

## THE CORPORATION OF THE TOWNSHIP OF HORTON

**Special Council Meeting**March 29<sup>th</sup>, 2019

1:00 p.m.

A Special Council Meeting was called for Friday March 29th, 2019 at 1:00 p.m. by Mayor Bennett subject to the procedural by-law passed under section 238 of the *Municipal Act*, as per Section 240(a) of the *Municipal Act*.

1. Call to Order
2. Declaration of Pecuniary Interest
3. March 2019 Funding Announcements – Treasurer Report **PG. 2**
4. March 2019 Funding Announcements – CAO/Clerk Report **PG. 11**
5. Confirming By-law 2019-24 **PG. 13**
6. Adjournment

**RETURN TO AGENDA**



**Township of Horton  
COUNCIL / COMMITTEE REPORT**

<b>Title:</b>  MARCH 2019 FUNDING ANNOUNCEMENTS	<b>Date:</b>	March 21, 2019
	<b>Council/Committee:</b>	General Government
	<b>Author:</b>	Jennifer M. Barr
	<b>Department:</b>	Finance

### **RECOMMENDATIONS:**

**THAT** the one-time unconditional transfer from the Province to support Small and Rural Municipalities of \$411,443 be placed in a Reserve and invested in a GIC until such time as Council has the opportunity to review the intent of this transfer and how best to utilize the funds;

**AND FURTHER THAT** upon determining how to utilize the funds that two weeks' notice be given in accordance with the Township notice by-law to amend the 2019 budget if required.

### **BACKGROUND:**

Municipalities have recently received announcements from the Provincial and Federal governments regarding committed and possible future transfer payments. In this report I will outline each announcement and the possible impacts to Horton's Long-Term Financial Strategies.

#### **Investing in Canada Infrastructure Program (ICIP)**

This program was announced by AMO and is part of the Canada-Ontario Infrastructure bilateral agreement. There are four streams to this program:

- Public Transit
- Green infrastructure
- Community, Culture and Recreation
- Rural and Northern Communities

The first stream being Rural and Northern Communities was opened March 18, 2019 and will close May 14<sup>th</sup>, 2019 at 11:59 pm. The province will roll-out the funding through multiple intakes over the next 10 years starting with this intake.

We were previously advised to get "shovel ready" for a project and at that time Council chose the Thompson Hill Roads Rehabilitation project. This project was submitted as part of the application-based funding part of OCIF and has been cancelled with this announcement. Council passed resolution 2019-72 to apply under the ICIP for the Thompson Hill Roads Rehabilitation project.

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It is important to note that only roads, bridges, air and marine are eligible asset types. We can only apply for the road's rehabilitation part of this project and not the storm water part. A funding scenario of possible outcomes pending the actual approval of the application and tendering process are **attached as Appendix "C"**. Other project considerations are as follows:

- Contract must be awarded after funding approval
- Capital costs are only eligible after federal approval of funding
- Staff costs and operating costs are not eligible **(these costs would still form part of the asset value but would be funded through taxation)**
- Financing charges and loan interest payments are not eligible
- Applicants must have an asset management plan and proposed project identified on the plan being a priority and be compliant with regulation 588/17
- Projects must undertake a competitive pricing or tendering process to demonstrate value-for-money (province may request copies of proposals or bids from three (3) bidders)
- Notification of decision summer/fall of 2019
- Project must be completed by October 2026
- Projects will be assessed according to critical health and safety aspects (example would be improved and/or more reliable transportation infrastructure)
- Applicants must be able to fund all project costs and potential cost over-runs to be eligible for funding
- Ratio for population under 5,000 is 60% federal, 33.33% provincial and 6.67% municipal
- Provincial Stacking of Funds – cannot combine funding received through the Rural and Northern Communities Funding Stream and funding from another project-based capital program, however you can use OCIF formula-based funding to support a road or bridge project
- Federal Stacking of Funds – all federal sources up to 60% **(therefore we cannot stack using Gas Tax as the ICIP is already 60% federal)**

### **Ontario Community Infrastructure Fund (OCIF)**

We have been advised that the top-up allocation application from 2018 has been cancelled. Council has authorized staff to apply for the Thompson Hill Roads Rehabilitation under the ICIP program. Only a portion of this project is eligible. ***(Funding impacts are as outlined in the attached Appendix "C")***.

We have also been advised that the 2019 formula-based allocation is confirmed but the 2020 and 2021 allocations have not been confirmed. The Mayor and CAO/Clerk have forwarded a letter of concern regarding any potential loss of these funds and the levy impact to the Township to the Ministry of Infrastructure and Ministry of Agriculture, Food and Rural Affairs. ***(Both letters attached as Appendix "A" and "B")***.

### **One Time Support – Small and Rural Municipalities**

We have been advised we will receive a ***one-time*** unconditional transfer payment of \$411,443. ***(See attached letter Appendix "D")***. This transfer is considered unconditional; however, it is intended to be invested in projects that will make your municipality more efficient and reduce expenditure growth. This can be done through service delivery reviews, shared service agreement and/or capital investments. Some examples of service delivery reviews could be reviewing our sanding practices, reviewing our gravel program etc. Some examples of shared services could be sharing a staff person, such as we do now with our building inspector.

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It is important to note that at some point in time the province will be inquiring as to how the funds were spent modernizing the Township. Council should consider possible future funding implications prior to utilization of this fund given it is a one-time transfer.

It is also important to note that the province is continuing to review line-by-line all provincial expenditures and further changes to transfer payments to municipalities may happen. What exactly that may be, one cannot be sure at this point in the review, but it is my assumption as well as my colleagues that there will be reduction in transfer payments. It is imperative that Council implement efficiency through utilization of these funds.

**Federal Gas Tax Fund**

The federal government has announced a one-time top-up to the Gas Tax Fund. Ontario's share of this announcement is expected to be over \$800 million based on 2018 allocations. It is expected municipalities will receive an amount equal to the 2018 allocation which for Horton was \$86,603. Our gas tax agreement specifics what items are eligible. In the past Horton has always utilized these funds on the road network.

**ALTERNATIVES:**


None, majority of this report is information only.

**FINANCIAL IMPLICATIONS:**


Potential levy increases of 3.6% if OCIF Formula-Based funding is lost. There will also be impacts to reserves and debt levels pending decisions to be made on the Thompson Hill Road Rehabilitation project. The 2019 debt level per policy J-10 is \$765,000. The Township's debt at December 31, 2019 will be \$430,278.77 which leaves debt room per policy of \$334,721.23.

**CONSULTATIONS:**

Municipal colleagues and the CAO/Clerk.

Author:   
Signature

Other: \_\_\_\_\_  
Signature

Treasurer:   
Signature

C.A.O. \_\_\_\_\_  
Signature

**Ministry of Infrastructure**

Infrastructure Policy Division  
777 Bay Street, 4<sup>th</sup> Floor, Suite 425  
Toronto, Ontario M5G 2E5

**Ministry of Agriculture, Food and Rural  
Affairs**

Rural Programs Branch  
1 Stone Road West, 4<sup>th</sup> Floor NW  
Guelph, Ontario N1G 4Y2



March 14, 2019

Dear CAO/Clerk/Treasurer:

We are writing to provide you with an update on the Ontario Community Infrastructure Fund (OCIF) and new opportunities to access federal and provincial infrastructure funding under the Investing in Canada Infrastructure Program.

Firstly, we are pleased to confirm your municipality's eligibility for the OCIF 2019 Formula-Based Component and provide you with the enclosed Revised Allocation Notice. The notice confirms the previously-proposed 2019 allocation for your community.

We would also like to take this opportunity to remind you of the steps required to close-out your 2018 Formula Funding. A 2018 Annual Financial Overview will be provided to you shortly, along with an Annual Financial Report (AFR) template for you to complete. In the AFR you will be required to confirm details of projects in progress or recently completed, report on any transfers (in or out) for joint projects with other eligible OCIF recipients, indicate the amount of interest earned on formula funds, and confirm any amounts that will be carried forward to 2019. Detailed instructions will be provided when the forms are sent to you.

As your Revised Allocation Notice is being sent out later than normal, the timing of reports as noted in the Contribution Agreement (CA) under Section I2.1 will be revised for this year. The 2018 AFR should be provided by May 31, 2019 and the Project Information Reports required to substantiate the 2019 allocation should be provided by June 30, 2019. Any questions regarding this timing should be sent to [OCIF@ontario.ca](mailto:OCIF@ontario.ca).

Failure to complete these reporting requirements and any other requirements included in your CA by the noted deadlines could impact your ability to receive formula payments in 2019 and beyond.

As you know, the government is making every effort to restore fiscal balance to the Province. We are using the Province's recent line-by-line review to make all government spending more effective and reduce Ontario's fiscal burden.

Based on this review, the province will be updating the design of OCIF, including the formula and application streams, to make sure funding is targeted to where it is needed most.

In the meantime, proposed formula-based allocations for 2020 and 2021 cannot be confirmed. This means that the previously-proposed allocations for 2020 are subject to change pending the outcome of

the program update. In addition, we are cancelling the top-up application intake that closed in August of 2018 as well as the 2019 top-up application intake.

We thank you for submitting your application to the 2018 OCIF Top-Up intake, and look forward to working with you, and other municipal partners to ensure that the refined OCIF program supports efficiency and value-for-money while helping to address municipal critical infrastructure needs.

As you may know, the Province is launching the Investing in Canada Infrastructure Program (ICIP) in Ontario. ICIP is a ten-year program, which will commit up to \$30 billion in combined federal and provincial funding to support public transit, green infrastructure, community, culture and recreation, and rural and northern infrastructure investments. You can learn more about these opportunities at <http://www.grants.gov.on.ca/GrantsPortal/en>, by clicking on Grant Opportunities. Details on ICIP will be available starting on March 18, 2019 including details on the launch of the first intake of ICIP, the Rural and Northern stream.

Should you have any additional questions, please do not hesitate to contact your OCIF Project Analyst at [OCIF@ontario.ca](mailto:OCIF@ontario.ca) or by calling 1-877-424-1300.

We would like to thank you for submitting your application to the 2018 OCIF Top-Up Component, and look forward to getting in touch with additional information about ICIP.

Sincerely,

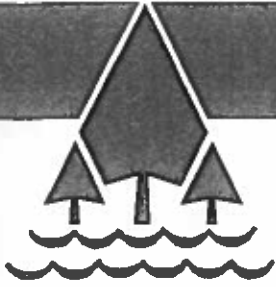


Julia Danos  
Director, Intergovernmental Policy Branch  
Infrastructure Policy Division  
Ministry of Infrastructure  
416-212-8757  
[julia.danos@ontario.ca](mailto:julia.danos@ontario.ca)



Carolyn Hamilton  
Director, Rural Programs Branch  
Economic Development Division  
Ministry of Agriculture, Food and Rural Affairs  
519-826-3419  
[carolyn.hamilton@ontario.ca](mailto:carolyn.hamilton@ontario.ca)

# HORTON



2253 Johnston Road, R.R. 5, Renfrew, Ontario K7V 3Z8

reception@hortontownship.ca

Phone 613-432-6271

Fax 613-432-7298

**COPY**

March 20, 2019

Julia Danos  
 Director, Intergovernmental Policy Branch  
 Infrastructure Policy Division  
 Ministry of Infrastructure  
 777 Bay Street, 4<sup>th</sup> Floor, Suite 425  
 TORONTO ON M5G 2E5  
[julia.danos@ontario.ca](mailto:julia.danos@ontario.ca)

Carolyn Hamilton  
 Director, Rural Programs Branch  
 Economic Development Division  
 Ministry of Agriculture, Food and Rural Affairs  
 1 Stone Road West  
 GUELPH ON N1G 4Y2  
[Carolyn.hamilton@ontario.ca](mailto:Carolyn.hamilton@ontario.ca)

Dear Directors:

In response to your letter dated March 14, 2019 addressed to CAO/Clerk/Treasurer's on the update of the Ontario Community Infrastructure Fund (OCIF), the Council of the Township of Horton have some concerns regarding the possible long-term financial impacts of the pending design change of OCIF, specifically with the Formula-Based component.


Council has made long term financial decisions incorporating OCIF funding into the 10-year financial strategies. While Council has some flexibility through annual budget deliberations to amend those strategies, Horton has previously decided to debenture a portion of a 2018 road project, specifically Johnston Road, and planned to use a portion of the annual OCIF allocation to fund this debenture. The impact to the levy for 2020 if this funding was lost specific to the debenture is \$31,058 which is equivalent to a 1.3% levy increase. This debenture is a 10-year commitment.


The dollar impact to the 2020 budget if this funding was lost in total is \$85,090 which is equivalent to a 3.6% levy increase. Our current 10-year financial plan already incorporates an annual levy increase of 3.5% that still leaves Horton with a \$1.7 million infrastructure funding gap. An additional 3.6% increase without taking in to consideration annual inflation and OPP increases would be detrimental to our taxpayers and their ability to pay their property taxes. An annual levy increase of 7.1% is not acceptable.

At this time, we ask that prior to making any decisions you take into consideration the financial impact any reduction to the OCIF Formula-Based component would have on our Township as well as other small rural Township's throughout the Province.

If you have any questions, please don't hesitate to contact me.

Sincerely,

  
 Hope Dillabough, B.A., Dip. M.A.  
 CAO/Clerk

  
 David M. Bennett,  
 Mayor

c.c. John Yakabuski MPP Renfrew-Nipissing-Pembroke  
 Joseph Dubonnet, Project Analyst, OMAFRA  
 Stephen Seller, Municipal Advisor, Ministry of Municipal Affairs and Ministry of Housing

**RETURN TO AGENDA**

**Township of Horton**  
**Funding Scenario's for Thompson Hill Roads Rehabilitation Project**

Scenario	Project Budget	Financing Options						Estimated Closing Unfinanced
		Taxation	Dev. Chgs.	ICIP	OCIF	Gas Tax	Reserves	
2019 Budget Thompson Hill Roads	1,057,818				880,139		51,171	126,508
<b>2020 Financing</b>								
OCIF Cancelled, ICIP Application	1,004,362			900,565	103,797			0
Stormwater System Removed	53,456					53,456		0
	1,057,818	0	0	900,565	103,797	53,456	0	0
<i>Note: Not sure if OCIF Formula Based will be there.</i>								
<i>Note: ICIP is already at 60% Federal Share, therefore cannot use Gas Tax</i>								
<b>Roads Infrastructure Reserve</b>								
Opening Balance Jan 1 2019							8,586	
2019 Allocation							48,552	
CWWF Project							-3,470	
Balance Dec 31 2019							53,668	
2020 Allocation							50,388	
Thompson Hill Rd Rehab							0	
Balance Dec 31 2020							104,056	
<b>Gas Tax Reserve</b>								
Opening Balance Jan 1 2019						76		
2019 Allocation						87,581		
Estimated 2019 One Time Top Up						86,603		
2019 Garden of Eden Rd Gravel						-40,000		
Balance Dec 31 2019						134,260		
2020 Allocation						87,581		
Storm Water Rehab - Thompson Hill Rds						-53,456		
Balance Dec 31 2020						168,385	0	

*Note: In 2022 if the Township is not successful in obtaining a grant for Pinnacle Rd, \$587,700 will be added to current funding gap of \$1,708,989 to bring the funding gap to \$2,296,689. This gap has already accounted for Gas Tax and OCIF Formula-Based transfers.*

**RETURN TO AGENDA**



Ministry of  
Municipal Affairs  
and Housing

Ministère des  
Affaires municipales  
et du Logement



Office of the Minister

Bureau du ministre

777 Bay Street, 17<sup>th</sup> Floor

777, rue Bay, 17<sup>e</sup> étage

Toronto ON M5G 2E5

Toronto ON M5G 2E5

Tel.: 416 585-7000

Tél. : 416 585-7000

Fax: 416 585-6470

Télééc. : 416 585-6470

March 20, 2019

Your Worship  
Mayor David Bennett  
Township of Horton  
[dbennett@hortontownship.ca](mailto:dbennett@hortontownship.ca)

Dear Mayor Bennett:

Our government for the people was elected to restore trust, transparency and accountability in Ontario's finances. As you know, the province has undertaken a line-by-line review of our own expenditures, and we have been clear that we expect our partners, including municipalities, to take steps to become more efficient as well.

Municipalities play a key role in delivering many provincial services that people across Ontario rely on. Taxpayers deserve modern, efficient service delivery that puts people at the centre and respects hard-earned dollars.

Transforming service delivery and identifying more modern, efficient ways of operating is critical and complex work. As Minister of Municipal Affairs and Housing, I recognize that many of Ontario's small and rural municipalities may have limited capacity to plan and manage transformation, depending on the resources they have available and how far they have moved on their own modernization agendas.

That is why we are providing a one-time payment in the 2018-19 fiscal year to support small and rural municipalities' efforts to become more efficient and reduce expenditure growth in the longer term.

To ensure that this investment is targeted to where it is needed most, municipal allocations are based on a formula, which takes into consideration the number of households in a municipality and whether it is urban or rural.

While this investment is unconditional, it is intended to help modernize service delivery and reduce future costs through investments in projects such as: service delivery reviews, development of shared services agreements, and capital investments. Our government believes that municipalities are best positioned to understand the unique circumstances and determine where and how this money is best spent.

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I am pleased to share that Township of Horton receive a one-time payment of \$411,443 which will flow in this fiscal year.

Staff from our regional Municipal Services Offices will be in touch in the coming days for your acknowledgement of this letter and to discuss any questions that you might have. I encourage you to work with ministry staff as you begin to think about the best way to proceed for your community. The Municipal Services Offices can offer advice and point to examples that may be helpful as you contemplate local solutions. In the future, we would be interested to hear about your modernization success stories.

Thank you once again for your commitment to demonstrating value for money. I look forward to continuing to work together to help the people and businesses in communities across our province thrive.

Sincerely,



Steve Clark  
Minister of Municipal Affairs and Housing



# Township of Horton COUNCIL / COMMITTEE REPORT

Title:  MMAH – Funding Announcement	Date:	March 27, 2019
	Council/Committee:	Council
	Author:	Hope Dillabough, CAO/Clerk
	Department:	General Government

### RECOMMENDATIONS:

THAT Staff of the Township of Horton recommend to Council:

- That a working group of all lower tier municipalities be struck to find greater efficiency within the County as a whole;
- That the goal of the Committee would be to modernize service delivery and reduce future long term costs to the lower-tier municipalities;
- That Council should ensure this is an urgent priority within the County given fiscal year funding concerns;
- That the funding received for service delivery review be put into reserves until a detailed plan for its allocation is brought forward;

AND THAT this be forwarded to all lower-tier Municipalities in the County of Renfrew.

### BACKGROUND:

On March 20<sup>th</sup>, 2019, the Minister of Municipal Affairs provided investment to the rural and northern municipalities in the Province with the clear intention of helping modernize service delivery and reduce future costs through investments in projects such as: service delivery reviews, development of shared services agreements and capital investments.


It is anticipated that significant changes are forthcoming in funding allocations to municipal governments in the province beginning in 2020. Based on these allocations provided, it's also anticipated that the Minister is expecting to see significant cost savings in all operations.

There has been, and continues to be, significant correspondence within the last two days, between colleagues in the County concerned about the financial future of rural municipalities. It has been discussed that the 'signals are there'. This refers to the Regional review that is occurring, the line-by-line provincial review, the OMPF Review, the need for a Service Delivery Review etc.. This item was discussed at the Tax Policy Group Meeting late last week at the County and has also been requested to be placed on the April Agenda at the Renfrew County Clerks and Treasurers Association upcoming meeting.

**ALTERNATIVES:** N/A

**FINANCIAL IMPLICATIONS:** N/A

**CONSULTATIONS:** Colleagues, Renfrew County.

Author:   
signature

Other: \_\_\_\_\_  
signature

Treasurer: \_\_\_\_\_  
signature

C.A.O. \_\_\_\_\_  
signature

**RETURN TO AGENDA**

**From:** AMO Communications <Communicate@amo.on.ca>  
**Sent:** Tuesday, March 26, 2019 3:50 PM  
**To:** Hope Dillabough <hdillabough@hortontownship.ca>  
**Subject:** Resources to Improve Service Delivery and Efficiency

AMO Update not displaying correctly? [View the online version](#) | [Send to a friend](#)  
Add [Communicate@amo.on.ca](mailto:Communicate@amo.on.ca) to your safe list

AMO Policy Update

March 26, 2019

On March 20, 2019, the Government of Ontario [announced one-time funding](#) for small and rural municipalities to improve service delivery and efficiency.

405 municipal governments have received letters from MMAH Minister Steve Clark outlining their funding allocation and details of the government's expectations. The letter recommends the money be used to improve how municipalities deliver services to reduce ongoing costs of providing those services. The use of this money is another opportunity for municipal governments to demonstrate to their taxpayers and the province how they can move innovation forward.

There are resources available for municipalities to learn more about best practices related to efficiency, effectiveness and innovation. The Minister's letter indicates ministry regional offices can assist with ideas about how best to invest the funds.

AMO also has information resources available. From 2010 to 2014, AMO delivered a project funded by MMAH called the Ontario Municipal Knowledge Network (OMKN). While the project concluded in 2015, the information assembled is still available on the OMKN website at [www.omkn.ca](http://www.omkn.ca). While the site is archived, it contains a wealth of information on best practices. It also contains customized search capacity linked to key municipal best practice sources in North America and Europe.

AMO Contact:

Brian Rosborough, Director, Membership Centre, [Brosborough@amo.on.ca](mailto:Brosborough@amo.on.ca)

416-971-9856 x 362

**RETURN TO AGENDA**

# CORPORATION OF THE TOWNSHIP OF HORTON

## BY-LAW NO. 2019-24

### A BY-LAW TO CONFIRM PROCEEDINGS OF THE COUNCIL OF THE TOWNSHIP OF HORTON AT THE SPECIAL COUNCIL MEETING HELD MARCH 29<sup>TH</sup>, 2019

**WHEREAS** Subsection 5(1) of the Municipal Act, 2001, S.O. 2001, Chapter 25, as amended, provides that the powers of a municipal corporation are to be exercised by its Council;

**AND WHEREAS** Subsection 5(3) of the said Municipal Act provides that the powers of every Council are to be exercised by by-law;

**AND WHEREAS** it is deemed expedient and desirable that the proceedings of the Council of the Corporation of the Horton at this meeting be confirmed and adopted by by-law;

**THEREFORE** the Council of the Township of Horton enacts as follows:

1. That the actions of the Council at the meeting held on the 29<sup>th</sup> day of March, 2019 and in respect of each motion, resolution and other action passed and taken by the Council at its said meetings, is, except where the prior approval of the Ontario Municipal Board or other body is required, hereby adopted, ratified and confirmed as if all such proceedings were expressly embodied in this by-law.
2. That the Head of Council and proper officers of the Corporation of the Township of Horton are hereby authorized and directed to do all things necessary to give effect to the said action or to obtain appropriate approvals where required, except where otherwise provided, and to affix the Corporate Seal of the Corporation of the Township of Horton to all such documents.
3. That this By-Law shall come into force and take effect upon the passing thereof.

READ a first and second time this 29<sup>th</sup> day of March, 2019.

READ a third time and passed this 29<sup>th</sup> day of March, 2019.

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MAYOR David M. Bennett

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CAO/CLERK Hope Dillabough

**RETURN TO AGENDA**