



Communal Services Technical Advisory Committee
Monday, November 20, 2023 –10:00 a.m.
Township of South Frontenac Council Chamber,
4432 George Street, Sydenham, ON
<https://youtube.com/live/ddnuck-MPR0?feature=share>

AGENDA

Page

- 1. Call to Order**
 - a) **Introductions**

- 2. Election of Officers**
 - a) Election of Chair
 - b) Election of Vice Chair

- 3. Adoption of the Agenda**
 - a) **That** the agenda for the November 20, 2023 meeting of the Communal Services Technical Advisory Committee be adopted.

- 4. Disclosure of Pecuniary Interest and General Nature Thereof**

- 5. Adoption of Minutes**

- 6. Deputations and/or Presentations**

- 7. Briefings**
 - a) **Ms. Jannette Amini**, Manager of Legislative Services/Clerk, will provide the new Communal Services Technical Advisory Committee with an orientation on the Committee and its mandate, and on the Council/Committee Code of Conduct.

 - b) **Mr. Kelly Pender**, Chief Administrative Officer, and **Mr. Joe Gallivan**, Director of Planning and Economic Development will provide the Communal Services Technical Advisory Committee with a briefing on the background Regarding Communal Services and the Municipal Services Corporation

- 8. Items of Business**
 - a) **2023-126**

3 - 20

21 - 71

72 - 99

Communal Services Technical Advisory Committee Background and Discussion

This report is for information and is meant to facilitate a preliminary list of items for discussion including:

- Promotion of communal services to developers
- Role and appointment of the CEO
- Asset disposition policy
- Asset assumption process
- Potential operating models

b) Tour of Newterra Facility

9. Communications

10. Other Business

11. Next Meeting

- a) The next meeting of the Communal Services Technical Advisory Committee is scheduled for Monday, January 15, 2024, with location to be determined.

12. Adjournment

urban.
citizen
transparency
governance local democracy
responsibility participation
public-good
accountable capacities
VOICE
anticorruption
institution
informal partnership innovative management
public
tools

Committee Orientation



FRONTENAC

Agenda

- County of Frontenac Procedural By-law
- Meeting Management
- Pecuniary Interest
- Code of Conduct for Members of County Council and Committees
- Integrity Commissioner



Procedural By-law

- Municipal Act requires that all municipalities have a procedural by-law
- Municipal Act and Procedural By-law requires that all meetings are open to the public except under certain circumstances
- The purpose of procedures is to seek to achieve consensus in an orderly and principled manner.
- County Procedural By-law governs Council and Committees of Council.



Committee Mandate

- Advisory Committees are created by Council.
- Advisory Committees can only do what they are authorized to do by Council (Committee Mandate)
- Advisory Committees are only mandated to advise Council and any recommendations must be approved by Council prior to any action being taken.



Mandate of the Communal Services Technical Advisory Committee 1

1. Investigate and recommend preferred water and wastewater treatment options;
2. Outreach to developers.
3. Investigate and recommend operating models.
4. Investigate and recommend process re facility assumption.
5. Develop and recommend a five-year budget for consideration by the Operating Board.



Duties of the Chair

- To preserve order and decorum
- Decide all questions of order
- To put to vote all questions announce the results
- To rule on all procedural matters, without debate or comment
- To decline to put to a vote motions which do not comply with the rules of procedure, or which are not within the jurisdiction of the Committee
- To restrain the Members, within the rules of order, when engaged in debate
- To call by name any Member persisting in breach of the rules of order and may order the Member to vacate the room
- To adjourn or suspend the Meeting if the Chair considers it necessary because of grave disorder



Definition of a Meeting

A quorum of the Members of Council or Committee that are present and discuss issues in a way that materially advances the business or decision making of Council or Committee

It is not appropriate to discuss Committee business via email

It is not appropriate to meet at a local coffee shop or restaurant to discuss Committee business



Public Notice Requirements

Section 270 of the Municipal Act requires that municipalities have policy in place

- on how they will be transparent and accountable
- How we provide notice to the public



Adherence to the Agenda

- The agenda is how we provide notice of what will be discussed at a meeting
- Items should not be added to an agenda at the meeting as this provides no public notice that the Committee will be speaking about that item
- “Other Business” Section 24.2
 - Statement by Members
 - Matters of Urgency
- Agenda items should fall within the Committees mandate



Committee Minutes

- Discussion at meetings should be centered around the agenda and agenda items
- Minutes of meetings are not verbatim, but are a neutral reflection of what transpired at the meeting
- Minutes are prepared by the recording secretary and are only subject to change by the entire Committee



Declaration of Pecuniary Interest

Where a Member, either on his own behalf or while acting for, by, with or through another, has any pecuniary interest, direct or indirect, in any matter and is present at a Meeting at which the matter is the subject of consideration, the Member shall, in accordance with the *Municipal Conflict of Interest Act*:

- a) Prior to any consideration of the matter at the Meeting, disclose the Member's interest and the general nature thereof; and
- b) Not take part in the discussion of, or vote on any question in respect of the matter, and
- c) Not attempt in any way whether before, during or after the Meeting to influence the voting on the matter.



Declaration of Pecuniary Interest cont.

Indirect pecuniary interest

A member has an indirect pecuniary interest in any matter in which the council or local board, as the case may be, is concerned, if,

- (a) the member or his or her nominee,
 - i. is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public,
 - ii. Has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public, or
 - iii. Is a member of a body,

that has a pecuniary interest in the matter; or

- (b) the member is a partner of a person or is in the employment of a person or body that has a pecuniary interest in the matter. R.S.O. 1990, c. M.50, s. 2.

Interest of certain persons deemed that of member

The pecuniary interest, direct or indirect, of a **parent** or the **spouse** or any **child** of the member shall, if known to the member, be deemed to be also the pecuniary interest of the member. R.S.O. 1990, c. M.50, s. 3; 1999, c. 6, s. 41 (2); 2005, c. 5, s. 45 (3).



What is Pecuniary Interest



Code of Conduct for Members of County Council and Committees

- Was adopted by County Council on February 20, 2019
- Covers Councillors and Committee Members (including Advisory Committee members)
- All those bound by the Code of Conduct are required to acknowledge that they have read, understood and accept this Code of Conduct.



Committees and Members of Committees

Applies to

- all Members of the Council of the County of Frontenac,
- all County committees, agencies, boards and commissions,

Purpose to

- establish a general standard to ensure that all Members share a common basis for acceptable conduct, and to which all Members are expected to adhere to and comply with.
- to set a high standard of conduct for Members
- to provide good governance and a high level of public confidence in the administration of the County by its Members
- to ensure that they each operate from a foundation of integrity, transparency, justice, truth, honesty and courtesy



Gifts and Benefits

Section 7 of the Code of Conduct outlines Gifts and Benefits

Any gift to a Member risks the appearance of improper influence. Gifts may improperly induce influence or create an incentive for a Member to make decisions on the basis of relationships rather than in the best interests of the County.

Section 7.2 outlines when a Member is entitled to accept a gift or benefit (gift cannot have a value greater than \$300)

If you accept a gift you must file a disclosure with the Clerk of the gift or benefit indicating the person, body or entity from which it was received together with the estimated value of the gift or benefit in accordance with the Disclosure Statement

Integrity Commissioner

Role of the Integrity Commissioner:

- Investigate alleged contraventions of the code of conduct and key sections of the *Municipal Conflict of Interest Act* (MCIA).

The End





Frontenac Communal Services

Communal Services Technical Advisory Committee
November 20th, 2023



FRONTENAC

Frontenac

- Why Are We Doing This?
- Three Community Projects Ready to Go
- Municipal Service Corporation / Regional Utility
- Next Steps



Communal Services

Why Are We Doing This?



Frontenac – Villages and Hamlets

- No municipal water or sewer services
- Historical settlement areas -- building lots in village cores too small.
- Significant Public Infrastructure Investment
- Majority of Commercial Assessment



Current State of Communal Services in Ontario

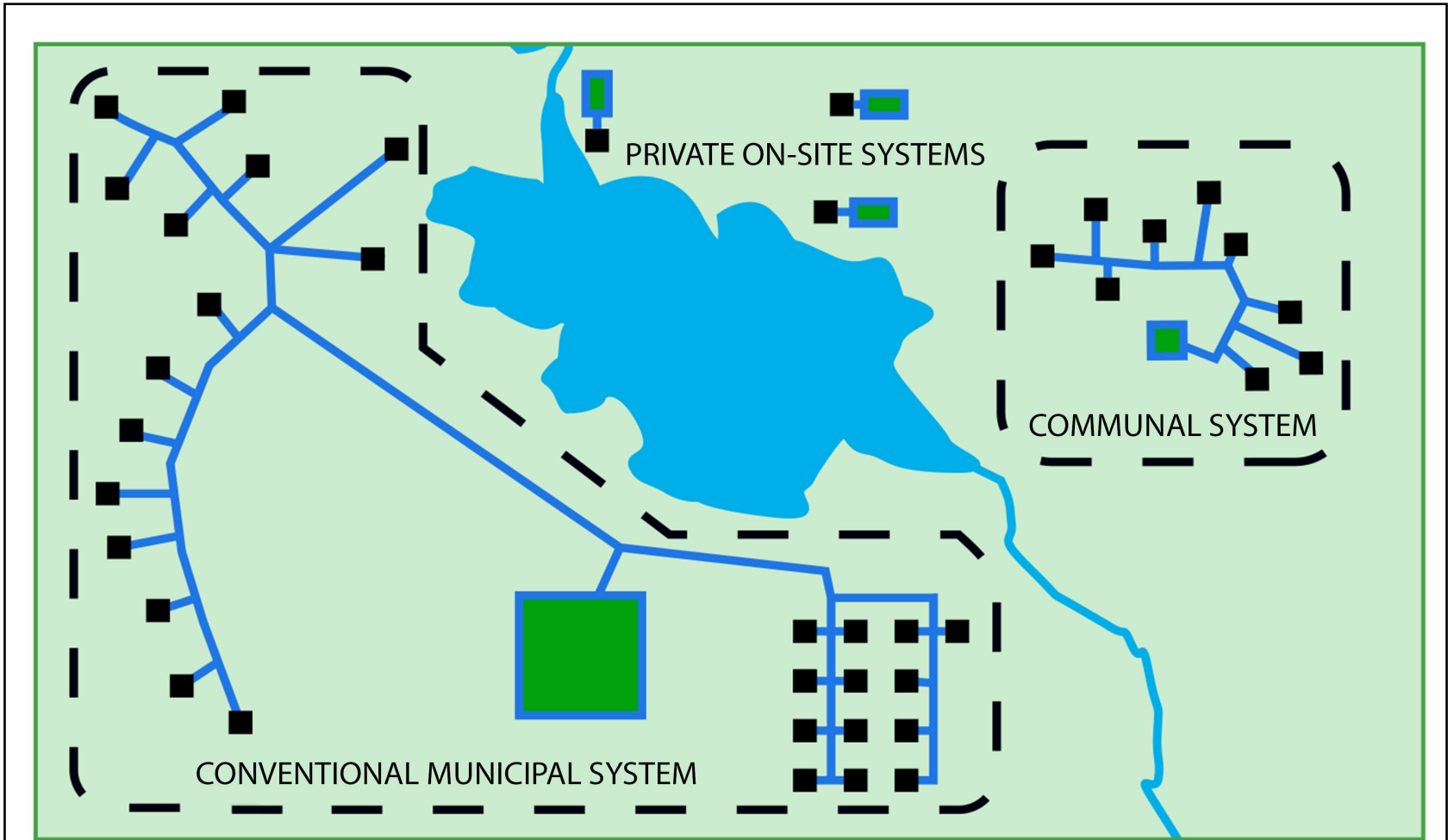
- While communal services are the preferred Provincial planning and environmental option, private implementation requires the developer to enter into a Municipal Responsibility Agreement (MRA) – which essentially doubles the cost of the installation

Frontenac – Villages and Hamlets 2

- *“Lack of municipal services in our villages challenges future community viability.”*

Source: Frontenac County Official Plan (2016)





Communal Services - 1

Environmental Advantages

- Better environmental protection and public health than private on-site services
 - Fewer malfunctions, longer life
 - Regular maintenance – measure performance, monitor impact, fix problems early



Communal Services - 2


Community Planning Advantages


- Smaller lots = better fit into village/hamlet
- Strengthen local economy and community infrastructure (e.g., schools)
- “walkable communities”




COUNTY OF FRONTENAC AUGUST 30, 2018

COMMUNAL SERVICES STUDY
DRAFT




FRONTENAC

2611 QUEENSVIEW DRIVE
SUITE 300
OTTAWA, ON K2B 8K2
T. 613.829.2800



Project Description

- evaluate measures to promote / reduce risk of communal systems
- Regional and Lower Tier Official Plan policies
- planning tools / phasing programs
- case studies in Ontario – best practices
- **financial model** is the ‘make or break’







Development Potential







Global Installations



Communal Services

3 Projects Ready to Go in Frontenac





Eastern Ontario Wardens Caucus – November 17th, 2023

Sharbot Lake Communal Services Feasibility Study 2021 - current





Communal Service Feasibility Study (2022)

- mixed housing
- potential for two 3-story apartment buildings
- 40 – 50 units
- surface water (Sharbot Lake) for drinking water and septage
- additional potential to ‘hook up’ other nearby uses (e.g., village community hall)





Modelling: Fotenn Consultants



Public Site Design Session – Sharbot Lake - 18 September 2023

Communal Services Technical Advisory Committee– November 20th, 2023



Sharbot Lake Next Steps

- report to Council – recommended land uses (2023)
- start Environmental Assessment for development using communal services (2024)
- decide on development options (2024)
 - » municipal
 - » private
 - » public / private



Village of Marysville Wolfe Island Secondary Plan 2019 - 2023





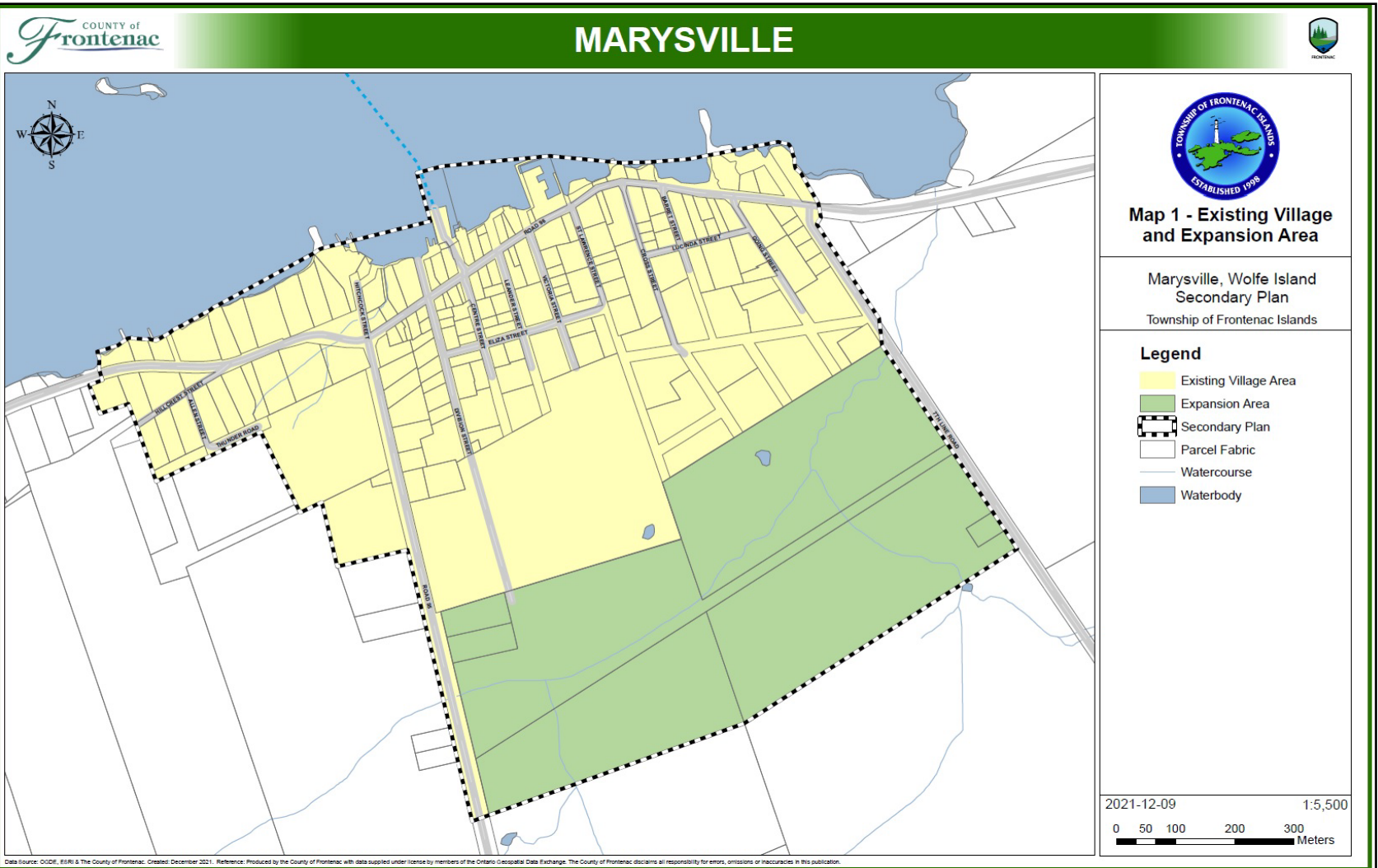


Marysville Secondary Plan Public Information Meeting #2

Wednesday December 4, 2019
Township of Frontenac Islands







Marysville

“To accommodate the planned growth through to the year 2046, the Village boundary requires an expansion.

Based on the population projections prepared by the County, **the village is to accommodate an additional 353 residents, representing an additional 157 residential units.”**

Source: Marysville Secondary Plan



Village of Verona Housing Master Plan 2021 - current



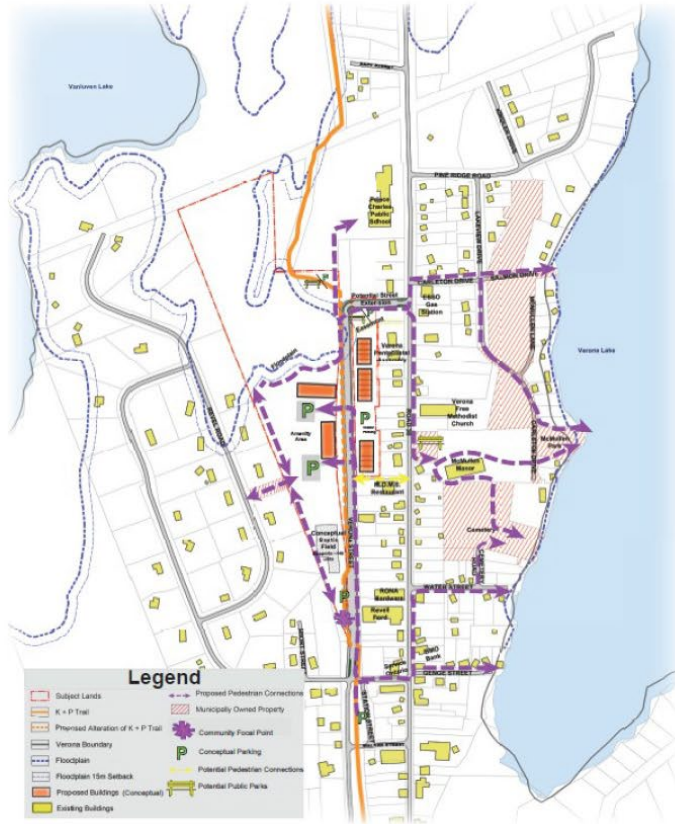


Verona Housing Master Plan Public Information Meeting

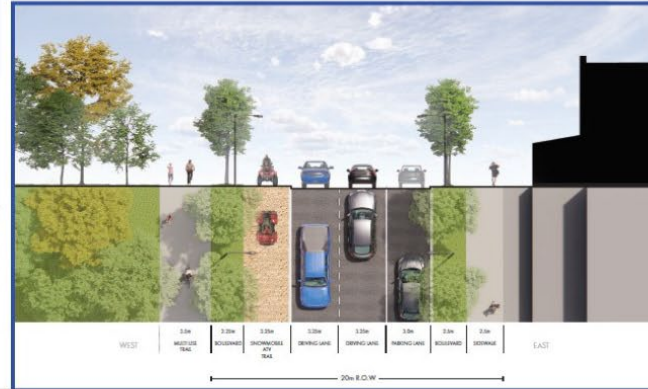
Tuesday November 30, 2021
Township of South Frontenac



Conceptual Design



- Townhomes
- Multi-storey buildings
- Trails
- Parking
- Amenity Areas
- New connection from Verona Street to Road 38
- Connections to other community destinations



Verona Housing Master Plan – November 30, 2021



Master Plan Components

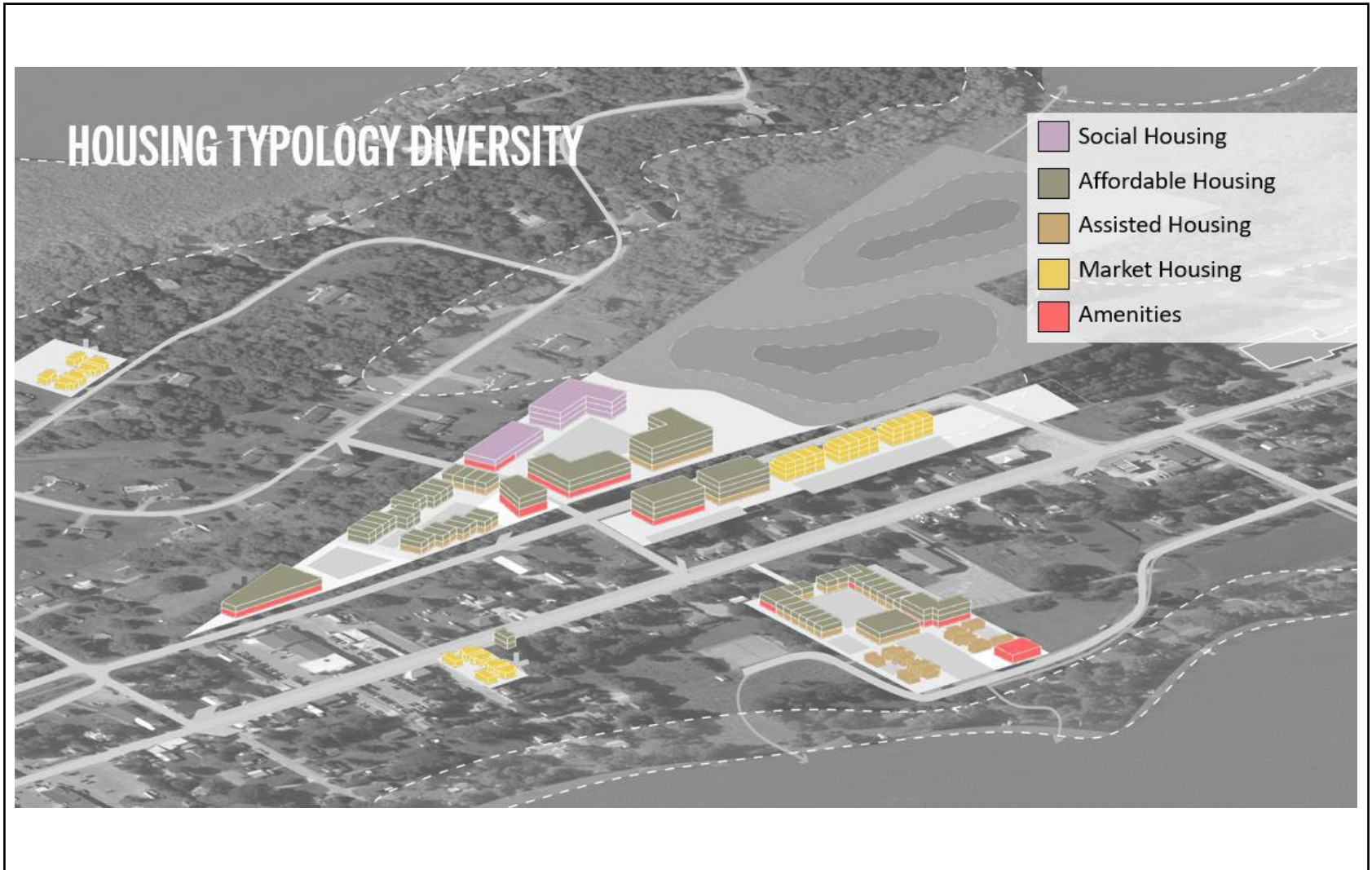


- Townhomes
- Multi-storey buildings
- Trails
- Parking
- Amenity Areas
- New connection from Verona Street to Road 38
- K&P Trail



Verona Housing Master Plan





Verona Housing Master Plan

- Purpose: “the development of a Housing Master Plan for lands within the Village of Verona, with a particular focus on the provision of seniors and affordable housing.”
- **Potential for two multi-storey apartment buildings (74-116 units) as well as townhouses.**
- “In order to realize the full development potential of the Township lands, **communal services will be required.**”

Source: Verona Housing Master Plan



COMMUNAL SERVICING WORKS FOR THE COUNTY

Communal servicing enables:

- Increased development potential, growing the tax base;
- More water-sensitive design and other approaches to meet sustainability objectives;
- A broader range of housing typologies and commercial development to allow for complete communities;
- Reduced municipal service delivery costs to residents (e.g. garbage collection, snow removal); and
- A new approach to managing risk.

COMMUNAL SERVICING WORKS FOR DEVELOPERS

Through communal servicing, developers have more:

- Flexibility to address different market segments;
- Feasible servicing approaches for developments in hard-to-service areas; and
- Guidance and certainty on servicing.

COMMUNAL SERVICING WORKS FOR RESIDENTS

Residents on communal servicing can:

- Be confident in their water and wastewater treatment systems;
- Have a wider choice of housing options, allowing for aging in place; and
- Be confident that water resources are being appropriately stewarded.



Communal Services

Municipal Service Corporation (Regional Utility)

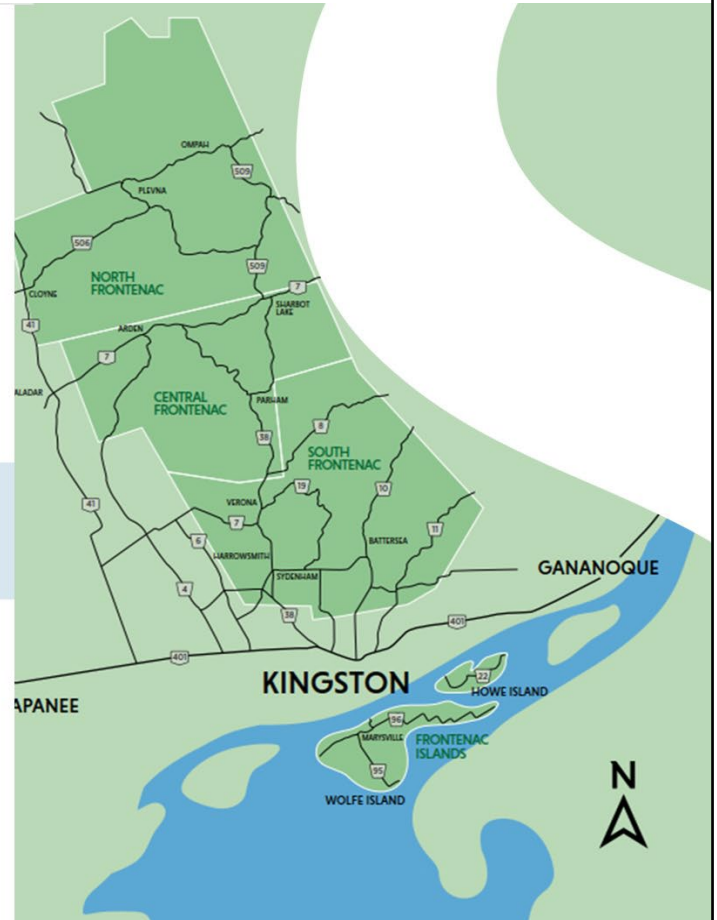




Communal Services Governance Model Study

Summary of Findings

21 April 2021



Governance Model Recommendation

- The **Municipal Services Corporation model** presents benefits that are better aligned with growth and long-term objectives than other assessed models

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MSC Structure Description - Structure Benefits

- **Limits Political Influence:** Facilitates the separation of politics from service provision & facilitates technical board
- **Business Oriented:** Business/financial viability-oriented (business case required) & allows flexible risk management
- **Allows Profit:** Only model from the assessed that allows profit and profit sharing if desired
- **Separate Finances:**
 - *Can finance outside municipal budgets and constraints (i.e., may borrow and secure independently)*
 - *Limits cross-subsidization and frees municipal borrow capacity*
- **Consistent Approach:** Allows consistent implementation and approach across townships & operates as a separate entity



MSC Structure Description - Implementation Benefits

- **Ownership:** Services and the corporations remain 100% publicly owned by participating municipalities
- **Transitional Impact:** Opportunity for smooth launch since no existing system in place
- **Corporation Control & Flexibility:** Shareholder Declarations can be used to limit MSC's authority and outline responsibilities & operating philosophy
- **Management:** Management could be in-house, third-party, or municipally contracted

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Implementation Next Steps

- 1 Townships Vote In/Out & Formally Confirm MSC Selection
- 2 Undertake a Business Case Study
- 3 Hold Public (and Developer/Industry, if desired) Consultations
- 4 Council Adoption of Business Case
- 5 Draft, Approve, and Pass Agreement & Documents
- 6 Develop & Adopt Asset Transfer Policy
- 7 Appoint MSC Boards, Officers/Directors, and Transfer Assets

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Why an MSC – Vehicle Insurance Analogy

- If you self insure one car, you need \$5M in the bank in the event of a catastrophic accident
- If you insure a million cars, you don't need 1M x \$5M to ensure for catastrophic accidents
- Same theory holds for communal services. Municipalities currently hold all 100% assurance for each system
 - » This creates an unfair burden for the developer and home owner and deters developers

General Conditions - 1

- There is no obligation on any municipality to participate in the MSC
- MSC has no ability to “levy” a participating municipality
- Participating municipalities will retain full control over local planning matters, including the ability to enable private communal services through a Municipal Responsibility Agreement (MRA)
- The MSC is a separate corporate entity, capable of borrowing, applying for grants and contracting services



General Conditions - 2

- A review by consultants and private operators has indicated that fees paid by homeowners are in line with typical municipal services
- Growth and development pressures in Frontenac will continue. Communal services in conjunction with a MSC will make affordable options available to residents (Supported by the recent Provincial Housing Task Force)
- Assumption of physical assets by the MSC would follow a process similar to a road assumption by a municipality

Next Steps

- All 4 Townships and the County have agreed to join the new municipal utility.
- County Official Plan Amendment to recognize communal services supported across Frontenac approved October, 2023
- ‘Frontenac Municipal Services’ utility incorporated November 7th, 2023



Advantages

1. Communal services is the only economical way to service land in much of Frontenac County. It is modular (as little as five units at a time) and can be installed in difficult terrain.
2. Environmental Protection – fully regulated and fewer holes in the aquifers.
3. MSC brings consistent professional management to the system, rather than ad hoc management/oversight.
4. Each Township remains in full control of their planning process.
5. The MSC will speed up the approval process for appropriate development (e.g., pre-approved systems).
6. Aligns with the Provincial Housing Task Force recommendation #44 regarding regional utilities. (<https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>) .
7. Removes liability from individual Townships and spreads the risk across participating municipalities.
8. MSC can borrow without affecting local taxes or local borrowing capacity.
9. The MSC will be eligible for grants.
10. The direction of MSC will be controlled by the Board of Directors (i.e., the Shareholders).
11. The potential for a Community Benefit/Dividend is possible in 7 years.

Questions ?

<https://engagefrontenac.ca/communal-services>





Report 2023-126

Committee Information Report

To: Chair and Members of the Communal Services Technical Advisory Committee

From: Kelly Pender, Chief Administrative Officer

Prepared by: Kelly Pender, Chief Administrative Officer
Joe Gallivan, Director of Planning & Economic Development
Kevin Farrell, Manager of Continuous Improvement

Date of meeting: November 10, 2023

Re: **Communal Services Technical Advisory Committee –
Background and Discussion**

Recommendation

This report is for information only.

Background

Frontenac Municipal Services Corporation (FMSC) was incorporated in the Province on November 7, 2023. The incorporation process followed the requirements prescribed by the Province of Ontario in Regulation 599/06 ([Link to Regulation](#)) under the Municipal Act, 2001, S.O. 2001.

Further background, including links to the two consultant reports can be found at <https://engagefrontenac.ca/communal-services>.

Comment

At maturity, FMSC will operate as a regional utility responsible for the oversight and management of the communal water and sewer service across Frontenac. Staff will provide an overview of the background and vision for the Corporation at the beginning of the meeting. As part of the incorporation process, a business case study (BSC) was required to be completed and approved by the shareholders. A copy of the BSC is appended to this report.

FMSC was incorporated with four Class A, voting shareholders, namely:

1. The Township of Frontenac Islands
2. The Township of South Frontenac

3. The Township of Central Frontenac
4. The Township of North Frontenac

The County of Frontenac is a Class B, non-voting shareholder.

When fully operational, FMSC will be a holding company with a second incorporated entity becoming a professionally managed operational entity. The holding company will be responsible for providing guidance and direction, while the operating entity will be responsible for day-to-day management of communal services in the County.

The Technical Advisory Committee (TAC) has been established by the County to act as a proxy for the operating entity with a mandate to provide guidance to FMSC on issues that need to be addressed at maturity.

The inaugural meeting of the TAC is intended to begin the process of setting priorities for further discussions and work that will be required over the next six to 12 months.

A preliminary list of items for discussion include:

- Promotion of communal services to developers
- Role and appointment of the CEO
- Asset disposition policy
- Asset assumption process
- Potential operating models

As the TAC is currently operating as a committee of County Council, the meeting requirements of the Municipal Act will apply. The County's Manager of Legislative Services/Clerk will provide a brief overview of Committee responsibilities.

The FMSC shareholder Board members have also been invited to the meeting. FMSC will not operate under the Municipal Act, rather under the guidance of a corporate procedural by-law (By-law #1) that will be reviewed and adopted by the Board a future meeting.

Senior staff from shareholder municipalities have also been invited to the meeting to provide guidance and support to the TAC.

Strategic Priority Implications

1. Develop a Regional Approach to Overcome Infrastructure Issues and Maximize Infrastructure Development Opportunities
2. Contribute to the Progress of Sustainable Economic Growth and Prosperity Throughout the County

Financial Implications

n/a

Organizations, Departments and Individuals Consulted and/or Affected

Frontenac Chief Administrative Officers
Harold Van Winssen, Templeman LLP

Frontenac Municipal Services Corporation

Business Case Study

FINAL

May 1, 2022

The Township of North Frontenac
The Township of Central Frontenac
The Township of South Frontenac
The Township of Frontenac Islands
The County of Frontenac

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Acknowledgements

The Participating Municipalities wish to thank the following individuals for their contribution to this report over the past two years.

- The WSP Canada Inc. team, including Nadia De Santi, Alec Knowles, Sagar Kancharla, Salah Koleilat, Caitlin Larwa
- Michael Wildman, Municipal Government Wayfinders
- Members of the Communal Services Governance Committee
 - Mr. Denis Doyle (Chair), Mayor of the Township of Frontenac Islands & Deputy Warden of the County of Frontenac
 - Mr. Ron Vandewal, Mayor of the Township of South Frontenac & Warden of the County of Frontenac
 - Ms. Frances Smith, Mayor of the Township of Central Frontenac & Councillor, County of Frontenac
 - Mr. Ron Higgins, Mayor of the Township of North Frontenac & Councillor, County of Frontenac
 - Ms. Gwen Glover, Citizen Appointee
 - Mr. Michael Keene, Citizen Appointee
 - Mr. Wayne Robinson, Citizen Appointee
 - Mr. Jim McIntosh, Citizen Appointee
- Jon Orpana, Environmental Planner, Ministry of the Environment and Climate Change
- Peter Sizov, Municipal Advisory, Ministry of Municipal Affairs
- The Councils and staff from the participating municipalities

Numerous members of the Frontenac development community contributed to the background and technical aspects of the various reports and meetings leading up to this Business Case Study. Their participation helped keep the process grounded in the reality of construction and development in Frontenac.

The WSP team completed a best practice review of five similar municipal or joint services organizations. We are appreciative of their time and contribution to our project. Thank you to:

- The Township of Oro-Medonte
- Lakeland Holding Co.
- Grand Bend Area Joint Sewage Board
- Edwardsburgh/Cardinal & Prescott Joint Board
- Union Water Supply System

Terminology & Abbreviations

Abbreviation	Full Name	Definition/Description
MSC	Municipal Services Corporation	The generic reference to a service corporation established under the Municipal Act, S.O. 2001 and Ontario regulation 599/06.
FMSC	Frontenac Municipal Services Corporation	Frontenac Municipal Services Corporation – the holding company anticipated by this Business Plan
FCSC	Frontenac Communal Services Corporation	Frontenac Communal Services Corporation – the operating company anticipated by this Business Plan
Frontenac	Frontenac	The geographic region encompassed by the municipalities County of Frontenac and the four constituent municipalities of the Township of North Frontenac, Township of Central Frontenac, Township of South Frontenac, and the Township of Frontenac Islands.
NF	Township of North Frontenac	The Lower Tier corporate entity operating under the Municipal Act, S.O. 2001.
CF	Township of Central Frontenac	The Lower Tier corporate entity operating under the Municipal Act, S.O. 2001.
SF	Township of South Frontenac	The Lower Tier corporate entity operating under the Municipal Act, S.O. 2001.
FI	Township of Frontenac Islands	The Lower Tier corporate entity operating under the Municipal Act, S.O. 2001.
CofF	County of Frontenac	The Upper Tier corporate entity operating under the Municipal Act, S.O. 2001.
Twp	Townships	The collective lower tier municipalities, namely, North Frontenac, Central Frontenac, South Frontenac and Frontenac Islands
PM	Participating Municipalities	The municipalities participating in the development of this business plan and the anticipated Municipal Service Corporation. <ul style="list-style-type: none"> • Township of North Frontenac • Township of Central Frontenac • Township of South Frontenac • Township of Frontenac Islands • County of Frontenac
CS	Communal Services	The broad descriptor for centralized water and wastewater services provided to a group of homes or businesses.
MA	Municipal Act, S.O. 2001	The legislative framework for the creation and operation of Ontario municipalities.
BCS or Study	Business Case	The formal requirement under the Municipal

Abbreviation	Full Name	Definition/Description
	Study	Act, S.O. 2001 and Ontario regulation 599/06 as a precursor to the establishment of a Municipal Services Corporation. [Link to Regulation]
MRA	Municipal Responsibility Agreements	The D-5-2 requirements of the Ministry of Environment where private ownership of a communal service is established.
CSGC	Communal Services Governance Committee	The Committee established by Frontenac County to examine potential governance models for the implementation of a regional entity to oversee the operation of communal services in Frontenac

Introduction

This report has two primary objectives:

1. Provided to the citizens of Frontenac to complete the requirement of the Business Case Study the Municipal Act, S.O. 2001 and Ontario Regulation 599/06.
2. Confirm the substantive elements of the Municipal Services Corporation for the partner Municipalities.

Links to the legislation are provided as follows:

Municipal Act, S.O. 2001 [\[Link\]](#)

Ontario Regulation 599/06 [\[Link\]](#)

The BCS will focus on the guiding principles for the establishment of a Municipal Services Corporation with a mandate to own and/or operate communal services in Frontenac.

The geographic region of Frontenac includes the upper tier municipality of the County of Frontenac. The County is an upper tier municipality established under the MA covering a jurisdiction from Lake Ontario in the south to north of Provincial Highway #7, including the lower tier municipalities of:

Township of North Frontenac
Township of Central Frontenac
Township of South Frontenac
Township of Frontenac Islands.

Below, **Figure One** is a map of the area covered by this BCS and the proposed Municipal Services Corporation.

Figure One – Area Covered by the Proposed MSC



Background Documents

In preparation for this Study, the parties engaged the services of WSP Canada Inc. to complete two (2) studies examining the potential for using communal services as an alternative to individual or full services in Frontenac. This study will rely upon the findings of these two reports but will not attempt to reiterate all the salient points of the reports. The reader is advised to refer to the source documents for further clarification of the more technical aspects of CS, or the governance aspects of this issue. Citations in the BCS to the WSP documents will be referenced as Report #1 and Report #2.

Where there is a conflict between this document and Reports #1 and 2, this document shall take precedence.

Table of Contents and links to the two reports are provided below:

WSP Report #1 – County of Frontenac – Communal Services Study

WSP Canada Inc. June 2019 [Link to WSP Report - 2019]

226 Pages

Table of Contents

Executive Summary

1. Introduction

The Servicing Problem

What are Communal Services?

Why are Communal Services the Right Fit for the County of Frontenac?

Study Purpose

2. Community Overview

Demographic Trends

Land Use

Historic Villages and Main Streets

Land Use

Housing

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As part of this report, the parties were provided with a comprehensive financial model that will allow for the modeling of expenditures, revenues and commodity pricing for installation and operation of communal services. County of Frontenac senior financial staff were provided with training on the model.

WSP Report #2 – Communal Services Governance Model – Final Report
WSP Canada Inc. 03 March 2021 [Link to WSP Report - 2021]
52 Pages

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Definition of Communal Services

For the purposes of the BCS, the WSP¹ definition of communal services has been adopted. That definition is as follows:

In principle, communal water and wastewater systems function similarly to centralized municipal services in terms of development of sewer connections to central sewage treatment and disposal facilities and/or to a communal well or water source and water-treatment facility for drinking water. Systems generally serve small-to-moderate development sizes with typical ranges between 10 to 300 units within each settlement area², while the Ministry of the Environment, Conservation, and Parks (MECP) defines them as those serving a minimum of five units in a development. Communal systems are typically synonymous with “decentralized systems” and the terms are used interchangeably throughout this report.

Within the above descriptions, the following communal water and wastewater system definitions apply:

- Communal Water Systems: shared potable water systems, including collection from groundwater or freshwater sources and treatment to drinking-water quality standards that are part of a communal service development.
- Communal Wastewater Systems: shared facilities for the collection, treatment, and disposal of sewage that are part of a communal service development.

Frontenac Readiness for Communal Servicing

Frontenac has also taken numerous steps to be ready for residential and commercial growth that will benefit from communal services. **Table One** below provides an overview of the efforts to date.

¹ Report #2, Section 1.1.1, page 15

² For the purposes of the Business Case Study, the use of the term “settlement area” refers to the cluster of units connected to the communal service and is not intended to be limited to existing settlement areas.

Table One – Summary of Frontenac Readiness for Communal Servicing

Municipality	Current Status
Frontenac Islands	<ul style="list-style-type: none"> • Currently completing a Secondary Plan for the village of Marysville on Wolfe Island. Study completion will be in parallel to this report. Secondary Plan will set parameters for communal services. • Expansion of the Wolfe Island Ferry and the doubling of ferry capacity to the Island will be completed in 2022. This will further exacerbate development pressures as Wolfe Island will become a reasonable “bedroom” community option for the City of Kingston • Timelines: Communal servicing pressure anticipated in 2021-22.
South Frontenac	<ul style="list-style-type: none"> • Current Official Plan policies discourage communal services • Official Plan and settlement area boundary studies to commence in 2021. • Completed a community strategic plan that identifies regional leadership and community building as goals for the municipality. • Water quantity/quality issues exist in several areas and will require hydro-geological work in order to identify potential development areas (and likely eliminate others). • Development/growth pressures from Kingston will increase development demand. Current “strip” development will not sustain growth • Several settlement areas, namely Inverary, Battersea, Sydenham, Harrowsmith and Verona could see significant benefit from communal services • Timelines: Development pressure is ongoing – Official plan, settlement boundary rationalization and hydro-geological work will likely mean that the first communal service projects will be in the approval process in the 2022-23 time frame.

Central Frontenac	<ul style="list-style-type: none"> • The Township Official Plan was approved by Council on July 13/21. The new O.P. will encourage communal services • Waterfront policies in the new O.P. will encourage communal servicing in rural/lake front properties which will open up waterfront development potential for the community • The Township has purchased a former school site in downtown Sharbot Lake with a view towards a mixed use communal service project. Planning for the project may include connections to other municipal facilities or business in the downtown core. Funding has been received to commence the engineering feasibility component of this project. • Timelines: Current
North Frontenac	<ul style="list-style-type: none"> • Official Plan and Zoning By-laws complete in 2017. Recognize communal servicing option • Waterfront policies in the new O.P. and Zoning By-law encourage communal servicing in rural/lake front properties which will open up waterfront development potential for the community • Timelines: Current

County	<ul style="list-style-type: none"> • Regional Planning Framework: <ul style="list-style-type: none"> ○ County Official Plan approved in 2016, update to commence in 2022. ○ Completed a Regional Roads Study in 2018 in order to permit a more expansive range of development options on non-municipal roads. ○ Population projections update complete. • Completed a strategic plan in 2019 that emphasis continued economic growth and regional cooperation • Completed a trail connection from the City of Kingston boundary to Clarendon (the K&P Trail), with the commitment to make the connection to the United States and Lanark County. Trail will be extended an additional 14 km north in 2021-22 effectively creating a regional trail corridor that is encouraging rural residential and commercial growth. • In 2016 completed a “regional brand” for Frontenac and implemented the first regional economic development strategy. The brand roll out included a business ambassador program that has been successful in bringing nearly 200 businesses on board with the regional brand. The economic development strategy is anticipated to be refreshed in 2021 • The County has participated and invested in regional broadband and cellular expansion in the area through the Eastern Ontario Regional Network (EORN). • Selected as the preferred vendor by EORN, Rogers Communications has initiated the process of providing 5G cell to the County • The County has participated and invested in the establishment of the Eastern Ontario Leadership Council and region wide economic development initiatives, including workforce development, innovation and transportation. • The County is recognized as a regional leader in Continuous Improvement, utilizing Lean principles to drive efficiency. • Timelines: Current
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Preferred Operational Model

WSP Report Number #2 was supported by the Communal Servicing Governance Committee composed of the four Township Mayors and three citizen appointees. Together with WSP they completed a best practice review of five (5) existing service providers and three (3) governance structures including:

- A Municipal Services Corporation
- A Joint Municipal Board
- County Level Governance

The recommendation of WSP and the CSGC to the member municipalities was to initiate a process to develop a BCS for the implementation of a Municipal Services Corporation. This recommendation was subsequently endorsed by the Councils of the five participating municipalities.

Governance and Corporate Structure

The recommended governance structure for the Corporation³ was detailed by WSP and endorsed by the CSGC as a two MSCs:

1. A Holding MSC – for the purposes of this report, named the Frontenac Municipal Services Corporation (FMSC)
2. An Operating MSC – for the purposes of this report, named the Frontenac Communal Services Corporation (FCSC)

All shares in the Operating MSC will be owned by FMSC.

WSP describes the benefits to this structure as providing the ability to:

- a) Establish additional operating MSCs in the future that are held by the Holding MSC; and
- b) Extend service and/or ownership to other municipalities by limiting purchasing and voting powers to Holding MSC shares only

Guiding Principles

The following guiding principles have been established for the Business Case Study and the Frontenac Municipal Services Corporation:

1. The establishment of the FMSC will not impinge upon the planning authority of any participating municipality, but rather will provide guidance and/or pre-approval for communal systems that will either be owned/operated or operated by the MSC that will lead to faster approvals by the respective planning authorities and reduce costs for developers and eventually purchases/owners of serviced units
2. One of the primary drivers for the establishment of a MSC for the ownership and operation of communal services is the ability to spread risk by aggregating assets. As such, the partners agree that the MSC will be the owner/operator for communal services
3. It is recognized that the operational aspects of the MSC will evolve slowly as units are constructed and that it may take several years to reach critical mass. It is understood that the Operating Board will be responsible for determining

³ Report #2, Section 3.2.1, page 23

the best operating model and that it is likely that at the outset contracted operating services will be the predominant model

4. The existing Water Treatment and distribution system in the Village of Sydenham, Township of South Frontenac will remain under the ownership and control of the Township and will not be transferred to FMSC upon incorporation. There will be no mechanism or expectation that the system will be transferred to the FMSC. Only the Township of South Frontenac Council will be able to make such a determination.
5. The County of Frontenac would be non-voting shareholder in the MSC.

Steps for Implementation

WSP Report #2 (page 7), sets out the necessary steps for the establishment of the MSC. **Table Two** below sets the seven steps.

Table Two – Steps for Implementation

#	Step	Status
1.	Formally Confirm MSC Selection	Complete
2.	Undertake a Business Case Study	This Document
3.	Hold Public Consultations	Pending
4.	Adopt of the Business Case by Council(s)	Pending
5.	Draft, Approve and Pass Necessary Agreements & Documents	Pending
6.	Develop and Adopt an Asset Transfer Policy	Pending
7.	Appoint MSC Boards, Officer/Directors, and Transfer Assets	Pending

Benefits of Communal Servicing

Within Frontenac, the use of private services dominates the residential and commercial landscape. Except for the Village of Sydenham water system, servicing largely consists of individual wells and septic systems. While this is efficient on a single home or business basis, it creates a number of issues for communities that are resolved or lessened by the installation of communal services, namely:

- **Risk:** manages and spreads risk
- **Environmental Protection and Aquifer Integrity:** fewer wells drilled into an aquifer, thereby reducing the potential for ground water contamination from surface runoff
- **Monitoring and Environmental Protection:** communal services have stricter testing and reporting requirements than individual services
- **Increased density:** thereby reducing the cost of municipal service delivery and improving community sustainability

- **Efficient Land Use:** Traditional rural pattern development results in approximately 0.57 residential units/hectare⁴, while the same site on communal services could result in 2.23 units/hectare⁵, or approximately 3.9 more residential units/hectare, thereby creating a more efficient use of land.
- **Community Sustainability:**
 - Residential units can be clustered to take advantage of access to recreation corridors such as the K&P or Cataraqui Trails or provide walkable communities that can help sustain rural communities and businesses
 - Existing communities can be serviced in a manner that will assist with rural community sustainability
 - Greater opportunity for main street development and redevelopment, including higher density and upper floor residential development
 - Communal service can be constructed in a scalable manner, there by aligning costs with revenues for the developer and more reflective of the scale and pace of rural development
 - Business and/or industrial parks can be established utilizing a scalable communal services model, thereby making serviced employment an attractive option in a rural setting.

Municipal Responsibility Agreements

For a full discussion of MRAs, please refer to Report #2 by WSP.

It is the intention of partners that the majority of the communal services constructed moving forward will be owned and operated by the MSC, thereby negating the necessity for an MRA.

It is recommended that each partner municipality enter into an Indemnity Agreement with the MSC to limit future liabilities.

As a condition of a Subdivision or Condominium agreement, communal services would be the responsibility of the developer for a period to be determined by the MSC to establish a viable system, at which time ownership would transfer to the MSC.

In the rare instances where an MRA is contemplated, the WSP reports provide various methods to reduce risk and limit liability. These same tools can be utilized by the MSC to guide the assumption of communal service assets.

Risk Management

The ability to manage and mitigate risk is an important element of the ownership and operation of communal services for municipalities. The establishment of a MSC provides the partner municipalities with the ability to pool and share risk. By aggregating

⁴ Report #1, page 10, Figure 1-3

⁵ Report #1, page 11, Figure 1-4

risk, we mean the ability to spread risk across a portfolio of installations. The analogy is the provision of car insurance. Without a pooled model whereby, risk is spread across all insured drivers, each individual owner would be required to hold substantial savings in the event of an accident. By pooling the risk, the cost to any one individual is minimized and costs are lowered to the consumer. Similarly, the risk for one individual communal service failure requires far greater securities to protect the developer, homeowner, and municipality than if the risk is spread across ten installations. This approach has the added benefit of lowering development costs and improving home affordability, both at the time of purchase and for ongoing operating costs.

For a more detailed discussion of the tools available to the MSC to mitigate risk, refer to Report #2⁶.

Asset Transfer Policy

At incorporation, FMSC will not hold any capital assets. Non-capital assets in the form of cash, will be transferred to the corporation in accordance with the financial contribution described in this document and detailed in Report #2⁷.

For clarity, this Policy does not apply to the transfer of communal service assets to the MSC by a developer under the terms of Subdivision or Condominium Agreement.

For the capital assets other than noted above, four (4) options are provided. They are outlined as follows:

Option #1 – Transfer of Assets between Partnering Municipalities and the MSC with a Value Under \$100,000

Where the parties agree that an asset contemplated for transfer is valued at under \$100,000, a transfer may be completed by motion of the shareholders of the FMSC and a motion of appropriate shareholder municipality. Such a sale will be at a cash value agreed to between the parties. No option exists for such a transfer to involve the transfer of shares.

The parties may agree to conduct the transfer of an asset under this limit, utilizing the terms and conditions described Option #2.

It is understood that under Option #1:

- either party may elect to initiate such a process, but that both parties will base any final decision in their own interest without undue influence from the other party
- that in the above option may be initiated in the reverse (i.e., the transfer of an asset from the MSC to a shareholder municipality)

⁶ Report #2, Page 19-21

⁷ Report #2, Page 37-39

- the sole authority for the MSC will be a vote of the shareholders and for the municipality, the Council of the municipality disposing or acquiring the asset.

Option #2 – Transfer of Assets between Partnering Municipalities and the MSC with a Value Over \$100,000.

A shareholder municipality may solely elect to transfer an asset to initiate the process of transferring a municipal asset to the MSC. The FMSC (i.e., the holding company), acting in consultation with the MSC operating arm, may elect to accept the transfer and elect to compensate the municipality based on one of the following:

1. A cash payment based upon the average of two (2) independent appraisals. One completed and paid for by the MSC and a second completed and paid for by the municipality. Both independent appraisals must be accompanied by:
 - a. A statement that the company/individual is qualified and competent to make such an appraisal
 - b. A statement that the company/individual is not in a position of conflict
2. A payment of equivalent share in FMSC base upon the average of two (2) independent appraisals. One completed and paid for by the MSC and a second completed and paid for by the municipality. Both independent appraisals must be accompanied by:
 - a. A statement that the company/individual is qualified and competent to make such an appraisal
 - b. A statement that the company/individual is not in a position of conflict
3. A combination of option 1 and option 2 above (i.e., x% cash payment and y% shares, where $x + y = 100\%$ of the appraised value)

It is understood that under Option #2:

- either party may elect to initiate such a process, but that both parties will base any final decision in their own interest without undue influence from the other party
- that in the above option may be initiated in the reverse (i.e., the transfer of an asset from the MSC to a shareholder municipality)
- the sole authority for the MSC will be a vote of the shareholders and for the municipality, the Council of the municipality disposing or acquiring the asset.

Option #3 – Transfer of Assets Between the MSC and a Non-Shareholder Municipality Valued at Under \$100,000

Where an asset is proposed to be transferred in between the MSC and a non-shareholder municipality and the parties agree that the value of the asset is less than \$100,000, the parties may agree to a cash transaction at agreed to fair market value.

Option #4 – Transfer of Assets Between the MSC and a Non-Shareholder Municipality Valued at Over \$100,000.

A non-shareholder municipality may elect to transfer an asset to initiate the process of transferring a municipal asset to the MSC. FMSC, may elect to accept the transfer and elect to compensate the municipality based on one of the following:

1. A cash payment based upon the average of two (2) independent appraisals. One completed and paid for by the MSC and a second completed and paid for by the municipality. Both independent appraisals must be accompanied by:
 - a. A statement that the company/individual is qualified and competent to make such an appraisal
 - b. A statement that the company/individual is not in a position of conflict
2. A payment of equivalent share in FMSC based upon the average of two (2) independent appraisals. One completed and paid for by the MSC and a second completed and paid for by the municipality. Both independent appraisals must be accompanied by:
 - a. A statement that the company/individual is qualified and competent to make such an appraisal
 - b. A statement that the company/individual is not in a position of conflict
3. A combination of option 1 and option 2 above (i.e., x% cash payment and y% shares, where $x + y = 100\%$ of the appraised value)

Option #5 – Transfer of Assets Between the MSC and a Private/For Profit Entity or Individual

The transfer of any asset considered to be integral to the operation of a communal water or sewer system, may not be transferred to a private/for profit entity under any circumstance.

Non-operationally integral capital assets valued at under \$100,000 (e.g., a vehicle) may be transferred at an agreed upon fair market price, with a motion of the MSC Operational Board.

Non-operationally integral capital assets valued at over \$100,000 (e.g., a surplus property or equipment) may be transferred at an agreed upon fair market price, with a motion of the FMSC.

Option #6 – Transfer of Assets Between the MSC and a Not-For-Profit/or Charitable Entity

The transfer of any asset considered to be integral to the operation of a communal water or sewer system, may not be transferred to a private/for profit entity under the following circumstances.

Non-operationally integral capital assets valued at under \$100,000 (e.g., a vehicle) may be transferred at an agreed upon fair market price, with a motion of the MSC Operational Board.

Non-operationally integral capital assets valued at over \$100,000 (e.g., a surplus property) may be transferred at an agreed upon fair market price, with a motion of the FMSC Board.

The parties agree that the monetary limits presented may be amended from time to time by a majority vote the shareholders.

Financial Considerations

Report #2⁸ examined four options for the start-up of the MSC and the distribution of shares, namely:

1. Weighted Tax Assessment
2. Equal Allocation
3. Weighted Population
4. Hybrid Allocation

Under all four options, the County of Frontenac would provide a 20% financial (non-voting) contribution, resulting in the remaining 80% being divided between the four remaining partner municipalities.

At the recommendation of the CSGC, the partners endorsed the option of utilizing weighted tax assessment for the distribution. The weighted assessment share will be determined based upon the percent share allocation as determined from assessment data provided by the Municipal Property Assessment Corporation (MPAC) on the date that incorporation the MSC is received.

The anticipated five (5) year requirement of the MSC is \$696,800⁹. The partners will budget for the total amount of their share in the year of incorporation. A total of 20% of the allocated amount will be transferred to the MSC with thirty (30) days of incorporation. It is anticipated that the MSC will “draw” against the remaining budgeted amount over a five-year period based upon the needs of the Corporation and a majority vote of the shareholders.

For clarity purposes, the draw may be accelerated if development and installation of communal services is accelerated, or conversely, delayed if development is slowed. In any case, the total amount will be held in a designated reserve by the member

⁸ Report #2, pages 37-39

⁹ Report #2, page 39

municipality and will be transferred to the MSC with thirty (30) days of receiving notice to do so. The reserve may be held in an interest-bearing account by the partner municipality. Accrued interest will remain with the municipality and will not accumulate for the benefit of the MSC.

Borrowing from a Shareholder

While a primary benefit of establishing a MSC is the ability to borrow without affecting the Annual Repayment Limit (ARL) of a municipality, from time-to-time it may be prudent for a shareholder municipality to borrow on behalf of the MSC, or to provide such terms of borrowing from internal resources (i.e., reserves) as may be deemed expedient. Such borrowing shall be at fair market terms and rates as determined by the parties. Any such borrowing under \$100,000 may be negotiated between the parties without the approval of the shareholders. Borrowing over \$100,000 will be subject to a vote by the shareholders. A reciprocal arrangement (i.e., a shareholder municipality borrowing from the MSC) will be subject to a vote of the shareholders under all circumstances.

Prior to borrowing being required under this provision, the MSC will establish a borrowing policy that identifies borrowing limits under this provision. Such policy will require the approval of the majority of shareholders.

Under no circumstances will the MSC borrow from a non-shareholder municipality.

Ownership, Share Allocation and Voting

As structured, the shareholders would be represented by one (1) representative from each of the four (4) lower tier partner municipalities. With votes be weighted based upon the value of their shares at incorporation.

For voting on any motion/by-law placed before the shareholders will be deemed to be carried if a minimum of two (2) shareholders, representing more than 50% of the shares votes in favour¹⁰. No single municipality can outvote the remainder of the shareholders.

As noted above, the County will be a contributing, non-voting shareholder. **Table Two** below summarizes the ownership, share allocation and voting that will be utilized by the FMSC.

Table Two – Summary of Ownership, Share Allocation and Voting

Partner	Owner¹¹	Voting on All Matters	Distribution of Assets
NF	Yes	Yes	Yes
CF	Yes	Yes	Yes
SF	Yes	Yes	Yes
FI	Yes	Yes	Yes
CoF	Yes	No ¹²	Yes

¹⁰ Report #2, page 36

¹¹ The percent ownership will be determined based upon the percentage dollar contribution as determined on the date of incorporation

Restrictions Regarding a Shareholder Dividend or Community Benefit Policy

A MSC can provide a dividend, or community benefit, to owners on a basis to be determined by the shareholders. As a matter of policy and practicality, the Frontenac MSC will not be in the financial position to distribute until such times as sufficient reserves and/or securities are accumulated to minimize the risk to shareholders. While this option is not a requirement, it is in the interest of the partners to establish the conditions under which such a policy maybe considered.

It shall be the policy of the MSC that no dividend or community benefit will be distributed to the owners unless the following conditions are met:

1. A minimum of seven (7) years from the date of incorporation
2. A statement from the auditing firm appointed by the MSC that that the risk associated with the ownership and management of the communal services has been substantially ameliorated by a combination the accumulation of reserves, insurance, and/or securities
3. A majority vote of the shareholders¹³

Should the above conditions be met, the shareholders will have three options for the use of a community benefit:

Option #1 – Unrestricted Dividend Policy

Community benefit can be used in any manner deemed appropriate to the shareholder municipality.

Option #2 – Restricted Community Benefit Policy

Community benefit can be used in a manner determined by the shareholders in a restricted manner. Potential examples include:

- Pre-engineering and/or feasibility studies for the expansion of services to an un-serviced area or employment lands
- In conjunction with local improvement charges, utilized for the expansion of communal services in a serviced or un-serviced hamlet or subdivision. Such a policy could benefit all residents served by the MSC by expanding the risk pool, increasing density, and decreasing costs for users
- To be utilized for a specific community enhancement project that will benefit the entire region, for example recreation facilities

Under no circumstances will the MSC provide a community benefit that will place the ongoing viability of the MSC in jeopardy.

¹² Report #2, page 39 – Allocated to Lower Tier Municipalities based on weighted assessment on the date of incorporation

¹³ As currently structured, the Township of South Frontenac would have a veto over any the implementation of a dividend/community benefit policy. At the same time, SF plus the affirmative vote of one other municipality would be required in order to approve a policy.

Option #3 – Retained by the MSC for Investment in Projects Approved by the Shareholders

To be utilized in a manner that will support or expand communal services or expand business opportunities.

MSC Duty to the Shareholders

The MSC will at a minimum, provide the shareholders with a detailed financial update at the Annual General Meeting of the Corporation, including a presentation of the audited financial statements of the MSC and the opportunity to question the Auditor.

Within nine (9) months of incorporation, the MSC will present to the shareholders a business plan and five (5) year pro-forma budget to the shareholders for consideration and input. The plan will be revised annually and reviewed with the shareholders.

A majority vote of the shareholders will require a full meeting of the MSC. The vote must state the purpose and general nature of the requirement for the meeting.

The MSC will at all times have in place appropriate levels of insurance that covers the actions and decisions of the corporation and indemnifies the shareholders.

Bankruptcy or Insolvency

The MSC will make every reasonable effort to operate in a manner that will ensure the ongoing viability of the corporate entity and will subject to annual audit opinions provided to the shareholders. As a corporate entity, bankruptcy would not result in any financial obligations accruing the shareholder municipalities.

New MSC Shareholders

The MSC may consider expansion of the shareholders by a two-thirds percentage vote of the shareholders. Such a vote will be supported by a business case study and, if applicable, an asset valuation as described in the Asset Transfer policy, plus a public meeting or meetings as determined by the shareholders.

New shareholders must be a municipal entity.

Should a new shareholder be approved, the shares in the corporation will be recalibrated based upon the weighted assessment on the date of approval, with the County of Frontenac shares being re-calculated accordingly.

Shareholder Withdrawal from the MSC

A municipality wishing to withdraw from the MSC will be required to provide notice to the MSC prior to September 1st in any given calendar year, with an effective date of December 31st of the subsequent year. A 16 month minimum notice period will ensure sufficient time for the MSC and the remaining shareholders to resolve the requisite legal and personnel matters.

Any municipality exercising their option to withdraw from the MSC will not be entitled to any assets of the corporation and will be required to pay their own legal expenses and the MSC.

Dissolving of the MSC

Where the Councils of all shareholder municipalities vote to dissolve the MSC, the non-cash assets of the corporation shall be valued by an independent third party. Each party will be entitled to receive proceeds from the dissolution as follows:

1. Communal Services physical assets located within the boundaries of their municipality
2. Physical assets not related to the direct operation of communal services (e.g., rolling stock, office space, or maintenance operations) will be sold and the proceeds divided based upon the shareholder's ownership stake on the date of dissolution.
 - a. A shareholder may purchase such assets from the MSC for the appraised value. Where more than one shareholder expresses an interest in purchasing the asset, the successful shareholder will be randomly selected
3. Net of all costs required to wind down the MSC, cash assets and liabilities will be divided based upon shareholder value on the date of dissolution.

The parties may agree to appoint a mutually agreeable independent party to handle the disposition of assets for points 2 and 3 above. The costs of the independent party will either be deducted from the assets or apportioned to the shareholder based upon the value of their shares on the date of dissolution.

All parties will be responsible for their own costs related to the dissolution.

Public Input

This document will be posted publicly on the Frontenac public engagement channel (www.engagfrontenac.ca) for a period of sixty (60) days, commencing on May 1, 2022.

Citizens of Frontenac are invited to provide written comments through the engagement site or by attending a virtual public meeting to be held on July 13, 2022.

The social media channels of the partner municipalities may also be utilized to direct individuals to the engagement site or provide notice of the virtual public meeting. Please note that comments received through social media channels will not be considered as part of the public input phase component of the BCS.

Respectfully Submitted

On behalf of the Partner Municipalities