

The Corporation of the Township of Brock

Council Agenda

Municipal Administration Building

Electronic Meeting

Session Five

Monday, May 25, 2020

1. **Call to Order & Moment of Silence – Mayor Debbie Bath Hadden – 9:30 a.m.**
2. **Disclosure of Pecuniary Interest and Nature Thereof**
3. **Announcements from Council and Staff - suspended until further notice**
4. **Presentations - suspended until further notice**
5. **Delegations and/or Petitions**

- 1) Steve Stewart, Deloitte – Presentation of financial statements

6. Consent Agenda

a) Adoption of Minutes of Previous Meeting

- 1) 4th Meeting – May 11, 2020

Resolution

That the minutes of the 4th Council meeting, as held on May 11, 2020, be approved.

b) Reports

- 573** Laura Barta – Report: 2020-FI-07, Township of Brock 2019 Annual Investment Report

Resolution

That staff report 2020-FI-07, Township of Brock 2019 Annual Investment Report be received for information.

- 574** Laura Barta – Report: 2020-FI-06, Municipal Reserves, Reserve Funds and Trust Funds

Resolution

That staff report 2020-FI-06, Municipal Reserves, Reserve Funds and Trust Funds be received for information.

- 575** Laura Barta – Report: 2020-FI-05, Annual Statement of the Development Charges Reserve Fund for the Year Ending December 31, 2019

Resolution

That staff report 2020-FI-05, Annual Statement of Development Charges Reserve Fund be received for information.

- 576** Laura Barta – Report: 2020-FI-04, Annual Building Permit Fee Report – For the 2019 Fiscal Year

Resolution

That staff report 2020-FI-04, Annual Building Permit Fee Report – For the 2019 Fiscal Year be received for information.

- 577 Laura Barta – Report: 2020-FI-03, Annual Leasing Report – For the 2019 Fiscal Year

Resolution

That staff report 2020-FI-03, Annual Leasing Report – For the 2019 Fiscal Year be received for information.

- 585 Debbie Vandenaeker – Report: 2020-BPE-02, Summary of updates from the Provincial Policy Statement (PPS) 2020+

Resolution

That staff report 2020-BPE-02, Summary of updates from the Provincial Policy Statement (PPS) 2020 be received for review and comment.

c) Correspondence

- 525 The Regional Municipality of Durham, Planning Division – Monitoring of Growth Trends, File: D01-02-01, Commissioner's Report #2020-INFO-30

Resolution

That communication no. 525 be received for information and filed.

- 531 Municipality of Clarington – Resolution: Provincial Electric Vehicle Rebate Program

Resolution

That communication no. 531 be received for information and filed.

- 537 Municipality of Clarington – Resolution: Region of Durham Mixed Waste Pre-Sort and Anaerobic Digestion Organics Processing Facility – Site Selection Process Municipal Comments on Evaluation of Short-List of Sites and Identification of Preferred Site

Resolution

That communication no. 537 be received for information and filed.

- 559 Nicholas Helt – Food Truck Request

Resolution

That communication no. 559 be received; and further that Council approve the request contained in communication no. 559.

- 566 City of Oshawa – Letter to Prime Minister: Request for Financial Assistance to Municipalities as a result of COVID-19

Resolution

That communication no. 566 be received for information and filed.

- 567 City of Oshawa – Letter to Premier of Ontario: Request for Financial Assistance to Municipalities as a result of COVID-19

Resolution

That communication no. 567 be received for information and filed.

- 581 Town of Whitby – Resolution: Corporate Services Department Report re: Preliminary Overview of the Financial Implications of COVID-19

Resolution

That communication no. 581 be received for information and filed.

d) Reports of Committees

e) Motions

f) By-laws

g) Confirm the following

- [REDACTED]
- [REDACTED]
- [REDACTED]

Resolution

That Brock Township Council acknowledge the following:

- [REDACTED]
- [REDACTED]
- [REDACTED]

7. Items Extracted from Consent Agenda

8. Notices of Motions

9. Other Business

- 1) Item referred from May 11th Council – Beaverton Harbour Parking

10. Public Questions and Clarification - suspended until further notice

11. Closed Session

12. Confirmation By-law

By-law Number 2945-2020 – to confirm the proceedings of the Council of the Corporation of the Township of Brock at its meetings held on May 25, 2020.

13. Adjournment

Deputations



Township of Brock
Report to the Council on the 2019
Audit

For Presentation May 25, 2020

May 19, 2020

To Members of Council

Report on audited annual financial statements

Dear Council Members,

We are pleased to submit this report on the audit of the Corporation of the Township of Brock ("the Township") for the 2019 fiscal year. This report summarizes the scope of our audit, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our master service agreement dated November 28, 2016, we performed an audit of the financial statements of Township of Brock as of and for the year ended December 31, 2019, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and have issued our audit report thereon dated April 29, 2020.

This report is intended solely for the information and use of Council members, management and others within the Township and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,



Chartered Professional Accountants
Licensed Public Accountants

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Our audit explained

This report summarizes the main findings arising from our audit.

Audit scope and terms of engagement

We were asked to perform an audit which includes the Township's financial statements (the "financial statements") prepared in accordance with Canadian public sector accounting standards ("PSAS") as at and for the year ended December 31, 2019. Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in master service agreement dated November 28, 2016. A confirmation of changes, as a result of the new audit report, was issued on January 29, 2019.

Significant audit risks

Through our risk assessment process, we have identified certain significant audit risks. These risks of material misstatement and related audit responses are discussed in the Significant Risks section of this report.

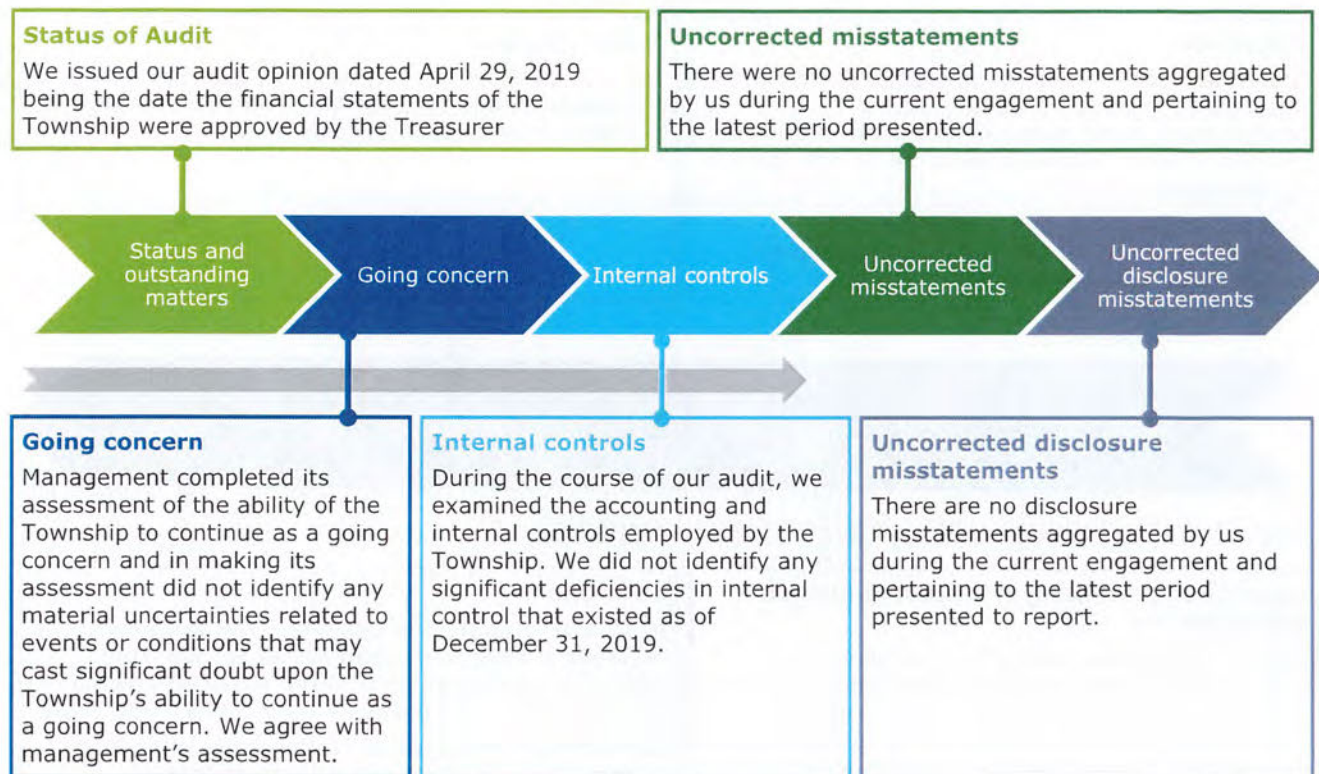


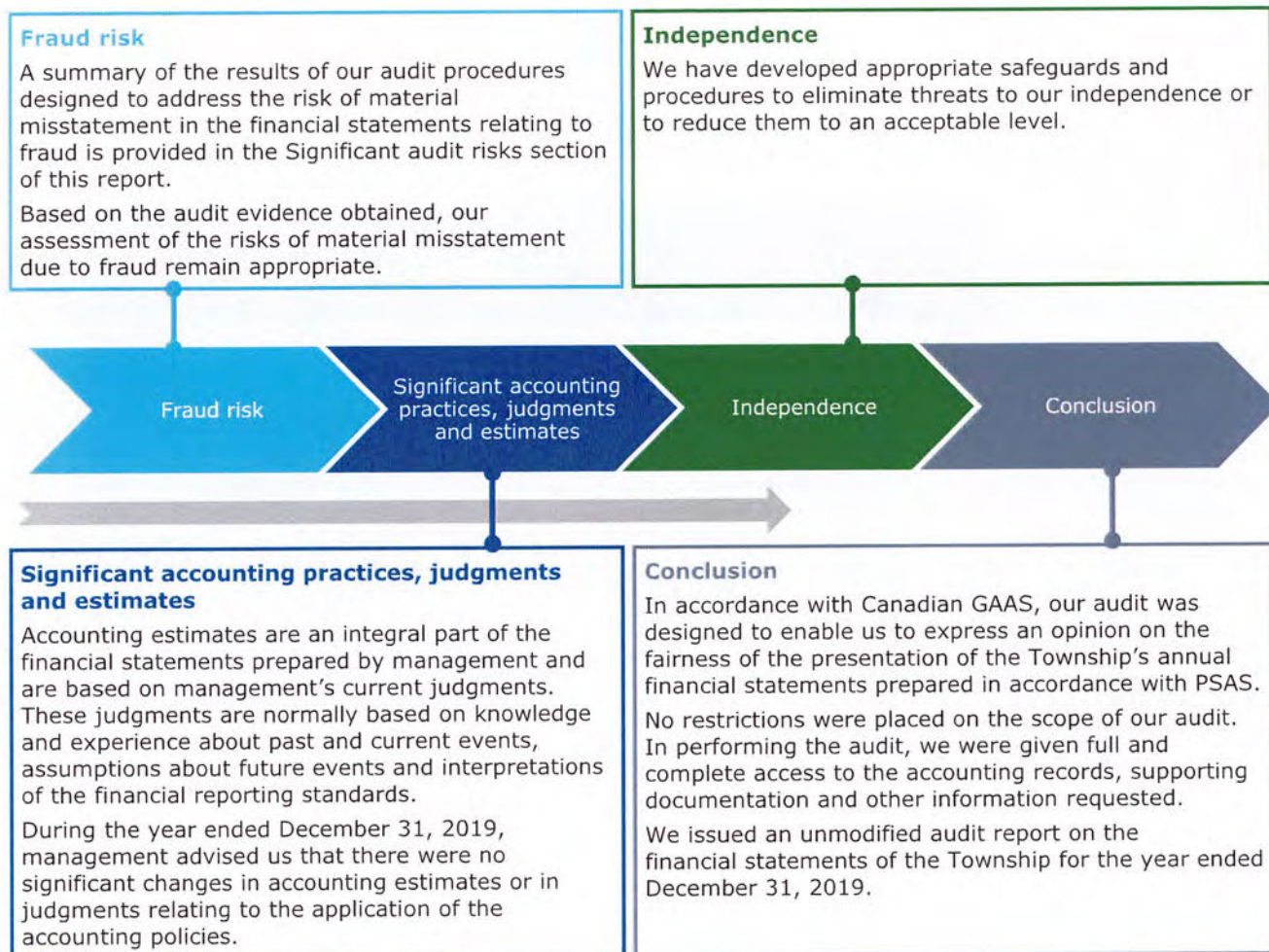
Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels were determined on the basis of total expenditures. Our materiality for the year ended December 31, 2019 was \$420,000 (2018 - \$390,000).

We have informed Council members of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we asked that any misstatements be corrected.





Audit risks

Revenue and deferred revenue amounts*

Audit risk

Canadian Auditing Standards include the presumption of a fraud risk involving improper revenue recognition.

Our audit response

- Substantive testing to determine if restricted contributions (i.e., development charges, gas tax, conditional grants, etc.) have been recognized as revenue in the appropriate period.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Management override of controls*

Audit risk

Management override of controls is a presumed area of risk in a financial statement audit due to management's ability to override controls that otherwise appear to be operating effectively.

Our audit response

- Our audit tests the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements
- We obtained an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business, or that otherwise appear to be unusual given our understanding of the Region and its environment
- We reviewed accounting estimates for bias and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement
- In addition, experienced Deloitte personnel were assigned to the testing and review of journal entries and areas of estimates, and
- Professional skepticism was maintained throughout the audit.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Tangible capital assets**Risk identified**

Appropriate accounting and disclosure

Our audit response

- Test assumptions used in determining completeness, valuation, recording and cut-off of 2019 additions and disposals
- Testing of calculations of amortization.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Year-end accruals and other estimates (including salaries, employee future benefits, landfill closure and post-closure liability and allowance for doubtful accounts)**Audit risk**

Estimates require management judgments and assumptions.

Our audit response

- Obtain documentation on management's control over accounting estimates and assess risk
- Review and assess the consistency of major assumptions used to develop significant accounting estimates
- Compare actual historical experience to models employed in such calculations
- Obtain calculations from experts for accruals such as employee future benefit liability and landfill liability, and assess assumptions and data used to prepare the report, and
- Review actual outcome of prior year estimates.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Significant accounting practices, judgments and estimates

The accounting policies of the Township are set out in Note 1 of the financial statements.

In the course of our audits of the financial statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the financial statements.

Significant accounting policies

There were no significant changes in previously adopted accounting policies or their application at the Township.

In our judgment, the significant accounting practices and policies, selected and applied by management are, in all material respects, acceptable under PSAS and are appropriate to the particular circumstances of the Township.

Management judgment and accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2019, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies to the Township's financial statements.

Other reportable matters

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to Council members as part of the audit plan.

	Comment
Changes to the audit plan	The audit was conducted in accordance with our audit plan. We confirm that there were no significant amendments to the audit scope and approach in the audit plan.
Significant difficulties encountered in performing the audit	Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result of these measures the audit was performed remotely. We did not encounter any significant difficulties while performing the audit. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit.
Disagreements with management	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
Consultation with other accountants	Management has informed us that the Township has not consulted with other accountants about auditing or accounting matters.
Legal and regulatory compliance	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Township.
Subsequent events	<p>Management is responsible for assessing subsequent events up to the date of the release of the financial statements.</p> <p>The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Township in future periods. Note 19 to the financial statements adequately discloses the nature of this situation.</p>

Appendix 1 – Communication requirements

Required communication	Refer to this report or document described below
Audit Service Plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	Master service Agreement
2. An overview of the overall audit strategy, addressing: <ol style="list-style-type: none"> Timing of the audit Significant risks, including fraud 	Master service agreement, Audit Risks section above
3. Significant transactions outside of the normal course of business, including related party transactions	Nothing to report
Year End Communication	
4. Fraud or possible fraud identified through the audit process	None noted.
5. Significant accounting policies, practices, unusual transactions, and our related conclusions	Significant Accounting practices, judgements and estimates section
6. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	None
7. Matters related to going concern	Management has concluded that there was no substantial doubt about the Township's ability to continue as a going concern, Deloitte concurs with management's assessment
8. Management judgments and accounting estimates	Significant Accounting practices, judgements and estimates section
9. Significant difficulties, if any, encountered during the audit	No significant difficulties to report.
10. Material written communications between management and us, including management representation letters	Management representation letter
11. Other matters that are significant to the oversight of the financial reporting process	No other matters to report.
12. Modifications to our opinion(s)	We issued an unmodified opinion.
13. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	None noted
14. Significant matters discussed with management	None
15. Illegal or possibly illegal acts that come to our attention	None noted

Required communication	Refer to this report or document described below
16. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	None noted.
17. Uncorrected misstatements and disclosure items	None noted.

Additional required communication

- ☐ Independence matters
- ☐ Management representation letter

May 19, 2020

Private and confidential

The Members of Council
The Corporation of the Township of Brock
1 Cameron Street East
P.O. Box 10
Cannington ON L0E 1E0

Dear Council Members,

We have been engaged to audit the consolidated financial statements of the Corporation of the Township of Brock (the Township) for the year ending December 31, 2019.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between the Company, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre and applicable legislation, covering such matters as:

- a. Holding a financial interest, either directly or indirectly, in a client.
- b. Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- c. Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client.
- d. Economic dependence on a client.
- e. Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 30, 2019, the date of our last letter.

We are not aware of any relationships between the Deloitte Entities and the Company and its affiliates, or persons in financial reporting oversight roles at the Company and its affiliates, that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from April 30, 2019 to the date of this letter.

We have not billed for any non-audit services during the past year.

Corporation of the Township of Brock
May 19, 2020
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We hereby confirm that we are independent with respect to the Company in accordance with the Rules of Professional Conduct of the applicable Chartered Professional Accountants provincial/territorial regulator/ordre of Ontario as of the date of this letter.

This letter is intended solely for the information and use of the Council, management, and others within the Township, is not intended to be, and should not be used for any other purposes.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants



April 29, 2019

Mr. Steve Stewart
Deloitte LLP
400 Applewood Crescent, Suite 500
Vaughan ON L4K 0C3

Dear Mr. Stewart:

Subject: Consolidated financial statements for the year ended December 31, 2019

This representation letter is provided in connection with the audit by Deloitte LLP ("Deloitte" or "you") of the consolidated financial statements of the Township of Brock (the "Township" or "we" or "us") for the year ended December 31, 2019, and a summary of significant accounting policies and other explanatory information (the "Financial Statements") for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Township in accordance with Public Sector Accounting Standards ("PSAS").

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the master services agreement between the Township and Deloitte dated November 28, 2016 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Township as at December 31, 2019 and the results of its operations and cash flows for the year then ended in accordance with PSAS.
2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The Township has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material,

including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2019 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. The Organization has identified all related parties in accordance with Section PS 2200, Related Party Disclosures ("PS 2200"). Management has determined that such disclosure is not necessary because the transactions have not occurred at a value different from that which would have been arrived at if the parties were unrelated and do not or could not have a material effect on the financial statements. This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.
4. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after December 31, 2019 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
6. The Financial Statements are free of material errors and omissions.

Information provided

7. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
9. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
10. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.

11. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the Township.
12. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
13. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.
14. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
15. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

16. Prior to the Township having any substantive employment conversations with a former or current Deloitte engagement team member, the Township has held discussions with Deloitte and obtained approval from the Finance Committee.
17. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by those charged with governance in accordance with its established approval policies and procedures.

Other matters

18. The Township has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.
19. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
20. We have disclosed to you, and the Township has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
21. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.
22. We agree with the work of management's experts in evaluating the employee future benefits liability, and have adequately considered the competence and capabilities of the experts in determining

amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

23. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.
24. The Township is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes the allowances are adequate to absorb currently estimated bad debts in the account balances. We have identified to you all forgivable loans and loans with concessionary terms and have appropriately reflected these instruments in the financial statements.
25. With regard to the Township's investments, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would indicate any other than temporary impairment of the investment's value.
26. Employee future benefit costs, assets, and obligations have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, liabilities and costs for financial accounting purposes are appropriate in the circumstances.

We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan, or taking any other action that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.

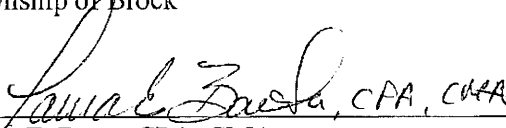
We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan. We do not plan to make frequent amendments to our pension or other post-retirement benefit plans.

27. The Township has adopted CPA Canada Public Sector Accounting Handbook Section 3260, Liability for Contaminated Sites, as of January 1, 2016 as discussed in Note 1 of the financial statements. The Township has concluded that it has no liability to record in respect of this new standard.
28. We have evaluated all of our tangible capital assets that we have direct responsibility for or accept responsibility for, and have identified for a Township owned site which contained elevated levels of elements in the soil has been recorded, the Township is responsible for the remediation and we believe it is expected that remediation will be required. We believe that the estimate of the liability is reasonable and is our best estimate of the amount required to remediate the site.
29. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
 - a. Economic dependence on another party
 - b. Losses arising from sale and purchase commitments
 - c. Agreements to buy back assets previously sold
 - d. Provisions for future removal and site restoration costs
 - e. Financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure

- f. Sales with recourse provisions
- g. Sales incentives, including cash consideration provided to customers and vendor rebates
- h. Arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements
- i. All impaired loans receivable
- j. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Yours truly,

Township of Brock



Laura E. Barta, CPA, CMA
Treasurer

Consolidated financial statements of The Corporation of the Township of Brock

December 31, 2019

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Independent Auditor's Report

To the Members of Council of
The Corporation of the Township of Brock

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Brock (the "Township"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2019, and the results of its operations, changes in net financial assets, 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 ("Canadian GAAS"). 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 the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

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

Management is responsible for the preparation and fair presentation of the 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 the Township'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 the Township or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Township'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 GAAS 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 GAAS, 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 the Township'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 the Township'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 the Township 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 29, 2020

The Corporation of the Township of Brock
Consolidated statement of financial position

As at December 31, 2019

	Notes	2019 \$	2018 \$
Assets			
Financial assets			
Cash	3	10,584,814	7,079,097
Investments	3	12,431,436	13,382,071
Taxes receivable	4	1,843,576	2,100,890
Accounts receivable		961,881	1,171,497
		25,821,707	23,733,555
Liabilities			
Accounts payable and accrued liabilities	5	2,239,810	1,225,868
Deferred revenue	6	8,102,878	6,997,491
Net long-term liabilities	7	1,006,690	1,077,587
Employee post employment benefits	8	460,100	521,800
		11,809,478	9,822,746
Net financial assets		14,012,229	13,910,809
Non-financial assets			
Tangible capital assets	9	60,991,516	59,843,320
Prepaid expenses		25,381	64,962
		61,016,897	59,908,282
Accumulated surplus	10	75,029,126	73,819,091

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Consolidated statement of operations
Year ended December 31, 2019

	Budget (Note 15)	2019 Actual	2018 Actual
Notes	\$	\$	\$
Revenue			
Taxation	9,037,436	9,009,486	8,905,948
User fees and charges	1,355,872	1,220,084	1,272,963
Grants			
Government of Canada	32,500	56,012	88,081
Province of Ontario	2,624,655	2,927,633	2,188,918
Federal gas tax	353,174	1,136,487	30,697
Investment income	90,000	373,356	322,062
Penalties and interest on taxes	305,000	357,738	317,027
Developer contributions earned	—	344,371	538,446
Revenue recognized on assumed tangible capital assets	—	—	1,015,959
Gain (loss) on sale/disposal of tangible capital assets	95,000	17,425	7,685
Other	150,898	191,371	298,983
	14,044,535	15,633,963	14,986,769
Expenses			
General government	2,631,825	2,466,894	2,360,784
Protection to persons and property	2,173,259	1,951,813	1,893,089
Transportation services	6,523,000	7,298,520	6,294,235
Environmental services	51,550	50,979	54,472
Health services	172,850	147,067	159,379
Recreation and cultural services	2,378,285	2,297,159	2,197,343
Planning and development	316,356	211,496	94,575
	14,247,125	14,423,928	13,053,877
Annual surplus	(202,590)	1,210,035	1,932,892
Accumulated surplus, beginning of year	73,819,091	73,819,091	71,886,199
Accumulated surplus, end of year	73,616,501	75,029,126	73,819,091

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock**Consolidated statement of change in net financial assets**

Year ended December 31, 2019

	Budget (Note 15) \$	2019 Actual \$	2018 Actual \$
Annual surplus	(202,590)	1,210,035	1,932,892
Acquisition of tangible capital assets	(5,638,224)	(5,151,870)	(4,563,861)
(Gain) loss on sale/disposal of tangible capital assets	—	(17,425)	(7,685)
Proceeds from sale of tangible capital assets	—	17,500	16,751
Amortization of tangible capital assets	4,000,000	4,003,599	3,843,792
	(1,840,814)	61,839	1,221,889
Net change in prepaid expenses	—	39,581	(17,452)
(Decrease) increase in net financial assets	(1,840,814)	101,420	1,204,437
Net financial assets, beginning of year	13,910,809	13,910,809	12,706,372
Net financial assets, end of year	12,069,995	14,012,229	13,910,809

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Consolidated statement of cash flows
Year ended December 31, 2019

	2019 \$	2018 \$
Operating activities		
Annual surplus	1,210,035	1,932,892
Items not involving cash		
Amortization	4,003,599	3,843,792
Revenue recognized on assumed tangible capital assets		(1,015,959)
Loss on sale of tangible capital assets	(17,425)	(7,685)
Change in non-cash working capital		
Taxes receivable	257,314	(583,868)
Accounts receivable	209,616	(412,657)
Investments	950,635	(2,522,071)
Prepaid expenses	39,581	(17,452)
Accounts payable and accrued liabilities	1,013,942	(241,245)
Deferred revenue	1,105,387	994,252
Employee post employment benefits	(61,700)	(60,200)
	<u>8,710,984</u>	<u>1,909,799</u>
Capital activities		
Acquisition of tangible capital assets	(5,151,870)	(3,547,902)
Proceeds from sale of tangible capital assets	17,500	16,751
	<u>(5,134,370)</u>	<u>(3,531,151)</u>
Financing activity		
Repayment of long term liabilities	(70,897)	(68,039)
Net change in cash	3,505,717	(1,689,391)
Cash beginning of year	7,079,097	8,768,488
Cash, end of year	<u>10,584,814</u>	<u>7,079,097</u>

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

1. Significant accounting policies

The consolidated financial statements (the "financial statements") of the Corporation of Township of Brock (the "Township") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the Township are as follows:

(a) (i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees, which are controlled by the Township including the Township of Brock Public Library Board.

All material inter-entity transactions and balances are eliminated on consolidation.

(ii) Accounting for region and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Durham are not reflected in these financial statements.

(iii) Trust funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds Statement of financial position and Statement of financial activities and fund balance.

(b) Basis of accounting

(i) Non-Tax Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) Tax revenue

Tax revenue is recognized on all taxable properties within the Township included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Township as it relates to supplementary or omitted assessments using tax rates authorized by Council for the Township's own purposes in the period for which the tax is levied.

At year end the Township evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably be estimated.

(iii) Investments

Investments are recorded at the lower of cost plus accrued interest and market value.

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iv) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Useful life – years
Land improvements	10–30
Buildings	50
Rolling stock	10–15
Furniture and equipment	5–15
Sidewalks and parking lots	15–30
Roads	20–40
Storm sewer	75
Bridges and structures	60

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Land is not amortized.

Contribution of tangible capital assets.

Tangible capital assets received as contributions are recorded at their fair value at the date contributed, and that amount is also recorded as revenue.

Intangible assets

Intangible assets are not recognized as assets in the financial statements.

(v) Deferred revenue

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenses are incurred.

(vi) Employee post-employment benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is determined by management using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(vii) Reserves and Reserve Funds

Certain amounts, as approved by the Township's Council, are set aside in Reserves and Reserve Funds for future operating and capital purposes. Transfers to and/or from Reserves and Reserve Funds are an adjustment to the respective fund when approved. Reserves and Reserve Funds form part of the Township's accumulated surplus.

(viii) Government transfers

Government transfers are recognized as revenues by the Township in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

(ix) Contaminated sites

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Township is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the Township's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

(x) Use of estimates

The preparation 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates. Significant estimates relate to taxes receivable, accounts receivable, accrued liabilities, and employee post employment benefits.

2. Operations of school boards and the Region of Durham

Further to Note 1(a) (ii), the taxation and other revenues raised on behalf of the school boards and the Region of Durham are comprised of the following:

	School boards	Region	2019 Total	2018 Total
	\$	\$	\$	\$
Taxation and user charges	3,833,792	11,270,053	15,103,845	14,873,662
Payments-in-lieu	88,416	189,398	277,814	272,858
	3,922,208	11,459,451	15,381,659	15,146,520

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

3. Cash and investments

This represents a consolidation of cash and investments from the Operating Fund and the Reserve Funds (including those funds set aside in respect of deferred revenue as detailed in Note 6). The composition is as follows:

	2019		2018	
	Cash	Investments	Cash	Investments
	\$	\$	\$	\$
Operating Fund	2,964,581	60,000	1,764,559	1,060,000
Reserve Fund	7,620,233	12,371,436	5,314,538	12,322,071
	10,584,814	12,431,436	7,079,097	13,382,071

The market value of the investments at December 31, 2019 was \$12,479,941 (\$13,454,509 in 2018).

4. Taxes receivable

The balance in taxes receivable, including penalties and interest, is made up of the following:

	2019	2018
	\$	\$
Current year	1,231,086	1,328,928
Arrears, previous years	632,490	791,962
	1,863,576	2,120,890
Less allowance	(20,000)	(20,000)
	1,843,576	2,100,890

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the fiscal year. They are the result of contracts, invoices, agreements and legislation in force at the end of the fiscal year that require the Township to pay for goods and services acquired or provided on or before December 31, 2019. A further breakdown is provided below:

	2019	2018
	\$	\$
Trade account payable	1,637,161	672,777
Payroll liabilities	365,360	229,877
Accrued liabilities	152,065	224,300
Refund deposits	85,224	98,914
	2,239,810	1,225,868

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

6. Deferred revenue

	2019	2018
	\$	\$
Obligatory reserve funds		
Development charges	5,980,352	4,346,627
Parkland	208,814	197,367
Building Department fees	359,765	176,171
Federal gas tax receipts	1,490,542	1,861,641
	8,039,473	6,581,806
Other deferred revenue	63,405	415,686
	8,102,878	6,997,492
Continuity of obligatory reserve funds is as follows		
Balance, beginning of year	6,581,806	5,096,496
Subdividers contributions	1,875,709	1,585,758
Building permit fees in excess of expenditures	180,000	—
Federal gas tax funding received	721,123	361,222
Interest earned	161,693	107,473
	9,520,331	7,150,949
Internal loans repaid from obligatory Reserve Funds	—	—
Earned revenue transferred to operations	(1,480,858)	(569,143)
Total obligatory deferred revenue	8,039,473	6,581,806

7. Net long-term liabilities

- (a) The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2019	2018
	\$	\$
The municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	1,032,100	1,110,531
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for the title drainage has been assumed by individuals. At the end of the year the outstanding principal amount of this liability is	(25,410)	(32,944)
	1,006,690	1,077,587

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

7. Net long-term liabilities (continued)

- (b) Of the long-term liabilities reported in (a) of this note, principal payments are payable from general municipal revenues as follows:

	\$
2020	1,006,690
Thereafter	—
	<u>1,006,690</u>

- (c) The long-term liabilities have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (d) The Township is contingently liable for long-term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2019 is \$25,410 (\$32,944 in 2018) and is not recorded on the "Consolidated statement of financial position".
- (e) Total interest expense related to the net long-term liabilities amounted to \$42,458 (\$44,874 in 2018).

8. Employee post-employment benefits

Under the provisions of certain employee benefit plans, an employee who, has achieved a factor of 85 (age + years of service with the Township), is eligible for a retirement pension from OMERS, and up to the age of 65 will be provided with Extended Health (drug, private hospital and dental plan) coverage.

Information about the Township's post-retirement benefits plan is as follows:

	2019 \$	2018 \$
Accrued benefit obligation	322,700	346,500
Unamortized actuarial gain	137,400	175,300
Employee post-employment benefits	460,100	521,800
Opening liability for post-employment benefits	521,800	582,000
Current year benefit expense	18,900	18,300
Benefit payments	(53,500)	(52,200)
Amortization of actuarial gain	(37,900)	(37,900)
Interest on accrued benefit obligation	10,800	11,600
	460,100	521,800

The main assumptions employed for these valuations are as follows:

(a) *Interest (discount) rate*

The present values as at December 31, 2019 of the post-employment benefits was determined using a discount rate of 3.2%.

(b) *Health and dental costs*

Health care costs are expected to increase by 7.28% in the first year after the valuation, decreasing to an ultimate rate of 4% by 2038. Dental costs are assumed to increase by 4%.

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

9. Tangible capital assets

(a) Contributed tangible capital assets

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are land, roadways and storm sewer lines installed by a developer as part of a subdivision agreement. Contributed tangible capital assets assumed in 2019 totalled nil (\$1,015,959 in 2018).

(b) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of one Canadian dollar, because of the difficulty of determining a tenable valuation and/or the assets were older than their estimated expected useful lives, and therefore were fully amortized.

(c) Works of art and historical treasures

The Township applies efforts to protect and preserve a number of owned historical buildings, collections of equipment, artifacts, documents and exhibits and works of art. These assets are not held for financial gain or to provide service but rather for public exhibition, education or research in furtherance of public service. These historical treasures and works of art are not recognized as tangible capital assets in the financial statements. The acquisition or betterment of such assets is recognized in the financial statements as an operating expense.

(d) Other

During the year, there were nil write-downs of assets (nil in 2018) and nil interest was capitalized during the year (nil in 2018)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

9. Tangible capital assets (continued)

	Land \$	Land improvements \$	Buildings \$	Rolling Stock \$	Furniture and equipment \$	Sidewalks and parking \$	Roads \$	Storm sewer \$	Bridges and structures \$	2019 Total \$
Cost										
Balance, beginning of year	2,724,452	3,220,303	13,099,253	7,073,799	2,326,782	2,126,454	86,051,501	2,684,088	7,180,996	126,487,628
Additions	—	528,373	684,993	721,144	138,598	204,227	851,370	—	2,023,165	5,151,870
Disposals	—	—	—	(295,931)	(30,707)	(1,602)	—	—	—	(328,240)
Balance, end of year	2,724,452	3,748,676	13,784,246	7,499,012	2,434,673	2,329,079	86,902,871	2,684,088	9,204,161	131,311,258
Accumulated amortization										
Balance, beginning of year	—	1,401,481	6,068,555	3,826,143	1,498,846	701,129	50,517,489	531,851	2,098,814	66,644,308
Amortization expense	—	116,058	290,307	466,806	148,113	89,107	2,709,184	35,827	148,197	4,003,599
Disposals	—	—	—	(295,931)	(30,707)	(1,527)	—	—	—	(328,165)
Balance, end of year	—	1,517,539	6,358,862	3,997,018	1,616,252	788,709	53,226,673	567,678	2,247,011	70,319,742
Net book value of tangible capital assets	2,724,452	2,231,137	7,425,384	3,501,994	818,421	1,540,370	33,676,198	2,116,410	6,957,150	60,991,516
	Land \$	Land improvements \$	Buildings \$	Rolling Stock \$	Furniture and equipment \$	Sidewalks and parking \$	Roads \$	Storm sewer \$	Bridges and structures \$	2018 Total \$
Cost										
Balance, beginning of year	2,340,725	3,202,438	12,852,803	6,357,907	2,136,645	1,978,164	83,755,529	2,393,433	7,074,565	122,092,209
Additions	383,727	17,865	246,450	850,602	223,312	148,847	2,295,972	290,655	106,431	4,563,861
Disposals	—	—	—	(134,710)	(33,175)	(557)	—	—	—	(168,442)
Balance, end of year	2,724,452	3,220,303	13,099,253	7,073,799	2,326,782	2,126,454	86,051,501	2,684,088	7,180,996	126,487,628
Accumulated amortization										
Balance, beginning of year	—	1,293,069	5,779,532	3,530,590	1,386,084	618,152	47,891,724	497,981	1,962,760	62,959,892
Amortization expense	—	108,412	289,023	421,308	145,937	83,423	2,625,765	33,870	136,054	3,843,792
Disposals	—	—	—	(125,755)	(33,175)	(446)	—	—	—	(159,376)
Balance, end of year	—	1,401,481	6,068,555	3,826,143	1,498,846	701,129	50,517,489	531,851	2,098,814	66,644,308
Net book value of tangible capital assets	2,724,452	1,818,822	7,030,698	3,247,656	827,936	1,425,325	35,534,012	2,152,237	5,082,182	59,843,320

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

10. Accumulated surplus

Accumulated surplus consists of individual fund surplus, reserves and reserve funds and amounts invested in tangible capital assets as follows:

	2019 \$	2018 \$
Invested in tangible capital assets	60,991,516	59,843,320
Other	1,413,473	1,662,511
Long term debt	(1,006,690)	(1,077,587)
Employee future benefits	(460,100)	(521,800)
Total surplus	60,938,199	59,906,444
Reserves		
Acquisition of tangible capital assets	873,516	1,393,034
Municipal projects	47,491	653,993
Future elections	20,000	—
Rate stabilizations	672,400	344,776
Working capital	500,000	382,128
Sub-total reserves	2,113,407	2,773,931
Reserve funds set aside for specific purposes by Council for		
Reserve funds		
Insurance purposes	187,885	386,007
Post employment	214,478	185,265
Acquisition of tangible capital assets	6,883,840	5,117,809
Road construction	4,691,317	5,449,635
Sub-total reserve funds	11,977,520	11,138,716
Total accumulated surplus	75,029,126	73,819,091

11. Grants

	2019 \$	2018 \$
Government of Canada	56,012	88,081
Province of Ontario		
Ministry of Municipal Affairs – Ontario Municipal Partnership Fund	870,000	895,600
Modernization Grant	725,000	—
Ministry of the Finance - Cannabis	19,680	—
Ministry of Tourism, Culture and Sport-Summer Experience Program	—	3,658
Ministry of Agriculture & Food		
Wild Life Damage	5,097	18,905
Main Street Revitalization	47,945	—
Ministry of Municipal Affairs – Ontario Community Infrastructure Grant	1,046,407	1,110,344
Ministry of Natural Resources – Aggregate Resources Act	177,387	68,636
Ministry of Culture & Recreation – Library Opening Grant	21,717	30,815
Ministry of Tourism, Culture and Sport – Communities Fund	14,400	60,960
	2,927,633	2,188,918

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

12. Debt principal repayments

Total charges (principal and interest) for the year for net long-term liabilities as reported on the Consolidated statement of operations are as follows:

	2019 \$	2018 \$
Principal payments	70,897	68,039
Interest	42,458	44,874
	113,355	112,913

13. Trust funds

Trust funds administered by the Township amounting to \$1,055,486 (\$975,536 in 2018) are not included in the Consolidated statement of financial position nor have their operations been included in the Consolidated statement of operations.

14. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, which as of December 31, 2017 was on behalf of 57 members of its staff. The 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.

An amount of \$281,080 (\$270,459 in 2018) paid to OMERS on behalf of its members has been expensed in the consolidated statement of operations under the appropriate functional expense category. As at December 31, 2019, the OMERS plan with over 500,000 members, has a funding deficit that is approximately \$3.4 billion.

15. Budget figures

The budgets originally approved by Township Council for 2019, adjusted as noted below, are reflected on the Consolidated statement of operations and Consolidated statement of change in net financial assets.

- An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original council approved budget.
- Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in Consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are include in the Consolidated statement of change in net financial assets.

Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements.

The Corporation of the Township of Brock
Notes to the consolidated financial statements

December 31, 2019

16. Classification of expenses by object

The Consolidated statement of operations presents the expenses by function; the following classifies those same expenses by object:

	2019	2018
	\$	\$
Salaries, wages and employee benefits	5,486,753	4,862,810
Operating materials and supplies	4,372,573	3,916,588
Contracted services	468,849	326,202
Rents and financial expenses	21,847	21,763
External transfers to others	27,849	37,848
Debt services	42,458	44,874
Amortization	4,003,599	3,843,792
	14,423,928	13,053,877

17. Guarantees

In the normal course of business, the Township enters into agreements that meet the definition of a guarantee. The Township's primary guarantees include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements.

These indemnification agreements may require the Township to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Township from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Township has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the Consolidated statement of financial position with respect to these agreements.

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

18. Segmented information

The Township provides a wide range of services to its citizens, including fire, building inspection, by-law, transportation services, health services, recreation and culture, and planning and development. For management reporting purposes the Township's operations and activities are reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions, or limitations.

Township services are provided by various departments and their activities are reported by department. These departments have been grouped together based on the services that they perform for the purpose of segmented disclosure, as follows:

- Protection to Persons and Property includes Fire Services, Building Inspection, Canine Control, and By-law Enforcement.
- Transportation Services includes Roads Maintenance and Construction, Streetlighting, Sidewalks, Parking Lots, and Traffic Control.
- Environmental Services includes the Collection of Garbage in downtown cores and parks.
- Health Services includes Health Centres and Cemeteries.
- Recreational Services includes Parks, Arenas, Halls, Libraries, and Grants to Local Organizations.
- Planning and Development includes Planning Services, Tourism and Economic Development, and the Committee of Adjustment.
- General Government includes all the other functions that cannot be easily allocated including Administration, Treasury and Tax, Public Buildings and the Municipal Health Safety Program.

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

18. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & development	2019 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,236,632	1,171,093	1,723,036	28,495	4,509	1,322,988	—	5,486,753
Operating materials & supplies	842,100	431,558	2,089,843	22,484	116,222	764,460	105,906	4,372,573
Contracted services	185,271	33,010	153,170	—	—	3,014	94,384	468,849
Rents & financial expenses	21,847	—	—	—	—	—	—	21,847
External transfers	—	5,096	—	—	—	11,547	11,206	27,849
Debt services	—	42,458	—	—	—	—	—	42,458
Amortization	181,044	268,598	3,332,471	—	26,336	195,150	—	4,003,599
	2,466,894	1,951,813	7,298,520	50,979	147,067	2,297,159	211,496	14,423,928
Revenue								
Tax revenue	8,835,119	—	174,367	—	—	—	—	9,009,486
User fees	119,394	395,568	65,784	—	125,471	436,810	77,057	1,220,084
Federal grants	—	—	1,172,419	—	—	20,080	—	1,192,499
Provincial grants	1,595,000	24,778	1,223,793	—	—	36,117	47,945	2,927,633
Investment	372,981	—	—	—	—	375	—	373,356
Penalties	357,738	—	—	—	—	—	—	357,738
Developers contributions	59,371	170,000	100,000	—	—	15,000	—	344,371
Contributed assets	—	—	—	—	—	—	—	—
Gain (loss) on sale/disposal of tangible capital assets	—	17,500	(75)	—	—	—	—	17,425
Other revenues	62,019	(3,545)	100,000	—	—	19,897	13,000	191,371
	11,401,622	604,301	2,836,288	—	125,471	528,279	138,002	15,633,963
Annual (deficit) surplus, end of year	8,934,728	(1,347,512)	(4,462,232)	(50,979)	(21,596)	(1,768,880)	(73,494)	1,210,035

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2019

18. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & development	2018 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,141,829	1,092,030	1,318,400	27,874	6,794	1,275,883	—	4,862,810
Operating materials & supplies	809,019	503,380	1,681,135	26,598	127,823	717,038	51,595	3,916,588
Contracted services	196,351	—	90,510	—	—	6,457	32,884	326,202
Rents & financial expenses	21,763	—	—	—	—	—	—	21,763
External transfers	—	17,975	—	—	—	9,777	10,096	37,848
Debt services	—	44,874	—	—	—	—	—	44,874
Amortization	191,822	234,830	3,204,190	—	24,762	188,188	—	3,843,792
	<u>2,360,784</u>	<u>1,893,089</u>	<u>6,294,235</u>	<u>54,472</u>	<u>159,379</u>	<u>2,197,343</u>	<u>94,575</u>	<u>13,053,877</u>
Revenue								
Taxation	8,701,009	—	204,939	—	—	—	—	8,905,948
User fees and charges	109,846	424,550	84,626	—	113,083	450,131	90,727	1,272,963
Federal grants	—	—	11,631	—	—	76,450	—	88,081
Provincial grants	895,600	18,905	1,178,980	—	—	95,433	—	2,188,918
Federal gas tax	—	—	30,697	—	—	—	—	30,697
Investment Income	321,818	—	—	—	—	244	—	322,062
Penalties and interest on taxes	317,027	—	—	—	—	—	—	317,027
Developers contributions earned	—	—	538,446	—	—	—	—	538,446
Revenue recognized on assumed tangible capital assets	—	—	1,015,959	—	—	—	—	1,015,959
Gain (loss) on sale/disposal of tangible capital assets	—	—	7,685	—	—	—	—	7,685
Other revenues	95,222	—	170,000	—	—	33,761	—	298,983
	<u>10,440,522</u>	<u>443,455</u>	<u>3,242,963</u>	<u>—</u>	<u>113,083</u>	<u>656,019</u>	<u>90,727</u>	<u>14,986,769</u>
Annual (deficit) surplus, end of year	<u>8,079,738</u>	<u>(1,449,634)</u>	<u>(3,051,272)</u>	<u>(54,472)</u>	<u>(46,296)</u>	<u>(1,541,324)</u>	<u>(3,848)</u>	<u>1,932,892</u>

19. Subsequent events

Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Township in future periods.

The Corporation of the Township of Brock

Council Minutes - Draft

Electronically

Session Four

Monday, May 11, 2020

The Fourth Meeting of the Council of the Township of Brock, in the Regional Municipality of Durham, was held on Monday, May 11, 2020, electronically.

Members present: Mayor: Debbie Bath-Hadden
Regional Councillor: W.E. Ted Smith
Councillors: Michael Jubb
Claire Doble
Walter Schummer
Cria Pettingill
Lynn Campbell

Staff Members present: Municipal Clerk Becky Jamieson
(recording the minutes)
Deputy Clerk Deena Hunt
CAO Robert Lamb
Treasurer Laura Barta
Director of Public Works Paul Lagrandeur
Fire Chief Rick Harrison

1. Call to Order and Moment of Silence

Mayor Bath-Hadden called the meeting to order at 9:30 a.m.

2. Disclosure of Pecuniary Interest and Nature Thereof

None

3. Announcements from Council and Staff

Suspended until further notice.

4. Presentations

Suspended until further notice.

5. Hearing of Delegations and/or Petitions

Suspended until further notice.

6. Consent Agenda

Resolution Number 1-4

MOVED by Walter Schummer and SECONDED by Lynn Campbell that the items listed in Section 6, Consent Agenda be approved save and except for communication numbers 516, 517, 518, 519, 506, and 528.

MOTION CARRIED

(a) Adoption of Minutes of Previous Meetings

(1) 3rd Council meeting – April 27, 2020

Resolution Number 2-4

That the minutes of the 3rd Council meeting held on April 27, 2020, be approved.

(2) 3rd Council meeting, In Camera Session – April 27, 2020

Resolution Number 3-4

That the minutes of the in camera session of the 3rd Council meeting as held on April 27, 2020, be approved.

(b) Reports

- 515 Becky Jamieson – Report: 2020-CO-10, Section 78 of the Drainage Act re: Drain Improvement – Gordon Drain

Resolution Number 4-4

That staff report 2020-CO-10, Section 78 of the Drainage Act re: Drain Improvement – Gordon Drain, be received for information; and That Tulloch Engineering be appointed as Engineers under Section 8(1) The Drainage Act for the purposes of a Municipal Drain Improvement for the Gordon Drain.

(c) Correspondence

- 485 The Regional Municipality of Durham, Finance Department – Response to April 2, 2020 Correspondence – COVID-19 Financial Relief for Rate Payers

Resolution Number 5-4

That communication number 485 be received for information and filed.

- 510 City of Pickering – Resolution: Provincial Electric Vehicle Rebate Program

Resolution Number 6-4

That communication number 510 be received for information and filed.

- 536 Tracey Westlake – Letter to Council re: Communication number 517 Staff Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 7-4

That communication number 536 be received for information and filed.

- 538 Thorah Island Ratepayers Association – Letter re: communication number 517 – Staff Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 8-4

That communication number 538 be received for information and filed.

- 544 Steven Marshall – Email re: Parking at Arena for Thorah Island Residents

Resolution Number 9-4

That communication number 544 be received for information and filed.

- 546 Mike Simard – Letter to Council re: Communication number 517 - Staff Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 10-4

That communication number 546 be received for information and filed.

- 547 Blair Croker – Letter to Council re: Council Session 4 – May 11, 2020 – Staff Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 11-4

That communication number 547 be received for information and filed.

548 Becky Jamieson – Interoffice Memorandum – Additional Information re: Beaverton Harbour Parking

Resolution Number 12-4

That communication number 548 be received for information and filed.

550 Laura Dodds Hyodo – Beaverton Harbour Parking Report

Resolution Number 13-4

That communication number 550 be received for information and filed.

551 Laurie Simard – re: communication number 517 – Staff Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 14-4

That communication number 551 be received for information and filed.

(d) Reports of Committees

None

(e) Motions

(f) By-Laws

(1) By-Law Number 2944-2020 – being a By-law to levy and collect taxes for the year 2020

Resolution Number 15-4

By-law Number 2944-2020 – being a By-law to levy and collect taxes for the year 2020, was read a first, second and third time and passed in open Council. The Mayor and Clerk were authorized to sign the by-law on behalf of the municipality and to have same engrossed in the by-law book.

7. Items Extracted From Consent Agenda

(b) Reports

516 Laura Barta – Report: 2020-CO-12, COVID-19 – Financial Impact in the First Six Weeks

Concerns were expressed for the lack of grant funding from the federal and provincial governments specific to municipal needs during the Covid-19 pandemic. It was noted that the municipality anticipates cost sharing from the upper tier municipality which would affect the Township budget.

Discussion ensued with respect to filling staff vacancies in the Public Works Department and the By-law Department, as well as the increased demand on By-law Enforcement when the Province re-opens tourism.

Resolution Number 16-4

MOVED by Walter Schummer and SECONDED by W.E. Ted Smith That staff Report: 2020-CO-12, COVID-19 Financial Impact in the First Six Weeks be received; And further, that Council request the federal and provincial governments provide operating support for municipalities through municipality-specific grants.

MOTION CARRIED

- 517 Sarah Beauregard-Jones and Becky Jamieson – Report: 2020-PS-02, Beaverton Harbour Parking

Resolution Number 17-4

MOVED by Michael Jubb and SECONDED by W.E. Ted Smith That staff Report: 2020-PS-02, Beaverton Harbour Parking be deferred to May 25, 2020 Council meeting; and That staff be directed to gather input from TIRA, Thorah Island residents, and boathouse owners with respect to the proposed parking changes and provide an update on the feedback received and any further recommendations for consideration at the May 25, 2020 Council meeting.

Discussion ensued with respect to the current Traffic By-law prohibiting overnight parking in the Township, the temporary attempts to provide overnight parking for Thorah Island residents and the need for a long term solution, moderate fees to address the staff time required to administer a parking permit program, past surveys that were utilized to prepare this report, parking spaces for those who berth at the municipal harbour, implementing a survey for further information on this matter, and that the forthcoming Council decision on parking at the harbour recognizes all Township residents.

There was discussion with respect to the Beaverton Harbour Advisory Committee reviewing the harbour parking suggestions of Council and staff.

Resolution Number 17-4

MOVED by Michael Jubb and SECONDED by W.E. Ted Smith That staff Report: 2020-PS-02, Beaverton Harbour Parking be deferred to May 25, 2020 Council meeting; and That staff be directed to gather input from TIRA, Thorah Island residents, and boathouse owners with respect to the proposed parking changes and provide an update on the feedback received and any further recommendations for consideration at the May 25, 2020 Council meeting.

MOTION CARRIED

Resolution Number 18-4

MOVED by Claire Doble and SECONDED by W.E. Ted Smith that Council break for a recess at 11:00 a.m.

MOTION CARRIED

Mayor Bath-Hadden reconvened the meeting at 11:15 a.m. with the same members of Council and staff in attendance.

- 518 Becky Jamieson and Laura Barta – Report: 2020-CO-11, Proposed Emergency Response Benefit

Resolution Number 19-4

MOVED by Walter Schummer and SECONDED by W.E. Ted Smith That staff Report: 2020-CO-11, Proposed Emergency Response Benefit be received for information; and Further, that staff provide actual details of the agreement with South Lake Community Futures Development Corporation (SLCFDC) prior to Council providing authorization and that those details reflect input and concerns from Council. Furthermore, that staff draft details of an alternate arrangement whereby the Township would provide loans via SLCFDC, with possible options for portions of the loans to be forgiven under specified circumstances and similar to the grant program proposal, that all details and conditions be presented prior to any agreement being forwarded to SLCFDC.

Discussion included the concerns for the affect of this pandemic on the local economy, the responsibility of the municipality to assist the local business community, the proposal of an agreement similar to those of

neighbouring municipalities with SLCFDC, and concerns for the level of detail, direction, and funds allotted to such an agreement. It was noted that this form of assistance for businesses is to help ensure that they can remain viable. There was further discussion with respect to the requirements for eligibility, the reporting mechanism following disbursement, the effective recovery of the loan, and the percentage of local businesses assisted by this proposed agreement.

The Clerk advised that staff would be following up with SLCFDC to determine their willingness to enter into an agreement. The mover and seconder agreed to withdraw the motion.

Resolution Number 19-4

MOVED by Walter Schummer and SECONDED by W.E. Ted Smith That staff Report: 2020-CO-11, Proposed Emergency Response Benefit be received for information; Further, that staff provide actual details of the agreement with South Lake prior to Council providing authorization and that those details reflect input and concerns from Council. Furthermore, that staff draft details of an alternate arrangement whereby the Township would provide loans via South Lake, with possible options for portions of the loans to be forgiven under specified circumstances and similar to the grant program proposal, that all details and conditions be presented prior to any agreement being forwarded to South Lake.

MOTION WITHDRAWN

Resolution Number 20-4

MOVED by Walter Schummer and SECONDED by Cria Pettingill That staff Report: 2020-CO-11, Proposed Emergency Response Benefit be received for information; and That staff report back with answers to Council's questions should SLCFDC be in agreement with moving forward as the administrator of the program.

MOTION CARRIED

519 Laura Barta – Report: 2020-CO-13, Financial Update Report – April 2020

The Treasurer provided clarification that transferring the surplus funds received from the Durham Municipal Insurance Pool returns the reserve to \$200,000.

Resolution Number 21-4

MOVED by Walter Schummer and SECONDED by Cria Pettingill That staff Report: 2020-CO-13, Financial Update Report – April 2020 be received for information; and that the Treasurer be authorized to transfer the surplus funds distributed by the Durham Municipal Insurance Pool to the Insurance Reserve Fund.

MOTION CARRIED

(c) Correspondence

506 Sunderland Lions Club – New “Sunderland” Service Club Composite Board Signs

There was discussion with respect to the colours allowed on wayfinding signage and the process to complete sign placement.

Resolution Number 22-4

MOVED by Lynn Campbell and SECONDED by Walter Schummer That communication number 506 be received for information; That Council review and approve the updated design contained within the communication; and That staff be instructed to seek the approval of the Ministry of Transportation and the Region of Durham for the signs to be located on Highway 7 and 12 and Regional Road 10, respectively.

MOTION CARRIED

528 Paul Lagrandeur – Interoffice Memorandum – Tender B2020-PW-06 – Sidewalk Removal and Replacement, Tender B2020-PW-07 – Gravel Construction, Tender B2020-PW-08 – HL2 – Ultrathin Resurfacing, Tender B2020-PW-09 – Double Surface Treatment/Slurry Seal - List of Locations

Clarification was provided that the bridge reconstruction located on Torah Concession 1 east of Sideroad 18A anticipates substantial completion by mid June 2020.

Resolution Number 23-4

MOVED by W.E. Ted Smith and SECONDED by Claire Doble That communication number 528 be received for information and filed.

8. Other Business

1) Mayor Debbie Bath-Hadden

Mayor Bath-Hadden advised that the Township annual charity golf tournament has been cancelled for 2020, and the Region of Durham is opening an Emergency Daycare at the Beaverton Public School on Wednesday, pending a successful inspection, for the use of essential workers. She advised that she joined a conference call with the Premier of Ontario together with approximately 300 people to provide him with input on the impact of the pandemic on tourism.

2) Councillor Lynn Campbell

Councillor Campbell advised that, as families are walking on sideroads during the pandemic, motorists should drive within the posted speed limits. She enquired as to opening the conservation walking trails to which Mayor Bath-Hadden advised that Lake Simcoe Region Conservation Authority is continuing to keep their trails closed until further notice.

3) Councillor Michael Jubb

Councillor Jubb enquired whether front line workers would have access to the Emergency Childcare set up at the Beaverton Public School and was advised that the Region of Durham has provided a link on their website and further details would be forwarded by the Clerk via email. He enquired whether the Emergency Control Team could be altered and was advised that the approved Emergency Management Plan delegates the personnel appointed to the Emergency Control Team in the event of a State of Emergency being declared. The CAO advised that the plan was last revised in 2016, noting that there is a lengthy process to reviewing the Emergency Management Plan.

4) Councillor Walter Schummer

Councillor Schummer advised that speeding vehicle concerns should be directed to Durham Region Police Services. He expressed concern for downtown tenants parking in the spaces designated for retail shoppers noting that the curbside pick up program would require extra support from parking enforcement.

The Clerk left the meeting at 1:22 p.m.

9. Public Questions and Clarification

None

10. Closed Session

None

11. Confirmation By-law

By-law Number 2943-2020 – to confirm the proceedings of the Council of the Corporation of the Township of Brock at its meetings held on April 27, 2020 and May 11, 2020

Resolution Number 24-4

By-law Number 2943-2020 – to confirm the proceedings of the Council of the Corporation of the Township of Brock at its meetings held on April 27, 2020 and May 11, 2020, was read three times and passed in open Council. The Mayor and Clerk were authorized to sign the by-law on behalf of the municipality and to have same engrossed in the by-law book.

12. Adjournment

Resolution Number 25-4

MOVED by Michael Jubb and SECONDED by Lynn Campbell that we do now adjourn at 1:30 p.m.

MOTION CARRIED

MAYOR

CLERK

Reports

THE CORPORATION OF THE TOWNSHIP OF BROCK

Finance Department

Treasurer to Committee of the Whole

Report: 2020-FI-07

Moved to May 25,
2020 Council meeting

Date: June 1, 2020

SUBJECT

Township of Brock 2019 Annual Investment Report

RECOMMENDATION

That the Committee receive report 2020-FI-07 2019 Annual Investment Report for information.

ATTACHMENTS

Investment Report as of December 31, 2019

REPORT

Background

In accordance with Section 418 (8) of the Ontario Municipal Act, this report is prepared to provide Council with details on the performance of investments held by the Township of Brock during the last twelve months. The attached Investment Report shows a breakdown of investment activity during the year.

All available funds have been placed in guaranteed investment certificates (GIC's) offered by known banks or in the One Fund Program's High Interest Savings account (HISA). The Township's investment policy permits the use of GIC's and other investment instruments. As shown on the report, \$2,860,000 of the investments held are in long term GIC's (5 year), \$2,071,435.70 is with the One Fund with no fixed term and the balance of the investments held are in short term GIC's. The total principle of the investments held on December 31, 2019 are \$1,000,000 lower than that held at the same time in 2018.

The average rate of return on investments held during 2019 was 2.51% somewhat higher than the 2.16% reported at the end 2018. Investments held in 2019 had rates that ranged from a low 1.92% (1.5% in 2018) on a three month GIC's to a high of 3.36%

This report is available in alternate formats.
Please contact the Clerk's Department at 705-432-2355.

on 5 year GIC's. Interest rates in the current market are still low and very similar to what was offered in 2018. The "One-Fund" rate of return for the Township's investments account in 2019 was 2.415%. The Township's average return on cash held in interest bearing accounts was 2.37% (2.11% in 2018), while the rate of return on short term investments ranged from 1.92% to a high of 2.55%. In 2015 the TD Bank dropped the interest paid on all of the Township's accounts by three quarters of a basis point. This reduction is more evident in the general fund accounts, as investment of these funds is limited. Much of the reduction in the reserve funds is offset by somewhat more favourable investment interest rates negotiated for funds not immediately required to meet budgeted project expenditures.


The Township currently holds \$60,000 in general fund investments \$2,500,000 in Development Charge reserve fund investments, \$2,800,000 in Hydro reserve fund investments and \$7,071,435.70 in General Municipal reserve fund investments to fund future commitments. Investments made using funds from the general operating bank account, the Development Charges reserve fund account and the General Municipal reserve fund account are short term in nature and timed to mature when funds will be required.

Investments held in the Township's portfolio are assessed by the Treasurer on an ongoing basis and in the Treasurer's opinion they meet the requirements of section 418 of the Ontario Municipal Act, Ontario Regulation 438/97 and the Township's investment policy.

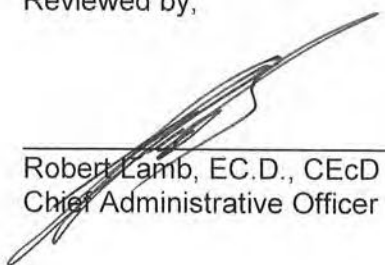
Conclusion

The report is provided as information to the committee.

Respectfully submitted,


Laura E. Barta, CPA, CMA
Treasurer

Reviewed by,


Robert Lamb, EC.D., CEcD
Chief Administrative Officer

THE CORPORATION OF THE TOWNSHIP OF BROCK
INVESTMENT REPORT
FOR THE YEAR ENDING DECEMBER 31, 2019

Report 2020-FI-07 Attachment

Financial Institution	Rate	Date Purchased	Investment Held at Beginning of Year	Investments Purchased	Matured Investment	Maturity Date	Investment Held at End of Year	Term	Source of Funds for Investment	2019 Interest Earned net of accruals
BMO Nesbitt Burns										
Bank of Montreal GIC	2.550%	2018-06-14	1,500,000.00	-	1,500,000.00	2019-06-14	-	1 year	General Municipal R/F	17,186.30
Bank of Montreal GIC	2.500%	2018-05-30	1,000,000.00	-	1,000,000.00	2019-05-30	-	1 year	General Fund	10,205.48
Bank of Montreal GIC	2.350%	2019-06-17		1,500,000.00		2020-06-17	1,500,000.00	1 year	General Municipal R/F	19,315.07
Bank of Montreal GIC	2.550%	2019-12-19	-	560,000.00		2024-12-19	560,000.00	5 year	Hydro Sale R/F	469.48
HSBC Bank GIC	2.690%	2014-12-18	560,000.00		560,000.00	2019-12-18	-	5 year	Hydro Sale R/F	14,486.20
			<u>3,060,000.00</u>	<u>2,060,000.00</u>	<u>3,060,000.00</u>					
Scotia Bank										
Bank of Nova Scotia GIC	2.350%	2019-06-18		1,500,000.00		2020-06-18	1,500,000.00	1 year	General Municipal R/F	19,025.34
Bank of Nova Scotia GIC	2.350%	2019-09-30		1,000,000.00		2020-09-30	1,000,000.00	1 year	General Municipal R/F	5,987.67
Bank of Nova Scotia GIC	2.320%	2019-08-22		2,500,000.00		2020-08-22	2,500,000.00	1 year	Development Charges R/I	20,975.34
Bank of Nova Scotia GIC	1.920%	2019-12-20	-	1,000,000.00	-	2020-03-20	1,000,000.00	3 month	Gas Tax Re/F	631.23
Bank of Nova Scotia GIC	2.530%	2018-06-18	1,500,000.00		1,500,000.00	2019-06-18	-	1 year	General Municipal R/F	17,467.40
Bank of Nova Scotia GIC	2.540%	2018-06-22	2,500,000.00		2,500,000.00	2019-08-22	-	14 month	Development Charges R/I	40,805.17
Bank of Nova Scotia GIC	2.610%	2018-05-29	1,000,000.00		1,000,000.00	2019-09-30	-	16 month	General Municipal R/F	19,681.28
Bank of Nova Scotia GIC	2.860%	2018-12-20	1,000,000.00		1,000,000.00	2019-12-20	-	1 year	Gas Tax Re/F	27,659.73
Bank of Nova Scotia GIC	2.510%	2017-12-19	60,000.00			2022-12-19	60,000.00	5 year	General Fund	1,506.00
Bank of Nova Scotia GIC	2.350%	2015-12-22	560,000.00		-	2020-12-22	560,000.00	5 year	Hydro Sale R/F	13,123.94
Bank of Nova Scotia GIC	2.110%	2016-12-20	560,000.00		-	2021-12-22	560,000.00	5 year	Hydro Sale R/F	11,816.00
Bank of Nova Scotia GIC	2.510%	2017-12-19	560,000.00		-	2022-12-19	560,000.00	5 year	Hydro Sale R/F	14,056.00
Bank of Nova Scotia GIC	3.360%	2018-12-20	560,000.00		-	2023-12-20	560,000.00	5 year	Hydro Sale R/F	18,816.00
			<u>8,300,000.00</u>	<u>6,000,000.00</u>	<u>6,000,000.00</u>					
ONE Investment Fund										
High Interest Savings	Variable	2018-05-29	2,022,070.67	49,365.03	-	Open	2,071,435.70	\$2,000,0000 invested with earnings		49,365.03
Total Invested			<u>13,382,070.67</u>	<u>8,109,365.03</u>	<u>9,060,000.00</u>		<u>12,431,435.70</u>			<u>322,578.66</u>

THE CORPORATION OF THE TOWNSHIP OF BROCK

Finance Department

Treasurer to Committee of the Whole

Report: 2020-FI-06

Date: Monday, June 1, 2020

Moved to May 25, 2020
Council meeting

SUBJECT

Municipal Reserves, Reserve Funds and Trust Funds

RECOMMENDATION

1. That the Finance Committee receive report 2020-FI-06, Municipal Reserves, Reserve Funds and Trust Funds for its information.
-

ATTACHMENTS

- No. 1 Detailed Breakdown of Capital Reserve
 - No. 2 Detailed Breakdown of Development Charges Reserve Fund
 - No. 3 Detailed Breakdown of Capital Reserve Fund
-

REPORT

The Township of Brock maintains a variety of Reserves, Reserve Funds and Trust Funds for specific purposes. This report summarizes all the current amounts held and their intended uses as of December 31, 2019.

Balances held in these funds are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Reserves	2,113,407	2,773,931	3,287,273	3,142,495	3,065,341
Reserve Funds	20,016,993	17,662,022	14,892,273	12,746,777	11,145,534
Trust Funds	1,055,486	975,536	919,759	1,197,159	1,215,103

Reserves

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Working Capital Reserve	500,000	382,128	382,128	382,128	382,128
Municipal Project Reserve	<u>0</u>	<u>394,544</u>	<u>394,544</u>	<u>394,544</u>	<u>394,544</u>
Total	<u>500,000</u>	<u>776,672</u>	<u>776,672</u>	<u>776,672</u>	<u>776,672</u>

Working Capital Reserves are intended to offset outstanding receivables and mitigate shortages in cash flow that the Corporation may face. As a general rule of thumb, Working Capital Reserves are not to be utilized to alleviate budget shortfalls or cost overages. With this in mind, in the early 90's when additional working capital reserves were being recommended by the external auditors, the Municipal Projects Reserve was created to augment the Working Capital Reserve to allow some flexibility in utilizing these funds from time to time. In 2019 Council passed Resolution 13-2, eliminating the Municipal Projects Reserve and increasing the balance in the Working Capital Reserve to \$500,000.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Election Reserve	20,000	0	47,750	32,750	17,750

This reserve is intended to spread the cost of the next municipal election over the full term of Council.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sick & Injured Animal Reserve	0	35,378	25,553	22,053	16,877

The Township maintained this reserve for the purpose of assisting sick and injured animals in the municipality. The funds held were transferred to a new Trust set up for the purpose at the direction of Council in Resolution #14-2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Planning Reserve	15,000	52,000	42,000	59,000	40,000

This reserve was established to offset the costs of future planning related studies. The funds held in this reserve were transferred to the Rate Stabilization reserve at the direction of Council in Resolution #18-2. The reserve will be closed in 2020 when the balance held as committed is utilized.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Golf Tournament Reserve	32,491	33,125	26,524	23,860	20,053

The net proceeds from the yearly Charity Golf Tournament are placed in this reserve for distribution to local groups to complete youth-related projects in the community.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library Pay Equity Reserve	0	33,440	33,440	33,440	33,440

This reserve represents the amounts still owed as a result of the pay equity settlement for the Brock Libraries in 2004. Efforts to contact recipients for a portion of the settlement were not successful and the reserve was maintained for fifteen years as per legal advice obtained. The balance was transferred by Council Resolution #16-2 to the Library Rate Stabilization Reserve.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Brock Fitness Reserve	0	1,016	1,016	1,016	1,016

Surplus funds from the Brock Annual Fitness Run were placed in this reserve at year-end and transferred out at the beginning of the following year for the Run committee's use. The run has not been held since 2013. The funds held in this reserve were transferred to the Rate Stabilization reserve at the direction of Council in Resolution #18-2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Rate Stabilization Reserve	580,161	344,776	495,968	646,968	398,068

Year-end surplus amounts are placed in this reserve for possible use in future budget years. This reserve was increased in 2020 with the addition of funds held in the Brock Fitness Reserve, the Planning Reserve and the Legal Fees Reserve and reduced by the transfer of the Library's accumulated surplus to the new Library Rate Stabilization Reserve as directed in Council Resolution 18-2. The same resolution recommended a minimum balance of \$350,000 be maintained in the Reserve.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library Rate Stabilization Reserve	92,239	0	0	0	0

Year-end Library surplus amounts are placed in this reserve for use in future budget years to offset the Library's impact on the tax levy. This Reserve was created by Council Resolution 16-2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Legal Fees Reserve	0	105,506	99,206	89,706	60,779

This reserve was established to offset the costs of future legal and/or litigation costs. The funds held in this reserve were transferred to the Rate Stabilization Reserve at the direction of Council in Resolution #18-2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Committed Projects Reserve	873,516	1,392,018	1,739,144	1,457,030	1,700,686

At year-end the budgeted and unspent funds for capital items are placed in this reserve. The funds are then used for completion of the capital project or purchase of an item in a future budget year. The Capital Reserve was renamed the Committed Projects Reserve with the direction to include only projects that are expected to be completed in the next five years in Council Resolution 19-2. A detailed breakdown of the amounts held in this reserve at December 31, 2019 is shown on Attachment No. 1.

Reserve Funds

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Port Bolster Hall Reserve Fund	0	16,306	16,033	15,887	15,773

This Reserve Fund is utilized to accumulate funds needed to pay the Town of Georgina for our 50% share of annual capital costs at the Port Bolster Hall. In the past this Reserve Fund has been funded by a \$2,500 annual budget allocation. No allocations have been made since 2015. This fund was added to the Capital Reserve Fund for Public buildings per Council Resolution #20-2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Manilla Hall Reserve Fund	46,916	36,775	31,286	24,452	16,706
Wilfrid Hall Reserve Fund	<u>7,126</u>	<u>13,159</u>	<u>11,491</u>	<u>10,348</u>	<u>8,680</u>
Total	<u>54,042</u>	<u>49,934</u>	<u>42,777</u>	<u>34,800</u>	<u>25,386</u>

These reserve funds were established to accumulate funds set aside to finance capital costs to maintain the halls. A significant amount of each balance includes funds that have been raised through the effort of the volunteer boards for each hall.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal Gas Tax Reserve Fund	1,490,542	1,861,641	1,501,159	1,135,332	875,437

This reserve fund contains that portion of the annual Federal Gas Tax Allocation which has not yet been spent on eligible capital projects. The funds held are reported as deferred revenue as their use is restricted to projects approved as part of the Federal Gas Tax program.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Insurance Reserve Fund	187,885	386,007	421,678	361,336	299,083

Monies in this reserve fund can be utilized to pay the deductible portion of all insurance claims submitted to the Durham Municipal Insurance Pool. Funds can also be utilized to help mitigate large increases in annual insurance premiums. The fund was increased in 2014 through the surplus created for Brock by the redistribution of pool percentages. The growth in the southern municipalities required them to pay a larger share of the annual insurance costs going forward. The fund was again increased in 2016 and in 2017 by a distribution of surplus to pool members. It was recommended that surplus distribution be utilized to help offset risk and transfers have been done to finance sidewalk replacements in 2018 and 2019. Council Resolution 21-2 set a minimum level of \$200,000 for this fund.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Main Street Drainage Reserve Fund	28,436	27,867	27,401	27,151	26,956

Monies received from the developer to be used for future drainage works on Main Street in Beaverton.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Brock Hydro Sale Reserve Fund	2,893,729	2,919,848	2,949,062	2,979,117	2,989,737

Funds received from the sale of the Brock Hydro Commission. Investment income generated on these funds is utilized to fund budgeted Roads Capital Projects in the annual municipal budget process as per Council direction.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Development Charges Reserve Fund	5,980,351	4,346,628	3,229,795	2,243,362	2,370,185

Under the Development Charges Act, the Township is entitled to collect contributions for all new residential and non-residential development to help offset the capital costs related to increased services associated with new development. Anticipated capital expenditures related to growth are outlined in a Development Charges Study that is undertaken to set the rates for development charges to be levied. The development charges collected are placed in the Development Charges Reserve Fund until such time as they need to be utilized to complete the capital works outlined in the study. A breakdown of this reserve fund is shown in Attachment No. 2.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Parkland Reserve Fund	208,814	197,367	191,711	184,961	183,622

Under the Planning Act, the municipality is entitled to collect levies from developers in lieu of parkland dedication. The funds collected can be utilized to offset costs for parks and/or recreation related projects within these parks.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Building Permit Fee Reserve Fund	359,765	176,171	173,830	0	0

The municipality is required to hold any surplus of building permit fees calculated annually in a restricted reserve fund. These funds are to be used in subsequent years to offset the costs of the building department to complete the required inspections. The fund was established in 2017 and increased in 2019 due to the increase in development activity during those years.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Parking Lot Reserve Fund	0	8,489	8,352	8,275	8,215

Under the Planning Act, the municipality is entitled to collect levies from developers in lieu of parking spaces. The funds collected can be utilized to offset costs related to parking lot acquisition, expansion, or renewal. Council Resolution 22-2 authorized the transfer of this reserve to the Capital Reserve Fund to be combined with the existing account for parking lots.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Capital Reserve Fund	8,598,951	7,486,499	6,173,531	5,626,910	4,248,337

From time to time, various departments set aside a portion of their annual operating budget to help offset future costs of anticipated capital projects. Through this method, the cost of projects which could not normally be fully afforded in any given budget year can be completed by spreading the costs over several years. A detailed breakdown of the amounts held in this reserve fund is shown in Attachment No. 3.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Post-Employment Reserve Fund	214,478	185,265	156,944	129,646	102,803

At the recommendation of the Township's Auditors, this Reserve Fund was established to fund the cost of employee benefits that will be payable for staff between their retirement and age 65. Council recommended in Resolution 24-2 that this fund's balance not exceed 30% of the Actuarial estimated liability. With that stipulation no further funding will be allocated to the Reserve Fund unless the liability significantly increases in future years.

Trust Funds

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Subdividers Trust Fund	348,485	341,676	221,164	194,179	441,851

Deposits required from developers are placed in trust until such time as the terms of their development agreement have been satisfied and the deposits refunded. Should the developer not satisfy the terms of the agreement or have outstanding accounts with the municipality, these deposits can be utilized to satisfy these items.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Holdback Trust Fund	253,832	228,884	293,946	611,280	384,326

Payments for construction holdbacks and holds are held in this account until the contractor meets warranty requirements.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Beaverton Health Trust Fund	14,053	13,779	13,556	13,432	13,335

Bequest received for the betterment of the Beaverton-Thorah Health Centre.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sunderland Health Trust Fund	30	29	29	29	28

Bequest received for the betterment of the Sunderland Health Centre.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Lambert Park Trust Fund	155	152	150	148	147

Bequest received for the improvement of MacLeod Park in Cannington.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Hewlett-McLeod Park Trust Fund	1,109	1,087	1,070	1,060	1,052

Bequest received for the improvement of MacLeod Park.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
King Street Park Trust Fund	44,157	43,227	57,203	56,678	56,267

Bequest received for the improvement of King Street Park in Beaverton.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Mary Fowler - Library Trust Fund	118,491	116,175	114,300	113,251	112,431
Foster/Hewitt/Baillie Library Donation Trust –	<u>49,473</u>	<u>43,561</u>	<u>37,911</u>	<u>27,619</u>	<u>25,063</u>
Total	<u>167,964</u>	<u>159,736</u>	<u>152,211</u>	<u>140,870</u>	<u>137,494</u>

Bequest and Donations received for the betterment of the Brock Libraries – Beaverton Branch. \$100,000 original bequest is to be maintained and the annual investment interest to be utilized to offset costs related to the improvement of the library. Donations received to offset costs related to the improvement of the Beaverton Branch Library.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Marino-Dench Animal Shelter Trust Fund	60,110	63,347	57,385	56,857	56,447

Bequest received for the construction (completed in 2011) and on-going upkeep of a new animal shelter in Brock. Additional funds received in 2012 upon the liquidation of the remainder of the estate.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sick and Injured Animal Trust	41,265	0	0	0	0

The funds previously held in reserve for Sick and Injured Animals were transferred to this trust fund at the direction of Council in resolution #14-2. These funds will be maintained for the purpose of assisting sick and injured animals in the municipality. This Trust will be funded through periodic donations made to the Canine Control Department and staff fundraising efforts.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Fire Hall # 2 Trust Fund	65	64	63	62	1,894

Interest remaining on past monies raised by the Volunteer Firefighters of Hall # 2 for the purchase of firefighting equipment.

	2019	2018	2017	2016	2015
Sidewalk Trust Fund	36,153	35,447	34,874	34,554	34,304

Developer contributions collected in lieu of sidewalks including section on west side of Nine Mile Road in Beaverton.


	2019	2018	2017	2016	2015
Thompson Cemetery Trust Fund & Closed/Abandoned	2,100	2,100	2,100	2,000	2,000
Scotch Cemetery Trust Fund	5,552	5,552	5,552	5,552	5,552
All Saint Cemetery Trust Funds	20,944	20,944	20,944	20,944	20,944
Hart Cemetery Trust Fund	50,322	50,322	50,322	50,322	50,272
North Brock-Shier Cemetery Trust Fund	9,190	9,190	9,190	9,190	9,190

Cemetery monies are held in trust with the investment income earned being used for the on-going care and maintenance of these cemeteries. The Township is required by the Funeral, Burial and Cremation Service Act to maintain the capital portion of these funds into perpetuity.

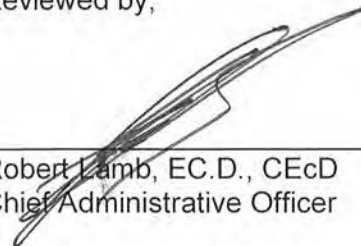
In 2019, \$449,758 in interest was earned on Reserve Funds and \$19,974 was earned on Trust funds. With the exception of the Brock Hydro Sale Reserve Fund and the Cemetery Trust Funds, all interest earned remains in the respective Reserve Fund or Trust fund account. This interest is accumulated along with the principal and will be available to offset the cost of future expenditures through the annual budget process.

This report is provided for the information of the committee.

Respectfully submitted,


 Laura E. Barta, CPA, CMA
 Treasurer

Reviewed by,


 Robert Lamb, EC.D., CEcD
 Chief Administrative Officer

THE CORPORATION OF THE TOWNSHIP OF BROCK

Finance Department

Treasurer to Committee of the Whole

Report: 2020-FI-05

Moved to May 25,
2020 Council meeting

Date: June 1, 2020

SUBJECT

Annual Statement of the Development Charges Reserve Fund for the Year Ending December 31, 2019

RECOMMENDATION

1. THAT the Committee receive report 2020-FI-05, Annual Statement of Development Charges Reserve fund for information.
-

ATTACHMENTS

Development Charges Reserve Funds Statement

REPORT

Background

The Annual Statement of Development Charges Reserve Fund for the Year Ending December 31, 2019 is provided in order to comply with the regulations in the Development Charges Act.

For the year ended December 31, 2019, a total of 153 residential, 0 multi residential and 0 non-residential building permits were issued that qualified for the collection of Development Charges. Of the 153 permits issued, 143 qualified for full Development Charges to be collected with 2 being permitted partial reductions due to changes from commercial units to residential apartment units.. Eight residential applications were permitted a full reduction due to demolitions in accordance with the by-law.

As the attachment shows, a total of 4 capital purchases and 2 studies were financed by the Development Charges Reserve Fund during the calendar year. In addition \$195,000 remains committed from the 2019 capital budget and \$1,068,000 is currently shown as committed for projects identified in the 2020 capital budget.

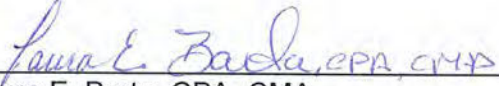
Section 43 (2)(c) requires that the Treasurer's financial report relating to development charges include a statement that the Township is in compliance with Section 59.1 (1) of the Development Charges Act, i.e. that the municipality did not impose a charge except as permitted by the Development Charges Act or another Act.

The Township of Brock is fully compliant with the new requirements of the Development Charges legislation and the Township has not imposed any charge or a requirement to construct a service related to a development that contravenes Section 59.1 of the Development Charges Act.

Conclusion

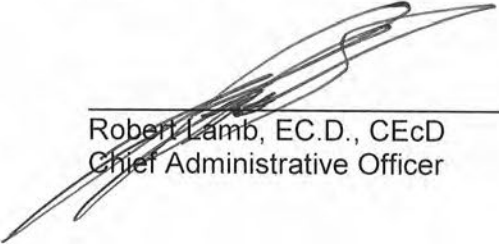
This is an information report provided to comply with legislative reporting requirements.

Respectfully submitted,



Laura E. Barta, CPA, CMA
Treasurer

Reviewed by,



Robert Lamb, EC.D., CEcD
Chief Administrative Officer

**TOWNSHIP OF BROCK
DEVELOPMENT CHARGES RESERVE FUNDS STATEMENT
FOR THE 2019 YEAR**

	HARD SERVICES ENGINEERING	HARD SERVICES FIRE PROTECTION	SOFT SERVICES GENERAL GOVERNMENT	SOFT SERVICES LIBRARY	SOFT SERVICES LIBRARY, PARKS & RECREATION	SOFT SERVICES PUBLIC WORKS/FLEET	TOTAL
Balance as of December 31, 2018	(1,221,819.52)	(525,563.61)	(139,828.60)	(2,853.79)	(2,071,244.17)	(385,317.87)	(4,346,627.56)
PLUS:							
Development Charges Proceeds	(520,561.55)	(235,221.44)	(71,774.22)	-	(853,571.50)	(187,079.95)	(1,868,208.66)
Interest Apportionment	(33,473.39)	(12,742.28)	(3,110.77)	(63.43)	(51,716.06)	(8,780.43)	(109,886.36)
SUBTOTAL	(554,034.94)	(247,963.72)	(74,884.99)	(63.43)	(905,287.56)	(195,860.38)	(1,978,095.02)
LESS:							
DC Study & Fire Master Plan			59,371.00				59,371.00
Amounts Paid for Capital Purchases						100,000.00	100,000.00
- 6 Ton Tandem Truck					15,000.00		15,000.00
- Park Improvements		170,000.00					170,000.00
- Fire Tanker							-
SUBTOTAL	-	170,000.00	59,371.00	-	15,000.00	100,000.00	344,371.00
Closing Balance as of December 31, 2019	(1,775,854.46)	(603,527.33)	(155,342.59)	(2,917.22)	(2,961,531.73)	(481,178.25)	(5,980,351.58)
Committed Amounts from Prior Years	-	-	-	-	-	195,000.00	195,000.00
Available at December 31, 2019	(1,775,854.46)	(603,527.33)	(155,342.59)	(2,917.22)	(2,961,531.73)	(286,178.25)	(5,785,351.58)
Committed Amounts from 2020 Budget	360,000.00		-	-	1,068,000.00		1,428,000.00
Balance Available for Future Needs	(1,415,854.46)	(603,527.33)	(155,342.59)	(2,917.22)	(1,893,531.73)	(286,178.25)	(4,357,351.58)

Note: brackets = funds available, no brackets = shortfall

THE CORPORATION OF THE TOWNSHIP OF BROCK

Finance Department

Treasurer to Committee of the Whole

Report: 2020-FI-04

Moved to May 25, 2020
Council meeting

Date: June 1, 2020

SUBJECT

Annual Building Permit Fee Report – For the 2019 Fiscal Year

RECOMMENDATION

That the Committee receive this report for information.

ATTACHMENTS

Attachment #1 – Building Permit Fee Report

REPORT

Background

Under Section 7(4) of the Building Code Act as amended and the passing of subsequent amendments and Ontario Regulation 350-06, the Treasurer is required to report annually to Council a summary of Building Permit Fees of the Municipality.

The attached document sets out the Total Fees collected, a summary of the indirect and direct costs of administration and enforcement and the statement of reserve funds for building services.

In 2019, the new residential building permits issued increased over the prior year providing total building permit revenue of \$507,961 resulting in a surplus of \$179,699 after reducing the total revenue by the direct and indirect expenses as outlined on the attachment.

As the building permit surplus was anticipated to be approximately \$180,000 at the end of 2019 this amount was transferred to the Building Department restricted reserve fund in accordance with requirements of the legislation.

During the 2019 year, the Building Department advised Council through the quarterly reports of the increase in building permit activity. The total number of permits issued in the year according to report 2020-COW-01 was 337 compared to 262 in 2018. This represents a 28.6% increase in building activity for the 2019 year. Of the permits issues in 2019 60.5% or 204 were for new dwellings compared to 24.4% or 64 in 2018.

The inspections that are required as part the permitting process, will be ongoing until construction is complete. The funds held in the restricted reserve fund will be used to offset the cost of these inspections in subsequent years.

Conclusion

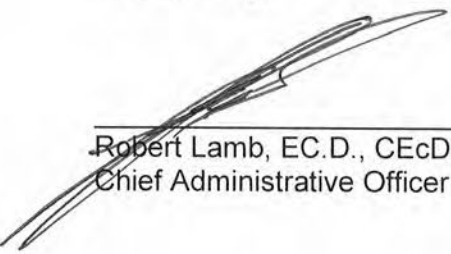
This is an information report provided to comply with legislative reporting requirements.

Respectfully submitted,



Laura E. Barta, CPA, CMA
Treasurer

Reviewed by,



Robert Lamb, EC.D., CEcD
Chief Administrative Officer

THE CORPORATION OF THE TOWNSHIP OF BROCK**BUILDING PERMIT FEE - 2019 ANNUAL REPORT**

	<u>2019</u>	<u>2018</u>
<u>TOTAL FEES:</u>		
Total fees collected for the period January 1 to December 31 under By-Law Number 2334-2011-PP, of the Township of Brock are as follows:	\$ 507,961	\$ 337,557

INDIRECT COSTS:

Indirect Costs are deemed to include the costs for support and overhead services to the Building Department of the Township of Brock as follows:

Total Administration Cost	\$ 20,890	\$ 24,066
Total Enforcement Cost	\$ -	\$ -
Sub-Total - Indirect Costs	\$ 20,890	\$ 24,066

DIRECT COSTS:

Direct Costs are deemed to include the costs of the Building department of the Township of Brock for the processing of building permit applications, the review of building plans, conducting inspections and building-related enforcement duties.

Total Administration Cost	\$ 118,338	\$ 130,541
Total Enforcement Cost	\$ 189,034	\$ 208,527
Sub-Total - Direct Costs	\$ 307,372	\$ 339,068
Grand Total Indirect and Direct Costs	\$ 328,262	\$ 363,134
Revenues over costs as of December 31	\$ 179,699	\$ (25,577)

STATEMENT OF RESERVES:

Building Department Reserve Funds to December 31:

Capital for Equipment Replacement	\$ 37,259	\$ 31,429
Building Department (Fees in excess of costs)	\$ 359,765	\$ 176,171
Total Held at end of year	\$ 397,024	\$ 207,600

THE CORPORATION OF THE TOWNSHIP OF BROCK

BUILDING PERMIT FEE - 2019 ANNUAL REPORT

<u>INDIRECT COSTS</u>	<u>2019</u>	<u>2018</u>
ADMIN BUILDING (less Capital)	\$104,099.45	\$104,881.93
OFFICE SUPPLIES	\$29,357.20	\$32,013.20
EQUIPMENT LEASE (photocopier)	\$3,766.92	\$1,784.84
POSTAGE	\$21,526.74	\$20,356.17
INTERNET	<u>\$1,407.72</u>	<u>\$1,403.64</u>
	<u>\$160,158.03</u>	<u>\$160,439.78</u>

STAFFING

TREASURY	4
BUILDING	3
FIRE	2
CANINE	3
WORKS	5
PLANNING/COA	2
CLERKS	<u>4</u>
	<u>23</u>

2019 BUILDING DEPT SHARE INDIRECT COSTS = 3/23 X	\$160,158.03	=	<u>\$20,890.18</u>
2018 BUILDING DEPT SHARE INDIRECT COSTS = 3/20 X	\$160,439.78	=	<u>\$24,065.97</u>

<u>DIRECT COSTS</u>	<u>2019</u>	<u>2018</u>
BUILDING DEPT. (less Capital)	<u>\$307,372</u>	<u>\$339,068</u>
Enforcement 61.5%	\$189,034	\$208,527
Administration 38.5%	\$118,338	\$130,541
 BUILDING DEPT. CAPITAL R/F	 <u>\$37,259</u>	 <u>\$31,429</u>
 BUILDING FEES R/F	 <u>\$359,765</u>	 <u>\$176,171</u>

THE CORPORATION OF THE TOWNSHIP OF BROCK

Finance Department

Treasurer to Committee of the Whole

Report: 2020-FI-03

Date: June 1, 2020

Moved to May 25, 2020
Council meeting

SUBJECT

Annual Leasing Report – For the 2019 Fiscal Year

RECOMMENDATION

That the Committee receive this report for information.

ATTACHMENTS

None

REPORT

Background

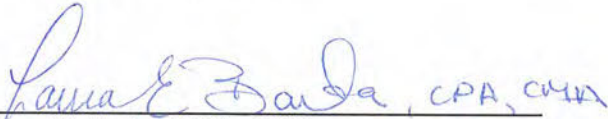
Under Ontario Regulation 653/05, the Treasurer is required to report annually to Council details of existing material leases confirming that they comply with the lease policy, a summary of material leases, estimated cost of the material leases and the impact of these leases on the financing arrangements and debt servicing of the Municipality.

As required by the Municipal Act, S.O., 2001, Council included the mechanism to allow for the use of lease financing agreements in the procurement policies and procedures, By-Law 1912-2004-FI as amended. To-date, Brock has typically chosen to purchase or debenture (if necessary), rather than to use financial leases with the exception of small office equipment. The existing copier leases are immaterial and therefore have no impact on long term financing or debt service levels of the Township.

Conclusion


At this time, the Township of Brock does not have any material leases. It is recommended that this annual lease report be received for information in compliance with Ontario Regulation 653/05.

Respectfully submitted,



Laura E. Barta, CPA, CMA
Treasurer

Reviewed by,



Robert Lamb, EC.D., CEcD
Chief Administrative Officer

The Corporation of the Township of Brock

Planning Department

Planner to Council

Report: 2020-BPE-02

Date: Monday, May 25, 2020

Subject

Summary of updates from the Provincial Policy Statement (PPS) 2020.

Recommendation

That the report be received for review and comment.

Attachments

N/A

Report

1. Background

The Provincial Policy Statement, 2020 was approved by the Lieutenant Governor in Council through Order in Council No. 229/2020. The new PPS policies will take effect on May 1, 2020.

The new PPS, 2020 will replace the Provincial Policy Statement, 2014. In accordance with section 3 of the Planning Act, all decisions affecting land use planning matters made after this date shall be consistent with the Provincial Policy Statement, 2020.

In July 2019, the Provincial government released "Provincial Policy Statement Review, Proposed Policies" and requested comment on the proposed changes. In response to this 91-day commenting period, a report to Council was brought forward on October 7, 2019. As a result of Council comment, the Township submitted Comment 35195 to ERO 019-0279 requesting that the wording "renewable energy systems and alternative energy systems" be put back into the following sections of the Provincial Policy Statement: 1.6.11.1, 1.7.1 j), and 1.8.1 f). As a point of interest, the words "renewable energy systems and alternative energy systems," have been kept in 1.6.11.1 but are still removed in 1.7.1 j) and 1.8.1 f).

This report is available in alternate formats upon request.
Please contact the Clerk's Department at 705-432-2355.

2. Summary of Changes to PPS 2020

The Environmental Registry of Ontario notes the following:

“The key changes [to the PPS as a result of the consultation] include:

- adding further references to support a changing climate and green infrastructure
- adding policy direction that is responsive to the recommendations of the province’s Special Advisor on Flooding.
- increasing the minimum requirement for housing land supply to 15 years
- clarifying the policies related to market-based housing by adding a reference to affordable housing
- providing flexibility for municipalities to consider residential development on rural lands that is locally appropriate, including lot creation
- enhancing land use compatibility policies for sensitive land uses

In response to feedback, a number of policy proposals are not included in the final PPS, 2020. These include:

- “fast-tracking” municipal approvals
- requiring agricultural impact assessments for non-agricultural uses in prime agricultural areas and for settlement area boundary expansions
- a voluntary wetland mitigation hierarchy approach for wetlands that are not provincially significant wetlands
- clarifying that rehabilitation plans for aggregate extraction can contribute to the demonstration of no negative impacts in some natural heritage features.”

The following sub-sections provide additional detail regarding the changes included in the 2020 PPS.

a. Planning Horizons

- Section 1.1.2 extends the planning horizon for sufficient land to accommodate a range and mix of uses from 20 to 25 years.
- 1.3.2.7 Planning authorities may plan beyond 25 (used to be 20) years for the long-term protection of employment areas provided lands are not designated beyond the planning horizon identified in policy 1.1.2.
- 1.4.1 a) maintain at all times the ability to accommodate residential growth for a minimum of 15 (used to be 10) years through *residential intensification* and *redevelopment* and, if necessary, lands which are *designated and available* for residential development.

b. Key Updated Phrases

Phrasing, specific words and terminology are incredibly important in policy documents. They set the tone and benchmark for conformity. As such, the following lays out the key phrasing changes noted in the 2020 PPS.

- Throughout the document the phrase “Indigenous Communities” is emphasized in terms of collaboration and consultation throughout land use planning processes. It is also characterized as an essential step, rather than a suggested one.

- The phrase a “range of housing options” is used often with the associated new definition of “housing options” noted below.
- The term “market demand” is used throughout the document as the driver of need for housing specifically.
- “Climate Change” references have been converted to “impacts of a changing climate”. The emphasis is now on preparing for the impacts rather than more lenient phrasing such as “consideration of climate change”.
- Shall was substituted for “should” in policies 1.1.3.6 and 1.1.3.7 to provide flexibility for the form of new development and phasing policies.
- 1.7.1 h) (long term economic prosperity) removes references to alternative energy and replaces it simply with “increased energy supply”.
- The use of “agri-food” and “agri-products” is replaced by “the agricultural system” as described in the definitions section below.

c. General Additions to the 2020 PPS

- 1.1.5.2 c) (rural lands in municipalities) adds that lot creation as a residential use on rural lands is permitted if it is locally appropriate.
- 1.2.1 a) (coordination) adds infrastructure planning as part of the direction for having a coordinated, integrated and comprehensive approach to planning matters.
- 1.3.1 d) (employment) adds facilitating investments to growth for employment and addressing potential barriers to investment.
- 1.4.3 e) (housing) requiring transit-supportive development and prioritizing intensification, including potential air rights development, in proximity to transit, including corridors and stations.
- 1.7.1 b) (long term economic prosperity) encouraging residential uses to respond to dynamic market-based needs and provide necessary housing supply and range of *housing options* for a diverse workforce.
- 3.2.3 (human made hazards) - planning authorities should support, where feasible, on-site and local re-use of excess soil through planning and development approvals while protecting human health and the environment.

d. Comprehensive Reviews

A municipal comprehensive review is a process that is required to be undertaken to make settlement area boundary adjustments or land use conversions. The 2020 PPS has made the following changes. Please note deletions in ~~red~~ strikethrough and additions in ~~blue~~. The red and blue text will be similarly used in following sections.

~~“In determining the most appropriate direction for expansions to the boundaries of settlement areas or the identification of a settlement area by a planning authority, a planning authority shall apply the policies of Section 2: Wise Use and Management of Resources and Section 3: Protecting Public Health and Safety. In undertaking a comprehensive review, the level of detail of the assessment should correspond with the complexity and scale of the settlement boundary expansion or development proposal.~~

1.1.3.9 Notwithstanding policy 1.1.3.8, municipalities may permit adjustments of *settlement area* boundaries outside a *comprehensive review* provided:

- a) there would be no net increase in land within the *settlement areas*;
- b) the adjustment would support the municipality's ability to meet *intensification* and *redevelopment* targets established by the municipality;
- c) *prime agricultural areas* are addressed in accordance with 1.1.3.8 (c), (d) and (e); and
- d) the *settlement area* to which lands would be added is appropriately serviced and there is sufficient reserve *infrastructure* capacity to service the lands."

This addition allows for planning authorities to scale the level of detail required to make settlement area boundary adjustments. Previously, the requirements were detailed and onerous for relatively small adjustments.

e. Land Use Compatibility

Section 1.2.6 underwent significant modifications as follows.

1.2.6.1 *Major facilities* and *sensitive land uses* ~~should~~ *shall* be planned and developed to ~~ensure they are appropriately designed, buffered and/-avoid, or separated from each other to prevent or if~~ avoidance is not possible, minimize and mitigate any *potential adverse effects* from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term *operational and economic viability of major facilities in accordance with provincial guidelines, standards and procedures.*

1.2.6.2 Where avoidance is not possible in accordance with policy 1.2.6.1, planning authorities shall protect the long-term viability of existing or planned industrial, manufacturing or other uses that are vulnerable to encroachment by ensuring that the planning and *development* of proposed adjacent *sensitive land uses* are only permitted if the following are demonstrated in accordance with provincial guidelines, standards and procedures:

- a) there is an identified need for the proposed use;
- b) alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations;
- c) *adverse effects* to the proposed *sensitive land use* are minimized and mitigated; and
- d) potential impacts to industrial, manufacturing or other uses are minimized and mitigated.

These changes reverse the previous order of priority for land use compatibility. Previously, the focus was on ensuring sensitive land uses were protected from industrial uses. The revisions ensure that "major facilities" (with the definition now including manufacturing facilities) are prioritized to ensure that sensitive land uses (and the resulting setbacks and mitigation measures) do not impact the major facilities.

f. Employment Areas

1.3.2 Employment Areas, has also undergone significant modifications as follows.

“1.3.2.1 Planning authorities shall plan for, protect and preserve *employment areas* for current and future uses and ensure that the necessary *infrastructure* is provided to support current and projected needs.

1.3.2.2 At the time of the official plan review or update, planning authorities should assess *employment areas* identified in local official plans to ensure that this designation is appropriate to the planned function of the *employment area*.

Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from *sensitive land uses* to maintain the long-term operational and economic viability of the planned uses and function of these areas.

1.3.2.3 Within *employment areas* planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other *sensitive land uses* that are not ancillary to the primary employment uses in order to maintain land use compatibility.

Employment areas planned for industrial or manufacturing uses should include an appropriate transition to adjacent non-*employment areas*.

1.3.2.4 Planning authorities may permit conversion of lands within *employment areas* to non-employment uses through a *comprehensive review*, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.

1.3.2.5 Notwithstanding policy 1.3.2.4, and until the official plan review or update in policy 1.3.2.4 is undertaken and completed, lands within existing *employment areas* may be converted to a designation that permits non-employment uses provided the area has not been identified as provincially significant through a provincial plan exercise or as regionally significant by a regional economic development corporation working together with affected upper and single-tier municipalities and subject to the following:

- a) there is an identified need for the conversion and the land is not required for employment purposes over the long term;
- b) the proposed uses would not adversely affect the overall viability of the *employment area*; and
- c) existing or planned *infrastructure* and *public service facilities* are available to accommodate the proposed uses.”

These additions give greater priority to establishing and protecting appropriate employment lands.

g. Key Changes to Definitions

Agricultural System: A system comprised of a group of inter-connected elements that collectively create a viable, thriving agricultural sector. It has two components:

a) An agricultural land base comprised of *prime agricultural areas*, including *specialty crop areas*, and *rural lands* that together create a continuous productive land base for agriculture; and
b) An *agri-food network* which includes *infrastructure*, *services*, and *assets* important to the viability of the agri-food sector.

Agri-food network: Within the *agricultural system*, a network that includes elements important to the viability of the agri-food sector such as *regional infrastructure* and *transportation networks*; *on-farm buildings and infrastructure*; *agricultural services*, *farm markets*, *distributors*, and *primary processing*; and *vibrant, agriculture-supportive communities*.

Areas of archaeological potential: means areas with the likelihood to contain *archaeological resources*. **Methods Criteria** to identify archaeological potential are established by the Province, ~~but municipal approaches which achieve the same objectives may also be used.~~ The *Ontario Heritage Act* requires archaeological potential to be confirmed ~~through archaeological fieldwork~~ by a licensed archaeologist.

Cultural heritage landscape: means a defined geographical area that may have been modified by human activity and is identified as having cultural heritage value or interest by a community, including an ~~Aboriginal~~ *Indigenous* community. The area may

~~involve~~ *include* features such as *buildings*, *structures*, *spaces*, *views*, *archaeological sites* or *natural elements* that are valued together for their interrelationship, meaning or association. ~~Examples may include, but are not limited to, Cultural heritage conservation districts designated landscapes~~ *may be properties that have been determined to have cultural heritage value or interest villages, parks, gardens, battlefields, mainstreets and neighbourhoods, cemeteries, railways, viewsheds, natural areas and industrial complexes of heritage significance; and areas recognized by, or have been included on federal and/or international designation authorities (e.g. a National Historic Site or District designation, or a UNESCO World Heritage Site). registers, and/or protected through official plan, zoning by-law, or other land use planning mechanisms.*

Endangered species: means a species that is ~~listed or categorized~~ *classified* as an “Endangered Species” on the ~~Ontario Ministry of Natural Resources’ official Species at Risk list~~ *in Ontario List*, as updated and amended from time to time.

Housing options: means a range of housing types such as, but not limited to *single-detached*, *semi-detached*, *rowhouses*, *townhouses*, *stacked townhouses*, *multiplexes*, *additional residential units*, *tiny homes*, *multi-residential buildings*. The term can also refer to a variety of housing arrangements and forms such as, but not limited to *life lease housing*, *co-ownership housing*, *co-operative housing*, *community land trusts*, *land lease community homes*, *affordable housing*, *housing for people with special needs*, and *housing related to*

employment, institutional or educational uses.

Impacts of a changing climate: means the present and future consequences from changes in weather patterns at local and regional levels including extreme weather events and increased climate variability.

Major facilities: means facilities which may require separation from *sensitive land uses*, including but not limited to airports, *manufacturing uses*, transportation infrastructure and corridors, *rail facilities*, *marine facilities*, sewage treatment facilities, *waste management systems*, oil and gas pipelines, industries, energy generation facilities and transmission systems, and resource extraction activities.

On-farm diversified uses: means uses that are secondary to the principal agricultural use of the property, and are limited in area. *On-farm diversified uses* include, but are not limited to, home occupations, home industries, *agri-tourism uses*, and uses that produce value-added agricultural products. *Ground-mounted solar facilities are permitted in prime agricultural areas, including specialty crop areas, only as on-farm diversified uses.*

Significant: means e) in regard to cultural heritage and archaeology, resources that have been determined to have cultural heritage value or interest ~~for the important contribution they make to our understanding of the history of a place, an event, or a people.~~ *Processes and criteria for determining cultural heritage value or interest are*

established by the Province under the authority of the Ontario Heritage Act.

Special needs: means any housing, including dedicated facilities, in whole or in part, that is used by people who have specific needs beyond economic needs, including but not limited to, needs such as mobility requirements or support functions required for daily living. Examples of *special needs* housing may include, but are not limited to, *long-term care homes*, *adaptable and accessible housing*, and housing for persons with disabilities such as physical, sensory or mental health disabilities, and housing for older persons.

Threatened species: means a species that is ~~listed or categorized~~ *classified* as a "Threatened Species" on the ~~Ontario Ministry of Natural Resources'~~ *official* Species at Risk ~~list~~ *in Ontario List*, as updated and amended from time to time.

Transit-supportive: in regard to land use patterns, means development that makes transit viable, *optimizes investments in transit infrastructure*, and improves the quality of the experience of using transit. It often refers to compact, mixed-use development that has a high level of employment and residential densities., *including air rights development, in proximity to transit stations, corridors and associated elements within the transportation system.* Approaches may be recommended in guidelines developed by the Province or based on municipal approaches that achieve the same objectives.

3. Conclusion

The most significant impact for Brock Township reflects the changes to Employment Lands and Land Use Compatibility. As the Regional Municipal Comprehensive Review process continues to provide needed data regarding the existing residential vs. employment land needs, the Township may be able to utilize the PPS 2020 changes to ensure the most appropriate Employment Lands are designated within the Township to serve future growth.

The other significant impact to the Township, in terms of policies and by-laws, is the definition of Housing Options. Currently, the zoning by-law does not accommodate this definition. An exercise is currently underway to revise the zoning by-law appropriately.

The timing of the 2020 PPS update is beneficial for Brock's own policy updates in future. This updated provincial policy direction allows clarity for undertaking Brock's Official Plan update and Zoning By-law review in future to ensure provincial and regional policy and Official Plan conformity.

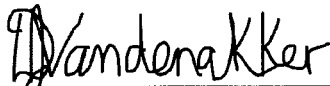
Consultation

N/A

Financial

N/A

Respectfully submitted,



Debbie Vandenakker
Planner

Reviewed by,



Robert J. Lamb, Ec.D., CEcD
Chief Administrative Officer

Correspondence



April 21, 2020

**The Regional
Municipality
of Durham**

Planning and Economic
Development Department

Planning Division

605 Rossland Rd. E.
Level 4
PO Box 623
Whitby, ON L1N 6A3
Canada

905-668-7711
1-800-372-1102
Fax: 905-666-6208
planning@durham.ca

durham.ca

Brian Bridgeman, MCIP, RPP
Commissioner of Planning and
Economic Development

Mr. R. Lamb
Chief Administrative Officer &
Municipal Clerk
Township of Brock
1 Cameron Street E.
Cannington, ON L0E 1E0

moved to May 25, 2020
Council

**Re: Monitoring of Growth Trends, File: D01-02-01
Commissioner's Report #2020-INFO-30**

Mr. Lamb, enclosed for your information is a copy of Commissioner's Report #2020-INFO-30 that was provided to Regional Councillors on April 9, 2020.

Should you have any questions or wish to discuss the report, please contact Mike Blake, Senior Planner at 905-668-7711 ext. 2549.

Yours truly,

Gary Muller

Gary Muller, MCIP, RPP
Director of Planning

GM/mr

Encl.

c: See attached list



-2-

- c: K. Ashe, Chair, Durham Regional Police Services Board
L. Millar, Director of Education, Durham District School Board
A. O'Brien, Director of Education, Durham Catholic District School Board
J. Leclerc, Director of Education, Kawartha Pine Ridge District School Board
Martin Bertrand, Directeur de l'Education, Conseil scolaire Viamonde
M. Nasello, Director of Education, Peterborough-Victoria-Northumberland & Clarington Catholic District School Board
R. Sirois, Directeur de l'éducation, Conseil scolaire de district catholique Centre-Sud
D. Hammons, Chief Executive Officer, Local Health Integration Network, Central East Division
M. Blake, Senior Planner, Planning Division

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2564



The Regional Municipality of Durham Information Report

From: Commissioner of Planning and Economic Development
Report: #2020-INFO-30
Date: April 9, 2020

Subject:

Monitoring of Growth Trends, File: D01-02-01

Recommendation:

Receive for information

Report:

1. Purpose

- 1.1 This report is the first of two biannual reports monitoring Growth Trends in Durham. It presents historical population and household data for the Region and local municipalities for the 2015 to 2019 period.
- 1.2 The data is provided for the end of May (to correspond with the timing of a Census) and for December (calendar year-end). Information presented in this report is intended for use in various planning studies and programs as well as other Regional and agency initiatives.

2. Historical population and household estimates (2015-2019)

- 2.1 The population and household estimates presented in Attachment 1, are based on:

- Statistics Canada Census information for 2011 and 2016 including an estimate for net undercoverage¹; and
 - Canada Mortgage and Housing Corporation (CMHC) monthly housing completion data for non-Census years.
- 2.2 The semi-annual population estimates presented in Attachment 1, indicate that the Region's annual population growth increased by 7,880 persons in 2019, which is higher than the five-year average (7,760). The growth rate last year was 1.16%. Comparatively, the average annual population growth for the five-year period from 2015 to 2019 was 1.15%.
- 2.3 The semi-annual household estimates presented in Attachment 1, indicate that the Region's annual household growth increased by 3,060 households from 2018 to 2019, representing a growth rate of 1.38%. Comparatively, the annual household growth for the five-year period from 2015 to 2019 was 1.31%.

3. Conclusion

- 3.1 Committee will continue to be kept apprised of emerging population and household data and trends through regular updates of this information.
- 3.2 A copy of this report will be forwarded to the Area Municipalities, the Durham Regional Police Service, the Local Health Integration Network, Ontario Health Teams and School Boards in Durham.

4. Attachments

Attachment #1: Semi-annual Population Estimates, 2015-2019 and Semi-annual Household Estimates, 2015-2019.

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP
Commissioner of Planning and
Economic Development

1. Net undercoverage refers to the net population counts that are missed during the Census enumeration due to persons with no usual residence, incorrect questionnaires, missed dwellings, away from home, etc.

Table 1
Semi-annual Population Estimates, 2015-2019 (May and December)

Year	Ajax	Brock	Clarington	Oshawa	Pickering	Scugog	Uxbridge	Whitby	Durham
2015 (May)	122,895	12,030	94,210	162,730	94,810	22,475	21,830	132,370	663,345
2015 (Dec)	123,740	12,045	94,860	163,925	95,115	22,380	21,930	132,765	666,755
2016 (May)	124,230	12,085	95,515	165,525	95,265	22,440	21,980	133,265	670,310
2016 (Dec)	124,805	12,065	96,490	166,535	95,220	22,370	22,045	133,515	673,040
2017 (May)	125,505	12,050	97,395	167,430	95,765	22,320	22,265	134,400	677,125
2017 (Dec)	126,445	12,140	98,550	169,320	96,255	22,245	22,245	135,050	682,250
2018 (May)	127,840	12,130	99,215	170,120	96,585	22,195	22,345	135,280	685,710
2018 (Dec)	128,725	12,265	100,290	172,660	97,435	22,110	22,340	135,760	691,580
2019 (May)	129,210	12,305	100,815	174,460	97,950	22,080	22,330	135,955	695,105
2019 (Dec)	129,960	12,350	102,110	175,025	98,690	22,025	22,320	136,980	699,460

Note: All figures rounded

Source: Statistics Canada Census and CMHC monthly housing completions data.

Table 2
Semi-annual Household Estimates, 2015-2019 (May and December)

Year	Ajax	Brock	Clarington	Oshawa	Pickering	Scugog	Uxbridge	Whitby	Durham
2015 (May)	37,225	4,500	32,335	61,470	30,690	8,150	7,570	43,175	225,115
2015 (Dec)	37,450	4,520	32,580	61,980	30,815	8,175	7,635	43,325	226,480
2016 (May)	37,550	4,545	32,840	62,595	30,920	8,220	7,665	43,530	227,865
2016 (Dec)	37,655	4,550	33,225	62,990	30,985	8,225	7,705	43,670	229,005
2017 (May)	37,815	4,555	33,570	63,340	31,220	8,230	7,795	44,005	230,530
2017 (Dec)	38,030	4,600	34,020	64,065	31,465	8,235	7,805	44,275	232,495
2018 (May)	38,400	4,605	34,290	64,375	31,630	8,240	7,850	44,395	233,785
2018 (Dec)	38,595	4,670	34,710	65,355	31,990	8,240	7,870	44,615	236,040
2019 (May)	38,690	4,695	34,930	66,045	32,220	8,250	7,875	44,720	237,430
2019 (Dec)	38,845	4,725	35,435	66,270	32,550	8,260	7,890	45,120	239,100

Note: All figures rounded

Source: Statistics Canada Census and CMHC monthly housing completions data.

If this information is required in an alternate format, please contact the Accessibility Co-ordinator at 905-623-3379 ext. 2131

May 5, 2020

The Honourable Doug Ford, M.P.P.
Premier of Ontario
Via E-Mail: premier@ontario.ca

Dear Premier:

Re: Provincial Electric Vehicle Rebate Program

File Number: PG.25.06

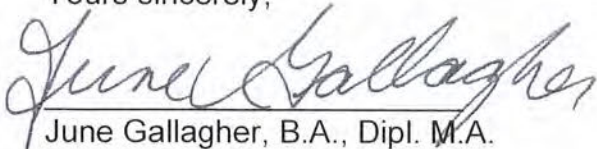
At a meeting held on May 4, 2020, the Council of the Municipality of Clarington approved the following Resolution #JC-052-20:

That the following resolution from Town of Whitby, regarding Provincial Electric Vehicle Rebate Program, be endorsed by the Municipality of Clarington:

That the Council of the Town of Whitby requests that the Provincial Government re-establish an electric vehicle rebate program to encourage consumers to purchase zero emissions vehicles; and

That a copy of this resolution be sent to the Minister of Transportation, the Minister of the Environment, Conservation and Parks, the Minister of Finance, the local MPPs, the local MPs, and Durham Region municipalities.

Yours sincerely,



June Gallagher, B.A., Dipl. M.A.
Deputy Clerk

JG/cm

- c. **See Attached List of Interested Parties**
D. Hoge, Climate Change Response Co-Ordinator

Interested Parties List

The Honourable Caroline Mulroney, M.P.P., Minister of Transportation
The Honourable Jeff Yurek, M.P.P., Minister of the Environment, Conservation and Parks
The Honourable Rod Phillips, M.P.P., Minister of Finance
The Honourable Philip Lawrence, M.P.
The Honourable Erin O'Toole, M.P.
The Honourable Lindsey Park, M.P.P.
The Honourable David Piccini, M.P.P.
Susan Cassel, City Clerk, City of Pickering
Nicole Cooper, Director of Legislative & Information Services, Town of Ajax
Christopher Harris/Town Clerk, Town of Whitby
Becky Jamieson, Clerk, Township of Brock
Debbie Leroux, Director of Legislative Services/Clerk, Township of Uxbridge
Mary Medeiros, City Clerk, City of Oshawa
Kevin Narraway, Manager of Legislative Services/Deputy Clerk, Town of Whitby
JP Newman, Director of Corporate Services/Clerk, Township of Scugog
Ralph Walton, Regional Clerk, The Regional Municipality of Durham



If this information is required in an alternate format, please contact the Accessibility Co-ordinator at 905-623-3379 ext. 2131

May 7, 2020

The Honourable Jeff Yurek, M.P.P.
Minister of the Environment, Conservation and Parks
Via E-Mail: minister.mecp@ontario.ca

Dear Minister:

Re: Region of Durham Mixed Waste Pre-Sort and Anaerobic Digestion
Organics Processing Facility – Site Selection Process Municipal
Comments on Evaluation of Short-List of Sites and Identification of
Preferred Site

File Number: PG.25.06

At a meeting held on May 4, 2020, the Council of the Municipality of Clarington approved the following Resolution #C-202-20:

That Report PSD-013-20 be received;

That Clarington declares itself to be an unwilling host community to the Regional anaerobic digestion and waste pre-sort facility as recommended in the preliminary siting report;

That Report PSD-013-20 be adopted as the Municipality of Clarington's comments on the Mixed Waste Transfer/Pre-Sort and Anaerobic Digestion Organics Processing Facility Siting Report (GHD, March 6, 2020);

That the Region of Durham be requested to address the comments in Report PSD-013-20;

That the Region of Durham be requested to collaborate with the Municipality by committing and contributing to the economic development objectives of the Courtice Waterfront and Energy Park area;

That the Memo from Faye Langmaid, Acting Director of Planning, regarding Courtice Waterfront and Energy Park Secondary Plan, be received for information;

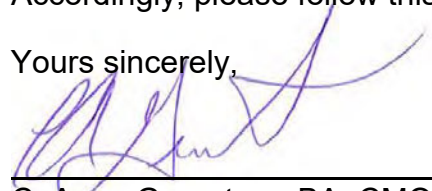
That a copy of Report PSD-013-20 and Council's decision be sent to the Region of Durham, the Ministry of Environment, Conservation and Parks, and the other Durham Region area municipalities;

That all interested parties listed in Report PSD-013-20 and any delegations be advised of Council's decision; and

That Staff report back to the June 15th meeting on whether the siting of the Anaerobic Digestion Organics Processing Facility, in Clarington's Energy Park is a breach of the 2010 EFW Host Community Agreement provisions.

Accordingly, please follow this [link](#) to view Report PSD-013-20.

Yours sincerely,



C. Anne Greentree, BA, CMO
Municipal Clerk

CAG/cm

- c. **See Attached List of Interested Parties**
R. Albright, Acting Director of Engineering Services
F. Langmaid, Acting Director of Planning Services
A. Burke, Acting Manager – Special Projects Branch
P. Wirch, Senior Planner

Interested Parties List

Brian Bridgeman, Commissioner of Planning and Economic Development, The Regional Municipality of Durham
Susan Siopis, Commissioner of Works, The Regional Municipality of Durham
Simon Gill, Director, Economic Development & Tourism, The Regional Municipality of Durham
Gary Muller, Director of Planning, The Regional Municipality of Durham
Ralph Walton, Regional Clerk, The Regional Municipality of Durham
Giuseppe Anello, Manager of Waste Planning & Technical Studies, The Regional Municipality of Durham
Angela Porteous, Supervisor of Waste Services, The Regional Municipality of Durham
Susan Cassel, City Clerk, City of Pickering
Nicole Cooper, Director of Legislative & Information Services, Town of Ajax
Christopher Harris, Town Clerk, Town of Whitby
Becky Jamieson, Clerk, Township of Brock
Debbie Leroux, Director of Legislative Services/Clerk, Township of Uxbridge
Mary Medeiros, City Clerk, City of Oshawa
JP Newman, Director of Corporate Services/Clerk, Township of Scugog
Sheila Hall, Executive Director, Clarington Board of Trade
Jennifer Knox, Director, Nuclear Stakeholder Relations, Ontario Power Generation
Wendy Bracken
Ray Davies, Senior Manager, Real Estate Services, Ontario Power Generation
Jason DeLuca, Weston Consulting
Hannu Halminen, 1725596 Ontario Ltd.
Kirk Kemp, 1725596 Ontario Ltd.
Linda Gasser
Ryan Guetter, Weston Consulting
Libby Racansky

Stefanie Stickwood

From: Nicholas Helt <nickhelt14@gmail.com>
Sent: May 11, 2020 8:03 PM
To: Brock Clerks
Subject: Re: Food Truck Request Spring 2020

Follow Up Flag: Follow up
Flag Status: Flagged

Greetings Council Members,

This letter is to request the councils approval of a food truck in Brock Township for the 2020 calendar year, with the starting goal of June 1st and closing for the season at the end of October.

The location is B1410 Thorah Concession 8 Beaverton ON, in a large farmers field lot with a farm gate that will provide an entrance to minimize any vehicles parking on the sideroad, there is ample room on the property for parking and operations.

The vehicle being used has been a certified functioning business for the past 15+ years in Kawartha Lakes region. Located on Highway 7 east of manilla, ON. I am now the owner of this vehicle.

The vehicle is stationary(undriveable) and has been inspected and maintained through the past years of service with all regulations adhered to, including fire suppression system. I recognize these trying times and have a system in place for limited contact pickup, as well as shields, and thorough sanitation.

This is a sole proprietorship operated by the owner(Nicholas Helt) and one part time employee, with plans to start small until the ability to scale presents itself.

I would like to request that this be followed up with an E-mail response rather than paper mail.

Thank you for your consideration,

Nicholas Helt

On Sun., May 10, 2020, 2:00 p.m. Nicholas Helt, <nickhelt14@gmail.com> wrote:
Ok!

Thank you very much will respond soon with the letter of request.

Thanks
Nicholas Helt

On Sun., May 10, 2020, 1:06 p.m. Brock Clerks, <clerks@townshipofbrock.ca> wrote:

Good Afternoon Nicholas,

I apologize for the delayed response. There is nothing preventing you from opening a chip truck provided you get a licence through us and follow all current provincial orders (i.e. only take out, etc.).

Other chip trucks in Brock have had their fire inspections and health inspections so there is no issue there. If you wish to proceed, I would suggest you send us a formal letter of request to operate a chip truck, etc. (via email) that can go to Council on May 25 for approval. Upon Council's approval you will receive a letter from us with all the requirements (even prior to receiving the letter from us you can reach out to the health department to get the inspection as well as the fire department ward@townshipofbrock.ca to arrange the inspection).

If you have anymore questions please feel free to let me know.

Kind regards,

Becky Jamieson

Clerk

The Corporation of the Township of Brock

1 Cameron Street East, P.O. Box 10

Cannington, Ontario, L0E 1E0

Tel: 705-432-2355, Ext. 240 | Toll-Free: 1-866-223-7668 | Fax: 705-432-3487

bjamieson@townshipofbrock.ca | townshipofbrock.ca | choosebrock.ca

This electronic message and all contents contain information from which may be privileged, confidential or otherwise protected from disclosure. If you are not the intended recipient or the person responsible for delivering the email to the intended recipient, any disclosure, copy, distribution or use of the contents of this message is prohibited. If you have received this email in error, please notify the sender immediately by return email and destroy the original message and all copies.

From: Nicholas Helt <nickhelt14@gmail.com>
Sent: Friday, May 8, 2020 12:54 PM
To: Brock Clerks <clerks@townshipofbrock.ca>
Subject: Food Truck Request Spring 2020

To whom it may concern,

I hope your staying safe during these trying times,

Things did not pan out for us last year and this year started with a challenge, however we are still hoping for some better luck this year!

I was wondering if there is anything preventing us from opening up the food truck in beaverton at beginning of june/end of May,

And if applicable, what we can do manage any challenges directly related to covid.

Mainly I am worried about health inspection and fire inspection as I don't know if they're operating at the same frequency.

I am ready to resend the council approval whenever necessary.

Thank you in advance for your time and assistance!

Kind Regards,

Nicholas Helt



OSHAWA
ONTARIO, CANADA

OFFICE OF THE MAYOR

CITY OF OSHAWA
50 CENTRE STREET SOUTH
OSHAWA, ONTARIO
L1H 3Z7
TELEPHONE (905) 436-5611
FAX (905) 436-5642
E-MAIL: mayor@oshawa.ca

MAYOR DAN CARTER

May 11, 2020

Honourable Justin Trudeau
Prime Minister
House of Commons
Ottawa, ON K1A 0A2

RE: Request for Financial Assistance to Municipalities as a result of COVID-19

Dear Prime Minister,

The current COVID-19 pandemic is an unprecedented challenge for all levels of government. The strong leadership from the federal government to limit the spread of the virus, manage the disease, and provide stability and reassurance during a difficult and unpredictable time is most appreciated. The pandemic has, however, negatively impacted our economies, businesses, workers and communities. It has also had a major impact on the finances of municipal governments, the front-line service provider and the backbone of our communities.

The federal government has made a number of funding announcements to provide financial support related to the COVID-19 pandemic. The City appreciates these efforts to support our community. However, the impact to the City's bottom line is significant due to lost revenues and increased unexpected expenditures.

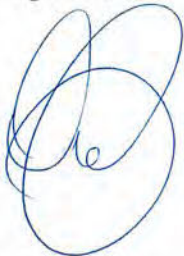
In addition to losses and costs already incurred, municipalities face unknowns when the pandemic curve is flattened and physical distancing measures are lessened or no longer in place. For example, will the public return to municipal facilities and enroll in programming and how many people will default on their property taxes or other payments?

As you know, municipalities budget for the costs to provide services and programming for the year ahead. Municipalities are not legally permitted to run deficits, nor do they have the borrowing capacity or the revenue tools of senior levels of government. I do not support running a deficit at the local level. A deficit simply puts the problem off for another year, which may result in a reduction of vital services. The alternative would be a double-digit property tax increase in 2021, which property tax payers could not absorb given the current economic climate.

The City's request is for the Federal Government to establish a straightforward, direct and flexible municipal financial assistance program to cover the additional costs and loss in revenue experienced by municipalities as a result of the COVID-19 pandemic. The funding would be an investment in essential front-line services and ensure that municipalities will be well placed to help drive Canada's economic recovery.

Thank you for your time and consideration. I would be pleased to answer any questions you may have.

Regards,



Dan Carter
Mayor

cc: Hon. Bill Morneau, Minister of Finance
Hon. Chrystia Freeland, Deputy Prime Minister and Minister of
Intergovernmental Affairs
Hon. Omar Alghabra, Parliamentary Secretary to the Prime Minister (Public
Service Renewal) and to the Deputy Prime Minister and Minister of
Intergovernmental Affairs
Erin O'Toole, MP
Colin Carrie, MP
Chair John Henry, Region of Durham
Oshawa City Council
Paul Ralph, Chief Administrative Officer, City of Oshawa
Bill Karsten, President, Federation of Canadian Municipalities
Durham Area Municipalities (Clerks)
Large Urban Mayors' Caucus of Ontario (LUMCO)
Association of Municipalities of Ontario (AMO)



OSHAWA
ONTARIO, CANADA

OFFICE OF THE MAYOR

CITY OF OSHAWA
50 CENTRE STREET SOUTH
OSHAWA, ONTARIO
L1H 3Z7
TELEPHONE (905) 436-5611
FAX (905) 436-5642
E-MAIL: mayor@oshawa.ca

MAYOR DAN CARTER

May 11, 2020

Honourable Doug Ford
Premier of Ontario
Legislative Building
Queen's Park
Toronto ON M7A 1A1

RE: Request for Financial Assistance to Municipalities as a result of COVID-19

Dear Premier,

The current COVID-19 pandemic is an unprecedented challenge for all levels of government. The strong leadership from the Province to limit the spread of the virus, manage the disease, and provide stability and reassurance during a difficult and unpredictable time is most appreciated. The pandemic has, however, negatively impacted our economies, businesses, workers and communities. It has also had a major impact on the finances of municipal governments.

The Province has made a number of funding announcements to provide financial support to municipalities related to the COVID-19 pandemic. The City appreciates this financial support. However, the impact to the City's bottom line is significant due to lost revenues and increased unexpected expenditures.

In addition to losses and costs already incurred, municipalities face unknowns when the pandemic curve is flattened and physical distancing measures are lessened or no longer in place. For example, will the public return to municipal facilities and enroll in programming and how many people will default on their property taxes or other payments?

As you know, municipalities budget for the costs to provide services and programming for the year ahead. Municipalities are not legally permitted to run

deficits, nor do they have the borrowing capacity or the revenue tools of senior levels of government. I do not support running any deficit at the local level. A deficit simply puts the problem off for another year, which may result in the reduction of vital services. The alternative would be a double-digit property tax increase in 2021, which property tax payers could not absorb given the current economic climate.

The City's request is for the Province to establish a straightforward, direct and flexible municipal financial assistance program to cover the additional costs and loss in revenue experienced by municipalities as a result of the COVID-19 pandemic. Such a program is urgently needed and would be an investment in essential front-line services that help keep the economy running and advance the Province's economic recovery.

Thank you for your time and consideration. I would be pleased to answer any questions you may have.

Sincerely,



Dan Carter
Mayor

cc: Hon. Rod Phillips, Ontario Minister of Finance
Hon. Steve Clark, Minister of Municipal Affairs and Housing
Jennifer French, MPP
Lindsey Park, MPP
Chair John Henry, Region of Durham
Oshawa City Council
Paul Ralph, Chief Administrative Officer, City of Oshawa
Jamie McGarvey, President, Association of Municipalities of Ontario
Durham Area Municipalities (Clerks)
Large Urban Mayors' Caucus of Ontario (LUMCO)



May 13, 2020

Re: Corporate Services Department Report, CS 26-20
Re: Preliminary Overview of the Financial Implications of COVID-19

Please be advised that at a meeting held on May 7, 2020, the Council of the Town of Whitby adopted the following as Resolution # 87-20:

1. That Report CS 26-20 of the Commissioner of Corporate Services/Treasurer is received as information;
2. That the Town of Whitby request that the Federal and Provincial Governments establish municipal financial assistance programs to offset the significant financial impact experienced by municipalities and help stimulate economic recovery from the COVID-19 pandemic; and,
3. That the Town of Whitby supports the Federation of Canadian Municipalities request to provide at least \$10 billion in emergency operating funding.

Should you require further information, please do not hesitate to contact Ken Nix, Commissioner of Corporate Services/Treasurer at 905.430.4314 or nixk@whitby.ca.

Kevin Narraway
Manager of Legislative Services/Deputy Clerk

Attach: CS 26-20

Copy: K. Nix, Commissioner of Corporate Services/Treasurer

Lorne Coe, M.P.P. - lorne.coe@pc.ola.org
Ryan Turnbull, M.P. - ryan.turnbull@parl.gc.ca
Federation of Canadian Municipalities - info@fcm.ca

N. Cooper, Director of Legislative and Information services, Town of Ajax - clerks@ajax.ca
B. Jamieson, Township of Brock - bjamieson@townshipofbrock.ca

A. Greentree, Municipal Clerk, Municipality of Clarington - clerks@clarington.net
M. Medeiros, City Clerk, City of Oshawa - clerks@oshawa.ca
S. Cassel, City Clerk, City of Pickering - clerks@pickering.ca
J. Newman, Municipal Clerk, Township of Scugog - jnewman@scugog.ca
D. Leroux, Clerk, Township of Uxbridge - dleroux@town.uxbridge.on.ca



Town of Whitby Staff Report

whitby.civicweb.net

Report Title: Preliminary Overview of the Financial Implications of COVID-19

Report to: Council

Date of meeting: May 7, 2020

Report Number: CS 26-20

Department(s) Responsible:

Corporate Services Department

Submitted by:

Ken Nix, Commissioner of Corporate Services / Treasurer

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

Barry Bolt, Senior Financial Analyst, x2397

Melanie Derdaele, Senior Financial Analyst, x2230

1. Recommendation:

1. That report No. CS 26-20 of the Commissioner of Corporate Services / Treasurer is received as information; and
2. That the Town of Whitby request that the Federal and Provincial Governments establish municipal financial assistance programs to offset the significant financial impact experienced by municipalities and help stimulate economic recovery from the COVID-19 pandemic.

2. Highlights:

- This report typically reports on the prior year results and any ongoing implications in the current year, however due to the pandemic, the focus of this report is on the 2020 financial COVID-19 related impacts.
- In 2019, the Town experienced a year-end surplus (unaudited) of \$1.8M representing 1.36% of budgeted expenditures. This surplus has been transferred to the Asset Management Reserve \$0.9M and the Long Term Finance Reserve Fund \$0.9M according to policy.

- The Town is projecting an overall year-end pressure of approximately (\$0.2M) for 2020. There is an expected pressure of (\$0.6M) resulting from the pandemic and impacts on various Town services up to the end of May. Offsetting these pressures are savings from regular operations of \$0.4M as a result of savings from salary and benefits.
- Federal and Provincial Governments have a role in supporting municipalities during and after the pandemic restrictions are lifted.
- There is continuing uncertainty related to the impacts from the efforts to contain the Covid-19 and the timing and scope for the ultimate recovery.

3. Background:

As per the Town's Operating Budget Process Policy, the Treasurer will coordinate and report on budget performance on a periodic basis.

This report is the first report for 2020 and addresses the 2019 results, as well as the first quarter projection report for 2020. This report includes information available to March 31, 2020 and includes projections based on facilities reopening at the end of May and programs starting at the beginning of July.

4. Discussion:

The following is a summary of the major items making up the 2019 unaudited surplus:

Summary of Major 2019 Year-End Variances (unaudited)	Surplus (Pressure) (millions)
Revenue Related	\$2.4
Personnel Related	(\$1.4)
Tax write-offs	\$0.7
Other variances	\$0.1
Net Savings	\$1.8
% of 2019 Operating Budget Expenses	1.36%

The majority of the surplus was due to short term impacts. Any ongoing impacts identified prior to the 2020 budget were included in the 2020 budget deliberations.

The overall **surplus of \$1.8M for 2019** has been transferred to the Asset Management Reserve Fund and the Long Term Finance Reserve Fund as per the Disposition of Operating Surplus Policy F 010. This policy helps balance needed spending to maintain the Town's assets and provides flexibility for funding of one time and unanticipated expenses.

For further detail on departmental variances for 2019 please see Attachment 1 at the end of this report.

2020 Projections

Pandemic Projections

The recent global pandemic has resulted in significant impacts and pressures on individuals, businesses and municipalities alike. The duration and the complexity of this pandemic remain uncertain, making it especially challenging to accurately estimate the financial impacts.

It is important to note that the health and well-being of our staff and our community is our first priority, and financial impacts are expected from efforts aimed at putting an end to this crisis.

Consistent with the direction of the Province and public health officials, the Town has closed all Town facilities and park amenities and playgrounds. The Town has also cancelled spring recreation programs and all events up to, and including, the Canada Day event. Facilities and public spaces are currently closed up to the end of May 2020, with some program closures extending to the end of June. The status of these closures will continue to be monitored and updated based on advice and direction from the Province and public health officials.

This has had a significant impact on the Town's resources and service offerings. While the Town continues to offer many of the services valued by our residents, the delivery of these services has been impacted and staff has been required to adapt to these changes.

It is difficult to fully comprehend and quantify the financial impacts of the current global pandemic at this point. Departments reviewed their business areas to determine expected variances up to the end of May 2020, and beyond May 2020 for known closures and impacts. Beyond May 2020, staff have compiled best estimated for ongoing further impacts on a monthly basis. These projections do not factor in ongoing restrictions or unknown attendance impacts once programs and services resume.

Staff will continue to monitor the Town's cash and financial position on a regular basis and will update projected financial impacts as new information becomes available.

Using impacts known to date, efforts under taken to mitigate the financial impacts, and assumed closures to May 31, 2020, the Town is projecting an overall pressure from the pandemic of approximately (\$0.6M). Extension of closures and cancellations beyond May 2020 will increase the financial pressure on the Town.

When combined with non pandemic savings, the Town is projecting a net financial pressure of (\$0.2M) for 2020.

Pandemic Related Impacts	Surplus (Pressure) (millions)
Revenue Impacts	
Program Revenue (\$0.6M Community Services, facility closure to May 31, recreational programming to end of June)	(\$1.0)
Rental Revenue (Ice \$0.5M, Pool \$0.1M)	(\$1.0)
Tax Penalties (Relief measures May to June due date interest waived as per Report to Council)	(\$0.5)
Investment Income and Dividend Reduction	(\$1.1)
Soccer Club Contribution to Debt Payments (March to June 30)	(\$0.2)
Total Revenue Impacts	(\$3.8)
Expense Impacts	
Deferral of 2020 Approved Positions	\$1.1
Layoff Part-time Staff	\$0.9
Deferral of Summer Students start date	\$0.3
Cancelled Special Events	\$0.1
Utility and Building related savings associated with Community Services Facility Closures to May 31	\$0.2
Fuel rate savings	\$0.3
Various other net savings / (pressures)	\$0.3
Total Expense Impacts	\$3.2
Total Pandemic Related Impacts on 2020	(\$0.6)

Business as Usual Related Impacts	Surplus (Pressure) (millions)
Net Salary & Benefits variances	\$0.4
Total Business as Usual Related Impacts on 2020	\$0.4
Total 2020 Projections	(\$0.2)

Council provided immediate assistance to taxpayers and businesses through suspending the penalty and interest charge for non-payment of taxes as well as other measures to help address immediate tax payments from May 1st to June 30th, 2020. This will result in reduced revenues from tax penalties of (\$0.5M) and other minor impacts on other tax revenues.

The largest pandemic impacts relate to revenue losses from the closure of facilities and programs. Recreation program revenues are estimates to the end of June with the cancellation of the spring recreation programs. Facilities and other recreation revenues are estimated to May 31. Impacts on enrollment, rentals or permitting volumes and advertising and sponsorship renewals when the facilities re-open are not yet known. There will be anticipated revenue reductions for the rest of the year as physical distancing measures are expected to extend further into the year, and as current behavior gradually returns to normal. Financial impacts of the pandemic on residents, sports clubs and other partners may also have a negative impact on revenues.

Investment revenues are expected to be lower than budget. The Bank of Canada has reduced interest rates as a result of the economic impact of the pandemic resulting in a reduction in investment income of approximately (\$0.7M). As well, reduced dividend revenues of \$0.4M are projected and the closure the soccer domes through to the end of June 2020 will reduce revenues by \$0.2M.

Efforts to mitigate the impacts through a decision to delay the hiring of the new positions approved in the 2020 budget will result in savings of approximately \$1.1M. There are also additional salary and benefits of \$1.2M as a result of the temporary layoffs of part-time staff and the delay of hiring summer students until June 1st. If the delay in hiring summer students or the temporary layoff of part-time staff extends beyond, there will be additional savings of approximately \$0.7M for each additional month. This projection does not capture the short and long term impacts, both financial and non financial, on service delivery from the position delays and vacancies.

Special Events have been cancelled up to July 1, 2020 resulting in overall savings of \$0.1M.

Utility savings for facility closures or reduced usage are estimated at \$0.2M to May 31. The estimates do not include any potential savings resulting from Provincial measures

on electricity prices including the suspension of time of use rates. Time of use accounts make up only a small percentage of the Town's electricity costs. It is not yet known how the closures will impact the savings or eligibility for the Industrial Conservation Initiative that Iroquois Park participates in, or on anticipated rebates on the micro turbines at the CRC. There are other building related savings with reduction in supplies and required repairs with the closure of the facilities along and maintenance projects unable to be completed.

Fuel prices have dropped significantly as a result of the economic impact of the pandemic, resulting in projected rate savings of \$0.3M for the year. Volume impacts from either increased vehicle usage in order to maintain social distancing or reductions in vehicle usage within a department are not yet known.

There are other minor impacts as a result of the pandemic of approximately (\$0.2M). These include lost revenues from business licenses; wage impacts from increased volume of waste collection and the social distancing measures on the scheduling and deployment of essential Operations staff; increased personal protective equipment (PPE) and cleaning supplies purchases; park closure signs and other pandemic specific purchases.

There are projected reductions to the contributions to the Parking, Arena and Marina reserves due to the net pressures from reduced revenues. Although the result is a \$0 tax based impact in 2020 with the net projected operating deficit offset by the decreased contribution to the reserves, there will be a future tax based impact. These reserves are used to fund capital maintenance projects which will continue to be required throughout the normal life-cycle of the assets.

Business as Usual Projections

As at March 31, 2020, the Town is projecting a "business as usual" surplus of approximately \$0.4M for 2020, excluding impacts caused by the global pandemic.

This surplus is a result of net salary and benefits savings, mainly from vacancy savings in excess of budgeted gapping. There are additional savings from single vs. family benefits, as well as group benefits savings based on actual rates versus budgeted rates. These savings are partially offset by projected job evaluation adjustments and overtime pressures.

Financial sustainability

Whitby Council has a history of supporting good long term planning and fiscal responsibility to ensure the municipality remains sustainable for the future. As part of this, the municipality plans long-term to balance community priorities with its capacity to deliver and establishes reserves to ensure financial flexibility to accommodate unexpected pressures.

Council approved the 2020 annual budget and ten-year forecast in order to deliver on the communities priorities identified through business plans and work plans, ensure the current service delivery was maintained, our infrastructure was maintained, and prepare for growth facing the community. The 2020 Operating Budget was established in part to provide flexibility related to unknown impacts in the future.

The Town of Whitby is currently in a good financial position. Whitby is well positioned to manage short term cost impacts of Covid -19 within the Town's operating budgets, reserves, and cash flow requirements. Staff will continue to mitigate impacts where possible, however significant impacts will affect plans for the future and will need to be incorporated into the Town's long term planning process.

The unknown timeline of the efforts to address Covid-19, and the extent of the recovery efforts, once the pandemic restrictions are lifted, limit the ability for definitive projections at this point. As a result, staff will continually monitor and update projections for future reporting.

Reserves

Reserves and Reserve Funds are established by Council to assist with long-term financial stability, to plan for and ensure we can deliver on community priorities, as well as provide flexibility to deal with unknown pressures. Planned contributions to reserves and reserve funds are an important element of the long term financial plan and position the Town well to accommodate unexpected pressures.

Cash flows

Cash flows are important to ensure the Town has the funds available when needed to meet its financial obligations. Initial projections based on actions to date show the municipality has sufficient funds on hand to meet its obligations for 2020.

Capital Program

The Provincial directive to stop all non-essential construction, in addition to the capacity of staff and vendors/contractors to manage and deliver on projects during the pandemic impacts the Town's 2020 capital program.

Staff are currently reviewing the capital program to identify the highest priority projects that can be delivered under the current environment. Initially, these are primarily focused on asset maintenance initiatives in the Public Works and Community Services areas.

The capital program will be continually re-evaluated over the coming months. Projects will be prioritized and undertaken based on the ability of staff and vendors to deliver as the recovery becomes a reality. In reality, the full capital program cannot be delivered in 2020, and many projects will be delayed beyond 2020. This in turn will provide additional flexibility in the short term if needed.

Assistance of other levels of government

Municipal taxes account for a small portion of the total taxes paid by a typical household. Local municipalities such as Whitby collect about 3% of the total taxes paid by a typical household. Each municipality has experienced financial impacts depending on the services provided and is challenged with the costs of continuing to deliver local services required by the community. In order to remain sustainable and viable in the future, municipalities cannot be expected to solve the broad income and business related challenges from Covid-19 with the limited funding tools available.

The Federal and Provincial Governments are best positioned to financially support taxpayers and businesses. They have provided a wide variety of financial supports to taxpayers and business that are experiencing financial impacts as a result of the pandemic.

There has been some, but limited, support to date for municipalities to address the financial impacts from COVID-19, but municipalities need more assistance. In order to help minimize financial implications resulting from the pandemic, the senior levels of government should be encouraged to support municipalities financially both for operating losses, and for additional costs incurred to address the pandemic.

A traditional approach for senior levels of government to support fiscal stimulus during financial downturns has been to establish infrastructure-building programs to provide jobs and get the economy moving. Municipalities have been a key partner in past infrastructure building programs.

It would be appropriate for the Federal and Provincial Governments to establish a new infrastructure program with no municipal contribution for both short-term “shovel ready” projects and more significant mid-term projects that benefit the community. The funding mechanism recommended is the Federal Gas Tax, which instantly gets money into the hands of municipalities, while maintaining appropriate audit controls.

Although a program has not been confirmed, staff are working to identify projects that could be quickly initiated and help taxpayers within Whitby.

Business Plan, Work Plan and Day to Day Operating Impacts

The efforts to contain the impacts of Covid-19 both locally and provincially will be felt well beyond the financial costs to the municipality. When the restrictions are lifted and the recovery gets underway, it will not be an immediate return to normal.

There has been a shift in corporate priorities to focus on the immediate response to the pandemic. This will have effects on current and ongoing operations over the next year as the recovery takes place.

Independent studies including the service delivery review have consistently identified that staffing levels in Whitby are lean relative to its comparators. The efforts to mitigate the financial impacts through deferring the hiring of the approved positions in the 2020 budget and delays in the hiring of existing vacancies where possible, will affect the ability to deliver normal service levels during 2020. In addition, the limitations on new and replacement staff will put more pressure on existing full-time staff, which may affect the capacity of staff to normalize in the event of a prolonged response.

Furthermore, with the current restrictions in place, the shift in priorities and capacity limitations on the projects that can continue to take place will have adverse impacts on the Town’s business plans, works plans and day to day operations. Many initiatives and projects planned for 2020 will realistically need to be deferred beyond 2020.

The ability of the Town to recover, the time required to recover, and the lingering impacts of the pandemic response all create additional uncertainties as we look forward.

Staff will continue to monitor and report on these implications as they become better known.

5. Financial Considerations:

The overall **surplus of \$1.8M for 2019** has been transferred to the Asset Management Reserve Fund and the Long Term Finance Reserve Fund as per the Disposition of Operating Surplus Policy F 010.

At this time, the Town is projecting an overall **pressure of approximately (\$0.2M) for 2020** as at March 31, 2019. This includes overall pressures as a result of the ensuing pandemic of (\$0.6M), offset by projected savings on regular business operations of \$0.4M. Staff will provide additional updates for second quarter and third quarter projections.

The 2020 projections are estimates based on information available at the time of the report. Budget projections continue to be updated on a regular basis as situations change and new or improved information becomes available.

The duration of the COVID-19 Pandemic is not clear. Multi-year impacts for 2020 and beyond may emerge which have not yet been quantified. The cost of recovery efforts, and the new normal for maintaining operations, may add costs to Town operations. Pressures may be increased or mitigated by future Council, Provincial, and Federal decisions.

Per Section 290 of the Municipal Act the Town can run a deficit in a given year, but it cannot budget for a deficit. Any deficit can be offset through the use of reserves, increasing taxes in the subsequent year or by more traditional measures such as increases revenues or reducing expenses in the year of the impending deficits. Unlike the Federal and Provincial governments, the Town can not borrow to fund a deficit.

Staff will be reviewing various tools to mitigate the 2020 pressure including the review of Council established reserves and identifying areas for cost savings and will report to Council in the future.

6. Communication and Public Engagement:

N/A

7. Input from Departments/Sources:

Information in this report was provided by the various departments.

8. Strategic Priorities:

a. Council Goals

- To continue the Whitby tradition of responsible financial management and respect for taxpayers; and to understand the importance of affordability and sustainability to a healthy, balanced community.

b. Corporate Strategic Plan and Strategic Priorities

1. People

We will foster an inclusive environment where employees can experience job satisfaction and rewarding careers.

OBJECTIVES:

- 1.1. Recognize and celebrate successes
- 1.3. Empower Staff

2. Organization

We will be a high performing, innovative, effective and efficient organization.

OBJECTIVES:

- 2.1. Continually improve how we do things by fostering innovation and focusing on making our processes better
- 2.3. Develop and utilize comprehensive business and financial planning processes
- 2.5. Enhance our efforts at informing and engaging staff and community

3. Customer (note: customer is defined as both external and internal)

We will provide a consistent, optimized and positive customer service experience.

OBJECTIVES:

- 3.1 Design service delivery around customer needs.

9. Attachments:

[Attachment 1 – 2019 Year End Operating Variances](#)

2019 Year End Operating Variances By Department

The following is a summary of the 2019 Operating Budget Year-End Actuals (unaudited) by Department.

Town of Whitby Department	2019 Actual Surplus / (Deficit) (Unaudited)
Executive and Legislative	\$119K
Chief Administrative Office	(\$856K)
Legal and Enforcement Services	(\$108K)
Corporate Services	\$844K
Fire and Emergency Services	(\$668K)
Public Works – Engineering	\$106K
Public Works – Operations	\$203K
Community Services	\$464K
Planning and Development	\$726K
Grants	\$146K
Corporate Revenue and Expenses	\$1,584K
Subtotal Departmental Surplus	\$2,560K
Budgeted Gapping	(\$750K)
Total Surplus	\$1,810K

Executive and Legislative

2019 has experienced an overall **surplus of \$119K** comprised of recovery from Durham Region \$90K for 2018 severance cost for three councilors. Additional savings from councilor spending allowance \$17K and savings from various administrative accounts within the Mayor's Office of approximately \$12K.

Chief Administrative Office

2019 has experienced a **pressure of (\$856K)**. Net pressure from salary and benefits (\$391K) as a result of the new Director of Strategic Initiatives position (savings in Community Services), as well as various staff transitions throughout 2019. There were also job evaluation and step adjustments through the year, as well as introduction of a new overtime policy. Some of these pressures were partially offset by lower than assumed group benefit rates. Human Resources experienced non-payroll related

pressures of (\$320K). This includes pressures from legal fees (\$44K), professional fees (\$129K) and union negotiation/arbitration costs (\$53K) all related to ensuring human resource related legislative requirements are being adhered to by the organization. There were additional pressures for recruitment costs (\$40K) related to the requirement of external professional resources for the hiring of two positions, as well as additional corporate training initiatives (\$54K). Special Events have experienced an overall pressure of approximately (\$100K). This has been a result of unbudgeted events such as the Raptors events and Home Town Hockey, as well as increased costs for higher attended events such as Canada Day and Harvest Festival. There also direction to increase lighting at the two Christmas events. Increased promotional expenses of (\$34K) were experienced based on the 2019 Corporate Communications work plan. Other minor variances resulted in net pressures of approximately (\$11K).

Legal and Bylaw Services

2019 has experienced net **pressures of (\$108K)**. Pressure from Legal Fees of (\$89K) as a result of ongoing Local Planning Appeal Tribunal (LPAT) and legislative issues. There is also an overall pressure from salary and benefits of approximately (\$24K) as a result of increased overtime for ByLaw Services. Additional pressures are coming from increased purchased services and administrative costs for ByLaw and Animal Services of approximately (\$15K). Offsetting these pressures are savings from higher than anticipated net revenues of approximately \$20K mainly from re-inspection fees and increased business licenses.

Corporate Services

2019 experienced net **savings of \$844K**. There were increased tax related revenues of \$358K, with the majority of these from tax penalties. There were also additional rental revenues of \$68K from Town Property, mainly from increased leases with telecommunication companies. There are non-payroll related savings from the Technology and Innovation division of approximately \$436K as a result of a delay in the security audit, data communication savings, as well as savings from software/IT maintenance costs as a result of staffing transitions within the division. Other variances net approximately (\$18K), including net salary and benefit impacts.

Fire and Emergency Services

2019 has experienced an overall **pressure of (\$668K)**. There has been an increase in the number of call outs resulting in projected additional external recoveries of \$45K. Net salary and benefits pressure of (\$618K) mainly as a result of payments associated with unforeseen payroll settlements and overtime costs offset by staff turnover savings and overall benefit savings from both single vs. family benefits and lower than assumed group benefit rates. In 2019, 8 firefighters left the crew through retirement and turnover, and these were replaced with 11 new recruits at the probationary firefighter rank. The

department is currently over complement by 3 probationary firefighters which will help reduce ongoing overtime requirements. Also, as a result of the new recruits, there was a pressure of (\$38K) for uniforms and clothing. There was also an overall pressure of (\$64K) from facility and fleet related costs. Offsetting these pressures include savings from other minor variances of \$7K.

Public Works

2019 has a **surplus of \$309K** and is comprised of the following:

- Engineering has experienced an overall **surplus of \$106K** in 2019. There were increased revenues from other administration fees of \$107K based on 2018 actuals and existing contracts, offset by a net reduction in development related fees (\$113K). There are additional recoveries of \$185K related to West Whitby due to an extension of our memorandum of understanding with the West Whitby Landowners Group offset by reduced recoveries from Brooklin Expansion (\$68K) as a result of changing the service from inhouse to a contractor. Other variances net approximately (\$5K), including net salary and benefit impacts.
- Operations comprised **\$203K of the surplus**. Vacancy and other net salary wage and benefit savings was \$443K. Winter control purchased services and operating supplies expenses experienced a (\$345K) pressure with an increased amount of winter events in both Q1 and December over an average winter. Hydro savings were \$60K resulting from consumption savings in the Operations Centre and Streetlights offsetting an increase in the Streetlight rates. Water savings were \$62K with weather impacting parks water usage including splashpads. The waste special collection fee has not yet been implemented (\$71K). Vehicle and equipment expenses had a pressure of (\$130K) in parts and repairs due to major engine and transmission repairs offset by fuel savings of \$119K and other vehicle savings of \$7K. Purchased services and supplies had savings of \$73K and misc other of (\$15K)

Community Services

Community Services experienced an overall **surplus of \$464K**. Net Salary and benefit savings including vacancies are \$312K. Rate and consumption savings in hydro are \$178K, water savings \$32K and natural gas of \$14K. Strong recreation program revenue offset the impact of the CRC pool closure for maintenance with an increase in net program revenue of \$11K. Weather related losses in soccer (\$20K) and ice rentals due to a change in Hockey Canada rules in youth ice time (\$92K) were offset by a \$131K increase in hall rentals. Building related expenses across the Town's facilities are (\$91K). Rent including additional leased office space at Garden St. (\$84K). Other

savings included employee related expenses \$41K due to vacancies, fuel and vehicle repairs and maintenance savings of \$17K and other net savings of \$15K.

Planning & Development Services

2019 has experienced a **surplus of \$726K**. There are additional revenues from planning fees \$596K as a result of increased volumes and as a result of increased fees through the 2018 Development Related Fee Study. There are overall net salary and benefit savings of \$129K as a result of vacancies and step savings, as well as overall benefit savings due to lower than assumed group benefit rates. The 2020 budget includes increased revenues from planning fees of \$420K to reflect the increased volume.

Grants

2019 has experienced a net **surplus of \$146K**. There are savings for grants to taxable charities of \$20K as a result of some charities missing the application deadline. Offsetting this is a projected pressure of (\$21K) as a result of Council's decision to increase the seniors grant from \$300 to \$400. The Town also experienced increased demand for the Elderly Pensioners Tax Credit and the Access program creating an overall pressure of approximately (\$50K). However, the Library Grant has been reduced by \$200K as per the Library Board resolution in 2019. There is an offset to these savings as a transfer to the Whitby Public Library reserve.

Corporate Revenue and Expenses

2019 has resulted in overall **savings of \$1,584K** comprised of:

- **Taxation** has experienced a surplus of \$1,522K. There are increased supplementary tax revenue \$853K, mainly as a result of a facility that was expected to be mostly exempt, but is now deemed as fully taxable. The ARB decisions have continued to experience a slow down into 2019, so while the backlog still exists the new scheduling system continues to delay hearings, resulting in savings of \$694K. This is partially offset by a pressure of (\$26K) from vacant unit/building rebates as the program winds down in its final year.
- **Corporate Revenue and Expenses and Reserve/Reserve Fund Transfers** has an overall savings of \$62K. The impacts of the hydro merger has resulted in overall savings of approximately \$637K as a result of additional revenues including dividend income from Whitby Hydro \$576K, revenues from Veridian workplans \$109K, offset by associated professional fees (\$48K). 2019 experienced a reduction in Provincial Offences Act (POA) revenues distributed to the Town of (\$110K). The 2020 budget has been adjusted to reflect this decrease in revenues. There was also an overall impact on

insurance of (\$68K) as a result of timing of settling insurance claims and claims going through the litigation process. As a result of the overall corporate surplus, contributions from the Insurance Reserve Fund (\$26K) and the Employee Related Benefits Reserve Fund (\$144K) were not required as budgeted. There was also a transfer of (\$200K) to the Whitby Public Library Reserve as a result of the savings identified through the Library Board resolution. There are other minor variances of (\$12K).

Gapping budgeted for 2019 was (\$750K) for salary and benefits. These budgeted savings are reflected through actual salary and benefit and administrative costs within individual departments.

Contributions to/from reserves and reserve funds within departments

2019 Items affecting reserve transfers that have no impact on the overall results are:

- Building Services has experienced additional transfers to the Building Permit Revenue Reserve Fund (\$1,709K). 2019 experienced a significant increase in building permit revenues of approximately \$1,286K, as well as net salary and benefit savings of approximately \$423K. These savings include \$483K for staff vacancies offset by increased overtime of (\$60K). The vacant positions have been getting filled and will continue to be filled as required based on demand from West Whitby and Brooklin Expansion.
- Parking Services has experienced salary and benefit savings of approximately \$23K as a result of staff turnover. There are savings associated with the security contract of \$32K, as well as software/IT maintenance contracts of \$10K. As a result of the staffing gaps there is a projected pressure on parking fines of (\$153K). This is partially offset by unanticipated revenues of \$20K for usage of Lot 4 from January to May, as well as net additional revenues from surrounding lots of approximately \$52K. There were additional realty taxes of (\$34K) as a property tax adjustments and extended use of Lot 4. As a result of these net pressures the transfer to the Parking Reserve Fund have been reduced by \$50K from the budget amount of \$320K to a projected transfer of \$270K.
- The Marina experienced a reduced contribution to the Marina Reserve Fund of \$103K due to weather related impacts on revenue (\$133K) and increased security and other building and grounds contracts (\$18K) offset by vacancy and other net salaries and benefit savings of \$8K and fuel purchases \$40K.
- The contribution to the Arena reserve was reduced by (\$26K) to \$459K due to an associated shortfall in ice surcharge revenues.

2019 Overall Year-End \$1,810K Surplus (unaudited)

- As per the Surplus Disposition Policy (F010) the disposition of the \$1,810K surplus is a 3 step process:
 - First, any operating surplus within Winter Control, Insurance Costs and Assessment Appeals will be transferred to the appropriate Contingency Reserve. Based on the actual 2019 results in these areas and the target balance of both the Winter Control Reserve and the Insurance Reserve Fund there were no required transfers.
 - Second, any remaining surplus will be contributed to the General Contingency Reserve until the minimum range of the target balance for Contingency/Stabilization Reserve Category has been reached. The overall category balance exceeds the minimum target balance and no transfer is required.
 - Third, any remaining surplus shall be transferred 50% to the Asset Management Reserve Fund and 50% to the Long Term Finance Reserve (LTFR). As such, the overall surplus of \$1,810K has been transferred to the Asset Management Reserve Fund (\$905K) and to the LTFR (\$905K).