



Finance, Administration and Operations Committee

Tuesday, September 16, 2014, 4:15 pm
City Hall, Council Chambers

Committee Members

Councillor J. Fullarton, Chair
Councillor J. Baker
Councillor T. Blanchard
Councillor L. Bursey
Councillor J. Earle
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Clerk's Office
Environmental Services
Finance Department
Fire Department
Human Resources Dept.
Operations Department
Airport Commission
Arena Advisory Board
Brockville Municipal
Accessibility Advisory
Committee (BMAAC)

CRCA
Cemetery
Health Unit
Joint Services Committee
PLMG
Police Services Board
Safe Communities Coalition
St. Lawrence Lodge
Management Board
Volunteer Awards

All legal matters [excepting
the purchase and sale of
land]

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AGENDA

DISCLOSURE OF INTEREST

DELEGATION(S) AND PRESENTATION(S)

1. Capital Budget Request
(Mr. John Taylor, Chair, Brock Trail Committee &
Mr. Alan Medcalf, Chair, Brockville Cycling Advisory Committee)

Mr. Medcalf and Mr. Taylor will speak to the committee concerning a capital budget request.

CORRESPONDENCE

5 - 7

1. Application to National Recreation Trails Program Fund
(Brockville Cycling Advisory Committee)

See attached resolution from the Council meeting of July 22, 2014.

THAT the correspondence from Mr. Alan Medcalf, Chair, BCAC, dated August 5, 2014, respecting the BCAC support of the National Recreation Trails Program Funding Application be received.

- THAT the correspondence from Ontario Trails Council dated September 11, 2014 regarding the proposed Brockville Trail and Cycling Network Plan be received.*

9 - 18 1. Capital Budgeting for Active Transportation
(Brock Trail Committee & Brockville Cycling Advisory Committee)

THAT Council direct staff to include provisions in the Capital Budget Plan for active transportation, specifically the completion of the Brock Trail network and the implementation of a Cycling Network, understanding that the incoming Council, post-election will debate and decide the Budget; and

THAT Council pass a resolution recommending the new Council give this report's recommended approach strong consideration.

- THAT the Survey Analysis Report from Brockville Youth Advisory Committee dated September 2014, be received.*

29 - 45 1. 2014-100-09
Joint Compliance Audit Committee

THAT Council authorize the appointment of the following persons to the Joint Election Compliance Audit Committee for the term of office of December 1, 2014 to November 30, 2018:

Members: Mike Larocque, Glenn MacKey, Graham Pincott

Alternates: Rob Bickerton, Georgina Grey, Norman Guy, Jim Mallar, David Robertson; and

THAT the necessary by-law be enacted.

- 46 - 92 2. 2014-103-09
2013 Annual Financial Statements and
Auditors Report

THAT the Audited Financial Statements for the Corporation of the City of Brockville to the year-ended December 31st, 2013 be received and approved; and

THAT the Audited Financial Statements for the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville be received and approved; and

THAT the Audited Statements of the Corporation of the City of Brockville Trust Funds be received and approved; and

THAT the operating surplus of \$22,046 be allocated to the Fiscal Policy Reserve.

NEW BUSINESS

- 93 - 101 1. AMO Annual Conference Report
(Councillor L. Bursey)

THAT the report from Councillor Bursey regarding the AMO Annual Conference be received.

2. Conference Reports from Members of Council
(Councillor Bursey)

THEREFORE BE IT RESOLVED that each participant in a provincial or federal municipal training conference such as the Association of Municipalities of Ontario or the Federation of Canadian Municipalities, who attends on behalf of the municipality, submit a written report of information gathered and received from the conference proceedings for information purposes, to provide further understanding of current issues to both Council and the public.

3. Bridlewood Drive at Laurier Blvd. Crosswalk
(Councillor Bursey)

Councillor Bursey would like to discuss the installation of a crosswalk.

FAO - CONSENT AGENDA

ADJOURNMENT

THAT the Finance, Administration and Operations Committee adjourn its meeting until the next regular meeting scheduled for October 21, 2014.



**Excerpt from Council Meeting of
July 22, 2014**

**2014-090-07
National Recreational Trails Program**

Moved by: Councillor Bursey

THAT Council authorize an application to the National Recreational Trails Program for funding of a component of the Brock Trail expansion program with a total project cost of up to \$165,000.

CARRIED

Council of the City of Brockville
PO Box 5000
Brockville ON K6V 7A5

August 5, 2014

Re: City of Brockville application to National Recreation Trails Program

The Brockville Cycling Advisory Committee supports and endorses the City's application for a grant under the National Recreation Trails Program (report 2014-090-07), approved by Council on July 22, 2014.

The subject application is requesting a grant of \$75,000 that, when combined with existing committed funding from the City and other sources, will enable connection of the Brock Trail from St. Paul St to Henry St, over a new bridge and adjoining trail segments. This will also close a gap in the route of the Ontario Waterfront Trail through Brockville.

The City's application is being submitted in collaboration and aggregation with others, through the auspices of the Frontenac Arch Biosphere. This is an approach that FAB has executed successfully in a prior National Trails program, and which was held up nationally by the National Trails Council as a recommended regional approach.

The subject Trail segment is one of three that are "shovel ready", waiting for funding in order to proceed. The existing Trail, the shovel-ready new/revitalized segments, and the proposed future extensions will eventually provide a network of Accessible and contiguous trails that will traverse the City, linking businesses, schools, institutions, parks and neighbourhoods.

Council would be well aware from evidence in countless other communities and through research and numerous case studies that the benefits of community trails networks such as our proposed Brock Trail are extensive and diverse. An off-road, park-like active transportation and recreation network demonstrates the following:

- Health benefits accrue from more people choosing to walk, cycle, blade or skateboard to school, shopping, work, or for leisure. Active transportation and leisure contributes to personal health, reducing sick days and lost productivity, and reducing future health care costs. Appropriately constructed trails are accessible to all, regardless of mobility, income and age.
- Active transportation and recreation in an off-road, park-like setting reduces risks to lung health presented by walking and cycling along vehicular corridors with their airborne toxins and particulates. Each walker or cyclist is one less car that needs road capacity, road maintenance and parking, and one trip less in CO₂ emissions.
- Property values adjacent to the Trail increase, reflecting demand for proximity to active transportation/leisure assets. This helps to revitalize neighbourhoods and increase tax revenues. Trails become community assets, supporting social cohesion.
- Trails networks are one of the key lifestyle attractors often cited by families, individuals and businesses in making relocation decisions.

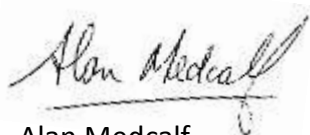
- The Brock Trail network will provide an easy way to draw cycling and other tourists off the Waterfront Trail route, away from the Waterfront, to explore the rest of the City. In Brockville, heritage points of interest are natural destinations.
- Trails networks provide walking and cycling routes that are removed from vehicular traffic and concomitant risks, an important consideration in School Travel Planning route selection, and a location decision factor for families with school aged children.
- The economic benefits of completing the Brock Trail network also include local spending which bolsters the local job market and tax revenues at all levels of government.

The benefits are real and demonstrated and the list could go on longer. It is also worthwhile noting that completion of the Brock Trail was cited in the City's Official Plan as a goal that was spoken to repeatedly by residents in public sessions.

The Cycling Advisory Committee is working to help Brockville become a Bicycle Friendly Community for the economic, social and health benefits that are being realized by the communities already so designated, home to just over 50% of Ontarians. Council may not yet be fully aware of the Cycling committee's project to map out and implement a Cycling Network of routes across the City. This will be taken to public discussion and Council presentation in the near future. It is worthwhile noting that a significant proportion of the Cycling Network will rely on the completion and connection of the Brock Trail network. Our recent experience in applying for "Bicycle Friendly Community" certification showed that progress in completing the Brock Trail network would be an important factor in our favour.

The application to the National Trails Recreation Program in support of just one segment of the Brock Trail is one that the Brockville Cycling Advisory Committee heartily supports and endorses.

Respectfully,



Alan Medcalf
Chair, Brockville Cycling Advisory Committee

cc: Sarah Matheson, Executive Director, Frontenac Arch Biosphere
John Taylor, Chair, Brock Trail Committee
Conal Cosgrove, Director of Operations, Brockville

P.O. Box 500, Deseronto ON K0K 1X0
PHONE 613.396.3226 E-MAIL execdir@ontariotrails.ca
WEB ontariotrails.on.ca

September 11th, 2014

Mayor David Henderson
Members of Council
City of Brockville
1 King St. W.
Brockville, ON
K6V 7A5

RE: Proposed Active Transportation and Trail Plan

Dear Mayor,

The Ontario Trails Council is the provincial trails association representing over 180 municipalities interested in recreational trails, their development, managed use and preservation.

Mayor Henderson we are in receipt of the Proposed Brockville Trail and Cycling Network Plan, and related request to Council for support.

At OTC we are positive on trails. We know that trails are a proven used community resource. We also know that trails are more popular than any other type of outdoor recreational activity. Their use promotes better health by users, their building promotes jobs and community equity, and trails also improve residential housing values.

The proposed plan will accomplish all this and we believe also improve Brockville in two significant ways. Reduced traffic on roads (saving annual road costs) while improving alternative transportation (improving your living community) to achieve a more balanced City.

Mr. Mayor, we know about budget cycles and cutbacks and competing priorities for funds. As a charity we often struggle with dismal fiscal reality. Regardless, in our opinion trails are a legacy that you and all your Council could approve and leave a lasting positive mark across the whole of the City.

Best regards,



Mr. Patrick Connor, CAE, SSA, BAH
Executive Director
Ontario Trails Council



September 16, 2014

**REPORT FOR FINANCE, ADMINISTRATION AND OPERATIONS COMMITTEE:
CAPITAL BUDGETING FOR ACTIVE TRANSPORTATION: BROCK TRAIL AND
CYCLING NETWORKS**

Alan Medcalf – Chair, Cycling Advisory Committee

John Taylor – Chair, Brock Trail Committee

RECOMMENDATIONS

THAT Council direct Staff to include provisions in the Capital Budget Plan for active transportation, specifically the completion of the Brock Trail network and the implementation of a Cycling Network, understanding that the incoming Council, post-election, will debate and decide the Budget.

THAT Council members pass a resolution recommending the new Council give this report's recommended approach strong consideration.

PURPOSE

This report provides a summary of current planning for active transportation -- the Brock Trail network and the proposed Cycling Network, both supporting the quest to become a more active and liveable community – one in which we enjoy the health, social and economic benefits of active transportation and recreation.

This report reflects the evidence that the economic playing field in which the City competes requires demonstration of progress in adopting, implementing and integrating active transportation and recreation policies, facilities and supports.

This report reiterates the economic necessity of mustering political will to act and commit to the development and completion of the Brock Trail and Cycling networks.

Capital budget development and review is already underway by City Staff, in order to meet the timeline for consideration by the Council that will be in place following the coming municipal election. No financial commitment is being asked of the current Council, however, the authors strongly encourage current Council to carry a message of support to the incoming Council.

These two inter-related active transportation projects align with the Official, Strategic, Operating, Economic Development and Sustainability Plans, and aim to improve Brockville's competitiveness in lifestyle attractors for residents, visitors and businesses. Aligned with the City's Plans, they also aim to provide residents and visitors with the well-documented health, social and economic benefits of active transportation and recreation.

CONTEXT

Around the world, across North America and in Ontario, encouraging more people to participate actively in day-to-day transportation and recreation is proving to be a critical component in boosting urban liveability and economic fortunes. City

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landscapes are changing rapidly, becoming more people-focussed as cities large and small invest in trails and cycling networks, and adopt 'complete streets' policies.

For transportation, assumptions of automobile centrality are shifting to a people-first approach which puts health and safety ahead of convenience, and to a multi-modal approach in which pedestrians, cyclists and public transit become the new priorities, ahead of costly expansion of roads and parking lots.

For recreation, cities are finding that open public spaces and park-like trail networks provide a low-cost and high-uptake approach enjoyed by residents and visitors, and actively sought by families and businesses seeking to relocate. At a time when some organized sports are losing favour due to affordability, injuries and the high cost of facilities, trails and cycling are seen to be accessible to all regardless of ability or socio-economic situation.

Council heard residents' desires in this area during the public sessions held for the Official Plan, and indeed that Plan contains 67 instances of "trail" references, along with many references to walking and cycling.

A recent application to the National Recreational Trail Program for a grant for one section of the Brock Trail was supported by letters from the cycling committee; the Healthy Communities Partnership: Lanark, Leeds and Grenville; the Rural Recreation Association of Eastern Ontario; Upper Canada School Travel Planning; Waterfront Regeneration Trust; and Dr. Paula Stewart on behalf of the Leeds, Grenville, Lanark District Health Unit. All of these groups understand the value of strengthening opportunities for active transportation and recreation.

Council would be well aware from evidence in countless other communities and through research and numerous case studies that the benefits of community trails and cycling networks are extensive and diverse. An off-road, park-like active transportation and recreation network demonstrates the following:

- Health benefits accrue from more people choosing to walk, cycle, blade or skateboard to school, shopping, work, or for leisure. Active transportation and leisure contributes to personal health, reducing sick days and lost productivity, and reducing future health care costs. Appropriately constructed trails are accessible to all, regardless of mobility, income and age.
- Active transportation and recreation in an off-road, park-like setting reduces risks to lung health presented by walking and cycling along vehicular corridors with their airborne toxins and particulates. Each walker or cyclist is one less car that needs road capacity, road maintenance and parking, and one trip less in CO2 emissions.
- Property values adjacent to the Trail increase, reflecting demand for proximity to active transportation/leisure assets. This helps to revitalize neighbourhoods and increase tax revenues. Trails become community assets, supporting social cohesion.

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- Trails networks are one of the key lifestyle attractors often cited by families, individuals and businesses in making relocation decisions.
- The Brock Trail network will provide an easy way to draw cycling and other tourists off the Waterfront Trail route, away from the Waterfront, to explore the rest of the City. In Brockville, heritage points of interest are natural destinations.
- Trails networks provide walking and cycling routes that are removed from vehicular traffic and concomitant risks, an important consideration in School Travel Planning route selection, and a location decision factor for families with school aged children.
- The economic benefits of completing the Brock Trail network also include local spending which bolsters the local job market and tax revenues at all levels of government.

In addition, a well-designed, well-signed cycling network provides an on-road means for those choosing to cycle for transportation and recreation. Research points to the benefits above, plus the following as cycling presence and modal share increase:

- Deferral of road capacity upgrades, with subsequent cost deferral.
- Reduction of speeding and aggressive driving behaviour.
- Reduction in all forms of collisions.
- More efficient use of public road corridors.
- Reductions in traffic noise, pollution and CO₂ emissions.
- Reductions in parking requirements, of particular interest in high-volume destinations like downtown and the waterfront.

Ontario's updated Provincial Policy Statement includes more focus and direction towards investments in active transportation, and the Cycling Strategy and its related Action Plan includes additional support, including a municipal grant program.

Our world is changing quickly. At the grassroots level, people are increasingly making decisions on where they live, work, build businesses and raise families based on lifestyle factors in which active transportation and recreation command an increasing weight.

BROCK TRAIL

The Brock Trail was begun over 30 years ago and today is arguably the most used and most cost effective active transportation and recreation facility in the City.

Brockville's Official Plan specifies that "The City shall promote the provision of pedestrian, cycling, and trail linkages and the integration of recreational and parks and open space uses." Brockville's Strategic Plan includes a primary recreational/tourist initiative to "complete connectivity of the trail system."

The map on the following page shows the current and proposed Brock Trail linear park network.

Design work has been completed for a new Trail segment running west from Cedar and Church Streets, then south along the eastern edge of the former Phillips Cable Plant lands to King St W at St. Lawrence Park.

Design work is also complete for a revitalization of the segment running from Perth St to William St.

Preliminary design work is complete for a new bridge and temporary trail segment between St. Paul St. and Henry St, crossing Butler Creek and the “Wayfare property”. A grant application is pending with the National Recreational Trails Program for funding towards this segment.



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Some of the proposed segments need cooperation and permission from CP Rail, and the proposed Victoria Ave segment depends on re-opening the Railway Tunnel.

Any new or revitalized trail segments will be implemented in full accordance with current AODA requirements and guidelines.

Fulfilling the promise of the Brock Trail network has remained elusive as financial pressures and changing priorities have created a challenging environment for capital projects that would invest in bolstering the City's health and competitiveness. With committed funding for the Tunnel, and talks starting on arena revitalization, the time is now to refocus on already-committed priorities in the City's adopted plans.

It is estimated that completing the Brock Trail network will require capital expenditure in the range of \$2.25 million over 5 to 6 years, with the City's investment being approximately 1/3 or \$750,000 and the remainder coming from grants, fund raising and in-kind support. This is detailed later in the report.

The Brock Trail committee members are: John Taylor (chair), Doug Grant, Alan Medcalf, Councillor Jane Fullarton, Ben Tekamp, Larry Zylstra, Jim Gilbert (Kinsmen), Steve Benoit (Kinsmen), Conal Cosgrove (City Staff) and Lesley White (City Staff). Dave Paul (City Staff) and Mayor David Henderson are ex-officio participants also.

CYCLING NETWORK

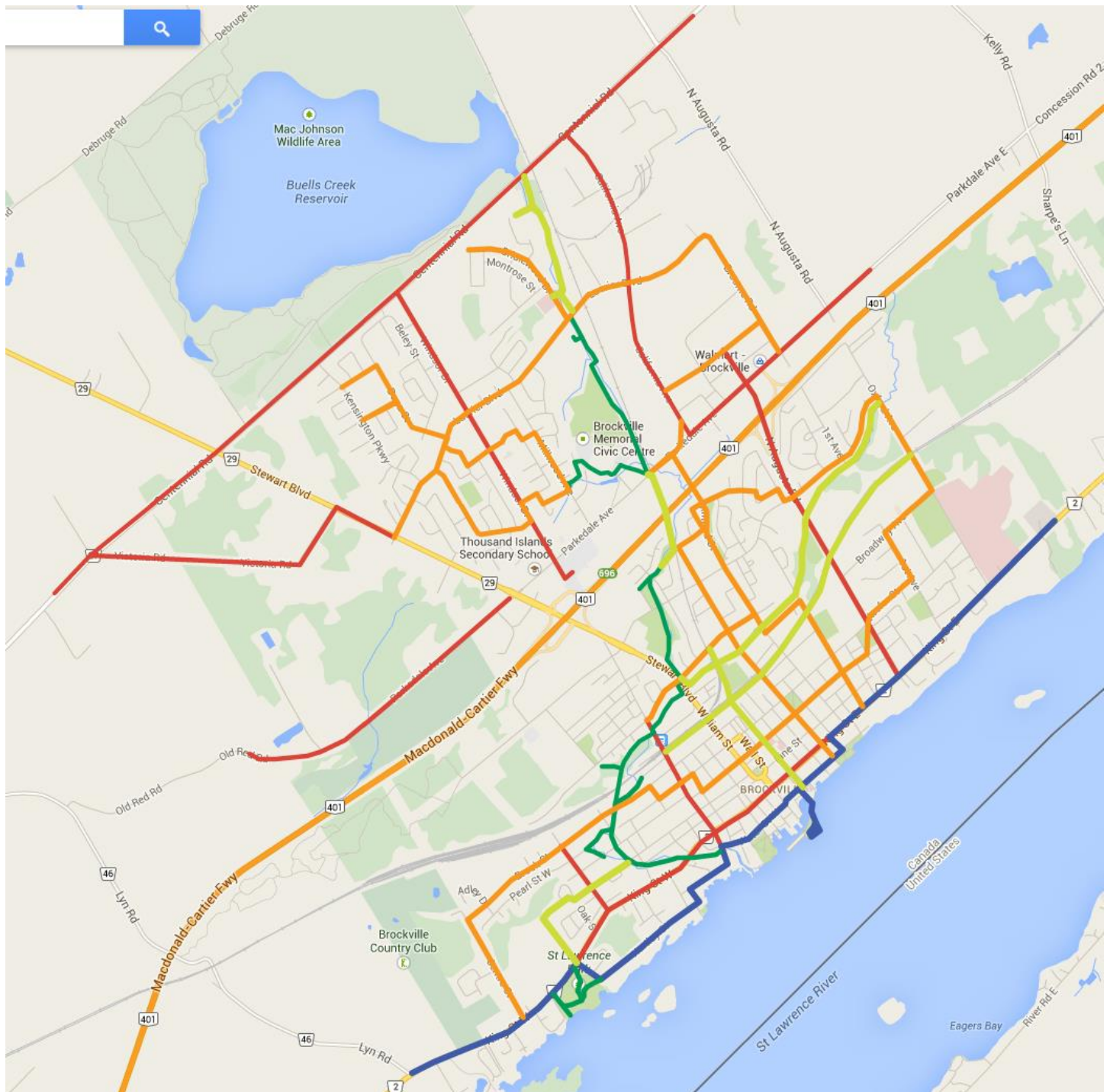
Over the past four years the Cycling Committee has built alliances with local, regional and provincial interests, and delivered on low-cost, readily implementable projects: bicycle parking, rodeos, speaking engagements, support for cycle tour groups, cycle tourism promotion, development application reviews, school travel planning, stewardship of the Waterfront Trail route, and bike-to-work week.

In 2013 the cycling committee completed the application process to have Brockville become a designated "Bicycle Friendly Community" by the Share the Road organization. The application was not successful based on insufficient progress on a number of fronts, all of which require investment on the part of the City.

At this time, there are 24 designated Bicycle Friendly Communities in Ontario, home to 57% of Ontarians. Those communities are making the investments and seeing the social, health and economic returns.

Chief among Brockville's challenges in becoming more cycling friendly is the absence of a current active transportation plan which would detail the City's intentions with respect to infrastructure, including a designated network of cycling routes that would include a completed Brock Trail for off-road choices.

The Cycling Committee has started the design of a cycling network for the City. In its first phase, the goal is a selected set of road segments that would be signed and provide guidance to the "current best" way to get from any neighbourhood to any major destination in the City. A preliminary view of the proposed network includes road and trail segments, and is pictured on the following page.



Preliminary Design for Brockville Cycling Network

- Blue – Waterfront Trail route
- Dark green – existing Brock Trail
- Light green – proposed Brock Trail
- Orange – “quieter” on-road segments
- Red – “experienced” on-road segments

The current design draws on Schedule 5 of the Official Plan which shows a suggested cycling network, and is augmented with the experience of the cycling committee members.

The next stage of the design will entail evaluating each segment in the proposed network for its cycle friendliness and network feasibility, based on factors such as pavement condition, traffic speed and volumes, sightlines and visibility, automobile parking hazard, gradient, and so on. It is likely that professional input from experienced practitioners will be required, especially in the absence of an active transportation plan. It is important that the cycling network offer a consistent experience to those networks in other cities, and incorporate best practices. The Brockville Cycling Advisory committee does not have the active transportation professional experience or accreditation to assure a safe and effective design.

Over the past four years the Cycling Committee has demonstrated its ability to organize around and deliver on several project fronts with little City investment. However, moving forward will require investment in road infrastructure, signage, professional fees and other tangible costs.

Expenditures will depend on the nature and pace of projects, which in turn are highly dependent on Council's prioritization of such projects, the timing of related transportation projects (e.g. incorporate bike lanes into other road revitalization projects), and public demand. While cities further down the path of active transportation have integrated such expenditures into their overall transportation plan as integral components, the Cycling Committee estimates that Brockville is a few years away from such demonstrated best practices.

Based on discussions with the Director of Operations, the Cycling Committee asks that an annual capital budget amount of \$30,000 be earmarked for infrastructure projects in support of cycling. It is expected that City funds could be leveraged 1:1 for such projects, i.e. City spend of \$15,000 matched by grants of \$15,000.

As cycling infrastructure projects become enabled through other planned Operations projects, the cycling earmarked budget would be used for those elements of the overall project.

Current members of the Cycling Advisory Committee are: Alan Medcalf (chair), Dennis FitzGerald, Doug George, Douglas Lumsden, Hugh Campbell, Kathleen Lowe, Peter Meier, Tim Webb, Jennifer Labelle (Health Unit), Conal Cosgrove (City staff), Lynn Murray (City staff), and Councillor Mike Kalivas. Mayor David Henderson is an ex-officio participant and valued occasional contributor.

FINANCIAL CONSIDERATIONS

The Brock Trail and Cycling committees are joining in this active transportation capital budgeting plan for these key reasons:

1. The Brock Trail is an important component in the overall transportation plan for the City. A viable cycling network needs the Brock Trail to be completed.
2. The cycling network will be an on-road extension of the reach of the Brock Trail, giving Trail users designated routes between Trail access points and various destinations across the City.
3. The exact size, scope and timing of projects are largely “to be determined”. Combining efforts reduces overall contingency overlap in the budget.

At this point in time, the Brock Trail is ahead of the cycling network in “shovel readiness” and, for the known projects, has a larger capital requirement. Accordingly, most of the material which follows is dominated by Brock Trail project costing.

The Brock Trail Committee has researched the construction of multi-use asphalt pathway systems completed recently in a number of Ontario municipalities. While the costs vary significantly relative to location, terrain, accessibility and amenities, a cost of \$300/metre has been used for the preparation of preliminary cost estimates.

Two sections of the Trail have been formally costed (Joe McFarlane of Riverview Landscaping in Prescott) and have “shovel-ready” blueprints:

1. Cedar St. - St. Lawrence Park (\$160,000)
2. Perth St. - William St. (\$155,000)

These 2 projects were deferred from 2014 to 2015 in the 2014 capital budget.

\$30,000 was approved by the City (reduced from \$120,000) for 2014 capital spending. As a result, the Brock Trail committee selected the Grist Mill Bridge reconstruction project as a priority for 2014. Subsequently, the decision was taken to defer this project to 2015 on the understanding the City's contribution of \$30,000 would be carried over to 2015. An application to the National Recreational Trails Program in the amount of \$75,000 has been submitted.

The following assumptions have been used to develop estimates for completing the Brock Trail:

1. City funds to be double leveraged, i.e. City expenditure of \$50,000 will be leveraged by an additional \$100,000 through grants, fundraising and in-kind contributions. A project cost of \$150,000 will require \$50,000 from the City's capital budget. Preliminary costing at \$300/metre
2. Funding proposals are consistent with the expected 2015 Long Term Capital Plan, now under preparation and review by City staff.

3. Brockville Kinsmen Club will partner in community fundraising and specific grant applications (i.e. Trillium).
4. Brockville & Area Community Foundation, through the Tom Dailey bequest, has committed \$14,000 to the Grist Mill Bridge project with an additional \$7,000/year over the next 3 years for a total of \$35,000.
5. In-kind donations will be a critical factor as each individual project is funded.
6. Cycling Committee funding of \$30,000/year over 10 years. Funds to be leveraged 1:1 – i.e. \$15,000 City plus \$15,000 through available federal and /or provincial grants

Capital Budget Forecast for Active Transportation

Year	Description	City's Capital Budget		Grants and In-Kind	Project Total Cost
		Brock Trail	Cycling		
2015	Trail: Cedar St to St. Lawrence Park	54,000		106,000	160,000
	Trail: Perth St to William St	52,000		103,000	155,000
	Trail: St. Paul St to Henry St (Wayfare)	30,000		135,000	165,000
	Cycling: design audit & to be determined		15,000	15,000	30,000
	2015 totals	136,000	15,000	359,000	510,000
2016	Trail: Laurier Blvd north to Centennial Rd	100,000		200,000	300,000
	Cycling: to be determined		15,000	15,000	30,000
	2016 totals	100,000	15,000	215,000	330,000
2017	Trail: Park St to First Ave	120,000		240,000	360,000
	Cycling: to be determined		15,000	15,000	30,000
	2017 totals	120,000	15,000	255,000	390,000
2018	Trail: Hardy Park - wood promenade redeck	67,000		134,000	201,000
	Cycling: to be determined		15,000	15,000	30,000
	2018 totals	67,000	15,000	149,000	231,000
2019 - 2024	Trail: Extension north from Railway Tunnel **	50,000		100,000	150,000
	Trail: 401 underpass **	60,000		120,000	180,000
	Trail: Stewart Blvd to Park St **	50,000		100,000	150,000
	Trail: Stewart Blvd to Brookview Park	100,000		200,000	300,000
	Cycling: to be determined		90,000	90,000	180,000
	2019-2024 totals	260,000	90,000	610,000	960,000
	2015 - 2024: 10 year totals	683,000	150,000	1,588,000	2,421,000

POLICY CONSIDERATIONS

Consideration needs to be given to incorporating active transportation and recreation assets into the Capital Assets Management Plan, in order to provide for future maintenance and upgrades.

Implementation of the Cycling Network will require a review and update of the Traffic and Parking By-Law to incorporate provisions and support for cycling facilities.

CONCLUSION

Council's active support and directed investment in active transportation and recreation assets, notably the Brock Trail and Cycling Network, will demonstrate real progress in bolstering the City's lifestyle and economic attractors.

Increases in resident and visitor activity on the Brock Trail and Cycling Network will generate the economic, health and social benefits seen in other communities with whom we compete to attract and retain residents and businesses.

In Ontario, 57% of people live in 24 Bicycle Friendly Communities, municipalities large and small that recognize and enjoy the health and economic benefits of active transportation and recreation. Brockville needs to enter this competition.

This report recommends, with respect to capital budgeting for active transportation, specifically the Brock Trail and Cycling Network:

1. THAT Council direct Staff to include provisions in the Capital Budget Plan for active transportation, specifically the completion of the Brock Trail network and the implementation of a Cycling Network, understanding that the incoming Council, post-election, will debate and decide the Budget.
2. THAT Council members pass a resolution recommending the new Council give this report's recommended approach strong consideration.

Respectfully,

Alan Medcalf, Chair, Brockville Cycling Advisory Committee

John Taylor, Chair, Brock Trail Committee

"Moving Forward"
Youth Advisory Committee
Survey Analysis Report
By: Leigh Bursey

In the spring of 2014, the Brockville Youth Advisory Committee began discussion on strategic next steps, with the goal of having a report in the hands of Brockville City Council before this fall's municipal election. Deciding on a survey, based on previous success, the committee members began discussion on the arduous task of engaging youth in new ways, which questions to ask, what format to use, and what we hoped to accomplish with the answers we received.

After four separate meetings to discuss question framing, and survey context, we decided to use a digital medium, as opposed to the in-person paper method that we had used in years past. This decision was based on a variety of factors. One being that this survey and report was not our primary project, as similar initiatives had been in recent memory. As of the publishing of this report, the members of Brockville's Youth Advisory Committee are busy working on the Youth Friendly Community initiative, hoping to submit selected criteria for analysis this December.

The previous efforts at engaging youth through a survey was a drawn-out, labour intensive project, which included multiple classroom visits to encourage youth to participate in the survey, and then to collect the data afterwards, resulting in still only 118 completed surveys. Secondly, we felt that by having this survey accessible by way of computer, we would attract youth and young adults who this maybe wouldn't reach in a classroom setting, and would hopefully attract users to participate freely, as opposed to being assigned the survey as part of their school work. This would hopefully add a lot of context to the discussion, and generally flesh out more meaningful statements, which we are proud to say that we believe to be the case. 74 respondents participated in total, and each of them gave thoughtful and (at-times) very lengthy explanations to the survey's questions.

The survey was a public document, which was shared many times by committee members and over social media. The survey was even shared through the Brockville and District Chamber of Commerce' Young Professionals Network. Survey Monkey is a free survey generator, with a limit of 100 responses. 55.41% of the respondents were between the ages of 13-24 years of age, while 36.49% of participants were between the ages of 24-30 years. 8.11% of those who answered were above the age of 30, but were still considered young professionals. 32 respondents identified as male, 40 identified as female, and additionally identified with other sexual identities (two spirited, and non-binary). So suffice to say, a major cross-section of youth and young adults are represented in this analysis. If I had one criticism of this process it would be that Survey Monkey limits the amount of questions that can be asked, although the committee agreed that ten basic questions (multiple choice ranking, and short answer) would allow for sufficient responses without being considered overwhelming or time consuming.

When asking "How can our city assist in providing better career opportunities for you?" the responses varied. From "provide better career advice to high school students about employment opportunities

that are actually hiring," to "more job opportunities that pay an adequate wage & offer full-time hours and benefits."

Further answers included "Really push to involve youth in the Employment and Education Centre programs and workshops." Much like many of the wonderful programs being offered by the Small Business Enterprise Centre. There was a distinct desire by many involved to have the city, council, and those involved with local economic development issues to do a better job of cultivating young people to become entrepreneurs, and be more aggressive in providing tax incentives and small business grants to those that develop local businesses here, and/or hire youth and young professionals.

Youth desired more career fairs, workshops, co-operative education opportunities, and a more targeted approach to enticing youth and young professionals to our area than our current lifestyle attraction may be capable of doing. Matter of fact, if there was one concurrent theme in much of this data, it is that fear of this city shifting further towards a retirement community would make our tax base unsustainable. Many comments, such as "focus greater priority on attracting youth rather than retirees" were all too common when quantifying these results.

Not all of the input was negative. There were many who shared these opinions with the intention of sparking thoughtful dialogue, and did not just speak from personal experience. Comments such as "personally, I have a great career that I have worked hard for but I notice a lot of youth struggle on how to find a job and how to present themselves when an opportunity arises." Others highlighted the need for more cooperation between our city's leaders and our local college's decision makers, articulating that there needs to be a more direct approach to "determining what are the most sought-after careers in the colleges and attempt to provide those opportunities," or counter to that "survey community needs, and have more skilled trades courses available at our local college."

"A lot of Brockville's youth leave the city to find jobs in bigger urban centres. If Brockville could be competitive with these types of jobs, I think people would stay here. But Brockville wants to become a retirement centre, so I don't see it doing much to retain jobs for youth."

Further comments included supporting LGBTQ+ services and support, employment services, more focus on our arts community and it's expansion, public transit that is more accommodating to local jobs and careers, a desire to see more buildings being built, and a continued push to see support for "places around like the mall and other chain stores that are dying."

Other solutions that respondents highlighted included longer store hours downtown. Many comments included an emphasis on how they would shop downtown if there were more stores open past five pm, or how they would see more value in our public transit if there were places to frequent in our downtown core. This is a problem that is not easily remedied as it is sort of cyclical. It is hard to expect downtown businesses to make that investment without more guarantee of increased foot traffic, but it is interesting that this conversation continues among this demographic of shoppers.

Some pushed back against development fees, feeling they were "only going to discourage people from moving to Brockville and if there's no new people, there's no new ideas & businesses." Others

suggested "offering corporate tax breaks and relocation incentives for large employers to move operations to Brockville." This may not be entirely possible through the guidelines set out by our provincial government, but there seems to be a desire by some to see us challenge these issues, and borrow ideas from other community's best practices who have been inventive with their tax code.

Another growing trend was concern over "finding ways or a way, to provide more secure and affordable housing." The City of Brockville's Official Plan highlights in section 3.5.1 that "the provision of housing is an essential part of planning in the city. It is desirable to have close cooperation between all levels of government and the private sector in order to provide for sufficient, diverse and affordable housing, and a stable residential housing market."

The plan goes on to highlight:

"It shall be the policy of the City that:

1. The provision of housing that is affordable and accessible to low and moderate incomes households shall be a priority.
2. A housing strategy shall be completed by the City to establish an appropriate target for the provision of housing to be affordable to low and moderate income households."

For those curious, the definition section in the Official Plan highlights in section 2010/1-17 that affordable housing is "housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area." Our recent efforts to exclude non-profit housing from the city's development charges is viewed by this committee to be progressive, but it is definitely only a tiny piece of this discussion.

"It's upsetting to see so many youth having to share a bedroom or rent a room from somebody they don't even know. Where is the fulfillment of having only limited space to call your own? From experience, I personally know what it's like to struggle with maintaining possession of a home that you deem difficult to call your own, when you are stuck sharing the space with other people whom you do not know. It makes it tough to live a comfortable lifestyle, when you have to spend three-quarters of your time, making sure you don't get overwhelmed by the constant presence of others."

"If I could afford to live here. Brockville's rental prices are becoming comparable to Ottawa."

"HOUSING COSTS and RENTAL RATES ARE THROUGH THE ROOF! If jobs cannot increase wages, well someone needs to do something with rental costs so we can at least try to enjoy 5.00 from our pays!! And if 'Housing' is all we can get rather than all rental rates in general, there will still be those in the community unable to apply for housing and living with high rental prices, and barely getting by! ... THAT'S US!"

What was made obvious by this question was a desire for full-time work options, with many mentions of a living wage, and support for young families so that they are able to effectively enter the workforce and

maintain stable employment. "By opening up jobs and opportunities for someone to have job safety and make enough to support themselves financially.

"After handing out many resumes and making many phone calls with no feedback left me feeling inadequate for the workforce and am now on welfare. Which I am not proud of but don't have another option to survive."

"In our city I believe we should have more job opportunities for those that work with children whether it be a daycare, youth center, or school programs."

When asking participants what would convince them to want to stay in Brockville after graduating school, we recognized the ambiguity of this question. Some of the respondents had already completed school, some had stopped at high school, while others had utilized our local community college or explored (or are exploring) post-secondary options in other communities. Still, keeping this in mind, we found that many of the answers were insightful and really hit home the significance of the question.

While most answered jobs, there was more to many responses than a simple one-stop shop. "Better middle class job opportunities, not just big box stores," and "events and a city council that makes decisions that entice people/businesses to come to AND stay in Brockville," were more common than note. "Being able to get a good paying job" that is in-line with education, skills and experience is the common frustration.

There was a desire to see more recreational opportunities, or at least more promotion of existing recreational opportunities, and more low or no cost events and programs. There was also a wish for "more activities for young families," as participants cited that with having children they often find themselves travelling to Kingston and Ottawa to spend weekends with fun-filled activities.

Suggestions ranged from more events, better public transportation, bringing in more retail stores such as clothing shops, snowboard sport shops, or bringing in specialty restaurants (for example; vegan food restaurants), cheaper housing options, increased job opportunities, increased general activity in the city, more festivals, and more things for young adults to do other than go drinking at nightclubs.

"The area is beautiful. The Thousand Islands is one of a kind. Great place to raise a family, but not much going for successful careers that the youth could be looking for, in their early years. Definitely a city people would come back to later in life."

"Something to do other than drink. I am single with no kids and am left sitting at home alone on a Saturday night."

"More age appropriate events, "hangouts" and clubs. MORE culture. MORE arts- exploit it! Better bars and places to spend time with people, mingling. More networking opportunities. More coffee shops. Younger, fresher councils, clubs, and ideas. More technology-based industry/services. Platforms for meeting new people & newcomers. CHEAPER rent. Better public transit-more buses, run later &

earlier. Manpower not being the top employer in the area. More independent shops and restaurants. More utilization of the parks-especially free entertainment- i.e. theater, classes, life drawing, etc."

"I want to know that my leaders are progressive and my community is sustainable."

When asked to rank what they feel are the most important issues that Brockville's youth deal with, 64.86% of survey participants said jobs and job shortages (with an average ranking of 4.45), housing costs came second (with an average ranking of 3.30), educational opportunities followed in third (an average ranking of 2.84), recreational opportunities and entertainment came in fourth (with an average of 2.43).

When asked which services they would like to see expanded, mental health services topped the list (with an average ranking of 3.8), career support services came second (with an average ranking of 3.28), addiction support services followed in third (with an average ranking of 2.8), bullying prevention programs came fourth (with an average ranking of 2.68), and LGBTQ+ support services closely followed at fifth place (with an average ranking of 2.45).

When asked to rank city issues that the committee decided on, downtown business snagged 45.95% of respondents first choices (with an average ranking of 4.01), parking came second (with an average of 2.92), event communication followed in third place (with an average ranking of 2.82), bike lanes and active transportation options followed in fourth (with an average of 2.68), and waterfront development came in fifth place (with an average of 2.57).

When asked what recreation/entertainment options youth would like to see in our community, answers again varied from "better shows at the Brockville Arts Centre" (which might be more appropriately phrased as more shows targeting a youth audience), to "maybe bring back a fair-type weekend, not unlike Riverfest." More waterfront attractions and restaurants were also sought after, as was a classy after hours bar for the 30-something demographic, which I know that the Blockhouse Square Development group has been courting, but there is definitely a wide enough interest in a martini-bar type of establishment that this does offer a unique business perspective.

There was mention of a twin pad arena "so that Brockville leagues don't have to play out of Spencerville," and a number of responses pushed for "some kind of venue for indoor soccer," or a sports dome, similar to the one that Brockville was unable to capture and both Augusta Township and Prescott have been actively pursuing. These types of venues not only have in-door soccer potential for year round practicing, but also in-door golf during off-seasons, senior walking club opportunities for the winter months, and (most important to our demographic) an additional in-door concert facility for bigger events during colder temperatures. The dome concept came up with a couple of responders. It might be worth noting that TMSI Sports Management (developers and operators of the Ben Franklin

Park Superdome in Kanata) had shown great initial interest in Brockville as a primary choice for a project of this nature, although that interest has since tapered off.

Again an active youth centre and safe space came up a number of times in these responses. Municipalities like Kemptville, Smiths Falls and Prescott have had great success with their municipal youth centres, but Brockville has not had a steady and active, specific non-denominational youth centre in some time, but it is worth noting that the Brockville Public Library has gone to great lengths to fill this void, offering a number of exceptional and popular youth drop-in programs, from story-writing, to open mic nights, to our gay-straight alliance (or QSA as the Brockville group has named it). What we might consider before acting on establishing a youth centre, would be partnering with the existing library program, and helping to facilitate expansion of their current offerings so that more youth can be reached, and can better utilize a treasured community safe space.

Other responses ranged from wishing to see "more stand-up comedy, paintball, and live music" to pushing for more "opportunities for kids to challenge themselves and develop." LGBTQ+ friendly nightlife, bohemian coffee houses, community art spaces, open spots for graffiti art, more contest to encourage talents, investment in parks and beaches, after-hours coffee shops (with perhaps fair trade, whole bean, and organic options), restaurants and stores open later on weekends, an arcade, go-karting, affordable boat and water activities (rental and lessons), mini comic-cons, laser tag, roller derby, a community jam space for bands and musicians to practice their music where no one will be affected by the noise. We had requests for a community pool (although the YMCA already offers this service), and more investment in bike lanes and active transportation (which our Cycling Advisory Committee and Operations Department are already working towards). You name it, and area youth are encouraging we explore it. Many of these recommendations and requests are well outside of our area of jurisdiction and mandate as a council, but it is still very exciting to see these interests being captured. As we continue to trumpet our community as open for business, we might also consider utilizing this segment of our document as a template to possible businesses, investors, and entrepreneurs. There is a market for many of these ideas, and a lot of untapped potential.

Again, free activities were highlighted throughout the survey responses. As can be seen quite clearly by our previous analysis, many young families are struggling to pay their rent or make enough to sustain their households, and money is tight. One idea that continued to percolate was a busker's festival, or a street arts festival, or a fringe festival, and more pedestrian-friendly events in different areas and neighbourhoods of our community. With our busker's bylaw forthcoming and a renewed interest in festivals and events, this type of commentary is vitally useful, and echoes previous sentiments by youth of years past who took part in similar surveys.

"Riverfest is dearly missed by many young adults my age. The strawberry festival (while really cool) just doesn't measure up to Hedley at blockhouse. More activities for young adults the reason most of us are out drinking, going to the bar and getting into trouble, as there really is not anything else for us to do."

"What happened to the close knit community that Brockville use to be? The one where you could go out with friends at night and know that you'll be safe, the one where if something happened to you, anyone would be ready to help out as much as they could? This town has lost its purpose to care for one another."

The next question we asked was very similar to a question we asked previously in our first report two years ago. However, when addressing public transportation in a modern context, we have to remember that our transit expansion program is currently in place. Evening hours are currently available and in operation, however what was frustrating and quite apparent to us was that few youth are aware of the service, how to make suggestions to improve it, or are unable to see the merit in it. For those that use transit, it was obvious that they needed it, and had suggestions to improve it. However, for those that aren't using it (the vast majority of respondents), many were unaware of how the system is striving to be more accessible.

When asked "do you use public transportation, and if not then why, many responded from the older demographic of youth that they have access to cars, or prefer to walk and enjoy bike rides. This makes sense, and is to be expected, but what was agitating was how many youth had used the bus previously but did not find it was sufficient to their needs and are stuck walking, or the occasional "what public transportation?" musing which leads us to believe that they have not experienced the bus or know how to use it, if they know it exists at all.

Responses included "it's always off the posted time," or "I do not because the bus system doesn't fit with my schedule and my job." Some used to use the Brockville buses but found the hours were not long enough, and for one reason or another are unaware of the pilot project. While others saw less merit in the system in the evening if most of the downtown stores are closed, which we made mention of earlier in this report. Some were frustrated that the bus didn't run seven days a week, as they expressed a desire to use it but found that many times the weekend was their only time to shop, or they found that the route did not accommodate them. Some of these complaints are to be expected, but the ones that stuck out to us where responses like "no, because I have no knowledge of the costs and what the services offer."

As noted however, those that use the bus regularly were very grateful for the extension in hours, and many articulated that they don't drive, and need access to the bus system for work or for their family.

"The bus system is very flawed and is late quite often. I have personally lived in almost every major city in Ontario and public transportation is a huge issue in a lot of smaller cities due to a lower budget (is what my guess is), but with eco-friendly ways of public transportation our city could be much more alive and vibrant. A perfect example is bike rentals similar to Telus bikes in Toronto."

"A dedicated bus terminal in Brockville would be great for people who cannot afford to take VIA."

In this regard, a transit advisory committee might be worth considering. I know, I myself have brought this idea forward in the past, and I am sure that there are others who recognize that there are many cost-effective ideas that could have potentially positive impacts on our public transportation, increase ridership, and lose less money. The service is a vital community service for so many, and with continued efforts to make it more accessible and focused attention on information sharing and advertising, many believe that this system will continue to improve. How we effectively advertise to some populations may be a challenge, and I recognize that much work is already being done, but it does occur to us based on this analysis that there are further advertising opportunities that might better utilize the time we have left in this pilot project and deliver a more concentrated result.

Finally, we asked survey participants what else they would like to see happen in our community. Many buzz words were thrown around such as growth and sustainability. There was a desire to see more youth engagement from city council as opposed to focus on new retirees moving to Brockville. This was an overall theme of discussion throughout this project, and it is clear that many worry about making the move to directly target that demographic, and feel that direct move will detract from efforts to encourage more youth and young professionals to move to or stay in Brockville (rightly or wrongly).

However, to be fair we must recognize that there is two sides to this discussion. In this term of council, Brockville has empowered a Brockville Youth Advisory Committee which we would agree has been a tremendously underutilized resource. Surveys, reports, questionnaires and conversations of this nature are a great step forward in engaging more youth in the public process of strategic planning for our city. A greater understanding of our mandate, and continued focus on engaging other community partners and champions will be a crucial detail to moving forward.

What was refreshing for us was that it was obvious that we are on the right track with many of our capital projects. There was a desire to see the Brock Trail completed, and encourage the "redevelopment of abandoned buildings and sights, rather than continuing to sprawl north." These initiatives are already at play, as we continue to target funding opportunities and invest in our public parks and trails, and continue to focus efforts on downtown revitalization.

"Growth and sustainability. I would love to see people in Brockville open to new ideas and new development coming here. I find the majority of decision makers in the city to be extremely close minded. I understand Brockville is flogged as a retirement town, but there has to be industry here to sustain the city, and families need to want to stay here."

"Tailor the city to younger people. The older generations are steadily phasing out anything youthful. From a business standpoint, that's completely counterintuitive to our economy. We need more people, not less, and if the people who are here already can't wait to leave when they're old enough, you've got problems."

"I would like for youth to become more engaged in what is happening. I feel that young people can be very dynamic in change, but as of right now they only look for a way out of the city."

"I would like to see more encouragement for younger families to want to be here and stay, jobs, entertainment. Brockville is a retirement community and that is not sustainable in the long term."

"Health is another massive concern with North Americans, and the businesses that tend to go hand in hand are the fast food and chain restaurants. There is no question that Brockville has an influx of Tim Hortons that operate filled 'right to the rim' but do we really need another? Brockvillians need options and with the local Market so readily available, Brockville needs to support its local and one-off businesses to keep them alive and keep money in the city. I love you Brockville, but It's a shame there's not a single place for a veggie lover to wine and dine his sweetheart. Don't forget young people have money to spend too."

That said, there are others that did see the economic benefit to focusing on seniors, even if they weren't the predominant voices heard throughout the survey process.

"Bring in a bunch of outside developers & let the waterfront be built up with condos. We live between 3 of Canada's biggest cities (Ottawa, Montreal & Toronto) and we should be making moves to entice people to retire in our community. This could reinvent our city as one of Canada's best places to live out your retirement years & the Boomers are about to start looking for just that!"

On a social impact level, a lot of young people are expressing concerns over drug use, and ready access to designer drugs. This continues to be a blossoming and concerning problem in our community in some of our most at-risk populations. While coroner's inquests into illicit drug use are steps forward, we see all too often in this community, and many others like it, that we are using many of our brightest and most gifted young people to societal ills that continue to plague our neighbourhoods. When a young person dies in a community this size, everyone feels the impact. All too often (one being one too many) we see our community in emotional distress as these problems grow and are amplified. By turning a blind eye to these problems, we will only see further dark days, and our civic and community leaders definitely have a role to play in addressing these problems.

"Being a recognized LGBTQ+ community is great, but we need to put our focus on other things that are suffering, like care for addicts, single moms, housing costs, employment opportunities, youth programs and things that keep people here or wanting to come back here and spend money."

"We need more community events. Seeing how many people went to the fireworks on Canada day reminded me of how many people and families are in this town who wait every year just for those 10 minutes. Having other things to get excited about for us 'trouble makers' would probably keep us out of most of the trouble we get ourselves into."

As your youth advisory committee, we intended for this report to keep concerns current. Relying on data that is already two years old would not be fair as our city council faces certain metamorphosis, and

as a new strategic plan is already on the agenda for the next council. That said, one factor that we have faced time and time again is exactly in tune with what this report is confirming.

Many of our best and brightest young minds are moving away from our city, and chasing opportunities that our community have been unable to offer them. We have seen this on substantial levels at our committee level. While some of our younger members move on after completing volunteer hours or to focus on their studies, a large chunk of our membership continues to shift and exit based on educational and career opportunities elsewhere. In the past year, we have seen five of our strongest committee members move on to other cities, chasing employment opportunities and greater leadership roles. While we encourage them to chase their dreams, and have been quite grateful for their time with us, we are always sorry to see them go.

The turnover on a youth committee of this nature will continue to be high as long as our young leaders have to look elsewhere to find that sustainability, which continues to leave very few of us behind to focus on our objectives and meet our mandate. Keeping this in consideration, we feel it would be wise to focus on some of these initiatives, *where we can*, as a community, recognizing our drawbacks and recognizing how out of the realm of possibility some of these suggestions may be. We are on the right track on many initiatives already, but there is much work to be done as we move forward, no matter what the future looks like.

As I conclude this report, I will leave you with my favourite request from the data we quantified, and congratulate you on all of your hard work to address many of these concerns.

"More smiles."

September 9, 2014

Report to Finance, Administration and Operations Committee – September 16, 2014

2014-100-09

Joint Compliance Audit Committee

**Sandra MacDonald
City Clerk**

RECOMMENDED

THAT Council authorize the appointment of the following persons to the Joint Election Compliance Audit Committee for the term of office of December 1, 2014 to November 30, 2018:

Members: Mike Larocque
Glenn MacKey
Graham Pincott

Alternates: Rob Bickerton
Georgina Grey
Norman Guy
Jim Mallar
David Roberston; and

THAT the necessary by-law be enacted.

PURPOSE

The *Municipal Elections Act, 1996* requires municipalities to establish a Compliance Audit Committee to deal with complaints regarding election campaign financing. An elector who is entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of the Act relating to election campaign finances may apply for a compliance audit of the candidate's election campaign finances.

ANALYSIS/BACKGROUND

In 2010 a Joint Election Compliance Audit Committee was established with each municipality within Leeds and Grenville participating and appointing the same members and alternates. Due to the complexity and nature of the issues, many municipalities across Ontario are working together in establishing and appointing a Compliance Audit Committee. It is recommended that municipalities in the United Counties of Leeds & Grenville do the same for the upcoming term of council.

The Terms of Reference (see Attachment "A") include procedures with regard to recruitment, appointment and operation. The L&G Clerks support a joint approach to pool resources and to ensure qualified appointees. Ideal candidates will be familiar with legal, municipal, election and finance matters, specifically the requirements of the

Municipal Elections Act, 1996 with regard to election financing. Each municipality will be required to approve separately the Terms of Reference and appointments.

Section 81 of the *Municipal Elections Act, 1996* sets out the necessary operating provisions related to the Compliance Audit Committee. Here is a brief summary:

- Municipalities must appoint a Committee by October 1st of an election year and the appointment is for the term of the new Council.
- The membership of the Committee is between three and seven members; furthermore, employees/officers, Councillors and candidates cannot be appointed.
- The Clerk shall act as the resource person for the Committee and establish the necessary administrative policies and practices for its proper functioning.
- An application for a compliance audit must be made in writing, within 90 days after the filing deadline, to the Clerk outlining the reasons for the request.
- Within 10 days, the Clerk shall forward the application to the Compliance Audit Committee with a copy to Council for information purposes only.
- Within 30 days of receipt, the Committee shall consider the application and determine if it is rejected or granted.
- If granted, the Committee shall appoint a licensed Auditor, who must promptly conduct an audit of the candidate's election campaign finances to determine whether he or she has complied with the provisions of this Act relating to election campaign finances and shall prepare a report outlining any apparent contravention by the candidate.
- Within 10 days of receipt, the Clerk must forward the report to the Compliance Audit Committee, which must consider it within 30 days.
- If the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, the Committee must commence a legal proceeding against the candidate for the apparent contravention.
- If the report concludes that the candidate does not appear to have contravened a provision of the Act relating to election campaign finances, the Committee shall make a finding as to whether there were reasonable grounds for the application.

FINANCIAL CONSIDERATIONS

According to the Act, municipalities are responsible for the costs associated with the Compliance Audit Committee. In addition, they are also responsible for audit costs; however, Council is entitled to recover the auditor's costs from the applicant if the report indicates that there was no apparent contravention and the committee finds that there were no reasonable grounds for the application. In the event of an application, the affected municipality would be responsible for the associated costs and the Clerk of that municipality would serve as Committee Secretary in dealing with the specific application.

It is anticipated that appointees will be reimbursed for expenses associated with travel to be paid by the member municipality requiring the services of the Committee in accordance with their current policy.



S. MacDonald
City Clerk



D. Dick, CPA, CA
Director of Corporate Services



B. Casselman
City Manager

**Joint Leeds & Grenville Election
Compliance Audit Committee**

2014-2018 Terms of Reference

1. Name

The name of the Committee is the "Joint Leeds & Grenville Election Compliance Audit Committee" consisting of the following municipalities:

- Township of Athens
- Township of Augusta
- City of Brockville
- Township of Edwardsburgh/Cardinal
- Township of Elizabethtown-Kitley
- Township of Front of Yonge
- Town of Gananoque
- Township of Leeds and the Thousand Islands
- Village of Merrickville-Wolford
- Municipality of North Grenville
- Town of Prescott
- Township of Rideau Lakes
- Village of Westport

2. Duration

The term of office is from December 1, 2014 to November 30, 2018 to deal with applications from the 2014 election and any by-elections during Council's term.

3. Mandate

The powers and functions of the Committee are set out in Sections 81 and 81.1 of the *Municipal Elections Act, 1996* (Appendix "A"). The Committee will perform the functions relating to the compliance audit application process as outlined in the Act. These functions include:

- a. within 30 days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;
- b. appoint a licensed auditor, if the application is granted;
- c. receive the auditor's report;
- d. within 30 days receipt of the auditor's report, consider the report;

- e. if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, commence legal proceedings against the candidate for the apparent contravention;
- f. if the report concludes that the candidate does not appear to have contravened a provision of the Act relating to election campaign finances and the Committee finds that there were no reasonable grounds for the application, Council may recover the auditor's costs from the applicant.

4. Membership

The Committee will be composed of three (3) voting members, with alternate members that would assume all the rights and privileges of a voting member if called upon. Alternate members will be called upon to replace a voting member when required.

Membership will be drawn from the following groups:

- a. accounting and audit - accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;
- b. legal;
- c. professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and/or
- d. other individuals with knowledge of the campaign financing rules of the *Municipal Elections Act, 1996*.

Municipal employees, members of Council and any candidates in the municipal election or in any by-election during the term of Council for any member municipality are ineligible to be appointed as a member of the Committee pursuant to subsection 81.1(2) of the *Municipal Elections Act, 1996*.

Members will be required to take Accessible Customer Service training as a condition of appointment.

5. Membership Selection

The terms of reference and application form will be posted on the municipal websites of the member municipalities. Staff will also contact and solicit those individuals as set out under section 4 of the Terms of Reference. In addition, advertisements will be placed in a local paper.

All applicants will be required to complete an application form outlining their qualifications and experience. Leeds & Grenville Clerks may interview applicants who meet the selection criteria and prepare a short list of three voting members and three alternate members. Recommended candidates will be submitted to the Council of each member municipality for consideration.

The selection process will be based upon clearly understood and equitable criteria. Members will be selected on the basis of the following:

- a. demonstrated knowledge and understanding of municipal election campaign financing rules;
- b. proven analytical and decision-making skills;
- c. experience working on a committee, task force or similar setting;
- d. availability and willingness to attend meetings; and
- e. excellent oral and written communication skills.

Any members appointed must also agree in writing they will not be a candidate in the Municipal election or in any by-election during the term of Council for any member municipality. Failure to adhere to this requirement will result in the individual being removed from the Committee.

6. Conflict of Interest

The principles of the *Municipal Conflict of Interest Act*, apply to this Committee. Failure to adhere to this requirement will result in the individual being removed from the Committee.

To avoid a conflict, any person appointed to the Committee must agree in writing not to prepare or audit the election financial statements of any candidate for office for any of the member municipalities in the municipal election. Failure to adhere to this requirement will result in the individual being removed from the Committee.

7. Chair

The Committee will select a Chair from amongst its members at its first meeting upon receipt of each compliance audit application.

The Chair is the liaison between the members and the Secretary of the Committee on matters of policy and process.

The Chair shall enforce the observance of order and decorum among the Committee members and the public at all meetings.

When the Chair is absent, the Committee may appoint another member as Acting Chair. While presiding, the Acting Chair shall have all the powers of the Chair.

8. Staffing and Funding

The Clerk or designate from the applicable member municipality shall act as Secretary to the Committee.

The member municipality requiring the services of the Committee shall be responsible for all associated expenses.

9. Meetings

Meetings of the Committee will be conducted in accordance with the open meeting provisions of the *Municipal Act, 2001*.

An alternate member shall be used in the following circumstances:

- a. a committee member is an eligible elector in the municipality requiring the audit.
- b. a committee member has a personal or business relationship with the subject of the audit.
- c. a committee member is unavailable for the duration of the audit.

The Clerk or designate of the member municipality will confirm the committee membership.

Timing of Meetings

Upon receipt of each application, the first meeting will be called by the Clerk or designate of the member municipality. The date and time of the meeting will be determined by the Clerk or designate and communicated directly to the Committee members. Subsequent meetings will be held at the call of the Chair in consultation with the Clerk or designate.

Committee activity shall be determined primarily by the number and complexity of applications for compliance audits that may be received. The frequency and duration of meetings will be determined by the Committee in consultation with the Clerk or designate.

Meeting Location

The Committee shall meet at the location determined by the member municipality.

Meeting Notices, Agendas & Minutes

The agenda shall constitute notice. The Clerk or designate of the member municipality requiring the services of the Committee shall cause notice of the meetings to be provided to members of the Committee a minimum of two (2) business days prior to the date of each meeting, not including weekends or holidays. The agendas and minutes of meetings shall be posted on the member municipality's website.

Minutes of each meeting shall outline the general deliberations and specific actions and recommendations that result.

Agenda Format

- 1. Call to Order

2. Disclosure of Pecuniary Interest and General Nature Thereof
3. Consideration of Compliance Audit Application or Auditor's Report
4. Adjournment

Quorum

Quorum for meetings shall consist of a majority of the members of the Committee.

If no quorum is present thirty (30) minutes after the time appointed for a meeting, the Clerk or designate shall record the names of the members present and the meeting shall stand adjourned until the date of the next meeting.

Meeting Attendance

Any member of the Committee, who misses three (3) consecutive meetings, without being excused by the Committee, may be removed from the Committee. The Committee must make recommendations, by a report to Council for the removal of any member.

Motions & Voting

A motion shall only need to be formally moved before the Chair can put the question or a motion can be recorded in the minutes.

Every Member present shall be deemed to vote against the motion if they decline or abstain from voting, unless disqualified from voting by reason of a declared pecuniary interest.

In the case of a tie vote, the motion shall be considered to have been lost.

The manner of determining the vote on a motion shall be by show of hands.

The Chair shall announce the result of every vote.

10. Administrative Practices and Procedures

The Terms of Reference constitute the Administrative Practices and Procedures of the Committee. Any responsibilities not clearly identified within these Terms of Reference shall be in accordance with Section 81 of the *Municipal Elections Act, 1996*.

The Clerk or designate at any time has the right to develop additional administrative practices and procedures.

APPENDIX “A”

Municipal Elections Act, 1996 S.O. 1996, c. 32 (for reference only)

Compliance Audit Application & Committee

Compliance audit Application

81. (1) An elector who is entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of this Act relating to election campaign finances may apply for a compliance audit of the candidate’s election campaign finances. 2009, c. 33, Sched. 21, s. 8 (44).

Requirements

(2) An application for a compliance audit shall be made to the clerk of the municipality or the secretary of the local board for which the candidate was nominated for office; and it shall be in writing and shall set out the reasons for the elector’s belief. 2009, c. 33, Sched. 21, s. 8 (44).

Deadline

- (3)** The application must be made within 90 days after the latest of,
- (a) the filing date under section 78;
 - (b) the candidate’s supplementary filing date, if any, under section 78;
 - (c) the filing date for the final financial statement under section 79.1; or
 - (d) the date on which the candidate’s extension, if any, under subsection 80 (4) expires. 2009, c. 33, Sched. 21, s. 8 (44).

Application to be forwarded to committee

(4) Within 10 days after receiving the application, the clerk of the municipality or the secretary of the local board, as the case may be, shall forward the application to the compliance audit committee established under section 81.1 and provide a copy of the application to the council or local board. 2009, c. 33, Sched. 21, s. 8 (44).

Decision

(5) Within 30 days after receiving the application, the committee shall consider the application and decide whether it should be granted or rejected. 2009, c. 33, Sched. 21, s. 8 (44).

Appeal

(6) The decision of the committee may be appealed to the Ontario Court of Justice within 15 days after the decision is made and the court may make any decision the committee could have made. 2009, c. 33, Sched. 21, s. 8 (44).

Appointment of auditor

(7) If the committee decides under subsection (5) to grant the application, it shall appoint an auditor to conduct a compliance audit of the candidate’s election campaign finances. 2009,

c. 33, Sched. 21, s. 8 (44).

Same

(8) Only auditors licensed under the *Public Accounting Act, 2004* or prescribed persons are eligible to be appointed under subsection (7). 2009, c. 33, Sched. 21, s. 8 (44).

Duty of auditor

(9) The auditor shall promptly conduct an audit of the candidate's election campaign finances to determine whether he or she has complied with the provisions of this Act relating to election campaign finances and shall prepare a report outlining any apparent contravention by the candidate. 2009, c. 33, Sched. 21, s. 8 (44).

Who receives report

(10) The auditor shall submit the report to,

- (a) the candidate;
- (b) the council or local board, as the case may be;
- (c) the clerk with whom the candidate filed his or her nomination;
- (d) the secretary of the local board, if applicable; and
- (e) the applicant. 2009, c. 33, Sched. 21, s. 8 (44).

Report to be forwarded to committee

(11) Within 10 days after receiving the report, the clerk of the municipality or the secretary of the local board shall forward the report to the compliance audit committee. 2009, c. 33, Sched. 21, s. 8 (44).

Powers of auditor

(12) For the purpose of the audit, the auditor,

- (a) is entitled to have access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of the municipality or local board; and
- (b) has the powers of a commission under Part II of the *Public Inquiries Act*, which Part applies to the audit as if it were an inquiry under that Act. 2009, c. 33, Sched. 21, s. 8 (44).

Note: On a day to be named by proclamation of the Lieutenant Governor, clause (b) is repealed and the following substituted:

(b) has the powers set out in section 33 of the *Public Inquiries Act, 2009* and section 33 applies to the audit.

See: 2009, c. 33, Sched. 21, ss. 8 (45), 13 (2).

Costs

(13) The municipality or local board shall pay the auditor's costs of performing the audit. 2009, c. 33, Sched. 21, s. 8 (44).

Power of committee

(14) The committee shall consider the report within 30 days after receiving it and may,

- (a) if the report concludes that the candidate appears to have contravened a provision of

this Act relating to election campaign finances, commence a legal proceeding against the candidate for the apparent contravention;

- (b) if the report concludes that the candidate does not appear to have contravened a provision of this Act relating to election campaign finances, make a finding as to whether there were reasonable grounds for the application. 2009, c. 33, Sched. 21, s. 8 (44).

Recovery of costs

(15) If the report indicates that there was no apparent contravention and the committee finds that there were no reasonable grounds for the application, the council or local board is entitled to recover the auditor's costs from the applicant. 2009, c. 33, Sched. 21, s. 8 (44).

Immunity

(16) No action or other proceeding for damages shall be instituted against an auditor appointed under subsection (7) for any act done in good faith in the execution or intended execution of the audit or for any alleged neglect or default in its execution in good faith. 2009, c. 33, Sched. 21, s. 8 (44).

Saving provision

(17) This section does not prevent a person from laying a charge or taking any other legal action, at any time, with respect to an alleged contravention of a provision of this Act relating to election campaign finances. 2009, c. 33, Sched. 21, s. 8 (44).

Compliance audit committee

81.1 (1) A council or local board shall, before October 1 of an election year, establish a committee for the purposes of section 81. 2009, c. 33, Sched. 21, s. 8 (44).

Composition

(2) The committee shall be composed of not fewer than three and not more than seven members and shall not include,

- (a) employees or officers of the municipality or local board;
- (b) members of the council or local board; or
- (c) any persons who are candidates in the election for which the committee is established. 2009, c. 33, Sched. 21, s. 8 (44).

Term of office

(3) The term of office of the committee is the same as the term of office of the council or local board that takes office following the next regular election, and the term of office of the members of the committee is the same as the term of the committee to which they have been appointed. 2009, c. 33, Sched. 21, s. 8 (44).

Role of clerk or secretary

(4) The clerk of the municipality or the secretary of the local board, as the case may be, shall establish administrative practices and procedures for the committee and shall carry out any other duties required under this Act to implement the committee's decisions. 2009, c. 33, Sched. 21, s. 8 (44).

Costs

- (5) The council or local board, as the case may be, shall pay all costs in relation to the

committee's operation and activities. 2009, c. 33, Sched. 21, s. 8 (44).

By-law re contribution rebates

82. (1) A municipality may, by by-law, provide for the payment of rebates to individuals, corporations or trade unions who made contributions to candidates for office on the municipal council. 1996, c. 32, Sched., s. 82 (1); 2002, c. 17, Sched. D, s. 33 (1).

Same, resolution

(2) A local board may, by resolution, provide for the payment of rebates to individuals, corporations or trade unions who made contributions to candidates for office on the local board. 1996, c. 32, Sched., s. 82 (2); 2002, c. 17, Sched. D, s. 33 (2).

Same

(3) The by-law or resolution shall establish the conditions under which an individual, corporation or trade union is entitled to a rebate. 1996, c. 32, Sched., s. 82 (3); 2002, c. 17, Sched. D, s. 33 (3).

Same

(4) The by-law or resolution may provide for the payment of different amounts to different individuals, corporations or trade unions on any basis. 1996, c. 32, Sched., s. 82 (4); 2002, c. 17, Sched. D, s. 33 (4).

(5) Repealed: 2009, c. 33, Sched. 21, s. 8 (46).

Application, registration under s. 39.1

82.1 (1) Subject to subsection (2), the following provisions apply to an individual, corporation or trade union that is registered under section 39.1:

1. Section 66.
2. Subsection 67 (1), and subsection 67 (2), except paragraph 9.
3. Subsection 68 (1), except subparagraph 4 ii, and subsection 68 (2).
4. Sections 69 and 70.
5. Subsections 71 (1) and (3).
6. Sections 72 to 78.
7. Subsections 79 (1) and (2), subsection 79 (3), except clause (b), and subsections 79 (4) to (7).
8. Section 81.
9. Subsections 92 (1) to (4). 2009, c. 33, Sched. 21, s. 8 (47).

Modifications

(2) In the provisions referred to in subsection (1),

- (a) a reference to a candidate shall be read as a reference to an individual, corporation or trade union registered under section 39.1;
- (b) a reference to nomination shall be read as a reference to registration under section 39.1;
- (c) a reference to a person shall be read as a reference to an individual, corporation or

trade union;

(d) subsubparagraph B of subparagraph 66 (2) 2 iv shall be read as follows:

B. it is provided equally to all individuals, corporations or trade unions registered under section 39.1 with respect to a particular question;

(e) paragraphs 1 and 3 of subsection 68 (1) shall be read as follows:

1. The election campaign period begins on the day the individual, corporation or trade union files a notice of registration under section 39.1.

.....

3. Despite rule 2, the election campaign period ends on the day the by-law authorizing the question is repealed in accordance with clause 8.1 (1) (c) or the day the notice of registration is rejected under subsection 39.1 (5);

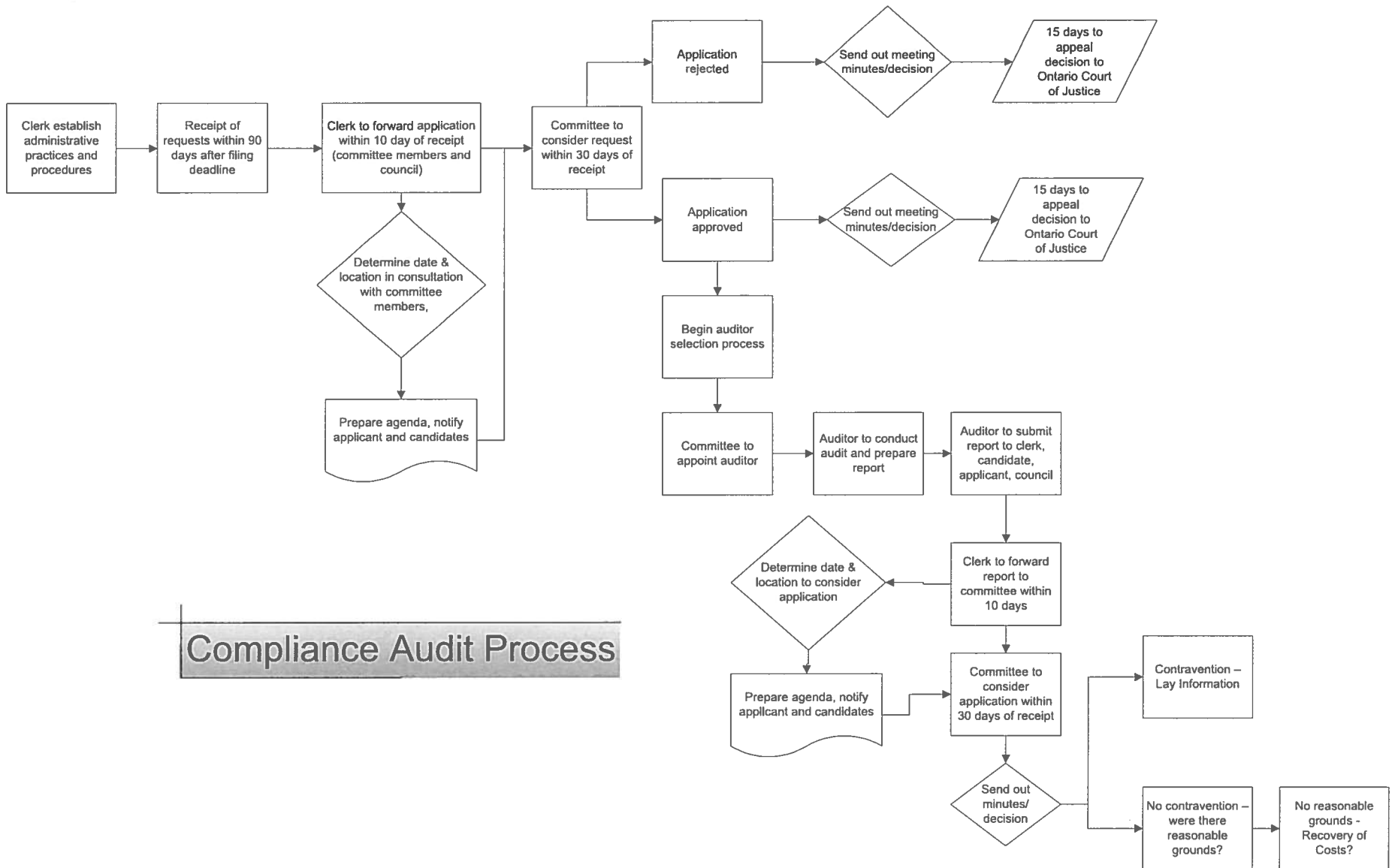
(f) subsection 71 (1) shall be read as follows:

(1) A contributor shall not make contributions exceeding a total of \$750 to any one individual, corporation or trade union registered under section 39.1 with respect to a particular question;

(g) subsection 79 (5) shall be read as follows:

(5) The surplus becomes the property of the municipality.

(h) subsection 92 (1) shall be read as if the reference to “sections 70 to 76” was a reference to sections “69 to 79”. 2000, c. 5, s. 38; 2009, c. 33, Sched. 21, s. 8 (48).



Compliance Audit Process

Frequently Asked Questions

1. General Questions about the Compliance Audit Committee

Q. What is a Compliance Audit Committee?

A. Pursuant to Section 81.1 of the *Municipal Elections Act, 1996*, Council must establish a Compliance Audit Committee. The Committee will receive and make decisions on applications for compliance audits of candidates' municipal election campaign finances and any by-elections during Council's term pursuant to the Act.

Q. What are the functions of the Compliance Audit Committee?

A. The powers and functions of the Committee are set out in sections 81 and 81.1 of the *Municipal Elections Act, 1996*. The Committee will perform the functions relating to the compliance audit application process as outlined in the Act. These functions include:

- a. within 30 days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;**
- b. appoint a licensed auditor, if the application is granted;**
- c. receive the auditor's report;**
- d. within 30 days receipt of the auditor's report, consider the report;**
- e. if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, commence legal proceedings against the candidate for the apparent contravention;**
- f. if the report concludes that the candidate does not appear to have contravened a provision of the Act relating to election campaign finances and the Committee finds that there were no reasonable grounds for the application, Council may recover the audit costs from the applicant.**

Q. What is the composition of the Compliance Audit Committee?

A. The Committee will be composed of three (3) voting members, with three (3) alternate members that would assume all the rights and privileges of a voting member if called upon. Alternate members will be called upon to replace a voting member when required.

Membership will be drawn from the following groups:

- a. accounting and audit - accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;**
- b. legal;**
- c. professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and/or**
- d. other individuals with knowledge of the campaign financing rules of the *Municipal Elections Act, 1996*.**

Q. Who is ineligible to apply to be a member of the Compliance Audit Committee?

A. Municipal employees, members of Council and any candidates in the municipal election or in any by-election during the term of Council for any member municipality are ineligible to be appointed as a member of the Committee pursuant to subsection 81.1(2) of the of the *Municipal Elections Act*, 1996.

Q. When does the Committee's term of office begin and end?

A. The term of office is from December 1, 2010 to November 30, 2014 to deal with applications from the 2010 election and any by-elections during Council's term.

Q. What is the time commitment required of a Compliance Audit Committee member?

A. This depends on the number of applications received and the complexity of the issues raised in the applications.

2. General Questions about the Compliance Audit Process

Q. What is a Compliance Audit?

A. An elector, who is entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of the *Municipal Elections Act*, 1996 relating to election campaign finances, may apply for a compliance audit of the candidate's campaign finances.

An application for a compliance audit shall be made to the Clerk of a municipality. This application shall be in writing and shall set out the reasons for the elector's belief within 90 days after the candidate's financial filing date.

Q. Where does an elector send their application?

A. To request a compliance audit of a municipal council candidate (Mayor, Deputy Mayor or Councillor), an elector can send their application to: [Enter your Municipal information here](#).

Q. How long will it take before the application is heard?

A. Within 30 days after receiving the application, the Compliance Audit Committee will consider the application and decide whether to grant it or reject it.

Q. What happens if the Committee grants the application?

A. If the Committee grants the application, they will appoint an auditor to promptly start the audit of the candidate's election campaign finances to determine if the candidate complied with the provisions of the *Municipal Elections Act*, 1996.

Q. Can Committee decisions be appealed?

A. Yes. The decision of the Committee may be appealed to the Ontario Court of Justice within 15 days after the decision is made and the court may make any decision the Committee could have made.

Q. What happens once the auditor completes the audit?

A. Once the auditor has completed the audit, the auditor will provide a report to the Committee, the Clerk, the candidate and the applicant.

The Committee will consider the report within 30 days of receiving it and determine whether legal proceedings should be commenced against the candidate.

Q. Who pays for the auditor?

A. The municipality pays for the auditor's costs, however, if the report indicates that there was no apparent contravention and the Committee finds that there were no reasonable grounds for the application, the Council is entitled to recover the auditor's costs from the applicant.

September 11, 2013

Report To Finance Administration Operations – September 15, 2013

**2014-103-09
2013 Annual Financial Statements
And Auditors Report**

**D. Dick, Director
Corporate Services
L. Ferguson, Manager
Finance**

RECOMMENDATION

That the Audited Financial Statements for the Corporation of the City of Brockville to the year-ended December 31st, 2013 be received and approved; and

That the Audited Financial Statements for the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville be received and approved; and

That the Audited Statements of the Corporation of the City of Brockville Trust Funds be received and approved; and

That the operating surplus of \$22,046 be allocated to the Fiscal Policy Reserve.

PURPOSE

For Council to review, receive and approve the Audited Financial Statements for the Corporation of the City of Brockville, the Board of Management, Downtown Business Improvement Area and the Corporation of the City of Brockville's Trust Funds.

BACKGROUND

The *Municipal Act* provides, under Section 294.1 the requirement of presenting our annual audited financial statements prepared under generally accepted accounting principles as directed by Public Sector Accounting Board (PSAB) and specific guidelines as provided by the Ministry.

The City shall also, within sixty (60) days of receiving the audited financial statements, provide in the newspaper having general circulation in the municipality, a copy of the Audited Financial Statements, the Auditor's Report and the tax rate information for the current and previous year on a notice that the above information will be made available at no cost to the taxpayers of the municipality upon request; and/or may provide the above noted information in such a manner as the Treasurer considers appropriate.

Report 2014-103-09
2013 Annual Financial Statements
And Auditor's Report

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In previous years we have provided electronic copies of this information on the City Website and have informed the citizens in the local newspaper that the information is available should they require it.

ANALYSIS/FINANCIAL IMPLICATIONS

Operating Fund

On January 17th, 2014, Council was presented with an updated Variance Report projecting a surplus to the year-ended December 31st, 2013 of \$145,000. The year-end Audited Financial Statements present a surplus of \$22,046. The difference of approximately \$123,000 is primarily a result of additional winter maintenance (\$50,000), additional vacancy rebates (\$130,000) and further WSIB revenues (\$60,000).

Water Administration

The 2013 Water Fund Variance Analysis presented on January 17th provided for a surplus in the amount of \$93,000. The 2013 Financial Statements present a surplus of \$86,735.

Wastewater Administration

The 2013 Audited Financial Statements include a surplus for wastewater administration in the amount of \$304,223. This is a decrease in the surplus presented on January 17th of approximately \$103,000 due primarily to the reassessment associated with the Wastewater Treatment Plant.

Capital Fund

The Capital Fund represents the accumulated value of tangible capital assets owned by the taxpayers of Brockville. As Council is aware, the treatment of capital expenditures has changed significantly over the past number of years. Prior to the introduction of PSAB 3150, capital expenditures were expensed directly to the Statement of Operations. Beginning in 2009, municipalities were required to record and report all expenditures on capital as assets on the balance sheet. These assets are then amortized on an annual basis based on the expected future lives of the asset and reported as an annual amortization expense on the annual financial statements. The continuity of tangible assets in 2013 is as follows:

Tangible Capital Assets, Net Book Value, January 1, 2013	110,789,278
Additions (including transfer from WIP)	9,029,475
Disposals (including transfer from WIP)	(1,274,171)
Less Amortization in 2012	(4,239,144)
Add Amortization on Disposal of Assets	832,891
Brockville Public Library	179,226
Tangible Capital Assets, Net Book Value, December 31, 2013	<u>115,317,555</u>

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2013 Annual Financial Statements
And Auditor's Report

Page 3

Budget vs. Actual Results

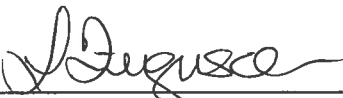
The annual budget process is based primarily on cash flow requirements to the respective year. The Annual Financial Statements are prepared on an accrual basis and separates funding from revenues, expenses, assets and liabilities. The Annual Financial Statements present an excess of revenues over expenditures of \$7.4M and non-financial assets of \$116 million.

POLICY IMPLICATIONS

There are no policy implications at this time.

CONCLUSION

That Council receive and approve the Audited Financial Statements as presented.



L. Ferguson, CPA, CGA
Manager of Finance



D. Dick, CPA, CA
Director of Corporate Services



B. Casselman
City Manager

Draft

**Corporation of the City of
Brockville
Consolidated
Financial Statements
For the year ended December 31, 2013**

Draft

**Corporation of the City of Brockville
Consolidated Financial Statements
For the year ended December 31, 2013**

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Independent Auditors' Report

**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Brockville**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the City of Brockville which comprise the statement of financial position as at December 31, 2013 and the statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many similar organizations, the City derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the City and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, annual surplus, assets and changes in accumulated surplus.

Qualified Opinion

In our opinion, except as noted in the above paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brockville as at December 31, 2013 and the results of its operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The consolidated financial statements of the Corporation of the City of Brockville for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 24, 2013.

Chartered Professional Accountants
Licensed Public Accountants

Kingston, Ontario
September 16, 2014

Draft

Corporation of the City of Brockville

Consolidated Statement of Financial Position

December 31, 2013, with comparative figures for 2012

	2013	2012
		(restated - see Note 18)
Financial assets		
Cash and short-term investments (note 1)	\$ 14,763,248	\$ 9,188,044
Taxes receivable	2,007,681	2,824,132
Accounts receivable	4,193,458	9,547,116
Investment in own debentures	-	35,565
	<u>20,964,387</u>	<u>21,594,857</u>
Financial liabilities		
Accounts payable and accrued liabilities	8,294,080	10,144,968
Accrued interest on net long-term liabilities	242,682	262,867
Short-term credit facility (note 2)	8,000,000	9,000,000
Deferred revenues - obligatory reserve funds (note 3)	1,163,968	1,782,197
Other deferred revenues	2,850,807	416,345
Employee future benefits (note 4)	5,221,760	5,879,581
Solid waste landfill closure and post-closure liabilities (note 5)	3,330,000	3,400,000
Net long-term liabilities (note 6)	19,593,000	21,927,953
	<u>48,696,297</u>	<u>52,813,911</u>
Net financial liabilities	<u>(27,731,910)</u>	<u>(31,219,054)</u>
Non-financial assets		
Tangible capital assets (notes 7, 18)	115,317,555	110,968,504
Inventory of supplies	557,695	574,571
Prepaid expenses	285,232	699,426
	<u>116,160,482</u>	<u>112,242,501</u>
Commitments (note 8)		
Contingencies (notes 6 and 9)		
Accumulated surplus (notes 10, 18)	<u>\$ 88,428,572</u>	<u>\$ 81,023,447</u>

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Corporation of the City of Brockville

Consolidated Statement of Operations and Accumulated Surplus

December 31, 2013, with comparative figures for 2012

	Budget 2013 (unaudited)	Actual 2013	Actual 2012 (restated - see Note 18)
Revenues:			
Property taxation	\$ 32,140,940	\$ 31,826,551	\$ 30,056,668
Taxation from other governments	409,427	398,552	396,985
User charges	12,114,556	12,846,521	12,007,419
Charges to other municipalities	1,321,150	1,259,683	1,296,730
Government grants (note 11)	3,255,680	5,772,576	8,816,027
Contributions from developers	-	-	400,831
Penalties and interest on taxes	414,952	435,276	511,310
Investment income	123,500	218,399	180,051
Donations and fundraising	42,000	1,104,080	1,153,595
Gain on disposal of tangible capital assets	-	22,119	35,157
Recovery of expenses and miscellaneous	457,351	1,115,649	1,120,773
	50,279,556	54,999,406	55,975,546
Expenses:			
General government	3,954,336	3,865,495	3,953,623
Protection	13,781,370	13,227,311	13,821,480
Transportation services	5,193,793	7,169,840	6,686,756
Environmental services	8,630,237	10,053,834	9,056,369
Health services	1,770,893	1,752,241	1,729,281
Social and family services	3,060,963	3,168,984	3,456,005
Social housing	957,140	971,520	898,236
Recreation and cultural services (note 18)	4,206,733	4,915,188	4,657,841
Planning and development	2,021,202	2,469,868	1,866,021
	43,576,667	47,594,281	46,125,612
Annual surplus	6,702,889	7,405,125	9,849,934
Accumulated surplus, beginning of year			
As previously reported		81,023,447	70,994,287
Restatement (note 18)		-	179,226
As restated		81,023,447	71,173,513
Accumulated surplus, end of year (note 10)		\$ 88,428,572	\$ 81,023,447

The accompanying notes are an integral part of this consolidated financial statement.

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Corporation of the City of Brockville

Consolidated Statement of Change in Net Financial Liabilities

December 31, 2013, with comparative figures for 2012

	2013	2012 (restated - see Note 18)
Annual Surplus	\$ 7,405,125	\$ 9,849,934
Acquisition of tangible capital assets (note 18)	(8,683,872)	(11,993,356)
Amortization of tangible capital assets (note 18)	4,239,144	3,593,085
Loss on disposal of tangible capital assets	45,252	343,837
Proceeds from disposal of tangible capital assets	50,425	85,176
	3,056,074	1,878,676
Change in inventory of supplies	16,876	46,097
Change in prepaid expenses	414,194	(261,549)
Change in net financial liabilities	3,487,144	1,663,224
Net financial liabilities, beginning of year	(31,219,054)	(32,882,278)
Net financial liabilities, end of year	\$ (27,731,910)	\$ (31,219,054)

The accompanying notes are an integral part of this consolidated financial statement.

Draft

Corporation of the City of Brockville

Consolidated Statement of Cash Flows

December 31, 2013, with comparative figures for 2012

	2013	2012
		(restated - see Note 18)
Cash Provided by (used for)		
Operating activities		
Annual surplus	\$ 7,405,125	\$ 9,849,934
Items not involving cash		
Amortization of tangible capital assets (note 18)	4,239,144	3,593,085
Loss (gain) on disposal of tangible capital assets	45,252	343,837
Employee future benefits	(657,821)	361,478
Solid waste landfill closure and post-closure liability	(70,000)	192,009
Decrease (increase) in taxes receivable	816,451	174,921
Decrease (increase) in accounts receivable	5,353,658	1,781,676
Decrease (increase) in accounts payable and accrued liabilities	(1,850,888)	(1,988,529)
Increase (decrease) in accrued interest on net long-term liabilities	(20,185)	13,872
Increase (decrease) in deferred revenues	1,816,234	(52,737)
Decrease (increase) in inventory of supplies	16,876	46,097
Decrease (increase) in prepaid expenses	414,194	(261,549)
	<u>17,508,040</u>	<u>14,054,094</u>
Financing activities		
Proceeds (repayments) from short-term credit financing	(1,000,000)	500,000
Proceeds from net long-term liabilities	-	2,916,257
Payments for employee future benefits	-	(268,814)
Payments for solid waste landfill closure and post closure liabilities	-	(312,009)
Principal payments on net long-term liabilities	(2,299,389)	(2,000,717)
	<u>(3,299,389)</u>	<u>834,717</u>
Capital activities		
Proceeds from disposal of tangible capital assets	50,425	85,176
Acquisition of tangible capital assets (note 18)	(8,683,872)	(11,993,356)
	<u>(8,633,447)</u>	<u>(11,908,180)</u>
Increase (decrease) in cash and short-term investments	5,575,204	2,980,631
Cash and short-term investments, beginning of year	9,188,044	6,207,413
Cash and short-term investments, end of year	\$ 14,763,248	\$ 9,188,044
Non-cash financing activities:		
Principal payments on own debentures	\$ 35,565	\$ 35,196

The accompanying notes are an integral part of this consolidated financial statement.

Draft

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

The Corporation of the City of Brockville (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations under the direction of its elected Council, guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation.

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

Reporting Entity

i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the municipal Council and which are owned or controlled by the City and include the following:

- City of Brockville
- Brockville Public Library
- Downtown Business Improvement Area

ii) Accounting for School Board transactions

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

iii) Trust funds

Trust funds and their related operations administered by the City are not included in the consolidated financial statements but are reported separately.

Investments

Investments are recorded at cost.

Draft

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

Revenue Recognition

Taxation Revenue

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The City's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the City is required to collect on behalf of the School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported by the City when they can be reasonably determined. All property taxes are secured by the land and pose no significant collection risk.

Government Grants

Government grants are recognized as revenue in the year in which the events giving rise to the grant occur, providing the grants are authorized, any eligible criteria have been met, and reasonable estimates of the amounts can be made. Receipts which are restricted by legislation of senior governments are reported as deferred revenues - obligatory reserve funds and included in revenues in the year that they are applied to qualifying expenses.

Other Revenues

User charges, with the exception of development charges, are recognized as revenue in the year the goods and services are provided.

Development charges, payments in lieu of parkland and funding received under public transit and gasoline tax programs are received under the authority of federal and provincial legislation and the use of these funds is restricted to applicable expenditures. They are recorded as deferred revenues - obligatory reserve funds and included in revenues in the year that they are applied to qualifying expenses.

Investment Income

Investment income earned on development charges, parkland reserve funds and other obligatory reserve funds is recorded as deferred revenue and included in municipal revenues in the year that they are applied to qualifying expenses. Other investment income is reported in revenues in the period earned.

Draft

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the City because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold.

Employee Future Benefits

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn non-pension post-retirement benefits. The cost of such benefits earned by the employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of the retirement ages of employees.

Actuarial valuations are prepared every three years, or more often at the discretion of management. In the years between valuations, an extrapolation is used to compute the expected accrued benefits obligation and related expenses.

Actuarial gains and losses on the accrued benefit obligation arise from the difference between actual and expected experiences and from changes in actuarial assumptions used to determine the obligation. These gains or losses are amortized on a straight-line basis over the average remaining service period of active employees.

The City also accrues its obligations for post-employment benefits when an event that obligates the City occurs such as parental and short-term sick leaves.

Solid Waste Landfill Closure and Post-closure Liabilities

The City accrues landfill closure costs including final covering and landscaping of the site, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities have been recognized based on management's best estimate of future expenses, long-term inflation rates and discount rates.

Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liabilities, and would be recognized prospectively, as a change in estimates, when applicable.

Inventories of Supplies

Inventories of supplies are held for consumption and are stated at the lower of cost and replacement cost.

Draft

Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

Tangible Capital Assets

- i) Tangible capital assets are recorded at cost (or estimated cost when historical cost records are not available) which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the assets.

The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Useful life-years
General capital	
Land improvements	15-50 years
Buildings	5-50 years
Machinery, furniture and equipment	3-30 years
Vehicles	6-25 years
Infrastructure	
Plants and facilities	10-60 years
Roads	20-75 years
Water and wastewater	50-75 years

Amortization is charged from the date of acquisition to the date of disposal. Assets under construction are not amortized until the asset is put into service.

- ii) Tangible capital assets disclosed at nominal values

Where an estimate of fair value can not be made or where there is no future benefit related to the asset, the tangible capital asset is recognized at a nominal value.

- iii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

- iv) Capitalized interest

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

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Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

Tangible Capital Assets (continued)

v) Works of art and historical treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include amortization of tangible capital assets and employee future benefits and solid waste landfill closure and post-closure liabilities. Actual results could differ from these estimates.

Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

1. Cash and Short-term Investments

The City invests its cash with one or more Canadian Schedule I banks.

Short-term investments include term deposits, bear interest rates of 1.59%, and mature in 180 days or less.

2. Short-term Credit Facility

The City has obtained short-term credit facilities from the Ontario Infrastructure Land Corporation (OILC) as bridge financing for the Water Pollution Control Centre Upgrade and construction of the Aquatarium (see note 8(b)). Advances bear interest at a floating annual rate based on OILC's cost of funds plus OILC's prevailing spread assigned to the municipal sector with an effective rate during 2013 of 1.62% (2012 - 1.57%). The advances are repayable in full on the earlier of the date the debenture financing is obtained for the projects or the facility termination date. During the year, the amount advanced in the prior year for the Aquatarium of \$1 million was repaid.

Advances on Facility			
Credit Facility	Water Pollution Control Centre Upgrade	Aquatarium	Facility Termination Date
\$ 6,400,000	\$ 6,400,000	\$ -	October 13, 2015
2,600,000	1,600,000	-	November 10, 2016
\$ 9,000,000	\$ 8,000,000	\$ -	

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Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

3. Deferred Revenues - Obligatory Reserve Funds

Canadian Public sector accounting standards require that obligatory reserve funds are reported as deferred revenues as provincial legislation or agreements restrict how these funds may be used. The balances in the obligatory reserve funds of the City are summarized as follows:

	2013	2012
Development charges	\$ 249,964	\$ 219,078
Parkland	9,212	9,184
	<u>259,176</u>	<u>228,262</u>
Provincial gasoline tax	7,937	3,159
Federal gasoline tax	896,855	1,550,776
	<u>904,792</u>	<u>1,553,935</u>
	<u>\$ 1,163,968</u>	<u>\$ 1,782,197</u>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2013	2012
Balance, beginning of the year	\$ 1,782,197	\$ 1,775,086
Amounts received		
Developer contributions	28,117	26,854
Gas tax funding	1,570,853	1,569,998
Interest	28,948	25,609
	<u>3,410,115</u>	<u>3,397,547</u>
Amounts transferred		
To operations	222,904	245,564
To capital	2,023,243	1,369,786
	<u>2,246,147</u>	<u>1,615,350</u>
Balance, end of the year	<u>\$ 1,163,968</u>	<u>\$ 1,782,197</u>

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Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

4. Employee Future Benefits

	2013	2012
Post-retirement medical and life insurance (note 4(b))	\$ 4,184,507	\$ 3,844,130
Unused sick leave (note 4(c))	768,089	832,727
Workplace Safety and Insurance Board costs (note 4(d))	269,164	1,202,724
	\$ 5,221,760	\$ 5,879,581

- a) The City has defined benefit plans providing post-retirement medical (until age 65) and life insurance benefits covering substantially all retirees and employees.

An actuarial valuation was prepared as at December 31, 2013. The significant actuarial assumptions adopted in measuring the City's accrued post-retirement benefits liability are as follows:

	2013	2012
Discount rate	3.0%	3.0%
Rate of compensation increase	3.0%	3.0%

The assumed medical cost trend rate at December 31, 2013 was 7.79% decreasing to 4.5% by 2030 (2012- 8% decreasing to 4.5% by 2030).

- b) Information about the City's post-retirement benefit plans is as follows:

	2013	2012
Accrued benefits obligation, beginning of year	\$ 5,030,877	\$ 4,334,682
Current service cost	272,280	213,045
Interest on accrued benefits	157,020	156,518
Benefit payments	(138,378)	(151,583)
Actuarial (gains) losses	(199,000)	478,215
Accrued benefits obligation, end of year	5,122,799	5,030,877
Unamortized actuarial losses	938,292	1,186,747
Accrued liability, end of year	\$ 4,184,507	\$ 3,844,130

Actuarial gains and losses are being amortized over a 12 year period.

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Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

4. Employee Future Benefits (continued)

- c) Some employees of the City can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment.

Significant actuarial assumptions adopted in measuring the City's accrued benefits under this plan are similar to those listed in (a) above.

Information about the City's sick leave benefits plan is as follows:

	2013	2012
Accrued benefits obligation, beginning of year	\$ 832,727	\$ 783,183
Current service cost, interest on accrued benefits and actuarial losses	50,190	105,230
Benefit payments	(114,828)	(55,686)
Accrued benefits obligation, end of year	\$ 768,089	\$ 832,727

- d) The City was a Schedule 2 employee with respect to the Workplace Safety and Insurance Board ("WSIB") during the period from February 2003 to February 2008. As a result, the City is responsible for the cost of employee accident claims that arose during that period. The WSIB administers the claims and bills accident costs plus an administration fee to the City. The WSIB has estimated future benefits costs related to workplace injuries to be \$269,164 (2012 - \$1,202,724).

5. Solid Waste Landfill Closure and Post-closure Liabilities

The City ceased to operate its solid waste landfill site on December 31, 2000, but is required to complete certain closure procedures and to conduct post-closure procedures. The main components of the closure plan are final capping and landscaping. The post-closure care will involve surface water and ground water monitoring and venting gas. The recorded liabilities are the present value of future cash flows associated with the closure and post-closure costs, discounted using an average long-term borrowing rate of 4.0% and an annual inflation rate of 2.0%. The estimated undiscounted future cash flows associated with closure and post-closure care are \$4,796,000, of which \$1,466,000 will be recognized in future years.

	2013	2012
Estimated costs to complete closure	\$ 320,000	\$ 320,000
Recorded post-closure costs	3,010,000	3,080,000
	\$ 3,330,000	\$ 3,400,000

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Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

6. Net Long-term Liabilities

- a) The net long-term liabilities reported on the Consolidated Statement of Financial Position represent debentures issued by the City and are made up of the following:

	2013	2012
Total long-term liabilities incurred by the City	\$ 28,618,428	\$ 31,508,586
Less: amounts assumed by other municipalities with respect to St. Lawrence Lodge	(9,025,428)	(9,580,633)
	<u>\$ 19,593,000</u>	<u>\$ 21,927,953</u>

Included in the total long-term liabilities are global debentures totaling \$22,711,205 (2012 - \$24,108,285) issued during 2004 and 2005 with respect to St. Lawrence Lodge. They include direct obligations of the City in respect of the principal amount and also include distinct joint and several obligations of the Corporation of the City of Brockville and each of the United Counties of Leeds and Grenville, the Town of Prescott and the Town of Gananoque ("participating municipalities").

The joint and several obligations of the three municipalities amount to \$9,025,428 (2012 - \$9,580,633). As the participating municipalities have assumed responsibility for repayment of these obligations, they have been deducted from the City's net long-term liabilities.

The City is contingently liable for the long-term liabilities assumed by the participating municipalities.

- b) Principal is due on net long-term liabilities as follows:

2014	\$ 2,396,431
2015	1,759,338
2016	1,711,510
2017	1,669,328
2018	1,499,405
Thereafter	10,556,988
	<u>\$ 19,593,000</u>

- c) Interest rates on the long-term liabilities range from 2.69% to 5.61% (4.71% to 5.61% on the global debentures with respect to St. Lawrence Lodge) payable semi-annually. Interest on long-term liabilities amounted to \$946,471 (2012 - \$1,006,410).

- d) The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

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Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

7. Tangible Capital Assets

Cost	Balance, December 31, 2012 (restated - see Note 18)	Additions (net of transfers)	Disposals	Balance, December 31, 2013
General capital	\$ 5,370,354	\$ 110,227	\$ -	\$ 5,480,581
Land	3,491,209	318,930	-	3,810,139
Land improvements	14,150,745	15,773	-	14,166,518
Buildings	10,961,236	1,124,465	86,248	11,999,453
Machinery, furniture and equipment	5,274,181	212,833	138,418	5,348,596
Vehicles				
Infrastructure				
Plants	53,632,198	713,646	-	54,345,844
Roads	45,532,529	2,016,005	670,593	46,877,941
Water and waste water	23,920,650	675,262	33,308	24,562,604
Assets under construction	6,694,828	3,788,732	345,604	10,137,956
Library	359,549	53,602	-	413,151
Total	\$ 169,387,479	\$ 9,029,475	\$ 1,274,171	\$ 177,142,783
Accumulated amortization	Balance, December 31, 2012 (restated - see Note 18)	Additions	Disposals	Balance, December 31, 2013
General capital	\$ 2,150,739	\$ 84,402	\$ -	\$ 2,235,141
Land improvements	9,733,942	515,217	-	10,249,159
Buildings	4,922,054	671,104	84,845	5,508,313
Machinery, furniture and equipment	3,687,040	389,756	110,939	3,965,857
Vehicles				
Infrastructure				
Plants	8,326,455	1,204,892	-	9,531,347
Roads	22,737,982	1,076,585	620,684	23,193,883
Water and waste water	6,680,440	238,166	16,423	6,902,183
Library	180,323	59,022	-	239,345
Total	\$ 58,418,975	\$ 4,239,144	\$ 832,891	\$ 61,825,228
	Net book value December 31, 2012			Net book value December 31, 2013
General capital	\$ 5,370,354			\$ 5,480,581
Land	1,340,470			1,574,998
Land improvements	4,416,803			3,917,359
Buildings	6,039,182			6,491,140
Machinery, furniture and equipment	1,587,141			1,382,739
Vehicles				
Infrastructure				
Plants	45,305,743			44,814,497
Roads	22,794,547			23,684,058
Water and waste water	17,240,210			17,660,421
Assets under construction	6,694,828			10,137,956
Library	179,226			173,806
Total	\$ 110,968,504			\$ 115,317,555

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

8. Commitments

- a) The City has a 10-year contract for waste removal through to 2022. The annual cost of this contract is estimated at \$908,000.
- b) The City has entered into a partnership agreement to construct a destination tourist site to be called the Aquatarium (previously to be called Maritime Discovery Centre). The total project costs for the facility including parking is estimated to be \$21.6 million.

The project is being developed through a partnership between a third party builder, the City and Build Canada capital funding. The Build Canada fund has committed to a total of \$11.4 million representing two thirds of eligible expenses. The builder has committed a further \$3.4 million towards the project leaving a balance to be funded of \$6.8 million. A fundraising goal has been established at \$3 million with \$1.6 million collected to date. The net responsibility from the City should the fundraising campaign be met is \$3.8 million of which \$3.2 million has been paid to December 31, 2013.

Subsequent to year end, the City has entered into an agreement with a not-for-profit organization to operate the Aquatarium (once complete). The City has committed for at least the next 10 years annual funding of \$150,000 as well as in the in-kind services of accounting, financial management, insurance, property tax exemption, water charges and administrative charges and expenses .

Also in relation to this project, the City has also committed to complete additional capital infrastructure improvements on Broad Street in the amount of \$350,000.

9. Contingencies

- a) The City has been named in a claim seeking damages in the amount of \$4,186,000. This action is covered by the City's insurance and is being defended by the City's insurers.
- b) The nature of the City's activities is such that there is usually litigation pending or in prospect at any time. Management is of the opinion that the City has valid defences and appropriate insurance coverage in place for claims for damages and related costs.

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

10. Accumulated Surplus

a) The accumulated surplus consists of:

	2013	2012
Operating surplus		
Water treatment and distribution system	\$ 2,706,406	\$ 2,619,671
Waste water treatment system	2,171,368	1,831,145
Library board	38,355	61,317
	<u>4,916,129</u>	<u>4,512,133</u>
Reserves and reserve funds		
Reserves		
Fiscal policy (note 10(b))	772,651	884,605
Working capital	430,374	430,373
Projects deferred to the following year	197,670	187,416
	<u>1,400,695</u>	<u>1,502,394</u>
Reserve funds (note 12)	<u>2,400,050</u>	<u>1,857,569</u>
	<u>3,800,745</u>	<u>3,359,963</u>
Investment in tangible capital assets	<u>115,317,555</u>	<u>110,968,504</u>
Funds available for acquisition of capital assets		
Projects in progress	3,006,070	3,341,485
Completed projects	7,968	40,522
Acquisition of capital assets to be recovered from		
Taxation and user fees	(185,578)	(303,442)
Issue of long-term liabilities	(10,046,875)	(9,425,317)
	<u>(7,218,415)</u>	<u>(6,346,752)</u>
Unfunded costs		
Accrued interest on net long-term liabilities	(242,682)	(262,867)
Employee future benefits	(5,221,760)	(5,879,581)
Solid waste landfill closure and post-closure liabilities	(3,330,000)	(3,400,000)
Net long-term liabilities	(19,593,000)	(21,927,953)
	<u>(28,387,442)</u>	<u>(31,470,401)</u>
	<u>\$ 88,428,572</u>	<u>\$ 81,023,447</u>
b) Fiscal policy reserve		
Balance, beginning of year	\$ 884,605	\$ 405,226
2013 Net transfers included in budget	(134,000)	206,000
Group insurance benefit recovery, included in revenue allocated		
by council to fiscal policy reserve	-	345,928
Increase for 2013 operating surplus	22,046	(72,549)
	<u>\$ 772,651</u>	<u>\$ 884,605</u>
Balance, end of year		

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

11. Government Grants

Included in government grants is \$4,934,386 of provincial grants and \$1,431,130 of federal grants.

12. Reserve Funds

Reserve funds consist of:

	2013	2012
Landfill site	\$ 22,745	\$ 22,359
Specific reserve funds for acquisition of capital assets	1,096,785	882,081
Specific reserve funds to provide for future operating expenses	961,967	720,641
Parking facilities	310,007	209,660
Hydro One proceeds management	8,546	22,828
	\$ 2,400,050	\$ 1,857,569

13. Pension Agreement

Substantially all of the employees of the City are members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined benefit pension plan. The plan specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay.

Contributions to the plan made during the year by the City on behalf of its employees amounted to \$1,793,715 (2012 - \$1,591,498) and are included as expenses in the consolidated statement of operations and accumulated surplus.

The most recent actuarial valuation was at December 31, 2013 and the December 31, 2013 financial statements of OMERS report net assets of \$65.1 billion and an actuarial funding deficit of \$8.6 billion.

14. Trust Funds

Trust funds administered by the City amounting to \$1,239,182 (2012 - \$1,191,035) have not been included in the consolidated statement of financial position and their financial activities have not been included in the consolidated statement of operations and accumulated surplus.

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

15. Budget

The following presents the approved budget restated to conform with the presentation format of the consolidated statement of operations. The current year actual revenues and expenses are presented for comparison.

	Budget	Actual
Revenues		
Operations		
Levy	\$ 32,378,940	\$ 32,296,314
Provincial grants	1,115,886	1,430,731
User fees	5,211,165	5,602,717
Other revenues and recoveries	3,969,691	4,828,167
	42,675,682	44,157,929
Water	3,691,535	3,729,240
Wastewater	4,414,013	4,678,940
Library Board net of municipal levy	92,970	131,470
Capital	5,663,644	9,092,397
Reserve funds	-	27,206
	56,537,844	61,817,182
Less:		
Transfers from other funds	(3,016,025)	(3,943,747)
Internal charges netted for financial statement presentation purposes	(2,596,917)	(2,845,723)
Proceeds from net long-term liabilities	(645,346)	-
Proceeds from disposal of tangible capital assets	-	(50,425)
Gain on disposal of tangible capital assets	-	22,119
	(6,258,288)	(6,817,776)
	50,279,556	54,999,406
Expenses		
Operations	42,675,682	44,157,931
Water	3,864,639	3,729,242
Wastewater	4,316,354	4,678,940
Library Board net of municipal levy	721,567	796,489
Capital	5,760,889	9,964,057
	57,339,131	63,326,659
Less:		
Transfers to other funds	(3,380,114)	(4,784,280)
Internal charges netted for financial statement presentation purposes	(3,216,000)	(3,487,781)
Principal payments on net long-term liabilities	(2,202,246)	(2,334,954)
Acquisition of tangible capital assets	(4,964,104)	(8,683,872)
	43,576,667	44,035,772
Add items included in expenses not included in budget:		
Amortization of tangible capital assets	-	4,239,144
Unfunded liabilities	-	(748,006)
Loss on disposal of tangible capital assets	-	67,371
	-	3,558,509
	\$ 43,576,667	\$ 47,594,281

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

16. St. Lawrence Lodge

St. Lawrence Lodge (the "Lodge") is a joint municipal board operating a 224 bed long-term care facility. The Lodge is governed by a Committee of Management consisting of seven Councilors representing the participating municipalities including the Corporation of the City of Brockville, the Corporation of the United Counties of Leeds and Grenville, the Corporation of the Town of Prescott and the Corporation of the Town of Gananoque.

Any excess (deficiency) of operating revenues over expenses are allocated to the municipalities based on a five-year rolling average of usage. The Lodge tracks the residents based on the municipality that they lived prior to entering the facility. The City's allocation for 2013 was 55.5% (2012 - 55.5%).

The Lodge's 2006 redevelopment was financed through debentures issued by the City (see note 6). The municipalities have agreed to fund the balance of the amounts required to repay the debentures and pay the interest due of those obligations in a fixed ratio being; the Corporation of the City of Brockville 60.26%, United Counties of Leeds and Grenville 28.57%, Town of Prescott 9.38%; and, Town of Gananoque 1.79% (Collectively the other Lodge partners 39.74%). The excess (or shortfall) of municipal funding over interest on long-term liabilities and amortization of the new facility is allocated to the municipalities using the same ratio. The City's portion of the Lodge's accumulated surplus is as follows:

	2013	2012
Surplus from Operations	\$ 1,559,705	\$ 1,571,945
Surplus from Redevelopment	521,314	234,237
	\$ 2,081,019	\$ 1,806,182

During the year, the City had the following transactions with the Lodge:

- The City contributed to the Lodge an annual operating grant of \$884,922 (2012 - \$883,805)
- As described in the net long-term liabilities note 6, the City issued debentures with respect to the Lodge. The total debenture payments for the year were \$2,561,113 of which the City was responsible for \$1,064,054 (2012 - \$1,064,054), the other Lodge partners \$681,933 (2012 - \$681,933) and the Ministry of Health and Long Term Care \$845,126 (2012 - \$845,126)

These transactions were in the normal course of operations and are measured at the exchange value, the amount of consideration established and agreed to by the related parties, which approximates the arm's length equivalent value for such transactions.

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

17. Future Accounting Changes

During 2011 the Canadian Accounting Standards Board issued the following new accounting standards for public reporting entities which are required to be adopted by the City by 2016. The City has yet to determine the impact (if any) of adopting these new standards. The changes include:

PS 1201 Financial Statement Presentation
PS 2601 Foreign Currency
PS 3041 Portfolio Investments
PS 3450 Financial Instruments

18. Restatement

During the year, the Brockville Public Library Board changed its accounting and financial reporting to conform to the guidelines of the Public Sector Accounting Handbook on financial presentation (Section PS 1200) and tangible capital assets (Section PS 3150). Current year data is presented on the new basis. Prior year data has been restated to be comparable with the current year data including: on the Statement of Financial Position an increase in tangible capital assets and accumulated surplus by \$179,226; on the Statement of Operations and Accumulated Surplus an increase in opening and closing accumulated surplus by \$179,226; on the Statement of Changes in Net Financial Liabilities a decrease in acquisition of tangible capital assets and an increase in amortization of tangible capital assets by \$64,243, and; on the Statement of Cash Flows, an increase in amortization of capital assets and a decrease in acquisition of tangible capital assets of \$64,243.

19. Expenses by Object

The following is a summary of the expenses by object:

	Budget 2013 (unaudited)	Actual 2013	Actual 2012 (restated - see note 18)
Salaries, wages and benefits	\$ 24,923,711	\$ 23,643,041	\$ 23,926,719
Interest on long-term liabilities	1,424,360	946,471	1,006,410
Materials and supplies	7,500,958	7,575,911	7,058,122
Contracted services	4,678,319	5,947,698	5,104,131
Rents and financial services	39,093	43,215	40,781
Transfer payments	5,010,226	5,131,429	5,081,613
Amortization of tangible capital assets	-	4,239,144	3,528,842
Loss on disposal of tangible capital assets	-	67,372	378,994
	\$ 43,576,667	\$ 47,594,281	\$ 46,125,612

Draft

Corporation of the City of Brockville Notes to Consolidated Financial Statements

December 31, 2013

20. Segmented Information

The City is a municipal government organization that provides a range of services to its residents. City services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirement.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see the Consolidated Schedule of Segment Disclosure.

The activities that are included in each functional line of services are as follows:

General government consists of the Mayor and Council, the City Manager and administrative services which include the Clerk, Finance, Human Resources and Information Technology departments.

Protection consists of Fire, Police and By-law Enforcement departments as well as contributions to the Cataraqui Region Conservation Authority.

Transportation services include engineering, road and sidewalk construction and maintenance, winter control, traffic operations and parking.

Environmental services include the operations of waterworks, sanitary and storm sewers, wastewater treatment, solid waste disposal and recycling.

Health services consists of cemetery management and maintenance and transfers to the local Health Unit.

Social and family services consists of transfers to the United Counties of Leeds and Grenville for social and family services, transfers to St Lawrence Lodge and interest on net long-term liabilities with respect to St Lawrence Lodge.

Social housing consists of transfers to the United Counties of Leeds and Grenville.

Recreational and cultural services is comprised primarily of parks services and the operation of recreational facilities, the library and the museum.

Planning and development is comprised of planning and zoning and economic development.

21. Comparative Figures

Certain comparative figures were restated, where required, to conform with the current year presentation.

Draft

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2013

20. Segmented Information (continued)

2013	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Library	Recreational and Cultural Services	Planning and Development	Total
Revenue											
Property taxation	\$ 2,862,087	\$ 9,974,740	\$ 3,759,186	\$ 8,248,431	\$ 1,281,745	\$ 2,215,477	\$ 692,763	\$ 528,901	\$ 2,515,868	\$ 1,749,355	\$ 31,826,551
Taxation from other governments	353,803	-	10,810	30,098	-	-	-	-	3,841	-	388,652
User charges	158,471	1,039,448	1,036,488	8,315,659	134,557	-	-	43,367	1,854,112	462,438	12,846,521
Charges to other municipalities	228,805	392,915	-	115,888	-	509,918	-	12,161	-	-	1,259,683
Government grants	476,880	246,636	1,811,173	454,510	-	-	-	72,932	2,258,815	351,820	5,772,576
Contributions from developers	-	-	-	-	-	-	-	-	-	-	-
Penalties and interest on taxes	375,582	-	-	59,894	-	-	-	-	-	-	435,276
Investment income	206,542	-	-	10,085	-	-	-	1,792	-	-	218,399
Donations and fundraising	-	2,286	-	-	100	-	-	10,760	984,339	106,595	1,104,080
Sale of property and equipment	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	14,636	536	350	2,597	-	-	-	4,000	-	22,119
Recovery of expenditures and miscellaneous	481,682	74,087	78,432	218,515	40,481	-	-	-	152,488	88,956	1,115,649
Total Revenue	\$ 5,123,862	\$ 11,744,749	\$ 6,799,805	\$ 15,451,208	\$ 1,459,480	\$ 2,725,393	\$ 692,763	\$ 688,913	\$ 7,573,488	\$ 2,759,184	\$ 54,999,408
Expenses											
Salaries, wages and benefits	\$ 1,800,478	\$ 11,454,246	\$ 2,725,048	\$ 3,820,775	\$ 203,414	\$ -	\$ -	\$ 574,577	\$ 1,956,047	\$ 1,108,456	\$ 23,643,041
Interest on long-term liabilities	-	15,892	104,994	125,914	-	688,906	-	-	10,785	-	946,471
Materials and supplies	1,408,427	918,541	1,406,322	2,280,581	44,422	-	-	154,474	861,236	500,908	7,575,911
Contracted services	453,113	316,895	1,542,589	1,868,734	22,362	-	-	28,508	857,563	858,934	5,947,888
Rent and financial services	1,311	534	3,020	13,835	-	-	-	-	23,946	1,589	43,215
Transfer payments	2,593	168,426	-	-	1,472,841	2,480,078	971,520	11,586	23,386	-	5,131,428
Amortization of tangible capital assets	198,573	351,776	1,337,957	1,928,109	9,202	-	-	67,263	345,262	-	4,239,144
Loss on disposal of tangible capital assets	-	-	49,910	16,886	-	-	-	-	576	-	67,372
Total Expenses	\$ 3,865,485	\$ 13,227,311	\$ 7,189,840	\$ 10,053,834	\$ 1,752,241	\$ 3,168,984	\$ 971,520	\$ 837,408	\$ 4,077,781	\$ 2,469,867	\$ 47,594,261

The accompanying notes are an integral part of this consolidated financial statement.

Draft

Corporation of the City of Brockville

Notes to Consolidated Financial Statements

December 31, 2013

20. Segmented Information (continued)

2012	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Services	Library	Recreational and Cultural Services	Planning and Development	Total
Revenues											
Property taxation	\$ 2,551,954	\$ 8,921,378	\$ 4,316,114	\$ 5,645,633	\$ 1,116,202	\$ 2,230,754	\$ 579,786	\$ 501,037	\$ 2,505,469	\$ 1,486,341	\$ 30,056,668
Taxation from other governments	366,887	-	-	30,098	-	-	-	-	-	-	386,985
User charges	161,419	1,120,982	992,547	7,746,401	135,836	-	-	37,938	1,552,156	260,135	12,007,418
Charges to other municipalities	236,651	434,507	-	112,259	-	511,313	-	-	-	-	1,266,730
Government grants	478,582	219,337	1,099,405	4,326,834	-	-	-	59,368	2,453,052	167,349	8,616,027
Contributions from developers	-	-	400,831	-	-	-	-	-	-	-	400,831
Penalties and interest on taxes	511,310	-	-	-	-	-	-	2,102	-	-	511,310
Investment income	113,441	-	-	64,508	-	-	-	-	1,133,547	-	1,800,051
Donations and fundraising	2,242	2,400	-	-	788	-	-	14,816	-	-	1,153,595
Gain on sale of property and equipment	-	-	-	-	-	-	-	-	-	-	-
Recovery of expenditures and miscellaneous	383,302	80,101	81,787	199,652	45,153	-	-	-	295,755	35,023	1,120,773
Total Revenue	\$ 4,807,788	\$ 10,778,705	\$ 6,890,684	\$ 18,262,642	\$ 1,297,961	\$ 2,742,067	\$ 579,786	\$ 615,063	\$ 7,949,981	\$ 1,860,848	\$ 55,975,545
Expenses											
Salaries, wages and benefits	\$ 2,152,059	\$ 11,717,754	\$ 2,666,373	\$ 3,782,008	\$ 211,274	\$ -	\$ -	\$ 511,999	\$ 1,801,335	\$ 1,083,917	\$ 23,926,719
Interest on long-term liabilities	-	21,014	127,141	118,741	-	729,331	-	-	9,183	-	1,006,410
Materials and supplies	1,218,564	1,027,665	1,128,633	2,186,727	51,388	-	-	188,991	825,475	422,659	7,056,122
Contracted services	415,519	372,672	1,235,644	1,568,561	9,497	178,520	-	89,449	674,573	356,696	5,104,131
Rent and financial services	1,453	634	3,616	13,433	-	-	-	-	20,996	749	40,781
Transfer payments	2,739	162,716	-	-	1,447,765	2,547,154	886,236	-	23,003	-	5,081,613
Amortization of tangible capital assets	163,269	342,187	1,432,808	1,253,230	9,357	-	-	7,794	320,387	-	3,528,842
Loss on disposal of tangible capital assets	-	178,928	94,741	100,669	-	-	-	-	8,656	-	378,994
Total Expenses	\$ 3,953,623	\$ 13,821,480	\$ 6,686,756	\$ 9,056,389	\$ 1,729,281	\$ 3,456,006	\$ 886,236	\$ 776,233	\$ 3,861,608	\$ 1,866,021	\$ 46,125,612

The accompanying notes are an integral part of this consolidated financial statement.

Draft

**The Board of Management,
Downtown Business
Improvement Area of the
Corporation of the City of
Brockville**

**Financial Statements
For the year ended December 31, 2013**

Draft

**The Board of Management, Downtown Business Improvement Area of the
Corporation of the City of Brockville
Financial Statements
For the year ended December 31, 2013**

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Draft

Independent Auditors' Report

**To the Board Members, Members of Council and Ratepayers
Downtown Business Improvement Area of the Corporation of the City of Brockville**

We have audited the accompanying financial statements of The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville which comprise the statements of financial position as at December 31, 2013 and the statements of operations and changes in accumulated surplus and cash flows for the year then ended December 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville as at December 31, 2013 and its financial performance and its cash flows for the year then ended December 31, 2013 in accordance with Canadian public sector accounting standards.

Other Matters

The financial statements of The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville for the year ended March 31, 2013, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 24, 2013.

Chartered Professional Accountants
Licensed Public Accountants

Kingston, Ontario
September 16, 2014

Draft

**The Board of Management, Downtown Business Improvement
Area of the Corporation of the City of Brockville
Statement of Financial Position**

December 31	2013	2012
Financial Assets		
Cash	\$ 43,918	\$ 22,952
Receivable from the City of Brockville	2,339	25,615
Net financial assets, being accumulated in surplus (note 2)	\$ 46,257	\$ 48,567

Draft

The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville Statement of Operations and Changes in Accumulated Surplus

For the year ended December 31	Budget (unaudited)	2013	2012
Revenue			
Taxation	\$ 245,626	\$ 243,412	\$ 242,897
Parking Levy	43,029	43,029	40,980
Interest	-	352	297
	<u>288,655</u>	<u>286,793</u>	<u>284,174</u>
Expenses			
Materials, supplies, and services	205,619	152,867	149,299
Salaries and benefits	83,036	82,207	80,463
Transfer to City of Brockville		54,029	46,980
	<u>288,655</u>	<u>289,103</u>	<u>276,742</u>
Annual Surplus (deficit)		(2,310)	7,432
Accumulated surplus, beginning of year		<u>48,567</u>	<u>41,135</u>
Accumulated surplus, end of year		\$ 46,257	\$ 48,567

Draft

The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville Statement of Cash Flows

For the year ended December 31	2013	2012
Cash flows from operating activities		
Annual surplus (deficit) after transfers	\$ 51,719	\$ 54,412
Changes in non-cash working capital balances		
Decrease (increase) receivable from the Corporation of the City of Brockville	23,276	(7,060)
Transfers to the City of Brockville	(54,029)	(46,980)
Net increase (decrease) in cash during the year	20,966	372
Cash, beginning of year	22,952	22,580
Cash, end of year	\$ 43,918	\$ 22,952
Represented by:		
Cash	\$ 43,918	\$ 22,952

Draft

The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville Summary of Significant Accounting Policies

December 31, 2013

Nature of Business	The Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville (the "organization"), is a government not-for-profit organization established on September 23, 1975, representing approximately three hundred businesses and property owners in downtown Brockville area. The organization aims to better the quality of life of the downtown businesses and service providers.
Basis of Accounting	These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand and cash in the bank.
Financial Instruments	The organization's financial instruments consist of cash and receivable from the City of Brockville. Unless otherwise noted, it is management's opinion that the carrying value of these financial instruments approximates their fair values and that the organization does not have any significant concentration of interest, currency or credit risk.
Revenue Recognition	<p>Property tax billings are prepared by the City of Brockville based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government and taxation revenues are recorded at the time tax billings are issued. Any supplementary billing are reported by the City when they can be reasonably determined.</p> <p>Parking levies are recognized as revenue in the year the services are provided.</p>

Draft

**The Board of Management, Downtown Business Improvement
Area of the Corporation of the City of Brockville
Notes to Financial Statements**

December 31, 2013

1. Cash

The organization's bank accounts are held at one chartered bank. The bank accounts earn nominal interest.

2. Accumulated Surplus

The accumulated surplus consists of a reserve fund that was established by the Corporation of the City of Brockville on behalf of the board.

Draft

**Corporation of the City of
Brockville
Trust Funds
Financial Statements
For the year ended December 31, 2013**

Draft

**Corporation of the City of Brockville
Financial Statements
Trust Funds
For the year ended December 31, 2013**

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Draft

Independent Auditors' Report

**To the Members of Council, Inhabitants, and Ratepayers
Corporation of the City of Brockville**

We have audited the accompanying financial statements of the Corporation of the City of Brockville - Trust Funds which comprise the statements of financial position as at December 31, 2013 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brockville - Trust Funds as at December 31, 2013 and its financial performance for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The financial statements of the Corporation of the City of Brockville - Trust Funds for the year ended December 31, 2012, were audited by another auditor who expressed an unmodified opinion on those financial statements on September 24, 2013.

Chartered Professional Accountants
Licensed Public Accountants

Kingston, Ontario
September 16, 2014

Draft

**Corporation of the City of Brockville
Trust Funds
Statement of Financial Position**

	December 31		2013		2012	
	Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners Trust	Total	Total
Financial Assets						
Cash (Note 1)	\$ 38,192	\$ 1,929	\$ 71,924	\$ 343,230	\$ 455,275	\$ 361,018
Accounts Receivable	1,784	-	-	-	1,784	-
Investments (Note 2)	945,272	-	-	-	945,272	942,663
Receivable from City of Brockville	6,828	-	-	-	6,828	1,151
	992,076	1,929	71,924	343,230	1,409,159	1,304,832
Financial Liabilities						
Payable to City of Brockville	-	-	-	169,843	169,843	113,797
HST Payable	134	-	-	-	134	-
	134	-	-	169,843	169,977	113,797
Net Financial Assets	\$ 991,942	\$ 1,929	\$ 71,924	\$ 173,387	\$ 1,239,182	\$ 1,191,035
Trust Balances						
Capital	\$ 894,329	\$ 500	\$ 71,924	\$ 173,387	\$ 1,140,140	\$ 1,118,702
Accumulated income	97,613	1,429	-	-	99,042	72,333
	\$ 991,942	\$ 1,929	\$ 71,924	\$ 173,387	\$ 1,239,182	\$ 1,191,035

On behalf of the Board:

Director_____
Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Draft

**Corporation of the City of Brockville
Trust Funds
Statement of Operations and Changes in Net Assets**

	December 31									
	2013		2012							
	Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners Trust	Total	Total				
Revenues										
Capital receipts	\$ 24,152	\$ -	\$ 2,600	\$ -	\$ 26,752	\$ 24,831				
Partner contributions	8,986	-	-	-	336,276	345,262				
Investment income	14,415	24	911	5,624	20,974	17,082				
	47,553	24	3,511	341,900	392,988	379,111				
Expenses	-	-	4,859	339,982	344,841	346,669				
Change in net financial assets	47,553	24	(1,348)	1,918	48,147	32,442				
Net assets, beginning of year	944,389	1,905	73,272	171,469	1,191,035	1,158,593				
Net assets, end of year	\$ 991,942	\$ 1,929	\$ 71,924	\$ 173,387	\$ 1,239,182	\$ 1,191,035				

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Draft

Corporation of the City of Brockville Trust Funds Statement of Cash Flows

For the year ended December 31	2013	2012
Cash flows from operating activities		
Change in net financial assets	\$ 48,147	\$ 32,442
Changes in non-cash working capital balances		
Net increase in amounts payable to the City of Brockville	50,369	222,716
Increase in receivables	(1,784)	-
Increase in HST payable	134	-
	<u>48,719</u>	<u>222,716</u>
Cash provided by (used in) operations	96,866	255,158
Cash flows from investing activities		
Net purchases of investments	<u>(2,609)</u>	<u>(905,968)</u>
Net increase (decrease) in cash and cash equivalents during the year	94,257	(650,810)
Cash and cash equivalents, beginning of year	361,018	1,011,828
Cash and cash equivalents, end of year	\$ 455,275	\$ 361,018
Represented by:		
Cash	<u>\$ 455,275</u>	<u>\$ 361,018</u>

Draft

Corporation of the City of Brockville Trust Funds Summary of Significant Accounting Policies

December 31, 2013

Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits at Canadian chartered banks and cash balance in investment portfolios.

Fund Accounting

The Trust Funds follows the restricted fund method of accounting for contributions.

The *Perpetual Care Fund* has been set up to set aside funds for the care and maintenance of the cemetery in perpetuity. This is required by the Cemetery Act.

The *C. Babcock Fund* is a restricted trust fund donated through Babcock estate to be used to maintain a specific grave site.

The *Deferred Interments Fund* represents interment services which are purchased in advance, the amounts are held on deposit and recognized when the funds are withdrawn at the time of burial.

The *St. Lawrence Lodge Partners Trust* represents the group of municipalities who have agreed to fund a combined 39.74% of the outstanding debentures (principal and interest) related to the 2006 St. Lawrence Lodge redevelopment.

Investments

Investments are in Perpetual Care and Maintenance Fund. Investments are made up of mutual funds and a GIC and are recorded at fair market value.

Draft

Corporation of the City of Brockville Trust Funds Summary of Significant Accounting Policies

December 31, 2013

Revenue Recognition

Capital receipts are recognized as revenue in the Perpetual Care and Maintenance Fund when received. These capital receipts are made up of burial plots, columbariums and markers.

Partner Contributions: SSL partner's contributions of 39.74% towards the repayment of the debentures and interest due on the obligation of the Lodge's 2006 redevelopment. St. Lawrence Lodge (the "lodge" is a joint municipal board operating a long-term care facility.)

Investment income is recorded at the time the investment matures and the funds are redeposited.

Financial Instruments

The Trust Funds' financial instruments consist of cash, accounts receivable, investments, receivable from/payable to City of Brockville and HST payable. Unless otherwise noted, it is management's opinion that the carrying value of these financial instruments approximates their fair values and the Trust Funds do not have any significant concentration of interest, currency, or credit risk.

Draft

Corporation of the City of Brockville Trust Funds Notes to Financial Statements

December 31, 2013

1. Cash

The Trust Funds' bank accounts are held at one chartered bank. The bank accounts earn nominal interest.

2. Investments

	2013	2012
GIC	\$ 903,254	\$ 903,929
Equity securities	42,018	38,734
	<u>\$ 945,272</u>	<u>\$ 942,663</u>

Report from the Association of Municipalities of Ontario Annual Conference,
London, Ontario. August 2014
By: Leigh Bursey, Councillor

Over 1500 delegates from across the province participated in this year's Association of Municipalities conference, originating from London, Ontario just last week. Conversations ranging from emergency service costs, to insurance reform, to affordable housing, to environmental and sustainable policies were all on display in a variety of workshops, spanning three days. Below is a synopsis of the information that I was able to gather from the sessions I attended and discussions I was privy to.

NANOS POLL RESEARCH PRESENTATION

Monday's sessions were comprehensive, featuring words of welcome, a massive trade show, and far reaching presentations, including a very informative presentation by Nanos polling company figurehead Nik Nanos. The presentation included a number of interesting pieces of data that could end up being very useful to us in discussions on key issues. For instance, in recent polls across the province the company concluded that 85.6% of those polled believed that city firefighters should have the ability to volunteer in smaller and rural municipalities.

62% of those polled say that municipalities should receive a greater share of overall tax revenues, while only 5% of those polled believe municipalities should receive less. When speaking with both sector and non-sector workers, 52% of those polled believe that public sector wages and emergency services wages should be comparable to others in their municipalities based on their specific needs, and 29% said they favoured outright freezes.

MINISTER OF MUNICIPAL AFFAIRS AND HOUSING - KEYNOTE ADDRESS

Ontario Minister of Municipal Affairs and Housing, the Honourable Ted McMeekin spoke in great detail about this government's wish to govern from "the activist centre," sighting the renewal of investment in affordable housing by both the province and federal government of \$800,000,000.00 for new builds. This is perceived as many in the sector as great news, despite the fact that no outline as to how this money will be obtained, or specific criteria has been announced for those wishing to access this grant. This particular announcement makes good on an election promise, and was described as a "key part of our poverty prevention plan." The minister also vowed to "continue to push Ottawa to make a lasting commitment to funding the ever-growing need."

ONTARIO MADE: RETHINKING MANUFACTURING IN THE 21ST CENTURY

One of the more insightful sessions I attended was called "Rethinking Manufacturing." The data of this session was presented by Matthew Mendelsohn, the director for the Mowat Centre, School of Public Policy and Governance for the University of Toronto. The session highlighted how many statistics that illustrate the battle between the haves and have-nots are fairly accurate. The poorest of the poor have not gotten better, while many of the rich (very much) have.

Projections expect that there will be between a 2 and 2.5 percent growth in Gross Domestic Product in the next five years. Certain elements of the conversation have changed. Information technologies, graphic design and science are all now much higher on the global value chain than they have been in years prior.

Outlining setbacks for the manufacturing economy, the presenter highlighted strong exchange rates; weakened U.S. demand; low productivity in comparison to previous eras; and low investment in research and development, machines and engineering, information and communications technologies, and training. Automation continues to be a challenge for the industry, which is not expected to change as plant consolidation and relocation continues.

In 2011, we saw a decline in the manufacturing sector right across the board. There has been a decline of the lowest skilled jobs by 33%. There is now a growing productivity gap in those that invest less. The facilitator was clear that "recreating opportunities in small urban and medium sized, middle class communities" has never been more important.

Highlighting an increase in precarious employment, digitization and mobile technologies, the presenter warned that an expansion of the "Internet of all things" and 3D printing will implement further strains on the traditional manufacturing economy. Couple this with climate change and resource stress, and we can safely expect that the manufacturing economy may never look like it did in years past.

Low productivity, congestion, an aging population which is heavily dependant on international trade with the United States, threats to the overall municipal tax base of smaller communities, increasing income inequality, and employment precariousness are all factors that we can no longer ignore when we attempt to reinvent this industry for a modern demographic. The presenter suggested that a shift in focus will be necessary to sustain this sector in newer ways.

Ontario's workforce is highly educated. In the speaker's opinion, we have a competitive tax environment and strong foreign direct investment. We have diverse immigrant communities and networks, and more arable land than anywhere else in Canada. We have an abundance of natural resources and freshwater. Equally important is that we also have safe and attractive communities that are globally competitive with leading sectors, clusters and firms. Another strength that was identified was the rule of law and regulatory standards which the presenter believes adds to a dynamic global city region. Basically, Ontario is a beautiful and safe place to live. It is attractive to employers and employees because our quality of life offsets our shortcomings. Something that many countries in the developing world can not offer with authority.

Identifying our competitive advantages and strengths in the new world in a clear way will be fundamental to progress. We simply cannot count on a return to manufacturing AS IT WAS. We were encouraged to support transportation investments, and undertake infrastructure renewal, support science technologies and research development, but "prepare for a resource-stressed world." As 2015 quickly approaches, one option suggested was to lobby for a federal economic agenda specifically tailored to Ontario.

Also worth noting is that the new Ontario Community Infrastructure Fund, which will provide \$100,000,000.00 to fund critical local infrastructure, could conceivably mean more investment in the necessary goods being offered to strengthen those foundations. Though not clearly defined, this infrastructure fund could end up being a positive development for local manufacturers offering materials that are required for upgrades and retrofits.

OPPOSITION SPEECHES - KEYNOTE ADDRESSES

Another consistent piece of AMO conference presentations include speeches by the leaders of the opposition parties. This year was a little different being that there seems to be a bit of a disarray with leadership reconfiguration currently taking place. This year the Progressive Conservative Party of Ontario delegated Ernie Hardeman, the current critic for Municipal Affairs and Housing to speak, which seemed to make sense considering that the PCs are currently embarking on a leadership race. Ernie's presentation was brief but spoke heavily to living within our means, and concerns over where infrastructure funding was going to come from. Ontario New Democratic Party leader Andrea Horwath was noticeably absent at all AMO proceedings. Andrea has in many ways been a breath of fresh air to the party in recent years. Pragmatic leadership and a lot of hard work has helped establish her as a viable presence in provincial parliament, but her leadership has been in question as of late. After a disappointing showing in the June provincial election, the loss of their position as the axis of power at Queen's Park, and a looming leadership review this fall, the ONDP was not highly visible in any formal capacity.

Substituting for Andrea Horwath was ONDP finance critic, Catherine Fife. The Kitchener-Waterloo MPP has a fairly high profile within the party, but questions continued throughout the day as to why the leader was absent, and why a finance critic was featured as opposed to the party's critic for Municipal Affairs and Housing. Still, there was value to Fife's presentation. For instance, many might wish to note that of all taxes collected from citizens, only 9 cents of every dollar collected go towards municipal governments. As well, it might be worth noting that only half of the current government's transit proposals have been paid for, so that begs to question as to what services or programs are at jeopardy of seeing reductions to compensate for the completion of these proposals. A number of key departments are facing an annual cut of 6%, and there is definitely concern as to the possibility of further reductions. Catherine left before any opportunity to engage with her in person, and the ONDP decided against hosting an evening hospitality suite reception.

CREATIVE PARTNERSHIPS AND FINANCING FOR COMMUNITY AND SOCIAL INFRASTRUCTURE

To round out the afternoon sessions, I attended a session on Ontario's Social Enterprise Strategy. As part of this session the moderators outlined the steps towards a successful social enterprise development, including policy development coordination, outreach and promotion, business climate and capacity building, and piloting social finance tools. There was a lot of conversation in the room about the growing trend of social finance, such as community investing, social impact bonds, and micro-lending. We are seeing this as not only a growing trend to support arts and culture and local charities, but also capital projects in many municipalities.

This is a way of alleviating the risks to a struggling tax base, while also providing an outlet for community champions to take charge, similar to angel investing and pre-existing donation methods. The key difference in community investing is the viral method of building interest in a project. The theme of supporting social scale community development was the fundamental theme of the overall conversation.

Currently, the province is embarking on a social impact bond pilot project which is seeking applications for funding. The three provisions are projects that target housing persons in need, youth at risk, and employment. These proposals will then be vetted, with so many of these projects being eligible for the bond. This could be a great opportunity for both the city, and/or local agencies seeking to create social change.

WHAT YOU NEED TO KNOW ABOUT THE END OF OPERATING AGREEMENTS FOR HOUSING

The following morning was jam-packed with useful information about a variety of pressing subjects, which saw me hopping from one concurrent session to the next. The first session of the morning was on the End of Operating Agreements for Housing. With billions already invested in Ontario's social housing by government and taxpayers, and with over \$500,000,000.00 in federal funding coming to an end by 2032, municipalities are weighing options and being forced to plan for the many potential liabilities associated with our obligations to the Housing Services Act.

It seems to be perceived that many service managers, municipal councils, and their housing providers have not fully recognized the problems and have not completed the required analysis on what the future looks like, and what implications they may face without forward thinking and planning strategies. The current lack of data on when specific projects will expire, and which will be financially viable or not is still largely in question. This lack of data makes it incredibly hard to plan early intervention. Only more questions persist. Who owns this issue? How do we frame an ask for help, extensions, plans, and further data.

In the old world of social housing, registrations were top, highly regulated, and based on a legacy agreement. In the new, emerging world of social housing, partnerships between governments, developers and community partners will be the most fundamental need. Funding decisions will be based on outcome and performance levels.

ONTARIO TOPS THE PROVINCES IN POLICE SPENDING: BUT SHOULD WE?

Throughout the conference, policing costs and emergency service sustainability continued to be the over-arching theme, as with every AMO convention over the last number of years. A packed session on policing costs was well attended and informative, highlighting the groundswell of municipal support to get the 3/6/9 plan removed from collective agreements. There was also a huge concern illustrated over patrol schedules being inscribed in the current collective bargaining process.

It was also noted that the policy of the federal government is that there are specific prior allotment strategies in place. A number of wage freezes have been in play a number of times, however the constraints we have don't allow for capping salaries.

A lot of conversation seems to target minimizing policing jurisdiction and oversight. For example, the provincial decision to have the police investigate auto fraud has only added to policing responsibilities. The problem is that we don't have other department stepping up to self-regulate and find more cost effective solutions.

The topic evolved into a community visioning exercise, asking what are the priorities for strategic decision making. Many municipalities have a very difficult time talking about risk. There are very few tools to determine reasonable risk. There are different departments, jurisdictions, and municipalities that are in need of consideration when developing a threat vs. risk probability impact matrix. The threat vs. risk probability impact matrix is the tool that is used when federal security projects are designed (i.e. Pan-Am Games, the whole methodology was developed through the Future's Group).

BENCHMARKING YOUR COMMUNITY FOR ATTRACTING NEWCOMERS AND YOUTH

I only caught the tail end of the conversation about attracting and retaining youth and newcomers, but the conversation seemed to be mostly positive, offering strategies instead of dwelling on problems. The panel focused heavily on the OMAFRA (Ontario Ministry of Agriculture, Farming and Rural Affairs) tool to assess community attractiveness and case studies from municipalities addressing the issue of attracting "human capital" to their communities.

Affordable housing and homelessness concerns were highlighted heavily in this discussion, as they were repeatedly in a number of other sessions throughout the week. This was the first time that I can recall in the last three years that these topics received such attention from the Association of Municipalities of Ontario, and I am expecting much of this has to do with the joint federal-provincial announcement last week, and the very successful Housing Crunch campaign by their federal counterpart, the Federation of Canadian Municipalities.

I think it would be a worthwhile exercise to complete the inventory assessment on community attractiveness, so that we can further identify what exactly is keeping us from reaching our human capital potential.

HEALTHY COMMUNITIES BY DESIGN

In another session about vibrant community development and the need for innovative infrastructure to match a shift to active transportation, it was noted that the average caloric intake of our citizenry has

grown by over 300 calories per day. The need for health leadership in urban design is a mounting issue which is already systemic. When designing communities it is increasingly important to include active play areas, indoor building designs, and programming partnership designs. We are also being encouraged to make transit planning a pillar piece of these discussions, because even in smaller urban settings, the walk to and from the bus stop may be the most exercise that many citizens who work desk jobs are likely to get, and may just be enough to maintain the minimum health standards being pushed for active communities.

AMANDA LANG - KEYNOTE ADDRESS

CBC journalist and television personality Amanda Lang spoke as the afternoon keynote, and delivered a fairly thoughtful presentation. Her presentation highlighted in great detail that the resource boom did not necessarily benefit our manufacturing base, citing a one for one percent decline of GDP for manufacturing proportionate to the resource industry. She also highlighted that manufacturing in cities across Canada supported up to ten jobs behind each position, so the depletion of this part of our tax base continues to discourage growth in reliant areas, which we know.

Amanda also noted that since 2011, we have also seen a decline in direct business investment, which is also hurting our micro-economy, and making us less competitive. Thoughts which echo similar statements from the earlier manufacturing presentation. Another focus of dialogue was how the housing boom created housing decline, which has added to household debt.

Much of Amanda's presentation was on how the "style of thinking is the last bastion of diversity" in a world economy where our minds are now engineered to focus on pre-existing images, and how our imaginations are now merely re-imaginings of previous ideas. She continued this when alluding to how we often mention the government as a stand alone body, but "the government is us. So what is a city?" If "Our infrastructure is a disaster" and one we do not have the luxury to wait to repair, we should see this "as an opportunity to reimagine as oppose to repeat."

This whole conversation is reminiscent of the "Municipal Mind: Manifestos for the Creative City" by Toronto philosopher, poet and writer Pier Giorgio De Cicco, which might make for complimentary further reading on this concept.

PREMIER KATHLEEN WYNNE - KEYNOTE ADDRESS

Premier Kathleen Wynne's keynote address was fairly hopeful and positive, with a clear will to cooperate with municipalities moving forward over the next four years. There were some holes in the presentation in that with limited time to speak, many issues were either not addressed or only briefly mentioned in fleeting remarks.

When speaking about the housing investment, Premier Wynne indicated that this entire investment is merely a small cog in the wheel of a working 5 year poverty-reduction plan. The second in a series, the plan is being overseen by former Minister of Municipal Affairs and Housing, Deb Matthews.

When explaining in greater detail the new community infrastructure fund, the Premier proclaimed the investment plan as "a cause for optimism, and greater predictability." Half of the projected annual funding will go towards small urban, rural and northern municipalities specifically, which could be of direct benefit to our community if implemented properly. There wasn't a lot of detail in the speech about how that implementation would look, but the program would align with the federal small communities fund, so there would be clearer opportunities to plan and forecast needs. Applications are open now, and it might be wise for us investigate this opportunity further.

The Premier also highlighted how her government feels that "investment in efficient transportation is vital for business investment to remain competitive," and how she believes that the new Ontario Provincial Police billing model is "fair and more transparent," fostering a "public policy that is more equitable," even if some affected by the billing model changes might disagree.

PROVINCIAL MINISTERS FORUM

The Minister's Forum that followed brought up more issues than it did solutions, which is often the case when divisive issues are of central focus. However, even though the session was seen by many as a cause for frustration, it did help to percolate a variety of issues on the minds of many municipal leaders across Ontario.

When asked for a revised waste diversion and reduction policy to avoid arbitration, the request was met with no clear answers, other than a promise to consider this possibility. The current policies in place are only seeing us divert 11% of waste on average.

When the Personal Support Services wage enhancement plan was brought into the question, a strong dialogue was nurtured. The problem with the current plan is that it creates new potential problems like pay equity and needed community enhancements that might require additional support workers hours. The program has been met with great enthusiasm as well, which Minister Hoskins spoke to with great pride. Highlighting a \$4.00 minimum wage increase to \$16.00 an hour over a 3 year period. Personal Support Workers have been on the picket lines in previous months, and are among the lowest paid workers in the health care sector (BY FAR), despite an aging population. A working group has been established to address these challenges.

A follow-up question asked for the development of a universal standard of our current assets and deteriorating infrastructure needs, which was meant with luke warm interest.

There were serious concerns expressed about the future of the provincial police advisory committee. According to those concerned, not a single suggested change has been implemented in the 2 and a half years of discussion that has amounted to any savings (neither municipal or provincial). There continues to be a distribution of causes associated with policing costs, but what about the overall sustainability of our current policing models and formulas? There is a desire by most (if not all) municipalities to usher in the "context of the 21st century of policing." Minister Naqvi spoke of a forthcoming report discussing many of these issues, that is expected to be delivered in the coming months, but his preliminary opinion is that the recommendation of the forthcoming report will not be definitive.

The cost of appeals to the Ontario Municipal Board was also brought up as an ongoing concern. When asked if the Ministry of Municipal Affairs and Housing will be taking any companion actions, and if those actions will be identified, the Ministry of the Attorney General made it clear in few words that it is not their policy or course of action to get involved in the decisions of the OMB, but "will be there to listen," and maintained that the judges and tribunals are independent.

One interesting point of reference was the conversation surrounding the development of an Investment Ready Certified Site Program. The inventory of sites will help to better coordinate international investment options. Minister Duguid seemed to favour this approach, and believes it will be of more benefit than the Chinese partnership trips that municipalities across the province (including Brockville) have been taking part in. The Minister seemed to question how successful that approach has been, and believes that this approach will see a faster turnaround on investment in international marketing and development.

When posed with one of the many ongoing questions about emergency services costs being well higher than inflation rates, Minister Flynn of the Ontario Ministry of Labour seemed optimistic about finding a compromise. When asked point blank if government "would act to reform interest arbitration," there was a dramatic banter back and forth about retraced steps of failed legislation and ongoing facilitated discussions. As a government, Minister Flynn assured the audience that they were "prepared to deal with this issue." If this proves to be true, this would arguably be a more pragmatic approach than previous ministers and previous times. While believing that timing and process issues can be solved, the next step that the Minister is hoping to take is more discussion on defining what ability to pay means, because that seems to be the reoccurring challenge. While organized labour seems to believe that ability to pay is already identified, the Minister has gotten a clear indication from councillors across the province, that is simply not the case. Flynn also quipped with the crowd that he would love to be the Minister who finally puts a stamp on this issue and helps foster the desired reforms for both sides.

Joint and severed liability reform was a hot topic in this session as well. The government had a different stance earlier this year, but seems to have changed their tune, and currently have no plans of moving forward with the planned changes that many municipalities seemed to welcome. The issue seems to have been dropped, and some municipalities are seeing dramatic increases. When asked if there was room for reversal of the current policy, there did not seem to be a willingness to go back to the initial stance. The response from the Ministry of the Attorney General seemed to focus (perhaps rightly) on the rights of the injured workers required the insurance, but it was clear from the tone in the room that this decision affects many, and rightly or wrongly, this stance faces heavy opposition.

The Ministry of Municipal Affairs and Housing has highlighted a number of clearly defined revenue tools, but many municipalities (like ours) are currently scrambling for new forms of revenue. When asked if the ministry would be open to discussing alternative revenue tools through a consultation process, the Minister seemed very open to that idea. He is currently planning a community tour and is eager to speak about this very topic so that new legislation could be formed.

CLOSING NOTES

There was even discussion of municipalities demanding an OCCOPS Appeal Reserve Fund for those municipalities that continue to lose at arbitration hearings.

Minister Duguid also stated that the green energy industry created thirty thousand jobs in the province, but backed away from questions about buying the green energy materials from Ontario companies, or developing Ontario-based manufacturers to produce the needed goods.

Overall, I found these sessions very informative. The entire conference was jam packed with knowledge, discussions, new questions, some answers, plenty of innovation, and many concurrent themes. Fostering good debate is necessary, even when the answers aren't always directly in front of us. I think that incoming AMO President Gary McNamara summed up the conference best in his Wednesday morning keynote address, when he proclaimed "If you are not at the table, you might find out that you are on the menu."