly to the Municipalities for assurance that debt principal and interest (together, debt service) will be paid according to the lending agreements. Municipalities are credit-worthy to the extent that their ability to realize tax and other revenue is sufficient to fund all municipal obligations including debt service, with a safety factor. Ontario legislation caps municipal borrowing at levels viewed as prudent by the financial markets.

In order for the objectives described in Section 3 to be achieved, UWSS must be credit-worthy on a stand-alone basis. For lending to utilities such as UWSS, lenders can only look to the sufficiency and reliability of revenues for assurance of debt service – in a default situation, the assets (unlike, say a vehicle) cannot be seized and sold to other buyers.

Credit Positives for UWSS

It is reasonable for UWSS to expect a positive reception from the financial markets as a stand-alone borrower, if properly structured and operated.

A Utility with Monopoly Access to Customers

Utilities are generally attractive to lenders as they have monopoly access to their customers – they do not face competition (although they are constrained by regulation or other means). Although actual consumption (in UWSS's case, bulk water) may vary, utilities generally recover their costs in the form of a required revenue (that is, the revenue that achieves the regulatory or otherwise agreed-to conditions), which is then converted into rate(s) per unit volume – ratepayers bear the risk of volume variations over time.

Defined Pricing Power

Utilities have defined pricing power – that is, the power to recover costs and set rates constrained by a predictable set of rules, at a level sufficient to meet all obligations, without the prospect of external interference (but of course subject to Board oversight).

UWSS at present recovers costs as described in Section 2:

- Operations, maintenance and administrative costs; plus

⁴ During periods of financial market turmoil, such as experienced in 2007 – 2009, many borrowers had difficulty accessing new debt.

- Debt service (principal and interest); plus
- Approved capital expenditures

As set out in Section 6, the proposed financial structure will incorporate a different, but equally defined, required revenue model. The proposed revenue model would be established contractually as described in Section 9.

LDCs recover costs according to a different formula:

- Operations, maintenance and administrative costs; plus
- Depreciation expense; plus
- Interest expense; plus
- A return to equity calculated according to regulated parameters; plus (if applicable)
- An allowance for cash taxes paid

The formula is different, but it is defined and reliable over time. In the case of LDCs, credit ratings (DBRS in this case) range from A (low) to A (high) for major bond-issuer LDCs⁵.

Conservative Capital Structure

UWSS had, at the end of 2016, a debt : equity ratio of 25% debt : 75% equity. The regulated debt : equity ratio for Ontario LDCs is 60% debt: 40% equity.

As described in Section 6, the proposed financial structure does not include a covenant concerning capital structure. However, long-term financial projections described in Section 7 indicate a UWSS capital structure with less debt than specified for Ontario LDCs.

Strong Debt Service Coverage

As described above, lenders require a “safety factor” between a borrower’s debt service obligations, and the borrower’s means to make debt service payments. This safety factor is “debt service coverage”, and it expressed as a ratio referred to as the Debt Service Coverage Ratio (“DSCR”).

In 2016, UWSS (having only the Sun Life debt to service) had a DSCR of approximately 1.9x. This is calculated as:

- “Cash Available for Debt Service”:
 - Revenues; less
 - Operations, maintenance and administrative costs; divided by
- Debt service:
 - Interest; and
 - Required principal repayment.

⁵ DBRS, May 2017

This level of DSCR is more than the market requires, in PwC experience. DSCR of 1.25 to 1.50 will support investment-grade treatment in the financial markets; we have used 1.50 in our analysis in the interest of conservatism.

Priorities for Credit-Worthiness

In designing the proposed financial structure, we have considered two principal attributes:

- UWSS must, in all periods, be able to earn required revenue which enables it to at least break even on a “Generally Accepted Accounting Principles” (“GAAP”) basis – this includes recovery of depreciation expense (which the current UWSS revenue model does not); and
- UWSS must, in all periods, be able to earn required revenue which enables UWSS to achieve a market-appropriate DSCR (for which we have used 1.50 in our analysis).

These conditions respond to lenders’ most pressing requirements:

- High-quality borrowers do not lose money; and
- Borrowers always have the capability to pay debt service – interest and required principal repayment – with a safety factor.

The manner in which these requirements are incorporated into the proposed financial structure is set out in Sections 6 and 9.

5. Accounting Considerations

An important objective of UWSS's for the Municipalities is that UWSS debt be considered an obligation solely of UWSS, and not be consolidated on the accounts of the Municipalities.

This section addresses the requirements for achieving this accounting treatment and discusses the commercial structure of UWSS, and its relationship with the Municipalities and with end customers is such that UWSS debt is properly accounted for as recourse only to UWSS and not consolidated (on a line-by-line basis) in Municipal accounts.

Accounting Principles

Canadian accounting principles contain guidance in the areas of consolidation, reporting relationships and government entity types which can assist in determining the accounting treatment with respect to the attribution of debt in circumstances similar to those of UWSS. In particular, guidance is provided concerning:

- “Government Business Entity” (or “GBE”) treatment and the requirements to achieve this treatment; and
- “Agent versus principal” relationships

Government Business Entity

A Government Business Entity (or “GBE”) is a business owned by government which is financially self-supporting. GBEs are accounted for by its government owner(s) on an “equity” basis – that is, the value of the equity ownership (i.e. net assets) stake in the GBE is recorded as an asset in the balance sheet. As a result, the debt of the GBE is not classified as debt in the government owner(s) balance sheet but rather is included as part of the governments net investment of the GBE (reducing the net asset value). Therefore, GBE treatment would achieve the objective of the Municipalities with respect to accounting treatment/classification of UWSS debt.

Guidance for qualification as a GBE is set out (in part) below:

28 A government business enterprise is an organization that has all of the following characteristics:

(a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;

(b) it has been delegated the financial and operational authority to carry on a business;

(c) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and

(d) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

In the electricity market, municipally-owned local distribution companies (“LDCs”) are commonly treated as GBEs.

Agent versus Principal

In assessing the relationship for financial reporting purposes between UWSS and the Municipalities (i.e. whether or not UWSS is a GBE to the Municipalities) an important consideration is the relationship among UWSS, the Municipalities, and the end customers using UWSS-supplied water. Specifically, are the Municipalities customers of UWSS, or agents of UWSS in a commercial relationship essentially between UWSS and end water customers?

If the Municipalities are agents of UWSS, then they may qualify for “Net Revenue Reporting”, and would record only the net revenue (if any) from sales of UWSS water to end customers. UWSS would be considered a supplier to end customers, not the Municipalities.

Key requirements⁶ for the Municipalities to be considered for treatment as an agent of UWSS include:

- UWSS (not a Municipality) is the “obligor” – that is, responsible for providing the product or service (in the case of UWSS, bulk water);
- The Municipalities earn a fixed amount (not mandatory) – a fixed amount per account, per year, or other unit of measure in exchange for acting as agent of UWSS. The municipalities do not bear the risks of profit and loss related to the product or service being provided; and
- Credit risk related to the provision of bulk water is not borne by the Municipalities. Bad debt risk is ultimately borne by UWSS.

Conversely, UWSS would be considered the principal provider (as desired) if it has:

- The primary responsibility for providing bulk water to its customers (local delivery being considered a separately billed service);
- Inventory risk – the risk that end customers may or may not order or use a given volume of product;
- Latitude in setting prices (and not be directed concerning pricing by the Municipalities⁷); and
- Exposure to credit and collection risk.

Options for Commercial Structure

UWSS and the Municipalities may structure their affairs in several different ways, with varying potential accounting treatment.

Option #1: Current Structure

In this structure:

- UWSS sells bulk water to the Municipalities according to the existing bulk metered volume measurements;
- The municipalities take title to the bulk water, and resell to their end water customers according to residential and business metered volume measurements. UWSS charges are not shown as a separate billed item to end customers;
- Credit and collection risk is borne by the Municipalities; UWSS is paid according to the bulk metered measurements and has no commercial relationship with end water customers.

Option #2: “LDC” Structure

In this option:

- UWSS has a direct relationship with individual metered end customers. A supply agreement with these customers may be required;
- UWSS bills each end customer according to residential and business meters (rather than the existing bulk meters);

⁷ Municipal representation on the UWSS Board would not compromise UWSS’s latitude in setting prices; an established revenue determination mechanism as set out in Sections 6 and 8 would reinforce UWSS pricing authority

- Accounts Receivable ledgers are maintained (perhaps by Municipalities as a service to UWSS);
- Billing may be done (for a fee which would be a recoverable cost for UWSS) by Municipalities on behalf of UWSS. UWSS charges would show separately from other Municipal billed items (such as water distribution or perhaps electricity if this is billed with water);
- As UWSS charges are collected, collected funds are remitted to UWSS. The Municipalities do not guarantee UWSS collections.

Option #3: Municipalities as Agents of UWSS

In this option:

- UWSS has a direct relationship with individual metered end customers. A supply agreement with these customers may be required (potentially a significant challenge given the number of customers);
- End customer volumes (which will be different than bulk water metered volumes due to system losses) are the basis for billing based on end user metered volumes. These volumes are shared between UWSS and the Municipalities;
- The Municipalities bill individual end users according these end user metered volumes, with UWSS charges being an item separate from other billed charges;
- UWSS invoices the Municipalities for bulk water according to end user metered volumes, and the Municipalities pay such invoices;
- Municipalities charge back UWSS for any UWSS end customer charges which prove to be uncollectible according to Municipal policy;
- Municipalities charge UWSS for services provided including:
 - Billing;
 - Administration of collections;
 - The time value of money between the UWSS billing date and the anticipated date of collection from end customers; and
 - Other items as agreed upon by UWSS and the Municipalities;
- UWSS includes these charges in its cost base to be recovered from its end customers.

Potential Qualification for GBE Treatment

The potential for these options to qualify for GBE treatment is as follows:

Scenario	Separate Corporate Entity	Delegated Financial and Operational Authority	Goods and Services Provided Principally to Customers Other Than Government	Maintain Operations and Meet Liabilities from Revenues Other Than Government	Comments and Cautions
Option #1: Current Structure	OK	OK	Fail – Municipalities are only customers	Fail – revenue source is only from Municipalities	Easiest implementation but does not achieve a key objective

Scenario	Separate Corporate Entity	Delegated Financial and Operational Authority	Goods and Services Provided Principally to Customers Other Than Government	Maintain Operations and Meet Liabilities from Revenues Other Than Government	Comments and Cautions
Option # 2: “LDC” Structure	OK	OK	OK: UWSS bills to and collects from end customers directly	OK: No direct financial relationship with Municipalities, other than as normal course billed customers	Greatest available assurance of GBE treatment; however, potentially significant administrative load on UWSS (and possibly Municipalities as service providers)
Option #3: Municipalities as agents of UWSS	OK	OK	OK: Essential commercial relationship is with end customers	OK: Key risks are to the account of UWSS	Some administrative changes, but less than in Option #2.

Other Considerations

Under any structure, if UWSS requires investment of Municipal equity it may fail the test of “Maintain Operations and Meet Liabilities from Revenues Other Than Government”. The financial structure and financial projections in this Business Case (see Sections 6 - 9) do not anticipate this need for equity investment; however, the Municipalities should keep this consideration in mind going forward.

Summary

At this Business Case stage, it appears that Option #3 is a leading candidate for investigation and adoption. As a practical matter, one option should be implemented for all Municipalities.

Both Options #2 and #3 will require socialization of the new structure with end customers, and (potentially) the execution of connection agreements between UWSS and end customers.

Requirements to Achieve Proposed Commercial Structure

In the end, the determination of whether or not a structure meets the requirement for GBE treatment will be that of the Municipalities’ auditors. Therefore, if the Municipalities elect to proceed on a course indicated by this Business Case, the following will be required:

- The Municipalities engage their auditors concerning the selected structural option and GBE treatment;
- The need for a connection agreement between UWSS and end customers be determined, and (if required) the form of this agreement be developed;
- Planning be undertaken to socialize the new commercial structure with end customers, and (ultimately if required) achieve execution of these agreements; and
- UWSS maintain a forward financial plan that will highlight the potential need for Municipal equity investment in advance, with a view to advance planning to avoid a situation in which GBE qualification fails.

6. *Financial Structure*

This section develops the financial structure recommended in this Business Case.

It is assumed that UWSS and the Municipalities will obtain advice concerning legal structure, ownership, governance, liability and related matters from counsel. This Business Case and this section address only financial structuring.

Drivers of the Financial Structure

The proposed financial structure is designed to achieve objectives in two areas:

- Credit-worthiness (Section 4); and
- GBE treatment (Section 5).

Recommended Financial Structure

The financial structure proposed in this Business Case is as follows:

Opening Assets

Upon the establishment of UWSS under a corporate structure, the Municipalities will transfer all UWSS-related assets to UWSS in return for shares. UWSS is contemplating a share structure whereby each Municipality's ownership will continue to be based on its consumption through the use of tracking shares. To preserve the existing UWSS ownership model under this structure, tracking shares can be incorporated into the corporate framework, and provide for each Municipality's ownership interest to be equal to its percentage of total water consumption, adjusted every 4 years, much like the current framework.

Opening Liabilities

If achievable, UWSS will assume legal liability for the Sun Life debt; this will require negotiation with Sun Life and may or may not be achievable.

Other (current) liabilities such as accounts payable would also be assumed by UWSS.

Other Undertakings

UWSS would assume legal responsibility for the OCWA contract and other undertakings.

The existing two employees of UWSS (who are currently formally employed by Leamington) would be employed by UWSS directly.

UWSS and the Municipalities would enter into an agreement as set out in Section 9.

Revenue and Rate Model

The required revenue to which UWSS will be entitled according to its agreement with the Municipalities would be the greater of that which results in:

- A break-even net income under GAAP (the "break-even test"); and
- A DSCR equal to that agreed to with UWSS lenders (the "DSCR test").

A uniform rate would be constructed as at present – required revenue divided by flow – however, the flow would be at the end user point, not the UWSS-Municipality billing points as at present. This is to facilitate the commercial structure according to Option #3 in Section 5.

The UWSS Board may, at its option, also set rates higher than those described above, in the interests of avoiding fluctuating rates. An example may be rates which are equal to the prior year plus inflation. In the proposed structure, UWSS would not have the latitude to set rates lower than those which meet both the “break-even test” and the “DSCR test” without explicit permission of its lenders.

Funding of Capital Expenditures

The capital program will at all times be approved by the UWSS Board, as at present.

Funding of the capital program would be:

- First from cash from operations;
- Then from available capital reserves;
- Then by issuance of new debt.

Capital investment gives rise to depreciation expense regardless of how the investment is financed (reserves or debt). This depreciation expense is recovered in revenue (according to the “break-even” test) over the life of the asset.

New debt gives rise to debt service – interest and principal. This debt service, multiplied by the applicable DSCR, gives rise to a recoverable cost according to the “DSCR test”.

Ongoing Operations

The principal operating relationship with OCWA would continue essentially unchanged, but the OCWA contract would be with UWSS as a stand-alone contracting entity.

Any services provided by the Municipalities to UWSS would continue (until changed by agreement if at all), but would be articulated in formal agreements.

Summary

We have conducted our financial analysis in Section 7 based on the proposed financial structure described above; Section 8 evaluates assesses the achievement of the objectives set out in Section 3 by the proposed financial structure.

7. Financial Analysis

This section sets out the projected financial results should the recommended financial structure be implemented.

Methodology Highlights

A financial modeling analysis was undertaken in support of this Business Case, addressing the following items and incorporating information provided by UWSS:

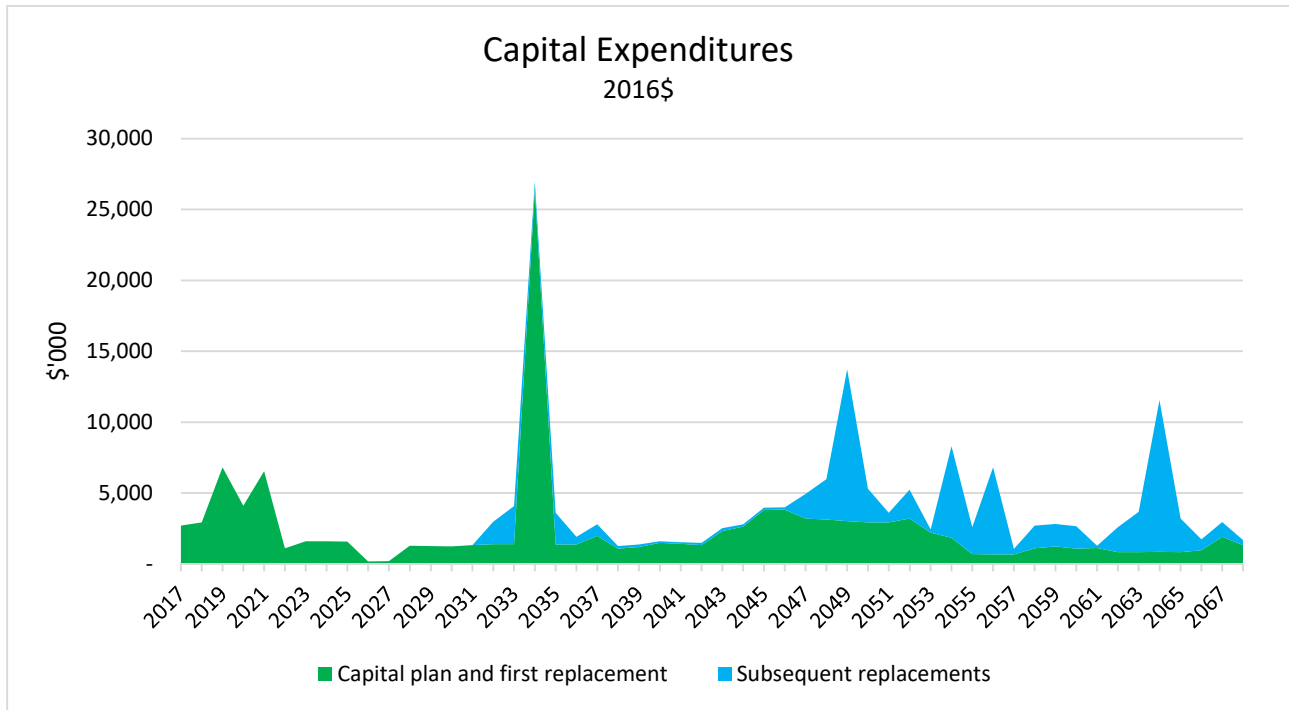
Category	Specific Items
Capital Items	<ul style="list-style-type: none">• Capital expenditure:<ul style="list-style-type: none">◦ 2017 and 6-year approved Capital Plans◦ Replacement of assets as at the end of 2016◦ Water treatment plant expansion ~2034• Depreciation
Other Costs	<ul style="list-style-type: none">• Operations, maintenance and administrative costs
Financial Items	<ul style="list-style-type: none">• The Windsor Family Credit Union deposit instrument• Sun Life debt• New debt:<ul style="list-style-type: none">◦ Interest rates◦ Principal repayment• Interest earned on reserves
Rates and Revenue	<ul style="list-style-type: none">• Rates for 2017 and 2018 as per approved plans• Rate-making thereafter according to the proposed financial structure
Volume	<ul style="list-style-type: none">• Volume growth assumption, consistent with planning the water treatment plant expansion

Results

The results from the financial analysis are set out below.

Capital Expenditure

Capital expenditure over time, here shown in 2016 dollars, are projected as follows:



Looking ahead, there are clearly some years of very high capital expenditures – “spikes”. These are driven by:

- The 2017 and 6-year capital plans;
- The water treatment plant expansion projected for 2034; and
- Replacement of these major expenditures at the end of useful life.

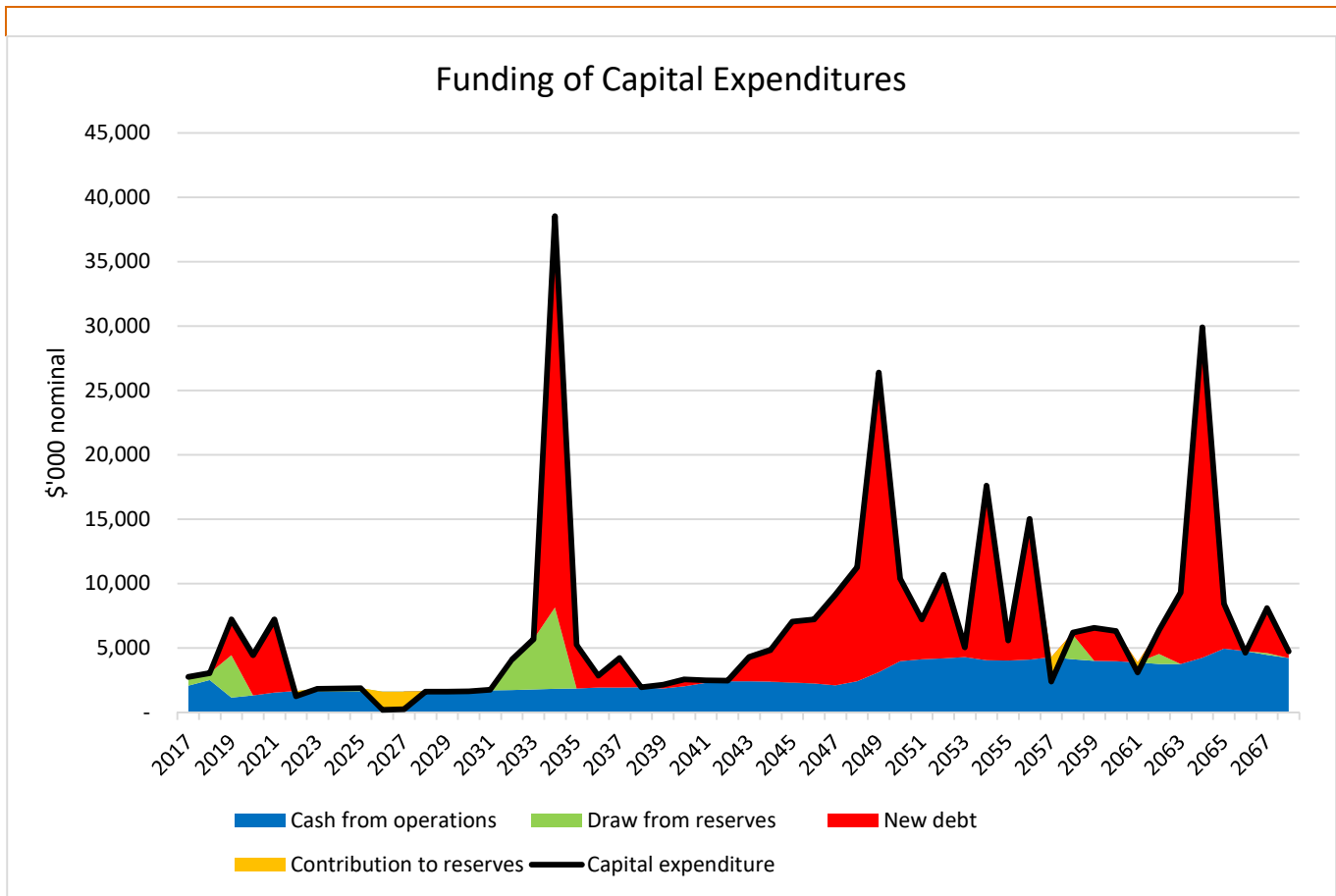
The total capital expenditure, in 2016\$, over a 52-year projection period (2017 and 2018, plus 50 years of the proposed financial structure) is nearly \$200 million.

Funding of Capital Expenditures

How are these capital expenditures funded? The chart below shows funding of capital expenditures (here in nominal, inflated dollars) by:

- Reserves;
- Funds from operations; and
- New debt.

In some years, funds from operations contribute to reserves.

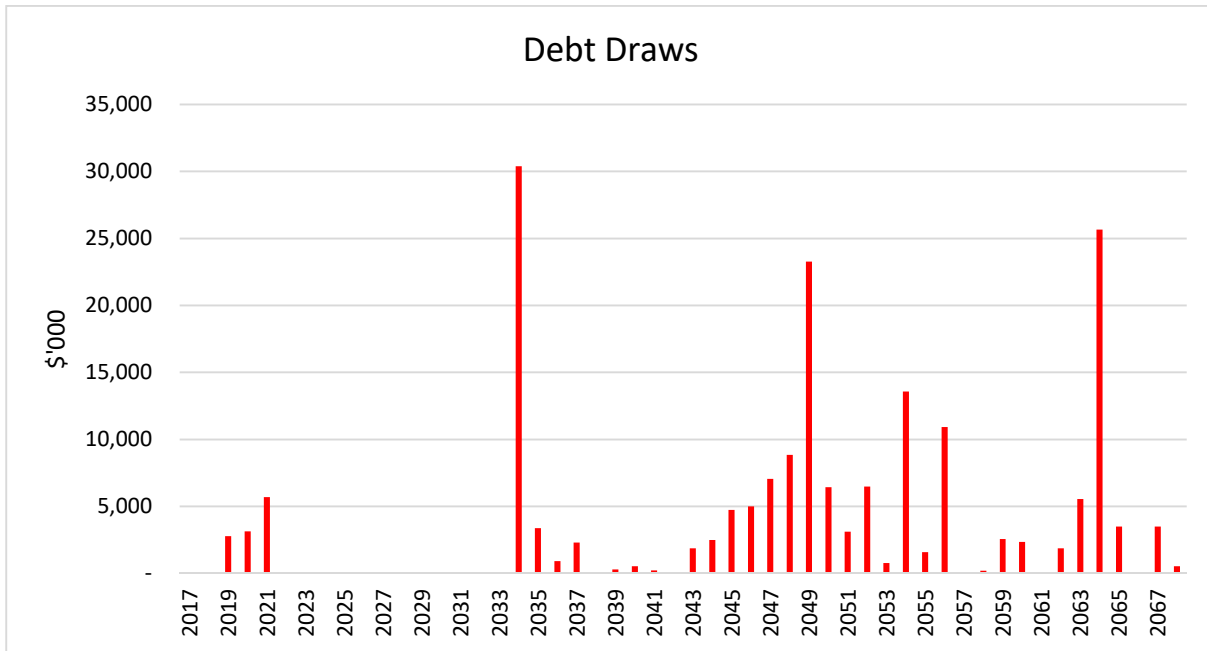


Over time, funding is provided from a variety of UWSS sources (in this chart, dollars are nominal including inflation):

- Operations provide some funding, as is the case at present. Even in years in which the “break-even test” prevails for revenue, UWSS recovers depreciation expense. This is a non-cash expense, and therefore provides UWSS with cash which may be deployed to fund capital expenditures;
- Reserves – both the Windsor Family Credit Union funds and other capital funds (but not the operating reserves) are available in some years. Further, in some years of low capital expenditure capital reserves are increased;
- New debt provides roughly 55% of funding for capital expenditures over time.

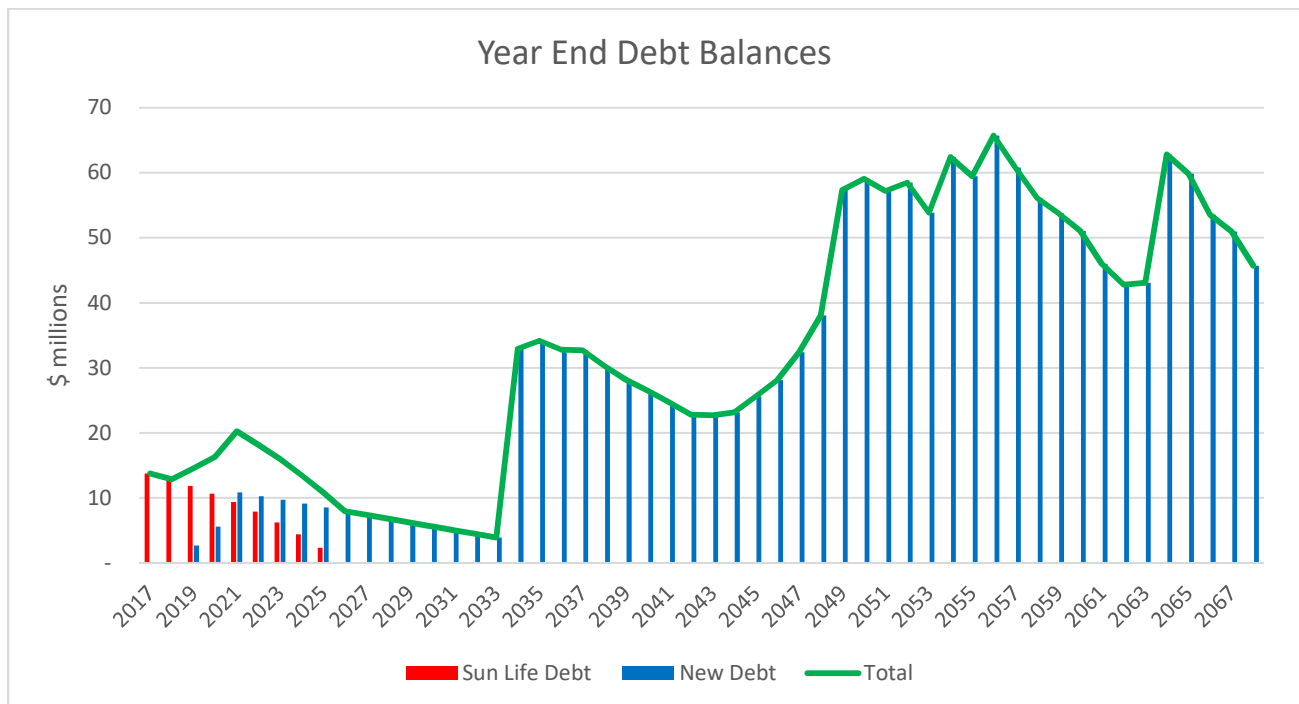
New Debt

New debt (that is, not Sun Life) is drawn as follows:

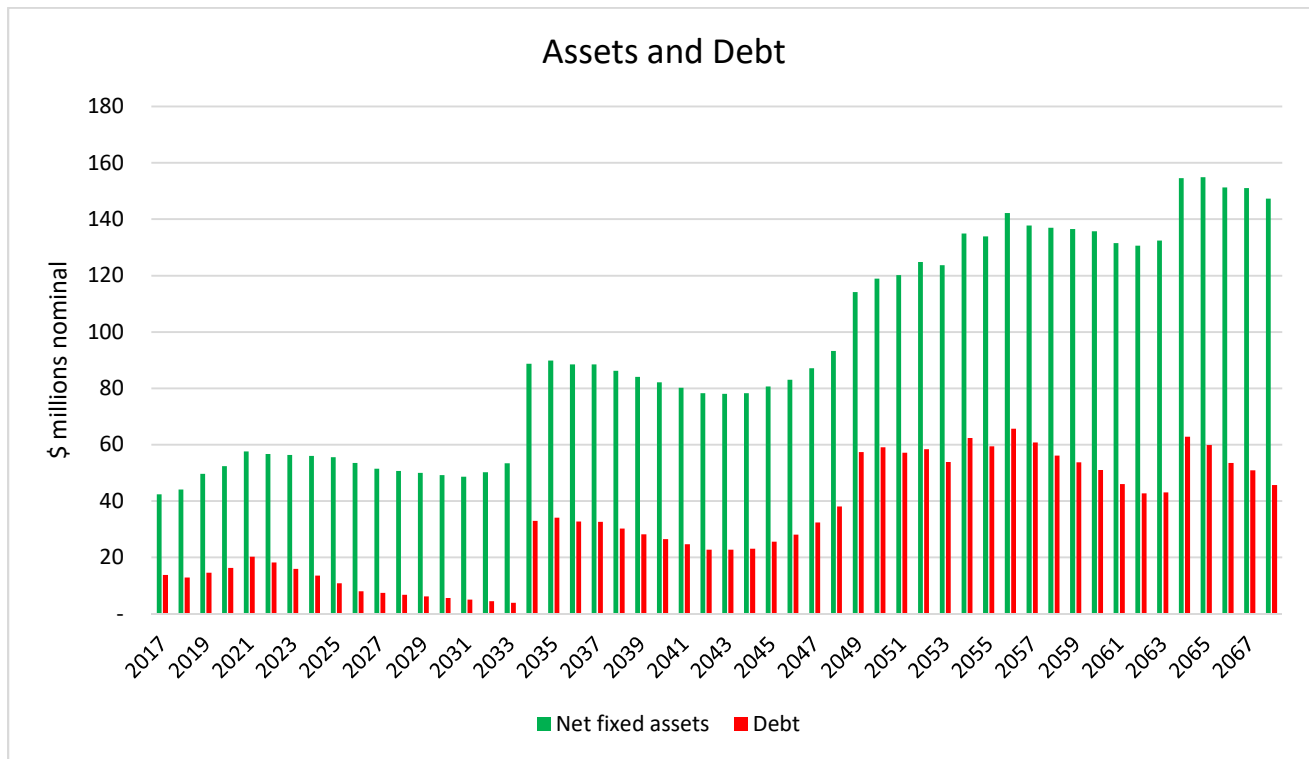


The requirement for new debt, like that of capital expenditures that causes it, is highly uneven. New debt is only drawn if needed. For some expenditures reserves are available to fund capital requirements in part, and in all years cash from operations is available.

The debt balance over time is projected as follows:

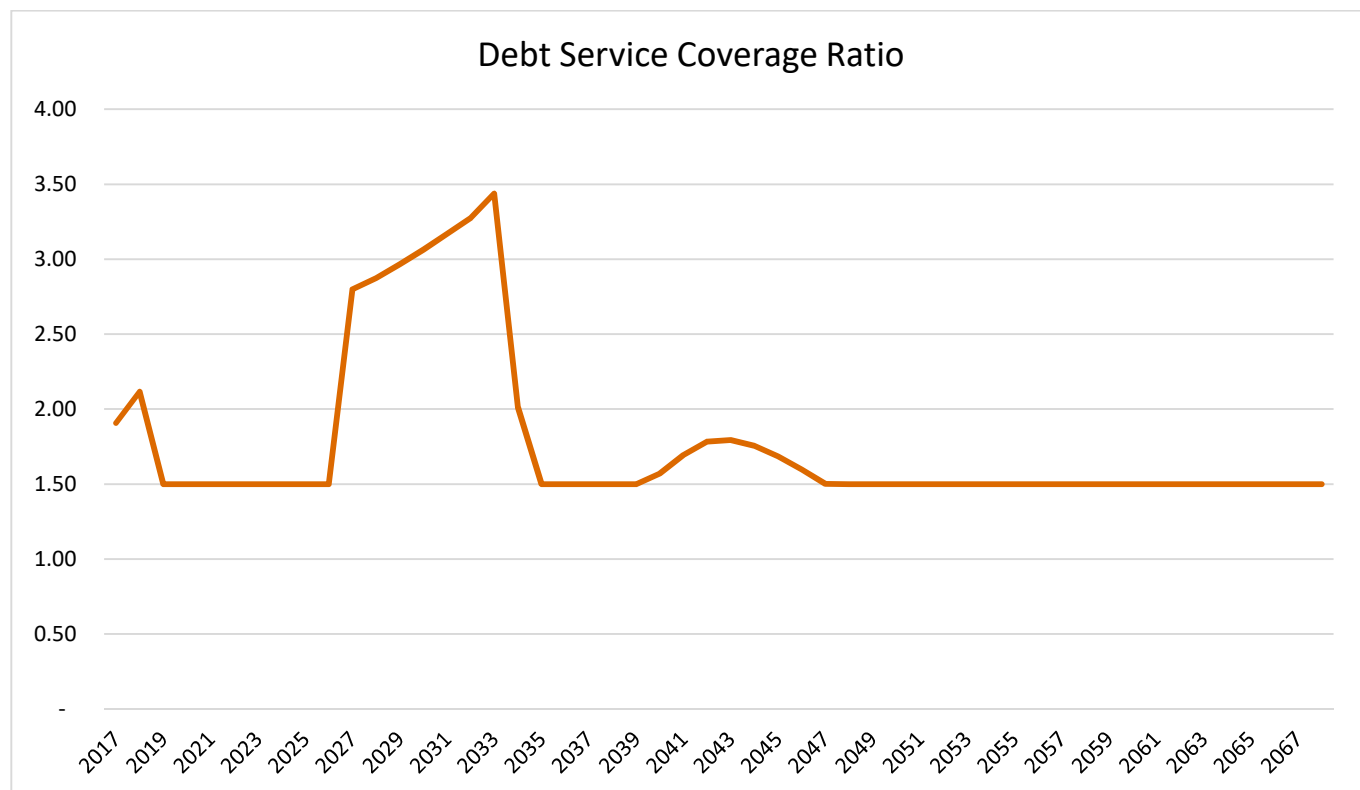


In dollars of the day (including inflation), UWSS debt is projected to exceed \$60 million during the projection period. Debt and total assets broadly move together over time:



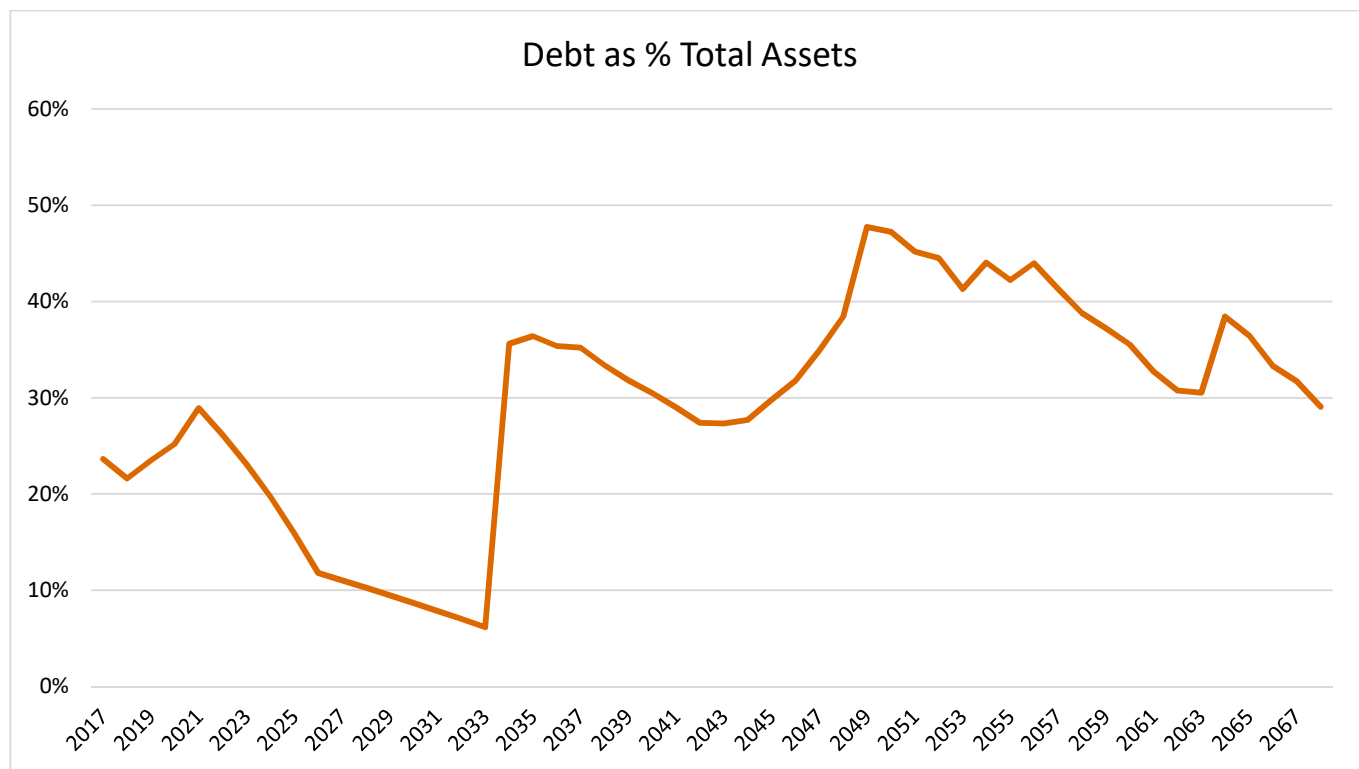
Can UWSS carry this much debt? There are two key measures.

DSCR – a measure of the safety factor enjoyed by lenders – is projected as follows:



In many years, a DSCR of 1.5x is forecast. This is the DSCR built into the revenue model for purposes of this Business Case; UWSS may be able to improve on this through negotiations with lenders. In years for which this DSCR is forecast, revenue is determined according to the “DSCR test”.

Another metric is the debt : equity ratio:



Debt as a percentage of total assets is projected not to exceed 50%. By way of reference, LDCs in Ontario are mandated a 60% debt : 40% equity ratio.

Revenue and Rates

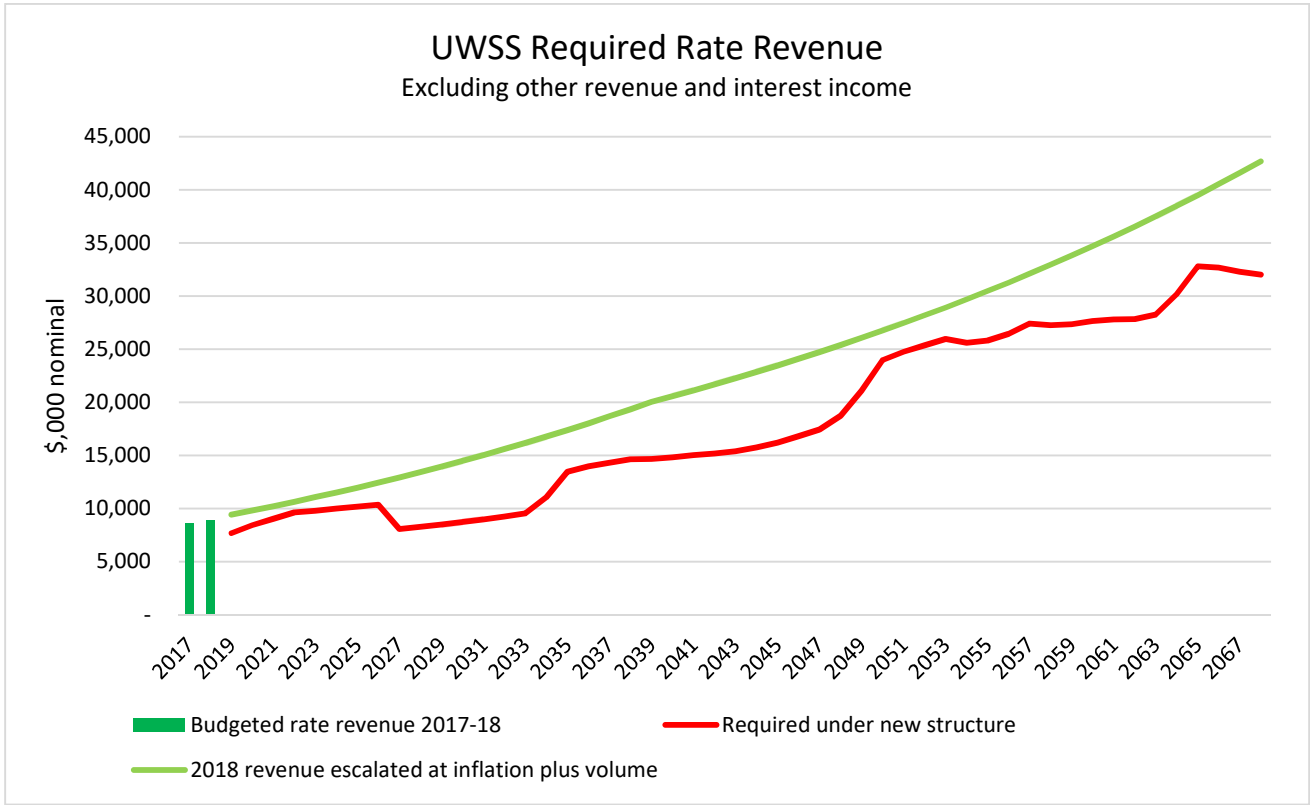
Does the proposed financial structure result in affordable rates, or is there a prospect of “rate shock”?

Comparison to Current Rates

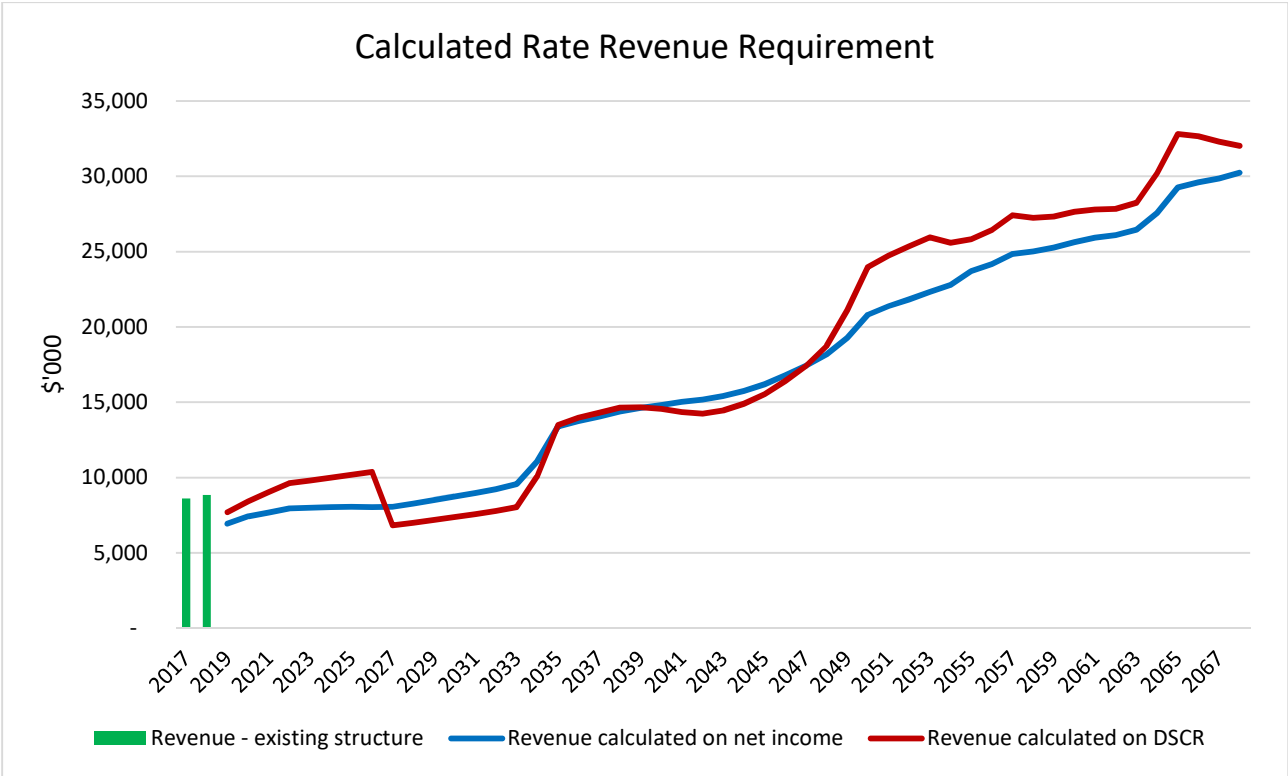
Compared to existing rates (2017 and 2018 approved UWSS plans), the proposed financial structure offers a potential savings:

- The green bars show UWSS rate revenues from the 2017 and 2018 approved plans;
- The green line shows how these rates would translate into rate revenues if rate revenues reflected only:
- General inflation at 2%; and
- Changes in volume over time;
- Resulting in stable real-dollar rates over time;
- The red line shows the projected required rate revenue according to the proposed financial structure.

The proposed financial structure is projected to offer a savings, compared to 2018, in real dollar rates in all years of the projection.



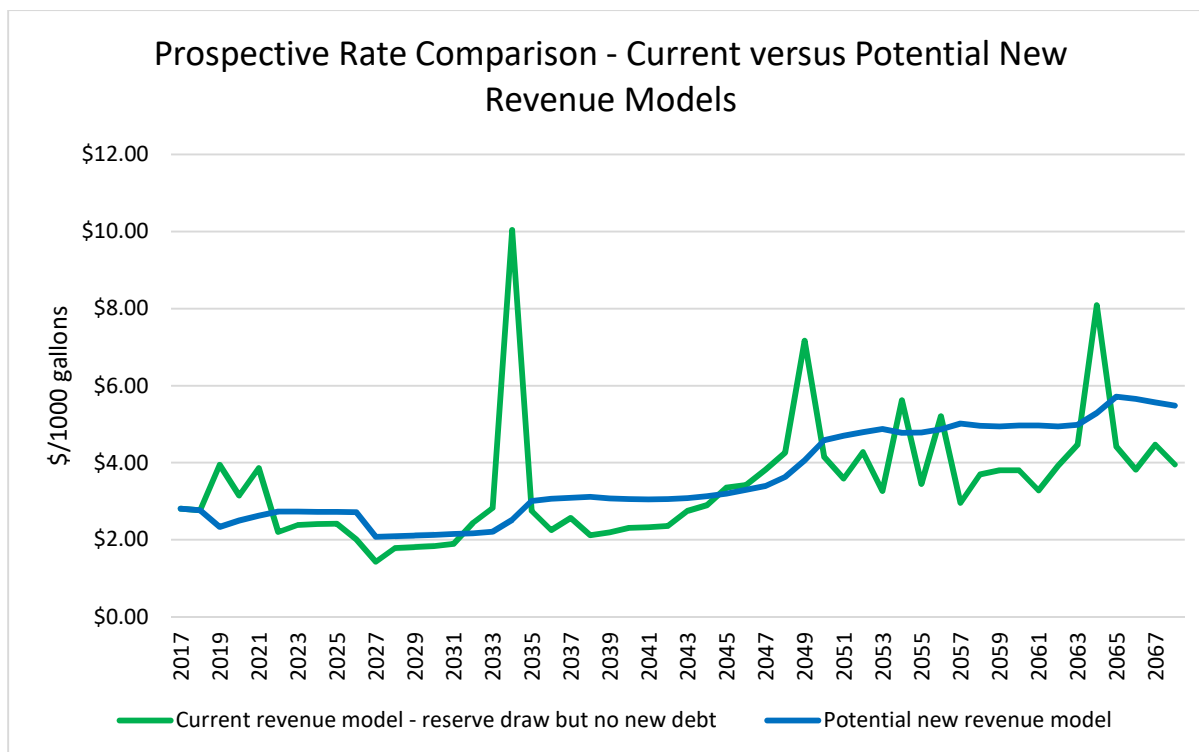
As set out in Section 6, revenue must meet two tests – “break-even test” and the “DSCR test”. The graph below shows which test prevails in each year of the projection:



The two “tests” require very similar revenues in all years of the projection; the “DSCR test” prevails in most years. This assumes that the required DSCR is 1.5x; as noted above, UWSS may negotiate a more favourable (less conservative) DSCR in implementation.

Comparison to the Current Model – No New Debt

Leaving aside the existing rates, how would the proposed financial structure compare to the current model if there is no new debt?



The above chart shows this comparison. In most years, the current model and proposed financial structure are close in required rates, with the current model slightly lower (and quite volatile). This makes sense in years with moderate capital expenditure – the current model would need to recover neither depreciation nor debt service.

However, in years of high capital expenditure, the current model calls for rates sharply higher than the proposed financial structure. In practice, UWSS would likely seek some means to provide relief to ratepayers.

Comparison to the Current Model – New Municipal Debt

One means to accomplish this could be to issue new Municipal debt, which is part of the current model.

In this case, as UWSS takes debt service responsibility for Municipal debt issued on its behalf, the projections for required revenue and rates under the current model with Municipal debt would be similar to those for the proposed financial structure as shown above. The difference is that the debt would be consolidated on Municipal accounts.

What About Grant Funding?

Although not reflected in the financial projections, grant funding (as available) may be applied to required capital expenditures, decreasing the need for funding from operations, reserves, or new debt.

Implications

The analysis of the proposed financial structure, and comparing it to the current model with and without new Municipal debt, indicates the following:

-
- The proposed financial structure offers a potential rate saving (in real dollar terms) compared with prevailing rates in 2017, and those planned for 2018;
 - This structure also provides rate stability even in periods of large capital expenditure, as costs are recovered over time in depreciation and debt service rather than giving rise to potential “rate shock”; and
 - If grant funding is available, the proposed financial structure will accommodate it and ratepayers will benefit.

8. Assessing the Proposed Financial Structure

This section:

- Assesses the way in which the proposed financial structure achieves the objectives set out in Section 3;
- Describes other options considered and their relative attractiveness;
- Describes the use of the design features of the proposed financial structure by other utilities; and
- Confirms that the proposed financial structure is not a privatization.

How Financial Structure Meets Objectives

This financial structure meets the objectives set out in Section 3 as follows:

Ability to Issue New Debt on a Stand Alone Basis

The proposed financial structure is designed specifically with stand-alone UWSS credit-worthiness in mind. UWSS can realize revenues to at least break even on a GAAP basis, and achieve DSCR as required by lenders.

Debt Attributed to UWSS, not to Municipalities

If the commercial structure is implemented as set out in Section 5, UWSS and the Municipalities can expect to achieve GBE treatment for UWSS. In this case, the debt of UWSS would properly be accounted for on a non-recourse basis, and the Municipal interest in UWSS would properly be accounted for on an equity consolidation basis.

Ability to Accept Grant Funding

The proposed financial structure readily incorporates accessibility to grant funding from senior levels of government. Grant funding, if available, would act as a supplement to cash capital reserves, and would have the effect of avoiding the need for additional debt, and/or augmenting capital reserves.

“Source to Tap”

The proposed financial structure could readily be extended to support the “source to tap” should this be undertaken by one or more Municipalities.

If one Municipality wishes to operate on a “source to tap” basis, this could be accomplished by:

- Keeping separate records for the Municipal water distribution assets and operating costs;
- Determining the required revenue and associated water distribution rates for the Municipality. The Municipality and UWSS would have the option to bill bulk water charges separately from distribution charges (as set out in Section 5), or to combine these two charges; and
- The commercial structure would be as described in Section 5, Option #3.

This structure would have the same financial attributes as described for the UWSS bulk water business, and so should attract the same terms and conditions from lenders. It is likely unnecessary to have separate debt instruments for the bulk water system and a Municipal distribution system (the distribution system would bear its pro rata share of debt-related costs), but this is an option available to UWSS.

Essex and Lakeshore have bulk water supply other than UWSS for the geographic area not served by UWSS; how “source to tap” might be implemented in light of this would require further study.

A rate impact analysis would be undertaken in advance.

There would be other non-financial considerations, including the status and transfer of employees and contracts. These would be the subject of analyses outside the financial structure.

If all Municipalities wish to undertake “source to tap”, the Municipalities and UWSS have the option to establish (immediately or over time) a uniform rate structure across all Municipalities.

In sum, the priorities for implementing “source to tap” via UWSS are:

- Maintaining the revenue model such that credit-worthiness is maintained; and
- Maintaining the commercial structure so that GBE treatment is achieved.

No “Rate Shock”

Based on the financial modeling undertaken for this Business Case, the proposed financial structure can accommodate funding for future UWSS capital expenditures – even years with heavy expenditures – without causing “rate shock”. Please refer to Section 7.

Non-Uniform Rate Structures

As long as the UWSS required revenue model is maintained, the proposed financial structure can accommodate non-uniform rate structures. The essence of this is that the allocation of the UWSS required revenue may be borne differentially (on a unit of measure basis) by various consumers of UWSS bulk water.

Other Options Considered

Two other financial structures are worth reviewing as alternatives.

The Current Structure

The current financial structure has been in operation since the 2001 Transfer Order (see Section 2), and UWSS has operated to date on this basis.

The current financial structure could be maintained for the short term, if the Municipalities wish to undertake the transition to a corporate legal structure for UWSS before changing UWSS’s financial structure.

The current financial structure could be maintained for the long term if:

- The Municipalities (unanimously) are able to implement issuance of new UWSS-related debt as required to undertake the required UWSS capital programs over time;
- Differences (by Municipality) in the usage of capital assets to be funded can be accommodated in the raising of new debt;
- The Municipalities can continue to accommodate the consolidation of UWSS debt on Municipal accounts; and
- The Municipalities can create a streamlined process to enable to UWSS to apply for available grant funding through the Municipalities – including a process to reconcile Municipal and UWSS funding needs if there are limits imposed by granting authorities that call for such a reconciliation.

The LDC Model

The LDC financial structure, as regulated by the Ontario Energy Board (“OEB”) has the following characteristics⁸:

- A fixed regulated debt : equity ratio which is 60% debt and 40% equity;
- Cost recovery, subject to regulatory approval:
 - Recovery on a pass-through basis of operations, maintenance, and administrative costs and depreciation expense;
 - Recovery of the actual cost of debt; and
 - An allowance for cash tax expense (not applicable to UWSS); and
- A return to equity based on an OEB-stipulated Return on Equity percentage, which is also recovered from ratepayers.

In the water sector, the LDC model is used by EPCOR⁹ in Edmonton and surrounding municipalities; it is also seen in some U. S. water systems (including those owned by EPCOR).

This financial structure could be implemented, but has the following potential drawbacks:

- This is, compared to the proposed financial structure, a high-cost option for ratepayers. The Municipal equity investment under the proposed financial structure earns no systematic return¹⁰. In the LDC model, it does earn a return, and this return is part of the required revenue to be paid by ratepayers. PwC experience in confidential engagements confirms that inclusion of most or all of existing assets in the base on which a return is earned (debt and equity) results in a sharp increase in rates; and
- With a fixed debt : equity ratio, there may arise circumstances in which a large capital program could result in a call for cash equity investment on the part of the Municipalities. As described in Section 5, this could threaten GBE treatment and result in the requirement for the Municipalities to consolidate all UWSS debt.

How Different is This Structure?

How different is the proposed financial structure from existing precedents in the market? Four examples are worth considering.

The Current UWSS Financial Structure

This structure is described in Section 2 and above in this Section. It is similar to the proposed UWSS financial structure in several important ways:

- UWSS has significant equity under either framework (although it is notional in the current legal structure as UWSS has no corporate existence);
- The revenue model is defined, and recovers all defined costs;

⁸ The OEB’s Incentive Rate Mechanism sets out rate-setting rules for years between detailed rate filings – this is not described above.

⁹ EPCOR is wholly owned by the City of Edmonton

¹⁰ As set out in Section 3, earning a return from UWSS is not a Municipal objective.

- Incremental capital which cannot be funded from available reserves must be debt-funded (no Municipal equity investment is contemplated).

There are differences, which are driven by the objectives set out in Section 3:

- The revenue model is different as described above in order to support stand-alone credit-worthiness;
- Capital costs are ultimately recovered mainly “in arrears” via depreciation and debt service, rather than in-year ratepayer revenue;
- The commercial structure is as set out in Section 5 in order to achieve GBE treatment; and
- Additional debt is provided by the Municipalities rather than being issued by UWSS as a stand-alone entity; this is to be avoided in the proposed financial structure.

Nav Canada

Nav Canada is the entity that controls air space in Canada. It provides air traffic control, flight information, air flight communication services and other services to aviation customers.

Nav Canada is a private non-share capital corporation. It realizes revenues from the aviation industry; it receives no government funding. Its balance sheet shows negligible equity.

Financially, Nav Canada is 100% debt-funded; it has approximately \$2 billion in publicly traded bonds outstanding. Revenue is defined according to governing legislation, specifically the Civil Air Navigation Services Commercialization Act, which “prevents [Nav Canada] from setting customer service charges higher than what is needed to meet [Nav Canada’s] financial requirements for the provision of air navigation services”¹¹.

Nav Canada maintains reserves to ensure that it will have the ability to meet its debt-related obligations in the face of fluctuating demand for its services (and therefore its service charge revenue). Nav Canada’s debt rating is AA/AA (low)¹².

The Nav Canada model is similar to the proposed UWSS model in that:

- Nav Canada enjoys a monopoly on an essential service;
- Capital costs are recovered “in arrears” via depreciation and debt service;
- It has a defined revenue model (in Nav Canada’s case, legislated by Canada);
- Additional capital, as required, is funded entirely by debt; and
- Break-even results are a parameter in determining required revenue.

This model also differs from the proposed UWSS model:

- UWSS has significant equity. The proposed financial structure calls for the Municipalities to convey UWSS-related assets to UWSS in return for shares, while Nav Canada issued debt to purchase its assets from Canada¹³;

¹¹ Nav Canada Management Discussion and Analysis, December 2016

¹² DBRS, September 2017

¹³ The cost of this debt is recovered from its customers

- Nav Canada maintains significant debt-related reserves, which we do not believe will be required in UWSS's situation (given the proposed UWSS revenue model and equity position);
- Nav Canada is an "industry-led entity". Industry stakeholders (of which there are relatively few) provide governance and oversight. The proposed UWSS model, serving a large number of end water customers, relies on the UWSS Board to represent customers. This is analogous to the current situation in most municipalities, where Council represents water customer interests; and
- The proposed legal and financial structure calls for share capital held by the Municipalities, while Nav Canada is a non-share capital entity.

Greater Toronto Airport Authority

The Greater Toronto Airports Authority ("GTAA") is the entity that manages and operates the Toronto Pearson Airport under a ground lease with the Government of Canada; its mandate includes the responsibility to "develop and improve"¹⁴ its facilities. The GTAA is a non-share capital corporation established in 1993.

While the GTAA realizes significant revenue from commercial activities (such as parking and concessions, roughly 30% of total revenues), its principal revenues are aeronautical (landing fees and terminal charges, collected from airlines) and airport improvement fees (collected as surcharges paid by passengers).

A key feature of the GTAA's financial structure is its revenue model, according to which "... the GTAA [must] establish and maintain rates, rentals, charges, fees and services so that, among other things, Net Revenues ... in each Fiscal Year will be at least equal to 125 percent of the Annual Debt Service for each Fiscal year...."¹⁵ The GTAA calculates its debt service including a notional 30-year amortization of debt (even if the actual debt instruments do not require such annual amortization).

At the end of 2016, the GTAA recorded over \$6.2 billion in debt. Its debt rating is Aa3 (Moody's)¹⁶.

The GTAA's financial structure is similar to that proposed for UWSS as follows:

- The GTAA has a monopoly on its services at Toronto Pearson Airport, an essential service;
- Capital costs are recovered "in arrears" via depreciation and debt service; and
- Its revenue model includes a provision explicitly based on DSCR.

The GTAA's financial structure also differs from that proposed for UWSS:

- The GTAA has a deficit of liabilities over assets of almost \$600 million, in contrast to the positive equity position of UWSS;
- The GTAA realizes a significant proportion of its revenues from what, for UWSS, would be non-rate revenue.

Hydro One Remote Communities Inc.

Hydro One Remote Communities Inc. ("HORCI") is wholly owned by Hydro One, Ontario's largest (and until recently 100% publicly owned) electrical transmission and distribution utility. HORCI's business is serving remote

¹⁴ GTAA Management and Discussion and Analysis and Financial Statements, 2016

¹⁵ Ibid.

¹⁶ Moody's, 2016

northern Ontario communities which are not grid-connected, using diesel generation to energize the local distribution system.

HORCI operates on a break-even basis, in that it is 100% debt-financed (and therefore has no equity). It recovers its costs from a combination of rate revenue and a ratepayer-supported subsidy program (the Rural or Remote Rate Protection program), according to OEB regulation.

HORCI's framework is similar to the proposed UWSS financial structure as follows:

- Incremental capital is 100% debt financed;
- Capital costs are recovered "in arrears" via depreciation and debt service; and
- HORCI operates to a defined revenue model which includes break-even as a parameter.

This framework also differs from the proposed UWSS financial structure:

- HORCI debt is guaranteed by Hydro One, which would be counter to the Municipalities' objectives if applied to UWSS; and
- HORCI, like Nav Canada and the GTAA, has negligible equity.

Summary

To summarize, the proposed UWSS financial structure applies several proven design features – including features of the current UWSS model – and adapts them to achieve the objectives set out in Section 3 given UWSS's specific circumstances.

Proposed Financial Structure – Is It Privatization?

The proposed financial structure is not a privatization option – in fact this structure is incompatible with privatization:

- The initial capitalization – assets and liabilities – calls for the Municipalities to convey UWSS-related assets to a UWSS incorporated entity in return for all the shares of UWSS. Ownership of UWSS would be entirely in the hands of the Municipalities. The Municipalities could at their option, advised by counsel, incorporate rules governing transfer of shares which would explicitly preclude ownership other than by the Municipalities; and
- The revenue model is incompatible with private investment. Under the proposed revenue model, UWSS would not realize a reliable income accruing to equity:
 - The viability of any privatization is based on the earning power accruing to the equity shareholders;
 - In years in which the "break-even test" prevails, net income is zero; and
 - In years in which the "DSCR test" prevails, incidental net income would result; however, the Municipalities could, with counsel's advice, specify that any such net income be contributed to capital reserves to be allocated only to future approved capital projects.

In summary, privatization is not viable under the proposed financial structure.

9. The UWSS-Municipal Agreement

The following table sets out some of the provisions for an agreement between UWSS and the Municipalities, through which the proposed financial structure may be implemented.

Please note that this section deals solely with provisions related to the financial structure; counsel may advise on other matters such as establishment, asset transfer, shareholding, liability, contracting (including the OCWA contract) and governance.

Item	High-Level Provision
Parties	<ul style="list-style-type: none"> UWSS The Municipalities
Effective date	<ul style="list-style-type: none"> TBD 2018
Term	<ul style="list-style-type: none"> Evergreen, unless terminated as agreed by the Parties
Termination	<ul style="list-style-type: none"> As agreed by the parties A provision would call for the Municipalities to assume UWSS liabilities upon termination, or if the provisions related to credit-worthiness are compromised
Scope	<ul style="list-style-type: none"> Provision of bulk water Quality levels – meet all Provincial requirements Reliability of supply Baseline volume year of and prior to Effective Date; UWSS and Municipalities to cooperate on volume projections
Served Area	<ul style="list-style-type: none"> Defined for each of the Municipalities
Monopoly provider	<ul style="list-style-type: none"> UWSS as exclusive provider of bulk water to the Served Area
Operating and capital budgeting	<ul style="list-style-type: none"> Subject to Board approval
Recoverable costs	<ul style="list-style-type: none"> Operations, maintenance and administration; including OCWA and other contracts Depreciation expense Interest cost Bad debt expense All according to approved budget
Revenue model	<ul style="list-style-type: none"> Rates set such that UWSS will realize revenue which is at least the greater of: <ul style="list-style-type: none"> That which enables UWSS to achieve zero net income; and That which enables UWSS to achieve a Debt Service Coverage Ratio as agreed with UWSS's lenders under applicable lending agreements [definition of DSCR to be included in the agreement]
Rates	<ul style="list-style-type: none"> Required rate revenue divided by aggregate volume at end user meters Non-uniform rates are acceptable provided that the required rate revenue is achieved
Essential commercial relationship	<ul style="list-style-type: none"> UWSS; and End-use metered water customers

Item	High-Level Provision
Municipalities agents of UWSS	<ul style="list-style-type: none"> • Municipal undertaking to act as agents of UWSS in billing and normal-course collection of UWSS water charges • UWSS charges to be separately identified in billing • Billing services to be facilitated by Municipalities • UWSS responsible for uncollectible accounts; Municipalities may back-charge • Other provisions as required to achieve appropriate agency treatment

This agreement, once executed, is the principal document on which UWSS will secure financing for new debt (and, potentially, assume responsibility for the Sun Life debt). As such, it will be difficult to change once debt has been raised on its strength.

10. Implementation

This section sets out the prospective implementation tasks and potential timing. The assumed target transition date to the recommended financial structure is January 1, 2019.

This preliminary implementation schedule assumes adoption of a corporate structure for UWSS, and the proposed financial model, circa year-end 2017.

This table addresses only matters related to the proposed financial structure; legal, operational and other matters are not addressed.

Task or Milestone	Preliminary Timing
Financial market sounding – gauging lender interest and most likely lenders; and gaining detailed insight into the required/available provisions of key agreements	<ul style="list-style-type: none"> Q1-Q2 2018
Discussion and agreement with Municipal auditors concerning commercial structure and GBE treatment; adjust commercial model if required	<ul style="list-style-type: none"> Q1-Q2 2018
Development of the agreement between UWSS and the Municipalities	<ul style="list-style-type: none"> Q1-Q2 2018
Development of a Master Trust Indenture, a document which will govern all new debt upon implementation. This will likely involve negotiations with key prospective lenders	<ul style="list-style-type: none"> Q2-Q3 2018
Exploration (and potentially negotiation) with Sun Life concerning transfer of obligation to UWSS	<ul style="list-style-type: none"> Q2-Q3 2018
Design and organization of new billing and other administrative measures required for new commercial structure	<ul style="list-style-type: none"> Q2 – Q4 2018
Decision on management of Windsor Family Credit Union funds – leave invested to maturity or redeem early (possibly with an interest penalty)	<ul style="list-style-type: none"> Q3 2018 or after
Updating of UWSS financial projections based on latest information (including volume outlook, investment, and debt requirements)	<ul style="list-style-type: none"> Q3 2018
Development and negotiation of lending agreements for initial new debt to be issued	<ul style="list-style-type: none"> Q3 2018
Execution of agreements: <ul style="list-style-type: none"> UWSS agreement with Municipalities Supporting service agreements between UWSS and Municipalities (as determined by final commercial structure) Master Trust Indenture Initial lending agreements (Possibly) agreement concerning existing Sun Life debt 	<ul style="list-style-type: none"> Q4 2018
Funds available – new debt	<ul style="list-style-type: none"> January 2019
Go-live for new commercial structure including billing and other administration	<ul style="list-style-type: none"> January 2019 or before
New revenue and rate model active	<ul style="list-style-type: none"> 2019 fiscal year

11. Summary

Summary of Conclusions

Union Water Supply System (“UWSS”) has operated as a bulk water supply utility owned on a “tenants in common” basis by the Towns of Leamington, Kingsville, Essex, and Lakeshore (the “Municipalities”) since a 2001 Transfer Order was issued by the Ontario Ministry of the Environment (now the Ministry of Environment and Climate Change). UWSS has no corporate existence; it cannot conduct business independent of the Municipalities. This structure gives rise to several financial challenges including:

- The inability to access grants and other types of funding available for water infrastructure from senior levels of government independent of the Municipalities;
- The inability to raise its own debt independent of the Municipalities;
- A revenue model which, absent additional Municipal debt, does not accommodate large-scale capital programs; and
- Attribution of UWSS debt to the Municipalities.

This Business Case addresses the financial challenges and proposes a new financial structure for UWSS. Legal analysis and other matters not discussed in this report are outside the scope of this Business Case. The Business Case is premised on the Municipalities establishing UWSS as a corporate entity.

In order for a new financial structure to be successful for UWSS and the Municipalities, UWSS must be credit-worthy on a stand-alone basis. Our analysis of potential credit-worthiness indicates that such stand-alone credit-worthiness is achievable for UWSS.

Also, in order for a new financial structure to be successful for UWSS and the Municipalities, UWSS and the Municipalities must achieve a commercial structure under which UWSS debt is properly accounted for as non-recourse to the Municipalities. Our accounting analysis indicates that this too is achievable.

The proposed commercial structure has the following features:

- The essential commercial relationship would be between UWSS and end-use water customers in the Municipalities (who receive UWSS bulk water);
- The Municipalities would act as agents of UWSS in facilitating this relationship;
- The Municipalities would provide billing services as agreed upon with UWSS;
- Volume and credit risk would be to UWSS’s account, not that of the Municipalities; and
- UWSS would, with the agreement of Municipal auditors, attract “Government Business Entity” (“GBE”) treatment and not be fully consolidated on the Municipal accounts.

The proposed financial structure has the following features:

- Initial capitalization: The Municipalities would convey the UWSS assets to an incorporated UWSS in return for shares in UWSS. UWSS is contemplating a share structure whereby each Municipality’s ownership will continue to be based on its consumption through the use of tracking shares. To preserve the existing UWSS ownership model under this structure, tracking shares can be incorporated into the corporate framework, and provide for each Municipality’s ownership interest to be equal to its percentage of total water consumption, adjusted every 4 years, much like the current framework;

-
- Approved capital expenditures would be funded by capital reserves, funds from operations and new (not the existing Sun Life) debt;
 - The UWSS revenue model would set rate revenue at the greater of:
 - That which results in zero net income – no loss – for UWSS according to Generally Accepted Accounting Principles; and
 - That which enables UWSS to meet the Debt Service Coverage Ratio (DSCR”) as agreed upon with UWSS’s lenders;
 - UWSS operations would continue as at present, or otherwise as determined by the UWSS Board; and
 - Both “source to tap” (integration of UWSS bulk water services with Municipal water distribution) and rate structures other than a uniform rate per unit volume are achievable under the proposed financial structure at the discretion of the Municipalities.

Financial analysis indicates that the proposed financial structure offers potential rate savings to Municipal ratepayers, compared to rates approved for 2017 and 2018 (adjusted for inflation). This financial analysis also indicates that UWSS financial metrics – in particular, those related to new debt – are projected to be robust over a 50-year projection period under the proposed financial structure.

Recommendations

This Business Case recommends that, if the Municipalities establish UWSS as a corporate entity, UWSS and the Municipalities:

- Adopt the proposed financial structure as set out in Sections 6 and 9;
- Adopt the proposed commercial structure as set out in Section 5; and
- Proceed to implementation as set out in Section 10.

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Union Water Supply System

Restructuring Project

Financial Presentation

August 2022



Note to readers

Our services were performed and this presentation was developed in accordance with our engagement letter dated November 12, 2020 and are subject to the terms and conditions included therein.

Our role is advisory only. Union Water Supply System (“UWSS”) is responsible for all management functions and decisions relating to this engagement, including establishing and maintaining internal controls, evaluating and accepting the adequacy of the scope of the services in addressing UWSS’s needs and making decisions regarding whether to proceed with recommendations. UWSS is also responsible for the results achieved from using the services or deliverables.

We are providing no opinion, attestation or other form of assurance with respect to our work, and we did not verify or audit any information provided to us.

In preparing this presentation PwC has relied upon information provided by UWSS, as well as industry benchmarks and publicly available data. Except where specifically stated, PwC has not sought to establish the reliability of the sources of information presented to them by reference to independent evidence. The financial analyses presented in this presentation are based on estimates and assumptions, and projections of uncertain future events. Accordingly, actual results may vary from the information provided in this presentation, and even if some or all of the assumptions materialize, such variances may be significant as a result of unknown variables.

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Content

1

Financial objectives for the restructuring

2

How the restructuring addresses these objectives

3

Financial projection highlights

Purpose of document

This document has been prepared to summarize the financial impacts of the proposed restructuring of Union Water and, in particular, to support the management of Union Water in discussions with municipalities.

This document should be considered in conjunction with:

- The draft legal documentation for the restructuring;
- The original business case for the restructuring of Union Water; and
- The detailed financial model that has been developed.

The document sets out the current position based on assumptions that have been developed and agreed with Union Water. These assumptions are subject to change.

Restructuring: Financial Objectives

Access to grant funding at the UWSS level

Access to debt capital at the UWSS level

Accounting for new UWSS debt as recourse only to UWSS and not to the owner municipalities

Ratepayer value and avoidance of “rate shock”



Summary of Proposed Financial Strategy

Objectives

Access to grant funding at UWSS level

- Establishment of a Municipal Services Corporation (MSC)
- Municipal ownerships still allows potential grant applications to higher levels of government

Access to debt capital at the UWSS level

- The MSC structure allows UWSS to raise debt
- Financial and rate structure designed to be attractive to lenders

Attribution of new debt only to UWSS

- Structure designed so debt is off balance sheet for the municipalities
- To facilitate off balance sheet, UWSS will have commercial relationships with end customers – UWSS does not sell “wholesale” to Municipalities
- Municipalities do not support UWSS financially, for example re bad debt expense

Ratepayer value, no rate shock

- Financial/rate structure provides lowered cost of capital
- Reserves structure provides the UWSS Board with the ability to avoid rate volatility

Focus: Financial/ Rate Structure

- Rates will continue to be approved by the UWSS Board, in compliance with lending agreements
- The governance change above will be invisible to ratepayers
- Attractiveness of UWSS debt is supported by a market-standard DSCR (to be determined in financing competition)
- Both the current and proposed financial structures are low-cost-of-capital

Current	Restructured
<p>Annual revenue requirement equals:</p> <ul style="list-style-type: none"> • Operational costs (including OCWA contract) net of offsets • Debt service (currently limited to SunLife debt) • Cash-funded capital expenditures (portion not funded from cash reserves) 	<p>Annual revenue requirement each year is the greater of the value required to achieve accounting breakeven (the “Breakeven Test”):</p> <ul style="list-style-type: none"> • Operational and maintenance costs (including OCWA contract) net of offsets • Depreciation • Interest cost net of interest earned <p>OR the amount required to achieve a Debt Service Coverage Ratio (the “DSCR Test”):</p> <ul style="list-style-type: none"> • Operational costs (including OCWA contract) • Debt service times a DSCR agreed with lenders • Required net additions to reserves <p>End user rates will include provisions for system losses and bad debt</p>
Actual revenues may vary from the core revenue requirement by varying the Rate Stabilization Fund	Actual revenues may vary from the core revenue requirement by varying the Rate Stabilization Fund
Larger capital expenditures are funded by Municipal borrowing	Capital expenditures are debt-funded at the UWSS level as required after capital reserves are exhausted

Focus: Attribution of Debt

Accounting Requirements for “Government Business Entities” to be equity-accounted (desired treatment)

- The GBE must be a legally incorporated entity
- The GBE must be delegated the responsibility to deliver the services that would otherwise be Municipal
- The Municipality(ies) must not be the dominant customer of the GBE
- The GBE must not receive financial assistance from the Municipality(ies)
- Normal-course payment for services delivered to Municipalities is OK

Changes for
UWSS (no change
to Municipal water
business)

Features of the Restructuring

- UWSS will have a commercial relationship with end customers
 - Separate line on water bill
 - Accounts receivable (“AR”) and collections tracked (and paid for by UWSS)
- UWSS responsible for AR management. Bad debt expense of UWSS will not go on tax roll, but be socialized across ratepayer base as in electrical utilities
 - Separate AR class for each municipality
 - Municipalities may want to consider separate treatment for commercial users (e.g. greenhouse industry)
- UWSS end user rates will incorporate system losses and a bad debt provision
- UWSS pays Municipalities for administrative costs borne re UWSS

Focus: Reserves in Restructured UWSS

Reserve	Characteristics
Operating and General Reserve (“OGR”)	<ul style="list-style-type: none">• The only reserve committed to lenders under the Common Terms and Intercreditor Agreement (“CTIA”)• Minimum value (percentage of revenues specified in CTIA)• May be drawn on as needed to fund shortfalls in revenue or increases in costs versus approved budget• Must be replenished in the following rate year, by borrowing if necessary
Rate Stabilization Fund (“RSF”)	<ul style="list-style-type: none">• No minimum balance above zero (initial funding is contemplated)• Absorbs the difference between core revenue requirement and actual rates approved; cannot be debt-funded. This enables the Board to avoid rate volatility• Approved plan may call for draw from or increase in this reserve• Excess balances may be released to working capital on Board direction
Capital Reserve (“CR”)	<ul style="list-style-type: none">• Holds funds intended for approved or future capital expenditures• No minimum value above zero• May receive proceeds of debt financing and other cash balances at Board direction
Other reserves	<ul style="list-style-type: none">• May be established by the Board as required• Financial analysis assumes a working capital reserve of \$500,000 (2022 dollars)

Summary – UWSS Restructuring

What will not change

- UWSS operations (OCWA contract unaffected by the new structure)
- Sufficient capital to meet volume and quality demands (although at present supported as needed by Municipal debt)
- Water rates – no rate shock
- Rate structure – essentially uniform underlying bulk water rates, although this could be modified in future at Board discretion
- No privatization
- Cost recovery model – not a Return on Equity/shareholder profit model like electrical utilities (this latter has a much higher cost of capital)
- UWSS manages its cash reserves and investments on Board direction, although these will be to the account of UWSS as a corporate entity

What will change

- UWSS can apply for grant funding separately from the Municipalities – no “competition” between UWSS and Municipal priorities
- UWSS can borrow on its own to finance Board-approved capital expenditures
- New UWSS debt is not attributed to the Municipalities, and does not affect Municipal debt capacity
- Customers will see the UWSS portion of their water cost separately on their bill
- UWSS, not the Municipalities, will bear the initial risk of system losses, volume fluctuations and uncollectible accounts; these will be costs of doing business to be recovered in rates
- UWSS will pay a service fee to the Municipalities for work done by the Municipalities as agents of UWSS (billing, collection, and associated accounting)

Financial Projection Highlights

In this section:

- Assumptions used in financial projections
- Revenue and rate projections
- RSF balances (using assumed rate growth and before any re-allocation)
- Additional financial projections – asset and debt metrics

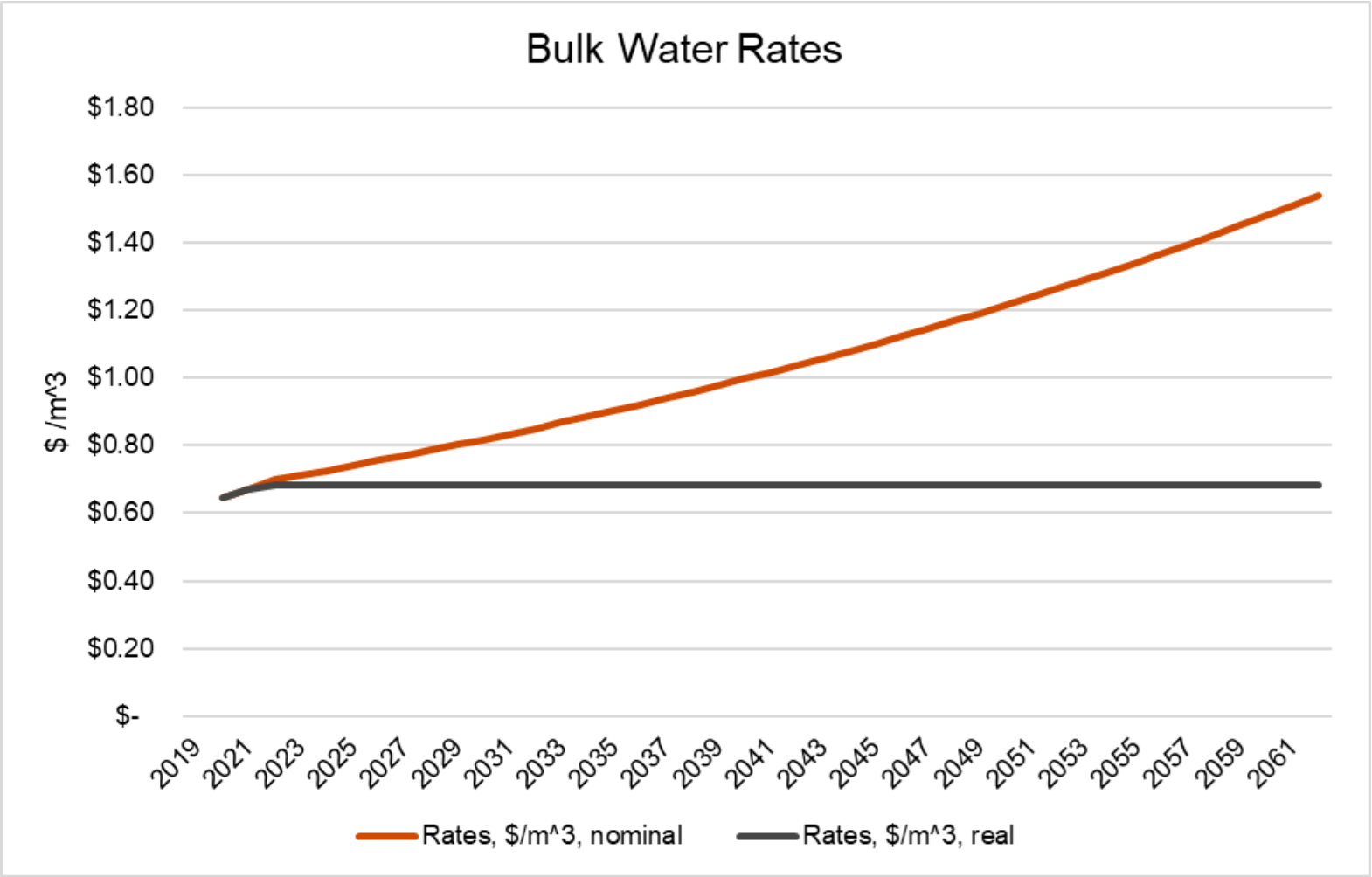


Financial Projection – Selected Assumptions

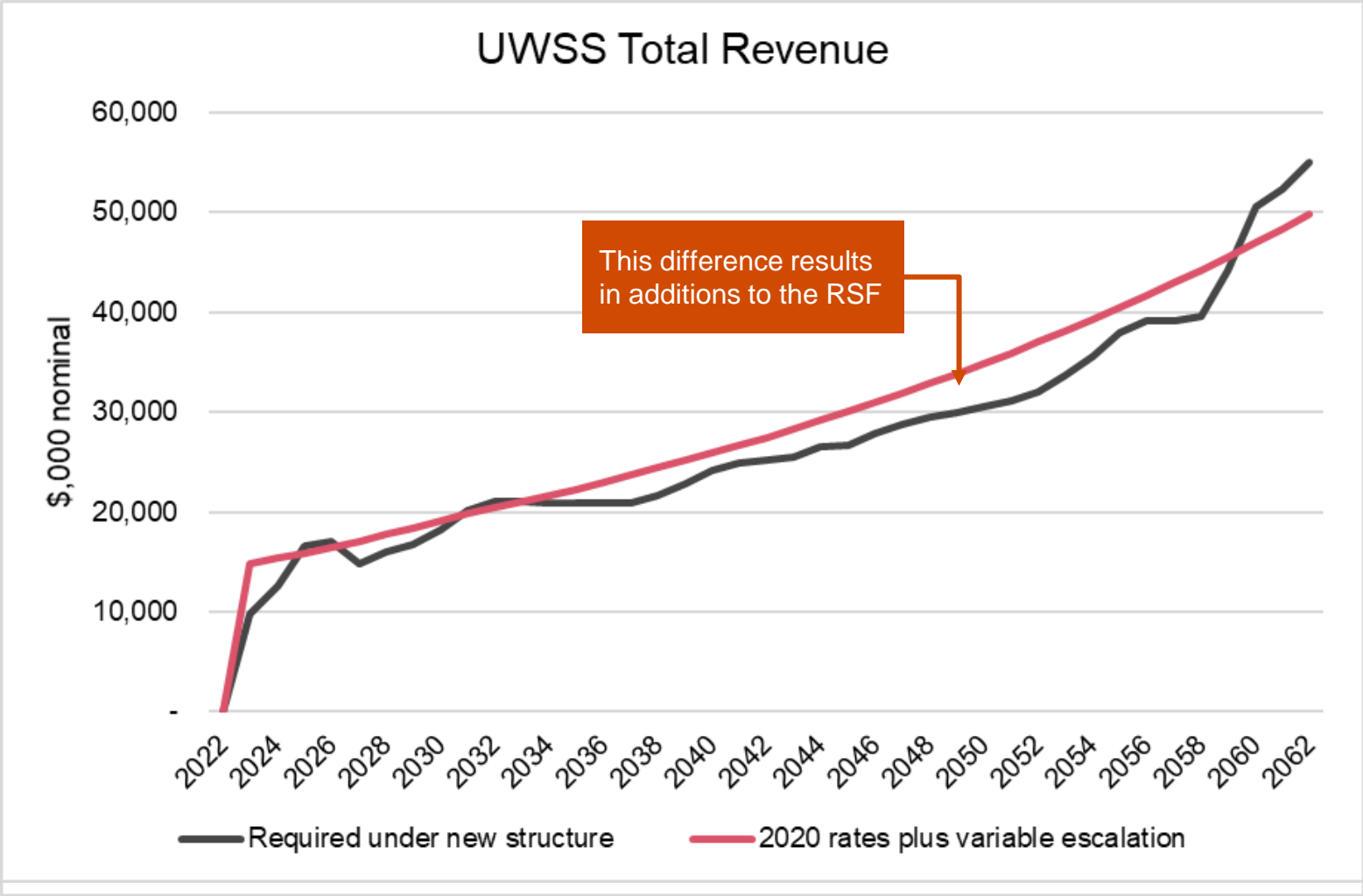
Item	Assumption
Inflation	<ul style="list-style-type: none"> • 2% long term
Rates (at bulk system level)	<ul style="list-style-type: none"> • Approved 2022 rates • Increase thereafter at 2% (that is, with inflation) through the end of the projection
Volume growth	<ul style="list-style-type: none"> • 1.5% through 2027 (2022 approved plan) • 1.75% 2028 through 2031 (AE engineering study) • 1% thereafter to end of projection • In all periods, lower than recent experience
Capital program	<ul style="list-style-type: none"> • Calculated replacement of assets at end of 2021 • Approved six-year capital plan, but with 2022 debt-funded expenditures moved to 2023 • Allowance for additional major capital works through 2031 (\$48 million including new plant) • Allowance for \$500,000 (2022 dollars) in supplementary capital works not foreseen in approved plan
Operating costs	<ul style="list-style-type: none"> • Per approved plan through 2027, then escalated at inflation
Grant funding	<ul style="list-style-type: none"> • None
Sun Life debt	<ul style="list-style-type: none"> • Retired on schedule in 2026
WFCU investment	<ul style="list-style-type: none"> • Retired to CR at the end of 2028

Financial Projections (1)

Note – end user rates will reflect prevailing system losses and a provision for bad debt, specific to each Municipality



Financial Projections (2)



Financial Projections (3)

Based on the current financial projections, if rates are kept constant in real terms the RSF Balance is projected to grow significantly.

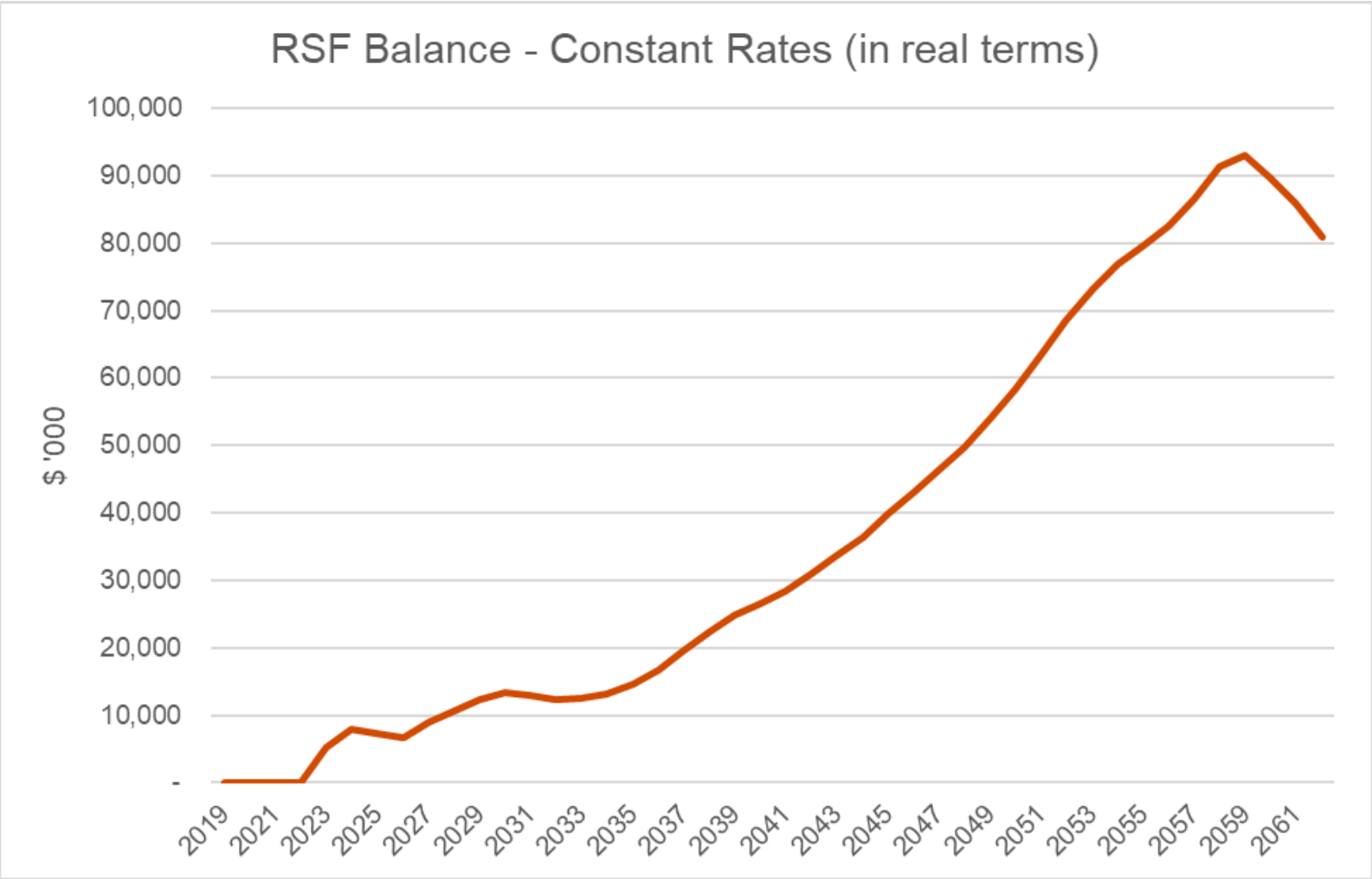
This largely reflects the projected volume growth in the business plan.

Rates are set annually by the Board (within provisions of the CTIA).

If the projected costs and growth materialises, it is expected that the Board would look to:

- 1. Reduce rates in real terms; and/or
- 2. Withdraw excess balances from the RSF.

UWSS would also want to consider its Treasury Management approach if it had cash balances of this level.



Questions

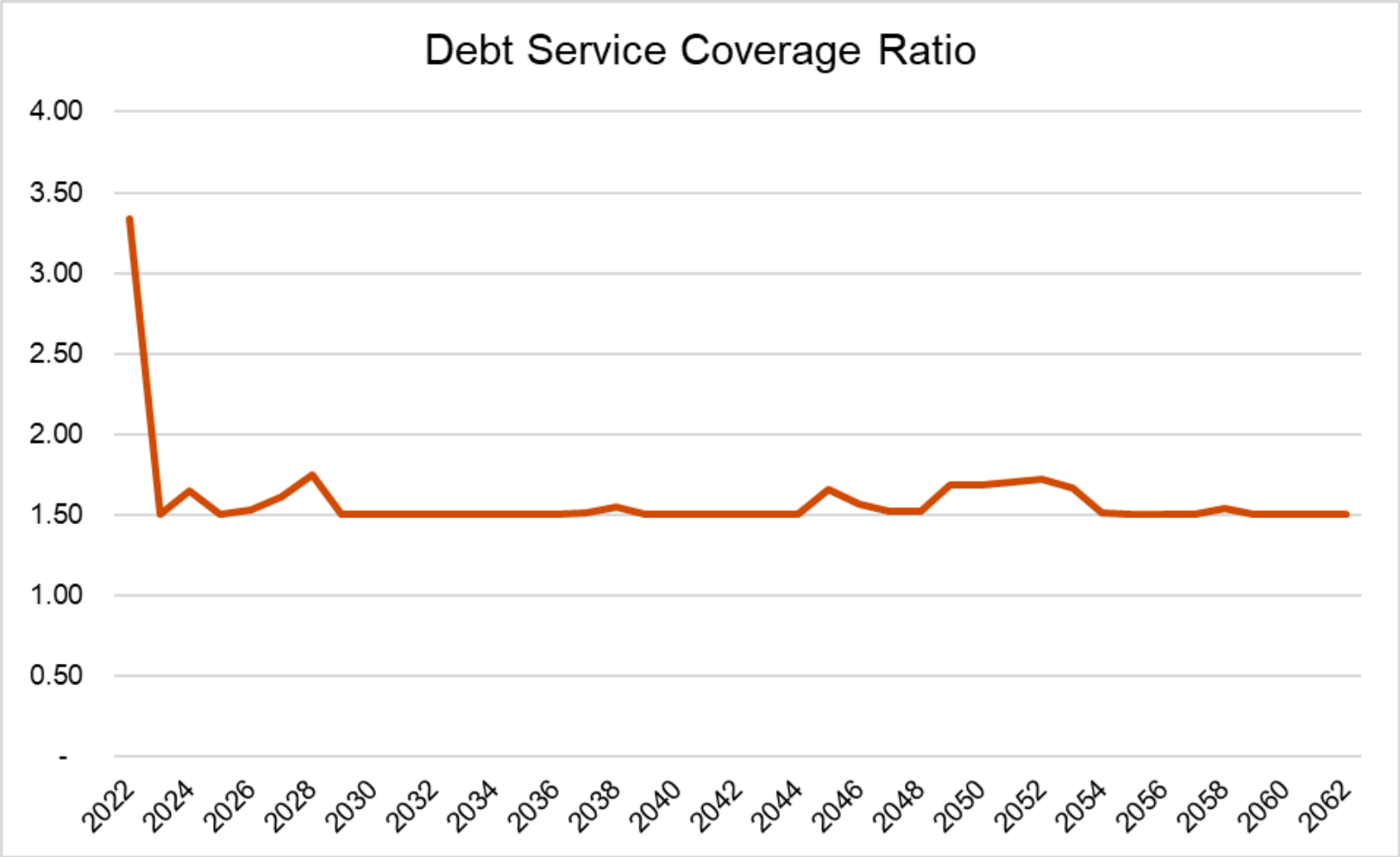




Appendix

Additional Financial Projections

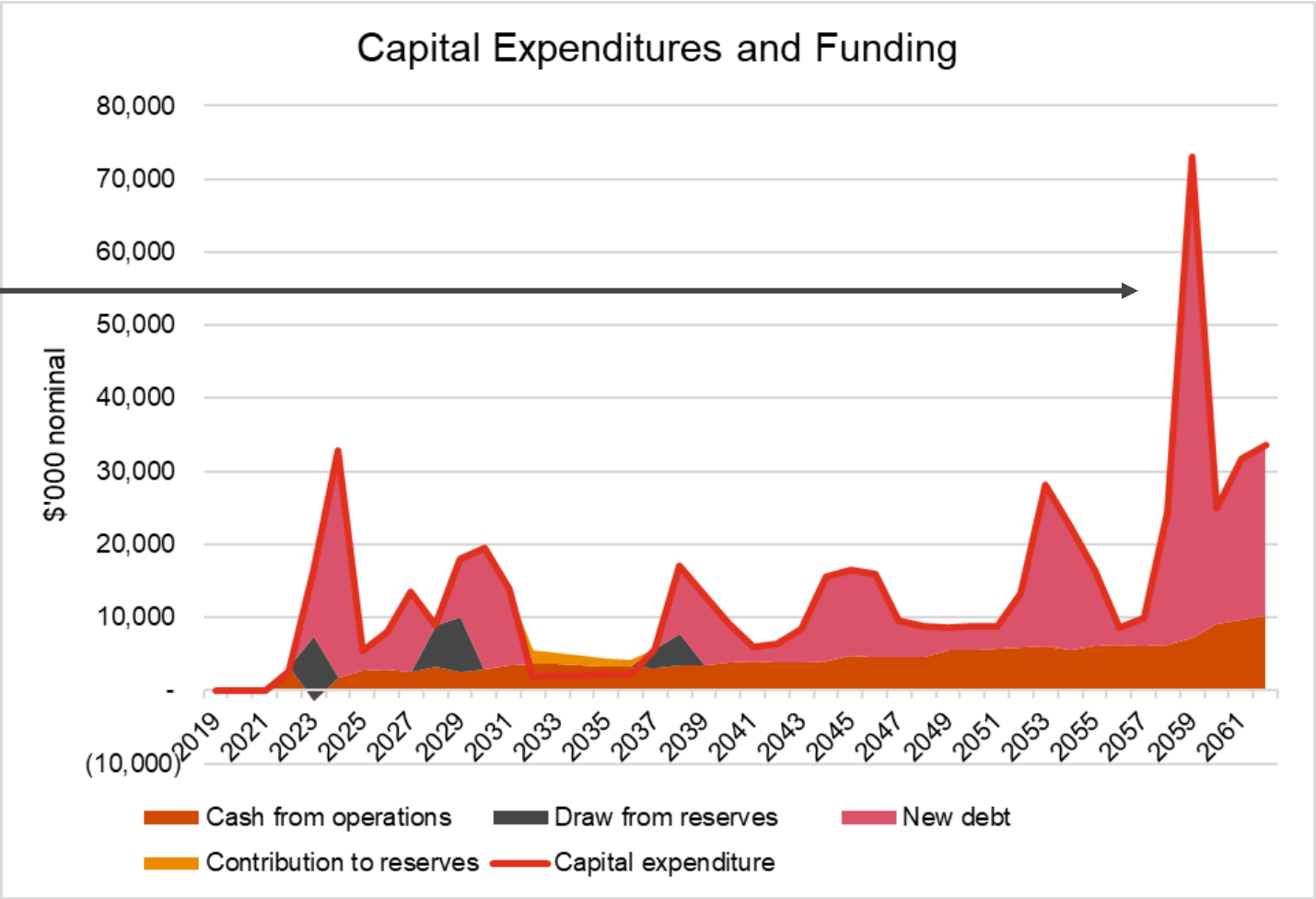
Additional Financial Projections (1)



Additional Financial Projections (2)

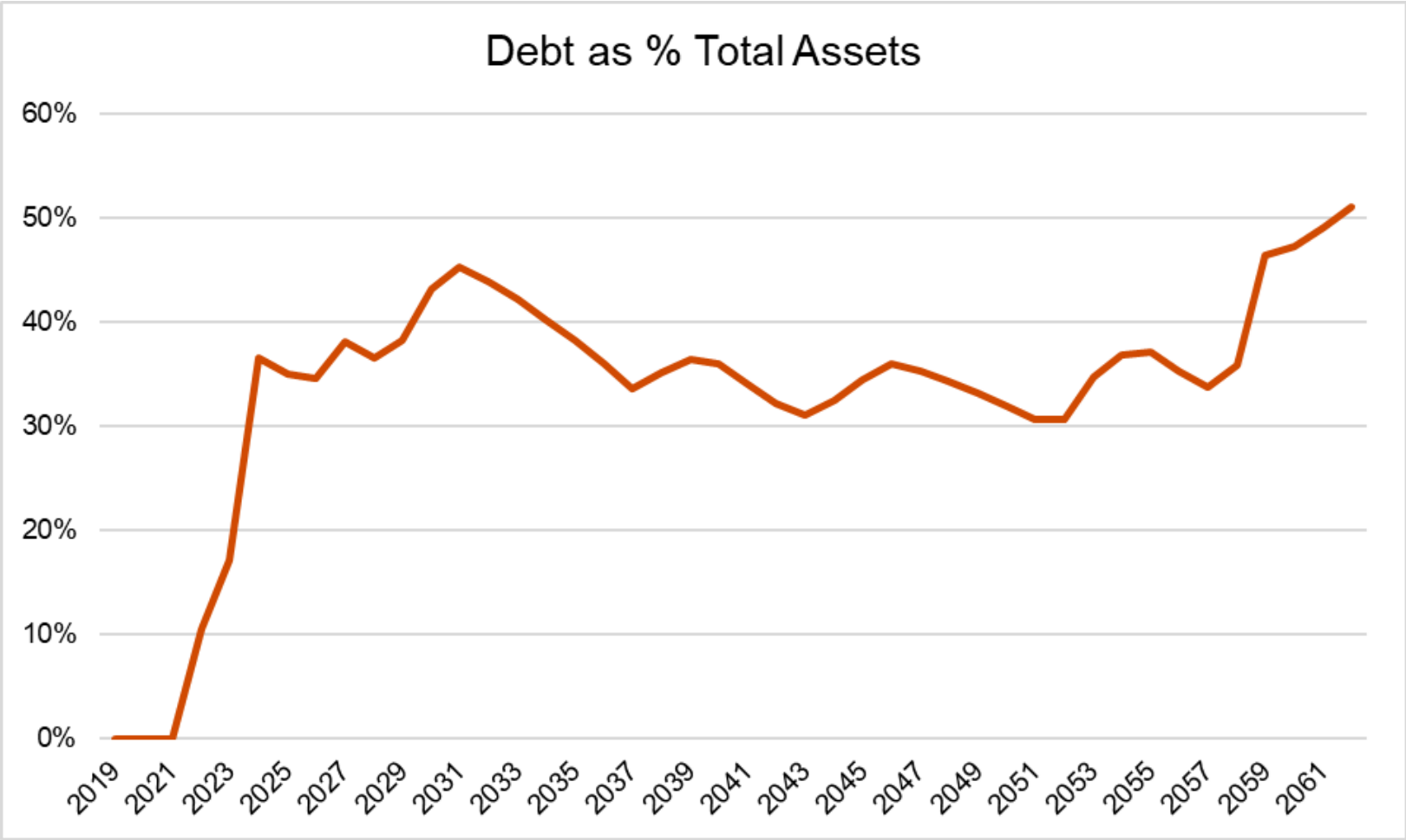
“Spike” in 2059 is calculated end of life replacement for assets in service in 2024 – reservoir and UV. Subsequent (lower) borrowing is also to fund calculated end of life replacement

Note – under the existing framework, new debt would be at the Municipal level



Additional Financial Projections (3)

Note – no defined capital structure has been “promised” to potential lenders. The integrity of the UWSS debt is provided by the rate structure, which is driven by DSCR



Thank you

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Union Water Supply System Restructuring Business Case

Presentation to
Municipality of Lakeshore Council
August 9, 2022



UNION WATER SUPPLY SYSTEM

Rodney Bouchard
UWSS General Manager

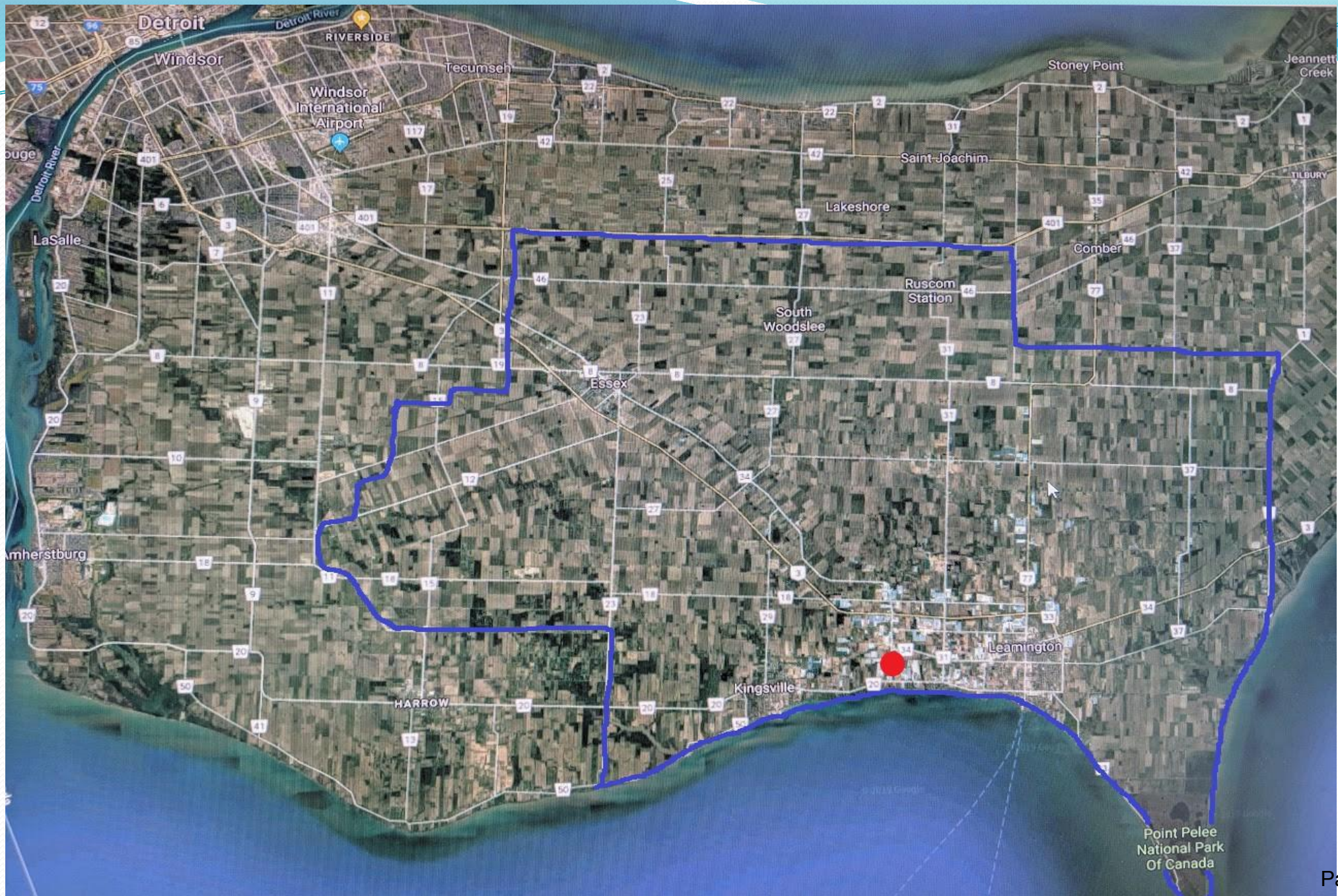


History

- The Union Water System (UWS) was commissioned in 1960 by the Ontario Water Resources Commission (OWRC).
- Original participants served by the UWS included numerous towns and townships.
- UWS facilities were owned and operated by various provincial government entities (i.e. OWRC, Ministry of Environment, Ontario Clean Water Agency) until 2001.
- As part of the *Municipal Water and Sewer Transfer Act, 1997* ownership of UWS was transferred from OCWA to newly amalgamated municipalities of Leamington, Kingsville, Essex and Lakeshore.
- The 2001 Transfer Order stipulated the creation of a Joint Board of Management that would oversee the management of the UWSS on behalf of the 4 owner municipalities

UWSS – Existing Ownership and Governance Structure

- As per Transfer Order, the interests of the Municipalities in UWSS is as tenants-in-common
- Ownership of the common system is based on each municipality's proportional consumption of the total flows of the system;
- The ownership interests were last set January 1, 2021 as:
 - Leamington – 53.00%
 - Kingsville – 38.72%
 - Essex – 4.92%
 - Lakeshore – 3.36%.
- The ownership interest is to be updated every four years.
- Board composition is based on % ownership interest as readjusted every 4 years, and currently consists of 12 appointed municipal councillors. Leamington-6; Kingsville-4; Essex-1; Lakeshore-1.



UWSS Restructuring Business Case

- UWSS to be incorporated into a Municipal Services Corporation (UWSS Inc.) under O. Reg. 599/06 of the Municipal Act
- Shareholders to consist of existing municipalities; Town of Essex, Town of Kingsville, Municipality of Lakeshore, and Municipality of Leamington.
- Initial shares to be allocated based on existing ownership (as of Jan 2021)
- Futures ownership shares to be revised every 4 years and based on water consumption;
- UWSS existing common assets to be transferred to UWSS Inc. (i.e. pumping plant, treatment plant, Cottam Booster, 4 water towers, reservoirs, common asset watermains and meter chambers)

UWSS Inc. Governance and Operation

The Governance and Operation of UWSS Inc. is established and directed through four primary documents:

- Articles of Incorporation
- Unanimous Shareholder Agreement
- UWSS Inc. General By-Law No. 1
- Water Services Agreement

Articles of Incorporation

The articles of incorporation are at the top of hierarchy of a corporation, and are the main governing documents for UWSS Inc.

- Identifies the name of the corporation and the corporate address;
- Identifies the incorporating director(s);
- Identifies the First Directors
- Identifies restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise;
- Identifies the number and types of shares and the rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares;

Unanimous Shareholder Agreement

The Unanimous Shareholder Agreement is an agreement between the 4 municipal shareholders that establishes the following:

- Sets out UWSS Inc.'s mandate, scope of responsibility and reporting requirements;
- Confirms that UWSS Inc. is to be internally funded (water rates, grant funding, interest income and other revenue sources), and not by way of municipal support
- Sets out Shareholder rights including but not limited to:
 - Approval of UWSS Inc. General By Law No. 1;
 - Appointment/removal of directors;
 - Approval of dividend policy;
 - the merger, amalgamation, continuance, reorganization or consolidation of UWSS Inc.
 - The issuance of new shares in UWSS Inc. or re-classification of existing shares
- Sets out which decisions require municipal approval (e.g. no core business activities, amendment to dividend policy).
- Sets out the relationship and decision-making structure between UWSS Inc. and the Shareholders; e.g UWSS Inc. employees are not shareholder employees

UWSS Inc. General By-Law No. 1

UWSS Inc. General By-Law No.1 is the primary document that directs the governance and operation of UWSS Inc. This document establishes the following:

- Sets out ownership of UWSS Inc.(Leamington, Kingsville, Essex and Lakeshore as shareholders)
- Sets of the Structure of UWSS Inc. including description of the system and assets
- Sets Board of Director composition;
- Sets out Board powers and obligations including but not limited to:
 - Appointment of Board officers and UWSS Inc. Officers;
 - Approving and controlling long-term System planning;
 - Approving and controlling System operations to meet applicable regulatory standards;
 - Approving annual operating and capital budgets;
 - Determining the annual System required revenue, and setting the associated service rates
 - Acquiring new property; or disposing of surplus property;

Water Services Agreement (WSA)

This document is an agreement between UWSS Inc. and the existing four municipalities that sets out:

- Obligations of UWSS, Inc. such as provision of water to end-users; Compensation to Municipalities for services rendered;
- Obligations of the Municipality such as Acting as Agents for UWSS Inc. for customer billing, collection and remittance of revenue; Maintenance of Distribution systems
- Revenues and rates for each municipality:
 - Underlying bulk water rate is the same for all municipalities
 - Additional sector specific rates for infrastructure improvements, bad debts, etc;
- UWSS Inc. exclusive service area
- Identifies the municipal distribution systems that are under municipal control

Other Restructuring Documents

A number of other documents have been prepared for the establishment, governance and operation of UWSS Inc. including but not limited to the following:

- UWSS Dividend Policy
- Asset Transfer Agreement
- Bill of Sale
- Real Property Transfer Agreement
- Municipal Access Agreement
- Novation Agreement – OCWA Operations and Maintenance Agreement
- Bulk Water Service Agreement
- Common Terms and Intercreditor Agreement
- Board of Directors Guidance: Reserve Accounts

UWSS Inc. Board Composition

- Board structure to consist of 12 directors to be approved by shareholders
- Each shareholder can appoint one (1) director;
- Each Shareholder can appoint an additional director for each 10% water consumption.
- For shareholders that can appoint more than 1 director, no more than 50% of director appointees (and up to a maximum of 2 total), can be either an elected official or a municipal employee. Other director appointments are to be independent of the municipality.
- Appointment of “independent” directors shall consider competencies including, but not limited to accounting, engineering, legal, and information technologies
- As a result of the above, the Board of Directors will be more independent of the Municipalities than at present

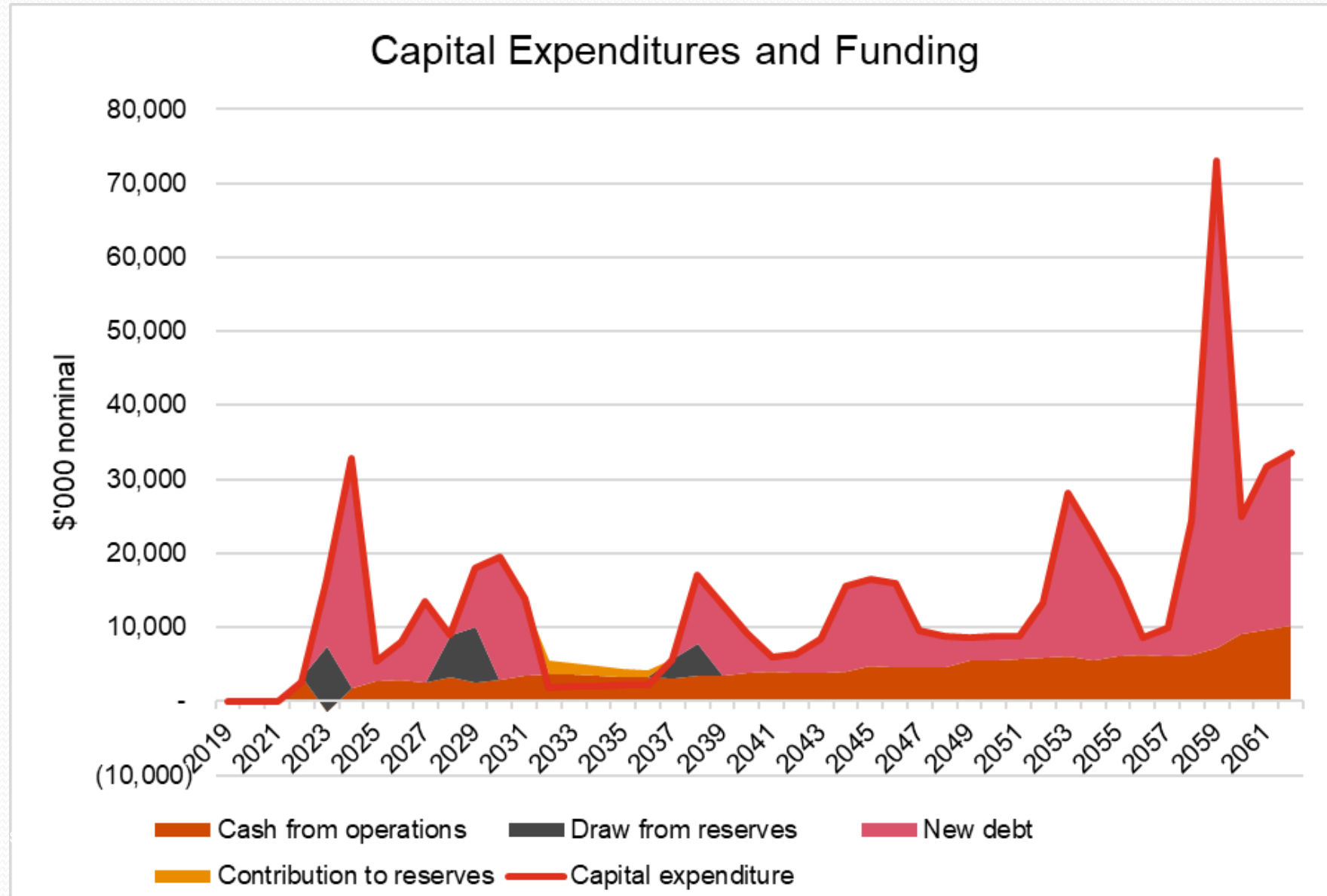
UWSS Inc. Financial Goals

- Access to grant funding at the UWSS level
- Access to debt capital at the UWSS level
- Accounting for new UWSS debt as recourse only to UWSS and not to the owner municipalities
- Ratepayer value and avoidance of “rate shock”

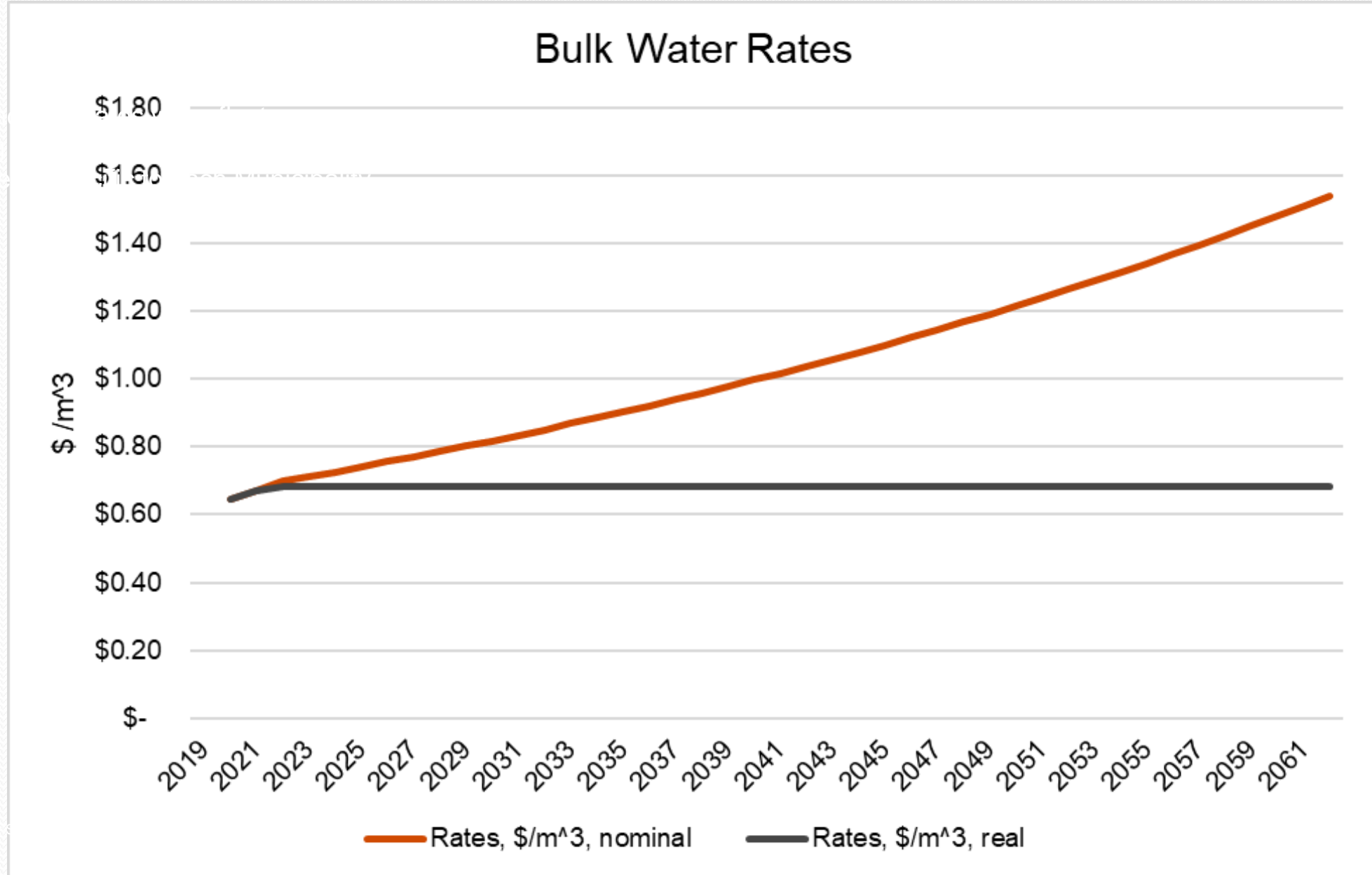
Financial Projection - Selected Assumptions

- Projection - Set out for 40+ years
- Inflation – 2% long-term
- Bulk water rates – Approved 2022 rate and 2% increase annual increase thereafter.
- Volume growth – 1.5% through 2027; 1.7% from 2028-2031; 1% thereafter
- Capital Program – Based on current 6-year capital plan (\$68 million) for 2022-2027 and includes allowance of \$48 million for works through 2031 and \$500,000 per year for unforeseen works
- Operating Costs – Based on identified operation costs through 2027 then escalated at inflation
- Grant Funding – None assumed in projection
- Existing Debt – Sun Life debt retires in 2026
- Investments – Rate Stabilization fund (\$11 million)
- Cash on hand – Based on bank account at start of 2022 (\$10 million)

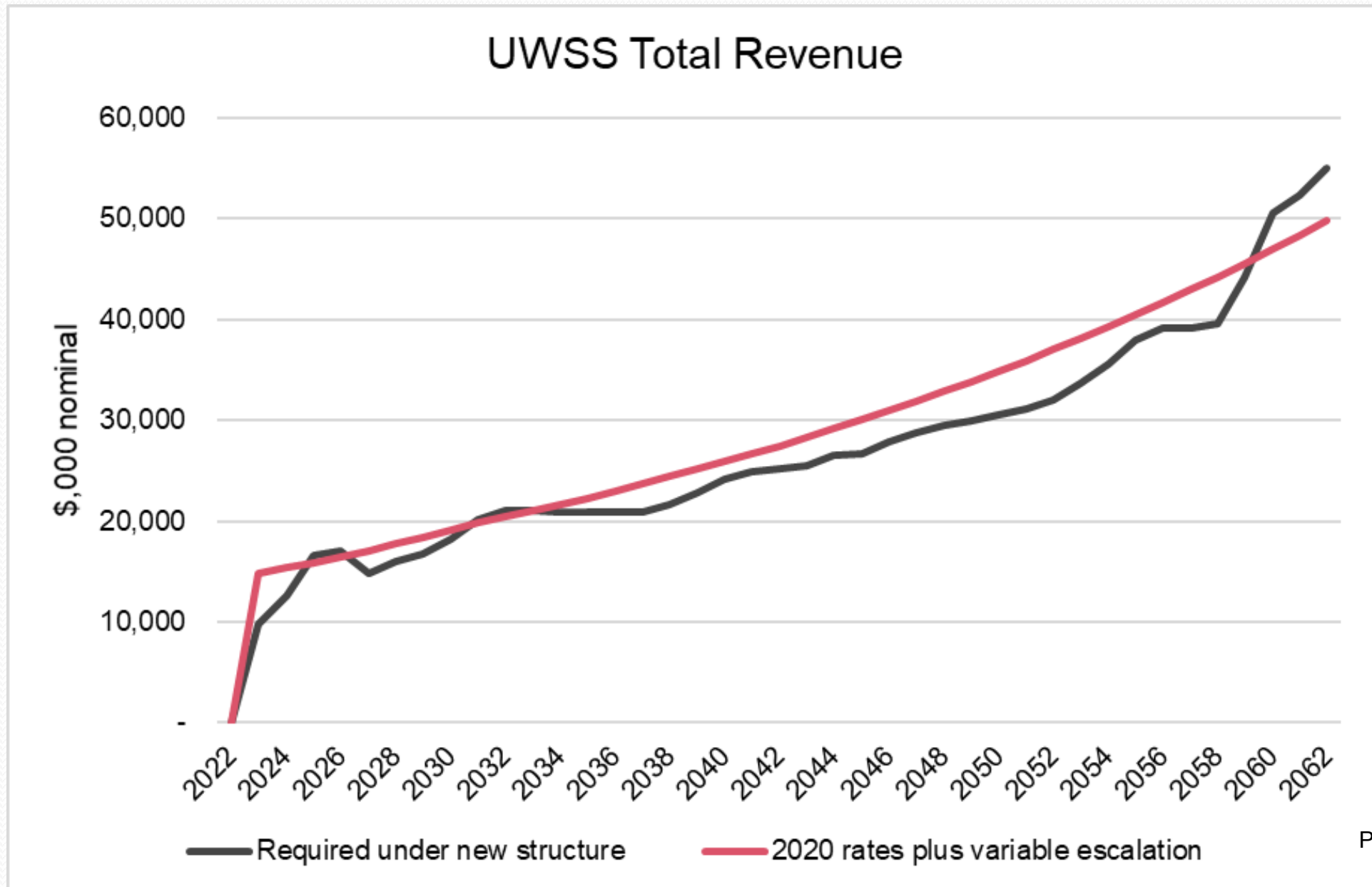
Financial Projections (1)



Financial Projections (2)



Financial Projections (3)



Summary – UWSS Restructuring

What will not change:

- Municipal ownership % interest in UWSS Inc. to continue to be based on consumption
- Sufficient capital to meet volume and quality demands
- No rate shock – uniform increases in bulk rates
- Rate structure – essentially uniform underlying bulk water rates;
- No privatization
- Cost recovery model – not a Return on Equity/shareholder profit model like electrical utilities. Any profit is re-invested into UWSS Inc.
- UWSS Inc. manages its cash reserves and investments on Board direction;
- No “Source to Tap”. Municipal distribution systems remains the responsibility of the municipalities
- OCWA contract unaffected by the new structure

What will change:

- Board of Directors will be more independent of the Municipalities than at present
- UWSS Inc. can apply for grant funding separately from the Municipalities
- UWSS Inc. can borrow on its own to finance Board-approved capital expenditures
- New UWSS Inc. debt is not attributed to the Municipalities and does not affect Municipal debt capacity
- Customers will see the UWSS Inc. portion (treatment and transmission) of their water cost separately on their bill
- UWSS Inc. will bear the initial risk of system losses, volume fluctuations and uncollectible accounts; these will be recovered in rates
- UWSS Inc. will pay a service fee to the Municipalities for work done by the Municipalities as agents of UWSS Inc. (billing, collection, and associated accounting)

Restructuring Timeline

August 2022

- Adoption of UWSS Restructuring Business Case by Councils of Essex, Kingsville, Lakeshore and Leamington

September 2020

- Incorporation of UWSS Inc. by Incorporating Director (UWSS General Manager)
- Appointment of Interim UWSS Inc. Board of Directors (Mayors of Shareholder Municipalities)
- Appointment of UWSS Inc. CEO (UWSS General Manager)
- Initial Call to Financial Institutions to Secure Financing/Funds/Credit UWSS Inc.

September-December 2022

- Establish and implement billing and revenue recovery procedures between UWSS and municipalities
- Retain new accounting/bookkeeping services for UWSS Inc.
- Establish new HR related services for UWSS Inc.
- Complete Finance Raising

Restructuring Timeline (cont'd)

October-December 2022

- Municipal selection and appointment of Board of Directors

January-February 2023

- First meeting of the Full UWSS Inc. Board of Directors
- Appointment of UWSS Inc. Board of Director Chair and Vice Chair
- Implementation of the UWSS Inc. Financial Model/Plan
- Approval of the UWSS Inc. operations and capital budgets for 2023

March-June 2023

- Initial Draw on New Financing

Municipality of Lakeshore

Minutes of the Special Council Meeting

Wednesday, July 6, 2022, 5:00 PM

Electronically hosted from Town Hall, 419 Notre Dame Street, Belle River



Members Present: Mayor Tom Bain, Deputy Mayor Tracey Bailey, Councillor Steven Wilder, Councillor Len Janisse, Councillor Kelsey Santarossa, Councillor John Kerr, Councillor Kirk Walstedt, Councillor Linda McKinlay

Staff Present: Chief Administrative Officer Truper McBride, Corporate Leader - Chief Financial Officer Justin Rousseau, Corporate Leader - Growth & Sustainability Tammie Ryall, Corporate Leader - Operations Krystal Kalbol, Corporate Leader - Strategic & Legal Affairs Kristen Newman, Division Leader - Capital Projects Wayne Ormshaw, Division Leader - Community Services Frank Jeney, Division Leader - Economic Development & Mobility Ryan Donally, Planner I Ian Search, IT Technologist Mark Donlon, Legal Assistant Carrie Gregg

1. Call to Order

Mayor Bain called the meeting to order at 5:00 PM in Council Chambers. All other members of Council participated in the meeting through video conferencing technology from remote locations.

2. Land Acknowledgement

3. Moment of Reflection

4. Disclosures of Pecuniary Interest

5. Public Presentations

6. Completion of Unfinished Business from June 28, 2022

1. Delegations

1. Active School Travel Charter

Erin Nadalin and Gordon Thane of the Windsor-Essex County Health Unit were present electronically and provided a PowerPoint presentation regarding the Active School Travel Charter.

261-07-2022

Moved By Councillor Santarossa

Seconded By Deputy Mayor Bailey

Endorse and adopt the Windsor-Essex County Active School Travel Charter and direct the Clerk to advise the Windsor-Essex County Health Unit, as presented at the July 6, 2022 Council Meeting.

Carried Unanimously

2. Zoning By-law Amendment Application ZBA-6-2022, Jean-Marc and Catherine Beneteau

The Planner provided a PowerPoint presentation as overview of the application and further information as requested by Council.

Jean-Marc Beneteau, applicant, was present electronically and confirmed support of the application.

Jeff Lessard, resident, was present electronically and spoke in opposition to the application.

262-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Wilder

Approve Zoning By-law Amendment Application ZBA-6-2022 to remove the Holding Symbol (h9) from the lands legally described as Part of Lot 14, Concession 1, East of Belle River, Rochester designated as Parts 5-10, 14-65, 69-75 and 77 on Plan RD 131, being all of the Property Identifier Numbers 75028-0120 to 75028-0185 (LT), to remove the requirement that a subdivision agreement be executed by the owner and the development receive final approval by the County of Essex; and

Direct the Clerk to read By-law 40-2022 during the “Consideration of By-laws”, all as presented at the July 6, 2022 Council meeting.

In Favor (4): Mayor Bain, Councillor Wilder, Councillor Santarossa, and Councillor Walstedt

Opposed (4): Deputy Mayor Bailey, Councillor Janisse, Councillor Kerr, and Councillor McKinlay

Lost

263-07-2022

Moved By Councillor Wilder

Seconded By Deputy Mayor Bailey

Refund the application fee for Zoning By-law Amendment Application ZBA-6-2022.

In Favor (2): Deputy Mayor Bailey, and Councillor Wilder

Opposed (6): Mayor Bain, Councillor Janisse, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Lost

3. Robert Tellier - Presentation of Petition - Side Driveway at 226 Willow Wood Drive

Robert Tellier was present electronically and presented a petition requesting a side driveway at 226 Willow Wood Drive (Item 6.3.6 of the agenda).

264-07-2022

Moved By Councillor Wilder

Seconded By Deputy Mayor Bailey

Defer consideration of a side driveway at 226 Willow Wood Drive pending a report at the July 12, 2022 Council meeting by Administration regarding the continuous use of the second driveway.

Carried Unanimously

2. Completion of Unfinished Business from June 14, 2022

1. Reports for Information

1. Council Chambers Update

265-07-2022

Moved By Deputy Mayor Bailey

Seconded By Councillor Kerr

Receive the Council Chambers Update report for information and direct Administration to address the hybrid technology needs in the Council Chambers.

In Favor (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried

2. Reports for Direction

1. ATRC Room 010 – Request for Proposal

266-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Wilder

Direct Administration to issue a request for proposal for the commercial use of ATRC Room 010 – Pro Shop, to be leased in 2023, as presented in the July 6, 2022 report to Council.

In Favor (7): Mayor Bain, Deputy Mayor Bailey, Councillor Wilder, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Janisse

Carried

3. Consent Agenda

267-07-2022

Moved By Councillor Santarossa

Seconded By Councillor Walstedt

Approve minutes of the previous meetings and receive correspondence as listed on the Consent Agenda.

In Favor (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried

1. April 21, 2022 Special Council Meeting Minutes
2. April 26, 2022 Regular Council Meeting Minutes
3. May 3, 2022 Special Council Meeting Minutes
4. May 10, 2022 Regular Council Meeting Minutes
5. May 31, 2022 Regular Council Meeting Minutes
6. Petition - Side Driveway at 226 Willow Wood Drive
7. Town of Essex - Values Influence Peer Program

268-07-2022

Moved By Councillor Wilder

Seconded By Councillor McKinlay

Support the resolution by the Town of Essex regarding the Values Influence Peer Program.

Carried Unanimously

8. Municipal Engineers Association - Retention of Professional Engineers

4. Reports for Information

269-07-2022

Moved By Councillor Santarossa

Seconded By Councillor McKinlay

Receive the Reports for Information as listed on the agenda.

Carried Unanimously

1. Council Requested Report Tracking - June 2022

5. Reports for Direction

1. Award for Professional Services for the County Road 22 Watermain Replacement

270-07-2022

Moved By Deputy Mayor Bailey

Seconded By Councillor Walstedt

Award the contract for Professional Services for the County Road 22 Watermain Replacement to Stantec Consulting Ltd. at a total cost of \$264,576.00 including applicable HST, as presented at the July 6, 2022 Council meeting.

Carried Unanimously

2. Extension of the Expiry of Part Lot Control Exemption for Mocerì Subdivision (37-T-07002), Jack Mocerì & Sons Contracting Ltd., PLC-2-2022

271-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Santarossa

Approve the application to extend Part Lot Control exemption for Blocks 1, 2, and 3 on Plan 12M640 in the Municipality of Lakeshore as presented at the July 6, 2022 Council meeting; and

Direct the Clerk to read By-law 65-2022 during the "Consideration of By-laws".

In Favor (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried

3. 2021 Year End (Q4) Budget to Actual Summaries and Transfers

272-07-2022

Moved By Councillor Kerr

Seconded By Councillor McKinlay

Receive the report regarding the 2021 Year End Variances for the general (taxation funded), wastewater (sanitary sewer) and water funds;

Approve the taxation supported surplus of \$1,498,110 for the year ended December 31, 2021;

Approve a transfer of \$104,962 to the Assessment Stabilization Reserve;

Approve a transfer of \$643,851 to the Working Funds Reserve;

Approve a transfer of \$643,851 to the Contingency Reserve;

Approve a transfer of \$105,445 to the Insurance Reserve;

Approve a transfer of \$56,911 to the Building Services – Operating reserve fund to transfer the 2021 Accumulated Net Surplus per the draft 2021 Building Services Statement;

Approve a transfer of \$430,310 representing a surplus from Water operations for the year ended December 31, 2021 be transferred to the Water Reserve Fund; and

Approve a transfer of \$573,117 representing a surplus from Wastewater (sanitary sewer) operations for the year ended December 31, 2021 to the Wastewater (Sanitary Sewer) Reserve Fund, all as described in the July 6, 2022 Council meeting report.

In Favor (7): Mayor Bain, Deputy Mayor Bailey, Councillor Janisse, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Wilder

Carried

4. Campground Licensing

273-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Walstedt

Direct Administration to undertake a public consultation process with residents and local stakeholders in 2023 regarding the use and regulation of campgrounds, including draft by-law provisions for comment relating to an annual licence structure and restricted period of operation of the campground (Option 1A), as presented at the July 6, 2022 Council meeting.

Carried Unanimously

6. **Announcements by Mayor**

7. **Reports from County Council Representatives**

8. **Report from Closed Session**

9. **Notices of Motion**

1. Councillor Santarossa - Parks and Recreation Master Plan

Motion lost due to lack of seconder.

2. Councillor Santarossa - Flexible Work Opportunities

275-07-2022

Moved By Councillor Santarossa

Seconded By Councillor Wilder

Whereas 56% of public administration employees in Canada worked from home between April 2020 and June 2021;

And Whereas 75.7% of employees working from home in Windsor-Essex that responded to a local survey described working from home as either a very positive or positive change;

And whereas that same survey indicated that 84% of respondents would choose to keep working remotely if possible, and 72.5% of respondents indicated that they would apply to jobs because they list remote work environments;

And whereas the Municipality of Lakeshore has growing staffing needs and space constraints, with a desire to ensure Lakeshore becomes an employer of choice;

And whereas the Municipality of Lakeshore has completed a Service Delivery Review; Organizational Review; and Lakeshore Council has received reports on recruitment challenges, retention challenges and recently on culture strategy;

And whereas municipalities across Ontario are bringing forward new ways to maintain and improve levels of service by means of providing flexible work schedules, hybrid work environments, compressed work weeks and more;

Whereas the recently adopted Disconnect from Work Policy speaks to giving employees the right to disconnect from work outside of normal working hours, which could be affected by flexible scheduling;

Therefore be it resolved that the Council of the Municipality of Lakeshore direct administration to bring a report back to Council through the implementation phases of the Culture Strategy that identifies opportunities to explore and implement items such as flexible scheduling, hybrid work environments, compressed work weeks, etc that support a maintained or increased level of service for residents in Lakeshore.

Lost

3. Councillor McKinlay - Amendment to Noise By-law
Councillor McKinlay withdrew the notice of motion.

10. Question Period

276-07-2022

Moved By Councillor McKinlay

Seconded By Deputy Mayor Bailey

Direct Administration to prepare a report on noise management, including the prioritization of an update to the Noise By-law for Council's consideration.

Carried Unanimously

277-07-2022**Moved By** Councillor Kerr**Seconded By** Councillor McKinlay

Direct Administration to include a chain of office for the Mayor in the 2023 budget.

Carried Unanimously**11. Non-Agenda Business****12. Consideration of By-laws****278-07-2022****Moved By** Councillor Santarossa**Seconded By** Deputy Mayor Bailey

By-law 58-2022 be read and passed in open session on July 6, 2022.

Carried Unanimously**279-07-2022****Moved By** Councillor Walstedt**Seconded By** Councillor Santarossa

By-law 65-2022 be read and passed in open session on July 6, 2022.

In Favor (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried

1. By-law 58-2022, Being a By-law to Confirm Proceedings of Council for April 21, April 26, May 3 and May 10, 2022
2. By-law 65-2022, Being a By-law to extend the Time Period for Part Lot Control By-law 78-2019 for Blocks 1, 2, and 3, Plan 12M-640, in the former Community of Maidstone, now in the Municipality of Lakeshore (PLC-1-2019)
3. By-law 40-2022, Being a By-law to amend By-law 2-2012, Zoning By-law for the Municipality of Lakeshore (ZBA-6-2022)

7. Adjournment

280-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Walstedt

Council adjourn its meeting at 9:10 PM.

Carried Unanimously

Tom Bain
Mayor

Kristen Newman
Clerk

Municipality of Lakeshore

Minutes of the Regular Council Meeting

Tuesday, July 12, 2022, 5:00 PM

Electronically hosted from Town Hall, 419 Notre Dame Street, Belle River



Members Present: Mayor Tom Bain, Deputy Mayor Tracey Bailey, Councillor Steven Wilder, Councillor Len Janisse, Councillor Kelsey Santarossa, Councillor John Kerr, Councillor Kirk Walstedt, Councillor Linda McKinlay

Staff Present: Chief Administrative Officer Truper McBride, Corporate Leader - Chief Financial Officer Justin Rousseau, Corporate Leader - Growth & Sustainability Tammie Ryall, Corporate Leader - Operations Krystal Kalbol, Corporate Leader - Strategic & Legal Affairs Kristen Newman, Division Leader - Civic Affairs Brianna Coughlin, Division Leader - Community Planning Aaron Hair, Division Leader - Community Services Frank Jeney, Division Leader - Roads, Parks & Facilities Jeff Wilson, Division Leader - Workplace Development Lisa Granger, Team Leader - Civic Engagement Alex Denonville, Team Leader - Public Service Jenna Smith, IT Technologist Mark Donlon

1. Call to Order

Mayor Bain called the meeting to order at 5:03 PM in Council Chambers. All other members of Council participated in the meeting through video conferencing technology from remote locations.

2. Closed Session

281-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Santarossa

Council move into closed session in Council Chambers at 5:03 PM in accordance with:

- a. Paragraph 239(2)(e), (f) and (k) of the *Municipal Act, 2001* to discuss litigation or potential litigation, including matters before administrative tribunals, affecting the municipality, advice that is subject to solicitor-client privilege,

including communications necessary for that purpose, and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality regarding development on Manning Road.

- b. Paragraph 239(2)(e), (f) and (k) of the Municipal Act, 2001 to discuss litigation before the Ontario Land Tribunal, advice that is subject to solicitor-client privilege, including communications necessary for that purpose and a position, plan, or instruction to be applied to negotiations carried on behalf of the Municipality regarding Ontario Land Tribunal Appeal of Zoning By-law Amendment ZBA-20-2020 (1654 Manning Road).
- c. Paragraph 239(2)(b) and (d) of the Municipal Act, 2001 to discuss personal matters about an identifiable individual, including municipal or local board employees and labour relations or employee negotiations, relating to IBEW grievances 06-07-19-07, 06-07-19-08, 06-07-19-09, 06-07-19-10, 06-07-19-12 and 06-19-19-13.

In Favour (7): Mayor Bain, Deputy Mayor Bailey, Councillor Janisse, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Carried

3. Return to Open Session

Councillor Wilder joined the meeting in closed session at 5:12 PM.

Council returned to the open session at 6:15 PM.

4. Land Acknowledgement

5. Moment of Reflection

6. Disclosures of Pecuniary Interest

7. Recognitions

8. Public Meetings under the Planning Act

9. Public Presentations

1. Belle River and District Horticultural Society - Request for Parks

Paul Schneider and Jeff Bryans were present electronically on behalf of the Belle River and District Horticultural Society and requested permission to add an artistic chime to the Healing garden, three memorial trees to be planted near the lake, and that a paved walkway be included in the 2023 budget to replace the gravel walkway in the garden.

282-07-2022

Moved By Councillor Wilder

Seconded By Councillor Janisse

Support the Belle River and District Horticultural Society's requests presented at the July 12, 2022 Council Meeting, and for Administration to work with the Horticultural Society to implement the requests with any concerns to be presented to Council for consideration.

Carried Unanimously

- 10. **Delegations**
- 11. **Completion of Unfinished Business**
- 12. **Consent Agenda**

283-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Kerr

Approve minutes of the previous meetings and receive correspondence as listed on the Consent Agenda.

In Favour (7): Mayor Bain, Deputy Mayor Bailey, Councillor Wilder, Councillor Janisse, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Santarossa

Carried

- 1. **June 14, 2022 Regular Council Meeting Minutes**
- 2. **June 28, 2022 Regular Council Meeting Minutes**
- 3. **Municipality of Shuniah - Release of Federal and Provincial Documents related to Former Mohawk Institute Residential School**

284-07-2022

Moved By Councillor Wilder

Seconded By Deputy Mayor Bailey

Support the resolution by the Municipality of Shuniah regarding the Release of Federal and Provincial Documents related to Former Mohawk Institute Residential School.

Carried Unanimously

4. Hasting County - Expanding Amber Alert System

285-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Walstedt

Support the resolution by Hastings County regarding Expanding the Amber Alert System.

Carried Unanimously

5. Township of West Lincoln - Waterpipe Smoking By-law

286-07-2022

Moved By Councillor Wilder

Seconded By Councillor McKinlay

Defer consideration of the resolution of the Town of West Lincoln pending clarification.

Carried Unanimously

6. County of Frontenac - Community Schools Alliance Action Plan

287-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Wilder

Support the resolution of the County of Frontenac regarding Community Schools Alliance Action Plan.

Carried Unanimously

13. Reports for Information

288-07-2022

Moved By Councillor Walstedt

Seconded By Deputy Mayor Bailey

Receive the Reports for Information as listed on the agenda:

1. Quarterly Building Activity Report - 2022 Q2
2. Drainage Board meeting - June 6, 2022
3. Lakeshore Public Service Update
4. Secondary Driveway - 226 Willowwood Drive

Carried Unanimously

1. **Quarterly Building Activity Report – 2022 Q2**

2. **Drainage Board meeting - June 6, 2022**

3. **Lakeshore Public Service Update**

The Division Leader - Community Services and the Team Leader - Public Service provided a PowerPoint presentation as overview of the report.

4. **Secondary Driveway – 226 Willowwood Drive**

289-07-2022

Moved By Councillor Santarossa

Seconded By Deputy Mayor Bailey

Allow a secondary driveway at 226 Willowwood Drive and direct Administration to mitigate any concerns relating to flooding in the catchbasin.

In Favour (4): Deputy Mayor Bailey, Councillor Santarossa, Councillor Walstedt, and Councillor McKinlay

Opposed (4): Mayor Bain, Councillor Wilder, Councillor Janisse, and Councillor Kerr

Lost

290-07-2022

Moved By Councillor Santarossa

Seconded By Deputy Mayor Bailey

Direct Administration to include a review of second driveways on corner lots in the upcoming Zoning By-law review and direct Administration not to enforce the second driveway provisions of the Zoning By-law.

In Favour (5): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Walstedt, and Councillor McKinlay

Opposed (3): Councillor Wilder, Councillor Janisse, and Councillor Kerr

Carried

14. Reports for Direction

1. Zoning Amendment ZBA-8-2020 -1477 County Road 22 – School Site

291-07-2022

Moved By Councillor Santarossa

Seconded By Councillor Walstedt

Approve Zoning By-law Amendment Application ZBA-8-2020 (By-law 70-2022) Municipality of Lakeshore (By-law 2-2012), to rezone the subject property from “Residential 1 (R1- refer to Zoning By-law 4170-ZN-94) and Mixed Use (MU)” to “Mixed Use Zone Exception 37 (MU-37)(H30) zone (indicated on the Key Map, Attachment 1), in the Municipality of Lakeshore; and

Direct the Clerk to read By-law 70-2022 during the “Consideration of By-laws”, all as presented at the July 12, 2022 Council meeting.

Carried Unanimously

2. Communications and Engagement Master Plan

The Team Leader - Civic Engagement provided a PowerPoint presentation as overview of the report.

292-07-2022

Moved By Councillor Santarossa

Seconded By Councillor Walstedt

Adopt the Communications & Engagement Master Plan as presented at the July 12, 2022 Council Meeting.

Carried Unanimously

Mayor Bain called a recess at 8:22 PM and reconvened the meeting at 8:35 PM.

3. Capital Works Borrowing – Infrastructure Ontario Debenture

293-07-2022

Moved By Councillor Walstedt

Seconded By Councillor McKinlay

Direct the Clerk to read By-law 71-2022 to approve Capital Works Borrowing from Infrastructure Ontario for the Denis St Pierre expansion in the amount of \$45,281,428 in the Consideration of By-laws, as recommended at the July 12, 2022 Council meeting.

In Favour (7): Mayor Bain, Deputy Mayor Bailey, Councillor Wilder, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Janisse

Carried

4. Asset Management Policy, Debt Policy, Drainage Financing and Local Improvement Policy

294-07-2022

Moved By Councillor Walstedt

Seconded By Councillor Santarossa

Direct the Clerk to read By-law 66-2022 to approve an Asset Management Policy during the Consideration of By-laws, as recommended at the July 12, 2022 Council meeting.

Carried Unanimously

295-07-2022

Moved By Councillor Santarossa

Seconded By Deputy Mayor Bailey

Direct the Clerk to read By-law 67-2022 to approve a Debt Policy in the Consideration of By-laws, as recommended at the July 12, 2022 Council meeting.

Carried Unanimously

296-07-2022**Moved By** Councillor Walstedt**Seconded By** Councillor McKinlay

Direct the Clerk to read By-law 68-2022 to approve a Drainage Financing and Local Improvement Policy in the Consideration of By-laws, as recommended at the July 12, 2022 Council meeting.

In Favour (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried**21. Consideration of By-laws****297-07-2022****Moved By** Councillor Walstedt**Seconded By** Councillor Santarossa

By-laws 53-2022 and 59-2022 be read a third time and adopted; and

By-laws 66-2022, 67-2022, 69-2022, 70-2022 and 72-2022 be read and passed in open session on July 12, 2022.

Carried Unanimously**298-07-2022****Moved By** Councillor Walstedt**Seconded By** Councillor McKinlay

By-law 68-2022 be read and passed in open session on July 12, 2022.

In Favour (6): Mayor Bain, Deputy Mayor Bailey, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (2): Councillor Wilder, and Councillor Janisse

Carried

299-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Walstedt

By-law 71-2022 be read and passed in open session on July 12, 2022.

In Favour (7): Mayor Bain, Deputy Mayor Bailey, Councillor Wilder, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Janisse

Carried

14. Reports for Direction

5. Community Winter Lights – Municipal Wide Strategy

300-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Wilder

Extend the meeting past the 9:30 PM deadline.

In Favour (6): Mayor Bain, Deputy Mayor Bailey, Councillor Wilder, Councillor Santarossa, Councillor Kerr, and Councillor McKinlay

Opposed (2): Councillor Janisse, and Councillor Walstedt

Carried

301-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Santarossa

Approve the Municipal Wide Strategy for Community Lights as per the recommended Option 2) to be funded over five (5) years and approve \$32,150.00 (including applicable HST) to deliver the 2022 program as presented at the July 12, 2022 Council meeting.

In Favour (5): Mayor Bain, Deputy Mayor Bailey, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (3): Councillor Wilder, Councillor Janisse, and Councillor Santarossa

Carried

302-07-2022

Moved By Councillor Wilder

Seconded By Councillor Santarossa

Direct Administration to prepare a report regarding the inclusion of additional communities, such as Pleasant Park and Elmstead, to be added to the Municipal Wide Strategy for Community Lights.

Carried Unanimously

15. Announcements by Mayor

16. Reports from County Council Representatives

18. Notices of Motion

Deputy Mayor Bailey presented a Notice of Motion to be considered at the August 9, 2022 Council meeting, regarding the installation of temporary speed bumps on Caille Avenue.

22. Adjournment

303-07-2022

Moved By Councillor McKinlay

Seconded By Councillor Walstedt

Council adjourn its meeting at 9:59 PM.

In Favour (7): Mayor Bain, Deputy Mayor Bailey, Councillor Janisse, Councillor Santarossa, Councillor Kerr, Councillor Walstedt, and Councillor McKinlay

Opposed (1): Councillor Wilder

Carried

Tom Bain
Mayor

Kristen Newman
Clerk



July 29, 2022

Association of Municipalities of Ontario (AMO)

Sent via email: policy@amo.on.ca

To whom it may concern:

Please be advised that Brantford City Council at its meeting held July 26, 2022 adopted the following:

12.4.9 Potential threat to residential home ownership

WHEREAS concerns from Brantford homeowners have been voiced regarding single family homes being purchased for purposes other than family residency, which practice is a factor in driving up the price of home values making home ownership out of reach for first time home buyers; and

WHEREAS an article in the Toronto Star, Sunday edition reports a case where a foreign national is being investigated for money laundering by “investing” in houses and housing developments in Vancouver. Financial and law enforcement experts say this problem extends to other Canadian cities, most notably in the GTA; and

WHEREAS the Province of British Columbia created an Expert Committee to investigate money laundering in residential real estate, which made several recommendations to the Provincial government to change the Provincial laws and for the Province to make changes to Federal laws to prevent this type of money laundering from occurring; and

WHEREAS the Council of The Corporation of the City of Brantford is very concerned with the rising cost of housing caused by money laundering through the purchase of residential real estate;


THEREFORE BE IT RESOLVED:

- A. THAT the Council of The Corporation of the City of Brantford respectfully CALLS UPON the Province of Ontario to create a similar Expert Committee as was done in British Columbia, to investigate what regulatory action can be taken to better combat money laundering in the Ontario real estate market; and
- B. THAT the Council of The Corporation of the City of Brantford respectfully CALLS UPON the Province of Ontario to implement whatever legislative changes may be necessary to combat money laundering in the Ontario real estate market; and

- C. THAT the Brantford Police Service BE REQUESTED to establish a tip hotline for suspected money laundering; and
- D. THAT the City Clerk BE DIRECTED to forward a copy of this resolution to the Association of Municipalities of Ontario (AMO), Ontario Big City Mayors (OBCM) and the list of other Ontario Municipalities with a request that those municipalities pass similar resolutions, and
- E. THAT the Clerk BE DIRECTED to forward a copy of this resolution to The Honourable Doug Ford, Premier of the Province of Ontario; the Minister of Municipal Affairs and Housing; MP Larry Brock and MPP Willem Bouma.

I trust this information is of assistance.

Yours truly,



Tanya Daniels
City Clerk, tdaniels@brantford.ca

cc Ontario Big City Mayors
All Ontario Municipalities



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Mulmur, Ontario
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Toll Free from 519 only **(866) 472-0417**
Fax **(705) 466-2922**

July 13, 2022

CLIMATE EMERGENCY DECLARATION

At the meeting held on July 6, 2022, Council of the Township of Mulmur passed the following resolution.

Moved by Boxem Seconded by Clark

WHEREAS the impacts of climate change are being felt in Mulmur and will continue to intensify, posing acute and lasting risks to people, business, and natural ecosystems;

AND WHEREAS these risks include, but are not limited to, extreme weather, threats to human health and wellbeing, economic disruption, food and water insecurity, social instability and threats to all other life on earth;

AND WHEREAS Mulmur has a crucial role to play in responding to, changing and mitigating the contributions to climate change through responsible planning and budgeting;

AND WHEREAS Council's Strategic Plan identifies a priority path of "Growing a Sustainable Mulmur: being proactive in sustainable initiatives to ensure the long term well-being of Mulmur";

AND WHEREAS the Township of Mulmur's Official Plan provides a policy for growth management where land use patterns shall "minimize negative impacts to air quality and climate change, and promote energy efficiency";

NOW THEREFORE BE IT RESOLVED THAT Council of the Township of Mulmur declare a Climate Emergency for the purpose of recognizing and deepening our commitment to protecting our economy, ecosystems, and community from climate change;

AND THAT, in response to this Climate Emergency, Council seeks to limit its contributions to the climate crisis, by way of the following actions:

1. That Council review the current Strategic Plan action items for "Growing a Sustainable Mulmur" to reprioritize commitments and identify additional areas to take action.
2. That Council direct staff to identify climate change options at budget time for Council consideration.
3. That Council direct staff to arrange training on climate change and climate lens adaptation to be scheduled in 2023.

AND FURTHER THAT this resolution be forwarded to all Ontario municipalities for their information and potential action.

CARRIED.

Sincerely,

Tracey Atkinson

Tracey Atkinson, CAO/Clerk/Planner
Township of Mulmur



admin@erca.org

P.519.776.5209

F.519.776.8688

360 Fairview Avenue West
Suite 311, Essex, ON N8M 1Y6

July 18, 2022

Town of Amherstburg

Town of Essex

Town of Kingsville

Town of LaSalle

Municipality of Leamington

Municipality of Lakeshore

Township of Pelee

Town of Tecumseh

City of Windsor

Attention: Municipal Council Clerks (for distribution)

RE: ESSEX REGION CONSERVATION AUTHORITY 2021 Audited Financial Statements and Administration's Report

Attached please find Essex Region Conservation Authority's 2021 Audited Financial Statements as approved by the ERCA Board of Directors at the June 23, 2022.

At the request of our Board, also attached is Administration's report (BD 13/22 2021 Draft Audited Financial Statements and Financial Condition Update) providing additional analysis undertaken as presented to the ERCA Board of Directors in conjunction with the independent audit undertaken by the firm of Hicks, MacPherson, latonna and Driedger LLP.

Should you have any questions regarding ERCA's Audited Financial Statements or Administration's report, please feel free to contact Mr. Tim Byrne, tbyrne@erca.org or by phone 519-776-5209 ext. 350.

Thank you,

Tim Byrne
CAO/Secretary-Treasurer

Shelley McMullen
CFO/Director, Finance and Corporate Services

Attachments:

- BD13/22 Draft Audited Financial Statement and Financial Condition Update and related appendices
- ERCA 2021 Audited Financial Statements



Essex Region Conservation Authority

Board of Directors

BD13/22

From: Shelley McMullen, CFO/Director Finance & Corporate Services

Date: Thursday, June 2, 2022

Subject: 2021 Draft Audited Financial Statements and Financial Condition Update

Compliance Action: Conservation Authorities Act -S.38 Annual Audit
Income Tax Act-Audited Financial Statement/T3010 Requirement for
Registered Charities

Recommendation: THAT the draft audited Financial Statements of the Essex Region Conservation Authority, including the Independent Auditor's Report, for the year ended December 31, 2021, be approved and released as final audited Financial Statements; and further,

THAT Administration be directed to circulate the approved report and Audited Financial Statements to member Municipalities as correspondence.

Summary

- The auditors are proposing to issue an unqualified audit report upon Board members' approval of the 2021 audited Financial Statements. While the audit procedures, including an understanding of the internal controls, are designed to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and to obtain sufficient audit evidence to support the audit opinion, the procedures are not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls.
- The 2021 operating budget anticipated a continuation of Covid19 restrictions throughout most of the year, and while there were several operating units, likely impacted by Covid19-related restrictions, that experienced unanticipated increases/decreases in revenues, the variances were overall immaterial to the financial results of the Authority.
- While the Financial Statements show an increase of \$81,048 in the operating fund surplus, resulting in an accumulated operating surplus of approximately \$133,380, \$85,000 is expected to be utilized in 2022, as outlined in the operating budget. Also, the actual unrestricted operating surplus amounted to ~\$126,000, prior to additional transfers of ~\$45,000 to the reserve funds, to address 2022 projects, as discussed below.
- The reserve funds increased by \$29,853 to \$1,221,251 from \$1,191,398 (Schedule 5 of the Financial Statements), although a decrease of \$119,000 was expected. This positive variance primarily relates

to: a lower demand for reserve funds for the construction of the JRPH Conservation Centre, due to receipt of Foundation grants; deferral of IT projects to 2022 due to vendor selection process; and additional transfers to infrastructure reserves for 2022 capital asset condition assessments and maintenance projects.

- Overall, the Authority experienced relative stability in its operations during 2021, as it adjusted to new operating procedures and service delivery methods, introduced as a result of the pandemic.
- Higher-than-expected permit revenues was the primary contributor to the positive results followed by wage savings related to periodic vacancies and redeployment of staff to special projects, funded by grants.
- The Authority has begun to proactively align its budget format and presentation, with the categorization of programs and services (mandatory and non-mandatory), as required by the revised Conservation Authorities Act, however the format of the audited Financial Statements will not be revised until fiscal year 2024, when all municipal funding agreements are expected to be in place, for non-mandatory programs and services. To provide further clarity to readers and support transparency, the Detailed Statement of Financial Activities by Program, is attached as Appendix C. This schedule presents program financial information, with revenues and expenses, and is the format used to present budget and interim financial results to stakeholders

Discussion

The firm of Hicks, MacPherson, latonna and Driedger LLP has completed the audit of the Financial Statements for the year ended December 31, 2021, (attached) and are prepared to issue their draft unqualified opinion upon Board approval of the Financial Statements. Audit guidelines now require the Board of Director's approval of the Financial Statements prior to final release of the audited Financial Statements and accompanying audit opinion.

The Audit Committee of the Essex Region Conservation Authority met on June 9, 2022 to review the draft audited Financial Statements with management and with Ms. Lindsay latonna, a partner with the appointed auditing firm. The Auditors and Audit Committee did not identify any concerns with the financial statements as prepared by management and additionally, no material internal control weaknesses or errors were noted by the auditors, to the extent that internal controls are reviewed. The Auditors noted that an unqualified report will be attached to the Authority's statements upon Board approval of the Financial Statements.

Financial Statements Overview

The financial statements comprise a report card on the financial activities of a government during a fiscal period and are made available to various stakeholders including: MECP; participating municipalities; board members; ratepayers; staff; transfer payment agencies and other funders; program partners; and financial institutions. Increased expectations and requirements for greater transparency, accountability, value- for-money, and greater comparability amongst governments and public sector agencies, has resulted the expectation for informative and standardized statements.

Five indicators or “messages” are typically included in government financial statements:

- net surplus/(debt);
- accumulated surplus/(deficit);
- annual surplus/(deficit);
- change in net debt in the year; and
- cash position and related cash flow in the year.

In response to this, the Authority has prepared four financial statements:

- Statement of Financial Position;
- Statement of Operations and Accumulated Surplus;
- Statement of Net Surplus; and
- Statement of Cash Flows.

Reconciling Budgets with Financial Statements

While the Financial Statements, as presented, accurately reflect the Authority’s financial position and transactions, they appear to be divergent or inconsistent as compared to the approved budget, resulting in a challenge for stakeholders, in terms of reconciling year-end results with the approved budget. Despite the suggestion that budget documents are to be presented in the same format as Financial Statements (C.D. Howe Institute’s 2014 report titled “Baffling Budgets: Canada’s Cities Need Better Financial Reporting”), it is often not the case: Budget documents are typically generated in a more user- friendly format to facilitate comprehension and ultimate decision-making. This is a challenge that is currently being addressed, at least in the municipal sector: MFOA’s official response to the Howe Institute report states that *“Budgets are laid out in a manner to be meaningful to both Councillors and the public. They are regularly monitored throughout the year by both staff and municipal Council. As well, municipalities have many excellent fiscal controls and countless reports in addition to the annual statutory reporting, all of which are more readable and understandable to “the reasonably intelligent” person than the annual financial statement. We know of no municipality in Ontario who provides interim financial reports based on their year-end reporting format due to its irrelevance to the budgets and actual fiscal control.”*

To address the issue and to facilitate the reconciliation between the budget and the Financial Statements, the following reconciliation summary has been prepared (FS Note 7):

	Approved Budget (BD 07/21)	Actual
Budgeted Deficit	\$ (346,500)	
Capital items to be included as operating expenses	700,000	
Land Acquisition	-	
Adjusted/Actual Net Surplus (Deficit)	353,500	654,877
Gain on Sale of Vehicles	-	(22,500)
Capitalized items	(700,000)	(805,973)
Land Acquisition*	-	-
	(346,500)	(173,596)
Acquisition of fleet & equipment	(88,500)	(93,246)
Net transfers from reserves (Schedule 5)	490,000	386,500
	55,500	119,658
Amortization	315,500	377,743
	371,000	497,401
Net transfers to reserves (Schedule 5)	(371,000)	(416,353)
Increase in Operating Surplus	\$ -	\$ 81,048

**Land acquisitions are approved during the year through the Committee of the Whole*

It should be noted that the Authority has begun to proactively align its budget format and presentation, with its draft categorization of programs and services (mandatory and non-mandatory), as required by the revised Conservation Authorities Act (effective January 1, 2024), however the format of the audited Financial Statements will not be revised until fiscal year 2024, when all municipal funding agreements are expected to be in place, for non-mandatory programs and services. To further provide clarity to readers and support transparency, the **Detailed Statement of Financial Activities by Program, is attached as Appendix C**. This schedule presents program financial information, with revenues and expenses, and is the format used to present budget and interim financial results to stakeholders

Statement of Financial Position, Statement of Cash Flows and Net Debt

For 2021, the Authority's year-end cash position increased by approximately \$1.64 million, almost entirely related to the collection of accounts receivable and the increase in deferred revenues, which together comprise the total change (Statement of Cash Flows).

Deferred revenues increased significantly by \$869,377, resulting in total deferred revenues at December 31st of almost \$3.6 million. The increase was driven by transfers to the land acquisition fund of ~\$600,000, in anticipation of the 2022 property acquisition. Additional transfers were made for budgeted water quality studies and capital projects, expected to proceed in 2022. Of the total \$3.6 million in deferred revenues, the land acquisition fund accounts for nearly \$2.2 million.

The reserve funds increased by \$29,853 to \$1,221,251 from \$1,191,398 (**Schedule 5 of the Financial Statements**), although a decrease of \$119,000 was expected. The positive variance of ~\$148,000 primarily relates to: a lower demand for reserve funds for the construction of the JRPH Conservation Centre, due to receipt of Foundation grants; deferral of IT projects to 2022 due to vendor selection process; and additional transfers of ~\$45,000 to infrastructure reserves for 2022 capital asset condition assessments and maintenance projects.

The net surplus position increased to \$1,310,364, a change of \$104,537 (Statement of Net Surplus). This particular change in financial position can also be reconciled as the increase in reserves, as noted above, plus the increase in the operating fund surplus of \$81,048 less the increase in prepaid expenses.

Statement of Operations (and Schedules 1-4)

As has been previously reported, ERCA's reliance on fee-for-service revenues, third party and special funding, results in varying revenues and expenses, as new projects and funding are available, partnership programs emerge, or are completed, and municipal capacity to support projects (e.g. WECl) varies.

While a comprehensive analysis regarding financial impacts of public health restrictions related to Covid19, was not undertaken, due to the fact that management assumed that most restrictions would remain in effect until fall of 2021, there were some minor unexpected results. Attendance skyrocketed at Holiday Beach and gate and pass revenues increased by \$60,000, although offset partially by placement of gate and additional cleaning staff. The increased net revenues were sufficient to allow for a redirection of the allocated \$27,000 CW~GS levy to the land acquisition fund though. Due to school field trips not resuming until 2022, and reduced event capacity, the John R Park Homestead's admissions/programs revenues fell short by approximately \$50,000, however expenses were reduced and the net result was a \$17k deficit at year end.

Other variances were likely unrelated to Covid19 and were attributable to greater than anticipated fee-for-service revenues in Watershed Management Services, as has been the trend over the past few years, and to other savings in labour, associated with vacant positions, staff work on outside funded special projects and deployment of internal staff to work on capital projects.

While the Financial Statements show an increase of \$81,048 in the operating fund surplus, the actual unrestricted operating surplus amounted to ~\$126,000, prior to additional transfers of ~\$45,000 to the reserve funds, to fund 2022 projects.

The breakdown of the net unanticipated positive variance of \$81,000 is shown below in Table 1:

Table 1

BUSINESS UNIT	Surplus/Deficit	Explanation	Additional Transfers to Reserves	Contribution to 2021 Increase in Accumulated Surplus
Watershed Mgmt Services	\$86,378	Permit revenues exceeded budget	-	\$86,378
Conservation Services	17,647	Wage savings due to redeployment of staff to special projects	40,000	(22,353)
Corporate Services	22,376	Wage savings due to vacancies/turnover and lower IT equipment costs due to transition to hosted/cloud IT infrastructure	5,353	17,023
	\$126,401		\$45,353	\$81,048

Revenues

Total revenues, before transfers to deferred revenues, were lower than budgeted revenues, but slightly higher, year over year (YoY), for the following reasons:

- Overall, government revenues were substantially lower than budget, due to timing of project revenues associated with the City of Windsor's Peche Island project. This accounted for approximately \$1.5million of the difference, which was offset by slightly higher Federal grant revenues for construction projects, habitat projects and water quality studies. Provincial grants were higher due to grants received for water quality initiatives and studies.
- Fee-for-service revenues significantly exceeded budget due to increased attendance at Holiday Beach accompanied by increased enforcement of admissions fees, higher than budgeted permit fees plus fee-for-service tree planting and restoration work.
- Other grants were higher than budgeted due to tree planting and restoration grants received from a US based non-profit organization, supporting tree planting.
- Grants from the Foundation were better than expected due to increased grants for the construction of the JRPH Conservation Centre.
- Deferred revenues are related to timing of grant payments, can vary dramatically from year to year and are difficult to predict. The variance from budget is primarily due to receiving grants and transfer payments specific to water quality initiatives, studies and restoration projects, in advance of incurring project expenses. Several grants were also received in late 2021, for 2022 conservation areas capital projects.

Expenses

Schedule 1/Appendix C Expenses- Watershed Management Services

- Overall, the expenses for Watershed Management Services of \$1.7million, are less than budgeted, due to timing of consulting expenses tied to Turkey Creek Hydrology Study and the conclusion of the Authority's direct staffing supports for Phase 1 of the County's Regional Energy Plan and related contracted consulting.
- Wage expenses were higher, due to turnover in the planning department, as staff from other functions, assisted in the transition and were engaged in reviewing applications and clearances while new staff were trained in role. Wages were also higher as senior administrative staff provided input and comments on a number of official plans updates.
- Overall, as noted in Table 1, Watershed Management Services contributed ~\$86k to the total unrestricted surplus of the Authority and related to permit fee revenues, which exceeded budget.

Schedule 2/Appendix C Expenses- Conservation Services

- Total departmental expenses of ~\$3.9 million were extremely consistent with the previous year, however approximately \$2million less than budgeted, as noted below:
 - Infrastructure additions and maintenance expenses of \$700,000 were included in the operating budget while approximately \$100,000 of expenses, relating to non-capitalized maintenance costs, were expensed, accounting for \$600,000 of the variance.
 - ~\$1.3 million variance relates to timing of the Peche Island project and postponement of other restoration activities, as noted above, but did not impact the operating surplus.
 - As noted in Table 1, the Conservation Services department contributed a small surplus of under \$18k to the overall financial surplus before additional transfers of \$40,000 to infrastructure reserves.

Schedule 3/Appendix C Expenses- Community Outreach Services

- In total, departmental expenses were slightly less than budgeted due to reduced supplies/plant material requirements for special projects for tree planting. This had no effect on the Authority's financial results.
- Wages were slightly less than budgeted as communication's staff were engaged in other initiatives of the Authority, which had a provision/budget for media and communication's supports.
- Overall, Community Outreach activities had no financial effect on the corporate surplus in 2021.

Schedule 4 Expenses/Appendix C - Corporate Services

- Corporate Services includes Administration, Finance, Human Resources and Information Management/Systems/Network. While actual 2021 expenses were slightly less than expected, it should be noted that IT related projects were delayed due to vendor procurement and selection process. However, since the majority of the consulting expense was expected to be financed through a reserve transfer, there was minimal effect on the departmental surplus.
- As noted in Table 1, the departmental activities contributed approximately \$22,000 before a small transfer of \$5k to the HR-related reserve. The Authority has committed to undertake external pay equity evaluations, for which the reserve may be required to fund the project and/or pay adjustments.
- Administration is working collaboratively with the Foundation to address the time and effort that is required of Authority staff to support the Foundation's compliance, governance and finance requirements. For 2022, the Foundation has approved a \$60,000 support grant, an increase of 50% from 2021. As the activity is non-mandatory, the Foundation is wholly responsible to support its own activities and operations and administrative staff is assisting the Foundation in evaluating options for service delivery.

Financial Condition Revisited

In November 2012, the Board of Directors directly responded to previously identified corporate sustainability threats: the looming infrastructure crisis; lack of reserves; and the accumulated operating deficit, by approving a five-year sustainability plan. Since that time, the Authority has continued to monitor indicators of its financial health.

The financial indicators included in BD 20/11, have been updated to include 2021 results and additional metrics have been added in order to report the progress, which was anticipated as a direct result of the Sustainability Plan implementation. The continuity schedule for financial indicators is included as Appendix A.

Infrastructure Reserve

As noted above, an infrastructure and major maintenance reserve was initiated and funded as part of the Sustainability Plan, to address degraded, failing and unsafe infrastructure. The asset management plan formed the basis of the replacement/repair plan and actual investments have been largely consistent with that plan. If the investment was not included in the original plan, it was made either: to address an emergency asset failure, to prevent more expensive future repairs; or to address a potential safety issue; or to prevent loss of material revenues; or government funds became available to add an additional or enhanced amenity (JRP Conservation Centre). Contributions to the infrastructure reserve fund are nearly \$3.9 million since the implementation of the Sustainability Plan in 2013 and during that time-frame the fund has financed almost \$3.77 million of investment in infrastructure. As of 12/31/2021, there was a balance of \$136,198 in the infrastructure reserve fund.

It should be noted that the infrastructure items shown in Appendix B were scheduled for replacement (or undertaken on an emergency basis), irrespective of available third-party grants and donations and that the additional contributions have facilitated a total of \$7.5 million investment in Authority infrastructure and capital maintenance over the past 9 years. The additional non-levy funding has reduced the burden on the reserve fund, in terms of dealing with emergency repairs and replacements, covering unforeseen project expenses and has also financed enhanced site amenities.

The continuity schedule shown in Appendix B does not convey the total project cost, but only the use of the infrastructure fund, to finance projects, either on a permanent or temporary basis, with totals as of December 31, 2021. The Essex Region Conservation Foundation contributes funds by soliciting organizations and companies to support key projects and executes multi-year funding agreements. Due to the nature of capital projects, projects are often completed in their entirety and the Authority accepts the funding transfer from the Foundation, as pledges are collected, leading to temporary use of the fund until full payment is made. The nine year investment in infrastructure, as funded or advanced by the reserve fund, is shown in Appendix B.

The complete listing of the Authority's reserves is shown on Schedule 5 of the Financial Statements.

Recommendation

Administration recommends that the draft audited Financial Statements of the Essex Region Conservation Authority, including the Independent Auditor's Report, for the year ended December 31, 2021, be approved and released as final audited Financial Statements.

Approved By:



Tim Byrne
CAO/Secretary Treasurer

Attachments:

- Appendix A – Financial Condition Indicators (2012-2021)
- Appendix B – Infrastructure Reserve Contributions/Uses
- Appendix C – Detailed Financial Activities By Program
- Draft Audited 2021 Financial Statements with Independent Auditor's Report (available under separate cover)

Appendix A-Financial Condition Indicators

Essex Region Conservation Authority

Financial Condition Indicators (2012-2021)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sustainability Plan I.O (2013-2017)	Pre-Plan	Yr1	Yr2	Yr3	Yr4	Yr5				
Ratio – Financial Assets to Financial Liabilities	0.88	1.21	1.23	1.24	1.21	1.54	1.51	1.55	1.34	1.30
Annual investment - Infrastructure/Major Maintenance	\$160,201	\$248,800	\$637,600	\$683,800	\$1,640,000	\$1,067,600	\$509,500	\$360,800	\$1,456,000	\$914,200
Net Book Value as % of Total Historical Asset Cost (excluding land)	68%	66%	65%	67%	70%	75%	76%	73%	74%	73%
Accumulated Unrestricted Surplus/(Deficit)	(\$436,970)	(\$316,635)	(\$249,872)	(\$128,686)	(\$67,374)	\$133,746	\$116,063	\$118,223	\$52,332	\$133,380
Reserves(restricted/unrestricted)	\$199,587	\$822,109	\$973,716	\$942,050	\$968,305	\$1,251,856	\$1,293,887	\$1,448,539	\$1,191,398	\$1,221,251
Annual Levy (General)	\$1,640,206	\$1,684,210	\$1,746,936	\$1,767,435	\$1,906,833	\$1,997,733	\$2,098,752	\$2,188,667	\$2,336,666	\$2,485,204
Annual Levy (CW~GS)	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$969,414
Total Levies	\$2,690,206	\$2,734,210	\$2,796,936	\$2,817,435	\$2,956,833	\$3,047,733	\$3,148,752	\$3,238,667	\$3,386,666	\$3,454,618
Levy Increase		\$44,004	\$62,726	\$20,499	\$139,398	\$90,900	\$101,019	\$89,915	\$148,000	\$67,952
Levy allocated for infrastructure replacement		\$425,000	\$475,000	\$425,000	\$475,000	\$475,000	\$320,000	\$200,000	\$250,000	\$325,000
Levy allocated to other reserves	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0	\$50,000	\$64,000
Levy allocated to land securement		\$141,400	\$139,400	\$156,900	\$158,600	\$170,226	\$458,600	\$582,600	\$510,095	\$525,099
Levy increase attributable to operations	\$208,256	\$44,004	\$14,726	\$52,999	\$87,698	\$79,274	\$17,645	\$85,915	\$120,505	(\$36,052)

Appendix B – Infrastructure Reserve Contributions/Uses

Infrastructure/Major Maintenance Reserve Continuity Schedule	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Infrastructure reserve contributions										
Opening balance	\$ 19,175									\$ 19,175
Infrastructure reserve contributions	425,000	425,000	425,000	425,000	425,000	120,000	204,000	250,000	315,000	3,014,000
Phased-in infrastructure replacement levy		50,000	50,000	100,000	150,000	200,000	-	-	-	550,000
Interest	1,995	5,464	7,971	8,144	9,937	9,600	12,000	10,000	-	65,111
Other/ERCF/MTO	245,000	13,768	-	-	-	-	-	-	-	258,768
	\$ 691,170	\$ 494,232	\$ 482,971	\$ 533,144	\$ 584,937	\$ 329,600	\$ 216,000	\$ 260,000	\$ 315,000	\$ 3,907,054
Infrastructure and major maintenance items:										
Cypher Systems Greenway				82,000	72,690		(80,000)	(71,250)	-	\$ 3,440
Devonwood trail & parking lot						77,000	(44,000)			33,000
Greenways resurfacing/signage /maintenance	32,079	2,200	7,599		266,773		-		-	308,651
Greenway risk remediation/netting		80,040								80,040
Greenway entrances/access									7,700	7,700
HBCA Beach washroom	56,580	195,237	332,160		-		-			583,977
HBCA Boardwalk					19,000	139,074	60,500			218,574
HBCA Cottage (site work, landscape/deck)				26,000	15,000					41,000
HBCA Investment feasibility plan							19,000			19,000
HBCA linear infrastructure (drainage/water/sewer/electrical)	45,458	21,544	12,399	57,500						136,901
HBCA -Classroom (in excess of ERCF\$)							13,559	(18,100)		(4,541)
HBCA -Playground (in excess of ERCF\$)							7,702	23,650		31,352
HBCA roads							179,800	105,472		285,272
HBCA shoreline remediation					3,000	66,400	8,400			77,800
HBCA Storm damages (in excess of insurance reserve\$)							5,245			5,245
HBCA workshop replacement						645	13,540	227,500	25,000	266,685
HMCA Entrance			14,882							14,882
JRPH Conservation Centre								73,260	347,800	421,060
JRPH parking lot expansion		30,000								30,000
JRPH Shoreline remediation								223,710	6,000	229,710
Kopegaron boardwalk			183,866	226,000						409,866
Maidstone boardwalk/gravel trail					84,173	90,550				174,723
Maidstone drainage	3,128	33,420								36,548
Millcreek Culverts	9,210	99,550	7,144							115,904
Misc major CA maintenance(P lots etc)		3,900								3,900
Ramps - accessibility				6,800						6,800
Ruthven Trail Extension				41,000						41,000
Rotary(Oldcastle) Hub	-	-	4,164	92,000	93,000	21,000	(59,504)			150,660
CA Signage							11,606	4,951		16,557
Civic Centre workshop heating/parking lot			4,400		20,750					25,150
	146,455	465,891	566,614	531,300	574,386	394,669	135,848	569,193	386,500	3,770,856
Closing balance	\$ 544,715	\$ 573,056	\$ 489,413	\$ 491,257	\$ 501,808	\$ 436,739	\$ 516,891	\$ 207,698	\$ 136,198	\$ 136,198

2021 DETAILED FINANCIAL ACTIVITIES BY PROGRAM

2021
AUDITED

2021
BUDGET

WATERSHED MANAGEMENT SERVICES

CATEGORY 1 MANDATORY SERVICES - RISKS OF NATURAL HAZARDS

DEVELOPMENT SERVICES

GENERAL LEVY	185,800	234,650
OTHER GRANTS/USER FEES/RECOVERIES	745,245	620,000
	<u>931,045</u>	<u>854,650</u>
WAGES	674,228	661,000
CONSULTING	-	1,000
SUPPLIES/OFFICE/JANITORIAL	30,687	17,000
VEHICLE/TRAVEL/EQUIP'T USAGE	14,343	20,500
CORP SUPPORT/SHARED SVCS	111,388	119,000
RENT/INS/TAXES/UTILITIES	27,325	23,000
DUES/MEMBERSHIPS	251	650
AUDIT AND LEGAL	-	10,000
CAP MAINT/LOW VALUE ASSETS	1,364	2,500
	<u>859,585</u>	<u>854,650</u>

PLANNING RELATED TO HAZARDS

GENERAL LEVY	98,550	89,550
OTHER GRANTS/USER FEES/RECOVERIES	113,965	10,000
	<u>212,515</u>	<u>99,550</u>
WAGES	163,494	84,500
SUPPLIES/OFFICE/JANITORIAL	2,987	1,550
VEHICLE/TRAVEL/EQUIP'T USAGE	-	500
CORP SUPPORT/SHARED SVCS	25,382	12,000
RENT/INS/TAXES/UTILITIES	5,000	1,000
	<u>196,863</u>	<u>99,550</u>

FLOOD /EROSION PROGRAM (\$3.39 PROV \$)

GENERAL LEVY	136,013	144,263
PROVINCIAL GRANTS	104,417	104,417
OTHER GRANTS/USER FEES/RECOVERIES	0	-
	<u>240,430</u>	<u>248,680</u>
WAGES	153,031	156,500
CONSULTING/INFO'N/DATA SVCS	39,731	35,500
SUPPLIES/OFFICE/JANITORIAL	4,591	8,680
VEHICLE/TRAVEL/EQUIP'T USAGE	3,982	6,000
CORP SUPPORT/SHARED SVCS	31,336	32,000
RENT/INS/TAXES/UTILITIES	8,000	10,000
	<u>240,671</u>	<u>248,680</u>

WATERSHED ENGINEERING/TECHNICAL STUDIES SUPPORTS

GENERAL LEVY	70,750	94,150
	<u>70,750</u>	<u>94,150</u>
WAGES	58,454	75,000
SUPPLIES/OFFICE/JANITORIAL	901	1,550
VEHICLE/TRAVEL/EQUIP'T USAGE	-	1,100
CORP SUPPORT/SHARED SVCS	9,222	15,000
RENT/INS/TAXES/UTILITIES	2,000	1,000
DUES/MEMBERSHIPS	270	500
	<u>70,846</u>	<u>94,150</u>

	2021 AUDITED	2021 BUDGET
CLIMATE CHANGE - HAZARDS		
GENERAL LEVY	-	25,000
	-	25,000
WAGES	-	21,500
CONSULTING	-	-
CORP SUPPORT/SHARED SVCS	-	3,500
	-	25,000

SUMMARY - CATEGORY 1 WMS MANDATORY SERVICES, RISKS OF NATURA		
GENERAL LEVY	491,113	587,613
PROVINCIAL GRANTS	104,417	104,417
OTHER GRANTS/USER FEES	876,710	630,000
TRANSFER TO/FROM DEF REVENUES	(17,500)	-
	1,454,740	1,322,030
WAGES & BENEFITS	1,049,207	998,500
SUPPLIES/SERVICES/OTHER	123,490	114,930
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	195,268	208,600
	1,367,965	1,322,030
SURPLUS/(DEFICIT)	86,775	-

CATEGORY 2 NON MANDATORY SERVICES -MUNICIPAL PROGRAMS		
PLANNING RELATED TO NATURAL HERITAGE		
GENERAL LEVY	65,500	-
CW~GS LEVY	-	-
OTHER GRANTS/USER FEES/RECOVERIES	-	91,000
	65,500	91,000
WAGES	56,930	76,000
VEHICLE/TRAVEL/EQUIP'T USAGE	20	-
CORP SUPPORT/SHARED SVCS	8,542	13,000
RENT/INS/TAXES/UTILITIES	-	2,000
	65,492	91,000

SUMMARY CATEGORY 2 NON MANDATORY SERVICES -MUNICIPAL PROGRAMS		
GENERAL LEVY	65,500	-
CW~GS LEVY	-	-
OTHER GRANTS/USER FEES	-	91,000
	65,500	91,000
WAGES & BENEFITS	56,930	76,000
SUPPLIES/SERVICES/OTHER	20	2,000
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	8,542	13,000
	65,492	91,000
SURPLUS/(DEFICIT)	8	-

	2021 AUDITED	2021 BUDGET
CATEGORY 3 NON MANDATORY SERVICES - TERM LIMITED MUNICIPAL PROJECTS/STUDIES		
MUNICIPAL WATER & EROSION CONTROL PROJECTS (50% PROV \$)		
MUNICIPAL	69,945	70,500
PROVINCIAL GRANTS	(26,652)	17,625
TRANSFERS (TO)/FROM DEFERRED REVENUES	34,298	52,875
	<u>77,591</u>	<u>141,000</u>
DIRECT WAGES	9,550	750
CONSULTING/OUTSIDE ENGINEERING	27,930	44,250
CONSTRUCTION	37,918	96,000
TRAVEL/VEHICLE/ADMINISTRATION/OVERHEAD	2,203	-
	<u>77,600</u>	<u>141,000</u>
SPECIAL MUNICIPAL STUDIES/PROJECTS		
MUNICIPAL	122,380	355,000
PROVINCIAL GRANTS	-	-
FEDERAL GRANTS	22,500	-
TRANSFERS (TO)/FROM DEFERRED REVENUES	(15,279)	14,700
	<u>129,601</u>	<u>369,700</u>
DIRECT WAGES	10,454	20,000
CONSULTING/OUTSIDE ENGINEERING	116,756	340,500
TRAVEL/VEHICLE/ADMINISTRATION/OVERHEAD	2,788	9,200
	<u>129,997</u>	<u>369,700</u>
SUMMARY CATEGORY 3 NON MANDATORY SERVICES - TERM LIMITED PROJECTS/STUDIES		
MUNICIPAL	192,325	425,500
PROVINCIAL GRANTS	(26,652)	17,625
FEDERAL GRANTS	22,500	-
TRANSFER TO/FROM DEF REVENUES	19,019	67,575
	<u>207,192</u>	<u>510,700</u>
WAGES & BENEFITS	20,004	20,750
CONSTRUCTION/ENGINEERING/SUPPLIES	182,603	480,750
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	4,991	9,200
	<u>207,597</u>	<u>510,700</u>
SURPLUS/(DEFICIT)	(405)	-

CONSERVATION SERVICES

CATEGORY 1 MANDATORY SERVICES - CONSERVATION LANDS MANAGEMENT		
GENERAL PROGRAM OPERATIONS, MANAGEMENT PLANS & LAND STRATEGIES		
GENERAL LEVY	147,815	179,215
FEDERAL GRANTS	-	25,000
	<u>147,815</u>	<u>204,215</u>
WAGES	124,238	175,000
SUPPLIES/OFFICE/JANITORIAL	4,164	4,215
VEHICLE/TRAVEL/EQUIP'T USAGE	-	2,000
CORP SUPPORT/SHARED SVCS	19,421	23,000
SMALL MISC	-	-
	<u>147,823</u>	<u>204,215</u>

	2021 AUDITED	2021 BUDGET
CONSERVATION AREAS/GREEWAYS/OWNED PROPERTIES MAINTENANCE		
GENERAL LEVY	543,626	620,226
FEDERAL GRANTS	22,153	-
OTHER GRANTS/USER FEES	96,621	85,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	9,111	5,800
TRANSFERS TO/FROM RESERVES	(22,000)	(7,000)
	<u>649,511</u>	<u>704,026</u>
	255,471	313,500
CONSTRUCTION	9,580	-
ENGINEERING/CONSULTING	8,802	12,000
SUPPLIES/OFFICE/JANITORIAL	45,088	45,910
VEHICLE/TRAVEL/EQUIP'T USAGE	56,921	74,500
PLANT MAT/LANDOWNER GRANTS	1,909	16,300
CORP SUPPORT/SHARED SVCS	76,384	89,890
RENT/INS/TAXES/UTILITIES	121,018	118,200
AUDIT AND LEGAL	1,120	-
CAP MAINT/LOW VALUE ASSETS	69,583	32,976
SMALL MISC	2,583	750
	<u>648,458</u>	<u>704,026</u>
CAPITAL OR MAJOR MAINTENANCE/IMPROVEMENT PROJECTS		
GENERAL LEVY	71,100	15,000
MUNICIPAL	100,000	-
PROVINCIAL GRANTS	6,249	-
FEDERAL GRANTS	160,000	60,000
OTHER GRANTS/USER FEES	202,833	200,000
TRANSFERS TO/FROM RESERVES	371,500	425,000
	<u>911,682</u>	<u>700,000</u>
	5,563	15,000
WAGES	24,519	648,500
CONSTRUCTION	2,442	15,000
ENGINEERING/CONSULTING/SUB CONTRACTING	6,716	12,000
CONSTRUCTION SUPPLIES	395	-
VEHICLE/TRAVEL/EQUIP'T USAGE	14,850	9,500
CORP SUPPORT/SHARED SVCS	49,714	-
CAP MAINT/LOW VALUE ASSETS	<u>108,229</u>	<u>700,000</u>
JOHN R PARK HOMESTEAD		
GENERAL LEVY	90,000	90,000
CW~GS LEVY	97,065	97,065
PROVINCIAL GRANTS	23,688	23,688
FEDERAL GRANTS	15,221	-
OTHER GRANTS/USER FEES	17,833	69,550
TRANSFERS (TO)/FROM DEF REVENUES	-	-
TRANSFERS (TO)/FROM RESERVES	(10,000)	-
	<u>233,807</u>	<u>280,303</u>
	168,331	173,000
WAGES	-	10,000
CONSTRUCTION	-	1,500
CONSULTING/SUB K	20,144	32,503
SUPPLIES/OFFICE/JANITORIAL	1,583	300
VEHICLE/TRAVEL/EQUIP'T USAGE	25,144	25,000
CORP SUPPORT/SHARED SVCS	24,448	30,000
RENT/INS/TAXES/UTILITIES	6,978	7,000
CAP MAINT/LOW VALUE ASSETS	<u>250,396</u>	<u>280,303</u>

	2021 AUDITED	2021 BUDGET
TREE PLANTING AND RESTORATION -ERCA LANDS		
GENERAL LEVY	60,600	58,700
PROVINCIAL GRANTS	13,654	10,000
OTHER GRANTS/USER FEES	29,285	51,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	17,435	-
	<u>120,974</u>	<u>119,700</u>
WAGES	61,072	64,000
SUPPLIES/OFFICE/JANITORIAL	3,499	9,079
VEHICLE/TRAVEL/EQUIP'T USAGE	19,702	13,550
PLANT MAT/LANDOWNER GRANTS	24,495	14,071
CORP SUPPORT/SHARED SVCS	12,204	17,000
RENT/INS/TAXES/UTILITIES	-	2,000
	<u>120,972</u>	<u>119,700</u>
FLEET & FIELD EQUIPMENT		
GENERAL LEVY	50,000	-
OTHER GRANTS/USER FEES/RECOVERIES	193,232	173,000
TRANSFERS TO/FROM RESERVES	-	25,000
	<u>243,232</u>	<u>198,000</u>
MAINTENANCE/REPAIRS	74,347	60,000
FUEL	36,707	33,400
LICENCES/MISC/SMALL TOOLS	20,058	16,600
AMORTIZATION	90,115	88,000
	<u>221,226</u>	<u>198,000</u>
SUMMARY CATEGORY 1 MANDATORY SERVICES -LAND MGMT, (OWNED) CONSERVATION AREAS OPERATIONS,MAINTEN		
GENERAL LEVY	963,141	963,141
CW~GS LEVY	97,065	97,065
MUNICIPAL	100,000	-
PROVINCIAL GRANTS	43,591	40,688
FEDERAL GRANTS	197,374	85,000
OTHER GRANTS/USER FEES	665,601	571,550
IN-KIND	5,000	-
TRANSFER TO/FROM DEF REVENUES	(104,251)	5,800
TRANSFER TO/FROM RESERVES	339,500	443,000
	<u>2,307,021</u>	<u>2,206,244</u>
WAGES & BENEFITS	626,032	740,500
CONSTRUCTION/ENGINEERING/SUPPLIES	651,389	1,224,854
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	219,684	240,890
	<u>1,497,104</u>	<u>2,206,244</u>
SURPLUS/(DEFICIT)	809,917	-
CATEGORY 3 NON MANDATORY SERVICES - ONGOING ERCA CORE CONSERVATION-RELATED PROGRAMS		
LAND SECUREMENT		
CW~GS LEVY	525,099	500,000
FEDERAL GRANTS	-	-
TRANSFERS (TO)/FROM LAND ACQ FUND	(485,795)	(453,000)
	<u>39,304</u>	<u>47,000</u>
WAGES	14,686	17,000
LEGAL, SURVEYING,CONSULTNG	20,002	25,000
CORP SUPPORT/SHARED SVCS	4,617	5,000
	<u>39,305</u>	<u>47,000</u>

	2021 AUDITED	2021 BUDGET
RESTORATION/TREE PLANTING PROGRAM - NON ERCA PROPERTIES		
CW~GS LEVY	60,000	60,000
PROVINCIAL GRANTS	31,782	62,500
FEDERAL GRANTS	28,499	28,000
OTHER GRANTS/USER FEES	461,354	297,300
IN-KIND	14,478	-
TRANSFERS (TO)/FROM DEFERRED REVENUES	45,285	4,400
	<u>641,397</u>	<u>452,200</u>
WAGES	197,777	150,500
ENGINEERING/CONSULTING/SUB-CONTRACTING	21,734	-
SUPPLIES/OFFICE/JANITORIAL	17,944	10,700
VEHICLE/TRAVEL/EQUIP'T USAGE	28,169	30,100
PLANT MAT/LANDOWNER GRANTS	276,469	205,500
CORP SUPPORT/SHARED SVCS	73,625	48,900
RENT/INS/TAXES/UTILITIES	8,857	5,000
IN KIND SVCS SUPPLIES	14,478	-
CAP MAINT/LOW VALUE ASSETS	2,300	1,000
SMALL MISC	-	500
	<u>641,352</u>	<u>452,200</u>
HOLIDAY BEACH (OPERATED UNDER MGMT AGREEMENT)		
CW~GS LEVY	-	27,000
SELF GENERATED	324,876	251,800
	<u>324,876</u>	<u>278,800</u>
WAGES	162,625	133,250
ENGINEERING/CONSULTING/SUB CONTRACTING	999	2,500
SUPPLIES/OFFICE/JANITORIAL	55,835	39,778
VEHICLE/TRAVEL/EQUIP'T USAGE	23,535	16,322
CORP SUPPORT/SHARED SVCS	34,138	31,600
RENT/INS/TAXES/UTILITIES	39,350	32,600
AUDIT AND LEGAL	500	-
MAJOR MAINT/ROADS/VEGETATION	8,104	22,250
SMALL MISC	-	500
	<u>325,086</u>	<u>278,800</u>
SUMMARY CATEGORY 3 NON MANDATORY SERVICES - ERCA ONGOING CC		
CW~GS LEVY	585,099	587,000
PROVINCIAL GRANTS	31,782	62,500
FEDERAL GRANTS	28,499	28,000
OTHER GRANTS/USER FEES	786,229	549,100
IN-KIND	14,478	-
TRANSFER TO/FROM DEF REVENUES	(440,510)	(448,600)
	<u>1,005,577</u>	<u>778,000</u>
WAGES & BENEFITS	375,088	300,750
OTHER OPERATING/SITE SUPPLIES/PROF SERVICES	471,712	353,714
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	158,943	123,536
	<u>1,005,743</u>	<u>778,000</u>
SURPLUS/(DEFICIT)	(166)	-

	2021 AUDITED	2021 BUDGET
CATEGORY 3 NON MANDATORY SERVICES - FEE FOR SERVICE TERM-LIMITED PROJECTS/CONTRACTS		
FEE FOR SERVICE RESTORATION PROJECTS & HABITAT STUDIES		
MUNICIPAL	86,326	1,507,000
PROVINCIAL GRANTS	15,000	75,000
FEDERAL GRANTS	304,882	280,000
OTHER GRANTS/USER FEES	59,838	50,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	5,702	78,575
	471,748	1,990,575
WAGES	73,159	67,000
CONSTRUCTION	262,185	1,765,000
ENGINEERING/CONSULTING/SUB-CONTRACTING	105,614	125,000
SUPPLIES/OFFICE/JANITORIAL	3,602	5,000
VEHICLE/TRAVEL/EQUIP'T USAGE	8,938	7,000
CORP SUPPORT/SHARED SVCS	13,495	20,575
RENT/INS/TAXES/UTILITIES	590	1,000
SMALL MISC	4,230	-
	471,812	1,990,575
FEE FOR SERVICE PROPERTY MAINTENANCE/MANAGEMENT		
OTHER GRANTS/USER FEES	8,389	5,750
TRANSFERS (TO)/FROM DEFERRED REVENUES	3,200	-
	11,589	5,750
WAGES	8,769	4,000
SUPPLIES/OFFICE/JANITORIAL	(341)	-
VEHICLE/TRAVEL/EQUIP'T USAGE	1,367	1,000
CORP SUPPORT/SHARED SVCS	1,553	750
RENT/INS/TAXES/UTILITIES	302	-
SMALL MISC	-	-
	11,650	5,750
SUMMARY CATEGORY 3 NON MANDATORY SERVICES - FEE FOR SERVICE C		
MUNICIPAL	86,326	1,507,000
PROVINCIAL GRANTS	15,000	75,000
FEDERAL GRANTS	304,882	280,000
OTHER GRANTS/USER FEES	68,227	55,750
TRANSFER TO/FROM DEF REVENUES	8,902	78,575
	483,337	1,996,325
WAGES & BENEFITS	81,928	71,000
CONSTRUCTION/SUPPLIES/OTHER	376,205	1,896,000
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	25,328	29,325
	483,462	1,996,325
SURPLUS/(DEFICIT)	(125)	-

WATERSHED RESEARCH

CATEGORY 1 MANDATORY SERVICE - ESSEX REGION SOURCE PROTECTION AUTHORITY (Under Clean Water Act,2006)

PROVINCIAL GRANTS	121,892	95,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	(26,371)	-
	95,522	95,000
WAGES	77,603	80,000
SUPPLIES/OFFICE/JANITORIAL	1,005	-
CORP SUPPORT/SHARED SVCS	11,176	12,000
RENT/INS/TAXES/UTILITIES	1,493	-
PER DIEMS/MISC	4,245	3,000
	95,522	95,000

CATEGORY 2 MUNICIPAL SERVICES - RISK MANAGEMENT SERVICES (PART IV CWA, 2006)

	2021 AUDITED	2021 BUDGET
MUNICIPAL	25,434	12,000
	25,434	12,000
WAGES	19,889	10,000
SUPPLIES/OFFICE/JANITORIAL	348	500
CORP SUPPORT/SHARED SVCS	3,235	1,500
RENT/INS/TAXES/UTILITIES	1,962	-
MISC SUPPLIES	-	-
	25,434	12,000
CATEGORY 3 NON MANDATORY SERVICE - ONGOING ERCA CORE WATER QUALITY/RESEARCH PROGRAM		
WATERSHED WATER QUALITY PROGRAM		
CW~GS LEVY	72,750	72,750
FEDERAL GRANTS	5,000	-
TRANSFERS (TO)/FROM DEFERRED REVENUES	(56,500)	-
	21,250	72,750
WAGES	868	44,500
CONSULTING/SUB CONTRACTING	13,556	10,000
SUPPLIES/OFFICE/JANITORIAL	1,548	2,400
VEHICLE/TRAVEL/EQUIP'T USAGE	1,808	4,500
CORP SUPPORT/SHARED SVCS	2,056	11,000
RENT/INS/TAXES/UTILITIES	1,235	350
DUES/MEMBERSHIPS	171	-
SMALL MISC	-	-
	21,242	72,750
DEMONSTRATION/CROP RESEARCH FARM		
CW~GS LEVY	35,000	35,000
OTHER	19,414	16,600
TRANSFERS (TO)/FROM DEFERRED REVENUES	(35,000)	-
	19,414	51,600
WAGES	6,768	35,000
SUPPLIES/OFFICE/JANITORIAL	1,260	6,000
VEHICLE/TRAVEL/EQUIP'T USAGE	4,550	1,500
PLANT MAT/LANDOWNER GRANTS	852	-
CORP SUPPORT/SHARED SVCS	1,973	6,000
RENT/INS/TAXES/UTILITIES	350	-
DUES/MEMBERSHIPS	259	300
TECHNICAL EQUIPMENT	769	800
SMALL MISC	2,611	2,000
	19,393	51,600
LANDOWNER STEWARDSHIP PROGRAM		
CW~GS LEVY	35,000	35,000
IN-KIND	4,722	20,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	(22,300)	3,000
	17,422	58,000
VEHICLE/TRAVEL/EQUIP'T USAGE	215	2,000
PLANT MAT/LANDOWNER GRANTS	8,669	25,000
CORP SUPPORT/SHARED SVCS	2,279	5,000
RENT/INS/TAXES/UTILITIES	128	-
IN KIND SVCS SUPPLIES	4,722	20,000
SMALL MISC	1,460	6,000
	17,473	58,000
SUMMARY CATEGORY 3 NON MANDATORY SERVICES - ERCA ONGOING W		
CW~GS LEVY	142,750	142,750
FEDERAL GRANTS	5,000	-
OTHER GRANTS/USER FEES	19,414	16,600

	2021 AUDITED	2021 BUDGET
IN-KIND	4,722	20,000
TRANSFER TO/FROM DEF REVENUES	(113,800)	3,000
	58,086	182,350
WAGES & BENEFITS	9,096	85,500
SUPPLIES/TECH SERVICES/EQUIP'T	37,634	67,350
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	11,378	29,500
	58,108	182,350
SURPLUS/(DEFICIT)	(22)	-

CATEGORY 3 NON MANDATORY SERVICES - TERM LIMITED GRANT-FUNDED/FEE-FOR-SERVICE PROJECTS/STUDIES

DETROIT RIVER CANADIAN CLEANUP		
PROVINCIAL GRANTS	85,000	-
FEDERAL GRANTS	99,833	73,500
OTHER GRANTS/USER FEES	1,000	-
TRANSFERS (TO)/FROM DEFERRED REVENUES	(26,339)	73,500
	159,494	147,000
WAGES	126,422	110,000
ENGINEERING/CONSULTING	-	-
SUPPLIES/OFFICE/JANITORIAL	6,047	7,500
VEHICLE/TRAVEL/EQUIP'T USAGE	4,701	250
PLANT MAT/LANDOWNER GRANTS	-	10,000
CORP SUPPORT/SHARED SVCS	20,794	19,000
RENT/INS/TAXES/UTILITIES	1,530	250
SMALL MISC	-	-
	159,494	147,000
REGIONAL ENERGY PLAN & CLIMATE CHANGE STUDIES		
MUNICIPAL	50,675	79,100
FEDERAL GRANTS	29,790	23,000
OTHER GRANTS/USER FEES	-	10,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	33,376	51,000
	113,841	163,100
WAGES	79,361	65,000
ENGINEERING/CONSULTING	19,754	87,000
SUPPLIES/OFFICE/JANITORIAL	1,205	-
VEHICLE/TRAVEL/EQUIP'T USAGE	-	-
CORP SUPPORT/SHARED SVCS	12,853	11,100
RENT/INS/TAXES/UTILITIES	1,033	-
SMALL MISC	-	-
	114,206	163,100

	2021 AUDITED	2021 BUDGET
OTHER WATER QUALITY STUDIES (FED\$ & PROV\$)		
PROVINCIAL GRANTS	489,593	296,000
FEDERAL GRANTS	275,560	240,000
IN-KIND	6,413	-
TRANSFERS (TO)/FROM DEFERRED REVENUES	(158,726)	-
	<u>612,839</u>	<u>536,000</u>
WAGES	311,790	247,295
CONSTRUCTION	-	30,000
CONSULTING/SUB CONTRACTING	29,534	71,705
SUPPLIES/OFFICE/JANITORIAL	18,369	2,000
VEHICLE/TRAVEL/EQUIP'T USAGE	10,750	8,000
PLANT MAT/LANDOWNER GRANTS	161,261	114,000
CORP SUPPORT/SHARED SVCS	64,090	58,000
RENT/INS/TAXES/UTILITIES	3,169	-
IN KIND SVCS SUPPLIES	6,413	-
TECHNICAL EQUIPMENT	7,463	5,000
SMALL MISC	-	-
	<u>612,839</u>	<u>536,000</u>
OTHER WATER QUALITY FEE FOR SERVICE (SAMPLING/DATA/ANALYSIS)		
FEDERAL GRANTS	22,454	-
OTHER	23,000	21,985
	<u>45,454</u>	<u>21,985</u>
WAGES	35,822	16,500
CONSULTING/SUB CONTRACTING	1,791	600
SUPPLIES/OFFICE/JANITORIAL	485	185
VEHICLE/TRAVEL/EQUIP'T USAGE	1,906	1,900
CORP SUPPORT/SHARED SVCS	5,204	2,800
RENT/INS/TAXES/UTILITIES	236	-
SMALL MISC	-	-
	<u>45,443</u>	<u>21,985</u>
SUMMARY CATEGORY 3 NON MANDATORY SERVICES - TERM LIMITED GRANT-FUNDED/FEE-FOR-SERVICE PROJECTS/STUDIES		
MUNICIPAL	50,675	79,100
PROVINCIAL GRANTS	574,593	296,000
FEDERAL GRANTS	427,637	336,500
OTHER GRANTS/USER FEES	24,000	31,985
IN-KIND	6,413	-
TRANSFER TO/FROM DEF REVENUES	(151,689)	124,500
	<u>931,629</u>	<u>868,085</u>
WAGES & BENEFITS	553,394	438,795
SUBSIDIES/MATERIALS/TECH SVCS/EQUIP'T	262,582	328,240
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	116,005	101,050
	<u>931,982</u>	<u>868,085</u>
SURPLUS/(DEFICIT)	(353)	-

	2021 AUDITED	2021 BUDGET
COMMUNITY SERVICES		

CATEGORY 1 MANDATORY SERVICES- SUPPORTS ALL MANDATORY SERVICES		
CORPORATE COMMUNICATIONS		

GENERAL LEVY	167,350	177,700
ERCF/OTHER GRANTS	21,667	20,000
	<u>189,017</u>	<u>197,700</u>
WAGES	174,457	192,000
CONSULTING	-	-
SUPPLIES/OFFICE/JANITORIAL	14,110	4,800
VEHICLE/TRAVEL/EQUIP'T USAGE	-	450
CAP MAINT/LOW VALUE ASSETS	-	450
SMALL MISC	-	-
	<u>188,567</u>	<u>197,700</u>

CATEGORY 3 NON MANDATORY SERVICES - ONGOING ERCA STAKEHOLDER ENGAGEMENT, OUTREACH & EDUCATION		
OUTDOOR & CONSERVATION EDUCATION		

GENERAL LEVY	10,350	-
CW~GS LEVY	31,000	16,000
ERCF GRANTS	28,800	25,000
OTHER GRANTS/USER FEES	25,210	25,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	(24,300)	3,000
	<u>71,060</u>	<u>69,000</u>
WAGES	59,863	55,000
SUPPLIES/OFFICE/JANITORIAL	505	2,670
VEHICLE/TRAVEL/EQUIP'T USAGE	252	830
CORP SUPPORT/SHARED SVCS	9,328	10,000
RENT/INS/TAXES/UTILITIES	1,565	500
SMALL MISC	-	-
	<u>71,513</u>	<u>69,000</u>

OUTREACH & ENGAGEMENT		
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CW~GS LEVY	49,500	62,600
OTHER GRANTS/USER FEES	6,835	30,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	(750)	-
	<u>55,585</u>	<u>92,600</u>
WAGES	42,433	42,000
SUPPLIES/OFFICE/JANITORIAL	3,715	6,150
VEHICLE/TRAVEL/EQUIP'T USAGE	1,024	3,200
PARTNER GRANTS/PLANT MATERIAL	-	19,000
CORP SUPPORT/SHARED SVCS	7,036	21,000
RENT/INS/TAXES/UTILITIES	1,221	750
CAP MAINT/LOW VALUE ASSETS	-	500
TOTAL EXPENSES	55,601	92,600
SMALL MISC	173	-
	<u>55,601</u>	<u>92,600</u>

SUMMARY CATEGORY 3 NON MANDATORY SERVICES - ERCA ONGOING ST		
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CW~GS LEVY	49,500	62,600
OTHER GRANTS/USER FEES	6,835	30,000
TRANSFER TO/FROM DEF REVENUES	(750)	-
	<u>55,585</u>	<u>92,600</u>
WAGES & BENEFITS	42,433	42,000
OTHER OPERATING/SITE SUPPLIES/PROF SERVICES	5,108	26,600
INTERNAL RECOVERIES FOR SHARED SVCS/FLEET	8,060	24,000
	<u>55,601</u>	<u>92,600</u>
SURPLUS/(DEFICIT)	(16)	-

	2021 AUDITED	2021 BUDGET
CATEGORY 3 NON MANDATORY SERVICES - FUNDRAISING/COMMUNITY EVENTS & GRANT FUNDED TERM PROJECTS		
FEDERAL GRANTS	4,750	-
OTHER GRANTS/USER FEES	61,810	32,000
TRANSFERS (TO)/FROM DEFERRED REVENUES	(18,127)	35,500
	<u>48,433</u>	<u>67,500</u>
WAGES	25,210	17,000
TREES/SUPPLIES	23,340	50,500
	<u>48,551</u>	<u>67,500</u>

CORPORATE SERVICES

CATEGORY 1 MANDATORY SERVICES- CORPORATE & SUPPORT FUNCTIONS		
ADMINISTRATION, GOVERNANCE, RISK, COMPLIANCE, HR, FINANCE & IM/IT		
GENERAL LEVY	487,750	456,750
OTHER GRANTS/USER FEES/RECOVERIES	647,971	660,000
TRANSFERS (TO)/FROM RESERVES	(5,353)	15,000
	<u>1,130,368</u>	<u>1,131,750</u>
WAGES	771,624	784,000
MEMBER EXPENSES/CO DUES	54,101	57,500
AUDIT/LEGAL/CONSULTING	45,786	54,900
SUPPLIES/EQUIPT/NETWORK	55,925	59,350
OCCUPANCY/PHONE	145,670	142,500
TRAVEL & BD/STAFF MEETINGS	710	2,000
RETIREE BENEFITS	19,842	16,000
	<u>1,093,658</u>	<u>1,116,250</u>

CORPORATE SPECIAL PROJECTS (RECORDS/IS/IT)		
TRANSFERS FROM RESERVES	-	25,000
	<u>-</u>	<u>25,000</u>
CONSULTING/OTHER	-	25,000
	<u>-</u>	<u>25,000</u>

RESERVES		
GENERAL LEVY	300,000	300,000
CWGS	64,000	64,000
TRANSFER TO/FROM RESERVES	(364,000)	(364,000)
	<u>-</u>	<u>-</u>

SUMMARY CATEGORY 1 MANDATORY SERVICES - CORPORATE SERVICES		
GENERAL LEVY	787,750	756,750
CW~GS LEVY	64,000	64,000
OTHER GRANTS/USER FEES	647,971	660,000
TRANSFER TO/FROM RESERVES	(369,353)	(324,000)
	<u>1,130,368</u>	<u>1,156,750</u>
WAGES & BENEFITS	771,624	784,000
OTHER OPERATING/SUPPLIES/PROF SERVICES	322,034	357,250
	<u>1,093,658</u>	<u>1,141,250</u>
SURPLUS/(DEFICIT)	<u>36,710</u>	<u>15,500</u>

NON MANDATORY SERVICES- ESSEX REGION CONSERVATION GOVERNANCE & FINANCE SUPPORTS		
GRANT FROM FOUNDATION, FOR STAFF SUPPORTS	18,333	10,000
ERCF-RELATED WAGE SUPPORTS	37,883	25,500
NET FINANCIAL SUPPORT OF/(PROVIDED BY) ERCF	(19,550)	(15,500)

	2021 AUDITED	2021 BUDGET
AUTHORITY FINANCIAL SUMMARY OF PROGRAMS & SERVICES BY CATEGORY		
Programs & Services associated with Risks of Hazards, Conservation of Lands*, & Drinking Water Source Protection		
Total Municipal Levies associated with mandatory programs & services	2,564,819	2,631,269
Other Government \$	301,025	265,105
Self-generated/Other grants	1,441,000	1,307,360
Deferred Revenue Transfers	(17,324)	5,800
	4,289,520	4,209,534
Reserve transfers	(401,353)	(306,000)
Total revenues associated with mandatory programs & services	3,888,167	3,903,534
Operational Expenses associated with mandatory services		
Wages & benefits -ERCA operations	2,770,747	2,872,500
Plant material, removals and landowner subsidies - ERCA operations	26,404	30,371
Site & operational supplies/services - Conservation Areas	78,184	77,821
Office supplies & expenses - other ERCA programs	15,396	19,130
Occupancy, taxes, utilities & waste removal	275,019	282,860
Maintenance, repairs & security-sites	69,427	46,100
Maintenance, repairs & supplies-fleet/equipment	111,194	100,900
Equipment, software/hardware & website- ERCA operations	72,217	95,173
Technical & sub-contracted services/consulting - ERCA operations	65,875	75,000
Insurance, audit & legal	113,671	106,600
Dues & memberships	45,911	49,229
Travel, training & professional development	5,914	15,750
Board ,committee & meeting expenses	19,245	19,000
Bank, credit card charges and interest	20,941	9,600
Fleet/Equipment replacement	93,246	88,000
Total operational expenses -mandatory programs	3,783,391	3,888,034
Operating surplus/(Deficit) - mandatory programs/services	104,776	15,500
Capital projects associated with conservation areas infrastructure		
Total Municipal Levies associated with capital projects/infrastructure	71,100	15,000
Transfers from Infrastructure Reserve	371,500	425,000
Grants from ERCF/Other funders	469,082	260,000
Total revenues associated with capital projects/infrastructure	911,682	700,000
Construction/engineering-ERCA capital projects (transferred to TCA at y/e)	102,666	685,000
Wages	5,563	15,000
Capitalized Infrastructure replacement	805,973	
Total ERCA infrastructure investment	914,202	700,000
Surplus/(Deficit) - capital projects	(2,520)	-
TOTAL SURPLUS/(DEFICIT)-MANDATORY PROGRAMS/SVCS	102,256	15,500
CATEGORY 3 NON MANDATORY PROGRAMS & SERVICES		
On-going recurring core watershed programs & services		
Total Municipal Levies associated with NM programs & services	818,699	808,350
Other Government \$	65,281	90,500
Self-generated/Other grants	904,021	675,700
Deferred Revenue Transfers	(577,560)	(442,600)
Total revenues associated with ERCA-ongoing non-mandatory programs & service	1,210,441	1,131,950
Expenses associated with ERCA ongoing non-mandatory programs & services		
Wages & benefits -non mandatory operations	526,282	508,750
Construction& consulting engineering	29,043	17,500
Plants, removals and landowner subsidies	286,729	262,500
Supplies	40,270	44,085
Maintenance, repairs & security	22,502	19,086
Occupancy, taxes, utilities & waste removal	38,559	36,653
Equipment, software/hardware & website	8,379	6,750
Lab, data, technical & sub-contracted services	28,046	12,000
Insurance & legal	26,113	24,600
Dues & memberships	4,043	450
Travel, training & professional development	1,279	2,790

	2021 AUDITED	2021 BUDGET
Bank, credit card charges and interest	11,911	4,500
In-kind supplies & services	19,200	20,000
Recoveries-shared/corp svcs/fleet	188,353	187,786
	1,230,709	1,147,450
Surplus/(Deficit) associated with ERCA-ongoing NM programs & services	(20,267)	(15,500)
Category 2 & 3 Municipal and Non Mandatory Term-limited projects with special grants and fixed terms		
Municipal Special Project/Fee For Service	354,760	2,023,600
Other Government \$	1,322,711	1,005,125
Self-generated/Other grants	160,449	119,735
Deferred Revenue Transfer	(143,695)	306,150
Total Revenues associated with term limited 3rd-party funded projects & services	1,694,225	3,454,610
Expenses associated with term limited 3rd-party funded projects & services		
Wages & benefits -special grant & municipal projects	698,506	557,545
Construction& consulting engineering-special grant & municipal	576,700	2,537,750
Plants, removals and landowner subsidies-special grant projects	171,984	160,000
Program supplies- special grant projects	29,365	23,185
Maintenance, repairs & security	846	-
Occupancy, taxes, utilities & waste removal	642	1,000
Equipment, software/hardware & website-special grant projects	21,590	6,000
Lab, data, technical & sub-contracted services -special grant	24,781	22,305
Insurance & legal	8,822	1,250
Dues & memberships	-	-
Travel, training & professional development	891	-
Bank, credit card charges and interest	1,272	-
In-kind supplies & services	6,413	-
Recoveries-shared/corp svcs/fleet	153,354	145,575
	1,695,165	3,454,610
Surplus/(Deficit) associated with term limited 3rd party funded projects & services	(940)	-
SURPLUS/(DEFICIT) ASSOCIATED WITH ALL NMS & ACTIVITIES	(21,208)	(15,500)
Consolidated Surplus(Deficit)	81,048	-
Municipal Levies associated with mandatory services	2,635,919	2,646,269
Municipal Levies associated with non-mandatory services	818,699	808,350
Total Municipal Levies	3,454,618	3,454,619

Levy - Operations	\$ 2,485,204	\$ 2,485,204
Levy - Clean Water~Green Spaces	969,414	969,415
Total Municipal Levy	3,454,618	3,454,619
Water & erosion control infrastructure and special projects	429,326	2,011,600
Risk management services	25,434	12,000
	3,909,378	5,478,219
Provincial		
Section 39 Flood/Erosion Program	104,417	104,417
Drinking Water Source Protection	121,892	95,000
WECI	(26,652)	17,625
Other (CMOG, SEO etc)	664,966	474,188
	864,624	691,230
Federal	990,642	729,500
Total Government Transfer Payments & Fees-For-Services	5,764,644	6,898,949

	2021 AUDITED	2021 BUDGET
Other revenues		
Permit and applicant fees - mandatory services	859,210	721,000
Admissions, program fees & other services	741,159	498,385
Leases & property rentals	85,937	80,600
Donations and other grants		
General	262,518	193,500
Essex Region Conservation Foundation grants	460,780	421,500
In-kind contributions	30,613	20,000
Interest income	31,251	30,000
Gain on sale of assets	22,500	-
Total other revenues	2,493,969	1,964,985
Transfers from/(to) deferred revenues	(869,377)	(130,650)
Interdepartmental recoveries	781,190	803,000
TOTAL REVENUES	\$ 8,170,426	\$ 9,536,284
EXPENSES BY CLASSIFICATION		
Wages & benefits -ERCA operations	\$ 3,302,592	\$ 3,396,250
Wages & benefits -special grant projects	698,506	557,545
Construction-municipal projects	182,603	481,750
Construction-special grant projects	409,287	1,977,000
Construction-ERCA capital projects	73,378	818,000
Plant material, removals and landowner subsidies-special grant projects	471,747	368,571
Plant material, removals and landowner subsidies - ERCA operations	13,371	84,300
Program supplies- special grant projects	43,816	39,785
Site & operational supplies - Conservation Areas	98,654	75,899
Office supplies & expenses - other ERCA operations	24,702	35,037
Maintenance, repairs & security-sites	83,497	55,186
Maintenance, repairs & supplies-fleet/equipment	111,194	100,900
Equipment, software/hardware & website-special grant projects	23,915	10,000
Equipment, software/hardware & website- ERCA operations	122,035	97,923
Lab, data, technical & sub-contracted services -special grant	37,563	34,305
Lab, data, technical & sub-contracted services - ERCA operations	66,957	52,500
Insurance, audit & legal	148,606	132,450
Dues & memberships	49,954	49,679
Travel, training & professional development	8,084	18,540
Board ,committee & meeting expenses	19,245	19,000
Bank, credit card charges and interest	34,124	14,100
In-kind supplies & services	25,613	20,000
Amortization	377,743	315,500
Internal recoveries included in revenues	776,376	808,051
TOTAL EXPENSES	\$ 7,521,810	\$ 9,882,784
Total Revenues	8,176,687	9,536,284
Total Expenses	7,521,810	9,882,784
SURPLUS/(DEFICIT) (ACCRUAL BASIS)	654,877	(346,500)
ADD/SUBTRACT: NON CASH ITEMS		
Donation of land to ERCA	-	-
Gain/loss on asset disposal	(22,500)	-
Amortization	377,743	315,500
Transfers from Reserves (Per Schedule)	-	-
DEDUCT: CAPITAL ITEMS		
Land acquisition	-	-
Purchased fleet/equipment	(93,246)	(88,000)
Infrastructure additions	(805,973)	-
(DECREASE)/INCREASE IN NET SURPLUS (prior to reserve transfers)	110,901	(119,000)
TRANSFER (TO)/FROM RESERVES (Per Schedule)	(29,853)	119,000
FUND SURPLUS	\$ 81,048	\$ -

Essex Region Conservation Authority

**Financial Statements
December 31, 2021**

INDEPENDENT AUDITOR'S REPORT

To the Directors of Essex Region Conservation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Essex Region Conservation Authority, which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of cash flow for the year then ended
- the statement of net surplus for the year then ended
- and notes to the financial statements including summary of accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Essex Region Conservation Authority as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Essex Region Conservation Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Essex Region Conservation Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Essex Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Essex Region Conservation Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Essex Region Conservation Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Essex Region Conservation Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Essex Region Conservation Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**HICKS, MacPHERSON, IATONNA
& DRIEDGER LLP**

*Hicks, MacPherson, Iatonna
& Driedger LLP*

Chartered Professional Accountants
Licensed Public Accountants

Leamington, Ontario
June 23, 2022

**Essex Region Conservation Authority
Statement of Financial Position
December 31**

	2021	2020
Financial Assets		
Cash and cash equivalents (Note 1(i))	4,815,475	\$ 3,175,037
Accounts receivable (Note 4)	809,108	1,589,059
	5,624,583	4,764,097
Financial Liabilities		
Accounts payable and accrued liabilities	715,635	829,063
Deferred revenues	3,598,584	2,729,208
	4,314,219	3,558,271
Net Surplus	1,310,364	1,205,826
Non-Financial Assets		
Tangible capital assets (Notes 1(c) and 2)	21,666,332	21,122,356
Prepaid expenses and inventory	44,267	37,903
	21,710,598	21,160,259
Accumulated surplus	\$ 23,020,962	\$ 22,366,085
Accumulated surplus consists of:		
Operating surplus	\$ 133,380	\$ 52,331
Reserves (Note 1(d) and Schedule 5)	1,221,251	1,191,398
Equity in tangible capital assets	21,666,332	21,122,356
	\$ 23,020,962	\$ 22,366,085

The accompanying notes and schedules are an integral part of these financial statements.

On behalf of the Board:



Chair



Secretary-Treasurer

Essex Region Conservation Authority
Statement of Operations
for the years ended December 31

	2021 Budget (note 7)	2021 Actual	2020 Actual
Revenues			
Government grants & transfer payments:			
Provincial - Section 39	\$ 104,417	\$ 104,417	\$ 104,417
- Drinking Source Water Protection Program	95,000	121,892	52,734
- MNR (Water & Erosion Control Infrastructure) (recovery)	17,625	(26,652)	52,875
- Other	474,188	664,966	519,926
Federal	729,500	990,642	996,414
Municipal			
Levy - General	2,485,204	2,485,204	2,336,666
Levy - Special	969,415	969,414	1,050,000
Remedial projects, studies and risk management services	2,023,600	454,760	1,088,846
Total government revenues	6,898,949	5,764,644	6,201,879
Self-generated & other revenues			
Fee for service, program fees & admissions	1,219,385	1,606,630	1,145,495
Leases & property rentals	80,600	85,937	80,255
Interdepartmental recoveries	803,000	781,190	676,066
Donations & other grants			
General	193,500	262,518	156,010
Essex Region Conservation Foundation (note 10)	421,500	460,780	544,276
In-kind contributions	20,000	30,613	39,222
Interest and miscellaneous income	30,000	31,251	64,690
Net gain on disposal of assets	-	22,500	-
Total other revenues	2,767,985	3,281,420	2,706,015
Change in deferred revenue			
Net transfers to deferred revenue	(130,650)	(869,377)	(545,651)
TOTAL REVENUES	9,536,284	8,176,687	8,362,242
Expenses			
Watershed management services (Schedule 1)	2,086,830	1,755,260	1,801,569
Conservation services (Schedule 2)	5,886,904	3,893,034	3,884,950
Communications & outreach (Schedule 3)	406,800	342,565	299,602
Corporate services (Schedule 4)	1,186,750	1,153,208	991,376
	9,567,284	7,144,067	6,977,497
Amortization (note 2)	315,500	377,743	309,545
Total expenses before extraordinary item	9,882,784	7,521,810	7,287,042
Extraordinary item (note 12)	-	-	292,742
TOTAL EXPENSES	9,882,784	7,521,810	7,579,784
Net Surplus (Deficit) for the Year	(346,500)	654,877	782,458
Accumulated Surplus, Beginning of Year	22,366,085	22,366,085	21,583,627
Accumulated Surplus, End of Year	\$ 22,019,585	\$ 23,020,962	\$ 22,366,085

The accompanying notes and schedules are an integral part of these financial statements.

Essex Region Conservation Authority
Statement of Cash Flow
for the years ended December 31

	2021	2020
	Actual	Actual
Cash provided for (used in):		
Operating Activities		
Net surplus for the year	\$ 654,877	\$ 782,458
Non cash items:		
Amortization	377,743	309,545
Gain on sale of tangible capital assets	(22,500)	-
(Increase) decrease accounts receivable	779,951	(856,389)
(Increase) decrease prepaid expenses and inventory	(6,364)	9,860
Increase (decrease) accounts payable and accruals	(113,426)	259,498
Increase deferred revenues	869,377	545,651
	2,539,657	1,050,624
Investing/Capital Activities		
Constructed tangible capital assets	(805,973)	(221,910)
Construction in progress of tangible capital assets	-	(1,023,929)
Acquisition of land	-	(115,562)
Purchase of tangible capital assets	(93,246)	(53,635)
	(899,219)	(1,415,036)
(Decrease) Increase in cash and cash equivalents	1,640,439	(364,412)
Cash and cash equivalents, beginning of year	3,175,037	3,539,449
Cash and cash equivalents, end of year	\$ 4,815,475	\$ 3,175,037

The accompanying notes and schedules are an integral part of these financial statements.

Essex Region Conservation Authority
Statement of Net Surplus
for the years ended December 31

	2021 Budget (note 7)	2021 Actual	2020 Actual
Net surplus/(deficit) for the year	\$ (346,500)	\$ 654,877	\$ 782,458
Acquisition of land	-	-	(115,562)
Acquisition and/or construction of tangible capital assets	-	(805,973)	(1,245,839)
Purchase of tangible capital assets	(88,000)	(93,246)	(53,635)
Gain on sale/disposal/destruction of assets	-	(22,500)	-
Change in prepaid expenses and supplies inventory	-	(6,364)	9,860
Amortization of tangible capital assets	315,500	377,743	309,545
Increase (decrease) in net surplus	(119,000)	104,538	(313,172)
Net surplus , beginning of year	1,205,826	1,205,826	1,518,998
Net surplus, end of year	\$ 1,086,826	\$ 1,310,364	\$ 1,205,826

The accompanying notes and schedules are an integral part of these financial statements.

Essex Region Conservation Authority

Notes to the Financial Statements

for the year ended December 31

Purpose of Organization

The Essex Region Conservation Authority (ERCA) is a public sector agency, established under the Conservation Authorities Act of Ontario, on July 18, 1973, to further the conservation, restoration, development and management of natural resources, exclusive of gas, oil, coal and minerals for the watersheds within its area of jurisdiction.

The Authority is also a registered charity (107311177RR0001) as recognized by the Canada Revenue Agency.

1. Summary of Accounting Policies

- a) **Management Responsibility** – The financial statements of the Essex Region Conservation Authority ("Authority") are prepared by management in accordance with Canadian public sector accounting standards principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of CPA Canada. The integrity and objectivity of these statements are also management's responsibility. Management is also responsible for all of the notes and schedules to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.
- b) **Basis of Accounting** – Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- c) **Tangible Capital Assets** – Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Donated tangible capital assets are reported at fair market value at the time of donation. Leasehold improvements are amortized on a straight-line basis over the lesser of the economic useful life of the improvement or the term of the related property management agreement or lease. Capital works-in-progress are not amortized until the asset is available for productive use. Tangible Capital Assets do not include: assets unrelated to the Authority's core business operations, such as ancillary rental dwellings, specialty assets purchased exclusively for purposes of fulfilling grant obligations, heritage/historical assets held in perpetuity and minority ownership in assets owned by other public sector organizations.

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

1. Summary of Accounting Policies (Continued)

c) Tangible Capital Assets (Continued)

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Land/Site Improvements	15 to 30 years
Buildings	25 to 50 years
Engineered Structures	15 to 30 years
Linear Assets (Sewer and Water)	35 to 60 years
Machinery and Field Equipment	7 to 40 years
Vehicles	7 years
Furniture & Fixtures	20 years
Computer Hardware & Software	4 to 10 years

- d) **Reserves** – Reserves for future expenditures and contingencies are established as required using the estimates of management. Increases or decreases in these reserves are made by appropriations to or from operations.
- e) **Interdepartmental Recoveries** – Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating the equipment, including replacement. Finance, administration and overhead items are partially charged to programs and projects, on a pro-rata basis.
- f) **In-Kind Contributions** – The Authority records various in-kind contributions made by private landowners and other public sector agencies. A landowner in-kind contribution is recorded when required by government grant programs to satisfy eligibility requirements and when the landowner contribution can be verified and valued. The Authority periodically receives property and tangible goods, donated by various agencies and private landowners, which also results in the recording of an in-kind contribution.

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

1. Summary of Significant Accounting Policies (Continued)

- g) **Government Transfers & Deferred Revenue** – The Authority receives certain amounts for which the related services have yet to be performed. The gross transfer payments received during the year are shown by government program, however, revenue unearned in the current period is recorded as a transfer to deferred revenue.
- h) **Use of Estimates** – The presentation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the carrying value of tangible capital assets and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.
- i) **Cash and Cash Equivalents**- Cash and cash equivalents include cash balances and short term highly liquid investments that are readily converted to cash.

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

2.Tangible Capital Assets

Cost	Balance 31-Dec-20	Additions	Disposals	Balance 31-Dec-21
Land	\$ 12,181,612	\$ -	\$ -	\$ 12,181,612
Land/Site improvements	5,586,165	-	-	5,586,165
Buildings	479,222	1,559,540	-	2,038,762
Engineered structures	2,102,010	-	-	2,102,010
Leasehold improvements	1,644,176	290,709	-	1,934,885
Machinery and field equipment	517,269	19,691	(10,153)	526,806
Vehicles	544,939	96,056	(79,619)	561,376
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	116,682	-	(10,975)	105,707
Capital works-in-progress	1,044,276	-	(1,044,276)	-
	\$ 24,319,631	\$ 1,965,995	\$ (1,145,024)	\$ 25,140,603
Accumulated Amortization	Balance 31-Dec-20	Disposals	Amortization	Balance 31-Dec-21
Land	\$ -	\$ -	\$ -	\$ -
Land/Site improvements	359,297	-	61,984	\$ 421,281
Buildings	347,732	-	39,301	387,033
Engineered structures	801,844	-	69,909	871,753
Leasehold improvements	776,427	-	106,562	882,989
Machinery and field equipment	349,502	(10,153)	28,910	368,259
Vehicles	381,132	(79,619)	62,261	363,773
Furniture and fixtures	85,460	-	3,564	89,024
Computer hardware and software	95,881	(10,975)	5,253	90,159
Capital works-in-progress	-	-	-	-
	\$ 3,197,275	\$ (100,747)	\$ 377,743	\$ 3,474,270
	Net Book Value 31-Dec-20			Net Book Value 31-Dec-21
Land	\$ 12,181,612			\$ 12,181,612
Land/Site improvements	5,226,868			5,164,884
Buildings	131,490			1,651,729
Engineered structures	1,300,166			1,230,257
Leasehold improvements	867,749			1,051,896
Machinery and field equipment	167,767			158,548
Vehicles	163,808			197,603
Furniture and fixtures	17,820			14,256
Computer hardware and software	20,801			15,548
Capital works-in-progress	1,044,276			-
	\$ 21,122,356			21,666,332

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

2.Tangible Capital Assets (Continued)

Cost	Balance 31-Dec-19	Additions	Disposals	Balance 31-Dec-20
Land	\$ 12,066,050	\$ 115,562	\$ -	\$ 12,181,612
Land/Site improvements	5,586,165	-	-	5,586,165
Buildings	479,222	-	-	479,222
Engineered structures	1,920,100	221,910	(40,000)	2,102,010
Leasehold improvements	1,644,176	-	-	1,644,176
Machinery and field equipment	517,269	-	-	517,269
Vehicles	491,304	53,635	-	544,939
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	116,682	-	-	116,682
Capital works-in-progress	20,347	1,023,929	-	1,044,276
	\$ 22,944,595	\$ 1,415,036	\$ (40,000)	\$ 24,319,631
Accumulated Amortization	Balance 31-Dec-19	Disposals	Amortization	Balance 31-Dec-20
Land	\$ -	\$ -	\$ -	\$ -
Land/Site improvements	297,313	-	61,984	359,297
Buildings	339,582	-	8,150	347,732
Engineered structures	771,935	(40,000)	69,909	801,844
Leasehold improvements	696,293	-	80,134	776,427
Machinery and field equipment	319,218	-	30,285	349,502
Vehicles	332,593	-	48,539	381,132
Furniture and fixtures	81,896	-	3,564	85,460
Computer hardware and software	88,901	-	6,981	95,881
Capital works-in-progress	-	-	-	-
	\$ 2,927,730	\$ (40,000)	\$ 309,545	\$ 3,197,275
	Net Book Value 31-Dec-19			Net Book Value 31-Dec-20
Land	\$ 12,066,050			\$ 12,181,612
Land/Site improvements	5,288,852			5,226,868
Buildings	139,640			131,490
Engineered structures	1,148,165			1,300,166
Leasehold improvements	947,883			867,749
Machinery and field equipment	198,051			167,767
Vehicles	158,712			163,808
Furniture and fixtures	21,384			17,820
Computer hardware and software	27,781			20,801
Capital works-in-progress	20,347			1,044,276
	\$ 20,016,865			21,122,356

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

2. Tangible Capital Assets (Continued)

The Authority owns assets that are not included above, including the Kingsville Train Station and certain buildings located on the John R. Park Homestead and its collection of artifacts. The assets have significant heritage and historical value in perpetuity and are not amortized or recorded as tangible capital assets in the financial statements.

3. Financial Instruments

The fair values of cash, accounts receivable, accounts payable and accrued liabilities and deferred revenues approximate their carrying values because of their expected short-term maturity and treatment on normal trade terms. It is management's opinion that the Authority is not exposed to significant interest or currency risks arising from these financial instruments.

4. Accounts Receivable

Included in accounts receivable is an HST Rebate of \$ 203,025 (2020 - \$344,217).

5. Pension Agreements

The Essex Region Conservation Authority belongs to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The cost of the plan is the employer's contribution to the plan.

The 2021 employer's portion of OMERS pension contributions was \$277,546 (2020 - \$261,172).

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

6. Expenses by Object

	2021 APPROVED	2021 ACTUAL	2020 AUDITED
Expenses by Classification			
Wages & benefits - ERCA operations	3,281,500	3,155,420	2,813,104
Wages & benefits - special grant projects	672,295	845,679	739,273
Construction - municipal projects	481,750	182,603	61,385
Construction - special grant projects	1,977,000	409,287	1,176,295
Construction - ERCA capital projects	783,000	50,394	174,031
Plant material, removals & landowner subsidies - special grant projects	368,571	471,747	229,364
Plant material, removals & landowner subsidies - ERCA operations	84,300	13,371	18,129
Program supplies - special grant projects	39,785	43,816	41,665
Site & operational supplies - Conservation Areas	75,899	98,654	60,754
Office supplies & expenses - other ERCA operations	35,037	24,702	24,683
Occupancy, taxes, utilities & waste removal	320,513	318,250	297,578
Maintenance, repairs & security - sites	55,186	83,497	70,530
Maintenance, repairs & supplies - fleet/equipment	100,900	111,194	99,033
Equipment, software/hardware & website - special grant projects	10,000	23,915	43,913
Equipment, software/hardware & website - ERCA operations	97,923	122,035	41,109
Lab, data, technical & sub-contracted services - special grant	34,305	37,563	46,880
Lab, data, technical & sub-contracted services - ERCA operations	87,500	89,941	49,744
Insurance, audit & legal	132,450	148,606	197,679
Dues & memberships	49,679	49,954	52,300
Travel, training & professional development	18,540	8,084	3,314
Board, committee & meeting expenses	19,000	19,245	21,487
Bank, credit card charges & interest	14,100	34,124	20,820
In-kind supplies & services	20,000	25,613	39,222
Amortization	315,500	377,743	309,545
Extraordinary item	-	-	292,742
Other	-	-	45
	\$ 9,074,733	\$ 6,745,434	\$ 6,924,624
Internal recoveries included in revenues	808,051	776,376	655,160
Total Expenses	\$ 9,882,784	\$ 7,521,810	\$ 7,579,784

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

7. Budget Amounts:

The 2021 budget amounts that were approved on April 8, 2021, were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as project expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant positive variance for the surplus reported for the year. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

	Budget (BD 07/21)	Actual
Budgeted Deficit	\$ (346,500)	
Capital items included as operating expenses	700,000	
Adjusted/Actual Net Surplus	353,500	654,877
Gain on Sale of Vehicles	-	(22,500)
Capitalized items	(700,000)	(805,973)
	(346,500)	(173,596)
Acquisition of fleet & equipment	(88,000)	(93,246)
Net transfers from reserves (Schedule 5)	490,000	386,500
	55,500	119,658
Amortization	315,500	377,743
	371,000	497,401
Net transfers to reserves (Schedule 5)	(371,000)	(416,353)
Increase in Operating Surplus	\$ -	\$ 81,048

8. Credit Facility

The Authority maintains an operating line facility with the Canadian Imperial Bank of Commerce which bears interest at prime less .25% and is due on demand. As of December 31, 2021 no balance (2020 - \$0) was payable under this facility.

9. Commitments

On May 4, 2001 the Authority entered into a 30 year property management agreement, with the Province of Ontario (Ministry of Natural Resources), to manage the property known as Holiday Beach Conservation Area. The agreement can be terminated at any time, if notice is served at least 120 days in advance of the termination date.

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

10. Related Entity

Essex Region Conservation Foundation

Essex Region Conservation Authority ("ERCA") has an economic interest in the Essex Region Conservation Foundation ("Foundation"). The Foundation was established for the purpose of raising funds and disbursing grants to ERCA and other organizations, which are working towards a shared vision of environmental sustainability.

The Foundation was incorporated under the laws of Ontario without share capital or benefit for its members and is therefore exempt from income taxes. The income generated by the Foundation is distributed to ERCA and other qualifying donees as the funds are requested and approved. The accounting policy followed in reporting the Foundation is note disclosure.

The transactions with the Foundation include \$460,780 (2020 - \$544,276) recorded as revenue. All amounts have been measured at the exchange amount.

The assets, liabilities, results of operations and cash flow for the Foundation for the years ended December 31 are as follows:

	2021	2020
<i>Financial position:</i>		
Total assets	\$ 739,956	\$ 619,691
Total liabilities	\$ 255,942	\$ 247,065
Net assets	484,014	372,626
	\$ 739,956	\$ 619,691
<i>Results of operations:</i>		
Total revenue	\$ 620,633	\$ 331,261
Total expenses (including grants)	509,246	691,979
Surplus/(Deficiency) of income over expenditures for the year	\$ 111,388	\$ (360,718)
<i>Cash flows:</i>		
Operating	\$ 547,788	\$ 287,811
Investing	1,097	8,916
Distributions	(494,326)	(572,992)

Essex Region Conservation Authority
Notes to the Financial Statements
for the year ended December 31

11. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

12. Extraordinary Item

On 27 August, 2020, The Essex Region Conservation Authority became aware that it was a victim of a social engineering scheme, which resulted in a financial loss of \$292,742. The Authority maintains coverage for losses and related expenses, resulting from cyber crime and social engineering incidents, and continues to be actively engaged with its insurers regarding this claim. No accrual has been made for proceeds of insurance at this time.

13. COVID-19 Operating Implications

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic and on March 17, 2020, the Province of Ontario declared a state of emergency. As a result of directives and restrictions that remained in place throughout 2021, and to minimize risks to staff, board members and volunteers, ERCA maintained certain changed elements of its operations, but continued to deliver essential services with little to no impact on service delivery or revenues. Several non-essential activities continued to be delivered in a virtual format while other non-essential activities proceeded when permitted under the Province of Ontario's legislation, pertaining to COVID-19 restrictions.

The Authority continued to enact a mandatory work from home requirement, when it was practical, achievable and did not result in a disruption of essential services. A very small number of staff positions remained on permanent layoff or subject to hours reductions and those actions were undertaken in accordance with the terms of the collective agreement, as applicable to the affected staff members.

Any financial or operating implications of public health measures and restrictions, were largely anticipated in the 2021 Budget and while several operating units experienced unanticipated increases/decreases in revenues, as compared to budget, the financial implications were overall immaterial to the financial results of the Authority.

14. Conservation Authorities Act Legislative Framework

On December 8, 2020, Bill 229, the Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020, which made changes to the Conservation Authorities Act and the Planning Act, received Royal Assent. The government is proposing to proclaim un-proclaimed provisions in the Conservation Authorities Act (stemming from amendments made in 2017, 2019, and 2020) through a staged process. This will enable accommodation of a staggered rollout of regulations (in two phases) and policies that are to be consulted on and developed in the future. The first of these proclamations occurred on February 2, 2021 and included provisions related to conservation authority governance as well as items related to housekeeping amendments, government requirements and the Minister's powers. Between May and August 2021, the Ministry of the Environment, Conservation and Parks consulted on Phase 1 of the Regulatory Proposals under the Conservation Authorities Act and these regulations were finalized on October 7, 2021.

The new regulations specific to provision programs and services are as follows:

- O. Reg. 686/21 Mandatory Programs and Services;
- O. Reg. 687/21 Transition Plans and Agreements for Programs and Services under Section 21.1.2 of the Act; and

While the future financial impact on the Authority's operations is unknown and cannot be quantified at this time, the changes to the legislative framework have widespread implications for the Authority's operations. The Authority delivers a significant array of programs and services, which are now identified as non-mandatory and are primarily related to land securement, discretionary water quality programs, education and cultural heritage/museum operations. The Authority is actively engaged in complying with the components and timelines of the *Transition Plan*, in accordance with Regulation 687/21, and expects to engage its governing municipalities in consultation, regarding the suite of non-mandatory services and funding agreements during 2022.

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(note 7) 2021	2021	2020
	Budget	Actual	Actual
Schedule 1- Watershed Management Services			
Regulations, Compliance & Development Services			
Wages, benefits & professional development	\$ 661,000	\$ 674,228	\$ 629,259
Supplies, insurance, corporate services	163,150	171,014	142,706
Legal fees & consulting	10,000	-	18,466
Travel, vehicle charges	20,500	14,343	14,280
	854,650	859,585	804,711
Municipal Planning Supports (Hazards & Natural Heritage)			
Wages, benefits & professional development	160,500	220,424	219,749
Supplies, insurance, corporate services	30,050	41,931	39,687
	190,550	262,355	259,436
Provincial Section 39 Flood & Erosion Program			
Wages, benefits & professional development	156,500	153,031	159,209
Computers, data, & telecommunications	35,500	39,731	34,222
Supplies, insurance, corporate services	50,680	43,927	41,604
Vehicle charges	6,000	3,982	4,600
	248,680	240,671	239,635
Technical Studies, Assessments & Modelling			
Wages, benefits & professional development	75,000	58,454	90,776
Supplies & overhead	19,150	12,392	16,506
	94,150	70,846	107,282
Municipal Infrastructure Projects & Studies (WECl, Hazards Mapping)			
Consulting	384,750	144,685	58,027
Construction, materials & equipment	96,000	37,918	-
Wages, supplies, travel & allocated overhead	29,950	24,995	4,848
	510,700	207,597	62,875
Regional Climate Change Term Projects			
Wages, benefits & professional development	86,500	79,361	109,206
Consulting & technical services	87,000	19,754	194,401
Supplies, insurance & shared services allocation	14,600	15,091	21,624
Vehicle & travel	-	-	2,400
	188,100	114,206	327,630
	\$ 2,086,830	\$ 1,755,260	\$ 1,801,569

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

(note 7)

	2021	2021	2020
	Budget	Actual	Actual

Schedule 2 - Conservation Services

Conservation Areas, Land Protection & Restoration

Program Planning, Management & Development

Wages, benefits & professional development	\$ 175,000	\$ 124,238	\$ 77,250
Supplies, insurance & shared services allocation	27,215	23,586	13,828
Travel & vehicle	2,000	-	1,000
	204,215	147,823	92,078

Land Acquisition

Wages, benefits & professional development	17,000	14,686	21,920
Supplies, insurance & shared services allocation	5,000	4,617	7,378
Surveys, appraisals, consulting, legal	25,000	20,002	27,373
	47,000	39,305	56,671

Tree Planting and Habitat Restoration

Wages, benefits & professional development	281,500	332,008	228,458
Plants, contracted construction, engineering & technical resources	2,109,571	690,497	1,108,335
Supplies, insurance & shared services allocation	120,754	140,345	77,209
Vehicle & field equipment usage	50,650	56,808	17,580
Landowner contributions (donated services)	-	14,478	5,033
	2,562,475	1,234,136	1,436,614

Conservation Areas Maintenance

Wages, benefits & professional development	317,500	264,240	268,457
Utilities, taxes, insurance & corporate allocation	208,840	199,257	190,183
Vehicle & field equipment charges	75,500	58,288	91,365
Maintenance supplies	46,660	48,449	41,037
Construction & capital items	44,976	87,964	28,787
Plant material and removal	16,300	1,909	4,330
	709,776	660,108	624,160

John R Park Homestead Conservation Area

Revenues

Admissions, sales & program fees	68,202	16,485	28,398
Municipal levies	187,065	187,065	116,922
Government grants	23,688	38,909	61,641
Other grants & donations	1,348	1,348	290
Net transfers to reserves	-	(10,000)	(12,000)
	280,303	233,807	195,251

Expenses

Wages, benefits & professional development	173,000	168,331	135,415
Utilities, taxes, insurance & corporate allocation	55,000	49,592	29,831
Supplies and maintenance - office, site & curatorial	36,303	22,931	14,388
Cost of goods sold	9,000	2,565	6,129
Capital replacement and repairs	7,000	6,978	8,891
	280,303	250,396	194,655

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(note 7) 2021	2021	2020
	Budget	Actual	Actual
Schedule 2 - Conservation Services (Continued)			
Holiday Beach Conservation Area			
Revenues			
Admissions, events & camping fees	211,300	283,538	165,982
Municipal levies	27,000	-	50,602
Property/land rental	40,500	41,338	37,719
	278,800	324,876	254,303
Expenses			
Wages, benefits & professional development	133,250	162,625	127,721
Site, capital & major maintenance	22,250	8,104	23,067
Utilities, taxes, insurance & corporate allocation	64,700	73,988	53,667
Supplies - office, network, events, janitorial	39,778	55,835	31,087
Vehicle & field equipment usage	16,322	23,535	13,791
Sub contracting & consulting	2,500	999	1,151
	278,800	325,086	250,485
Conservation Areas/Trails Infrastructure Investment (Non-capitalized)			
Contract construction, materials, consulting & technical resources	675,500	83,391	163,560
Wages, benefits & professional development	15,000	5,563	13,986
Insurance, legal & corporate allocation	9,500	18,880	27,741
Vehicle & field equipment charges	-	395	4,980
	700,000	108,229	210,267
Fleet & Field/Shop Equipment			
Maintenance, repairs, rentals & non-capital replacements	60,000	74,347	71,759
Fuel	33,400	36,707	28,169
Insurance & licences	16,600	20,058	11,632
	110,000	131,111	111,560
Science & Research			
Drinking Water Source Protection			
Wages, benefits & professional development	80,000	77,603	68,824
Supplies, advertising, insurance & shared services allocation	12,000	13,674	11,061
Committee member per diems	3,000	4,245	3,310
Travel	-	-	302
	95,000	95,522	83,497
Water Quality Programs (Sampling, Demo Farm & Landowner Stewardship Incentives)			
Wages, benefits & professional development	79,500	7,636	60,915
Supplies, insurance & shared services allocation	37,050	12,720	28,379
Lab/technical services, speciality equipment & software	12,800	16,936	14,601
Plant material, construction & landowner subsidies	45,000	14,244	41,708
Vehicle & field equipment charges	8,000	6,573	6,320
	182,350	58,108	151,923

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(note 7) 2021	2021	2020
	Budget	Actual	Actual
Schedule 2 - Conservation Services (Continued)			
Water Quality Term Projects (Externally Funded)			
Wages, benefits & professional development	373,795	474,034	346,244
Supplies, insurance & shared services allocation	119,735	126,336	128,749
Lab/technical services, speciality equipment & software	77,305	38,788	39,118
Plant material, construction & landowner subsidies	124,000	161,261	88,276
Vehicle & field equipment charges	10,150	17,357	10,594
	704,985	817,776	612,982
Municipal Risk Management Services (Part IV Clean Water Act)			
Wages, benefits & professional development	10,000	19,889	47,803
Supplies, mileage, insurance & shared services allocation	2,000	5,545	12,255
	12,000	25,434	60,058
	\$ 5,886,904	\$ 3,893,034	\$ 3,884,950

Schedule 3 - Communications & Outreach

Corporate Communications, Outreach & Engagement			
Wages, benefits & professional development	\$ 234,000	\$ 195,223	\$ 229,286
Supplies, consulting, insurance & shared services allocation	32,650	26,254	24,978
Travel, vehicle & equipment	3,650	1,024	2,543
	270,300	222,501	256,807
Outdoor & Conservation Education			
Wages, benefits & professional development	55,000	59,863	36,775
Supplies, insurance & shared services allocation	13,170	11,398	5,409
Travel, vehicle & equipment	830	252	124
	69,000	71,513	42,308
Community Events & Special Grant Projects			
Wages, benefits & professional development	17,000	25,210	169
Plant materials, event supplies & technical/consulting resources	50,500	23,340	317
	67,500	48,551	486
	\$ 406,800	\$ 342,565	\$ 299,602

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(note 7) 2021	2021	2020
	Budget	Actual	Actual
Schedule 4 - Corporate Services			
Administration, Finance, HR & IT/(G)IS			
Wages, benefits & professional development	\$ 784,000	\$ 771,624	\$ 604,517
Occupancy	133,000	135,756	128,526
Professional fees - audit, legal & consulting	54,900	45,786	72,746
Dues & memberships	43,500	43,068	45,142
Office equipment, computers/network & phone	45,600	45,464	31,163
Supplies & miscellaneous	14,750	9,446	24,565
Board meetings & per diems	16,000	15,000	18,177
Travel (Staff & members)	4,500	710	752
Retiree benefits	16,000	19,842	12,125
Insurance (D&O, main office)	4,000	6,962	5,028
	1,116,250	1,093,658	942,740
Special Projects (Records, Data, HR)			
Software/Hardware	25,000	-	-
Supports to Essex Region Conservation Foundation			
Wages, benefits & professional development	45,500	59,550	48,636
<i>Support grant received of \$40,000</i>			
	\$ 1,186,750	\$ 1,153,208	\$ 991,376
	\$ 9,567,284	\$ 7,144,067	\$ 6,977,497

Essex Region Conservation Authority						
Schedule 5 - Continuity of Reserves						
	Actual Balance at December 31, 2020	Budgeted Transfers to Reserves	Actual Transfers to Reserves	Budgeted Transfers from Reserves	Actual Transfers from Reserves	Actual Balance at December 31, 2021
Canard River Low Flow	\$ 20,319	\$ -	\$ -	\$ -	\$ -	\$ 20,319
Canard River Maintenance	27,538	-	-	-	-	27,538
Tree Replacement	90,000	-	-	-	-	90,000
Building/Suite	228,000	-	-	-	-	228,000
Infrastructure & Major Maintenance	207,698	300,000	315,000	425,000	386,500	136,198
Revenue Stabilization	148,342	-	-	-	-	148,342
Project Grant Matching	100,000	-	-	-	-	100,000
Office Equipment, Computers & Network	46,508	-	-	40,000	-	46,508
Vehicle & Equipment Replacement	164,287	-	-	25,000	-	164,287
Legal & Insurance Claims	50,000	-	-	-	-	50,000
General/Administration/Human Resources	35,332	64,000	69,353	-	-	104,685
Historic Properties	73,374	7,000	32,000	-	-	105,374
	\$ 1,191,398	\$ 371,000	\$ 416,353	\$ 490,000	\$ 386,500	\$ 1,221,251

Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Civic Affairs



To: Mayor & Members of Council
From: Brianna Coughlin, Division Leader – Civic Affairs
Date: July 12, 2022
Subject: Noise By-law Update

Recommendation

This report is for information only.

Background

At the July 6, 2022 Special meeting, Council passed Resolution #276-07-2022:

Direct Administration to prepare a report on noise management, including the prioritization of an update to the Noise By-law for Council's consideration.

Noise within the jurisdiction of the Municipality of Lakeshore is currently regulated through By-law 106-2007, being a by-law to control noise (Appendix A).

Complaints relating to excessive noise are investigated and enforced, if applicable, by both the By-law Division (during regular business hours) and the Ontario Provincial Police. In 2021, the By-law Compliance Division investigated 6 noise complaints and the OPP investigated 187.

It is noted that the above-noted OPP data may not reflect all noise complaints, as they may have occurred as part of a criminal or other enforcement action. As such, they are not recorded separately.

Comments

Each year, Administration prepares 100 to 150 by-laws for Council's consideration. These may be routine by-laws, approvals or delegations, policy development, or regulatory by-laws. Regulatory by-laws require policy analysis, extensive internal collaboration, civic engagement, and at least one report to Council for direction.

The following is a list of large-scale by-laws currently identified for development, review, updating or replacement, with those identified for full comprehensive review with public consultation marked accordingly:

- Purchasing By-law
- User Fee By-law
- Delegation By-law
- Interpretation By-law
- Indemnification By-law
- Parkland Dedication By-law
- Smoking By-law
- Property Standards By-law
- Road Fouling By-law (comprehensive/new)
- Zoning By-law (comprehensive)
- Sewer Use By-law (comprehensive)
- Traffic By-law (comprehensive)
- Road Occupancy & Road Use By-law (comprehensive)
- **Noise By-law**
- Public Spaces By-law (comprehensive)
- Parking By-law (introduction of Administrative Monetary Penalty System) (comprehensive)
- Campground Licensing By-law (comprehensive/new)
- Use of Golf Carts on Municipal Roads in Lighthouse Cove (comprehensive/new)
- Lottery By-law

Administration typically prepares to conduct 1 to 3 large regulatory by-law or policy reviews per year in order to balance workloads and avoid public engagement fatigue. The following is a list of projects that are anticipated in 2023, along with an update on those being finalized in 2022:

- a public consultation process regarding a Campground Licensing By-law to take place in 2023;
- a review of the Sewer Use By-law in 2023 in accordance with the Flood Mitigation Framework;
- in the event that the Province amends the *Highway Traffic Act* to permit golf carts on highways, Administration will seek direction regarding implementation of a program in Lakeshore;
- the Procedure and Delegation of Authority by-laws are wrapping up and will be presented to Council in the early fall;
- the Parkland Dedication By-law review is underway and a report anticipated to be presented in the early fall;
- the User Fee review is underway and a report anticipated to be presented in late 2022;
- the Purchasing By-law review is underway and a report anticipated to be presented in late 2022;

- a public consultation process regarding greenhouses is underway and a report is anticipated to be presented in late 2022. Depending on the direction of Council at that time, this process may require additional regulatory work in 2023.
- a Lottery By-law is anticipated to be drafted to clarify the roles and responsibilities of the Municipality and charities in the permit process. This is particularly important should cGaming be introduced.
- the Traffic By-law update is a multi-stage process, with data gathering planned for 2023 and the by-law review planned for 2024.

The Noise By-law is currently on the list for a narrow review, however should Council wish to proceed with a comprehensive review and prioritize the review for 2023, Administration recommends that a resolution be passed with this direction, in order to plan accordingly in the 2023 Budget.

Others Consulted

Ontario Provincial Police – Lakeshore Detachment

Financial Impacts

The cost of public consultation for a regulatory by-law update is estimated to be approximately \$7,000. Should Council wish to prioritize an update to the Noise By-law in 2023, the cost will be included in the 2023 Budget.

Attachments

Appendix A – By-law 106-2007 (Noise By-law)

Report Approval Details

Document Title:	Noise By-law Update.docx
Attachments:	- Appendix A - By-law 106-2007 - Noise Control.pdf
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Brianna Coughlin

Submitted by Kristen Newman

Approved by Justin Rousseau and Truper McBride

CORPORATION OF THE TOWN OF LAKESHORE

By-Law No. 106-2007

A BY-LAW TO CONTROL NOISE

WHEREAS the people have a right to and should be ensured an environment free from unusual, unnecessary, or excessive sound, vibration or other noise that may degrade the quality and tranquillity of their life or cause a nuisance;

AND WHEREAS it is the policy of the Council to reduce and control such sound or vibration;

AND WHEREAS the *Municipal Act, 2001* authorizes municipalities to prohibit and/or regulate noise;

NOW THEREFORE, the Council of the Corporation of The Town of Lakeshore enacts as follows:

Interpretation

1. In this by-law:

"Agricultural Area" means those areas of the municipality designated as agricultural in the Zoning By-law;

"Construction" includes erection, alteration, repair, dismantling, demolition, structural maintenance, painting, moving, land clearing, earth moving, grading, excavating, the laying of pipe and conduit whether above or below ground level, street and highway building, concreting, equipment installation and alteration and structural installation of construction components and materials in any form or for any purpose, and includes any work in connection therewith;

"Construction Equipment" means any equipment or device designed and intended for use in construction, or material handling, including but not limited to, air compressors, pile drivers, pneumatic or hydraulic tools, bulldozers; tractors, excavators, trenchers, cranes, derricks, loaders, scrapers, pavers, generators, off-highway haulers or trucks, ditchers, compactors and rollers, pumps, concrete mixers, graders, or other material handling equipment;

"Conveyance" includes a vehicle and any other device employed to transport a person or persons or goods from place to place but does not include any such device or vehicle if operated only within the premises of a person;

"Council" means the council of the Corporation of The Town of Lakeshore;

"Highway" includes a common and public highway, street, avenue, parkway, driveway, square, place, bridge, viaduct or trestle designed and intended for, or used by, the general public for the passage of vehicles;

"Motor Vehicle" includes an automobile, motorcycle, and any other vehicle propelled or driven otherwise than by muscular power; but does not include the cars of electric or steam railways, or other motor vehicles running only upon rails, or a motorized snow vehicle, traction engine, farm tractor, self-propelled implement of husbandry or road-building machine within the meaning of the *Highway Traffic Act*;

"Motorized Conveyance" means a conveyance propelled or driven otherwise than by muscular, gravitational or wind power;

"Municipality" means the land within the geographic limits of the Corporation of the Town of Lakeshore;

"Noise" means unwanted sound;

"Point of Reception" means any point on the premises of a person where sound or vibration originating from other than those premises is received.

"Residential Area" means those areas of the municipality designated as residential in the Zoning By-law; and

"Zoning By-law" means any by-law in effect within the Municipality pursuant to section 34 of the Planning Act, R.S.O. 1990, c.P.13, as amended.

General Prohibitions

2. No person shall emit or cause or permit the emission of sound as a result of any act listed in this section if such sound is clearly audible at a Point of Reception:
 - (a) Racing of any Motorized Conveyance other than in a racing event regulated by law;
 - (b) The operation of a Motor Vehicle in such a way that the tires squeal;
 - (c) The operation of any combustion engine or pneumatic device without an effective exhaust or intake muffling device in good working order and in constant operation;
 - (d) The operation of a vehicle or a vehicle with a trailer resulting in banging, clanking, squealing or other like sounds due to improperly secured load or equipment, or inadequate maintenance;
 - (e) The operation of an engine or motor in, or on, any Motor Vehicle or item of attached auxiliary equipment for a continuous period exceeding five minutes, while such Motor Vehicle is stationary in a Residential Area unless:
 - (i) the original equipment manufacturer specifically recommends a longer idling period for normal and efficient operation of the Motor Vehicle in which case such recommended period shall not be exceeded;
 - (ii) operation of such engine or motor is essential to a basic function of the vehicle or equipment, including but not limited to, operation of ready-mixed concrete trucks, lift platforms and refuse compactors;
 - (iii) weather conditions justify the use of heating or refrigerating systems powered by the motor or engine for the safety and welfare of the operator, passengers or animals, or the preservation of perishable cargo, and the vehicle is stationary for purposes of delivery or loading;
 - (iv) prevailing low temperatures make longer idling periods necessary immediately after starting the motor or engine; or
 - (v) the idling is for the purpose of cleaning and flushing the radiator and associated circulation system for seasonal change of antifreeze, cleaning of the fuel system, carburettor or the like, when such work is performed other than for profit.
 - (f) The operation of a Motor Vehicle horn or other warning device except where required or authorized by law or in accordance with good safety practices;
 - (g) The operation of any item of Construction Equipment in a Residential Area or Agricultural Area without effective muffling devices in good working order and in constant operation; or
 - (h) Dynamic braking or engine braking or engine retarding of a Motor Vehicle.

Prohibitions by Time and Place

3. No person shall emit or cause or permit the emission of sound resulting from any act listed in Table 3-1 if clearly audible at a Point of Reception located in an area of the municipality within a prohibited time shown for such an area.

TABLE 3-1

PROHIBITIONS BY TIME AND PLACE

	Prohibited Period of Time	
	Residential Area	Agricultural Area
1. The detonation of fireworks or explosive devices not used in construction.	At all times except for the celebrations of Victoria Day, the birthday of the reigning Sovereign, Canada Day (July 1 st) and American Independence Day (July 4 th)	
2. The discharge of firearms.	At all times	
3. The operation of a combustion engine which, is, or is used in, or is intended for use in, a toy or a model or replica of any device, which model or replica has no function other than amusement and that is not a conveyance.	At all times	10:00 p.m. to 8:00 a.m.
4. The sound from or created by any radio, phonograph, tape player, television, public address system, sound equipment, loud speaker, or any musical or sound producing instrument of whatever kind when the same is played or operated in such a manner or with such volume as to disturb the peace, quiet, comfort or repose of any individual in any office, dwelling house, apartment, hotel, hospital, or any other type of residence.	At all times	10:00 p.m. to 8:00 a.m.
5. The operation of any auditory signalling device, including but not limited to the ringing of bells or gongs and the blowing of horns or sirens or whistles, or the production, reproduction or amplification of any similar sounds by electronic means except where required or authorized by law or in accordance with good safety practices.	At all times	10:00 p.m. to 8:00 a.m.

	Prohibited Period of Time	
	Residential Area	Agricultural Area
6. The operation of any powered rail car including but not limited to refrigeration cars, locomotives or self-propelled passenger cars, while stationary on property not owned or controlled by a railway governed by the Canada Railway Act.	At all times	10:00 p.m. to 8:00 a.m.
7. The operation of any motorized conveyance other than on a highway or other place intended for its operation.	At all times	
8. The venting, release or pressure relief of air, steam or other gaseous material, product or compound from any autoclave, boiler pressure vessel, pipe, valve, machine, device or system.	9:00 p.m. to 8:00 a.m.	
9. Persistent barking, calling or whining or other similar persistent noise making by any domestic pet or any other animal kept or used for any purpose other than agriculture.	At all times	At all times
10. The operation of a commercial car wash with air drying equipment.	At all times	10:00 p.m. to 7:00 a.m.
11. Yelling, shouting, hooting, whistling or singing.	At all times	
12. The operation of a power assisted hang glider or parafoil.	At all times	
13. All selling or advertising by shouting or outcry or amplified sound.	11:00 p.m. to 7:00 a.m.	11:00 p.m. to 7:00 a.m.
14. Loading, unloading, delivering, packing, unpacking, or otherwise handling any containers, products, materials, or refuse, whatsoever, unless necessary for the maintenance of essential services or the moving of private household effects.	8:00 p.m. to 8:00 a.m.	
15. The operation of any equipment in connection with construction.	8:00 p.m. to 7:00 a.m.	8:00 p.m. to 7:00 a.m.
16. The operation or use of any tool for domestic purposes other than snow removal.	10:00 p.m. to 8:00 a.m.	
17. The operation of solid waste bulk lift or refuse compacting equipment.	10:00 p.m. to 8:00 a.m.	
18. The operation of a commercial car wash of a type other than mentioned in item 10.	10:00 p.m. to 7:00 a.m.	

Exemption for Public Safety

4. Notwithstanding any other provision of this by-law, it shall be lawful to emit or cause or permit the emission of sound or vibration in connection with emergency measures undertaken for the immediate health, safety or welfare of the inhabitants or any of them or for the preservation or restoration of property unless such sound or vibration is clearly of a longer duration or nature more disturbing, than is reasonably necessary for the accomplishment of such emergency purpose.

Grant of Exemption by Council

5. (a) Notwithstanding anything contained in this by-law, any person may make application to Council to be granted an exemption from any of the provisions of this by-law with respect to any source of sound or vibration for which he might be prosecuted and Council, by resolution, may refuse to grant any exemption or may grant the exemption applied for or any exemption of lesser effect and any exemption granted shall specify the time period, not in excess of six months, during which it is effective and may contain such terms and conditions as Council sees fit.
- (b) In deciding whether to grant the exemption, Council shall give the applicant and any person opposed to the application an opportunity to be heard and may consider such other matters as it sees fit.
- (c) Breach by the applicant of any of the terms or conditions of any exemption granted by Council shall render the exemption null and void.

Severability

6. If a court of competent jurisdiction should declare any section or part of a section of this by-law to be invalid, such section or part of a section shall not be construed as having persuaded or influenced Council to pass the remainder of the by-law and it is hereby declared that the remainder of the by-law shall be valid and shall remain in force.

Repeals

7. By-law number 69-99 is hereby repealed.

Penalty

8. Every person who contravenes any of the provisions of this by-law is guilty of an offence and shall, upon conviction therefor, forfeit and pay a minimum fine of \$150 and a maximum fine of \$5000 exclusive of costs.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 14 DAY OF AUGUST, 2007.



Tom Bain - Mayor



Mary Masse - Clerk

ONTARIO COURT OF JUSTICE

PROVINCIAL OFFENCES ACT

PART I

IT IS ORDERED pursuant to the provisions of the Provincial Offences Act and the rules for the Ontario Court of Justice that the amount set opposite each of the offences in the schedule of offences under the Provincial Statutes and Regulations thereunder and Municipal By-law No. 106-2007, of the Town of Lakeshore, attached hereto are the set fines for those offences. This Order is to take effect November 26, 2007.

A handwritten signature in dark ink, appearing to read 'B. Thomas', is written over the text of the order.

Dated at London this 26th day of November, 2007.

Bruce G. Thomas
Regional Senior Justice
West Region

APPENDIX A
PART I Provincial Offences Act

Town of Lakeshore
By-law #106-2007: Noise

Item	Short Form Wording	Provision Creating or Defining Offence	Set Fine
1	Causing or permitting sound by dynamic or engine braking of a vehicle.	Subsect. 2(h)	\$75.00
2	Causing or permitting sound through the detonation of fireworks or explosive devices.	Sect. 3 Table 3-1 - #1	\$75.00
3	Causing or permitting sound through the discharge of a firearm.	Sect. 3 Table 3-1 - #2	\$75.00
4	Causing or permitting sound from any electronic device or musical instrument.	Sect. 3 Table 3-1 - #4	\$75.00
5	Causing or permitting sound from any auditory signalling device.	Sect. 3 Table 3-1 - #5	\$75.00
6	Causing or permitting sound from any motorized conveyance in an area where it is not intended to be operated.	Sect. 3 Table 3-1 - #7	\$75.00
7	Causing or permitting sound by permitting a domestic pet or animal to bark, call or whine.	Sect. 3 Table 3-1 - #9	\$75.00
8	Causing or permitting sound by yelling, shouting, whistling or singing.	Sect. 3 Table 3-1 - #11	\$75.00
9	Causing or permitting sound from the operation of any construction equipment.	Sect. 3 Table 3-1 - #15	\$75.00
10	Causing or permitting sound from the operation of any tool other than for snow removal	Sect. 3 Table 3-1 - #16	\$75.00

NOTE: Penalty provisions for the offences indicated above are Section 8 of By-law Number 106-2007, a certified copy of which has been filed, and s.61 of the *Provincial Offences Act*.

COUNCIL REQUESTED REPORT TRACKING						JULY 12, 2022
ISSUE #	ASSIGNEE	DATE	COUNCIL ASSIGNOR	DESCRIPTION	COMMENTS	Public Consultation / Open House
49-2019	GS	08-10-19	M-Councillor Santarossa S-Councillor Kerr	Prepare a report regarding a MAT tax for fixed room short-term accomodation.	11/07/19 Report to Council anticipated in Q1, 2021. 03/15/21 Consultation to be held late April/early May, 2021. Report to Council on the MAT tax was presented March 23, 2021. An online public engagement survey has been setup on Placespeak and will be open until April 30, 2021. 05/10/22 Report on MAT will be prepared in conjunction with zoning by-law changes Q1, 2023.	Placespeak survey until April 30th Stakeholder meeting held April 14th. Online open house April 28th.
21-2020	GS	12-08-20	M-Councillor Wilder S-Councillor Janisse	04/20/21 Prepare a report outlining boat, trailer and any motorized vehicle parking in a driveway or residential area.	04/14/21 The review will include all recreational vehicles parked in residential areas. 07/13/22 Report to Council Q4, 2022.	
3-2021	O	01-19-21	M-Councillor Walstedt S-Councillor Kerr M-Councillor Wilder S-Councillor McKinlay	01/19/21 Prepare a survey for users of the Bulk water station re: the proposed move of the bulk water station. 03/29/22 Defer the Bulk Water Station report until Administration is able to investigate potential opportunities with the Comber Fairground or other external properties within the Comber area.	02/12/21 Report presented to Council on the results March 29, 2022. 04/08/22 Report to Council Q4, 2022 with alternative location in the 2023 Budget.	
4-2021	O	02-16-21	M-Councillor Kerr S-Councillor Janisse	02/16/21 Administration draft a street cleaning and repair by-law.	03/18/21 Report to Council anticipated in 2023.	
5-2021	O	02-16-21	M-Councillor Kerr S-Councillor Wilder	02/16/21 Prepare a report regarding light recreation use of property around stormwater management ponds and beautification.	03/18/21 Report to Council anticipated Q3, 2022.	

COUNCIL REQUESTED REPORT TRACKING						JULY 12, 2022
ISSUE #	ASSIGNEE	DATE	COUNCIL ASSIGNOR	DESCRIPTION	COMMENTS	Public Consultation / Open House
8-2021	O	04-06-21	M-Councillor Kerr S-Councillor McKinlay	04/06/21 Prepare a report regarding imposing a 40 km/hr speed limit in all residential areas of the Municipality of Lakeshore and develop a policy to implement 40 km/hr speed limits in all new residential areas in Lakeshore.	04/12/21 Report to Council Q4, 2022.	
13-2021	SLA	06-08-21 07-06-22	M-Councillor McKinlay S-Councillor Walstedt M-Councillor McKinlay S-Councillor Walstedt	06/08/21 Develop a Campground Licensing By-law based on best practices in Ontario. 07/06/22 Administration undertake a public consultation process with residents and local stakeholders in 2023 Re: the use and regulation of campgrounds, including draft By-law provisions for comment relating to an annual license structure and restricted period of operation of the campground (Option 1A).	05/11/22 Report to Council Q3, 2022. 07/18/22 By-law to be brought back to Council in 2023.	
19-2021	CAO	11-09-21	M-Deputy Mayor Bailey S-Councillor Wilder	11/09/21 Prepare a report regarding when and how the Municipality could participate in a regional food, organic and biosolid waste process.	02/11/22 Report on hold pending CAO direction. 04/08/22 The County will be taking further steps to establish a work plan. A report to Council is anticipated early 2023. 06/14/22 Investigating an extended program.	

COUNCIL REQUESTED REPORT TRACKING					JULY 12, 2022	
ISSUE #	ASSIGNEE	DATE	COUNCIL ASSIGNOR	DESCRIPTION	COMMENTS	Public Consultation / Open House
20-2021	GS	11-09-21 11-01-22	M-Councillor McKinlay S-Councillor Kerr M-Councillor McKinlay S-Councillor Santarrosa	11/09/21 Look through the Stoney Point Park Planning Process at a centre through which various community services, including library services could be offered. 01/11/22 Begin the Stoney Point Park visioning exercise on or before April 1, 2022.	11/10/21 Timing and public consultation date to be determined Q1, 2022. 03/23/22 Phase 1 of the public consultation will begin April 1st. The in-person visioning session was held June 9, 2022 at the Stoney Point Community Park Pavillion.	Online public consultation April 1. In-person session held June 9th.
21-2021	SLA	11-09-21	M-Councillor McKinlay S-Councillor Wilder	11/09/21 Prepare a report regarding the possibility of regulating the use of golf carts in Lighthouse Cove.	02/01/22 Report to Council Q2, 2022. 04/12/22 Administration to bring back the report from the Ministry of Transportation relating to the golf cart pilot project when it becomes available. 04/19/22 Deferred to 2023 pending further information from the MTO.	
3-2022	O	01-11-22	M-Councillor Wilder S-Councillor Santarossa	01/11/22 Prepare a report regarding what needs to be done to bring speed reductions in the approach to the 401 and over the 401 into compliance while also complying with the speed study.	01/19/22 Report to Council regarding enhancements needed for traffic on these roads outside of the overpasses. 02/11/22 Retaining a consultant. 04/08/22 Report to Council Q4, 2022.	
4-2022	O	01-18-22	M-Councillor Kerr S-Councillor Santarossa	01/18/22 Reduce the speed limit on Notre Dame St. to 40 km/h, as requested by the correspondence submitted by the BIA; and include Notre Dame St. in the speed trailer program.	03/11/22 To be addressed in tandem with Tracking #8-2021 and #3-2022. 04/08/22 Report to Council Q4, 2022.	
5-2022	SLA	02-15-22	M-Councillor McKinlay S-Councillor Walstedt	02/15/22 Prepare a report regarding membership in the Multi-Municipal Wind Turbine Work Group.	05/11/22 Report to Council Q3, 2022.	

COUNCIL REQUESTED REPORT TRACKING						JULY 12, 2022
ISSUE #	ASSIGNEE	DATE	COUNCIL ASSIGNOR	DESCRIPTION	COMMENTS	Public Consultation / Open House
8-2022	O	03-29-22	M-Councillor Walstedt S-Deputy Mayor Bailey	03/29/22 Review the accessible swing costs and potential use in Lakeshore Parks.	04/08/22 Report to Council Q3, 2022. 06/14/22 Email update to be provided to Council.	
10-2022	Finance	05-31-22	M-Councillor Walstedt S-Deputy Mayor Bailey	05/31/22 Prepare a report setting out the steps required to remove the sanitary sewer portion of the Development Charges for Belle River Rd. and West Belle River Rd. south of County Rd. 42.	06/03/22 Following up with Watson & Associates.	
11-2022	GS	07-12-22	M-Councillor Santarossa S-Deputy Mayor Bailey	07/12/22 Administration to include a review of second driveways on corner lots in the upcoming zoning by-law review and direct Administration not to enforce the second driveway provision of the zoning by-law.	07/13/22 Zoning by-law review report to Council Q4, 2022.	
12-2022	SLA	07-06-22	M-Councillor McKinlay S-Deputy Mayor Bailey	07/06/22 Administration to prepare a report on noise management including the prioritization of an update to the Noise By-law for Council's consideration.	07/18/22 Report to Council Q2, 2023.	

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council

From: Ian Search, Planner II

Date: July 25, 2022

Subject: Zoning By-law Amendment Application ZBA-4-2022, John Thomas and Ruth Ann Fuerth

Recommendation

Approve Zoning By-law Amendment Application ZBA-4-2022 to remove the Holding Symbol (h6) from the subject lands (indicated on the Key Plan, Appendix A); and

Direct the Clerk to read By-law 75-2022 during the “Consideration of By-laws”, all as presented at the August 9, 2022 Council meeting.

Background

The subject property is a 27.19 hectare (67.19 acre) parcel of farmland located south of County Road 46 on the northeast corner of County Road 27 and S. Middle Road, known municipally as 2462 County Road 27 (See Appendix ‘1’).

The subject property is designated “Agricultural” and “Hamlet” in the Lakeshore Official Plan. In the Lakeshore Zoning By-law, it is split zoned Agriculture (A) and Hamlet Residential (HR) holding symbol h6. Existing uses are the only uses permitted until the holding symbol is removed. The condition for removal of the holding symbol is:

“that adequate sewage disposal and the provision of other services has been accommodated in accordance with Section 7.0 of the Town of Lakeshore Official Plan, development applications are approved, various agreements are in place, plans of subdivision or condominium are approved, where necessary”.

Recently, provisional consent (File: B/4/2022) was granted to sever three residential lots from the farm parcel. The lots will have frontage on S. Middle Road between Church Street and County Road 27. They will be located within the portion of the subject property designated “Hamlet” and zoned HR(h6). In order to meet conditions of the provisional consent, the applicants have submitted a rezoning application to remove the holding symbol from the zoning affecting the severed lots. Removal of the hold symbol will allow each of the severed lots to be developed for the permitted uses under the Hamlet Residential (HR) zone once they are registered.

Severed Lots	Lot Area – two lots each 0.381 acres, one lot 0.559 acres Existing Use – Agriculture Proposed Use – Residential Access – S. Middle Road Services – Municipal water and sanitary services
Neighbouring Land Uses	North – Agricultural South - Residential East – Residential, Parkland West – Residential
Official Plan	“Agricultural” and “Hamlet”
Zoning By-law	Agriculture Zone (A) and Hamlet Residential (HR(h6))

Comments

Provincial Policy Statement, County of Essex Official Plan and Lakeshore Official Plan

There are no issues of provincial significance raised by this application.

The subject property is designated “Secondary Settlement Area” in the County of Essex Official Plan. All types of land uses are permitted within the “Secondary Settlement Area” subject to specific land use policies of the local Official Plan. Infill development of this nature is permitted.

The subject property is designated “Agricultural” and “Hamlet” in the Lakeshore Official Plan. Development of the severed lots will occur entirely within the portion of the subject property designated “Hamlet”, which permits low density residential dwellings.

Essex Region Conservation Authority (ERCA) was circulated the proposal for comment. No comments were received from this agency at the time of writing this report. ERCA was circulated the consent application when the proposal was considered by the Committee of Adjustment and stated they had no objection to the lot creations.

Zoning By-law

Development of the severed lots will occur entirely on lands zoned HR(h6). Removal of the holding symbol was imposed as a condition by the Committee of Adjustment on their approval of the lot creations.

The condition for removal of the holding symbol is “that adequate sewage disposal and the provision of other services has been accommodated in accordance with Section 7.0 of the Town of Lakeshore Official Plan, development applications are approved, various agreements are in place, plans of subdivision or condominium are approved, where necessary”. The availability of municipal water and sanitary services has been confirmed. The applicant applied through the consent process for lot creation and obtained provisional consent from the Committee of Adjustment earlier this year. It is now

appropriate to remove the holding symbol from the zoning affecting the severed lots so that the registration of the severed lots can proceed.

Part 1 on the registered plan is a 50' by 50' daylight corner that will be transferred to the County of Essex. The severed lots meet the minimum frontage and area requirements for the HR zone.

Conclusion

Based on the foregoing, Administration recommends that Council approve ZBA-4-2022 (Bylaw 75-2022) as per the Recommendation section of the report.

Others Consulted

Notice was given to agencies and the general public as required under the provisions of the *Planning Act* and Regulations. As of the writing of this report, no comments were received from the public and no concerns were expressed from any agencies.

Financial Impacts

There are no budget impacts resulting from the recommendation.

Attachments

Appendix A – Key Plan

Appendix B – Reference Plan

Report Approval Details

Document Title:	ZBA-4-2022 - Fuerth H Removal.docx
Attachments:	- Appendix A - Key Plan.pdf - Appendix B - Reference Plan.pdf
Final Approval Date:	Aug 3, 2022

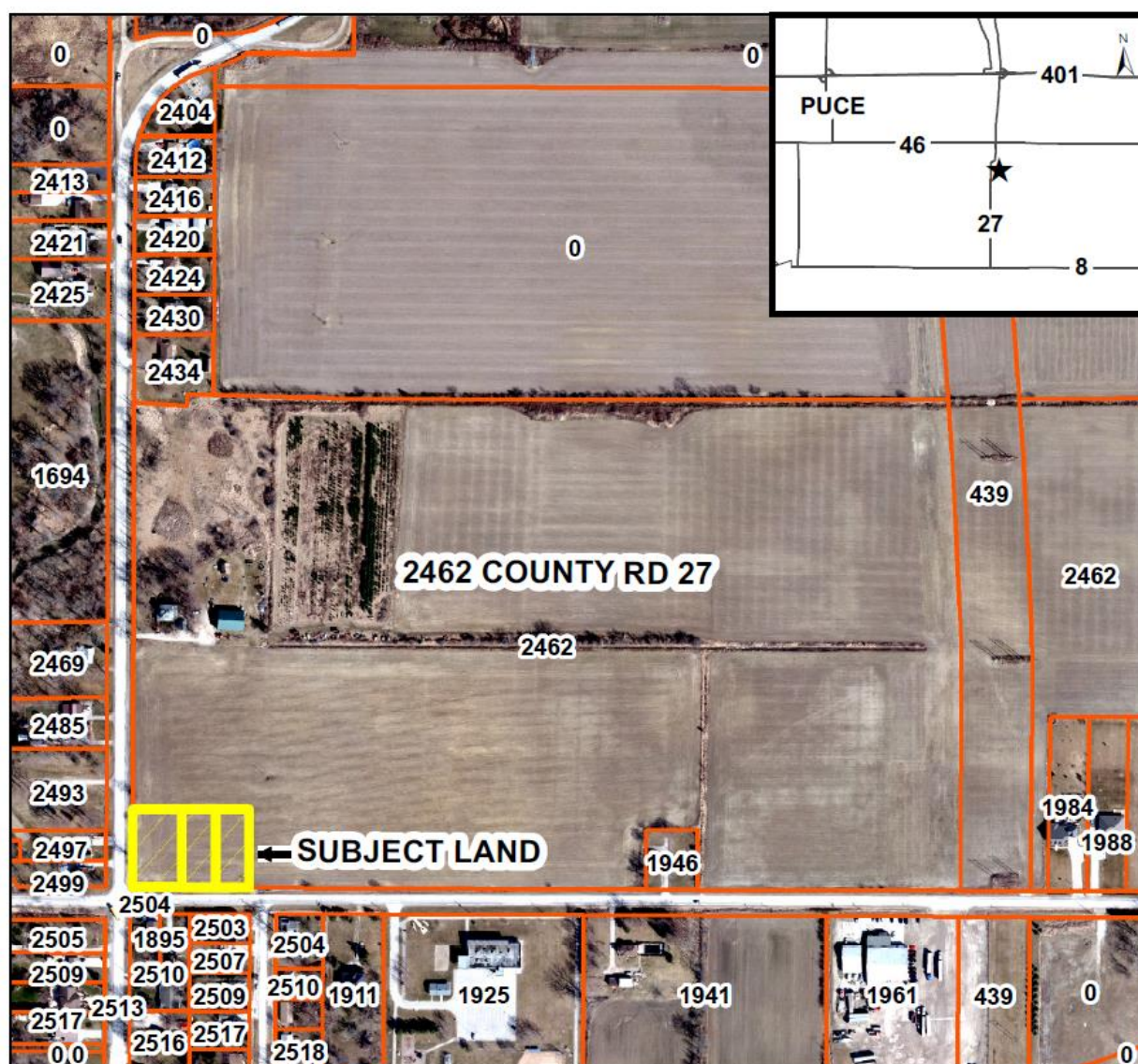
This report and all of its attachments were approved and signed as outlined below:

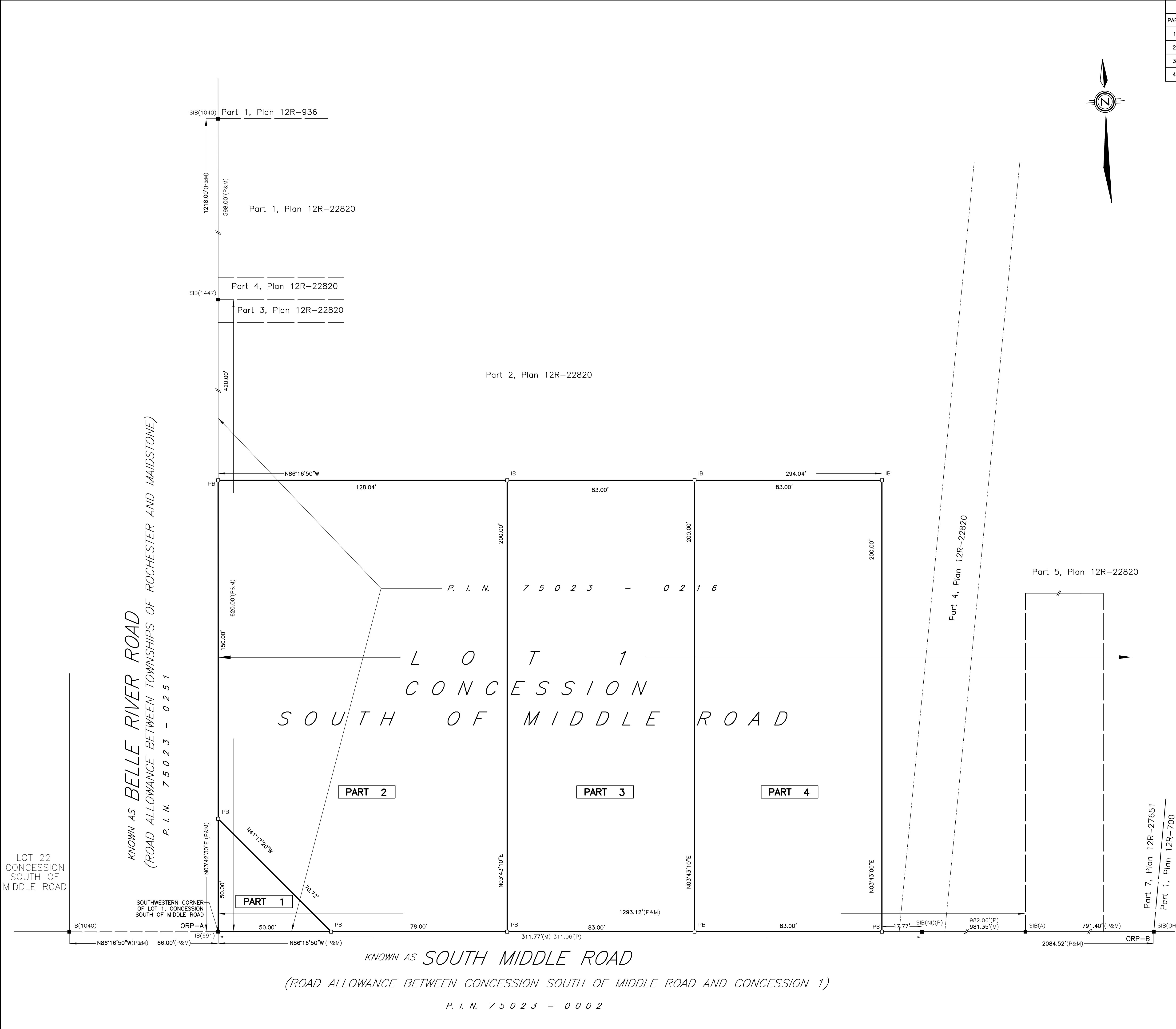
Prepared by Ian Search

Submitted by Kristina Brcic and Tammie Ryall

Approved by Justin Rousseau and Truper McBride

Appendix A – Key Plan





PARTS SCHEDULE				
PART	LOT	CON/PLAN	P.I.N.	AREA
1	PART OF LOT 1	CONCESSION SOUTH OF MALDEN ROAD	PART OF 75023-0216	1250 Sq.Ft.
2				0.559 Ac.
3				0.381 Ac.
4				0.381 Ac.

PLAN 12R-29089

Received and deposited

July 15th, 2022

Elizabeth Borrow

Representative for the
Land Registrar for the
Land Titles Division of
Essex (No.12)

PLAN OF SURVEY
OF
PART OF LOT 1
CONCESSION
SOUTH OF MIDDLE ROAD
GEOGRAPHIC TOWNSHIP OF ROCHESTER
NOW IN THE
MUNICIPALITY OF LAKESHORE
COUNTY OF ESSEX, ONTARIO
VERHAEGEN LAND SURVEYORS, A DIVISION OF J.D. BARNES LTD.

SCALE : 1"=20'
0 10.0 20.0 40.0 60.0 100.0 FEET

THE INTENDED PLOT SIZE OF THIS PLAN IS 36" IN WIDTH BY 24" IN HEIGHT
WHEN PLOTTED AT A SCALE OF 1"=20'

"IMPERIAL" DISTANCES AND COORDINATES SHOWN ON THIS PLAN ARE
IN FEET AND CAN BE CONVERTED TO METRES BY
MULTIPLYING BY 0.3048

INTEGRATION DATA			
OBSERVED REFERENCE POINTS (ORPs): UTM ZONE 17 NAD83 (CSRS) (2010.0).			
COORDINATES TO URBAN ACCURACY PER SECTION 14 (2) OF O.REG 216/10.			
POINT	ID	NORTHING	EASTING
ORP-A		15333731.40'	1174950.34'
ORP-B		15333596.26'	1177029.94'
COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.			

FOR BEARING COMPARISONS THE FOLLOWING ROTATIONS WERE APPLIED TO CONVERT TO GRID BEARINGS	
PLAN	CLOCKWISE ROTATION
P	01°09'10"

LEGEND AND NOTES
BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY
REAL TIME NETWORK (RTN) OBSERVATIONS, UTM ZONE 17, NAD83 (CSRS)(2010.0).

DISTANCES ON THIS PLAN ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING
BY THE COMBINED SCALE FACTOR OF 0.999824

ALL MONUMENTS SHOWN THUSLY □ ARE IRON BARS (IB) UNLESS OTHERWISE NOTED.
SIB DENOTES 25mm X 25mm X 1.22m STANDARD IRON BAR
SSIB DENOTES 25mm X 25mm X 0.61m SHORT STANDARD IRON BAR
IB 16 DENOTES 16mm X 16mm X 0.61m IRON BAR
IB 19 DENOTES 19mm diameter X 0.61m ROUND IRON BAR
CC DENOTES CUT-CROSS
CP DENOTES 5mm X 50mm STEEL PIN
PB DENOTES PLASTIC BAR
PB DENOTES SURVEY MONUMENT FOUND
□ DENOTES SURVEY MONUMENT SET AND MARKED 1744
WIT. DENOTES WITNESS I DENOTES PERPENDICULAR
(S) DENOTES SET (N) DENOTES MEASURED
ORP DENOTES OBSERVED REFERENCE POINT
ALL SET SSIB AND PB MONUMENTS WERE USED DUE TO LACK OF OVERBURDEN
AND/OR PROXIMITY OF UNDERGROUND UTILITIES IN ACCORDANCE WITH
SECTION 11(4) OF O.REG. 525/91.
(N) DENOTES NOT IDENTIFIABLE
(P) DENOTES PLAN 12R-22820
(1744) DENOTES VERHAEGEN SURVEYORS INC., O.L.S.
(691) DENOTES HOWARD B. HEAD, O.L.S.
(A) DENOTES C.G.R. ARMSTRONG, O.L.S.
(OH) DENOTES ONTARIO HYDRO, O.L.S.
(1040) DENOTES WILLIAM J. SETTERINGTON, O.L.S.
(1447) DENOTES R.G. HACKETT SURVEYING LTD., O.L.S.

SURVEYOR'S CERTIFICATE
I CERTIFY THAT:
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT,
THE SURVEYORS ACT, THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
2. THIS SURVEY WAS COMPLETED ON THE 20th DAY OF JUNE, 2022

DATE 2022-07-05
ALEC S. MANTHA
ONTARIO LAND SURVEYOR

THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER 2193324

		VERHAEGEN LAND SURVEYORS A Division of J. D. Barnes Limited	
187 TALBOT ST E, LEAMINGTON, ON, N8H 1L8 T: (519) 322-2375 F: (519) 322-2675 www.jdbarnes.com			
DRAWN BY: SP	CHECKED BY: AM	REFERENCE NO.: 22-48-078-00	
CAD Date: JULY 5th, 2022 CAD File: 22-48-078-00.dwg		FILE NO.: E-ROCHESTER-SMR-1	

Municipality of Lakeshore – Report to Council

Chief Administrative Officer

Digital Transformation & Cloud Services



To: Mayor & Members of Council

From: Michael Martin, Division Leader – Digital Transformation & Cloud Services

Date: July 27, 2022

Subject: Development Approval Efficiencies / Bylaw Compliance Enhancements – Award of Contract for Cloudpermit

Recommendation

Direct the Corporate Leader – Chief Financial Officer to procure cloud permitting software for planning, building and by-law processes as it is in the best interest of the Municipality to do so;

Direct the Mayor and Clerk to execute any agreements necessary to procure the system;

Direct Administration to proceed with the implementation of digital process enhancements that support planning, building and by-law processes via cloud-based software known as Cloudpermit;

Direct Administration to transfer \$10,000 of the Building Reserve fund to support implementation of Cloudpermit;

Direct Administration to transfer \$30,500 from the Covid-19 Safe Restart fund for 2022 pro-rated annual subscription costs; and,

Direct Administration to include an increase to the 2023 base budget of \$30,000 to support the annualized costs of Cloudpermit, all as presented at the August 9, 2022 Council meeting.

Background

Council has identified goals for the Chief Administrative Officer to create efficiencies in the development approvals process and to increase the levels of service in Bylaw Enforcement over time. Administration has undertaken research in this regard and identified a new software solution that will allow the Municipality to realize these goals through the implementation a new digital platform.

This digital platform will permit the Municipality to enable significant process improvements that decrease the time it takes for stakeholders and the public to complete their applications, reduce errors and missing details within applications, and fully integrate the planning and building process which in turn reduces hand-over issues. On-line payment of fees will streamline our current processes. It furthermore will be fully mobile, enabling our inspectors and Bylaw Compliance Officers to be more productive in the field.

This platform and process will also drive increased public service levels as it will enable a client facing online portal to view real-time status of applications and complaints. In addition, this platform will enable our Administrative Assistants and Public Service Unit to answer questions with the highest level of accuracy and schedule work in real-time.

The Municipality is not able to provide access to the Public Service Unit nor enable a fully mobile Building and Bylaw Enforcement Divisions with our current systems. This reduces the efficiency of our staff while also prohibiting our Public Service Unit from delivering an improved level of experience for residents.

Comments

This recommendation includes a new cloud-based software platform, Cloudpermit. Cloudpermit has partnered with, and is promoted by, the Association of Municipalities Ontario (AMO), and the Municipal Property Assessment Corporation (MPAC). In addition, it has now become the de facto standard in the province as well as the Windsor-Essex region. Their goal has been to provide a web-based service to make the planning and building permit process faster and easier, while meeting the diverse needs of citizens, municipalities, architects, engineers, and other construction experts. More than 250 municipalities in North America and Europe use Cloudpermit as their e-permitting solution. Over 50 municipalities in Ontario trust Cloudpermit to deliver these enhanced digital processes.

Cloudpermit offers the Municipality the opportunity to align ourselves with the region which will provide process efficiencies for residents and developers. A common platform where builders and developers can see all municipalities they are doing business with along with common Planning and Building processes simplifying the experience and removing unnecessary error rates during planning and building permit submissions.

If residents are unable to use the on-line portal due to the lack of high-speed internet, or other barriers, accommodation will be made to make applications in-person as is currently done in the Building department.

Although our current processes are functional, they lack the potential for cross-functional integration between Planning, Building and Bylaw. This recommendation supports fully integrating Community Planning, Building and Bylaw Enforcement into a common platform that will additionally permit its usage through the Public Service Unit

to answer questions, check status as well as input service requests, work orders and complaints. Other departments (e.g., Fire, Engineering) will be able to assign users to the system, which will improve the circulation and review process of planning and building permit applications between Divisions. Further, a common platform will assist in circulation and collaboration with other Cloudpermit users in the Region (e.g., other Municipalities and ERCA).

Being a fully mobile ready solution, Cloudpermit will also enable our building and bylaw divisions to complete inspections and enforcement completely from the field. Inspectors and Officers will have a solution fully integrated with GIS that allows them to complete tasks, update their status and upload any associated records all from a priority. There will be no need for note taking and manual entry upon return to the office.

Furthermore, it will reduce the complexity and risk associated with the current solution being provided by the Municipality. Our current service is split across two different products, both of which are slated for updates. These updates are costly and would need to be done again in the future due to the nature of the solutions. With Cloudpermit, the Municipality can expect ongoing updates to each program area that are included in the annual operating fee that deliver a continuous improvement cycle to our clients.

Finally, it reduces the risk associated with self-hosted solutions. Our current service is hosted on Lakeshore owned infrastructure. Moving to a cloud-based platform increases our security, reduces maintenance needs, simplifies our technology ecosystem while decreasing the need for associated future life cycling capital.

Cloudpermit includes an unlimited number of users in the annual operating fee, whereas the current system charges for each user (each license). Training of the users is also included in the annual operating fee which is an operational cost saving as compared to the current system.

Financial Impacts

Operating Costs:

The Municipality's current permit and bylaw system has an annual operating cost of \$60,000. A migration to Cloudpermit would increase the annual operating cost by \$30,000. Should Council support this initiative, Administration will add these costs into the Draft 2023 Budget.

Operating Costs	Current System	Cloudpermit
Annual Maintenance	\$40,000	
Annual Hosting	\$20,000	
Annual Subscription		\$90,000
Total	\$60,000	\$90,000
Additional Operating Cost to support Cloudpermit		\$30,000

Capital Costs:

Whether the Municipality stays with its current system or migrates to Cloudpermit, there are capital dollars needed to support ongoing operations. The current system requires \$105,740 in order to complete necessary upgrades as well as additional licenses to support onboarding of Bylaw. Cloudpermit would require \$20,000 to fund its implementation.

Should Council choose not to migrate to Cloudpermit, \$105,740 will be included in the Draft 2023 Budget to undertake the necessary upgrades to the existing software.

Capital Costs	Current System	Cloudpermit
Implementation		\$20,000
License Uplift (Bylaw)	\$10,000	
Upgrade Costs	\$95,740	N/A included in subscription cost above
Total	\$105,740	\$20,000
Capital Savings with Cloud Permit		\$85,740

Funding Sources:

Administration recommends funding Cloudpermit implementation costs of \$20,000 through a transfer of \$10,000 from Building Reserve and \$10,000 from the approved Digital Modernization grant from the Province that was previously targeted to support upgrades to the current system.

As we approach Q4 of 2022, only 33% of the annual subscription cost is required to migrate to Cloudpermit. Administration recommends transferring \$30,500 from the Covid-19 Safe Restart to fund the onboarding and final quarter of 2022 operation subscription cost for Cloudpermit as the digital nature of this solution will direct contribute to the safe operation of the municipality, residence and developers.

Procurement

Cloudpermit is to be procured via Cooperative Purchasing under our Purchasing Bylaw. Generally, single source procurement is discouraged; however, this type of procurement is permitted where it is determined to be in the best of interest of the municipality to do so.

Section 3.12 of the Purchasing By-law states:

- a. The Town may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Town to do so and where the purposes, goals and objectives of this policy are complied with by such government agencies and public authorities.
- b. The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.

In the case of Cloudpermit, the Association of Municipalities of Ontario (AMO) partnered with Cloudpermit to offer municipalities a digital platform to manage building permits more efficiently and effectively. AMO selected Cloudpermit through a competitive bidding process. For the search, AMO was supported by an evaluation committee that included representatives from the Ontario Building Officials' Association (OBOA), the Municipal Information Systems Association of Ontario (MISA ON), the Municipal Property Assessment Corporation (MPAC), AMO and Local Authority Services (LAS) staff. As a member of AMO, Lakeshore benefits from this cooperative purchasing arrangement which gives rise to a preferred pricing arrangement conducted through a competitive process to leverage municipal purchasing power. This arrangement is consistent with the requirements of the Canadian Free Trade Agreement as well as the Purchasing By-law.

Attachments

Lakeshore-Proposal-October 30, 2022.pdf

Report Approval Details

Document Title:	Development Approval and Enforcement Process Enhancements.docx
Attachments:	- Lakeshore-Proposal-October 30, 2022.pdf
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Michael Martin

Approved by Justin Rousseau and Truper McBride

Cloudpermit

Regus Brookfield Place 161 Bay St
Toronto, Ontario M5J 2S1
Canada

Order #: Q-00440-2
Customer #: CUST-0006802
Date: 2022-07-28
Sales Person: Peter Rotenberg
Sales Person Email: peter.rotenberg@cloudpermit.com
Delivery Method: E-Mail

Ship To

Michael Martin
Lakeshore
419 Notre Dame Street
Lakeshore, Ontario N0R 1A0
Canada
5199825397
mmartin@lakeshore.ca

Bill To

Lakeshore
419 Notre Dame Street
Lakeshore, Ontario N0R 1A0
Canada

Subscription

ITEM	DESCRIPTION	TOTAL
Building	Cloudpermit Building Module	CAD 52,000
Code Enforcement	Code Enforcement Module	CAD 10,000
Planning	Planning Module	CAD 18,000
Subscription Total:		CAD 80,000

Service

ITEM	DESCRIPTION	TOTAL
Implementation	Implementation Fee	CAD 12,000
Data Import Tool & Training	Data Import Tool & Training	CAD 6,000
Service Total:		CAD 18,000

TOTAL: **CAD 98,000**

Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Civic Affairs



To: Mayor & Members of Council

From: Brianna Coughlin, Division Leader – Civic Affairs

Date: July 15, 2022

Subject: Election Compliance Audit Committee

Recommendation

Direct the Clerk to read By-law 73-2022, to adopt the terms of reference for the 2022-2026 Election Compliance Audit Committee, during the 'Consideration of By-laws'; and

Direct the Corporate Leader – Strategic & Legal Affairs to commence the selection process for members to be appointed to the 2022-2026 Election Compliance Audit Committee, all as presented at the August 9, 2022 Council meeting.

Background

The *Municipal Elections Act, 1996* (MEA) requires a municipality to establish a compliance audit committee prior to October 1st of an election year. The committee must be composed of not fewer than three and not more than seven members and shall not include:

1. employees or officers of the Municipality;
2. members of Council;
3. any persons who are candidates in the election for which the committee is established; or
4. any persons who are registered third parties in the municipality in the election for which the committee is established.

Section 88.33 of the MEA permits an elector who believes on reasonable grounds that a candidate has contravened a provision of the MEA relating to election campaign finances to apply for a compliance audit of the candidate's election campaign finances. The committee's mandate is to determine whether a request for a compliance audit should be granted or rejected. If the committee grants the application, then the committee is obliged by the MEA to appoint an auditor to conduct the compliance audit of the candidate's election campaign finances. The appointed auditor is obliged to audit the candidate's campaign finances in order to determine whether the candidate has

complied with the provisions of the MEA relating to campaign finances and provide a report to the committee stating the auditor's conclusions.

The MEA sets out the term of office for the committee and its members which is concurrent with the term of the incoming Council.

Comments

The MEA requirement for a compliance audit committee was introduced in 2010 and continues. The Lakeshore Election Compliance Audit Committee was established for the 2010, 2014 and 2018 elections and Committee members were appointed each time. No applications were received for compliance audits of candidate election campaign finances.

Administration recommends that, as required by the MEA, Council establish the 2022-2026 Election Compliance Audit Committee which will operate pursuant to the Terms of Reference attached as Schedule A to draft By-law 73-2022. The Committee would be composed of 4 members selected by the Corporate Leader – Chief Financial Officer and the Corporate Leader – Strategic & Legal Affairs based on the following criteria (with a preference given to those persons who have demonstrated experience in public accounting, auditing, legal and the application of campaign finance rules):

- Analytical and decision making skills;
- Experience working on committees, task forces or similar working groups;
- Availability and willingness to attend meetings; and
- Excellent oral and written communications skills.

Upon establishment of the Committee, Administration will proceed with the recruitment of the members in accordance with the committee recruitment provisions set out in the Procedural By-law. It should be noted that while the Procedural By-law contemplates committees being appointed during the late fall, this Committee is required to be established and appointed prior to October 1st in the year of a regular election. As such recruitment cannot be conducted along with all of the other Lakeshore committees.

Financial Impacts

The costs incurred for advertising are included in the 2022 election budget. Otherwise, there are no immediate financial impacts resulting from the recommendations contained in this report. However, if the Committee is required to convene due to receipt of an application for a compliance audit, then the following costs are anticipated:

- \$125 per diem for each Committee member for each meeting attended;
- legal advice for the Committee where necessary; and
- if the Committee grants an application for an audit, costs will be incurred for the services of an auditor.

Report Approval Details

Document Title:	Election Compliance Audit Committee.docx
Attachments:	
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Brianna Coughlin

Submitted by Kristen Newman

Approved by Justin Rousseau and Truper McBride

Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Civic Affairs



To: Mayor & Members of Council

From: Brianna Coughlin, Division Leader – Civic Affairs

Date: July 26, 2022

Subject: Proposal to Relocate a cGaming Centre

Recommendation

Direct Administration to schedule a public input session in September, 2022 regarding the proposed relocation of a cGaming Centre to 446 Advance Boulevard, as presented at the August 9, 2022 Council meeting.

Background

On July 14, 2022, the Municipality of Lakeshore received a proposal from the Community Gaming and Entertainment Group (CGEG) to relocate the Power Play Gaming Centre from 13320 Desro Drive in the Town of Tecumseh to 446 Advance Boulevard in the Municipality of Lakeshore. The proposal has been included in this report as Appendix A.

Beginning in 2005, the Ontario Lottery and Gaming Commission (OLG) partnered with charities, commercial bingo hall operators and municipalities to allow for the transformation of existing bingo halls to charitable gaming (cGaming) centres, which allow for electronic versions of charitable gaming as well as traditional paper products. There are 37 approved sites throughout the Province of Ontario, which are all former bingo hall sites licensed through the Alcohol and Gaming Commission of Ontario (AGCO).

The following is an overview of the responsibilities of each participant in the cGaming process.

Stakeholder	Responsibilities	Activities
Ontario Lottery and Gaming Corporation (OLG)	Responsible for the conduct and management of all cGaming site, as per section 207(1)(a) of the <i>Criminal Code of Canada</i>	Issues licences and contracts to providers, charity associations and municipalities

Stakeholder	Responsibilities	Activities
Ontario Charitable Gaming Association (OCGA)	A provincial body representing all the charities participating in cGaming	Provides training and support for charities participating in cGaming throughout Ontario Contracted by the OLG to develop policies and procedures
Charitable Gaming Centre Association (CGCA)	An association representing charities participating at their local site	Supports member charities and facilitates participation with the CGCSP
Charitable Gaming Centre Service Provider (CGCSP)	Provides the venue for the cGaming site, including all technology and equipment and is responsible for daily operations	Managers the facility and all gaming activity, including site marketing and staffing Coordinates with the CGCA for scheduling of participation of local charities and distribution of profit sharing
Municipality	Initial: Approves cGaming program to operate within the municipal boundaries subject to public input Ongoing: Monitors ongoing eligibility of charities, provides permits to eligible charities (as per OLG guidelines)	Approve gaming site subject to a public input session and provincial approval based on OLG business case Determine eligibility of charities and issue permits on behalf of the OLG; monitor and ensure compliance with permit requirements including the use of proceeds; ensure monthly reports are received from the CGCSP and validate the distribution of funds to charities; ensure monthly reports and banking statements are received from charities; investigate and notify OLG of any breaches of the requirements by charities or the CGCSP
Charities	Apply for permits and provide volunteers to participate at cGaming events	Apply for permits and adhere to the requirements, including monthly reporting and monitoring of use of proceeds

Comments

Legislative Process for Approval of a cGaming Site

The Power Play Gaming Centre (formerly the Classic III Bingo Hall) received approval for the cGaming model in 2019 and has been operating as such since 2020.

The CGCSP for the Power Play Gaming Centre is the Community Gaming and Entertainment Group. The CGCA is the Tecumseh Gaming Association, which represents 25 charities within Essex County. The Tecumseh Gaming Association has provided a letter of support for the proposed relocation (included in Appendix A).

The proposed location at 446 Advance Boulevard is zoned as Mixed Use, which permits a “place of entertainment”. The Zoning By-law defines a Place of Entertainment as:

a motion picture of other theatre, amusement arcade including **game machines**, arena, auditorium, assembly hall, billiard or pool room, **bingo hall**, drive-in theatre, bowling alley, indoor racquet courts, indoor swimming pool, ice or roller rink, studio, dance hall or music hall, but does not does not include an adult entertainment establishment or any place of entertainment or amusement otherwise defined or classified herein. (bold font emphasis added here for clarity).

The OLG advises that this is the first time a proposal has come forward to move a cGaming site into a municipality that does not have a previously approved gaming site. As such, the proposal requires approval from both the AGCO to licence the location, as well as the OLG for the location/operation of the site.

Both the AGCO and OLG approval processes require a resolution from the Municipality of Lakeshore to support the location of the cGaming centre within the municipality.

As part of the requirement for AGCO approval, the Community Gaming and Entertainment Group published a public notice in the Windsor Star on July 23, 2022 advising of the proposed relocation of the cGaming centre. Written comments may be submitted to both the AGCO and the Municipality of Lakeshore until August 29, 2022.

The OLG approval is governed by [Ontario Regulation 81/12: Requirements for Establishing a Gaming Site](#), under the *Ontario Lottery and Gaming Corporation Act, 1999*. This process requires the OLG to prepare a business case for the proposed gaming site, to be submitted to the Minister, that sets out the cost of establishing the proposed gaming site, demonstrates the viability of the proposed gaming site and the adequacy of responsible gaming features for the proposed gaming site, and sets out or demonstrates any other matter that the Corporation considers appropriate.

As part of this process, Council is required to seek public input into the establishment of the proposed gaming site and then provide OLG with a written description of the steps it

took to do so and a summary of the public input received. Then Council would have the opportunity to consider whether it wishes to pass a resolution supporting the establishment of the gaming site in the municipality. The decision of Council would then be sent to both the AGCO and the OLG, as well as the applicant. This would satisfy the municipal requirements of both the OLG and AGCO processes. Following that, the OLG would then complete its business case for presentation to the Province for a final determination as to whether to approve the gaming site.

Introduction of cGaming - Administrative Responsibilities

Unlike traditional lottery licensing programs with set fees established by the AGCO, the permit application process for cGaming is free for eligible charities. Instead, participating charities and the municipality receive a percentage of the net gaming wins. It is estimated that the municipal portion of wins (2.79%) would be approximately \$150,000 annually. It is noted that this revenue was significantly lower in recent years due to the COVID-19 pandemic, however these revenues have increased in 2022.

Currently lottery licensing is undertaken by the Civic Affairs division as approximately 10% of overall duties, and generates an average revenue of \$14,000 per year. While cGaming represents a significant opportunity for local charities, it also comes with a significant increase in time and staffing resource requirements. It is estimated that the additional permitting responsibilities required for cGaming will add an average of 40 hours per month to process permits. Additionally, there will be supervisory responsibilities relating to training, enforcement, required quarterly meetings with the Gaming Association and annual reporting to Council and the OLG. These additional responsibilities are expected to consume a minimum of 105 hours (3 work weeks) regular activities per year. Hours spent on enforcement would vary. This increased workload cannot be accommodated in the current staff complement. As such, additional staff members would need to be hired to accommodate this new programming. A business case will be brought to Council which will include the costs and resources needed, which are anticipated to be offset by the anticipated revenue received from OLG annually.

It is the recommendation of Administration that a public input session be scheduled to solicit feedback from the community on the proposed gaming site. The public input session would be held mid-September, 2022 and consist of an in-person open house and a virtual session. These will be advertised via social media, print newspaper outlets, and municipal website. Members of the public will have access to the related information and a form on the Municipality's website to submit written comments.

Others Consulted

Ontario Lottery and Gaming Corporation (OLG)

Alcohol and Gaming Corporation of Ontario (AGCO)

Community Gaming and Entertainment Group (applicant)

Financial Impacts

Under the AGCO approval process, the applicant (Community Gaming and Entertainment Group) has the responsibility to bear the costs of public engagement for the proposed relocation and establishment of the gaming site within the Municipality of Lakeshore. The Applicant has already undertaken the public notice in the Windsor Star, as required by the AGCO.

The cost of the proposed public input session, including materials and public notice, is estimated to be approximately \$3,500.

Attachments

Appendix A – Proposal to relocate a Class A cGaming Centre, submitted by the Community Gaming and Entertainment Group

Report Approval Details

Document Title:	Relocation of a cGaming Centre - Power Play.docx
Attachments:	- Appendix A - Power Play Relocation Proposal.pdf
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Brianna Coughlin

Submitted by Kristen Newman

Approved by Justin Rousseau and Truper McBride



A PROPOSAL TO RELOCATE A

“Class A”

cGaming Centre

**446 Advance Blvd.
Lakeshore, Ontario
N8N 5G8**

Community Gaming & Entertainment Group
O/a Power Play Gaming Centre
13320 Derso Drive
Tecumseh, Ontario
N8K 0B6

July 6, 2022

Mayor Tom Bain and Council Members:

Re: Relocation of Power Play Gaming Centre

We are requesting your approval to relocate our cGaming centre to 446 Advance Blvd, Lakeshore (Zoned MU 1 which allows for commercial recreation). We have acquired 20,000+ square feet. We operate 7 days a week and provide bingo sessions, POD games, Taptix games and Bar & Lounge. We employ 35 employees, have 25 charities and currently generate \$700,000 annually to these charities.

Sincerely,



Tony Rosa
President & CEO
CGEG

Background of CGEG

Power Play Gaming Centre is operated by Community Gaming and Entertainment Group (CGEG), which has been operating several Bingo Halls now cGaming centres in the Windsor Tecumseh area since 2007. Our cGaming centres are as follows in Windsor Breakaway Gaming Centre, Paradise Gaming Centre and All Star Gaming Centre. In Tecumseh we operate Power Play Gaming Centre.

cGaming centres are operated in partnership with the OLG. They maintain the "Manage and Conduct" part of the partnership while the charities are the beneficiary of the revenues generated from the facility.

In 2005 the industry started to work with government to move the bingo industry in Ontario to the 21st century. At the time we could not operate any bingo or break open tickets on or through a computer or video device. Partnering with the OLG has enabled us to bring our industry into the 21st century. There is 37 such cGaming centres throughout the province of Ontario. The closest operators to our facilities are locations in Chatham and Leamington.

Biography of Tony Rosa

Tony is currently President and CEO of Community Gaming and Entertainment Group (CGEG) out of Windsor, Ontario. CGEG operates 4 cGaming centres in Windsor and Tecumseh in conjunction with the Ontario Lottery and Gaming Corporation (OLG) under the new Charity Revitalization program. They employ approximately 250 people and operate 250 sessions per month serving over 400 charities. He also is President and Chair of the Commercial Operators Association of Ontario (CGAO).

Tony has been involved in the Charitable Bingo industry since 1985. Prior to Tony joining CGEG he was Director of Operations for Bingo Country which he joined in 1989. In 1989 Bingo Country had 9 Bingo Halls in operation, at its peak time had 63 Bingo Halls and operated in three different provinces, Ontario, Saskatchewan and British Columbia. . Tony started in the Bingo industry in Brampton Ontario where he was General Manager of Brampton Bingo Country (now Rutherford Bingo) since it started in 1985. Tony is registered with the AGCO and was also registered with the BCLC when operating in BC.



**Tecumseh Gaming Association
c/o 13320 Desro Drive,
Tecumseh, ON
N8N 2L9**

July 5/2022

Dear Mayor Tom Bain & Town Council Members:

Please accept this letter of support from the charities of the Tecumseh Gaming Association for the relocation of Power Play Gaming Centre. Currently, Power Play Gaming Centre is located at 13320 Desro Drive in Tecumseh, Ontario. The new address will be 446 Advance Blvd. in Lakeshore, Ontario.

The Tecumseh Gaming Association was incorporated without share capital on May 14, 2020, by Letters Patent from the Province of Ontario. Currently the association is comprised of 25 local charitable organizations (see attached list of current charity organization members).

The main purpose of the Association is to promote interest in charitable gaming, and to distribute the proceeds generated from charitable gaming to members of the Association.

Since 2011 (we have gone back a lot further, but just to give you an idea) the Association distributed more than \$5,767,000 in gross proceeds to its charitable member organizations. These proceeds are then used by our charitable members to help them fulfill their mandates by providing needed programs and services for our local communities & other local charities.

We look forward to this new adventure and collaborating with the Lakeshore community and council.

Thanking you in advance for your consideration,

Sincerely,

Brian Adlam – President – Tecumseh Gaming Association

Attachment – 1 page

Tecumseh Charity Association

List of Charities:

ABC DAY NURSERY
BELLE RIVER HIGH SCHOOL
BELLE RIVER PUBLIC SCHOOL
BELLE RIVER MINOR HOCKEY ASSOCIATION
ESSEX ENERGIZERS SKIPPING CLUB
FOREST GLADE BASEBALL LEAGUE
HARROW HAWKS ALUMNI ASSOCIATION
HUGH BEATON HOME & SCHOOL
KNIGHTS OF COLUMBUS # 2775
KNIGHTS OF COLUMBUS # 4555
KNIGHTS OF COLUMBUS # 9671
LEAMINGTON SKATING CLUB
OUR LADY OF ANNUNCIATION SCHOOL
ROSE CITY COMMUNITY ASSISTANCE FUND
SELECT TRAVEL SOCCER
SOUTHPOINT MINOR HOCKEY
ST. CLAIR BEACH OPTIMIST CLUB
SUN COUNTY AAA HOCKEY ASSOCIATION
TECUMSEH BASEBALL CLUB
TILBURY FIGURE SKATING CLUB
TILBURY/KENT MINOR HOCKEY ASSOCIATION
TILBURY ROTARY CLUB
TECUMSEH SHORELINE MINOR HOCKEY ASSOCIATION
WINDSOR MARTIAL ARTS
WINDSOR OPTIMIST YOUTH BAND

HCA is Sandy Bondy gsbondy@sysmpatco.ca (519) 919-8207

Benefits to the Community

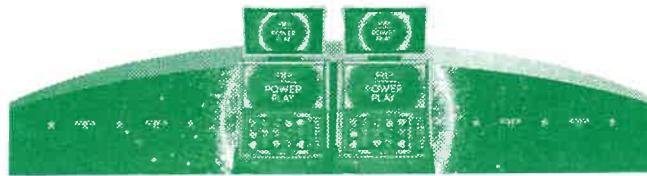
We employ 35+ Full time and Part-time staff from the area.

We create a long term source of funding for charities and non-profits in the area with annual funds of approximately \$700,000 and growing.

We provide a premiere operation for the customer to enjoy.

This location will draw patrons from the surrounding area.

The Town of Lakeshore will receive revenues for permit fees



VEGAS ROOM OPEN

Monday to Thursday: 11:00 am-12:00 am

Friday & Saturday: 9:00 am-1:00 am

Sunday: 9:00 am-12:00 am



POWER PLAY SESSIONS

SUNDAY: 11:00 am & 1:00 pm

FRIDAY & SATURDAY: 8:00 pm & 10:15 pm

<u>DOUBLE ACTION</u>		\$3.00 OR \$4.00 A BOOK
GAME 1	FULL CARD	\$75.00
GAME 2	FULL CARD	\$75.00
GAME 3	FULL CARD	\$75.00
GAME 4	FULL CARD	\$75.00

2 STRIP MINIMUM PURCHASE
\$12.00 DOUBLE \$18.00 TRIPLE
1 STRIP DOUBLE PAYS \$8.00

** BIG 5 PLAYED DURING REGULAR GAMES ONLY

** GAME 1	ONE LINE	\$100.00	
(BLUE) BB - TWO LINES		\$200.00	*DP \$200.00

** GAME 2	ONE LINE	\$100.00	
(ORANGE) BB- TWO LINES		\$200.00	*DP \$200.00

SUPER JACKPOT	\$2.00 A CARD	
(ORANGE) TWO LINES		\$100.00
FULL CARD WITHIN DESIGNATED#		\$2,500.00
CONSOLATION		\$300.00

** GAME 3	ONE LINE	\$100.00	
(GREEN) BB - TWO LINES		\$200.00	*DP \$200.00

SUPER "G" BALL (BLACK)	\$2.00 A CARD	
TWO LINES		\$50.00
BEFORE DESIGNATED#		\$250.00
FULL CARD ON DESIGNATED#	PROGRESSIVE POT	
AFTER DESIGNATED#		\$200.00

** GAME 4	ONE LINE	\$100.00	
(YELLOW) BB - TWO LINES		\$200.00	*DP \$200.00

ACCUMMULATOR	\$2.00 A CARD	
(AQUA) ROVING "T"		\$100.00
FULL CARD WITHIN 53 #'S or LESS		\$3,000.00
CONSOLATION		\$275.00

** GAME 5	ONE LINE	\$100.00	
(PINK) BB - TWO LINES		\$200.00	*DP \$200.00

JACKPOT ROUND (BROWN)	\$2.00 EXTRA CARDS	
INSIDE SQUARE		\$100.00
LETTER "H"		\$150.00
FULL CARD		\$1,500.00
2 nd FULL CARD		

* DP - DOUBLE PAY PLAYED DURING 2 LINES ONLY IN REGULAR BOOK

BB - BINGO BONUS PLAYED DURING 2 LINES ONLY IN REGULAR BOOK

Regular Bingo Session

POD Games

2022 Attend	Ave Spend	Sales	Prizes	Payout %	Win	Ave Spend	Sales	Prizes	Payout %	Win
Feb 1,804	\$ 88.86	\$160,301.00	(\$112,474.80)	-70.16%	\$47,826.20	\$ 39.65	\$71,529.11	(\$62,136.31)	-86.87%	\$9,392.80
Mar 2,453	\$ 81.18	\$199,126.00	(\$111,258.00)	-55.87%	\$87,868.00	\$ 34.52	\$84,684.09	(\$74,320.74)	-87.76%	\$10,363.35
Apr 2,841	\$ 64.79	\$184,059.00	(\$108,271.00)	-58.82%	\$75,788.00	\$ 33.48	\$95,130.34	(\$85,443.48)	-89.82%	\$9,686.86
May 2,532	\$ 84.80	\$214,726.00	(\$153,676.60)	-71.57%	\$61,049.40	\$ 27.24	\$68,969.33	(\$61,271.95)	-88.84%	\$7,697.38
Total 9,630	\$ 78.73	\$758,212.00	(\$485,680.40)	-64.06%	\$272,531.60	\$ 33.26	\$320,312.87	(\$283,172.48)	-88.40%	\$37,140.39

Taptix Machines

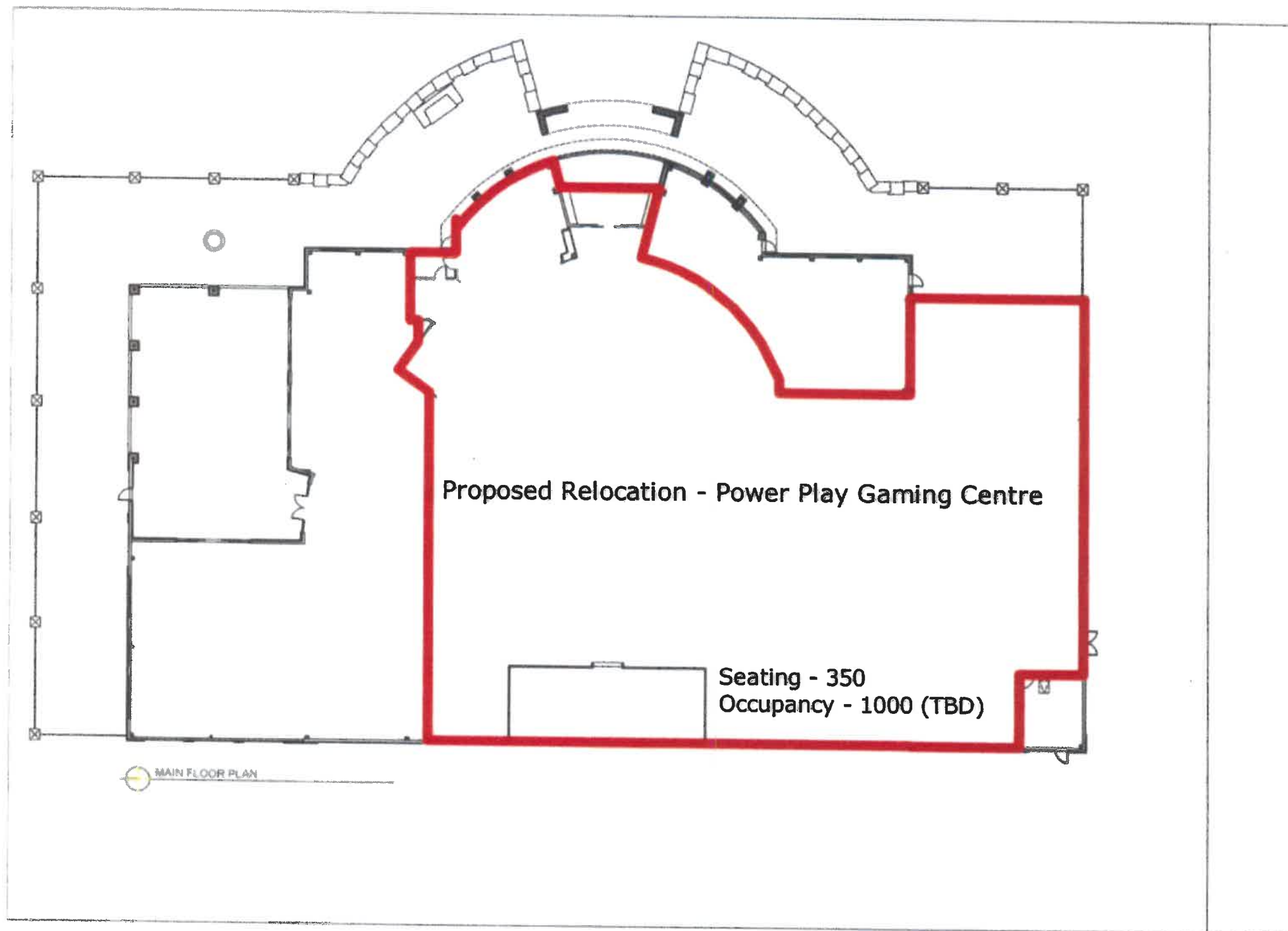
Break Open Tickets

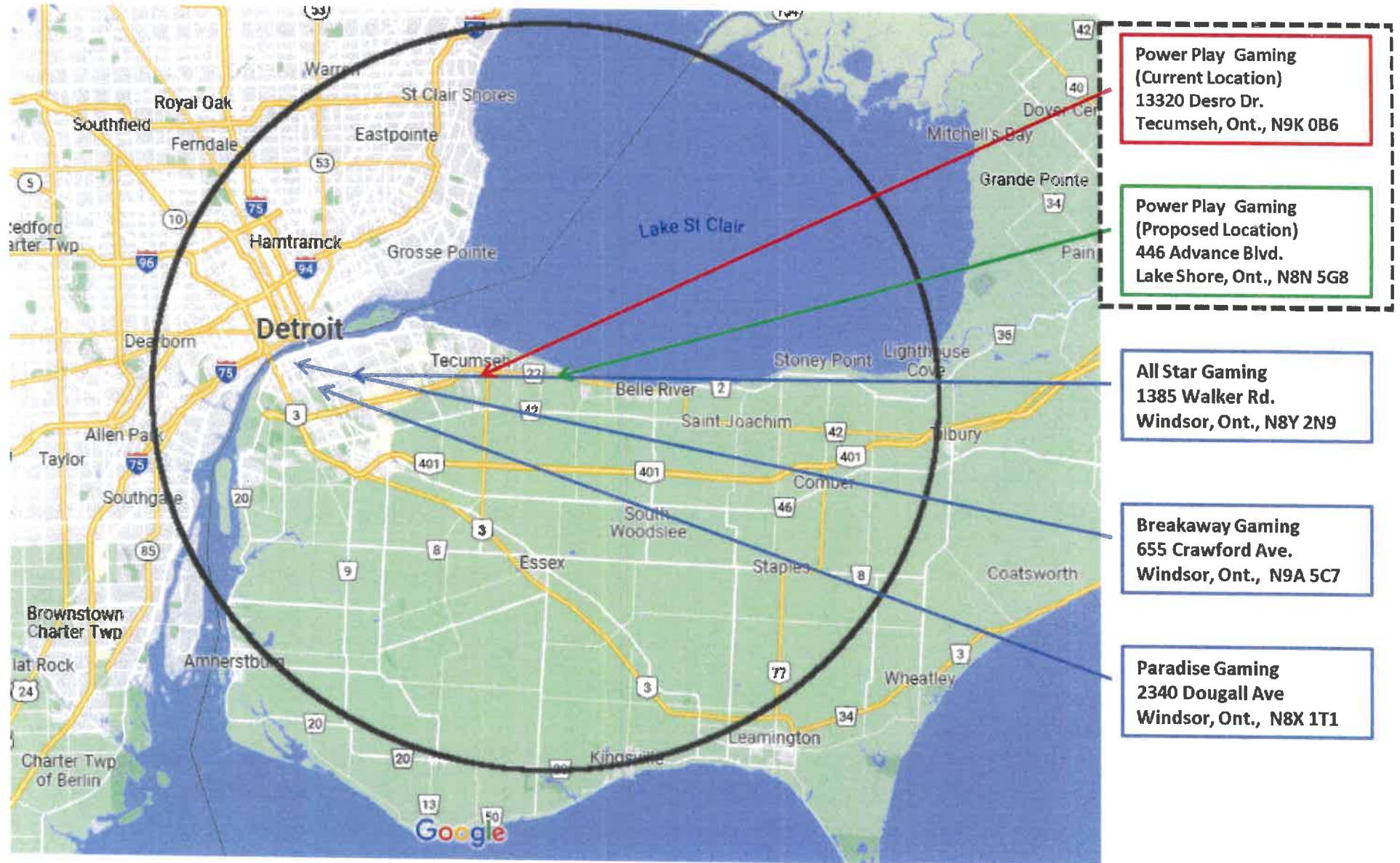
2022 Attend	Ave Spend	Sales	Prizes	Payout %	Win	Ave Spend	Sales	Prizes	Payout %	Win
Feb 1,804	\$ 551.04	\$ 1,348,944.67	\$1,225,958.11	90.88%	\$ 122,986.56	\$ 14.37	\$25,920.00	(\$17,639.00)	-68.05%	\$8,281.00
Mar 2,453	\$ 462.99	\$ 1,527,860.05	\$ 1,398,632.94	91.54%	\$ 129,227.11	\$ 15.26	\$37,440.00	(\$25,440.00)	-67.95%	\$12,000.00
Apr 2,841	\$ 427.32	\$ 1,600,325.97	\$ 1,469,638.99	91.83%	\$ 130,686.98	\$ 10.39	\$29,520.00	(\$20,072.00)	-67.99%	\$9,448.00
May 2,532	\$ 578.69	\$ 2,031,185.46	\$ 1,869,302.34	92.03%	\$ 161,883.12	\$ 11.94	\$30,240.00	(\$20,550.00)	-67.96%	\$9,690.00
Total 9,630	\$ 500.52	\$6,508,316.15	\$5,963,532.38	91.63%	\$344,783.77	\$ 12.79	\$123,120.00	(\$83,701.00)	-67.98%	\$39,419.00

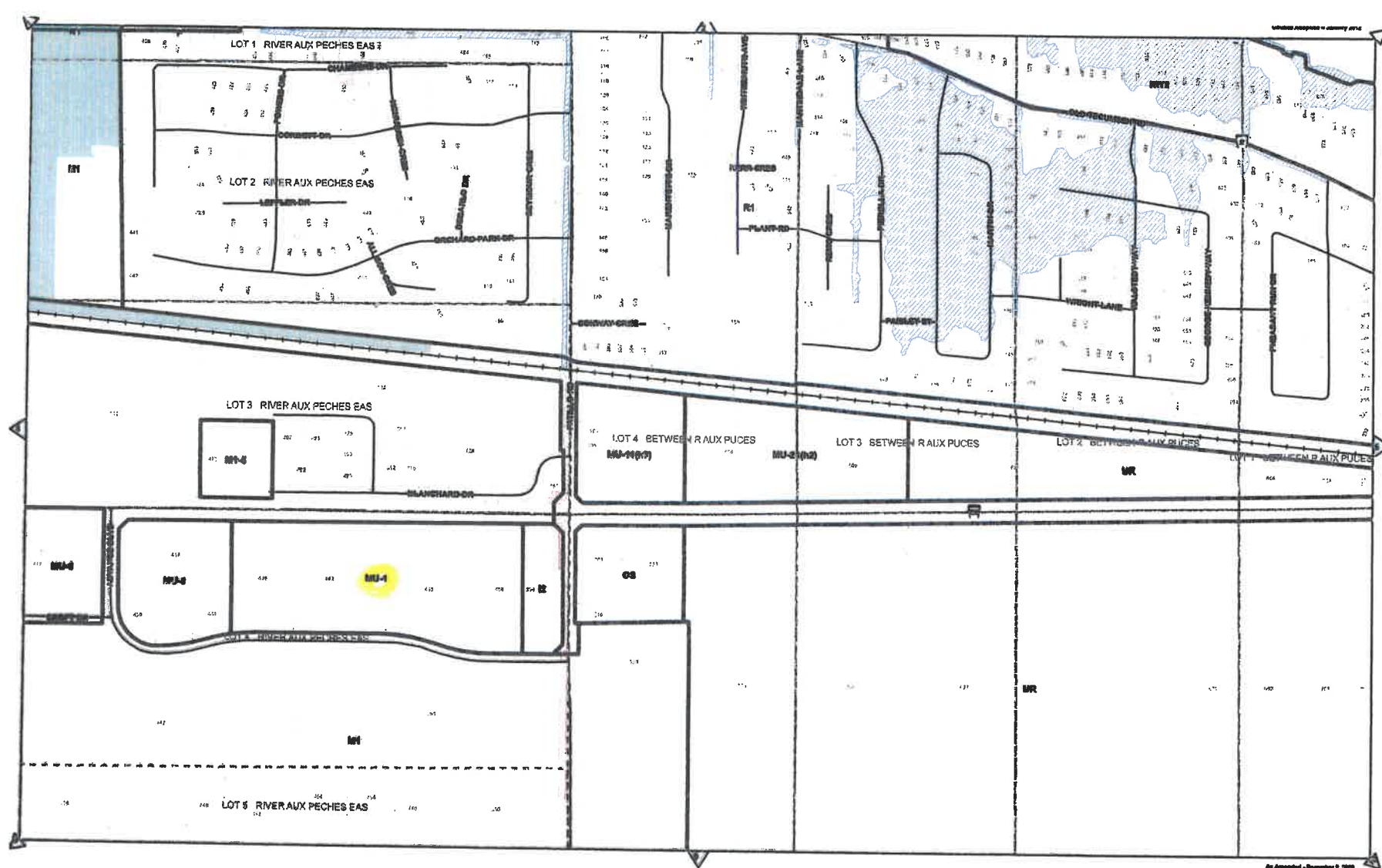
Total

2022 Attend	Sales	Prizes	Payout %	Win	Charity Revenue	Monthly Ave Share
Feb 1,804	\$1,606,884.78	\$1,833,708.00	64.34%	\$188,486.56	\$49,006.51	\$1,960.26
Mar 2,453	\$1,849,110.14	\$1,187,614.20	64.13%	\$239,458.46	\$62,259.20	\$2,490.37
Apr 2,841	\$1,909,835.31	\$1,238,852.51	65.78%	\$225,009.84	\$58,658.56	\$2,346.34
May 2,532	\$2,345,128.79	\$1,633,803.79	69.67%	\$340,319.90	\$62,483.17	\$2,499.33
Total 9,630	\$7,709,961.82	\$5,198,978.50	66.29%	\$893,874.76	\$232,407.44	\$9,296.30

Annually \$697,222.81 \$27,883.80 Each Charity







7.0 Permitted Uses

Subject to compliance with this By-law, the following uses shall be permitted within the zones corresponding to the columns identified with a "•" in Table 7.1. Where a superscript "E" (^E) is identified next to a "•" symbol, only *existing uses* shall be permitted. All permitted uses shall be subject to the applicable Zone Regulations provided in Section 8.0 and the General Provisions including the site specific qualifications provided in Section 6.0, where applicable.

The zone symbols are defined and described in Section 5.2, and consist of letters and numbers, as the case may be, as listed below:

Zone Symbol	Zone Title
<i>Residential Zones</i>	
R1	Residential – Low Density
R2	Residential – Medium Density
R3	Residential – High Density
RM	Residential Mobile Home Park
RW1	Residential Waterfront – Watercourse
RW2	Residential Waterfront – Lake St. Clair
<i>Hamlet Zones</i>	
HR	Hamlet Residential
HC	Hamlet Commercial
HE	Hamlet Employment
<i>Commercial Zones</i>	
CS	Service Commercial
CR	Rural Commercial/Employment
CN	Neighbourhood Commercial
CT	Recreational/Tourist Commercial
<i>Mixed Use Zones</i>	
CA	Central Area
MU	Mixed Use
<i>Employment Zones</i>	
M1	General Employment

Table 7.1 – Permitted Uses

	R1	R2	R3	RM	RW1	RW2	HR	HC	HE	CS	CR	CA	CN	CT	MU	M1	M2	I1	I2	EP	W	P	A	UR
Parking lot or structure, public												•			•									
Personal service shop								•		•		•	•		•									
Pharmacy								•		•		•			•									
Place of entertainment								•		•		•		•	•									
Printing establishment								•		•						•								
Private club								•				•		•	•				•				•	
Public club								•				•		•	•				•				•	
Public storage									•						• ^E	•								
Recreational vehicle sales, service, and storage establishment										•	•			•										
Retail establishment								•		•		•			•									
Retail establishment, convenience								•		•		•	•		•									
Retail and service uses related to recreation														•										
Retail use, accessory									•							•	•							
Service and repair establishment								•		•		•			•									
Shopping Centre								•		•		•	•		•									
Supermarket								•		•		•			•									
Taxi establishment										•														
(d) Employment Uses																								
Batching or recycling plant, concrete or asphalt																•								
Bus terminal										•														
Call centre																•	•							
Contractor's yard									•							•								
Laboratory or scientific research facility																•	•							
Landing strip																							•	
Manufacturing, heavy																•								
Manufacturing, light									•							•	•							
Office								•		•	•	•	•		•		•							
Propane transfer facility																•								

or other legal representatives of a person to whom the context can apply according to law.

158. **PERSONAL SERVICE SHOP** – shall mean a *building* or part thereof in which services are provided and administered to the individual and personal needs of persons or their pets, and without limiting the generality of the foregoing, includes barber shops, hairdressing establishments, dog grooming establishments, spas, shoe repair and shoe shining shops, tailor shops, *bake shops*, *dry cleaning depots* and *laundromats*, wherein machines and facilities for wet laundering, drying or finishing are available for public use at a cost, but shall not include a *dry cleaning establishment*.
159. **PHARMACY** – shall mean a *retail establishment* which dispenses prescription drugs and which sells, among other things, non-prescription medicines, health and beauty products and associated sundry items.
160. **PIT** – shall mean a place where unconsolidated gravel, stone, sand, earth, clay, fill mineral or other material is being or has been removed by means of an open excavation, and may include the processing thereof for commercial purposes including screening, sorting, washing, crushing and other similar operations, *buildings* and *structures*.
161. **PLACE OF ENTERTAINMENT** – shall mean a motion picture or other theatre, amusement arcade including *amusement game machines*, arena, auditorium, *assembly hall*, billiard or pool room, *bingo hall*, drive-in theatre, bowling alley, indoor racquet courts, indoor swimming pool, ice or roller rink, *studio*, dance hall or music hall, but does not include an *adult entertainment establishment* or any place of entertainment or amusement otherwise defined or classified herein.
162. **PLACE OF WORSHIP** – shall mean a *building* dedicated to religious worship and includes a church, synagogue, temple, mosque, hermitage or *assembly hall* and may include such *accessory uses* as a nursery school, a school of religious education, convent, monastery, parish hall or an *assembly hall*.
163. **POINT OF INTERSECTION** – shall mean the point at which *street lines* abutting a *corner lot* intersect, or, if the *street lines* do not intersect at a point, then the point of intersection shall be deemed to be the intersection of the projection of the *street lines* or the intersection of the tangents of the *street lines*. Refer to the definition and illustration for *sight triangle*.
164. **PORCH** – shall mean a roofed open area attached to the outside of a *building* and with direct access to or from a *building*.
165. **PORTABLE BATCHING OR RECYCLING PLANT, CONCRETE OR ASPHALT** – shall mean equipment for the crushing, screening or washing of sand and gravel aggregate

Public Notice

Proposal TO RELOCATE A BINGO HALL

A proposal has been submitted to the Town of Lakeshore, to relocate a bingo hall to:

446 Advance Blvd., Lakeshore, ON N8N 5G8

This proposal has been submitted by CGEG.

Copies of the proposal are available at Lakeshore Town Hall.

Written comments on the proposal may be submitted not later than August 29th, 2022

And forward to the municipal office and the Commission

Municipality of Lakeshore

419 Notre Dame Street

Belle River, Ontario

N0R 1A0

Alcohol and Gaming Commission of Ontario

90 Sheppard Avenue East, Suite 200

Toronto, Ontario

M2N 0A4

Written comments submitted on the proposal may be provided to the applicant.



Alcohol and Gaming Commission of Ontario
90 Sheppard Avenue East, Suite 200
Toronto ON M2N 0A4
Tel.: 416-326-8700
Toll free in Ontario: 1-800-522-2876
Inquiries: www.agco.ca/iagco • Website: www.agco.ca

Registration No.: OPCHF00131687

Expiry Date: Mar. 20, 2023

Certificate of Registration - Supplier

Class: Operator

Issued under the *Gaming Control Act, 1992*

Issued to	COMMUNITY GAMING & ENTERTAINMENT GROUP LIMITED PARTNERSHIP	Doing Business As	Power Play Gaming Centre
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Gaming Site	13320 DESRO DR TECUMSEH, ON N8N2L9
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To be prominently displayed





Commission des alcools et des jeux de l'Ontario
90, avenue Sheppard Est, bureau 200
Toronto (Ontario) M2N 0A4
Tél. : 416-326-8700
Interurbains sans frais en Ontario : 1-800-522-2876
Demande de renseignements : www.agco.ca/fr/icafo
Site Web : www.agco.ca/fr

N° d'inscription : OPCHF00131687

Date

d'expiration : 20 mars 2023

Certificat d'inscription - Fournisseur

Catégorie : Exploitant

**Délivré en vertu de la
Loi de 1992 sur la réglementation des jeux**

Délivré à

COMMUNITY GAMING &
ENTERTAINMENT GROUP
LIMITED PARTNERSHIP

Faisant affaire
sous le nom de

Power Play Gaming Centre

Site de jeu

13320 DESRO DR
TECUMSEH, ON N8N2L9

À afficher en évidence.



Municipality of Lakeshore – Report to Council

Strategic & Legal Affairs

Legal Services



To: Mayor & Members of Council
From: Kristen Newman, Corporate Leader – Strategic & Legal Affairs
Date: August 4, 2022
Subject: Amendment to Appointment By-law

Recommendation

Direct the Clerk to read By-law 78-2022, being a by-law to amend By-law 34-2019 and By-law 19-2019 during the Consideration of the By-laws, as presented at the August 9, 2022 Council meeting.

Background

In 2021, as a result of an organizational review, several positions within the organization were renamed. Also, several individuals have left the Municipality since 2019.

Comments

By-law 34-2019 is the Municipality's Appointment By-law.

The draft by-law amendment to By-law 34-2019 includes housekeeping items to update the titles of those roles within the organization which have changed on Schedule "A".

By-law 19-2019 established the Committee of Adjustment. Since the passing of By-law 19-2019 some of the named individuals have left the Municipality. In keeping with the Appointment By-law format, these positions are included in Schedule "A" of the draft by-law amendment and reflect titles rather than the names of individuals.

Administration recommends that Council direct the Clerk to present By-law 78-2022 for reading and adoption during the Consideration of the By-laws portion of the Council meeting.

Financial Impacts

There are no financial impacts as a result of this report.

Report Approval Details

Document Title:	Amendment to Appointments By-law.docx
Attachments:	
Final Approval Date:	Aug 4, 2022

This report and all of its attachments were approved and signed as outlined below:

Prepared by Kristen Newman

Approved by Truper McBride

Notice of Motion submitted by Deputy Mayor Bailey regarding Temporary Speed Bumps on Caille Avenue

Whereas the Lakeview Park West Beach is a notably growing Lakeshore attraction;

And Whereas Caille Avenue continues to observe higher than normal traffic volume during the spring and summer;

And whereas portable speed bumps are a perfect choice when a temporary solution to slow vehicle traffic is needed;

And Whereas pilot projects allow an initial small-scale implementation in an attempt to prove the longer term viability

Therefore, be it resolved that the Council of the Municipality of Lakeshore direct that temporary speed bumps be installed on Caille Avenue each year, beginning in 2022 from Spring to Fall to serve as a pilot until a longer term solution is presented

Notice of Motion submitted by Councillor Santarossa regarding Notre Dame Street/West Belle River Road Landscaping

Whereas the turning circle at Notre Dame St and W Belle River Rd has required landscape replacements and improvements over the last few years;

And whereas the Council of the Municipality of Lakeshore wishes to lessen the long-term impact of construction on adjacent landowners as well as any replacement costs;

Therefore, be it resolved that the Council of the Municipality of Lakeshore direct administration to include the costs of replacing the landscaping on the turning circle and its medians at Notre Dame St and W Belle River Rd with artificial turf in the 2023 budget for Council consideration.

Municipality of Lakeshore

By-law 64-2022

Being a By-law to amend By-law 2- 2012, Zoning By-law for the Municipality of Lakeshore (ZBA-28-2021)

Whereas By-law 2-2012 is the Municipality's comprehensive zoning by-law regulating the use of lands and the character, location and use of buildings and structures within the Municipality of Lakeshore;

And whereas the Council of the Municipality of Lakeshore deems it in the interest of good planning to further amend By-law 2-2012;

And whereas this amendment is in conformity with the Lakeshore Official Plan;

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. Schedule "A", Map 19 to By-law 2-2012, is amended as follows:
 - a) the zoning classification on 347 Renaud Line, legally described as Part of Lot 4, Concession East of Puce River, designated as Parts 2 and 3 on Plan 12R22568, Lakeshore, subject to a Right-of-Way over Part 3 on Plan 12R22568 as in R375899, being all of the Property Identifier Number 75005-1536(LT), which is shown for reference only in Schedule "A" to this by-law, is changed from "Residential – Low Density (R1)(h4) Zone" to "Residential – Medium Density (R2)(h4)" zone.
2. This by-law shall come into force in accordance with section 34 of *Planning Act*. R.S.O. 1990, c. P. 13.

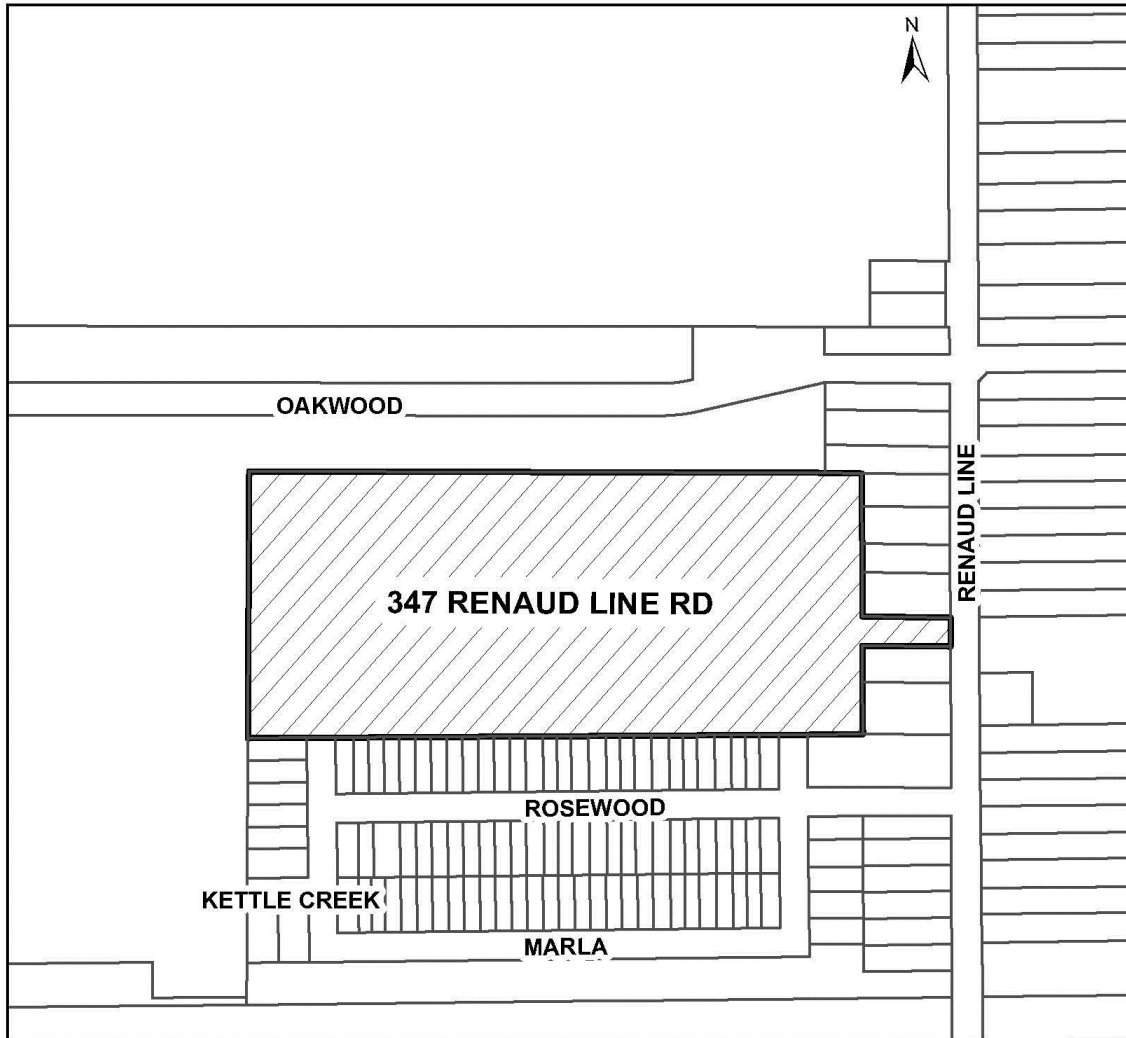
Read and passed in open session on August 9, 2022.

**Mayor
Tom Bain**

**Clerk
Kristen Newman**

**Schedule “A”
to By-law 64-2022**

Part of Lot 4, Concession East of Puce River, designated as Parts 2 and 3 on Plan 12R22568, Lakeshore, subject to a Right-of-Way over Part 3 on Plan 12R22568 as in R375899, being all of the Property Identifier Number 75005-1536(LT),



Amend from “Residential – Low Density zone R1(h4)” to “Residential – Medium Density zone R2(h4)”

Municipality of Lakeshore

By-law 73-2022

Being a By-law to Establish an Election Compliance Audit Committee

Whereas section 88.37 of the *Municipal Act, 2001*, S.O. 2001, c. 25, requires a council to establish a compliance audit committee before October 1 of an election year;

And whereas it is deemed necessary to establish an Election Compliance Audit Committee for the 2022-2026 term as recommended by the Division Leader – Civic Affairs at the August 9, 2022 Council meeting;

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. The 2022-2026 Election Compliance Audit Committee is established for a term concurrent with the term of Council taking office following the next regular election.
2. The 2022-2026 Election Compliance Audit Committee Terms of Reference attached as Schedule “A” to this by-law are adopted.
3. The Corporate Leader – Finance/Chief Financial Officer and the Corporate Leader – Strategic & Legal Affairs are delegated the authority to appoint the members of the 2022-2026 Election Compliance Audit Committee in accordance with the Terms of Reference.
4. In the event of a conflict between this by-law and another Lakeshore by-law, this by-law prevails.
5. The delegation in this by-law is subject to any restrictions on such delegation under the *Municipal Act, 2001*, S.O. 2001, c.25 or any other Act.
6. This By-law comes into force upon passage.

Read and passed in open session on August 9, 2022.

**Mayor
Tom Bain**

**Clerk
Kristen Newman**



Municipality of Lakeshore

Terms of Reference

Election Compliance Audit Committee

2022-2026

Mandate

The powers and functions of the Committee are as provided in the *Municipal Elections Act, 1996*.

Term

The term of office of the Committee and the members of the Committee is the same as the term of office of the Council that takes office following the next regular election.

Composition

The Committee shall be composed of four members.

Qualifications for Membership

Members of the Committee shall have:

- a) Analytical and decision making skills;
- b) Experience working on committees, task forces or similar working groups;
- c) Availability and willingness to attend meetings; and
- d) Excellent oral and written communications skills.

Preference will be given to persons who have demonstrated experience in public accounting, auditing, legal and the application of campaign finance rules.

The following persons will not be permitted membership on the Committee:

- a) employees or officers of the Municipality of Lakeshore;
- b) members of Lakeshore Municipal Council;
- c) any persons who are candidates in the election for which the Committee is established; or
- d) any person who is registered third party in the election for which the Committee is established.

Meetings

Meetings shall be open to the public, but the Committee may deliberate in private.

Procedure

The Clerk shall set the procedure for the Committee in accordance with the authority set out under the *Municipal Elections Act, 1996*.

Chair and Vice-Chair

The Committee shall elect a Chair and Vice-Chair at its first meeting.

Proposed Meeting Schedule

The Clerk shall call the initial meeting of the Committee and chair the meeting until a Committee Chair is elected. The Committee shall meet as needed in response to an application for a compliance audit of an election candidate's expenses.

Conflict of Interest

Members shall comply with the *Municipal Conflict of Interest Act* and Municipality of Lakeshore's Procedure By-law.

Remuneration

Members shall be remunerated \$125.00 for each meeting attended.

Municipality of Lakeshore

By-law 74-2022

Being a By-law to amend By-law 2-2012, Zoning By-law for the Municipality of Lakeshore (ZBA-9-2022)

Whereas By-law 2-2012 is the Municipality's comprehensive zoning by-law regulating the use of lands and the character, location and use of buildings and structures within the Municipality of Lakeshore;

And whereas the Council of the Municipality of Lakeshore deems it expedient and in the interest of good planning to amend By-law 2-2012;

And whereas this amendment is in conformity with the Lakeshore Official Plan;

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. Schedule "A", Map 33 to By-law 2-2012, is amended as follows:

- a) the zoning classification on a portion of land legally described as Lots 12-13, Plan 1411, Belle River; Lakeshore, being all of the Property Identifier Number 75046-0091(LT), which is shown for reference only in Schedule "A" to this by-law, is changed from "RW2, Residential Waterfront – Lake St. Clair" to "RW2-14, Residential Waterfront – Lake St. Clair Zone Exception 14".

2. Section 9.6, Residential Waterfront – Lake St. Clair (RW2) Zone Exceptions is amended by adding Subsection 9.6.14 to immediately follow Subsection 9.6.13 and to read as follows:

"9.6.14 Residential Waterfront – Lake St. Clair Zone Exception 14 (RW2-14) (Map 33)

- a) Permitted Uses: An existing *dwelling* converted to an *accessory building* shall be an additional permitted use.
- b) Other Provisions: The following provisions shall apply to an existing *dwelling* converted to an *accessory building*:
 - i) Notwithstanding Section 6.5 a) ix) the maximum gross floor area is 255 m²
 - ii) Notwithstanding Section 6.5 a) xi) the maximum *height* is 6.19 metres

- iii) Other than *accessory structures* that already exist on the *lot*, no additional *accessory structures* are permitted if the *building* exists on the *lot*
- iv) The *building* shall not be used as a *dwelling* or contain a *dwelling unit*

3. This by-law shall come into force in accordance with section 34 of the *Planning Act*, R.S.O. 1990, c. P. 13.

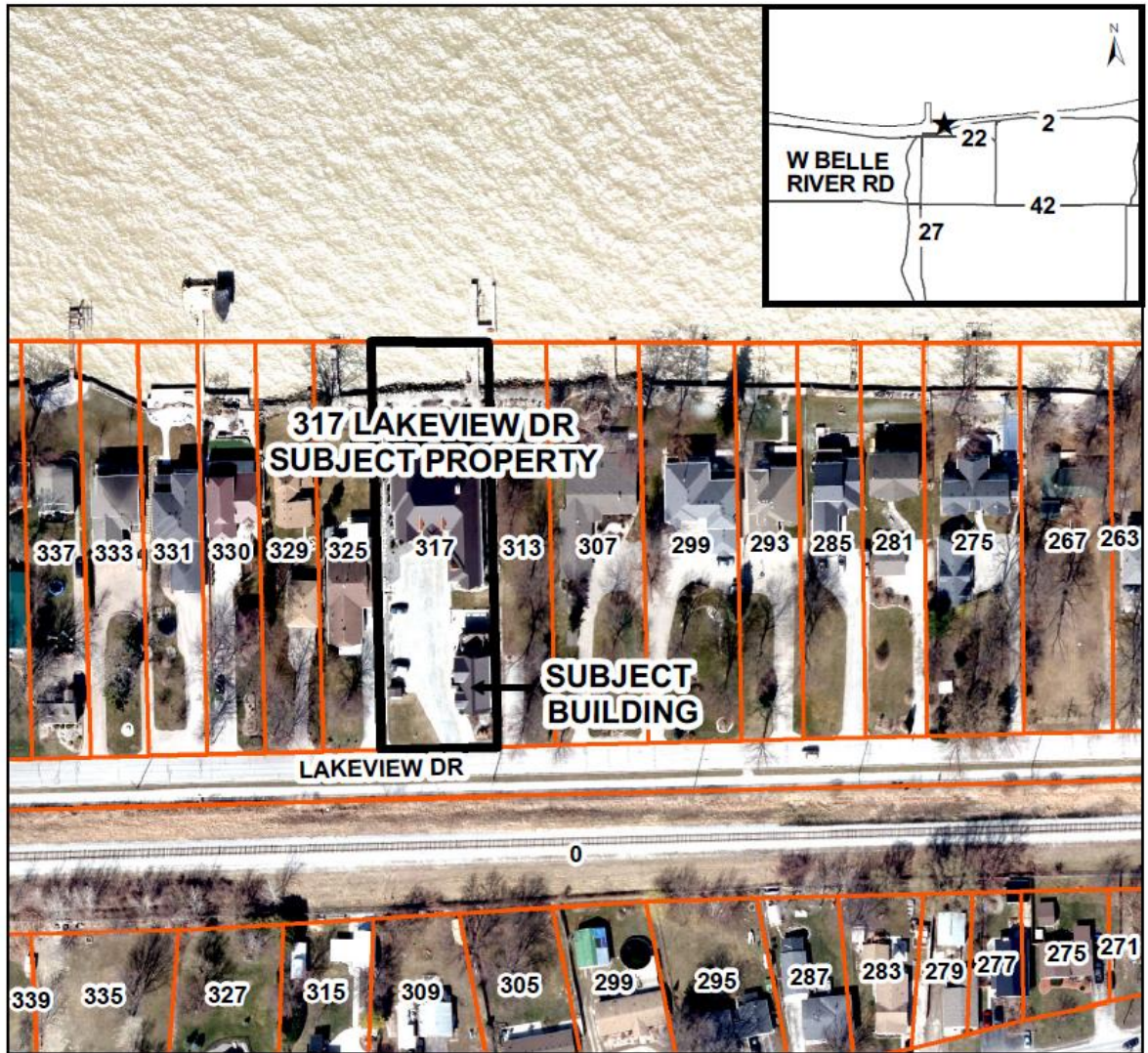
Read and passed in open session August 9, 2022.

**Mayor
Tom Bain**

**Clerk
Kristen Newman**

**Schedule “A”
to By-law 74-2022**

Lots 12-13, Plan 1411, Belle River; Lakeshore, being all of the Property Identifier Number 75046-0091(LT)



“RW2, Residential Waterfront – Lake St. Clair” to “RW2-14, Residential Waterfront – Lake St. Clair Zone Exception 14”

Municipality of Lakeshore

By-law 75-2022

Being a By-law to amend By-law 2-2012, Zoning By-law for the Municipality of Lakeshore (ZBA-4-2022)

Whereas By-law 2-2012 is the Municipality's comprehensive zoning by-law regulating the use of lands and the character, location and use of buildings and structures within the Municipality of Lakeshore;

And whereas the Council of the Municipality of Lakeshore deems it in the interest of good planning to amend By-law 2-2012;

And whereas this amendment is in conformity with the Lakeshore Official Plan;

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. Schedule "A", Map 42 of By-law 2-2012, is amended as follows:
 - a) the zoning classification on land legally described as Part of the South 1/2 Lots 1 and 2 Concession South Middle Road, Rochester, designated as Parts 1 to 4 Plan 12R29109; Lakeshore, which is shown for reference only in Schedule "A" to this by-law, is changed from "Hamlet Residential zone HR(h6)" to "Hamlet Residential Zone (HR)".
2. This by-law shall come into force in accordance with sections 34 and 36 of the *Planning Act*, R.S.O. 1990, c. P. 13.

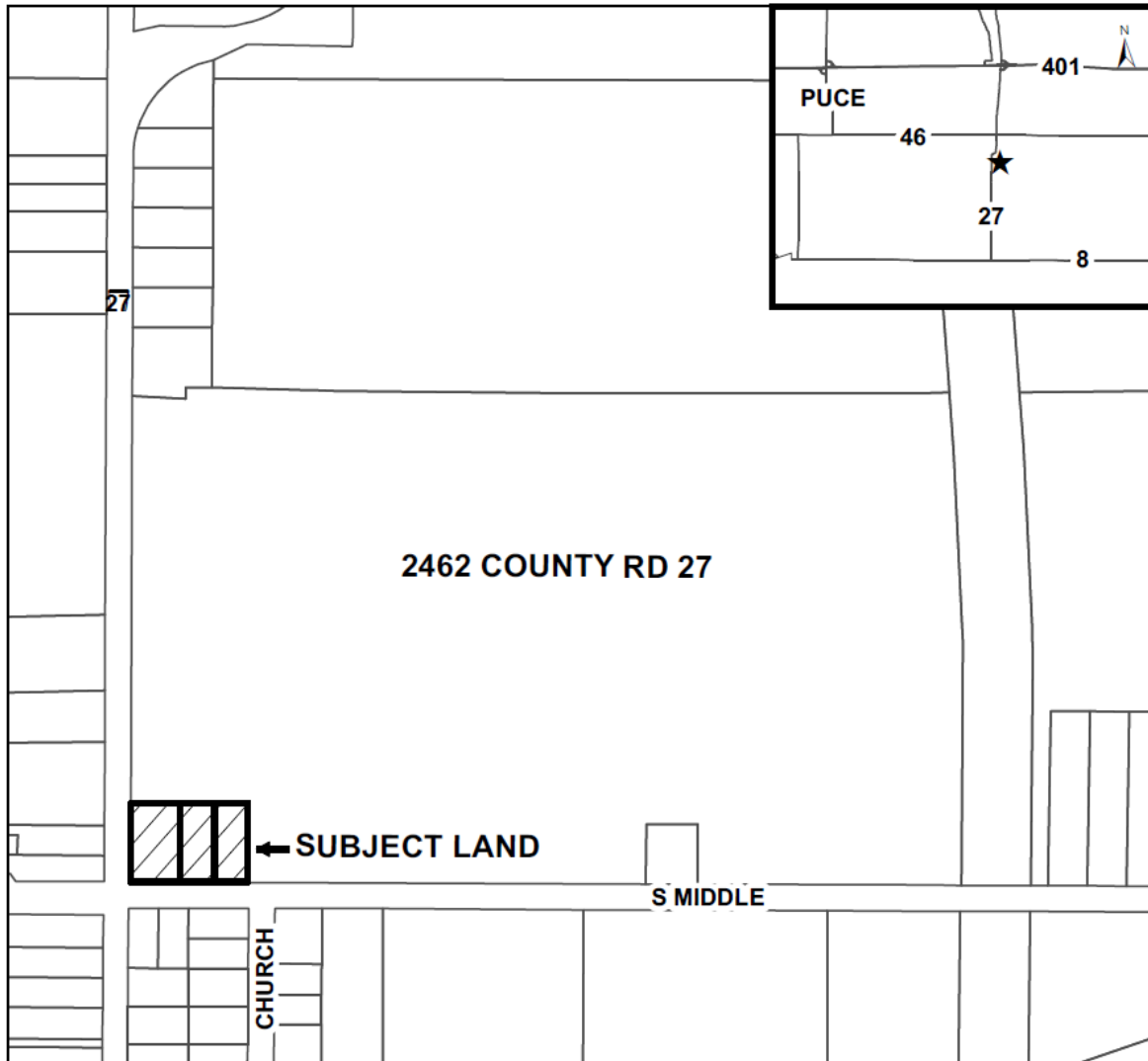
Read and passed in open session on August 9, 2022.


**Mayor
Tom Bain**

**Clerk
Kristen Newman**

**Schedule “A”
to By-law 75-2022**

Part of the South 1/2 Lots 1 and 2 Concession South Middle Road, Rochester,
designated as Parts 1 to 4 Plan 12R29109; Lakeshore



 Amend from “Hamlet Residential zone HR(h6)” to “Hamlet Residential Zone (HR)”.

Municipality of Lakeshore

By-law 76-2022

**Being a By-law to Confirm the Proceedings of the
Council of the Municipality of Lakeshore**

Whereas in accordance with the *Municipal Act 2001*, S.O. 2001, c. 25, municipalities are given powers and duties in accordance with this Act and many other Acts for purposes which include providing the services and other things that a municipality considers are necessary or desirable for the municipality;

And whereas in accordance with said Act, the powers of a municipality shall be exercised by its Council;

And whereas municipal powers, including a municipality's capacity, rights, powers and privileges shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

And whereas it is deemed expedient that the proceedings of the Council of the Municipality of Lakeshore at these sessions be confirmed and adopted by By-law.

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. The actions of the Council of the Municipality of Lakeshore in respect of all recommendations in reports of Committees, all motions and resolutions and all other actions passed and taken by the Council of the Municipality of Lakeshore, documents and transactions entered into during the July 6 and July 12, 2022 sessions of Council be adopted and confirmed as if the same were expressly embodied in this By-law.
2. The Mayor or the Deputy Mayor together with the Clerk are authorized and directed to execute all documents necessary to the action taken by this Council as described in paragraph 1 of this By-law and to affix the Seal of the Municipality of Lakeshore to all documents referred to in said paragraph 1 above.

Read and passed in an open session on August 9, 2022.

**Mayor
Tom Bain**

**Kristen Newman
Clerk**

Municipality of Lakeshore

By-law 78-2022

Being a By-law to amend By-law 34-2019 being a by-law to Appoint Statutory Officials and Enforcement Officers for the Corporation of the Town of Lakeshore and to amend By-law 19-2019 being a by-law to Constitute, Appoint and Empower a Committee of Adjustment and to Appoint a Secretary-Treasurer to the Committee of Adjustment and to Repeal any Previous By-laws Dealing with the same Subject Matter

Whereas the *Municipal Act, 2001*, S.O. 2001, c. 25, and other statutes of the Province of Ontario require the appointment of officials to occupy positions within the municipal government;

And whereas the Council of the Municipality of Lakeshore wishes to re-designate certain the titles of such appointed officials to reflect its new corporate structure;

Now therefore the Council of the Municipality of Lakeshore enacts as follows:

1. Schedule "A" of By-law 34-2019 is repealed and replaced with Schedule "A" to this By-law 78-2022, as attached.
2. All other provisions of By-law 34-2019 remain in force and appointments granted pursuant to By-law 34-2019 shall be continued.
3. Sections 5, 6 and 7 of By-law 19-2019 are repealed.
4. All other provisions of By-law 19-2019 remain in force and appointments granted pursuant to By-law 19-2019 shall be continued.
5. This By-law comes into force upon passage.

Read and passed in open session on August 9, 2022.

**Mayor
Tom Bain**

**Clerk
Kristen Newman**

Schedule A to By-law 78-2022

Schedule “A” to By-law 34-2019

Statutory Appointments pursuant to Various Acts

Column A	Column B	Column C
Statutory Position	Designated Official	Applicable Statute
Chief Administrative Officer	Chief Administrative Officer	<i>Municipal Act</i> , S.O. 2001, c.25, s.229
Clerk	Corporate Leader – Strategic & Legal Affairs	<i>Municipal Act</i> , S.O. 2001, c.25 and all applicable legislation
Deputy Clerk	Division Leader – Civic Affairs	<i>Municipal Act</i> , S.O. 2001, c.25 and all applicable legislation
Deputy Clerk for the purpose of being a commissioner	Division Leader – Civic Affairs Executive Assistant to the Chief Administrative Officer	<i>Commissioners for Taking Affidavits Act</i> , R.S.O. 1990, c. C.17
Deputy Clerk for the purpose of solemnizing marriages	Executive Assistant to the Chief Administrative Officer	<i>Marriage Act</i> , R.S.O. 1990, c.M.3
Deputy Clerk for the purpose of Vital Statistics	Division Leader – Civic Affairs	<i>Vital Statistics Act</i> , R.S.O. 1990, c.V.4
Secretary/Treasurer, Committee of Adjustment	Planner I	<i>Planning Act</i> , R.S.O. 1990, c.P.13
Secretary/Treasurer, Committee of Adjustment	Team Leader – Development Approvals	<i>Planning Act</i> , R.S.O. 1990, c.P.13
Deputy Clerk for the purpose of signing certificates of consent	Secretary/Treasurer, Committee of Adjustment	<i>Planning Act</i> , R.S.O. 1990, c.P.13 s. 53(42)
Acts as the head for the purposes of the <i>Municipal Freedom of Information and Protection of Privacy Act</i>	Corporate Leader – Strategic & Legal Affairs	<i>Municipal Freedom of Information and Protection of Privacy Act</i> , R.S.O. 1990, c.M.56

Treasurer	Corporate Leader – Chief Financial Officer	<i>Municipal Act</i> , S.O. 2001, c.25 and all applicable legislation
Deputy Treasurer	Division Leader – Accounting & Revenue Services Division Leader – Financial Planning & Analysis	<i>Municipal Act</i> , S.O. 2001, c.25 and all applicable legislation
Chief Building Official	Division Leader – Building	<i>Building Code Act</i> , S.O. 1992, c.23 and all applicable legislation
Provincial Offences Officer	Building Inspector(s) By-law Compliance Officer(s) Service provider contracted for by Animal Control services	<i>Provincial Offences Act</i> , R.S.O. 1990, c.P.33
Fire Chief	Fire Chief	<i>Fire Protection and Prevention Act</i> , S.O. 1997, c.4
Community Emergency Management Coordinator	Fire Chief	<i>Emergency Management and Civil Protection Act</i> , R.S.O. 1990, c. E.9
Municipal Law or By-law Enforcement Officer	Officers appointed pursuant to the Police Services Act to perform services for the Municipality of Lakeshore Division Leader – By-law	<i>Municipal Act</i> , S.O. 2001, c.25
Drainage Superintendent	Drainage Superintendent	<i>Drainage Act</i> , R.S.O. 1990, c.D.17
Weed Inspector	Division Leader – By-law Division Leader – Building	<i>Weed Control Act</i> , R.S. O. 1990, c.W.5

	Division Leader – Engineering & Infrastructure Division Leader – Roads, Parks & Facilities	
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