

Village of Burk's Falls – Service Delivery Review

Final Report

September 22, 2020

An accessible version of this Report is available upon request.



The Village Of
BURK'S FALLS

Executive Summary



Introduction

Project Overview

MNP LLP, a Canadian accounting, tax, and consulting firm was engaged by the Village of Burk's Falls ("the Village") to conduct a review of the Village's services and programs to ensure they are delivered in the most effective and efficient manner. Outlined in this report, MNP has developed detailed recommendations to assist the Village in:

- Improving the efficiency of service delivery;
- Identifying cost savings and opportunities for revenue generation;
- "Rightsizing" resources to efficiently deliver municipal services;
- Balancing stakeholder expectations and the financial constraints of ratepayers in municipal service delivery;
- Providing innovative solutions and partnerships to modernize service delivery; and
- Improving value (improved efficiency, cost-effectiveness and quality) by achieving more with what you have.

To conduct the Service Delivery Review, MNP first completed a current state assessment to identify the Village's strengths, weaknesses, and gaps within the current state. This assessment included primary and secondary research including; online research, documentation review, stakeholder interviews (with councillors and department leads), and community engagement through an online survey and suggestions box. Information was then consolidated to form opportunities for the future that support the Village in delivering effective and efficient services. These opportunities were validated by the Village's Council and senior staff and developed into recommendations.

The recommendations provided in this report have been developed based on municipal benchmarking, best practice, and analysis of the Village's current state to ensure that they are fulsome and address the needs of Burk's Falls today and tomorrow. Detailed recommendation profiles have been provided that outline the recommendation's description, required resources, impact assessment (e.g. benefits, risks, etc.) and implementation considerations. Finally, a high-level road map was developed to illustrate the prioritization, timing, and interdependencies of each of the recommendations to support the Village in the implementation of these recommendations.

Summary of Current State Report

Current State Strengths, Challenges, and Gaps

Recurring current state strengths, challenges, and gaps were identified by MNP in the interviews with Council members and staff.

A Strengths:

- Commitment to Economic Development
- Influx of New Residents
- Prioritizing Shared Services
- High-quality Management of Water and Sewer System
- Collaborative and Team-Oriented Staff/Council Relationship

B Challenges:

- Initiatives to Support Economic Development
- Matching Services to an Influx of New Residents
- “Landlocked” Geography
- Arena Operations
- Increasing Municipal Costs Amidst a Small Tax Base
- Technology Enablement and Capability
- By-law Enforcement

C Gaps:

- Organizational Capacity and Capability
- Service Level Standards and Key Performance Indicators (“KPIs”)
- Talent Management and Succession Planning

Summary of Key Findings

Five key findings emerged from MNP’s current state assessment and were used to shape the development of recommendations:

- Burk’s Falls is well managed
- There will continue to be rising costs
- Prioritization of shared services is important
- There needs to be a focus on generating revenues and increasing the tax base
- Economic development is a challenge, but will be pivotal for the Village’s long-term success and sustainability

Recommendations

Recommendations

Recommendations were categorized under four strategic themes: 1) Efficient Service Delivery, 2) Revenue Generation, 3) Economic Development, and 4) Organizational Capacity and Capabilities.

Recommendation	Efficient Service Delivery	Revenue Generation	Economic Development	Organizational Capacity
1. Define and implement service level standards and KPIs.	✓			
2. Develop an IT strategic plan to outline guiding principles for a strategic approach to technology selection.	✓			
3. Prepare a workforce strategy for the Village Staff, including training plans and succession planning.				✓
4. Increase water utility rates 3% a year over 10 years.		✓		✓
5. Begin discussions with OCWA to Investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.		✓		✓
6. Investigate activities that will reduce waste management operating costs or increase revenues.	✓	✓		
7. Do not pursue amalgamation at this point in time.	✓			
8. Further leverage the advantages of economies of scale by expanding shared services.	✓			
9. Improve the financial incentives and viability of downtown development.			✓	
10. To ensure proper planning of anticipated growth, the Village should create a strategic growth plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.			✓	
11. Complete an economic development strategic plan to brand and market Burk's Falls with the overall objective of building assessment growth.			✓	
12. Aggressively market and support development of vacant lots.			✓	
13. Support local retailers to improve competitive pricing for basic goods and services, such as groceries, pharmacies, etc.			✓	
14. Continue to develop the Almaguin Highlands Health Centre ("AHHC") to position it (and subsequently the Village) as the health centre hub for the region.			✓	
15. Leveraging the core programs in the Arena, optimize and enhance the recreation programs for the Village to improve recreation operations.	✓			✓
16. Improve Arena operations by eliminating reduced/complimentary rental rates, adding a surcharge for capital, enhancing staff scheduling, and proactively managing equipment replacement timelines.	✓			✓
17. Leverage the Asset Management Plan to determine the optimal reserve ratio for the Village.	✓			
18. Hire 1.0 FTE for special projects with a focus on economic development.				✓

Implementation and Next Steps

Implementation

A five-year integrated costs and/or increase road map of MNP's recommendations and associated initiatives has been developed to provide the Village with a path forward to successfully implement the recommendations.

Recommendations	2020				2021				2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Enhance the Efficiency and Effectiveness of Service Delivery																				
1 Define and implement service level standards and KPIs.																				
Strengthen Technology Capabilities																				
2 Develop an IT strategic plan.																				
Strengthen Talent Management and Succession Planning																				
3 Prepare a workforce strategy for the Village staff.																				
Increase Revenue/Decrease Expenditures for Water Services																				
4 Increase water utility rates 3% a year over 10 years.																				
5 Pilot a project where the Village pays OCWA for daily water services.																				
Improve Services with Above Average Operating Costs																				
6 Reduce waste management operating costs and/or increase revenues.																				
6A. Conduct a pilot project to reduce weekly residential solid waste collection to bi-weekly curbside pick-up.																				
6B. Eliminate the 50 complimentary garbage bag tags provided to residents and increase the costs of each bag tag to \$2.00																				
Assess the Viability of Amalgamation																				
7 Do not pursue amalgamation at this point in time.																				
Further Leverage the Advantages of Economies of Scale																				
8 Expand on shared services.																				
8A. Leverage the Association of Municipalities of Ontario's (AMO) Local Authority Services (LAS) group buying program.																				
8B. Explore the interest of shared public works services with neighbouring municipalities.																				
8C. Engage neighbouring municipalities to determine if there is interest in shared specialized equipment.																				
Recommendations																				
Further Support Economic Development Initiatives																				
9 Improve the financial incentives and viability of downtown development.																				
9A. Using the new municipal authorities provided under Bill 70, investigate opportunities to alter the Village's tax policy and rate setting procedures to financially incent property owners to develop their properties, and discourage vacant commercial buildings.																				
9B. Piggy-back infrastructure grants from governments to encourage land-owners to upkeep their property.																				
9C. Create a business improvement area (BIA).																				
10 To ensure proper planning of anticipated growth, the Village should create a Strategic Growth Plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.																				
11 Complete an Economic Development Strategic Plan.																				
12 Aggressively market and support the development of the 200 vacant lots.																				
12A. Work with the Ministry Transportation Ontario (MTO) to accelerate the disposition of the properties they own to viable developers.																				
12B. Work with developers to support subdivision development of vacant lots.																				
13 Support local retailers to improve competitive pricing for basic goods and services.																				
Position the Village as the Health Centre Hub for the Region																				
14 Continue to develop the AHHC to position as health care hub for region.																				
Improve the Recreation Programs and Operations																				
15 Leveraging core programs in the Arena, optimize and enhance the recreation programs for the Village.																				
16 Improve Arena operations with the three sub-recommendations.																				
16A. Eliminate reduced or complimentary rental rates that are currently being offered.																				
16B. Review staff scheduling to determine optimal structures.																				
16C. Identify aging equipment (e.g. back-up Zamboni, compressor room, etc.) that may need to be maintained or replaced and target the growth of a reserve fund.																				
Increase the Reserves to Fund Infrastructure Projects and Updates to Equipment and Facilities																				
17 Leverage the asset management plan to determine optimal reserve ratio.																				
Increase the Village's Organizational Capacity and Capabilities																				
18 Hire 1.0 FTE for special projects with a focus on economic development.																				

Next Steps

This report should serve as a foundational reference point, as well as guide, for the Village as it proceeds with the implementation of accepted recommendations and continued improvement and optimization of its services. More specifically, the Village should complete the following immediate next steps:

- Management and Council adopt this report as a road map for the Village's growth over the next 5-10 years
- Management and Council endorse, in principle, the 18 improvement recommendations presented in this report
- Management review the list of 18 recommendations to assign a logical Lead Director for each initiative

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Introduction



Project Overview

Project Background

The Village of Burk's Falls ("the Village" or "Burk's Falls") is located in the Almaguin Highlands Region of the Parry Sound District in Ontario, Canada. The Village, like other municipalities, is facing challenges related to the impacts of ageing infrastructure, climate change, innovative technologies, provincial downloading, and an aging population. These challenges are more significant for the Village as cost pressures become more considerable amid a small, and unchanging tax base. Although the Village is prioritizing economic growth initiatives, it remains a challenge to attract citizens, business owners, and developers to the area, leaving downtown retail stores vacant more often than not. These costs pressures, coupled with the difficulty of growing its tax base are challenging to address while maintaining efficient and effective service delivery. As such, the Village has initiated a Service Delivery Review to identify strategic opportunities to ensure Burk's Falls is well positioned to provide services to residents efficiently and effectively.

Project Objectives

This review is meant to guide the Village in responding to changing pressures and uncertain municipal environments. At the end of this review, the desired outcomes include recommendations that will:

- Improve the efficiency of service delivery;
- Identify cost savings and opportunities for revenue generation;
- "Rightsize" resources to efficiently deliver municipal services;
- Balance stakeholder expectations and the financial constraints of ratepayers in municipal service delivery;
- Provide innovative solutions and partnerships to modernize service delivery; and
- Improving value (improved efficiency, cost-effectiveness and quality) by achieving more with what you have.

Project Overview

Project Approach

The project's approach was customized for the Village and considers the specific requirements of the review and its objectives. As such, the project has been divided into two phases:

- 1. Current State Review** – in this phase, MNP conducted a documentation review, developed service profiles, assessed the organizational chart, benchmarked the Village against similar organizations, conducted 14 interviews with identified stakeholders (staff and councillors), and hosted an online community engagement survey. This provided a holistic overview of the Village's current state to understand the root cause of any challenges, enable MNP to identify emerging organizational and service delivery opportunities. MNP hosted a workshop to with Council to validate the findings and initial opportunities identified in the Current State Review.
- 2. Recommendations Report and Implementation Roadmap** – MNP evaluated the emerging opportunities from the Current State Review and analyzed each opportunity on a matrix that outlines the relative potential financial impacts, service impacts, and execution risk. This analysis provided a perspective on the advantages/disadvantage and brings into view a risk-reward perspective.

This document is the Final Report for the Service Delivery Review. A combination of both primary and secondary research methods were used to analyze and develop the recommendations and implementation roadmap, as shown below:



Online research;



Documentation review;



Stakeholder interviews; and



Community Engagement.

Summary of Current State

Overview of the Village of Burk's Falls

This section provides an overview of the Village as it relates to this review, including:

- Information on the Village's services, demographics, and geography; and,
- A summary of the organization's departments and structure.

This overview is based on the findings from online research, the documentation review, and stakeholder interviews.

Overview of Burk's Falls

About the Village of Burk's Falls¹

The Village of Burk's Falls is a single-tier municipality located in the Almaguin Highlands Region of the Parry Sound District in Ontario. The Village has five municipally elected Council members, which include the Mayor, Deputy Mayor, and three Councillors. Each Council member is responsible for services that fall under the category of roads and buildings, water and wastewater, or planning and health care.

The following are examples of the services provided by the Village:

- Building permit applications and inspections;
- By-laws and by-law enforcement;
- Health services (indirectly through the Almaguin Highlands Health Centre);
- Maintenance of municipal roads and buildings;
- Municipal tax policy;
- Municipal planning;
- Maintenance of water/wastewater infrastructure;
- Recreation programs and services; and
- Community improvements, including capital projects and infrastructure.



The Village works with neighbouring communities to provide shared services to its residents and the Region, such as the Burk's Falls, Armour and Ryerson Union Public Library, TRI R Landfill, regional economic development, and the Armour, Ryerson and Burk's Falls Memorial Arena. Of the services that are shared, the health care centre, fire department, library, and arena are all located within the boundaries of the Village. In addition, the Welcome Centre for the Village functions as the tourist information centre for surrounding communities.

The Village also outsources many services including water (provided by Ontario Clean Water Agency ("OCWA")), waste collection (provided by Waste Collections of Canada), police services (provided by the Ontario Provincial Police ("OPP")), emergency medical services ("EMS") (provided by Parry Sound), and social services (provided by the District of Parry Sound Social Administration Board).

¹The Village of Burk's Falls website: burksfalls.net

²Almaguin Highlands website: almaguinhighlands.com/almaguin/region.html

Overview of Burk's Falls

The Village of Burk's Falls Demographics³

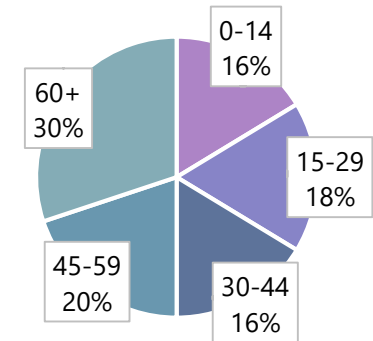
As of 2016, the Village had a population of 981 residents. Data from Statistics Canada suggests that the Village has a large distribution of mature residents with 30% of the population aged 60+. The graph to the right displays the population distribution by age group.

Although the age group of 60+ has the largest distribution, Burk's Falls has experienced an increase in property sales likely due to the increase in property values in the neighbouring Town of Huntsville, which is 40 km southeast of the Village. People who work in Huntsville have found Burk's Falls to be an attractive place to reside and commute to work. This may impact the Village's age demographics and add pressure to the Village's operations as there will be more service users, likely from younger age groups.

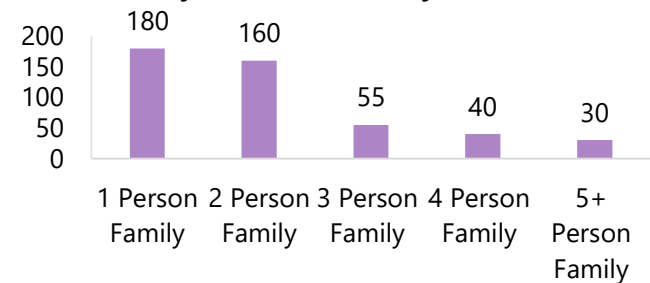
The graph on the right summarizes the family status by size for private households, totalling 470 households. The most common family type in the Village is a single-person household. Additionally, of the 160 two-person families, 105 households consists of couples without children. Therefore, 60% of the total households are without children and will drive the demand for programs and services that do not necessarily relate to children and youth. Furthermore, the Village may be able to leverage this group for volunteer work as they do not have the responsibility of childcare and may have more time to help the community.

The final graph on the right compares the 2015 average after-tax income of households for Burk's Falls, Ryerson Township, Armour Township, and the province of Ontario (which is skewed higher by Toronto). The Village has the lowest average after-tax income compared to its neighbouring municipalities. Interviews conducted indicated that it is challenging to increase taxes to improve service levels because there is concern it would cause undue hardship to low income households.

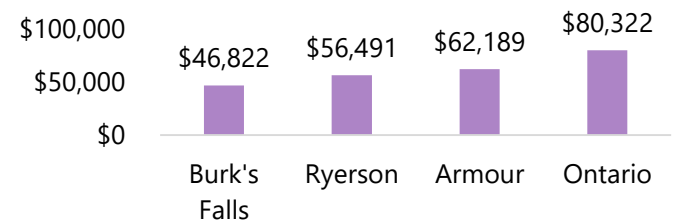
Population Distribution By Age Group



Family Status (# of Family Members)



Average After-Tax Income of Households in 2015



³Statistics Canada 2016 Census Report

Overview of Burk's Falls

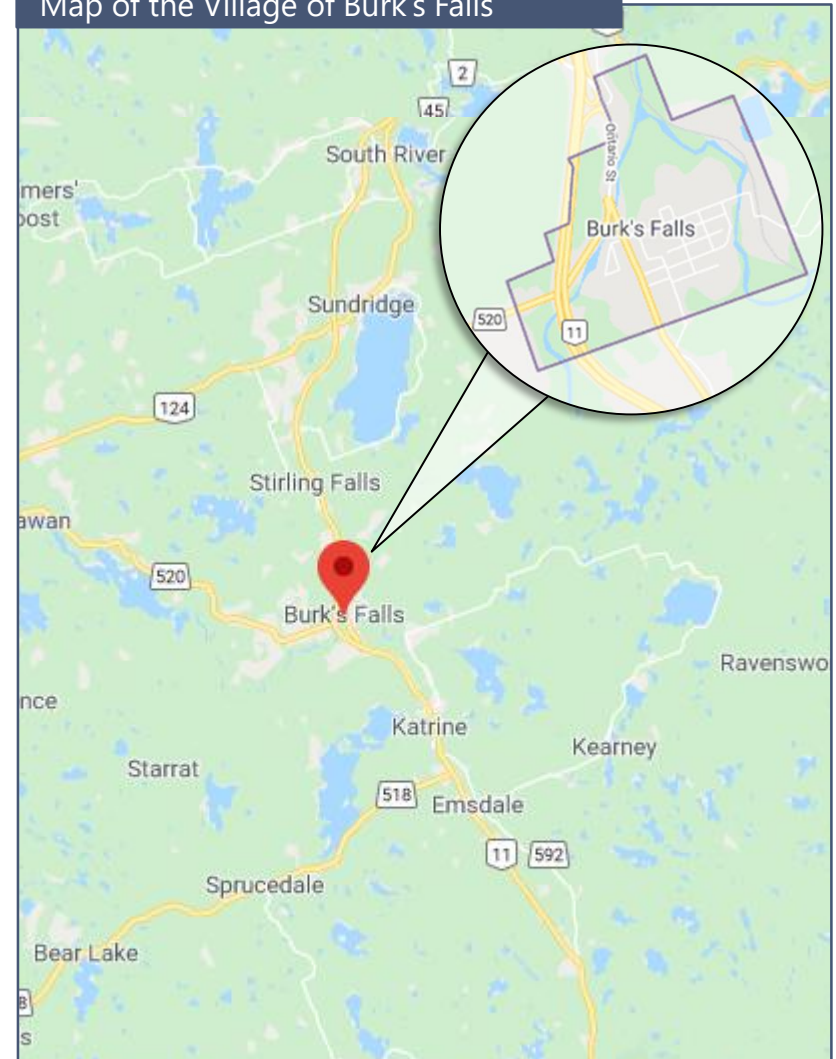
The Village of Burk's Falls Geography

The Village is located in northern Ontario in the Parry Sound district. The Village is in an unique situation as it is enclaved within the Township of Armour. This geographical factor poses a challenge as the Village is unable to expand geographically.

Burk's Falls is part of the Magetawan River waterway, with the river bordering both the east and west side of the Village. The river is an attractive feature for the Village as it provides picturesque scenery and water activities that can attract tourists and new residents. The Village is also set amid Horn Lake which is located northwest, Pickeral Lake to the northeast, Three Mile Lake to the southeast, and Doe and Little Doe Lakes which are also southeast of Burk's Falls. With many lakes nearby, the region experiences a higher seasonal population in the summer months due to tourists and cottage-goers, as identified in the Burk's Falls Hotel Needs Assessment Report that was conducted by CBRE.

The downtown core is focused on Ontario Street, which is under 2km long. There are many vacant storefronts on Ontario Street, despite Burk's Falls having focussed on developing programs to attract new businesses. The seasonality of customer volumes, and the propensity for local residents to shop in larger urban centres, contributes to this challenge as it makes the Village difficult for businesses to remain open during the winter months.

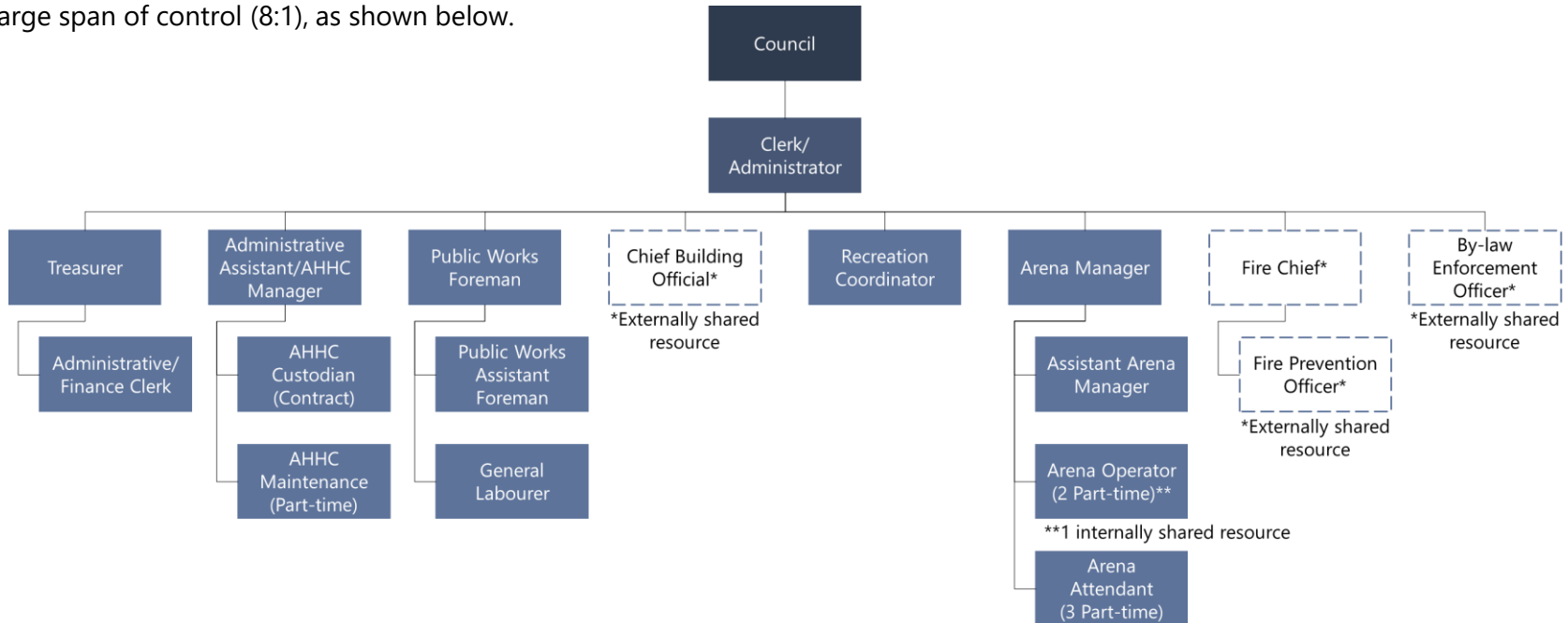
Map of the Village of Burk's Falls



Overview of Burk's Falls

Burk's Falls Departments and Organizational Structure

Burk's Falls is a lean organization with a total of 13 full-time staff. The organization is divided into eight functional departments: 1) Finance, 2) Administration, 3) Public Works, 4) Building, 5) Recreation, 6) Arena, 7) Fire, and 8) By-law. The Clerk has a relatively large span of control (8:1), as shown below.



The Village's small workforce requires staff to "multi-task", internally sharing resources, which has increased since the COVID-19 pandemic. During normal operations, the Arena shares one of its part-time operators with Public Works, who works full-time within Public Works for five months starting in the spring until the fall. Since COVID-19, other resources within the organization have been shared with Public Works, including the Administrative Assistant/Almaguin Highlands Health Centre ("AHHC") Manager and Recreation Coordinator.

The Village's Building, Fire, and By-law departments are shared with neighbouring municipalities in the Almaguin Highlands region.

Current State Findings

This section summarizes the key findings from the current state assessment, including:

- Reoccurring themes of strengths, challenges, and gaps; and
- Top priorities for Council and staff.

For a full description of the current state strengths, challenges and gaps, please refer to **the Current State Report**. This overview is based on the findings from online research, the documentation review, and stakeholder interviews, which served as input in the development of recommendations for the future state.

What We Heard – Strengths

The following themes are a summary of the recurring strengths that we heard in our interviews with Council members and staff.

Reoccurring Themes – Strengths



Commitment to Economic Development

The Village has identified economic development as a priority and is committed to attracting more residents, businesses, and tourists. Examples of its commitment include attending regional economic development committee meetings, forming a Downtown Improvement Committee, and providing incentives to improve residents and businesses within the Village.



Influx of New Residents

An increase of property purchases in Burk's Falls is an indication that new residents are moving into the Village, which may bring greater development to the area and could attract more businesses. It is important to note that the Village has an estimated 200 lots available for expansion and development, in addition to the option of increasing the height of current buildings to accommodate this influx.



Prioritizing Shared Services

The Village has made an effort to prioritize and increase shared services and purchasing with neighbouring municipalities to reduce costs while maintaining the service levels that are expected by citizens and businesses. Examples include a regional recreation program, regional economic development, and a shared arena.



High-quality Management of Water and Sewer System

Despite its age, the Village's water and sewer system is well maintained and regularly serviced, which is considered a strength for the Village.



Collaborative and Team-Oriented Staff/Council Relationship

Staff and Council work well together within the lean organization and support one another through collaboration and teamwork.

What We Heard – Challenges

The following themes are a summary of the reoccurring challenges that we heard in our interviews with Council members and staff.

Reoccurring Themes – Challenges



1.

Initiatives to Support Economic Development

The Village's downtown core has been an ongoing challenge as it has had longstanding vacancies with little success in attracting new businesses. Residents have had to shop in neighbouring municipalities, which reinforces the Village's struggle to attract new businesses.



2.

Matching Services to an Influx of New Residents

Although the trend of new residents is a strength, the Village is faced with the challenge of ensuring its infrastructure, such as natural gas services and water supply, will support the increased service requirements.



3.

“Landlocked” Geography

Although the Village has available lots and can develop buildings by adding stories, it is surrounded by the Township of Armour, which essentially landlocks Burk's Falls with no opportunity to expand geographically.



4.

Arena Operations

The arena faces a number of challenges that limits its efficiency, effectiveness, and revenues. Challenges include its rental rates, staff scheduling, operational processes and procedures, and budget.



5.

Increasing Municipal Costs Amidst a Small Tax Base

It is challenging for the Village to add more equipment, programs, and services, in addition to updating and maintaining its buildings, infrastructure, and facilities with current budget and funding levels. Costs for the Village are increasing, while the tax base has remained unchanged due to socio-economic constraints.



6.

Technology Enablement and Capability

There are several areas within the organization that can be improved through technology enablement however, this will be a challenge as some of the staff's capability and comfort using new technology is limited.

What We Heard – Gaps

Reoccurring Themes – Challenges (cont.)



7.

By-law Enforcement

By-law enforcement, especially related to property standards, is a challenge for the Village as residents are hesitant to complain about their neighbours through the current channels. As a result, property standards are not well looked after. The Villages also faces difficulty in enforcing by-laws without incurring increased court costs.

The following themes are a summary of the reoccurring gaps that we heard in our interviews with Council members and staff.

Reoccurring Themes – Gaps



1.

Organizational Capacity and Capability

There are several gaps in resourcing that either limit existing staff's capacity or limit the organization's capabilities. Specifically, gaps include property management, recreation support, administrative support, and public works support.



2.

Service Level Standards and Key Performance Indicators ("KPIs")

The Village does not currently have set service level standards or track KPIs, other than those outlined by regulations or legislation. In addition, the Village does not actively benchmark itself against comparable municipalities to assess its relative performance.



3.

Talent Management and Succession Planning

There is a need for additional training to provide staff with the opportunity to further develop their skillsets, which will in turn support the effectiveness and efficiency of the Village's service delivery. In particular, technology training is required to ensure staff's capability and comfort using new/modern technology. More broadly, the Village does not currently have a talent management or succession plan, which is an important tool in developing training plans and career development plans.

Village Top Priorities

Outlined below are the top priorities for the Village as described by Council members and staff. Priorities that are consistent across Council and staff are identified in bold font. It is important to note that these priorities are not ranked.

Council	Staff
<ul style="list-style-type: none">A Economic Development / Downtown RevitalizationB Infrastructure Improvements and MaintenanceC Maintaining Services and Service LevelsD Maintaining Health ServicesE Improvements to Recreation Programs / Services	<ul style="list-style-type: none">A Economic Development / Downtown RevitalizationB Infrastructure Improvement and MaintenanceC Maintaining Services and Service LevelsD Municipal PlanningE Attract New BusinessesF Increase Tourism

It is worth noting that there is strong alignment between Council and Staff priorities which is a strength.

Summary of Community Engagement Findings

This section summarizes the findings from the online community survey and comment box, which were open to all permanent residents, seasonal residents, tourists, and individuals who work in Burk's Falls. For detailed results from the survey and comment box, please refer to **the Current State Report**.

Summary of the Community Engagement Results

MNP administered an online community survey and comment box to gather feedback from the public as it relates to the efficiency and effectiveness of service delivery. Out of 981 residents, the community survey received 87 responses, an 8.9% response rate, and the comment box received 9 responses, a less than 1% response rate. A summary of the results from the community survey and comment box are provided below. Detailed results can be found in **the Current State Report**.

Key Findings from the Community Engagement



Improve Quality of Life

The majority of respondents feel that the overall quality of life in the Village either needs some improvement or needs extensive improvement. Based on the community's responses, the top three areas that would improve the quality of life in Burk's Falls are: increasing economic development, employment opportunities, and increasing the number of services provided.



Increase the Number of Municipal Services Provided

The community is somewhat satisfied with the services provided by the Village with almost half of the responses suggesting that increasing the quantity of services would improve their satisfaction with the Village's service delivery. Additionally, residents are most satisfied with the Village's emergency services and are least satisfied with by-law enforcement.



Areas of Concern

The top three challenges that respondents are concerned with as a resident/tourists/employee of the Village are: economic development, employment opportunities, and quantity of services provided.



Top Priorities for the Village

The top three priorities for the Village that were identified in the survey responses are: economic development, quality of life, and the quantity of services provided.



The Village's Response to the COVID-19 Pandemic

80.5% of the respondents indicated that the Village's response to the COVID-19 pandemic was either adequate, good, or very good, with 20% indicating that the Village's response was poor, very poor, or not sure.

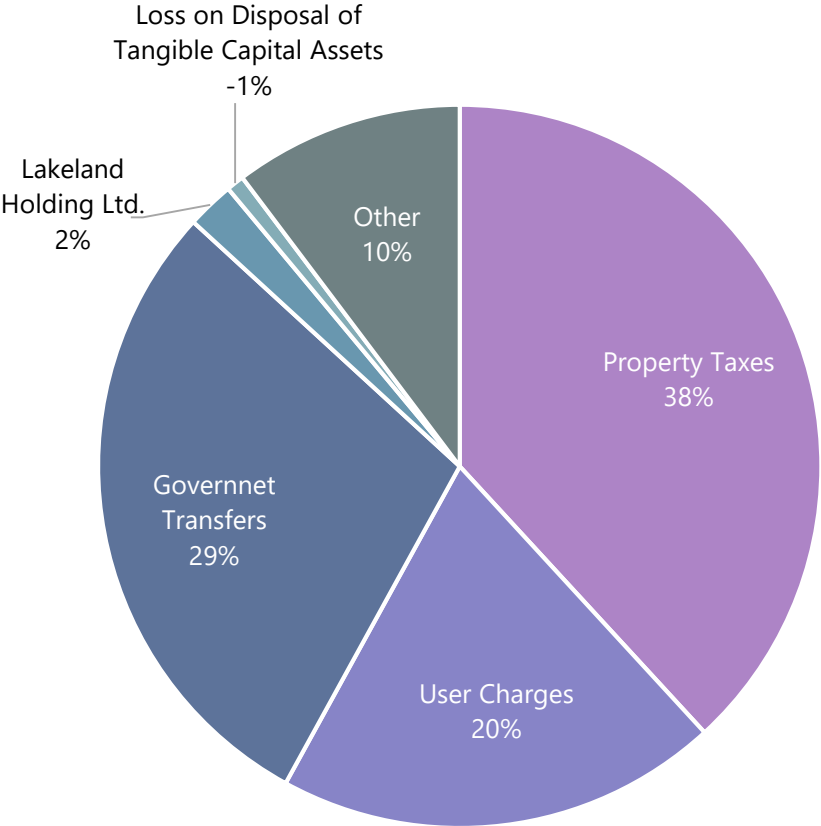
Financial Overview

This section provides an overview of the Village's budgeting process with a budget variance comparison. The main services offered by the Village have been summarized into Service Profiles, which can be found in **the Current State Report**, and provide background information and an overview of financial information for each service.

Finance Overview

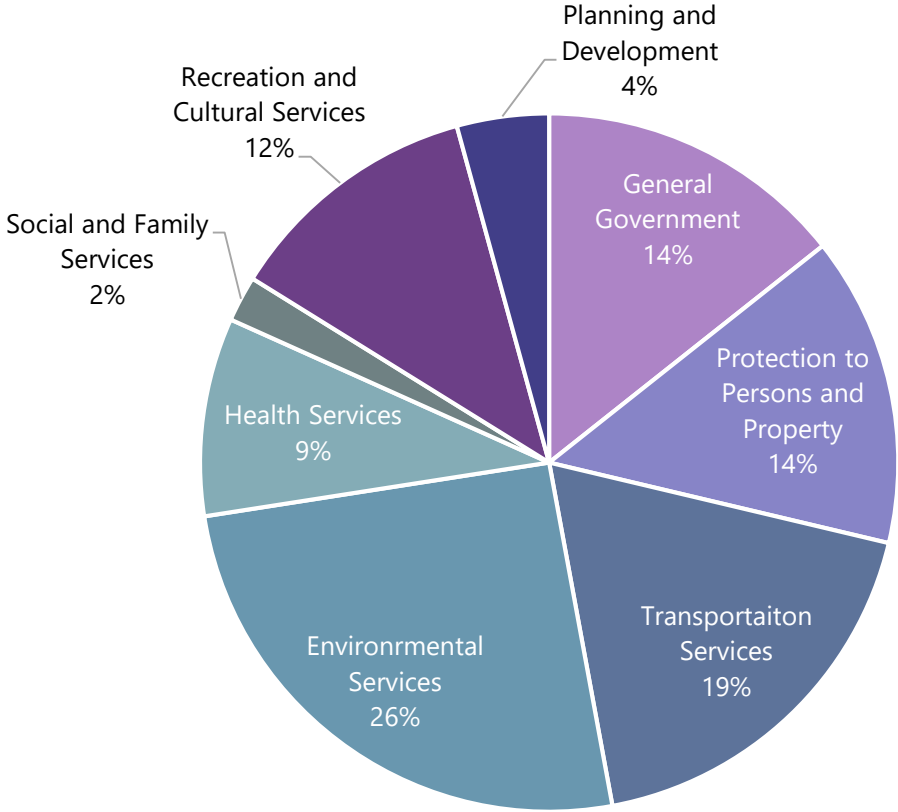
The information below summarizes the revenue sources and expenditures for Burk's Falls. The totals below are based on a preliminary assessment of 2019 actual revenues and department expenditures provided by the Village. The largest portion of the Village's revenue source comes from property taxes and government funding.

Total Revenues 2019



Actual Total Revenue: \$3,359,738

Total Expenditures 2019



Actual Total Expenditure: \$3,228,232

Budget to Actual Variance

The information below summarizes the budget to actual variance for Burk's Falls total revenues and expenses from 2016-2019. A summary of the variance data for four of the key departments is provided below. The main services offered by the Village have been summarized into Service Profiles which can be found in **the Current State Report**. The service profiles provide background information and an overview of financial information for each service.



A preliminary analysis suggested that there are possible variances in revenues and expenditures. After further investigation, it was identified that the major variance in revenue for 2019 is attributed to infrastructure project grants that were projected but did not materialize.



Actual expenses tend to be lower than budgeted expenses which can be viewed as a strength, as the surplus can be transferred to reserves or cover unexpected expenses that arise throughout the year.

TOTAL	2019 Variance \$	2019 Variance %	2018 Variance \$	2018 Variance %	2017 Variance \$	2017 Variance %	2016 Variance \$	2016 Variance %
Revenues	-910,811	-21.3%	-20,680	-0.4%	-438,102	-10.5%	-191,402	-3.3%
Expenditures	-272,767	-7.8%	-161,711	-4.9%	-119,777	-3.7%	-131,338	-4.4%

Benchmarking

This section provides a financial overview of the Village in comparison to other municipalities of similar size and scope of services. Percentiles were calculated with Burk's Falls' ranking used as an indicator of whether costs are above or below the average of comparators. The full benchmarking analysis can be found in **the Current State Report**.

Financial Benchmarking Against Comparators

The 2018 Annual Financial Information Returns (“FIRs”) were analyzed for Burk’s Falls and three comparator municipalities. The information below and on the following slides summarizes the key points from the benchmarking analysis. The full benchmarking analysis can be found in **the Current State Report**.

Two comparator municipalities are of similar size and scope of Burk’s Falls and its services:



Sundridge Village



South River Village

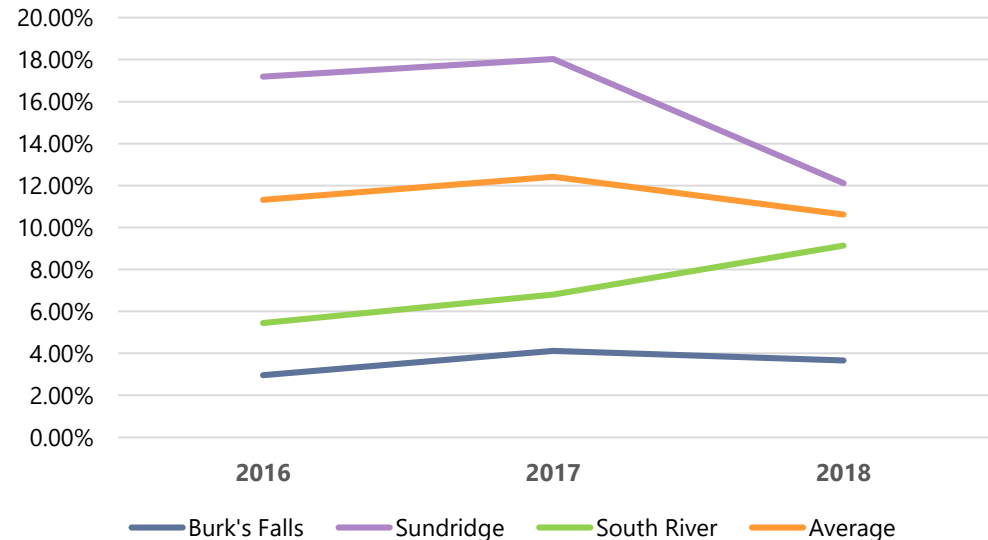
The third municipality has comparable water and wastewater services to Burk’s Falls:



Powassan Municipality

- The graph on the right summarizes Burk’s Falls, Sundridge, and South River’s reserves as a percentage of tangible capital assets (“TCA”) from 2016 to 2018.
- Although the average trend is decreasing, Burk’s Falls is below average when analyzing reserves against the comparator municipalities. This is due to recent infrastructure updates that depleted Burk’s Falls reserves and increased TCA.
- Even with recent projects, the Village’s infrastructure and equipment requires updates and it is important that adequate reserves are available and maintained. It may be beneficial to rebuild reserve levels similar to comparator municipalities to help fund future projects.

Reserves as a Percentage of TCA



Financial Benchmarking Against Comparators

Based on initial assessments of comparator data, Burk's Falls has a number of services for which its operating costs are below average. These included fire services, building permit and inspection services, road maintenance, and recreation programs. However, operating costs were above average for the services presented on the following two pages. Percentiles have been calculated using Burk's Falls' ranking as an indicator of whether costs are above or below the average of comparators.

Police Services:

Operating costs for police services per person			
	2016	2017	2018
Burk's Falls Percentile	75.00%	50.00%	75.00%
Burk's Falls	255.01	261.23	275.18
Sundridge	235.61	263.21	200.89
South River	194.79	197.04	195.25

- The police services for Burk's Falls are administered by the OPP and costs are based on call volume.
- Although the cost of service per person is not significantly higher than Sundridge, South River's police service costs are much lower.

Parks:

Operating costs for parks per person			
	2016	2017	2018
Burk's Falls Percentile	50.00%	75.00%	75.00%
Burk's Falls	38.16	34.78	39.02
Sundridge	38.50	25.03	25.72
South River	11.00	11.23	7.73

- Burk's Falls' operating costs for parks per person is similar to Sundridge's costs, however, Sundridge and South River have experienced a decline in park operating costs, whereas Burk's Falls costs have increased.
- The Village assumed responsibility for a cemetery in 2018, which is likely attributed to the increase in costs.

Solid Waste Management:

Operating costs for solid waste management (collection, disposal and diversion) per household.			
	2016	2017	2018
Burk's Falls Percentile	75.00%	75.00%	75.00%
Burk's Falls	350.20	311.13	214.38
Sundridge	228.91	199.62	213.73
South River	25.74	26.09	38.90

- Burk's Falls experiences high operating costs for solid waste management when compared to Sundridge and South River.
- South River, in particular, has a very low cost of solid waste management per household, which is likely due to the fact that they do not operate a landfill.

Financial Benchmarking Against Comparators

Above average operating costs continued...

Library Services:

Operating costs for library services per person			
	2016	2017	2018
Burk's Falls Percentile	50.00%	75.00%	75.00%
Burk's Falls	34.36	64.58	63.49
Sundridge	47.05	52.46	42.79
South River	29.20	29.04	32.31

- The library is shared with Armour and Ryerson Township and is located within Burk's Falls' municipal boundaries.
- Although Burk's Falls owns the Library building, the Library is owned and operated by a board, which is separate from the Village.

Treatment and Disposal of Wastewater:

Operating costs for the treatment and disposal of wastewater per Megalitre			
	2016	2017	2018
Burk's Falls Percentile	80.00%	80.00%	80.00%
Burk's Falls	1,368.05	2,230.04	1,519.44
Powassan	539.54	485.07	433.34

- Notably, Burk's Falls experiences a high cost for the treatment and disposal of wastewater per megalitre when compared to Powassan.
- Additionally, Powassan's costs are declining, and although Burk's Falls experienced a decline from 2017 to 2018, the overall cost trend from 2016 is increasing. However, this is not a concern because Burk's Falls completed a rehabilitation of all sewer lines, which has caused an increase in costs.

Distribution/Transmission of Drinking Water:

Total costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.			
	2016	2017	2018
Burk's Falls Percentile	80.00%	80.00%	80.00%
Burk's Falls	1,7334.9	1,9601.71	2,1973.81
South River	6,783.15	5,679.31	5,813.69
Powassan	727.11	671.67	1,458.44

- The costs for Burk's Falls distribution and transmission of drinking water is significantly lower than South River's and is significantly higher than Powassan's costs (likely due to recent infrastructure projects).
- The costs for Burk's Falls is still considered above average, as they are consistently in the 80th percentile from 2016 to 2018.
- It would be beneficial to investigate Powassan's operations for the distribution and transmission of drinking water.

Financial Benchmarking Against Comparators

An in-depth analysis for water and wastewater services was conducted for Burk's Falls using ten comparator municipalities of similar size and scope from 2016-2018. The following two pages summarize this analysis however, detailed results can be found in **Appendix A**. The table below compares operating costs and revenue per household for water and wastewater services. The Village's water and wastewater costs are slightly above average and its revenues are slightly below average over the three years. It should be noted that many factors can drive costs for water and wastewater services including, the physical size of the municipality, share of water well vs. municipal water supply, share of septic vs. municipal sewage treatment, use of sewage lagoons vs. no use of sewage lagoons, shared service arrangements, contracted services vs. in-house delivery, different approaches to revenue collection, among others. With this in mind, the benchmarking analysis for water and wastewater services should be considered with the understanding that costs and revenues may not have a direct comparison when analyzing different municipalities.

Costs and Revenue of Water and Wastewater Services Per Household

	2018		2017		2016	
	Cost of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services Per Household	Cost of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services Per Household	Cost of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services Per Household
Burk's Falls	\$ 1,296	\$ 1,084	\$ 1,441	\$ 1,209	\$ 1,148	\$ 1,083
Powassan	\$ 564	\$ 1,275	\$ 759	\$ 759	\$ 835	\$ 1,176
Ignace	\$ 2,019	\$ 166	\$ 1,885	\$ 1,885	\$ 1,801	\$ 180
Armstrong	\$ 706	\$ 916	\$ 738	\$ 738	\$ 1,660	\$ 866
Cobalt	\$ 631	\$ 739	\$ 618	\$ 618	\$ 794	\$ 805
Schreiber	\$ 989	\$ 1,053	\$ 950	\$ 950	\$ 878	\$ 952
Ear Falls	\$ 1,890	\$ 1,981	\$ 1,923	\$ 1,923	\$ 2,045	\$ 1,641
Hornepayne	\$ 1,800	\$ 1,983	\$ 1,811	\$ 1,811	\$ 2,201	\$ 2,026
Red Rock	\$ 1,024	\$ 742	\$ 1,044	\$ 1,044	\$ 1,391	\$ 822
Gore Bay	\$ 1,784	\$ 1,029	\$ 1,839	\$ 1,839	\$ 1,753	\$ 1,060
Rainy River	\$ 1,347	\$ 1,212	\$ 1,195	\$ 1,195	\$ 1,305	\$ 1,202
Average	\$ 1,275	\$ 1,110	\$ 1,276	\$ 1,276	\$ 1,466	\$ 1,073
Percentile	54.00%	63.00%	54.00%	54.00%	36.00%	63.00%

Financial Benchmarking Against Comparators

The table below summarizes the analysis on the previous page and displays the net costs of water and wastewater services per household for Burk's Falls and the ten comparator municipalities. The chart also indicates the average net cost among the comparators and the percentile the Village's net costs falls into.

Net Costs of Water and Wastewater Services Per Household (\$)			
	2018	2017	2016
Burk's Falls	212	232	65
Powassan	-712	-419	-341
Ignace	1853	1716	1620
Armstrong	-65	-146	793
Cobalt	-210	-59	-10
Schreiber	-65	-49	-74
Ear Falls	-91	79	404
Hornepayne	-183	-85	176
Red Rock	281	343	569
Gore Bay	755	804	693
Rainy River	134	-59	103
Average	174	214	364
Burk's Falls Percentile	66.00%	66.00%	33.00%

- Values highlighted in red within the chart indicate that the net costs per household are higher than average whereas values highlighted in green indicate that the net costs per household are lower than average.
- Burk's Falls' net costs of water and wastewater services per household is slightly above average for 2017 and 2018, falling in the 66th percentile both years.
- Although the Village is near the average trend for net costs, many municipalities in the benchmarking exercise receive net income from water and wastewater services. This could be an indication that there are further revenue generating opportunities Burk's Falls can explore.

Current State Takeaways

This section summarizes the key takeaways from MNP's current state review and trends and/or issues identified in the environmental scan that were considered when developing the Service Delivery Review recommendations.

Current State Assessment (SWOT)

Below is a summary of MNP's current state assessment based on the review of background documentation, stakeholder interviews, the community survey, analysis of the Village's financial information, and benchmark comparisons. This assessment has been used to develop the emerging opportunities outlined on the following pages.

Strengths

- Economic development has already been identified as a priority.
- The Village has prioritized shared service opportunities.
- Some major infrastructure projects have already been completed.
- The water system is well managed, and well maintained.
- Collaborative and team oriented staff.
- Positive and strong relationships between Council and staff.

Weaknesses

- Vacancies in downtown store fronts.
- Challenges of attracting new businesses and residents.
- The organization's staffing levels affect the Village's capacity and capability.
- The organization requires further technology enablement.
- There are no established service level standards and KPIs for a number of departments/services.
- No succession planning or talent management currently in place.
- Recreation and Arena programs/operations could be more efficient and effective.

Opportunities

- The technology landscape is constantly evolving with innovative information systems and information technologies being introduced each year. These innovative technologies are dramatically changing the ways municipalities and businesses deliver services and connect with customers.
- Influx of new residents and the potential for further growth
- Burk's Falls medical centre is a regional service hub, drawing people into the Village from surrounding townships

Threats

- Landlocked geography limits the Village from expanding in land area.
- Future resident expectations may not be in line with the Village's existing capabilities.
- Municipal costs of service are increasing, while the tax base has remained unchanged.
- The provincial government has placed heightened pressure on all municipalities to deliver quality services within a constrained financial context
- Municipalities are currently faced with the provincial downloading of services and policy changes
- Climate change increases the intensity of storms and short-term variations in temperature requiring greater maintenance of roads, parks, and infrastructure
- COVID-19 will impact on the Village's revenue with reduced user fees, reduced occupancy rates of programs and services, and increased sanitation requirements.

Summary of Key Findings

Based on MNP's current state assessment, outlined in the SWOT analysis on the previous page, several overarching themes have emerged that have influenced the service delivery improvement recommendations. These include:



Burk's Falls is Well Managed

Overall, the Village is well managed and has benefited from its dedicated staff, strong staff/council relationship, and existing shared services to maintain services levels.



Rising Costs

It is likely that costs will continue to increase amid the Village's aging infrastructure and required facilities updates, increasing provincial cost pressures, and increasing demands for a variety of service offerings and increased service levels.



Prioritization of Shared Services

There are cost-saving benefits that can be realized through shared services, which the Village has already identified as a priority. Prioritizing shared services will support the Village's adaptability and sustainability as it will achieve cost-savings with economies of scale.



Focus on Generating Revenues and Increasing the Tax Base

The Village already operates with a relatively lean structure and it is unlikely that this Service Delivery Review will uncover significant cost savings. Instead, recommendations will focus on strategies to grow the tax base and/or recover greater costs from residents.



Economic Development is a Challenge, but will be Pivotal for the Village's Long-Term Success and Sustainability

The Village already prioritizes initiatives to support economic development and downtown improvements, as it is necessary to attract new businesses, developers, and residents. Although economic development and improving the downtown has been an ongoing challenge for the Village, continued effort in these areas is vital.

Overall, Burk's Falls is well managed and has a strong team of staff and Councillors that work well together. The Village has started taking the necessary steps to reduce costs through shared services and has identified economic development opportunities. However, there is cause for concern as the Village faces increasing costs with a tax base that has not grown and a history of having difficulty attracting new businesses and residents. The Village already operates with a relatively lean structure in terms of organizational capacity and service offerings, and it is unlikely that significant costs savings will be identified from this Service Delivery Review. Therefore, the recommendations presented in this report are more strategic in nature and aim to grow the tax base through economic development and ensure the Village is well prepared to address future challenges.

Service Delivery Trends

There are multiple trends and/or issues that may impact or influence the Village's operations and/or service delivery. Based on the Village's economic drivers, population and demographics, infrastructure and technology, and political and environmental factors, the following list represents the top trends and/or issues that will need to be considered and addressed by the Village.

Service Delivery Trends

Ageing Infrastructure – Burk's Falls, like many other municipalities, owns an ageing portfolio of public infrastructure (i.e. roads, buildings, equipment) that requires demanding maintenance and renewal and increasingly onerous safety and regulatory standards that must be complied with.

Technological Innovation – the technology landscape is constantly evolving at a rapid pace with innovative information systems and information technologies being developed every year. These innovative technologies are dramatically changing the ways municipalities and businesses deliver services and connect with customers.

Provincial Government – the pressure for municipalities to deliver quality services with reduced provincial transfers, coupled with the trend of downloading service responsibilities to municipal government presents a challenging hurdle.

- The provincial government has placed heightened pressure on all municipalities to deliver quality services within a constrained financial context, triggered by reducing provincial transfers and limiting the capacity of residents to afford substantial tax increases.
- Municipalities are currently faced with the provincial downloading of services and policy changes that arose amidst the uncertainty of the provincial government and its newly elected leaders. This is a challenge as these changes are out of the Village's control and can impact the number of services delivered and/or the way they are delivered.

Cost Pressure – Without a growing assessment base the Village will be challenged to meet growing cost pressures driven by inflation and service delivery expectations

Climate Change – municipalities today are required to adapt to the effects of the changing climate. The rising intensity of storms and short-term variations in temperature requires greater maintenance of roads, parks, and infrastructure. This is a challenge because these service requirements will constrain the Village's existing resources and funds.

COVID-19 – the pandemic will have a notable impact on the Village's revenue with reduced user fees, reduced occupancy rates of programs and services, and increased sanitation (i.e. staffing) requirements. For perspective, it is estimated that municipalities across Canada could lose nearly \$12 billion this year.⁴

⁴ RBC Economics Report: [Link](#)

Service Delivery Review Recommendations



Summary of Recommendations

This section provides an overview of the Service Delivery Review recommendations for the Village of Burk's Falls. MNP identified 12 initial opportunities in **the Current State Report**, which after further analysis, were adapted and developed into overarching recommendations. Each overarching recommendation addresses a strategic theme and contains specific recommendations and sub-recommendations to achieve the overarching goal. The specific recommendations were assessed against a set of criteria which are described in **Appendix B**. The full analysis and description of each specific recommendation and sub-recommendation can be found in **Appendix C**.

This section contains the following:

- Summary of Strategic Themes; and,
- Summary of Recommendations.

Strategic Themes for Service Delivery

Based on current state findings from primary and secondary research, MNP identified strategic themes that were used to identify the appropriate recommendations for the Village. Below are the four strategic themes that MNP considered when developing the recommendations and implementation road map.

Summary of Strategic Themes



1.

Efficient Service Delivery

The Village currently delivers services effectively under a lean work force. The objective is to investigate how current service levels and the effectiveness of service delivery can be maintained while looking for ways to realize cost savings.



2.

Revenue Generation

Given the lean operations of the Village, there are less opportunities to reduce costs and instead, it was identified that greater benefits could be achieved through revenue generation. MNP acknowledges that many costs are pre-defined, such as infrastructure updates, and it would be more advantageous for the Village to recover greater costs through increased revenues.



3.

Economic Development

It was identified that the greatest opportunities for the longevity of the Village will stem from increased economic development and ultimately growth in the tax base. MNP acknowledges that this goal should be a priority for the Village.



4.

Organizational Capacity

It is important to ensure that the Village has the organizational capacity to address current and future priorities.

Recommendations Summary

MNP identified 12 initial opportunities that were identified in **the Current State Report**. Based on further analysis, these opportunities were adapted and developed into overarching recommendations with specific recommendation activities and sub-recommendations to achieve the overarching goals. The specific recommendations and sub-recommendations are listed in order, considering any interdependencies and assuming all recommendations are implemented. Each overarching recommendation addresses a strategic theme, as described on the previous page. The detailed analysis and assessment of each specific recommendation and sub-recommendation can be found in **Appendix C**.

Theme: Efficient Service Delivery

Enhance the Efficiency and Effectiveness of Service Delivery

Current state gaps revealed that the Village does not have formal service level standards or KPIs. These performance indicators ensure efficient and effective service delivery by outlining clear expectations of staff, providing opportunities for continuous improvement, identification of cost saving opportunities, and early identification of potential risks.

Recommendation #1: Define and implement service level standards and KPIs.

Theme: Efficient Service Delivery

Strengthen Technology Capabilities

Current trends, which are discussed in the environmental scan, impact municipal operations by increasing challenges and barriers to provide efficient and effective services, or by adding financial pressures to budgets. Technology, when used effectively, can streamline processes and reduce costs. The ability for a municipality to leverage technology is pivotal for long-term success.

Recommendation #2: Strengthen technology capabilities by developing an IT Strategic Plan to outline guiding principles for a strategic approach to technology selection.

Note: this recommendation is dependent on the implementation of **Recommendation #3** to ensure employees have the training to support the strengthening of technology capabilities in the Village.

Theme: Organizational Capacity

Strengthen Talent Management and Succession Planning

The Current State Report identified gaps, including the need for additional staff training, talent management, and succession planning. A workforce strategy would address these gaps to provide professional development opportunities for staff and identify “at-risk” roles.

Recommendation #3: Strengthen talent management and succession planning by preparing a workforce strategy for the Village Staff, including training plans and succession planning.

Note: this recommendation should support training requirements resulting from the implementation of **Recommendation #2** to support the strengthening of the Village’s technology capabilities.

Theme: Revenue Generation, Organizational Capacity

Increase Revenue for Water Services

Water services was identified as an area of concern amid the Village’s efforts of managing increasing municipal costs. The Municipality of Powassan (which was identified as a key comparator for this service), receives net income from their water and wastewater operations.

Recommendation #4: Increase water utility rates 3% a year over 10 years.

Recommendation #5: Begin discussions with OCWA to investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.

Recommendations Summary

Theme: Efficient Service Delivery, Revenue Generation

Improve Services With Above Average Operating Costs

The benchmarking analysis identified the police, parks/recreation, library, and solid waste management as services with above average operating costs. MNP reviewed all services and identified that the greatest opportunity for improvement is within solid waste management.

Recommendation #6: Investigate activities that will reduce waste management operating costs or increase revenues.

- **Sub-recommendation #6A:** Conduct a pilot project to reduce weekly residential solid waste collection to bi-weekly curbside pick-up.
- **Sub-recommendation #6B:** Reduce the amount of complimentary garbage bag tags provided to residents and increase the costs to \$2.00 per tag.

Theme: Efficient Service Delivery

Further Leverage the Advantages of Economies of Scale

As identified in Recommendation #6, expanding on shared services was determined to be more advantageous than amalgamation to achieve cost savings with economies of scale. The Village has already made efforts to prioritize and increase shared services among neighbouring municipalities. The following sub-recommendations provide further suggestions on how the Village can expand on shared services to leverage the advantages of economies of scale.

Recommendation #8: Further leverage the advantages of economies of scale by expanding shared services.

- **Sub-recommendation #8A:** Leverage the Association of Municipalities of Ontario's (AMO) Local Authority Services (LAS) group buying program.
- **Sub-recommendation #8B:** Explore the interest of shared public works services with neighbouring municipalities.
- **Sub-recommendation #8C:** Engage neighbouring municipalities to determine if there is interest in shared specialized equipment.

Theme: Efficient Service Delivery

Viability of Amalgamation

Over the years, amalgamation has been studied extensively and it appeared to be viable options for municipalities. However, latest research concludes that this restructuring may not result in the desired benefits and outcomes, specifically for rural municipalities. Many of the advantages of amalgamation have already been achieved via the numerous shared service arrangements that have been implemented.

Recommendation #7: Do not pursue amalgamation at this point in time.

Note: this recommendation is dependent on the implementation of **Recommendation #8** as expanding shared services is found to be a better course of action to achieve similar results.

Theme: Economic Development

Further Support Economic Development Initiatives

The Village has identified numerous plan to improve economic development, however the downtown core is still considered an ongoing challenge. The following recommendations and sub-recommendations should enhance the economic development efforts currently underway.

Recommendation #9: Improve the financial incentives and viability of downtown development.

- **Sub-recommendation #9A:** Using the new municipal authorities provided under Bill 70, investigate opportunities to alter the Village's tax policy and rate setting procedures to financially incentivize property owners to develop their properties, and discourage vacant commercial buildings.
- **Sub-recommendation #9B:** Piggy-back infrastructure grants from governments to encourage land-owners to upkeep their property.
- **Sub-recommendation #9C:** Create a business improvement area (BIA).

Recommendation #10: To ensure proper planning of anticipated growth, the Village should create a Strategic Growth Plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.

Recommendation #11: Complete an economic development strategic plan to brand and market Burk's Falls with the overall objective of building assessment growth.

Recommendation #12: Aggressively market and support development of vacant lots.

- **Sub-recommendation #12A:** Work with the Ministry Transportation Ontario (MTO) to accelerate the disposition of the properties they own to viable developers.
- **Sub-recommendation #12B:** Work with developers to support subdivision development of vacant lots.

Recommendation #13: Support local retailers to improve competitive pricing for basic goods and services, such as groceries, pharmacies, etc.

Recommendations Summary

Theme: Economic Development

Position the Village as the Health Centre Hub for the Region

Sponsoring initiatives that position the Village as the hub for health services in the region would build on its strength in commitment to economic development and enhance the overarching goal of further supporting economic development initiatives.

Recommendation #14: Continue to develop the Almaguin Highlands Health Centre (“AHHC”) to position it (and subsequently the Village) as the health centre hub for the region.

Note: this should align with the Economic Development Strategic Plan branding in **recommendation #11**, and should increase the attractiveness for subdivision development in **recommendation #12**.

Theme: Efficient Service Delivery, Organizational Capacity

Improve the Recreation Programs and Operations

The Village’s recreation programs and operations were identified as having a number of challenges in the Current State Report. The following recommendations should support improved recreation programs and operations.

Recommendation #15: Leveraging the core programs in the Arena, optimize and enhance the recreation programs for the Village to improve recreation operations.

Recommendation #16: Improve Arena operations by eliminating reduced/complimentary rental rates, adding a surcharge for capital, enhancing staff scheduling, and proactively managing equipment replacement timelines.

- **Sub-recommendation #16A:** Eliminate reduced or complimentary rental rates that are currently being offered and implement a surcharge fee for capital on rentals.
- **Sub-recommendation #16B:** Review staff scheduling to determine optimal structures.
- **Sub-recommendation #16C:** Identify aging equipment (e.g. back-up Zamboni, compressor room, etc.) that may need to be maintained or replaced and target the growth of a reserve fund.

Note: recommendation #15 should align with the Economic Development Strategic Plan branding in **recommendation #11**, and should increase the attractiveness for subdivision development in **recommendation #12**.

Theme: Efficient Service Delivery

Increase the Reserves to Fund Infrastructure Projects and Updates to Equipment and Facilities.

The benchmarking analysis identified that the Village’s reserves as a percentage of TCA are significantly lower than its comparators. This is likely due to the completion of major capital projects in recent years, which depleted the Village’s reserve funds. Nevertheless, there are a number of other projects that are expected in the future, as identified in the Village’s 2019 Asset Management Plan, which may require increased reserve funds.

Recommendation #17: Leverage the Asset Management Plan to determine the optimal reserve ratio for the Village.

Note: this recommendation is dependent on **Sub-recommendation #16C** to incorporate any additional reserve required that are identified for the Arena.

Theme: Organizational Capacity

Increase the Village’s Organizational Capacity and Capabilities

Insufficient staff in several departments was identified as a gap in MNP’s Current State Report. Taking stock of these gaps in capacity and capability and determining a plan will support the Village in achieving more effective service delivery.

Recommendation #18: Increase the Village’s organizational capacity and capabilities by hiring 1.0 FTE for special projects with a focus on economic development.

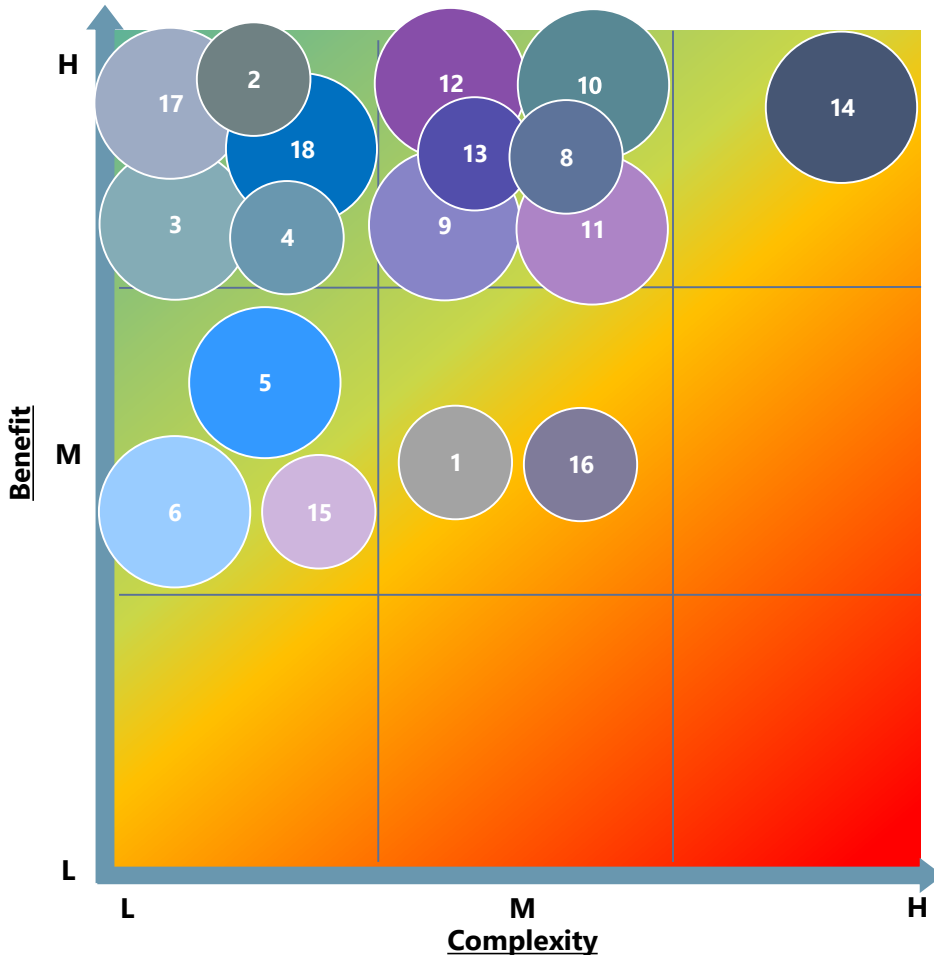
Note: this recommendation is dependent on **all recommendations** identified in the Service Delivery Review to determine if there are any additional FTE required as a result of the recommendations identified in this report.

Recommendation Priority Matrix

This section summarizes the suggested service delivery recommendations on a prioritization matrix. Each recommendation was plotted on the matrix based on its rating against three of the assessment criteria, described in **Appendix B**. The detailed description of each recommendation and rating against the assessment criteria can be found in **Appendix C**., with a summarized view of the assessment criteria ratings in **Appendix D**.

Priority Matrix for Recommendations

Below is a 3x3 assessment matrix that illustrates the benefit and complexity of each recommendation. The size of each bubble is indicative of the recommendation's priority score that resulted from the recommendation assessment. The green quadrants indicate a recommendation is relatively easy to implement and has a high impact to the Village. As recommendations move closer to the red quadrants, the level of impact decreases and implementation becomes more complex.



Recommendations	
1	Define and implement service level standards and KPIs.
2	Develop an IT strategic plan.
3	Prepare a workforce strategy for the Village staff.
4	Increase water utility rates 3% a year over 10 years.
5	Investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.
6	Reduce waste management operating costs and/or increase revenues.
7	<i>Requires no action and is therefore not included on the matrix.</i>
8	Expand on shared services.
9	Improve the financial incentives and viability of downtown development.
10	Create a strategic growth plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.
11	Complete an Economic Development Strategic Plan.
12	Aggressively market and support the development of the 200 vacant lots.
13	Support local retailers to improve competitive pricing.
14	Continue to develop the AHHC to position as health care hub for region.
15	Optimize and enhance the recreation programs for the Village.
16	Conduct a review of Arena operations.
17	Leverage the asset management plan to determine optimal reserve ratio.
18	Hire 1.0 FTE for special projects with a focus on economic development.

A comprehensive assessment of each recommendation can be found in **Appendix C**.

Implementation



Change Management Considerations

Several of the recommendations presented in this Service Delivery Review have the potential to financially impact the Village's ratepayers, many of which are retired and live on a fixed income. As such, it is likely that these recommendations will receive resistance and opposition from ratepayers. It is recommended that the Village employ change management strategies to ensure ratepayer understanding and buy-in. Key considerations and "leading practices" have been provided below to support the Village.

What Goes into a Change Management Plan?

Effective change management involves carrying out activities that deliver on each of the five change management principles:

- **Communication** – sharing information about the change and providing opportunities for stakeholders to discuss the information and ask questions. The purpose of communication is to:
 - Answer people's questions
 - Build understanding about what is changing
 - Alleviate fears and anxieties
 - Create energy and enthusiasm for the change
 - Recognize stakeholders as partners in the change
 - Mitigate unwanted conversation about the change
- **Stakeholder Engagement** – bringing together individuals to engage in collaborating on defining objectives for the change, assessing readiness for change, and sharing their experiences and learning with one another.
- **Sponsorship/ Change Leadership** – during times of change, leaders are accountable for "living the change", which means leading by example and holding oneself and others accountable for supporting the change. Leaders play an essential role in creating the conditions to help stakeholders understand change and successfully adapt.
- **Resistance Management** – fostering an environment in which there is mutual trust and respect, and in which people feel comfortable with openly sharing their concerns, asking questions, and learning new knowledge and skills.
- **Knowledge Transfer and Training** – ensuring that when the change is implemented, everyone has the knowledge they need to do things differently. Projects need to support knowledge transfer by providing people with effective training as well as resources like up-to-date policy and procedural documentation.



Proposed Integrated Road Map of Initiatives

Recommendations have been sequenced over the next five years based on the interdependencies with other recommendations, taking into consideration the benefit, complexity, and priority as identified in the recommendation assessment.

Recommendations	2020	2021				2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Enhance the Efficiency and Effectiveness of Service Delivery																	
1 Define and implement service level standards and KPIs.				▲													
Strengthen Technology Capabilities																	
2 Develop an IT strategic plan.					▲												
Strengthen Talent Management and Succession Planning																	
3 Prepare a workforce strategy for the Village staff.																	
Increase Revenue/Decrease Expenditures for Water Services																	
4 Increase water utility rates 3% a year over 10 years.																	
5 Investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.																	
Improve Services with Above Average Operating Costs																	
6 Reduce waste management operating costs and/or increase revenues.																	
6A. Conduct a pilot project to reduce weekly residential solid waste collection to bi-weekly curbside pick-up.																	
6B. Eliminate the 50 complimentary garbage bag tags provided to residents and increase the costs of each bag tag to \$2.00				▲													
Assess the Viability of Amalgamation																	
7 Do not pursue amalgamation at this point in time.																	
Further Leverage the Advantages of Economies of Scale																	
8 Expand on shared services.																	
8A. Leverage the Association of Municipalities of Ontario's (AMO) Local Authority Services (LAS) group buying program.																	
8B. Explore the interest of shared public works services with neighbouring municipalities.																	
8C. Engage neighbouring municipalities to determine if there is interest in shared specialized equipment.																	

Additional Information:

- = Recommendation Implementation ▲ = Milestone/Recommendation Completed ➡ = Ongoing Activity/Recommendation
- A number of recommendations have been placed in parallel with others depending on organizational and departmental requirements to complete.

Proposed Integrated Road Map of Initiatives (cont'd)

Further Support Economic Development Initiatives	
9 Improve the financial incentives and viability of downtown development.	
9A. Using the new municipal authorities provided under Bill 70, investigate opportunities to alter the Village's tax policy and rate setting procedures to financially incent property owners to develop their properties, and discourage vacant commercial buildings.	
9B. Piggy-back infrastructure grants from governments to encourage land-owners to upkeep their property.	
9C. Create a business improvement area (BIA).	
10 To ensure proper planning of anticipated growth, the Village should create a Strategic Growth Plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.	
11 Complete an Economic Development Strategic Plan.	
12 Aggressively market and support the development of the 200 vacant lots.	
12A. Work with the Ministry Transportation Ontario (MTO) to accelerate the disposition of the properties they own to viable developers.	
12B. Work with developers to support subdivision development of vacant lots.	
13 Support local retailers to improve competitive pricing for basic goods and services.	
Position the Village as the Health Centre Hub for the Region	
14 Continue to develop the AHHC to position as health care hub for region.	
Improve the Recreation Programs and Operations	
15 Leveraging core programs in the Arena, optimize and enhance the recreation programs for the Village.	
16 Improve Arena operations with the three sub-recommendations.	
16A. Eliminate reduced or complimentary rental rates that are currently being offered and implement a surcharge for capital on rentals.	
16B. Review staff scheduling to determine optimal structures.	
16C. Identify aging equipment (e.g. back-up Zamboni, compressor room, etc.) that may need to be maintained or replaced and target the growth of a reserve fund.	
Increase the Reserves to Fund Infrastructure Projects and Updates to Equipment and Facilities	
17 Leverage the asset management plan to determine optimal reserve ratio.	
Increase the Village's Organizational Capacity and Capabilities	
18 Hire 1.0 FTE for special projects with a focus on economic development.	

Additional Information:

- = Recommendation Implementation
- ▲ = Milestone/Recommendation Completed
- ➡ = Ongoing Activity/Recommendation

Conclusion



Conclusion and Recommendations

Key Findings

Overall the Village is well managed, and most services are delivered in a way that satisfies ratepayers.

However, it is challenging for the Village to maintain optimal service delivery with its current tax base amid trends of increasing costs, budget constraints, and public expectations.

As highlighted in this report, there are several areas where the Village can improve overall operations, most notably:

- Ensuring staff have the training and tools required to perform their work efficiently and effectively;
- Revenue growth, the Village should focus on opportunities to increase revenues by either reducing complimentary services or increasing the rates charged to the public;
- Branding and marketing the Village to attract more tourists, residents, and businesses;
- Prioritizing economic development to grow the tax base and assessment value;
- Continuing to focus on beautifying the downtown core;
- Streamlining and optimizing service offerings and processes to reduce costs and alleviate capacity challenges felt by staff; and,
- The Village has a number of projects that are planned for the near future and building a healthy reserve ratio will be necessary to prepare for expected and unexpected operational costs.

The recommendations presented in this report will support the Village in securing itself in a position to achieve future growth.

Recommendations and Next Steps

Based on the findings and conclusions of this Service Delivery Review the following actions are recommended:

1. Management and Council adopt this report as a road map for the Village's growth over the next 5-10 years.
2. Management and Council endorse, in principle, the 18 improvement recommendations presented in this report (Appendix C) subject to detailed timing, financial impact, and growth considerations.
3. The Village management review the list of 18 recommendations to assign a logical Lead Director for each initiative.
4. Each Lead Director prepare a staff report to Council outlining the detailed workplan, timing and key milestones required to implement each of the 18 recommendations. These reports are to be submitted to Council for review and approval in sequence, based on the priority matrix and implementation road map set out in this report.

Appendices



Appendix A: Water and Wastewater Services Benchmarking Analysis

Water and Wastewater Services Benchmarking Analysis

Operating Cost and Net Operating Cost

	Burk's Falls	Powassan	Ignace	Armstrong	Cobalt	Schreiber	Ear Falls	Hornepayne	Red Rock	Gore Bay	Rainy River	Average	Percentile	
2018	Operating costs for the treatment/disposal of drinking water and wastewater per megalitre	\$ 1,519	\$ 1,915	\$ 3,613	\$ -	\$ -	\$ 1,013	\$ 1,953	\$ 3,444	\$ 2,960	\$ 3,794	\$ 3,013	\$ 2,713	33.00%
	Operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 21,974	\$ 1,458	\$ 2,454	\$ -	\$ 37,284	\$ 5,591	\$ 8,075	\$ 7,914	\$ 7,302	\$ 923	\$ 5,498	\$ 8,500	83.00%
	Net operating costs for treatment/disposal of drinking water and wastewater per megalitre	-\$ 125	\$ 177	\$ 3,301	\$ -	\$ -	\$ 1,013	\$ 1,953	\$ 3,358	\$ 1,208	\$ 2,678	-\$ 154	\$ 2,225	16.00%
	Net operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 5,938	-\$ 43,142	\$ 2,454	\$ -	\$ 6,215	-\$ 33,473	-\$ 21,798	-\$ 63,421	\$ 7,302	-\$ 12,605	\$ 5,498	\$ 5,367	75.00%
2017	Operating costs for the treatment/disposal of drinking water and wastewater per megalitre	\$ 2,230	\$ 2,659	\$ 2,683	\$ 2,054	\$ -	\$ 593	\$ 2,318	\$ 3,930	\$ 2,529	\$ 4,517	\$ 2,279	\$ 2,618	33.00%
	Operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 19,602	\$ 672	\$ 1,941	\$ 17,143	\$ 36,488	\$ 5,807	\$ 7,684	\$ 7,914	\$ 7,701	\$ -	\$ 4,328	\$ 9,964	83.00%
	Net operating costs for treatment/disposal of drinking water and wastewater per megalitre	\$ 36	\$ 2,055	\$ 1,856	-\$ 1,184	\$ -	\$ 330	\$ 1,474	\$ 3,459	\$ 557	\$ 1,623	-\$ 488	\$ 1,683	33.00%
	Net operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 3,973	-\$ 45,375	\$ 1,941	\$ 17,143	\$ 9,167	-\$ 32,800	-\$ 21,523	-\$ 56,171	\$ 7,701	\$ -	\$ 4,328	\$ 8,056	58.00%
2016	Operating costs for the treatment/disposal of drinking water and wastewater per megalitre	\$ 1,368	\$ 3,012	\$ 2,698	\$ 8,054	\$ -	\$ 1,033	\$ 2,798	\$ 4	\$ 2,976	\$ 4,149	\$ 3,113	\$ 3,093	33.00%
	Operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 17,335	\$ 727	\$ 1,961	\$ -	\$ 375	\$ 5,940	\$ 7,877	\$ 7,914	\$ 7,872	\$ -	\$ 3,474	\$ 4,518	91.00%
	Net operating costs for treatment/disposal of drinking water and wastewater per megalitre	\$ 23	\$ 2,350	\$ 1,951	-\$ 1,165	\$ -	\$ 956	\$ 1,840	\$ 31	\$ 882	\$ 1,410	\$ 277	\$ 1,333	25.00%
	Net operating costs for the distribution/transmission of drinking water per kilometre of water distribution/transmission pipe.	\$ 522	-\$ 44,255	\$ 1,961	\$ -	\$ 104	-\$ 30,819	-\$ 17,830	-\$ 63,448	\$ 7,503	\$ -	\$ 3,474	\$ 3,261	66.00%

Cost Per Capita and Revenue Per Capita

	Burk's Falls	Powassan	Ignace	Armstrong	Cobalt	Schreiber	Ear Falls	Hornepayne	Red Rock	Gore Bay	Rainy River	Average	Percentile	
2018	Cost per capita for water and wastewater services	\$ 674	\$ 293	\$ 1,001	\$ 307	\$ 430	\$ 606	\$ 1,062	\$ 943	\$ 508	\$ 920	\$ 990	\$ 770	50.00%
	Revenue per capita for water and wastewater services	\$ 563	\$ 663	\$ 82	\$ 398	\$ 358	\$ 406	\$ 630	\$ 1,039	\$ 238	\$ 530	\$ 891	\$ 986	58.00%
2017	Cost per capita for water and wastewater services	\$ 749	\$ 394	\$ 935	\$ 321	\$ 421	\$ 608	\$ 1,081	\$ 950	\$ 518	\$ 935	\$ 642	\$ 756	58.00%
	Revenue per capita for water and wastewater services	\$ 628	\$ 612	\$ 84	\$ 384	\$ 315	\$ 639	\$ 1,036	\$ 994	\$ 216	\$ 263	\$ 674	\$ 992	58.00%
2016	Cost per capita for water and wastewater services	\$ 597	\$ 434	\$ 893	\$ 692	\$ 439	\$ 555	\$ 1,161	\$ 1,155	\$ 592	\$ 904	\$ 702	\$ 836	41.00%
	Cost per capita for water and wastewater services	\$ 563	\$ 611	\$ 89	\$ 361	\$ 317	\$ 382	\$ 932	\$ 1,062	\$ 205	\$ 273	\$ 646	\$ 891	58.00%

Water and Wastewater Services Benchmarking Analysis

Revenue of Water and Wastewater Services Compared to Revenue From Ratepayers

	2018		2017		2016	
	Revenue of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services From Ratepayers Per Household	Revenue of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services From Ratepayers Per Household	Revenue of Water and Wastewater Services Per Household	Revenue of Water and Wastewater Services From Ratepayers Per Household
Burk's Falls	\$ 1,084	\$ 1,084	\$ 1,209	\$ 1,055	\$ 1,148	\$ 1,009
Powassan	\$ 1,275	\$ 1,158	\$ 759	\$ 1,178	\$ 835	\$ 1,176
Ignace	\$ 166	\$ 166	\$ 1,885	\$ 170	\$ 1,801	\$ 180
Armstrong	\$ 916	\$ 916	\$ 738	\$ 884	\$ 1,660	\$ 866
Cobalt	\$ 739	\$ 499	\$ 618	\$ 419	\$ 794	\$ 504
Schreiber	\$ 1,053	\$ 662	\$ 950	\$ 999	\$ 878	\$ 604
Ear Falls	\$ 1,981	\$ 1,122	\$ 1,923	\$ 1,844	\$ 2,045	\$ 1,641
Hornepayne	\$ 1,983	\$ 1,943	\$ 1,811	\$ 1,746	\$ 2,201	\$ 1,944
Red Rock	\$ 742	\$ 479	\$ 1,044	\$ 435	\$ 1,391	\$ 482
Gore Bay	\$ 1,029	\$ 1,029	\$ 1,839	\$ 517	\$ 1,753	\$ 504
Rainy River	\$ 1,212	\$ 1,212	\$ 1,195	\$ 1,254	\$ 1,305	\$ 1,202
Average	\$ 1,110	\$ 919	\$ 1,276	\$ 944	\$ 1,466	\$ 910

Water and Wastewater Services Benchmarking Analysis

Water and Wastewater TCA Value Per Person			
	2018	2017	2016
Burk's Falls	\$ 6,099	\$ 5,642	\$ 5,243
Powassan	\$ 3,193	\$ 3,315	\$ 3,435
Ignace	\$ 16,089	\$ 15,959	\$ 15,978
Armstrong	\$ 4,637	\$ 4,710	\$ 4,577
Cobalt	\$ 7,056	\$ 7,073	\$ 7,172
Schreiber	\$ 2,563	\$ 1,983	\$ 2,910
Ear Falls	\$ 3,636	\$ 3,651	\$ 4,124
Hornepayne	\$ 12,199	\$ 12,649	\$ 11,093
Red Rock	\$ 2,393	\$ 2,539	\$ 2,603
Gore Bay	\$ 7,694	\$ 2,539	\$ 2,603
Rainy River	\$ 19,778	\$ 2,539	\$ 2,603
Average	\$ 7,924	\$ 5,695	\$ 5,710

Water and Wastewater Capital Spend Per Person			
	2018	2017	2016
Burk's Falls	\$ 724	\$ -	\$ 526
Powassan	\$ -	\$ 526	\$ 108
Ignace	\$ 526	\$ 108	\$ 245
Armstrong	\$ 108	\$ 245	\$ -
Cobalt	\$ 245	\$ -	\$ 492
Schreiber	\$ -	\$ 492	\$ 100
Ear Falls	\$ 492	\$ 100	\$ 15
Hornepayne	\$ 100	\$ 15	\$ 1,190
Red Rock	\$ 15	\$ 1,190	\$ 1,452
Gore Bay	\$ 1,190	\$ 1,452	\$ 700
Rainy River	\$ 1,452	\$ 700	\$ 1
Average	\$ 413	\$ 483	\$ 430

Net Return on Water and Wastewater TCA Value			
	2018	2017	2016
Burk's Falls	-0.98%	-5.15%	-1.39%
Powassan	5.62%	2.98%	1.61%
Ignace	-13.82%	-14.43%	-11.75%
Armstrong	23.24%	20.98%	21.36%
Cobalt	-1.92%	-2.90%	-3.35%
Schreiber	-20.68%	7.53%	-13.44%
Ear Falls	-23.40%	-0.32%	-7.80%
Hornepayne	0.77%	0.16%	-2.01%
Red Rock	-23.00%	-23.76%	-29.85%
Gore Bay	-9.98%	-19.00%	-20.69%
Rainy River	-1.18%	0.54%	-1.32%
Average	-5.94%	-3.03%	-6.24%

Appendix B: Recommendation Assessment Criteria

Assessment Criteria

MNP assessed each recommendation against the perceived priority, benefit and complexity of implementation. The following charts describe the definition and scoring guidelines for this criteria. The detailed analysis of each recommendation, including scores of the assessment criteria can be found in **Appendix C**.

Priority Assessment Criteria:

Criteria	Definition	Scoring Guidelines
Priority Assessment	How should the recommendation be prioritized over other tasks/recommendations? What is the importance of implementing the recommendation as soon as possible?	<p>High (H): The recommendation should be implemented as soon as possible to improve ongoing operations.</p> <p>Medium (M): The recommendation does not need to be immediately implemented but should within 6 months.</p> <p>Low (L): The recommendation has no strict timeline to implement.</p>

Benefit Assessment Criteria:

Criteria	Definition	Scoring Guidelines
Benefit Assessment	How impactful will the recommendation be to the organization?	<p>High (H): The recommendation will be highly impactful on current and future operations for the entire organization.</p> <p>Medium (M): The recommendation will be highly impactful on a select amount of departments.</p> <p>Low (L): The recommendation will have a marginal affect of the overall organization but should be considered to avoid future issues.</p>

Complexity Assessment Criteria:

Criteria	Definition	Scoring Guidelines
Complexity Assessment	What is the complexity of implementing the recommendation? How many resources will be required to complete?	<p>High (H): Timely implementation, resources will need to be sourced from the entire organization.</p> <p>Medium (M): Resources will need to be sourced from select areas of the organization.</p> <p>Low (L): Will not take long to implement, required a limited amount of resources, likely department specific.</p>

Assessment Criteria

MNP also rated each recommendation against its impact to staff, structure, technology, culture, finance, leadership, and residents. The following chart describes the definition and scoring guidelines for each impact assessment criteria. The detailed analysis of each recommendation, including scores of the impact assessment criteria can be found in **Appendix C**.

Impact Assessment Criteria:

Criteria	Definition	Scoring Guidelines
Staff	The degree of impact recommendations will have on staff in both daily and in future endeavours.	H: Direct impact on staff at every level M: Direct impact of staff at some levels L: Partial to no impact on staff
Structure	Changes to the structure of the organization.	H: Multiple levels of the organization are impacted M: Some levels of the organization are impacted L: Changes to organization but only impacts a small cohort of employees
Technology	Changes to the technology capabilities of the organization.	H: Entire organizational shifts in technology M: Select departments undergo shifts in technology L: Little to no impact on technology
Culture	Degree of impact recommendations may have on the culture of the organization.	H: There will be a culture shock through the organization M: Some departments may face a culture shock L: Culture will likely not be affected
Finance	What is the cost to the organization?	H: Will require a large upfront investment with ongoing costs M: Will require a medium upfront investment with potential ongoing costs L: Require limited to no financial investment
Leadership	The degree of impact it will have on the people in leadership roles and the leadership structure.	H: People in leadership and the structure of leadership will be directly impacted M: People in leadership and the structure of leadership may be impacted L: All aspects of leadership will see little to no impact
Residents	The degree of impact change will have on the residents of the Township.	H: Changes will impact residents directly M: Changes will impact residents indirectly L: Changes will likely not impact residents

Appendix C: Detailed Recommendations

Recommendation #1: Define and implement service level standards and Key Performance Indicators (KPIs).

Strategic Theme – Efficient Service Delivery

Description

- Current state gaps revealed that there is an opportunity for the Village to establish service level standards and KPIs for a number of departments/services. It is recommended that the Village review and document service levels for all departments to ensure high-quality customer service, ongoing performance measurement, and clear expectations and accountabilities for staff.
- The service level standards and KPIs should have formal documentation that include: a detailed description of the service, the desired outcome of the service (e.g. reduce the cost of maintenance per household), the target service level/KPI (e.g. target an average maintenance cost per household of \$X), and the process or steps to achieve the desired outcome and target service level/KPI.
- The target service levels/KPIs for each department should be developed in collaboration with department staff and should consider industry best practices to ensure that metrics are tied to service delivery and departmental performance.
- Examples of KPIs for each department are included in the Service Profiles which can be found in MNP's Current State Report.
- With service levels/KPIs in place, departments could track and report its performance against the defined service level standards/KPIs to benchmark against industry norms and to monitor variances and trends.
- As the Village gains more data on its performance, it will be better equipped to identify challenges, strengths, risks, and opportunities for continuous improvement.

Affected Resources

- *Village organization and staff* – would have to go through an in-depth analysis of current and future service levels.
- *Residents and customers who receive services* – would have to adapt and share their expectations of the current and future service levels.

What Will Change?

Current State

- Existing departments continue to operate as per legacy scope and no significant cost improvements realized.

Future State

- Improvements in service delivery through proactive decision making, resulting from greater insights to performance data.

Benefits/Outcomes

- *Clarity* – staff would have a clear understanding of what is expected of them.
- *Greater data insights* – can review trend analysis and benchmark against other municipalities.
- *Identification of cost savings and improvement opportunities* – from greater data insights.
- *Management of residents' expectations* – mutual understanding of the variety/quantity of services offered and the level of service that will be provided.

Required Investments

- *Staff time* – interviews and working sessions should be conducted with staff to define the service level standards.
- *Possibly an additional resource* – if the Village does not have the capacity within current workforce.

Risks/Challenges

- *Possibility of negative feedback from residents* – if residents are used to current service levels, some may be less open to change.
- *Applicability and achievability* – KPI's should be applicable and achievable by the organization, or the Village runs the risk of setting standards that are out of reach, which could affect staff morale.

Implementation

Required Resources

- *Management and Council* – to approve of any service level changes.

Interdependencies

- *Recommendation #3* – any changes in staff behaviour that are required as a result of implementing service level standards/KPIs should be identified and used as input for training program development in recommendation #3.

Cost/Revenue Implications

- **Cost:** ongoing support
 - *Ongoing costs* to support reporting, tracking, etc.
- **Amount:** limited (under \$50k)

Priority (H/M/L) – M

Timing – Under 6 months

Benefit (H/M/L) – H **Complexity (H/M/L)** – L

Impact Assessment (H/M/L)

Staff – H	Structure – H	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- Possibility of resistance from Council, residents and staff to adjustments in service levels. Change Management and communications plans will be critical for implementing successful change.
- Development of training for staff to ensure they are equipped and know how to achieve the desired service level standards.

Recommendation #2: Strengthen technology capabilities by developing an IT Strategic Plan to outline guiding principles for a strategic approach to technology selection.

Strategic Theme – Efficient Service Delivery

Description

- MNP’s Current State Report identified an opportunity to strengthen the Village’s technology capabilities through the development of an IT Strategic Plan.
- Developing an IT strategic plan would help the Village in leveraging technology to deliver services efficiently and effectively, and would support the achievement of the service level standards (identified in recommendation #1).
- This plan should define the governance structure, guiding principles, and strategies by which the Village selects IT systems and implements technology projects.
- The implementation of this recommendation should also include a review of the Village’s technology suite to determine what is working well, what is not working well, potential risks, and opportunities for consolidation or integration of technologies.
- Using the review, the plan should identify projects to be undertaken over the next five years and should be continuously updated to ensure relevancy.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Staff</i> – could be required to adopt technologies that they are unfamiliar with. • <i>Management and Council</i> – will need to support the development of the IT Strategic Plan to ensure technology is leveraged effectively to address each department’s business requirements. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> • No strategic approach to leveraging technology. • Gaps in technology possibly leading to inefficient and ineffective service delivery. </td> <td> <ul style="list-style-type: none"> • Coordinated strategic program of technology projects to improve performance across all departments. • Outline to guide the Village in technology selection and to ensure achievement of goals. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> • No strategic approach to leveraging technology. • Gaps in technology possibly leading to inefficient and ineffective service delivery. 	<ul style="list-style-type: none"> • Coordinated strategic program of technology projects to improve performance across all departments. • Outline to guide the Village in technology selection and to ensure achievement of goals.
Current State	Future State				
<ul style="list-style-type: none"> • No strategic approach to leveraging technology. • Gaps in technology possibly leading to inefficient and ineffective service delivery. 	<ul style="list-style-type: none"> • Coordinated strategic program of technology projects to improve performance across all departments. • Outline to guide the Village in technology selection and to ensure achievement of goals. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Organizational-wide approach to technology</i> – identifying how each technology fits within the entire organization helps to minimize costs of integrating disparate systems and ensures that new technology projects benefit all or multiple departments. • <i>Improved efficiency and effectiveness of service delivery</i> – modernization often reduces manual, paper-based processes, which enables staff to spend their time on more valuable tasks. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Possibly an additional resource</i> – to facilitate this project if the Village does not have the capabilities or capacity to develop an IT Strategic Plan. • <i>Possibly additional technology systems</i> – if it is identified as a requirement in the IT Strategic Plan.
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Risks/Challenges

- *Ineffective use of the IT Strategic Plan* – there is a risk that the Plan may not be used effectively as a guide to technology selection and implementation.
- *Staff capability and comfort using new technologies* – it was identified in the Current State Report that some staff find technologies challenging, which could lead to resistance from staff around technological changes. Effective training and change management strategies should be included in the IT Strategic Plan to ensure staff are comfortable with, and accept any technological changes.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>An internal resource</i> – would need to be assigned the responsibility of overseeing the development of IT strategy and to continuously update and enhance the Plan on a regular basis. This person should be someone with an IT skillset and/or who is involved in the strategic direction of Village operations. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Organization-wide adoption</i> – of the roadmap and budgets to support the roadmap recommendations. • <i>Recommendation #3</i> – any technological changes would require effective training which should be identified in the IT Strategic Plan and should feed into the training requirements of the workforce strategy. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost: initial cost, as needed <ul style="list-style-type: none"> • <i>Initial cost</i> to develop the strategic plan if the Village decides to hire an additional resource • <i>Additional costs on an as needed basis</i> if investments in new technology are identified as a requirement. • Amount: limited (under \$50k)
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Priority (H/M/L) – M	Timing – Under 6 months	Benefit (H/M/L) – H Complexity (H/M/L) – L
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Impact Assessment (H/M/L)

Staff – H	Structure – H	Technology – H	Culture – M	Finance – L	Leadership – M	Residents – M
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Change Management Considerations

- Possibility that staff resist the adoption of new technologies and processes. Change Management and communications plans will be critical for implementing successful change.
- Development of training for staff to ensure they adjust to any technological changes and have the tools to achieve the desired service level standards efficiently and effectively.

Recommendation #3: Strengthen talent management and succession planning by preparing a workforce strategy for the Village Staff, including training plans and succession planning.

Recommendation Type – Organizational Capacity

Description

- The Current State Report identified the Village’s collaborative and team oriented staff as a strength, and there is an opportunity to further leverage this strength by developing a workforce strategy to enhance and improve talent management and succession planning.
- The workforce strategy should align with the Village’s strategic plan and should include an analysis of the current workforce structure and the ideal future state of the workforce.
- The goal of this strategy should be to put in place succession planning and training to ensure the Village is well positioned to deliver services efficiently and effectively into the future and to forecast any workforce challenges that may arise.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Management and Council</i> – would need to support the development of the workforce strategy to ensure human capital is leveraged effectively and can feed into succession planning. • <i>Village staff</i> – could be required to participate in training programs to prepare them for employment advancement or to address any perceived workforce gaps. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> • Unprepared for staff retirements or changing workforce pressures. • Staff may not envision career advancements in their current position. </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> • Improved service delivery as the organization could anticipate and be prepared for workforce changes. • Ability to leverage a strong workforce to achieve cost savings and realize efficiencies. • Staff envision career advancements within the Village. </td> </tr> </table>	<p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> • Unprepared for staff retirements or changing workforce pressures. • Staff may not envision career advancements in their current position. 	<p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> • Improved service delivery as the organization could anticipate and be prepared for workforce changes. • Ability to leverage a strong workforce to achieve cost savings and realize efficiencies. • Staff envision career advancements within the Village.
<p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> • Unprepared for staff retirements or changing workforce pressures. • Staff may not envision career advancements in their current position. 	<p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> • Improved service delivery as the organization could anticipate and be prepared for workforce changes. • Ability to leverage a strong workforce to achieve cost savings and realize efficiencies. • Staff envision career advancements within the Village. 		

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Seamless position transitions</i> – with retirements and other workforce changes that would otherwise disrupt service delivery. • <i>Early identification of skillset gaps</i> – when preparing for upcoming projects or changes to services and/or service delivery. • <i>Decreased recruitment and onboarding costs</i> – as an effective workforce strategy should enable the Village to hire from within. • <i>Increased staff retention and morale</i> – as there would be more opportunities for employees to advance their career within the Village. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Possibly an additional resource</i> – to facilitate this project if the Village does not have the capabilities or capacity to develop a workforce strategy. • <i>Training</i> – the outcome of this strategy would identify training needs and the Village should develop a corresponding training program for staff.
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Risks/Challenges

- The workforce strategy must take into consideration any restrictions that may be in place with collective agreements. The Village should engage any labour union representatives throughout the development of the strategy to ensure a collaborate approach.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Management and Council</i> – to support development of, and approve the workforce strategy. • <i>An internal resource</i> – should be assigned the responsibility of overseeing the development of the workforce strategy and to continuously update and enhance the plan. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Adoption of the strategy</i> – and any budget implications. • <i>Alignment of goals</i> – ensuring the alignment of staff goals with organizational goals. 	<p>Cost Implications</p> <ul style="list-style-type: none"> • Cost: Possibly initial, ongoing support <ul style="list-style-type: none"> • <i>Initial cost</i> develop the strategy if the Village decides to hire an additional resource • <i>Ongoing support costs</i> associated with training programs. • Amount: limited (under 50k)
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Priority (H/M/L) – H	Timing – Under 6 months	Benefit (H/M/L) – H Complexity (H/M/L) – L
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Impact Assessment (H/M/L)

Staff – H	Structure – M	Technology – L	Culture – M	Finance – L	Leadership – H	Residents – L
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Change Management Considerations

- Change Management and communication plans will be necessary to engage employees and ensure buy-in of the workforce strategy.
- Development of training for staff to address any workforce gaps and to ensure employees have the knowledge and skills to advance their current position.

Recommendation #4: Increase water utility rates 3% a year over 10 years.

Strategic Theme – Revenue Generation

Description

- The benchmarking analysis for water and wastewater services found that many of the municipal comparators identified for Burk’s Falls receive net income for these services.
- Although the Current State Report found that the management of the Village’s water and wastewater system is a strength, the benchmarking analysis highlighted that there is an opportunity to recover more costs from residents, as exemplified by Powassan, Armstrong, Cobalt, Schreiber, Ear Falls, and Hornepayne.
- MNP further analyzed the revenues and expenses for the Village and Powassan’s water and wastewater services in 2017, which can be found on the following slide. After removing capital project expenditures and revenues from grants, the analysis focused on operating costs and the income that was collected from each household.
- MNP’s analysis determined that Powassan and the Village’s operating cost per household are similar, averaging just above \$1,300 per household annually. However, Powassan’s water and wastewater revenues from households are significantly higher than the Village, with Powassan receiving an average of about \$1,300 per household annually, and the Village of Burk’s Falls receiving \$1,000.
- It is recommended that the Village increase water and wastewater utility rates about 3% per year over 10 years to achieve costs recoveries similar to Powassan. Following this concept, it is estimated that the Village could realize cost recoveries of about \$175,400 by year 10.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Treasury</i> – would be required to implemented the water utility rate changes. • <i>Residents</i> – utility bills would increase which may cause dissatisfaction. As such, the Village should be prepared to respond to the publics inquiries and complaints. 	<p>What Will Change?</p> <table border="0"> <tr> <td data-bbox="956 364 1342 549"> <p>Current State</p> <ul style="list-style-type: none"> • Cost per household for water and wastewater services is higher than revenues collected from residents. </td> <td data-bbox="1342 364 1922 549"> <p>Future State</p> <ul style="list-style-type: none"> • The Village could recover the cost of delivering water and waste water services to residents. • Less reliant on the provincial government for financial support with the operating costs of this service. </td> </tr> </table>	<p>Current State</p> <ul style="list-style-type: none"> • Cost per household for water and wastewater services is higher than revenues collected from residents. 	<p>Future State</p> <ul style="list-style-type: none"> • The Village could recover the cost of delivering water and waste water services to residents. • Less reliant on the provincial government for financial support with the operating costs of this service.
<p>Current State</p> <ul style="list-style-type: none"> • Cost per household for water and wastewater services is higher than revenues collected from residents. 	<p>Future State</p> <ul style="list-style-type: none"> • The Village could recover the cost of delivering water and waste water services to residents. • Less reliant on the provincial government for financial support with the operating costs of this service. 		

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Reduced net costs</i> – the Village could recover the majority of operating costs from households. • User pay principle will encourage water conservation 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Staff time</i> – treasury staff will be required to restructure the tax rates charged to residents will could be time-consuming. Customer service representatives would likely spend more time responding to residents inquiries and complaints about this problem. • <i>Communication strategy</i> – to improve residents acceptance of utility bill increases.
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Risks/Challenges

- Resistance from Council as any increase in costs for residents is often unappealing.
- Resistance from the public will be a challenge as residents would be unhappy with higher utility bills.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Council</i> – approval of water utility rate increases. • <i>Treasury</i> – would be required to facilitate the changes. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Dependent on Council's approval.</i> 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Revenues: annuity • Amount: <ul style="list-style-type: none"> • A 3% annual increase translates to about \$30 per household or an additional \$15,300 collected by the Village annually. • The accumulated revenue to the Village over the 10 years is estimated as an additional \$175,400.
<p>Priority (H/M/L) – M</p>	<p>Timing – one year</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)						
Staff – M	Structure – L	Technology – L	Culture – L	Finance – L	Leadership – M	Residents – H

Change Management Considerations

- Given that residents would likely be unhappy with utility bills increasing over 10 years, it is important for this recommendation to be implemented with an effective communication plan in place to ensure residents are aware of the changes and can understand why these changes are necessary. The communication plan should also outline how customer service agents should respond to residents’ inquiries regarding the matter to ensure consistent response and communication across the organization.

Water Services Analysis

	Burk's Falls*	Powassan*
Households	510	450 **
Total Water Rates	\$ 308,055	\$ 405,561
Average Water Rates Per Household	\$ 604	\$ 901
Total Sewer Rates	\$ 210,027	\$ 184,527
Average Sewer Rates Per Household	\$ 412	\$ 410
Total Water/Sewer Rates	\$ 518,686	\$ 590,989
Average Water/Sewer Rates Per Household	\$ 1,017	\$ 1,313
Total Water/Sewer Expenses	\$ 1,544,670	\$ 681,088
Average Water/Sewer Expenses Per Household	\$ 3,029	\$ 1,514
Total Water/Sewer Expenses Less Capital Project Costs***	\$ 707,680	\$ 629,588
Total Water/Sewer Expenses Less Capital Projects Per Household	\$ 1,388	\$ 1,399

*Data is based on 2017 numbers because that is the data available for Powassan online. Also note: Powassan figures are based on 2017 budgeted whereas Burk's Falls water rates are actuals.

**450 households connected to the water and sewer system

***Less capital project costs including the previous deficit from 2016.

Recommendation #5: Begin discussions with OCWA to investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.

Strategic Theme – Organizational Capacity

Description

- The current state findings identified that Public Works staff feel they lack the capacity needed to complete their work efficiently and effectively. Completing the daily check-ins for water operations consumes about 10-15 hours of staff's time per week .
- It is recommended that the Village begin discussions with OCWA to investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations to alleviate Public Work's capacity challenges and provide the staff with an additional 10-15 hours a week. The Village has already commenced discussions with OCWA to determine the cost of these operations and whether it would be a viable option. Once the cost and details are provided by OCWA, a cost-benefit analysis should be conducted. This would be a beneficial option for the Village if the cost of OCWA's services are lower than the cost of hiring a part-time employee, because both would alleviate capacity pressures felt by staff, ultimately improving their satisfaction.
- If this option is found to be more expensive, or OCWA is not willing to perform the daily check-ins and operations, the Village should consider hiring a part-time employee to address the capacity challenges.

<p>Affected Resources</p> <ul style="list-style-type: none"> <i>Public Works</i> – the daily water responsibilities may be transferred to OCWA which means their daily responsibilities would change. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> Public Works staff performs the daily water check-ins and operations. OCWA performs the yearly maintenance responsibilities. </td> <td> <ul style="list-style-type: none"> OCWA performs both yearly maintenance responsibilities and daily water check-ins and operations. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> Public Works staff performs the daily water check-ins and operations. OCWA performs the yearly maintenance responsibilities. 	<ul style="list-style-type: none"> OCWA performs both yearly maintenance responsibilities and daily water check-ins and operations.
Current State	Future State				
<ul style="list-style-type: none"> Public Works staff performs the daily water check-ins and operations. OCWA performs the yearly maintenance responsibilities. 	<ul style="list-style-type: none"> OCWA performs both yearly maintenance responsibilities and daily water check-ins and operations. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Addresses capacity gap</i> – for Public Works staff as they would be able to spend an additional 10-15 hours per week on other responsibilities. 	<p>Required Investments</p> <ul style="list-style-type: none"> <i>Cost of paying OCWA</i> – to perform the services.
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Risks/Challenges

- There is a risk that OCWA would not be interested in assuming responsibility for the daily water operations.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> Management and Council approvals 	<p>Interdependencies</p> <ul style="list-style-type: none"> N/A 	<p>Cost Implications</p> <ul style="list-style-type: none"> Cost: yearly cost Amount: limited (less than \$50k)
<p>Priority (H/M/L) – H</p>	<p>Timing – Under 6 months</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – M</p>

Impact Assessment (H/M/L)

Staff – H	Structure – H	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- Change management considerations are limited to the Public Works department as they would be required to perform additional responsibilities.

Recommendation #6: Investigate activities that will reduce waste management operating costs and/or increase waste management revenues.

Strategic Theme – Efficient Service Delivery, Revenue Generation

Description

- The benchmarking analysis in MNP’s Current State Report identified the following services with above average operating costs: police, parks (recreation), solid waste management, and library services.
- Police and library services were not investigated further because these services are not administered by the Village of Burk’s Falls. Additionally, further analysis and investigation around recreation (which is classified under “Park Services” in the benchmarking analysis) can be found in recommendation #15.

Sub-recommendation #6A: Conduct a pilot project to reduce weekly residential solid waste collection to bi-weekly curbside pick-up.

- The existing waste management schedule is as follows: weekly collection for solid waste and recycling collection alternating weekly for fiber (paper) collection and container (tin/glass/plastic) collection.
- It is recommended that the Village implement a pilot project to reduce solid waste collection to bi-weekly for residents. This would reduce the cost of service that the Village pays for curbside collection as fewer staff would be needed to drive the garbage truck, which could in turn save costs in fleet fuel and could reduce maintenance costs.
- Many municipalities, including major urban centres, have moved to bi-weekly waste collection to reduce the cost of service.

Sub-recommendation #6B: Reduce the amount of complimentary garbage bag tags provided to residents and increase the costs to \$2.00 per tag.

- The Village currently provides each household with 50 complimentary bag tags a year. If residents require additional bag tags, they must purchase them at \$1.00 per bag tag.
- It is recommended that the Village require residents to pay for all bag tags and increase the cost per tag to \$2.00. MNP analyzed 14 municipalities/counties that use bag tags, which can be found on the following slide. On average, the majority of municipalities/counties charge \$2.00 per bag and do not offer complimentary bag tags to their residents.
- If the Village requires residents to pay for all bag tags, they could realize revenues of at least \$51,000 (assuming all 510 households purchase at least 50 bag tags a year at \$2.00 a tag).

<p>Affected Resources</p> <ul style="list-style-type: none"> Public works staff will be required to rollout the waste management changes. Waste Connections Canada facilitates the curbside collection for the Village and their operations will be impacted as their solid waste fleet and staff would only be required bi-weekly. 	<p>What Will Change?</p> <table border="0"> <tr> <td style="text-align: center;">Current State</td> <td style="text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> Weekly residential waste collection. 50 complementary bag tags per household. </td> <td> <ul style="list-style-type: none"> Bi-weekly residential waste collection. Households have to pay for all bag tags. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> Weekly residential waste collection. 50 complementary bag tags per household. 	<ul style="list-style-type: none"> Bi-weekly residential waste collection. Households have to pay for all bag tags.
Current State	Future State				
<ul style="list-style-type: none"> Weekly residential waste collection. 50 complementary bag tags per household. 	<ul style="list-style-type: none"> Bi-weekly residential waste collection. Households have to pay for all bag tags. 				
<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Costs savings</i> – moving to bi-weekly waste collection will reduce operating costs of this service as it will require less staff, would reduce fleet fuel costs, and reduce fleet maintenance costs. <i>Cost recoveries</i> – requiring residents to purchase all bag tags will allow the Village to recover costs associated with diverting and disposing of residential waste. <i>Influences residents disposal behaviour</i> – they would be more apt to recycle (which would remain cost-free to the public) if solid waste is collected bi-weekly and if they are required to pay for all bag tags. This would benefit the Village as they can recover more costs by selling the recycling. 	<p>Required Investments</p> <ul style="list-style-type: none"> Investments into effective communication and change management program. 				

Risks/Challenges

- There is a risk that the public will be displeased with the changes to the waste management program as they would have to adjust to bi-weekly waste collection and it would increase costs to residents.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> Council approval 	<p>Interdependencies</p> <ul style="list-style-type: none"> Agreement with Waste Connections Canada for bi-weekly collection. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> Revenues: Cost savings and recoveries Amount: <ul style="list-style-type: none"> Cost savings limited for bi-weekly pick-up (less than \$50k) Revenues of at least \$51,000 per year from bag tags
<p>Priority (H/M/L) – H</p>	<p>Timing – 1 year</p>	<p>Benefit (H/M/L) – M Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)

Staff – M	Structure – L	Technology – L	Culture – L	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- Possibility of resistance from residents to the adjustment in service level. Change management and strong communications plans will be critical for implementing successful change.
- Without an effective change management and communication plan, the residents may not know what changes are occurring or why they are occurring.

Solid Waste Garbage Bag Tags Benchmarking Comparison

Municipalities	Price Per Bag Tag
Greater Sudbury Area	\$2.00
Halton Region	\$2.00
City of Woodstock	\$2.00
Niagara Region	\$2.50
City of Kingston	\$2.00
Northumberland County	\$3.75
Town of Greater Napanee	\$3.00
Municipality of Powassan	\$1.00
Saugeen Shores	\$2.00
Region of Waterloo	\$2.00
City of London	\$1.00
Oxford County	\$2.00
City of Kenora	\$2.00
Township of Havelock-Belmont-Methuen	\$1.20
Median	\$2.00
Mode	\$2.00
Average	\$2.03

Recommendation #7: Do not pursue amalgamation at this point in time.

Strategic Theme – Efficient Service Delivery

Description

- MNP’s Current State Report identified that there is an opportunity for the Village to investigate amalgamation by conducting and cost-benefit assessment.
- MNP conducted an initial assessment of this opportunity and determined that it is not recommended for the Village to pursue amalgamation efforts as there are more valuable benefits from increasing shared services and purchasing with neighbouring municipalities.
- Over the years, amalgamation has been studied extensively and appeared to be a viable option, however more recent research indicates that municipal amalgamation may not deliver the intended benefits, specifically with non-urban centres.
- The Fraser Institute conducted an analysis of the effects of municipal amalgamation in Ontario using three case studies (Kawartha Lakes County, Essex County, and Haldimand and Norfolk County).
 - The results determined that the cost of services tend to increase for municipalities that amalgamate because the level of service provided by the restructured region tended to harmonize upward to higher standards, which has higher cost implications.
 - For example, if one municipality uses an advanced GIS system, the entire region that amalgamated would be required to upgrade to the advanced system.
 - The study also found that amalgamation had a similar effect on tax rates, where the highest tax rate often prevailed.
- Amalgamation can also lead to a reduction in volunteer services, which can also increase costs
- Overall, MNP believes that the advantages of amalgamation do not exceed the potential costs, and further exploring shared services and purchasing agreements with neighbouring municipalities would bring greater benefits to the public.
- If pursuing amalgamation is a goal of the Village, the following are a few key areas that would need to be investigated:
 - Municipal wage differences of the affected regions (wages would likely harmonize upward after restructuring, which would impact overall operating costs);
 - Tax level differences (tax levels would likely harmonize upward, which would negatively impact residents); and,
 - The cultural alignment (ensuring cultural synergies between the amalgamated regions is important for this restructuring to be effective).
- The sections below are intentionally left blank as MNP’s recommendation is to not pursue amalgamation at this point in time and there is no further action required of the Village.

Affected Resources

- N/A

What Will Change?

Current State

Future State

- N/A

- N/A

Benefits/Outcomes

- N/A

Required Investments

- N/A

Risks/Challenges

- N/A

Implementation

Required Resources

- N/A

Interdependencies

- N/A

Cost/Revenue Implications

- N/A

Priority (H/M/L) – N/A

Timing – N/A

Benefit (H/M/L) – N/A Complexity (H/M/L) – N/A

Impact Assessment (H/M/L)

Staff – N/A

Structure – N/A

Technology – N/A

Culture – N/A

Finance – N/A

Leadership – N/A

Residents – N/A

Change Management Considerations

- N/A

Strategic Theme – Efficient Service Delivery

Description

- The Village has made an effort to prioritize and increase shared services and purchasing with neighbouring municipalities, which was identified as a strength in MNP’s Current State Report.
- MNP’s earlier analysis of amalgamation concluded that there are more benefits in expanding on shared services, rather than pursuing amalgamation.
- Sub-recommendation #8A, #8B, and #8C are three activities that the Village can explore to further expand on their strength of prioritizing shared services.

Sub-recommendation #8A: Leverage the Association of Municipalities of Ontario’s (AMO) Local Authority Services (LAS) group buying program.

- LAS was created by AMO to provide preferred, competitively-priced services for Ontario municipalities to help realize lower costs through co-operative procurement efforts.
- The Village is a member of AMO however, they have not leveraged the group buying program up until this point.
- With no minimum purchase requirements, membership fees, or binding contracts, this is an attractive avenue for the Village to achieve cost savings on capital purchases, culverts, fleet management, ground engagement, office supplies, tires, and traffic supplies.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Liaison with LAS representative</i> – the Village should assign one person the responsibility of coordinating the procurement function with the LAS representative for the Southern Ontario region to ensure all purchases requirements are leveraged using the group buying program. 	<p>What Will Change?</p> <table border="0"> <tr> <td data-bbox="966 385 1429 499"> <p>Current State</p> <ul style="list-style-type: none"> • The Village purchases supplies and materials on its own and is unable to leverage group purchasing power. </td> <td data-bbox="1429 385 1932 499"> <p>Future State</p> <ul style="list-style-type: none"> • The Village could reduce costs by purchasing in bulk with LAS group buying program. </td> </tr> </table>	<p>Current State</p> <ul style="list-style-type: none"> • The Village purchases supplies and materials on its own and is unable to leverage group purchasing power. 	<p>Future State</p> <ul style="list-style-type: none"> • The Village could reduce costs by purchasing in bulk with LAS group buying program.
<p>Current State</p> <ul style="list-style-type: none"> • The Village purchases supplies and materials on its own and is unable to leverage group purchasing power. 	<p>Future State</p> <ul style="list-style-type: none"> • The Village could reduce costs by purchasing in bulk with LAS group buying program. 		

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Cost Savings</i> – group buying helps municipalities to purchase products and services at a lower cost through economies of scale. <ul style="list-style-type: none"> • LAS has teamed up with sister organizations across the country to leverage the combined purchasing power of over 2,500 Canadian municipalities. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Staff time</i> – to coordinate the procurement function.
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Risks/Challenges

- The Village could incorporate the expected cost savings into the budget process and plan accordingly, only to realize that the full expected cost savings were not realized.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Liaison with LAS representative</i> – an internal resource should be responsible for coordinating with each department to facilitate purchases through LAS. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Adaptability</i> – changing the purchasing process without significantly impacted service delivery. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost Savings: Potential for yearly cost savings • Amount: limited (less than \$50k in savings)
<p>Priority (H/M/L) – H</p>	<p>Timing – Under 6 months</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)

Staff – M	Structure – M	Technology – L	Culture – L	Finance – F	Leadership – M	Residents – L
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Change Management Considerations

- There should be a change management and communication plan in place to ensure staff are aware of the new purchasing process and how to effectively liaise with LAS group purchasing. The Village should foster a relationship with LAS and the group purchasing representative from the Southern Ontario region to ensure this recommendation is implemented effectively and efficiently.

Recommendation #8: Further leverage the advantages of economies of scale by expanding shared services.

Strategic Theme – Efficient Service Delivery

Description

- The Village has made an effort to prioritize and increase shared services and purchasing with neighbouring municipalities, which was identified as a strength in the Current State Report.
- MNP's earlier analysis of amalgamation concluded that there are more benefits in expanding on shared services, rather than pursuing amalgamation.
- Sub-recommendation #8A, #8B, and #8C are three activities that the Village can explore to further expand on their strength of prioritizing shared services.

Sub-recommendation #8B: Explore the interest for shared public works services with neighbouring municipalities. Examples are, shared waste management, snow removal, grass cutting, and other service as identified by the Village.

- It is recommended that the Village engage with neighbouring municipalities to explore if there is interest in sharing public works services such as waste management, snow removal, grass cutting, etc.
- This shared agreement could be in the form of the Village paying another municipality for their fleet to perform the service, or structured with a joint-contract for service providers to perform the work.
- Specifically, Armour Township surrounds the Village and has a Roads Department that maintains their roads and bridges, including grading, repairing, snow clearing, sanding/salting, etc.
- It is recommended that the Village begin discussions of shared public works services with Armour Township as their fleet would already be travelling through or around Burk's Falls. This agreement could be structured so that the Village pays Armour Township for the extra costs associated with them performing the services.

<p>Affected Resources</p> <ul style="list-style-type: none"> <i>Clerk</i> – should facilitate the initial discussions with Armour Township and/or other municipalities, and should be involved in the negotiations to ensure fair and equitable contract(s). <i>Public Works</i> – this department would be required to liaise with the other municipalities to ensure efficient and effective service delivery. Less staff would be required in summer months if grass cutting is one of the services that be restructured with a shared agreement. <i>The Village's current service providers</i> – depending on the structure of any new shared service agreement, the current providers for the affected service may no longer be needed. 	<p>What Will Change?</p> <table border="0"> <tr> <td data-bbox="985 428 1429 611"> <p>Current State</p> <ul style="list-style-type: none"> The Village pays service providers for snow clearing, waste management, sanding, etc. and would perform grass cutting. The Village hires 3 part-time staff in the summer, primarily for grass cutting. </td> <td data-bbox="1429 428 1932 611"> <p>Future State</p> <ul style="list-style-type: none"> The Village pays other municipalities to perform some or all of the identified services, or pays a service provider through a joint-contract with another municipality. Possibly less staff required in summer months. </td> </tr> </table>	<p>Current State</p> <ul style="list-style-type: none"> The Village pays service providers for snow clearing, waste management, sanding, etc. and would perform grass cutting. The Village hires 3 part-time staff in the summer, primarily for grass cutting. 	<p>Future State</p> <ul style="list-style-type: none"> The Village pays other municipalities to perform some or all of the identified services, or pays a service provider through a joint-contract with another municipality. Possibly less staff required in summer months.
<p>Current State</p> <ul style="list-style-type: none"> The Village pays service providers for snow clearing, waste management, sanding, etc. and would perform grass cutting. The Village hires 3 part-time staff in the summer, primarily for grass cutting. 	<p>Future State</p> <ul style="list-style-type: none"> The Village pays other municipalities to perform some or all of the identified services, or pays a service provider through a joint-contract with another municipality. Possibly less staff required in summer months. 		

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Cost savings</i> – it could be less expensive to pay another municipality, such as Armour Township, to provide some or all of the identified services as they have an established fleet. Additionally, the Village could reduce FTE positions in the summer to cut grass (if this is one of the affected services). <i>Increased efficiency and effectiveness</i> – if Public Works staff are not required to spend time cutting grass and performing other services, they could focus their efforts on conducting inspections to facilitate a proactive approach to infrastructure/asset management, rather than reactive approach. 	<p>Required Investments</p> <ul style="list-style-type: none"> <i>Costs associated with paying other municipalities to provide the service</i> – if they require additional FTE, maintenance costs, operating costs, etc.
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Risks/Challenges

- There is a risk that municipalities within the Amalquin region are not interested in shared agreements for public works services.
- If the structure of a shared agreement has the Village paying another municipality to perform the service with their fleet, it could require additional FTE which would likely be paid by the Village.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> <i>Clerk</i> – to facilitate discussions and negotiations <i>Public Works</i> – to support discussions, negotiations, and ongoing support for any restructuring. 	<p>Interdependencies</p> <ul style="list-style-type: none"> <i>Adaptability</i> – ability to restructure service delivery without significant interruptions or impacts to customer satisfaction. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> Cost Savings: potential for yearly cost savings <ul style="list-style-type: none"> Would be required to pay another municipality or contractor through joint contract, but would cost less than doing it alone. Amount: limited (less than \$50k in savings)
<p>Priority (H/M/L) – M</p>	<p>Timing – 1 to 2 years</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – H</p>

Impact Assessment (H/M/L)

Staff – H	Structure – L	Technology – L	Culture – L	Finance – L	Leadership – H	Residents – H
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Change Management Considerations

- Possibility of resistance from Public Works staff to adjust to new processes and possibly fewer staff in summer months.
- If the affected services are performed by other municipalities or by a new service provider, it may result in changes to service levels, which could impact the residents.
- Change Management and communications plans for the public and for staff will be critical for implementing successful change by ensuring everyone is aware of and understands the changes.

Recommendation #8: Further leverage the advantages of economies of scale by expanding shared services.

Strategic Theme – Efficient Service Delivery

Description

- The Village has made an effort to prioritize and increase shared services and purchasing with neighbouring municipalities, which was identified as a strength in the Current State Report.
- MNP’s earlier analysis of amalgamation concluded that there are more benefits in expanding on shared services, rather than pursuing amalgamation.
- Sub-recommendation #8A, #8B, and #8C are three activities that the Village can explore to further expand on their strength of prioritizing shared services.

Sub-recommendation #8C: Engage neighbouring municipalities to determine if there is interest in shared specialized equipment.

- Specialized equipment can be expensive and is often not used on a regular basis. It is recommended that the Village facilitate discussions with municipalities that are located nearby to share the cost, usage, and maintenance of any lightly used, specialized equipment that is required.
- Examples of specialized equipment may include, but are not limited to: loader, back ho, compressor, salt piles, shared space, etc.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>The departments that require specialized equipment</i> – will need to coordinate with the other municipalities with regards to maintenance and usage schedules to ensure the equipment is well maintained and it is not double booked. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> • The Village owns and operates many specialized pieces of equipment that is not always in use. </td> <td> <ul style="list-style-type: none"> • Shared use of specialized equipment with one or more municipalities. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> • The Village owns and operates many specialized pieces of equipment that is not always in use. 	<ul style="list-style-type: none"> • Shared use of specialized equipment with one or more municipalities.
Current State	Future State				
<ul style="list-style-type: none"> • The Village owns and operates many specialized pieces of equipment that is not always in use. 	<ul style="list-style-type: none"> • Shared use of specialized equipment with one or more municipalities. 				
<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Cost savings</i> – the Village can reduce overall expenses by sharing the cost of specialized equipment and the associated cost of maintenance. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Specialized equipment and associated maintenance</i> – either paying another municipality, or fronting the costs with promised payment from the other municipality. 				

Risks/Challenges

- It may be challenging to coordinate scheduled usage of specialized equipment with other municipalities, especially if a specific piece of equipment is needed in an emergency situation.
- Depending on where the other municipalities are located, Public Works staff could be required to drive extensive distances pickup the equipment which would be an inefficient use of staff’s time.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Clerk</i> – to facilitate discussions and negotiations with other municipalities. • <i>Public Works</i> – to support negotiations and to organize scheduling with other municipalities. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Close proximity</i> – discussions of this opportunity should only occur with municipalities that are close in proximity to avoid lengthy and unnecessary travel for Public Works staff. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost Savings: potential cost savings <ul style="list-style-type: none"> • Savings resulting from sharing the cost of specialized equipment and associated maintenance. • Amount: limited (less than \$50k in savings)
<p>Priority (H/M/L) – M</p>	<p>Timing – 1 year</p>	<p>Benefit (H/M/L) – M Complexity (H/M/L) – M</p>

Impact Assessment (H/M/L)

Staff – M	Structure – M	Technology – L	Culture – L	Finance – M	Leadership – M	Residents – L
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Change Management Considerations

- Change management considerations are limited to the Public Works department as staff may be required to travel further to pickup equipment, which could cause resistance.

Recommendation #9: Improve the financial incentives and viability of downtown development.

Strategic Theme – Economic Development

Description

- The Village has prioritized economic development initiatives for the downtown core, however it is still considered an ongoing challenge as there are many vacant storefronts.

Sub-recommendation #9A: Using the new municipal authorities provided under Bill 70, investigate opportunities to alter the Village's tax policy and rate setting procedures to financially incent property owners to develop their properties, and discourage vacant commercial buildings.

- The Village has received approval from the provincial government to be exempt from the vacant rebate program, which is an important step in prioritizing economic development in the downtown core. The Village is now in the early stages of researching a tax rate policy to increase the tax rates for vacant commercial, non-resident owners.
- Haldimand County and the District of Muskoka have been successful in enacting Bill 70, Building Ontario Up for Everyone Act (December 2016), which allows municipalities the flexibility to design customized vacancy tax policies. Included in **Appendix E** are the reports for councils consideration about these changes for Haldimand County and District of Muskoka, and an excerpt from Bill 70.
- The Village should continue to explore Bill 70 and any opportunities to alter the Village's tax policy and rate setting procedures to financially incent property owners to develop their properties, and discourage vacant commercial buildings.
- Ensuring there is effective and strategic communication with property owners to ensure understanding and buy-in is necessary for the success of removing the vacant tax rebate program.

Sub-recommendation #9B: Piggy-back infrastructure grants from governments to encourage land-owners to upkeep their property.

- It is recommended that the Village identify grants that can be leveraged to provide land-owners with financial support and incentives to upkeep their property.
- Examples of possible grants include, but are not limited to: the Ontario Municipal Partnership Fund (OMPF), and the Regional Development Program: Eastern Ontario Development Fund and Southwestern Ontario Development Fund. Additional grants should be identified with a thorough review of all possible grants.

Sub-recommendation #9C: Create a business improvement area (BIA) for the downtown region.

- It is recommended that the Village establish a BIA in the downtown core that would collect money from property owners to support physical improvements and beautification upgrades.
- This will support the Village in investing in signage, flower planting, sidewalk restoration, etc.

Affected Resources

- Business/property owners* – costs would increase as their preferential tax rates are discontinued and they are required to contribute funds to the BIA group.
- Treasury* – to develop the report to council for recommendation #9A.

What Will Change?

Current State

- The village supports and funds any downtown improvements.

Future State

- Improvements to the downtown core to support economic development.

Benefits/Outcomes

- Support economic development* – by providing a more attractive downtown area.
- Residents morale* – the community survey found that residents value downtown improvements.

Required Investments

- Downtown improvements* – as determined by the BIA group.
- Time* – to facilitate these changes.
- Communication plan* – to ensure acceptance from property owners.

Risks/Challenges –

- There is a risk that improvements to the downtown do not translate into economic development.
- Costs could increase for property owners and there is a risk they may resist these changes.

Implementation

Required Resources

- Treasury* – to facilitate grant usage and remove tax rebates, and establish the BIA.

Interdependencies

- Available grants to piggy-back on,*
- Cooperation from property owners.*

Cost/Revenue Implications

- Cost:** Ongoing cost
- Amount:** moderate (\$50k-\$250k)

Priority (H/M/L) – H

Timing – 1 year to 2 years

Benefit (H/M/L) – H Complexity (H/M/L) – M

Impact Assessment (H/M/L)

Staff – L	Structure – M	Technology – L	Culture – L	Finance – M	Leadership – M	Residents – H
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Change Management Considerations

- Possibility of resistance from property owners if expenses increase. A communication plan will be critical for implementing successful change.

Recommendation #10: To ensure proper planning of anticipated growth, the Village should create a Strategic Growth Plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.

Strategic Theme – Economic Development

Description

- The Current State Report identified that economic development is a priority for the Village, and will be pivotal in ensuring sustainable success and service delivery. In addition, many of the recommendations from this Service Delivery Review would result in economic development initiatives/projects.
- As such, it is recommended that the Village ensures proper planning of the growth that is anticipated from these initiatives by creating a strategic growth plan, which would include the review of the Village’s official plan (as mandated) and development of a comprehensive zoning bylaw that would encourage and facilitate the development of a range of property types.
- The Current State Report also identified that the Village’s “landlocked” geography poses a challenge for growing the population and development. Ensuring effective zoning bylaws are in place would address this challenge as it could allow developers to build residential units upwards, to maximize on the space available.

<p>Affected Resources</p> <ul style="list-style-type: none"> <i>Residents</i> – There may be impacts from growth on current residents. <i>Village Capacity</i> - The village may need to strengthen its building permit and plans examination services to accommodate growth. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> Zoning bylaw plan may not be effective for facilitating economic development. </td> <td> <ul style="list-style-type: none"> Planning of anticipated growth Zoning bylaw plans that encourage the development of a range of housing types. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> Zoning bylaw plan may not be effective for facilitating economic development. 	<ul style="list-style-type: none"> Planning of anticipated growth Zoning bylaw plans that encourage the development of a range of housing types.
Current State	Future State				
<ul style="list-style-type: none"> Zoning bylaw plan may not be effective for facilitating economic development. 	<ul style="list-style-type: none"> Planning of anticipated growth Zoning bylaw plans that encourage the development of a range of housing types. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Effective planning to support growth</i> – would prepare the Village in planning to accommodate growth, both with land planning and organizational capacity planning. <i>Economic development and assessment growth</i> – will support the developers in developing the 200 vacant lots. 	<p>Required Investments</p> <ul style="list-style-type: none"> <i>Councillors time</i> - to develop the strategic growth plan and zoning bylaw plan.
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Risks/Challenges

- There is a risk that residents are unhappy with new plans for residential development and growth.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> <i>Council</i> <i>Staff</i> <i>Chief Building Official</i> <i>Bylaw Enforcement Officer</i> 	<p>Interdependencies</p> <ul style="list-style-type: none"> <i>Recommendation #9</i> – This recommendation is meant to bring growth to the Village and improve economic development, which would impact the magnitude of growth in the strategic growth plan and zoning bylaw plan. <i>Recommendation #11</i> – the zoning bylaw plan would impact the economic development strategic plan as it could determine the types of buildings that are restricted. <i>Recommendation #12</i> – the zoning bylaw plan could impact the Village’s engagement with developers based on which residential buildings are allowed or restricted from developing. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> Cost: limited Amount: limited
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Priority (H/M/L) – H	Timing – 1 year	Benefit (H/M/L) – H Complexity (H/M/L) – M
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Impact Assessment (H/M/L)

Staff – L	Structure – L	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- A strong communication plan and change management strategies should be in place for residents as they may resist any development changes to the Village.

Strategic Theme – Economic Development

Description

- The Village is involved in many economic development initiatives including a downtown beautification program, development of multi-vendor market place and support of the Almaguin Highlands Regional Economic Development Strategic Plan. However, it is recommended that the Village complete its own Economic Development Strategic Plan to brand and market Burk's Falls with the overall objective of building assessment growth.
- The Village could be branded as an attractive retirement destination, as people from major urban centres often seek out quaint and urban-like locations to move to once they retire.
- Key features of retirement destinations include, but are not limited to: an established health care centre, close proximity to major urban centre (such as Toronto) to visit friends and family, low cost of living, access to internet and municipal services (e.g. snow clearing, curbside waste collections, etc.), recreation programs (e.g. bridge tournaments, swimming, golf courses, fitness centres, etc.), transportations services, public libraries, and local restaurants. Many of these key features are viable options for the branding Burk's Falls as an attractive retirement destination.
- Once this branding opportunity is established, the Economic Development Strategic Plan should include a public survey to determine what other services/amenities would be needed, which would be incorporated into a plan to achieve that strategic branding.
- If marketing Burk's Falls as a retirement destination is determined to be unviable, other marketing opportunities should be considered for the Economic Development Strategic Plan, such as becoming a popular culinary centre serving customers fresh food from local farms.

<p>Affected Resources</p> <ul style="list-style-type: none"> <i>Administration department</i> – economic development is administered through the Administration Department who would likely be responsible for developing the strategic plan and ensuring alignment with the Almaguin Highlands Regional Economic Development Strategic Plan (2020). <i>Public</i> – should be engaged throughout the project to determine the most effective branding strategy for the Village. Any changes from the plan will impact the public significantly. <i>Other resources</i> may be affected but it would be dependent on the finalized economic development strategic plan. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> Individual economic development initiatives being conducted by the Village and Almaguin Highlands Region. </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> Alignment of current and future initiatives with an overall strategy to develop the Village. Outline of how to attract development and how to collaborate with other municipalities for regional economic development and marketing. </td> </tr> </table>	<p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> Individual economic development initiatives being conducted by the Village and Almaguin Highlands Region. 	<p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> Alignment of current and future initiatives with an overall strategy to develop the Village. Outline of how to attract development and how to collaborate with other municipalities for regional economic development and marketing.
<p style="text-align: center;">Current State</p> <ul style="list-style-type: none"> Individual economic development initiatives being conducted by the Village and Almaguin Highlands Region. 	<p style="text-align: center;">Future State</p> <ul style="list-style-type: none"> Alignment of current and future initiatives with an overall strategy to develop the Village. Outline of how to attract development and how to collaborate with other municipalities for regional economic development and marketing. 		

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Identified goals and targeted outcomes</i> – to guide the Village in marketing and economic development initiatives. <i>Identified brand</i> – for the Village to attract more residents and build assessment growth. 	<p>Required Investments</p> <ul style="list-style-type: none"> <i>Time and resources</i> – required to develop the strategic plan. Potential investments that may be required to enhance the brand of the Village that would arise upon completion of the strategic plan.
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Risks/Challenges

- There is a risk that the economic development strategic plan is not utilized and leveraged effectively by management and staff.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> Administration department to facilitate development of the strategic plan. Council approval of the strategic plan. 	<p>Interdependencies</p> <ul style="list-style-type: none"> Ability to align branding opportunities with the Almaguin highlands Regional Economic Development Strategic Plan. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> Cost: initial and possibly ongoing to support initiatives Amount: moderate (\$50k-\$250k)
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Priority (H/M/L) – H	Timing – Under 6 months	Benefit (H/M/L) – H Complexity (H/M/L) – M
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Impact Assessment (H/M/L)

Staff – M	Structure – H	Technology – L	Culture – H	Finance – M	Leadership – M	Residents – H
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Change Management Considerations

- Change management considerations are limited throughout the development of the strategic plan, however there should be public engagement throughout the project to ensure effective branding and planning.
- Once the plan is developed, a change management and communication plan is needed for successful implementation of the branding strategy to ensure staff and the public understand what changes may occur and how it would affect them.

Recommendation #12: Aggressively market and support the development of vacant lots.

Strategic Theme – Economic Development

Description

- MNP’s Current State Report identified that the Village has an estimated 200 lots available and there is an opportunity to aggressively market and support the development of these lots to increase economic development and assessment growth.
- The following sections describe two sub-recommendations on how the Village can market and support subdivision development of the 200 vacant lots.

Sub-recommendation #12A: Work with the Ministry Transportation Ontario (MTO) to accelerate the disposition of the properties they own to viable developers.

- It was identified that MTO owns about 60 vacant lots that the Village is targeting to buy back over the next five years.
- It is recommended that the Village should work with MTO to accelerate the disposition of the properties to viable developers. This will save the Burk’s Falls the cost of purchasing these lots and the time and resources that would be needed to develop them.

Sub-recommendation #12B: Work with developers to support subdivision development of vacant lots.

- The Village identified one developer that owns 24 vacant lots, and three other developers in the region who may be interested in developing the remaining vacant lots.
- Burk’s Falls should engage these four developers in brief individual interviews, or as a group, to understand how the Village can support marketing efforts and public amenities that would make subdivision development more attractive to grow the community.
- Examples of support that developers may require include, but are not limited to:
 - Aggressive marketing support for new (e.g. advertisements in Huntsville/Barrie/Toronto/etc. newspapers, social media advertisements, tv commercials, etc.);
 - Community amenities (e.g. parks, hiking trails, community centre, etc.);
 - Data analysis on demographics (e.g. the type of people attracted to the Village);
 - Personal welcome from the Mayor included as part of developer marketing materials;
 - Transportation systems (e.g. public bus/car system around the Village, and transportation to and from the nearest hospital, etc.); and,
 - Attract additional service providers (e.g. grocery store, pharmacy, home garden stores, vet services, etc.) to influence competitive prices for residents.

Affected Resources	What Will Change?	
	Current State	Future State
<ul style="list-style-type: none"> <i>The Administration Department</i> – is responsible for economic development and should be responsible for initiating discussions with MTO and the developers in the region. 	<ul style="list-style-type: none"> 200 vacant lots and stagnant assessment growth. 	<ul style="list-style-type: none"> Subdivision development on all or majority of the 200 vacant lots.

Benefits/Outcomes	Required Investments
<ul style="list-style-type: none"> <i>Supports economic growth</i> – by attracting new residents and subsequently retail amenities Grow the assessment base. 200 completed residential units could easily generate tax revenue increases in excess of \$300,000 annually 	<ul style="list-style-type: none"> <i>Marketing initiatives</i> – to support subdivision development and attracting more people. <i>Possible investments in community amenities and/or a small transportation system</i> – depending on the outcome of engagements with the developers.

Risks/Challenges –

- There is a risk that MTO and/or the developers are not willing to work with the Village to develop subdivisions.
- There is a risk the Village’s efforts in supporting subdivision development does not attract new residents.

Implementation

Required Resources	Interdependencies	Cost/Revenue Implications
<ul style="list-style-type: none"> Administration Department Council support and guidance 	<ul style="list-style-type: none"> <i>Recommendation #11</i> – the branding strategy developed from implementing recommendation #11 should support the Village’s discussions with developers to identify targeted and specific amenities. 	<ul style="list-style-type: none"> Cost: Initial, possibly ongoing <ul style="list-style-type: none"> <i>Initial costs</i> of additional amenities. <i>Ongoing costs</i> of transportation and marketing Amount: limited (less than \$50k)
Priority (H/M/L) – H	Timing – 1 to 2 years	Benefit (H/M/L) – H Complexity (H/M/L) – M

Impact Assessment (H/M/L)

Staff – M	Structure – L	Technology – L	Culture – L	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- The Village should engage the public so they are aware of discussions with developers and MTO and understand the construction that may occur as a result.

Strategic Theme – Economic Development

Description

- As mentioned throughout this report, the Village's downtown core has been an ongoing challenge with longstanding vacancies in storefronts and only one grocery store, pharmacy and convenience store. Stakeholder interviews identified that residents often shop in Huntsville because the price of groceries in the Village is too expensive and the selection of products and stores is limited.
- It is recommended that the Village should support local retailers to improve competitive pricing for basic goods and services, such as groceries, pharmacies, etc.
- The Village should begin discussions with neighbouring municipalities to identify viable and interested partners for this project. Notably, Armour Township and Ryerson Township both have one or two independent or specialized grocery stores in the area and could be experiencing similar monopoly pricing challenges as the Village.
- A few examples of how the Village could support local retailers include, but are not limited to:
 - Identifying the larger customer base that is achieved when the Village is partnered with other municipalities;
 - Identifying its economic development initiatives to highlight the potential of additional customers (specifically, if the Village implements recommendation #11 and #12);
 - Investing in marketing support promote the new businesses and branding the village as a place to come and shop; and,
 - Providing residents with transportation to and from the stores.

Affected Resources <ul style="list-style-type: none"> <i>Current stores</i> – with a stronger retail market, current stores would likely reduce prices to remain competitive. <i>Residents</i> – would be positively affected with more variety of goods and services, and lower prices. 	What Will Change?	
	Current State	Future State
	<ul style="list-style-type: none"> Monopoly prices within the Village, with limited variety of goods and services. Bus takes residents to Huntsville to shop. 	<ul style="list-style-type: none"> More competitive prices with greater variety of goods and services. Residents shop within the Village.

Benefits/Outcomes <ul style="list-style-type: none"> <i>Reduced costs of goods for residents</i> – achieved with a broader range of retail services. <i>Increased variety of goods and services</i> – achieved with multiple types of goods and services. <i>Supports economic develop</i> – stronger retail amenities would improve the attractiveness of new development. 	Required Investments <ul style="list-style-type: none"> <i>Features and amenities to strengthen retailing</i> – this will be dependent on discussions with store owners (e.g. if the enticement offering requires marketing advertisements or transportation support). Some of these cost, such as advertisements, could be shared with the municipal partners.
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Risks/Challenges

- Lack of interest from neighbouring municipalities* – it could be challenging for the Village to convince shoppers from multiple municipalities to shop locally.
- Lack of interest from new retailer* – given the typical challenges of sustaining retail operations within a small market, and with significant seasonality, there is a risk that retailers may not be interested in establishing or expanding a store in the area.

Implementation

Required Resources <ul style="list-style-type: none"> <i>Council</i> – would need to be involved in negotiations with municipal partners and retail owners. <i>Project manager</i> – the Village should assign a resource to be responsible for driving this project. 	Interdependencies <ul style="list-style-type: none"> Recommendation #11 and #12 – will increase the attractiveness for retail development. Partnership with neighbouring municipalities – will increase the attractiveness for retail stores. 	Cost/Revenue Implications <ul style="list-style-type: none"> Cost: Ongoing Support Amount: limited (less than \$50k)
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Priority (H/M/L) – M	Timing – year 1 to year 2	Benefit (H/M/L) – H Complexity (H/M/L) – M
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Impact Assessment (H/M/L)

Staff – L	Structure – L	Technology – L	Culture – H	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- Effective communication plans should be in place to effectively address store owner concerns and inquiries.

Recommendation #14: Continue to develop the Almaguin Highlands Health Centre (“AHHC”) to position it (and subsequently, the Village) as the health centre hub in the region.

Strategic Theme – Economic Development

Description

- The Village owns and manages the AHHC building which services all residents in the Almaguin Highland region. Services offered within the building are provided by family health teams who are supported by the province. The province offers some funding to support the staff of doctors, including the executive director, nurses, and reception.
- It is recommended that the Village enhance the AHHC by attracting more doctors and other health care practitioners to provide services within the building, and elsewhere within the Village
- The Village should conduct a needs assessment to identify alternative health care services that are sought after in the region (e.g. physiotherapy, holistic medicine, RMT, acupuncture, optometrist, chiropractor, x-ray lab, blood lab, etc.), to determine whether the building would require an expansions or improvements, and to work in collaboration with the economic development department and local developers to ensure alignment with recommendation #11 and 12.
- The Village should seek more active support from neighboring municipalities to create a health services hub in Burk’s falls, including a formalized shared service agreement to sustain the centre financially. All local communities benefit.
- The Village should also investigate rents being paid by AHHC tenants to ensure that they are not significantly below market rates. This will improve sustainability of the AHHC

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>AHHC Manager</i> – there may be greater responsibility for the AHHC manager as this building is enhanced and further developed. • <i>Public</i> – increase in health care services offered to the public. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Limited health care services offered </td> <td> <ul style="list-style-type: none"> • Expansion of health care services would establish AHHC (and subsequently, Burk’s Falls) as the health care centre hub in the region. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> • Limited health care services offered 	<ul style="list-style-type: none"> • Expansion of health care services would establish AHHC (and subsequently, Burk’s Falls) as the health care centre hub in the region.
Current State	Future State				
<ul style="list-style-type: none"> • Limited health care services offered 	<ul style="list-style-type: none"> • Expansion of health care services would establish AHHC (and subsequently, Burk’s Falls) as the health care centre hub in the region. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Supports economic development growth</i> – as the health centre hub in the region, people would travel to the Village from across the region daily to access services. • <i>Supports recommendation #11</i> – if the Village decides to brand itself as an attractive retirement destination. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Investments</i> may be required to attract other health service providers, and to aggressively market the Village as a health centre hub for the region. • <i>Administration for the building</i> – with increased usage, AHHC may require additional FTE for facility maintenance and cleaning, property management, etc.
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Risks/Challenges

- There is a risk that the Village is unable to attract additional doctors and health service providers to the building and surrounding commercial areas.
- AHHC expansion, if warranted, would require larger capital investment and there is a risk that the return on investment is limited.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • AHHC Manager • Council and Management • Public engagement 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Recommendation #11 and 12</i> – enhancements to the AHHC should align and further support the implementation of recommendation #11 and 12. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost: Ongoing cost • Amount: Could be moderate (\$50k-\$250k), or significant (greater than \$250k) should an expansion of the facility be contemplated.
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Priority (H/M/L) – H	Timing – 2 years	Benefit (H/M/L) – H Complexity (H/M/L) – H
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Impact Assessment (H/M/L)

Staff – H	Structure – M	Technology – L	Culture – H	Finance – H	Leadership – M	Residents – H
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Change Management Considerations

- Change management considerations are limited.

Recommendation #15: Leveraging the core programs in the arena, optimize and enhance the recreation programs for the Village.

Strategic Theme – Efficient Service Delivery, Organizational Capacity

Description

- The Current State Report identified that recreation is a challenge for the Village and staff often feel over capacity in managing current program offerings. There is an opportunity to alleviate these capacity challenges and enhancing programs leveraging the Arena’s capacity and consolidating services to optimize the recreation program portfolio.
- The Village should conduct a public survey to determine strengths and challenges with the current recreation programs, and to identify opportunities to remove, consolidate, or add specific programs.
- Considering the economic development initiatives that MNP has recommended, the Village should also consider the targeted brand that results from the Economic Development Strategic Plan in recommendation #11, and engage developers to identify any recreation programs that would support subdivision development and the implementation of recommendation #12.
- With a comprehensive list of what recreation programs the public wants and which would align with recommendation #11 and #12, the Village can prioritize and streamline its recreation program portfolio, and leverage currently existing services at the Arena to reduce the resources needed to deliver recreation services. For example, the Arena staff could facilitate bridge tournaments, bingo, etc. in the rental space of the building.
- Optimizing the recreation program offerings will support the recreation staff in focussing on program offerings that are prioritized by the public to alleviate capacity challenges experienced by staff.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Residents</i> – changes in recreation programs will directly affect residents as some programs may be cancelled, consolidated, or added. • <i>Recreation Department</i> – should be involved in the process and would be required to support the changes in recreation programming. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Unclear of which programs are of importance to residents. </td> <td> <ul style="list-style-type: none"> • The Village would gain insights into areas of improvement for recreation. • Prioritized and streamlined recreation program portfolio. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> • Unclear of which programs are of importance to residents. 	<ul style="list-style-type: none"> • The Village would gain insights into areas of improvement for recreation. • Prioritized and streamlined recreation program portfolio.
Current State	Future State				
<ul style="list-style-type: none"> • Unclear of which programs are of importance to residents. 	<ul style="list-style-type: none"> • The Village would gain insights into areas of improvement for recreation. • Prioritized and streamlined recreation program portfolio. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Enhanced recreation programs</i> – through public and stakeholder consultation, the Village could identify the programs that are valued by residents. • <i>Optimize resources</i> – the Village can consolidate and/or remove programs that are not important to better utilize resources (staff, facilities, equipment, etc.) 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Public and stakeholder consultation</i> – surveys and focus groups. • <i>Costs of adding, removing, or consolidating programs</i>
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Risks/Challenges

- It could be challenging if there is a misalignment in public expectations of recreation programs and those identified from the implementation of recommendation #11 and #12.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Recreation and Administration Department</i> – to align goals and facilitate the engagement. • <i>Administration Department</i> – should work with the recreation department to align economic development initiatives with the optimized and enhance program offering. • <i>Public and stakeholder consultation</i> – to provide input in the ideal recreation programming. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>Recommendation #11 and #12</i> – the revised programming should align with the Economic Development Strategic Plan branding, and should increase the attractiveness for subdivision development 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost: Initial cost <ul style="list-style-type: none"> • Initial cost to engage the public and stakeholders, and to make changes to current service offerings. • Amount: limited (less than \$50k)
<p>Priority (H/M/L) – M</p>	<p>Timing – Under 1 year</p>	<p>Benefit (H/M/L) – M Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)

Staff – M	Structure – L	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – H
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Change Management Considerations

- Change management considerations are limited to the Recreation Department as they may be required to adapt their current processes to provide different recreation programs.

Recommendation #16: Improve Arena operations by eliminating reduced/complimentary rental rates, adding a surcharge for capital, enhancing staff scheduling, and proactively managing equipment replacement timelines.

Strategic Theme – Efficient Service Delivery, Organizational Capacity

Description
 • It was identified in the Current State Report that the Arena faces a number of challenges that limit its efficiency, effectiveness, and revenues. It is recommended that the Village improve Arena operations by addressing the following three sub-recommendations.

Sub-recommendation #16A: Eliminate reduced or complimentary rental rates that are currently being offered and implement a surcharge for capital on rentals.

- It is recommended that the Village refrain from offering complimentary and/or reduced rental and implement a surcharge rate on rentals to support revenue generating activities and the ability to recover a greater portion of the cost.
- If the Village is concerned with its residents and elderly population paying higher rates, it should develop Arena identification cards or unique numbers that allow access to preferential rates for Burk's Falls residents only, and/or offer reduced costs across the board for all elderly individuals in the Almaguin region.
- Discounted rental rates, if offered, should at least be high enough to cover the costs of cleaning the rental space and should cover the cost of staff to oversee the rental.
- The Village should collect data on user's place of residence to ensure that the current cost sharing agreement is fair. Data can be collected by asking users to provide their postal code while booking the area, as well as MTO's licence plate lookup service.

Sub-recommendation #16B: Review staff scheduling to determine optimal structures.

- Arena staff identified that it is a challenging to complete all responsibilities on their own in one shift, which has led to dissatisfaction as staff do not feel they can be successful in their position.
- It is recommended that the Village adjust staffing schedules to have employees shifts overlap for 1-2 hours to provide additional support in completing tasks.
- In light of the strenuous cleaning requirements resulting from the COVID-19 pandemic, assess opportunities to outsource cleaning responsibilities to determine the most economical option.

Sub-recommendation #16C: Identify aging equipment (e.g. back-up Zamboni, compressor room, etc.) that may need to be maintained or replaced, and target the growth of a reserve fund.

- Leverage the review and identified reserve ratio for Arena operations to feed into recommendation #16.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Arena staff and management</i> – scheduling and daily operations/processes may change as a result of the review. • <i>Public/residents</i> – depending on the changes to preferential rental rates. 	<p>What Will Change?</p> <table border="0"> <tr> <td data-bbox="962 654 1431 743"> <p>Current State</p> <ul style="list-style-type: none"> • Rentals cost the Village money and does not operate efficiently. </td> <td data-bbox="1431 654 1926 743"> <p>Future State</p> <ul style="list-style-type: none"> • Recovered costs and improved efficiency/effectiveness </td> </tr> </table>	<p>Current State</p> <ul style="list-style-type: none"> • Rentals cost the Village money and does not operate efficiently. 	<p>Future State</p> <ul style="list-style-type: none"> • Recovered costs and improved efficiency/effectiveness
<p>Current State</p> <ul style="list-style-type: none"> • Rentals cost the Village money and does not operate efficiently. 	<p>Future State</p> <ul style="list-style-type: none"> • Recovered costs and improved efficiency/effectiveness 		
<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Increased efficiency and effectiveness of service delivery</i> – enabling staff to be successful in their position. • <i>Cost recovery</i> – through less discounted rental rates. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Time</i> – reviewing Arena operations. • <i>Transfers to reserves</i> • <i>Possibly and additional resource</i> – if capabilities/capacity do not exist to conduct the review. 		

Risks/Challenges
 • There is a risk that the public and Council do not accept increased rental rates/elimination of preferential rates.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • Council approval 	<p>Interdependencies</p> <ul style="list-style-type: none"> • Recommendation #17 – information regarding Arena reserves should be incorporated into recommendation #17. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost: initial, as needed, cost recovery <ul style="list-style-type: none"> • <i>Initial cost</i> to conduct the review. • <i>Costs as needed</i> to build reserves. • <i>Recover costs</i> associated with renting a space by charging people for the use. • Amount: moderate (\$50k-\$250k)
<p>Priority (H/M/L) – M</p>	<p>Timing – year 2 to year 3</p>	<p>Benefit (H/M/L) – M Complexity (H/M/L) – M</p>

Impact Assessment (H/M/L)

Staff – H	Structure – M	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – M
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Change Management Considerations

- Possibility of resistance from Council and residents to adjustments in increased rental rates. Change Management and communications plans will be critical for implementing successful change.

Recommendation #17: Leverage the asset management plan to determine the optimal reserve ratio.

Strategic Theme – Efficient Service Delivery

Description

- The Village has recently completed infrastructure projects that have significantly depleted its reserve funds. While this has improved the condition and useful life of the Village's assets, there is more work that needs to be done.
- Leveraging the 10-year asset management plan that was developed in 2019, the Village should identify the optimal reserve ratio over the coming years to effectively plan for future updates and maintenance requirements.
- It is also recommendation that the Village conduct quarterly adjustments to budgets based on actuals, to target increased reserves.
- The Village should also investigate pooling its capital projects with other nearby municipalities in order to create larger projects that will attract more bidders and benefit from economies of scale.

<p>Affected Resources</p> <ul style="list-style-type: none"> • <i>Treasury</i> – to facilitate and validate the analysis. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Depleted reserves from recent infrastructure projects. </td> <td> <ul style="list-style-type: none"> • Slowly accumulate funds to grow reserves. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> • Depleted reserves from recent infrastructure projects. 	<ul style="list-style-type: none"> • Slowly accumulate funds to grow reserves.
Current State	Future State				
<ul style="list-style-type: none"> • Depleted reserves from recent infrastructure projects. 	<ul style="list-style-type: none"> • Slowly accumulate funds to grow reserves. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> • <i>Financial prepared</i> – to complete the necessary infrastructure and equipment projects as identified in the asset management plan. 	<p>Required Investments</p> <ul style="list-style-type: none"> • <i>Contributed funds to the reserves.</i>
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Risks/Challenges

- There is a risk that the optimal reserve ratio is either overestimated or underestimated, which could delay infrastructure projects.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> • <i>Treasury</i> – to facilitate and validate the analysis. • <i>Management and Council Approval</i> – of new targeted reserve ratio. 	<p>Interdependencies</p> <ul style="list-style-type: none"> • <i>10-Year Asset Management Plan</i> – this recommendation is dependent on the results of this plan. • <i>Recommendation #16</i> – incorporate the reserve fund that was identified in recommendation #16. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> • Cost: Ongoing Cost <ul style="list-style-type: none"> • Funds would be tied up in reserves • Amount: Moderate (\$50k-\$250k)
<p>Priority (H/M/L) – H</p>	<p>Timing – Current to year 5</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)						
Staff – L	Structure – L	Technology – L	Culture – L	Finance – H	Leadership – M	Residents – L

Change Management Considerations

- Change management considerations are limited for this recommendation.

Recommendation #18: Increase the Village's organizational capacity and capabilities by hiring 1.0 FTE for special projects with a focus on economic development.

Strategic Theme – Organizational Capacity

Description

- It is recommended that the Village hire an additional 1.0 FTE to oversee special projects with a focus on economic development. This position would oversee all of the projects resulting from the Service Delivery Review that the Village's decides to approve and implement.
- Economic development will be key for the Village's success as it will target growth in its tax base and assessment value. For this reason, and because many of the recommendations from this review are initiatives that support economic development, the successful candidate should have a strong background in economic development so this position can focus on this strategic area.
- After the special projects are complete, this position can remain either full-time or part-time to address additional capacity needed to sustain economic growth or as a result of the expected growth.
- This position should also help alleviate capacity challenges that were identified in Administration Department, as it would assume responsibility for the economic development function. As well, it should provide some relief for the capacity challenges related to property management as it relates to AHHC since the recommendation for the AHHC building will be managed by the new position.

<p>Affected Resources</p> <ul style="list-style-type: none"> <i>Current Staff</i> – would have to adapt to the new employee and collaborate to effectively implement the recommendations. 	<p style="text-align: center;">What Will Change?</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Current State</td> <td style="width: 50%; text-align: center;">Future State</td> </tr> <tr> <td> <ul style="list-style-type: none"> Staff would be overcapacity if required to drive the special projects and economic growth. </td> <td> <ul style="list-style-type: none"> Additional capacity would enable effective implementation of the recommendations. </td> </tr> </table>	Current State	Future State	<ul style="list-style-type: none"> Staff would be overcapacity if required to drive the special projects and economic growth. 	<ul style="list-style-type: none"> Additional capacity would enable effective implementation of the recommendations.
Current State	Future State				
<ul style="list-style-type: none"> Staff would be overcapacity if required to drive the special projects and economic growth. 	<ul style="list-style-type: none"> Additional capacity would enable effective implementation of the recommendations. 				

<p>Benefits/Outcomes</p> <ul style="list-style-type: none"> <i>Effective implementation</i> – will support the success of the special projects and economic development 	<p>Required Investments</p> <ul style="list-style-type: none"> <i>Onboarding, salary, and training</i>
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Risks/Challenges

- There is a risk that the talent pool to select the new candidate does not have a background in economic development and implementing special projects.
- The Village has a small, tight-knit group of staff and it could be challenging to integrate the new hire into the current culture.

Implementation

<p>Required Resources</p> <ul style="list-style-type: none"> <i>Clerk and council</i> – to approve of the new position. <i>Administrative assistant</i> – to draft the job description and screen potential candidates. 	<p>Interdependencies</p> <ul style="list-style-type: none"> <i>Recommendation #1 to #17</i> – The new position will be supporting the implementation of recommendation #1 to #17. 	<p>Cost/Revenue Implications</p> <ul style="list-style-type: none"> Cost: ongoing Amount: moderate (about \$60k)
<p>Priority (H/M/L) – H</p>	<p>Timing – Under 6 months</p>	<p>Benefit (H/M/L) – H Complexity (H/M/L) – L</p>

Impact Assessment (H/M/L)

Staff – H	Structure – H	Technology – L	Culture – M	Finance – L	Leadership – M	Residents – L
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Change Management Considerations

- Effective training for a seamless integration of the new employees.

Appendix D: Summary of Recommendations Assessment

Summary Investments and Benefits of Recommendations

Below is a summary of the recommendations addressing the Cost, Benefits, and Net Impact of each.

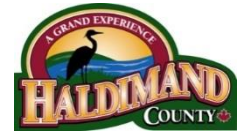
Reference	Recommendation Description	Cost	Benefit Assessment	Complexity Assessment	Priority Assessment
Appendix C – pg. 60	Recommendation #1: Define and implement service level standards and KPIs.	Limited <\$50,000	H	M	M
Appendix C – pg. 61	Recommendation #2: Develop an IT strategic plan. To outline guiding principles for a strategic approach to technology selection.	Limited <\$50,000	H	L	M
Appendix C – pg. 62	Recommendation #3: Prepare a workforce strategy for the Village staff.	Limited <\$50,000	H	L	H
Appendix C – pg. 63-64	Recommendation #4: Increase water utility rates 3% a year over 10 years.	Cost Recoveries	H	L	M
Appendix C – pg. 65	Recommendation #5: Begin discussions with OCWA to investigate whether it would be cost effective and more efficient for OCWA to perform the daily water check-ins and operations.	Limited <50,000	H	M	H
Appendix C – pg. 66-67	Recommendation #6: Reduce waste management operating costs or increase revenues.	Cost Savings and Recoveries	M	L	H
Appendix C – pg. 68	Recommendation #7: Do not pursue amalgamation at this point in time.	N/A	N/A	N/A	N/A
Appendix C – pg. 69-71	Recommendation #8: Further leverage the advantages of economies of scale by expanding shared services	Cost Savings	H	M	M
Appendix C – pg. 72	Recommendation #9: Improve the financial incentives and viability of downtown development.	Moderate \$50,000-\$250,000	H	M	H
Appendix C – pg. 73	Recommendation #10: Create a strategic growth plan, which includes the review of the official plan and development of a comprehensive zoning bylaw.	Limited <\$50,000	H	M	H
Appendix C – pg. 74	Recommendation #11: Complete an Economic Development Strategic Plan to brand and market Burk's Falls with the overall objective of building assessment growth.	Moderate \$50,000-\$250,000	H	M	H
Appendix C – pg. 75	Recommendation #12: Aggressively market and support the development of the vacant lots.	Limited <\$50,000	H	M	H
Appendix C – pg. 76	Recommendation #13: Support local retailers to improve competitive pricing for basic goods and services.	Limited <\$50,000	H	M	M
Appendix C – pg. 77	Recommendation #14: Continue to develop the AHHC to position as health care hub for region.	Significant > \$250,000	H	H	H
Appendix C – pg. 78	Recommendation #15: Optimize and enhance the recreation programs for the Village.	Limited <\$50,000	M	L	M
Appendix C – pg. 79	Recommendation #16: Improve Arena operations with the sub-recommendations	Moderate \$50,000-\$250,000	M	M	M
Appendix C – pg. 80	Recommendation #17: Leverage the asset management plan to determine the optimal reserve ratio.	Moderate \$50,000-\$250,000	H	L	H
Appendix C – pg. 81	Recommendation #18: Hire 1.0 FTE for special projects with a focus on economic development.	Limited <\$50,000	H	L	H

Appendix E: Municipal Examples and Bill 70



HALDIMAND COUNTY

Report CS-FI-08-2017 Vacancy Rebate and Vacant/Excess Land Program Review



For Consideration by Council in Committee on May 9, 2017

OBJECTIVE:

To advise Council of increased flexibility, recently provided to Municipalities by the Province of Ontario, to alter Commercial/Industrial vacancy rebate and vacant/excess land tax policies, as well as to seek Council approval to initiate the required public consultation of the proposed revisions to Haldimand County's vacancy/vacant land tax policies.

RECOMMENDATIONS:

1. THAT Report CS-FI-08-2017 Vacancy Rebate and Vacant/Excess Land Program Review be received;
2. AND THAT staff be directed to hold public consultations with local businesses, based on the process outlined in Report CS-FI-08-2017, to discuss potential impacts of the proposed revisions to the vacancy/vacant land tax policies;
3. AND THAT a future report be submitted to Council outlining the results of the vacancy rebate public consultation, including the final recommended changes to Haldimand County's existing vacant unit and vacant/excess land subclass tax policies for submission to the Province before the July 1, 2017 deadline.

Prepared by: Mark Merritt, CPA, CA, Treasurer

Respectfully submitted: Karen General, CPA, CGA, General Manager of Corporate Services

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

After extensive consultation with municipal and business reference groups and a thorough review by Ministry staff, the Ministry of Finance enacted Bill 70, Building Ontario Up for Everyone Act, in December 2016 (refer to Attachment #1). A significant component of Bill 70 is in regards to the current mandatory vacant unit and vacant/excess land tax rebate programs. These mandatory tax policies currently provide a 30% tax reduction for eligible commercial properties and a 35% tax reduction for eligible industrial properties. The introduction of the Bill was, in part, due to the overwhelming request by municipalities for increased flexibility with the existing vacancy tax rebate programs. The increased flexibility will allow municipalities to design customized vacancy tax policies, including elimination of these programs in their entirety, to better align with local circumstances and needs.

Proposed changes require approval by the Ministry of Finance, and Haldimand County must:

- engage the local business community to discuss potential impacts of the proposed changes;
- pass a Council resolution indicating the details of any proposed change; and
- complete a formal submission to the Province before the July 1, 2017 deadline.

For the reasons outlined in this report, staff are recommending the following changes to the current tax policies:

- Vacant Unit Tax Rebate
 - *Commercial Properties*: Phase out the current program in its entirety, over two years, by reducing the eligible rebate percentage from the current rate of 30%, to 15% in 2018 and 0% in 2019 and onward.
 - *Industrial Properties*: Eliminate the current program in its entirety by reducing the eligible rebate percentage from the current rate of 35%, to 0% in 2018 and onward.
- Vacant/Excess Land Tax Rate
 - *Commercial Properties*: Phase out the current program in its entirety, over four years, by reducing the eligible rebate percentage from the current rate of 30%, to 22.5% in 2018, 15% in 2019, 7.5% in 2020 and 0% in 2021 and onward.
 - *Industrial Properties*: Phase out the current program in its entirety over four years by reducing the eligible rebate percentage from the current rate of 35%, to 26.25% in 2018, 17.5% in 2019, 8.75% in 2020 and 0% in 2021 and onward.

The above proposed phase-outs will provide the affected property owners with sufficient time to plan for the changes and act accordingly.

Staff are recommending the following methods to meet the mandatory public consultation requirements: a group meeting will be scheduled jointly with the local Business Improvement Areas (BIAs) and Chambers of Commerce and a separate general open house information session with the public to provide an opportunity to give their feedback/input on the proposed changes. These sessions will be promoted through the County's social media, website and newspaper advertisement.

It is felt that these recommended tax policy changes: will provide an incentive to affected property owners to develop under-utilized buildings, which should lead to increased occupancy; or will encourage such owners to convert the properties to active uses, leading to increased economic development and future property taxes.

BACKGROUND:

Since 1998, Provincial legislation has required Municipalities to have mandatory vacant unit and vacant/excess land property tax rebate programs.

Section 364 (1) of the *Municipal Act, 2001* S.O. 2001 c.25 (the "Act") specifies that every local municipality shall have a program to provide tax rebates to owners of properties that have a vacant building (or portion thereof) if that property is in any of the commercial or industrial tax classes. This program is governed by additional regulations to clarify eligibility and how the rebates apply specifically to commercial or industrial buildings. The Act further specifies that, if the eligible property is in any of the commercial tax classes, the rebate shall be equal to 30 percent. If the property is in any of the industrial tax classes, the rebate shall be equal to 35 percent. For a property owner to receive the vacant unit tax rebate, an application shall be made by the property owner to Haldimand County by the last day of February of the year following the taxation year in respect of which the application is made.

The following rules applied until the current legislation was affected by Bill 70:

- A suite or unit within a commercial building will be eligible for a rebate if, for at least 90 consecutive days, it was:
 - Unused and clearly delineated or physically separated from the used portions of the building; and
 - Either: Capable of being leased for immediate occupation **or** Undergoing or in need of repairs or renovations that prevented it from being available for lease for occupation, **or** Unfit for occupation.

- A portion of an industrial building will be eligible for a rebate if, for at least 90 consecutive days, it was:
 - Unused; and
 - Clearly delineated or physically separated from the used portions of the building.

- A building or portion of a building will not be eligible for a rebate if:
 - It is used for commercial or industrial activity on a seasonal basis;
 - During the period of vacancy, it was subject to a lease, the term of which had commenced; or
 - During the period of vacancy, it was included in a sub-class for vacant land.

If a vacant unit rebate application is approved by staff based on the applicable policy, rebates will be applied first to any outstanding tax liability on the property, after which a refund may be issued.

The Act also specified, under Section 313 (1), that the tax rates levied on commercial and industrial excess/vacant land shall be reduced by 30% and 35%, respectively, or by a combined rate that falls in between those two rates, as approved by Council. These properties are identified by the Municipal Property Assessment Corporation (MPAC) and are assessed in separate tax classes to which the reduced rate applies.

Since the inception of the original property tax legislation, municipalities have raised concerns over the application and underlying effectiveness of the vacancy tax policies. Over the past two years, the Province has been conducting stakeholder consultations, with representatives from both municipalities and the business community, on potential revisions to these programs. One of the main drivers leading to the review of these legislative provisions was the recent court decision requiring Haldimand County to provide vacant unit tax rebates to US Steel Canada Inc., for the taxation years 2010, 2013 and 2014, during periods of labour disputes/lock-outs. This court ruling exposed some of the shortcomings of the current legislation. Haldimand Council and staff expressed significant concern directly to the Province, the Association of Municipalities of Ontario and municipal associations in order to stress the unfairness of the current tax regime.

In response, the Province established a Municipal Reference Group with representation from small and large municipalities as well as Finance and Municipal organizations. Haldimand staff were active participants during these stakeholder meetings. A Business Reference group was also established with representation from large industry and several business associations (including the Ontario BIA Association and Ontario Chamber of Commerce).

During these consultations, the following issues with the existing legislation were raised by members of the Municipal Reference Group:

- Increased municipal costs from loss of tax revenue;
- Eligibility requirements too broad and general (i.e. did not contemplate labour disputes/lockouts as eligible for vacancy tax rebates);
- No limitation on the number of years a property can be considered vacant and eligible;
- Program leads to lack of incentive to develop properties or fill vacancies;
- In many cases, revised assessed values of commercial and industrial buildings will factor in the impact of vacancies, thereby already resulting in lower annual taxes;
- Assessment practices have led to perceived “double-dipping” as properties can receive reduced assessed values related to vacancies, in addition to a vacancy tax rebate during the same period;
- The vacancy program is application based which requires considerable administration by municipal staff;
- It is difficult to substantiate claims (i.e. timeframes and actual vacancy) as applications are typically received after the vacant period has ended – applications must be received by the end of February in the year following the vacancy;
- Although the vacancy program is administered by the municipality, property owners can appeal to the Assessment Review Board with recent decisions favouring the applicant and extending the interpretation of vacancy given the vague wording of the legislation.

Conversely, the Business Reference Group countered with the following arguments:

- These programs represent financial assistance to the owners of non-residential properties during periods of economic hardship (i.e. lack of business/rental demand);
- Elimination of the tax rebates would not provide financial relief during research and development trials that sometimes require a facility to be idle/vacant for extended periods;
- Current program does not provide for “pop-up”/seasonal businesses for periods of less than 90 days that would encourage otherwise vacant buildings to be occupied for short periods during the year;
- Would prefer a self-funded program as opposed to an out-right elimination of the current program (i.e. active/occupied businesses would fund the rebates of vacant buildings).

Interestingly, the Ontario BIA Association is supporting the elimination/phase-out of the vacant unit tax rebate program to promote investment in local downtowns and encourage full occupancy in all non-residential buildings. The news release advocating their support is attached to this report (Attachment #2).

As a result of these consultations and a thorough review by Ministry staff, in December 2016, the Ministry of Finance enacted Bill 70 Building Ontario Up for Everyone Act. A significant component to Bill 70 is in regards to the aforementioned vacant unit and vacant/excess land tax relief programs. The introduction of the Bill was, in part, due to the overwhelming response to municipalities seeking increased flexibility with the existing vacancy tax relief policies. The increased flexibility will now allow each municipality to design vacancy tax relief programs that better align with local circumstances and needs.

Municipalities must consult with local business on any proposed changes and then submit, for approval by the Minister of Finance, intended changes to the vacancy rebate programs prior to one of the following dates:

- March 1, 2017
- April 1, 2017
- July 1, 2017.

If changes are not enacted by the July 1, 2017 submission deadline, a future submission can be made which would then become effective in later years if approved by the Minister.

ANALYSIS:

Vacant Unit Tax Rebate Program

As previously indicated, Section 364 (1) of the *Municipal Act* specifies that every local municipality shall have a program to provide tax rebates to owners of a property that has a vacant building(s), or portions therein, if that property is in any of the commercial or industrial classes. Under this program, a business owner is liable for the full annual property taxes; and, in the subsequent year, a rebate of a portion of those taxes is refunded to the eligible property owner.

One of the main challenges with administering this program is that it can be difficult for staff to verify the validity or accuracy of vacant unit tax rebate applications. Applications can be made months after the actual vacancy has occurred so staff often need to solely rely on the disclosures of the applicant with little or no first hand verification. Further to this, by providing a property tax rebate for vacant units, it also effectively discourages the utilization of the existing building, potentially resulting in many vacant buildings in the downtown cores.

As a result of changes to the Act under Bill 70, municipalities now have the option, via Council resolution and with approval from the Ministry of Finance, to alter the existing vacant unit tax rebates that are offered to property owners. The new legislation effectively allows municipalities to tailor a program that meets their local requirements. This flexibility allows municipalities to enact, among other options, any of the following major changes:

- Modify the eligibility criteria to eliminate unintended application or to focus the program on specific businesses/uses;
- Reduce percentages/rebates applied to eligible applicants;
- Limit the number of consecutive years a specific property can be eligible;
- Eliminate the program in its entirety
 - Immediately; or
 - Phase out over a period of time.

Staff conducted a review of proposed vacant unit tax rebate programs of 10 other municipalities. While there are a wide variety of potential options that are available to municipalities, there appears to be a general consensus amongst those municipalities that the existing vacant unit tax rebate program does not serve the same purpose as was perhaps envisioned when originally enacted in the late 1990's to replace the Business Occupancy Tax. As a result, a significant portion of the municipalities that were contacted are proposing the elimination of the vacant unit tax rebate program (either immediately starting in 2017 or over a phase-out period).

For the reasons noted in the Ontario BIA correspondence (particularly for downtown areas) and during the Municipal Group consultation meetings (during which County staff raised many of the issues noted), staff are recommending the elimination of the vacant unit tax rebate program (currently at 30%) for commercial properties in Haldimand County, over a 2 year phase-out period starting in 2018. By phasing in the impacts of the program changes for commercial properties, it will allow time for the affected businesses (primarily landlords) to adjust their budgets accordingly to help plan for the financial impacts.

Staff also recommend that, for industrial properties, the vacant unit tax rebate of 35% be eliminated completely, effective January 1, 2018, with no phase-out period. Staff are not proposing a phase-out of the tax rebate for the industrial property class, primarily because vacant industrial facilities often receive property assessment decreases as a result of various obsolescence factors determined by MPAC. As a result, most of these eligible properties effectively receive an upfront annual property tax reduction for vacant industrial buildings, in comparison to industrial properties that are being fully utilized. By eliminating the program, effective January 1, 2018, for industrial properties, these properties will no longer be able to potentially benefit twice from leaving their industrial buildings vacant.

The below table summarizes the proposed vacant unit tax rebate program, for both property classes, on a go forward basis.

Table 1: Phase-out of Vacant Unit Tax Rebate

<u>Year</u>	<u>Commercial</u>	<u>Industrial</u>
2017 – current rate	30%	35%
2018	15%	0%
2019 and onward	0%	0%

As noted in the Financial/Legal Impact section of this report, the potential impact on local businesses varies by year and by property tax class. Over the past 5 years, on average, 47 commercial buildings have utilized this program. Conversely, on average, only 7 industrial building owners have utilized the program (including the aforementioned US Steel Canada Inc.). Although the number of annual applications has risen, this program is utilized by relatively few of the total number of commercial and industrial properties with buildings in Haldimand County, as shown in the chart below:

Table 2: Utilization of Vacant Unit Tax Rebate Program – based on 2016 Data

Property Tax Class	Vacant Unit Applications* #	Total Properties in Tax Class #	Vacant Unit Applications as % of Total # of Properties in Tax Class
Commercial	49	517	9.5%
Industrial	3	228	1.3%
Total	52	745	7.0%

* not all may be eligible as 39 applications related to 2016 still being processed by staff

The use of this program, by Haldimand County businesses, has increased in recent years, with many of the owners making applications on an annual basis (i.e. over consecutive years) indicating chronic vacancies. As many of these buildings are in downtown urban areas, as pointed out by the Ontario Business Improvement Area Association, “*vacant and deteriorating buildings can and do result in a decrease in the lease rates or the overall “lease-ability” of a BIA area*”. The phased-out elimination of the vacant unit tax rebate program will, hopefully, provide a financial incentive to develop under-utilized buildings and/or lead to increased occupancy.

Vacant/Excess Land Property Subclasses

As previously noted, Section 313 (1) of the Municipal Act specified that the tax rates that would otherwise be levied for municipal purposes for the subclasses prescribed under subsection 8 (1) of the *Assessment Act* shall be reduced in accordance with the following rules:

- 30 percent reduction, or such other percentage as may be prescribed, to the tax rates that would otherwise be levied for municipal purposes on commercial properties to the commercial vacant/excess land subclasses; and
- 35 percent reduction, or such other percentage as may be prescribed, to the tax rates that would otherwise be levied for municipal purposes on industrial properties to the industrial vacant/excess land subclasses.

Unlike the vacant unit tax rebate program, land owners do not have to apply for this tax reduction on an annual basis. Eligibility for the vacant/excess land subclasses is determined by MPAC annually and reflected in the year end tax roll provided to the municipality, effectively discounting the upfront annual tax bill for such property owners.

As a result of changes to the Act, municipalities now have the option, via Council resolution and with approval from the Ministry of Finance, to change the prescribed discounts noted above for the vacant/excess land subclasses. These legislative changes allow municipalities to: eliminate the discounts completely; maintain the status quo; or increase the discount percentage. Similar to the vacant unit tax rebate program, one of the main criticisms with the existing vacant land subclasses discount is that it essentially provides a disincentive to the development of commercial and industrial lands by the property owners.

The same 10 municipalities that were surveyed for the vacant unit tax rebate program were also consulted with regard to their approach to discounting the vacant/excess land subclass. Unlike what was noted with the vacant unit tax rebate program, there was no clear consensus regarding proposed changes for this program. A few municipalities suggested that the vacant/excess land property subclasses be eliminated, with an approximately equal number of municipalities planning to maintain the status quo for 2017, with the potential for change in the future.

With this said, staff are proposing the elimination of the commercial and industrial vacant/excess property subclass over a 4 year phase-out period, starting in 2018 and ending 2021. The intent of the four year phase-out is to match the property re-assessment cycle of MPAC. By matching MPAC's reassessment cycle, it will allow for a "fresh" start in 2021 when the property values are next updated. The proposed phase-out percentage is summarized in the below table:

Table 3: Tax Rate Discount % Phase-out of Commercial/Industrial Vacant/Excess Lands

<u>Year</u>	<u>Commercial Vacant/Excess Land</u>	<u>Industrial Vacant/Excess Land</u>
2017 – current rate	30%	35%
2018	22.5%	26.25%
2019	15%	17.5%
2020	7.5%	8.75%
2021 and onward	0%	0%

As noted in Table 5, included in the Financial/Legal Impact section of this report, there are 260 affected properties, based on the current tax roll: 153 commercial properties and 107 industrial properties. Many of these properties are owned by corporate entities that hold numerous land holdings (e.g. US Steel Canada Inc. owns 28 of the industrial properties and 5 of the commercial properties). Corporate holdings by railway companies, Union Gas and Bell also collectively account for 56 of the total eligible properties. In addition, a number of these properties are in prime locations in downtown urban areas. The phase-out of this program will hopefully provide an incentive to develop these properties or convert them to active uses leading to increased economic development and future property taxes.

Public Consultation and Timeline

The Ministry of Finance has created a list of steps that must be completed by municipalities before any changes to the vacancy tax policies can be considered. The below table summarizes the processes that must occur, as outlined by the Ministry, to meet the July 1, 2017 submission deadline.

Table 4: Vacancy Tax Program Review Steps & Timelines

<u>Process</u>	<u>Description</u>	<u>Proposed Timeline</u>
Public Consultations: -BIA/Chamber group meeting -One Public Information Session (Cayuga Admin. Bldg.)	The County must engage the local business community and inform them of the potential impacts of the proposed changes.	May 2017
Council Review & Approval	Staff will analyse the result of the public consultation and provide Council with recommendations on proposed changes. A resolution will need to be passed by Council to approve the desired changes.	May 30, 2017 Council in Committee
Submit Proposal to Ministry	Any program alternation approved by Council will be submitted to the Ministry.	July 1, 2017
Implementation of Proposed Changes	Based on the recommended changes and given the timing of approvals/ budget cycles for both local businesses and the County – no changes will be implemented in 2017.	Upon approval or as determined by Council.

Staff are recommending the following methods to meet the public consultation requirements:

- A joint in-person meeting will be scheduled with the local BIAs/ Chambers of Commerce to provide them with an opportunity to give their feedback/input to the proposed changes.
- An open house/public information session will also be scheduled for general public/business feedback and input. Notification will be posted on the County website and through social media, with an advertisement in the local newspaper.

The above noted methods of consultation appear to be consistent with practices proposed at other local municipalities.

FINANCIAL/LEGAL IMPLICATIONS:

Vacant Unit Tax Rebate Program

The below table summarizes the total number of vacant unit rebates issues over the previous 5 years and their associated dollar value. In the past 5 years, 63 individual commercial and 13 individual industrial properties have successfully made application for the vacant unit rebate (76 unique properties in total). Of the 76 properties to make application, 20 properties (or 26%) have made 3 or more vacant unit applications in the 5 year analysis period. A considerable portion of these same properties apply for the vacant unit rebate on an annual basis.

The table summarizes the applications by year that the units were vacant and not necessarily the year the rebate was issued. The table also does not include the US Steel vacant unit rebate that was finalized in 2016 as it related to a 2010 vacancy (which is outside of the analysis period). If the US Steel amount from 2010 that was processed in 2016 was included, the total dollar value would increase by approximately \$156,000.

Table 5: Number and Dollar Value of Vacant Unit Tax Rebate Applications

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016*</u>	
	#	\$	#	\$	#	\$	#	\$	#	\$
Commercial	45	27,940	45	27,069	44	23,786	52	31,471	49	43,336
Industrial	10	5,581	8	165,726	7	77,305	8	57,752	3	54,686
Total	55	\$33,521	53	\$192,795	51	\$101,091	60	\$89,223	52	\$98,022
Total (excluding US Steel)	55	\$33,521	52	\$39,696	50	\$66,945	60	\$89,223	52	\$98,022

* The amounts for 2016 are estimates as staff are still processing 39 of the applications

The dollar values noted for each year of the above table are related to the municipal share of property taxes only. A budget for vacant unit tax rebates has been established for 2017 in the amount of \$66,000 (approximately 0.1% of the overall budgeted tax levy for 2017). In recent years, the dollar value of approved vacant unit tax rebate applications has exceeded budgeted expenditures on an annual basis (as can be seen in the above table). This rebate program is funded by all Haldimand County taxpayers (residential, farm, and business properties).

It should be noted that property owners are also eligible to receive the same percentage rebate on the education portion of their property taxes. Including the education portion, the total amount of vacant unit rebates, for the 5 year period reflected in Table 5 above, equates to approximately \$900,000, of which about \$515,000 is the municipal share. While the education rebate portion does not impact Haldimand County from an expenditure perspective, it does impact the local school boards and their total remittance received from the County.

Vacant/Excess Land Property Tax Subclasses

As summarized in Table 6, there are currently 260 properties in the County that qualify for the commercial and industrial vacant/excess land tax rate reductions in 2016. The 2016 current value assessment for these properties totaled slightly over \$40 million (as per the 2016 Levy Bylaw) and generated approximately \$580,000 in municipal property tax revenue (2016 values are being utilized as the tax policy and rates for 2017 has not been finalized).

Table 6: 2016 Summary of Commercial/Industrial Vacant/Excess Lands Property Tax Classes

<u>Property Class</u>	<u>Property Count</u>	<u>Current Value Assessment - 2016</u>	<u>Discounted Property Tax – 2016</u>	<u>At Full Property Tax Rate - 2016</u>	<u>Savings to Property Owner</u>
Commercial Excess/Vacant Lands	153	\$22,541,945	\$291,341	\$416,201	\$124,860
Industrial Excess/Vacant Lands**	107	\$17,652,993	\$291,262	\$448,095	\$156,833
Total	260	\$40,194,938	\$582,603	\$864,296	\$281,693

** 28 Industrial Properties relate to US Steel Canada Inc.

If the legislated property tax discounts (i.e., 30% for Commercial and 35% for Industrial Vacant/Excess Lands) were not in place, the total annual municipal property tax that would have been generated in 2016 from these 260 properties would have been approximately \$864,000 representing an increase of approximately \$280,000 (as these properties would have been taxed at the full commercial and industrial municipal rates). In addition, if the proposed changes to the current rebate program results in these properties being developed or utilized, additional commercial/industrial assessment and property taxes will be generated. The additional taxes that would be generated after the elimination of the program would benefit the tax levy by approximately 0.5%, based on 2017 values. It should also be noted that this additional tax revenue (both from the elimination of the program and from any potential development of industrial and commercial vacant/excess lands) would potentially shift some of the current property class tax burden to the commercial and industrial tax classes, benefiting the residential and farm classes, as well as other business tax classes that are ineligible for any vacancy tax relief.

STAKEHOLDER IMPACTS:

The review of the vacancy programs requires input from the local business community. Any changes that occur as a result of the review may effect local businesses and their associated annual budgets on a go-forward basis. Senior Management Team, as well as Planning and Economic Development staff, have also been consulted during the creation of this report and they have supported the noted recommendations.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

ATTACHMENTS:

1. Letter from Ministry of Finance Re: Vacant Unit Rebate and Vacant/Excess Land Subclasses
2. News Release – Ontario Business Improvement Area Association: Changing the Landscape by Changing the Vacant Unit Rebate



THE DISTRICT MUNICIPALITY OF MUSKOKA

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To: Chair and Members
Finance and Corporate Services Committee

From: Julie Stevens
Commissioner of Finance and Corporate Services

Date: June 19, 2019

Subject: Elimination of Vacant and Excess Land Reductions

Report: FCS-8-2019-8

Recommendation

WHEREAS Bill 70 enacted in late 2016 provided municipalities the flexibility to tailor the vacant and excess land tax reduction programs to reflect its community needs and circumstances, while considering the interests of local businesses;

AND WHEREAS the Province is phasing out the vacant and excess land tax rate reduction for education tax rates over a two year period in 2019 and 2020;

AND WHEREAS the District and Area Treasurers are proposing to have the District lead the review of the tax reduction program;

AND WHEREAS public feedback regarding the proposed program change is being solicited from the business community and the general public through a survey on the District's website which has been advertised through social and print media for the period from June 20 to July 5, 2019;

NOW THEREFORE BE IT RESOLVED THAT staff **be directed** to provide an updated report to District Council in July 2019 to consider one of the following options for the future of the vacant and excess land tax reduction program:

1. Keep the current tax reduction program;
2. Eliminate the tax rate reductions in 2020; or
3. Phase out the tax rate reductions over two years, starting in 2020.

Origin

The Province enacted Bill 70 in late 2016 which allows municipalities to tailor the vacant rebate and reduction programs to reflect community needs and circumstances, while considering the interest of local businesses. In December 2017, the Ministry of Finance issued a memorandum related to various property tax decisions which confirmed that municipalities will continue to have broad flexibility to modify their business vacancy rebate and reduction programs. In 2019, the Ministry of Finance decided to phase out the vacant and excess land tax reduction for education tax rates over

a two year period. In 2019, the reduction is decreased to 15% from 30%. In 2020, the reduction will not exist at all for education tax rates.

The deadlines to submit a notification to the Minister of Finance for changes effective for 2019 or later are May 1, 2019 and August 1, 2019.

Background

Further to report [CES-8-2017-3](#), the District and Area Treasurers completed a review of the vacant unit rebate programs across Muskoka in 2017. Following a consultation process, District Council approved the elimination of the vacant unit rebate, effective January 1, 2018.

Bill 70 also provided municipalities the ability to make changes to the vacant and excess land tax reductions. The District and Area Treasurers agreed to have the District lead the review of the reduction program in the next two months due to the following factors:

- The tax reduction program is established at the District level through an annual by-law;
- The Province has decided to eliminate the vacant and excess land tax rate reductions for education taxes in 2020; and
- The only remaining notification deadline for this year is August 1, 2019.

The remainder of this report focuses on a review of these tax reductions so that if District Council opts to make changes to the existing program, staff can submit the request prior to the August 1, 2019 deadline.

Analysis

In Ontario, the Municipal Property Assessment Corporation (MPAC) assesses properties and classifies them into different classes and subclasses, depending on the property's use. The District and Area Municipalities set the tax rates based on their respective budgets, which then determines the amount of property taxes that property owners need to pay based on the class and subclass of their property.

The vacant and excess land subclass only applies to commercial or industrial property. Vacant land is land that has no buildings or structures on it. Excess land is land that is not needed to serve or support the existing development. If MPAC assesses a property as excess or vacant land, this means that there are no improvements on the excess or vacant portion of the land.

Prior to Bill 70, the Province required all municipalities to provide tax rate reductions or reductions to commercial or industrial property owners who have vacant or excess land. The District currently provides a tax rate reduction of 30% to properties in these subclasses. As noted in the Financial Considerations section, there are 397 properties that are currently receiving this tax reduction which represents 0.6% of the taxable properties.

The tax rate reductions for vacant and excess land were implemented in 1998 when the property tax system was reformed. Pre-1998, when land, buildings and units became vacant, the assessment was changed from commercial or industrial to vacant. Lands that were deemed excess were classified as residential with no Business Occupancy Tax (BOT) applied. Both were then taxed at the residential "mill rate" which was 15% lower than the rate for occupied commercial property. With property tax reform in 1998, vacant and excess land became subclasses of the commercial and industrial property classes with a reduced rate of taxation. There are no reductions for vacant or excess land for any other property classes, such as vacant properties classified as residential or multi-residential.

Any change to the vacant and excess land subclass reductions would not change the amount of revenue raised through taxation; it would only change the distribution of taxes between all property classes. This means that property owners of vacant or excess commercial or industrial land will see a tax increase and all other property owners will see a tax decrease, but the total amount of taxation revenue raised stays the same.

Options for Consideration

In reviewing the options noted below, one should consider if there is a compelling reason why vacant and excess land should not pay the full rate of taxation. This tax rate reduction has essentially been a 20 year phase-in to the current property taxation system that took effect in Ontario in 1998. Vacant and excess land is appropriately assessed based on land value only (no structure value) so applying a tax rate reduction confers a benefit that does not apply to comparable land that has a structure on it. The lower tax rate for vacant and excess land may also be a deterrent to the development of the property. Reducing or eliminating the tax rate reduction for vacant and excess commercial and industrial property may result in the property being developed sooner rather than later. As noted above, tax reductions for these subclasses do not change the amount of taxes collected but rather, results in shifts of taxation on to the other property classes.

There are pros and cons for all three of the options being considered for the tax rate reduction. The information below summarizes the impact of each option. Staff have also highlighted if the option is different than the approach the Province has taken with these reductions for education taxes which have been reduced to 15% in 2019 from 30% and will be eliminated in 2020.

Option 1: Keep the current tax rate reductions

Commercial and industrial vacant and excess land owners will continue to receive a 30% tax rate reduction on their property taxes. All other property classes will continue to subsidize this reduction. Annually, the reduction amounts to approximately \$186,000 that all other property classes subsidize, as shown in the table in the Financial Considerations section.

Note: This option is not consistent with the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

Option 2: Eliminate the tax rate reductions in 2020

With this option, the tax reductions will be eliminated in 2020. This will increase the tax rate for commercial and industrial vacant and excess land by an estimated 42.9% based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the overall assessment base. Overall, this option will shift a total of approximately \$186,000 in upper and lower tier taxes onto commercial and industrial vacant and excess property owners in 2020.

Eliminating the reduction in 2020 will give property owners time to prepare and budget for a tax rate increase before the changes come into effect. As shown in Table 2 of the Financial Considerations section, the average increase in taxes is estimated at \$468 for this option (from \$1,091 to \$1,559), based on the 2019 assessments and tax levies for both the upper and lower tiers. The actual increases will differ depending on each property's assessment and location within Muskoka.

The tax rate for all other property classes will decrease by an estimated 0.11% based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the assessment base.

Note: Eliminating the tax rate reduction immediately is not consistent with the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

Option 3: Phase out the tax rate reductions over two years, starting in 2020

This option will see a phase out of the reductions starting in 2020, and an elimination of the reductions in 2021. This will increase the tax rate for commercial and industrial vacant and excess land by an estimated 21.4% in 2020, with a similar tax rate increase in 2021. This tax rate increase is based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the District's assessment base.

This option will provide property owners in this subclass with additional time to prepare and budget for the tax rate increase, as the increase is phased-in over two years. As shown in Table 2 of the Financial Considerations section, this option results in an average increase in taxes estimated at \$234 in both 2020 and 2021 (from \$1,091 in 2019 to \$1,325 in 2020 and \$1,559 in 2021).

The tax rate for all other property classes will decrease by an estimated 0.055% in 2020, with a similar decrease in 2021 based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the assessment base. This will shift a total of approximately \$93,000 in taxes to commercial and industrial vacant and excess property owners in both 2020 and 2021.

This option provides a two-year complete phase out period that will help to reduce the impact of the tax increases caused by the elimination of the education reduction rate.

Note: This option follows the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

Public Engagement

The Province supplied municipalities with a suggested checklist to be considered when developing a tax reduction program which has been attached as Appendix A. As part of the program change submission, the Province is requesting information about the level of public consultation and engagement with the business community.

Staff is proposing to create a survey that will be on the District's website and available from June 20 to July 5, 2019. The survey will be advertised through social and print media in an effort to obtain as many responses as possible. In addition, direct electronic correspondence requesting the survey to be completed will be sent to the Chambers of Commerce, Business Improvement Areas and/or other business associations in each of the lower tier municipalities. Staff is proposing to summarize the feedback provided in its report to Council in July 2019.

This proposed engagement process differs from the consultation that took place in 2017 for the vacant unit rebate program. During that process, each lower tier municipality solicited feedback regarding the vacant unit rebate program as follows:

- By direct mail correspondence to the 2017 recipients of the Vacant Unit Rebate, if applicable, and
- By general advertisement of the public meeting to all residents that wished to express an opinion on the matter.

The Towns of Huntsville, Bracebridge and Gravenhurst and the Township of Georgian Bay also solicited feedback by sending direct electronic correspondence to the applicable Chambers of Commerce, Business Improvement Areas and/or other business associations.

There were two main factors which have led to the proposal to have the District lead this review and complete the engagement via a survey on the District's website as follows:

- The District is responsible for the tax reduction program which is administered through an annual by-law. This is different than the vacant unit rebate program which was administered by each lower tier municipality.
- There was limited feedback provided by the community during the vacant unit rebate program review in 2017. A total of 15 responses were received across Muskoka during the 2017 engagement process with 3 municipalities receiving no responses.
- The remaining submission deadline to provide notification to the Province of any changes in the program is August 1, 2019.

The City of Guelph completed a similar public engagement process which concluded at the end of May 2019. Staff was intending to utilize similar questions which are included in Appendix B.

What are other municipalities doing?

Other Ontario municipalities are reviewing their vacant and excess land tax rate reduction. Some municipalities have decided on the future of their reduction program, while others are still evaluating options. The following municipalities have received approval to eliminate tax reduction programs:

- The towns of Espanola and Thessalon, the village of Hilton Beach, the cities of Greater Sudbury and St. Thomas and the County of Elgin stopped providing reductions after 2017.
- The Municipality of Oliver Paipoonge, the townships of Nairn and Hyman and Baldwin and the counties of Perth and Renfrew stopped providing reductions after 2018.
- The Town of St. Marys and the regions of Waterloo (includes Kitchener, Waterloo and Cambridge) and Durham (includes Oshawa, Ajax, Whitby and Pickering) will no longer give reductions after 2019.
- The Region of Halton (includes Burlington, Halton Hills, Milton and Oakville) has received Council support to eliminate the reductions after 2019.
- The City of Kenora and Haldimand County will no longer give reductions after 2020.
- The City of Guelph is currently considering the future of its reduction program.

Alternative

Although Committee could direct staff to extend the timeline for consultation, it should be noted that any extension will result in staff not being able to meet the submission deadline of August 1, 2019. The Province has not indicated whether this program will continue in 2020, however, given submission dates were provided in 2019 with the new Provincial government, there is a good chance that additional submission dates will be provided in 2020. The earliest submission date this year was May 15, 2019. If a similar date is proposed in 2020, there is a risk that any proposed changes to the current program would need to be delayed a full year as tax bills begin being mailed in mid-June. There is a risk that notification of the necessary Provincial regulation would not be provided prior to the issuance of tax bills.

Financial Considerations

All properties in the District will be affected by changing the vacant and excess land subclass tax reductions. These properties will see a tax rate increase if the tax reduction is eliminated or phased out. All other properties will see a tax rate decrease.

The following table highlights that there are a total of 397 properties currently receiving a tax reduction. The total value of that reduction is \$185,702 for the upper and lower tier taxes (education taxes have not been included). If Council approved the elimination or phase out of the tax reduction, these properties would see an increase in taxes of \$185,702 and all other properties would experience an offsetting decrease.

Municipality	# of Properties	2019 CVA	2019 Reduced Taxes	2019 Full Taxes	Impact of Reduction
District	397	\$59,808,261	\$253,035	\$361,478	\$108,443
Gravenhurst	75	12,489,930	43,625	62,321	18,696
Bracebridge	125	19,320,541	69,645	99,492	29,848
Lake of Bays	14	1,154,969	1,603	2,290	687
Huntsville	116	19,504,751	57,190	81,700	24,510
Muskoka Lakes	48	5,573,211	5,361	7,659	2,298
Georgian Bay	19	1,764,859	2,847	4,067	1,220
			\$433,305	\$619,007	\$185,702

As noted above, for 2019 there are 397 taxable properties in the vacant and excess commercial and industrial subclasses which is 0.6% of total taxable properties. The taxable current value assessment (CVA) of these properties is \$59.8 million which is 0.2% of total taxable CVA for 2019 of \$26.5 billion. The average 2019 CVA for the vacant and excess commercial and industrial properties is \$150,650. Of the 397 properties, 291 or approximately 73% have an assessed value of less than \$150,000.

The average tax bill in 2019 for these properties was \$1,091 for upper and lower tier taxes (excludes education taxes). The following summarizes the average increase in taxes for each of the options identified in the Analysis section:

Option	Average Taxes (upper and lower tier only)		
	Current Program	Proposed Program	Proposed Increase
Option 1 – Retain tax reductions	\$1,091	\$1,091	\$0
Option 2 – Eliminate tax reduction in 2020	\$1,091	\$1,559	\$468
Option 3 – Phase out tax reduction in 2020 and 2021	\$1,091	\$1,325 in 2020; \$1,559 in 2021	\$234 in both 2020 and 2021






Based on the assessments in 2019, 364 or 91.6% of these properties would experience an estimated increase in taxes of less than \$1,000 as a result of the elimination of the tax reductions. The actual increase would depend on the assessment and location of the property within Muskoka.

Communications

District staff has worked with the Area Treasurers to develop a process of reviewing the vacant and excess land tax reduction program. The communication plan is highlighted in the Analysis section, but includes a staff report to the Finance and Corporate Services Committee in June 2019, advertisement to the business community seeking input on the proposed changes and a final report

to District Council for consideration. Should Council adopt changes to the program and the Province creates a corresponding regulation, staff will communicate with local businesses on the changes and potential impact and consider additional notification with the tax bill in 2020.

Strategic Priorities

Click on icons below to view strategies under each priority area:				
				
	s 2.2, 2.3, 2.6, 2.9			

Respectfully submitted,

Original signed by

Julie Stevens, CPA, CA
Commissioner of Finance and
Corporate Services

Original signed by

Michael Duben, B.A. LL.B.
Chief Administrative Officer

VACANT UNIT REBATE AND VACANT/EXCESS LAND SUBCLASSES

January 2017

Since 1998, the Vacant Unit Rebate and Vacant/Excess Land Subclasses have provided tax rebates and reductions to property owners who have vacancies in commercial and industrial buildings or land.

- **Vacant Unit Rebates:** The Vacant Unit Rebate provides a tax rebate to property owners who have vacancies in commercial and industrial buildings. This application-based program is administered by municipalities. The current rebate is 30% of the property tax for vacant commercial space and 35% for vacant industrial space.
- **Vacant and Excess Land Property Tax Subclass:** Commercial and industrial properties or portions of these properties in the Vacant and Excess Land Property Tax Subclasses are taxed at a fixed percentage rate below the tax rate of the broad class. These properties are discounted at 30% to 35% of the full Commercial and/or Industrial rate.

Currently, upper- and single-tier municipalities may choose to apply the same percentage of relief (between 30% - 35%) to both the commercial and industrial property classes.

NEW MUNICIPAL FLEXIBILITY FOR 2017 AND FUTURE YEARS

The Province has reviewed the Vacant Unit Rebate and the Vacant/Excess Land Subclasses in consultation with municipal and business stakeholders.

In response to municipal and other stakeholders' requests, the Province is now moving forward with providing municipalities broad flexibility for 2017 and future years. This change, announced in November 2016, is intended to allow municipalities to tailor the vacant rebate and reduction programs to reflect community needs and circumstances, while considering the interests of local businesses.

In order to provide the most flexibility for municipalities, changes to the rebate and reduction programs will be implemented through regulation. Upper- and single-tier municipalities that have decided to change the programs can notify the Minister of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution.

To support implementation of changes to the vacant rebate and reduction programs, municipalities should review the attached checklist prior to submitting a request for changes to the Minister.

IMPLEMENTATION

Municipalities wishing to utilize the flexibility available to them must submit details of proposed changes to the Minister along with a council resolution by one of the following dates to ensure amendments are included in a regulation as soon as possible.

- March 1, 2017
- April 1, 2017
- July 1, 2017

Municipalities will be notified when the regulation implementing the requested changes has been enacted.

Note that in two-tiered municipalities, any program changes to be implemented will be an upper-tier municipal decision, consistent with the flexibility currently available to upper-tier municipalities, to determine the rebate and reduction percentage between 30% and 35%.

The Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, the Minister will consider proposed program changes within this context.

FURTHER INFORMATION

For general information about the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.

**VACANCY REBATE AND REDUCTION PROGRAM CHANGES
CHECKLIST
January 2017**

BUSINESS COMMUNITY ENGAGEMENT

- ✓ Have you engaged the local business community?
- ✓ Can you provide details on how and when you have engaged the local business community?
- ✓ Have you considered the potential impacts the proposed changes may have on local businesses?
- ✓ Have you communicated potential impacts of proposed changes to the business community?
- ✓ Has Council been made aware of the potential impacts on the business community?

PROGRAM DETAILS

- ✓ Have you outlined details of program changes in your submission?
- ✓ For municipalities in a two-tiered system, have you discussed proposed changes with lower-tier municipalities?
- ✓ Have you considered how you will implement or administer any potential changes to the vacancy programs?
- ✓ Have you considered these changes as part of a multi-year strategy?
- ✓ Has Council passed a resolution indicating approval of these changes?

FURTHER INFORMATION

If you have any questions about implementation of changes to the vacant rebate and reduction programs, please contact the Ministry of Finance at info.propertytax@ontario.ca.

Appendix B

Sample Survey

The District Municipality of Muskoka (District) is reviewing the vacant and excess land subclass tax rate reduction and considering options for the future of the tax rate reduction program. The options we're considering are to:

Option One: Keep the current tax reduction program

Option Two: Eliminate the tax reductions in 2020

Option Three: Phase out the tax rate reductions over two years, starting in 2020

	One	Two	Three
Option Selected:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Yes No

I was aware of the 2019 tax rate reduction:

I am a vacant or excess land owner:

Comments:

Background information

Property assessments

- In Ontario, the Municipal Property Assessment Corporation (MPAC) assesses properties and classifies them into different classes and subclasses, depending on the property's use. District Council sets the tax rates based on the budget, which then determines the amount of property taxes that property owners need to pay based on the class and subclass of their property.

The vacant and excess land subclass

- The vacant and excess land subclass only applies to commercial or industrial property. Vacant land is land that has no buildings or structures on it. Excess land is land that is not needed to serve or support the existing development.
- If MPAC assesses a property as excess or vacant land, this means that there are no improvements on the excess or vacant portion of the land. The District then provides a 30 per cent tax rate reduction to these subclasses.

How the District uses property taxes collected from vacant and excess land

- Taxes collected from vacant and excess land are used in the same way as taxes collected from all other property classes. Taxes collected fund services outlined in the [tax-supported operation budget](#), such as roads and bridges, parks, waste collection, recreation centres and buses.

Vacant and excess land subclass tax rate reductions

- Previously, the Ontario government required all municipalities to give tax rate reductions to commercial or industrial property owners who have vacant or excess land. The District currently gives a tax rate reduction of 30 per cent to properties in these subclasses. There are no tax rate reductions for vacant or excess land for any other property classes, such as vacant properties classified as residential or multi-residential.
- Amendments to the Municipal Act outlined in Bill 70, Building Ontario Up for Everyone Act (Budget Measures), 2016, gives municipalities the option to make changes to vacant and excess land subclass tax rate reductions. This change allows municipalities to determine at the local level the best way to ensure all property owners pay their fair share of property taxes.
- Any change to the vacant and excess land subclass reductions would not change the amount of revenue raised through taxation - it would only change the distribution of taxes between all property classes. This means that property owners of vacant or excess commercial or industrial land will see a tax increase and all other property owners will see a tax decrease, but the total amount of taxation revenue raised stays the same.

Education tax rates

- A portion of property taxes paid to the District goes towards education. The amount is determined by the Ministry of Finance, and helps to fund the elementary and secondary school system throughout Ontario.
- In the past, owners of vacant or excess commercial or industrial land received an education tax rate reduction. The Ministry of Finance has decided to phase out this reduction. In 2018, a common reduction of 30 per cent was used. In 2019, the reduction is decreased to 15 per cent. In 2020, the reduction will not exist at all for education tax rates.

Options: What should the District do with the tax rate reduction?

There are pros and cons for all three of the options we're considering for the tax rate reduction. The information below summarizes how property taxes look based on each option.

Option 1: Keep the current tax rate reductions

- Commercial and industrial vacant and excess land owners will continue to receive a 30% tax rate reduction on their property taxes. All other property classes will continue to subsidize this reduction. Annually, the reduction amounts to approximately \$186,000 that all other property classes subsidize, as shown in the table in the Financial Considerations section.

Note: This option is not consistent with the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

Option 2: Eliminate the tax rate reductions in 2020

- With this option, the tax reductions will be eliminated in 2020. This will increase the tax rate for commercial and industrial vacant and excess land by an estimated 42.9% based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the overall assessment base. Overall, this option will shift a total of approximately \$186,000 in upper and lower tier taxes onto commercial and industrial vacant and excess property owners in 2020.
- Eliminating the reduction in 2020 will give property owners time to prepare and budget for a tax rate increase before the changes come into effect. As shown in Table 2 of the Financial Considerations section, the average increase in taxes is estimated at \$468 for this option (from \$1,091 to \$1,559), based on the 2019 assessments and tax levies for both the upper and lower tiers. The actual increases will differ depending on each property's assessment and location within Muskoka.
- The tax rate for all other property classes will decrease by an estimated 0.11% based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the assessment base.

Note: Eliminating the tax rate reduction immediately is not consistent with the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

Option 3: Phase out the tax rate reductions over two years, starting in 2020

- This option will see a phase out of the reductions starting in 2020, and an elimination of the reductions in 2021. This will increase the tax rate for commercial and industrial vacant and excess land by an estimated 21.4% in 2020, with a similar tax rate increase in 2021. This tax rate increase is based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the District's assessment base.
- This option will provide property owners in this subclass with additional time to prepare and budget for the tax rate increase, as the increase is phased-in over two years. As shown in Table 2 of the Financial Considerations section, this option results in an average increase in taxes estimated at \$234 in both 2020 and 2021 (from \$1,091 in 2019 to \$1,325 in 2020 and \$1,559 in 2021).
- The tax rate for all other property classes will decrease by an estimated 0.055% in 2020, with a similar decrease in 2021 based on the 2019 assessment roll return. The actual tax rate impact will differ slightly based on changes to the assessment base. This will shift a total of approximately \$93,000 in taxes to commercial and industrial vacant and excess property owners in both 2020 and 2021.
- This option provides a two-year complete phase out period that will help to reduce the impact of the tax increases caused by the elimination of the education reduction rate.

Note: This option follows the Ministry of Finance's two-year education tax rate phase-out process in place for 2019 and 2020.

How to tell if your property is affected

- All properties in the District will be affected by changing the vacant and excess land subclass tax reductions. Take a look at the assessment code on your final tax bill, or contact your local municipal office to determine how your property will be affected.
- Vacant or excess land assessment codes have a "U" or "X" as a middle letter. These properties will see a tax rate increase if the tax reduction is eliminated or phased out. All other assessment codes will see a tax rate decrease.



2ND SESSION, 41ST LEGISLATURE, ONTARIO
65 ELIZABETH II, 2016

2^e SESSION, 41^e LÉGISLATURE, ONTARIO
65 ELIZABETH II, 2016

Bill 70

*(Chapter 37
Statutes of Ontario, 2016)*

**An Act to implement
Budget measures and to enact
and amend various statutes**

The Hon. C. Sousa
Minister of Finance

1st Reading	November 16, 2016
2nd Reading	December 1, 2016
3rd Reading	December 8, 2016
Royal Assent	December 8, 2016

Projet de loi 70

*(Chapitre 37
Lois de l'Ontario de 2016)*

**Loi visant à mettre en oeuvre
les mesures budgétaires et à édicter
et à modifier diverses lois**

L'honorable C. Sousa
Ministre des Finances

1 ^{re} lecture	16 novembre 2016
2 ^e lecture	1 ^{er} décembre 2016
3 ^e lecture	8 décembre 2016
Sanction royale	8 décembre 2016



EXPLANATORY NOTE

This Explanatory Note was written as a reader's aid to Bill 70 and does not form part of the law. Bill 70 has been enacted as Chapter 37 of the Statutes of Ontario, 2016.

SCHEDULE 1 ALCOHOL AND GAMING REGULATION AND PUBLIC PROTECTION ACT, 1996

Currently, Part II of the *Alcohol and Gaming Regulation and Public Protection Act, 1996* provides for consumer taxes on wine sold at winery retail stores. The taxes consist of a basic tax, a volume tax and an environmental tax. Amendments to Part II impose a phased increase to the basic rate of tax on wine and wine coolers purchased from wine boutiques, which are winery retail stores located inside the shopping area of a grocery store.

Technical amendments are made to the terminology relating to wine taxes. The method of calculating the retail price of wine is re-enacted to parallel the detailed calculation for determining the retail price of spirits.

The Act is also amended to provide that as of July 1, 2017, purchases of spirits from stores operated by a spirits manufacturer are subject to a basic tax, a volume tax and an environmental tax. Manufacturers may distribute, without charge, up to 1,250 litres of spirits in each year exempt from tax. Amendments are made to provide for the collection of the taxes on spirits.

Finally, the Act is amended with respect to microbrewers retaining their status as microbrewers while entering into agreements or arrangements with beer manufacturers that are not microbrewers in limited circumstances.

SCHEDULE 2 ASSESSMENT ACT

The *Assessment Act* is amended to allow the Minister of Finance to make regulations setting out a different method for determining the amount owed by the operators of a public utility. The information disclosure offence in subsection 53 (1) is amended to apply only to information collected under the Act or to information collected pursuant to an assessment appeal or a court proceeding involving an assessment matter.

SCHEDULE 3 CITY OF TORONTO ACT, 2006

Section 278 of the *City of Toronto Act, 2006* currently sets out mandatory reductions in tax rates for subclasses of real property. The percentages are set out in the statute and may be modified by the City's by-laws. Amendments are made to the ability of the City to make these by-laws and to choose reductions within prescribed ranges. The City is also allowed to choose that no reductions apply if authorized to do so by the regulations.

Sections 279, 329 and 331 of the Act allow for the use of graduated tax rates and provide for charity rebates and vacant unit rebates for property in the commercial classes and industrial classes. The sections are amended to permit the Minister of Finance to make regulations providing that the sections may apply to additional property classes not already prescribed under the Act.

NOTE EXPLICATIVE

La note explicative, rédigée à titre de service aux lecteurs du projet de loi 70, ne fait pas partie de la loi. Le projet de loi 70 a été édicté et constitue maintenant le chapitre 37 des Lois de l'Ontario de 2016.

ANNEXE 1 LOI DE 1996 SUR LA RÉGLEMENTATION DES ALCOOLS ET DES JEUX ET LA PROTECTION DU PUBLIC

À l'heure actuelle, la partie II de la *Loi de 1996 sur la réglementation des alcools et des jeux et la protection du public* prévoit des taxes à la consommation sur le vin vendu dans les magasins de détail d'établissement vinicole. Il s'agit d'une taxe de base, d'une taxe sur le volume et d'une taxe écologique. Des modifications apportées à la partie II imposent une augmentation progressive du taux de la taxe de base sur le vin ou le vin panaché acheté dans les boutiques de vins, c'est-à-dire les magasins de détail d'établissement vinicole situés dans l'espace commercial d'une épicerie.

Des modifications de forme sont apportées à la terminologie des taxes sur le vin. La méthode de calcul du prix de détail du vin est rééditée pour suivre le modèle de calcul détaillé du prix de détail des spiritueux.

La Loi est également modifiée pour prévoir qu'à compter du 1^{er} juillet 2017, les achats de spiritueux dans les magasins exploités par un fabricant de spiritueux soient assujettis à une taxe de base, à une taxe sur le volume et à une taxe écologique. Les fabricants peuvent distribuer sans frais jusqu'à 1 250 litres de spiritueux par année sans avoir à payer de taxes. Des modifications sont en outre apportées pour prévoir la perception des taxes sur les spiritueux.

Enfin, la Loi est modifiée en ce qui a trait au fait que, dans certaines circonstances restreintes, les microbrasseurs conservent leur statut de microbrasseurs lorsqu'ils concluent des ententes ou des arrangements avec des fabricants de bière qui ne sont pas des microbrasseurs.

ANNEXE 2 LOI SUR L'ÉVALUATION FONCIÈRE

La *Loi sur l'évaluation foncière* est modifiée pour autoriser le ministre des Finances à établir, par règlement, un mode différent de calcul de la somme que doivent verser les exploitants de service public. Une autre modification touche l'infraction, prévue au paragraphe 53 (1), qui résulte de la divulgation de renseignements. Cette infraction ne concernera désormais que les renseignements recueillis en vertu de la Loi ou ceux recueillis dans le cadre d'un appel au sujet d'une évaluation ou d'une instance judiciaire concernant une question d'évaluation.

ANNEXE 3 LOI DE 2006 SUR LA CITÉ DE TORONTO

L'article 278 de la *Loi de 2006 sur la cité de Toronto* prévoit des réductions obligatoires des taux d'imposition pour certaines sous-catégories de biens immeubles. Les pourcentages fixés dans la Loi peuvent être modifiés par règlements municipaux. Des modifications sont apportées à la capacité de la cité d'adopter ces règlements et de choisir des réductions se situant dans les fourchettes prescrites. Si les règlements l'y autorisent, la cité peut également choisir qu'aucune réduction ne s'applique.

Les articles 279, 329 et 331 de la Loi autorisent l'application de taux d'imposition progressifs et prévoient des remises en faveur des organismes de bienfaisance et des remises à l'égard des locaux vacants pour les biens qui appartiennent aux catégories commerciales et aux catégories industrielles. Ces articles sont modifiés afin de permettre au ministre des Finances de prévoir, par règlement, qu'ils peuvent s'appliquer à d'autres catégories de biens non encore prescrites en vertu de la Loi.

Part XII of the Act provides for tax capping on business properties. Various sections within the Part are amended to permit the Minister of Finance to make regulations providing that the Part may apply to additional property classes not already prescribed under the Act. Additional amendments permit regulations made under the Part to provide that they do not apply in the City unless the City opts to have them apply.

Currently, subsection 309 (3) provides for regulations relating to the form and content of tax bills, including information that the bills must contain. An amendment to the subsection would provide that such regulations could set out the method of calculating information relating to tax changes shown on bills. An additional amendment would permit regulations made under the subsection to provide that they do not apply in the City unless the City opts to have them apply.

SCHEDULE 4 COMMODITY FUTURES ACT

The *Commodity Futures Act* is amended by adding a new Part XII.1, which prohibits reprisals against employees for providing information about a possible contravention of Ontario commodity futures law, or a by-law or other regulatory instrument of a recognized self-regulatory organization, or for being involved in an investigation or proceeding related to the information provided.

SCHEDULE 5 CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994

The Schedule makes the following amendments to the *Credit Unions and Caisses Populaires Act, 1994*:

1. The condition that a credit union can only participate in loan syndications if the borrower is a member of an Ontario credit union that is one of the lenders in the loan syndicate is repealed. This will allow credit unions to participate in syndicated loans outside Ontario.
2. References in the Act to classes of credit unions are repealed.
3. The power of the Deposit Insurance Corporation of Ontario to define "deposit" for the purposes of deposit insurance is repealed.
4. The Lieutenant Governor in Council is authorized to make regulations that set out different deposit insurance limits for different insurable deposits.
5. The Superintendent of Financial Services is permitted to register credit unions from other parts of Canada to allow them to participate in syndicated loans under the Act.

SCHEDULE 6 CROWN EMPLOYEES COLLECTIVE BARGAINING ACT, 1993

The *Crown Employees Collective Bargaining Act, 1993* is amended as follows:

Section 23 of the Act is amended to set out a list of designated bargaining units for public servants. Consequential amendments are made to the bargaining agent provisions.

The Act is amended by adding a new Part III.1, which sets out a mandatory interest arbitration regime for the Correctional Bargaining Unit. The Unit is required to settle a dispute by arbitra-

La partie XII de la Loi prévoit le plafonnement de l'impôt sur les biens d'entreprise. Plusieurs de ses articles sont modifiés pour permettre au ministre des Finances de prendre des règlements prévoyant que cette partie peut s'appliquer à d'autres catégories de biens non encore prescrites en vertu de la Loi. D'autres modifications sont apportées pour que les règlements pris en vertu de cette partie puissent prévoir leur application dans la cité uniquement si elle en fait le choix.

À l'heure actuelle, le paragraphe 309 (3) prévoit la prise de règlements concernant la forme et le contenu des relevés d'imposition, notamment les renseignements qui doivent y figurer. Une modification apportée à ce paragraphe prévoit que ces règlements peuvent énoncer le mode de calcul des données sur les modifications d'impôts figurant dans les relevés. Une autre modification est apportée pour que les règlements pris en vertu de ce paragraphe puissent prévoir leur application dans la cité uniquement si elle en fait le choix.

ANNEXE 4 LOI SUR LES CONTRATS À TERME SUR MARCHANDISES

La *Loi sur les contrats à terme sur marchandises* est modifiée par adjonction de la nouvelle partie XII.1, qui interdit l'exercice de représailles contre des employés parce qu'ils ont fourni des renseignements concernant une contravention possible au droit ontarien des contrats à terme sur marchandises ou à un règlement administratif ou autre instrument réglementaire d'un organisme d'autoréglementation reconnu ou qu'ils ont participé à une enquête ou une instance relative aux renseignements fournis.

ANNEXE 5 LOI DE 1994 SUR LES CAISSES POPULAIRES ET LES CREDIT UNIONS

L'annexe apporte les modifications suivantes à la *Loi de 1994 sur les caisses populaires et les credit unions* :

1. La condition selon laquelle les caisses ne peuvent participer à des syndications de prêt que si l'emprunteur est un sociétaire d'une caisse ontarienne qui est elle-même un des prêteurs membres du syndicat est abrogée. Cette mesure permettra aux caisses de participer à des prêts syndiqués à l'extérieur de l'Ontario.
2. Les mentions dans la loi des catégories de caisses populaires sont abrogées.
3. Le pouvoir qu'a la Société ontarienne d'assurance-dépôts de définir le terme «dépôt» pour les besoins de l'assurance-dépôts est abrogé.
4. Le lieutenant-gouverneur en conseil est autorisé à prendre des règlements qui fixent des plafonds d'assurance-dépôts différents selon les types de dépôt assurables.
5. Le surintendant des services financiers peut inscrire des caisses populaires d'autres régions du Canada pour leur permettre de participer à des prêts syndiqués au titre de la Loi.

ANNEXE 6 LOI DE 1993 SUR LA NÉGOCIATION COLLECTIVE DES EMPLOYÉS DE LA COURONNE

Les modifications suivantes sont apportées à la *Loi de 1993 sur la négociation collective des employés de la Couronne* :

La nouvelle version de l'article 23 de la Loi énonce la liste des unités de négociation désignées pour les fonctionnaires. Des modifications corrélatives sont apportées aux dispositions portant sur l'agent négociateur.

La partie III.1 est ajoutée à la Loi. Cette nouvelle partie prévoit un régime d'arbitrage obligatoire des différends pour l'Unité de négociation des services correctionnels. Cette unité doit régler

tion if a conciliation officer appointed under the *Labour Relations Act, 1995* is unable to effect a collective agreement. The arbitration procedure is provided for in the new Part.

The Minister is given regulation-making powers relating to the mandatory interest arbitration regime.

SCHEDULE 7 FINANCIAL ADMINISTRATION ACT

The *Financial Administration Act* permits the Lieutenant Governor in Council to use loans or securities to raise money for refinancing loans and securities. The Schedule amends the way that the Lieutenant Governor in Council's order authorizes the refinancing, so that it states a maximum aggregate amount. For the purpose of specifying the maximum aggregate amount in Canadian dollars, the Minister of Finance may approve a method of calculating the conversion into Canadian dollars of the amount necessary for refinancing a loan or security that is denominated in a foreign currency.

Also, when money is raised in a foreign currency, the conversion of the amount raised is based on the spot exchange rate rather than the noon spot exchange rate.

SCHEDULE 8 FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO ACT, 2016

The Schedule enacts the *Financial Services Regulatory Authority of Ontario Act, 2016*. Section 2 establishes the Financial Services Regulatory Authority of Ontario as a corporation without share capital. The Authority will be a Crown agent.

The object of the Authority is to regulate the regulated sectors as defined in the *Financial Services Commission of Ontario Act, 1997* (section 3). The Authority is required to work with the Minister to prepare for the Authority to carry out that regulatory function (section 4).

Section 5 deals with the provision of information from the Financial Services Commission of Ontario ("FSCO"), the Superintendent of Financial Services and the Deposit Insurance Corporation of Ontario ("DICO") for the purpose of the preparation described above and the transition from that regulatory function being carried out by FSCO, the Superintendent of Financial Services and DICO to that function being carried out by the Authority.

Sections 8 to 10 deal with the directors and employees of the Authority. The directors are appointed by the Lieutenant Governor in Council on the recommendation of the Minister (subsection 8 (3)).

Sections 11 to 18 deal with financial matters. The revenues and investments of the Authority will not form part of the Consolidated Revenue Fund (subsection 11 (1)). Sections 15 and 16 provide for assessments of entities in the regulated sectors to pay for certain expenses and expenditures of the Authority and the Ministry.

The new Act also provides for certain immunities for directors, employees and agents of the Authority and for related matters (sections 19 and 20) and for regulations (section 21).

SCHEDULE 9 FIRE PROTECTION AND PREVENTION ACT, 1997

Sections 49 and 50 of the *Fire Protection and Prevention Act, 1997*, which provide for conciliation during the collective bargaining process, are repealed. The new section 49 provides for the referral of matters in dispute to arbitration. Section 50.5 of the Act is amended to provide that in making a decision, the

tout différend par arbitrage si le conciliateur désigné en application de la *Loi de 1995 sur les relations de travail* ne parvient pas à conclure une convention collective. La nouvelle partie de la *Loi* prévoit aussi la procédure d'arbitrage.

Des pouvoirs réglementaires sont attribués au ministre relativement au régime d'arbitrage obligatoire des différends.

ANNEXE 7 LOI SUR L'ADMINISTRATION FINANCIÈRE

La *Loi sur l'administration financière* autorise le lieutenant-gouverneur en conseil à contracter des emprunts ou à émettre des valeurs mobilières pour réunir les sommes nécessaires au refinancement d'emprunts ou de valeurs mobilières. L'annexe modifie la façon dont le décret du lieutenant-gouverneur en conseil autorise le refinancement, afin qu'il précise un montant total maximal. Pour que ce montant total maximal soit précisé en dollars canadiens, le ministre des Finances peut approuver la méthode de conversion en dollars canadiens de la somme nécessaire au refinancement d'un emprunt ou d'une valeur mobilière libellé dans une devise étrangère.

De plus, lorsqu'une somme est réunie dans une devise étrangère, sa conversion s'effectue en fonction du cours au comptant plutôt qu'en fonction du cours du comptant à midi.

ANNEXE 8 LOI DE 2016 SUR L'OFFICE ONTARIEN DE RÉGLEMENTATION DES SERVICES FINANCIERS

L'annexe édicte la *Loi de 2016 sur l'Office ontarien de réglementation des services financiers*. L'article 2 crée l'Office ontarien de réglementation des services financiers en tant que personne morale sans capital-actions. L'Office sera un mandataire de la Couronne.

L'Office a pour mission de réglementer les secteurs réglementés, au sens de la *Loi de 1997 sur la Commission des services financiers de l'Ontario* (article 3). L'Office doit collaborer avec le ministre pour se préparer à prendre en charge la mission de réglementation (article 4).

L'article 5 porte sur la communication de renseignements par la Commission des services financiers de l'Ontario (CSFO), le surintendant des services financiers et la Société ontarienne d'assurance-dépôts (SOAD) dans le cadre de la préparation susmentionnée et de la transition à effectuer pour que l'Office puisse exercer les fonctions de réglementation qu'exercent actuellement la CSFO, le surintendant et la SOAD.

Les articles 8 à 10 portent sur les administrateurs et les employés de l'Office. Les administrateurs sont nommés par le lieutenant-gouverneur en conseil sur la recommandation du ministre (paragraphe 8 (3)).

Les articles 11 à 18 portent sur les questions financières. Les revenus et les placements de l'Office ne feront pas partie du Trésor (paragraphe 11 (1)). Les articles 15 et 16 prévoient l'imposition d'une cotisation aux entités des secteurs réglementés afin de payer certains des frais et dépenses engagés par l'Office et le ministère.

La nouvelle loi prévoit également l'immunité des administrateurs, employés et mandataires de l'Office dans certains cas et des questions connexes (articles 19 et 20) ainsi que la prise de règlements (article 21).

ANNEXE 9 LOI DE 1997 SUR LA PRÉVENTION ET LA PROTECTION CONTRE L'INCENDIE

Les articles 49 et 50 de la *Loi de 1997 sur la prévention et la protection contre l'incendie*, qui prévoient le recours à la conciliation pendant la négociation collective, sont abrogés. Le nouvel article 49 prévoit la soumission des questions en litige à l'arbitrage. L'article 50.5 de la *Loi* est modifié pour prévoir que,

board of arbitration may not refer matters in dispute back to the parties to the arbitration. Technical amendments are also made, and transitional matters are provided for.

SCHEDULE 10 INSURANCE ACT

Currently under subsection 282 (1) of the *Insurance Act*, the Lieutenant Governor in Council may assess automobile insurers for expenses and expenditures of the Licence Appeal Tribunal relating to the resolution of statutory accident benefits disputes. Insurers are required to pay the amount assessed against them. Insurers who fail to pay their assessment can have their licence cancelled or suspended by the Superintendent. The Schedule adds a new subsection 282 (4.1) providing that the unpaid amount of an assessment is a debt due to the Crown which may be recovered by action or by any other remedy or procedure available by law to the Crown. An amendment is also made to correct a reference in subsection 197 (2).

SCHEDULE 11 INTERIM APPROPRIATION FOR 2017-2018 ACT, 2016

The Schedule enacts the *Interim Appropriation for 2017-2018 Act, 2016*, which authorizes expenditures pending the voting of supply for the fiscal year ending on March 31, 2018 up to specified maximum amounts. All expenditures made or recognized under the Act must be charged to the proper appropriation following the voting of supply for the fiscal year ending on March 31, 2018.

SCHEDULE 12 INVESTMENT MANAGEMENT CORPORATION OF ONTARIO ACT, 2015

Currently, subsection 12 (1) of the *Investment Management Corporation of Ontario Act, 2015* requires the board of directors to manage and supervise the activities and affairs of the Corporation. The subsection is amended to require the board to manage or supervise the management of the activities and affairs of the Corporation.

Clause 14 (f) of the Act, which currently prevents the board of directors from delegating its power to establish investment policies, standards and procedures, is repealed.

SCHEDULE 13 LAND TRANSFER TAX ACT

Currently under section 2 of the *Land Transfer Tax Act*, tax of 1.5 per cent is payable on the value of the consideration for a conveyance that exceeds \$250,000. If the conveyance is a conveyance of land that contains at least one and not more than two single family residences, tax is payable at the total rate of 2 per cent on the value of the consideration that exceeds \$400,000. Section 2 of the Act is amended to provide that tax of 2 per cent is payable on the value of the consideration for a conveyance that exceeds \$400,000 if the conveyance is tendered for registration on or after January 1, 2017. Section 2 is also amended to provide that tax of 2.5 per cent is payable on the value of the consideration for a conveyance that exceeds \$2,000,000 if the conveyance is a conveyance of land that contains at least one and not more than two single family residences and if the conveyance is tendered for registration on or after January 1, 2017. Certain exceptions are provided for and complementary technical amendments are also made.

The Act is amended by adding new sections 5.0.1 and 5.0.2, which provide for the collection and use of information in certain circumstances.

lorsqu'il rend une décision, le conseil d'arbitrage ne peut pas renvoyer les questions en litige aux parties à l'arbitrage. Des modifications de forme sont également apportées et des questions transitoires sont prévues.

ANNEXE 10 LOI SUR LES ASSURANCES

Le paragraphe 282 (1) de la *Loi sur les assurances* prévoit que le lieutenant-gouverneur en conseil peut fixer à l'intention des assureurs automobiles une cotisation à l'égard des frais et dépenses du Tribunal d'appel en matière de permis qui sont liés au règlement des différends portant sur les indemnités d'accident légales. Les assureurs sont tenus de payer le montant de leur cotisation. Le surintendant peut suspendre ou annuler le permis de ceux qui ne paient pas leur cotisation. L'annexe ajoute le paragraphe 282 (4.1). Ce nouveau paragraphe prévoit que le montant impayé d'une cotisation constitue une créance de la Couronne, qui peut être recouvrée au moyen d'une action ou de tout autre recours ou procédure dont peut se prévaloir la Couronne. Une modification est également apportée au paragraphe 197 (2) pour corriger un renvoi.

ANNEXE 11 LOI DE 2016 PORTANT AFFECTATION ANTICIPÉE DE CRÉDITS POUR 2017-2018

L'annexe édicte la *Loi de 2016 portant affectation anticipée de crédits pour 2017-2018*, laquelle autorise l'engagement de dépenses, jusqu'à concurrence de plafonds déterminés, en attendant le vote des crédits pour l'exercice se terminant le 31 mars 2018. Après ce vote, toutes les dépenses effectuées ou comptabilisées en vertu de la Loi doivent être imputées à l'affectation de crédits appropriée.

ANNEXE 12 LOI DE 2015 SUR LA SOCIÉTÉ ONTARIENNE DE GESTION DES PLACEMENTS

Dans sa version actuelle, le paragraphe 12 (1) de la *Loi de 2015 sur la Société ontarienne de gestion des placements* exige que le conseil d'administration assure la direction et la surveillance des activités et des affaires internes de la Société. Ce paragraphe est modifié pour exiger que le conseil d'administration gère les activités et les affaires internes de la Société ou en surveille la gestion.

L'alinéa 14 f) de la Loi, qui interdit au conseil d'administration de déléguer son pouvoir d'établir des politiques, des normes et des procédures en matière de placement, est abrogé.

ANNEXE 13 LOI SUR LES DROITS DE CESSIION IMMOBILIÈRE

À l'heure actuelle, l'article 2 de la *Loi sur les droits de cession immobilière* prévoit que des droits de 1,5 % doivent être payés sur la tranche supérieure à 250 000 \$ de la valeur de la contrepartie versée pour une cession. Si l'objet de la cession est un bien-fonds qui comporte au moins une habitation unifamiliale, mais pas plus de deux, le taux total des droits à acquitter sur la tranche supérieure à 400 000 \$ est de 2 %. L'article 2 est modifié pour prévoir que des droits de 2 % doivent être payés sur la tranche supérieure à 400 000 \$ de la valeur de la contrepartie versée pour une cession si celle-ci est présentée à l'enregistrement le 1^{er} janvier 2017 ou après cette date. Cet article est également modifié pour prévoir que des droits de 2,5 % doivent être payés sur la tranche supérieure à 2 000 000 \$ de la valeur de la contrepartie versée pour une cession si l'objet de la cession est un bien-fonds qui comporte au moins une habitation unifamiliale, mais pas plus de deux, et que la cession est présentée à l'enregistrement le 1^{er} janvier 2017 ou après cette date. Des exceptions sont prévues et des modifications de forme complémentaires sont également apportées à la Loi.

La Loi est modifiée par adjonction des articles 5.0.1 et 5.0.2, qui prévoient la collecte et l'utilisation de renseignements dans certaines circonstances.

Section 9.2 of the Act, which provides for a land transfer tax refund for certain first time home purchasers, is amended to provide that, for conveyances or dispositions of qualifying homes that occur on or after January 1, 2017, the refund is only available to Canadian citizens and permanent residents of Canada. Section 9.2 is also amended to provide that the maximum amount of the refund is \$4,000 if the conveyance or disposition of the home occurs after December 31, 2016.

SCHEDULE 14 MINISTRY OF REVENUE ACT

The new section 11.5 of the *Ministry of Revenue Act* allows the Minister to collect and analyse certain information for the purpose of administering and enforcing tax laws, and to conduct related policy, statistical and risk analyses. The Minister is also permitted to enter into an agreement with the Canada Revenue Agency providing for disclosure of certain information.

SCHEDULE 15 MUNICIPAL ACT, 2001

Currently, subsection 218 (1) of the *Municipal Act, 2001* sets out rules governing changes to the composition of an upper-tier municipality's council. The rule in paragraph 2 of that subsection provides that the head of council shall be elected by general vote or by appointment by the members of council. A rule is added providing that the head of council of every regional municipality, other than the County of Oxford, shall be elected by general vote.

A new section 218.1 of the Act specifies that for the regular election in 2018, the head of council of a regional municipality, other than the County of Oxford, shall be elected by general vote. A consequential amendment is made to section 221.

Section 313 of the Act currently sets out mandatory reductions in tax rates for subclasses of real property. The percentages are set out in the statute and may be modified by municipal by-laws. Amendments are made to the ability of municipalities to make these by-laws and to choose reductions within prescribed ranges. Municipalities are also allowed to choose that no reductions apply if authorized to do so by the regulations.

Sections 314, 361 and 364 of the Act allow for the use of graduated tax rates and provide for charity rebates and vacant unit rebates for property in the commercial classes and industrial classes. The sections are amended to permit the Minister of Finance to make regulations providing that the sections may apply to additional property classes not already prescribed under the Act.

Part IX of the Act provides for tax capping on business properties. Various sections within the Part are amended to permit the Minister of Finance to make regulations providing that the Part may apply to additional property classes not already prescribed under the Act. Additional amendments permit regulations made under the Part to provide that they do not apply in a municipality unless the municipality opts to have them apply. An upper-tier municipality would be permitted to delegate this decision to its lower-tiers.

Currently, subsection 344 (3) provides for regulations relating to the form and content of tax bills, including information that the bills must contain. An amendment to the subsection would provide that such regulations could set out the method of calculating information relating to tax changes shown on bills. An additional amendment would permit regulations made under the subsection to provide that they do not apply in a municipality unless the municipality opts to have them apply. An upper-tier

L'article 9.2 de la Loi, qui prévoit le remboursement des droits de cession immobilière pour certains acheteurs d'un premier logement, est modifié pour prévoir que, dans le cas des cessions ou aliénations de logements admissibles qui ont lieu le 1^{er} janvier 2017 ou après cette date, ce remboursement n'est offert qu'aux citoyens canadiens et aux résidents permanents du Canada. L'article 9.2 est également modifié pour prévoir que le montant maximal du remboursement est de 4 000 \$ si la cession ou l'aliénation du logement a lieu après le 31 décembre 2016.

ANNEXE 14 LOI SUR LE MINISTÈRE DU REVENU

Le nouvel article 11.5 de la *Loi sur le ministère du Revenu* autorise le ministre à recueillir et à analyser certains renseignements pour assurer l'application et l'exécution des lois fiscales ainsi qu'à effectuer, à cet égard, des analyses de politiques, de statistiques et de risques. Le ministre est également autorisé à conclure avec l'Agence du revenu du Canada un accord prévoyant la divulgation de certains renseignements.

ANNEXE 15 LOI DE 2001 SUR LES MUNICIPALITÉS

À l'heure actuelle, le paragraphe 218 (1) de la *Loi de 2001 sur les municipalités* énonce les règles qui régissent les changements dans la composition du conseil d'une municipalité de palier supérieur. La règle énoncée à la disposition 2 de ce paragraphe prévoit que le président du conseil est élu au scrutin général ou est nommé par les membres du conseil. Une règle est ajoutée pour prévoir que le président du conseil de chaque municipalité régionale, autre que le comté d'Oxford, est élu au scrutin général.

Le nouvel article 218.1 de la Loi précise qu'en ce qui concerne les élections ordinaires de 2018 le président du conseil de chaque municipalité régionale, autre que le comté d'Oxford, sera élu au scrutin général. Une modification corrélative est apportée à l'article 221.

L'article 313 de la Loi prévoit des réductions obligatoires des taux d'imposition pour certaines sous-catégories de biens immeubles. Les pourcentages fixés dans la Loi peuvent être modifiés par règlements municipaux. Des modifications sont apportées à la capacité des municipalités d'adopter ces règlements et de choisir des réductions se situant dans les fourchettes prescrites. Si les règlements les y autorisent, les municipalités peuvent également choisir qu'aucune réduction ne s'applique.

Les articles 314, 361 et 364 de la Loi autorisent l'application de taux d'imposition progressifs et prévoient des remises en faveur des organismes de bienfaisance et des remises à l'égard des locaux vacants pour les biens qui appartiennent aux catégories commerciales et aux catégories industrielles. Ces articles sont modifiés afin de permettre au ministre des Finances de prévoir, par règlement, qu'ils peuvent s'appliquer à d'autres catégories de biens non encore prescrites en vertu de la Loi.

La partie IX de la Loi prévoit le plafonnement de l'impôt sur les biens d'entreprise. Plusieurs de ses articles sont modifiés pour permettre au ministre des Finances de prendre des règlements prévoyant que cette partie peut s'appliquer à d'autres catégories de biens non encore prescrites en vertu de la Loi. D'autres modifications sont apportées pour que les règlements pris en vertu de cette partie puissent prévoir leur application uniquement dans les municipalités qui en font le choix. Les municipalités de palier supérieur pourront déléguer cette décision à leurs municipalités de palier inférieur.

À l'heure actuelle, le paragraphe 344 (3) prévoit la prise de règlements concernant la forme et le contenu des relevés d'imposition, notamment les renseignements qui doivent y figurer. Une modification apportée à ce paragraphe prévoit que ces règlements peuvent énoncer le mode de calcul des données sur les modifications d'impôts figurant dans les relevés. Une autre modification est apportée pour que les règlements pris en vertu de ce paragraphe puissent prévoir leur application uniquement

municipality would be permitted to delegate this decision to its lower-tiers.

SCHEDULE 16 OCCUPATIONAL HEALTH AND SAFETY ACT

The Schedule amends the *Occupational Health and Safety Act* to give the Chief Prevention Officer the power to accredit health and safety management systems, and to give recognition to employers who use accredited health and safety management systems. The Chief Prevention Officer may also establish standards and criteria that must be met by health and safety management systems or employers in order to receive accreditation or recognition. Related amendments are also made.

SCHEDULE 17 ONTARIO COLLEGE OF TRADES AND APPRENTICESHIP ACT, 2009

The Schedule makes various amendments to the *Ontario College of Trades and Apprenticeship Act, 2009*. The significant amendments are as follows:

1. The College of Trades Appointments Council is continued as the College of Trades Appointments Council and Classification Roster. The modified body has two branches, the Appointments Council and the Classification Roster. The branch known as the Appointments Council has the same duties as the current College of Trades Appointments Council. The main duty of the branch known as the Classification Roster is to determine matters relating to the classification or reclassification of trades as voluntary or compulsory. This function is currently performed by review panels established by the Ontario College of Trades.
2. The Schedule also provides that a classification panel may determine which practices within the scope of practice for a compulsory trade should constitute engaging in the practice of the trade for the purposes of enforcing sections 2 and 4 of the Act.
3. The Schedule includes provisions setting out how trades may be referred to a classification panel, the procedures that apply upon a referral and addresses other related matters.
4. A new Part is added to the Act providing for the issuance of notices of contravention requiring a person to pay an administrative penalty. The Part sets out factors that must be considered before a notice of contravention may be issued, such as the risk of harm to the public and other persons, and the scopes of practice of relevant trades. A person who receives a notice of contravention may apply for a review of the notice by the Ontario Labour Relations Board. Provisions are included regarding the conduct of a review and the enforcement of an administrative penalty.
5. The Schedule includes a provision that requires that the Ontario College of Trades establish a compliance and enforcement policy and a Compliance and Enforcement Committee to advise the Board on addressing compliance and enforcement issues in respect of matters within the jurisdiction of the College.

dans les municipalités qui en font le choix. Les municipalités de palier supérieur pourront déléguer cette décision à leurs municipalités de palier inférieur.

ANNEXE 16 LOI SUR LA SANTÉ ET LA SÉCURITÉ AU TRAVAIL

L'annexe modifie la *Loi sur la santé et la sécurité au travail* pour donner au directeur général de la prévention le pouvoir d'accréditer des systèmes de gestion de la santé et de la sécurité et d'accorder une reconnaissance aux employeurs qui utilisent des systèmes de gestion de la santé et de la sécurité accrédités. Le directeur général de la prévention peut également établir les normes et les critères auxquels doivent satisfaire les systèmes de gestion de la santé et de la sécurité ou les employeurs pour recevoir l'accréditation ou la reconnaissance. Des modifications connexes sont également apportées à la Loi.

ANNEXE 17 LOI DE 2009 SUR L'ORDRE DES MÉTIERS DE L'ONTARIO ET L'APPRENTISSAGE

L'annexe apporte diverses modifications à la *Loi de 2009 sur l'Ordre des métiers de l'Ontario et l'apprentissage*. Les modifications importantes sont les suivantes :

1. Le Conseil des nominations de l'Ordre des métiers est prorogé sous le nom de Conseil des nominations et Registre du classement de l'Ordre des métiers. L'organisme modifié comporte deux composantes : le Conseil des nominations et le Registre du classement. La composante appelée Conseil des nominations a les mêmes fonctions que l'actuel Conseil des nominations de l'Ordre des métiers. La principale fonction de la composante appelée Registre du classement est de trancher les questions relatives au classement ou au reclassement des métiers comme métier à accréditation facultative ou obligatoire. Cette fonction est actuellement exercée par des comités d'examen créés par l'Ordre des métiers de l'Ontario.
2. L'annexe prévoit également qu'un comité de classement peut déterminer quelles activités relevant du champ d'exercice d'un métier à accréditation obligatoire devraient constituer l'exercice du métier pour l'application des articles 2 et 4 de la Loi.
3. L'annexe comprend des dispositions énonçant la façon dont les métiers peuvent être renvoyés à un comité de classement ainsi que les processus applicables en cas de renvoi, et traite d'autres questions connexes.
4. Une nouvelle partie est ajoutée à la Loi afin de prévoir la délivrance d'avis de contravention exigeant d'une personne qu'elle paie une pénalité administrative. Cette partie énonce les facteurs qu'il faut prendre en compte avant de délivrer un avis de contravention, notamment l'existence d'un risque de préjudice pour le public ou d'autres personnes et les champs d'exercice des métiers pertinents. La personne qui reçoit un avis de contravention peut en demander la révision par la Commission des relations de travail de l'Ontario. Des dispositions sont incluses concernant la conduite d'une révision et l'exécution d'une pénalité administrative.
5. L'annexe comprend une disposition qui exige que l'Ordre des métiers de l'Ontario établisse, d'une part, une politique d'observation et d'application des mesures législatives et, d'autre part, un Comité d'observation et d'application des mesures législatives chargé de conseiller le conseil sur la façon de régler les problèmes d'observation et d'application des mesures législatives à l'égard des questions relevant de l'Ordre.

6. Related regulation-making powers are added or amended.

**SCHEDULE 18
ONTARIO RETIREMENT PENSION PLAN
LEGISLATION REPEAL ACT, 2016**

The Act set out in this Schedule does the following:

1. Dissolves the Ontario Retirement Pension Plan Administration Corporation.
2. Transfers the dissolved Corporation's assets and liabilities to the Crown in right of Ontario.
3. Grants immunity to former directors, officers and employees of the dissolved Corporation for any act or omission done in good faith in the performance or exercise or intended performance or exercise of their duties and powers.
4. Repeals the *Ontario Retirement Pension Plan Act, 2015*, the *Ontario Retirement Pension Plan Administration Corporation Act, 2015* and the *Ontario Retirement Pension Plan Act (Strengthening Retirement Security for Ontarians), 2016*.
5. Makes consequential amendments to various Acts.

**SCHEDULE 19
PENSION BENEFITS ACT**

The *Pension Benefits Act* is amended. Here are some highlights.

Currently, section 42 of the Act provides certain portability options to a former member of a pension plan. In the circumstances set out in that section, a former member can require the administrator of the former member's pension plan to pay an amount equal to the commuted value of the person's deferred pension to another pension plan, to a prescribed retirement savings arrangement or for the purchase of a life annuity. The Schedule amends the Act to provide that section 42 also applies, with necessary modifications, to a retired member who is entitled to begin to receive a pension from the pension fund by virtue of having reached the normal retirement date under the pension plan but who has not yet elected to receive the pension, if the pension plan so permits. Technical consequential changes are made to the current and unproclaimed versions of subsection 1.1 (4) of the Act.

The Schedule also amends the Act to require the approval of the Superintendent of Financial Services before an administrator appointed under the Act may purchase life annuities in connection with the wind up of a pension plan. The Superintendent is required to approve the purchase within the prescribed period after approving the wind up report in respect of the pension plan under section 70 of the Act.

The Schedule also amends the Act to permit the Lieutenant Governor in Council to make regulations exempting employers and successor employers from the requirement to pay certain amounts into a pension fund under section 75 of the Act where a pension plan is wound up. Such an exemption would be available only if the following circumstances exist:

1. As a result of an application under the *Companies' Creditors Arrangement Act* (Canada), a court made an order on or before December 31, 2015 staying all proceedings taken against the employer.

6. Des pouvoirs réglementaires connexes sont ajoutés ou modifiés.

**ANNEXE 18
LOI DE 2016 ABROGEANT LA LÉGISLATION
SUR LE RÉGIME DE RETRAITE DE LA PROVINCE
DE L'ONTARIO**

La loi figurant à l'annexe fait ce qui suit :

1. Elle dissout la Société d'administration du Régime de retraite de la province de l'Ontario.
2. Elle transfère les actifs et les passifs de la Société à la Couronne du chef de l'Ontario.
3. Elle accorde l'immunité aux anciens administrateurs, dirigeants et employés de la Société dissoute pour les actes accomplis ou les omissions commises de bonne foi dans l'exercice effectif ou censé tel de leurs pouvoirs et fonctions.
4. Elle abroge la *Loi de 2015 sur le Régime de retraite de la province de l'Ontario*, la *Loi de 2015 sur la Société d'administration du Régime de retraite de la province de l'Ontario* et la *Loi de 2016 sur le Régime de retraite de la province de l'Ontario (sécuriser la retraite en Ontario)*.
5. Elle apporte des modifications corrélatives à diverses lois.

**ANNEXE 19
LOI SUR LES RÉGIMES DE RETRAITE**

Des modifications sont apportées à la *Loi sur les régimes de retraite*. En voici l'essentiel.

L'article 42 de la Loi prévoit des options relatives à la transférabilité dont peuvent se prévaloir les anciens participants à un régime de retraite. Dans les circonstances indiquées à cet article, tout ancien participant peut exiger que l'administrateur du régime paie un montant égal à la valeur de rachat de sa pension différée à un autre régime de retraite, à un arrangement d'épargne-retraite prescrit ou pour la constitution d'une rente viagère. L'annexe modifie la Loi de sorte que l'article 42 s'applique également, avec les adaptations nécessaires, à tout participant retraité qui a le droit de commencer à recevoir une pension de la caisse de retraite du fait qu'il a atteint la date normale de retraite prévue par le régime de retraite, mais qui n'a pas encore choisi de recevoir la pension, si le régime le permet. Des modifications corrélatives de forme sont apportées à la version en vigueur et à celle non encore proclamée du paragraphe 1.1 (4) de la Loi.

L'annexe modifie également la Loi pour que l'approbation du surintendant des services financiers soit requise avant qu'un administrateur nommé en vertu de la Loi puisse constituer des rentes viagères dans le cadre de la liquidation d'un régime de retraite. Le surintendant est tenu d'approuver la constitution des rentes dans le délai prescrit après avoir approuvé le rapport de liquidation du régime de retraite en application de l'article 70 de la Loi.

De plus, l'annexe modifie la Loi afin de permettre au lieutenant-gouverneur en conseil de prendre des règlements pour exempter des employeurs et des employeurs subséquents de l'obligation de verser certaines sommes à une caisse de retraite en application de l'article 75 de la Loi en cas de liquidation d'un régime de retraite. Une telle exemption n'est possible que si les conditions suivantes sont réunies :

1. Par suite de la présentation d'une demande au titre de la *Loi sur les arrangements avec les créanciers des compagnies* (Canada), un tribunal a rendu, le 31 décembre 2015 ou avant cette date, une ordonnance suspendant toute procédure intentée contre l'employeur.

2. The Superintendent of Financial Services has approved an agreement with respect to the employer's liability under section 75 and with respect to the liability of the successor employer, if any.

The Act is also amended to provide the Superintendent of Financial Services with the authority to impose administrative penalties for contravening a requirement established under the Act or a prescribed provision of the Act or the regulations. General penalties and penalties given in accordance with a summary process are provided for, and maximum penalty amounts are set out for each type of penalty.

The Lieutenant Governor in Council is given the power to make regulations governing administrative penalties imposed under the Act and respecting the timing and manner of allocating amounts from the Pension Benefits Guarantee Fund and paying those amounts to pension plans.

SCHEDULE 20 PROVINCIAL LAND TAX ACT, 2006

The *Provincial Land Tax Act, 2006* is amended to give the Minister the ability to make regulations providing for tax rebates to owners of property that have vacant portions in any property class other than the residential property class, the multi-residential property class, the farm property class, the pipe line property class or the managed forests property class, instead of being restricted to properties in the commercial property class or the industrial property class.

SCHEDULE 21 REGISTERED INSURANCE BROKERS ACT

Various technical corrections are made to the *Registered Insurance Brokers Act*.

SCHEDULE 22 RETAIL SALES TAX ACT

The Schedule adds new subsections 4.2 (3.1) and (3.2) to the *Retail Sales Tax Act* to allow the Minister of Finance to approve the use of industry standard publications for determining the average wholesale price of a specified vehicle.

SCHEDULE 23 SECURITIES ACT

Currently, under section 127 of the *Securities Act*, the Commission cannot, without a hearing, make an order prohibiting a person or company from acquiring any securities. Subsection 127 (5) is amended to authorize the Commission to make a temporary order for such a prohibition, if the length of time required to conclude a hearing could be prejudicial to the public interest. An amendment is also made to subsection 127 (8) respecting the extension of the temporary order.

SCHEDULE 24 SUPPLEMENTARY INTERIM APPROPRIATION FOR 2016-2017 ACT, 2016

The Schedule enacts the *Supplementary Interim Appropriation for 2016-2017 Act, 2016*, which authorizes expenditures pending the voting of supply for the fiscal year ending on March 31, 2017 up to specified maximum amounts. The expenditures authorized are in addition to those authorized under the *Interim Appropriation for 2016-2017 Act, 2015*. All expenditures made or recognized under the *Interim Appropriation for 2016-2017 Act, 2015* and this Act must be charged to the proper appropriation following the voting of supply for the fiscal year ending on March 31, 2017.

2. Le surintendant des services financiers a approuvé un accord à l'égard de la responsabilité de l'employeur prévue à l'article 75 et à l'égard de la responsabilité de l'employeur subséquent, le cas échéant.

La Loi est également modifiée pour donner au surintendant des services financiers le pouvoir d'imposer des pénalités administratives en cas de contravention à une exigence établie en vertu de la Loi ou à une disposition prescrite de la Loi ou des règlements. Les modifications prévoient des pénalités générales et des pénalités imposées conformément à un processus sommaire et fixent des montants maximaux pour chaque type de pénalité.

Le lieutenant-gouverneur en conseil est investi du pouvoir de prendre des règlements régissant les pénalités administratives imposées en vertu de la Loi et traitant des délais et du mode d'attribution de sommes prélevées sur le Fonds de garantie des prestations de retraite et de versement de ces sommes à des régimes de retraite.

ANNEXE 20 LOI DE 2006 SUR L'IMPÔT FONCIER PROVINCIAL

La *Loi de 2006 sur l'impôt foncier provincial* est modifiée afin que le ministre puisse prendre des règlements prévoyant des remises d'impôt en faveur des propriétaires de biens dont des parties sont vacantes et qui appartiennent à n'importe quelle catégorie autre que la catégorie des biens résidentiels, la catégorie des immeubles à logements multiples, la catégorie des biens agricoles, la catégorie des pipelines ou la catégorie des forêts aménagées, au lieu de remises restreintes aux biens appartenant à la catégorie des biens commerciaux ou à la catégorie des biens industriels.

ANNEXE 21 LOI SUR LES COURTIER D'ASSURANCES INSCRITS

Diverses modifications de forme sont apportées à la *Loi sur les courtiers d'assurances inscrits*.

ANNEXE 22 LOI SUR LA TAXE DE VENTE AU DÉTAIL

L'annexe ajoute les paragraphes (3.1) et (3.2) à l'article 4.2 de la *Loi sur la taxe de vente au détail* pour permettre au ministre des Finances d'approuver l'utilisation de publications sectorielles pour calculer le prix de gros moyen d'un véhicule déterminé.

ANNEXE 23 LOI SUR LES VALEURS MOBILIÈRES

Dans sa version actuelle, l'article 127 de la *Loi sur les valeurs mobilières* ne permet pas à la Commission de rendre, sans tenir d'audience, une ordonnance interdisant à une personne ou à une compagnie d'acquérir des valeurs mobilières. Le paragraphe (5) de cet article est modifié pour autoriser la Commission à rendre une ordonnance temporaire interdisant une telle acquisition dans le cas où la période nécessaire pour terminer une audience pourrait être préjudiciable à l'intérêt public. Une modification est également apportée au paragraphe 127 (8) en ce qui concerne la prorogation de l'ordonnance temporaire.

ANNEXE 24 LOI SUPPLÉMENTAIRE DE 2016 PORTANT AFFECTATION ANTICIPÉE DE CRÉDITS POUR 2016-2017

L'annexe édicte la *Loi supplémentaire de 2016 portant affectation anticipée de crédits pour 2016-2017*, laquelle autorise l'engagement de dépenses, jusqu'à concurrence de plafonds déterminés, en attendant le vote des crédits pour l'exercice se terminant le 31 mars 2017. Les dépenses autorisées s'ajoutent à celles prévues par la *Loi de 2015 portant affectation anticipée de crédits pour 2016-2017*. Après ce vote, toutes les dépenses effectuées ou comptabilisées en vertu de cette loi et de la loi édictée par l'annexe doivent être imputées à l'affectation de crédits appropriée.

**SCHEDULE 25
TAXATION ACT, 2007**

The Schedule makes the following technical amendments to the *Taxation Act, 2007*:

1. A reference to “the highest individual percentage” is included as a result of changes in the Federal Act.
2. Section 9 of the Act is amended so that the termination of the federal education tax credit does not affect the calculation of the Ontario tax credit for unused tuition and education tax credits, or the calculation of the Ontario education tax credit.
3. A reference to the “Canada child tax benefit” is updated to “Canada child benefit” as a result of changes in the Federal Act.

Section 93 of the Act, which governs the Ontario interactive digital media tax credit, is amended to establish a deadline for applications for certification made under that section.

**SCHEDULE 26
TOBACCO TAX ACT**

The *Tobacco Tax Act* is amended as follows:

The requirements to provide different types of information to the Minister on request that apply to a person who holds a raw leaf tobacco registration certificate issued under section 2.2 are extended to persons who hold a manufacturer’s registration certificate under section 7.

The penalties for being convicted of an offence in respect of raw leaf tobacco under sections 2.2, 2.3, 2.4 and 23.0.1 are amended to include an additional fine reflecting the quantity of raw leaf tobacco involved in the offence. The fines in section 2.3 are also increased and imprisonment is allowed for in certain circumstances.

The penalty for contravening section 2.3 is increased and an additional amount is added to reflect the quantity of raw leaf tobacco involved.

New offences and penalties are established for failing to comply with the requirements in section 3.1 with respect to retail dealers’ permits.

The Minister is given the power to make regulations governing the activities of persons with respect to the baling and packaging of raw leaf tobacco.

Section 43 is repealed and replaced. The new section 43 allows the Minister to make regulations governing fees under the Act.

**ANNEXE 25
LOI DE 2007 SUR LES IMPÔTS**

L’annexe apporte les modifications de forme suivantes à la *Loi de 2007 sur les impôts* :

1. La mention «le taux d’imposition supérieur» est incluse en raison de modifications apportées à la loi fédérale.
2. L’article 9 de la Loi est modifié afin que la suppression du crédit d’impôt fédéral pour études n’ait pas d’incidence sur le calcul du crédit d’impôt de l’Ontario à l’égard des crédits d’impôt pour frais de scolarité et pour études inutilisés ni sur le calcul du crédit d’impôt de l’Ontario pour études.
3. La mention «prestation fiscale canadienne pour enfants» est remplacée par la mention «allocation canadienne pour enfants» en raison de modifications apportées à la loi fédérale.

L’article 93 de la Loi, qui régit le crédit d’impôt de l’Ontario pour les produits multimédias interactifs numériques, est modifié pour fixer le délai de présentation des demandes d’attestation prévues à cet article.

**ANNEXE 26
LOI DE LA TAXE SUR LE TABAC**

Les modifications suivantes sont apportées à la *Loi de la taxe sur le tabac* :

Les exigences qui s’appliquent aux titulaires d’un certificat d’inscription à l’égard du tabac en feuilles délivré en application de l’article 2.2 et selon lesquelles ils doivent fournir différents types de renseignements au ministre, à sa demande, s’appliquent désormais aux titulaires d’un certificat d’inscription de fabricant délivré en application de l’article 7.

Les peines prévues aux articles 2.2, 2.3, 2.4 et 23.0.1 en cas de déclaration de culpabilité à l’égard d’une infraction relative au tabac en feuilles sont modifiées pour inclure une amende supplémentaire proportionnelle à la quantité de tabac en feuilles en cause dans l’infraction. Les amendes prévues à l’article 2.3 sont également augmentées et une peine d’emprisonnement est possible dans certaines circonstances.

La pénalité prévue en cas de contravention à l’article 2.3 est augmentée et elle est majorée d’un montant proportionnel à la quantité de tabac en feuilles en cause.

De nouvelles infractions et pénalités sont établies en cas de non-respect des exigences de l’article 3.1 relatives aux permis de détaillant.

Le ministre est investi du pouvoir de régir, par règlement, les activités de personnes en ce qui concerne la mise en ballots et l’emballage du tabac en feuilles.

L’article 43 est abrogé et remplacé. Le nouvel article 43 permet au ministre de prendre des règlements qui régissent les droits prévus par la Loi.

MNP

